

BayRICS Authority
STAFF REPORT

DATE: Thursday April 13, 2017
TO: BayRICS Board of Directors
FROM: Barry Fraser, General Manager
SUBJECT: Item 7– BayRICS Fiscal Year (FY) 2017-2018 Budget
RECOMMENDATION: Approve the Attached FY 2017-2018 BayRICS Authority Budget.

I. Background

At the April 9, 2015 BayRICS Board meeting, the Board approved a four-year 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 and FY 2016-2017 based on this plan.

Staff has now prepared a draft budget for FY 2017-2018 for the Board’s review and approval based on year three of the four-year plan, with minor changes discussed below.

II. FY 2015-2016 Audited Revenues and Expenses

- Revenues: BayRICS met its revenue targets for FY 2015-2016 revenue with all member annual fees paid in full. In addition, BayRICS received a UASI grant totaling \$59,000 for broadband and LMR interoperability planning.
- Expenses: for FY 2015-2016, BayRICS saved approximately \$16,600 in actual expenses compared to the budget (12% savings).
- Reserve Funds: BayRICS began the 2016-2017 Fiscal Year with a Reserve Fund of approximately \$263,247. Due to our cost savings, the reserve fund should increase by approximately \$9,000, leaving our reserve fund with a year-end balance of approximately \$271,000.
- BayRICS 2016 Annual Report and FY 2015-2016 Audit are available here:
http://www.bayrics.net/uploads/1/2/4/6/12466172/2016_bayrics_annual_report_and_audit.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 slightly based on actual expenses for FY 15-16 and the addition of a contract for BayRICS Secretary and administrative services not to exceed \$6,000.00 (See Agenda Item 8). These changes result in an increase in administration expenses of \$11,000 from last year. This increase is offset by reductions in Legal and Misc. line items.

- Staff resources will be focused primarily on Bay Area and State planning for FirstNet. In addition, Staff has allocated resources to continue the monthly P25 Operators Open Forum Meeting and minor updates to the regional interoperable fleetmap and system key exchange guidelines.
- For reference, Staff has projected a budget for 2018-2019, based on these same assumptions. The current financial plan allows the JPA to continue indefinitely at current member fee levels, so long as minimal grant funding is available

IV. Staff Recommendation

Staff recommends that the Board adopt the Proposed Budget for FY 2016-17.

BayRICS Two-Year Budget: FY 17-18 & FY 18-19

Revenues	FY16-17 (Final)	FY17-18 (Proposed)		FY18-19 (Projected)
Annual Member Fees	\$ 84,000	\$ 84,000		\$ 84,000
Interest	\$ 500	\$ 500		\$ 500
Administration Grant	\$ 59,000	\$ 59,000		\$ 59,000
Total Revenues	\$ 143,500	\$ 143,500		\$ 143,500
Expenses				
	FY15-16	FY16-17		FY17-18
Administration ¹	\$ 101,500	\$ 112,500		\$ 112,500
General Manager		\$ 106,500		\$ 106,500
Secretary		\$ 6,000		\$ 6,000
Audit	\$ 6,000	\$ 6,000		\$ 6,000
Legal	\$ 18,000	\$ 12,000		\$ 12,000
Insurance	\$ 10,000	\$ 10,000		\$ 10,000
Miscellaneous	\$ 3,000	\$ 3,000		\$ 3,000
Total Expenses	\$ 138,500	\$ 143,500		\$ 143,500
Reserve Fund				
	FY15-16	FY16-17		FY17-18
Balance -beginning	\$ 246,559	\$ 263,247		\$ 263,247
Increase in reserve fund ²	\$ 5,000	\$ -		\$ -
Draw on reserve	\$ -	\$ -		
Balance – ending²	\$ 251,559	\$ 263,247		\$ 263,247

1. Administration Expenses include General Manager Contract (\$106,500) and Admin Assistant contract (\$6,000).

2. Actual balance in Reserve Fund on June 30, 2016 was \$263,247 (increase of \$16,688 from June 30, 2015), per Audit http://www.bayrics.net/uploads/1/2/4/6/12466172/2016_bayrics_annual_report_and_audit.pdf.