



# FY 2019-20 Mid-Year Budget

April 9, 2020 Board Presentation

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# FY 19-20 MID-YEAR BUDGET



CATEGORIES	FY 19-20 APPROVED	FY 19-20 <u>Variances</u> <i>Projected thru 6/30/20</i>	FY 19-20 Mid Year	NOTES
<b>REVENUES</b>				
Membership Dues	\$ 316,213	\$ 39,270	\$ 355,483	
Franchise Fees - MCWD	461,065	118,981	580,046	
Federal Grants	1,082,784	24,359	1,107,143	
Development Fees	6,104,257	(3,158,896)	2,945,361	Actual CFD fees received as of 3/31/20
Land Sale Proceeds	-	-	-	
Rent Proceeds	50,000	25,000	75,000	
Property Taxes	3,198,185	371,803	3,569,988	Anticipates receipt of 2nd property tax installment
Reimbursement Agreements	5,000	-	5,000	
Investment/Interest Income	130,000	155,000	285,000	Sec 115 Trust revenues
<b>TOTAL REVENUES</b>	<b>11,347,504</b>	<b>(2,424,483)</b>	<b>8,923,021</b>	
<b>EXPENDITURES</b>				
Salaries & Benefits	2,681,332	(157,365)	2,523,967	Staff changes
Supplies & Services	538,245	(58,946)	479,299	
Contractual Services	2,858,500	597,046	3,455,546	Increased use of consultants and legal support
Capital Projects (CIP)	14,166,411	6,708,726	20,875,137	
<b>TOTAL EXPENDITURES</b>	<b>20,244,488</b>	<b>7,089,461</b>	<b>27,333,949</b>	
<b>REVENUES &amp; OTHER SOURCES OVER (UNDER) EXPENDITURES</b>	<b>(8,896,984)</b>	<b>(9,513,944)</b>	<b>(18,410,928)</b>	
<b>FUND BALANCES</b>				
<b>Beginning</b>	45,946,125	-	<b>45,946,125</b>	Ties to FY 18-19 Audited Financials
<b>Ending</b>	\$ 37,049,141	\$ (9,513,944)	\$ <b>27,535,197</b>	<b>Ending Fund Balance</b>
<b>Fund Balances</b>				
<i>Committed/Assigned for:</i>				
CalPers Termination	\$ 6,940,000	\$ 1,560,000	\$ 8,500,000	<b>Staff and Finance Committee recommends reserving \$1.5M for termination liability</b>
Operations	-	-	-	
Habitat Management (HM/HCP)	17,822,635	-	17,075,499	
Building Removal	-	-	-	
CIP	14,683,492	(12,820,296)	1,863,196	
<b>Unassigned</b>	<b>1,173,014</b>	<b>(1,076,512)</b>	<b>96,502</b>	
<b>Ending Fund Balance</b>	<b>\$ 40,619,141</b>	<b>\$ (12,336,808)</b>	<b>\$ 27,535,197</b>	

# SUMMARY



CATEGORIES	FY 19-20 APPROVED	FY 19-20 Variances <i>Projected thru 6/30/20</i>	FY 19-20 Mid Year	NOTES
REVENUES	11,347,504	(2,424,483)	8,923,021	<b>\$2.4 Net Decrease</b> <i>Primarily due to decrease in CFD Fee collection</i>
EXPENDITURES	20,244,488	7,089,461	27,333,949	<b>\$7.1M Net Increase</b> <i>Primarily due to CIP projects to be completed prior to FORA sunset</i>
<b>REVENUES &amp; OTHER SOURCES OVER (UNDER) EXPENDITURES</b>	<b>(8,896,984)</b>	<b>(9,513,944)</b>	<b>(18,410,928)</b>	
<b>FUND BALANCES</b>				
Beginning	45,946,125	-	<b>45,946,125</b>	<i>Ties to FY 18-19 Audited Financials</i>
Ending	\$ 37,049,141	\$ (9,513,944)	<b>\$ 27,535,197</b>	<b>Ending Fund Balance</b>
<b>Fund Balances</b>				
<b>Committed/Assigned for:</b>				
CalPers Termination	\$ 6,940,000	\$ 1,560,000	\$ 8,500,000	<i>Staff and Finance Committee recommends reserving \$1.5M for termination liability</i>
Operations	-	-	-	
Habitat Management (HM/HCP)	17,822,635	-	17,075,499	<i>HCP Set Aside based on current Development Fee porjection</i>
Building Removal	-	-	-	
CIP	14,683,492	(12,820,296)	1,863,196	
<b>Unassigned</b>	<b>1,173,014</b>	<b>(1,076,512)</b>	<b>96,502</b>	
<b>Ending Fund Balance</b>	<b>\$ 40,619,141</b>	<b>\$ (12,336,808)</b>	<b>\$ 27,535,197</b>	



## CalPers Retirement

- \$1.5 Million – Finance Committee and Staff recommend reserving General Fund Balance for the termination liability
  - Any shortfall be covered by future property tax FORA would otherwise receive.
  - Any surplus be distributed as per the TPIA.

# CFD SPECIAL TAX/DEVELOPMENT FEE FUND

FY 19-20 MID YEAR BUDGET



	Actual Balance (June 30, 2019)	Mid Year Revised 2019-2020 CIP SUB-TOTAL
<b>A. CFD SPECIAL TAX / DEVELOPMENT FEE FUND (DEVFE)</b>		
<b>DEDICATED REVENUES</b>		
Development Fees		\$ 2,945,361
<b>OTHER REVENUES</b>		
Property Taxes - CIP Allocation		\$ 2,269,988
Miscellaneous (investment interest)		\$ 35,000
<b>TOTAL REVENUES</b>		<b>\$ 5,250,349</b>
<b>PROJECTS EXPENDITURES - CIP/CONSTRUCTION DOLLARS - Footnote [1]</b>		
Transportation/Transit		\$ 10,214,545
Transportation Contingency		\$ 1,130,530
Water Augmentation - RUWAP Pipeline		\$ 2,237,305
Water Augmentation - RUWAP Other		\$ -
Regulatory Oversight/Permits		\$ 400
FORA Consultants - Not available for transfer		\$ 1,728,133
<b>TOTAL CFD PROJECTS</b>		<b>\$ 15,310,913</b>
<b>OTHER EXPENDITURES</b>		
<b>TOTAL OTHER</b>		<b>\$ 1,121,019</b>
<b>TOTAL EXPENDITURES</b>		<b>\$ 16,431,932</b>
<b>STARTING BALANCES &amp; SET ASIDES</b>		
Net Annual Revenue		\$ (11,181,583)
Set Aside - HCP	\$ (16,151,000)	\$ (17,075,499)
Set Aside - HCP Contingency	\$ -	\$ -
Beginning Balance	\$ 28,819,100	\$ 28,819,100
<b>TOTAL BALANCES</b>	<b>\$ 12,668,100</b>	<b>\$ 562,018</b>
<b>TRANSFER - from LESAL to DEVFE</b>		\$ -
<b>DEVFE ENDING BALANCE</b>		<b>\$ 562,018</b>

NOTES

Estimated based on current receipt trend (current balance ~\$3M) [potential ~\$700k shortfall]

Assumption that 2nd installment to be received on May 20 (received to date = \$2.1 M - \$1.3 M (general fund) = ~\$800 k) [potential ~\$1.4 M shortfall]

HCP interest earned on CFD

Spent to date associated with 2018/19 costs

No costs allocated in original 19/20 CIP

Costs billin in 2019/20; no additional costs expected

includes 30% of anticipated current year CFD fees

Footnote [1] - Not to exceed CIP/Building Removal Program related costs approved by the FORA Board.

# LEASE AND LAND SALE FUND (Building Removal)



	Actual Balance (June 30, 2019)	Mid Year Revised 2019-2020 CIP SUB-TOTAL	NOTES
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## B. LAND SALES FUND (LESAL)

<b>DEDICATED REVENUES</b>			
Land Sales		\$ -	
Land Sales - Building Removal Credits		\$ -	
Bond Proceeds - <i>Footnote [2]</i>		\$ 30,000,000	<i>Assumes successful issuance of bond</i>
<b>TOTAL REVENUES</b>		<b>\$ 30,000,000</b>	
<b>PROJECT EXPENDITURES - <i>Footnote [1]</i></b>			
Stockade Building Removal - CIP \$s		\$ 2,050,000	<i>CIP \$s allocated based on Bid Process (\$2,050,000) - approved by FORA Board</i>
Surplus II Building Removal - <i>Footnote [3]</i>		\$ 3,000,000	<i>FORA Paid to MCP in 19/20</i>
2019 Marina Community Partners Settlement		\$ 618,499	
FORA LESAL Consultants		\$ 1,744	
Regulatory/Permits		\$ -	
<b>OTHER EXPENDITURES</b>			
General Office FORA allocated to LESAL		\$ 392,025	
Bond Proceed Allocation <i>Footnotes [2&amp;4]</i>		\$ 30,000,000	
<b>TOTAL EXPENDITURES</b>		<b>\$ 36,062,268</b>	
Net Annual Revenue		\$ (6,062,268)	
Beginning Balance	\$ 7,363,446	\$ -	
Set Aside - Bldg Removal	\$ (7,363,446)	\$ 7,363,446	
<b>UNRESERVED FUND BALANCE</b>	\$ -	<b>\$ 1,301,178</b>	
<b>LESAL ENDING BALANCE</b>		<b>\$ 1,301,178</b>	
<b>TOTAL ENDING BALANCE-ALL PROJECTS</b>		<b>\$ 1,863,196</b>	<i>If projected DEVFES don't materialize, then this balance becomes \$500k</i>

**Footnote [1]** - Not to exceed CIP/Building Removal Program related costs approved by the FORA Board.

**Footnote [2]** - Assumes a successful bond issuance against FORA property tax increment. FORA Board approved a bond issuance; however the market dictates the selling value and FORA is not guaranteed a specific \$ amount of bond proceeds. This budget assumes the maximum sell of bonds possible.

**Footnote [3]** - Expenditures include closeout costs for building removal, and utility cut off field activities prior to demolition activities.

**Footnote [4]** - Bond administration includes costs incurred by municipal bond advisor, bond counsel, trustees and others. This work is performed contingent on a successful bond issuance, and is NOT included in the Mid-Year budget. These costs would need to be paid for through bond proceeds.

**REQUESTED BOARD ACTION**

- 1) Approve the FY 19-20 Mid Year CIP Budget**
- 2) Approve the FY 19-20 General Budget**
- 3) Approve \$1.5 Million General Fund Reserve be set aside for CalPERS Retirement Termination Fund**
- 4) Adopt the FY 2019-20 Mid-Year General and CIP Budgets as recommended by the Administrative, Finance and Executive Committees.**

**Q & A**