



Midpeninsula Regional
Open Space District

R-14-154
Meeting 14-35
December 17, 2014

AGENDA ITEM 8A

AGENDA ITEM

Midyear Controller's Report and General Manager's State of the District Report for Fiscal Year 2014-15 (April - September 2014)

ACTION PLAN AND BUDGET COMMITTEE RECOMMENDATIONS

1. Accept the Controller's Fiscal Year 2014-15 Midyear Financial Review for the six month period of April 1, 2014 thru September 30, 2014 (*Item 8b*).
2. Accept the General Manager's FY2014-15 Midyear State of the District Report and approve the following recommended adjustments (*Item 8c*):
 - a. The conversion of three contingent positions to permanent status
 - b. A two-year extension for one contingent position
 - c. The addition of four positions to support Measure AA implementation, and one position to support the newly approved Integrated Pest Management Program
 - d. Net-zero budget shifts

SUMMARY

The Action Plan and Budget Committee (ABC) and staff met on November 12, 2014 to review the FY2014-15 Midyear Controller's Report and General Manager's State of the District Report, which includes a retrospective look at work completed on the annual Action Plan between April and September. These reports are being forwarded to the full Board for their review. As part of this review, ABC recommends that the Board approve the proposed positions and net-zero budget adjustments as further described in these reports.

DISCUSSION

The ABC is tasked with reviewing the proposed Annual and Midyear District Budgets to ensure fiscal responsibility and the prudent allocation of financial resources to accomplish the District's annual Action Plan. Staff has provided a status summary of Action Plan projects and expenditures as of September 30, 2014.

Key findings of the two status reports include a reduction in the total number of active projects from 96 in the Adopted Action Plan to 93 at Midyear, reflecting eleven completed projects, eleven new projects (six of which have already been approved by the Board), ten delayed projects, and three project deferrals.

On the budget side, property tax revenue totaled \$4.8 million as of September 30, 2014, which is 14% of the adopted revenue estimate and in line with expectations for this time of year. Property tax revenue is projected to exceed the adopted estimate by approximately \$184,000 or 0.5% for total projected revenue of \$33.74 million at year-end. Overall, District expenditures at Midyear totaled \$15.9 million, or 36% of the FY2014-15 Budget, reflecting significant savings in capital expenditures and land purchases.

Several significant staffing changes are proposed as part of the Midyear Report and are summarized below. The Committee discussed these proposed changes and recommends approval by the full Board.

- The following three positions are proposed to be converted from contingent to permanent status to address a permanent increase in District workload and activities: Project Manager, Community Outreach Specialist, and Real Property Assistant.
- The term for the contingent Public Affairs Assistant is recommended to be extended for two more years to continue to coordinate various community events.
- The addition of four new positions is proposed to accelerate and/or support Measure AA implementation. These positions would not be funded this fiscal year but recruitments could begin this winter to fill the positions by early spring.
- The addition of one new position is proposed to implement the Integrated Pest Management Program, which was approved by the Board of Directors on December 10, 2014. This position would not be funded this fiscal year but recruitment could begin this winter to fill the positions by early spring.

Proposed changes to the budget include several net zero shifts between Budget Categories, which require Board approval. Even with these changes, the total District budget would remain unchanged at \$43.9 million.

FISCAL IMPACT

The position changes discussed above do not have a fiscal impact on the FY2014-15 budget and impacts to next fiscal year will be included as part of the FY2015-16 Proposed Budget. Review of the FY2014-15 Midyear Controller's Report and General Manager's State of the District Report includes Board approval of net-zero midyear budget changes, keeping the total District budget at \$43.9 million to fund the District's Action Plan and ongoing functions for the remainder of the fiscal year.

COMMITTEE REVIEW

On November 12, 2014, the ABC met with the General Manager, Assistant General Managers, Department Managers, and various staff to review the proposed District FY2014-15 Midyear Controller's Report and General Manager's State of the District Report.

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 would make the recommended net-zero budget adjustments to the FY2014-15 Midyear Action Plan and Budget and begin recruitments for the new positions as early as January.

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