



El Cerrito

## AD HOC SUBCOMMITTEE FOR FY 13 DUES & EXPENSES REDUCTION MEETING NOTICE AND AGENDA

Hercules

**DATE & TIME:** Monday, Aug. 27, 2012, 12:00 – 2:00 p.m.

Pinole

**LOCATION:** City of San Pablo, Council Chambers  
13831 San Pablo Avenue (at Church Lane)  
San Pablo, California (Accessible by AC Transit #72 and #72R)

Richmond

The objective of the subcommittee is to investigate ways of reducing the agency's dues and expenses this fiscal year in response to Pinole's request. This is the second meeting of the subcommittee. Subcommittee members include Chair Abelson, Vice-Chair Wilkins, Director Calloway, and Director Swearingen. Staff will present its analysis and recommendations for the subcommittee's approval. (*Christina Atienza – Attachments – Recommended Action: CONSIDER Staff's Analysis and APPROVE Staff's Recommendations for Consideration and Approval by the Full Board*)

San Pablo

Contra Costa  
County

**NOTE:** The public is welcome to attend the subcommittee meeting and address the subcommittee during the appropriate time.

AC Transit

- In compliance with the Americans with Disabilities Act of 1990, if you need special assistance to participate in the WCCTAC Board meeting, or if you need a copy of the agenda and/or agenda packet materials in an alternative format, please contact Valerie Jenkins at 510.215.3217 prior to the meeting.
- If you have special transportation requirements and would like to attend the meeting, please call the phone number above at least 48 hours in advance to make arrangements.
- Handouts provided at the meeting are available upon request and may also be viewed at WCCTAC's offices.
- Please refrain from wearing scented products to the meeting, as there may be attendees susceptible to environmental illnesses. Please also put cellular phones on silent mode during the meeting. A meeting sign-in sheet will be circulated at the meeting. Sign-in is optional.

BART

WestCAT

**West Contra Costa Advisory Committee  
Ad Hoc Subcommittee for FY 13 Dues & Expenses Reduction  
Minutes of August 13, 2012, 1-3 pm Meeting**

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**Members Present:** Janet Abelson, Chair (El Cerrito); William Wilkins, Vice-Chair (Hercules); Roy Swearingen, (Pinole); Genoveva Calloway (San Pablo). Members Absent: None

**Staff Present:** Christina Atienza, Joanna Pallock, Linda Young and Valerie Jenkins

**Location:** San Pablo Council Chambers, 13831 San Pablo Avenue, San Pablo, CA 94806

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**1. Call to Order and Self-Introductions.** *Chair Abelson* called the meeting to order.

**2. Public Comment.** None.

**3. FY 13 Expenses and Dues Reduction**

**ACTION:** The subcommittee directed staff to proceed with efforts to reduce dues and define further what if any impacts a one-time reduction will have on staffing, the work plan and future studies. A follow-up meeting was set for August 27 at noon.

**DISCUSSION:** *Executive Director Christina Atienza* presented the power point on WCCTAC fund sources, possible dues reduction options and staffing. Subcommittee members asked for clarification on several slides including:

Slide #2, *Director Calloway* asked if new employees would qualify for a merit increase. *Ms. Atienza* stated that new people would not qualify for an increase and the Board sets the salary and scale.

Slide # 6, *Chair Abelson* clarified that the Return to Source funds are distributed countywide and are not based on the actual funds collected at the point of source in each jurisdiction. *Ms. Atienza* confirmed that this is the case and it is not a traditional return to source.

Slide #7, *Chair Abelson* noted that the annual budgets are not comparing apples to apples. Some are general fund only and some are general fund and other funds. *Ms. Atienza* noted that this is the case but the purpose of the slide is not to compare vertically, but to show how much each city pays towards dues out of their local funds.

Slide #11, *Ms. Atienza* noted a mistake in the third column of the table, which should read “total compensation 2010-2011”. *Director Swearingen* noted that every agency is reducing. *Ms. Atienza* noted that there have been more cuts at smaller agencies and fewer at bigger agencies. *Director Swearingen* noted that the County is changing and that Pinole has cut six to eight firefighter positions.

*Chair Abelson* asked if there were any public comments. Seeing none, the subcommittee went around the table to discuss the information and issues raised by the presentation.

*Director Calloway* asked for more information on the TDM Reallocation presented in Slide #15. *Ms. Atienza* referred her to Slide #4 to explain how there is a remaining \$40,000 left after three years of allocations from Program 17 (Commute Alternatives) under Measure J. Under the current work plan, these funds are not programmed and staff has not been assigned to perform work related the Commute Alternatives/TDM program.

*Vice-Chair Wilkins* asked if a step is the same as a merit increase. *Ms. Atienza* noted that they are the same and any step increase is performance based. *Vice-Chair Wilkins* asked what is the maximum amount allowed. *Ms. Atienza* stated there is none. *Vice-Chair Wilkins* asked if CCTA has given merit increases over past two years. *Ms. Atienza* stated that the CCTA never stopped the practice of giving merit increases. She also noted that CCTA did not give a COLA increase for one year but added the missed COLA increase to the second year's COLA. In the case of MTC, they have created several new positions to move high performing staff up into higher salary brackets.

*Vice-Chair Wilkins* asked where the remaining funds go? *WCCTAC TDM Coordinator Linda Young* addressed the subcommittee and explained how TDM programs can keep one time savings and develop new programs. *Ms. Atienza* noted that these funds are a good source for matching funds for climate initiative programs that will be coming up in the near future.

*Director Swearingen* explained the City of Pinole's budget and current staffing. Pinole has a \$12 million budget for entire city and WCCTAC has a \$1.2 million budget for four people. He asked to have the Deputy Director position prove that it can pay for itself through grants and dollars brought into WCCTAC. He asked what staffing levels the three other RPTC's had and noted that their agencies are operating with a lot less people and are getting the same benefits.

*Ms. Atienza* stated they are not getting the same benefits and explained the format for each of the other RPTCs. SWAT rotates RTPC responsibilities to the different cities, which cannot be done in West County because the cities are not staffed up to do this. In East County, most of their Measure J money has gone to eBART and the Route 4 extension, which are large capital projects that are being managed by CCTA. TRANSPAC and TRANSPLAN also have a higher number of staff dedicated to 511 Contra Costa, compared to WCCTAC. Finally, she noted that west County's Expenditure Plan has a lot more programs and a lot more claimants than all of the other RTPCs, which require significantly more staff time to administer. *Chair Abelson* added that she did not think any of the other RPTC's even process claims. *Ms. Young* gave a more detailed explanation of the program differences and noted that TRANSPAC/TRANSPLAN agency has eight FTEs.

*Director Swearingen* asked how effective the TDM programs are. *Ms. Atienza* stated that the Air District has cost-effectiveness measures. *Director Swearingen* followed up with questions about the checks and balances on TDM. *Ms. Atienza* stated that the Measure J Expenditure Plan defines the allocation and requires the implementation of TDM. *Ms. Atienza* noted that she plans on providing the Board with more frequent updates on TDM activities. *Director Swearingen* stated that he does not see the results of things being done.

*Director Swearingen* referred to the page 5 in the packet and asked what the Action Plan is. *Ms. Atienza* explained the Growth Management Plan (GMP) is being updated and WCCTAC is the steward of the Action Plan. She used the GMP process to apply to the Appian Way discussions with Pinole and the County.

*Director Calloway* noted that she had to leave at 2:30. *Chair Abelson* asked if a second meeting is needed. *Director Swearingen* said he wanted to get to the bottom line of how a \$3,700 reduction in dues can be created to satisfy his Council members. He concurred that there is a need for a Deputy Director position.

*Director Abelson* asked Ms. Atienza if WCCTAC can live with this proposed reduction in dues. *Ms. Atienza* stated that the Board will have to identify in the work plan what needs to be eliminated if each agency reduces their dues and that changes to the work plan are a Board decision.

*Director Calloway* stated that this has implications and dues reductions is a decision that the Subcommittee was not brought here to make. She said her bottom line is that she agrees with the recommendations in today's presentations; no change in fees, allowing WCCTAC to hire a deputy, and raises and COLA to staff. She added that she felt sorry for Director Swearingen's plight of not having anything to bring back to his Council.

*Director Wilkins* noted that would like to see a \$2,000 dues reduction using the fund balance, and supports merit increases that are limited to 5% per year, hire a Deputy Director and bring this to the full Board.

*Chair Abelson* asked if any of the Board members wants to join any of each other's proposals so at least two people agree to being forward a subcommittee recommendation.

*Director Calloway* noted that a \$2,000 reduction in dues is a one time savings of roughly \$20,000 and next year the Board would have to review this issue again. *Chair Abelson* noted that the Return to Source funds could always be used for paying dues.

*Director Swearingen* asked if the \$2,000 reduction could be done. *Director Calloway* asked if staff could look at fees and see what minimal reduction can be done and bring back a proposal and its impacts.

*Ms. Atienza* asked if the members are seeking a \$3,700 permanent reduction. *Director Swearingen* stated that is what he wants but that he did not hear others make that request. *Chair Abelson* stated nothing could be done forever. *Director Swearingen* concurred that it would need to be reviewed every year.

*Chair Abelson* stated that big projects require initial studies. If there are not funds to staff and manage these studies, forward-reaching planning is not possible. She asked staff to look at how a dues reduction would impact future studies.

A second meeting was scheduled for Monday August 27 at noon.

WCCTAC  
Ad Hoc Subcommittee for  
FY 13 Agency Dues & Expenses

Aug 27, 2012  
Meeting #2

# Recap of Aug 13 Meeting

- Staff Presentation
  - Background
  - Agency Purpose, Source & Amounts of Operating Revenue
  - Measure J Return-to-Source funds & GMP requirements
  - Staff Allocation to General Fund & Restricted Revenue Sources
  - Justification for Deputy Director Position
  - Compensation Comparison
  - General Fund Balance
  - Minor Changes (“Low-Hanging Fruit”)
  - Overall Analysis

# Recap of Aug 13 Meeting (cont'd)

- Subcommittee Discussion
  - Pinole's drastic cuts
  - Support for leveraging limited funding
  - Upper limit on merit increase
  - No desire for major work plan changes
- Subcommittee Direction to Staff
  - Pursue some reduction to dues
    - Use of General Fund Balance
    - Increase Staff Allocation to Measure J Commute Alternatives Program
      - Identify impacts to work plan
    - Other

# Use of General Fund Balance

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The Numbers

Due Diligence

Recommended Reserve Policy

Remaining Amount Available to Offset Dues

# The Numbers

- Current General Fund Balance \$200,000 after netting liabilities
  - Unreserved – can be used for any purpose
- Accumulated since 2008 due to vacancies, savings in consultant costs, belt tightening
- Annual Operating Expenses \$800,000
- Annual Operating Revenues
  - General Fund (Dues) \$455,560
  - TDM Restricted \$345,000 + \$40,000 Unspent

# Due Diligence

- How much of GF balance to save for a rainy day?
- Research Reserve Practices & Policies
  - West County Cities, County, CCTA, Others
  - General Fund Reserve varies
    - 0 to 50%, tied to revenues or expenses, generally 5-15%
    - Policies vary from simple to more complex
    - Designated and Undesignated
- GFOA\* Guidelines
  - General Fund Reserve policy a good idea
  - Define adequate level of reserve based on own circumstances
  - Key Elements of a Good Policy
    - Target Level of Reserves
    - Specific Circumstances for Draw-Down
    - How to Fund/Replenish

*\*Government Finance Officers' Association*

# Recommended Reserve Policy

Type/Purpose/Draw-Down Conditions/ Approval Authority	Amount	Funding/Replenishment
<b>UNDESIGNATED</b>		
Mitigate current & future risks, preserve service levels. Could be helpful for credit rating, useful for if/when STMP rebounds. Use only as directed by Board.	\$120,000 (Equivalent of two months of expenses)	Fund 100% from current GF balance. Replenish in next budget cycle if used, or over time for large draw-downs.
<b>DESIGNATED</b>		
Equipment Replacement - Upgrade computers every 5 to 7 years, as approved by ED.	\$3,600 (GF) \$1,800 (TDM transfer)	Amount is 2-yr accumulation, as budgeted. Fund annually at \$1,800 from GF, \$900 from TDM.
Unused Accumulated Vacation – Use only upon employee separation, as approved by ED.	\$20,000 (approx. amount now)	Fund 100% from current GF balance. Replenish in next budget cycle if used.
Emergency – Use only if needed, as approved by ED.	\$10,000	Fund 100% from current GF balance. Replenish in next budget cycle if used.
<b>TOTAL</b>	<b>\$155,400</b>	



# Staff Reallocation Option

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Background & Objective

Recommended Staff Reallocation

Resulting Dues Savings

# Background & Objective

- TDM Revenue Source
  - Measure J Commute Alternatives Program
  - Set allocation per year
  - \$40,000 unspent – “money on the table”
  - Can be used for staff compensation, incentives, local match
  - Restricted to promotion of commute alternatives
- Minor reallocation of staff time from General Fund to TDM to avoid changing the FY 13 work plan

# Recommended Staff Reallocation

Staff/Compensation	ORIGINAL		AMENDED	
	General Fund	TDM/Other	General Fund	TDM/Other
Executive Director	0.80	0.20	0.80	0.20
Deputy Director	0.80	0.20	<u>0.75</u>	<u>0.25</u>
Project Manager – P/T	0.50	0.16	<u>0.46</u>	<u>0.20</u>
TDM Program Manager	0.00	1.00	0.00	1.00
Administrative Clerk	0.05	0.95	0.05	0.95
<b>Total FTEs</b>	<b>2.15</b>	<b>2.51</b>	<b>2.06</b>	<b>2.60</b>
Salary & Benefits	\$334,566	\$286,901	\$322,175	\$299,292
Change from Original			(\$12,391)	\$12,391

# Resulting Dues Savings

- \$12,391 total available to offset dues
  - \$1,128 for each except Richmond
  - \$3,370 for Richmond
- Note that this has no net effect on the total budget

# Clarifications, Summary, Recommendations

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# Clarifications

- Three sources identified to offset FY 13 dues by total of 14%
  - General Fund Balance \$44,600
    - Revenue-increasing
    - One-time
  - Elimination of Contingency Budget upon approval of Reserve Policy \$10,000
    - Expense-decreasing
    - Permanent
  - Reallocation of Staff Time \$12,391
    - Expense-decreasing
    - Carry forward until situation changes
  - Biggest reduction - \$44,600 – will not be available to offset dues next year
- Not feasible to decrease dues on “permanent” basis
  - Cost factors outside of Agency control – Board should discuss when appropriate
  - Can “permanently” change budgeting method, as above
  - JPA specifies annual calculation of dues based on needs

# Summary

<b>Member</b>	<b>Original Dues</b>	<b>GF Balance</b>	<b>Contin-gency</b>	<b>Realloca-tion</b>	<b>Total Redux</b>	<b>Amended Dues</b>
El Cerrito	\$42,772	(\$4,059)	(\$910)	(\$1,128)	<b>(\$6,097)</b>	\$36,675
Hercules	\$42,772	(\$4,059)	(\$910)	(\$1,128)	<b>(\$6,097)</b>	\$36,675
Pinole	\$42,772	(\$4,059)	(\$910)	(\$1,128)	<b>(\$6,097)</b>	\$36,675
Richmond	\$127,844	(\$12,131)	(\$2,720)	(\$3,370)	<b>(\$18,221)</b>	\$109,624
San Pablo	\$42,772	(\$4,059)	(\$910)	(\$1,128)	<b>(\$6,097)</b>	\$36,675
County	\$42,772	(\$4,059)	(\$910)	(\$1,128)	<b>(\$6,097)</b>	\$36,675
AC Transit	\$42,772	(\$4,059)	(\$910)	(\$1,128)	<b>(\$6,097)</b>	\$36,675
BART	\$42,772	(\$4,059)	(\$910)	(\$1,128)	<b>(\$6,097)</b>	\$36,675
WestCAT	\$28,212	(\$4,059)	(\$910)	(\$1,128)	<b>(\$6,097)</b>	\$22,115
<b>Total</b>	\$455,460	(\$44,603)	(\$10,000)	(\$12,394)	<b>(\$66,997)</b>	\$388,464

# Recommendations

- Forward to full Board for approval
  - Reserve Policy as outlined in previous slides
  - Reduce FY 13 dues by 14% across all members by:
    - Use of General Fund Balance
    - Elimination of Contingency
    - Minor Reallocation of Staff Time to TDM Revenue Sources
- Forward to full Board to ratify
  - Authorization for Deputy Director position
  - Authorization for COLA & merit-based increases in FY 13
  - Continue practice of determining dues on annual basis as provided for in JPA
- Staff to provide amended FY 13 budget consistent with above
- Each city should approve or ratify use of Measure J Return-to-Source funding to pay for the dues