



March 22, 2023

Finance Committee Communication

Agenda Item B

TO: MERA Finance Committee

FROM: Heather Plamondon, Executive Officer

SUBJECT: Proposed MERA Operating and Project Budgets for FY 2023-24 and Agency Contributions

Recommended Action:

Recommend the Proposed MERA Fiscal Year 2023-24 Operating and Project Budgets and provide review of the Proposed Agency Contribution Changes for Operating, Capital and Supplemental Capital.

Background:

Staff is presenting the Proposed FY2023-24 MERA Operating and Project Budget as well as Agency Contributions in a slightly different format this year. Included for your review are several documents in support of the proposed Operating and Project Budgets that will be explained below.

Fiscal Impact:

Item 1: Proposed Fund 30 Operating Budget

- The overall budget increase proposed for FY 23-24 is 19.64%
- The RGS bill rates have been updated for positions being contracted and the Admin Team and the Project Team have been separated. The RGS Contract will be updated beginning July 1, 2023 as discussed with the 6 month extension done in December 2022.
- The Legal Services budget has been combined and will no longer be charged from the Project Budget as all Leases and Contracts have been obtained.
- The Insurance Budget has been adjusted to capture all of the sites and has a 7/5% increase per the Broker estimate.
- The County System Maintenance Parts, Materials, and Repairs line item has been increased to reflect the YTD actual for Gen One repairs.
- The County of Marin Service Contracts have been increased by 5% per negotiated labor contracts.
- The Site Expenses line item has been reduced by \$58K due to all leases being obtained, and construction either completed or underway for Next Generation, it is expected that Gen One site upkeep, permits and other needs will be covered within the proposed budget.

Item 2: Leases and Utilities

FY23-24 is the full year that will require funding of both Gen One and Next Gen Sites and Utilities, because we will not be able to decommission any of the Gen One

Equipment and vacate the Gen One Only sites there will be cost overlap during this full budget cycle.

- American Tower- Burdell Mountain is a Gen One Site and will be vacated after the Next Gen System Go live. This will reduce both the lease budget and the utility budget.
- Incline Partners-Bayhill Road is a Gen One Site and will be vacated after the Next Gen System Go live. This will reduce both the lease budget and the utility budget.
- Forbes Reservoir has no fiscal impact for leases but will be removed from the utility budget.
- The lease agreement with MMWD for use of the Mill Valley Water Tank Site provides for an Operating Costs offset to be captured as the lease cost.
- PG&E has now been calculated for each site and accounted for in the PG&E Budget.

Item 3: Proposed Fund 38 Project Budget

- This budget shows the capital contribution of \$225K which was captured in the FY22-23 Operating Budget and placed into reserves.
- This budget also shows a supplemental Capital Contribution of \$200K to support the LOC as discussed.
- The RGS Project Team has been separated out from RGS General Admin, reduction noted.
- The Debt Service noted in the proposed budget is not inclusive of any additional funding or LOC.
- The details of the Budgeted Capital Outlay show the anticipated expenditures against the existing contracts in FY23-24. If we are able to find efficiencies in the Construction schedule, we may be able to move further along with the Motorola milestones and therefore would have additional expenditures in this FY.

Item 4: Member Contributions for Operating Budget Only

- The \$225K is no longer captured here.

Item 5: Additional Capital Contribution \$225K

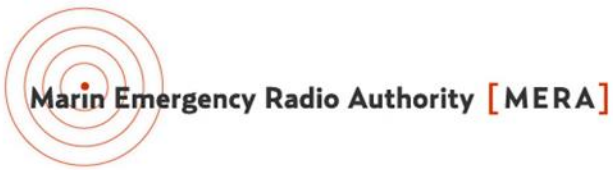
- This is intended to show the impact of this contribution without being combined with the operating costs.

Item 6: Supplemental Capital Contribution \$200K

- This is intended to show the specific agency's contribution of this amount.

Item 7: Total Member Contribution

- This is intended to show what each Member will be expected to pay for Operating, Capital and Supplemental Capital. It also shows the dollar change and the percentage change from last year.



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- The 25% change is inclusive of the Operating increases and the Supplemental Capital contribution.

Item 8: Cash Balance Summary

- This is intended to show available cash balances by Fund as of the presentation of this proposed budget.

Item 9: Consolidated Balances

- This is the Balance Sheet by Class that shows Assets and Liabilities.

Attachments:

- Item 1_ FY23-24 Proposed Budget _ Fund 30 Operating
- Item 2_ FY23-24 Proposed Budget_ Leases and Utilities
- Item 3_ FY23-24 Proposed Budget _ Fund 38 Project Budget
- Item 4 _ FY23-24 Proposed Budget _ Agency Contribution_ Operating
- Item 5 _ FY23-24 Proposed Budget _ 225K Cap Contribution
- Item 6_ FY23-24 Proposed Budget _ Supp Cap 200K
- Item 7 _ FY23-24 Proposed Budget _ Total Contribution
- Item 8 _ FY 23-24 Proposed Budget_ Cash Balances
- Item 9_ FY23-24 Proposed Budget_ Consolidated Balance By Class