

FORT ORD REUSE AUTHORITY BOARD REPORT

NEW BUSINESS

Subject:	Adopt FORA FY 2015-16 Annual Budget	
Meeting Date:	May 8, 2015	ACTION
Agenda Number:	9c	

RECOMMENDATION:

- i. Approve a 2.5% Cost-of-Living-Adjustment (COLA) for staff ACTION
- ii. Adopt Fiscal year 2015-16 (FY 15-16) Annual Budget ACTION

BACKGROUND:

The FORA Annual Budget is typically presented to the Board in May of each year. Prior to the budget being presented to the Board, the budget is first reviewed by the Finance Committee (FC). FORA staff, in coordination with the FC, modifies the annual budget format from time to time as required or is necessary to best present an overall illustration of the FORA financial position for the FORA Board members and public. Most recent adjustments to the budget format were made in 2008, 2011, and 2014. The annual budgets also include other pertinent and/or required financial information. After completing their deliberations, the FC makes recommendations to the Board regarding budget matters, including the presentation format and fund availability for programmed projects, staffing, consultant support and obligations. Prior to Board consideration of those recommendations, the Executive Committee (EC), who is charged to provide Board recommendation regarding employment and personnel matters, considers staff budget proposal regarding specific staffing and/or benefit adjustments. The FC has reviewed the draft budget on April 7 and April 21, the EC on April 29.

DISCUSSION:

This fiscal year budget assumes Preston Park acquisition by the City of Marina by June 2015. The net sale proceeds (after retiring the Rabobank loan and other Preston Park litigation obligations) are presented in the budget as part of the Leases/Land Sale Fund beginning balance (7/1/15 balance).

Earlier this year, staff and the FC instigated discussions regarding financial obligations connected with the 2020 sunset date. As a result, this year's budget:

- 1) Sets-up a Reserve designating funds for California Public Employees Retirement System (CalPERS) pension liabilities and operating obligations through FORA sunset;
- 2) Includes extra payments to CalPERS to reduce liabilities;
- 3) Designates sufficient funds in FY 15-16 plus a set-aside to complete building removal responsibilities;
- 4) Prorates the multi-year FORA/Army Environmental Services Cooperative Agreement (ESCA) funding to depict upcoming fiscal year expenditures that accurately represent FORA finances (as ESCA funding is strictly project specific);

- 5) Establishes a new fund to account for the anticipated Economic Department Administration (EDA) grant to finance a building removal (BR) business plan/study of concrete BR in the Seaside Surplus II; and
- 6) Includes an anticipated overall budget for capital projects (itemized in the CIP budget which is prepared and adopted separately); *please refer to item 9b on this Agenda.*

The overall budget chart compares the current FY approved, mid-year and projected budget variances at June 30, 2015.

Attachment A - illustrates the overall budget combining all funds

Attachment B - depicts the budget by individual funds

Attachment C - itemizes expenditures

Attachment D - provides proposed Salary/Benefits adjustment

Principal budget impacts areas are discussed below:

Preston Park: FORA has owned the Preston Park housing complex since 2000. It has been a central asset to FORA's basewide building removal, infrastructure, and operations financing. It is the key asset that has enabled/financed more than \$22 million of \$32 million in roadway construction in Marina and an equivalent amount across the remainder of the former Fort Ord. Preston Park collateral was also essential to funding building removal for the Dunes on Monterey Bay and providing Pollution Legal Liability coverage for FORA jurisdictions, and other property owners. In November 2014, Marina and FORA agreed to settle pending litigation through Marina acquiring FORA's interest in Preston Park. In February 2015, FORA and Marina finalized settlement agreement terms. FORA will apply \$2.08 million of the \$35 million settlement amount to the outstanding development fees. It is anticipated that Marina will complete the purchase of FORA's interest in Preston Park in June 2015.

FORA Pension Plan: FORA participates in the defined benefit pension plan, administered through CalPERS. CalPERS acts as a common investment and administrative agent for participating public employers within the State of California. As required, FORA participates in a risk pool with other public agencies of less than 100 employees. An Annual Valuation Report issued by Calpers each October provides detailed information regarding the plan's assets, liabilities, future contribution rates, etc. The last valuation report shows \$1.4 million in current unfunded liabilities (UAL) – which consists of; 1) FORA side fund balance and 2) FORA's share of risk pool UAL and investment gains and losses). In addition, FORA faces a financial liability when the pension plan terminates in 2020. The current CalPERS estimate for this obligation is about \$5.5 million (including the \$1.4 million current UAL). Staff was informed by CalPERS that the actual termination payment cannot be determined until 2018 (two years before the termination date). The Finance Committee discussed this matter in length during the budget deliberations. The FC is recommending an approach to address these obligations - including setting up a reserve for the termination liability and early payments of the current UAL.

The current Annual Valuation Report (dated October 2014) is available on the FORA website at: <http://fora.org/Reports/Finance/PERSAnnualReport10-14.pdf>

The following summarizes the FY 15-16 (**Attachment A**) draft annual budget figures:

REVENUES

- **\$261,000 MEMBERSHIP DUES**

In addition to State law stipulated fixed membership dues of \$224,000, FORA collects dues from Marina Coast Water District (MCWD) under contract terms.

- **\$265,000 FRANCHISE FEES**

This amount represents MCWD's projected FY 15-16 payments to FORA from water and sewer operations on Fort Ord and associated fees.

- **\$842,835 ENVIRONMENTAL SERVICES COOPERATIVE AGREEMENT**

FORA holds the remaining funds for the ESCA remediation program, scheduled to complete munitions cleanup and transfer of remaining Economic Development Conveyance (EDC) properties in 2019. In 2007, FORA was awarded a \$99.3 million federal grant to undertake Army munitions removal requirements on EDC parcels. FORA collected an adjusted amount of \$97.7 million (final payment in December 2008), which pre-paid all ESCA management related services and expenditures through project completion (the US Army earned a \$1.6 million credit against the \$99.3 million for the early payment). The draft annual budget includes the FY 15-16 ESCA grant regulatory response and management/related expenses.

- **\$224,000 EDA/BUILDING REMOVAL BUSINESS PLAN GRANT (EDA/BRBP)**

FORA anticipates award confirmation in July. The project will begin immediately upon receipt of funds for the preparation of the BRBP to include cost estimates for removal and potential business strategies for FORA and Seaside to mitigate removal costs through applying best technologies, capitalizing on CSUMB concurrent activity to reduce mobilization expenses, and efficiencies of scale.

- **\$28,000 IN-KIND LOCAL MATCH TO EDA/BRP GRANT**

The total local match required for the EDA grant is \$96,000. \$28,000 in-kind local match will be provided by the City of Seaside and CSUMB, the remaining \$68,000 from FORA land sale proceeds as a part of the Surplus II building removal effort.

- **\$360,000 POLLUTION LEGAL LIABILITY (PLL) INSURANCE PAYMENTS**

Repayment to FORA advanced payment for the 2015 \$50 million PLL insurance from participating jurisdictions/agencies

- **\$5,585,000 DEVELOPER FEES**

This reflects jurisdictional forecasts included in the CIP FY 15-16 budget.

Please refer to CIP budget, item 9b on this Agenda.

- **\$485,000 LAND SALE PROCEEDS**

Land sale revenue anticipated in the FY 15-16 CIP budget.

Please refer to CIP budget, item 9b on this Agenda.

- \$45,000 RENTAL PAYMENTS

Rental payments from leasing projects on the Former Fort Ord, including the Ord Market, Las Animas Concrete, etc.

- \$1,679,468 PROPERTY TAX PAYMENTS

Anticipated payments from the County Auditor/Controller. Property tax revenue exceeding \$1.3 million in annual distribution to FORA collected from all assessed value after July 1, 2012 has been committed to funding the CIP (with 10% of such revenue shared with certain member jurisdictions).

- \$25,000 IN REIMBURSEMENT AGREEMENTS

Payments by future property owners to fund FORA ESCA access services to assist in pending project processing.

- \$3,000,000 I-BANK LOAN PROCEEDS

As approved by the FORA Board earlier this year, staff submitted a loan application to the State of California for a bridge financing to complete FORA's remaining building removal obligation and promote collaboration to address blight removal.

- \$270,000 INVESTMENT/INTEREST INCOME

Anticipated income from FORA bank accounts and certificates of deposit (CD) including the Habitat Management CD and interest earned on the Preston Park net sale proceeds.

EXPENDITURES

- \$2,902,169 SALARIES AND BENEFITS (Attachments C, D show breakdown)

Staffing remains at the approved FY 14-15 level. Proposed budget amount includes payments to CalPERS to reduce pension liabilities.

The FC and EC reviewed proposed compensation and pension adjustments for FY 15-16 and are *recommending** Board consider approving the following items:

- 1) \$210,071 - CalPERS plan Side Fund payoff (this closes-out the Side Fund)
- 2) \$400,000 – a partial payoff of the \$1.2 million risk pool UAL; this UAL to be retired in three substantially equal annual payments commencing FY 15-16.
Both 1. and 2. save interest charges and reduce 2020 termination liability.
- 3) 2.5% COLA for eligible personnel. Fiscal impact up to \$44,324.
Eligibility: Must be full time, employed with FORA for the past 12 months.

**FC recommends items 1) and 2) and acknowledges availability of funding for item 3)
EC recommends item 3)*

- **\$225,700 SUPPLIES AND SERVICES (Attachment C)**

This expense category is increased from last year. In addition to recurring office expenses, FORA office rent of \$15K/month to MCWD begins in May 2016. Increased funding is budgeted for several line items including: a) public/legal notices – HCP review notices, b) printing – final HCP report, c) travel – EDC and RUDG travel needs, d) training/seminars – professional development in the areas of transportation planning, IEDC real estate and planning, Board Clerk certification, National Charrette certification, etc. and e) equipment/IT services – electronic record archiving upgrade.

- **\$1,938,947 IN CONTRACTUAL SERVICES (Attachment C)**

Contractual services are decreased from the previous FY level due to completion of several projects (PLL insurance purchased, BRP/RUDG complete) and reduced legal expenses. In addition to FORA's recurring consulting expenses such as the Annual Auditor, Public Information, Human Resources, and Legislative consultants, the budget includes increased and or significant costs for:

- 1) Base Reuse Plan implementation process budgeted at \$275,000 for potential Dover, Kohl & Partners contract extension if needed, and potential Oak Woodlands designation area;
- 2) Legal services \$445,000, including ongoing legal representation, Authority Counsel, and special practice consulting (EDC-ESCA, CEQA);
- 3) Financial Consultant \$100,000 to perform CIP Fee study Phase III, and potential FORA transition consulting needs;
- 4) ESCA regulatory and legal costs \$380,000 associated with scheduled property transfers;
- 5) HCP consultants \$150,000 to prepare the final EIS/EIR and HCP; and
- 6) CEQA consultants \$300,000 to finish category I and II post-reassessment items (deferred from FY 14-15).

- **\$11,478,103 IN CAPITAL PROJECTS (Attachments B, C)**

The upcoming budget includes \$6.7M for the completion of the FORA BR obligations, creation of the BR Business program, and mandated/obligatory expenditures such as habitat management and UC Natural Reserve annual cost. Other capital projects are development fee collection dependent. The FY 15-16 CIP budget provides itemization and timing of capital projects.

Please refer to CIP budget, item 9b on this Agenda.

- **\$67,500 DEBT SERVICE (PRINCIPAL AND INTEREST) (Attachment C)**

The FY 15-16 budget anticipates the Preston Park loan payoff in June 2015. The debt service category this year includes interest payments on the I-Bank loan, principal reduction and/or repayment is scheduled in the following two fiscal years. The debt service on this loan is funded by land sale proceeds as a part of the BR program.

Please refer to CIP budget, item 9b on this Agenda.

ACCOUNTING ENTRIES/FUND DESIGNATIONS

- 1) Establish a Special Revenue Fund for the EDA/Building Removal Business Plan grant and local match.
- 2) Use land sale proceeds to create a \$10 million Reserve held in a segregated, interest bearing account.
- 3) Set aside a \$5 million contingency in the Land Sale Fund until Building Removal obligations are fully met.

ENDING BALANCE/FORA RESERVE

It is anticipated that the combined fund balance at the end of the FY 15-16 will be more than \$22 million. To address the FORA sunset financial obligations, the FC is recommending setting up a \$10 million Reserve. From that Reserve, designate \$5.3 million for PERS pension liabilities. The remaining, undesignated \$4.7 million balance to be used for operating obligations through FORA 2020 sunset; specific future designations/spending of this \$4.7 million balance must be approved by the FORA Board.

FORT ORD REUSE AUTHORITY - FY 15-16 ANNUAL BUDGET - ALL FUNDS COMBINED

CATEGORIES	FY 14-15 <u>APPROVED</u>	FY 14-15 <u>MID-YEAR</u>	FY 14-15 <u>Variations</u> <i>Incr (decrease) projected</i>	FY 15-16 <u>PRELIMINARY</u>	NOTES
BUDGET ASSUMES PRESTON PARK SALE BY JUNE 30, 2015					
REVENUES					
Membership Dues	\$ 261,000	\$ 261,000		\$ 261,000	
Franchise Fees - MCWD	245,000	245,000		265,000	Increase due to new connections/draft MCWD-Ord Community budget
Federal Grants	933,970	1,639,166		1,074,063	ESCA/Final review process by regulators, EDA/Building Removal plan
In-kind Local Match				28,000	Seaside and CSUMB local in-kind match to EDA, \$14K each
PLL Insurance Payments	694,920	382,806		360,000	2015 PLL Insurance reimbursements
Development Fees	5,099,000	5,099,000	* (920,165)	5,585,000	Based on draft FY 15-16 CIP budget
Land Sale Proceeds	-	1,200,061	* 32,221,165	485,000	Based on draft FY 15-16 CIP budget
Rent Proceeds	1,788,924	1,788,924		45,000	
Property Taxes	1,531,630	1,531,630		1,679,468	Reflects valuation adjustments
Reimbursement Agreements	11,000	11,000	(11,000)	25,000	Reimbursements by agencies for ESCA property access/deed requirements
Loan Proceeds	-	-		3,000,000	I-bank loan to complete building removal in FY 15-16
Investment/Interest Income	175,594	175,594	-	270,000	
TOTAL REVENUES	<u>10,741,038</u>	<u>12,334,180</u>	<u>31,290,000</u>	<u>13,077,531</u>	<i>Increased revenues in FY 14-15 - Marina Preston Park purchase</i>
EXPENDITURES					
Salaries & Benefits	2,320,082	2,370,082	(120,000)	2,902,169	All positions filled; <u>includes pension liability payments to CalPERS</u> ; 2.5% COLA
Supplies & Services	149,500	157,500	-	225,700	FORA office and conference room rent increase, document filing/archiving
Contractual Services	2,649,165	4,404,361	* (488,000)	1,938,947	PLL Insurance purchased in FY 14-15, Legal fees/BRP consulting <u>reduced</u>
Capital Projects (CIP)	4,827,811	4,827,811	(3,311,612)	11,498,103	Building removal deferred to FY 15-16; detail in draft FY 15-16 CIP budget
Debt Service (P+I)	1,364,880	1,413,772	17,817,383	67,500	Preston Park loan paid-off in FY 14-15; I-Bank loan and PERS payments in 15-16
TOTAL EXPENDITURES	<u>11,311,438</u>	<u>13,173,526</u>	<u>13,897,771</u>	<u>16,632,419</u>	<i>Increased expenses in FY 14-15 due to Preston Park loan pay-off</i>
NET REVENUES					
Surplus (Deficit)	(570,400)	(839,346)	17,392,229	(3,554,888)	
FUND BALANCES					
Beginning	8,380,057	8,739,930		26,132,159	
Ending	\$ 7,809,657	\$ 7,900,584	\$ 26,132,159	\$ 22,577,272	Ending Fund Balance/FORA Reserve

* FY 14-15 Preston Park sale transaction itemized

City of Marina Payment	35,000,000
Development Fees	2,078,835
Land Sale Proceeds	32,221,165
Attorneys Fees	700,000
	<u>35,000,000</u>

10,000,000	<u>FORA RESERVE ACCOUNT (recommended)</u> <i>To be invested in a separate, interest bearing account</i>
5,300,000	Designated: CalPERS pension liability (Including termination liability at 2020)
4,700,000	Undesignated: Operating obligations through 2020 (<i>future designations are subject to Board's approval</i>)

FORT ORD REUSE AUTHORITY - FY 15-16 ANNUAL BUDGET - BY FUND

CATEGORY	SPECIAL REVENUE FUNDS (SRF)					TOTAL ANNUAL BUDGET
	GENERAL FUND	LEASES LAND SALE	CFD/Tax Developer Fees	EDA BR Plan	ARMY ESCA	
REVENUES						
Membership Dues	261,000					261,000
Franchise Fees - MCWD	265,000					265,000
Federal Grants				224,000	850,063	1,074,063
In-kind Local Match	28,000					28,000
PLL Insurance Payments	360,000					360,000
Development Fees			5,585,000			5,585,000
Land Sale Proceeds		485,000				485,000
Rental/Lease Revenues	45,000					45,000
Property Tax Payments	1,300,000		379,468			1,679,468
Reimbursement Agreements	25,000					25,000
Loan Proceeds (I-Bank)		3,000,000				3,000,000
Investment/Interest Income	200,000		70,000			270,000
Other Income	-	-	-	-	-	-
Total Revenues	2,484,000	3,485,000	6,034,468	224,000	850,063	13,077,531
EXPENDITURES						
Salaries & Benefits	2,240,990	-	316,536		344,643	2,902,169
Supplies & Services	174,864	-	25,417		25,419	225,700
Contractual Services	1,285,000	2,000	171,947		480,000	1,938,947
Capital Projects	-	6,500,000	4,678,103	320,000	-	11,498,103
Debt Service	-	67,500	-	-	-	67,500
Total Expenditures	3,700,854	6,569,500	5,192,002	320,000	850,063	16,632,419
REVENUES OVER (UNDER) EXPENDITURES	(1,216,854)	(3,084,500)	842,466	(96,000)	-	(3,554,888)
OTHER FINANCING SOURCES (USES)						
Transfer In/(Out) - PP sale funds to RESERVE	10,000,000	(10,000,000)				-
Transfer In/(Out) - PP loan repay principal						-
Transfer In/(Out) - EDA/BR local match	(96,000)	-	-	96,000	-	-
Total Other Financing Sources (Uses)	9,904,000	(10,000,000)	-	96,000	-	-
REVENUES & OTHER SOURCES OVER (UNDER)	8,687,146	(13,084,500)	842,466	-	-	(3,554,888)
FUND BALANCE-BEGINNING 7/1/15	7,802,602	18,329,557	-	-	-	26,132,159
FUND BALANCE-ENDING 6/30/16	16,489,749	5,245,057	842,466	-	*	22,577,272

FUND GLOSSARY

General Fund
 Lease/Land Sale Proceeds Fund
 CFD Tax/Developer Fees
 EDA/BR Plan Grant
 ET/ESCA Army Grant

Accounts for general financial resources
 Land sale proceeds finance CIP (building removal),
 CFD tax/Developer fees finance CIP (CEQA mitigations)
 Finances the Building Removal Business Plan, requires 25% local match
 Finances the munitions and explosives cleanup activities
 ET/ESCA fund balance: FORA's share of unspent Army grant (for Program Management and Regulatory Response costs) is held in a separate bank account and, for financial/budgeting purposes, recognized when earned. Estim. balance \$1.4M at June 30, 2016.

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ANNUAL FY 15-16 BUDGET

ITEMIZED EXPENDITURES

EXPENDITURE CATEGORIES	FY 14-15 Approved	FY 14-15 Mid-Year	FY 14-15 Anticip. Budget (Savings)/Excess	FY 15-16 PRELIMINARY	NOTES
					"N" indicates a new expense in FY 15-16 budget
<u>SALARIES AND BENEFITS (S & B)</u>	15 positions	15 positions		15 positions	Staffing at approved 14-15 level. Includes EDC position, and Senior Planner extension thru BRP reassessment/implementation
SALARIES	1,612,641	1,650,000	(100,000)	1,659,616	
BENEFITS/HEALTH, RETIREMENT, OTHER	647,441	660,082		567,482	
TEMP HELP/VACTION CASH OUT/STIPENDS	60,000	60,000	(20,000)	65,000	
 SUBTOTAL S & B	2,320,082	2,370,082	(120,000)	2,292,098	Proposed 2.5% COLA is included
<u>N CalPERS UNFUNDED LIABILITIES (UAL)</u>					
SIDE FUND - PAYOFF	-	-	-	210,071	Payoff eliminates the side fund, saves \$41K over the next 5 years
SHARE OF RISK POOL UAL - PARTIAL PAYMENT	-	-	-	400,000	\$1.2M UAL to be paid off in 3 annual payments to reduce termination liability, save interest.
 SUBTOTAL PERS UAL	-	-	-	610,071	
 TOTAL SALARIES , BENEFITS AND UAL	2,320,082	2,370,082		2,902,169	
<u>SUPPLIES AND SERVICES</u>					
PUBLIC & LEGAL NOTICES	2,000	1,000	-	6,000	Consistency determinations, HCP review notices
COMMUNICATIONS	10,000	10,000	-	8,000	
DUES & SUBSCRIPTIONS	6,500	6,500	-	7,000	
PRINTING & COPY	3,000	3,000	-	8,000	HCP final report
SUPPLIES	12,000	12,000	-	12,000	
EQUIPMENT & FURNITURE	8,880	11,500	-	10,000	
TRAVEL, LODGING, REGISTRATION FEES	20,000	20,000	-	22,500	IEDC Annual conference/EDC
TRAINING & SEMINARS	6,500	6,500	-	15,000	Training/professional development
MEETING EXPENSES	3,500	10,500	-	13,500	Conference room rental expenses
TELEVISED MEETINGS	6,000	7,000	-	7,000	
BUILDING MAINTENANCE & SECURITY	6,000	6,000	-	10,000	Common area maintenance/per MCWD lease agreement
N FORA OFFICES RENTAL				30,000	FORA office rent to MCWD begins May 2016 (\$15K/mo)
UTILITIES	11,000	11,000	-	12,000	
INSURANCE	22,500	22,500	-	24,000	
PAYROLL/ACCOUNTING SERVICES	5,000	5,000	-	5,000	
IT/COMPUTER SUPPORT	22,500	22,500	-	22,500	
N RECORD ARCHIVING				10,000	Plan/equipment for electronic/on-line archiving
OTHER (POSTAGE, BANK FEES, MISC)	4,120	2,500	-	3,200	Under \$2K/year items
 TOTAL SUPPLIES AND SERVICES	149,500	157,500	-	225,700	
<u>CONTRACTUAL SERVICES</u>					
AUTHORITY COUNSEL	210,000	210,000	(30,000)	200,000	
LEGAL/LITIGATION FEES	300,000	300,000	400,000	100,000	Preston Park FORA/Rabobank litigation expenses paid FY 14-15
LEGAL FEES - SPECIAL PRACTICE	20,000	20,000	(10,000)	25,000	On-call services/CEQA Allan Waltner
AUDITORS	18,000	18,000	-	20,000	Annual Audit, incl. Preston Park (final year)
SPECIAL COUNSEL (EDC-ESCA)	140,000	140,000	-	120,000	ESCA closure document review
ESCA/REGULATORY RESPONSE/QUALITY ASSURANCE	480,000	480,000	(100,000)	380,000	ESCA oversight
FINANCIAL CONSULTANT	100,000	100,000	(95,000)	100,000	Development fee formula; FORA transition plan
LEGISLATIVE SERVICES CONSULTANT	43,000	43,000	-	43,000	HCP, blight legislation, CCCVC
PUBLIC INFORMATION/OUTREACH	20,000	20,000	-	20,000	
HCP CONSULTANTS	150,000	150,000	(150,000)	150,000	To finish final EIS/EIR and HCP
REUSE PLAN IMPLEMENTATION	780,000	780,000	(182,000)	275,000	Potential DKP contract extension, Oak Woodlands designation
N GEOGRAPHIC INFORMATION				50,000	Ortho mapping survey, software, on-line tools
CEQA CONSULTANTS	300,000	300,000	(300,000)	300,000	To finish categ. I and II Post Reassessment items deferred to 15-16
PARKER FLATS BURN	25,000	25,000		18,000	CSUMB-FORA contract/post burn reporting requirements, final
CIP/ARCHITECTS & ENGINEERS	15,000	15,000	(13,000)	25,000	On-call services (Water augmentation, roadway planning)
PROPERTY TAX SHARING/REUSE	23,165	23,165	-	37,947	Payment to Jurisdictions/County per modified IA's
ECONOMIC DEVELOPMENT	-	50,000	-	50,000	Additional funding for agency collaboration
PLL INSURANCE	-	1,705,196	-	-	PLL Insurance purchased in FY 14-15
OTHER CONSULTING/CONTRACTUAL EXP	25,000	25,000	(8,000)	25,000	HR/PERS Actuary/miscellaneous services
 TOTAL CONTRACTUAL SERVICES	2,649,165	4,404,361	(488,000)	1,938,947	
<u>CAPITAL PROJECTS</u>					Refer to CIP 15-16 for project detail
TRANSPORTATION/OTHER CIP PROJECTS	472,199	472,199	(45,000)	2,830,000	
HABITAT MANAGEMENT/HCP ENDOWMENT	1,629,898	1,629,898	(540,898)	1,848,103	HM set aside, UC Natural Reserve annual cost (\$91.4K)
BUILDING REMOVAL	2,725,714	2,725,714	(2,725,714)	6,820,000	FORA building removal obligation to be met in FY 15-16
 TOTAL CAPITAL PROJECTS	4,827,811	4,827,811	(3,311,612)	11,498,103	
<u>DEBT SERVICE (Principal and Interest)</u>					
PRESTON PARK LOAN DEBT SERVICE	1,364,880	1,364,880			
PRESTON PARK LOAN PAYOFF			17,817,383		
I-BANK LOAN DEBT SERVICE				67,500	Debt service from Jan 2016 (6 months)
 TOTAL DEBT SERVICE	1,364,880	1,364,880	17,817,383	67,500	
TOTAL EXPENDITURES	11,311,438	13,124,634	14,017,771	16,632,419	

ANNUAL FY 15-6 BUDGET

**PROPOSED SALARY AND BENEFITS
ADJUSTMENT**

Effective January 1, 2012, pursuant to independent human resources consultant and FC/EC recommendations, the FORA Board adjusted salary ranges to bring FORA employees to equity with other Monterey Bay Regional labor market agencies and affiliated jurisdictions. To sustain this equity, the preliminary budget includes scheduled salary step increases for eligible staff. Proposed Cost-of-Living adjustment (COLA) is provided.

Cost-of-Living-Adjustment (COLA) 2.50%

FY 15-16 BUDGET IMPACT

2.5% COLA

44,324

37,916 Salary increase

6,408 Benefits increase

CPI SF-Oakland-SJ report (available data thru 2/15): 2.53%

Effective date: July 1, 2015

Eligibility: Must be full-time, employed with FORA for the past 12 months.

2,247,774 Total S & B/No COLA

2,292,098 Total S & B/With COLA

44,324 Difference

COLA increases received - past 5 FY

<u>FY</u>	<u>COLA</u>	<u>Notes</u>
FY 10-11	0.00%	
FY 11-12	2.00%	All staff received COLA
FY 12-13	0.00%	
FY 13-14	2.50%	All staff received COLA
FY 14-15	<u>2.00%</u>	All staff received COLA
<i>Total Staff</i>	6.50%	

CPI SF-Oakland-San Jose - past 5 FY

<u>FY</u>	<u>COLA</u>
FY 10-11	1.80%
FY 11-12	1.70%
FY 12-13	3.00%
FY 13-14	2.40%
FY 14-15	<u>2.40%</u>
<i>Total CPI</i>	11.3%