



Midpeninsula Regional
Open Space District

ACTION PLAN & BUDGET COMMITTEE

R-17-134
December 5, 2017

AGENDA ITEM 4

AGENDA ITEM

Budget Process Update

GENERAL MANAGER'S RECOMMENDATION

Review the proposed changes to the Budget Development Process for FY2018-19 contained in this report and forward to the full Board.

SUMMARY

Staff is recommending enhancements to the Budget Book and the Budget Development process for the FY2018-19 budget cycle. While most activities in the budgeting process remain unchanged, incremental process improvements are proposed based on staff recommendations, and to improve the overall efficiency and effectiveness of the Budget Development in support of the District's activities.

DISCUSSION

Background

Currently, staff builds the annual District budget by line item each fiscal year to support the Action Plan while remaining consistent with a specific percentage of the projected property tax revenues as provided by the Controller. The budget is then reviewed by the General Manager, presented to the ABC, adjusted as needed, and then presented to the full Board in detail and a second time for final adoption. The entire Action Plan and Budget development process takes approximately six to seven months to complete and involves multiple staff members from all departments.

The following process enhancements are proposed to facilitate the Budget Development Process:

Budget Book Enhancements

1. Capital Improvement & Action Plan
 - The Action Plan section of the Budget Book will be combined with the Capital Improvement Plan to reduce duplication of information and effort as well as to provide a consolidated view of the major projects and activities of the District
 - Each project in the Capital Improvement & Action Plan section of the Budget Book will have a 3-year forecast and will be assigned a project number.

- The Capital Improvement & Action Plan worksheets, similar to the current CIP worksheets, will be completed for all projects (CapEx and OpEx).
- Consolidate Program Categories from 6 to 4, by combining *Public Outreach; Vehicles, Equipment, Facilities, and Other Infrastructure*; and *Administrative Support* into a single category *Infrastructure (Vehicles, Equipment, Facilities) and Other*.
 - Land Acquisition and Preservation
 - Natural Resource Protection and Restoration
 - Public Access and Education
 - Infrastructure (Vehicles, Equipment, Facilities) and Other
- 2. Department Pages
 - Department sections of the Budget Book will be enhanced, and will include department metrics.
 - Departments will identify 2-5 performance metrics to measure department activities.
 - As departments collect operational data, the District builds a baseline for measurements.

Administrative Process Improvements

1. Better Coordinate Resource Loading
 - Using the existing Resource Loading worksheet, departments will now:
 - Allocate capacity initially only for active projects.
 - After MAA Reprioritization, allocate remaining capacity to highest priority new projects.
 - The Budget and Analysis department will facilitate resource loading through a series of six meetings with the management team.
2. Projects meeting specified budget and scope thresholds will be:
 - Forecasted for 3 years, although budgets are adopted one year at a time
 - Forecasted using project worksheets
 - Tracked in Project Central (Sherlock project pages)
3. Consolidate Action Plan Program Categories
 - Program Categories are consolidated from 6 to 4, by combining *Public Outreach; Vehicles, Equipment, Facilities, and Other Infrastructure*; and *Administrative Support* into a single category *Infrastructure (Vehicles, Equipment, Facilities) and Other*.
4. Revise Project Numbering System
 - Project numbers will be assigned at the beginning for each Fiscal Year.
 - The project numbering methodology will be reviewed in February 2018 for better consistency and identification.
5. New Budget & Analysis Sherlock Website
 - The Budget & Analysis department will adopt Sherlock to create a landing page with upcoming budget milestones and resource links.
 - This central source of budget information is intended to improve coordination across departments, increase visibility of current activities and upcoming milestones, and guide staff to relevant and timely budget documents.

FISCAL IMPACT

No fiscal impact.

PUBLIC NOTICE

Public notice was provided as required by the Brown Act.

CEQA COMPLIANCE

The proposed action is not a project under the California Environmental Quality Act (CEQA) and no environmental review is required.

NEXT STEPS

Upon approval by the ABC, the recommendations contained in this report will be brought to the Board for information.

Attachment

1. Budget Timeline

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BUDGET DEVELOPMENT TIMELINE

