



Midpeninsula Regional
Open Space District

R-18-128
Meeting 18-37
November 14, 2018

AGENDA ITEM 3

AGENDA ITEM

Fiscal Year 2018-19 Quarter 1 Budget Amendments

GENERAL MANAGER'S RECOMMENDATION(S) *den*

Adopt a resolution approving the proposed Fiscal Year 2018-19 Quarter 1 Budget amendments (revenues and expenses).

SUMMARY

This report presents the Quarter 1 proposed budget amendments by fund, for both revenues and expenses. Requests for budget increases for services and supplies and capital improvements are funded by savings, resulting in a net-zero increase to the adopted Fiscal Year (FY) 2018-19 budget.

The FY2018-19 revenue is projected to increase by \$769,280.

DISCUSSION

The Board of Directors (Board) adopted the FY2018-19 Budget and Action Plan at the June 13, 2018 regular meeting (Report R-18-63). The FY2018-19 adopted budget is \$103.4 million. Since then, the General Manager has identified Quarter 1 budget amendments to cover unanticipated expenses and changes in services and supplies, and capital improvement projects. The proposed budget amendments are completely funded by savings, resulting in a net-zero increase to the FY2018-19 budget.

Proposed Quarter 1 Amendments to the FY2018-19 Budget – Revenues

The originally projected total revenue for FY2018-19 was \$58.8 million. Revenue is now projected to increase by \$769,280 in General Fund Operating (Fund 10), resulting in an amended projected total revenue of \$59.6 million. More specifically:

- An updated General Fund Property Tax estimate has increased projected tax revenue by \$704,000, for a total of \$49 million.
- Communication tenants at the Black Mountain communications site will reimburse 45% of the cost for improving Monte Bello road, with reimbursements totaling \$65,280.

Table 1 lists the projected revenue, including amendments.

Table 1: Summary of Projected Revenue (FY2018-19)

REVENUE BY FUND & CATEGORY	FY2018-19 Adopted Budget	YTD Approved Budget Amendments	Amended Budget (as of 9/30/2018)	Quarter 1 Proposed Budget Amendments	FY2018-19 Proposed Amended Budget
General Fund Operating (Fund 10)	\$51,048,862	\$0	\$51,048,862	\$769,280	\$51,818,142
Property Tax	48,313,000		48,313,000	704,000	49,017,000
Interest Income	1,043,000		1,043,000		1,043,000
Rental Income	1,221,124		1,221,124		1,221,124
Rancho San Antonio Agreement	371,738		371,738		371,738
Miscellaneous	100,000		100,000	65,280	165,280
Hawthorn Fund (Fund 20)	\$36,000	\$0	\$36,000	\$0	\$36,000
Interest Income	36,000		36,000		36,000
Measure AA Land/Capital (Fund 30)	\$1,042,040	\$0	\$1,042,040	\$0	\$1,042,040
Grants	1,042,040		1,042,040		1,042,040
General Fund Land/Capital (Fund 40)	\$0	\$0	\$0	\$0	\$0
Debt Service Fund (Fund 50)	\$6,673,551	\$0	\$6,673,551	\$0	\$6,673,551
Property Tax	5,733,551		5,733,551		5,733,551
Interest Income	940,000		940,000		940,000
TOTAL DISTRICT REVENUE	\$58,800,453	\$0	\$58,800,453	\$769,280	\$59,569,733

Proposed Quarter 1 Amendments to the FY2018-19 Budget – Expenses

The General Fund Operating (Fund 10) services and supplies budget is proposed to increase by \$61,925 and the General Fund Capital (Fund 40) budget is proposed to decrease by \$61,925.

The majority of expenses for the Driscoll Water Line Installation project are comprised of repairs to existing infrastructure and are not capital expenses; as such, staff recommends moving the project budget of \$61,925 from General Fund Capital (Fund 40) to General Fund Operating (Fund 10); see Table 3.

The District-Wide Fiber Optics project budget of \$875,000 is being moved from general ledger account number 40-50-550-5299 *Other Professional Services* to 40-50-550-8304 *Communications/Network Infrastructure & Equipment* to better capture and track this project's capital expenses.

The two proposed budget amendments listed above require Board approval, per Board policy 3.04 *Budget and Expenditure Authority*.

Administratively Approved Amendments to the FY2018-19 Budget

Under the General Manager's authority, net-zero transfers/budget amendments have been administratively processed to cover unanticipated expenses in services and supplies expenses,

and capital improvement projects. Attachments 2 and 3 provide supporting detail for these amendments.

Table 2 below lists the administratively approved budget amendments.

Table 2: FY2018-19 Year-to-Date Administratively Approved Budget Amendments

FY2018-19 Budget Amendment Description	Board Approved FY2018-19 Budget	Budget Amendment	Amended FY2018-19 Budget
10-10-110-5705 - Utilities – Telephone	\$2,340	\$3,500	\$5,840
10-10-120-5705 - Utilities – Telephone	\$3,500	(\$3,500)	\$0
10-20-230-5219 - Legal Services	\$0	\$10,000	\$10,000
10-20-240-5219 - Legal Services	\$85,000	(\$10,000)	\$75,000
10-70-710-4101 - Full Time	\$444,397	(\$102,500)	\$341,897
10-70-710-5219 - Legal Services	\$0	\$102,500	\$102,500
30-30-320-8205 - CONSTRUCTION <i>MAA02-001 Cooley Landing Interpretive Facilities</i>	\$1,057,852	(\$18,000)	\$1,039,852
30-30-320-8201 - ARCHITECT/ENGINEERING SERVS <i>MAA02-001 Cooley Landing Interpretive Facilities</i>	\$35,000	\$18,000	\$53,000
30-30-320-8201 - ARCHITECT/ENGINEERING SERVS <i>MAA05-005 LHC Red Barn Parking Area and Easy Access Trail</i>	\$123,000	(\$43,000)	\$80,000
30-30-320-8201 - ARCHITECT/ENGINEERING SERVS <i>MAA07-011 La Honda Creek Loop Trails</i>	\$57,100	\$43,000	\$100,100
40-20-230-8101 - REAL ESTATE SERVICES <i>VP03-001 PCR South Cowell Upland Property Purchase</i>	\$0	\$4,500	\$4,500
40-20-230-8101 - REAL ESTATE SERVICES <i>VP32-001 Tunitas Creek Tabachnik Property Purchase</i>	\$0	\$24,868	\$24,868
40-20-230-8101 - REAL ESTATE SERVICES (Land Fund)	\$400,000	(\$29,368)	\$370,632
40-35-325-8203 - SPECIAL INSPECTION/MONITORING <i>35004 Sierra Azul Ranger Residence</i>	\$33,000	(\$33,000)	\$0
40-35-325-8202 - ENVIRONMENTAL PLANNING SERVICES <i>35004 Sierra Azul Ranger Residence</i>	\$15,000	(\$2,000)	\$13,000
40-35-325-8205 - CONSTRUCTION <i>35003 Purisima Creek Restroom Replacement</i>	\$96,000	\$35,000	\$131,000
40-61-621-8201 - ARCHITECT/ENGINEERING SERVS <i>61007 La Honda POD 17 Water Line Replacement</i>	\$0	\$9,200	\$9,200
40-61-621-8205 - CONSTRUCTION <i>61007 La Honda POD 17 Water Line Replacement</i>	\$143,750	\$17,300	\$161,050
40-61-621-8205 - CONSTRUCTION <i>61006 Big Dipper Ranch Spring Work</i>	\$46,000	(\$26,500)	\$19,500
Administrative Amendment Subtotal		\$0	

FISCAL IMPACT

The FY2018-19 proposed Quarter 1 budget amendments result in no net increase to the FY2018-19 Budget of \$103,398,448. Savings were used to fund budget increases for unanticipated changes in services and supplies, and capital improvement projects.

Table 3 summarizes the FY2018-19 adopted budget and proposed Quarter 1 budget amendments by Fund.

Table 3: Summary of FY2018-19 Budget by Fund

DISTRICT BUDGET BY FUNDING SOURCE	FY2018-19 Adopted Budget	YTD Approved Budget Amendments	Amended Budget (as of 9/30/2018)	Quarter 1 Proposed Budget Amendments	FY2018-19 Proposed Amended Budget
Fund 10 - General Fund Operating	\$33,539,934	\$0	\$33,539,934	\$61,925	\$33,601,859
Fund 20 - Hawthorn Fund	\$121,500	\$0	\$121,500	\$0	\$121,500
Fund 30 - MAA Land/Capital	\$14,826,024	\$0	\$14,826,024	\$0	\$14,826,024
Fund 40 - General Fund Land/Capital	\$39,240,000	\$0	\$39,240,000	(\$61,925)	\$39,178,075
Fund 50 - Debt Service	\$15,670,990	\$0	\$15,670,990	\$0	\$15,670,990
Total	\$103,398,448	\$0	\$103,398,448	\$0	\$103,398,448

PUBLIC NOTICE

Public notice was provided as required by the Brown Act.

CEQA COMPLIANCE

This item is not a project subject to the California Environmental Quality Act.

NEXT STEPS

Upon Board approval, staff will make the necessary Budget amendments.

Attachments:

1. Resolution Amending the FY2018-19 Budget by Fund
2. FY2018-19 Quarter 1 Budget Amendments by Department & Budget Category
3. FY2018-19 Quarter 1 Budget Amendments Detail by GL Account

Responsible Department Head:

Carmen Narayanan, Budget & Analysis Manager

Prepared by:

Carmen Narayanan, Budget & Analysis Manager
Elissa Martinez, Management Analyst I

RESOLUTION NO. 18-___

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
MIDPENINSULA REGIONAL OPEN SPACE DISTRICT AMENDING
THE BUDGET FOR FISCAL YEAR 2018-19**

WHEREAS, on June 13, 2018 the Board of Directors of the Midpeninsula Regional Open Space District adopted the Fiscal Year (FY) 2018-19 Budget and Action Plan; and

WHEREAS, the General Manager recommends amending the FY2018-19 Budget to reflect requests for budget increases for services and supplies, and capital improvements, which have been funded by savings, resulting in no net increase;

NOW, THEREFORE, the Board of Directors of the Midpeninsula Regional Open Space District does resolve as follows:

SECTION ONE. Approve the proposed revenue amendments to the FY2018-19 Budget for the Midpeninsula Regional Open Space District by \$769,280 as follows:

DISTRICT BUDGET BY FUNDING SOURCE	FY2019 Adopted Budget	YTD Approved Budget Amendments	Amended Budget (as of 9/30/2018)	Quarter 1 Proposed Budget Amendments	FY2019 Proposed Amended Budget
Fund 10 - General Fund Operating	\$51,048,862	\$0	\$51,048,862	\$769,280	\$51,818,142
Fund 20 - Hawthorn Fund	\$36,000	\$0	\$36,000	\$0	\$36,000
Fund 30 - MAA Land/Capital	\$1,042,040	\$0	\$1,042,040	\$0	\$1,042,040
Fund 40 - General Fund Land/Capital	\$0	\$0	\$0	\$0	\$0
Fund 50 - Debt Service	\$6,673,551	\$0	\$6,673,551	\$0	\$6,673,551
Total	\$58,800,453	\$0	\$58,800,453	\$769,280	\$59,569,733

SECTION TWO. Approve the recommended budget amendments to the FY2018-19 Budget for the Midpeninsula Regional Open Space District resulting in no net increase as follows:

DISTRICT BUDGET BY FUNDING SOURCE	FY2019 Adopted Budget	YTD Approved Budget Amendments	Amended Budget (as of 9/30/2018)	Quarter 1 Proposed Budget Amendments	FY2019 Proposed Amended Budget
Fund 10 - General Fund Operating	\$33,539,934	\$0	\$33,539,934	\$61,925	\$33,601,859
Fund 20 - Hawthorn Fund	\$121,500	\$0	\$121,500	\$0	\$121,500
Fund 30 - MAA Land/Capital	\$14,826,024	\$0	\$14,826,024	\$0	\$14,826,024
Fund 40 - General Fund Land/Capital	\$39,240,000	\$0	\$39,240,000	(\$61,925)	\$39,178,075
Fund 50 - Debt Service	\$15,670,990	\$0	\$15,670,990	\$0	\$15,670,990
Total	\$103,398,448	\$0	\$103,398,448	\$0	\$103,398,448

SECTION THREE. Monies are hereby appropriated in accordance with said budget by fund.

SECTION FOUR. Except as herein modified, the FY 2018-19 Budget and Action Plan, Resolution No. 18-21 as amended, shall remain in full force and effect.

* * * * *

PASSED AND ADOPTED by the Board of Directors of the Midpeninsula Regional Open Space District on _____, 2018, at a regular meeting thereof, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVED:

Secretary
Board of Directors

President
Board of Directors

APPROVED AS TO FORM:

General Counsel

I, the District Clerk of the Midpeninsula Regional Open Space District, hereby certify that the above is a true and correct copy of a resolution duly adopted by the Board of Directors of the Midpeninsula Regional Open Space District by the above vote at a meeting thereof duly held and called on the above day.

District Clerk

FY 2019 Quarter 1 Budget Amendments by Department & Budget Category (Attachment 2)

DISTRICT BUDGET BY EXPENDITURE CATEGORY	FY2019 Adopted Budget	YTD Approved Budget Amendments	Amended Budget (as of 9/30/2018)	Quarter 1 Proposed Budget Amendments	FY2019 Proposed Amended Budget
Administrative Services					
Salaries and Benefits	\$4,712,887		\$4,712,887		\$4,712,887
Services and Supplies	\$1,791,646		\$1,791,646		\$1,791,646
Total Operating Expenditures	\$6,504,533		\$6,504,533		\$6,504,533
<i>General Fund Capital</i>	\$875,000		\$875,000		\$875,000
Total Capital Expenditures	\$875,000		\$875,000		\$875,000
Total Administrative Services Expenditures	\$7,379,533		\$7,379,533		\$7,379,533
Engineering & Construction					
Salaries and Benefits	\$1,044,904		\$1,044,904		\$1,044,904
<i>Less: MAA Reimbursable Staff Costs</i>	<i>(\$385,362)</i>		<i>(\$385,362)</i>		<i>(\$385,362)</i>
Net Salaries and Benefits	\$659,542		\$659,542		\$659,542
Services and Supplies	\$92,607		\$92,607		\$92,607
Total Operating Expenditures	\$752,149		\$752,149		\$752,149
<i>General Fund Capital</i>	\$2,164,400		\$2,164,400		\$2,164,400
<i>Measure AA Capital</i>	\$8,809,189		\$8,809,189		\$8,809,189
Total Capital Expenditures	\$10,973,589		\$10,973,589		\$10,973,589
Total Engineering & Construction Expenditures	\$11,725,738		\$11,725,738		\$11,725,738
General Counsel					
Salaries and Benefits	\$542,055		\$542,055	(\$102,500)	\$439,555
Services and Supplies	\$74,185		\$74,185	\$102,500	\$176,685
Total Operating Expenditures	\$616,240		\$616,240	\$0	\$616,240
Total General Counsel Expenditures	\$616,240		\$616,240	\$0	\$616,240
General Manager					
Salaries and Benefits	\$1,578,121		\$1,578,121		\$1,578,121
Services and Supplies	\$547,070		\$547,070		\$547,070
Total Operating Expenditures	\$2,125,191		\$2,125,191		\$2,125,191
Total General Manager Expenditures	\$2,125,191		\$2,125,191		\$2,125,191
Land & Facilities					
Salaries and Benefits	\$6,210,371		\$6,210,371		\$6,210,371
<i>Less: MAA Reimbursable Staff Costs</i>	<i>(\$713,042)</i>		<i>(\$713,042)</i>		<i>(\$713,042)</i>
Net Salaries and Benefits	\$5,497,329		\$5,497,329		\$5,497,329
Services and Supplies	\$3,631,700		\$3,631,700	\$56,925	\$3,688,625
Total Operating Expenditures	\$9,129,029		\$9,129,029	\$56,925	\$9,185,954
Hawthorn Services and Supplies	\$38,500		\$38,500		\$38,500
Total Hawthorn Expenditures	\$38,500		\$38,500		\$38,500
<i>General Fund Capital</i>	\$3,223,900		\$3,223,900	(\$56,925)	\$3,166,975
<i>Measure AA Capital</i>	\$1,953,890		\$1,953,890		\$1,953,890
Total Capital Expenditures	\$5,177,790		\$5,177,790	(\$56,925)	\$5,120,865
Total Land & Facilities Expenditures	\$14,345,319		\$14,345,319	\$0	\$14,345,319
Natural Resources					
Salaries and Benefits	\$1,563,174		\$1,563,174		\$1,563,174
<i>Less: MAA Reimbursable Staff Costs</i>	<i>(\$78,542)</i>		<i>(\$78,542)</i>		<i>(\$78,542)</i>
Net Salaries and Benefits	\$1,484,632		\$1,484,632		\$1,484,632
Services and Supplies	\$2,417,289		\$2,417,289	\$5,000	\$2,422,289
Total Operating Expenditures	\$3,901,921		\$3,901,921	\$5,000	\$3,906,921
<i>Hawthorn Capital</i>	\$5,000		\$5,000		\$5,000
Total Hawthorn Expenditures	\$5,000		\$5,000		\$5,000
<i>General Fund Capital</i>	\$178,100		\$178,100	(\$5,000)	\$173,100
<i>Measure AA Capital</i>	\$1,361,493		\$1,361,493		\$1,361,493
Total Capital Expenditures	\$1,539,593		\$1,539,593	(\$5,000)	\$1,534,593
Total Natural Resources Expenditures	\$5,446,514		\$5,446,514	\$0	\$5,446,514

FY 2019 Quarter 1 Budget Amendments by Department & Budget Category (Attachment 2)

DISTRICT BUDGET BY EXPENDITURE CATEGORY	FY2019 Adopted Budget	YTD Approved Budget Amendments	Amended Budget (as of 9/30/2018)	Quarter 1 Proposed Budget Amendments	FY2019 Proposed Amended Budget
Planning					
Salaries and Benefits	\$1,485,617		\$1,485,617		\$1,485,617
Services and Supplies	\$319,729		\$319,729		\$319,729
Total Operating Expenditures	\$1,805,346		\$1,805,346		\$1,805,346
<i>Hawthorn Capital</i>	\$78,000		\$78,000		\$78,000
Total Hawthorn Expenditures	\$78,000		\$78,000		\$78,000
<i>General Fund Capital</i>	\$336,500		\$336,500		\$336,500
<i>Measure AA Capital</i>	\$2,503,452		\$2,503,452		\$2,503,452
Total Capital Expenditures	\$2,839,952		\$2,839,952		\$2,839,952
Total Planning Expenditures	\$4,723,298		\$4,723,298		\$4,723,298
Public Affairs					
Salaries and Benefits	\$991,697		\$991,697		\$991,697
Services and Supplies	\$913,313		\$913,313		\$913,313
Total Operating Expenditures	\$1,905,010		\$1,905,010		\$1,905,010
Total Public Affairs Expenditures	\$1,905,010		\$1,905,010		\$1,905,010
Real Property					
Salaries and Benefits	\$774,287		\$774,287		\$774,287
Services and Supplies	\$154,967		\$154,967		\$154,967
Total Operating Expenditures	\$929,254		\$929,254		\$929,254
<i>General Fund Land and Associated Costs</i>	\$32,462,100		\$32,462,100		\$32,462,100
<i>Measure AA Land and Associated Costs</i>	\$198,000		\$198,000		\$198,000
Total Land and Associated Costs	\$32,660,100		\$32,660,100		\$32,660,100
Total Real Property Expenditures	\$33,589,354		\$33,589,354		\$33,589,354
Visitor Services					
Salaries and Benefits	\$5,204,142		\$5,204,142		\$5,204,142
Services and Supplies	\$667,119		\$667,119		\$667,119
Total Operating Expenditures	\$5,871,261		\$5,871,261		\$5,871,261
Total Visitor Services Expenditures	\$5,871,261		\$5,871,261		\$5,871,261
Debt Service					
Debt Service	\$15,670,990		\$15,670,990		\$15,670,990
Total Debt Service Expenditures	\$15,670,990		\$15,670,990		\$15,670,990
Total Debt Service Expenditures	\$15,670,990		\$15,670,990		\$15,670,990
Total District Budget	\$103,398,448	\$0	\$103,398,448	\$0	\$103,398,448

FY 2019 Quarter 1 Budget Amendments by GL Account (Attachment 3)

Budget Categories / Accounts	Adopted Budget as of Sept 30	Quarter 1 Proposed Budget Amendment	Quarter 1 Proposed Amended Budget
10-70-710-4101 - Full Time	\$444,397	(\$102,500)	\$341,897
General Fund (10) Salaries & Benefits		(\$102,500)	
10-10-110-5705 - Utilities - Telephone	\$2,340	\$3,500	\$5,840
10-10-120-5705 - Utilities - Telephone	\$3,500	(\$3,500)	\$0
10-20-230-5219 - Legal Services	\$0	\$10,000	\$10,000
10-20-240-5219 - Legal Services	\$85,000	(\$10,000)	\$75,000
10-61-621-5211 - Resource/Environmental	\$0	\$2,300	\$2,300
10-61-621-7104 - Facility Maint - Water Systems	\$53,750	\$50,676	\$104,426
10-61-621-7109 - Facility Maint - Trails & Roads	\$96,000	\$3,949	\$99,949
10-70-710-5219 - Legal Services	\$0	\$102,500	\$102,500
10-80-830-5211 - Resource/Environmental	\$525,750	\$5,000	\$530,750
General Fund (10) Services & Supplies		\$164,425	
30-30-320-8201 - ARCHITECT/ENGINEERING SERVICES	\$1,000,100	\$18,000	\$1,018,100
30-30-320-8205 - CONSTRUCTION	\$1,130,352	(\$18,000)	\$1,112,352
MAA (30) Capital/Fixed Assets		\$0	
40-35-325-8202 - ENVIRONMENTAL PLANNING SERVICES	\$15,000	(\$2,000)	\$13,000
40-35-325-8203 - CONSTRUCTION & SPECIAL INSPECTION/MONITORING	\$89,800	(\$33,000)	\$56,800
40-35-325-8205 - CONSTRUCTION	\$791,000	\$35,000	\$826,000
40-50-550-5299 - Professional Services	\$875,000	(\$875,000)	\$0
40-50-550-8304 - Communications/Network Infrastructure & Equipment	\$0	\$875,000	\$875,000
40-61-621-8201 - ARCHITECT/ENGINEERING SERVS	\$105,800	\$9,200	\$115,000
40-61-621-8203 - CONSTRUCTION & SPECIAL INSPECTION/MONITORING	\$100,625	(\$2,300)	\$98,325
40-61-621-8205 - CONSTRUCTION	\$1,529,500	(\$63,825)	\$1,465,675
40-80-830-8203 - CONSTRUCTION & SPECIAL INSPECTION/MONITORING	\$54,000	(\$5,000)	\$49,000
General Fund (40) Capital/Fixed Assets		(\$61,925)	
Total Budget Amendments - Increase / (Decrease)		\$0	