



JUNE 14, 2018

AGENDA ITEM # 10

FISCAL YEAR 2018-19 FINAL BUDGET

Action Requested: Adopt Budget Resolution

Key Staff: Timothy Jones, Chief Financial and Administrative Officer

Recommendation

1. Continue the public hearing, receive staff presentation and public testimony
2. Close the public hearing and adopt the attached Budget Resolution.

Background Information

The Authority's FY2018-19 public budget hearing was opened on May 10, 2018 and continued to today. The Final Budget includes the Sacramento Transportation Authority (STA), the SacMetro Freeway Service Patrol (SacMetro FSP) and the Sacramento Abandoned Vehicle Service Authority (SAVSA).

Discussion

The budget tables presented in the May 10, 2018 meeting did not change materially in any respect. Therefore, the summary below explains other changes to the budget document.

New for FY 2018-19 is the establishment of fund balance reserves for the Capital Improvement Program (CIP) and administration funds. Government Finance Officers Association (GFOA) guidelines recommend that 2-4 months revenue or expenditures, whichever is more stable, be set aside for economic uncertainties and any other unforeseeable changes in revenue or expenditures impacting fund balance. The more stable basis in the Authority's case is revenue. For FY 2018-19, the CIP reserve fund balance is planned at \$1 million and administration reserve fund balance at \$100,000. Both amounts are less than GFOA's minimum of two months; however, staff will be recommending increases to the reserves in the future. Other improvements include the following:

- **Fiscal Policies (beginning on p.37)** – added a comprehensive section summarizing the Authority's fiscal policies including fund structure, financial planning, personnel resource management, and its debt and investment policies;
- **Capital Improvement Program (beginning on p.76)** – added significant information about the projects approved by voters in 2004 and the projects that will be under construction during the budget year as well as a cash-flow plan to pay for project costs;

- **Long-term Financial Plan (beginning on p.49)** – added a new year-by-year revenue forecast updated in March 2018 and a staff analysis of the forecast in comparison to the revenue included in the voter approved Expenditure Plan;
- **Sacramento Countywide Transportation Mitigation Fee Program (SCTMFP – p.61)** – added a new budget table representing how the funds from this program will be used to fund the CIP in the coming year;
- **Budget Tables (beginning on p.54)** - reformatted so that financial information is easier for the user to read and understand;
- **Debt Service Costs (beginning on p.71)** – added a table showing a breakdown of costs year-by-year through the end of the program in 2039 and;
- **Personnel Position Descriptions (beginning on p.90)** – added comprehensive summary of duties.

Please see the attached FY 2018-19 Final Budget and the Budget Resolution.

attachments