



Item #09-4-2 Information

Strategic Planning Committee

April 10, 2009

Review the Fiscal Year 2009-10 Overall Work Program Budget

Issue: To review and discuss the Fiscal Year 2009-10 Overall Work Program Budget and make necessary recommendations to staff.

Recommendation: For discussion only.

Discussion: The Board authorized the release in March for a 30-day public review period the draft budget for the Overall Work Program (OWP) for Fiscal Year 2009-10. Between the time the OWP was reviewed by the Government Relations & Public Affairs Committee and the Board released the draft OWP, the budget gap of \$1.032 million was reduced by closely examining costs, identifying potential new and/or grant revenues, and deferring projects. The specifics of that gap closure were:

Revenue Enhancements:

- Addition of \$50,000 of revenue from the Caltrans Department of Mass Transportation for an Agricultural Worker Transportation Program. A business plan for this program is nearing completion and will address the need. Staff will be reviewing the program over the next few weeks to determine if it fits within our program priorities and staff availability.
- Addition of \$30,000 from the Sacramento Metropolitan Air Quality Management District for Blueprint Visualization Tools. Should SMAQMD not provide the funds, the project will be removed from the work plan for no net change.
- Increase to FHWA PL funds of \$242,640 and to FTA 5303 funds of \$72,941 by elimination of the estimated rescission amount on FHWA and FTA 5303 planning funds. Investigation by staff has determined that the allocations given to SACOG as determined by Caltrans for these funding sources are below the threshold where any rescission would occur. Caltrans has included within their estimates an amount sufficient for any potential rescission and then allocated the funds to SACOG and other MPO's from that amount.

Expenditure Reductions:

- An overall reallocation of staff to projects where there had previously been consultant budget. This has the effect of transferring responsibility for completion of projects to in-house staff and saving the cost for a consultant.
- Budgeted only the required minimum in matching funds for a project when possible.
- Reduced staff costs by \$175,000. The majority of these savings will be discussed under the closed session labor negotiations agenda item. Management has a variety of methods to ensure the remaining savings are achieved, and will decide through the year what is most advantageous to the organization. Some of the options include delays in filling vacant positions or downgrading a vacant position to a lower classification.
- Deferring work on some projects where either it would have no impact on the project or grant funds could be utilized next fiscal year.

Staff has spent a great deal of time ensuring that these revenue and cost assumptions are as accurate as possible, as well as ensuring that the costs are contained to the maximum extent possible. While this is a very tight budget year at SACOG, we are fortunate that in general both our costs and revenues do not fluctuate widely during good or bad economic times. Our staff has been at approximately the same size for some time, and many of our revenue streams come from multi-year commitments in the federal transportation bill. We have also benefited from a fiscally sound labor MOU that the Board approved four years ago. We welcome your input and discussion of the budget for next fiscal year at this meeting.

Approved by:

Mike McKeever
Executive Director

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