



SAN FRANCISCO BAY
RESTORATION AUTHORITY

Memorandum

Date: May 22, 2019

To: Governing Board
San Francisco Bay Restoration Authority

From: Sam Schuchat, Executive Officer
Brian Mayhew, Treasurer of the Authority & Chief Financial Officer of the
Metropolitan Transportation Commission

Subject: Fiscal Year 2019-20 Budget

Submitted for Authority review and approval of Resolution 58 authorizing the Authority to approve the Fiscal Year (FY) 2019-20 Budget.

The budget is divided into two distinct programmatic areas, the Project-Based Budget and the Operating Budget. Basic assumptions going into the FY 2019-20 budget are the following:

- Project revenue (parcel tax) and fees will not change in FY 2019-20.
- An administrative fee (5%) is taken off the top and transferred to the Authority Operating Budget.
- An estimate for interest earnings has been added to the Operating Budget.
- Staff costs consist of both MTC and Coastal Conservancy staff. The combined staff cost will increase by 26% as more staff resources are dedicated to project support.
- Consultant expenses increased by 75% or \$30,000 for public awareness and technology services.
- Repayment of ballot costs will continue in FY 2019-20.
- A 15% contingency line has been added to the Project-Based Budget and the Operating Budget.

The nature of the Authority allows all committed funds, including grants and contracts, to be budgeted and carried forward without further budget action until the project is completed or cancelled. Uncommitted or unencumbered funds from a prior year are added to the estimated balance for the FY 2019-20 budget and made available for programming.

Project-Based Budget

The Measure AA parcel tax is the main source of revenue for the Authority. The measure is a parcel tax of \$12 per year, raising approximately \$25 million annually for a total of twenty years. The project fees will remain the same as those in the FY 2018-19 budget amendment, which is a partial offset for the new Bay Restoration Regulatory Integration Team (BRRIT) project.

Projects are budgeted on a Life-to-Date (LTD) budget basis, as compared to operating expenditures that expire on June 30th of each year. The FY 2019-20 project budget is actually an increase to the prior year budgets. The process follows this procedure:

- Life-to-Date project budget through FY 2018-19
- Proposed increases in FY 2019-20
- Final adopted Life-to-Date budget proposed through FY 2019-20

This process allows us to track the total authorized project budget on an individual project basis until completion, adjustment or cancellation, without the need for constant budget amendments.

In FY 2019-20, the Authority revenue will total \$26.1 million with net revenue of approximately \$24.0 million after provision for administrative fees, county tax collection charges, and technical consultant services.

A total of \$33.0 million is currently proposed as new project funding in FY 2019-20. This will include 15% project contingency of \$3.7 million that can be utilized across all approved projects to accommodate changes in project scope and priorities. The proposed project expense increased by approximately \$29 million, \$18 million in new projects, \$11 million for the South San Francisco Bay Shoreline Project, and \$316,226 for Bay Restoration Regulatory Integration Team.

Operating Program

Funding for Authority Operations are provided by a 5% draw against parcel tax revenue plus earnings on idle cash. The total available for the FY 2019-20 operating revenue is nearly \$1.6 million consisting of \$1.3 million 5% administrative fee and \$300,000 interest earnings.

The proposed operating expense for FY 2019-20 is approximately \$1.7 million, including a budgeted contingency of 15%. Staff costs will be about half the budget with the repayment of the ballot initiative taking up another 22%. Banking and finance fees are budgeted to cover MTC expenses for treasury and cash management costs are not covered under general overhead. The proposed budget will leave a projected operating deficit of \$82,588 which will be covered with available fund balance.

Recommendation: Staff recommends approval of Resolution 58, the Authority Budget for FY 2019-20.

SF Bay Restoration Authority - Project Based Budget

	LTD Actual as of 03/31/19	Proposed LTD Budget with Amendment FY 2018-19	Proposed Budget FY 2019-20	Proposed LTD Budget FY 2019-20
Revenue				
4620 Measure AA Special Tax Revenue	\$ 40,248,437	\$ 51,430,320	\$ 25,715,160	\$ 77,145,480
Project Fees	-	375,000	375,000	750,000
Total Project Revenue	\$ 40,248,437	\$ 51,805,320	\$ 26,090,160	\$ 77,895,480
Expense - Fees				
Less 5% Administration Fee	2,571,516	2,571,516	1,285,758	3,857,274
County Administration Fee	1,146,704	1,504,338	752,168	2,256,506
Technical Services - Consultants	81,340	104,440	47,500	151,940
Total Expense Fees	\$ 3,799,561	\$ 4,180,294	\$ 2,085,426	\$ 6,265,720
Expense - Projects				
South Bay Salt Ponds Restoration Project, Phase 2	18,555	8,021,730	-	8,021,730
South San Francisco Bay Shoreline Project		15,439,406	-	15,439,406
Restoring wetland-upland transition zone habitat		2,661,264	-	2,661,264
Montezuma Tidal and Seasonal Wetlands Restoration Project	762,556	1,610,000	-	1,610,000
Deer Island Basin Phase 1 Tidal Wetlands Restoration Project		630,000	-	630,000
San Leandro Treatment Wetland		539,000	-	539,000
Encinal Dune Restoration and Public Access		450,000	-	450,000
Sonoma Creek Baylands Strategy	1,770	172,500	-	172,500
900 Innes		4,998,600	-	4,998,600
Bay Restoration Regulatory Integration Team		2,227,286	316,226	2,543,512
Tiscornia Marsh Restoration and Sea Level Rise Adaptation		968,916	-	968,916
FY 19/20 Measure AA Projects		-	28,837,104	28,837,104
Project Contingency (15%)*		-	3,664,410	3,664,410
Total Projects Expense	\$ 782,881	\$ 37,718,702	\$ 32,817,740	\$ 70,536,442
Total Expense	\$ 4,582,442	\$ 41,898,996	\$ 34,903,166	\$ 76,802,162
Uncommitted Balance	\$ 35,665,995	\$ 9,906,324	\$ (8,813,006)	\$ 1,093,318
Beginning Balance			\$ 9,906,324	
Ending Balance	\$ 35,665,995	\$ 9,906,324	\$ 1,093,318	\$ 1,093,318

*15% Tax Revenue Net 5%

SF Bay Restoration Authority - Operating

	YTD Actual As of 03.31.19	Adopted Budget FY 2018-19	Proposed Budget FY 2019-20	Change % Inc./Dec.	Change \$ Inc./Dec.
Revenue					
Administration Transfer in	\$ 1,285,758	\$ 1,285,758	\$ 1,285,758	0%	\$ -
Interest Revenue	268,524	300,000	300,000	-	-
Miscellaneous	10,868	-	-	-	-
Total Operating Revenue	\$ 1,565,151	\$ 1,585,758	\$ 1,585,758	0%	\$ -
Salaries & Benefit					
MTC Salaries & Benefit	\$ 77,759	\$ 109,408	171,585	57%	\$ 62,177
MTC Indirect cost	41,033	54,994	91,777	67%	36,783
State Coastal Conservancy Staff	164,674	480,100	550,000	15%	69,900
Total Salaries & Benefit	\$ 283,466	\$ 644,502	\$ 813,362	26%	\$ 168,860
Expense					
Advertising/Public Awareness	-	-	-	0%	-
Ballot Cost	369,421	369,421	369,421	0%	-
Travel	-	7,700	7,700	0%	-
Audit	30,000	50,000	50,000	0%	-
Banking & Finance Fees	12,898	145,000	145,000	0%	-
Insurance	13,129	12,500	15,000	20%	2,500
Consultants	13,900	40,000	70,000	75%	30,000
Committee Member Stipend	-	2,000	5,000	150%	3,000
Operating Contingency (15%)*	143	192,864	192,864	0%	(0)
Total Expense	\$ 722,956	\$ 1,463,987	\$ 1,668,346	14%	\$ 204,360
Surplus/Deficit	\$ 842,195	\$ 121,771	\$ (82,588)	-168%	\$ (204,360)
Beginning Balance	\$ 620,769	\$ 620,769	\$ 742,540		
Ending Balance	\$ 1,462,964	\$ 742,540	\$ 659,952		