



Midpeninsula Regional
Open Space District

R-18-45
Meeting 18-17
May 9, 2018

AGENDA ITEM 3

AGENDA ITEM

Fiscal Year 2017-18 Quarter 3 Budget Amendments

ACTING GENERAL MANAGER'S RECOMMENDATION

Adopt a resolution approving the proposed FY2017-18 Quarter 3 Budget amendments and the transfer of General Fund Unassigned Fund Balance to four Committed and Restricted Reserves as follows: (1) \$600,000 to an existing Committed Reserve for Equipment Replacement; (2) \$1,000,000 to a new Committed Reserve for Capital Maintenance; (3) \$300,000 to a new Committed Reserve for the Promissory Note; and (4) \$250,000 to an existing Restricted Reserve to reimburse Measure AA costs of issuance.

SUMMARY

This report presents the proposed Quarter 3 budget adjustments by fund. Budget adjustments have resulted in a net decrease of \$4,978,128 to the Fiscal Year 2017-18 (FY2017-18) Budget. These adjustments reflect current fiscal year decreases in project budgets due to shifts in expenditures that are now scheduled and budgeted for Fiscal Year 2018-19 (FY2018-19). The Acting General Manager and Controller recommend transferring \$2,150,000 from the General Fund Unassigned Fund balance to four different Reserve Funds to bolster the agency's long-term fiscal management. The four Reserve Funds encompass the Committed Reserves for Equipment Replacement, Capital Maintenance, Promissory Note Payment, and a Restricted Reserve to reimburse Measure AA costs of issuance. Finally, recent data indicates a projected increase in the FY2017-18 revenue by \$775,901.

DISCUSSION

The Board of Directors (Board) adopted the FY2017-18 Budget and Action Plan for the Midpeninsula Regional Open Space District (Midpen) at the June 14, 2017 regular meeting (Report R-17-89). The FY2017-18 adopted budget was \$61.4 million.

Board-authorized budget adjustments as of March 31, 2018 have increased the adopted budget by a net of \$2,406,931. These increases have covered unanticipated expenses for personnel services, services and supplies, capital improvement projects, and new land purchases (including the new South Area Office acquisition in Campbell).

The proposed Quarter 3 budget adjustments result in a net decrease of \$4,978,128 to the FY2017-18 budget due to projects being extended or deferred into the next fiscal year. These unspent project budgets are rolled over into the proposed FY2018-19 budget. Implementing

reductions for the Quarter 3 reforecast ensures that these project expenses are not double budgeted. The FY2017-18 amended budget with the Quarter 3 adjustments is \$58,832,238.

Fund Balance Transfers

The Acting General Manager and the Controller recommend transfers from the General Fund Unassigned Fund balance of \$600,000 to the Committed for Equipment Replacement reserve fund; \$1,000,000 to the new Committed for Capital Maintenance reserve fund; \$300,000 to the new Committed for Promissory Note reserve fund; and \$250,000 to reimburse Measure AA Capital Projects Fund for costs of issuance.

Of the proposed transfers, two Reserve Funds are new. The proposed Committed for Capital Maintenance reserve fund would allocate funds for ongoing maintenance related to Midpen assets. The Committed for Promissory Note reserve fund would allocate funds over the next five years to pay off the Hunt note, which has a balloon payment due in FY2022-23.

Most recently, the Board approved a transfer of \$5,000,000 from the General Fund Unassigned Fund Balance to the Committed for Infrastructure Reserve Fund on January 10, 2018. Table 1 below shows the recent General Fund transfer, as well as the new proposed fund transfers.

Table 1: Summary of Fund Balance

Summary of Fund Balance (All Governmental Funds)	General Fund	General Fund Transfers	Measure AA Capital Projects Fund	Debt Service Fund	Total
Nonspendable for prepaid expenditure	\$55,093				\$55,093
Restricted for debt service				2,193,934	\$2,193,934
Restricted for Measure AA Projects		250,000	7,344,797		\$7,594,797
Committed for infrastructure*	30,000,000	5,000,000			\$35,000,000
Committed for equipment replacement	2,400,000	600,000			\$3,000,000
Committed for natural disasters	3,000,000				\$3,000,000
Committed for capital maintenance		1,000,000			\$1,000,000
Committed for Promissory Note		300,000			\$300,000
Unassigned	23,872,450	-7,150,000			\$16,722,450
Total Fund Balance	\$59,327,543	\$0	\$7,344,797	\$2,193,934	\$68,866,274
Minimum Unassigned Fund Balance**					\$13,509,000

*The change to committed for infrastructure general fund transfers was applied to the fund balance on January 10, 2018.

**Calculated as 30 percent of total annual fund 10 property tax revenues.

Amended Revenue by Fund

Revenue projections show an increase to Midpen's FY2017-18 overall revenue of 1.5% or \$775,901, which is comprised of a \$335,901 increase in General Fund property tax revenues and an increase of \$440,000 in MAA tax revenues.

The updated total revenue is \$51.8 million. Table 2 below presents the projected revenue with amendments.

Table 2: Summary of Projected Revenue

DISTRICT REVENUE BY FUND	FY2017-18 Adopted Budget	YTD Approved Budget Amendments	Amended Budget (as of 3/31/2018)	Quarter 3 Proposed Budget Amendments	FY2017-18 Proposed Amended Budget
General Fund Operating (Fund 10)	\$47,312,593	\$407,787	\$47,720,380	\$335,901	\$48,056,281
Hawthorns (Fund 20)	\$15,000	\$5,000	\$20,000	\$0	\$20,000
Measure AA Land/Capital (Fund 30)	\$581,060	\$0	\$581,060	\$0	\$581,060
General Fund Land/Capital (Fund 40)	\$236,000	\$0	\$236,000	\$0	\$236,000
Debt Service Fund (Fund 50)	\$2,432,000	(\$7,000)	\$2,425,000	\$440,000	\$2,865,000
TOTAL DISTRICT REVENUE	\$50,576,653	\$405,787	\$50,982,440	\$775,901	\$51,758,341

Net-Zero FY2017-18 Budget Amendments Approved by the General Manager

Under Board Policy 3.04, *Budget and Expenditure Authority*, the General Manager is authorized by the Board of Directors to administratively process net-zero transfers/budget amendments. Below are the administratively approved net-zero amendments for Quarter 3.

Table 3: Quarter 3 Administratively Approved Budget Amendments

Budget Amendment Description	Board Approved Budget	Budget Amendment	Amended Budget
10-50-530-5299 - Other Professional Services	\$246,000	(\$28,000)	\$218,000
10-50-560-5299 - Other Professional Services	\$139,600	\$28,000	\$167,600
10-50-550-6601 - Training & Conferences	\$53,000	(\$30,000)	\$23,000
10-50-510-5299 - Other Professional Services	\$50,000	(\$20,000)	\$30,000
10-50-560-6601 - Training & Conferences	\$37,550	\$40,000	\$77,550
10-50-560-6605 - Safety Program	\$11,250	\$10,000	\$21,250
30-325-8205 - CONSTRUCTION (MAA23-002)	\$5,467,650	(\$425,000)	\$5,042,650
30-325-8205 - CONSTRUCTION (MAA17-002)	\$5,042,650	(\$10,000)	\$5,032,650
30-325-8205 - CONSTRUCTION (MAA23-006)	\$5,032,650	\$435,000	\$5,467,650
30-325-8205 - CONSTRUCTION (MAA21-006)	\$5,467,650	(\$250,000)	\$5,217,650
30-320-8201 - ARCHITECT/ENGINEERING (MAA21-006)	\$1,468,889	\$250,000	\$1,718,889
10-40-410-4104 - Temporary	\$705,282	(\$60,000)	\$645,282
10-70-710-4101 - Full Time	\$292,192	\$60,000	\$352,192
Administrative Amendment Subtotal		\$0	

- Geographic Information Systems (GIS) transferred \$28,000 from their professional services budget to the Human Resources (HR) professional services budget to assist with the unanticipated increase in executive recruitment costs due to recent retirements. GIS has savings this fiscal year from the Work Order and Asset Management project due to a shift in project schedule that extended the project into next fiscal year.

- Information Systems and Technology (IST) transferred \$30,000 from trainings & conferences to the HR training & conferences budget to assist with an unanticipated increased need for agency-wide staff trainings. Administrative Services also transferred \$20,000 from professional services due to project savings from the Grants Strategy Study to the HR trainings and safety program budget to fund HR training materials.
- Engineering & Construction transferred \$435,000 of construction budget from MAA23-002 (Mt. Umunhum Trails project) and MAA17-002 (Lysons Demo project) into MAA23-006 (Mt. Umunhum Road Repair) for final payments owed to the contractor.
- Engineering & Construction transferred \$250,000 from their construction budget to Planning's architect/engineering services budget within project MAA21-006 (Bear Creek Redwoods – Alma College) to allow for more design to be done before construction is started.
- Public Affairs transferred \$60,000 in savings (from the Preserve Use Survey project) to Legal to cover budget increases in salaries and benefits due to the recent retirement of the General Counsel. To share the workload burden, the Assistant General Counsel (AGC) increased from an 80% schedule to full time, and began as Acting General Counsel; this is accompanied by an acting pay increase. Midpen also hired a legal consultant to support the AGC, resulting in a \$128,000 shift from legal salaries to legal professional services to cover these costs.

Proposed Quarter 3 Amendments to the FY2017-18 Budget

Operating Budget

The Quarter 3 adjustments to the General Fund (Fund 10) Operating budget for FY2017-18 propose a net decrease of \$564,217 (due to a small increase in personnel costs and a larger decrease in services and supplies).

Salary & Benefits Budget

The General Fund (Fund 10) Salaries and Benefits budget for FY2017-18 is proposed to increase by \$66,110 due to the following:

- An increase of \$36,110 due to staff retirement cash outs in Visitor Services.
- An increase of \$30,000 for additional overtime due to ranger staff shortages.

Services & Supplies Budget

The General Fund (Fund 10) Services and Supplies budget for FY2017-18 is proposed to decrease by \$630,327.

Appendix A provides a full description of each adjustment. Table 4 below summarizes the Quarter 3 adjustments to the General Fund Operating budget.

Table 4: General Fund Operating Budget Quarter 3 Adjustments

General Fund Operating Budget Adjustments	Amount
Visitor Services Cash Outs	\$36,110
Visitor Services Overtime	30,000
Salary & Benefits Subtotal	66,110
Cooley Landing Business Plan	(130,000)
Alpine Road MAA Reimbursement	(28,800)
Land & Facilities Uniform Allowance	(20,000)
Harrington Bridge Lead Remediation	(5,000)
Docent and Volunteer Recognition Event	(15,000)
Visitor Services Office Furniture	(10,000)
Rancho San Antonio Non-Motorized Mobility, Transit Connections and Parking Alternatives	(50,000)
ADA Self-Assessment and Transition Plan	(35,000)
Natural Resources Projects	(336,527)
Services & Supplies Subtotal	(630,327)
TOTAL	-\$564,217

Hawthorn Budget

The Hawthorn (Fund 20) total budget for FY2017-18 is proposed to decrease by \$71,000.

Hawthorns Fund Operating Budget

The Hawthorn (Fund 20) Operating budget for FY2017-18 is proposed to decrease by \$30,000 in the Land & Facilities budget since the Planning department covered the fiscal year maintenance costs.

Hawthorns Fund Capital Budget

The Hawthorn (Fund 20) Capital budget for FY2017-18 is proposed to decrease by \$41,000 due to delays in negotiating and executing a one-year license agreement for a potential partner to assess the rehabilitation and reuse of the main residence and carriage house (garage). Stabilization work for these structures is on hold as Midpen works with the potential partner and prepares to present long-term partnership terms to the Board.

Capital Budget***Measure AA Capital Budget***

The Measure AA (Fund 30) Capital budget is proposed to decrease overall by \$1,913,661. Project budget reductions are mostly due to reductions in scope or change in timing. Costs for multiple projects are rolling-over into next fiscal year and thus included in the proposed FY2018-19 budget and CIAP. See Appendix A for a full description of each adjustment.

Table 5: Measure AA Capital Project Quarter 3 Adjustments

Measure AA Capital Project Reductions		Amount
MAA02-002	Bayfront Habitat Protection & Public Access Partnerships, Ravenswood Bay Trail	\$50,000
MAA05-007	La Honda Creek Upper Recreation Area - Red Barn Trail Connections	(171,000)
MAA06-XXX	Hawthorns Public Access Site Plan and CEQA	(48,000)
MAA07-XXX	La Honda Creek Loop Trails	58,000
MAA07-004	La Honda Creek Endangered Wildlife Protection: Fisheries Enhancement	(30,300)
MAA09-001	Russian Ridge Grazing Infrastructure	(125,000)
MAA09-003	Russian Ridge Mindego Pond Improvement	(102,600)
MAA10-001	Alpine Road Regional Trail, Coal Creek	(171,200)
MAA17-002	Lysons Disposition at Monte Bello	(281,750)
MAA18-002	Saratoga-to-Sea Regional Trail Connection	(260,000)
MAA20-001	Wildlife Corridor: Highway 17 Crossing	(177,800)
MAA21-004	Bear Creek Redwoods – Stables Site Plan Implementation	(200,000)
MAA21-005	Bear Creek Redwoods Public Access	(55,000)
MAA21-008	Bear Creek Redwoods Ponds Restoration and Water Rights	(123,510)
MAA22-001	Sierra Azul – Hendry’s Creek Property Land Restoration	(83,800)
MAA23-004	Mount Umunhum Summit Restoration, Parking and Landing Zone	(121,408)
MAA23-005	Mount Umunhum Guadalupe Overlook Bridge	(56,493)
MAA23-006	Mount Umunhum Road Rehabilitation	(13,800)
TOTAL		-\$1,913,661

General Fund Capital Budget

The General Fund (Fund 40) Capital budget for FY2017-18 is proposed to decrease by \$2,429,250; project reductions for Quarter 3 are shown below. See Appendix A for a full description of each adjustment.

Table 6: General Fund Capital Project Quarter 3 Adjustments

General Fund Capital Project Reductions	Amount
Administrative Office (AO) Facility*	(\$68,000)
Agricultural Workforce Housing (formerly Farm Labor Housing)	(165,000)
District Wide Fiber Optics (formerly Field Office Connectivity Project)	(500,000)
La Honda Creek - Point of Diversion 17 Water Line Replacement	(143,750)
Los Trancos - Page Mill Eucalyptus Removal	(225,000)
Purisima Creek Restroom Replacement	25,000
Monte Bello Site Driveway Improvements	(172,500)
Mt. Umunhum Radar Tower 2nd Assessment	(457,000)
Russian Ridge - Quam Residence Driveway Improvement	(230,000)
South Area Field Office	(123,000)
Tunitas Creek - Toto Ranch Driveway Improvements	(172,500)
Vehicles - Maintenance/Patrol	(47,500)
District-wide purchase options and low-value Land Fund	(150,000)
TOTAL	-\$2,429,250

Budget Adjustments by Department

Table 7 summarizes the FY2017-18 adopted budget and Quarter 3 budget amendments by Department.

Table 7: Summary of FY2017-18 Budget by Department

	FY2018 Adopted Budget	YTD Approved Budget Amendments	Amended Budget (as of 3/31/2018)	Quarter 3 Proposed Budget Amendments	FY2018 Proposed Amended Budget
Administrative Services	\$17,671,554	\$50,000	\$17,721,554	(\$500,000)	\$17,221,554
Engineering & Construction	\$9,474,157		\$9,474,157	(\$1,070,750)	\$8,403,407
General Counsel	\$587,889	\$50,000	\$637,889	\$60,000	\$697,889
General Manager's Office	\$2,305,456		\$2,305,456	(\$130,000)	\$2,175,456
Land & Facilities	\$12,028,266	\$198,200	\$12,226,466	(\$1,346,250)	\$10,880,216
Natural Resources	\$4,455,608		\$4,455,608	(\$1,050,438)	\$3,405,170
Planning	\$5,319,640	(\$1,024,000)	\$4,295,640	(\$771,800)	\$3,523,840
Public Affairs	\$2,189,993		\$2,189,993	(\$60,000)	\$2,129,993
Real Property	\$1,903,609	\$3,132,731	\$5,036,340	(\$150,000)	\$4,886,340
Visitor Services	\$5,467,263		\$5,467,263	\$41,110	\$5,508,373
Total	\$61,403,435	\$2,406,931	\$63,810,366	(\$4,978,128)	\$58,832,238

FISCAL IMPACT

Board approval of the FY2017-18 proposed budget amendments will result in a \$4,978,128 decrease to Midpen's FY2017-18 Budget of \$63,810,366 due to projects extending or deferring into the next fiscal year. These expenses are also included in the proposed FY2018-19 budget and *implementing the reductions for the Quarter 3 reforecast will ensure the expenses are not double budgeted*. The proposed amended budget totals \$58,832,238.

Table 8 summarizes the FY2017-18 adopted budget and Quarter 3 budget amendments by Fund.

Table 8: Summary of FY2017-18 Budget by Fund

DISTRICT BUDGET BY FUNDING SOURCE	FY2017-18 Adopted Budget	YTD Approved Budget Amendments	Amended Budget (as of 3/31/2018)	Quarter 3 Proposed Budget Amendments	FY2017-18 Proposed Amended Budget
General Fund Operating (Fund 10)	\$30,344,413	\$267,000	\$30,611,413	(\$564,217)	\$30,047,196
Hawthorns (Fund 20)	\$166,500	\$0	\$166,500	(\$71,000)	\$95,500
Measure AA Land/Capital (Fund 30)	\$12,637,845	(\$317,800)	\$12,320,045	(\$1,913,661)	\$10,406,384
General Fund Land/Capital (Fund 40)	\$6,533,040	\$2,457,731	\$8,990,771	(\$2,429,250)	\$6,561,521
Debt Service Fund (Fund 50)	\$11,721,637	\$0	\$11,721,637	\$0	\$11,721,637
TOTAL DISTRICT BUDGET	\$61,403,435	\$2,406,931	\$63,810,366	(\$4,978,128)	\$58,832,238

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, the Acting General Manager will direct staff to make the proposed budget amendments.

Attachments:

1. Resolution Amending the FY2017-18 Budget by Fund
2. FY2017-18 Quarter 3 Budget Amendments by Department & Budget Category
3. Quarter 3 Budget Amendments Detail

Responsible Department Head:

Carmen Narayanan, Budget & Analysis Manager

Prepared by:

Elissa Martinez, Management Analyst I

Marion Shaw, Management Analyst II

Quarter 3 Budget Adjustment Details

Fund 10 – General Fund Operating Budget

The General Fund (Fund 10) Operating budget for FY2017-18 is proposed to decrease by \$564,217 in total.

Services & Supplies Budget

The services and supplies budget decrease is due to the following:

- The Cooley Landing Business Plan project budget is proposed to decrease by \$130,000 given the additional time needed to work with the City of East Palo Alto to select the consultant and proceed with the search for an Education Center operator. The project and its remaining elements will continue into next fiscal year.
- Given that San Mateo County is no longer pursuing repair work for the MAA 10-001 Alpine Road Regional Trail, the original project scope was no longer valid and needed to be revised. On November 11, 2017, the Board approved a budget transfer from Fund 30 to Fund 10 to fund engineering assessments that evaluated three possible repair options for the road-width trail. On March 14, 2018, the Board approved the option to repair the regional corridor to trail-width. Although work continues, there will be funds left unspent in the current project budget for this fiscal year. Land and Facilities is therefore proposing to transfer \$28,800 from Fund 10 back to Fund 30 because Board approval of the scope makes the work eligible for MAA Bond reimbursement.
- The Land and Facilities employee uniform allowance budget is proposed to decrease by \$20,000 to correct a double counting error.
- Land and Facilities proposes to reduce the facilities maintenance structures budget by \$30,000 to offset an addition of \$25,000 to the Harrington Creek bridge budget to cover unanticipated lead remediation expenses.
- Visitors Services proposes to reduce their budget by \$25,000 due to savings in their Docent and Volunteer Recognition Event and office furniture budgets.
- The Rancho San Antonio Non-Motorized Mobility, Transit Connections and Parking Alternatives (project number TBD) project budget is proposed to decrease by \$50,000. The project was put on hold after initial meetings with stakeholders due to staffing changes, and will resume FY2018-19. The project is included in the FY2018-19 Capital Improvement and Action Plan.
- The ADA Self-Assessment and Transition Plan (#31401) project budget is proposed to decrease by \$35,000. An additional Board workshop was added to the scope, extending the project timeline. The project is included in the FY2018-19 Capital Improvement and Action Plan.
- Natural Resources proposes several operating project budget decreases, including a total of \$236,320 due to project delays in Endangered Species Act Programmatic Permitting, contract implementation for plant maintenance, Marbled Murrelet Recovery Planning, Predator/Livestock Protection Policy development, the Wildlife Photo Index project, and the coastal riparian study. An additional \$100,207 decrease in the operating budget is proposed due to reduced scopes for work related to Sudden Oak Death, on-call biological monitoring, ECDM sediment study, water rights legal services, and the San Gregorio watershed adjudication compliance project.

Fund 30 – Measure AA Fund Capital Budget

The Measure AA (Fund 30) capital budget is proposed to decrease overall by \$1,913,661 due to the following:

- Revisions to the project scope for MAA10-001, Alpine Road Regional Trail, have resulted in extensions to the project schedule and a subsequent proposed \$200,000 reduction to the current budget. Work will continue into FY2018-19, as reflected in the proposed FY2018-19 budget.
- MAA09-001, Russian Ridge Grazing Infrastructure, is proposed to decrease by \$125,000 due to a shift in the project schedule pending amendments to the Preserve Use and Management Plan and Rangeland Management Plan. The project is included in the proposed FY2018-19 budget.
- MAA02-002, Ravenswood Bay Trail, is proposed to increase by \$50,000. Additional technical studies are needed to complete the design documents, as well as permitting support to secure regulatory permits.
- MAA05-007, La Honda Creek Upper Recreation Area - Red Barn Trail Connections, is proposed to decrease by \$171,000. Work on the Red Barn Trail Connections is on hold pending final design of the proposed Red Barn parking area and trailhead. Work is expected to continue early next fiscal year.
- MAA06-XXX, Hawthorns Public Access, is proposed to decrease by \$48,000. The Hawthorns Public Access Project is underway with a Parking Lot Feasibility Study and neighborhood/stakeholder meetings scheduled for the summer. To provide adequate time for Board review of project goals and objectives, initiation of the CEQA process will be shifted to FY2018-19.
- MAA07-XXX, La Honda Creek Loop Trail, is part of the La Honda Master Plan Phase II trail connections and was approved as a new Action Plan project with a recommended budget of \$58,000 on April 11, 2018. Due to a delay in the Red Barn Trail Connections Project (see above), the La Honda Creek Loop Trail, which will be located off the Sears Ranch Road parking area in lower La Honda Creek, has been prioritized. Engineering and design will commence this spring and continue through FY2018-2019.
- MAA18-XXX, Saratoga-to-the-Sea Trail. The City of Saratoga is leading this project and managing the schedule. The City is including this project in its FY2018-19 Capital Improvement Plan. Midpen and City staff are currently working on a partnership/funding agreement. The project is included in the FY2018-19 Capital Improvement and Action Plan in Fund 40.
- MAA21-004, Bear Creek Redwoods – Stables Site Plan, is proposed to decrease by \$200,000. Additional site investigations have identified the need for more extensive site grading, multiple retaining walls to address landslide areas, and rearrangement of project elements to fit within the highly constrained site, resulting in higher implementation cost estimates. Given these additional projected construction costs, the project schedule for design work has extended to explore potential external funding partnership opportunities to leverage Midpen funding.
- MAA22-001, Sierra Azul – Hendry’s Creek Restoration, is proposed to decrease by \$83,800. The project requires more than a year for permitting with US Army Corps, California Department of Fish and Wildlife, and the Regional Water Control Board, all of

whom are experiencing limited staffing and a backlog of permit applications to review due to last year's storm damage.

- Budgets for MAA23-004, MAA23-005, and MAA23-006 are proposed to decrease by a total of \$191,701 because plant maintenance originally budgeted in these projects was deemed ineligible for Measure AA reimbursement. Project budgets for MAA20-1, Highway 17 Wildlife Corridor, and MAA09-003, Mindego Pond, are proposed to decrease by \$280,400 due to project delays. Budgets for MAA21-008, Bear Creek Redwoods Ponds, and MAA21-005, Western Pond Turtle Mitigation, are proposed to decrease by \$178,510 due to a decrease in scope.
- The budget for MAA07-004, La Honda Creek Fisheries, is proposed to decrease by \$30,300 because the project was completed under budget.
- The budget for MAA17-002, Lobner/Lysons Disposition, is reduced by \$281,750 due to biological constraints within the construction season that led to delay in disposition.

Fund 40 – General Fund Capital Budget

General Fund Capital Budget

The General Fund (Fund 40) Capital budget for FY2017-18 is proposed to decrease by \$2,429,250 due to the following:

- The New Administrative Office (AO) project budget is proposed to decrease by \$68,000. The Board approved the preferred project delivery process for the new AO in mid-March, which was a necessary step to inform the development of a Request for Proposal (RFP) to proceed with the selection of an architect/design team. The project is included in the FY2018-19 Capital Improvement and Action Plan.
- The budget for Project 35001, Agricultural Workforce Housing, is proposed to be decreased by \$165,000 because the bulk of the design and construction is now scheduled to occur in FY2018-19. Work will continue in FY2018-19 and the project is included in the FY2018-19 Capital Improvement and Action Plan in Fund 40.
- The District Wide Fiber Optics (formerly known as Field Office Connectivity) project budget is proposed to decrease by \$500,000 due to a shift in project scope. After reaching out to different potential vendors, Midpen staff identified a new, less costly fiber optics solution. New project costs are included as a part of the proposed FY2018-19 budget.
- The Point of Diversion 17 Water Line Replacement project budget is proposed to decrease by \$143,750 due to schedule delays. Construction will start in FY2018-19.
- The Page Mill Eucalyptus Removal project budget will decrease by \$225,000 due to a delay in the project schedule (work will continue into FY2018-19). Of this reduction, \$25,000 is proposed to be shifted to the Purisima Creek Restroom Replacement project budget, which was partially reduced in Quarter 1 to cover the cost of critical maintenance to two Midpen residences.
- Project budgets for driveway improvements at Monte Bello, Russian Ridge - Quam Residence, and Tunitas Creek - Toto Ranch are proposed to decrease by \$172,500, \$230,000, and \$172,500, respectively, due to schedule delays. Construction will start in at the start of FY2018-19.
- The budget for the Mount Umunhum Radar Tower project #31307 is proposed to decrease by \$457,000 due to a project delay to address unanticipated remediation issues

in FY2017-18. Of this budget decrease, \$212,000 will roll over to the FY2018-19 Capital Improvement and Action Plan in Fund 40.

- The Saratoga-to-the-Sea Trail project budget is proposed to decrease by \$260,000. The City of Saratoga, which leads the MAA18-XXX Saratoga-to-the-Sea Trail project and controls the schedule, has shifted this project to its FY2018-19 Capital Improvement Plan.
- The South Area Field Office (SAFO) project budget is proposed to decrease by \$123,000. This project did not require the robust planning and environmental services originally budgeted, as a CEQA exemption was prepared for the project. Permitting for site improvements is expected in FY2018-19. The project is included in the FY2018-19 Capital Improvement and Action Plan.
- The Vehicles budget is proposed to decrease by \$47,500 due to a manufacturer backlog that resulted in the delivery delay of a vehicle. The vehicle will be received in July and is included in the proposed FY2018-19 budget.
- The budget for agency-wide purchase options and low-value land is proposed to be reduced by \$150,000 based on projected pre-acquisition activities through the end of the Fiscal Year.

###

RESOLUTION NO. 18-__**RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDPENINSULA REGIONAL OPEN SPACE DISTRICT AMENDING THE BUDGET FOR FISCAL YEAR 2017-18**

WHEREAS, on June 14, 2017 the Board of Directors of the Midpeninsula Regional Open Space District (“Board”) adopted the Fiscal Year (FY) 2017-18 Budget and Action Plan; and

WHEREAS, on November 8, 2017 and February 14, 2018, the Board amended the FY 2017-18 Budget; and

WHEREAS, the General Manager recommends further amendments to the FY 2017-18 Budget to reflect budget adjustments, resulting in a net decrease of \$4,978,128;

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 increase the FY 2017-18 Budget for the Midpeninsula Regional Open Space District by \$775,901 as follows:

DISTRICT REVENUE BY FUND	FY2017-18 Adopted Budget	YTD Approved Budget Amendments	Amended Budget (as of 3/31/2018)	Quarter 3 Proposed Budget Amendments	FY2017-18 Proposed Amended Budget
General Fund Operating (Fund 10)	\$47,312,593	\$407,787	\$47,720,380	\$335,901	\$48,056,281
Hawthorns (Fund 20)	\$15,000	\$5,000	\$20,000	\$0	\$20,000
Measure AA Land/Capital (Fund 30)	\$581,060	\$0	\$581,060	\$0	\$581,060
General Fund Land/Capital (Fund 40)	\$236,000	\$0	\$236,000	\$0	\$236,000
Debt Service Fund (Fund 50)	\$2,432,000	(\$7,000)	\$2,425,000	\$440,000	\$2,865,000
TOTAL DISTRICT REVENUE	\$50,576,653	\$405,787	\$50,982,440	\$775,901	\$51,758,341

SECTION TWO. Approve the recommended budget amendments to the FY 2017-18 Budget for the Midpeninsula Regional Open Space District by \$4,978,128 as follows:

DISTRICT BUDGET BY FUNDING SOURCE	FY2017-18 Adopted Budget	YTD Approved Budget Amendments	Amended Budget (as of 3/31/2018)	Quarter 3 Proposed Budget Amendments	FY2017-18 Proposed Amended Budget
General Fund Operating (Fund 10)	\$30,344,413	\$267,000	\$30,611,413	(\$564,217)	\$30,047,196
Hawthorns (Fund 20)	\$166,500	\$0	\$166,500	(\$71,000)	\$95,500
Measure AA Land/Capital (Fund 30)	\$12,637,845	(\$317,800)	\$12,320,045	(\$1,913,661)	\$10,406,384
General Fund Land/Capital (Fund 40)	\$6,533,040	\$2,457,731	\$8,990,771	(\$2,429,250)	\$6,561,521
Debt Service Fund (Fund 50)	\$11,721,637	\$0	\$11,721,637	\$0	\$11,721,637
TOTAL DISTRICT BUDGET	\$61,403,435	\$2,406,931	\$63,810,366	(\$4,978,128)	\$58,832,238

SECTION THREE. Approve the proposed fund balance transfers, inclusive of creating two new reserve funds: committed for capital maintenance and committed for promissory note, for the Midpeninsula Regional Open Space District as follows:

Summary of Fund Balance (All Governmental Funds)	General Fund	General Fund Transfers	Measure AA Capital Projects Fund	Debt Service Fund	Total
Nonspendable for prepaid expenditure	\$55,093				\$55,093
Restricted for debt service				2,193,934	\$2,193,934
Restricted for Measure AA Projects		250,000	7,344,797		\$7,594,797
Committed for infrastructure*	30,000,000	5,000,000			\$35,000,000
Committed for equipment replacement	2,400,000	600,000			\$3,000,000
Committed for natural disasters	3,000,000				\$3,000,000
Committed for capital maintenance		1,000,000			\$1,000,000
Committed for Promissory Note		300,000			\$300,000
Unassigned	23,872,450	-7,150,000			\$16,722,450
Total Fund Balance	\$59,327,543	\$0	\$7,344,797	\$2,193,934	\$68,866,274

*The change to committed for infrastructure general fund transfers was applied to the fund balance on January 10, 2018.

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

SECTION FIVE. Except as herein modified, the FY 2017-18 Budget and Action Plan, Resolution No. 17-89 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 2018 Quarter 3 Budget Amendments by Department & Budget Category (Attachment 2)

DISTRICT BUDGET BY EXPENDITURE CATEGORY	FY2018 Adopted Budget	YTD Approved Budget Amendments	Amended Budget (as of 3/31/2018)	Quarter 3 Proposed Budget Amendments	FY2018 Proposed Amended Budget
Administrative Services					
Salaries and Benefits	\$3,820,578		\$3,820,578		\$3,820,578
Services and Supplies	\$1,629,339	\$50,000	\$1,679,339		\$1,679,339
Total Operating Expenditures	\$5,449,917	\$50,000	\$5,499,917		\$5,499,917
General Fund Capital	\$500,000		\$500,000	(\$500,000)	\$0
Debt Service	\$11,721,637		\$11,721,637		\$11,721,637
Total Administrative Services Expenditures	\$17,671,554	\$50,000	\$17,721,554	(\$500,000)	\$17,221,554
Engineering & Construction					
Salaries and Benefits	\$1,009,602		\$1,009,602		\$1,009,602
<i>Less: MAA Reimbursable Staff Costs</i>	<i>(\$93,000)</i>		<i>(\$93,000)</i>		<i>(\$93,000)</i>
Net Salaries and Benefits	\$916,602		\$916,602		\$916,602
Services and Supplies	\$75,255		\$75,255		\$75,255
Total Operating Expenditures	\$991,857		\$991,857		\$991,857
<i>General Fund Capital</i>	<i>\$1,401,350</i>		<i>\$1,401,350</i>	<i>(\$539,000)</i>	<i>\$862,350</i>
<i>Measure AA Capital</i>	<i>\$7,080,950</i>		<i>\$7,080,950</i>	<i>(\$531,750)</i>	<i>\$6,549,200</i>
Total Capital Expenditures	\$8,482,300		\$8,482,300	(\$1,070,750)	\$7,411,550
Total Engineering & Construction Expenditures	\$9,474,157		\$9,474,157	(\$1,070,750)	\$8,403,407
General Counsel					
Salaries and Benefits	\$526,584		\$526,584	\$60,000	\$586,584
Services and Supplies	\$61,305	\$50,000	\$111,305		\$111,305
Total Operating Expenditures	\$587,889	\$50,000	\$637,889	\$60,000	\$697,889
Total General Counsel Expenditures	\$587,889	\$50,000	\$637,889	\$60,000	\$697,889
General Manager					
Salaries and Benefits	\$1,699,231		\$1,699,231		\$1,699,231
Services and Supplies	\$606,225		\$606,225	(\$130,000)	\$476,225
Total Operating Expenditures	\$2,305,456		\$2,305,456	(\$130,000)	\$2,175,456
Total General Manager Expenditures	\$2,305,456		\$2,305,456	(\$130,000)	\$2,175,456
Land & Facilities					
Salaries and Benefits	\$5,225,613		\$5,225,613		\$5,225,613
<i>Less: MAA Reimbursable Staff Costs</i>	<i>(\$976,033)</i>		<i>(\$976,033)</i>		<i>(\$976,033)</i>
Net Salaries and Benefits	\$4,249,580		\$4,249,580		\$4,249,580
Services and Supplies	\$3,479,213	\$167,000	\$3,646,213	(\$53,800)	\$3,592,413
Total Operating Expenditures	\$7,728,793	\$167,000	\$7,895,793	(\$53,800)	\$7,841,993
Services and Supplies	\$82,500		\$82,500	(\$30,000)	\$52,500
Total Hawthorn Expenditures	\$82,500	\$0	\$82,500	(\$30,000)	\$52,500
<i>General Fund Capital</i>	<i>\$2,697,190</i>	<i>(\$50,000)</i>	<i>\$2,647,190</i>	<i>(\$966,250)</i>	<i>\$2,350,990</i>
<i>Measure AA Capital</i>	<i>\$1,519,783</i>	<i>\$81,200</i>	<i>\$1,600,983</i>	<i>(\$296,200)</i>	<i>\$1,304,783</i>
Total Capital Expenditures	\$4,216,973	\$31,200	\$4,248,173	(\$1,262,450)	\$2,985,723
Total Land & Facilities Expenditures	\$11,945,766	\$198,200	\$12,143,966	(\$1,346,250)	\$10,797,716
Natural Resources					
Salaries and Benefits	\$1,605,070		\$1,605,070		\$1,605,070
<i>Less: MAA Reimbursable Staff Costs</i>	<i>(\$200,923)</i>		<i>(\$200,923)</i>		<i>(\$200,923)</i>
Net Salaries and Benefits	\$1,404,147		\$1,404,147		\$1,404,147
Services and Supplies	\$1,532,038		\$1,532,038	(\$336,527)	\$1,195,511
Total Operating Expenditures	\$2,936,185		\$2,936,185	(\$336,527)	\$2,599,658
<i>General Fund Capital</i>	<i>\$48,000</i>		<i>\$48,000</i>	<i>(\$33,000)</i>	<i>\$15,000</i>
<i>Measure AA Capital</i>	<i>\$1,471,423</i>		<i>\$1,471,423</i>	<i>(\$680,911)</i>	<i>\$790,512</i>
Total Capital Expenditures	\$1,519,423		\$1,519,423	(\$713,911)	\$805,512
Total Natural Resources Expenditures	\$4,455,608		\$4,455,608	(\$1,050,438)	\$3,405,170

FY 2018 Quarter 3 Budget Amendments by Department & Budget Category (Attachment 2)

DISTRICT BUDGET BY EXPENDITURE CATEGORY	FY2018 Adopted Budget	YTD Approved Budget Amendments	Amended Budget (as of 3/31/2018)	Quarter 3 Proposed Budget Amendments	FY2018 Proposed Amended Budget
Planning					
Salaries and Benefits	\$1,434,535		\$1,434,535		\$1,434,535
<i>Less: MAA Reimbursable Staff Costs</i>	<i>(\$19,300)</i>		<i>(\$19,300)</i>		<i>(\$19,300)</i>
Net Salaries and Benefits	\$1,415,235		\$1,415,235		\$1,415,235
Services and Supplies	\$356,716		\$356,716	(\$85,000)	\$271,716
Total Operating Expenditures	\$1,771,951		\$1,771,951	(\$85,000)	\$1,686,951
Hawthorn Capital	\$84,000		\$84,000	(\$41,000)	\$43,000
Total Capital Expenditures	\$84,000		\$84,000	(\$41,000)	\$43,000
<i>General Fund Capital</i>	<i>\$1,022,000</i>	<i>(\$644,000)</i>	<i>\$378,000</i>	<i>(\$241,000)</i>	<i>\$137,000</i>
<i>Measure AA Capital</i>	<i>\$2,441,489</i>	<i>(\$380,000)</i>	<i>\$2,061,489</i>	<i>(\$404,800)</i>	<i>\$1,656,689</i>
Total Capital Expenditures	\$3,463,489	(\$1,024,000)	\$2,439,489	(\$645,800)	\$1,793,689
Total Planning Expenditures	\$5,319,640	(\$1,024,000)	\$4,295,640	(\$771,800)	\$3,523,840
Public Affairs					
Salaries and Benefits	\$1,058,197		\$1,058,197	(\$60,000)	\$998,197
Services and Supplies	\$1,131,796		\$1,131,796		\$1,131,796
Total Operating Expenditures	\$2,189,993		\$2,189,993	(\$60,000)	\$2,129,993
Total Public Affairs Expenditures	\$2,189,993		\$2,189,993	(\$60,000)	\$2,129,993
Real Property					
Salaries and Benefits	\$759,564		\$759,564		\$759,564
<i>Less: MAA Reimbursable Staff Costs</i>	<i>\$0</i>		<i>\$0</i>		<i>\$0</i>
Net Salaries and Benefits	\$759,564		\$759,564		\$759,564
Services and Supplies	\$155,545		\$155,545		\$155,545
Total Operating Expenditures	\$915,109		\$915,109		\$915,109
<i>General Fund Land and Associated Costs</i>	<i>\$864,500</i>	<i>\$3,151,731</i>	<i>\$4,016,231</i>	<i>(\$150,000)</i>	<i>\$3,866,231</i>
<i>Measure AA Land and Associated Costs</i>	<i>\$124,000</i>	<i>(\$19,000)</i>	<i>\$105,000</i>		<i>\$105,000</i>
Total Land and Associated Costs	\$988,500	\$3,132,731	\$4,121,231	(\$150,000)	\$3,971,231
Total Real Property Expenditures	\$1,903,609	\$3,132,731	\$5,036,340	(\$150,000)	\$4,886,340
Visitor Services					
Salaries and Benefits	\$4,877,314		\$4,877,314	\$66,110	\$4,943,424
Services and Supplies	\$589,949		\$589,949	(\$25,000)	\$564,949
Total Operating Expenditures	\$5,467,263		\$5,467,263	\$41,110	\$5,508,373
Total Visitor Services Expenditures	\$5,467,263		\$5,467,263	\$41,110	\$5,508,373

Quarter 2 Budget Amendments Detail (Attachment 3)

Budget Categories / Accounts	Adopted Budget as of Mar 31	Quarter 3 Proposed Budget Amendment	Quarter 3 Proposed Amended Budget
10-70-710-4101 - Full Time	\$292,192	\$60,000	\$352,192
10-40-410-4104 - Temporary	\$705,282	(\$60,000)	\$645,282
10-65-615-4111 - Overtime	\$28,000	\$30,000	\$58,000
10-65-615-4132 - Holiday Payout	\$15,000	\$8,000	\$23,000
10-65-615-4142 - Sick Leave Cash Outs	\$18,000	\$22,110	\$40,110
10-65-615-4143 - Personal Leave Cash Outs	\$0	\$6,000	\$6,000
General Fund (10) Salaries & Benefits		\$66,110	
10-30-320-5299 - Other Professional Services	\$208,000	(\$73,000)	\$135,000
10-30-320-5901 - Postage	\$10,000	(\$10,000)	\$0
10-30-320-6501 - Public Meeting Expense	\$9,000	(\$2,000)	\$7,000
10-50-530-5299 - Other Professional Services	\$246,000	(\$28,000)	\$218,000
10-50-560-5299 - Other Professional Services	\$139,600	\$28,000	\$167,600
10-50-550-6601 - Training & Conferences	\$53,000	(\$30,000)	\$23,000
10-50-510-5299 - Other Professional Services	\$50,000	(\$20,000)	\$30,000
10-50-560-6601 - Training & Conferences	\$37,550	\$40,000	\$77,550
10-50-560-6605 - Safety Program	\$11,250	\$10,000	\$21,250
10-10-110-5299 - Other Professional Services	\$312,000	(\$130,000)	\$182,000
10-61-641-5299 - Other Professional Services	\$0	(\$28,800)	(\$28,800)
10-61-611-7003 - Employee Uniform Allowance	\$47,245	(\$20,000)	\$27,245
10-61-691-7101 - Facility Maint - Structures - Exterior/Interior	\$50,000	(\$30,000)	\$20,000
10-61-641-7114 - Facility Maint - Hazardous Waste	\$3,000	\$25,000	\$28,000
10-65-645-7607 - Events		(\$15,000)	(\$15,000)
10-65-615-6903 - Office Furniture		(\$10,000)	(\$10,000)
10-80-820-5299 - Other Professional Services	\$141,000	(\$13,339)	\$127,661
10-80-820-7112 - Facility Maint - Resource Mgmt/Lanscaping	\$567,000	(\$76,042)	\$490,958
10-80-830-5211 - Resource/Environmental	\$153,250	(\$55,362)	\$97,888
10-80-830-5299 - Other Professional Services	\$105,000	(\$69,515)	\$35,485
10-80-850-5211 - Resource/Environmental	\$75,000	(\$40,000)	\$35,000
10-80-850-5219 - Legal Services	\$50,000	(\$10,826)	\$39,174
10-80-850-5299 - Other Professional Services	\$272,000	(\$71,443)	\$200,557
General Fund (10) Services & Supplies		(\$630,327)	
20-61-641-7101 - Facilities Maintenance Structures	\$40,000	(\$30,000)	\$10,000
Hawthorn Fund (20) Operating		(\$30,000)	
20-30-320-8201 - ARCHITECT/ENGINEERING SERVS	\$24,000	(\$15,000)	\$9,000
20-30-320-8202 - ENVIRONMENTAL/PLANNING SERVICES	\$42,000	(\$42,000)	\$0
20-30-320-8203 - CONSTRUCTION & SPECIAL INSPECTION/MONITOR	\$6,000	(\$5,000)	\$1,000
20-30-320-8204 - PERMITTING FEES	\$12,000	(\$12,000)	\$0
20-30-320-8205 - CONSTRUCTION	\$0	\$33,000	\$33,000
Hawthorn Fund (20) Capital		(\$41,000)	
30-30-320-8201 - ARCHITECT/ENGINEERING	\$1,468,889	(\$275,000)	\$1,193,889
30-30-320-8202 - ENVIRONMENTAL/PLANNING	\$343,580	(\$29,000)	\$314,580
30-30-320-8204 - PERMITTING FEES	\$94,320	(\$39,000)	\$55,320
30-30-320-8205 - CONSTRUCTION	\$73,800	(\$61,800)	\$12,000
30-35-325-8205 - CONSTRUCTION	\$5,467,650	(\$531,750)	\$4,935,900
30-61-641-8201 - Real Estate Services	\$0	\$28,800	\$28,800

Quarter 2 Budget Amendments Detail (Attachment 3)

Budget Categories / Accounts	Adopted Budget as of Mar 31	Quarter 3 Proposed Budget Amendment	Quarter 3 Proposed Amended Budget
30-61-641-8205 - Construction	\$69,000	(\$200,000)	(\$131,000)
30-61-621-8205 - Construction	\$172,500	(\$125,000)	\$47,500
30-80-820-8202 - ENVIRONMENTAL/PLANNING SERVICES	\$30,000	(\$30,000)	\$0
30-80-820-8205 - CONSTRUCTION	\$554,200	(\$161,701)	\$392,499
30-80-830-8201 - ARCHITECT/ENGINEERING SERVS	\$453,600	(\$280,010)	\$173,590
30-80-830-8202 - ENVIRONMENTAL/PLANNING SERVICES	\$225,600	(\$154,300)	\$71,300
30-80-830-8204 - PERMITTING FEES	\$24,600	(\$24,600)	\$0
30-80-850-8201 - ARCHITECT/ENGINEERING SERVS	\$14,300	(\$14,300)	\$0
30-80-850-8205 - CONSTRUCTION	\$46,000	(\$16,000)	\$30,000
MAA - Capital (30) Non-Land		(\$1,913,661)	
			\$0
MAA - Capital (30) Land		\$0	
40-30-320-8201 - ARCHITECT/ENGINEERING	\$277,000	(\$142,000)	\$135,000
40-30-320-8202 - ENVIRONMENTAL/PLANNING	\$90,000	(\$90,000)	\$0
40-30-320-8204 - PERMITTING FEES	\$9,000	(\$9,000)	\$0
40-35-325-5801 - Postage	\$1,450	(\$1,050)	\$400
40-35-325-5901 - Printing Services	\$3,750	(\$2,500)	\$1,250
40-35-325-6301 - Vehicle Expense	\$5,500	(\$1,500)	\$4,000
40-35-325-6501 - Public Meeting Expense	\$5,500	(\$5,500)	\$0
40-35-325-7002 - Field Supplies - Consumables	\$92,700	(\$11,000)	\$81,700
40-35-325-8201 - ARCHITECT/ENGINEERING	\$478,200	(\$233,000)	\$245,200
40-35-325-8202 - ENVIRONMENTAL/PLANNING SERVICES	\$201,000	(\$145,200)	\$55,800
40-35-325-8204 - PERMITTING FEES	\$126,000	(\$78,000)	\$48,000
40-35-325-8205 - CONSTRUCTION	\$431,250	(\$61,250)	\$370,000
40-50-550-5299 - Other Professional Services	\$500,000	(\$500,000)	\$0
40-61-641-8205 - Construction	\$368,000	(\$200,000)	\$168,000
40-61-621-8205 - Construction	\$951,050	(\$718,750)	\$232,300
40-61-671-8501 - Vehicles	\$740,000	(\$47,500)	\$692,500
40-80-830-8202 - ENVIRONMENTAL/PLANNING SERVICES	\$48,000	(\$33,000)	\$15,000
General Fund - Capital (40) Non-Land		(\$2,279,250)	
40-20-230-8101 - REAL ESTATE SERVICES	\$864,500	(\$150,000)	\$714,500
General Fund - Capital (40) Land		(\$150,000)	
Total Budget Amendments - Increase / (Decrease)		(\$4,978,128)	