



**Santa Cruz County Regional
Transportation Commission
Budget and Administration/Personnel
Committee**

MINUTES

**Thursday, April 11, 2013
3:30 pm**

Santa Cruz County CAO's Conference Room
701 Ocean St., Santa Cruz

The meeting was called to order by Chair Schiffrin at 3:05 pm

Members Present

Commissioner John Leopold Commissioner Alternate Patrick
Mulhearn
Commissioner Greg Caput Commissioner Alternate Andy Schiffrin
Commissioner Eduardo Montesino Commissioner Alternate Virginia Johnson

RTC Staff

George Dondero
Luis Mendez
Yesenia Parra

1. Introductions-Self introductions were made.
2. Additions or changes to consent and regular agenda-None
3. Oral communications

Bruce Holloway, resident of the San Lorenzo Valley, communicated that he discovered some ways to save money on CalPERS payments. CalPERS offers a 3.5% discount if an up-front annual payment is made for retirement benefits instead of making monthly payments throughout the year. This would be a savings of about \$6,000 for the RTC. CalPERS retirement payments include payment for a side fund, which is financed by CalPERS at an interest rate of 7.5 %. The RTC has a side fund of \$277,000 with a remaining term of 18 years. The RTC could finance the side fund differently with a lower interest rate and shorter terms to save money in the long run.

CONSENT AGENDA
(Montesino, Leopold) unanimous

4. Approved minutes of the February 14, 2013 meeting

REGULAR AGENDA

5. Election of 2013 B&A/P Committee chair and vice-chair – oral report

Yesenia Parra, Administrative Services Officer reported that the RTC, at its March 21, 2013 meeting appointed members to the B&A/P Committee and per RTC bylaws a chair and vice-chair need to be elected.

Commissioner Leopold moved and Commissioner Montesino seconded to elect Commission Alternate Schiffrin as Chair. Commissioner Schiffrin accepted the nomination. The motion passed unanimously.

Commission Alternate Johnson moved and Commissioner Montesino seconded to elect Commissioner Leopold as vice-chair. Commissioner Leopold accepted the nomination. The motion passed unanimously.

6. Amendments to the FY2012-13 Budget & Work Program

Deputy Director Luis Mendez reported that the budget and work program amendments are primarily to ensure expenditures for FY2012-13 are correctly allocated in the appropriate budget year. Proposed amendments do not increase or decrease the overall expenditures and revenues for FY 2012-13.

Commissioner Leopold moved and Commissioner Montesino seconded to accept the staff recommendation to approve the amended FY2012-13 Budget and Work Program. The motion passed unanimously

7. Fiscal Year (FY) 2013-14 Revised Proposed Budget

Deputy Director Luis Mendez reported that staff received information regarding a significant reduction in Federal Highway Administration (FHWA) Planning (PL) funds from AMBAG after the Budget and Administration/Personnel Committee had recommended that the RTC approve the proposed FY2013-14 budget. Mr. Mendez noted that traditionally, the RTC received \$240,000 to \$260, 00 FHWA PL funds from AMBAG based on a formula mutually established in a memorandum of understanding (MOU) between AMBAG and the RTPAs. However, AMBAG plans to allocate to the only \$100,000 in FHWA PL funds for FY2013-14, a significant reduction from previous years. Maura Twomey, AMBAG Executive Director, said that AMBAG had been notified by FHWA that distributing PL funds using a formula was not permitted. Mr. Mendez noted that the RTPAs have subsequently established cooperative agreements (CCA) with AMBAG. This cooperative agreement does not guarantee a set amount of

PL funds in the future. He also noted that AMBAG has also requested that the RTC contribute \$57,500 towards the environmental review document for the metropolitan transportation plan. Mr. Mendez said that the proposed revised budget does not include a funding recommendation for the \$57,500 contribution.

Responding to Commissioner questions, Ms. Twomey said that AMBAG's PL funds were being reduced significantly and that PL funds could only be used for programs or projects that meet federal planning priorities. She noted that qualifying criteria had become more stringent. Ms. Twomey also noted that AMBAG reviewed its budget and does not have sufficient funds to cover the EIR and must require the RTPA's to contribute proportionately. Responding to a question, Executive Director George Dondero said that the RTC must complete an EIR to continue to receive state and federal funding for projects identified in the EIR.

Les White, Executive Director of the Santa Cruz Metropolitan Transit District (METRO) said that the budget for METRO had been prepared with the assumption that the TDA allocations were going to be in the amounts specified in the previously proposed FY2013-14 budget. He said that any cuts to TDA allocations would significantly affect transit service.

Commissioners discussed the effect that the last minute FHWA PL funding reduction has on the RTC budget. They discussed the need to have AMBAG continue to fund the EIR, the need to work collaboratively with all jurisdictions and the need to review the RTC workload to determine if any projects should be shifted over to AMBAG.

Peter Scott, Campaign for Sensible Transportation, said that given the SB375 mandates Santa Cruz METRO should be funded at the highest level possible to avoid service disruptions.

Bruce Holloway, resident, said that if the agencies paid their CalPERS retirement bill in full in July, they would receive a discount which could then be used for other needs.

Daniel Dodge, METRO Board Chair, asked the committee to postpone their decision on this budget item to allow jurisdictions to discuss other alternatives.

Commissioner Alternate Mulhearn moved and Commissioner Alternate Johnson seconded to approve staff recommendation to cut the Sacramento Assistant budget line (\$36,000) and use \$60,000 in anticipated FY12-13 Transportation Development Act (TDA) surplus revenues. And to have the RTC Executive Director meet with the METRO Executive Director to find other alternatives to the TDA apportionment reductions.

Commissioner Alternate Schiffrin asked the maker of the motion to modify the motion to: cut the Sacramento Assistant budget line (\$36,000), use as much

of the anticipated FY2012-13 Transportation Development Act (TDA) surplus revenues to meet the FHWA PL funding reduction, keep the TDA apportionment amounts as previously proposed to the B&A/P committee at its February meeting, and, that the METRO General Manager and the RTC Executive Director meet with the AMBAG Executive Director before the fall budget amendment to discuss options for addressing the FHWA PL funding reduction.

The maker and second of the original motion accepted Commissioner Alternate Schiffrin's friendly amendment. The motion passed unanimously.

8. Adjournment

The next Budget and Administration/Personnel Committee meeting is scheduled for Thursday, June 13, 2013 at 3:00 p.m. in the RTC conference room, 1523 Pacific Ave, Santa Cruz, CA

Respectfully submitted,

Yesenia Parra, Administrative Services Officer

ATTENDEES

Les White	SCMTD
Virginia Johnson	Supervisor McPherson's office
Peter Scott	Campaign for Sensible Transportation
Bruce Holloway	Santa Cruz Resident
Daniel Dodge	SCMTD Chair
Rita Goel	TAMC