

STAFF REPORT



MEETING DATE:	December 13, 2016
SUBJECT:	Approve Amendment #2 to SRТА's Fiscal Year 2016/17 Budget
AGENDA ITEM:	14
STAFF CONTACT:	Sean Tiedgen, AICP, Senior Transportation Planner

SUMMARY:

The SRТА Fiscal Year (FY) 2016/17 budget was adopted on April 26, 2016. Amendment #2 is needed to reflect changes to project scopes of work and to reallocate Federal Highway Administration planning funds (FHWA PL) in response to a recent Caltrans' policy shift regarding carryover fund balance.

STAFF RECOMMENDATION:

It is recommended that the board of directors approve Amendment #2 to SRТА's FY 2016/17 budget pursuant to Resolution 16-12, increasing both budget revenues and expenditures by \$287.

DISCUSSION:

SRТА's annual budget covers all agency activities, including planning activities, road capital projects, non-motorized projects, transit operations, and building ownership. The SRТА FY 2016/17 budget totals \$14,177,326. Amendment #2 will increase budget revenues and expenses by \$287.

SRТА is allowed under federal policy to maintain a FHWA PL reserve for planning activities. SRТА's typical reserve was \$750,000 to cover a one-year operating reserve and to buildup expenses associated with updates to the regional transportation plan, due every four years. The reserve has built up in recent years to \$1.3 million due to:

- annual fluctuations of core planning project needs (i.e. Regional Transportation Plan and Transportation Improvement Program cycles);
- some projects taking longer to deliver than anticipated, combined with aggressive budgeting practices; and
- successful awards of competitive planning grants supplementing FHWA PL funds.

SRТА's higher FHWA PL balance is being viewed unfavorably by Caltrans and recently had a negative effect in state consideration of a planning grant. Staff has identified projects where FHWA PL reserves can be used in place of other fund sources currently programmed. Resultant changes show an additional \$39,000 in FHWA PL funds being used in FY 2016/17.

Staff is working on a two-year budget plan to reduce FHWA PL carryover funds to a level considered acceptable by Caltrans (100% of our annual allotment or approximately \$580,000). The majority of this can be accomplished by completing projects already budgeted by the board of directors. The move to budget PL reserves will free up a like amount of other fund sources that can then be held for the SRТА operating reserve.

Amendment #2 also involves changes to work elements, including minor narrative clarifications to work tasks and deliverables, and adjustments to estimated consultant expenditures based on updated project schedules. Significant work task changes include the acceleration of consultant costs for the GoShasta Active Transportation Plan and the addition of the Sunday transit service demonstration study (agenda item #12). Amendment #2 will result in a net \$287 budget increase.

ALTERNATIVES:

The board of directors may modify Amendment #2 to the SRTA FY 2016/17 budget, provided that such changes are consistent with the terms of applicable funding agreements.

OTHER AGENCY INVOLVEMENT:

Caltrans District 2, the Federal Highway Administration, and the Federal Transit Administration approve formal OWP amendments. The Technical Advisory Committee (TAC) concurs with the staff recommendation.

FINANCING:

Amendment #2 increases the SRTA FY 2016/17 budget for planning activities by \$287 as shown in Attachments B and C. An additional \$39,000 in FHWA PL funds will be used in FY 2016/17, based on adjustments in resources for staff time and consultant work. All changes are highlighted in yellow in the attached worksheets and summarized in the attached resolution.



Daniel S. Little, AICP, Executive Director

Attachments:

- A: Resolution Number 16-12: Amendment #2 to SRTA's Fiscal Year 2016/17 Budget and OWP
- B: Amended OWP Budget Worksheets (changes highlighted)
- C: Amended SRTA Comprehensive Fiscal Year 2016/17 Budget (changes highlighted)