June 29, 2010

TO: Mayor and City Council

FROM: Kevin O’Rourke, Interim City Manager

SUBJECT: SAN JOAQUIN COUNCIL OF GOVERNMENTS ANNUAL FINANCIAL PLAN FOR FISCAL YEAR 2010-2011

RECOMMENDATION


DISCUSSION

Background


Present Situation

Attached is the San Joaquin Council of Governments’ Annual Plan implementing the Fiscal Year 2010-2011 Overall Work Program. The Annual Financial Plan (Attachment B) provides a detail of expenditures by cost category and line item comparing the proposed 2010-2011 budgets with the current year (Fiscal Year 2009-2010) adopted budget, as most recently amended, and the actual expenditures for Fiscal Year 2008-2009.

FINANCIAL SUMMARY

There is no financial impact to the City of Stockton as a result of the Council adopting the resolution.

KEVIN O’ROURKE
INTERIM CITY MANAGER

KO:CM:cbs

::ODMA\GRPW\ISE\COS.CM.CM_Library:83374.1

AGENDA ITEM 6.01
Resolution No. __________

STOCKTON CITY COUNCIL

RESOLUTION RATIFYING THE SAN JOAQUIN COUNCIL OF GOVERNMENTS ANNUAL FINANCIAL PLAN FOR FISCAL YEAR 2010-2011

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

That the City Council ratifies the San Joaquin Council of Governments' ("COG") Annual Financial Plan for Fiscal Year 2010-2011 ("Plan"), pursuant to COG's Joint Powers Agreement; a copy of said Plan is attached as Exhibit "A" and incorporated by this reference.

PASSED, APPROVED and ADOPTED _____________________________

ANN JOHNSTON, Mayor
of the City of Stockton

ATTEST:

KATHERINE GONG MEISSNER
City Clerk of the City of Stockton

::ODMAGRPWISE/COS.CM.CM_LIBRARY:83373.1

City Atty Review ____________
Date June 23, 2010
May 21, 2010

Mr. Kevin O’Rourke
City of Stockton
425 N. E. Dorado
Stockton, CA 95202

Dear Mr. O’Rourke:

Enclosed is a summary of the San Joaquin Council of Governments’ Annual Financial Plan (APP) for Fiscal Year 2010-2011. The Board unanimously adopted the Plan on March 25, 2010. A copy of the adopting resolution is enclosed. Pursuant to SJCOC’s Joint Powers Agreement, following adoption of the budget by the SJCOC Board, it is to be delivered to member agencies for ratification by each governing body. Approval by governing bodies representing 55% or more of the county’s population is considered ratification.

Therefore, SJCOC requests you place SJCOC’s Annual Financial Plan for Fiscal Year 2010-2011 on a forthcoming agenda prior to June 30, 2010 for approval.

The Annual Financial Plan implements the FY 2010-2011 Overall Work Program (OWP) that was also adopted by the SJCOC Board on March 25, 2010.

The attached Annual Financial Plan summary provides a detail of expenditures by cost category and line item comparing the proposed budgets with the current year (FY 2009-10) adopted budget and the actual expenditures for FY 2008-09. The following assumptions are incorporated in the budget:

REVENUES

SJCOC operating revenues are down 10.96% or $758,000 lower. Overall, federal funding for operating is down 15.58% from 2009-10; however this includes reducing SJCOC’s drawdown on previously obligated FHWA Pl funds from: $500,000 to $100,000 in addition to the current year’s obligation. State funding sources are down 15.28% due to the completion of several planning projects and the expenditure of funds tied to those projects. Local revenues are 5.76% lower due to economic conditions taking a toll of sales tax which impacts the Local Transportation Fund and Measure K.

RECEIVED
MAY 25 2010
CITY MANAGER
CITY OF STOCKTON
EXPENDITURES

Salaries and Benefits These line items are budgeted to remain fractionally below the 2009-10 level.

Services and Supplies All of the line items in this category are budgeted to remain at the 2009-10 level.

Professional Services is decreasing 39.61% reflecting the completion of significant amounts of consulting work in the OWP.

Fixed Assets remains the same as approved in 2009-10 at $80,500.

FY 2010-11 Work Program

SJCOC continues to support our city and county members delivering on our Metropolitan Planning Organization responsibilities including preparing the Regional Transportation Plan and the Federal Transportation Improvement Plan, the biannual Congestion Management Plan update, developing Transportation Systems/Demand Management and safety strategies, transit coordination and monitoring and participating actively in the transportation reauthorization debate.

As the Regional Transportation Planning Agency, SJCOC continues to administer the Transportation Development Act process. We will be updating the State Transportation Improvement Plan coordinating closely with Caltrans and the California Transportation Commission, actively participating in four major planning studies:

- State Route 12 Major Investment Study
- State Route 239 Feasibility Study
- Interstate 5/SR 99 Freight Study
- Regional Multimodal Trip Planning Study

SJCOC will also be participating in the High/Higher Speed Rail discussion and developing SB 375 integration & alternative scenarios.

SJCOC is active in Intergovernmental Coordination including working closely with the other Valley Counties on transportation and air quality modeling, preparation of a goods movement action plan, Blueprint planning and leadership in the Northern California Trade Corridor Coalition.

As the Local Transportation Authority, SJCOC will continue to deliver Measure K and Measure K Renewal projects. Nearly $500 million of Proposition 1B bond funds have been programmed in San Joaquin County requiring not only Measure K and Measure K Renewal local tax dollars to fully fund the projects, but also project development, design, right of way support, and construction management assistance.
In addition, SJCOG will be updating the Strategic Plan, developing the Safe Route to School Program, preparing Bike and Pedestrian Program Guidelines and administering round 2 of the SMART Growth Incentive Program.

SJCOG will continue to sponsor Commute Connection to San Joaquin and Stanislaus Counties, and, for the first time, Merced County. Commute Connection also is developing the 511 traveler information system, managing park and ride lot implementation and bike and pedestrian programs. Freeway Service Patrol vehicles will continue on I-205 and SJCOG will begin the process to have FSP on other highway facilities as they go into construction.

As the JPA responsible for the implementation of the San Joaquin County Multispecies Habitat Conservation Plan, SJCOG, Inc. will be active in conservation easement acquisition, preserve management and coordinating with the state on the development of the Bay-Delta Conservation Plan.

SJCOG staff would be pleased to appear before your policymakers to answer any questions they might have regarding this matter. We request ratification prior to June 30, 2010. Please let me know when this will be on your agenda. If you have any questions regarding this matter, don't hesitate to contact me at 235-0600.

Thank you for your assistance.

Sincerely,

[Signature]

STEVE DIAL
Deputy Executive Director/Chief Financial Officer
San Joaquin Council of Governments
ANNUAL FINANCIAL PLAN
Fiscal Year 2010/11
Adopted March 25, 2010

<table>
<thead>
<tr>
<th>REVENUES</th>
<th>FY 2009-10</th>
<th>FY 2009-10</th>
<th>FY 2010-11</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>Adopted 4/23/09</td>
<td>Adopted 3/28/10</td>
</tr>
<tr>
<td>Federal Grants</td>
<td>$2,267,628</td>
<td>$2,912,242</td>
<td>$2,439,158</td>
</tr>
<tr>
<td>State Grants</td>
<td>$1,061,404</td>
<td>$1,470,136</td>
<td>$1,275,285</td>
</tr>
<tr>
<td>Local</td>
<td>$3,175,702</td>
<td>$3,383,885</td>
<td>$3,190,800</td>
</tr>
<tr>
<td>Interest</td>
<td>$40,760</td>
<td>$5,000</td>
<td>$8,000</td>
</tr>
<tr>
<td>Other</td>
<td>$45,093</td>
<td>$16,000</td>
<td>$16,000</td>
</tr>
<tr>
<td><strong>SJCOG OPERATING REVENUES</strong></td>
<td><strong>$6,742,459</strong></td>
<td><strong>$7,873,243</strong></td>
<td><strong>$6,915,243</strong></td>
</tr>
<tr>
<td>Federal Pass-Through</td>
<td>$126,381,000</td>
<td>$651,381,000</td>
<td>$651,381,000</td>
</tr>
<tr>
<td>State Pass-Through</td>
<td>$8,277,984</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Local Pass-Through</td>
<td>$88,546,000</td>
<td>$62,335,600</td>
<td>$62,335,600</td>
</tr>
<tr>
<td>Commercial Paper</td>
<td>$167,000,000</td>
<td>$167,000,000</td>
<td>$167,000,000</td>
</tr>
<tr>
<td><strong>TOTAL SJCOG REVENUE</strong></td>
<td><strong>$375,847,434</strong></td>
<td><strong>$388,389,743</strong></td>
<td><strong>$388,631,743</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPENDITURES</th>
<th>FY 2009-10</th>
<th>FY 2009-10</th>
<th>FY 2010-11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries &amp; Benefits</td>
<td>$3,350,238</td>
<td>$3,647,633</td>
<td>$3,647,286</td>
</tr>
<tr>
<td>Services &amp; Supplies</td>
<td>$1,123,162</td>
<td>$1,274,600</td>
<td>$1,274,600</td>
</tr>
<tr>
<td>Office Expense</td>
<td>$265,512</td>
<td>$382,000</td>
<td>$382,000</td>
</tr>
<tr>
<td>Communications</td>
<td>$34,267</td>
<td>$60,000</td>
<td>$60,000</td>
</tr>
<tr>
<td>Membership</td>
<td>$35,566</td>
<td>$42,000</td>
<td>$42,000</td>
</tr>
<tr>
<td>Maintenance - Equipment</td>
<td>$4,086</td>
<td>$1,000</td>
<td>$1,000</td>
</tr>
<tr>
<td>Rents &amp; Leases - Equipment</td>
<td>$149,441</td>
<td>$210,000</td>
<td>$210,000</td>
</tr>
<tr>
<td>Transportation, Travel &amp; Training (In &amp; Out Of State)</td>
<td>$105,672</td>
<td>$110,000</td>
<td>$110,000</td>
</tr>
<tr>
<td>Allocated Service Cost</td>
<td>$4,843</td>
<td>$4,000</td>
<td>$4,000</td>
</tr>
<tr>
<td>Publications &amp; Legal Notices</td>
<td>$16,781</td>
<td>$27,000</td>
<td>$27,000</td>
</tr>
<tr>
<td>Insurance</td>
<td>$68,822</td>
<td>$85,000</td>
<td>$85,000</td>
</tr>
<tr>
<td>Building Maintenance</td>
<td>$2,115,822</td>
<td>$120,000</td>
<td>$120,000</td>
</tr>
<tr>
<td>Building Debt Service</td>
<td>$297,110</td>
<td>$341,600</td>
<td>$341,600</td>
</tr>
<tr>
<td>Professional Services</td>
<td>$2,218,914</td>
<td>$2,870,810</td>
<td>$1,912,946</td>
</tr>
<tr>
<td>Fixed Assets</td>
<td>$80,138</td>
<td>$80,500</td>
<td>$80,500</td>
</tr>
<tr>
<td>Unallocated/Reserves</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>SJCOG OPERATING EXPENDITURES</strong></td>
<td><strong>$6,742,459</strong></td>
<td><strong>$7,873,243</strong></td>
<td><strong>$6,915,243</strong></td>
</tr>
</tbody>
</table>

Excess (Deficit) Revenues
Over Expenditures (Operating)

- $0

- $0

- $0
RESOLUTION
SAN JOAQUIN COUNCIL OF GOVERNMENTS

R-10-34

RESOLUTION APPROVING THE ADOPTION OF THE 2010-2011
ANNUAL FINANCIAL PLAN
FOR THE SAN JOAQUIN COUNCIL OF GOVERNMENTS

WHEREAS, the San Joaquin Council of Governments is required by the Joint Powers
Agreement to adopt a budget (Annual Financial Plan) annually, and

WHEREAS, the adopted budget is to be sent to the member agencies for ratification.

NOW THEREFORE BE IT RESOLVED, that the San Joaquin Council of Governments
adopts the FY 2010-2011 Annual Financial Plan and directs the Executive Director to transmit it
to the member agencies for ratification.

PASSED AND ADOPTED this 25th day of March, 2010 by the following vote of the San
Joaquin Council of Governments, to wit:

AYES: Supervisor Bestolarides, San Joaquin County; Councilman Harris,
City of Manteca, Councilman Frithken, City of Stockton,
Councilman Hansen, City of Lodi, Councilman Haskin, City of
Escalon, Mayor Ives, City of Tracy, Mayor Johnston, City of
Stockton, Vice Mayor Miller, City of Stockton, Vice Mayor Salcedo,
City of Lathrop, Supervisor Vogel, SáhyJoaquin County, Mayor Winn
City of Ripon.

NOES:

ABSENT: Supervisor Ornelas, San Joaquin County.

[Signature]
LARRY D. HANSEN
Chairman