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MEMORANDUM

DATE: September 29, 2017
TO: MGSA Board of Directors
FROM: Michael S. Frank, Executive Officer
SUBJECT: Budget Adjustments to the MGSA FY 2017/18 Adopted Budget

Recommendation

Adopt the attached resolution approving budget adjustments to the FY 2017-18 Adopted Budget.

Discussion

Following the MGSA Board adoption of the FY 2017/18 Budget in May, there have been Board actions that require changes to the FY 2017/18 Adopted Budget. They primarily relate to the signing of two agreements with telecommunications providers and changes to staff administrative and program support contracts.

Listed below are a description of the budget adjustments recommended by staff for approval by the Board:

MarinMap Fund

- MarinMap Revenue/Expenditure Changes – During FY 2016/17 and in the middle of FY 17/18 budget development, a MarinMap dues paying member announced intention to withdraw from membership. That member (SASM) ultimately rescinded their withdrawal. The budget was adopted without their \$10,000 revenue, and now needs to be amended to show the restored revenue, as well as placing a commensurate \$10,000 into the Projects line of the Budget.

For clarification and information, the adopted MarinMap budget did anticipate a new member (TAM) joining during this fiscal year. TAM has joined MarinMap and since their \$10,000 dues for FY 17/18 was anticipated, along with a commensurate \$10,000 project expenditure, no action is needed in that case.

General Fund

- **Streetlight Program Telecommunications Equipment Agreements** – In May of this year, the Board approved two agreements with telecommunications providers. These agreements result in both revenue and expense impacts. Staff is recommending the following budget adjustments:
 - The Agreements contain a one-time Master License Fee. As a result of the anticipated revenue, the revenue budget is recommended to be increased by \$35,000.
 - The Agreements contain a processing fee for each streetlight pole application where telecommunications equipment is being proposed. Staff is assuming that during the remainder of this fiscal year, a total of 100 applications for equipment on Poles will be made. Staff is recommending that revenue be increased by \$50,000 and that an offsetting expense be budgeted as well. Much of the budgeted expenditure will go to MGSA's electrical provider to review equipment applications.
 - Staff is unclear how quickly providers will be able to work through local jurisdictions' permitting processes. At this time, staff is not assuming that any ongoing rental revenue will be received in FY 2017/18.
- **MGSA Administration and Program Support Contract Changes**
 - General Counsel – As a result of an hourly rate increase approved by the Board this past May, the Budget for that line item is being recommended for adjustment by \$9,000.
 - Executive Officer – In August, the MGSA Board approved a contract change for a period of 10 months. The Budget is suggested to be amended by \$23,000.
 - Administrative Support – At this current meeting, the Board is being asked to delegate discretionary authority to the Executive Officer to increase the agency's administrative support contract. The Budget is recommended for adjustment by \$2,000.
- **Administrative Office Expenses** – Based on FY 2016/17 year-end results, staff is recommending that the Budget be amended for the rent and phone expenses line items by a total of \$3,000.

The MGSA Board is required to approve budget changes and transfers from fund balance to budgeted line items. The specific account codes to be adjusted are listed in the attached Budget Amendment Resolution.

Attachment

1. Resolution 2017 - 16 titled, "Budget Amendment to FY 2017 – 18 MGSA Adopted Budget."



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**MARIN GENERAL SERVICES AUTHORITY
BUDGET AMENDMENT TO FY 2017 – 18 MGSA ADOPTED BUDGET**

RESOLUTION 2017 – 16

WHEREAS, the Marin General Services Authority must adopt an annual spending plan for the General Fund; and

WHEREAS, on May 11, 2017, the MGSA Board of Directors adopted the FY 2017-18 MGSA Annual Budget; and

WHEREAS, on September 29, 2017 the MGSA Board of Directors considered an amendment to the FY 2017-18 Budget.

NOW THEREFORE, BE IT RESOLVED, that the Marin General Services Authority hereby adopts an amendment to its MGSA Adopted Budget for Fiscal Year 2017 – 18 as shown in the attached Exhibit A.

Adopted this 29th day of September 2017.

Ayes:

Noes:

Absent:

Sean Condry, MGSA Board President

Attested By:

Michael S. Frank, Executive Officer

Exhibit A

MGSA General Fund – Administration - Munis Object Code: 80198641

G/L		FY 2017/18 Adopted Bud	Change	FY 2017/18 Revised Bud
462610	Telecom Revenue	0	\$(85,000)	\$(85,000)
521310	Admin Office Expense	\$5,000	+\$3,000	\$8,000
522510	Professional Services	\$214,000	+\$75,000	\$289,000
522545	Professional Services – Legal	\$21,000	+ \$9,000	\$30,000

MGSA MarinMap – Munis Object Code: 80208661

G/L		FY 2017/18 Adopted Bud	Change	FY 2017/18 Revised Bud
461250	Membership Revenue	\$(152,000)	\$(10,000)	\$(162,000)
522510	Professional Services	\$196,245	+ \$10,000	\$206,245