

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

105



FROM: TLMA-Transportation Department

SUBMITTAL DATE:
May 28, 2004

SUBJECT: 3rd Quarter Budget Adjustments for the Transportation Department's
FY 2003/04 DeptID 3130100000 and 3130500000 (Multiple Funds)

RECOMMENDED MOTION: That the Board of Supervisors:

1. Authorize the Auditor-Controller to Adjust the Transportation Department's FY 2003/04 budget for Fund 20000, DeptID 3130100000, Transportation Operations Budget, to reflect the budget adjustments set out on Attachment "A"; and
2. Authorize the Auditor-Controller to Adjust the Transportation Department's FY 2003/04 budget for Fund 20000, DeptID 3130500000, Capital (TIP) Budget, to reflect the budget adjustments set out on Attachment "B"; and
3. Authorize the Auditor-Controller to Adjust the Transportation Department's FY 2003/04 budget for Fund 31680, DeptID 3130500000, Developer Agreement/Developer Mitigation Fund, to reflect the budget adjustments set out on Attachment "C"; and
4. Authorize the Auditor-Controller to Adjust the Transportation Department's FY 2003/04 budget for Fund 31610, DeptID 3130500000, Southwest Road and Bridge Benefit District Fund, to reflect the budget adjustments set out on Attachment "D"; and

FISCAL PROCEDURES APPROVED
ROBERT E. BYRD, Auditor-Controller

BY: Lucy Warner 6/18/04
Deputy

(Continued on Page 2)

George A. Johnson
Director of Transportation

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 5,798,021	In Current Year Budget:	Partially
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	Yes
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2003/04
SOURCE OF FUNDS: Gas Tax, AB 2928, Special Dist Revenue, Various Interfund Revs, Misc State Reimb, and Aid Prior Year, Road Const Exp Reimb, Other Revenue - Per Year , and Interest-Invested Funds				Positions To Be Deleted Per A-30 <input type="checkbox"/>
				Requires 4/5 Vote <input checked="" type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

County Executive Office Signature

Dep't Recomm.: Policy Policy
Per Exec. Ofc.: Consent Consent

Prev. Agn. Ref.:

District:

Agenda Number:

3.26

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RECOMMENDED MOTION (continued):

5. Authorize the Auditor-Controller to Adjust the Transportation Department's FY 2003/04 budget for Fund 31650, DeptID 3130500000, Developer Agreement/Developer Impact Fee Fund, to reflect the budget adjustments set out on Attachment "E"; and

BACKGROUND: On May 4, 2004 (Agenda Item 3.50), the Executive Office presented its 3rd Quarter Financial Report to the Board of Supervisors. In the report, the Executive Office made reference to the fact that the Transportation Department has additional extensive budget adjustments, which would be coming to the Board under separate cover. There are in fact, additional budget adjustments for two of the Department's cost centers (DeptID 3130100000 and 3130500000), involving multiple funds. Therefore, the Department is requesting that these necessary budget adjustments be approved and authorized at this point and time.

For FY 2003/04, the Transportation Department's Operations budget, Fund 20000, DeptID 3130100000, will recognize additional revenues and expenditures totaling \$1,120,548. The Department is projecting an additional \$1,120,548 in Deposit Based Fees revenue for this fiscal year. This additional revenue will be used to offset additional project-related contract costs attributable to increased land development activity. In addition, an analysis of current TIP projects has determined that projected costs for various capital-related projects will be rolled forward to FY 2004/05. The associated capital-related salary, benefits, and indirect charges have also been reduced, resulting in a projected decrease to the FY 2003/04 budgeted cost applied interfund activity. Budget adjustments related to the above noted budgetary issues, comprise both increases and decreases to estimated revenues and appropriations, as reflected under Attachment "A."

For FY 2003/04, the Transportation Department's Funds 20000, 31680, 31610, and 31650 (all Funds under DeptID 3130500000), in the aggregate, will recognize additional revenues and expenditures totaling \$3.4 Million above and beyond those revenues and expenditures currently recognized in its various capital budgets. These additional revenues and expenditures will be used in support of various capital-related road projects Countywide. These additional revenues and expenditures were not fully recognized and appropriately budgeted at the time the Department prepared its various current fiscal year budgets, due to the fact that the Department was still in the midst of its GASB 33 analysis. Prior to GASB 33, all Road and Bridge Benefit District and Developer Agreement funds were maintained in Departmental trust funds. The funds were used to reimburse Fund 20000, DeptID 3130500000 (Transportation's Capital Projects budget) as the Department realized associated related capital project costs.

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BACKGROUND (continued):

Thus, a budget adjustment is needed to reflect revenue being recognized in the Department's various smaller Capital Project funds. Once related capital project expenditures are incurred by the Department's main Capital Projects fund, associated Interfund revenue will then be transferred and recognized as reimbursement to the Department's main Capital Projects fund from the appropriate smaller capital project fund. To enable the change in accounting practice, appropriations for the smaller Capital Project funds are being reclassified to Interfund expenditure categories. In addition, the Department anticipated that all AB2928 funds would be fully expended by the close of FY 2002/03. For this reason, the Department did not recognize available AB2928 funds in the current fiscal year's budget for Fund 20000, DeptID 3130500000 (Transportation's main Capital Projects budget). A total amount of \$2,065,000 in AB2928 funds was unexpended in Fiscal Year 02-03, and rolled into Fiscal Year 03-04. In order to fully expend the available AB2928 funds, the Department wishes to recognize this available funding in the current fiscal year budget, and to utilize it by the close of this fiscal year. Due to AB2928 funding guidelines, it is necessary for the Department to fully expend the remaining available funding by the close of this fiscal year.

Also, due to new accounting methodology developed as a result of the implementation of GASB 33/34, and pertaining to sub-fund accounting, it is necessary to establish appropriations in the operating fund for both Appropriation 2 and Appropriation 7 (Intrafund Transfers/Cost Applied) to accommodate the transfer of cash from various sub-funds to the operating fund, and the recording of expenditures at the sub-fund level that initially occurred at the operating fund level.

Finally, it is necessary to increase appropriations for Right-of-Way acquisitions and decrease appropriations for contracts expense due to the fact that the Transportation Improvement Plan (TIP) information used as a basis for the development of the 03-04 budget has subsequently changed. This is not unusual as the TIP is dynamic and changes as Departmental needs, project schedules, and fund sources and amounts change.

Budget adjustments related to the above noted budgetary issues, comprise both increases and decreases in estimated revenues and appropriations and are reflected under Attachments "B" through "E."

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ATTACHMENT "A"
TRANSPORTATION OPERATIONS BUDGET

Increase Estimated Revenues

20000-3130100000-771930 Deposit Based Fees \$1,120,548

Increase Appropriations

20000-3130100000-527980 Contracts \$1,120,548

Decrease Appropriations

20000-3130100000-510040 Regular Salaries 452,103

20000-3130100000-518100 Budgeted Benefits 173,086

20000-3130100000-542060 Improvements-Building 318,000

20000-3130100000-546280 Capitalized Software 125,000

20000-3130100000-573900 Intra Payroll Distribution (851,319)

20000-3130100000-574000 Intra Overhead Allocation (216,870)

Total Decrease to Appropriations \$ -0-

NET IMPACT ON NET OPERATING POSITION \$ -0-

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**ATTACHMENT "B"
CAPITAL BUDGET (TIP)**

Increased Estimated Revenues

20000-3130500000-750380	AB2928	\$ 2,065,000
20000-3130500000-755320	Misc State Reimb	2,161,253
20000-3130500000-767140	Federal-Misc Reimbursement	33,548
20000-3130500000-774200	Road Const Exp Reimb	651,911
20000-3130500000-778010	Interfund Revenue – CDBG	210,926
20000-3130500000-778070	Interfund Rev – CSA/Intra Co	757,529
20000-3130500000-778300	Interfund Rev – Dist 4	142,000
20000-3130500000-778370	Interfund Rev – Proj Costs	9,371,652
20000-3130500000-781360	Other Misc Revenue	<u>95,334</u>
Total Increase to Estimated Revenues		\$15,489,153

Decrease Estimated Revenues

20000-3130500000-711000	Local Transportation Act	\$ 227,000
20000-3130500000-711040	Measure A	4,725,000
20000-3130500000-750000	Gas Tax	431,000
20000-3130500000-763020	SB300	12,000
20000-3130500000-767140	Misc Federal Projects	5,928,000
20000-3130500000-777170	Developer Mitigation	131,000
20000-3130500000-777520	Reimb for Services	362,000
20000-3130500000-778270	Interfund Revenue-RDA	299,000
20000-3130500000-781580	TUMF	<u>1,053,000</u>
Total Decrease to Revenues		\$13,168,000

NET INCREASE TO ESTIMATED REVENUES

\$2,321,153

Increase Appropriations

20000-3130500000-523230	Miscellaneous Expense	16,800,000
20000-3130500000-528060	Materials	1,525,926
20000-3130500000-535000	Right-of-Way	5,714,500
20000-3130500000-572800	Intrafund Transfers-Misc	<u>(16,800,000)</u>
Total Increase to Appropriations		\$ 7,240,426

Decrease Appropriations

20000-3130500000-510220	Payroll Distribution	\$ 669,231
20000-3130500000-527980	Contracts	4,059,700
20000-3130500000-536880	Interfund Exp – Survey Dist	<u>190,342</u>
Total Decrease to Appropriations		\$ 4,919,273

NET INCREASE TO APPROPRIATIONS

\$2,321,153

NET IMPACT ON NET OPERATING POSITION

\$ -0-

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ATTACHMENT "C"
DEVELOPER AGREEMENT/DEVELOPER MITIGATION FUND

Increase Estimated Revenues

31680-3130500000-778190	Interfund Dev Fees (DA/DM)	\$1,392,792
31680-3130500000-740020	Interest – Investment Funds	<u>19,528</u>
Total Increase to Estimated Revenues		\$1,412,320

Increase Appropriations

31680-3130500000-537280	Interfund – Misc Project Expense	\$1,500,328
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Decrease Appropriations

31680-3130500000-535000	Right-of-Way	\$ 775,000
31680-3130500000-537200	Interfund – Supportive Services	20,514
31680-3130500000-537220	Interfund – Labor	24,486
31680-3130500000-527980	Contracts	<u>464,963</u>
Total Decrease in Appropriations		\$1,284,963

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**ATTACHMENT "D"
SOUTHWEST ROAD AND BRIDGE BENEFIT DISTRICT FUND**

Increase Estimated Revenues

31610-3130500000-781640	Special District Revenue	\$ 942,000
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Increase Appropriations

31610-3130500000-537280	Interfund – Misc Project Expense	\$1,540,000
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Decrease Appropriations

31610-3130500000-537200	Interfund – Supportive Services	\$ 49,234
31610-3130500000-537220	Interfund – Labor	58,766
31610-3130500000-527980	Contracts	<u>490,000</u>
Total Decrease to Appropriations		\$ 598,000

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ATTACHMENT "E"
DEVELOPER AGREEMENT/DEVELOPER IMPACT FEES FUND

Increase Estimated Revenues

31650-3130500000-740020	Interest – Invested Funds	\$ 2,000
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Increase Appropriations

31650-3130500000-537280	Interfund – Misc Project Expense	\$122,000
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Decrease Appropriations

31650-3130500000-537140	Interfund – Right-of-Way	\$ 80,000
31650-3130500000-537200	Interfund – Supportive Services	15,200
31650-3130500000-537180	Interfund – Salary Reimb	<u>24,800</u>
Total Decrease in Appropriations		<u>\$120,000</u>