June 28, 2005

TO: Mayor and City Council

FROM: Mark Lewis, City Manager


RECOMMENDATION


DISCUSSION

Background


Present Situation

Attached is the SJCOG'S Annual Plan implementing the FY 2005-2006 Overall Work Program. The attached Annual Financial Plan provides a detail of expenditures by cost category and line item comparing the proposed budgets with the current year (FY 2004/05) adopted budget and the actual expenditures for FY 2003/04.

MARK LEWIS
CITY MANAGER

ML:pcv
Attachment

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AGENDA ITEM 6.13
April 29, 2005

Mr. Mark Lewis
City of Stockton
425 N. El Dorado St.
Stockton, CA 95202

Dear Mr. Lewis:

Enclosed is a summary of the San Joaquin Council of Governments’ Annual Financial Plan (AFP) for Fiscal Year 2005-2006. The Board unanimously adopted the Plan on April 28, 2005. A copy of the adopting resolution is enclosed. Pursuant to SJCOG's Joint Powers Agreement, following adoption of the budget by the SJCOG Board, it is to be delivered to member agencies for ratification by each governing body. Therefore, SJCOG requests you place SJCOG's Annual Financial Plan for Fiscal Year 2005-2006 on a forthcoming agenda prior to June 30, 2005 for your Council's approval.

The Annual Financial Plan implements the FY 2005-2006 Overall Work Program (OWP) that was adopted in draft by the SJCOG Board on February 24, 2005 and will be on the May 26, 2005 agenda for final adoption.

The attached Annual Financial Plan provides a detail of expenditures by cost category and line item comparing the proposed budgets with the current year (FY 2004/05) adopted budget and the actual expenditures for FY 2003/04. The following assumptions are incorporated in the budget:

1. Work will not begin and expenses will not be incurred unless anticipated revenue sources are secured.

2. SJCOG anticipates being fully staffed for the entire fiscal year, therefore the Salaries and Benefits cost category is fully funded. No additional staff is being requested.

3. Duplicating the process from previous years, $132,000 is included in Salaries and Benefits for the pay for performance pool.

REVENUES

SJCOG operating revenues are up 16.6% or $865,175 higher. Federal funding is increased 19.5% over 2004/05 due to the increase in Federal Highways Administration
PL funds, the continuation of a number of planning projects from 2004/05, and an estimated $300,000 for the State Route 130 study. State funding sources are virtually identical to 2004/05. Local revenues are 18.2% higher due to increased revenues from the Local Transportation Fund and Measure K.

Transportation Development Act funding increases $147,000 due to the increase in Local Transportation Fund revenue estimate and an increase in TDA administration for community outreach in the unmet needs process. Measure K project management funding is held at the same level as the previous three years. The 1% Measure K administration funding increases $69,540 based upon the increase in the annual revenue estimate.

EXPENDITURES

Salaries and benefits are proposed to increase 6.3%. The primary increase come in the health care premium costs of 11%, dental insurance premiums increasing 23.9%, and disability insurance premiums 22.6%. A pay for performance pool of $132,000, $29,500 higher than last year. This represents 7.3% of the total payroll.

Services and supplies are proposed to be 2.9% higher than the current year.

- Office expenses - increased 3.3%.
- Communications - increased 4.8%.
- Memberships - increased 13.8% to reflect higher membership dues.
- Maintenance – Equipment - held at the current year level.
- Rents and leases – Equipment - increased 3.0%.
- Transportation and Travel - maintained at the current level.
- Allocated service cost - maintained at the current level.
- Publications and legal notices - increased by 16.7% reflecting additional public notice and outreach requirements.
- Insurances - increased by 4.7% for premium increases.
- Building and maintenance - maintained at the current level.
- Rent – structures and grounds - increased slightly due to the increasing interest rates on the debt service of the building financing.

Professional Services is increased 41.5% reflecting the carryover of a number of planning projects and the addition of several new projects including the SR 130 study of $300,000.

Fixed Assets is maintained at the current level.
Mr. Mark Lewis  
April 29, 2005  
Page 3

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, 2005. 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 468-3913.

Thank you for your assistance.

Sincerely,

[Signature]

STEVE DIAL  
Director of Administration/Chief Financial Officer
RESOLUTION
SAN JOAQUIN COUNCIL OF GOVERNMENTS

R-05-30

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 2005-2006 Annual Financial Plan and directs the Executive Director to transmit it
to the member agencies for ratification.

PASSED AND ADOPTED this 28th day of April 2005, by the following vote of the San
Joaquin Council of Governments, to wit:

AYES: Councilman Chapman, Stockton; Vice-Mayor Giovanetti,
Stockton; Councilman Harris, Manteca; Councilman Haskin,
Escalon; Supervisor Mow, San Joaquin County; Councilman
Restuccia, Ripon; Councilman Griffith, Lathrop;
Supervisor Sieglock, San Joaquin County.

NOES: None

ABSENT: Mayor Bilbrey, Tracy; Councilman Hansen, Lodi.

[Signature]
Chair

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San Joaquin Council of Governments
ANNUAL FINANCIAL PLAN
Proposed April 28, 2005

CHAIR
Vice Mayor Gary Giovanetti, City of Stockton

VICE-CHAIR
Councilmember Gary Haskin, City of Escalon

BOARD OF DIRECTORS
Mayor Gloryanna Rhodes, Immediate Past Chair
Councilmember Larry Hansen
Councilmember John Harris
Councilmember Mike Rosuccia
Supervisor Jack Siegluck
Supervisor Victor Mow
Mayor Ed Chavez
Mayor Dan Bilbrey

City of Lathrop
City of Lodi
City of Manteca
City of Ripon
County of San Joaquin
County of San Joaquin
City of Stockton
City of Tracy

EX OFFICIO DIRECTORS
Ken Baxter
Duane Isett
Robert Kavanaugh

Caltrans District 10
San Joaquin Regional Transit District
Port of Stockton

SUBMITTED BY:

Julia E. Greene
Executive Director

Steve Dial
Director of Administration/
Chief Financial Officer
## San Joaquin Council of Governments
### ANNUAL FINANCIAL PLAN
#### Fiscal Year 2005/06
##### Proposed April 28, 2005

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Federal Grants</td>
<td>$1,718,659</td>
<td>$1,713,434</td>
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<td>19.5%</td>
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<td>State Grants</td>
<td>$922,329</td>
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<td>Local</td>
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<td>$2,473,400</td>
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<td>Interest</td>
<td>$40,000</td>
<td>$40,000</td>
<td>$10,000</td>
<td>-300.0%</td>
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<tr>
<td>Other</td>
<td>$0</td>
<td>$0</td>
<td>$30,000</td>
<td>0.0%</td>
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<tr>
<td><strong>SJCOG Operating Revenues</strong></td>
<td><strong>$6,792,164</strong></td>
<td><strong>$4,351,013</strong></td>
<td><strong>$5,216,188</strong></td>
<td><strong>16.6%</strong></td>
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<tr>
<td>Federal Pass-Through</td>
<td>$30,500,000</td>
<td>$30,500,000</td>
<td>$64,209,000</td>
<td>52.5%</td>
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<tr>
<td>State Pass-Through</td>
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<td>$1,200,000</td>
<td>$1,545,289</td>
<td>22.3%</td>
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<tr>
<td>Local Pass-Through</td>
<td>$58,250,000</td>
<td>$62,546,000</td>
<td>$69,288,000</td>
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<tr>
<td>Commercial Paper</td>
<td>$97,000,000</td>
<td>$97,000,000</td>
<td>$95,000,000</td>
<td>-2.1%</td>
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<tr>
<td><strong>Total SJCOG Revenue</strong></td>
<td><strong>$193,599,176</strong></td>
<td><strong>$185,567,013</strong></td>
<td><strong>$235,258,477</strong></td>
<td><strong>16.9%</strong></td>
</tr>
</tbody>
</table>

## Expenditures

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Salaries &amp; Benefits</td>
<td>$2,249,155</td>
<td>$2,398,797</td>
<td>$2,559,200</td>
<td>6.3%</td>
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<tr>
<td>Services &amp; Supplies</td>
<td>$716,564</td>
<td>$947,000</td>
<td>$974,800</td>
<td>2.9%</td>
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<tr>
<td>Office Expense</td>
<td>$133,088</td>
<td>$184,500</td>
<td>$190,800</td>
<td>3.3%</td>
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<tr>
<td>Communications</td>
<td>$51,176</td>
<td>$40,000</td>
<td>$42,000</td>
<td>4.6%</td>
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<td>Memberships</td>
<td>$21,036</td>
<td>$25,000</td>
<td>$29,000</td>
<td>13.8%</td>
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<tr>
<td>Maintenance - Equipment</td>
<td>$115,005</td>
<td>$100,000</td>
<td>$100,000</td>
<td>0.0%</td>
</tr>
<tr>
<td>Rents &amp; Leases - Equipment</td>
<td>$138,231</td>
<td>$160,000</td>
<td>$165,000</td>
<td>3.0%</td>
</tr>
<tr>
<td>Transportation, Travel &amp; Training (In &amp; Out of State)</td>
<td>$103,862</td>
<td>$100,000</td>
<td>$100,000</td>
<td>0.0%</td>
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<tr>
<td>Allocated Service Cost</td>
<td>$0</td>
<td>$2,000</td>
<td>$2,000</td>
<td>0.0%</td>
</tr>
<tr>
<td>Publications &amp; Legal Notices</td>
<td>$7,115</td>
<td>$10,000</td>
<td>$12,000</td>
<td>16.7%</td>
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<tr>
<td>Insurance</td>
<td>$56,417</td>
<td>$70,500</td>
<td>$74,000</td>
<td>4.7%</td>
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<tr>
<td>Building Maintenance</td>
<td>$60,641</td>
<td>$120,000</td>
<td>$120,000</td>
<td>0.0%</td>
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<tr>
<td>Rents - Structures &amp; Grounds</td>
<td>$141,614</td>
<td>$225,000</td>
<td>$230,000</td>
<td>2.2%</td>
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<tr>
<td>Professional Services</td>
<td>$1,068,445</td>
<td>$954,700</td>
<td>$1,631,100</td>
<td>41.5%</td>
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<tr>
<td>Fixed Assets</td>
<td>$2,757,999</td>
<td>$50,500</td>
<td>$50,500</td>
<td>0.0%</td>
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<tr>
<td>Unallocated/Reserve</td>
<td>$0</td>
<td>$18</td>
<td>$586</td>
<td>97.3%</td>
</tr>
<tr>
<td><strong>SJCOG Operating Expenditures</strong></td>
<td><strong>$6,792,163</strong></td>
<td><strong>$4,351,013</strong></td>
<td><strong>$5,216,188</strong></td>
<td><strong>16.6%</strong></td>
</tr>
<tr>
<td>Pass-Through</td>
<td>$186,907,012</td>
<td>$191,246,000</td>
<td>$230,042,289</td>
<td>16.9%</td>
</tr>
<tr>
<td><strong>Total SJCOG Expenditures</strong></td>
<td><strong>$193,699,176</strong></td>
<td><strong>$195,597,013</strong></td>
<td><strong>$235,238,477</strong></td>
<td><strong>16.9%</strong></td>
</tr>
</tbody>
</table>

Excess (Deficit) Revenues Over Expenditures (Operating) | $0 | $(0) | $(0) | $0