

AGENDA: April 1, 2004

TO: Regional Transportation Commission
FROM: Linda Wilshusen, Executive Director
REGARDING: Amendment to the FY03-04 Budget

RECOMMENDATIONS

The Budget and Administration/Personnel Committee and staff recommend that the Regional Transportation Commission approve the attached resolution (Attachment 1) amending the FY03-04 Budget to:

1. Include \$76,000 in STIP funds for Planning, Programming and Monitoring (PPM);
 2. Increase the legal costs line item in the Administration Program to \$10,000; and
 3. Increase the Freeway Service Patrol program by \$400 to cover a cost increase.
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DISCUSSION

The following three amendments to the FY03-04 Budget have been reviewed by the Budget and Administration/Personnel Committee and are recommended. Amended pages of the budget are included as Attachment 2.

Legal Costs

The FY03-04 budget includes \$6,000 for general legal costs under the Administration Program, and \$5,700 for legal costs for the HCA under the Planning Program. Both are paid to County Counsel for hours worked and funded by TDA. General legal costs for the first half of the fiscal year are \$4,500. This amount is higher than usual, to some extent because of legal counsel regarding the expenditure plan. Staff recommends increasing the Legal Counsel line item in the Administration budget (page 11 of the budget) from \$6,000 to \$10,000 to cover costs for the entire fiscal year. This cost increase is covered by Commission Reserves.

STIP Planning, Programming and Monitoring (PPM) Funds

The Regional Transportation Planning Agencies (RTPAs) around the state have been working with Caltrans and the California Transportation Commission (CTC) over the past few months to release some STIP funds for Planning, Programming and Monitoring (PPM) activities. These funds can be used by RTPAs such as the SCCRTC to help cover the costs for state-mandated tasks for development, implementation and

monitoring of the Regional Transportation Improvement Program (RTIP) and the Regional Transportation Plan (RTP).

The association of RTPAs, the RTPA Group, was successful in crafting a proposal to release a small amount of PPM funds for the current fiscal year only. Because the SCCRTC had programmed a relatively small amount for PPM in its RTIP, \$76,000, the RTPA Group's proposal included release of the full amount for the SCCRTC. The RTPA Group's proposal was approved by the CTC at its last meeting because the RTPAs made a persuasive argument that these funds were desperately needed and that the amount would have a miniscule effect on cash flow for the STIP.

In the proposed amendment to the FY03-04 SCCRTC budget, the released PPM funds have been allocated to the Regional Transportation Plan and Regional Transportation Improvement Program work elements (page19 of the budget).

Freeway Service Patrol

Costs for management of the towing contracts for the Freeway Service Patrol program by the Metropolitan Transportation Commission (MTC) have increased by \$400 (page 14 of the budget). This cost increase is covered by FSP Reserve funds.

Status of Commission Reserves

The input of \$76,000 in PPM funds offsets a corresponding amount of Commission Reserves. Even though there is some increase under Legal Costs, with the new revenue, the SCCRTC wipes out its deficit in the Commission Reserve Fund. As can be seen on page 25 of the budget, the target for the Commission Reserve Fund, 5% of the operating budget as recommended by the County Auditor-Controller, is \$88,000. This budget amendment results in \$60,000 over the Commission Reserve target. However, the FY04-05 budget utilizes \$53,000 of this \$60,000 in Commission Reserves, resulting in just a few thousand dollars over the reserve target. Since there have been many unanticipated costs in relation to the Highway 1 projects and the sales tax measure expenditure plan, it is helpful to have some extra funds in reserve as a cushion for potential new or increased costs that the RTC may experience.

SUMMARY

Three amendments to the FY03-04 budget are recommended: increasing legal costs consistent with cost experience thus far this fiscal year, adding STIP funds recently released by the California Transportation Commission, and increasing costs for contract oversight for the Freeway Service Patrol. The new revenue results in an adequate balance in the Commission Reserve fund.

Attachment 1: Resolution

Attachment 1: Amended Budget Pages