

BayRICS Authority
STAFF REPORT

DATE: Thursday April 14, 2016
TO: BayRICS Board of Directors
FROM: Barry Fraser, General Manager
SUBJECT: Item 8 – BayRICS Fiscal Year (FY) 2016-2017 Budget

RECOMMENDATION:

Approve the Attached FY 2016-2017 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 approved a final FY 2015-2016 budget Based on this plan at its July 9, 2015 meeting.

Staff has now prepared a draft budget for FY 2016-2017 for the Board’s review and approval based on year two of the four-year plan, with minor changes discussed below.

II. FY 2015-2016 Revenues and Expenses (unaudited)

- Revenues: BayRICS met its revenue targets for FY 2014-2015 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: As of March 31, 2016, BayRICS actual expenses are running 17% below budget forecasts for the year, projected to result in approximately \$25,000 in cost savings over budgeted expenses for the year.
- Reserve Funds: BayRICS began the Fiscal Year with a Reserve Fund of approximately \$246,559. Due to our cost savings, the reserve fund should increase by approximately \$24,500, leaving our reserve fund with a year-end balance of approximately \$271,000.

III. FY 2016-2017 Budget Highlights

- Annual member fee remains at FY 2014-15 level (\$7,000/year), but we anticipate that the State of California will withdraw as a member, effective July 1, 2016. Total member fees is projected to be \$84,000.
- Administration expenses have been adjusted slightly based on actual expenses for FY 15-16, resulting in an overall reduction of \$7,000 (reductions in Legal and Misc. line items)
- Assumes grant revenues of \$59,000 from approved UASI 2016 Grant

- These assumptions will result in a modest increase to the reserve fund of \$5,000 at end of year (total projected at \$276,000)
- 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.
- Other grant-funded projects (BayLoop and additional P25 Coordination) are being phased out in 2016 due to limited availability of project management resources
- For reference, Staff has projected a budget for 2017-2018, based on these same assumptions. The current financial plan allows the JPA to continue indefinitely at these funding levels, so long as minimal grant funding remains available

IV. Staff Recommendation

Staff recommends that the Board adopt the attached budget for FY 2016-17.

BayRICS Operating Budget: FY 16-17- FY 17-18

Revenues	FY15-16 Budget	FY 15-16 Actuals (Through March 31)	FY16-17 (Proposed)	FY17-18 (Projected)
Annual Member Fees	\$ 91,000	\$ 91,000	\$ 84,000	\$ 84,000
Interest	\$ 500	\$ 585	\$ 500	\$ 500
Administration Grant	\$ 59,000	\$ 17,000	\$ 59,000	\$ 59,000
Maintenance Grant				
Total Revenues	\$ 150,500	\$ 108,585	\$ 143,500	\$ 143,500
Expenses	FY15-16	FY 15-16	FY16-17	FY17-18
Administration	\$ 101,153	\$ 69,653	\$ 101,500	\$ 105,000
Audit	\$ 5,000	\$ 5,530	\$ 6,000	\$ 6,000
Legal	\$ 24,900	\$ 6,486	\$ 18,000	\$ 18,000
Insurance	\$ 10,000	\$ 6,767	\$ 10,000	\$ 10,000
Miscellaneous	\$ 4,000	\$ 0	\$ 3,000	\$ 3,000
Total Expenses	\$ 145,053	\$ 88,436	\$ 138,500	\$ 142,000
Reserve Fund	FY15-16	FY 15-16	FY16-17	FY17-18
Balance -beginning	\$ 238,032	\$ 246,559	\$ 271,000	\$ 276,000
Increase in reserve fund	\$ 5,447	\$ 20,149	\$ 5,000	\$ 1,500
Draw on reserve				
Balance - ending	\$ 243,479	\$ 266,708	\$ 276,000	\$ 277,500