

AGENDA

**TRANSPORTATION AGENCY FOR MONTEREY COUNTY
SERVICE AUTHORITY FOR FREEWAYS EMERGENCIES
AND
MONTEREY COUNTY REGIONAL DEVELOPMENT
IMPACT FEE
JOINT POWERS AGENCY
EXECUTIVE COMMITTEE**

*Members are: Maria Orozco (Chair),
Simon Salinas (1st Vice Chair), Jerry Edelen (2nd Vice Chair),
Lou Calcagno (Past Chair),
Jane Parker (County representative), Kimbley Craig (City representative)*

**Wednesday, June 1, 2011
TAMC Conference Room
55-B Plaza Circle, Salinas**

*****9:00 a.m.*****

Complete agenda packets are on display at the Transportation Agency for Monterey County office and at these public libraries: Carmel, Monterey, Salinas Steinbeck Branch, Seaside, Prunedale, and King City. Any person who has a question concerning an item on this agenda may call the Agency Secretary to make inquiry concerning the nature of the item described on the agenda. Please recycle this agenda.

- 1. ROLL CALL:** *Call to order and self-introductions. If you are unable to attend, please contact Elouise Rodriguez, Senior Administrative Assistant. Your courtesy to the other members to assure a quorum is appreciated.*
- 2. PUBLIC COMMENTS:** Any member of the public may address the Committee on any item not on the agenda but within the jurisdiction of Transportation Agency and Executive Committee. Comments on items on today's agenda may be given when that agenda item is discussed.

BEGINNING OF CONSENT AGENDA: Approve the staff recommendations for items **3.1 - 3.2** below by majority vote with one motion. Any member may pull an item off the Consent Agenda to be moved to the end of the **CONSENT AGENDA** for discussion and action.

- 3.1 APPROVE** enclosed minutes from the Executive Committee meeting of May 4, 2011. – Rodriguez **Pages 4 - 7**
- 3.2 RECOMMEND** that the Transportation Agency for Monterey County adopt Governmental Accounting Standards Board Statement No. 54: Fund Balance Reporting and Governmental Fund Type Definitions, effective for Fiscal Year 2010-11. –Goel **Pages 8 - 10**

END OF CONSENT AGENDA

- 4. DISCUSS & PROVIDE** direction to staff on the Strategic Planning Session follow up. –Hale **No Enclosures**
- 5. DISCUSS & RECOMMEND** that the Board **APPROVE** revisions to Agency Bylaws. – Goel **Pages 11 - 12**
- 6. PROVIDE** direction on continuing Agreement with County Counsel for legal services for the Transportation Agency for Monterey County. – Goel **Pages 13 - 14**
- 7. RECEIVE** report on draft agenda for TAMC Board meeting of June 22, 2011. – Hale **(Handout)**
- 8. ADJOURNMENT.**

**Next Executive Committee meeting is:
Wednesday, August 3, 2011
Please mark your calendars.**

Documents relating to an item on the open session that are distributed to the Committee less than 72 hours prior to the meeting shall be available for public inspection at the office of the Transportation Agency for Monterey County, 55-B Plaza Circle, Salinas, CA. Documents distributed to the Committee at the meeting by staff will be available at the meeting; documents distributed to the Committee by members of the public shall be made available after the meeting.

Transportation Agency for Monterey County
55-B Plaza Circle, Salinas, CA 93901-2902
Monday thru Friday
8:00 a.m. – 5:00 p.m.
TEL: 831-775-0903
FAX: 831-775-0897

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DRAFT MINUTES

**TRANSPORTATION AGENCY FOR MONTEREY COUNTY
SERVICE AUTHORITY FOR FREEWAYS EMERGENCIES AND MONTEREY
COUNTY REGIONAL DEVELOPMENT IMPACT FEE
JOINT POWERS AGENCY
EXECUTIVE COMMITTEE MEETING**

*Members are: Maria Orozco (Chair),
Simón Salinas (1st Vice Chair), Jerry Edelen (2nd Vice Chair),
Lou Calcagno (Past Chair), Jane Parker (County representative),
Kimbley Craig (City representative)*

Wednesday, May 4, 2011

***** 9:00 a.m.*****

Transportation Agency Conference Room
55-B Plaza Circle, Salinas

1. **CALL TO ORDER:** Chair Orozco called the meeting to order at 9:00 a.m. Board members present: Craig, Calcagno, Edelen, Orozco, Parker and Salinas. Staff present: Bachman, Cook, Goel, Rodriguez, and Zeller. Others present: Rob Russell, City of Salinas and Hunter Harvath, Monterey-Salinas Transit.
2. **PUBLIC COMMENTS:** None

3. **CONSENT AGENDA**

On a motion by Board member Parker and second by Board member Salinas the committee voted 6 – 0 to approve consent item 3.1 – 3.2 as follows:

- 3.1 **APPROVED** enclosed minutes from the Executive Committee meeting of April 6, 2011.
- 3.2 **APPROVED** Out-of-state travel for Todd Muck, Principal Transportation Planner, to attend the New Affiliate Orientation for Independent Transportation Network America, with financial assistance from independent Transportation Network Monterey County.

END OF CONSENT

4. **RECOMMENDED** that the Board approve resolution 2011-07 adopting the fiscal year 11/12 budget and work program and estimated budgets for fiscal year 12/13 and 13/14.

On a motion by Board member Salinas and second by Board member Edelen the committee voted 6 – 0 to recommend that the Board approve Resolution 2011-07 adopting the fiscal year 11/12 budget and work program and estimated budgets for fiscal years 12/13 and 13/14.

On a motion by Board member Salinas and second by Board member Parker the committee voted 5 – 1 to recommend that the Board approve allowing AMBAG to program \$39,534 in Federal Planning funds to conduct a Household Travel Survey.
Board member Calcagno opposed.

Don Bachman, Deputy Executive Director, introduced the fiscal year 11/12 budget and work program. He noted that the budget comes in two-parts; the final budget and the overall work program. Rita Goel, Director of Finance and Administration, reported the Agency budget separates expenditures into two types: operating and direct program. Operating expenditures include staff salaries and benefits, materials and supplies, and equipment purchases. Direct program expenditures include outside consultants, contracts, expenditures that apply to specific work program tasks such as rail program, highway projects, bicycle and pedestrian program etc. She noted that the changes reflect the latest information on revenues and expenditures.

Mr. Bachman reported that staff has received information that the current year Federal planning funds has changed adding an additional \$39,534 to the current budget. Mike Zeller, Associate Transportation Planner, reported AMBAG has requested that the unexpected federal funds be allocated for their Household Travel Survey. He noted that the Santa Cruz County Regional Transportation Commission would also be allocating their share of \$33,939 to AMBAG's survey calibrate model. This model was last updated in 2002.

Board member Edelen commented that we have a large priority project list and the survey would add more projects to the list. He noted that we should defer the survey and get priority projects done now. Mr. Bachman replied that the funds couldn't be used for capital projects, but would improve the quality of the model, which is used for transportation planning.

Board member Calcagno noted that he does not support allocating the funds to AMBAG, noting we are stacking government on top of government.

Public comment:

Hunter Harvath, MST, requested an "Emergency Loan" in the amount of \$1-million on behalf of General Manager Carl Sedoryk. He noted that the Federal Transit Administration has put a hold on \$3 million of operating assistance funds, which are used for MST's payroll. Director Bachman reported that we could loan MST the funds from the Regional Surface Transportation funds, noting we have \$8-9 million on hold for projects including the San Juan interchange project.

Board member Calcagno asked when the funds would be paid back to TAMC. Mr. Hunter noted that the funds are expected to be released to MST a day or two after June payroll, and MST would pay back the Agency. He noted this is something beyond their control.

On a motion by Board member Salinas and second by Board member Craig the committee voted 6 – 0 to recommend that the Board approve a \$1 million dollar loan from RSTP funds to MST and requested that Agency staff secure the loan with future 2011-12 Transportation Development Act allocations.

5. **RECOMMENDED** that the Board approve minor revisions to Agency Bylaws.

On a motion by Board member Salinas and second by Board member Parker the committee voted 6 – 0 to recommend that the Board approve minor revisions to Agency bylaws including changing the election of officers to take place every year in January at the beginning of the Agency's meeting.

Rita Goel, Director of Finance & Administration, reported that the Transportation Agency is proposing to update its Bylaws. She noted that there are two minor changes added; the City of Watsonville as an ex-officio member and the language designating Monterey Salinas Transit's Mobility Advisory Committee as Monterey County's Social Services Transportation Advisory Council.

Andy Cook, Associate Transportation Planner, noted that the Transportation Agency for Monterey County has maintained Social Services Transportation Advisory Council, the main purpose of which is to advise the Board on unmet transit needs in Monterey County. In 2006, the Agency designated Monterey Salinas Transit as the County's Consolidated Transportation Services Agency to coordinate transportation for the elderly, persons with disabilities and other transit-dependent groups. Since that time, Monterey Salinas Transit has staffed that agency and established a Mobility Advisory Committee, the membership and function of which overlaps the Social Services Transportation Advisory Council. As of FY 2011-12, the Monterey Salinas Transit District will also be the only public transit operator and claimant for Transportation Development Act funds for transit in Monterey County.

Agency Counsel Blankenship requested that the election of officers be changed to take place at the beginning of the December meeting. Board member Calcagno requested that the election be held at the start of the January meeting.

6. **RECEIVED** report on unmet transit needs evaluated for Fiscal Year 2011-12.

On a motion by Board member Edelen and second by Board member Salinas the committee voted 6 – 0 to receive the report on unmet transit needs evaluated for fiscal year 2011-12.

Andy Cook, Associate Transportation Planner, reported State law requires that the Transportation Agency identify any reasonable unmet transit needs prior to allocating Local Transportation Funds for public transit. Of the needs identified, staff has determined that additional Castroville service, which would adjust two MST Line 73 trips to connect Castroville with surrounding residential areas and North Monterey County High School would be reasonable to meet pending additional funding through increased Local Transportation Fund revenues or other sources, and continued availability of Line 73 service funded by the Department of Defense.

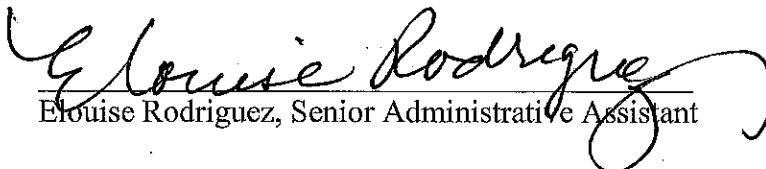
7. **RECEIVED** report on draft agenda for TAMC Board meeting of May 25, 2011.

Deputy Executive Director Bachman reviewed the May 25, 2011 draft agenda. He reported that the primary item on the agenda is the Strategic Planning Session, noting the session will start at 9:00 a.m., and conclude at noon. He noted that the emergency loan request from MST would be added to the regular agenda. Director Bachman highlighted the topics on the consent agenda; he noted that the Board would be asked to adopt the fiscal year 11/12 budget and work program and estimated budgets for fiscal years 12/13 and 13/14. The Board would also be asked to support AMBAG's grant application for Household Travel Survey.

8. **ADJOURNMENT**

Chair Orozco adjourned the meeting at 10:17 a.m.

Respectfully Submitted,


Eloise Rodriguez, Senior Administrative Assistant



Memorandum

To: Executive Committee

From: Rita Goel, Director of Finance & Administration

Meeting Date: June 1, 2011

Subject: **GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB)
STATEMENT NO. 54**

RECOMMENDED ACTION:

RECOMMEND that the Transportation Agency for Monterey County adopt Governmental Accounting Standards Board Statement No. 54: Fund Balance Reporting and Governmental Fund Type Definitions, effective for Fiscal Year 2010-11.

SUMMARY:

Governmental Accounting Standards Board Statement No. 54: Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54) established new categories and classifications to define fund balance components. The new categories emphasize the extent to which a government is bound to honor constraints and the purposes for which amounts can be spent. In order to continue receiving unqualified audit opinions, the Transportation Agency for Monterey County's financial statements must be prepared in accordance with GASB 54 beginning in FY 2010-11.

FINANCIAL IMPACT:

There is no direct fiscal impact of implementing GASB Statement No. 54. The amounts reported as the total fund balance in any given fund are not altered. Only the reporting of the individual components that make up total fund balance are changed. These new classifications are required to be used on external formal financial reporting documents such as audits.

DISCUSSION:

Governmental Accounting Standards Board is the acknowledged authoritative body in setting Generally Accepted Accounting Principles (GAAP). In order to receive an unqualified audit opinion, financial statements must be prepared in accordance with GAAP to maintain and insure the integrity of the Agency's accounting and financial reporting. The effective date for compliance with GASB 54 is FY 2010-11. GASB 54 provides categories and classifications for reporting governmental fund balances and is intended to improve fiscal transparency.

Fund balance is an important measure that represents the difference between a fund's assets and liabilities. The overall objective of fund balance reporting is to isolate that portion of fund balance, classified as working capital, that is available to support the following fiscal year budget or held for spending in future years.

To improve the reporting of fund balances, fund type classifications have been created by GASB to provide users and the public with more consistent and transparent information about a government's net available resources. This is accomplished by establishing fund balance categories and classifications that are easier for users and the public to understand and eliminates some prior terminology. However, the total amount reported as fund balance remains unchanged. The new categories emphasize the extent to which a government is bound to honor constraints on expenditures and the purposes for which amounts can be spent.

Staff and our auditor recommend the Board approve the designations of the fund balances as attached.

Staff is also recommending that the informal practice of setting aside a reserve equivalent to 25 % (three months) of budgeted operating expenditures be changed to 50% (six months) and be formally adopted. This reserve will be set aside each fiscal year from the unassigned fund balance for 6 months of budgeted operating expenditures for cash flow purposes.

Approved by: _____ Date _____
Debra L. Hale, Executive Director

Consent Agenda
Attachment 1. GASB 54 Fund Balance Designations

Counsel review N/A

GASB 54 Fund Balance Designations

GASB 54 establishes five fund balance classifications as described below:

Non-Spendable: Inherently non-spendable. Examples are inventories, pre-paid amounts and long-term receivables that will not be converted to cash in the near future.

Restricted: Externally enforceable limitations on use. Examples are grant funds; trust funds; and donations conditioned on their use for specific programs, purposes, or activities.

Committed: Self imposed limitations on use. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use through the same type of formal action taken to establish the commitment. An example is Other Post Employment Benefits.

Assigned: Limitation resulting from intended use. An example is Capital Expenditures.

Unassigned: Residual net resources.

Not all governments have all five components of fund balance.

The following fund balance classifications are being recommended for the Transportation Agency for Monterey County:

Non-Spendable: Prepaid Expenditures

Restricted: Freeway Service Patrol & Service Authority for Freeways & Expressways

Committed: Other Post Employment Benefits

Assigned: Railroad Leases, Reserves for sick/vacation, Capital Expenditures

Unassigned: All others



Memorandum

To: Executive Committee
From: Rita Goel, Director of Finance & Administration
Meeting Date: June 01, 2011
Subject: Bylaws Revision

RECOMMENDED ACTION:

DISCUSS and RECOMMEND that the Board **APPROVE** revisions to Agency Bylaws.

SUMMARY:

The Transportation Agency is proposing to update its Bylaws.

FINANCIAL IMPACT:

None

DISCUSSION:

The Transportation Agency Bylaws have been revised several times over the years. The Bylaws underwent a comprehensive review and update in October 2007. The Executive Committee at its May 2011 meeting discussed changes outlined below. However, staff is requesting that the Executive Committee discuss the implications of changing the election of officers to January again (Section 8.1).

Ex-Officio Membership-Section 5.2.1

This section is updated to add the City of Watsonville as an ex-officio member of the Agency in addition to the Association of Monterey Bay Area Governments, Caltrans, the Monterey Bay Unified Air Pollution Control District, Monterey-Salinas Transit and Monterey Peninsula Airport District. The City of Watsonville had requested to become an ex-officio member 12-13 years ago but was never listed in the Bylaws and had not attended any meeting for the past 8-10 years. Staff had recommended deleting them off the agendas and website in 2009. The City of Watsonville has again requested that they be added as an ex-officio member. As a result the Bylaws need to be updated.

Officers-Section 8.1

At its May meeting, the Executive Committee recommended that the election of officers be changed from the close of the Agency’s December meeting to the beginning of the Agency’s January meeting as this would permit newly elected and sworn officials appointed to the Agency Board to participate in the election process. After further discussion, staff feels it would be better to still hold the election of officers in December as changing to January would cause the January Executive Committee meeting to be attended by outgoing officers. Counsel has recommended that the Bylaws be changed to hold the election during the December meeting, with the commencement of office occurring at the conclusion of the December Board meeting. Staff seeks additional direction on this item.

Committees-Section 12.2

This section has been deleted and language designating Monterey Salinas Transit’s Mobility Advisory Committee as Monterey County’s Social Services Transportation Advisory Council has been added as Section 12.7.

Transportation Agency for Monterey County has maintained a Social Services Transportation Advisory Council, the main purpose of which is to advise the Board on unmet transit needs in Monterey County. In 2006, the Agency designated Monterey Salinas Transit as the County’s Consolidated Transportation Services Agency to coordinate transportation for the elderly, persons with disabilities and other transit-dependent groups. Since that time, Monterey Salinas Transit has staffed that agency and established a Mobility Advisory Committee, the membership and function of which overlaps the Social Services Transportation Advisory Council. As of FY 2011-12, the Monterey Salinas Transit District will also be the only public transit operator and claimant for Transportation Development Act funds for transit in Monterey County.

At the Social Services Transportation Advisory Council’s request, the Agency has been coordinating with Monterey Salinas Transit to merge the two committees and designate the Mobility Advisory Committee as the Social Services Transportation Advisory Council for Monterey County. The Transportation Agency Board still needs to annually adopt a finding on unmet transit needs, but it can consult with the Mobility Advisory Committee as the Social Services Transportation Advisory Council. Staff has contacted Caltrans’ Transportation Development Act oversight staff about this proposal – they did not identify any issue with merging the two committees or designating Monterey Salinas Transit’s committee as the Social Services Transportation Advisory Council.

Agency Counsel has done a review of the Bylaws revisions.

Approved by: _____
Debra L. Hale, Executive Director

Date signed: _____

Regular Agenda

Counsel Review __Yes__



Memorandum

To: Executive Committee

From: Rita Goel, Director of Finance & Administration

Meeting Date: June 1, 2011

Subject: **AGREEMENT FOR LEGAL SERVICES**

RECOMMENDED ACTION:

PROVIDE direction on continuing Agreement with County Counsel for legal services for the Transportation Agency for Monterey County.

SUMMARY:

The Transportation Agency for Monterey County currently has an agreement with the County of Monterey to provide legal services to the Agency Board. The current County Counsel assigned to the Agency is Lee Blankenship, who is retiring from the County of Monterey at the end of June 2011. In order to best provide the Agency with legal services, staff is proposing to continue the agreement with the County of Monterey and use the services of Lee Blankenship as a retired annuitant.

FINANCIAL IMPACT:

The annual cost for legal services to the Agency has been approximately \$25,000 to \$36,000. There are sufficient funds in the budget to cover this cost. The number of hours per year would be between 120-170 hours.

DISCUSSION:

Since the inception of the Transportation Agency for Monterey County, legal counsel has always been provided by County Counsel. County Counsel legal rates are comparable to or lower than most law firms. Continuing the agreement with the County has several other advantages. The Agency would continue to receive the expertise of the current counsel and other county staff. The

County would not lose revenue and would also be able to provide a back-up attorney if needed. The Agency itself would not need to make any change to the current agreement and staff will experience no change. The alternatives would be to contract with Mr. Blankenship through a separate professional services agreement, or to contract for legal services with another private firm.

Based on the excellent service provided to date by County Counsel, the competitive rates, and other advantages listed, staff recommends that the Agency continue to contract with County Counsel for legal services, relying primarily on the services of Lee Blankenship as a retired annuitant. County Counsel Charles McKee is supportive of this arrangement.

Approved by: _____ Date _____
Debra L. Hale, Executive Director

Regular Agenda

Counsel review __Yes____