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## WASHTENAW AREA TRANSPORTATION STUDY

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# Memorandum

To: Policy Committee  
From: Terri Blackmore  
Date: June 1, 2010  
Re: FY 2011 Administrative Budget

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## Background

The WATS Policy Committee approved the Unified Work Program for FY-2011 on April 21, 2010 with a total budget of \$599,129. This is less than last year (\$601,350) even though it includes the WATS biennial audit costs. WATS also carried over the model update task as SEMCOG will collect needed data this fall for developing a more robust transit component of the mode split process. The WATS Policy Committee reviews and approves the Administrative Budget just prior to the beginning of the fiscal year, which runs from July 1, 2010 to June 30, 2011.

WATS is required to adopt an administrative budget and dues level prior to the start of the fiscal year. For the current Administrative Budget, WATS is proposing neither a dues increase nor decrease, as there are many variable line items. WATS is a reimbursement agency for unemployment and with extensions; this might increase the Agency's costs. Due to the requirement to pay unemployment as a reimbursement, the budget includes the estimated cost of the WATS obligation at this time but until WATS receives a bill from the State, the cost is unknown. WATS also is requesting quotes for the biennial audit that the Agency must fund entirely with local funds.

Since the adoption of the work program, Priority Health notified WATS that medical insurance would increase by about 14%. The current budget does anticipate a transfer from reserves of \$10,920. The funds supporting the staff salaries have declined since 2008 by 3.7 percent (\$270,650 in 2008 to \$260,764 in 2010).

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AN INTERMUNICIPALITY COMMITTEE ORGANIZED UNDER ACT 200 OF PUBLIC ACTS OF MICHIGAN (1957)  
REPRESENTING WASHTENAW COUNTY

WATS has a reserve of \$418,143 prior to the FY 2009 and FY 2010 audits. Of that amount, \$78,843 is restricted leaving \$339,300 in unrestricted funds. The FY 2010 expected transfer of \$10,920 from reserves reduces the available reserves to \$328,380. That amount is slightly more than six months of the proposed FY 2011 budget.

WATS staff is not recommending any changes to the dues for FY 2011. Therefore, WATS staff recommends that the Policy Committee approve the attached Administrative Budget to start the fiscal year with the existing Dues structure supplemented with a transfer from reserves if necessary. If FY 2011 ends with a surplus of funds needed to match federal dollars, WATS will provide a dues rebate to the member agencies later in the year.

### **Action Requested**

Staff requests that WATS Policy Committee adopt the attached Administrative Budget as presented with the understanding that WATS staff will implement a dues rebate if possible.