APPROVED MINUTES

SHASTA COUNTY REGIONAL TRANSPORTATION PLANNING AGENCY
Tuesday, May 22, 2012, 4:00 p.m.
City of Shasta Lake Council Chambers,
4488 Red Bluff Avenue, City of Shasta Lake, California

(Note: These minutes are not intended to serve as a transcript or verbatim record of the proceedings of the Shasta County Regional Transportation Planning Agency, but rather as a record of the meeting time, place and attendance; the order and general nature of discussion; board deliberations; and actions taken, if any.)

Board members Dickerson, Jones, Moty, Baugh, Hawes, Watkins and Comnick were present.

1. **Call to Order**
Chair Moty called the meeting to order at 4:01 p.m.

2. **Pledge of Allegiance**

3. **Staff Introductions**

4. **Public Comment Period**
Gracious Palmer welcomed the board and attendees to the new City Council chambers.

Board member Greg Watkins gave the history of the chambers site and how it came to be.

Regular Calendar

5. **Executive Director's Report**
Executive Director Little updated the board on three items:
   - The RTPA, working with the City of Anderson and Caltrans, was able to get the full grant funding for the Deschutes roundabout.
   - The agency's Proposition 84 sustainable communities planning grant application was selected for full funding in the amount of $528,000.
   - The SRTA, through the State Transportation Improvement Program, received funding in the third year of the program for design work for the Interstate 5 Redding to Anderson Six- Lane Project.

6. **Amend Bylaws and Reaffirm Appointment of Executive Director**
Executive Director Little reported that the RTPA sub-committee – Moty, Watkins and Dickerson – met and reviewed all the items on the agenda. With regard to the agency's bylaws, the following changes were noted:

- References to county support functions and those provisions have been eliminated.

- The RTPA board now has full authority of its executive director.

- The term of the chair and vice-chair has been changed from two years to one.

- An audit committee will be established.

By motion made and seconded (Dickerson/Hawes), the amended bylaws passed unanimously.

By motion made and seconded (Baugh/Hawes), the appointment of Dan Little as the executive director was passed unanimously.

7. **Adopt the 2012/13 Overall Work Program (OWP)**

Executive Director Little: The OWP is the agencies annual budget for the next fiscal year beginning July 1. This item does not require a public hearing. The total budget for the OWP, including pass through funds to partner agencies and special studies through consultants, is $1.89 million. This is about a $10,000 difference from what this board approved for the current fiscal year, but does include all support costs previously provided by the county. Overhead costs for an independent agency are below estimates provided earlier by staff.

The Federal Highway Administration (FHWA) has some concerns about pass through money. They want to see cooperative agreements when money is passed through to the cities and county. Therefore, it was agreed to suspend any new activities or new funding until the agreements are into place.

This budget also includes an Indirect Cost Allocation Plan (ICAP), which the agency will use to recoup overhead costs through FHWA funds.

Discussion:

Board member Dickerson: Are we going to enter into agreement with each of the entities to cover all projects, or go project by project?

Executive Director Little: Our intent is a programmatic type of agreement for each of our member agencies. They must be agency by agency; however, one agreement can be done that will cover multiple projects.

Public comment period opened and closed by Chair Moty with no one speaking.

By motion made and seconded (Dickerson/Comnick), the staff recommendation passed unanimously.

8. Approve Job Specifications and Salary Resolution

Executive Director Little: Staff will no longer be county employees effective July 1. Job specifications and a salary plan for the independent SRTA need to be approved by this board. All existing employees will start at the same salary that they currently receive. Differences in the job descriptions are in the positions of accounting, executive assistant and executive director. It's not status quo for the accounting position. The accountant-auditor III staff person is not transitioning with us; therefore, interviews have been held and the new position of senior accountant - confidential is going to be offered to a very well qualified individual. This person exceeds all the job classification requirements in terms of education and experience and is a Certified Public Accountant. The goal is that instead of spending $25,000 for an accountant consultant, as budgeted in the OWP, the new position will perform at a level so as to not need a consultant. We would like to hire this person at a Step F, which is the highest step, and is 5% more pay than the status quo of what the former accountant was being paid. If indeed it is not necessary to enter into a contract with an accounting consultant because of the performance and qualifications of this new position, giving a $25,000 savings to the agency, a proposal to reclassify this position consistent with these higher standards will be provided for board consideration in October.

Discussion:

Board member Baugh had concerns over the 5% raise for the executive assistant and senior accountant, as well as three out of seven positions being confidential.

Chair Moty: It's not just a case of giving more money. It's a case of reclassification of positions. The confidentiality of the position is common with other agencies as well. There is higher liability with a confidential employee.

Chair member Dickerson: We are asking these employees to take on additional responsibilities; which means additional liability if something goes wrong. We are not automatically giving these 5% raises; they have to demonstrate over a period of time that they are capable of performing the additional responsibilities.

Public comment period opened and closed by Chair Moty with no one speaking.

By motion made and seconded (Dickerson/Baugh), the staff recommendation passed unanimously.

9. Approve Employee Medical Insurance Plan with CalPERS

Executive Director Little: Currently SRTA employees receive their medical coverage through the CalPERS program. We're looking to re-enroll as a new agency with CalPERS to have status quo medical benefits. It has identical cost sharing rates as the county. Because we are a new agency, we are able to avoid paying the retiree health benefits for all new employees. Under state law the agency will be subject to the 'minimum requirements'. There was a misconception that CalPERS required 100% of medical insurance be paid for retirees. It's actually 100% of a standard under a state law that requires payment of certain retiree benefits at certain minimum levels. The minimum doesn't go up to 100% of what the total premiums are for the retiree, rather it goes up to 100% of a base amount that is escalated each year, and currently that base is $112 monthly per active employee. Staff is proposing the minimum so as not to bind the agency and provide more flexibility in the future. The agency must pay up to $112 toward premiums for SRTA employees over time. The board is free to pay a higher amount of retiree health premiums if it chooses.

<u>Discussion:</u>
Board member Comnick: How many retirees do we have on the list now?

Executive Director Little: None, because we are a new agency. Past employees are under county retirement not SRTA.

Chair Moty: If you have an active employee and we are paying a higher rate, are we now bound by that to pay that equal amount per retiree regardless of their base amount?

Executive Director Little: No. Staff is recommending the "unequal" option. The active employees do not affect what is paid for retiree health premiums.

Chair Moty: So we are able to negotiate one plan for active employees and a different plan for retirees.

Executive Director Little: Correct.

Public comment period opened and closed by Chair Moty with no one speaking.

By motion made and seconded (Watkins/Jones), the staff recommendation passed unanimously.

10. <u>Approve Human Resources Policies and Procedures</u>

Executive Director Little: Human Resources Policies and Procedures were developed with the SRTA council as well as a consultant. This is a result of the closed session where it was determined that new policies would be based on the existing county personnel policies and procedures. However, not in every case was the exact wording from previous policies used, so items 1-6 discuss the differences.

1. Add two floating holidays; but have the same total amount of holiday days as previously.
2. Allow future board consideration of a cafeteria plan.
3. Service credit as a county employee will transfer to the independent agency.
4. Employer paid medical premiums for retirees is reduced.

5. No employer or employee payment of social security. It takes up to one year for a new public agency to enroll in social security. Staff is recommending no enrollment at this time. Currently the agency pays 6.2% of the employee's salary towards social security. The employee pays about 4.2%. Absent a social security retirement plan for employees, staff recommends that the same 6.2% go towards a retirement account approved by the board; in this case the easiest thing is a deferred comp 457 plan. To satisfy the IRS required minimum of 7.5%, the employee must also contribute at least 1.3%.
6. Limited-term life insurance was added for all staff.

It is proposed that current employee sick leave balances be carried over to the new agency. The exception is that some employees are required to cash out at a certain percentage of their sick balance which will not be eligible for carryover. The employee's current vacation balances are being cashed out. Therefore, vacation leave will not carry over.

It is proposed that existing employees transitioning to the new agency, if they retire with the new agency, be grandfathered in to receive the same retiree benefits that they would if they had stayed with the county under the current policy.

All of these provisions are defined in the attached policies and resolution.

<u>Discussion:</u>
Board member Baugh: Are you suggesting that we consider item #6 (life insurance) today, without time to review it?

Executive Director Little: It is on the consent calendar; however, I wanted to present it first. Under consent, item 12-10 could be pulled from the agenda and discussed.

Board member Baugh: You mentioned during your presentation a slight change in costs for providing this benefit to one employee versus all employees.

Executive Director Little: It is about $400 more annually for an individual policy for the agency versus covering the whole group. (Executive Director Little provided an exhibit detailing the cost differences).

Board member Baugh: I can't figure out why this agency would want to take on the liability/cost for unused sick leave and transfer those balances to a new agency. If I'm an employee and I have one week sick leave and it's being transferred to the new agency, how is that not a cost to the agency?

Executive Director Little: It's not a cost until it's taken, and it might not necessarily be taken. Most employees end up losing a portion of their sick leave.

Board member Baugh: In reality, even though sick leave is not recorded at the time of transfer, it will certainly be a liability upon use.

Consultant Dave Wallace: There is no technical liability because we've made no claim to a federal/state agency for that sick leave. We'll be on a cash basis for sick leave. When we pay that sick leave in the future, we will be reimbursed.

Board member Baugh: Employees transitioning from the county, who retire from the agency, receiving retiree medical benefits under the current formulas. My concern is that it sounds like as an agency up front, we're guaranteeing 100% compensation. And it's not even that way with the county. It always has been and always will be subject to continued negotiations. This sounds like we're giving that a forever guarantee and that is something I cannot support.

Executive Director Little: There are alternatives. The board can always change this formula regardless of what they adopt today. Another option could stipulate that transitioning retirees get the same premium sharing as for active employees at the time they retire, whatever that might be.

Board member Baugh: I have concerns about what the legal ramifications are in this and if we are agreeing up front and eliminating the ability to change if we want to.

Executive Director Little: As proposed, employees that are transitioning to the new agency would be eligible upon retirement for the same agency paid medical premiums currently applicable to active employees.

An option would be to add on a provision that states these benefits are subject to board modification consistent with any future changes in medical benefits; something that explicitly gives the board the flexibility to change the benefits.

Board member Dickerson: It's my belief that everything we're dealing with today, relative to salaries, benefits, policies and procedures, can be subject to further negotiation at any time the board chooses.

Board member Moty: The discussion in the resolution regarding retiree medical premiums is in regard to the current transitioning employees only?

Executive Director Little: Yes. If you were a prior employee to the county and you transitioned to the new agency and subsequently retire with SRTA, then you qualify.

Executive Director Little: Regarding resolution 12-09 of the human resources policies and procedures, changes are being made to item number three titled Retirement Medical Premiums. We added today one clause at the beginning that says "subject to subsequent changes approved by the board". The other change is in the second sentence where it currently says for current employees only, it will say "for any transitioning employees".

By motion made and seconded (Comnick/Dickerson), the staff recommendation passed, with the two noted changes, six to one. (Baugh opposed).

11. Approve Financial and Accounting Policies & Procedures

Executive Director Little: These are our fiscal and accounting policies and procedures. As a new agency we will undergo a detailed audit by the state in this next fiscal year. Also, internal controls are going to be paramount to safeguard against errors or unauthorized expenditures.

Public comment period opened and closed by Chair Moty with no one speaking.

By motion made and seconded (Baugh/Hawes) the staff recommendation passed unanimously.

Consent Calendar

12-1 Minutes of February 28, 2012, RTPA Meeting

12-2 Future Meeting Schedule Through April 2013 - Information Only

12-3 2010 Federal Transportation Improvement Program (FTIP) Amendment #15

12-4 Accept Fiscal and Compliance Audits for the Year Ended June 30, 2011

12-5 Award Audit Contract to Hathaway, Ksenzulak & Lapp, LLP (HKL)

12-6 Approve Office Security Alarm Contract with Bay Alarm Company

12-7 Amendment #1 to Personal Service Agreement (PSA) with Apex Technology Management, Inc.

12-8 Approve Payroll, Workers Compensation Insurance and Personnel Support Services Agreement with Teamwork HR

12-9 Approve RTPA Banking Services with North Valley Bank

12-10 Approve Employee Dental, Vision, Disability and Life Insurance with Guardian Life Insurance Company

12-11 Delegate to Independent RTPA Board Subcommittee Authority to Approve Agency Insurance Provider

12-12 Approve Enrollment in CalPERS Deferred Compensation Program

12-13 Ratify Contract for Phone Service with Utility Telephone

12-14 Correspondence

Chair Moty pulled item 12-12 from the consent calendar.

By motion made and seconded (Hawes/Comnick), the amended consent calendar was unanimously approved.

12-12 Approve Enrollment in CalPERS Deferred Compensation Program

Discussion:

Chair Moty: My concern is that this is a stop gap measure until we make a final decision whether or not to enroll in social security. I just want to make sure that's clear.

Executive Director Little: Yes, and regardless of this stop gap measure, we would still offer a 457 Plan for employee participation on a volunteer basis. Since we have this tool available we will use it to meet the IRS social security alternative requirement.

Chair Moty: So the 6.2% that the employer pays into it may or may not change.

Executive Director Little: Correct – and that would best be addressed through the human resources policies and procedures in the future should our social security status change.

By motion made and seconded (Dickerson/Hawes), item 12-12 passed unanimously.

There being no other business to discuss, chair Moty adjourned the meeting at 5:45 p.m.

Respectfully submitted,

Daniel S. Little, Executive Director

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