



Midpeninsula Regional
Open Space District

R-12-121
Meeting 12-39
December 19, 2012

AGENDA ITEM 7A

AGENDA ITEM

Approval of the of Fiscal Year 2012-13 Midyear Action Plan and Budget

ADMINISTRATION AND BUDGET COMMITTEE RECOMMENDATIONS

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The Administration and Budget Committee (ABC) recommends that the Board:

1. Approve the Fiscal Year (FY) 2012-13 Midyear Action Plan and Budget.
2. Direct staff to present a three-year Capital Expenditure (CapEx) forecast as part of the FY2013-14 annual District budget process and, upon completion of the Vision Plan, to evaluate the feasibility of a five-year CapEx Forecast.
3. Direct ABC and staff to review the annual budget cycle and budget reports to the Board, with special attention to the Midyear Budget, to identify appropriate adjustments in the frequency and level of detail of reporting cycles.

SUMMARY

The ABC and staff met on December 4, 2012, to review the Proposed FY2012-13 Midyear Budget and Action Plan. Based on the Controller's revised property tax revenue projection of \$28.76 million, the proposed Midyear Budget will remain within the targeted guidelines. Significant adjustments to the Action Plan reflect the Board's direction from the July 20, 2012 Retreat to reduce the number and scope of Action Plan Projects.

DISCUSSION

Midyear Budget and Action Plan Review

The ABC is tasked with reviewing the proposed Annual and Midyear District budgets to ensure fiscal responsibility, while providing the financial resources to accomplish the District's work program as described in the annual District Action Plan.

On December 4, 2012, the ABC met with the General Manager, department managers, and various staff to review the proposed District FY2012-13 Midyear Action Plan and Budget. The Controller's property tax revenue projection increased by \$380,000 from the Adopted Budget to \$28.76 million for FY2012-13, and the overall District budget decreased by \$927,510, primarily due to a reduction in capital projects and land purchases.

The proposed Midyear Action Plan reflects the deferral or scope reduction of select projects, as approved by the Board at its July 20, 2012 Retreat. A total of 30 projects are deferred and 25 have already been completed, leaving 74 active projects for the remainder of the fiscal year.

After reviewing the FY2012-13 Proposed Midyear Budget and Action Plan, the ABC recommends approval by the full Board.

Five-Year Capital Expenditure (CapEx) Forecast

After discussion with staff, the ABC recommends continuing the three-year CapEx Forecast rather than preparing a five-year forecast for FY2013-14. Developing a five-year forecast will take extensive staff time and, additionally, the outcome of the Vision Planning process may significantly change the District's Action Plan priorities. For these reasons, the ABC recommends delaying preparation of a five-year CapEx Forecast until the Vision Plan is completed.

Annual Budget cycle

Currently, staff prepares and presents budget and Action Plan information to the Board three times per year: the Annual budget in February and March, the Year-end Review in June, and the Midyear in November. Given the significant staff time required to prepare this information, the ABC recommends it work with staff to evaluate the frequency and level of detail needed by the Board and return to the Board with a recommendation next spring.

FISCAL IMPACT

Approval of the Proposed FY2012-13 Midyear Budget by the Board of Directors will authorize a total of \$40,851,710. This will be sufficient to fund completion of the District's Action Plan projects and all other District functions for the remainder of the current fiscal year.

PUBLIC NOTICE

Public notice was provided as required by the Brown Act. No additional notice is required.

CEQA COMPLIANCE

This proposed action is not a project under the California Environmental Quality Act (CEQA) and no environmental review is required.

NEXT STEPS

If approved by the Board, staff will implement the FY2012-13 Midyear Action Plan and Budget.

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