

BayRICS Authority
STAFF REPORT

DATE: Thursday June 14, 2018
TO: BayRICS Board of Directors
FROM: Barry Fraser, General Manager
SUBJECT: Item 6– BayRICS Fiscal Year (FY) 2018-2019 Budget
RECOMMENDATION: Approve the Attached FY 2018-2019 BayRICS Authority Budget.

I. Background

At the April 9, 2015 BayRICS Board meeting, the Board approved a financial plan that reflected a transition to part-time general manager and limited grant funding support. The Board subsequently approved final budgets for FY 2015-2016, 2016-2017 and 2017-2018 based on this plan.

Staff has now prepared a draft budget for FY 2018-2019 based on this financial plan for the Board's review and approval. As discussed below, the plan includes several minor adjustments to address changing circumstances of the JPA.

II. BayRICS Financial Position Projected for June 30, 2018

- Revenues: BayRICS met its revenue targets for FY 2017-2018 revenue with all member annual fees paid in full. In addition, BayRICS again received a UASI grant totaling \$59,000 for broadband and LMR interoperability planning.
- Expenses: Anticipated savings of approximately \$9,000 in actual expenses compared to the budget, from cost savings in Administration, Legal and Miscellaneous line items.
- Reserve Funds: BayRICS began the 2016-2017 Fiscal Year with a Reserve Fund of \$261,240. Due to our cost savings, the reserve fund should increase by approximately \$9,000, leaving a year-end balance of approximately \$270,740.
- BayRICS FY 2016-2017 Audit is available here:
http://www.bayrics.net/uploads/1/2/4/6/12466172/bayrics_final_audit_report_2017.pdf

III. FY 2016-2017 Budget Highlights

- Annual member fee remains at FY 2014-15 level (\$7,000/year), with total fee revenues remaining at \$84,000.
- Assumes grant revenues of \$59,000 from approved UASI 2017 Grant
- Administration expenses have been adjusted based on actual expenses for FY 17-18 and the additional costs of transitioning to a new general manager and related COLA adjustments, as well as cost to retain the current general manager for up to 120 hours during the three-month transition period. These changes result in an increase in administration expenses of \$6,723 from last year. This increase is partially offset by

reductions in other line item expenses and slight growth in interest revenue from the reserve fund.

- **These changes result in a slight deficit of \$4,723 for the year. However, staff believes that this deficit can be absorbed through additional const savings and potential revenue increases for the year.**
- Staff resources will be focused primarily on achieving the goals established in the BayRICS Strategic Plan Update approved by the Board in April 2018.
- For reference, Staff has projected a budget for 2019-2020, based on these same assumptions.

IV. Staff Recommendation

Staff recommends that the Board adopt the FY 18-19 Proposed Budget (Center columns below).

Revenues	FY17-18 Approved Budget		FY18-19 (Proposed)		FY19-20 (Projected)	
Annual Member Fees		\$84,000		\$84,000		\$84,000
Interest		\$500		\$1,500		\$1,500
Administration Grant		\$59,000		\$59,000		\$59,000
Total Revenues		\$143,500		\$144,500		\$144,500
Expenses	FY17-18 Approved Budget		FY18-19 (Proposed)		FY19-20 (Projected)	
General Manager	\$ 106,500		\$ 114,223		\$ 119,600	
Secretary	\$ 6,000		\$ 5,000		\$ 5,000	
Administration ¹		\$ 112,500		\$ 119,223		\$ 124,600
Audit		\$ 6,000		\$ 6,000		\$ 6,000
Legal		\$ 12,000		\$ 12,000		\$ 12,000
Insurance		\$ 10,000		\$ 10,000		\$ 10,000
Miscellaneous		\$ 3,000		\$ 2,000		\$ 2,000
Total Expenses		\$ 143,500		\$ 149,223		\$ 154,600
Reserve Fund	FY17-18 Approved Budget		FY18-19 (Proposed)		FY19-20 (Projected)	
Balance -beginning ²		\$ 261,240		\$ 270,240		\$ 265,517
Increase in reserve fund (estimated)		\$ 9,000				
Draw on reserve				(\$4,723)		(\$10,100)
Balance - ending		\$ 270,240		\$ 265,517		\$ 255,417