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17

**FINANCE AND BUDGET COMMITTEE
SEPTEMBER 17, 2008**

SUBJECT: FY09 BUDGET

**ACTION: RECEIVE AND FILE COMPARISON OF FY09 PROPOSED BUDGET TO
ADOPTED BUDGET**

RECOMMENDATION

Receive and file the attached comparison between the FY09 proposed budget and the adopted budget.

ISSUE

The final budget book includes Board actions adopted at the May meeting.

DISCUSSION

The Board approved changes increasing the FY09 budget by \$38.0 million from \$3,370.1 million to \$3,408.1 million.

The Board approved the restoration of 256,000 bus revenue service hours increasing the Enterprise Fund operating expense by \$20.7 million. The additional expense was funded with CNG fuel credits anticipated to be earned during FY09. A Homeland Security grant of \$100,000 received after the proposed budget was printed was added to the final budget.

The capital program increased by \$17.9 million to reflect the final budget adopted by the Expo Board for the Expo Light Rail project, the additional safety training for the Eastside Gold Line extension, and continuation of the environmental work on the Union Division.

Additionally, the Board approved funding for the I-405 Freeway Widening project, development of the sustainability program and subsidy funding for the High Desert Corridor JPA. When combined with a reduction to the Metrolink subsidy, and an increase in municipal operator funding marks due to the two year lag, the net change was to reduce the Governmental fund expense by \$800,000.

A total of 4 FTE's were added to the proposed budget to accomplish the tasks described above. The FTE's are added to Communications, Construction and Countywide Planning. The total FTE's approved in the FY09 adopted budget are 9,143.

These changes and the total impact to the budget are detailed on the Attachment.

In June 2004, the Board requested that staff prepare a reconciliation report between the proposed budget and the adopted budget each year for Board review; therefore, no alternatives were considered.

The final FY09 budget adopted by the Board is \$3,408.1 million. The Enterprise Fund totals \$2,241.6 million, the Governmental Funds total \$1,143.4 million, and the Agency Fund is \$23.1 million.

The total FTE's approved in the FY09 budget are 9,143.

NEXT STEPS

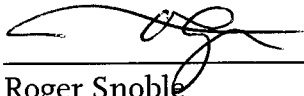
Amendments approved by the Board will be included in the FY09 budget as they are approved. Reports detailing the status of the FY09 budget will be provided quarterly.

Attachment : Comparison of FY09 Proposed Budget to Adopted Budget

Prepared by: Michelle Lopes Caldwell
Executive Officer
Office of Management and Budget



Terry Matsumoto
Chief Financial Services Officer and Treasurer



Roger Snoble
Chief Executive Officer

Comparison of FY09 Proposed Budget to Adopted Budget

	(amounts in millions)	Budget
1	FY09 Proposed Budget	\$3,370.1
2		
3	Board Amendments to the Proposed Budget	
4	Enterprise Fund Operating Expenses	
5	Restoration of 256k RSH	20.7
6	Homeland Security Grant Addition	0.1
7	Move Advertising Budget to Sectors	-
8	Subtotal Enterprise Fund Operating Expenses	20.8
9		
10	Capital Programs	
11	Expo LR Board Budget Update	14.0
12	Union Divison	3.3
13	Gold Line Eastside Extension Outreach	0.7
14	Subtotal Capital Programs	17.9
15		
16	Governmental Fund Expenses	
17	Update to April '08 Funding Marks	3.0
18	Metrolink EZ pass Share and Subsidy Update	(5.3)
19	Sustainability Project	0.8
20	High Desert Corridor JPA	0.5
21	I-405 Widening	0.2
22	Subtotal Governmental Fund Expenses	(0.8)
23		
24		
25	Total Board Amendments	38.0
26		
27	FY09 Adopted Budget	\$3,408.1