

# FORT ORD REUSE AUTHORITY BOARD REPORT

## BUSINESS ITEMS

<b>Subject:</b>	Consider Adoption of FORA FY 2016-17 Annual Budget	
<b>Meeting Date:</b>	May 13, 2016	<b>INFORMATION/ACTION</b>
<b>Agenda Number:</b>	6a	

### **RECOMMENDATION:**

- i. Approve a 3.0% staff salary Cost-of-Living-Adjustment (COLA) ACTION
- ii. Adopt Fiscal year 2016-17 (FY 16-17) 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 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 proposed specific staffing and/or benefit adjustments. On April 11, the FC reviewed the draft budget and on May 4, the EC reviewed the COLA recommendations.

### **DISCUSSION:**

This fiscal year budget was prepared acknowledging that the FY 16-17 CIP Budget and Salary Survey are anticipated to be completed by July 2016. Upon completion, these will be presented to the EC for recommendation and to the Board for adoption.

The proposed budget charts (with fund balance notes as directed by the FC) are:

**Attachment A** - illustrates the overall budget combining all funds

**Attachment B** - depicts the budget by individual funds

**Attachment C** - itemizes expenditures

**Attachment D** - provides background/analysis of proposed Salary/Benefits adjustment

Principal budget impacts areas are discussed below:

**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 includes 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 Board approved in FY 15-16 to designate a reserve of \$5.3 million should the plan terminate in 2020.

The current Annual Valuation Report (dated November 2015) are available on the FORA website at:

<http://fora.org/Reports/Finance/PERSAnnualReport11-15.pdf>

<http://fora.org/Reports/Finance/PERSPepraAnnualReport11-15.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 16-17 payments to FORA from water and sewer operations on Fort Ord and associated fees.

- \$983,306 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 16-17 ESCA grant regulatory response and management/related expenses.

- \$6,780,000 DEVELOPER FEES

This reflects jurisdictional forecasts included in the CIP FY 16-17 budget.  
*CIP budget anticipated to be completed In July 2016.*

- \$641,000 LAND SALE PROCEEDS

Land sale revenue anticipated in the FY 16-17 CIP budget.  
*CIP budget anticipated to be completed In July 2016.*

- \$29,500 RENTAL PAYMENTS

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

- \$1,820,123 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. The 10% of such revenue scheduled to be shared with certain member jurisdictions has been designated by the Board to fund the Prevailing Wage program (PW). If the 10% exceeds the PW program needs, the excess will be distributed to 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.

- \$110,000 INVESTMENT/INTEREST INCOME

Anticipated income from FORA bank accounts and certificates of deposit (CD) including the Habitat Management CD.

## **EXPENDITURES**

- \$2,953,810 SALARIES AND BENEFITS (Attachments C, D show breakdown)

Staffing remains at the approved FY 15-16 level. Proposed budget amount includes the second of three payments to CalPERS to reduce pension liabilities.

The FC and EC reviewed proposed compensation and pension adjustments for FY 16-17 and are *recommending\** Board consider approving the following items:

- 1) \$400,000 – payoff of the \$1.2 million risk pool UAL; this UAL to be retired in three substantially equal annual payments commencing FY 15-16, saving interest charges and reduces the 2020 termination liability.
- 2) 3.0% COLA for eligible personnel. Fiscal impact up to \$59,517.  
*Eligibility: Must be full time, employed with FORA for the past 12 months.*

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

- \$396,750 SUPPLIES AND SERVICES (Attachment C)

This expense category is increased from last year primarily due to rent of \$15K/month to MCWD which began on May, 2016 and increased staffing level.

- \$1,966,000 IN CONTRACTUAL SERVICES (Attachment C)

Contractual services are increased from the previous FY primarily due to the FORA transition. 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) FORA transition budgeted at \$105,000 for potential consultant, legislative and legal cost;

- 2) Legal services \$475,000, including ongoing legal representation, litigation, Authority Counsel, and special practice consulting (EDC-ESCA, CEQA);
- 3) Consultant \$100,000 to perform CIP Fee study and \$75,000 to prevailing wage compliance;
- 4) ESCA regulatory and legal costs \$418,000 associated with scheduled property transfers;
- 5) HCP consultants \$150,000 to prepare the final EIS/EIR and HCP; and
- 6) CEQA consultants potentially \$300,000 to finish category I and II post-reassessment items (deferred from FY 15-16).

- **\$6,545,859 IN CAPITAL PROJECTS (Attachments B, C)**

The upcoming budget includes \$6.5M for the completion of the FORA building removal obligations and mandated/obligatory expenditures such as habitat management and UC Natural Reserve annual cost. Other capital projects are development fee collection dependent. The FY 16-17 CIP budget provides itemization and timing of capital projects. *CIP budget anticipated to be completed In July 2016.*

<b>ACCOUNTING ENTRIES/FUND DESIGNATIONS</b>
---

- 1) Continue \$10 million Reserve from land sale proceeds held in a segregated, interest bearing account for PERS pension liabilities and operating obligations.
- 2) Sustain \$5 million contingency in the Land Sale Fund until Building Removal obligations are fully met.

<b>ENDING BALANCE/FORA RESERVE</b>
------------------------------------

It is anticipated that the combined fund balance at the end of the FY 16-17 will be more than \$34 million. To address the FORA sunset financial obligations, the Board approved in FY 15-16 setting up a \$10 million Reserve. From that Reserve, the Board has designated \$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. The Board set aside \$5.0 million for building removal until obligations are fully met. The set aside of \$9.8 million for Habitat Conservation reflects FORA Board policy of reserving 30.2 percent of the CFD fee collections for this purpose.

**COORDINATION:**

Finance Committee, Executive Committee, FORA Annual Auditor.

Prepared by \_\_\_\_\_  
Helen Rodriguez

Approved by \_\_\_\_\_  
Michael A. Houlemard, Jr.

**FORT ORD REUSE AUTHORITY - FY 16-17 ANNUAL BUDGET - BY FUND**

CATEGORIES	FY 15-16 <u>APPROVED</u>	FY 15-16 <u>APPROVED MID-YEAR</u>	FY 15-16 <u>Variances</u> <i>Projected thru 6/30/16</i>	FY 16-17 <u>PRELIMINARY</u>	NOTES
<b>BUDGET Presented before completion of Salary Study and CIP Budget</b>					
<b>REVENUES</b>					
Membership Dues	\$ 261,000	\$ 261,000	\$ -	\$ 261,000	
Franchise Fees - MCWD	\$ 265,000	\$ 265,000	\$ -	\$ 265,000	
Federal Grants	\$ 1,074,156	\$ 850,156	\$ -	\$ 995,932	
In-kind Local Match	\$ 28,000	\$ -	\$ -	\$ -	
PLL Insurance Payments	\$ 360,000	\$ 360,000	\$ -	\$ -	FY 15-16 final year of two year reimbursement
Development Fees	\$ 5,585,000	\$ 5,585,000	\$ -	\$ 6,780,000	CIP budget to be completed 7/16
Land Sale Proceeds	\$ 485,000	\$ 32,706,165	\$ -	\$ 641,000	CIP budget to be completed 7/16
Rent Proceeds	\$ 45,000	\$ 45,000	\$ -	\$ 29,500	Possible Ord Market sale
Property Taxes	\$ 1,679,468	\$ 1,679,468	\$ -	\$ 1,820,123	CIP budget to be completed 7/16
Reimbursement Agreements	\$ 25,000	\$ 25,000	\$ -	\$ 25,000	ESCA agency reimbursements (access/deed requirements)
Loan Proceeds	\$ 3,000,000	\$ -	\$ -	\$ -	I-bank financings not required in FY 15-16
Investment/Interest Income	\$ 270,000	\$ 110,000	\$ -	\$ 110,000	
Other Revenues	\$ -	\$ 700,000	\$ -	\$ -	
<b>TOTAL REVENUES</b>	<b>\$ 13,077,624</b>	<b>\$ 42,586,788</b>	<b>\$ -</b>	<b>\$ 10,927,555</b>	<i>Decreased revenues in FY 15-16 - prior year Preston Park sale</i>
<b>EXPENDITURES</b>					
Salaries & Benefits	\$ 2,902,169	\$ 2,893,338	\$ -	\$ 2,953,810	Decreased due to FY15-16 payoff of CalPers Side Fund
Supplies & Services	\$ 225,700	\$ 236,200	\$ -	\$ 396,750	FORA office - full year effective 5/1/16
Contractual Services	\$ 1,938,947	\$ 1,826,447	\$ -	\$ 1,966,000	PLL Insurance purchased in FY 14-15, Legal fees/BRP consulting increased
Capital Projects (CIP)	\$ 11,498,103	\$ 11,655,103	\$ (8,800,000)	\$ 6,545,859	CIP budget to be completed 7/16
Debt Service (P+I)	\$ 67,500	\$ 17,984,924	\$ -	\$ -	Preston Park sold FY 15-16, no other existing debt service requirements
<b>TOTAL EXPENDITURES</b>	<b>\$ 16,632,419</b>	<b>\$ 34,596,012</b>	<b>\$ (8,800,000)</b>	<b>\$ 11,862,419</b>	<i>Decreased expenses in FY 16-17 due to prior year Preston Park sale/loan pay-off</i>
<b>NET REVENUES</b>					
<b>Surplus (Deficit)</b>	<b>\$ (3,554,795)</b>	<b>\$ 7,990,776</b>	<b>\$ 8,800,000</b>	<b>\$ (934,864)</b>	
<b>FUND BALANCES</b>					
<b>Beginning</b>	<b>\$ 33,984,253</b>	<b>\$ 18,753,093</b>	<b>\$ 26,743,869</b>	<b>\$ 35,543,869</b>	
<b>Ending</b>	<b>\$ 30,429,458</b>	<b>\$ 26,743,869</b>	<b>\$ 35,543,869</b>	<b>\$ 34,609,005</b>	<b>Ending Fund Balance</b>
<b>Fund Balances</b>					
<b>Committed/Assigned for:</b>					
CalPers Termination	\$ 5,300,000	\$ 5,300,000	\$ 5,300,000	\$ 5,300,000	
Operations	4,700,000	4,700,000	4,700,000	4,700,000	
Habitat Management (HM/HCP)	7,852,094	7,852,094	7,852,094	9,803,000	
Building Removal	3,925,777	5,000,000	5,000,000	5,000,000	
CIP	687,298	1,264,091	3,564,091	2,266,811	
<b>Unassigned</b>	<b>7,964,289</b>	<b>2,627,684</b>	<b>9,127,684</b>	<b>7,539,194</b>	
<b>Ending Fund Balance</b>	<b>\$ 30,429,458</b>	<b>\$ 26,743,869</b>	<b>\$ 35,543,869</b>	<b>\$ 34,609,005</b>	

**FORT ORD REUSE AUTHORITY - FY 16-17 ANNUAL BUDGET - BY FUND**

CATEGORY	SPECIAL REVENUE FUNDS (SRF)				TOTAL ANNUAL BUDGET
	GENERAL FUND	LEASES LAND SALE	CFD/Tax Developer Fees	ARMY ESCA	
<b>REVENUES</b>					
Membership Dues	\$ 261,000	\$ -	\$ -	\$ -	\$ 261,000
Franchise Fees - MCWD	265,000	-	-	-	265,000
Federal Grants	-	-	-	995,932	995,932
Development Fees	-	-	6,780,000	-	6,780,000
Land Sale Proceeds	-	641,000	-	-	641,000
Rental/Lease Revenues	29,500	-	-	-	29,500
Property Tax Payments	1,300,000	-	520,123	-	1,820,123
Reimbursement Agreements	25,000	-	-	-	25,000
Investment/Interest Income	80,000	-	30,000	-	110,000
<b>Total Revenues</b>	<b>1,960,500</b>	<b>641,000</b>	<b>7,330,123</b>	<b>995,932</b>	<b>10,927,555</b>
<b>EXPENDITURES</b>					
Salaries & Benefits	1,914,857	-	647,933	391,020	2,953,810
Supplies & Services	251,385	-	93,453	51,912	396,750
Contractual Services	1,202,000	2,000	209,000	553,000	1,966,000
Capital Projects	-	1,000,000	5,545,859	-	6,545,859
<b>Total Expenditures</b>	<b>3,368,242</b>	<b>1,002,000</b>	<b>6,496,245</b>	<b>995,932</b>	<b>11,862,419</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,407,742)</b>	<b>(361,000)</b>	<b>833,878</b>	<b>-</b>	<b>(934,864)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer In/(Out)	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES &amp; OTHER SOURCES OVER (UNDER)</b>	<b>(1,407,742)</b>	<b>(361,000)</b>	<b>833,878</b>	<b>-</b>	<b>(934,864)</b>
<b>FUND BALANCE-BEGINNING 7/1/16</b>	<b>12,482,918</b>	<b>11,825,018</b>	<b>11,235,933</b>	<b>-</b>	<b>35,543,869</b>
<b>FUND BALANCE - ENDING 6/30/17</b>	<b>\$ 11,075,176</b>	<b>\$ 11,464,018</b>	<b>\$ 12,069,811</b>	<b>\$ -</b>	<b>\$ 34,609,005</b>

<b>Fund Balance</b>					
<b>Committed/Assigned for:</b>					
CalPers Termination	\$ 5,300,000	\$ -	\$ -	\$ -	\$ 5,300,000
Operations	4,700,000	-	-	-	4,700,000
Habitat Management (HM/HCP)	-	-	9,803,000	-	9,803,000
Bldg Removal	-	5,000,000	-	-	5,000,000
CIP	-	-	2,266,811	-	2,266,811
<b>Unassigned</b>	<b>1,075,176</b>	<b>6,464,018</b>	<b>-</b>	<b>-</b>	<b>7,539,194</b>
<b>FUND BALANCE - ENDING 6/30/17</b>	<b>\$ 11,075,176</b>	<b>\$ 11,464,018</b>	<b>\$ 12,069,811</b>	<b>\$ -</b>	<b>\$ 34,609,005</b>

FUND GLOSSARY

- General Fund Accounts for general financial resources
  - Lease/Land Sale Proceeds Fund Land sale proceeds finance CIP (building removal),
  - CFD Tax/Developer Fees CFD tax/Developer fees finance CIP (CEQA mitigations)
  - EDA/BR Plan Grant Finances the Building Removal Business Plan, requires 25% local match
  - ET/ESCA Army Grant 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.

**FORT ORD REUSE AUTHORITY - FY 16-17 ANNUAL BUDGET - BY FUND**

EXPENDITURE CATEGORIES	FY 15-16 Approved	FY 15-16 <i>Approved</i> Mid-Year	FY 15-16 Projected Variance thru 6/30/16	FY 16-17 PRELIMINARY	NOTES
					"N" indicates a new expense in FY 16-17 budget
<b><u>SALARIES AND BENEFITS (S &amp; B)</u></b>	15 positions	15 positions		16 positions	<b>Salary Study anticipated completion 6/16</b>
SALARIES	1,659,616	1,611,366	-	1,776,107	PW staff position added, <i>impact of 3% COLA - \$ 51.7K</i>
BENEFITS/HEALTH, RETIREMENT, OTHER	567,482	591,151	-	712,703	<i>Impact of 3% COLA - \$7.7K</i>
TEMP HELP/VACTION CASH OUT/STIPENDS	65,000	65,000	-	65,000	
<b>SUBTOTAL S &amp; B</b>	<b>2,292,098</b>	<b>2,267,517</b>	-	<b>2,553,810</b>	<b>Proposed 3.0% COLA is included</b>
<b><u>CalPERS UNFUNDED LIABILITIES (UAL)</u></b>					
SIDE FUND - PAYOFF	210,071	210,071	-	-	Side Fund paid off in FY 15-16
SHARE OF RISK POOL UAL - PARTIAL PAYMENT	400,000	400,000	-	400,000	\$1.2M UAL - 2nd of 3 payments
<b>SUBTOTAL PERS UAL</b>	<b>610,071</b>	<b>610,071</b>	-	<b>400,000</b>	Prepayment of UAL saves interest part of termination liability
<b>TOTAL SALARIES , BENEFITS AND UAL</b>	<b>2,902,169</b>	<b>2,877,588</b>	-	<b>2,953,810</b>	
<b><u>SUPPLIES AND SERVICES</u></b>					
PUBLIC & LEGAL NOTICES	6,000	6,000	-	6,000	Consistency determinations, HCP review notices
COMMUNICATIONS	8,000	8,000	-	8,000	
DUES & SUBSCRIPTIONS	7,000	7,000	-	7,550	
PRINTING & COPY	8,000	8,000	-	8,000	Annual report, RUDG, CIP
SUPPLIES	12,000	12,000	-	14,000	added new staff positions
EQUIPMENT & FURNITURE	10,000	10,000	-	15,500	
TRAVEL, LODGING, REGISTRATION FEES	22,500	22,500	-	22,500	IEDC/ADC/CalEd/Legislative, Etc
TRAINING & SEMINARS	15,000	15,000	-	17,500	Training/professional development, added new staff positions
MEETING EXPENSES	13,500	13,500	-	13,500	Conference room rental expenses
TELEVISED MEETINGS	7,000	7,000	-	7,000	
BUILDING MAINTENANCE & SECURITY	10,000	10,000	-	10,000	Common area maintenance/per MCWD lease agreement
FORA OFFICES RENTAL	30,000	30,000	-	180,000	FORA office rent to MCWD begins May 2016 (\$15K/mo)
UTILITES	12,000	12,000	-	12,000	
INSURANCE	24,000	24,000	-	26,000	
PAYROLL/ACCOUNTING SERVICES	5,000	5,000	-	6,000	Sec125 processing added
IT/COMPUTER SUPPORT	22,500	22,500	-	29,000	GIS online Software moved from Geographic Information below
RECORD ARCHIVING	10,000	15,500	-	1,000	annual maintenance
PREVAILING WAGE TECH SUPPORT/SOFTWARE	-	5,000	-	10,000	Full year cost approved by Board
OTHER (POSTAGE, BANK FEES, MISC)	3,200	3,200	-	3,200	Under \$2K/year items
<b>TOTAL SUPPLIES AND SERVICES</b>	<b>225,700</b>	<b>236,200</b>	-	<b>396,750</b>	
<b><u>CONTRACTUAL SERVICES</u></b>					
AUTHORITY COUNSEL	200,000	240,000	-	200,000	
LEGAL/LITIGATION FEES	100,000	100,000	-	100,000	Special Legal/exisitng litigation
LEGAL FEES - SPECIAL PRACTICE	25,000	25,000	-	-	Opinion completed in prior year
AUDITORS	20,000	20,000	-	20,000	Annual Audit
SPECIAL COUNSEL (EDC-ESCA)	120,000	120,000	-	175,000	ESCA closure document review
ESCA/REGULATORY RESPONSE/QUALITY ASSURANCE	380,000	380,000	-	418,000	ESCA oversight
FINANCIAL CONSULTANT	100,000	100,000	-	100,000	Development fee formula
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	To finish final EIS/EIR and HCP
<b>N</b> FORA Transition	-	-	-	105,000	Potential consultants, legislative and legal costs
REUSE PLAN IMPLEMENTATION	275,000	275,000	-	100,000	
GEOGRAPHIC INFORMATION	50,000	50,000	-	-	Completed in FY 15-16, on-line GIS moved to IT Support
CEQA CONSULTANTS	300,000	125,000	-	300,000	To finish Post Reassessment items deferred to 16-17
PARKER FLATS BURN	18,000	18,000	-	-	CSUMB-FORA contract/post burn reporting requirements, completed
CIP/ARCHITECTS & ENGINEERS	25,000	25,000	-	25,000	On-call services (Water augmentation, roadway planning)
PROPERTY TAX SHARING/REUSE	37,947	37,947	-	-	Board determination to PW on 3/12/16
ECONOMIC DEVELOPMENT	50,000	50,000	-	110,000	Additional funding for agency collaboration/CSUMB
PW WAGE CONSULTANTS	-	12,500	-	75,000	Full year cost approved by Board
OTHER CONSULTING/CONTRACTUAL EXP	25,000	35,000	-	25,000	HR/PERS Actuary/miscellaneous services
<b>TOTAL CONTRACTUAL SERVICES</b>	<b>1,938,947</b>	<b>1,826,447</b>	-	<b>1,966,000</b>	
<b><u>CAPITAL PROJECTS</u></b>					<b>CIP Budget - estimate, CIP budget anticipated completion 7/16</b>
CIP PROJECTS	2,830,000	2,987,000	(2,300,000)	5,545,859	Obligations rolled over to FY 16-17 (includes HCP, water aug & caretaker)
BUILDING REMOVAL	6,820,000	6,820,000	(6,500,000)	1,000,000	Obligations rolled over to FY 16-17 and future years
<b>TOTAL CAPITAL PROJECTS</b>	<b>9,650,000</b>	<b>9,807,000</b>	<b>(8,800,000)</b>	<b>6,545,859</b>	
<b><u>DEBT SERVICE (Principal and Interest)</u></b>					
PRESTON PARK LOAN DEBT SERVICE	-	167,541	-	-	Sold in FY 15-16
PRESTON PARK LOAN PAYOFF	-	17,817,383	-	-	Sold in FY 15-16
I-BANK LOAN DEBT SERVICE	67,500	-	-	-	
<b>TOTAL DEBT SERVICE</b>	<b>67,500</b>	<b>17,984,924</b>	-	-	
<b>TOTAL EXPENDITURES</b>	<b>14,784,316</b>	<b>32,732,159</b>	<b>(8,800,000)</b>	<b>11,862,419</b>	

**ANNUAL FY 16-17 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)                      3.00%**

*CPI SF-Oakland-SJ report (available data thru 2/16): 3.02%*  
*Effective date: July 1, 2016*  
*Eligibility: Must be full-time, employed with FORA for the past 12 months.*

**FY 16-17 BUDGET IMPACT**

3.0% COLA	
<b>59,517</b>	
51,731	Salary increase due to COLA
7,786	Benefits increase due to COLA
<b>3,360</b>	Total S & B/No COLA
<b>3,360</b>	Total S & B/With COLA
-	Difference

COLA increases received - past 6 FY

<u>FY</u>	<u>COLA</u>
FY 10-11	0.00%
FY 11-12	2.00%
FY 12-13	0.00%
FY 13-14	2.50%
FY 14-15	2.00%
FY 15-16	<u>2.50%</u>
<i>Total Staff</i>	9.00%

CPI SF-Oakland-San Jose - past 6 FY

<u>FY</u>	<u>CPI</u>
FY 10-11	1.80%
FY 11-12	1.70%
FY 12-13	3.00%
FY 13-14	2.40%
FY 14-15	2.40%
FY 15-16	<u>2.50%</u>
<i>Total CPI</i>	13.8%

**FY 16-17 Proposed increase by Jurisdiction (to date)**

- a** City of Marina
- a** City of Monterey
- a** City of Salinas
- 1.66% **c** City of Sand City
- a** City of Seaside
- 2.60% **b** MCWD
- a** Monterey County
- 2.24% **d** TAMC - *prior year was budget 3.6%*
- a** MRWPCA
- 2.17% Average**

**Notes:**

- a** Currently not available
- b** Based on draft budget
- c** Based on City 2015 Salary Agreement Resolution
- d** Based on CCI projection to be used for FORA CIP prelim budget