



FORT ORD REUSE AUTHORITY

REGULAR MEETING FORT ORD REUSE AUTHORITY (FORA) FINANCE COMMITTEE

Tuesday, April 24, 2018 at 2:00 p.m.

920 2nd Avenue, Suite A, Marina CA 93933 (FORA Conference Room)

AGENDA

1. CALL TO ORDER/ESTABLISHMENT OF QUORUM
2. PLEDGE OF ALLEGIANCE
3. ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE
4. PUBLIC COMMENT PERIOD

Members of the public wishing to address the Committee on matters within its jurisdiction, but not on this agenda, may comment for up to 3 minutes and will not receive Committee action.

5. MEETING MINUTES **ACTION**
 - a. January 10, 2018 Regular Meeting Minutes

6. BUSINESS ITEMS **INFORMATION/ACTION**

Business items are for Committee discussion, debate, direction to staff, and/or action. Comments from the public are not to exceed 3 minutes or as otherwise determined by the Chair. Whenever possible, written correspondence on a Business Item should be submitted to the Committee staff 36 hours in advance of the meeting, to provide adequate time for its consideration.

- a. Fiscal Year 2018-2019 Budget Review

7. ITEMS FROM MEMBERS

Receive communication from Committee members as it may pertain to future agenda items.

8. ADJOURNMENT

NEXT MEETING: MAY 2, 2018 AT 11:00 A.M.

For information regarding items on this agenda or to request disability related modifications and/or accommodations please contact the FORA office at (831)883-3672, 48 hours prior to the meeting. Agendas are available on the FORA website at www.fora.org.



**FORT ORD REUSE AUTHORITY
FINANCE COMMITTEE MEETING MINUTES**

**3:00 p.m., Wednesday, January 10, 2018 | Executive Officer's Conference Room
920 2nd Avenue, Suite A, Marina CA 93933**

1. CALL TO ORDER/ESTABLISHMENT OF QUORUM

Chair City of Salinas Mayor Joe Gunter called the meeting to order at 3:00 p.m.

MEMBERS PRESENT:

Mayor Joe Gunter (City of Salinas)

Andre Lewis (California State University Monterey Bay)

Councilmember Alan Haffa (City of Monterey)

Supervisor John Phillips (County of Monterey)

Councilmember Cynthia Garfield (City of Pacific Grove)

2. PLEDGE OF ALLEGIANCE led by City of Monterey Councilmember Alan Haffa.

3. ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE

There were no acknowledgements, announcements or correspondence.

4. PUBLIC COMMENT PERIOD

There were no comments received from the public.

5. APPROVAL OF MEETING MINUTES

a. Regular Meeting Minutes of November 27, 2017

MOTION: On motion by Committee member Phillips, second by Committee member Garfield and carried by the following vote, the Committee approved the minutes of November 27, 2017.

ABSTAIN: Committee Member Alan Haffa

MOTION PASSED

6. BUSINESS ITEMS

a. Review FY 17-18 Mid-Year Budget – Adjustment for Unfunded Actuarial Liability

Executive Officer Michael Houlemard provided an overview of the FY 17-18 Mid-Year and Controller Helen Rodriguez also provided answers and information to the Committees inquiries. The Committee discussed the item. There was no public comment received.

MOTION: On motion by Committee member Haffa and second by Committee member Phillips and carried by the following vote, the Finance Committee moved to recommend approval of the FY 17-18 Mid-Year budget and adjustment for unfunded actuarial liability.

MOTION PASSED UNANIMOUSLY

- b. Section 115 Trust Investment Options for Addressing Public Employee Retirement System Obligations

Ms. Rodriguez reviewed the Section 115 trust investment options and responded to questions and concerns from the Committee. Mr. Houlemard also provided insight on the recommendation from staff that highlights the advantage of the Section 115 Trust opportunity.

MOTION: On motion by Committee member Garfield and second by Committee member Haffa and carried by the following vote, the Finance Committee moved to recommend participating in the Section 115 trust investment options.

MOTION PASSED UNANIMOUSLY

7. ITEMS FROM MEMBERS

There were no items from members.

8. ADJOURNMENT at 3:22 p.m.

Minutes Prepared by:

Deputy Clerk, Dominique Jones

FORT ORD REUSE AUTHORITY - FY 18-19 ANNUAL BUDGET - BY FUND

CATEGORY	SPECIAL REVENUE FUNDS (SRF)				TOTAL ANNUAL BUDGET
	GENERAL FUND	LEASES/ LAND SALE	CFD/Tax Developer Fees	ARMY ESCA	
REVENUES					
Membership Dues	339,000	-	-	-	339,000
Franchise Fees - MCWD	575,000	-	-	-	575,000
Federal Grants	-	-	-	1,130,391	1,130,391
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
Other Income	-	-	-	-	-
Total Revenues	2,389,000	-	12,450,859	1,130,391	15,970,250
EXPENDITURES					
Salaries & Benefits	1,839,060	102,413	454,509	520,863	2,916,845
Supplies & Services	330,828	12,714	135,175	67,028	545,745
Contractual Services	1,110,200	27,000	694,000	542,500	2,373,700
Capital Projects	-	7,323,170	15,258,529	-	22,581,699
Total Expenditures	3,280,088	7,465,297	16,542,213	1,130,391	28,417,989
REVENUES OVER (UNDER) EXPENDITURES	(891,088)	(7,465,297)	(4,091,354)	-	(12,447,739)
OTHER FINANCING SOURCES (USES)					
Transfer In/(Out)	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
REVENUES & OTHER SOURCES OVER (UNDER) EXPENDITURES	(891,088)	(7,465,297)	(4,091,354)	-	(12,447,739)
FUND BALANCE-BEGINNING 7/1/18	11,509,106	11,185,029	24,844,821	-	47,538,956
FUND BALANCE-ENDING 6/30/18	10,618,018	3,719,732	20,753,467	-	35,091,217

Fund Balances

Committed/Assigned for:

CalPers Termination	\$ 6,700,000	\$ -	\$ -	\$ -	\$ 6,700,000
Operations	1,566,667	-	-	-	1,566,667
Habitat Management (HM/HCP)	-	-	17,113,239	-	17,113,239
Building Removal	-	-	-	-	-
CIP	-	3,719,732	3,640,228	-	7,359,960
Unassigned	2,351,351	-	-	-	2,351,351
Ending Fund Balance	10,618,018	3,719,732	20,753,467	-	35,091,217

FORT ORD REUSE AUTHORITY - FY 18-19 ANNUAL BUDGET - COMPARATIVE

CATEGORIES	FY 17-18 APPROVED MID-YEAR	FY 17-18 <u>Variances</u> <i>Projected thru 6/30/18</i>	FY 17-18 <u>PROJECTED</u>	FY 18-19 PRELIMINARY	NOTES
REVENUES					
Membership Dues	\$ 307,000	\$ -	\$ 307,000	339,000	
Franchise Fees - MCWD	415,000	-	415,000	575,000	
Federal Grants	1,002,580	-	1,002,580	1,130,391	
Development Fees	6,118,763	-	6,118,763	10,734,756	
Land Sale Proceeds	-	-	-	-	
Rent Proceeds	50,000	-	50,000	50,000	
Property Taxes	2,310,835	-	2,310,835	2,974,613	
Reimbursement Agreements	5,000	-	5,000	5,000	
Investment/Interest Income	110,000	-	110,000	161,490	
TOTAL REVENUES	<u>10,319,178</u>	<u>-</u>	<u>10,319,178</u>	<u>15,970,250</u>	
EXPENDITURES					
Salaries & Benefits	3,845,250	-	3,845,250	2,916,845	
Supplies & Services	475,300	-	475,300	545,745	
Contractual Services	1,562,500	-	1,562,500	2,373,700	
Capital Projects (CIP)	13,043,796	(9,802,852)	3,240,944	22,581,699	
TOTAL EXPENDITURES	<u>18,926,846</u>	<u>(9,802,852)</u>	<u>9,123,994</u>	<u>28,417,989</u>	
REVENUES & OTHER SOURCES OVER (UNDER) EXPENDITURES	(8,607,668)	9,802,852	1,195,184	(12,447,739)	Use of Fund Balance
FUND BALANCES					
Beginning	46,343,772	-	46,343,772	47,538,956	
Ending	\$ 37,736,104	\$ 9,802,852	\$ 47,538,956	35,091,217	Ending Fund Balance
Fund Balances					
<i>Committed/Assigned for:</i>					
CalPers Termination	\$ 6,700,000		\$ 6,700,000	6,700,000	
Operations	3,133,333		3,133,333	1,566,667	Reduce to 1 year reserve
Habitat Management (HM/HCP)	13,829,853		13,829,853	17,113,239	
Building Removal	3,339,000	3,309,056	6,648,056	-	
CIP	9,058,145	6,493,796	15,551,941	7,359,960	
<i>Unassigned</i>	<u>1,675,773</u>	<u>-</u>	<u>1,675,773</u>	<u>2,351,351</u>	
Ending Fund Balance	<u>\$ 37,736,104</u>	<u>\$ 9,802,852</u>	<u>\$ 47,538,956</u>	<u>35,091,217</u>	

FORT ORD REUSE AUTHORITY - FY 18-19 ANNUAL BUDGET - EXPENDITURE DETAIL

EXPENDITURE CATEGORIES	FY 17-18 Approved Mid-Year	FY 16-17 Variance Projected thru 6/30/18	Projected 6/30/18	FY 18-19 Preliminary	Change from Prior Year	NOTES
	16 positions + 1 intern	16 positions + 1 intern	16 positions + 1 intern	17 positions + 1 intern		"N" indicates a new expense in FY 17-18 budget
<u>SALARIES AND BENEFITS (S & B)</u>						
SALARIES	1,911,684	-	1,911,684	2,054,524	142,840	3.5% COLA and Step, reclassification, new position
BENEFITS/HEALTH, RETIREMENT, OTHER	672,406	-	672,406	712,321	39,915	CalPers increase, new position Retention, add'l assignment resulting from attrition due to sunset
TEMP HELP/VACTION CASH OUT/STIPENDS	100,000	-	100,000	150,000	50,000	
<i>SUBTOTAL S & B</i>	2,684,090	-	2,684,090	2,916,845	232,755	
<u>CalPERS UNFUNDED LIABILITIES (UAL)</u>						
SHARE OF RISK POOL UAL - PARTIAL PAYMENT	1,161,160	-	1,161,160	-	(1,161,160)	UAL funded FY 17-18, pending 8/18 Actuarial report
<i>SUBTOTAL PERS UAL</i>	1,161,160	-	1,161,160	-	(1,161,160)	
<u>TOTAL SALARIES, BENEFITS AND UAL</u>	3,845,250	-	3,845,250	2,916,845	(928,405)	
<u>SUPPLIES AND SERVICES</u>						
PUBLIC & LEGAL NOTICES	8,000	-	8,000	8,000	-	
COMMUNICATIONS	8,000	-	8,000	8,000	-	
DUES & SUBSCRIPTIONS	25,000	-	25,000	25,000	-	
PRINTING & COPY	13,000	-	13,000	13,000	-	
SUPPLIES	16,000	-	16,000	16,000	-	
EQUIPMENT & FURNITURE	25,000	-	25,000	25,000	-	
N VEHICLE AND MAINTENANCE	-	-	-	28,600	28,600	CIP related, vehicle and expenses
TRAVEL & LODGING	33,000	-	33,000	35,000	2,000	Anticipated increase
CONFERENCE, TRAINING & SEMINARS	19,000	-	19,000	25,000	6,000	Training as projects progresses, employee transition
MEETING EXPENSES	15,000	-	15,000	15,750	750	Anticipated 5% rate increase
TELEVISED MEETINGS	7,000	-	7,000	7,000	-	
BUILDING MAINTENANCE & SECURITY	10,000	-	10,000	10,000	-	
FORA OFFICES RENTAL	180,000	-	180,000	180,000	-	
UTILITES	13,500	-	13,500	14,175	675	Anticipated 5% rate increase
INSURANCE	27,300	-	27,300	34,000	6,700	Anticipated 5% increase, liability for In house Counsel
PAYROLL/ACCOUNTING SERVICES	7,500	-	7,500	7,500	-	
IT/COMPUTER SUPPORT	29,000	-	29,000	44,720	15,720	CIP related
RECORD ARCHIVING	1,000	-	1,000	11,000	10,000	CIP related
PREVAILING WAGE TECH SUPPORT/SOFTWARE	10,000	-	10,000	10,000	-	
Community Outreach/Marketing	25,000	-	25,000	25,000	-	
OTHER (POSTAGE, BANK FEES, MISC)	3,000	-	3,000	3,000	-	
<u>TOTAL SUPPLIES AND SERVICES</u>	475,300	-	475,300	545,745	70,445	
<u>CONTRACTUAL SERVICES</u>						
AUTHORITY COUNSEL	200,000	-	200,000	330,000	130,000	CIP related
LEGAL/LITIGATION FEES	125,000	-	125,000	285,000	160,000	CIP related
LEGAL FEES - SPECIAL PRACTICE	25,000	-	25,000	75,000	50,000	CIP related
AUDITORS	24,000	-	24,000	25,200	1,200	Anticipated standard 5% increase
SPECIAL COUNSEL (EDC-ESCA)	100,000	-	100,000	100,000	-	
ESCA/REGULATORY RESPONSE/ QUALITY ASSURANCE	460,000	-	460,000	460,000	-	
FINANCIAL CONSULTANT	25,000	-	25,000	25,000	-	
LEGISLATIVE SERVICES CONSULTANT	43,000	-	43,000	43,000	-	
PUBLIC INFORMATION/OUTREACH	20,000	-	20,000	20,000	-	
HCP CONSULTANTS	150,000	-	150,000	150,000	-	
FORA Sunset/Transition	50,000	-	50,000	500,000	450,000	Career Counseling, Consultants, Application Fee, Indemnification Fund
REUSE PLAN IMPLEMENTATION	150,000	-	150,000	150,000	-	
ECONOMIC DEVELOPMENT	85,500	-	85,500	105,500	20,000	Increase CSUMB and \$5K local support
PW WAGE CONSULTANTS	75,000	-	75,000	75,000	-	
OTHER CONSULTING/CONTRACTUAL EXP	30,000	-	30,000	30,000	-	
<u>TOTAL CONTRACTUAL SERVICES</u>	1,562,500	-	1,562,500	2,373,700	811,200	
<u>CAPITAL PROJECTS</u>						
TRANSPORTATION/OTHER CIP PROJECTS	9,293,796	(6,493,796)	2,800,000	15,258,529	12,458,529	CIP Budget
BUILDING REMOVAL	3,750,000	(3,309,056)	440,944	7,323,170	6,882,226	
<u>TOTAL CAPITAL PROJECTS</u>	13,043,796	(9,802,852)	3,240,944	22,581,699	19,340,755	
<u>TOTAL EXPENDITURES</u>	18,926,846	(9,802,852)	9,123,994	28,417,989	19,293,995	

**PROPOSED SALARY AND BENEFITS
ADJUSTMENT**

Staff recommends the following:

- 1) Effective October 1, 2016, 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.

<u>Cost-of-Living-Adjustment (COLA)</u>	<u>3.50%</u>	FY 17-18 BUDGET IMPACT	
		3.50%	
CPI SF-Oakland-SJ report (available data thru 2/18): 3.56%		75,548	
Effective date: July 1, 2018		69,476	Salary increase
Eligibility: Must be full-time, employed with FORA for the past 12 months.		6,072	Benefits increase - impacts only CalPers and Wcomp
		2,841,297	Total S & B/No COLA
		2,916,845	Total S & B/With COLA
		<u>75,548</u>	Difference

- 2) Other Staff Benefit - Retention, Stipends, or Bonus - \$50K
 - * A pool of funds to be used for retention for those taking other/more responsibilities as natural attrition occurs as a result of nearing sunset.
- 3) Health Benefit - **No change from prior year**
 - * Maintain Board approved level at mid year FY 17-18.

DRAFT - FOR DISCUSSION PURPOSES