



METROPOLITAN
TRANSPORTATION
COMMISSION

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Memorandum

TO: Commission
FR: Executive Director
RE: Agency Strategic Plan

DATE: March 15, 2006

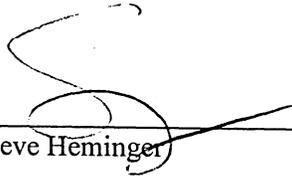
W. I.

The Planning Committee has forwarded the Agency Strategic Plan (Resolution No. 3744) for Commission approval. We have presented the draft plan to the Commission's advisory committees for their review and comment prior to Commission action.

A consistent comment from the advisory committees concerned the proposed transfer of responsibility for the ongoing operation or administration of important regional functions to local agencies (e.g., TransLink®, bicycle/pedestrian program, etc.). They want the Commission to retain policy oversight over local implementation to ensure desired regional outcomes. At the Planning Committee meeting, several commissioners expressed support for delegating additional functions to local agencies only if sufficient funding accompanied the transfer. To clarify both points, staff recommends that the following text be added to the plan, page 12:

“Prior to transferring functions to local agencies, the Commission will (1) define performance outcomes consistent with established Commission policies, and (2) establish requirements and sufficient resources for local implementation to reflect the effort required for effective program implementation.”

With this amendment to the Plan, staff recommends the Commission approve Resolution No. 3744.


Steve Heminger

Date: March 22, 2006
W.I.: 1150
Referred by: Planning Committee

ABSTRACT

Resolution No. 3744

This resolution adopts the Agency Strategic Plan.

Further discussion of this action is contained in the MTC "Executive Director's Memorandum" dated March 3, 2006.

Date: March 22, 2006
W.I.: 1150
Referred by: Planning Committee

RE: Agency Strategic Plan

METROPOLITAN TRANSPORTATION COMMISSION
RESOLUTION NO. 3744

WHEREAS, the Metropolitan Transportation Commission (MTC) is the regional transportation planning agency for the San Francisco Bay Area pursuant to Government Code Section 66500 *et seq.*; and

WHEREAS, MTC's roles and responsibilities have changed substantially since the Agency's creation in 1970, especially as a result of state and federal legislation that promotes regional solutions to transportation problems; and

WHEREAS, MTC's relationship with state, regional, county and local agencies has evolved significantly since the passage of the Intermodal Surface Transportation Efficiency Act in 1991 and subsequent reauthorizations of the Federal transportation program, the passage of county transportation sales taxes, the enactment of state statutes related to the Bay Area's state-owned toll bridges and the increasing MTC role in the direct operation of regional system management programs; and

WHEREAS, by assessing the complex institutional environment in which MTC currently carries out its responsibilities, the Commission seeks to identify an optimum administrative focus for MTC and its two subsidiaries, the Bay Area Toll Authority (BATA) and the Service Authority for Freeways and Expressways (MTC SAFE); especially for those agency functions that are discretionary and not mandated by state or federal statute; and

WHEREAS, the optimum focus for MTC may require the transfer of certain functions currently performed by MTC to one or more of MTC's partner transportation agencies, including the congestion management agencies and public transit agencies; now, therefore, be it

RESOLVED, that the Commission adopts the Agency Strategic Plan set forth in Attachment A to this Resolution to guide the agency organization and allocation of agency resources and establish an ongoing process for the evaluation of the agency's overall work program and development of the agency budget; and be it further

RESOLVED, that the Executive Director shall work with partner transportation agencies to further explore proposed transfers of agency functions and implementation of new agency initiatives.

METROPOLITAN TRANSPORTATION COMMISSION

Jon Rubin, Chair

The above resolution was entered into by the Metropolitan Transportation Commission at a regular meeting of the Commission held in Oakland, California, on March 22, 2006.



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Memorandum

TO: Planning Committee

DATE: March 3, 2006

FR: Executive Director

RE: Agency Strategic Plan

Over the past several months, MTC's management has been actively engaged in a process of developing an Agency Strategic Plan to guide the organization for the next five to ten years. We retained the assistance of Arthur Bauer and Associates and Carmen Clark Consulting to help prepare the plan. The process has been overseen by a Steering Committee including the Agency's executive staff and included a review of the agency's existing programs and activities, interviews and workshops with the Section Directors, and meetings with an ad hoc committee of Commissioners.

The Agency Strategic Plan focuses on an internal evaluation of MTC's current functions based on a set of criteria for determining the regional significance of each function and MTC's role. On the basis of this review, some candidate functions were identified for possible transfer to other transportation agencies in the region as well as some new functions that MTC can possibly assume.

MTC has many stakeholders who have influenced the development of the Commission's policies and investment decisions. This Strategic Plan was not intended to re-open discussion on these policies but rather to evaluate the effectiveness of the agency's organizational approach to implementing them. After developing initial ideas in this regard, a number of stakeholders, including congestion management agencies, large and small transit operators, local governments, nonprofit organizations representing private sector interest, and Caltrans were interviewed to get their reactions before formulating the plan's final recommendations.

The draft Strategic Plan is attached for your review and referral to the full Commission. While our focus has been on the internal organization and resource allocation needed to deliver the Commission's work program, the Plan recommends the transfer of some responsibilities from MTC to local transportation agencies. Therefore, following Commission approval, we would continue follow-up discussions with the affected agencies.

We will be presenting the plan to the Commission's Advisory Council, Minority Citizens Advisory Committee and Elderly and Disabled Advisory Committee to brief them on the recommendations and get their input before final Commission approval later this month.

Background

MTC's roles and responsibilities have changed substantially since the agency's founding in 1970, especially over the past 15 years. Many of these changes have come as a result of state and federal legislation that promotes regional solutions to transportation problems.

By assessing the complex institutional environment in which MTC currently carries out its responsibilities, this Strategic Plan seeks to identify an optimum administrative focus for MTC and its two subsidiaries, BATA and SAFE. A key objective of the strategic planning process was to determine an appropriate scale for MTC's current functional activities that are discretionary and not mandated by state or federal legislation. There are several reasons that justify a reconsideration of MTC's discretionary programs:

1. MTC's relationship with the CMAs has evolved over the last fifteen years. At the outset, the CMAs were new institutions that relied heavily on MTC and other assistance. Over time they have become stronger, independent entities with important responsibilities for developing county-based consensus on transportation investment. MTC and the CMAs should look for a way to link respective roles more directly; establishing a joint agenda would help strengthen this relationship.
2. Some activities performed by MTC were assigned to the agency by default and do not necessarily match the agency's regional mission. Some of these activities may have required regional management at the time they were assumed by MTC, but may be more appropriately managed by others. For example, large projects, such as TransLink®, that will transition to ongoing operations within each transit system, could be handed off to the operating agencies, either individually or to a multi-agency consortium.
3. If there is no delegation or cessation of some existing functions and it is necessary for MTC to continue to add new functions to respond to the region's transportation challenges, the agency will have to add staff to respond to the increased workload. This puts MTC at risk of becoming more bureaucratized and less able to respond flexibly to new challenges.

Recommendations

The plan recommends the following actions for Commission consideration:

- 1. Establish criteria for determining regionally significant functions.**

The Plan recommends a set of criteria to help determine the degree to which projects and programs are regional and subject to Commission policy and investment decisions. The Commission should use these criteria when determining whether to

(1) undertake new initiatives, (2) maintain regional management of program delivery, or (3) transfer functions to partner agencies. The proposed criteria are described on page 11 of the attached Strategic Plan.

2. Conduct Periodic Evaluations of Agency Functions

The Commission should conduct a periodic assessment of whether there are emerging regional issues that should be pursued more aggressively within the agency's work program and whether to modify the agency's approach to achieving MTC policy objectives. The assessment should ensure that the agency:

- Maintains an effective planning foundation for the development of Commission policies and implements a clear linkage between the programming and allocation of regional funds to the implementation of these policies;
- Gives consideration to the transition of program administration and implementation to local agencies (CMAs, transit agencies, cities, community organizations, etc.) when it is clear that these functions are more effectively delivered at the local level.
- Allocates sufficient agency resources to implement programs that are best managed on a regional scale.

3. Implement Changes to MTC Functions

Based on a review of existing and possible new functions, the Plan recommends functions that should be considered for transfer to other agencies as well possible new/expanded functions that MTC should assume moving forward. These recommendations are summarized in Table 1 on page 8 of the Strategic Plan.

Staff Impacts and FY 2006-07 Budget Recommendations

The Strategic Plan recommendations will require adjustments to the agency's current staffing levels. These changes will be officially submitted for review with the FY2006-07 Agency budget, and are summarized below:

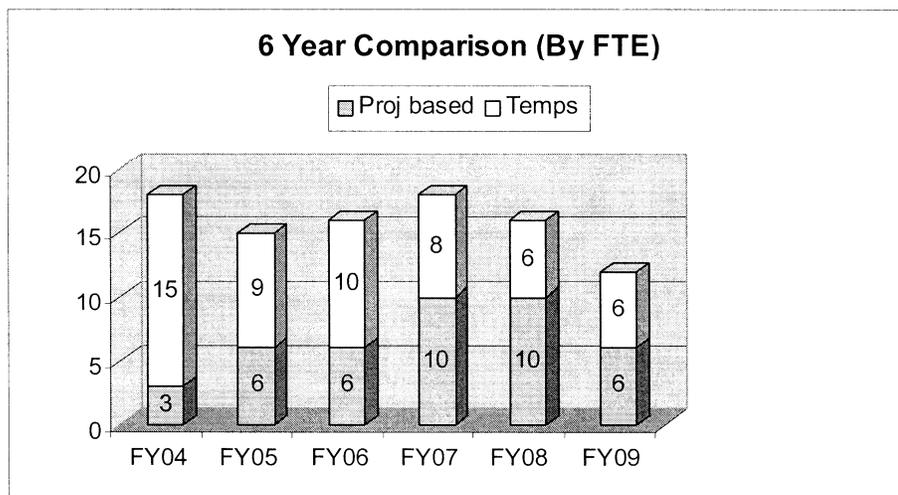
Regular Full-time Staff: After accounting for existing vacancies and staff efficiencies resulting from the transfer of certain functions, two net additional staff positions will be needed to support the proposed level of effort reflected in the Strategic Plan such as on the freeway performance initiative, goods movement planning and human resources function. The proposed transfer of functions would allow us to reallocate staff resources to emerging functions. The agency's functions have grown increasingly diverse over time and this is not likely to change moving forward. For example, MTC currently staffs

the TransLink® program with approximately six regular full time equivalent positions and three project-based limited duration and temporary staff. This staffing level would carry the agency effort through the installation and successful launch of the system on the region's operators. As the transition to mainstream operation occurs, the regular staff positions dedicated to the TransLink® project would be reallocated to other MTC functions.

Project-based/Limited Duration Staff: I also propose to increase the number of project-based, limited duration positions to support emergency response planning and the 511/Vehicle Infrastructure Integration program and to complete the installation of the TransLink® system prior to transitioning mainstream operation to the transit agencies. The costs associated with these project-based staff will be covered by external funding sources so as not to affect the budget capacity needed to maintain ongoing core agency functions. Given the proposed continuation of the Technical Assistance Programs, such as Pavement Management and Signal Timing, through FY2008-09, and TransLink® support through transition to the transit agencies, I propose to reassign existing temporary staff currently supporting these programs to project-based, limited duration positions.

Temporary staffing: Additional hours will be budgeted to complete the fund management system.

The figure below indicates the anticipated trend in the allocation of limited duration and temporary staff through FY2008-09 if the transition of activities proposed in the Strategic Plan occurs during that timeframe.



In total, the expected budget impact of these various personnel changes would be approximately \$525,000 in additional expense in next year's budget, which we believe is

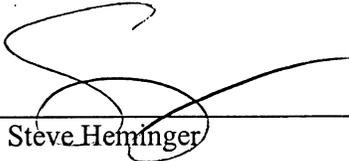
manageable given the augmentation of our federal planning funds in the recent SAFETEA legislation and available project funds.

Contract Services: The budget proposal will also include technical consultant assistance to conduct the Human Services Transportation Plan, an update to the Bicycle/Pedestrian Plan, and continuation of the Emergency Operations Planning that will be initiated this fiscal year.

Next Steps

Following the adoption of the Strategic Plan, staff would continue discussions with the CMAs and transit agencies about the proposed transfer of functions. We would also continue discussions with the CMAs, Caltrans and other affected partners on the scope, schedule and resource requirements for the proposed new Freeway Performance Initiative that is described on page 17 of the attached Plan.

We request that the Planning Committee refer the attached Strategic Plan to the full Commission for approval.



Steve Heminger