

STAFF REPORT



MEETING DATE:	2/28/12
SUBJECT:	Approve Independent RTPA Transition Plan, Scope of Work and Schedule
AGENDA ITEM:	9
STAFF CONTACT:	Dan Little

SUMMARY:

The RTPA board has approved an independent RTPA directing separation of staff from county offices. A clear understanding of the transition plan scope of work and schedule is needed to effectively meet the board's July 1, 2012, target for completion of the transition.

STAFF RECOMMENDATION:

It is recommended that the board approve the independent RTPA transition plan, scope of work and schedule pursuant to Resolution No. 12-03.

DISCUSSION:

The RTPA board unanimously approved an independent RTPA on January 24, 2012. The corresponding staff report is provided for background. The estimated cost of an independent agency and the July 1, 2012, transition target date was based on a "status quo" working premise. This entails maintaining the same RTPA employees with no changes in compensation. Attached is a list of current RTPA benefits with comparisons to our local jurisdictions and comparable sized RTPAs.

The Independent RTPA Board Subcommittee (consisting of chair Moty, vice-chair Watkins, and past-chair Dickerson) met on February 9 and unanimously recommended approval of the attached transition plan. The subcommittee was divided (2-1) in recommending "status quo" RTPA employees salaries and benefits to the board. Since a unanimous vote could not be reached, it was determined that the issue of salaries and benefits would be discussed in a closed session (see next agenda item).

The attached resolution and transition plan sets forth the scope of work and RTPA board actions needed to achieve a July 1, 2012, transition date. The transition schedule is aggressive with many moving and interrelated parts. The Independent RTPA Board Subcommittee discussed the following major risk factors in meeting the transition schedule:

- Employee stability: Ability to retain RTPA staff or recruit staff during transition
- Union membership: Employee's potential to unionize, triggering negotiations
- "Scope creep": Adding non-essential tasks or changes that complicate the transition

Staff expects to meet the July 1 target date providing these risk factors can be controlled. If the "status quo" premise for RTPA employee compensation can be resolved at this meeting, staff intends to bring several key contacts for RTPA support services to the board for approval at the March 15 meeting. Many of these contracts cannot be negotiated until compensation is

specified. If compensation levels cannot be defined at this meeting, the agreements will need approval at a future special meeting scheduled after March 15.

ALTERNATIVES:

The board may modify or clarify the resolution, scope of work and/or schedule.

OTHER AGENCY INVOLVEMENT:

RTPA staff has received support from the cities and county in developing information for the transition plan.

FINANCING:

Initial vendor quotes for independent RTPA support and insurance services, as well as quotes for "status quo" employee benefits, remain consistent with January projections and show a modest savings in overall operational costs



Daniel S. Little, AICP, Executive Director

Attachments: Resolution Approving Independent RTPA Transition Plan, Work Scope and Schedule
Inventory and Comparison of "Status Quo" RTPA Benefits
"Status Quo" RTPA Job Classifications and Salaries
January 24, 2012, RTPA Staff Report

RESOLUTION



RESOLUTION NUMBER:	12-03
SUBJECT:	Approve Independent RTPA Transition Plan, Scope of Work and Schedule

WHEREAS, the Shasta County Regional Transportation Planning Agency (RTPA) is a legally separate public entity created by state and federal law since 1972; and

WHEREAS, the RTPA distributes an average of \$24.5 million annually in state and federal sources to build and coordinate major road, transit and planning efforts for the benefit of its member jurisdictions: the County of Shasta (county); Redding; Anderson; Shasta Lake and the Redding Area Bus Authority (RABA); and

WHEREAS, RTPA activities are funded entirely with state and federal funds reserved exclusively for planning purposes, including pass-thru planning funds to member jurisdictions; and

WHEREAS, the county has historically provided RTPA staff and support services to carry out RTPA roles and responsibilities under the direction of RTPA bylaws, the RTPA governing board and the RTPA executive director; and

WHEREAS, in August 2011, the county took action to dedicate RTPA staff full-time for exclusive work on RTPA activities; and

WHEREAS, on January 24, 2012, the RTPA board (board) took action, by unanimous vote, to establish an independently-staffed RTPA with RTPA support services provided by means other than through the county; and

WHEREAS, at the January 24, 2012, RTPA meeting, the board set a target date of July 1, 2012, to complete the transition from the county to a fully independent agency, and requested that staff prepare a detailed work plan and schedule to complete said board objective; and

WHEREAS, the board has established an ad-hoc Independent RTPA Board Subcommittee (consisting of the chair, vice-chair, and past-chair) to guide the transition process; and

WHEREAS, it is incumbent on the board to either affirm a "status quo" transition of employee classifications, salaries and benefits, or specify an alternative, as quickly as possible in order to achieve a full transition to an independent RTPA by the July 1, 2012, target date.

NOW, THEREFORE, BE IT RESOLVED that the Shasta County Regional Transportation Planning Agency:

1. Approves the attached "Independent RTPA Transition Plan" which includes a scope of work and schedule; and
2. Directs staff to continue work with the Independent RTPA Board Subcommittee consistent with the attached plan; and
3. Commits to work quickly and definitively to set RTPA employee salaries and benefits in order to keep the transition plan moving forward without delay and achieve the July 1, 2012, target date.

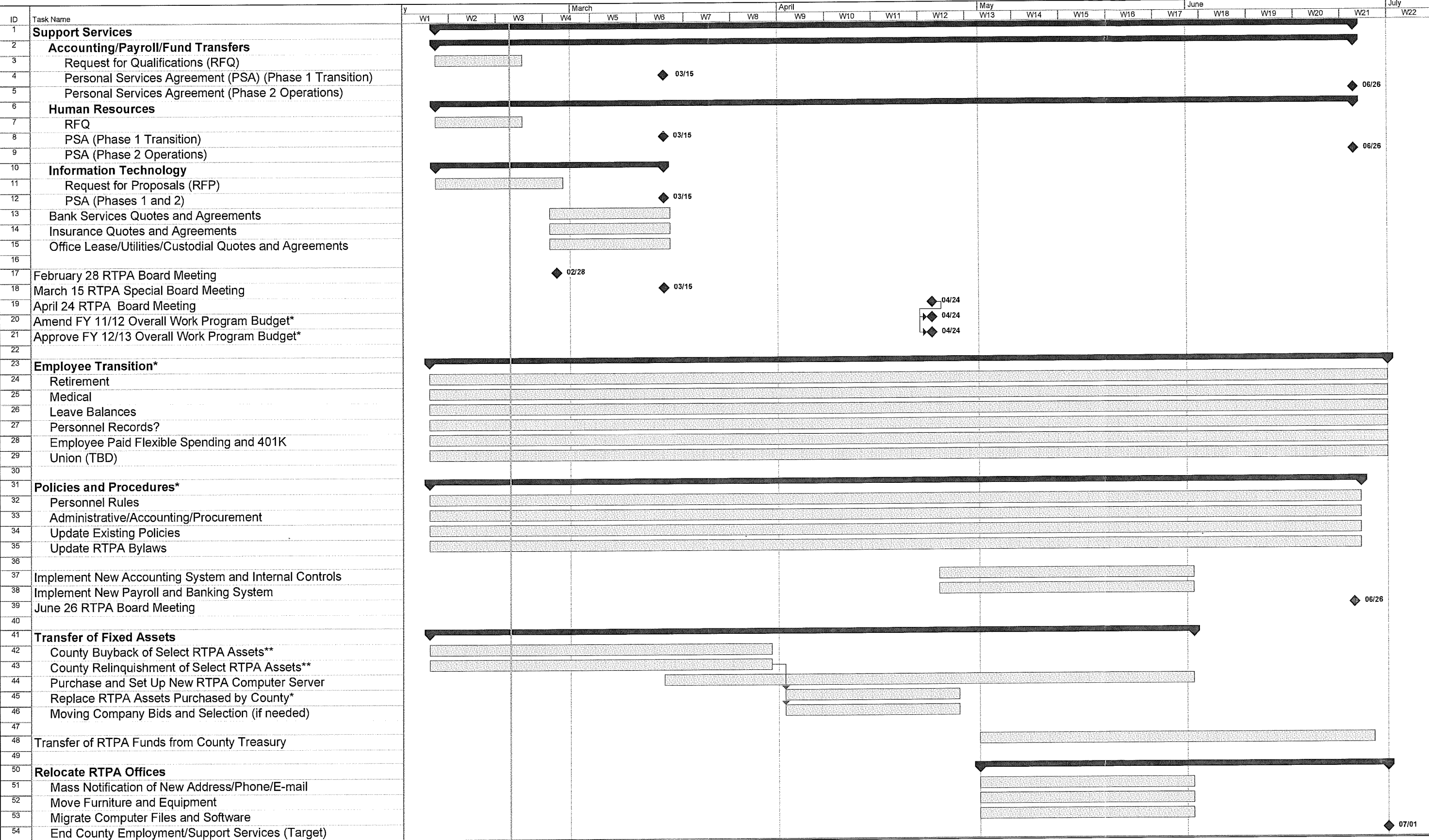
PASSED AND ADOPTED this 28th day of February, 2012, by the Shasta County Regional Transportation Planning Agency.

Leonard Moty, Chair
Shasta County Regional Transportation Planning Agency

Attachment: Independent RTPA Transition Plan

EXHIBIT B: INDEPENDENT RTPA TRANSITION PLAN (July 1, 2012 Target Date)

DRAFT February 6, 2012



* Denotes RTPA Board Approval Needed
** Denotes Board of Supersors Approval Needed

Table 1: Monthly Benefits Summary

Portion Paid by Employer/Employee

Agency/Benefit Type	Retirement	Health Care + Family	Dental	Vision	Retiree/Admin	Life Insurance	Long Term Disability	Retiree Health Care (After 10-ys)
RTPA								
Employer Paid	12.98%	\$ 843.60	\$ 54.97	?	\$ 88.00	?	None	\$ 145.00
Employee Paid	7%	\$ 610.45	\$ 68.36	\$ 10.27	\$ 26.40	?	None	\$ 1,309.05
Total	19.98%	\$ 1,454.05	\$ 123.33	\$ 10.27	\$ 114.40	?	None	\$ 1,454.05
Anderson								
Employer Paid	29.70%	\$ 1,195.17	Included in health care		None	.187 per \$1,000	None	None
Employee Paid	2.27%	\$ 85.83	Included in health care		None	None	None	None
Total	31.97%	\$ 1,281.00						
Redding								
Employer Paid	CalPERS/PARS	\$ 1,385.00	Included in health care		None	.138 per \$1,000	.21 per \$100	\$ 770.00
Employee Paid	22.8%/12.29%	\$ 154.00	Included in health care		None	None		\$ 770.00
Total	35.09%	\$ 1,539.00						\$ 1,540.00
Shasta Lake								
Employer Paid	27.44%	\$ 1,163.98	Included in health care		\$ 2.39	\$ 33.00	None	\$ 663.00
Employee Paid	2%	\$ 290.07	\$ 141.36	\$ 33.50	None	None	None	\$ 763.00
Total	29.44%	\$ 1,454.05	\$ 141.36	\$ 33.50	\$ 2.39	\$ 33.00		\$ 1,426.00
Comparable RTPAS								
Employer Paid	19.14%	\$ 1,117.28	\$ 117.20	\$ 13.80	None	\$ 24.00	\$ 27.33	\$ 108.00
Employee Paid	None	\$ 47.72	\$ 3.46	\$ 5.20	None	None	None	\$ 1,057.00
Total	19.14%	\$ 1,165.00	\$ 120.67	\$ 19.00	None	\$ 24.00	\$ 27.33	\$ 1,165.00

Note: City of Shasta Lake: CalPERS retirement formula: 3%@60.

Note: City of Shasta Lake Life: .33 Per \$1,000 of annual payroll monthly, ie, \$100,000 * .33 = \$33 per month premium. Benefit = 1.5 times Salary up to \$150,000 max.

Note: City of Shasta Lake: Retiree Admin Fee .0036% of employer paid retiree health premium.

Table 2: RTPA Employee Class Specifications

Classification	Salary Range/Mo	Current Rate	Step
Chief Public Works Planner	\$6,070 - \$7,747	\$ 44.70	F
Senior Planner #1	\$5,168 - \$6,596	\$ 38.10	F
Senior Planner #2	\$5,168 - \$6,596	\$ 36.24	E
Associate Planner	\$3,894 - \$4,970	\$ 23.59	B
Accountant Auditor III	\$3,899 - \$4,899	\$ 28.26	F
Assistant Planner	\$3,364 - \$4,293	\$ 21.39	C
Admin. Secretary II	\$2,450 - \$3,127	\$ 18.04	F

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.

A handwritten signature in dark ink, appearing to read 'D. Little', is written over a horizontal line.

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
Table 1: Cost comparison of salaries, benefits, workers compensation and operating expenses					
1	Adopted FY 11/12 RTPA expenses		FY 12/13 RTPA expenses		FY 12/13 budget based on next year's draft OWP.
2			With county support	Independent	
3	4 Salaries, benefits and workers compensation				
5	Salaries	\$ 442,775	\$ 447,545	\$ 447,545	Notes: 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)				
13	Communications (phone/cell service)	\$ 4,000	\$ 4,000	\$ 4,000	All fixed assets currently owned by RTPA.
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	County provides now. If contracted \$800/mo (quote) + software licensing.
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	
19	Audit services (TDA audits)	\$ 12,500	\$ 15,000	\$ 15,000	Currently contracted by RTPA.
20	Legal services	\$ 20,000	\$ 25,000	\$ 25,000	Currently contracted by RTPA.
21	Public notices	\$ 9,500	\$ 9,500	\$ 9,500	
22	*Insurance (D&O, emp practices, gen liab, auto)	(paid by county)	\$ 3,971	\$ 7,500	Compared to similar sized RTPAs.
23	*Support services (accounting/HR/personnel/training)	(paid by county)	\$ 71,017	\$ 45,000	Contract payroll at \$7,500 (quote) and all other support (800hrs@ \$125/hr).
24	*Facilities (rent/utilities/janitorial)	(paid by county)	\$ 33,848	\$ 35,000	Advertised lease avg. @ \$1.12/sf (2,500'). Plus janitorial/utilities.
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 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)	

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).

All fixed assets currently owned by RTPA.

County provides now. If contracted \$800/mo (quote) + software licensing.

Currently contracted by RTPA.

Currently contracted by RTPA.

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.

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	<i>Source: Shasta County</i>					
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? (* 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	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



Citizens for Smart Growth Shasta County
2701 Old Eureka Way Suite 2A
www.ShastaSmartGrowth.org

February 27, 2012

Supervisor Leonard Moty
RTPA Chair
1855 Placer Street
Redding, Ca 96001

Dear Supervisor Moty:

Citizens for Smart Growth wishes to speak to Item #6 and Item #9 for the RTPA Board meeting for February 28, 2012.

#6: We urge the RTPA Board of Directors to empower the Shasta County RTPA to continue adding the sustainable community's strategy, which reduces greenhouse gas emissions from automobiles and light trucks, to its Regional Transportation Plan. We support the "Middle Ground" approach which allows RTPA to maintain the lead role of facilitating the process; with the local agencies having the final approval.

#9: We urge the Board to support the Independent RTPA Transition Plan with the same employees with no compensation changes. This will allow the RTPA employees to continue to fully engage the many tasks it needs to perform with its well qualified employees.

Best regards,

Ron Reece MD
Co-Founder

CC: Daniel S. Little
Executive Director

MINUTE ORDER



**SUBJECT: Status quo for salary and benefits in transition to an independent RTPA.
Use of County personnel rules to guide new RTPA personnel rules.**

STATE OF CALIFORNIA, COUNTY OF SHASTA

The governing board of the Shasta County Regional Transportation Planning Agency met in regular session on the 28th day of February, 2012, at Redding, California. There being present board members: Hawes, Baugh, Dickerson, Watkins, Moty, Jones and Hunt.

By motion made, seconded and carried, the board unanimously voted to:

MAINTAIN STATUS QUO STAFF, SALARIES, AND BENEFITS IN TRANSITION TO AN
INDEPENDENT RTPA, AND TO USE THE COUNTY PERSONNEL RULES TO GUIDE THE NEW
RTPA PERSONNEL RULES

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 February 28, 2012.

IN TESTIMONY WHEREOF, I have hereunto set my hand this 28th day of February, 2012.

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

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