



FY 2018-19 Annual Budget

May 11, 2018 Board Presentation

*Michael A. Houlemard, Jr. Executive Officer
Helen Rodriguez, Controller/Finance Manager*

This fiscal year budget was prepared in conjunction with the FY 18-19 CIP Budget – Business Item 7d.

The proposed FY 18-19 Budget includes:

- Fund Balances – \$28.8M at end FY 18-19
 - projected \$28.7 M committed/assigned and \$24K unassigned
- Salary/Benefit Adjustments
- FORA Transition Cost – Fiscal Impact: \$500K
 - LAFCO application and indemnification set aside
 - Consultants – CEQA, financial, employee transition and legal

SUMMARY

CATEGORIES

FY 18-19 PROPOSED

ANNUAL REVENUES AND EXPENDITURES

TOTAL REVENUES

\$	16,087,511
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TOTAL EXPENDITURES

	35,252,134
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FUND BALANCE USED IN FY 18-19

\$	(19,164,623)
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FUND BALANCE *(projected)*

BEGINNING 7/1/18

\$	47,934,306
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ENDING 6/30/19

\$	28,769,683
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REVENUES

CATEGORY	SPECIAL REVENUE FUNDS (SRF)				TOTAL ANNUAL BUDGET
	GENERAL FUND	LEASES LAND SALE	CFD/Tax Developer Fees	ARMY ESCA	
Membership Dues	\$ 310,928	\$ -	\$ -	\$ -	\$ 310,928
Franchise Fees - MCWD	721,557	-	-	-	721,557
Federal Grants	-	-	-	1,129,167	1,129,167
Development Fees	-	-	10,734,756	-	10,734,756
Land Sale Proceeds	-	-	-	-	-
Rental/Lease Revenues	50,000	-	-	-	50,000
Property Tax Payments	1,300,000	-	1,674,613	-	2,974,613
Reimbursement Agreements	5,000	-	-	-	5,000
Investment/Interest Income	120,000	-	41,490	-	161,490
Total Revenues	\$ 2,507,485	\$ -	\$ 12,450,859	\$ 1,129,167	\$ 16,087,511

Note: FORA financial statements reports all property taxes in the General Fund. Amount allocated to CFD/TAX Developer Fees would be presented as a Transfer Out of General Fund and a Transfer In to CFD/Tax Developer Fee Funds.

For purposes of the budget , the revenues are shown based on expenditure use of that fund.

Investment/Interest Income in CFD/Tax Developer Fee Funds pertains to the HCP set-aside and is a Fund Balance Designation/Commitment, - see Fund Balance

EXPENDITURES

CATEGORY	SPECIAL REVENUE FUNDS (SRF)				TOTAL ANNUAL BUDGET
	GENERAL FUND	LEASES LAND SALE	CFD/Tax Developer Fees	ARMY ESCA	
EXPENDITURES					
Salaries & Benefits	\$ 1,826,795	\$ 102,209	\$ 453,603	\$ 519,825	\$ 2,902,432
Supplies & Services	328,123	12,974	126,595	68,333	536,025
Contractual Services	1,107,589	25,690	438,062	541,009	2,112,350
Capital Projects	-	9,520,871	20,180,456	-	29,701,327
Total Expenditures	<u>\$ 3,262,507</u>	<u>\$ 9,661,744</u>	<u>\$ 21,198,716</u>	<u>\$ 1,129,167</u>	<u>\$ 35,252,134</u>

Highlighted items

Salaries & Benefits 3.0% COLA for staff, additional position, reclassification, and retention benefits

FUND BALANCE-RESERVE

CATEGORY	SPECIAL REVENUE FUNDS (SRF)				TOTAL ANNUAL BUDGET
	GENERAL FUND	LEASES LAND SALE	CFD/Tax Developer Fees	ARMY ESCA	
Fund Balance used in FY 18-19	\$ (755,022)	\$ (9,661,744)	\$ (8,747,857)	\$ -	\$ (19,164,623)
FUND BALANCE-BEGINNING 7/1/18	11,904,456	11,185,029	24,844,821	-	47,934,306
TRANSFERS IN/(OUT)	275,000	(1,325,000)	1,050,000	-	-
FUND BALANCE - ENDING 6/30/19	\$ 11,424,434	\$ 198,285	\$ 17,146,964	\$ -	\$ 28,769,683

Fund Balance					
<i>Committed/Assigned for:</i>					
CalPers Termination	\$ 6,700,000	\$ -	\$ -	\$ -	\$ 6,700,000
Operations	4,700,000	-	-	-	4,700,000
Habitat Management (HM/HCP)	-	-	17,113,239	-	17,113,239
Bldg Removal	-	-	-	-	-
CIP	-	198,285	33,725	-	232,010
Unassigned	24,434	-	-	-	24,434
FUND BALANCE - ENDING 6/30/19	\$ 11,424,434	\$ 198,285	\$ 17,146,964	\$ -	\$ 28,769,683

OPERATING BUDGET

CATEGORY	SPECIAL REVENUE FUNDS (SRF)				TOTAL ANNUAL BUDGET
	GENERAL FUND	LEASES/ LAND SALE	CFD/Tax Developer Fees	ARMY ESCA	
REVENUES					
Membership Dues	\$ 310,928	\$ -	\$ -	\$ -	\$ 310,928
Franchise Fees - MCWD	721,557	-	-	-	721,557
Federal Grants	-	-	-	1,129,167 (c)	1,129,167
Development Fees	-	-	10,734,756	-	10,734,756
Land Sale Proceeds	-	-	-	-	-
Rental/Lease Revenues	50,000	-	-	-	50,000
Property Tax Payments	1,300,000 (a)	-	1,674,613 (a)	-	2,974,613
Reimbursement Agreements	5,000	-	-	-	5,000
Investment/Interest Income	120,000	-	41,490	-	161,490
Total Revenues	2,507,485	-	12,450,859	1,129,167	16,087,511
EXPENDITURES					
Salaries & Benefits	1,826,795	102,209	453,603	519,825 (c)	2,902,432
Supplies & Services	328,123	12,974	126,595	68,333 (c)	536,025
Contractual Services	1,107,589 (b)	25,690	438,062	541,009 (c)	2,112,350
Capital Projects	-	9,520,871	20,180,456	-	29,701,327
Total Expenditures	3,262,507	9,661,744	21,198,716	1,129,167	35,252,134
REVENUES OVER (UNDER)					
EXPENDITURES	<u>\$ (755,022)</u>	<u>\$ (9,661,744)</u>	<u>\$ (8,747,857)</u>	<u>\$ -</u>	<u>\$ (19,164,623)</u>

Notes

(a) Property taxes in excess of \$1.3M is be used for CIP projects

(b) Includes \$500K FORA Transition cost

(c) Fully funded by ESCA grant

Total Compensation and Benefit FY 18-19 - \$2,902,432
(Decrease of \$942,818 from FY 17-18)

Increase from prior year for - \$218,342:

- Includes request for additional position and reclassification – Fiscal Impact - \$100K in salaries and benefits
- Step increases for eligible employees
- 3% COLA for eligible employees – Fiscal Impact - \$69K
- Health and insurance benefits – no change from prior year
- Retention Benefits – Fiscal Impact up to \$50,000
 - Given FORA's nearing sunset, pool for employee retention, special assignments, coverage for employee losses. *This will not increase retirement benefits*

Decrease from prior year for – \$1,161,160:

- CalPers current Unfunded Actuarial Liability funded FY 17-18.
- Staff will review at mid year after CalPers annual report received.

COST OF LIVING ADJUSTMENT

Effective October 1, 2016, pursuant to independent salary range analysis, the FORA Board adjusted salary ranges to bring FORA employees to equity with other Monterey Bay regional agencies and affiliated jurisdictions. To sustain this equity, the preliminary budget includes scheduled salary step increases for eligible staff. Proposed 3% Cost-of Living Adjustment (COLA) is provided.

CPI SF-Oakland-SJ report (available data thru 2/18): 3.56%

Effective date: July 1, 2018

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

COLA Budget by Jurisdictions FY 17-18

	%
City of Carmel	3.00
City of Del Rey Oaks	pending negotiations
City of Monterey	2.00
County of Monterey	3.00
City of Marina	2.50
City of Pacific Grove	-
City of Salinas	2.50
City of Sand City	pending negotiations
City of Seaside	2.00
MCWD	3.00
TAMC	3.00
LAFCO	3.00
CSUMB	3.00
Monterey One Water	2.90
MRWMD	3.00

FY 18-19 BUDGET IMPACT

\$ 68,595	
\$ 59,364	Salary increase
\$ 9,231	Benefits increase - impacts only CalPERS and WComp
\$2,833,837	Total S & B/No COLA
\$2,902,432	Total S & B/With COLA
\$ 68,595	Difference

- Given FORA's nearing sunset, a stipend (non-CalPERS) pool for:
 - Special assignments
 - Coverage for employee losses
 - Employee retention
- Fiscal Impact – not to exceed \$50,000

- 1) Adopt Fiscal Year 2018-19 Annual Budget.**
- 2) Consider approval of staff proposed compensation and benefits adjustments.**

Q & A