



MINUTES OF MEETING March 16, 2016

A meeting of the Nevada County Transportation Commission (NCTC) was held on Wednesday, March 16, 2016 in the Nevada County Board of Supervisors Chambers, 950 Maidu Avenue, Nevada City, California. The meeting was scheduled for 9:30 a.m.

Members Present: Terri Andersen, Nate Beason, Carolyn Wallace Dee, Jason Fouyer, Ann Guerra, Larry Jostes, and Ed Scofield

Staff Present: Daniel Landon, Executive Director; Mike Woodman, Transportation Planner; Nancy Holman, Administrative Services Officer; Toni Perry, Administrative Assistant; Dale Sayles, newly hired Administrative Services Officer

Standing Orders: Chairman Jostes convened the Nevada County Transportation Commission meeting at 9:55 a.m.

Pledge of Allegiance

PUBLIC COMMENT

Commissioner Dee noted that a California Highway Patrol Officer was killed that past weekend in the line of duty on I-80 and she asked that the Commission take a moment to recognize his contribution and to recognize all the safety officers that put their lives on the line every day and to thank them.

Resident Matthew Coulter mentioned his concern for the amount of trash along the roadways. He said that Waste Management made a valiant effort on Brunswick Road picking up 24 cubic yards of trash. He noted they would like help from the community, as well as the elected officials, to notify people to close the lids on their trash cans so they do not get filled with water and cost twice as much to dump when they are heavy. He said it will keep down the amount of trash to dump per person. Mr. Coulter said the pot holes in the area have grown and when he brings it up the answer he gets is they are getting ready to resurface. He thought that emergency pot hole filling is needed and not to wait until the complete resurfacing. He noted that pedestrian death statistics from the National Transportation Safety Board are up 10% in the last year; drivers deaths up 8% in the last year. He thought it could be cell phone related, but the report did not say for sure. Mr. Coulter thought it important to maintain the projects that are already built, as well as the new projects going in, especially those that are bicycle related. He stated a lot of people commute by bicycle on the Ridge Road bike lanes, the poor and professional alike, and he thought it is a very important commuting route from the Sierra College area to all of the businesses along Sierra College, as well as getting people connected from Grass Valley to Nevada City. He noted that Alta Street is nice now for bicyclists to connect to Ridge Road. Mr. Coulter stated the bike lanes on Ridge Road are full of glass, rocks, sticks, and debris, so

basically they are unusable. He said the two foot bike lane is great for safety but they cannot be ridden on. He thanked the Commission for the opportunity to comment.

Commissioner Beason replied that Mr. Coulter made a good point about Brunswick Road. There has been a lot of focus on McCourtney Road with trash issues, but Brunswick Road has become a problem. He stated that Brunswick Road is a function of the County of Nevada, City of Grass Valley, and Waste Management, and there is a group that has adopted a stretch of the roadway. Commissioner Beason stated the County Public Works Department is working with Waste Management to get some clean up, but they have to come up with a permanent regular solution. He said that stretch from the basin almost up to Loma Rica Drive is the City of Grass Valley's responsibility that was annexed several years ago and the county has from northwest of Loma Rica Drive all the way out to the "Y" intersection on Brunswick Road. He said Caltrans has the SR 174 corridor. Commissioner Beason stated there needs to be a better coordination job on that entire area and he noted to Mr. Coulter that there is effort going into making that happen. He said Board of Supervisor Dan Miller would be speaking with Grass Valley Mayor Jason Fouyer about how to work together on cleaning up Brunswick Road. Commissioner Beason asked if anyone had ever thought about an "Adopt a Bike Lane" program and he suggested that maybe some bicycle groups might want to do that.

Chairman Jostes asked, for his own clarification, who manages and encourages and coordinates the "Adopt a Highway" program. Commissioner Beason asked if he meant locally on county roads, and if so, the County of Nevada provides safety vests and bags for the people who want to pick up trash. Executive Director Landon replied Caltrans manages the program on state routes.

CONSENT ITEMS

1. Financial Reports

December 2015 and January 2016. *Approved.*

2. NCTC Minutes

January 20, 2016 NCTC Meeting Minutes. *Approved.*

3. Revised Findings of Apportionment for FY 2015/16 and Preliminary Findings of FY 2016/17. *Adopted Resolution 16-04 approving the Revised Findings of Apportionment for FY 2015/16, and adopted Resolution 16-05 approving the Preliminary Findings of Apportionment for FY 2016/17.*

4. FTA Section 5311 FFY 2016 Program of Projects. *Adopted Resolution 16-06 approving the Federal Fiscal Year 2016 Program of Projects and authorized the Executive Director to sign the Certifications and Assurances of the Regional Transportation Planning Agency on behalf of NCTC.*

5. Low Carbon Transit Operations Program (LCTOP) Project Nomination and Allocation Request and Execution of the Certifications and Assurances and Authorized Agent Forms. *Adopted Resolution 16-07 authorizing NCTC to submit a LCTOP grant application for the 2015/16 LCTOP grant cycle; and adopted Resolution 16-08 authorizing the Executive Director to execute the Certifications, Assurances, and Authorized Agent Forms.*

6. Enrollment in the Special District Risk Management Authority's Health Benefits Program. *Adopted Resolution 16-09 authorizing the execution of a Memorandum of Understanding and authorizing participation in the Special District Risk Management Authority's Health Benefits Program.*

Commissioner Dee made a motion to adopt the Consent Calendar. Commissioner Guerra seconded the motion. The motion passed unanimously with Aye votes from Commissioners Andersen, Beason, Dee, Fouyer, Guerra, Jostes, and Scofield.

INFORMATIONAL ITEMS

7. Correspondence

- B. Capitol Alert Sacramento Bee - Article entitled, "California Set to Lower Gas Tax by 2.2 Cents". 2/23/16, File 570.0
- C. Letter from Caltrans Director, Malcolm Dougherty - Information regarding the California Road Charge Pilot Program (Pilot). 2/25/16, File 260.

Executive Director Landon stated he would attempt to explain or understand Item B, but it is just indicative of the situation California is in right now. He said the state is in dire need of more money for maintenance and rehabilitation of the system, but the powers that be are lowering the taxes so the state is unable to achieve that.

Executive Director Landon encouraged all in attendance to consider participating in the Pilot Road Charge Program. He noted the state needs 5,000 people to help them develop what will then be presented as a program for the entire state.

8. Executive Director's Report

- 8.1 Western Nevada County Transit Development Plan (WNCTDP) Update

Executive Director Landon reported the Transit Services Commission had a lengthy presentation that morning on the WNCTDP Update, which is nearing completion and going very well.

- 8.2 Governor's Office of Planning and Research Revised Proposal to Implement Senate Bill 743 (Steinberg, 2013)

Executive Director Landon reported this is a legislative effort underway to implement previous legislation on a statewide basis. He said Transportation Planner Mike Woodman has been the Commission's focal point on this piece of legislation, has developed a good rapport with the parties involved, and he is working very hard to represent rural issues as the state looks at how they might implement this legislation statewide. He said you might ask as a little rural county why we would get involved in these types of issues. Executive Director Landon noted in 1997 there was discussion started about how funding was divided amongst the rural and urban areas of the state and NCTC became very involved in that. He reported that one of the Commissioners became involved at the California Transportation Commission (CTC) level and was party to the negotiations that went on legislatively. What came out of SB 45 when it passed was that regional projects were able to receive state funding, so that was a key component of what funded the Dorsey Drive Interchange. Executive Director Landon noted after that passed in 1997, the first five year State Transportation Improvement Program (STIP) cycle that NCTC was able to

put money into a regional project, they did. Since the year 2000, Nevada County has enjoyed over \$110 million of state funding related to regional projects. He said if the county were just relying on funds coming through the STIP there would have been about \$4 million per year, so there would have only been about half of what was received. The County has averaged receiving about \$7.3 million per year through participating in these kinds of efforts and making sure that our needs are at the forefront. He said that is why NCTC gets involved in what sometimes seems like the arcane details of transportation policy. Executive Director Landon stated again that Mr. Woodman has been heavily involved in this and has made some behind-the-scenes phone calls that have been to our benefit in the negotiations that are going on. He asked the Commissioners if they had any questions and requested Mr. Woodman be available to answer their questions.

Commissioner Beason asked if the bill was driven primarily by a concern to reduce greenhouse gas (GHG) emissions. Mr. Woodman replied that the primary intent of the legislation was to help remove some of the barriers and litigations surrounding infilled development projects and transit priority areas on the basis that they are good things because they reduce GHG emissions. He said it did have a clause in the legislation that they could expand it beyond the transit priority areas. He reported they consider a transit priority area as transit service on 15 minute intervals. Mr. Woodman stated they are currently planning to expand it statewide and there are concerns about the implications of the different proposals in terms of VMT (vehicle miles traveled) as a metric for land use development projects and also for transportation projects in relation to what they consider induced demand of a capacity increasing project.

Commissioner Beason said one of his concerns is circulation in terms of fire safety in the areas that are outside what they call the urban core. He thought it was a noble idea to have everyone walk wherever they go or take the bus. He said RCRC (Rural County Representatives of California) was trying to rationalize this. Mr. Woodman agreed with his comment and stated the proposal that OPR (the Governor's Office of Planning and Research) has come up with does include some safety recommendations under CEQA (California Environmental Quality Act), which was not directed in the legislation. He said some of those proposals recommend doing things such as bulb outs and narrowing lanes, and do not take into consideration the fact that you need to move around emergency vehicles and large equipment. Commissioner Beason said he thought there were a lot of upsides to using LOS (level of service).

Chairman Jostes said they want to use the vehicular mile measure, and his interpretation is, which may be completely wrong, but he read it as saying they would be very careful about mitigating congestion by building additional lanes, etc. He said by building additional lanes the unintended consequences would be to actually increase the amount of traffic flow. Mr. Woodman replied that is the perception they are working from. Chairman Jostes said it is an interesting perception since the state is essentially saying it is better to live with congestion than relieve congestion with the possibility that more people may drive. Mr. Woodman said it is kind of a theory that comes from certain agencies in Sacramento that if you let things get congested, and do not increase capacity on the roadways, folks will use alternative modes of transportation such as transit, pedestrian and bicycles. Thus, getting people to switch modes will help with the GHG emission reduction problem. He said, however, when congestion increases and the speeds lower, your fuel efficiency lowers, your emissions actually increase, so it is counterproductive. Mr. Woodman said he has had a hard time working with some people in Sacramento getting them to understand the science behind what they are proposing. He said it is challenging. Chairman Jostes said he has a feeling, because Nevada County is rural, it is going to be affected, because he feels there is a conscious effort in many areas of the state to ween the population away from automobiles and they are doing whatever it might take to accomplish that. He asked if that is a fair statement. Mr. Woodman replied that he thought there is a certain emphasis right

now, especially with the Governor's Executive Orders and reductions, and with GHG emissions, that they want to drive people to alternative modes of transportation, whether it is public transit, high speed rail, etc. He said they want to try to get people out of their cars, but when you look at VMT as a metric in relation to GHG emission reductions, one of the problems with that is moving towards more fuel efficient, zero emission, and electric vehicles. Then, at some point, it is not a metric of reducing GHG emissions. Mr. Woodman said they have argued from the beginning that is not the appropriate metric, but that is the horse they are riding at this point. Chairman Jostes said it seems to him that this issue is not being discussed in a clearly open manner and he was wondering if the public, in general, understands this. He was not commenting on whether it was good or bad, but it seemed to him the state, in their various ways of communicating, and maybe they are and he is missing it, should be more transparent so the public can react as they will to it. He said a rural county certainly has a different perspective than the inner city, but all perspectives need to be heard. Mr. Woodman said he concurred with that statement and he thinks the transportation professionals are engaged, but the public in general are not really aware of some of the policies and the direction that the state has moved towards at the current time.

Commissioner Guerra stated she appreciated the arguments about why, in particular, it does not work in rural areas or in Nevada County. She said you are not encouraging people to use SR 49, for example, but they are using it anyway; there is no viable alternative such as biking or walkability. She appreciates that NCTC staff pay attention to what is happening politically, because, as Executive Director Landon pointed out, these things that might seem remote and obscure actually have a significant impact locally. Commissioner Guerra agreed with Chairman Jostes that rural areas are being ignored and the fact that rural areas, by definition, are smaller and have less capacity to advocate on these things, puts us at risk. She was particularly grateful that NCTC staff are participating and keeping abreast of these types of issues.

8.3 Draft FY 2016/17 Overall Work Program (OWP)

Executive Director Landon reported that the Draft OWP and budget would be out that coming Friday and will be sent to the Commissioners as well as NCTC's member agencies. Staff will bring back comments at the May 18th NCTC meeting for adoption of the FY 2016/17 budget.

9. Regional Transportation Mitigation Fee (RTMF) Update

Executive Director Landon introduced Don Hubbard, the consultant from Parsons Brinckerhoff, who presented a report on the progress of updating the RTMF in coordination with the City of Grass Valley and Nevada County. He was pleased with the way the work is going.

Don Hubbard gave an overview on the background of the fee update, explained what has changed since the last time fees were set in 2008, how the changes affect the proposed fee rates, what the draft fees are, and he answered questions. He reported that fees are required by state law to periodically be reviewed and adjusted, plus the proposing agency must make findings that the fees are still valid. Mr. Hubbard said the reasoning behind that is conditions change, forecasts for congestion levels change, construction costs change, projects get completed so they are removed from the list, and programs play out differently than anticipated. He said the plans that were made in 2008 have seen intervention of other conditions, so midcourse corrections are required. He reported that adjustments are needed to ensure that the fees remain fair for all concerned, which means development pays its fair share, but no more than its fair share.

Mr. Hubbard said the updates are done through a Nexus Study, which are done to analyze the basis for the impact fee adjustments. He stated that NCTC, Nevada County, and the City of Grass Valley all needed fee updates, and since the analysis covers much of the same materials with all three agencies, they agreed to have three separate studies but to closely coordinate with a single consultant – Parsons Brinckerhoff. Mr. Hubbard reported he has been doing these studies for seven months and there are draft recommendations. He said after receiving feedback from NCTC and other stakeholders, eventually he will bring the report back to the Commission to adopt a resolution making certain findings specified under state law and setting the new fees.

Mr. Hubbard reported that just about all of the parameters have changed since 2008, including the economy, the housing market, demographic trends and growth forecasts, status of projects that are to be funded, construction costs, and trip generation rates. He stated the economy is one of the most important factors and he displayed a graph showing changes in employment as a result of recessions post-World War II. The Great Recession was the worst with three times higher unemployment rate and length than any previous recession, plus there were structural changes occurring having to do with baby boomers, trade agreements, etc. and some of the changes are permanent; things will not go back to “normal” since there is a new normal. Mr. Hubbard said the housing market was not a “victim” of the recession, it was one of the main causes of the recession. He noted, in California, the housing market does not have a “normal year”; it is either in a boom or in a bust and the booms are getting smaller and smaller, over time, and further and further apart. Mr. Hubbard said when you make these plans for an impact fee you say you are going to get ready for a boom. The next thing you see will likely be smaller than the previous one and it is likely to be further out.

Mr. Hubbard said, in terms of construction changes, an example is that a lot of the retail construction is losing to online trade with the amount of floor space that is devoted to storage within the store being smaller than it used to be because now things are being stored in warehouses. He said, in terms of the trips that are generated, more of the space within retail is being used for actual sales, so the trip generation rates change. He said not everything is doom and gloom; warehousing is doing great and they grew throughout the entire recession. He said health-related building is also growing, so the market is actually up in some places. He reviewed that all of this points to the fact that an adjustment has to be made periodically.

Mr. Hubbard reported that Foothill counties are growing slowly, if at all, and he showed a graph of seven counties and their population counts compared from 2005 to 2015. He commented that Nevada County grew a little bit, but several pier counties’ population have gone down. He said, in terms of an impact fee, where it is in terms of growth, if there is less growth, than there will be less impacts and the program needs to be adjusted to take that into account. He noted that Nevada County had a period of fast growth from 1970 where it was creating all sorts of impacts. He said the impact fees were important, but then the growth tapered off, so the fee program going forward is quite a bit different than what was needed twenty years ago.

Mr. Hubbard stated the forecasts being used for the current study assumes a modest population growth in western Nevada County versus the previous study where it was assumed that growth would continue quickly, therefore they are forecasting significantly less growth than the previous study had done based on the demographics. He said they reduced the growth forecast for Grass Valley by 19% compared to the reduction in growth of the unincorporated parts of the county by 81%. He said the expected growth is concentrated in the southern portion of the unincorporated area. Mr. Hubbard said that was based on looking at the known projects and past trends.

Mr. Hubbard reported the Dorsey Drive Interchange is a project that was completed for \$24 million, which was below the budget, and \$19 million came from state grants. He stated the E. Main/Idaho Maryland roundabout was built, and interchange improvements were made at several locations, so the projects that were on the previous RTMF list, no longer need to be on the list. He noted another thing that happened was construction costs have risen about 20% higher than they were at the previous study, so if nothing else changed, the projects listed would have to go up 20% just to cover inflation.

Mr. Hubbard addressed how all of the different changes affected the fee rates. He said the most important factor is the lowering of the growth forecast. He noted there are traffic models that allow them to see how that affects future traffic, but even without them, he thought common sense would say, if you have fewer people moving in, than the need to widen roads is reduced. The traffic model with the new forecast shows lower traffic than the previous forecast, so they are expecting a less congested future, except in the Loma Rica area where they are expecting a new development, so the forecast is higher there. He summarized that because the population will grow slower than expected, there will be less congestion, and that means some of the projects can drop off the list because they will not be needed. Mr. Hubbard stated that completing the Dorsey Drive Interchange under budget, with a lot of grant money, means the fees can go down. A less congested future means that some projects can drop off the list and that will push the fees down. He said for the projects still on the list, there are fewer new construction projects paying in, so each project will have to pay proportionately more. He said the cost of inflation raises fees, and changes in travel patterns that increases traffic for residential and decreases for nonresidential also pushes the fees in different directions. Mr. Hubbard stated all the different factors that affect the fee program create the need for periodic updates. He said they have a very complicated methodology to produce the fee program, but at the end you take all the pluses and minuses and come up with the result.

Mr. Hubbard reviewed the draft results. He noted, in terms of general policy recommendations, by doing the fee update for three agencies at the same time he found that the three agencies were doing things a bit differently and in some cases they did not even realize it was different. He stated the main case where that occurred was in land use categories, so he recommended the three agencies use the same land use categories. He said, in terms of the nexus, if they are ever challenged it would be hard to explain why the same project is medium retail for one agency but is low retail for a different agency. Another example is why a structure is characterized as a mobile home in a park for one agency, and it is a single family dwelling for another agency, but it is the exact same building in the exact same place. Mr. Hubbard said for defensibility purposes it is better to figure out what it should be and then everyone agree on it.

Mr. Hubbard reported there were some pass-by reductions that were being applied for retail uses that are not appropriate in this context, but are appropriate in another context. He recommended they be eliminated. Commissioner Beason asked what a "pass-by reduction" is. Mr. Hubbard said a pass-by trip is such that you are going from your office to a meeting and you stop by for coffee on the way. He said depending on how you look at it that is either two trips or you have made one longer trip and made a pass-by stop. The question was whether that is two trips or one trip. Mr. Hubbard stated there are situations where that should be counted as two trips and there are other situations where it would be one trip, so you have to look at the context. He noted that he bought coffee that day in Grass Valley and he used on-street parking, so he was backing up and going forward and he made just as much disruption of traffic as if he was doing a long trip. The fact that it was a short trip did not matter in that context. He said, however, when he buys coffee in Roseville he pulls off into a driveway, since it is not on-street parking, and then immediately pulls back on when he has the coffee and creates very little disruption of traffic. He

said the disruption of traffic is taken into account. Mr. Hubbard said they have also gone into a VMT base system for traffic impacts, so the effect of shorter trips is already taken into account. He said if you count the pass-by plus the VMT, then you are double counting something, which legally makes it look questionable. He said in the past they could use the pass-by reduction, but he is recommending they do not use it going forward.

Mr. Hubbard stated in the previous report there was no discussion of exemptions and many public agencies are exempt from local fees, and rather than just not mentioning it, he thought it would be better to state explicitly that someone is exempt, so staff knows what to do and you are on record that is the case. He said to explicitly account for them in the fee structure.

Mr. Hubbard showed a chart that compared the land use categories that are used by NCTC's RTMF program, LTMF for the County of Nevada program, and TIF for the City of Grass Valley program. He noted that each program had at least one category that was not being used by the others. Several had identical categories but with different definitions, so people may have thought they were doing the same thing, but they were not. He said some programs tend to diverge over time. He noted that none of the programs mentioned public uses and only one allowed for special rates or unusual situations. He thought that introducing a special rate would be an important thing to do. Mr. Hubbard said the two changes they are recommending are regarding mobile homes in parks that generate significantly less traffic than single family dwellings. They also felt apartments should be paying a lower rate just out of fairness. He said the "Retail - High" category used to be a grab bag of everything that generated a lot of traffic and resulted in a wide divergence; some were generating 100 trips per day and some were generating 800 trips per day. He said it did not make sense to lump those together, so they retained within that category anything that generated 60 to 200 trips per day. He said something beyond that, such as a gas station, which is a very small foyer but generates lots of trips, should be placed in the special category where there are special rates for them. He said to not lump those projects in with others and raise the rates for everyone else. Mr. Hubbard reported all of the changes are based on "best available data" and to maintain the legally-required nexus you have to show there is a reasonable relationship between the impact and the fee you are charging.

Mr. Hubbard displayed a graph showing the revenue history since 2000 of the RTMF Program that averaged \$337,000 per year when compared to the 2008 study that was estimated at \$1.7 million. The program is only getting about 19% of the target funds. He said the study was not wrong; the Great Recession happened and there was virtually no development for a few years. He said, on the other hand, there was success in getting other funds, such as \$19 million in grants for the Dorsey Drive Interchange. The statistics show 52% of the funds are collected from the unincorporated county, 45% from the City of Grass Valley, and 3% from Nevada City.

Mr. Hubbard reported that the 2008 nexus study identified 25 projects for the fee program. Of those, three have been completed and paid for, two more have been completed but not paid for yet, and ten are no longer deemed necessary. One of the ten was previously identified as probably not needed based on the other service available, and the nine others have fallen below the threshold where they were required. He said in 2008 there was a higher expectation of growth but now it is less. Mr. Hubbard went on to explain that one project was shifted to the TIF program, nine are recommended to be retained going forward exactly as is, and one new project was added. With the previous RTMF the total cost for recommended projects was \$35.5 million and the current plan is for \$23.1 million, so about one-third of the project list has gone away; less growth and less need to adjust. Mr. Hubbard stated four big projects account for about 75% of the program and that is paying off Dorsey Drive Interchange, SR 49 south of La Barr Meadows Road, SR 49 south of Alta Sierra Drive, and the McKnight Way Interchange.

Mr. Hubbard stated the recommendations to change the draft fees were based on the revisions in the growth forecast and the revisions in the Capital Improvement Program. He said most residential uses were recommended to go up, but all were less than the inflation rate of 20%. The mobile homes generate less traffic so to maintain fairness and the legally required nexus the trip generation rate and fee would be lower. Mr. Hubbard said for non-residential they recommended a reduction for all, but the factors determine some as higher and others lower. He said they recommended some recharacterization of the land use categories and updating the trip generation surveys. They also recommended the public use categories be exempt and make it explicit. He said if the recommendations are followed, based on the eclipitic number of new units of each type, they would expect to generate \$22.5 million over twenty years, or about a 38% reduction from the previous forecast. Mr. Hubbard said the previous forecast was not being reached, so he thinks this forecast is realistic based on the growth that is actually expected.

Mr. Hubbard reviewed that the previous RTMF program was expected to generate \$36 million, so the remainder of the \$210 million needed for SR 49 widening projects had to come from other sources. He thought they should drop at least one of the large SR 49 widening projects from the current program. He said the current project list is below \$200 million and about \$156 million is SR 49 widening projects, and \$40 million for other projects. He said the entire program is being lowered, the fees you can expect to collect are lower, although they are a higher percentage of the non-SR 49 widening projects; now they would be 57% instead of 47%.

Mr. Hubbard said the Commission may be concerned about changing the fees and how that lines up with other counties. He showed a graph comparing Nevada County fees with five other peer counties. He said Nevada County would be in the middle of the pack for residential fees. For non-residential fees the county would be lower, so there would be no incentive for someone to put a store in another county rather than this one, in order to escape the fees.

Commissioner Fouyer said it was good to see that the City of Grass Valley does well. He said they are always getting into conflicts between commercial uses and residential fees, and through times there are booms and busts. He did not know about the numbers Mr. Hubbard used as far as national or state, but typically the housing developments locally trigger commercial development and not commercial triggering housing. Commissioner Fouyer said when they see increases on average of say 15% on housing and decreases of 40% on commercial, he thought what would happen is there will be a boom in housing, looking at this over the next twenty years, and all of a sudden a development community will come and say they just increased the fees by x% and then dumped it all on commercial. He said they get in this constant battle, as the market shifts, because all of a sudden they will be out of line on one side versus the other.

Commissioner Fouyer asked if there is another way of looking at the fees so there is not the drastic 50% reduction in what they are going to be doing and an increase of 20% on the other side. He asked if there is a balance that can be reached politically speaking. Mr. Hubbard replied that he does these fees up and down the state, so when developers come and say you are driving us out you can say, no, we are in the middle of the pack. He said Grass Valley's TIF Program is a bit different and the recommendations are a bit different. He said when developers come to pay fees they are going to end up paying both and the TIF is actually moving in the other direction from this. Mr. Hubbard said, in terms of who is paying what, as was stated, the housing is the first thing to come, but then there is an argument that could be made that housing should be paying a large share of this because that is what is driving the growth, even the non-housing growth. He said, in this case, they are recommending 87% come from housing. There is also the argument that can be made from a traffic engineer perspective that different places are in different situations. He said if you are in downtown Sacramento, which has a lot of jobs and

very few houses, every time someone builds a house there the result is there is less traffic because their trip to work is now shorter; they can walk to a lot of places that are close to them. In contrast, every time someone builds an office, the traffic gets worse because you are bringing in commuters from Roseville and Davis to that area. Mr. Hubbard said in a situation like Sacramento, more incidences of the fee should fall on non-residential and less on residential. He said in the Foothills, such as El Dorado County, it is the exact opposite; every time someone builds a shop it is one less trip they are making into Folsom and an argument could be made they are reducing traffic. He said to the extent they build an office building in Grass Valley, now people are working in Grass Valley instead of driving somewhere else. To the extent they are doing that it is making traffic less instead of more. Mr. Hubbard said there is more than one way of doing this, but they are making their recommendations and it is possible to make a shift. He said if you counted trips instead of VMT the incidence of the fee would shift more over to residential, and instead of being 87% and 13% it would be more like 70% and 30%. He stated it is possible to do that and state law allows both ways; it says the relationship has to be reasonable, which means it has to be evidence based and it has to be quantitative. He said, in this case, the state law will back you up either way; if you do VMT and trips, they are both verifiable. Mr. Hubbard said what they are looking for is feedback like that on whether the balance has swung too far in one direction or the other. Commissioner Fouyer questioned when the consultant made the decision on one way versus the other, why did they choose one path over the other. Executive Director Landon replied there is a Technical Advisory Committee that has been involved in the process, which included Grass Valley staff, Nevada County staff, himself, and representatives of the development community, and that was the process they chose as a group.

Commissioner Beason referred to the comment that construction costs are going up. He asked if that is post-recession or going up in general. Mr. Hubbard brought up the slide related to construction costs and said the statistics were long-term starting in 1990 and went up to 2014. He stated this is a long-term program, therefore you need to look at long-term frames. One line on the graph showed the Engineering News Record (ENR) Construction Cost Index (CCI) history, which is an engineering magazine that tracks a lot of construction costs such as reinforcement bar, aggregate, cement, labor, and similar indicators. The second line was Caltrans CCI, which does it a different way; they track actual bid prices. Mr. Hubbard said the prices diverged a lot during the boom. He said the Caltrans prices have profit in them, so during the boom when the contractors had plenty of work to do they raised the prices. Commissioner Beason said they raise the prices and complain about the fees. Mr. Hubbard said the big drop is when they pared down the profit just to keep their operations going. He said legally you can use either one because either one is quantitative, but, in his opinion, the ENR CCI is much more reasonable and a better basis for a long-term program because it represents long-term fees. He said with the Caltrans CCI you could pick any three points on the line and draw the long-term trend where you want it, depending on which three points you pick. Mr. Hubbard said that was why they did not go with Caltrans numbers and recommended using the ENR CCI because it represents a more stable basis for planning. Commissioner Beason said another cause of concern at the state level for costs that keep going up is because of paying benefits. He thought at least a third of the cost of constructing a road project with Caltrans is overhead costs.

Commissioner Scofield said he was looking at the recommended changes, especially for the nonresidential fees, and he thought there were pretty dramatic decreases from \$110 to \$67 per trip. He said he is fine with lowering the fees, but he is looking at a project where you quote the mitigation fees and you will need additional signalization, etc., and there is an anchor store that is going in, but there will be others that will help mitigate that situation. Commissioner Scofield said now you are going into a development that is not totally completed. He was looking at the Combie Road area and said they really missed on that area; they may have paid a lot more than

they should have. A new business coming in is not going to pay the same rate as the previous person already paid. Commissioner Scofield said that does not seem to fit, particular with the Waste Treatment plant in that area, and he is not sure how it will fit in other areas also. Mr. Hubbard replied that he was hitting on two things; one being why the updates are required, because things do change and the old forecasts were reasonable based on the information people had in 2008. He stated when the \$110 per trip fees were charged they were in good faith, they were reasonable, they were legally defensible, and they were based on the best information at the time. He said when you adjust fees and you do not do annual adjustments but you do them every few years, you end up with this boundary phenomenon where the fees are either going to go up or down. Mr. Hubbard stated if the fees look like they are going up, you may have a rush to the counter where people try to get their projects grandfathered in before the rates go up. If the rates go down, you may have people holding off a little bit so they can pay the lower rate. He said people feel they have paid more than they should have or less than they should have, and there is no avoiding that. Commissioner Scofield said, overall, if the mitigation factors have to be accomplished, the price of that project has not gone down. Mr. Hubbard said that is correct, but the project list has changed. Commissioner Scofield asked what if the project list has not changed, and he was looking at a specific project off Combie Road that requires signalization and widening of the road; those have not changed. He said if the new project coming in does not pay his fair share, it does not seem right. He said if it is a new development, then he sees what is being said, but if it is an existing one that is continuing to bring in new tenants, there is something unfair about it. Mr. Hubbard said a lot of the Combie Road improvements are being funded from the county fee program. Commissioner Scofield replied that was what he was worried about. Mr. Hubbard said the NCTC RTMF fee program is a totally different fee program and it has to do with impacts throughout all of western county, so when there is going to be less congestion and some of the intersection projects are dropping off the list, that is where this comes in. They will be paying less because there are fewer improvements that are needed outside of the Combie Road area.

Mr. Hubbard said for Combie Road, in particular, the county fee program will be taking care of that and their program has been updated based on exactly what is going on there and the extent of new development that is expected. He said the legal requirements are that the consultant will not go back to them in a few months. They will have to make findings on four things: 1) Identify the purpose to which the fee is being put and that is the project list. 2) You must demonstrate that there is a reasonable relationship between that project list and development; the projects are needed because development is taking place and is having an impact. 3) You must identify the sources and announce the funding that are needed; both the fees and the STIP funding and approximate dates. 4) The key one that gets relegated in court is the reasonable relationship. Mr. Hubbard explained that in the context of mitigation fees the term "reasonable" does not mean what it would mean in normal conversation. He said in normal conversation the opposite of reasonable is unreasonable, and you might say it is unreasonable for a new developer to pay less than his competitor did just a few years ago; in a normal conversation that would be right. He added that legally the word "reasonable" means something else; it means evidence based using information regarding actual project impacts. So, legally the opposite of reasonable is not unreasonable, it is arbitrary and capricious. Mr. Hubbard said an example of what is reasonable is using trip generation rates from the study, using the traffic model, level of service calculations, updating the costs; all of that is reasonable legally speaking. He added that "not reasonable" is being set in negotiations, or what the market will bear, or saying my competitor paid something else a few years ago. He said in a normal conversation that is a reasonable thing to say, but legally, in terms of the mitigation fee act, you just cannot take that into account. You have to base it on the best information that is available today. The previous fee was based on the

best information at that time and that is why the updates are required because the best information changes.

Commissioner Fouyer stated people will enjoy a 56% decrease in fees. He said, at some time in the future, at the next study, the fee could change. He said for them as elected officials to go out and say they now need to increase the fee 56%; it might be considered unreasonable. He said it is easy when you talk about lowering the fees. Commissioner Fouyer said, from a developer's perspective who has a long-term project, he would want consistency in his fees and he wants consistency in his fees over a long period of time. He knows they are looking at the fee program over a twenty year period and the City of Grass Valley and Nevada County will have to revisit the fees throughout time. He said they may get a recommendation with a 56% reduction in fees. Commissioner Fouyer said he is having a hard time grasping the 56% swings; whether it is going to be low now and they will have to swing back up on the back side 50%. He said that is a really hard conversation for them to have with developers and constituents. He said, just as a home owner, if he had to pay 50% greater fees in his debt fee, he would be extremely upset about it. Mr. Hubbard replied you could have developers say they do not know why there is a fee at all because where there is very little growth there is very little impact. He said if he was a developer in Lassen County he would say there is one new person coming for every three people leaving, so I will just take over their impacts. He said in Nevada County the reason the Board exists is to make long-term decisions, look at the long-term trends, and to try to say what is going to happen in the future is a tough call. He said based on the new information where there has been little growth in the last ten years and the state is not expecting much future growth, to keep the fees high because they do not want to have to increase them in the future is a tough sell. They would have to make a finding of fact that says legally the growth is going to be faster than has occurred in the recent past and we have at least three reasons for believing that. Mr. Hubbard said you can make that finding, but you cannot pull it from the air; it has to be evidence based from specific, quantifiable, objective reasons why you believe the growth is going to be higher than the forecast. Mr. Hubbard offered to keep looking at the situation if Commissioner Fouyer felt it was an underestimate. Commissioner Fouyer responded that the consultant is the expert, but he is the one who will have to tell the developers that the fees have been lowered 50% and now we have to raise the fees 75% to make up for the fact that they were lowered ten years ago.

Mr. Hubbard stated he has a client in southern California where the fees are going up, but the agency caused their own problem because within their impact fee program there is a mechanism for doing annual adjustments and they could have done that and the fee would have gone up incrementally over time and there would not be a big jump. He said Nevada County fee program also has a mechanism for doing that, so if the costs keep going up they can have an incremental increase and do that adjustment, which would be a good thing to do to avoid having to do a large increase in the future. Mr. Hubbard said if you also find that you underestimated the cost of some of the projects, you can do an adjustment, because jumping around is not a good thing. He said you want to provide a stable basis for developers because they are making long-term plans with their projects for land banking, purchasing right-of-way, and that kind of thing.

Executive Director Landon stated they are aware of the annual adjustment and over the past five years, although costs have gone up, they have not looked at increasing the fees simply because of the other dynamics at play. They believed in the longer term they would see a need for a reduction, so if they would have been raising-raising-raising, then they would be dropping even more. Mr. Hubbard said part of the reason the fees are going down is because they did so well in getting the money for Dorsey Drive. He said that probably would have all been paid for from fees because it was development driven, so the savings can be passed on to other people.

Commissioner Scofield asked if this affects the county system of mitigation. Mr. Hubbard replied that the county has a separate program and he will present those findings to the Board of Supervisors. He added that a lot of the same trends are going on. Commissioner Scofield asked again for a clarification of the Combie Road area. He said if a new business came in and the traffic count raised the level of service to need a double left-hand turn lane coming in off SR 49, would that business get a separate mitigation based specifically on that project or would they depend on the other numbers. Mr. Hubbard replied that it depends on how it is done. Commissioner Beason said it could be a condition of approval. Mr. Hubbard said if a project has a direct impact – something is happening that there is a direct message between your project and say the need for a new signal, then that should not belong in the fee program; it would go into the development approval. He said the rest of the county should not have to pay for the fact that you have now built a commercial job and it needs a signal; that is the developer's responsibility.

Chairman Jostes asked if they have been talking about the City of Grass Valley, or about Nevada County, or about both. Mr. Hubbard replied that NCTC has the Regional Transportation Mitigation Fee Program and that is for regional projects. Local projects within Grass Valley are funded from their TIF Program and local projects within the unincorporated portions of Nevada County are funded through their program. Chairman Jostes asked if Mr. Hubbard will make a presentation to each of the agencies. Mr. Hubbard replied yes. Chairman Jostes asked if NCTC has the authority to set fees. Executive Director Landon replied that NCTC does not have the authority to set the fees. For the regional program, NCTC recommends to the member agencies that they adopt the fee that has been identified and recommended for approval. Chairman Jostes asked if that fee can be different than what they choose for themselves. Executive Director Landon replied it absolutely will be because of the different project lists. Commissioner Beason said they used to have areas that had different fees.

Resident Matthew Coulter asked if the weight of a vehicle is taken into account when they do these studies. Mr. Hubbard replied that the weight of the vehicle is taken into account in the project list. He said they are not charging for vehicles, they are charging for developments, so it is not like license fees that are used for vehicles where the heavier vehicles pay more of a licensing fee because they do more damage. Mr. Hubbard said you are paying for a house, or an apartment, or an office. Mr. Coulter asked if the Dorsey Drive continuation to Brunswick Road, near Loma Rica, was a project that was cancelled. Mr. Hubbard replied it was a project removed from the NCTC project list and shifted to the City of Grass Valley's project list because the impacts are associated with development in Grass Valley. Mr. Coulter said with that project the city has been putting off the fact that the sidewalks on Dorsey Drive do not connect and there is not even a fog line on Dorsey Drive where it connects to Sutton Way. He has asked the city about this for years and they keep saying when they do Loma Rica that will be completed, but it has been years. Mr. Hubbard replied if you drive around other jurisdictions you will see there are many places where a public agency is being prudent as they prioritize use of available funds, and they do not want to spend public funds for something that a developer will be required to do if they just wait. He said you will see areas where the road widths contract and expand waiting for a certain developer to pick up some of the costs, and there is judgment involved in that.

Mr. Coulter said the fact that this is very much a tourist area, it seems like the tourists drive as much as the people who live here. He asked if this depends on the tax base to fill in that gap. Mr. Hubbard said not at all. He said in the recommended fees there is something for lodging because the impact of tourists is being paid for through the property fees that go on the development of hotels and motels; also on restaurants. Anything that brings in tourists ends up in a Trip Generation Rate that is used to set the fee for that type of development.

Mr. Coulter said for example on Brunswick Road they wanted to utilize their property but to be able to utilize it properly it would have been \$250,000 out of their pocket to put in a left hand turn lane. He asked if that is no longer up to the individual businesses and is now more a function of the county. Mr. Hubbard replied that question is not relevant to the RTMF fee program. Mr. Coulter said he heard it mentioned at Combie Road if a left hand turn lane was needed it would be put on the businesses that needed the left hand turn lane. Mr. Hubbard replied, in that case, the need for that left hand turn lane is directly attributable to a particular developer and that developer should cover the cost. He was not talking about individual houses. He said, also, a fee program only affects future development; when there are existing structures and issues it cannot be paid for by the RTMF program, such as repairs, etc. Mr. Coulter said as far as lowering the fees, the roads are getting worse and worse in repair. He spoke of the need for resurfacing, fixing of pot holes, bike lanes, etc. and if the fees are lowered, it will put all of that further away. Mr. Hubbard said it has no effect because, by law, mitigation fees cannot be used to correct existing deficiencies because the condition already existed before new development comes along.

10. Caltrans Projects: Sergio Aceves, Caltrans Project Manager for Nevada County.

Mr. Aceves gave a brief summary of projects listed in his March Project Status Report.

- *SR 174 Safety Improvement from Maple Way to You Bet Road* – Mr. Aceves reported this project is moving along and Caltrans has scheduled an Open House on April 28 at Chicago Park School where they will have public displays of the project. He stated that is part of the Draft Environmental Document process and they are still on schedule to begin the Draft Environmental Document external circulation on April 1st for 30 days.

Commissioner Guerra said every time she reads about safety for pedestrians on this project, she wonders if there is a particular pedestrian aspect of the improvement project, such as a trail along the side of the highway. Mr. Aceves replied no, they were just talking about standard eight foot shoulders on the highway; there will not be a separate pedestrian portion. Commissioner Guerra said she thought it was not a good idea to encourage pedestrians on SR 174. Executive Director Landon replied he totally understood and agreed with her statement. He told her to think of an induced demand issue; there are already some people who do walk and this project will make it safer for them. He said the fact that it will be an eight foot shoulder versus the two foot shoulder that is there now is not going to induce more people to walk along SR 174.

Commissioner Beason commented on the much higher cost of the SR 174 project versus the cost of the Dorsey Drive Interchange project. Mr. Aceves replied the total cost includes support costs and a lot of the cost is for right-of-way and realignment costs. Commissioner Beason asked if they were going to purchase right-of-way and make some cuts; he said that is expensive but it seems like a lot. Mr. Aceves said the construction capital is about \$17 million and the revised total cost is \$28,456,000. Commissioner Fouyer asked what Caltrans management costs were in that total. Mr. Aceves said the difference between the two amounts was also the cost to purchase right-of-way; it was not all management costs. He did not have the exact breakdown but offered to get it. Commissioner Fouyer said he was just curious.

- *SR 49 Widening to 5-Lanes Starting at the North End of the La Barr Meadows Road Project to Just Before the McKnight Way Interchange* – Mr. Aceves reported they are continuing with preliminary engineering and this spring/summer they will start field environmental studies with their specialists to do biological, archeological, and whatever impacts this project.

Commissioner Beason asked when they plan this project to please think of a corridor and not just a highway. He said there is a lot more at stake than just transportation. Mr. Aceves agreed and he commented that the design plans have a frontage road with shoulders that is part of the project and they plan to extend that corridor south. He added that there will be further discussions about the design plans as the project progresses.

Commissioner Scofield said he thought the cost of doing this project will be out of sight and asked realistically when would it ever happen. He was curious if by defining the entire project it would impact any improvements that could be done in the interim before the whole project could be constructed. He asked if there will be an intersection improvement at Christian Life Way, and would they be able to focus on a single portion of the project versus the entire parameters of the project. He asked if it was all or nothing. Mr. Aceves said it would have to be phased. He was not saying it could not be done, but it would be challenging to do an interim improvement without having any throw away; that would be the concern. He said, obviously, the approach tapers north and southbound get longer and more accentuated. To be able to build the ultimate facility, where you have an intersection, it can be done, but it is not necessarily a very cheap option because at that point you would want to build the frontage roads, so you would have to buy the right-of-way. You would have to build the four lanes and make sure it meets the final alignment. Mr. Aceves said once the Project Report is completed and there is a better idea of the alignment and how all of the improvements will fit in, they could look at some portions of that and see what could be built within a reasonable budget. Commissioner Scofield stated that portion of the highway, at certain times of the day, is already bumper to bumper. He thought that location was looked at as an underpass in the long term. Commissioner Scofield said the construction of this project could be twenty years down the road, if ever. He said Chairman Jostes asked previously if it is worth identifying the entire project since it is almost unreasonable to the fact that it may hinder improvements that could be done in the meantime. Mr. Aceves replied that Caltrans can look at this. Currently they are clearing the environmental work, which is a huge undertaking, and once the design work is done they can look at interim improvements. He said at that time they would be looking at separate funding for a separate project. Executive Director Landon reminded them that the Corridor System Management Plan (CSMP) is in place for the entire corridor and that was how they were able to gain funds for the Smith Road improvement, Brewer Road, Cherry Creek Road, etc. He said each planning step that goes forward helps to be in a position to get funds if a grant program comes up, a TIGER fund, ARRA, or whatever happens; it puts the project closer to being shovel ready. Executive Director Landon stated that was what they did with the SR 89 Mousehole project. They kept incrementally moving forward on the planning and processing, so when the opportunity became ripe, the project was in a position to obtain funding. He said NCTC's experience with the SR 267 Bypass project, SR 49 at Combie Road, SR 49 at La Barr Meadows Road, and the Dorsey Drive Interchange proves that the Commission needs to continue moving forward with this project.

Commissioner Beason said NCTC was in agreement that they would try to minimize throw away projects, and he thought the Commission was doing a good job with that. Executive Director Landon agreed and said that was considered when the smaller projects at Brewer Road and Cherry Creek Road, etc. were initiated.

Chairman Jostes commented that the Commission learned a few things that day: 1) What appears to be a state-wide initiative to de-emphasize car travel in California in general. 2) The world changed, based on projections and population, etc. for Nevada County. He said there is no answer, but he thought NCTC has to make sure as they plan any of the projects, including the one under discussion, that they do it with the focus of the way the world really is. What he meant was if the focus is the way it is, will the county ever build this project or not. Chairman

Jostes said it is not “business as usual”, apparently, so the Commission needs to stay focused on what world they are living in; otherwise in 10 to 15 years from now NCTC could be arguing the same thing because the money never came in.

- *SR 49 Operational Improvements at Smith Road* – Mr. Aceves said the right-turn pocket project was awarded to Patterson Taber General Engineering, Inc. and they plan to go to construction sometime in May.
- *SR 49 Hot Mix Asphalt (HMA) Overlay* – Mr. Aceves said the Project Report was signed the previous day, so they will now complete the final design. He thought they would have it ready for advertisement this fall, so he anticipates construction will start in 2017.
- *SR 20 Yuba/Nevada Counties Safety Project to Widen Shoulders and Correct Curves* – Mr. Aceves stated there was nothing new to report since his previous report.

Mr. Aceves said at the previous meeting concerns were brought up about pot holes on SR 89 and especially south of I-80. He spoke to Caltrans Maintenance staff and the middle of February they put seven tons of asphalt on the pot holes to fill them, but they did not know if they could get out there again. Commissioner Dee said the seven tons did not help because after the first time snow was cleared off the roads, about two-thirds of the fill went into the river, and that makes it an environmental problem now. She asked for a real fix. She explained there is a pot hole in the dual roundabout that she could fit her truck into. Commissioner Dee stated that day driving on I-80 in the lane changes there were large separations in the roadway; coming up over the summit there were splits in the road about every four feet. She said I-80 needs more than a temporary patch and the area she is talking about is in Nevada County and the rutting is a serious problem. She mentioned that several Council people in Truckee have blown their tires on the pot holes locally and that is on Caltrans. She said if you cold patch them when the roadway is wet it is just going to come up again. She asked what the real fix will be. Mr. Aceves said the chains cut into the PCC (Portland Cement Concrete) roadway on I-80 and there is nothing they can do about that. He said Caltrans is aware of this. He explained that Caltrans put what they call a sacrificial layer to protect the PCC, which is a huge investment by Caltrans. They are looking for something that will hold up better than what they are using now. He said Caltrans needs to come up with a permanent solution. Commissioner Dee said the issues she was explaining are not the chain ruts; the actual roadway slab junctions are separating all the way across all lanes of traffic and the separation is deep. She stated this is not a surface failure; something is going on and it needs to be looked into. She asked Mr. Aceves to find out what can be done temporarily to make the driving surfaces safe until a permanent fix can be made when the winter weather clears. She was very concerned about the safety issues these conditions create. Mr. Aceves clarified what Commissioner Dee indicated about the PCC separating and said he would go back to Maintenance staff and have them look into what is going on.

Mr. Aceves said he also asked Maintenance staff about the hanging tree branches on SR 174. He repeated that there is only one tree crew per Caltrans District and with the numerous winter storms they have been very busy with tree hazards such as limbs ready to fall onto the roadway, which is their first priority. The supervisor told Mr. Aceves the tree crew expected to be in Nevada County the first or second week of May, but if anyone was aware of a specific tree hazard on SR 174, he would take care of it.

11. Overview of the Town of Truckee’s Transit Operations

Executive Director Landon reported that one of the Commission's responsibilities is to maintain some oversight in the administration of transit services that are funded with the funding that NCTC provides. He said NCTC gets quarterly reports from the Tahoe Truckee Area Regional Transit and he emphasized that there is a significant effort ongoing in the Truckee area to combine their services with those of Placer County. He added, to the extent and as the report points out, they are looking at a single brand for the transit services and they are continuing to move forward toward integration of the two services into a single service. Executive Director Landon highlighted that their system-wide fare box ratio is up to 20.67%, which is significant for a rural agency.

Commissioner Dee stated the effort to combine agencies is mostly on the part of Placer County, not Truckee. She said it is part of their push to have a sales tax passed for transit. She said, unfortunately, to make that pass in eastern Placer County, they have to designate 45% of that fund to trails in eastern Placer County. She said in western Placer County it will pass hands down for transit only, so they are re-polling to see if it will pass without support of eastern county. Commissioner Dee said the numbers do not benefit Truckee at this time. She said Gordon Shaw of LSC Transportation Consultants has been doing the study on this plan and there is a lot of dialogue with the resorts and what they will be expected to contribute. She said it is a long way off but it is a conversation that is happening. They are looking at universal branding and the same look with reverse colors. She said Placer County wants to engage Truckee and they propose to be the manager of the universal system, but it would just be the Truckee Transportation System and not affect western Nevada County. Commissioner Dee said there has also been a lot of conversation driven by the North Lake Tahoe Resort Association. They are looking for Truckee to contribute almost three times the amount of funding than they are currently putting into transportation and the Town does not have it. The Town would want more control of what they are proposing. She commented that the ridership is way up and they are doing very well managing their own transportation system.

ACTION ITEMS

12. 2014/15 Fiscal and Compliance Audits

Mr. Robert Griffith, CPA, and a partner with K·Coe Isom, said he completed the audit for NCTC and all of the claimants. He highlighted the reports and said they audited NCTC's revenues, expenditures, assets, liabilities, etc. and found that everything was correct. There were no compliance issues with NCTC for the general compliance, internal controls, and PTMISEA. There were no findings; controls were strong. Mr. Griffith complimented Nancy Holman, NCTC's Administrative Services Officer, for doing a great job over the years. He noted there is a Board Report that is a general report that tells what the responsibilities are, if any issues came up during the audit, and he noted the report was very clean and there were no issues. He said GASB (Governmental Accounting Standards Board) 68 affected financial statements for everyone. He said the two audits that were affected was the Town of Truckee audit and the Nevada County audit because they had to wait for those calculations to be done at their level so the auditor could use their information for the financial statements. He said both of those entities are authorized so they had a share of that pension liability that had to be reported in their financial statements.

Mr. Griffith reviewed the Management Letter and there were no new findings this year. The only findings they had to report on from the previous year were the need to sign off on all journal entries and Executive Director Landon has since signed off on all journal entries. He said in the previous year they found that a few cash receipts that came through electronically were not date

stamped so they needed a cover sheet printed to indicate the date it was received. He noted both of the recommendations were implemented since last year's audit and there were no new recommendations this year.

Mr. Griffith reported, in terms of claimants, they were still required to do an audit for Gold Country Telecare, even though they are not operating anymore. He said they had a little bit of money with Caltrans that needed to be reported. There were no expenditures this year and there is about \$5,000 that accrues interest, therefore they had to do a financial statement.

Mr. Griffith stated for the City of Grass Valley they only had to report on their use of the RTMF fees. He said there was about \$200,000 left over as of the end of the prior year. They found those fees were spent in accordance with the RTMF rules.

Mr. Griffith said in terms of the Town of Truckee they did an audit for their compliance as a transit operator, not only to prepare a financial statement, but to determine their compliance with the Transportation Development Act. He said they found them compliant with Section 6667. He said they also found Nevada County compliant with Section 6667; no fare box issues. Mr. Griffith said there were no issues at all this year for any of the audits.

There were no questions for Mr. Griffith. Commissioner Dee congratulated the staff on a great, clean audit. Mr. Griffith thanked the Commission and staff for the opportunity to complete the audit and all the cooperation with staff. Chairman Jostes echoed kudos to NCTC's staff.

Commissioner Scofield made a motion to accept the 2014/15 Fiscal and Compliance Audits for NCTC, County of Nevada Transit Services Fund, RSTP and PTMISEA Expenditure Report, Town of Truckee Transit Funds, City of Grass Valley RTMF Expenditure Report, and Gold Country Telecare Transportation Development Act Funds. Commissioner Dee seconded the motion. The motion passed unanimously with Aye votes from Commissioners Anderson, Beason, Dee, Fouyer, Guerra, Jostes, and Scofield.

13. Gold Flat Road Corridor Traffic Analysis Final Report

Executive Director Landon stated that Transportation Planner, Mike Woodman, is the Project Manager on this project, on behalf of Nevada City, in relation to future CMAQ (Congestion Mitigation and Air Quality) revenues. Mr. Woodman stated the draft report has been completed and the analysis indicated that the existing stop sign configuration would work for the next ten to fifteen years. At that point, an interim improvement is recommended and it would be adding a right turn pocket onto the southbound off-ramp of SR 20/49 at the Gold Flat Interchange. He said the interim improvement is estimated to cost approximately \$670,000, which would require some fill and there is some construction contingency in that cost. He said, ultimately, based on the analysis, around the year 2040, that interim improvement will no longer operate acceptably. The ultimate improvement that was identified is a roundabout at the overcrossing of SR 20/49 at both of the off-ramps. Mr. Woodman said the graphic of the improvement is included in the report. The Project Advisory Committee, consisting of Nevada County staff, Nevada City staff, as well as Caltrans, are all comfortable with the study. He said staff is recommending the Commission accept the study as complete with the terms of the contract.

Commissioner Anderson said she was looking at the right turn lane that is recommended at the off-ramp and she wondered if it was to dedicate traffic to turn onto Searls or is it just to make the right turn onto Gold Flat. Mr. Woodman replied it was just to make the right turn onto Gold Flat. Executive Director Landon added that it would improve the movement to Searls as well.

Commissioner Anderson commented that she did not know there was that much of a need at that location because traffic heading straight would only be going back onto the freeway. Executive Director Landon replied currently the need is not there. He said it could be many years, but assuming growth occurs in the way they think it will, which never happens, under that assumption the improvement would be needed at that point. Chairman Jostes said he agreed with that comment. He uses that intersection all the time and he thinks there is plenty of room for right and left hand turns. He would hate to see the county spend \$670,000 for that improvement. Mr. Woodman said to keep in mind that this project is included in the RTMF program, and as part of the updates they will be constantly looking to make sure it is a needed improvement. Commissioner Beason said a year ago it was going to a roundabout and then they put stop signs on the east side. Then they recommended another roundabout and put that catawampus thing at Ridge Road. Chairman Jostes said the whole thing is slightly awkward, but he was not sure it was worth spending money on.

Commissioner Fouyer made a motion to adopt Resolution 16-10 accepting the Gold Flat Road Corridor Study as complete in accordance with the contract with Omni Means, Ltd. Commissioner Beason seconded the motion. The motion passed unanimously with Aye votes from Commissioners Anderson, Beason, Dee, Fouyer, Guerra, Jostes, and Scofield.

14. Draft Compensation Policy and Updated Survey

Executive Director Landon reported that almost one year ago the Commission formed a subcommittee to look at the Compensation Policy and processes. As a part of that effort Shellie Anderson of Bryce Consulting was retained and she was at the meeting. He said the subcommittee developed a Draft Compensation Policy and then Bryce Consulting completed an update of the Compensation Survey that was previously done in 2013 by NCTC staff. He introduced Shellie Anderson.

Shellie Anderson explained the process and results of her survey. She stated that with the input and assistance of the three Commissioners on the subcommittee, as well as Executive Director Landon, they developed a Draft Compensation Policy. She said the point of the Compensation Policy was that on an annual basis there is a process moving forward; a system in place despite who the Commissioners might be. Ms. Anderson said most organizations will develop a policy so it is clear how salaries are adjusted on an annual basis. She explained what they drafted in the Compensation Policy is that on a five year basis the agencies that were surveyed during this study, as well as the 2013 study, would be studied in order to set a baseline. She said on an annual basis a cost-of-living increase would be applied that is based on more of a local labor market and what they apply in terms of cost-of-living. She said what happened was a study was done in 2013, but nothing was done with it until 2015, so the results already fell behind market because most public agencies apply annual cost-of-living increases based on the CPI. Ms. Anderson said the committee is recommending that the Commission remain consistent with the local labor market in terms of how they are moving their salaries just based on cost-of-living, and then do a check-in every five years.

Ms. Anderson said in terms of the six organizations that were surveyed in 2013, she surveyed the same six organizations and collected salary and benefits information. They looked at the six organizations to decide whether they were an appropriate labor market or not. She said it is important when you do surveys that you are not constantly changing your labor market, otherwise you do not have a baseline any longer. Ms. Anderson said, especially when you only have six agencies, if you were to change one or two of those, you could have set your salaries to market and then you could find that you are significantly over market. She said it is good to

have a good baseline. Ms. Anderson stated in terms of reviewing the organizations, they have similar characteristics, they serve a rural demographic, and they do the same types of services in terms of transportation planning. She said they have a similar number of staff that could vary up to seven or eight. Butte County Association of Governments is an exception and their budget is larger because they do more than just transportation planning. Ms. Anderson said from a comparison perspective you are not going to find ten agencies right by you that do the same thing you do and that was why they went a little bit further out to collect data, in order to get classifications that perform similar services, because they are more on a regional basis versus a city where you could come up with ten cities that are within a pretty close geographic proximity. She said it is a little more difficult when you get into specialized services.

Ms. Anderson reported that all the job descriptions were collected to confirm that they were performing comparable duties to NCTC's staff. They obtained base salary information in terms of the entry and top step. They did additional cash out information, and some are PERS agencies, so for those they asked what the employer pays towards the employee's share of CALPERS. She said they also collected cell phone allowance, leave cash out, and for those that are not in a defined benefit plan but in a defined contribution plan, they asked what the employer contributes towards a 401 or 457. Ms. Anderson said there is a mix of two different retirement systems; some that are part of CALPERS, so those employees have a guaranteed retirement and then the defined contribution plan where the employers make a contribution on a monthly basis and what that employee receives when they retire is dependent on the market, so it is more in flux than the defined benefit plan. They asked the agencies what they pay towards health and welfare benefits, so in terms of cafeteria, health, dental, vision, life, long-term disability, and whether they fully participate in Social Security or not. She said you have to participate in Medicare, but not all organizations participate in FICA, which is another 6.2%, so they asked if they fully participate or not.

Ms. Anderson said the four survey classes within the Commission are: Administrative Assistant, Administrative Services Officer, Executive Director, and Transportation Planner. In terms of the four classifications, they ran the statistics based on the labor market means, which is the average of the six agencies, and all six agencies had a match to the four classifications that were surveyed. Ms. Anderson explained the results of the study regarding base salary and gave an example in Table 4 that the Administrative Assistant classification is 14.02% below the maximum base pay. She said if you take an average of the four survey classes comparing the Maximum Base Salary to the labor market average for the six agencies, NCTC is 12.81% behind. Ms. Anderson said Total Cash, shown in Table 5, includes base pay plus all the cash incentives such as retirement, automobile, cell phone, and leave cash out, which are all viewed as cash in the pocket. She said there was a slight improvement, and again used the Administrative Assistant position as an example, which was 8.35% below labor market mean, and the NCTC total was 6.52% below. She referred to Total Compensation data in Table 6 that rolled in health care and Social Security and the numbers fell back again. The Administrative Assistant position, when you add in paid insurances, is 21.05% below labor market mean. Ms. Anderson said the Total Compensation information is the column she recommends organizations focus on because the benefits are expensive. She said some clients are behind on base pay, but when the benefits are added, they are over market because their benefits are more generous than other organizations. She said, especially with health care that tends to increase each year, it is a lot of money being invested in the employees with respect to their benefits.

Commissioner Beason asked if the six counties that they used for comparisons were ones given to her by NCTC. Ms. Anderson said they were the six organizations used in 2013 as the labor market that were surveyed. Commissioner Beason said if you take those six counties, and he

knows two of them are associations, the average is 182,000 people compared to Nevada County's 98,000. He said you can exclude Amador County that is the smallest, and Placer County that is the largest, and the average is still 172,625 people. He said what that means he was not exactly sure and he wondered how Madera County was included. Commissioner Beason said he struggles with the pier counties, which NCTC provided, and the numbers in the report. He then looked at some of the employees on the Nevada County staff, and he did not include the retirement benefits etc., but a couple of the positions put the salaries well above where they are at the county level. He used that comparison because he has access to the information. Commissioner Beason said the recommended increase for the Executive Director puts him 2.2% behind the county's Director of Planning, which is a much larger static control and much broader responsibility. He said the Administrative Assistant is 8% above, the Administrative Services Officer is 19.7%, and the Transportation Planner increase is pretty much the same as a Senior Planner. Commissioner Beason said all of this should be put in the context of the fact that he thinks the NCTC has a great staff who do great work. He said his bottom line is the Commission should look at some of the things beyond salary, particularly in terms of who we are comparing ourselves with. His bottom line was it looked like it was too much and it is being done too soon. He said the others may not agree with him. Commissioner Beason said that Placer County skews everything and Nevada County recognizes that when they do county comps and they incorporate Placer County, it informs their decision but does not determine it. He was not convinced the numbers should be torqued around and say this is what NCTC needs to do.

Commissioner Fouyer said as a follow-up on Commissioner Beason's question, when they chose the agencies because they were used once before, he thought there was some value to that. He asked if they should take population and budget into consideration. Ms. Anderson responded that she looked at the number of staff that each agency has, their budget, and where they were located geographically. She said, for example, while Placer County Transportation Planning Agency (PCTPA) may serve a greater population, they only have seven staff, so they are not significantly larger in terms of this giant organization that is going to have fifty employees. She said PCTPA's budget is \$4 million compared to NCTC's and she took that into consideration. Ms. Anderson reported that Amador County Transportation Commission has five staff and their budget is a little over \$1 million; El Dorado County Transportation Commission has six staff; Humboldt County Association of Governments has five; Madera County Transportation Commission has eight. She stated that Butte County Association of Governments is larger but they still only have eleven staff, so they are not organizations that are significantly larger in terms of structure, number of employees, and budget. Commissioner Fouyer said what that tells him is that the Commission still has the ability to oversee larger budgets on the same number of staff. Ms. Anderson said it appears the other organizations are doing just that. Commissioner Beason said seven is almost twice as much as four and eleven is almost three times as much and these are small numbers obviously. He said the retirement system is different for NCTC staff than it is generally in the county and that is something else he thought needs to be looked at more closely. Commissioner Beason said he thought NCTC has good staff who do a good job and deserve some sort of consideration in terms of what is being looked at. He asked why Yuba and Sutter Counties were not looked at. Executive Director Landon replied that both counties are in SACOG (Sacramento Area Council of Governments). Commissioner Beason said they looked at Humboldt County but not Mendocino County. Executive Director Landon replied that Mendocino Council of Governments is staffed by a consultant firm. Commissioner Beason said Nevada County uses Mendocino County when they do comparisons. He said it is hard to get a bead on what is accurate in his mind. Ms. Anderson said she would agree and PCTPA is probably the outlier in terms of their salaries, but taking the labor market average and the fact that they did have six matches for each; they are the outlier when you look in comparison. She said the other five are more closely aligned and Placer does kind of stand out, but when you look

at the average, Amador County is also there and they are on the lower side, so there is a high payer and a low payer. Commissioner Beason said you have one low payer and five of them are substantially more than Amador in terms of the population, the urban nature of the county compared to Nevada County or El Dorado County. He said western Placer County is basically an urban county; Madera has two state highways and a lot of urbanization; Butte does too. Commissioner Beason thought Nevada County was kind of the outlier in a lot of terms. Ms. Anderson said if you look at the six organizations in terms of their salaries, then PCTPA definitely stands out in terms of that because they tend to be high on every classification, but then Amador County tends to be low on every single classification.

Commissioner Fouyer said the item talks about a "policy", but this is a study being discussed, so they are talking about passing a resolution that will pass a policy by which NCTC will do things in the future. He did not see a policy. Ms. Anderson said there is a policy included in the report. Commissioner Dee said her recommendation was to consider the "policy" at the current meeting, which is looking at the standard of salaries they set, looking at reviewing it and setting a benchmark every five years, that an annual cost-of-living increase would be given to NCTC staff, which NCTC has not been doing, and then standardize their packages. Commissioner Dee recommended they take out the salary piece and make it a part of the budget discussion at the May 18, 2016 NCTC meeting, so the Commission develops a policy at this meeting to review compensation on a regular basis and do an annual cost-of-living increase to adjust salaries to a more equitable position for NCTC staff who do a great job. Commissioner Beason said the staff does do a great job. Commissioner Dee said then the Commission would consider the salary benefit whole package piece during the budget process to determine if it can be afforded now and going forward. She said she had not discussed this with the subcommittee; it was her thought to do a two piece process. Ms. Anderson said the policy in her report does specify that it is always based on budget, because she would not write something for an organization where they feel like they are backed into a corner because they have a policy that says they have to do something they cannot afford. She said it is very clear that it is based on the budgetary ability to do something.

Commissioner Beason asked if the policy proposed was pretty standard going forward with the cost-of-living. Chairman Jostes said the policy is, in fact, extremely straight forward, so he encouraged they get the counties and pay out of there. He suggested a paraphrased policy where it does two things: 1) Every five years it chooses benchmark counties and organizations to survey, which becomes the benchmark for the next five years. 2) Each year salary actions are based on the average increases that are provided by the entities in the county, namely Town of Truckee, Nevada City, City of Grass Valley, and Nevada County, for a specific position, which he thought was a planning position, and that becomes the average movement each year. Chairman Jostes said the rationale being that NCTC serves the county, so what better way to represent its salary increases than to look at what the other major entities do. He said that is a very straight forward policy; very uncomplicated. He said the complicated part gets into primarily the five year salary surveying and the matches that are made. Chairman Jostes suggested if the Commission can agree on the fundamental process, it would be nice to have it behind them. He suggested two more things: The subcommittee meet again to review the results of the study together to see if they think it needs to be changed in any way, or ask for additional information, or additional surveying, so when they do get to the budget process they might have an opportunity to have new information.

Commissioner Beason made a motion to adopt Resolution 16-11 with modifications to the following effect: To adopt the Compensation Policy presented in Section II of the *Nevada*

County Transportation Commission 2015 Compensation Study – Draft Report. He said that would be the wording for the first “NOW THEREFORE BE IT RESOLVED”.

Commissioner Beason said you would take out everything except the policy going forward and the rest of it will be done during the budget process. Chairman Jostes said to make sure that the policy does not lock in the counties that are surveyed. Commissioner Beason thought the policy was generic. Ms. Anderson said the policy does outline the six entities and then it talks about the cost-of-living based on the other local jurisdictions. Chairman Jostes said he would like an opportunity to review it again, so it would be the generic policy without specific comparisons, as Commissioner Beason wanted. Commissioner Beason said his thinking was to incorporate Commissioner Dee’s comments regarding the four local jurisdictions. Chairman Jostes said he was OK with that. Commissioner Dee said that relates to the annual cost-of-living adjustment and not the base policy assessment. Commissioner Beason said his intent is not to include any Madera and Placer Counties, etc. in the policy. He said they may come back and look at them when looking at compensation. Commissioner Dee understood Commissioner Beason was suggesting they identify the six counties to be used at each five year assessment. She said they would choose the six counties at each five year assessment to benchmark every time. Commissioner Beason said he is not suggesting anything yes or no. He was trying to get the Commission to a compensation policy that does not rely necessarily on any other counties, but they can be incorporated to go forward. He did not know if that needed to be written down. Ms. Anderson said they could revise the policy to say that every five years the Commission will do a market study and not specify who they will compare to, and then on an annual basis make cost-of-living adjustments based on the region. Ms. Anderson said she would be happy to revise it.

Commissioner Beason said he amended the motion to incorporate the consultant’s recommendation. Commissioner Scofield said once they establish the base figures, then the Policy and Procedure just falls into place. Commissioner Dee seconded the motion. Chairman Jostes reviewed there was a motion and second to basically accept the generic policy as presented to NCTC. The motion passed unanimously with Aye votes from Commissioners Anderson, Beason, Dee, Fouyer, Guerra, Jostes, and Scofield.

Commissioner Beason suggested that the Chairman, before signing the revised resolution, would have the latitude to make some tweaks to the resolution if it does not sound exactly correct. Commissioner Dee said Chairman Jostes is on the subcommittee. She said the question was, based on the conversation, does NCTC want the subcommittee to meet and review some of the salary/benefit numbers prior to the budget meeting in May, in order to make a recommendation. Or did the Commission want to have a full blown conversation at the budget process of the next NCTC meeting. Commissioner Beason said he did not want to tell the subcommittee what to do with their time, but he thought it was a good idea for the subcommittee to meet again. Chairman Jostes said he thought it was important, particularly the first time out, so everyone is completely comfortable with the comparisons that have been made and that will get this new process off to a good start. Commissioner Dee said they will look at the recommendations the Commission has made and come back with a suggested report during the budget process, so the numbers can be built into the budget. She said the Commission is giving that direction.

15. Amendment IV to the FY 2015/16 Overall Work Program

Executive Director Landon reported there were five items that were proposed for adjustment in the work program and budget. He said they are changing the Regional Transportation Plan budget, on page 8, by reducing the traffic engineering revenue and moving it into another work element for Performance Monitoring Indicators for Rural and Small Urban Transportation

Planning budget. He said this will allow the budget numbers to match up with how the audited numbers for the end of the previous year come up and are consistent.

Executive Director Landon reported the Gold Flat Road Corridor Traffic Analysis Budget is being corrected for the revenue identification from CMAQ to Nevada City, since they are not receiving CMAQ funds for that project, but are receiving revenues from the City of Nevada City. He said they are increasing the Coordination of Regional Planning Budget; increasing revenues and expenditures both for the Airport Land Use Commission activities and these revenues come from fees derived from developers that make proposals. He said those funds are expended by utilizing consultant services from Mead & Hunt, Inc. to review the proposals. He said it is a non-issue as far as further expenditure of public funds, but it is increasing expected revenues and the expected expenditures.

Executive Director Landon said, lastly, they are changing the indirect cost budget, reducing the equipment rental budget, and increasing the payroll services to matchup with the need for additional software and services.

Commissioner Dee made a motion to adopt Resolution 16-12 approving the adjustments to the Overall Work Projects and Budget. Commissioner Beason seconded the motion. The motion passed unanimously with Aye votes from Commissioners Andersen, Beason, Dee, Fouyer, Guerra, Jostes, and Scofield.

COMMISSION ANNOUNCEMENTS

Executive Director Landon introduced the new staff member, Dale Sayles, who was hired as the Administrative Services Officer to replace Nancy Holman who is retiring. He said staff went through an extensive process and came out with four very qualified people and Ms. Sayles was selected. Executive Director Landon stated that this was the final NCTC meeting for Ms. Holman and he acknowledged her 25 years of employment and the work and friend relationship that was shared. Chairman Jostes read a Certificate of Appreciation to Ms. Holman and presented it to her. Ms. Holman thanked the Commission and staff. The Commissioners each shared their personal thoughts and appreciation with Ms. Holman.

SCHEDULE FOR NEXT MEETING

The next regularly scheduled meeting of the Nevada County Transportation Commission is on May 18, 2016 at the City of Grass Valley, 125 East Main Street, Grass Valley, CA at 9:30 a.m.

ADJOURNMENT OF MEETING

Chairman Jostes adjourned the meeting at 12:17 p.m.

Respectfully submitted: Antoinette Perry
Antoinette Perry, Administrative Assistant

Approved on: May 18, 2016

By: L. A. Jostes
Lawrence A. Jostes, Chairman
Nevada County Transportation Commission