



Midpeninsula Regional
Open Space District

R-13-27
Meeting 13-05
February 27, 2013

AGENDA ITEM 8C

AGENDA ITEM

Initial Review of the District's Proposed Budget for Fiscal Year 2013-14

GENERAL MANAGER'S RECOMMENDATION

Review the proposed District budget for Fiscal Year 2013-14 (FY2013-14). The final District budget for FY2013-14 and the report and recommendations of the Action Plan and Budget Committee regarding both the budget and action plan will be presented for adoption at the March 27, 2013 Regular Board meeting.

SUMMARY

The District's FY2013-14 Proposed Budget conforms to the budget guidelines for Operating Expenses (55% of property tax revenue) and Capital Expenses (10.5% of property tax revenues). These guidelines are set by the District Controller and are based on a projected property tax growth of 5.1% for FY2013-14, for a total of \$30.05 million. On the expenditure side, operating expenses rose by 6% over FY2012-13 primarily due to increases in salaries, medical insurance premiums, and workers' compensation and liability claims costs. An 18% reduction in the capital budget primarily reflects a temporary shift in staff resources to focus on the Vision Plan and Capital Finance Program.

DISCUSSION

The FY2013-14 District Budget was prepared in accordance with the following guidelines:

Operating Expense (OpEx) Guideline – The FY2013-14 OpEx guideline limits operating expenditures to 55% of expected property tax revenue. Operating expenses include salaries and benefits and services and supplies associated with the administration of the District's six departments. Excluded from this guideline are expenditures for land acquisition (including costs associated with land purchases such as appraisals, site engineering fees, and title insurance), debt service, property management, and capital expenditures.

Capital Expenditure Program (CapEx) Budget Guideline – The FY2013-14 CapEx Guideline limits capital project and fixed asset expenditures to 10.5% of property tax revenue based on a five-year moving average. Capital expenditures include public access facilities, planning projects, unanticipated capital expenses, staff facilities, land improvements, and fixed assets.

1) Revenue

The District Controller's property tax revenue projections form the basis of the recommended funding allocation for operating expenses. For the past decade, property tax revenue has increased approximately 7% annually until FY2010-11, when it dropped by 0.36% from the prior year, reflecting the economic recession. After a modest increase in FY2012-13, the Controller's projections over the next five years (see Table 1) indicate an annual property tax revenue increase of 5%. For FY2012-13, tax revenue is projected to be \$30,051,000, an increase of 5.1% over the prior year.

Table 1: Projected Property Tax Revenue

	2013-14	2014-15	2015-16	2016-17	2017-18
Percent Change from Prior Year	5.1%	5.0%	5.0%	5.0%	5.0%
Revenue Projection	\$30,051,000	31,550,000	33,130,000	34,790,000	36,530,000

As a result of the five-year agreement with Santa Clara County to manage Rancho San Antonio County Park, the District will receive approximately \$306,000 in FY2013-14. However, because either the County or the District can cancel the contract with 60 days notice, this revenue is uncertain and therefore not included in the revenue assumptions for the operating budget.

2) Overall District Budget

The proposed budget for FY2013-14 totals \$40,794,522. A summary of the major expenditure categories is reflected below and more detail is provided in Attachments 1A and 1B.

Table 1: Proposed FY2013-14 District-wide Budget

Revenue

Property Tax	\$30,051,000	87%
Transfers In	\$6,248,522	16%
Other Revenue	\$4,495,000	11%
Total	\$40,794,522	100%

Expenditures

Operating Expenditures	\$17,248,109	43%
Land, Debt, and Associated Costs	\$16,873,965	41%
Capital Expenditures	\$ 5,496,726	13%
Strategic Plan	\$ 850,900	2%
Property Management	\$ 324,822	1%
Total District Expenditures	\$40,794,522	100%

3) Operating Budget

For FY2013-14, the OpEx target is \$17.23 million. This target reflects a property tax revenue projection of \$30.05 million (Table 1), Residual Redevelopment Income of \$234,000, and the assumption that the District will spend 97% of the operating budget.

The proposed FY2013-14 Operating Expenditure budget totals \$17,248,109, which is \$18,109, slightly over the OpEx target of \$17,230,000. However, this small overage for one-time expenses can be covered by the three years of accumulated revenue totaling almost \$1 million from Santa Clara County for the Rancho San Antonio Agreement.

Table 2, below, summarizes the major expenditure categories for the operating budget.

Table 2: Proposed FY2013-14 Operating Budget

	12/13 Annual (0% Cola)	12/13 Midyear (3% Cola)	13/14 Proposed Annual (3% Cola)	\$ Change from 12/13 Midyear	% Change from 12/13 Midyear
Salaries	8,856,482	8,736,231	9,739,341	1,003,110	11.5%
Benefits	3,795,405	3,503,100	3,664,461	161,361	4.6%
Retirement Plans	2,012,736	1,924,976	1,783,634	(141,342)	(7.3%)
Group Insurance	1,514,777	1,333,579	1,576,427	242,848	18.2%
State Mandated Insurance	267,892	244,545	304,400	59,855	24.5%
TOTAL SALARIES & BENEFITS	12,651,887	12,239,331	13,403,802	1,164,471	9.5%
TOTAL SERVICES & SUPPLIES	3,307,098	3,956,727	3,844,307	(112,420)	(2.8%)
TOTAL OPEX	15,958,985	16,196,058	17,248,109	1,052,051	6.5%

District staffing accounts for approximately 86% of the total Operating Expense budget in FY2013-14. The Proposed Budget of \$13.4 million for salaries and benefits reflects an increase of 9.5% over the FY2012-13 Midyear budget while the Proposed Budget of \$3.8 million for services and supplies reflects a reduction of 2.8% over the FY2012-13 Midyear Budget. Details on the changes are provided below:

- Salary expenses in FY2013-14, projected at \$9.7 million, increased \$1.0 million over the FY2012-13 Midyear budget. This increase is largely attributable to filling vacant positions (which generated expenditure savings at Midyear), the proposed addition of 2.0 FTEs (Full time equivalent employees), a 3% salary COLA (Cost of Living Adjustment) increase, an additional eight hour work day (2,088 hours in FY2013-14 versus 2,080 hours in FY2012-13), and the implementation of the second year of the Classification and Compensation Study salary adjustments.
- Retirement expenses, proposed at \$1.78 million, decreased by 7.3% from the Midyear FY2012-13 budget. The CalPERS retirement rate increase was offset by savings from an increase in the employee's contribution from 4% to 6%, reducing costs to the District. Assuming the Board approves the payoff of the District's \$2.52 million CalPERS Side Fund liability (see Report R-13-29), savings of \$204,000, which are included in the FY2013-14 Proposed Budget, will be realized. The result is a \$141,342 decrease in FY2013-14 retirement costs from the Midyear FY2012-13 Budget.

- Group health insurance is budgeted at \$1.78 million, representing an increase of \$242,848 or 18.2% from the FY2012-13 Midyear budget due to the 9.5% group health insurance rate increase. The remaining increase is attributed to conservatively budgeting health benefit costs at the “family coverage level” for vacancies.
- Worker’s compensation insurance increased \$59,855 or 24.5% due to two factors: 1) a rise in agency losses in the pool in which the District is a member, and 2) increased costs directly resulting from District employee injuries over the past five years.
- For FY2013-14, services and supplies decreased by \$112.420 or 2.8% from the FY2012-13 Midyear Budget. Major decreases include resource management costs and consulting services.

4) Staffing

District staffing for FY2013-14 is budgeted for 117.5 FTEs, reflecting an increase of two positions (1.5 permanent FTE and 0.5 temporary FTE) over the FY2012-13 Midyear budget. Table 4 summarizes the proposed FY2013-14 staffing levels and the recommended additions are discussed below.

Table 4: Proposed FY2013-14 Staffing

*FY2013-14 Proposed Annual Budget				
Budgeted Headcount (in FTEs, Full-time Equivalents)				
Dept	Full-Time	Part-Time	Interns	Total
Administration	17.0	1.0	0.5	18.5
Operations	57.0	6.5		63.5
Planning	11.0		1.0	12.0
Public Affairs	9.0		0.5	9.5
Natural Resources	7.0	1.0	1.0	9.0
Real Property	5.0			5.0
Total	106.0	8.5	3.0	117.5
* Funded positions; OpEx expenditure category only				

Recommended Staff Additions

OpEx Budget:

- Administrative Assistant – An Administrative Assistant would support the new IAFS (Integrated Accounting and Finance Software system) and would be shared by the Planning and Natural Resources Departments (+1.0 permanent FTE). More detail on the need for this position can be found below.

- Volunteer Program Lead (VPL) – This position would increase from part-time to full-time to support the District’s Volunteer Program (+0.5 permanent FTE). Converting this position to full-time will enable the VPL to take the lead on and/or assist with other aspects of the District’s growing Outdoor Service, Eagle Scout, Park Management Intern, Community Outreach, and other volunteer programs. Since October 2012, two District staff members have participated as Acting Full-time VPLs and feedback from District volunteers has been very positive in response to the addition of this position.
- Temporary GIS Intern – A temporary GIS Intern in the Planning Department would backfill permanent staff working on the Vision Plan project (+0.5 temporary FTE). The current GIS Administrator is a key member of the Vision Plan Team and will be unable to perform her regular duties and the work required for the Vision Plan at the same time. The intern would perform many of the routine and less complex GIS activities, providing capacity to the GIS Administrator for the Vision Plan.

Outside the OpEx:

- Limited-Term Project Manager – A new position would work on various projects in the Operations Department, enabling the Planning Department to focus on the Vision Plan (+1.0 temporary FTE). Between the volume of Planning Department projects and the staff resources needed for development of the Vision Plan, Planning staff resources are insufficient to support Operations Department projects. This temporary position would provide the technical support needed to allow Operations to complete many of its projects; otherwise many of these projects will need to be deferred.

As noted above, the Administrative Assistant would address a portion of the staffing support needed for the ongoing and routine data entry into IAFS. Currently, non-administrative District staff spends approximately 75 hours per week entering contracts, purchase orders, invoices, and lease revenue into the system, which significantly reduces the staff capacity for core functions and key projects. In addition to the proposed Administrative Assistant, the existing vacant Senior Administrative Assistant position in the Administrative Services Department is proposed to be converted to an Accounting position. The position would perform accounting functions and perform data entry for the Real Property and Administration Departments. The Operations and Public Affairs Departments have adequate existing staff resources for IAFS data entry. The addition of a new Administrative Assistant and the re-allocation of the existing Senior Administrative Assistant are projected to address the long term staffing resource needs for ongoing IAFS data entry activities.

5) Expenses Outside the OpEx and CapEx Guidelines

A select set of one-time or short-term expenditures are excluded from the Operating Budget Guideline of 55%. For FY2013-14, this includes the Strategic Plan implementation projects, for a total of \$850,900. These non-recurring costs include: the District’s Vision Plan Project and Capital Finance Program (including a limited term Community Outreach Coordinator position). More detail on the Strategic Plan Implementation is included in the District’s FY2013-14 Action Plan (R-13-26).

6) *Capital Budget*

As noted in the guidelines, the annual capital budget is limited to capital project and fixed asset expenditures totaling 10.5% of property tax revenue based on a five-year moving average. The FY2013-14 Proposed Capital expenditure (CapEx) budget totals \$5.5 million. After adjusting for grant income and allowable adjustments of \$2.4 million, the net FY2013-14 capital budget is \$3.1 million. The CapEx moving average (net of grant funds and allowable adjustments) totals 6.9% of property tax revenue, which is well below the 10.5% CapEx limit. A summary by department can be found in Attachment 2.

7) *Five-Year Budget Forecasts*

The Five-Year Operating Budget Forecast is included as Attachment 3 and demonstrates that the proposed position additions are sustainable, and the OpEx Budget remains below the Target in each year.

A Five-Year Capital Budget Forecast was scheduled to be prepared for FY2013-14, however, the Vision Plan could significantly impact the District's future project priorities. The Vision Plan is in the early planning stages and will be completed in late FY2013-14, at which time the number and timing of District capital projects will be much clearer. As a result, the Action Plan and Budget Committee agreed with staff's recommendation to defer the Five-Year Forecast until the Vision Plan is completed.

8) *Action Plan and Budget Coordination*

The Budget and Action Plan work together to define the work plan for the District in the coming year. Key projects in the Action Plan identify budget estimates for completing the work in FY2013-14. These costs were incorporated into the proposed budget for each Department, which are discussed in the Department Summaries below.

9) *Proposed Department Budgets*

As discussed above, all department salaries increased in FY2013-14 due to the 3% COLA (effective July 1, 2013), the additional eight hour work day, the implementation of the second year of the Classification and Compensation Study (effective April 1, 2013), and the assumption that vacant positions will be filled. Changes in benefit costs include reduced District coverage of employee retirement contributions, the 9.5% medical insurance increase, and increases in Workers' Compensation insurance. Other department-specific changes are discussed below.

Real Property:

	FY2012-13		FY2013-14 Proposed Budget (3% COLA)	\$ Change from Midyear	% Change from Midyear
	FY2012-13 Adopted Budget (0% COLA)	Midyear Budget (3% COLA, eff. 11/2012)			
Salaries and Benefits	643,144	683,064	714,306	31,242	5%
Services and Supplies	107,240	182,240	163,600	(18,640)	-10%
Property Mgt.	292,426	292,938	324,822	31,884	11%
Debt Service	8,902,356	8,902,356	8,874,965	(27,391)	0%
Land and Assoc. Costs	9,675,000	9,295,000	7,999,000	(1,296,000)	-14%
Total	19,620,166	19,355,598	18,076,693	(1,278,905)	-7%

Services and Supplies

The 10% decrease from the FY2012-13 Mid-year budget is primarily due to numerous small decreases in services and supplies line items.

Property Management

The \$324,822 or 11% increase in the proposed FY2013-14 Property Management expenditures results from increased repair and maintenance needs of private and employee residential rental structures. Rental income is projected to be \$1.1 million, resulting in an anticipated net income of \$758,935 from the District's property management program for FY2013-14. Cooperative communications leases reduce District income by approximately \$31,000 to pay for District Radio equipment at Black Mountain, Rolph Mountain, and Pise Peak with equivalent savings to the Operations Department.

Debt Service

Debt Service for FY2013-14 totals \$8.87 million, a slight decrease of \$27,391, or 0.3% decrease from FY2012-13 Mid-Year.

Land

The budget includes the acquisition of \$7,250,000 of additional land in FY2013-14, \$5,750,000 to be funded by the District and \$1,500,000 funded by partners. The total proposed land purchase budget of \$7.99 million includes \$749,000 in costs associated with land purchases. The majority of these costs consists of environmental and site studies (\$245,000), demolitions (\$200,000), and site access and structure improvements at the Silva property addition to Russian Ridge and the Toto Ranch addition to Tunitas Creek (\$224,000), and reflect a strategic shift to identify and address resource, public access, and site safety issues on newly acquired lands.

Planning:

	FY2012-13		FY2013-14 Proposed Budget (3% COLA)	\$ Change from Midyear	% Change from Midyear
	FY2012-13 Adopted Budget (0% COLA)	Midyear Budget (3% COLA, eff. 11/2012)			
Salaries and Benefits	1,159,434	1,067,781	1,389,259	321,478	30%
Services and Supplies	61,765	61,765	79,923	18,158	29%
Strategic/Vision Project	300,000	300,000	591,900	291,900	97%
Capital	3,890,511	3,888,483	3,095,147	(793,336)	-20%
Total	5,411,710	5,318,029	5,156,229	(161,800)	-3%

Salaries and Benefits

The salaries and benefits increase of 30% in FY2013-14 reflects general changes applied to all departments as well as funding for both the Planning Manager and Planner 1 positions that were vacant in FY2012-13. In addition, a new part-time GIS Intern position was added to backfill for staff who are working on the Vision Plan.

Services and Supplies

The Planning Department's proposed budget for services and supplies increased by \$18,158 due to increases in various services and supplies line items.

Planning Projects and CIP Budget

The proposed Planning Projects and CapEx Budget totals \$3,095,147 before grant and Peninsula Open Space Trust (POST) income of \$2,190,427. Key budgetary changes include:

- A decrease in the Mount Umunhum demolition, site planning, and Phase 1 implementation by \$402,133 from the Midyear FY2012-13 budget to \$1.71 million. The District is anticipating \$1.24 million in grant funding to offset this expenditure.
- An increase in the budget for Public Access projects, which total \$1.136 million, \$124,797 over the Midyear FY2012-13 budget. This includes the El Corte de Madera staging area and trail improvements (\$375,000) and Mindego Gateway (\$447,058) projects. Income from grants and POST totaling \$966,230 is expected to offset project expenditures in FY2013-14.
- An inclusion of \$131,000 for the Administration Office, under the *Staff Facilities Program*, to address staff office space needs, which includes expenditures for leasehold improvements in the new leased facility. NOTE: given recent developments, actual expenditures are expected to be much lower since a new space has been identified that will not require structural changes completed by the District, rather only new furnishings and equipment.
- A decrease in Long-Range Planning projects by \$497,000 from the Midyear FY2012-13 budget largely due to work completed on the Cooley Landing project.

Strategic Plan

The FY2013-14 budget for the Vision Plan project totals \$591,900. The project budget includes funds for consultant services, meeting expenses, new data acquisition, printing, and other activities in support of the Vision Plan development.

Natural Resources:

	FY2012-13		FY2013-14 Proposed Budget (3% COLA)	\$ Change from Midyear	% Change from Midyear
	FY2012-13 Adopted Budget (0% COLA)	Midyear Budget (3% COLA, eff. 11/2012)			
Salaries and Benefits	839,129	865,218	977,050	111,832	13%
Services and Supplies	373,510	603,010	535,201	(67,809)	-11%
Capital	800,000	405,000	904,600	499,600	123%
Total	2,012,639	1,873,228	2,416,851	543,623	29%

Salaries and Benefits

In addition to the general salaries and benefits changes applied to all departments, a new Administrative Assistant position is proposed for addition to the Natural Resources Department.

Services and Supplies

The 11% decrease from the FY2012-13 Mid-year budget is primarily due to lower spending on various consulting services and facilities maintenance, in order to focus on the District's key District-wide projects in FY2013-14.

Fixed Assets

The proposed fixed assets budget of \$904,600 for FY2013-14 is comprised of the following: Integrated Pest Management (\$251,600), El Corte de Madera Watershed Protection (\$100,000), Pond DR05 Repairs (\$122,500), and Hicks Flat Mercury Remediation (100% grant funded) at \$196,000.

Operations:

	FY2012-13		FY2013-14		\$ Change from Midyear	% Change from Midyear
	FY2012-13 Adopted Budget (0% COLA)	FY2012-13 Midyear Budget (3% COLA, eff. 11/2012)	FY2013-14 Proposed Budget (3% COLA)			
Salaries and Benefits	6,426,897	6,245,168	6,602,535	357,367	6%	
Services and Supplies	1,566,661	1,637,219	1,632,917	(4,302)	0%	
Capital	657,600	677,600	1,331,979	654,379	97%	
Total	8,651,158	8,559,987	9,567,431	1,007,444	12%	

Salaries and Benefits

Salaries and benefits increased 6% in FY2013-14 over the FY2012-13 Midyear budget and include funding for a Ranger and Equipment Mechanic Operator position that were vacant in FY2012-13.

Services and Supplies

Overall Services and Supplies budgeted at \$1.6 million remains flat to the FY2012-13 Midyear budget.

Fixed Assets

The proposed fixed assets budget of \$1,331,979 for FY2013-14 includes new vehicle and equipment purchases of \$635,000 and various Facility/Infrastructure projects for \$604,000. A new contingent Project Manager to lead the various Operations projects is proposed for \$92,979.

Public Affairs:

	FY2012-13		FY2013-14		\$ Change from Midyear	% Change from Midyear
	FY2012-13 Adopted Budget (0% COLA)	FY2012-13 Midyear Budget (3% COLA, eff. 11/2012)	FY2013-14 Proposed Budget (3% COLA)			
Salaries and Benefits	959,266	983,324	1,078,804	95,480	10%	
Services and Supplies	402,450	455,630	453,885	(1,745)	0%	
Strategic/Vision Project	410,000	338,000	259,000	(79,000)	-23%	
Total	1,771,716	1,776,954	1,791,689	14,735	1%	

Salaries and Benefits

Salaries and benefits increased 10% in FY2013-14 over the FY2012-13 Midyear budget and includes full year funding for the Media Communications Supervisor, which was vacant for a

portion of FY2012-13, and conversion of the Volunteer Program Lead (for the Advanced Resource Management Stewards program) from a half-time to a full-time position in FY2013-14.

Services and Supplies

Services and Supplies is budgeted at \$453,885 and remains flat from the FY12-13 Midyear budget.

Strategic Plan

The Public Affairs Dept will be a key department in leading the Capital Finance Project, which is budgeted at \$259,000 in FY2013-14. This includes a limited term Outreach Coordinator position, consultants, and special outreach projects. The work focuses on public outreach, organizing and running public workshops, conducting land tours with constituents, creating exhibit materials and displays, and helping draw constituents to public meetings.

Administration:

	FY2012-13		FY2013-14 Proposed Budget (3% COLA)	\$ Change from Midyear	% Change from Midyear
	FY2012-13 Adopted Budget (0% COLA)	Midyear Budget (3% COLA, eff. 11/2012)			
Salaries and Benefits	2,624,017	2,394,776	2,641,848	247,072	10%
Services and Supplies	795,472	1,016,863	978,781	(38,082)	-4%
Capital	331,275	556,275	165,000	(391,275)	-70%
Special Projects	161,068	-	-	-	
Total	3,911,832	3,967,914	3,785,629	(182,285)	-5%

Salary and Benefits

The 10% increase to salaries and benefits in FY2013-14 reflects full fiscal year funding for the Assistant General Manager, the Training and Safety Coordinator position, and the Sr. Administrative Assistant, all of which were vacant for most of FY2012-13.

Services and Supplies

The 4% decrease in services and supplies is due to a reduction in professional consulting services for various issues that arose during FY2012-13.

Fixed Assets

The decrease in the proposed fixed assets budget for FY2013-14 is due to a reduction in the third-year costs of implementation of the Integrated Accounting and Financial System, and the elimination of a Project Manager position to coordinate the Project.

BOARD COMMITTEE REVIEW

This agenda item has been discussed in the Action Plan and Budget Committee on February 5, February 7, and February 13, 2013.

FISCAL IMPACT

Final adoption of the Proposed FY2013-14 District Budget by the Board will authorize \$40,794,522 to accomplish the District's work plan for the next fiscal year.

PUBLIC NOTICE

Public notice has been provided as required by the Brown Act.

CEQA COMPLIANCE

This agenda item is not a project and is not subject to the California Environmental Quality Act (CEQA).

NEXT STEPS

- The Board determines whether the Action Plan and Budget Committee shall meet to further discuss and refine the Proposed FY2013-14 District Budget.
- The Board approves the FY2013-14 Proposed District Budget at the March 27, 2013 Board Meeting.

Attachment(s)

1. Attachment 1A: District-wide Budget
2. Attachment 1B: District Budget by Department
3. Attachment 2: CapEx Three-Year Forecast
4. Attachment 3: Five-Year Operating Budget Forecast
5. Attachment 4: CapEx Budget by Department

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ATTACHMENT 1

DISTRICT BUDGET SUMMARY	FY2012-13 Adopted Budget	FY2012-13 Midyear Budget	FY2013-14 Proposed Budget	\$ Change from Midyear	% Change from Midyear
Operating Budget					
GM/Admin/Legal	3,419,489	3,411,639	3,620,629	208,990	6%
Natural Resources	1,212,639	1,468,228	1,512,251	44,023	3%
Operations	7,993,558	7,882,387	8,235,452	353,065	4%
Planning	1,221,199	1,129,546	1,469,182	339,636	30%
Public Affairs	1,361,716	1,438,954	1,532,689	93,735	7%
Real Property	750,384	865,304	877,906	12,602	1%
Total Operating	15,958,985	16,196,058	17,248,109	1,052,051	6%
Capital Budget					
GM/Admin/Legal	331,275	556,275	165,000	-391,275	-70%
Natural Resources	800,000	405,000	904,600	499,600	123%
Operations	657,600	677,600	1,331,979	654,379	97%
Planning	3,890,511	3,888,483	3,095,147	-793,336	-20%
Total	5,679,386	5,527,358	5,496,726	(30,632)	-0.6%
Less Grant Income	2,318,626	1,750,830	2,386,427	635,597	36%
Total Net Capital	3,360,760	3,776,528	3,110,299	(666,229)	-18%
Other Budget					
Strategic Plan	710,000	638,000	850,900	212,900	33%
Property Management	292,426	292,938	324,822	31,884	11%
Land and Associated Costs	9,675,000	9,295,000	7,999,000	-1,296,000	-14%
Debt Service	8,902,356	8,902,356	8,874,965	-27,391	0%
Other/Miscellaneous	161,068	0	0	0	N/A
Total Other	19,740,850	19,128,294	18,049,687	(1,078,607)	-6%
TOTAL DISTRICT BUDGET, net of					
Grant Income	39,060,595	39,100,880	38,408,095	(692,785)	-2%

ATTACHMENT 1

DISTRICT BUDGET BY DEPARTMENT	FY2012-13		FY2013-14		% Change from Midyear
	Adopted Budget (0% COLA)	Midyear Budget (3% COLA, eff. 11/2012)	Proposed Budget (3% COLA)	\$ Change from Midyear	
DISTRICT BUDGET BY DEPARTMENT					
Administration					
Salaries and Benefits	2,624,017	2,394,776	2,641,848	247,072	10%
Services and Supplies	795,472	1,016,863	978,781	(38,082)	-4%
Total Operating Expense	3,419,489	3,411,639	3,620,629	208,990	6%
Strategic/Vision Project	-	-	-	-	-
Capital	331,275	556,275	165,000	(391,275)	-70%
Special Projects	161,068	-	-	-	-
Total Non-Operating Expense	492,343	556,275	165,000	(391,275)	-70%
Total Administration Expenditures	3,911,832	3,967,914	3,785,629	(182,285)	-5%
Natural Resources					
Salaries and Benefits	839,129	865,218	977,050	111,832	13%
Services and Supplies	373,510	603,010	535,201	(67,809)	-11%
Total Operating Expense	1,212,639	1,468,228	1,512,251	44,023	3%
Strategic/Vision Project	-	-	-	-	-
Capital	800,000	405,000	904,600	499,600	123%
Total Non-Operating Expense	800,000	405,000	904,600	499,600	123%
Total Natural Resources Expenditures	2,012,639	1,873,228	2,416,851	543,623	29%
Operations					
Salaries and Benefits	6,426,897	6,245,168	6,602,535	357,367	6%
Services and Supplies	1,566,661	1,637,219	1,632,917	(4,302)	0%
Total Operating Expense	7,993,558	7,882,387	8,235,452	353,065	4%
Strategic/Vision Project	-	-	-	-	-
Capital	657,600	677,600	1,331,979	654,379	97%
Total Non-Operating Expense	657,600	677,600	1,331,979	654,379	97%
Total Operations Expenditures	8,651,158	8,559,987	9,567,431	1,007,444	12%
Planning					
Salaries and Benefits	1,159,434	1,067,781	1,389,259	321,478	30%
Services and Supplies	61,765	61,765	79,923	18,158	29%
Total Operating Expense	1,221,199	1,129,546	1,469,182	339,636	30%
Strategic/Vision Project	300,000	300,000	591,900	291,900	97%
Capital	3,890,511	3,888,483	3,095,147	(793,336)	-20%
Total Non-Operating Expense	4,190,511	4,188,483	3,687,047	(501,436)	-12%
Total	5,411,710	5,318,029	5,156,229	(161,800)	-3%
Public Affairs					
Salaries and Benefits	959,266	983,324	1,078,804	95,480	10%
Services and Supplies	402,450	455,630	453,885	(1,745)	0%
Total Operating Expense	1,361,716	1,438,954	1,532,689	93,735	7%
Strategic/Vision Project	410,000	338,000	259,000	(79,000)	-23%
Capital	-	-	-	-	-
Total Non-Operating Expense	410,000	338,000	259,000	(79,000)	-23%
Total Public Affairs Expenditures	1,771,716	1,776,954	1,791,689	14,735	1%
Real Property					
Salaries and Benefits	643,144	683,064	714,306	31,242	5%
Services and Supplies	107,240	182,240	163,600	(18,640)	-10%
Total Operating Expense	750,384	865,304	877,906	12,602	1%
Strategic/Vision Project	-	-	-	-	-
Capital	-	-	-	-	-
Property Mgt.	292,426	292,938	324,822	31,884	11%
Debt Service	8,902,356	8,902,356	8,874,965	(27,391)	0%
Land and Assoc. Costs	9,675,000	9,295,000	7,999,000	(1,296,000)	-14%
Total Non-Operating Expense	18,869,782	18,490,294	17,198,787	(1,291,507)	-7%
Total	19,620,166	19,355,598	18,076,693	(1,278,905)	-7%
DISTRICT BUDGET BY EXPENDITURE CATEGORY					
Salaries and Benefits	12,651,887	12,239,331	13,403,802	1,164,471	10%
Services and Supplies	3,307,098	3,956,727	3,844,307	(112,420)	-3%
Total Operating Expense (OPEX)	15,958,985	16,196,058	17,248,109	1,052,051	6%
Strategic/Vision Project	710,000	638,000	850,900	212,900	33%
Capital (CAPEX)	5,679,386	5,527,358	5,496,726	(30,632)	-1%
Special Projects	161,068	-	-	-	-
Property Mgt.	292,426	292,938	324,822	31,884	11%
Debt Service	8,902,356	8,902,356	8,874,965	(27,391)	0%
Land and Assoc. Costs	9,675,000	9,295,000	7,999,000	(1,296,000)	-14%
Total Non-Operating Expense	25,420,236	24,655,652	23,546,413	(1,109,239)	-4%
Total District Expenditures	41,379,220	40,851,710	40,794,522	(57,188)	0%
TOTAL OPERATING BUDGET (OPEX)	15,958,985	16,196,058	17,248,109	1,052,051	6%
TOTAL DISTRICT TARGET: OPEX	16,091,753	16,307,216	17,230,000	922,784	6%
TOTAL OVER/(UNDER): OPEX	(132,769)	(111,158)	18,109	129,267	-116%
TOTAL CAPITAL BUDGET (CAPEX)					
TOTAL CAPITAL BUDGET (CAPEX)	5,679,386	5,527,358	5,496,726	(30,632)	-1%
LESS: GRANT INCOME	2,318,626	1,750,830	2,386,427	635,597	36%
TOTAL CAPITAL BUDGET, net of Grant Income	3,360,760	3,776,528	3,110,299	(666,229)	-18%

ATTACHMENT 2

CapEx Projections District Summary FY2012/13 - FY2015/16

District Summary: CapEx Projects by Dept.	2012-13 Projected	2013-14 Proposed	2014-15 Proposed	2015-16 Proposed	Total
Administration	220,000	165,000	25,000	0	410,000
Operations	657,600	1,331,979	863,972	995,972	3,849,523
Planning	1,849,770	3,095,147	2,922,835	1,086,750	8,954,502
Public Affairs	0	0	0		0
Real Property	0	0	0		0
Natural Resources	256,500	904,600	725,000	398,400	2,284,500
Total CapEx Projects	2,983,870	5,496,726	4,536,807	2,481,122	15,498,525
District Summary: Grant Income	2012-13 Projected	2013-14 Proposed	2014-15 Proposed	2015-16 Proposed	Total
Administration	0	0	0		0
Operations	0	0	0		0
Planning	608,511	2,190,427	681,000	374,000	3,853,938
Public Affairs	0	0	0	0	0
Real Property	0	0	0	0	0
Natural Resources	0	196,000	0	0	196,000
Total Grant Income - Development	608,511	2,386,427	681,000	374,000	4,049,938
Total CapEx Projects, net of Grant Income	2,375,359	3,110,299	3,855,807	2,107,122	11,448,587

ATTACHMENT 3

Five-Year OpEx Forecast

	FY2013-14	FY2014-15	FY2015-16	FY2016-17	FY2017-18
	3% COLA	3% COLA	0% COLA	0% COLA	0% COLA

OpEx Target	17,230,000	18,432,990	19,721,649	21,103,093	22,577,320
Total Annual OpEx Budget	17,248,109	17,928,469	18,225,350	18,584,691	18,961,095
Under/(Over) OpEx Target	(18,109)	504,521	1,496,300	2,518,402	3,616,225
Salaries	9,739,341	9,992,044	9,996,564	9,998,936	10,001,368
Retirement	1,783,634	2,033,972	2,135,226	2,285,673	2,436,204
Insurance	1,880,827	2,019,703	2,171,983	2,339,289	2,523,121
Total Salaries and Benefits	13,403,802	14,045,719	14,303,772	14,623,898	14,960,693
Services and Supplies	3,844,307	3,882,750	3,921,578	3,960,793	4,000,401
Total Services and Supplies	3,844,307	3,882,750	3,921,578	3,960,793	4,000,401
TOTAL OPEX	17,248,109	17,928,469	18,225,350	18,584,691	18,961,095

ATTACHMENT 4

CapEx Projections FY2012/13 - FY2015/16 Administration

Part I: Summary					
Year					
Project Description	1	2	3	4	Total
Fiscal Year:	2012-13 Projected	2013-14 Proposed	2014-15 Proposed	2015-16 Proposed	
IAFS (Accounting Software Project)	\$220,000	\$105,000	\$25,000	\$0	\$350,000
AO Structure Improvement	\$0	\$60,000	\$0	\$0	\$60,000
					\$0
					0
Total Capital Projects	\$220,000	\$165,000	\$25,000	\$0	\$410,000
Part II: Detail					
	FY2012-13	FY2013-14	FY2014-15	FY2015-16	Total
IAFS - Consultant (Schafer)	\$44,075	\$50,000	\$25,000	\$0	\$119,075
IAFS - Software Vendor (NW)	\$85,925	\$55,000			\$140,925
IAFS (PM)	\$90,000				\$90,000
AO - Re-shingling	\$0	\$60,000	\$0		\$60,000
					\$0
Total Capital Projects	\$220,000	\$165,000	\$25,000	\$0	\$410,000
Part III: Grant Income					
none					
Total Grant Income	\$0	\$0	\$0	\$0	\$0
Total Capital Projects, net of Grant Income	\$220,000	\$165,000	\$25,000	\$0	\$410,000

**CapEx Projections
FY2012/13 - FY2015/16
Operations Dept.**

Part I: Summary					
Project Description	Year				Total
	1	2	3	4	
Fiscal Year:	2012-13 Projected	2013-14 Proposed	2014-15 Proposed	2015-16 Proposed	
Vehicles & Equipment	\$540,000	\$635,000	\$340,000	\$460,000	\$1,975,000
Facility/Infrastructure	\$117,600	\$604,000	\$400,000	\$412,000	\$1,533,600
Sub Total Capital Projects	\$657,600	\$1,239,000	\$740,000	\$872,000	\$3,508,600
Operations Contingent Capital Projects Manager		\$92,979	\$123,972	\$123,972	\$340,923
Total Capital Projects	\$657,600	\$1,331,979	\$863,972	\$995,972	\$3,849,523
Part II: Detail					
Projects Include:					
Vehicle Bridge Evaluation and Repair		\$220,000			\$220,000
Replace and Upgrade Preserve Signboards		\$24,000			\$24,000
Install Automated Gates at the Purisima Creek Parking Lot		\$33,000			\$33,000
Demolition and Clean up of Abandoned Structures [Skyline]		\$24,000			\$24,000
Demolition and Clean up of Abandoned Structures [Foothills]		\$50,000	Estimated costs for a variety of field projects, including continued bridge work.	Estimated costs for a variety of field projects, including continued bridge work.	\$50,000
Removal of Abandoned Vehicles		\$10,000			\$10,000
Skyline Facility Improvements - Heavy Equipment Storage		\$16,000			\$16,000
Skyline Facility Improvements - HVAC & Continuation of work on field office.		\$130,000			\$130,000
Skyline Facility Improvements - Provision of outdoor work space		\$12,000			\$12,000
La Honda Employee Residence Roof Repair		\$5,000			\$5,000
Mora Fire Road Upgrade		\$80,000			\$80,000
					\$0
Total Facilities/Infrastructure	\$117,600	\$604,000			\$400,000

**CapEx Projections
FY2012/13 - FY2015/16
Operations Dept.**

Project Description	Year				Total
	1	2	3	4	
Fiscal Year:	2012-13 Projected	2013-14 Proposed	2014-15 Proposed	2015-16 Proposed	
Vehicles & Equipment:		4 Maintenance 2 Patrol 1 Tractor 1 Flail Mower	3 Patrol Field Equipment	3 Patrol 2 Maintenance Field Equipment	
Operations Vehicle & Equipment:	\$370,000	\$635,000	\$340,000	\$460,000	\$1,805,000
Radio System - completion	\$170,000	0	0	0	\$170,000
Total Vehicles & Equipment	\$540,000	\$635,000	\$340,000	\$460,000	\$1,975,000
Part III: Grant Income					
No grant income is anticipated in Operations.					\$0
Total Grant Income	\$0	\$0	\$0	\$0	\$0
Total Capital Projects, net of Grant Income	\$657,600	\$1,331,979	\$863,972	\$995,972	\$3,849,523

**CapEx Projections
FY2012/13 - FY2015/16
Planning**

Part I: Summary					
Project Description	1	2	3	4	Total
Fiscal Year:	2012-13 Projected	2013-14 Proposed	2014-15 Proposed	2015-16 Proposed	
Public Access (330)	\$1,012,000	\$1,131,297	\$1,789,489	\$865,150	\$4,797,937
Staff Facilities (340)	\$185,000	\$156,000	\$75,000	\$125,000	\$541,000
Long Range Planning (350)	\$177,000	\$90,000	\$30,000	\$55,000	\$352,000
Resource Management (360)	\$0	\$25,000	\$25,000	\$0	\$50,000
Mount Umunhum	\$475,770	\$1,692,850	\$1,003,346	\$41,600	\$3,213,566
Total Capital Projects	\$1,849,770	\$3,095,147	\$2,922,835	\$1,086,750	\$8,954,502
Part II: Detail					
	FY2012-13	FY2013-14	FY2014-15	FY2015-16	Total
PUBLIC ACCESS (330)					
El Corte de Madera Creek Staging Area and Trail Improvements	\$713,000	\$375,000	\$156,817	\$65,150	\$1,309,968
Mindego Gateway	\$177,000	\$347,058			\$524,058
Mary Davey Memorial	\$12,000	\$5,000			\$17,000
La Honda Creek Master Plan Implementation Phase I	\$80,000		\$10,000	\$10,000	\$100,000
Fremont Older Safety Improvements	\$10,000	\$32,500	\$172,560		\$215,060
Purisima Creek Bridge Assessment/Repair	\$10,000				\$10,000
Peter's Creek Trail Bridge Repair	\$10,000				\$10,000
Mt Um Implementation Phase I (superceded by sep. proj. below)	\$55,000				\$55,000
Mt Um Summit Area			\$456,112	\$432,400	\$888,512
Mt Um Remediation and Restoration (incl. demolition)	\$100,770	\$1,502,950			\$1,603,720
Mt Um Bald Mtn Staging Area		\$62,200	\$657,880		\$720,080
Mt Um Summit Trail from Bald Mtn Staging Area		\$22,000	\$4,800	\$32,000	\$58,800
Mt Um Radar Tower Repair		\$89,000	\$333,466		\$422,466
Silva Driveway		\$56,200			\$56,200
Mindego Hill Trail		\$70,000	\$5,000		\$75,000
Bay Trail		\$196,000	\$264,000	\$57,600	\$517,600
Unanticipated Expenses		\$25,000	\$25,000	\$25,000	\$75,000

**CapEx Projections
FY2012/13 - FY2015/16
Planning**

Project Description	1	2	3	4	Total
Fiscal Year:	2012-13 Projected	2013-14 Proposed	2014-15 Proposed	2015-16 Proposed	
Hawthorns Site Management Phase I			\$100,000	\$100,000	\$200,000
Mindego Demolition			\$175,000		\$175,000
Council Circle Access			\$80,000		\$80,000
Driscoll			\$25,000	\$25,000	\$50,000
Various Demo Projects			\$50,000	\$50,000	\$100,000
Ancient Oaks Trail			\$150,000		\$150,000
Stevens Canyon Trail			\$20,000	\$50,000	\$70,000
Beatty Staging Area			\$100,000	\$50,000	\$150,000
Other		\$24,539			\$24,539
STAFF FACILITIES (340)					
Folger Ranch House Remodel	\$185,000				\$185,000
AO Lease Space		\$131,000			\$131,000
AO Long Term Solution			\$50,000	\$100,000	\$150,000
Unanticipated Expenses		\$25,000	\$25,000	\$25,000	\$75,000
LONG RANGE PLANNING (350)					
Cooley Landing Peninsula Partnership with East Palo Alto	\$75,000	\$30,000	\$30,000	\$30,000	\$165,000
Sierra Azul/Bear Creek Redwoods Master Plan	\$0		\$0	\$25,000	\$25,000
La Honda Creek Master Plan	\$22,000				\$22,000
Road and Trail Inventories	\$20,000				\$20,000
Mindego Use and Management Plan	\$60,000	\$60,000			\$120,000
Mount Umunhum Site Planning	\$320,000				\$320,000
RESOURCE MANAGEMENT (360)					
Mt Um Purple Martin Restoration		\$16,700	\$7,200	\$9,600	\$33,500
unanticipated expenses		\$25,000	\$25,000	\$0	\$50,000
Total Capital Projects	\$1,849,770	\$3,095,147	\$2,922,835	\$1,086,750	\$8,954,502

**CapEx Projections
FY2012/13 - FY2015/16
Planning**

Project Description	1	2	3	4	Total
Fiscal Year:	2012-13 Projected	2013-14 Proposed	2014-15 Proposed	2015-16 Proposed	
Part III: Grant Income	FY2012-13	FY2013-14	FY2014-15	FY2015-16	Total
Thornewood San Francisco Creek Watershed Restoration	\$7,000				\$7,000
Mt Um Reimb - Remediation/Demolition - thru Phase II	\$100,000	\$1,141,197			\$1,241,197
Mt Um Implementation Phase I			\$601,000	\$374,000	\$975,000
Mindego Gateway Project - POST funded	\$101,511	\$582,000			\$683,511
Mindego Council Circle Access- POST funded	\$0		\$80,000		80,000
El Corte de Madera Creek Parking and Trails Improvements		\$384,230			\$384,230
Bay Trail - (Santa Clara County grant)		\$83,000			\$83,000
Cooley Landing Land Remediation (100% Grant funded)	\$400,000				\$400,000
Total Grant Income	\$608,511	\$2,190,427	\$681,000	\$374,000	\$3,853,938
Total Capital Projects, net of Grant Income	\$1,241,259	\$904,720	\$2,241,835	\$712,750	\$5,100,564

**CapEx Projections
FY2012/13 - FY2015/16
Natural Resources**

Part I: Summary					
	Year				
Project Description	1	2	3	4	Total
Fiscal Year:	2012-13 Projected	2013-14 Proposed	2014-15 Proposed	2015-16 Proposed	
Natural Resource Management	\$61,000	\$256,600	\$195,000	\$30,000	\$542,600
Environmental Restoration and Remediation	\$195,500	\$593,000	\$365,000	\$328,400	\$1,481,900
Agricultural Land Management	\$0	\$55,000	\$165,000	\$40,000	\$260,000
Total Capital Projects	\$256,500	\$904,600	\$725,000	\$398,400	\$2,284,500
Part II: Detail					
	FY2012-13	FY2013-14	FY2014-15	FY2015-16	Total
<u>Resource Management (820)</u>					
Grassland Prescribed Fire Management Program	\$ 9,000	\$ 5,000	\$ 140,000	\$ 30,000	\$ 184,000
Integrated Pest Management Program	\$ 52,000	\$ 251,600	\$ 55,000		\$ 358,600
<u>Environmental Restoration and Remediation (830)</u>					
Pulgas Water Tank Demolition	\$ 30,000				\$ 30,000
La Honda Creek OSP Watershed Protection	\$ -	\$ 55,000	\$ -	\$ 88,400	\$ 143,400
El Corte de Madera Creek Watershed Protection Program	\$ 10,000	\$ 100,000	\$ 50,000		\$ 160,000
Peters Creek Trail Improvements		\$ 35,000	\$ 10,000		\$ 45,000
Restoration Forestry Demonstration Project			\$ 60,000	\$ 15,000	\$ 75,000
Ponds DR05 Repairs	\$ 50,000	\$ 122,500			\$ 172,500
Ponds DR07 and DR08 Repairs	\$ 95,500				\$ 95,500
La Honda Creek OSP Pond Repairs			\$ 25,000	\$ 25,000	\$ 50,000
Hicks Flat Mercury Remediation	\$ -	\$ 196,000	\$ 10,000		\$ 206,000
Guadalupe River TMDL	\$ 10,000				\$ 10,000
Alma College Remediation	\$ -	\$ -	\$ 40,000		\$ 40,000
Mindego Ranch Remediation	\$ -	\$ 10,000	\$ 10,000		\$ 20,000
Mindego Gateway Project Permitting		\$ 27,500	\$ 10,000		\$ 37,500
Mindego Ranch Aquatic Species Recovery Program		\$ 47,000	\$ 50,000	\$ 50,000	\$ 147,000
Madonna Creek Ranch Creek Assessment			\$ 100,000	\$ 100,000	\$ 200,000
Russian Ridge Grassland Restoration				\$ 50,000	\$ 50,000

CapEx Projections
FY2012/13 - FY2015/16
Natural Resources

Project Description	Year				Total
	1	2	3	4	
Fiscal Year:	2012-13 Projected	2013-14 Proposed	2014-15 Proposed	2015-16 Proposed	
<u>Agricultural Land Management (840)</u>					
La Honda Creek OSP Grazing Infrastructure	\$ -	\$ 15,000	\$ 15,000		\$ 30,000
Madonna Creek Agricultural Production Plan		\$ -	\$ 25,000		\$ 25,000
Mindego Grazing Infrastructure		\$ 40,000	\$ 125,000		\$ 165,000
Grazing Properties Infrastructure				\$ 40,000	\$ 40,000
Total Capital Projects	\$ 256,500	\$ 904,600	\$ 725,000	\$ 398,400	\$ 2,284,500
Part III: Grant Income					
	FY2012-13	FY2013-14	FY2014-15	FY2015-16	Total
Hicks Flat Mercury Remediation	\$ -	\$ 196,000			\$ 196,000
Total Grant Income	\$ -	\$ 196,000	\$ -	\$ -	\$ 196,000
Total Capital Projects, net of Grant Income	\$ 256,500	\$ 708,600	\$ 725,000	\$ 398,400	\$ 2,088,500