



Midpeninsula Regional
Open Space District

R-17-63
Meeting 17-10
April 26, 2017

AGENDA ITEM 3

AGENDA ITEM

Fiscal Year 2016-17 Quarter 3 District Budget Amendments

GENERAL MANAGER'S RECOMMENDATION

Adopt a resolution approving the proposed FY2016-17 Quarter 3 District Budget Amendments.

SUMMARY

This report presents the Quarter 3 proposed budget amendments by fund. Requests for budget amendments decreasing capital improvement funds that are also budgeted for the next Fiscal Year 2017-18 (FY2017-18) are included in this Budget Amendment. The operating funds remain unchanged for the Fiscal Year 2016-17 (FY2016-17) Budget as amended.

DISCUSSION

The Board of Directors (Board) adopted the FY2016-17 Budget and Action Plan totaling \$58.1 million at the June 22, 2016 regular meeting (Report R-16-71).

As of March 31, 2017, the Board had authorized budget amendments increasing the adopted budget by \$9,101,214 to cover personnel services, unanticipated services and supplies expenses, as well as unanticipated capital improvement project costs, and new land purchases.

The proposed Quarter 3 budget amendments will result in a reduction of \$8,498,100 to the FY2016-17 budget as amended. Requests for budget decreases in Quarter 3 are for the capital expenditures in the following funds: Hawthorn (Fund 20), Measure AA (Fund 30), and General Fund (Fund 40).

The operating funds remain unchanged: General Fund (Fund 10), Hawthorn (Fund 20), and Debt Service (Fund 50). Prior to the end of this fiscal year, we anticipate proposing a lump sum payment to CalPERS towards the unfunded pension liability, similar to the payment in June 2016. Additional savings for FY2017-18 may be proposed to add to the Infrastructure Reserve Fund (for the administrative office and field facilities) after the proposed lump sum payment to CalPERS has been made and after the year-end closing of the District's accounts.

Table 1A lists the Board authorized budget amendments through March 31, 2017.

Table 1A: Year-to-Date Board Approved Budget Amendments

Budget Amendment Description	Adopted Budget	Budget Amendment	Amended Budget
Mt. Umunhum Summit Restoration (MAA 23-004)	\$5,423,250	\$3,466,450	\$8,889,700
Mt. Umunhum Road Rehabilitation (MAA 23-006)	\$3,566,400	\$2,764,672	\$6,331,072
Red Barn Public Access Area (MAA 05-005)	\$165,000	\$60,000	\$225,000
Sears Ranch Road Drainage Upgrade (MAA 07-010)	\$265,000	\$207,150	\$472,150
Rosetta Property Purchase	\$0	\$1,650,000	\$1,650,000
BCR Invasive Weed Management (MAA 21-007)	\$91,880	\$37,000	\$128,880
Navid Exchange	\$0	\$39,000	\$39,000
Quarter 1 Budget Amendments		\$876,942	
Quarter 2 Budget Amendments		\$0	
Board-Approved Amendment Subtotal		\$9,101,214	

Under the General Manager's authority, net-zero transfers/budget amendments were approved to cover unanticipated capital improvement project costs. These budget amendments are listed below in Table 1B.

Table 1B: Year-to-Date Administratively Approved Budget Amendments

Budget Amendment Description	Board Approved Amendments	Budget Amendment	Amended Budget
Mt. Umunhum Road Rehabilitation (MAA 23-006)	\$6,331,072	(\$79,000)	\$6,252,072
Mt. Umunhum Summit Restoration (MAA 23-004)	\$8,889,700	\$69,000	\$8,949,700
Mt. Umunhum Trail & Bridge (MAA 23-002)	\$0	\$10,000	\$10,000
Bear Creek Redwoods Phase I Public Access (MAA 21-005)	\$0	(\$133,000)	\$696,200
Bear Creek Redwoods Webb Creek Bridge (MAA 21-009)	\$0	\$133,000	\$133,000
Administrative Amendment Subtotal		\$0	

Proposed Quarter 3 Amendments to the FY2016-17 Budget

The proposed Quarter 3 budget amendments result in a decrease of the District's FY2016-17 Budget to \$58,721,154 due to capital projects being extended or deferred into the next fiscal year.

Table 2 summarizes the FY2016-17 adopted budget, YTD approved budget amendments, and proposed Quarter 3 budget amendments by Department.

Table 2: Summary of FY2016-17 Budget by Department

	FY2017 Adopted Budget	YTD Approved Budget Amendments	Amended Budget (as of 03/31/2017)	Quarter 3 Proposed Budget Amendments	FY2017 Proposed Amended Budget
Administrative Services	\$16,275,246		\$16,275,246	\$0	\$16,275,246
Engineering & Constructio	\$12,715,769	\$6,438,272	\$19,154,041	(\$6,731,000)	\$12,423,041
General Counsel	\$573,071		\$573,071	\$0	\$573,071
General Manager's Office	\$1,902,242		\$1,902,242	\$0	\$1,902,242
Land & Facilities	\$10,933,161	\$178,590	\$11,111,751	(\$962,000)	\$10,149,751
Natural Resources	\$3,465,029	(\$225,956)	\$3,239,073	(\$167,000)	\$3,072,073
Planning	\$3,608,172	\$168,000	\$3,776,172	(\$638,100)	\$3,138,072
Public Affairs	\$1,763,266		\$1,763,266	\$0	\$1,763,266
Real Property	\$1,790,866	\$2,389,000	\$4,179,866	\$0	\$4,179,866
Visitor Services	\$5,091,219	\$153,308	\$5,244,527	\$0	\$5,244,527
Total	\$58,118,040	\$9,101,214	\$67,219,254	(\$8,498,100)	\$58,721,154

Operating Budget

No adjustments to the operating budgets (Funds 10, 20, and 50) are requested.

Capital Budget***Hawthorns Fund Capital Budget***

The Hawthorn fund (Fund 20) capital budget is proposed to decrease by \$65,500 due to delays with negotiating and executing the one-year license agreement with the potential partner and subsequent delays with the potential partner's submittal of a formal proposal for the rehabilitation and reuse of the Hawthorns main residence and carriage house (garage). The remaining stabilization work on these structures remain on hold as the District continues to work with the potential partner to present to the Board the long-term partnership terms for management of the historic complex.

General Fund Capital Budget

The general fund (Fund 40) capital budget is proposed to decrease by \$1,188,000. This decrease is mainly due to the deferral of several significant projects in the Land and Facilities Services Department. The Board deferred the farm labor housing project at La Honda Creek Preserve until a Board determination is made on the decision to pursue farm labor housing, and several other projects were deferred until staffing was hired to manage the projects. These projects include El Sereno residence rebuild or demolition, Fremont Older residential water system repairs, La Honda Creek preserve point of diversion 17 water line replacement, and water and driveway improvements at 4150 Sears Ranch Road. Big Dipper livestock fencing was added to this budget because it was not completed in the prior fiscal year. There were also significant savings from a good value construction bid for the Fremont Older parking lot netting structure project, and deferral of Meyer residence remodel project and Harrington Creek bridge re-decking project. The deferrals were due to staffing shortage, but are slated to be completed in the next fiscal year.

The Hendry's Creek Land Restoration project has experienced additional permitting coordination and reviews by the resource agencies, where the District had anticipated bidding and award of construction in Q3 and completing the first half of the stream channel restoration in Q4.

However, due to the additional permitting consultations and reviews, construction will not start until 2018.

Measure AA Capital Budget

The Measure AA (Fund 30) capital budget is proposed to decrease by \$7,244,600.

The projects that are included in the budget reduction are deferred to the next fiscal year and are included in the proposed budget for Fiscal Year FY2017-18. The deferrals are mainly due to weather delays in the case of MAA 23-004 Mount Umunhum Summit and MAA 23-006 Mount Umunhum Road projects, and permitting delays, staffing shortage, or unanticipated conditions for the remainder of the projects listed below.

Measure AA Deferrals		
MAA 03-004	Harkins Bridge	(310,000)
MAA 04-004	Oljon Trail	(400,000)
MAA 05-002	Upper La Honda Grazing	(64,000)
MAA 07-005	La Honda Driscoll Infrastructure	(16,000)
MAA 07-009	Sears Ranch Parking	(150,000)
MAA 09-001	Russian Ridge Grazing Infrastructure	(170,000)
MAA 17-002	Lysons Demolition	(230,000)
MAA 20-001	Highway 17	(82,000)
MAA 21-003	BCR Water Infrastructure	(370,000)
MAA 21-005	BCR Cultural resources	(37,000)
MAA 21-006	Alma College Site Plan/Rehab	(336,000)
MAA 22-001	Hendry's Creek Restoration	(37,200)
MAA 23-004	Mount Umunhum Summit	(2,476,400)
MAA 23-006	Mount Umunhum Road	(2,566,000)
		(7,244,600)

FISCAL IMPACT

Board approval of the FY2016-17 proposed budget amendments will result in a decrease of the District's FY2016-17 Budget to \$58,721,154 due to capital projects extending or deferring into the next fiscal year. These expenses are also included in the proposed FY2017-18 budget and implementing the reductions for the Quarter 3 reforecast will ensure the expenses are not double budgeted.

DISTRICT BUDGET BY FUNDING SOURCE	FY2016-17 Adopted Budget	YTD Approved Budget Amendments	Amended Budget (as of 03/31/2017)	Quarter 3 Proposed Budget Amendments	FY2016-17 Proposed Amended Budget
General Fund Operating (Fund 10)	\$27,209,300	\$187,834	\$27,397,134		\$27,397,134
Hawthorns (Fund 20)	\$133,050	\$0	\$133,050	(\$65,500)	\$67,550
Measure AA Land/Capital (Fund 30)	\$15,674,800	\$7,303,380	\$22,978,180	(\$7,244,600)	\$15,733,580
General Fund Land/Capital (Fund 40)	\$4,016,050	\$1,610,000	\$5,626,050	(\$1,188,000)	\$4,438,050
Debt Service Fund (Fund 50)	\$11,084,840	\$0	\$11,084,840	\$0	\$11,084,840
TOTAL DISTRICT BUDGET	\$58,118,040	\$9,101,214	\$67,219,254	(\$8,498,100)	\$58,721,154

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, staff will make the necessary Budget amendments.

Responsible Department Head:
Stefan Jaskulak, Chief Financial Officer

Prepared by:
Andrew Taylor, Senior Accountant

RESOLUTION NO. 17-___

RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDPENINSULA REGIONAL OPEN SPACE DISTRICT AMENDING THE BUDGET FOR FISCAL YEAR 2016-17

WHEREAS, on June 22, 2016 the Board of Directors of the Midpeninsula Regional Open Space District adopted the Fiscal Year 2016-17 Budget and Action Plan; and

WHEREAS, on October 26, 2016 and on January 25, 2017 the Board of Directors of the Midpeninsula Regional Open Space District amended the FY2016-17 Budget; and

WHEREAS, the General Manager recommends amending the FY 2016-17 Budget to reflect requests for budget decreases for capital improvements;

NOW, THEREFORE, the Board of Directors of the Midpeninsula Regional Open Space District does resolve as follows:

SECTION ONE. Approve the recommended budget amendments to the FY2016-17 Budget for the Midpeninsula Regional Open Space District as follows:

Table with 6 columns: DISTRICT BUDGET BY FUNDING SOURCE, FY2016-17 Adopted Budget, YTD Approved Budget Amendments, Amended Budget (as of 03/31/2017), Quarter 3 Proposed Budget Amendments, FY2016-17 Proposed Amended Budget. Rows include General Fund Operating, Hawthorns, Measure AA Land/Capital, General Fund Land/Capital, Debt Service Fund, and TOTAL DISTRICT BUDGET.

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

SECTION THREE. Except as herein modified, the FY 2016-17 Budget and Action Plan, Resolution No. 16-25 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 ____, 2017, 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