

BayRICS Authority
STAFF REPORT

DATE: Thursday July 9, 2015
TO: BayRICS Board of Directors
FROM: Barry Fraser, General Manager
SUBJECT: Item 8 – BayRICS Fiscal Year (FY) 2015-2016 Budget

RECOMMENDATION:

Approve BayRICS FY 2015-16 Budget

I. Background

At the January 8, 2015 meeting the Board directed staff to develop a proposed budget for FY 2015-2016 that would keep annual member fees at the current level and focus resources on Bay Area planning for FirstNet. At the April 9 Board meeting, GM Fraser provided three budget options that would each meet the Board's stated requirements. The Board directed staff to develop a final FY 2015-16 budget that reflects a transition to part-time general manager and supplementing revenues from current-level member fees with limited grant funding support.

As directed by the Board, a proposed final budget for FY 2015-16 is attached. Staff recommends that the Board approve this budget at its July 9, 2015 meeting.

II. FY 2014-2015 Revenues and Expenses (unaudited)

- Revenues: BayRICS met its revenue targets for FY 2014-2015 revenue with all member annual fees paid in full.
- Expenses: BayRICS expenses remain 10% below budget forecasts for the year, resulting in approximately \$26,000 in cost savings over budgeted expenses for the year.
- Reserve Funds: BayRICS began the Fiscal Year with a Reserve Fund of approximately \$405,000. We anticipated a draw on the reserve of \$190,509 to cover all expenses for the FY. However, due to our cost savings, the draw on reserves will be approximately \$167,000, leaving our reserve fund with a year-end balance of approximately \$240,000.

III. FY 2015-2016 Budget Highlights

- Annual member fee remains at FY 2014-15 level (\$7,000/year)
- Administration expenses have been reduced by approximately 57% (from transition to part-time General Manager)
- Assumes grant revenues of \$59,000 from approved UASI 2015 Grant
- These assumptions will result in a modest increase to the reserve fund of \$5,447 at end of year (total projected as \$243,479)

- Staff renounces will be focused primarily on Bay Area planning for FirstNet network deployment
- Grant-funded projects (BayLoop and P25 Coordination) are phased out in 2016 due to limited availability of project management resources
- This budget 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 attached budget for FY 2015-16.

BAYRICS PROPOSED ANNUAL BUDGET: FY 2015-2016		
Operating Revenues		
Membership Fees		\$91,000
UASI Grant		\$59,000
Interest		\$500
Total Revenues		\$150,500
Operating Expenses		
Administration:		
Full-Time GM (3 weeks)	\$13,153	
Part-Time GM (11 Months)	\$88,000	
Total Administration:		\$101,153
Legal Services:		
General Legal (12 months x \$2,500/m)	\$10,500	
Telecom/Regulatory	\$14,400	
Total Legal Services		\$24,900
Bookkeeping/Accounting		\$5,000
Insurance		\$10,000
Miscellaneous Expense		\$4,000
TOTAL Expenses		\$145,053

Grant Funded Project Revenues		
UASI Grant		\$205,000
Total Grant Funded Revenues		\$205,000
Grant Funded Project Expenses		
BayLoop M&M (Grant Funded)		\$205,000
Total Grant Funded Expenses		\$205,000

Reserve Fund		
Beginning Balance 7/1/2015 (Unaudited)		\$238,032
Projected carry forward from FY 2015-16		\$5,447
Total Reserve Fund 6/30/2013		\$243,479
Draw on Reserves		\$0
Projected Reserves 6/30/2016		\$243,479

Assumptions:

1. Reduction in GM hours results in ~57% reduction in Operating Expenses
2. Grant revenues for operations have been budgeted at \$59,000/year
3. Grant-Funded Projects (BayLoop and P25 Coordination) are phased out in 2016
4. These assumptions will result in a modest increase to the reserve fund of \$5,447 in FY 2015-16