



Approve Amendment #2 to the Budget and Overall Work Program for Fiscal Year 2023-2024

Consent

Author: Loretta Su

Attachments: Yes

Approved by: James Corless

Referring Committee: Policy & Innovation

Issue:

Approval of Amendment #2 to the Budget and Overall Work Program (Budget/OWP) for Fiscal Year (FY) 2023-2024

Recommendation:

The Policy and Innovation Committee unanimously recommended that the board approve Amendment #2 to the Budget/OWP for FY 2023-2024 and authorize submittal to Caltrans and federal funding agencies.

Background/Analysis:

The SACOG Board of Directors adopts an annual budget for the SACOG Planning and Administration General Fund (General Fund Budget) which includes the Overall Work Program activities (OWP), Board of Directors and Advocacy budget, capital assets, and other related functions/activities not associated with the OWP. The Capitol Valley Regional Service Authority for Freeways and Expressways (CVR-SAFE) Board of Directors adopts its annual budget which includes expenses related to the freeway emergencies services in the counties of El Dorado, Sacramento, San Joaquin, Sutter, Yolo and Yuba counties and its activities are also included in OWP. The annual budgets are prepared on a modified accrual basis of accounting and adopted on a basis consistent with generally accepted accounting principles. The legal level of control is at the object level by fund and the Board must approve additional appropriations.

SACOG's OWP is prepared to comply with SACOG's federal and State Agencies' regulatory funding requirements and describes the continuing, comprehensive, and coordinated metropolitan planning process for the six-county Sacramento region. Amendments to the Budget/OWP are typical throughout the year to modify projects, add new projects or revenues, change project descriptions, or adjust staff and expenditures between OWP work elements and/or operating activities.

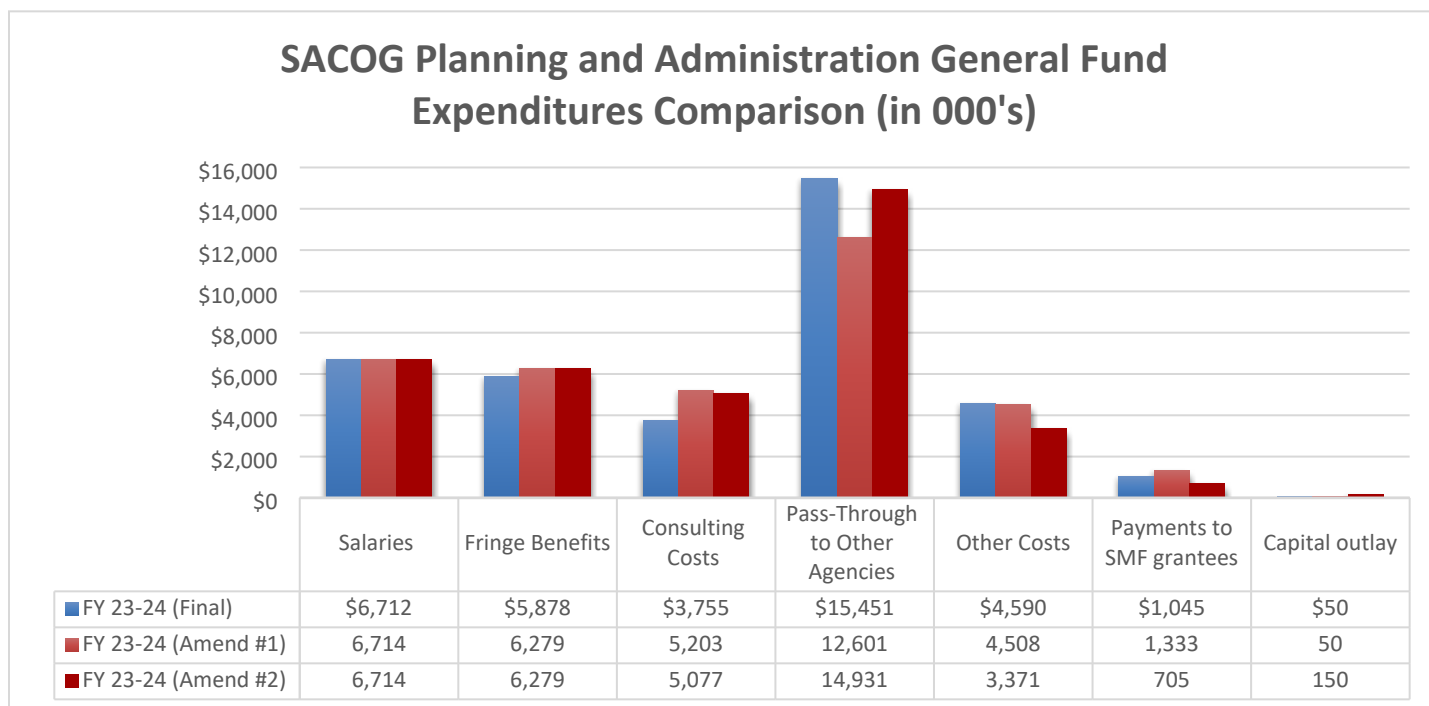
SACOG's Planning and Administration General Fund Budget is separated out into two functional budgets for tracking and reporting purposes. The first budget is the Operations Budget which includes OWP activities, capital assets and other related activities not associated with the OWP and is mainly funded through a combination of formula-based federal and state revenue sources, supplemented by short term specific discretionary and non-discretionary grants and contract funds. The second budget is the Board and Advocacy Budget which includes a portion of technical assistance SACOG provides to its members, the agency's state

and federal advocacy efforts, as well as board costs such as per diem and mileage expenses. The Board and Advocacy Budget is primarily funded by annual dues payments from SACOG member cities and counties.

The Board of Directors adopted the Budget/OWP for Fiscal Year 2023-2024 (“Adopted Budget/OWP”) in May 2023. The board approved Amendment #1 to the Budget/OWP in October 2023, which reflected a decrease of revenues and expenditures by \$792,403 or 1.9 percent as a result of carryover adjustments, comparing to the adopted Budget/OWP.

Discussion/Analysis:

Amendment #2 to the Budget/OWP for Fiscal Year 2023-2024 reflects total expenditures of \$37,227,332, an increase of \$539,348 or 1.5 percent, compared to the Amendment #1 Budget/OWP. The chart below shows a comparison of expenditures for the Final Budget, Amend #1 and Amend #2 for FY 2023-2024.



The changes in revenues, use of reserve funds and expenditures reflected in Amendment #2 are as follows:

SACOG Operations Budget

❖ Changes in Revenues

- Added new projects and grants to the Budget/OWP. This includes:
 - Transit Operative Pass-Through Funds for California Integrated Travel Project (CAL-ITP) (SAC219) in the amount of \$2,180,000 funded with State Transit and Intercity Rail Capital Program (TIRCP). This is a pass-through funds to transit operators to purchase the contactless fare payments system.
- Increased FTA Section 5303, FHWA PL, and SB1 funds in the amount of \$190,224 to reflect final apportionments released by Caltrans.
- Increased Interest Income in the amount of \$209,431.

- Reduced Transportation Development Act (TDA) Administrative and Planning Fees in the amount of \$404,256 due to Sacramento County's revised sales tax revenues.
- Reduced various discretionary grant award and program amounts (FTA Section 5304, FTA RAISE, RSTP, Carbon Reduction Program (CRP), etc.) to reflect revenues and expenditures expected in the current fiscal year in the amount of approximately \$751,388 due to timing of expenditures. These grants are still at the beginning stage of implementation so related work and consultant costs will be carried into the FY 2024-2025 Budget/OWP.

❖ **Changes in Expenditures**

- Reallocated staff hours between projects to reflect actual workload and anticipated employee utilization.
- Added Capital Area Regional Tolling Authority (SAC145) and adjusted expenditures for projects noted above to reflect a net increase of expenditures in the amount of \$519,348.

❖ **Changes in Reserve and Carryover Fund Balance**

- Reduced the use of SACOG Managed Funds to reflect expenditures expected in the current fiscal year for committed community design projects in the amount of \$145,546 and Raise Grant Cash Match of \$294,163.
- Reduced the use of fund balance in the amount of \$464,954 from the board approved amount of \$900,000. Staff is proposing using \$400,000 savings in FY 2024-2025 Budget/OWP for carryover activities and committed cash match requirements on grants.

Board and Advocacy Budget

The Board and Advocacy Budget is separate from the Budget/OWP because it funds activities that cannot be funded with state and federal funds, including state and federal advocacy, board per diem and other expenses. It also funds partnerships and technical assistance to member jurisdictions beyond what is possible in the main budget either due to eligibility or budget constraints. The total Board and Advocacy Budget reflects a total of expenditures of \$1,156,453, a net increase of \$20,000 or 1.8 percent for YLA activities supported by local agencies.

The Overall Work Program Work for Fiscal Year 2023-2024 which reflects changes from Amendment #2 as stated above is available to view or download on SACOG's website by clicking this link: [OWP Amend#2](#).

Attachment A shows the changes in overall revenue by funding source. **Attachments B, C, D, E & F** provide a summary of revenues and expenditures included in Amendment #2 to the FY 2023-2024 Budget/OWP.

Attachment G is the Board and Advocacy Budget and **Attachment H** is the Capital Asset expenditures.

Attachments I is resolution approving Amendment #2 to the FY 2023-2024 Budget/OWP.

SAFE Budget (for Information only)

The CVR-SAFE Budget for FY 2023-2024 is \$3,391,929 and its activities are included in the Budget/OWP. The SAFE Board adopted the CVR-SAFE Budget in June 2023. No action is required by SACOG board.

Fiscal Impact/Grant Information:

The Amendment #2 to the Budget/OWP for FY 2023-2024 reflects a total revenue of \$35,720,660 and use of reserve and unassigned fund balance of \$1,506,672 to cover total expenditures of \$37,227,332 in staff, consultant, capital, indirect, board expenses and pass-through expenditures, of which \$36,070,879 is SACOG Operations Budget and \$1,156,453 for Board and Advocacy Budget.