

**MUNICIPAL SERVICES AGENCY
DEPARTMENT OF TRANSPORTATION**

FUND CENTER	DESCRIPTION	ADOPTED FY 2003-04	RECOMMENDED FY 2004-05	NET CHANGE	REASON FOR CHANGE
2600000	Transportation Division	45,181,451	45,792,906	611,455	<p>Salaries and benefits had a net increase of \$532,533 due to higher retirement and medical costs as well as the new retiree medical offset. No new positions are being recommended.</p> <p>Services and supplies had a net decrease of \$179,521 primarily due to reduced levels of services caused by reductions of Road Fund revenues. Decreases in allocated costs, land improvement maintenance supplies, radio and electronic maintenance supplies, and data processing supplies contributed to the reductions.</p> <p>Other charges increased a net \$309,574 primarily due to the addition of interest expense and contributions to other funds for the new Department of Neighborhood Services. No new heavy equipment purchases are planned.</p> <p>Intrafund charges had a net increase of \$132,571 due to increased Agency and Division overhead allocations. Intrafund reimbursements had a net increase of \$183,702.</p>
2900000	Road Fund	51,851,309	32,982,677	(18,868,632)	<p>A significant reduction in Road Fund activity was due to the completion of many maintenance and capitol improvement projects. Services and supplies decreased by \$23,536,425 primarily due to fewer construction contracts, reduced planning and environmental services, and decreased liability insurance. Additionally, reduced revenues resulted in fewer road maintenance projects.</p> <p>Other charges had a net decrease of \$235,255 due to the completion of the assessment election ballot study in Fiscal Year 2003-04. The Road Fund provided financing to County Service Area No. 1 for that project.</p>

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2900000 (Cont.)	Road Fund				Reimbursements from other funds for projects managed by the Road Fund decreased by \$4,903,048. Given that this is an expenditure abatement, the interfund cost recovery decrease caused the overall budget to increase by that amount. Current projects include Franklin Bridge at Mokelumne River, Florin Road enhancements, and the Fulton Avenue enhancement.
2910000	Roadways Fund	16,869,655	11,264,314	(5,605,341)	<p>Services and supplies had a net decrease of \$1,552,458. The completion of the Hazel Avenue project resulted in reduced construction services and supply costs and fewer engineering and consultant contracts. The South Watt Avenue project has been rebudgeted in District 4.</p> <p>Other charges decreased \$111,450 for rights of way.</p> <p>Interfund charges decreased by \$1,221,207 due to fewer projects scheduled in the Road Fund and Sales Tax Fund. Maintenance operation contracts replacing developer fees in incorporated cities is a contributing factor.</p> <p>Provision for reserves decreased by \$2,720,226.</p>
2140000	Transportation Sales Tax Fund	78,608,271	67,942,755	(10,665,516)	<p>Services and supplies had a net decrease of \$2,540,867 primarily due to reductions in Public Works services, construction services and supplies, radio/electronic maintenance supplies, engineering and consultant contracts, and environmental services.</p> <p>Other charges decreased by \$5,508,550 due to reductions in rights of way and rebudgeting expenditures in more appropriate accounts.</p> <p>Interfund charges decreased by \$3,240,285. The Road Fund and financing districts will receive less pass-through funding for projects from the Transportation Sales Tax Fund. Included in the decrease is a reduction of \$975,000 in Measure A funding for road maintenance as a result of the Rancho Cordova incorporation.</p> <p>Interfund reimbursements decreased by \$624,186 due to fewer project contributions from the Roadways Fund.</p>

FUND CENTER	DESCRIPTION	ADOPTED FY 2003-04	RECOMMENDED FY 2004-05	NET CHANGE	REASON FOR CHANGE
2915000	Citrus Heights Road Maintenance & Operations Fund	1,154,808	0	(1,154,808)	The City of Citrus Heights and the County entered into an agreement whereby the City pays for services once they are rendered. Payments are no longer made in advance of services received. As a result, the cost for said services are now included in Transportation's operating budget, Fund Center 2600000.
2530000	County Service Area No. 1		4,043,929	4,043,929	Services and supplies had a net decrease of \$803,292 due to the completion of the election consultant contract and a reduction in general supply costs. Other charges had a net decrease of \$4,213 primarily due reduced taxes, licenses and assesments. Provision for reserves increased \$44,178.
3300000	Landscape Maintenance District	830,762	807,774	(22,988)	Services and supplies had a net decrease of \$86,376 due to fewer construction contracts and Public Works services. Other charges for taxes, licenses and assesments increased by \$1,900. The rate stabilization reserves in Zone 4 and Zone 5 are being increased by \$61,488 to mitigate future rate increases.