

# FY 2016-17 Mid-Year Budget

March 10, 2017 Board Presentation

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# FY 16-17 MID-YEAR BUDGET



CATEGORIES	FY 16-17 <u>APPROVED</u>	FY 16-17 <u>Variances</u> <i>Incr (decrease) projected</i>	FY 16-17 REVISED	NOTES
<b>REVENUES</b>				
Membership Dues	\$ 261,000	\$ 70,000	\$ 331,000	MCWD
Franchise Fees - MCWD	265,000	350,000	615,000	MCWD
Federal Grants	995,933	(73,523)	922,410	ESCA
Development Fees	6,739,869	(1,500,000)	5,239,869	Marina Heights unit count projection lower
Land Sale Proceeds	480,187	(480,187)	-	Ord Market sale pending - potentially FY 17-18
Rent Proceeds	29,500	20,500	50,000	Ord Market sale pending - rent not included in original budget
Property Taxes	1,722,472	-	1,722,472	
Reimbursement Agreements	25,000	(25,000)	-	Offsets actual expenditure
Investment/Interest Income	105,000	-	105,000	
<b>TOTAL REVENUES</b>	<b>10,623,961</b>	<b>(1,638,210)</b>	<b>8,985,751</b>	
<b>EXPENDITURES</b>				
Salaries & Benefits	2,953,810	2,163	2,955,973	Benefits budgeting error offset by \$100K for UAL
Supplies & Services	398,055	15,250	413,305	Grant Scope Negotiations and Legislative Issues
Contractual Services	1,966,000	(33,187)	1,932,813	Board approved RFP for solicitation of engineering services and timing of projects
Capital Projects (CIP)	11,067,978	(7,186,304)	3,881,674	HCP set aside not an expenditure but a fund balance commitment and deferral of projects to subsequent years
<b>TOTAL EXPENDITURES</b>	<b>16,385,843</b>	<b>(7,202,078)</b>	<b>9,183,765</b>	
REVENUES OVER (UNDER) EXPENDITURES				
<b>Surplus (Deficit)</b>	<b>(5,761,882)</b>	<b>5,563,868</b>	<b>(198,014)</b>	
<b>FUND BALANCES</b>				
Beginning	<u>40,989,569</u>	-	<u>40,989,569</u>	Per Audited Financial Statements
Ending	<u>\$ 35,227,687</u>	<u>\$ 5,563,869</u>	<u>\$ 40,791,556</u>	<b>Ending Fund Balance</b>

# SUMMARY



CATEGORIES	FY 16-17 <u>APPROVED</u>	FY 16-17 <u>Variances</u> <i>Incr (decrease) projected</i>	FY 16-17 REVISED	NOTES
REVENUES	10,623,961	(1,638,210)	8,985,751	<b>\$1.6 Million Net Decrease</b> + 0.4 Million MCWD Dues and Franchise Fees -1.5 Million Development Fees - Marina Heights -0.5 Million Sale of Ord Market Pending
EXPENDITURES	<u>16,385,843</u>	<u>(7,202,078)</u>	<u>9,183,765</u>	<b>\$7.2 Million Net Decrease</b> \$4.7 Million CIP current projection \$2.0 Million HCP set aside is not an expenditure, a fund balance commitment \$0.5 Million Building removal <b><u>Other Funding requests, offset by savings</u></b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>				
Surplus (Deficit)	(5,761,882)	5,563,868	(198,014)	
<b>FUND BALANCES</b>				
Beginning	<u>40,989,569</u>	-	<u>40,989,569</u>	<i>Per Audited Financial Statements</i>
Ending	<u>\$ 35,227,687</u>	<u>\$ 5,563,869</u>	<u>\$ 40,791,556</u>	<b>Ending Fund Balance</b>
<b>Committed/Assigned Fund Balance:</b>				
CalPers Termination	\$ 5,300,000	2,000,000	\$ 7,300,000	<b>Increase Reserve - Staff and FC recommendation</b>
Operations	4,700,000	-	4,700,000	
Habitat Management	9,803,000	1,582,440	11,385,440	HCP Set Aside based on current Development Fee projection
Building Removal	6,589,000	500,000	7,089,000	Timing of project
Capital Improvement Program	4,300,289	4,342,122	8,642,411	
<b>Unassigned Fund Balance</b>	<u>4,535,398</u>	<u>(2,860,693)</u>	<u>1,674,705</u>	
<b>Total Fund Balance</b>	<u>35,227,687</u>	<u>5,563,869</u>	<u>40,791,556</u>	

# Staff Benefit Adjustment



## Health insurance/employer share premium increase

				<i>Fiscal Impact FY 16-17</i>
<u>EE</u>	<u>EE+1</u>	<u>Family</u>		
798	1,447	1,826	<i>FY 16-17 Approved employer contribution</i>	
32	64	83	<i>Increase in premium - effective 1/1/17</i>	
<b>OPTIONS</b>				
a) Keep ER contribution constant until sunset/next review				<i>None</i>
b) Keep EE contribution constant until sunset/next review				
830	1,511	1,909	Employer contribution	<i>\$4,939 \$10,000 annually</i>
c) Both ER and EE contribution share increase				
814	1,479	1,868	Employer contribution	<i>\$2,846 \$6,000 annually</i>



## CalPers Retirement Liability

- \$100,000 – applied to the Unfunded Actuarial Liability to reduce current balance (\$669,843). Funding offset by \$97,837 wages/benefits savings. Net requirement – \$2,163.
- \$2.0 Million – Increase current reserve for Termination Liability. If approved, reserve will be \$7.3 Million. CalPers current estimate is between \$12 to \$15 Million.
- The Finance Committee confirmed revenue and fund balance availability.

# REQUESTED BOARD ACTION



1. **Approve additional expenditures for FY 16-17:**
  - a) **\$100,000 - reduce Unfunded Actuarial Liability of \$669,843**
  - b) **\$11,500 - Travel for grant negotiation and legislative issues**
  - c) **\$12,000 – Community Engagement/Public involvement additions.**
  - d) **\$75,000 – Emergency Caretaker Cost – *increased request***
  - e) **\$2,000 – Accounting services for New Special District Reporting – *new state requirement for FORA***
  - f) **\$2,813 – GASB 68 Reporting and Audit Fee**
  - g) **\$1,750 – *Other funding request offset by savings***
2. **Approve staff benefit adjustment for increase health insurance cost – \$5,000 FY 16-17 fiscal impact.**
3. **Approve \$2 Million increase for CalPers Termination Reserve.**
4. **Adopt the FY 2016-17 Mid-Year Budget as recommended by Finance Committee as appended by #2 &3.**