

Five-Year OpEx Forecast

ALL STAFF COSTS INCLUDED	FY2015-16	FY2016-17	FY2017-18	FY2018-19	FY2019-20
	0% COLA	0% COLA	0% COLA	0% COLA	0% COLA
OpEx Target %	57%	61%	64%	65%	66%
OpEx Target	20,260,000	22,880,000	25,160,000	26,920,000	28,800,000
Total Annual OpEx Budget	21,332,793	22,033,016	22,722,519	23,432,979	24,166,145
Under/(Over) OpEx Target	(1,072,793)	846,984	2,437,481	3,487,021	4,633,855
Salaries and Benefits (no new positions)	15,568,330	16,095,619	16,607,001	17,133,994	17,678,191
Services and Supplies (3% annual growth)	5,764,463	5,937,397	6,115,519	6,298,984	6,487,954
Total Operating Budget	21,332,793	22,033,016	22,722,519	23,432,979	24,166,145

MAA STAFF REIMBURSABLE COSTS REMOVED	FY2015-16	FY2016-17	FY2017-18	FY2018-19	FY2019-20
	0% COLA	0% COLA	0% COLA	0% COLA	0% COLA
OpEx Target %	57%	61%	64%	65%	66%
OpEx Target \$\$	20,260,000	22,880,000	25,160,000	26,920,000	28,800,000
Total Annual OpEx Budget	21,332,793	22,033,016	22,722,519	23,432,979	24,166,145
LESS: MAA Reimbursed Staff Costs	(1,260,881)	(854,891)	(2,346,045)	(560,915)	(522,515)
Net Annual OpEx	20,071,912	21,178,125	20,376,474	22,872,064	23,643,630
Under/(Over) OpEx Target	188,088	1,701,875	4,783,526	4,047,936	5,156,370

Proposed New Positions for Fiscal Year 2015-16

The Financial and Operational Sustainability Model (FOSM), which is evaluating the District's internal processes and organizational structure to identify improvements for increasing overall output and operational efficiencies, has identified important capacity gaps that must be addressed first to begin the restructuring of the organization. This information was presented to the full Board at the Study Session on January 28, 2015. This first phase of the FOSM recommends adding four new positions as first tier budget priorities in the Fiscal Year (FY) 2015-16 budget to address these capacity gaps

Also, to fulfill the commitments made to the public with the passage of Measure AA, the District is increasing its project delivery output to accomplish a greater number of projects that will increase access, and protect and restore more open space lands. The FY2015-16 proposed Action Plan includes a 79% increase in the number of Measure AA projects and a 53% increase in the number of non-Measure AA projects as compared to the prior fiscal year, for a total of 153 Key Projects. To achieve this large increase in project delivery, two critical support systems positions are being recommended for inclusion into the FY2015-16 Budget. In addition, two field positions are also being requested to maintain the current level of service given the expanding facilities, new acreage of preserved lands, and increase in visitor use.

Lastly, one additional position is being requested to address a long-standing gap in our core functions that has grown to the point where a dedicated and focused position is now needed with the appropriate expertise and experience.

The nine recommended new positions are as follows:

Job Title: Chief Financial Officer (CFO)/Administrative Services Director (FOSM)

Classification: Under Evaluation

Department: Administrative Services

To provide needed financial depth to the organization and leadership for consolidated administrative services functions, including finance, human resources, and information technology. Position will report to the General Manager, as well as work closely with the Controller to direct and provide high level, sophisticated, and strategic financial analysis, forecasting, modeling, budget performance evaluations and improvement recommendations, as well as direct strategic planning and implementation of information systems and technology to improve and streamline work processes and maximize business operations, and direct strategic planning, coordination, and tracking of human resources needs, employee development and training, work performance management, and assist with labor relations and negotiations.

Job Title: Engineering and Construction Manager (FOSM)

Classification: Department Manager

Department: Engineering and Construction

To establish capital improvement design and construction as a defined function of the organization that will be led by a single department manager to deliver capital improvement projects, including Measure AA projects. Establishment of a new Engineering and Construction Department increases accountability and improves project management

efficiencies and consistency for more expedient and effective project delivery. This is the key position for establishing the new department and to emphasize the project delivery core function and capacity for the agency.

Job Title: Information Technology Division Manager (FOSM)

Classification: Under Evaluation

Department: Administrative Services – Information Technology Division

To provide greater leadership, emphasis, and strategic direction regarding information technology and systems needs, priorities, and solutions, including the District-wide GIS function and ensure that new systems are well integrated and account for future needs, future growth, and expected advances in technology in a cost-effective manner.

Job Title: Special Projects Manager (FOSM)

Classification: Under Evaluation

Department: Administrative Services

This is a key position to help drive strategic initiatives and operational enhancements for the agency and would work at the direction of the CFO/Administrative Services Director. The FOSM has identified the lack of sufficient internal systems, integrated databases, and defined policies to enable this agency to effectively grow in capacity and delivery output. Additional capacity to manage special projects and provide high-level support and accountability is needed to implement the recommended internal business systems improvements as well as meet ongoing business, finance, and human resources tracking and reporting requirements.

Job Title: Geographic Information Systems (GIS) Specialist (support service)

Classification: Under Evaluation

Department: Administrative Services – Information Technology Division

To achieve the increase in the District's project delivery output, additional GIS support services are needed to address mapping, geographic-based data collection, and geographic-based data analysis needs across all departments. Moreover, GIS needs have expanded exponentially with the growing use from the Public Affairs Department to prepare web content and outreach material (e.g. Measure AA Updates, searchable trail database for the District's website), as well as from the Operations Department who will need to integrate the GIS to develop and maintain a new computerized Maintenance Management System.

Job Title: Information Technology (IT) Specialist (support service)

Classification: Under Evaluation

Department: Administrative Services – Information Technology Division

One of the clear and early conclusions from the FOSM is that the District's information technology cannot currently provide the basic tools needed for a modern organization or perform a strategic role in developing and implementing information technology and systems goals and improvements required to keep up with technology advances, as well as develop integrated and efficient systems. One of the first FOSM recommendations includes the development of an IT Strategic Plan and the pursuit of various systems improvements in parallel to the IT Strategic Plan to avoid further delay in improving the agency's IT functions. These systems include the Database Management System and Maintenance Management Program, both of which are proposed in the FY2015-16 Action Plan and will rely heavily on IT support and coordination to ensure that the systems are well built,

integrated, and scalable to accommodate future growth and advances in technology. Moreover, the need for effective and efficient database development and management is also growing amongst the various departments, as new databases are formed to track project performance, expenditures, record data, etc (e.g. development of pest management and archeological resource survey database).

Job Title: Ranger (support service)

Classification: Ranger

Department: Operations

The increase in new public access facilities, opening of new preserve areas, and increase in visitor use that the District has experienced in the last 3-5 years, plus what is coming in the next year merits additional patrol presence to sufficiently manage patrol, enforcement, and visitor interfacing needs for the District. Moreover, as part of the Mount Umunhum Environmental Restoration and Public Access Plan, the Board considered the need for two Rangers and one Open Space Technician to service the opening of the Mount Umunhum summit and the various improvements and subsequent increased visitation. This position would address one of the ranger positions. Due to screening and training academy requirements, new Ranger positions require a 1 year minimum lead time.

Job Title: Supervising Ranger (support service)

Classification: Supervising Ranger

Department: Operations

With the addition of a new ranger, as discussed above, a new Supervising Ranger is needed to maintain effective reporting structures within the ranger ranks. Typically one supervising ranger supervises five rangers to obtain an optimal level of supervision, coaching, and support.

Job Title: Legislative and External Affairs Specialist (new function)

Classification: Under Evaluation

Department: Public Affairs

Both Management and the Board of Directors agree that additional capacity is needed to track, oversee, manage, and respond to legislative issues and external inter-governmental matters. This position would establish a new capacity at the District and would be on point to evaluate and track pending legislation that may impact the District to ensure timely partner and legislative coordination in response to both opportunities and threats. This responsibility is currently spread among the departments, which makes responding to legislative matters that are generally time sensitive both cumbersome and somewhat haphazard. This position would maintain ongoing connections with our local, state and federal delegations to best position the District to respond to changes in the political and legislative landscape and would also be responsible for driving new Board-approved legislation and representing the District in regional strategic partnership projects.

Financial Implications to the Staffing Recommendations and Future New Positions

Based on an analysis of the Five-Year Operating Forecast, which includes the position recommendations listed above, these positions have been determined to be sustainable over long-term. In the short-term, for FY2015-16 only, the operating budget would exceed the Controller's OpEx Target by approximately \$900,000. However, it is important to understand that the Controller's prior financial model target assumes a more gradual staffing growth over the next four years, rather than front-loading the growth in the first one to two years. However, in evaluating these position requests, the Controller has confirmed that the District can confidently front-load staffing in the early years and that approximately 40 new positions can be added over the next 3 years and sustained over the long-term consistent with the District's 30-year financial model. It is also important to understand that the District has generally under spent by approximately 5 to 10% of the operating budget.

Future New Positions

Given the District's need for additional capacity to fulfill Measure AA and implements its Vision Plan, and recognizing that the FOSM full build out is still forthcoming as well as the 40 total positions that the District can sustain over the long term, the General Manager anticipates returning to the ABC and the Board for additional new position requests as part of or prior to the Midyear Review. These positions have not yet been determined, and will be defined as part of the FOSM Phase II build out.