



Midpeninsula Regional
Open Space District

ACTION PLAN AND BUDGET COMMITTEE

R-14-139
November 12, 2014

AGENDA ITEM 3

AGENDA ITEM

Fiscal Year 2014-15 Midyear State of the District Report and Recommended Action Plan and Budget Adjustments

GENERAL MANAGER'S RECOMMENDATIONS

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1. Accept the Fiscal Year (FY) 2014-15 Midyear State of the District Report
2. Recommend to the Board of Directors approval of the recommended Midyear Action Plan and Budget adjustments.

SUMMARY

This Midyear State of the District Report (Midyear Report) provides a status update as of September 30, 2014 of the current Fiscal Year Action Plan and Budget, as well as any notable changes to Key Projects and proposed budget modifications. The addition of ten new projects, combined with the staff resources needed to develop the Measure AA Implementation Plan, has resulted in the delay or deferral of 13 existing projects. Operating expenses are tracking within the expected range at 42% expended and capital expenditures are at 17%, however, encumbrances bring total capital commitments to 39%. No land was purchased as of September 30, but the Board approved a \$1.48 million purchase in October. As part of the Midyear Report, the General Manager recommends (1) converting three contingent positions that are critical to District business operations to permanent status, (2) extending one contingent position for two additional years, (3) adding up to four additional positions to address needs related to Measure AA implementation, and (4) a net-zero shift of \$150,000 from the Capital and the Vision Plan Budgets to the Operating Budget to address District water rights.

DISCUSSION

The Board of Directors adopted the FY2014-15 Action Plan and Budget at the March 26, 2014 regular meeting (Reports R-14-59 and R-14-60). This Midyear Report includes a status update of notable changes to Action Plan Key Projects (as outlined below) and a review of year-to-date expenditures as of September 30, 2014 as compared to the adopted budget.

Key Projects that meet the following criteria are highlighted in this report:

1. Completed projects
2. New projects added to the Action Plan after it was adopted
3. Projects with delays where the completion date is moved to FY2015-16

4. Newly deferred projects
5. Projects with budget changes greater than \$100,000

Part I: Action Plan Status Update

The District's FY2014-15 Action Plan was originally comprised of 96 active Key Projects (R-14-59). The project descriptions are included in the February 26, 2014 Initial Presentation of the District's Proposed Action Plan for Fiscal Year 2014-15 (R-14-38). Since Board adoption of the annual Action Plan and Budget, the District has completed eleven Key Projects and added ten new projects. To accommodate the additional workload, as well as respond to emerging issues and unanticipated increases to project scope for existing projects, the completion dates for 13 District projects have moved out to FY2015-16 or beyond.

Also of note are three projects with significant expenditure savings totaling \$435,000 that will be used to offset the cost of the eight new projects. Specific details regarding these changes can be found in Attachment 1. Projects potentially eligible for Measure AA are indicated by (MAA).

Completed Projects – The following eleven Key Projects have been completed as of midyear:

- Administrative Office Mansard Roof Replacement
- Ancient Oaks Trail
- Annual Audit and Single Audit for Mt. Umunhum
- Bald Mountain Parking Area (MAA)
- Election Mapping
- Mindego Hill Trail
- Outdoor Activity Docent and Volunteer Training
- Rebuild Pond DR05
- Site Restoration – Saratoga Gap Cabins
- Upgrade Two Above Ground Fuel Tanks at Field Offices
- Volunteer Recognition Event

New Projects – Ten new projects were identified and added to the FY2014-15 Action Plan after April 1, 2014. All new project costs will be covered by savings in other projects.

- Bear Creek Redwoods Preserve Plan/CEQA (MAA)
- District Water Rights Evaluation
- Document Management System: Procurement and Implementation
- Employee Compensation Guiding Principles
- Information Technology Strategic Plan
- Lehigh Quarry Settlement
- Lupin Water Diversion and Illegal Grading
- Mindego Area: Demolition and Public Access (MAA)
- Mindego Habitat Enhancement Plan Implementation
- Mt Umunhum Public Access Implementation: New Road Gate (MAA)

Delayed Projects – The completion date for the following ten projects has been delayed one year, from FY2014-15 to FY2015-16:

- Bear Creek Redwoods (BCR) Stables Plan (MAA)
- Carbon Sequestration/Climate Change Analysis
- Christmas Tree Farm New Lease
- ECdM Staging Area and Trail Improvements: Phase III/IV Oljon Trail - Design/Permitting (MAA)
- Encroachment Resolution – Gullicksen
- Mt Um Guadalupe Creek Overlook and Bridges Planning and Design (MAA)
- New Land Rental Property Transition – Silva
- Removal of Abandoned Vehicles
- Skyline Facility Improvements – Driveway
- Water Agreement with Presentation Center, Bear Creek Redwoods

Deferred Projects – The completion date for the following three projects has moved from FY2014-15 to FY2016-17 or beyond due to either insufficient staff capacity or a desire to more holistically evaluate staff facility needs:

- Encroachment Resolution – Kennedy Trail
- Skyline Facility Improvements – Shop Building
- Skyline Field Office – Install Automated Gate

Projects with Budget Change Greater than \$100,000 – The following four projects have budget adjustments of more than \$100,000.

- Ancient Oaks Trail Construction (savings of \$160,000)
- Bald Mountain Parking Area (savings of \$125,000)
- Demolition and Clean up of Abandoned Structures (budget reduced by \$150,000)
- Skyline Facility Improvements – HVAC (budget increased by \$124,000)

Part II.A: Year-to-Date Revenue and Expenditure Status as of September 30, 2014

The FY2014-15 Annual Budget of \$43,920,271 was adopted by the Board of Directors on March 26, 2014, with a property tax revenue forecast of \$33,556,000 (Report R-14-60), which includes \$650,000 in Redevelopment Agency (RDA) revenue.

Revenues

Property tax revenues totaled \$4.8 million as of September 30, 2014, which is 14% of the adopted property tax revenue estimate and includes RDA income of \$300,000. Year-end property tax revenue is now projected to exceed the original forecast estimate by approximately \$184,000, or 0.5%, for a revised estimate of \$33,740,000.

Total District Expenditures

As of September 30, 2014, there have been no modifications to the FY2014-15 Adopted Budget. Overall District expenditures at Midyear totaled \$15.9 million, or 36% of the FY2014-15 Budget, which is consistent with recent prior year Midyear expenditures. Attachment 2 provides

more detail on the FY2014-15 six-month expenditures versus the prior year FY2013-14 expenditures.

A summary of FY2014-15 Midyear expenditures as compared to the FY2014-15 Midyear Budget, for the six month period from April 1 through September 30, 2014, is presented in Table 1, below, and is followed by a brief summary of expenditures, organized by key budget category.

Table 1: FY2014-15 General Fund Midyear Expenditures

	FY2014-15 Adopted Budget	FY2014-15 Modified Budget (as of 9/30/14)	FY2014-15 Midyear Actuals (4/1/14- 9/30/14)	% Spent of FY2014-15 Adopted Budget
DISTRICT EXPENDITURES				
Salaries and Benefits	14,522,606	14,522,606	6,350,097	44%
Services and Supplies	4,126,527	4,126,527	1,561,463	38%
Total Operating Expense (OPEX)	18,649,133	18,649,133	7,911,560	42%
Strategic Plan/Vision Plan	1,447,911	1,447,911	775,359	54%
Capital (CAPEX)	5,105,076	5,105,076	853,570	17%
Property Mgt.	470,550	470,550	158,620	34%
Debt Service	8,893,601	8,893,601	6,043,126	68%
Land and Assoc. Costs	9,354,000	9,354,000	115,058	1%
Total Non-Operating Expense	25,271,138	25,271,138	7,945,733	31%
TOTAL DISTRICT EXPENDITURES	43,920,271	43,920,271	15,857,293	36%

Operating Expenditures

As of September 30, 2014, operating expenditures totaled \$7.9 million, or 42% of the FY2014-15 Budget. Excluded from the operating expenditures are the one-time payments of \$714,000 for Measure AA county election costs, Vision Plan expenses, and other Strategic Plan-related costs. Operating expenses are tracking slightly below the 6-month straight-line estimate of 50% due to savings from staff vacancies and several Public Affairs and Natural Resources projects, which are scheduled for the second half of the fiscal year.

Fixed Assets and Capital Projects

The District has expended 17% of the Capital and Fixed Assets Budget as of September 30, 2014, however, when encumbered funds are considered, total capital project funds are 39% committed. Actual expenditures are low primarily due to the following:

- Lower than anticipated costs for the Bald Mountain Parking Area (savings of 64%) and the Ancient Oaks Trail Construction (savings of 19%).
- Delay in the Mt. Unumhum Radar Tower Interim Repairs due to much higher than anticipated bids (0% expended). Staff is reducing the project scope and will rebid it later this year. The Project is still anticipated to be completed by the end of this fiscal year.
- Vehicle and equipment purchases totaled 3% of budget in the first half of the fiscal year. However, the vehicles and associated equipment have been ordered and funds have been encumbered for payment, which is due upon receipt.

Land and Associated Costs

No new land was purchased during the first half of the fiscal year. However, the Board approved the following transactions during October 2014:

1. Purchase of the 60-acre Lysons property for \$1.48 million as an addition to the Monte Bello Open Space Preserve in partnership with Santa Clara County Parks to complete the Upper Stevens Creek Trail (Measure AA Portfolio #17), which is scheduled to close escrow in November 2014.
2. Acceptance of trail easements and rights of first refusal as part of the Lehigh Quarry litigation settlement, which is also anticipated to record during the winter of FY2014-15.

The Real Property Department is also working on completing land additions to Purisima Creek Redwoods and Sierra Azul Open Space Preserves and completing the proposed land exchange with Ridge Vineyards at Monte Bello Open Space Preserve this fiscal year.

Part II.B: Proposed Midyear Changes to the FY2014-15 Budget

Recommended Changes to Existing Positions

As part of the Midyear Report, the General Manager recommends converting the following three contingent positions to permanent status:

1. Project Manager – The Operations Department Project Manager was added in FY2013-14 to address a backlog of Operations capital projects. With the passage of Measure AA and the need for ongoing capital repairs due to old and failing infrastructure, ongoing project management capacity is needed over the long-term.
2. Community Outreach Coordinator – As part of the Strategic Plan implementation, a Community Outreach Coordinator was added in FY2012-13 to conduct community outreach relating to the Vision Plan and the Funding Measure. The position continues to play a vital role in fulfilling the District's long-range strategic goal of reaching diverse audiences, expanding outdoor education opportunities, and developing partnerships, a goal that the Board collectively upheld as necessary over the long-term during the October 28, 2014 Board Retreat. The original three-year contingent position is set to end August of 2015.
3. Real Property Assistant – This position was added in FY2014-15 to address the backlog of tenant structures improvements, manage day-to-day property management issues, as well as facilitate escrow and transactional documents, and solicit and accept gifts of parcels. This position has added much needed capacity to a growing property management program that has seen a 20% increase in the number of District rental structures and the expansion of 10,000 acres of leased grazing lands since 2001. The additional capacity is needed to manage routine tenant improvement and day-to-day project management needs within the Real Property Department to reserve senior level staff capacity to address more complex real property issues, encroachments, lease negotiations, and sensitive regulatory and/or legal requirements.

The General Manager also recommends a 2-year extension for the Public Affairs Assistant contingent position, which is scheduled to terminate on March 31, 2014. This position would continue to provide much needed capacity to schedule, organize, and represent the District at various community events, focusing on youth engagement, educational programming, and multicultural outreach, which is a strong area of interest for the District.

New Positions

With the passage of Measure AA, it is clear that the District must ramp up its resources and its project delivery capabilities to accomplish a greater number of projects both in the short term

and long term to fulfill the commitments made to the public regarding greater access, new additions of protected open space lands, and resource restoration. The Financial and Operational Sustainability Model (FOSM) has confirmed this and is currently identifying the highest priority positions and the most effective sequence for adding this capacity to support the goal of Measure AA project delivery. Four new recruitments can be managed through the end of this fiscal year by Human Resources. Therefore, the General Manager recommends the addition of up to four new positions to jump start Measure AA implementation. The classifications, salaries, functions, and roles of each position will be fully determined and described in time for the December Board meeting on the Midyear Report.

Financial Implications to the Staffing Recommendations

Converting the three contingent positions to regular positions and extending the one contingent position for an additional two years would require no budget adjustment for FY2014-15. These recommendations, however, would require funding commitments in future years. As such, staff revised the Five-Year Operating Forecast to include these recommendations, including reallocating the Project Manager expense from the Capital Budget to the Operating Budget and has determined that the permanent additions are sustainable within the revenues projected by the Controller. It is important to also note that a portion of the Project Manager position is expected to be charged to Measure AA capital projects. Recruitment for the recommended four additional positions would begin during the last quarter of FY2014-15, with actual salary and benefit expenses incurred starting early FY2015-16. Since these positions are not yet fully defined as of this ABC review, staff evaluated the financial implications of adding four new positions using the Management Analyst classification as a placeholder. Based on this analysis, the FY2015-16 Operating Budget would increase by \$360,000 and remain \$400,000 below the OpEx Guideline.

Shifts Between Budget Categories

Per the Board-approved *Budget and Expenditure Authority Policy*, budget changes to certain expenditure categories require Board approval. As part of this Midyear Report, the General Manager recommends approval of the following net-zero budget adjustments:

1. Shift \$50,000 in Vision Plan Project savings from the Strategic Plan/Vision Plan Budget (outside of the Operating Budget) to Services and Supplies (Operating Budget) for water engineering services associated with the District Water Rights Evaluation Project.
2. Shift \$100,000 from the Capital Budget to the Operating Budget for legal services associated with the District Water Rights Evaluation Project.
3. Within the Capital/Fixed Assets Budget, shift \$100,000 from capital projects to computer equipment for the Document Management System and shift \$10,000 from capital projects to equipment to purchase a toter to complete construction of the Mt. Umunhum Trail.

The proposed Midyear changes result in a net-zero change to the total FY2014-15 Budget, which will remain at \$43.9 million. Table 2 provides detail on the proposed budget adjustments.

Table 2: Proposed Changes to the FY2014-15 Budget

DISTRICT EXPENDITURES		FY2014-15	FY2014-15	FY2014-15
		Adopted Budget	Modified Budget (as of 9/30/13)	Proposed Changes
Salaries and Benefits		14,522,606	14,522,606	-
Services and Supplies		4,126,527	4,126,527	150,000
	Total Operating Expense (OPEX)	18,649,133	18,649,133	150,000
Strategic Plan/Vision Plan/Measure AA		1,447,911	1,447,911	(50,000)
Capital (CAPEX)		5,105,076	5,115,076	(100,000)
Property Mgt.		470,550	470,550	-
Debt Service		8,893,601	8,893,601	-
Land and Assoc. Costs		9,354,000	9,354,000	-
	Total Non-Operating Expense	25,271,138	25,281,138	(150,000)
TOTAL DISTRICT BUDGET		43,920,271	43,930,271	-
TOTAL OPERATING BUDGET (OPEX)		18,649,133	18,649,133	150,000
TOTAL DISTRICT TARGET: OPEX		18,700,000	18,700,000	-
TOTAL OVER/(UNDER): OPEX		(50,867)	(50,867)	99,133

Part II.C: Operating Expense (OpEx) and Capital Expense (CapEx) Guidelines

Although there is a net-zero cost impact to the overall District budget, the shift of \$150,000 to the Operating Budget causes it to exceed the adopted OpEx guideline by \$99,000. However, the District historically spends approximately 95% of its operating budget and staff anticipates this year will be the same and will end the year with \$500,000 to \$1 million in OpEx savings. The FY2014-15 Proposed CapEx budget decreased \$100,000 from the Adopted Budget and remains well below the 10.5% CapEx Spending Guideline.

Part II.D: Hawthorn Fund

HAWTHORN FUND		FY2014-15			
		FY2014-15 Adopted Budget	FY2014-15 Proposed Midyear Budget	FY2014-15 Midyear Actuals (4/1/14- 9/30/14)	% Spent of FY2014-15 Adopted Budget
	Operating Expenses	221,685	221,685	6,162	3%
	Capital/Fixed Assets	120,742	120,742	-	0%
	Total	342,427	342,427	6,162	2%

No changes are recommended to the Adopted Hawthorn Fund Budget of \$342,427. Midyear expenditures total 2% of the budget. Improvements to the Alpine Road rental house are anticipated to be completed by the end of the fiscal year, after which, the electrical and security systems will be installed at the historic complex.

FISCAL IMPACT

Board approval of the FY2014-15 Midyear State of the District Report would increase the District's FY2014-15 Operating Budget by \$150,000, which would be completely offset by a \$100,000 decrease in the Capital Budget and a \$50,000 decrease in the Vision Plan budget. The District's total annual budget will remain unchanged at \$43.9 million.

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 and no environmental review is required.

NEXT STEPS

Upon approval by the Board, staff will implement the FY2014-15 Proposed Midyear Budget and Action Plan adjustments.

Attachment:

1. Project Detail Pages
2. FY2013-14 Midyear Expenditures versus FY2014-15 Midyear Expenditures

Responsible Department Manager:

Kate Drayson, Administrative Services Manager

Prepared by:

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Kate Drayson, Administrative Services Manager

ATTACHMENT 1: Project Detail

New Projects					
Project Name	Dept.	Reason for Addition	Scope	Completion Date	Budget
Bear Creek Redwoods Preserve Plan/CEQA	PL	In order to complete the Bear Creek Stables Site Plan, which was identified as a priority by the Board, the Preserve Plan and environmental review would need to be completed by 2016.	Conduct community outreach, public meeting(s) and contract consultants to update Alma College assessment (retaining walls); update road/trails assessment; conduct pond inundation study and CEQA review.	FY15-16	\$20,000
District Water Rights Evaluation	PL	Immediate action required to address quantification and evaluation of District water rights for domestic, stockwatering, and resource preservation purposes, and to ensure compliance with SWRCB and other regulatory requirements.	With the assistance of water resources consultants, more effectively identify and maintain the water resources present on District lands, and properly report its water use to the State Water Resources Control Board and the San Gregorio Creek Watermaster.	Q4 FY14-15	\$150,000
Document Management System: Procurement and Implementation	Admin	An electronic document storage and indexing system is critical to tracking documents associated with GO Bond reporting requirements, as well as securely store historical and future District records.	Phase I: Implement an electronic document imaging system to convert District documents to digital format and store them in a searchable database for easy retrieval. Phase II: Implement interface with IAFS.	Q2 FY15-16	\$100,000
Employee Compensation Guiding Principles	GM	In March 2014, the Board directed ABC and staff work on development of Employee Compensation Guiding Principles during FY 2014-15.	Research public agency compensation principles best practices, develop draft policy regarding Board philosophy for employee compensation, and discussions with ABC and the Board.	Q4 FY14-15	\$0
Information Technology Strategic Plan	Admin	As part of the FOSM, Management Partners identified the immediate need for an IT Strategic Plan to guide the District's IT infrastructure expansion.	Hire a consultant to evaluate the District's short and long term IT needs and develop a strategic plan to guide implementation.	Q2 FY15-16	\$25,000

ATTACHMENT 1: Project Detail

New Projects					
Project Name	Dept.	Reason for Addition	Scope	Completion Date	Budget
Lehigh Quarry Settlement	RP	Result of settlement negotiations with Lehigh Quarry.	Executed 2 trail easements, 2 rights of first refusal for properties buffering PG&E Trail, and conditional grant deed to protect viewshed at Rancho San Antonio Open Space Preserve.	Q4 FY14-15	\$0
Lupin Water Diversion and Illegal Grading	DW	Need to address illegal water diversion and grading encroachments on Hendrys Creek Property and Sierra Azul Open Space Preserve.	Coordinate with Operations, Legal, Natural Resources, and General Manager's Office to protect water and natural resources.	Ongoing	\$0
Mindego Area: Demolition and Public Access	PL	In order to complete implementation of public access in FY2015-16, surveys and workplans need to be completed (contracts issued) in FY2014-15. Due to biotic resource restrictions, project has narrow window of one month for implementation. If work not completed now, public access would be delayed by a year.	Complete surveys for bats, woodrats, hazardous materials, and remediation plan for corral in order to complete implementation of demolition and corral clean up in FY2015-16.	Q3 FY15-16 continuing into FY15-16	\$39,000
Mindego Habitat Enhancement Plan Implementation	NR	Drying of Mindego Lake for bullfrog eradication was planned for next fiscal year but the drought provides the opportunity to complete this work early.	Begin implementation of bullfrog eradication due to timing of drying of lake (for most cost-effective and biologically effective outcome). Preliminary work for \$2,000; scoping additional costs for Q4 FY14-15.	Q3/Q4, continuing into FY15-16	\$2,000
Mt Umunhum Public Access Implementation: New Road Gate	PL	Immediate action recommended to address security issues and improve control of Mt Umunhum Road.	Conduct neighbor outreach, contract gate installation and automation, long-term maintenance contract.	Q4 FY14-15	\$50,000

ATTACHMENT 1: Project Detail

Delayed Projects					
Project Name	Dept.	Reason for Change	Scope	New Completion Date	Change to FY14-15 Budget
Bear Creek Redwoods (BCR) Stables Plan	PL/RP	Develop BCR Stables Plan and conduct environmental review of proposed Plan to allow the District to enter into long term lease with stables tenant.	Lead Department changed from Real Property to Planning. With consultant assistance, develop proposed BCR Stables Plan, (including site plan, management guidelines, and improvement standards) and complete CEQA for plan.	FY 15-16	\$15,000
Carbon Sequestration/Climate Change Analysis	NR	Completing Rancho San Antonio Air Monitoring Report and Measure AA Implementation required more time than anticipated.	Hire consultant to evaluate opportunities for carbon sequestration on District Preserves and calculate potential carbon credits, including evaluation of future climate models.	Q2 FY15-16	(\$50,000)
Christmas Tree Farm New Lease	RP	This project is delayed due to lessee ownership litigation.	Develop new 25-year lease incorporating a new rental rate structure and management guidelines.	Q2 FY15-16	\$0
ECdM Staging Area and Trail Improvements (Phase III/IV Oljon Trail - Design/Permitting)	PL	The grading permit process has been delayed a year. Federal, State, and local permits will still be sought for the stream crossing portions of the project.	Design work and permitting with San Mateo County for the trail construction, and permitting with Federal, State, and Local agencies for stream crossing permits to cleanup a filled stream and install a culvert and puncheon. Trail Implementation deferred to FY16-17.	Phase III = FY15-16	(\$53,000)
Encroachment Resolution - Gullicksen	RP	Santa Clara County Courts lawsuit delayed.	Saratoga Gap - Gullicksen - monitor remediation site as part of Santa Clara lawsuit.	FY 15-16	\$0

ATTACHMENT 1: Project Detail

Delayed Projects					
Project Name	Dept.	Reason for Change	Scope	New Completion Date	Change to FY14-15 Budget
Mt Um Guadalupe Creek Overlook and Bridges Planning and Design	PL	Coordinating the timing of the design and permitting work with the Mt Um trail construction work to reach all three bridge locations.	Design for safe viewing platform at the overlook with railings, seating, and interpretation, and design of trail bridges over Guadalupe Creek as part of the Mt. Umunhum Trail. Design would be used for permitting and construction of three bridges which may be pre-fab or hand-built. Materials and bridges (if pre-fab would be flow in by helicopter.	FY 15-16	\$25,000
New Land Rental Property Transition - Silva	RP	Delay in County permitting for road and water system improvements to remove red tag. Roof & Deck improvements dependent on red tag removal.	Planning - Continue to make road and water improvements for county fire to remove red tag. Project budget increase of \$51,000 will be covered with savings in other project budgets. This increase was approved by the Board in September 2014.	Q1 FY15-16	\$51,000
Removal of Abandoned Vehicles	OPS	Further environmental review of the impacts of removing vehicles needs to be completed.	Complete environmental review of project by Q4 FY14-15 with removal anticipated in FY15-16.	FY 15-16	\$0
Skyline Facility Improvements - Driveway	OPS	Project is delayed to focus on completion of other Skyline field office projects and to have construction scheduled for the dry season.	Repave driveway to improve road surface.	Q4 FY 15-16	(\$40,000)
Water Agreement with Presentation Center, Bear Creek Redwoods	RP	Focus on settlement of Chiocchi litigation prior to completing negotiations for water agreement amendment with Presentation Center.	Relocate portion of water line w/the Presentation Center & abandon unstable portion. Amend Alma Water Agreement w/Presentation Center to address maintenance and repair based on proportional use of system.	FY15-16	\$0

ATTACHMENT 1: Project Detail

Deferred Projects					
Project Name	Dept.	Reason for Change	Scope	New Completion Date	Change to FY14-15 Budget
Encroachment Resolution - Kennedy Trail	RP	Delayed due to staff capacity.	Resolve fence dispute at Kennedy Trail in Sierra Azul.	TBD	(\$25,000)
Skyline Facility Improvements - Shop Building	OPS	Shelter and awning are more expensive than originally anticipated. Staff will conduct an overall evaluation of facility needs. Funds budgeted for this project have been transferred to Skyline HVAC project.	Evaluate, design, and start permitting process for equipment shelter and shop awning.	TBD	(\$90,000)
Skyline Field Office - Install Automated Gate	OPS	Staff will conduct an overall evaluation of facility needs. Funds budgeted for this project have been transferred to Skyline HVAC project.	Contract for the installation of an automatic gate with communications link to SFO	TBD	(\$60,000)

ATTACHMENT 1: Project Detail

Projects with Budget Change Greater than \$100,000					
Project Name	Dept.	Reason for Change	Scope	Change to FY14-15 Budget	New FY14-15 Budget
Ancient Oaks Trail Construction	PL	Materials were less expensive than anticipated and original budget included field staff time which will be reimbursed by POST.	Complete design, permitting, and construction of Ancient Oaks connector trail.	(\$160,000)	\$90,000
Bald Mountain Parking Area	PL	Construction contract significantly under estimate; landscaping done by volunteers; government contract savings for restroom purchase.	Construct parking lot at Bald Mountain for public access and to serve as the trailhead for the Summit Trail.	(\$125,000)	\$535,000
Demolition and Clean up of Abandoned Structures [Foothills Area]	OPS	Project budget and scope are being reduced to focus on other capital projects. Project savings will be used to fund other Operations projects, such as the Skyline HVAC system.	Evaluate and choose highest priority structures for demolition in the Foothills area. Contract out demolition and clean up of listed structures. Only buildings deemed not to have historic value will be included in this project.	(\$150,000)	\$450,000
Skyline Facility Improvements - HVAC	OPS	Higher bids and architectural costs than projected due to the recovering economy. Funds will be used from Abandoned Structures project savings.	Install new HVAC system at ground level and roof over well that houses current HVAC on the office roof.	\$124,000	\$310,000

**ATTACHMENT 2:
FY2013-14 vs. FY2014-15 Midyear Expenditures**

	FY2013-14			FY2014-15		FY2014-15	
	FY2013-14 Adopted Budget	Midyear Actuals (4/1/13- 9/30/13)	% Spent of FY2013-14 Modified Budget	FY2014-15 Adopted Budget	Modified Budget (as of 9/30/14)	Midyear Actuals (4/1/14- 9/30/14)	% Spent of FY2014-15 Modified Budget
DISTRICT EXPENDITURES							
Salaries and Benefits	13,586,721	6,190,393	46%	14,522,606	14,522,606	6,350,097	44%
Services and Supplies	3,873,279	1,670,960	43%	4,126,527	4,126,527	1,561,463	38%
Total Operating Expense (OPEX)	17,460,000	7,861,353	45%	18,649,133	18,649,133	7,911,560	42%
Strategic Plan/Vision Plan/Measure AA	850,900	297,311	35%	1,447,911	1,447,911	775,359	54%
Capital (CAPEX)	5,496,726	830,538	15%	5,105,076	5,105,076	853,570	17%
Property Mgt.	324,822	123,849	38%	470,550	470,550	158,620	34%
Debt Service	8,874,965	5,940,119	67%	8,893,601	8,893,601	6,043,126	68%
Land and Assoc. Costs	7,999,000	2,113	0%	9,354,000	9,354,000	115,058	1%
Total Non-Operating Expense	23,546,413	7,193,930	31%	25,271,138	25,271,138	7,945,733	31%
TOTAL DISTRICT BUDGET	41,006,413	15,055,284	37%	43,920,271	43,920,271	15,857,293	36%