



Shasta County

Regional Transportation
Planning Agency

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Daniel S. Little, Executive Director

PUBLIC MEETING NOTICE

A special meeting of the Shasta County Regional Transportation Planning Agency (MPO) will be held on **TUESDAY, JANUARY 24, 2012, AT 4:00 P.M.**, or as soon thereafter as is possible, at the **CITY OF REDDING COUNCIL CHAMBERS**, 777 Cypress Avenue, Redding, California.

AGENDA

- ITEM #1 CALL TO ORDER/ROLL CALL
- ITEM #2 PUBLIC COMMENT PERIOD - This is the time set aside for citizens to address the board on items or matters not on the agenda within the jurisdiction of the board. By law, the board cannot take action on matters not on the agenda, but may schedule an item for a future meeting.
- ITEM #3 CONSIDER APPROVAL OF INDEPENDENTLY STAFFED RTPA AND RELATED ACTIONS
- ITEM #4 ADJOURN

Leonard Moty, Chair
Shasta County Regional Transportation
Planning Agency (MPO)

Parties with a disability as provided by the American Disabilities Act who require special accommodations or aides in order to participate in the public meeting should make the request to the RTPA at least 48 hours prior to the meeting.

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.

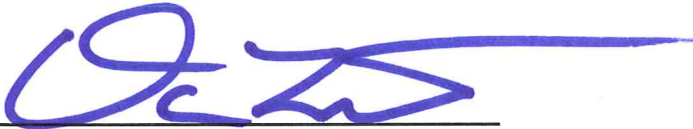
OTHER AGENCY INVOLVEMENT:

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 | |
| 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 (300hrs@\$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 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 | <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? (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 | <i>Based on county model</i> 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 |