

BayRICS Authority
STAFF REPORT

DATE: Thursday, November 12, 2020
TO: BayRICS Board of Directors
FROM: Corey Reynolds, General Manager
SUBJECT: Item 9 – Revised BayRICS Fiscal Year (FY) 2020-2021 Budget
RECOMMENDATION: Approve the Attached Revised FY 2020-2021 BayRICS Authority Budget.

I. Background

At the May 14, 2020, meeting, the Board approved the Authority’s FY 2020-2021 budget. The Authority’s actual income and expenses will vary slightly from the approved budget, requiring some slight modifications within budget line items, but with no change to the bottom-line Authority financial position, as outlined below.

II. Proposed Budget Modifications

- Revenues:
 - BayRICS originally budgeted the \$50,000 grant from the Bay Area UASI to develop a mobile Tactical Interoperable Communications Plan (TICP) application in FY19-20. However, due to an approved extension from the Bay Area UASI and COVID-19 related delays in the project, this expense will now occur in FY20-21. This change only reflects moving the monies from one fiscal year to the next.
 - BayRICS also received an additional \$16,000 Bay Area UASI grant award to oversee the development of a Public Safety Technology Sustainment Strategy in FY20-21.
- Expenses:
 - BayRICS’ actual insurance expenses totaled \$12,000, a \$2,000 increase over original budget projections. According to the Authority’s insurance provider, public entities and the insurance industry have witnessed dramatic increases in liability loss development in recent years, necessitating premium increases.
 - Due to moving the TICP application project to the current fiscal year, BayRICS will now incur the \$50,000 expense for the TICP application project (approved via Board action on February 13, 2020) in FY20-21.
 - BayRICS also anticipates an additional \$6,000 expense for professional services (offset by grant revenues) to support the development of the Public Safety Technology Sustainment Strategy. BayRICS expects to bring on a student consultant from the UC Berkeley Goldman School of Public Policy to conduct this work.

- Reserve Fund/Net Position:
 - BayRICS’ audited FY19-20 financial statements show a beginning balance/net position of \$289,735. The revised budget reflects this information.
 - The increase in revenue from the UASI Technology Sustainment Strategy project offsets increased expenses, leading to an estimated **\$4,000 increase in the reserve fund** at the end of the year, rather than the estimated \$4,000 draw on the reserve fund.

III. Revised FY 2020-2021 Budget

| Revenues | FY20-21 (Approved) | | FY20-21 (Revised) | | Change |
|----------------------------|--------------------|------------------|-------------------|------------------|------------------|
| Annual Member Fees | | \$84,000 | | \$84,000 | \$ - |
| Interest | | \$2,500 | | \$2,500 | \$ - |
| Administration Grant | | \$59,000 | | \$59,000 | \$ - |
| TICP Application Grant | | \$0 | | \$50,000 | \$ 50,000 |
| Sustainment Strategy Grant | | \$0 | | \$16,000 | \$ 16,000 |
| Total Revenues | | \$145,500 | | \$211,500 | \$ 66,000 |

| Expenses | FY20-21 (Approved) | | FY20-21 (Revised) | | Change |
|-----------------------|--------------------|-------------------|-------------------|-------------------|--------------------|
| General Manager | \$ 115,000 | | \$ 115,000 | | \$ - |
| Secretary | \$ 5,000 | | \$ 5,000 | | \$ - |
| Administration (1) | | \$ 120,000 | | \$ 120,000 | \$ - |
| Audit | | \$ 6,500 | | \$ 6,500 | \$ - |
| Legal | | \$ 12,000 | | \$ 12,000 | \$ - |
| Insurance | | \$ 10,000 | | \$ 12,000 | \$ (2,000) |
| Miscellaneous | | \$ 1,000 | | \$ 1,000 | \$ - |
| Professional Services | | | | \$ 56,000 | \$ (56,000) |
| Total Expenses | | \$ 149,500 | | \$ 207,500 | \$ (58,000) |

| Reserve Fund | FY20-21 (Approved) | | FY20-21 (Revised) | | Change |
|--------------------------------|--------------------|-------------------|-------------------|-------------------|------------------|
| Balance - beginning (2) | | \$ 277,252 | | \$ 289,735 | \$ 12,483 |
| Increase in reserve fund (est) | | | | \$ 4,000 | \$ 4,000 |
| Draw on reserve (est) | | (\$4,000) | | | \$ 4,000 |
| Balance - ending | | \$ 273,252 | | \$ 293,735 | \$ 20,483 |

(1) Includes 1000 hours for General Manager (20 hours/week for 50 weeks at \$115/hour) and 100 hours for Secretary (approx 8 hours/month for 12 months at \$50/hour).

(2) Audited financial statements show a net position of \$289,735 at the beginning of FY20-21.

IV. Staff Recommendation

Staff recommends that the Board adopt the Revised FY 2020-2021 Proposed Budget (center columns in the table above).