



EAST BAY REGIONAL PARK DISTRICT
BOARD FINANCE COMMITTEE
AGENDA STATEMENT
MEETING DATE – Monday November 23, 2015

SUBJECT: East Bay Regional Park District 2016 Proposed Budget

Prepared by: Pam Burnor, Budget Manager, Debra Aufer, Acting
AGM Finance and Management Services, Bill Zenoni, Interim Chief
Financial Officer

ATTACHMENTS: 2016 Proposed Operating and Projects Budgets

RECOMMENDATION: Review the 2016 Proposed Budget and direct staff to prepare the information for submittal and consideration by the Board of Directors at the December 1 and 15, 2015 Board Meetings

DESCRIPTION:

This report provides an overview of the 2016 Proposed Budget and seeks the Committee's recommendation to the full Board.

The District's Proposed Budget is presented in two volumes:

- Volume 1, the Operating Budget, includes the General Manager's message, an overview of all funds, and Division financial summaries, performance measures and operating budgets;
- Volume 2, the Projects Budget, provides details on the District-wide projects.

Budget Highlights:

2016 Proposed Budget Summary (all funds)

District revenue for all funds for 2016 totals \$171.2 million (excluding inter-fund transfers), \$1.9 million above the \$173.1 million budgeted in 2015.

Appropriations for all funds (excluding transfers) total \$205.9 million, which represents a 5.9% increase from the 2015 adopted budget of \$194.4 million. The District's 2016 proposed operating budget is balanced when taking into account the planned use of fund balance for capital projects and debt service payments.

Changes to budget appropriations include:

- Projected District operating costs, including debt service, inter-agency agreements and intra-District charges, have increased to \$196.5 million in 2016 from \$189.7 million in 2015 (a 3.8% increase). This increase is a result of modest increases in wages, benefits, supplies and services.

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- Capital project appropriations have increased from \$4.7 million in 2015 to \$9.4 million in 2016. This increase is mainly due to the allocation of Measure WW funds for future land acquisition which the Board may consider during the coming year. Expenditures on capital projects fluctuate from year to year. Unlike the operating budget, where unspent appropriations are returned to fund balance at year end, unspent project appropriations remain available for expenditure until the project is completed and closed.

The 2016 Proposed Budget includes approximately \$1.2 million in *base budget* increases of \$20,000 or more including a commitment to provide an additional \$100,000 (for a total of \$600,000) in annual funding for vegetation and fire fuels management, a base increase of \$500,000 towards environmental mitigation costs related to the Anthony Chabot Marksmanship Range, \$60,000 for required biological monitoring activities and other on-going operating cost increases. A *base budget* increase is a commitment of ongoing costs that will increase the base appropriations each year, such as adding a new permanent employee or the utilities associated with opening a new facility.

The proposed *base budget* increases related to personnel include 17.006 new permanent full and part-time equivalent (FTE) positions, plus an additional 2.530 limited-term positions (committed for only one year), for a total increase of 19.536 FTE's.

The 2016 Proposed Budget also includes over \$11 million in *one-time budget* increases from all funds. *One-time* increases are for equipment, studies and other costs that will not be recurring. The 2016 budget includes these significant *one-time* increases:

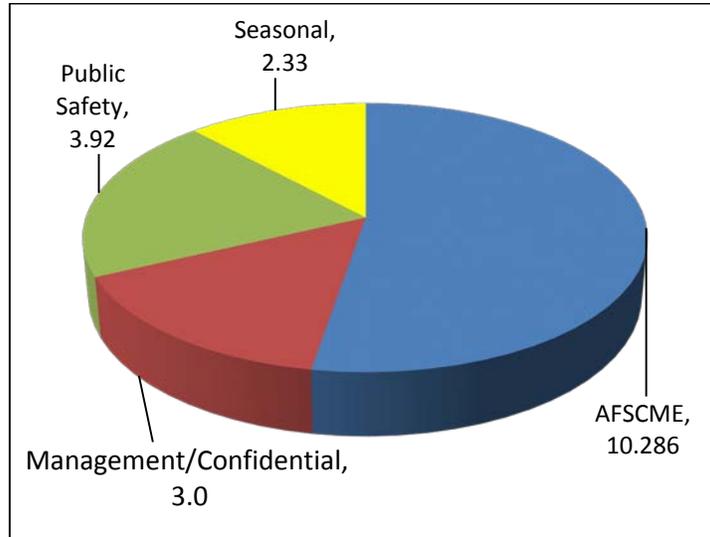
- \$1,000,000 to augment the District-wide Pavement Maintenance Management Plan Improvements
- \$500,000 to fund development of Phase I of the Convenience Camping Pilot Program
- \$310,000 to fund Black Diamond mine improvements (grant matching funds)
- \$300,000 to augment the District's Fleet Replacement Program
- \$150,000 to fund the Del Valle Water System
- \$128,971 to fund the Quagga Mussel Response Program
- \$125,000 to fund facility design work at the Redwood Canyon Public Golf Course
- \$100,000 to augment the Major Infrastructure Renovation and Replacement Fund

Additional information on new budget requests greater than or equal to \$20,000 is provided on pages 60 to 62 of the Proposed Operating Budget.

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| District Authorized Staffing Changes |
|---|

The 2016 Proposed Budget includes the addition of 19.536 FTEs, both permanent and seasonal. This increases the total District authorized staffing to 781.5 FTE's. Of the new positions requested, 16.006 will be allocated as General Fund permanent positions, 2.53 are limited-term positions funded by the General Fund with the remaining 1.0 FTE funded from other District funds. A detailed listing of the proposed 2016 staffing changes is provided on pages 63 to 63 of the Proposed Budget document.

A breakdown of the proposed FTE additions by labor group is provided in the chart below:



The requested new positions include increases in staffing necessary to manage newly opened parks, which are referred to as “pipeline” positions. New 2016 pipeline positions include:

| | <u>FTE</u> |
|---|-------------|
| <u>General Fund</u> | |
| Concord Hills | 2.00 |
| Las Trampas | 0.96 |
| Pleasanton Ridge | 0.40 |
| Point Pinole | 0.10 |
| Sibley | 0.75 |
| Vargas | <u>0.40</u> |
| Total General Fund | 4.61 |
| <u>Measure CC</u> | |
| Miller Knox | 0.20 |
| North Richmond Wetlands | <u>0.30</u> |
| Total Measure CC | 0.50 |
| Total Recommended 2016 Pipeline Staffing | 5.11 |

The 2016 Proposed Budget also provides funding for employee salary and benefit adjustments in accordance with approved labor agreements.

| |
|---|
| General Fund (See pages 72 to 76 of Proposed Budget) |
|---|

The 2016 Proposed General Fund Budget is balanced with projected total resources of \$127.6 million available to fund expenditures and transfers out of \$127.1 million, resulting in a projected fund balance increase of \$0.6 million in the General Fund.

General Fund Budgeted Revenues:

General Fund projected revenue for 2016 totals \$127.6 million compared to \$122.0 million budgeted for 2015. This represents an increase of \$5.6 million or 4.6%. Of this anticipated increase in revenue, the major portion (\$5.0 million) is attributable to increased property tax revenue as the local economy continues to improve.

Transfers-in to the General Fund for 2016 total \$98,000, up from the \$45,000 budgeted in 2015. This represents the estimated final transfer from the Coyote Hills Linear Park Fund of \$93,000 (to close the fund) plus \$5,000 for feral pig management transferred from several permanent funds.

General Fund Appropriations:

Proposed General Fund appropriations for 2016 total \$120.1 million compared to \$114.4 million in 2015. This represents an increase of \$5.7 million or 5.0%. The increase in 2016 is primarily related to personnel, supplies and services costs. Personnel cost increases total \$3.9 million (4.8%) due to the addition of 18.5 positions funded by the General Fund in 2016 as well as wage adjustments for existing employees in accordance with approved labor agreements and increased pension costs. Proposed General Fund appropriations for services increased by \$1.3 million (8.7%). Included in this increase are several base appropriation increases including environmental mitigation related to Anthony Chabot (\$500,000) and design work for the banquet/event center at Redwood Canyon (\$125,000), as noted above. The proposed budget for supplies increased slightly by \$0.2 million (2.1%) which reflects inflationary cost increases and the purchase of rolling stock costing less than \$25,000. The Proposed General Fund Budget includes funding of \$777,160 for capital outlay/equipment which reflects a slight reduction from the 2015 budget of \$826,060 and provides funding for the addition of seven vehicles to the District's fleet.

Transfers-out of the General Fund for 2016 total \$6.9 million, up from the \$6.4 million budgeted in 2015. Recommended transfers from the General Fund include \$2.4 million for annual design and construction staff costs, \$1.4 million for debt service costs, \$600,000 for the District-wide Fire Fuels Vegetation Management Program (an increase of \$100,000), \$500,000 to the Major Infrastructure Renovation and Replacement Fund, \$500,000 for a Pilot Convenience Camping Program and \$310,000 for Black Diamond Mine improvements.

Other Funds (See pages 77 to 117 of Proposed Budget)

In addition to the General Fund, the District maintains other funds designated for specific purposes either by Board action or legal requirements. Those funds are included in separate fund groups and are classified as Special Revenue, Debt Service, Internal Service, Permanent and Project Funds. A summary of the significant budget highlights for each of these funds groups is provided below.

Special Revenue Funds account for funds held by the District that are legally required to be expended for specific purposes, including the various assessment districts, Measure CC funds, private donations, mitigation funds, tipping fees, Measure WW local grant funds and the East Contra Costa County Habitat Conservancy Program Properties Fund. Total revenues and transfers-in to the Special Revenue Funds are projected to total \$26.3 million in 2016, reflecting no change from the 2015 budgeted revenue. Proposed expenditures and transfers-out of the Special Revenue Funds total \$24.3 million, down slightly from the \$24.5 million 2015 budget due to a slight reduction in Measure CC fund expenditures.

Debt Service Funds are utilized to account for the District's obligation to pay principal, interest and administrative costs on outstanding long-term debt. Included in this fund group are the 2012 Promissory Notes, 2008 Measure AA Refunding bonds and the 2009 and 2013 Measure WW bonds. Total revenue to the Debt Service Funds for 2016 will be \$22.1 million compared to \$30.3 million budgeted in 2015. Expenditures for principal, interest and administrative fees will also be reduced in 2016 from \$33.3 million to \$32.2 million. The reduction in budgeted revenue and expenditures reflects the final payment on the 2006 Series AA bonds which was made in September 2015 and the utilization of fund balance for a portion of the 2016 Series WW debt service in anticipation of the scheduled reduction in annual debt service payments beginning in 2017.

The Internal Service Funds account for shared District activities including the Workers Compensation, Major Infrastructure Renovation and Replacement, Major Equipment Replacement, General Liability and Employee Benefits Funds. The total revenues and transfers-in for 2016 are projected to be \$13.3 million -- up slightly from the 2015 budget of \$12.7 million. Expenditures and transfers-out total \$13.1 million compared to \$11.4 million in 2015. This increase is due to increased funding for District infrastructure repairs and replacement of major equipment.

Permanent Funds are utilized to account for endowments/donations which are legally restricted to permanently manage District mitigation properties and restoration projects with only the interest earnings available for expenditure. The twelve Permanent Funds are identified on pages 105 to 109 of the Proposed Budget.

The final fund group that is budgeted is Project Funds and includes major capital projects funded from grants, debt proceeds, Measure CC parcel taxes and the General Fund. The 2016 Projects Funds budgets include funding for land acquisition studies/purchases, OTA (Other Than Asset) projects including vegetation/fire fuel management, paving, mine shaft safety improvements, convenience camping and the expenditure of Measure WW and 2012

Promissory Note funds. A complete listing of 2016 Project funding is provided on page 116 of the Proposed Budget. Detailed information on individual projects is included in volume two, 2016 Proposed Projects Budget.

Conclusion

The 2016 Proposed Budget provides a detailed plan for the District's operations during the 2016 calendar year and is the result of months of planning and review by District staff. The Board Finance Committee received a report on the Proposed 2016 General Fund Budget on October 28, 2015. Staff will continue to work on the budget document over the next several weeks and will provide responses to any questions which the Finance Committee may have.

The Proposed Budget will be presented to the Park Advisory Committee (PAC) on the evening of November 23, 2015. The Board of Directors will review the Proposed Budget in detail and hold a public hearing on December 1st with adoption of the 2016 Budget scheduled for December 15th. The Proposed Budget documents are working copies of what will become the final published adopted budgets. Following adoption of the budget, the budget documents will be finalized and will include additional maps and photos, final changes as approved by the Board and additional appendices.

RECOMMENDATION:

Staff requests that the Board Finance Committee review and recommend to the full Board of Directors acceptance of the 2016 Proposed Operating and Project Budget.

EAST BAY REGIONAL PARK DISTRICT

BOARD FINANCE COMMITTEE

AGENDA STATEMENT

MEETING DATE – Monday, November 23, 2015

SUBJECT: 2016 Article XIII B California Appropriation Limit (Gann Limit)

Prepared by: Pam Burnor, Budget Manger

RECOMMENDATION: Review information and direct staff to include this information in the 2016 Proposed Budget which will be submitted to the Board of Directors for approval.

DESCRIPTION:

Article XIII B of the California State Constitution establishes a formula to calculate a limit on public agency appropriations of taxes. The appropriation limit applies to maximum appropriations to be charged against property tax. The limit is adjusted every year by the cost of living factor and the population change factor (the annual adjustment factor).

The California Department of Finance provides information required for the calculation of the annual adjustment factor: the percentage change in per capita personal income (cost-of-living factor), and county population estimates. Both of these factors are converted into a ratio, in compliance with the instructions from the State. The product of the ratios (the annual adjustment factor) is multiplied by the prior year appropriation limit, to arrive at the current year appropriation limit.

The appropriation limit is compared to appropriations to be paid with property tax revenue. The General Fund is the only District fund subject to the limit as special assessment, special excise and debt service tax revenues are specifically excluded from the appropriation limitation.

The previous appropriations limit, \$332,087,195, when multiplied by the 2016 annual adjustment factor, 1.0527, results in the 2016 appropriations limit of \$349,591,236.

The District's 2016 appropriations, subject to the Gann limit, \$113,922,020, fall well below the appropriations limit for the fiscal year.

RECOMMENDATION:

It is requested that the Finance Committee direct staff to include this information in the 2016 Proposed Budget which will be submitted to the Board of Directors for approval.

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EAST BAY REGIONAL PARK DISTRICT
BOARD FINANCE COMMITTEE
 AGENDA STATEMENT
 MEETING DATE – Monday, November 23, 2015

SUBJECT: Third Quarter 2015 General Fund and Other Governmental Funds Financial Reports

Prepared by: Deborah Spaulding, Assistant Finance Officer

- ATTACHMENTS:**
- A. General Fund Charts of Revenue, Expenditures and Fund Balance
 - B. General Fund Quarterly Financial Report as of 9/30/15
 - C. Other Governmental Funds Quarterly Financial Report as of 9/30/15

RECOMMENDATION: Review reports and direct staff to prepare the information for acceptance by the Board of Directors

EXECUTIVE SUMMARY:

As of September 30, 2015 the District’s financial activities are as expected when compared against prior year and to the current year budget.

General Fund revenue, as of the end of the third quarter, totaled \$66.3 million or 54% of the \$122.1 million annual budgeted amount. This represents an increase over the \$61.0 million that was received during the same time period in 2014. This result is as anticipated, because property taxes, the District’s main revenue source, are received primarily in March and December.

General Fund expenditures totaled \$87.5 million or 67.1% of the \$130.3 million annual budget as of the end of the third quarter which was \$5.1 million below expenditure levels during the same time period last year. This difference is largely related to the category of Transfers Out, which were \$4.5 million lower than during the same period in 2014. However, a Transfer-Out of \$6.6 million was approved by the Board in October (after the reporting period for this report) for the Shadow Cliffs Solar Panel Photovoltaic Project.

| General Fund <i>(in millions)</i> | Budget 2015 | Actual thru 9/30/15 | variance | % of Budget Complete |
|---|----------------|------------------------|-----------|-------------------------|
| Revenue | \$ 122.1 | \$ 66.3 | \$ (55.8) | 54.3% |
| Expenditures | \$ 130.3 | \$ 87.5 | \$ 42.9 | 67.1% |
| Net Change in Fund Balance | \$ (8.3) | \$ (21.2) | \$ (12.9) | |

DESCRIPTION:

This report and attachments summarize 2015 revenues and expenditures for the entire District through September 30, 2015. This information is provided to the Board as required by the Board Operating Guidelines.

The charts in Attachment A provide an overview of the past four years of revenues and expenditures and project the revenues and expenditures to end the year as budgeted.

The table at the bottom of Attachment A provides a summary of unassigned fund balance in the General Fund.

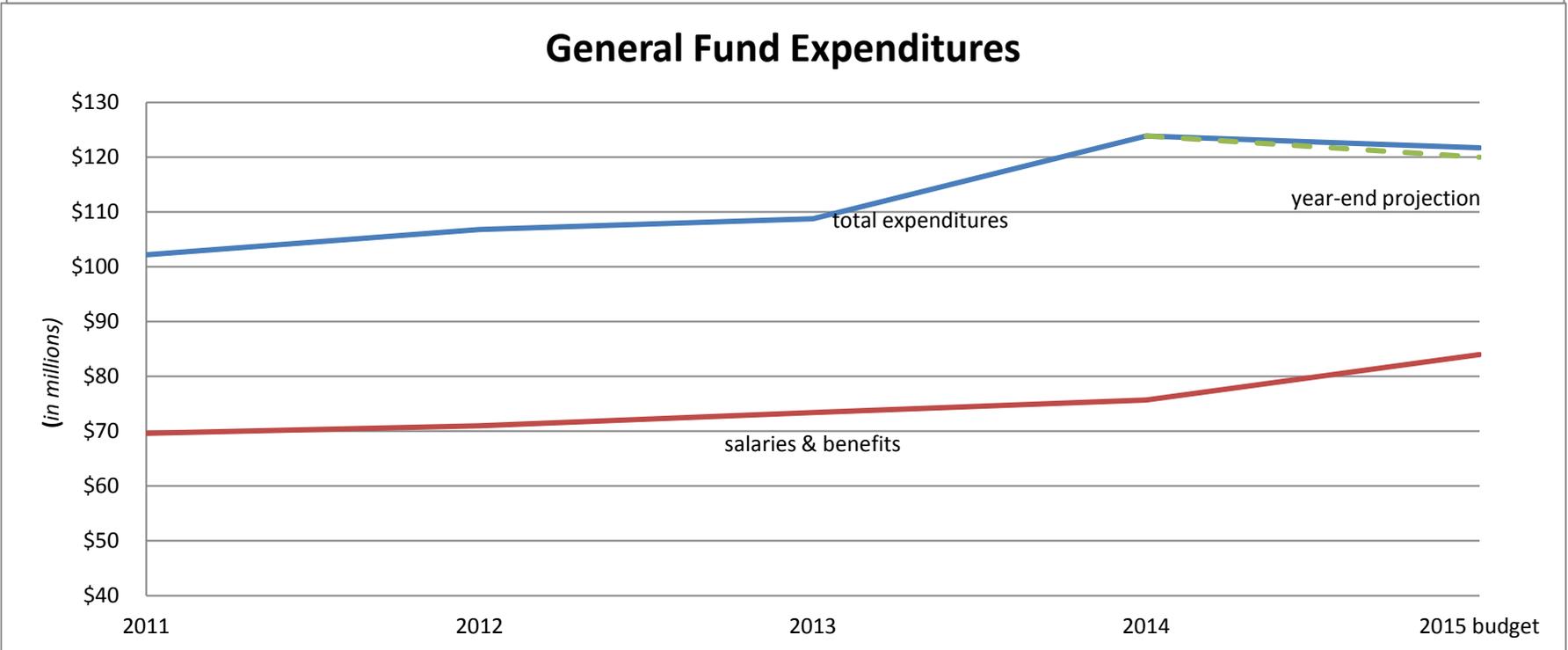
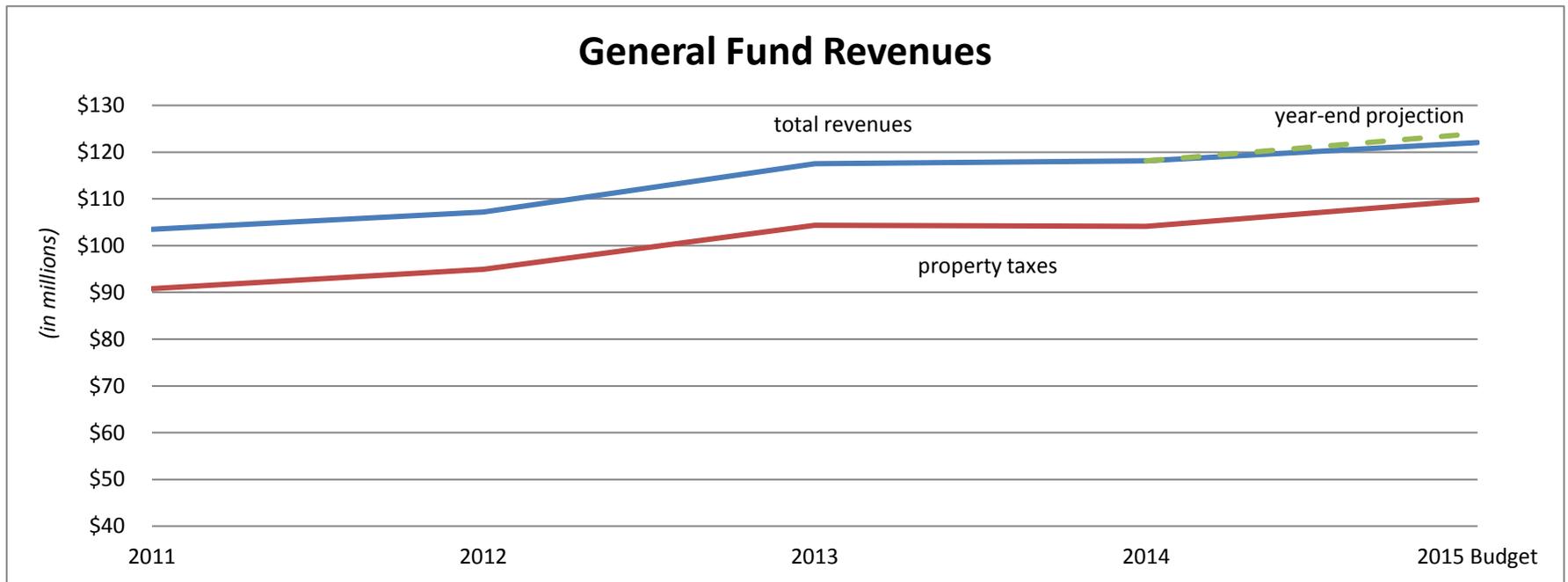
Attachment B provides additional detailed information on the General Fund. Areas in which revenues or expenditures were 10 percent higher or lower than expected are explained in footnotes.

Attachment C provides summarized financial information for all other governmental funds.

RECOMMENDATION:

Staff requests that the Board Finance Committee review, discuss and direct staff to submit the Third Quarter 2015 General Fund & Other Governmental Funds Financial Report to the Board of Directors for acceptance.

East Bay Regional Park District
GENERAL FUND QUARTERLY FINANCIAL REPORT
 For the Period Ending September 30, 2015



Budgetary General Fund Unassigned Fund Balance

| | |
|---|-----------------------------|
| Beginning Unassigned Fund Balance (1/1/15) | \$ 48,820,556 |
| 2015 Budgeted Revenue | 122,186,537 |
| 2015 Budgeted Expenditure | 130,337,349 |
| Estimated Ending Budgetary Fund Balance (12/31/15) | <u>\$ 40,669,744</u> |
| Estimated Excess (deficit) over 32% Reserve | \$ 1,570,052 |
| Reserve Target per Policy * (32% of annual revenue) | \$ 39,099,692 |

* The Fund Balance Reserve Policy states that 32% of annual revenue is the minimum reserve to be maintained by the District to provide emergency funding in the event of a disaster, temporary revenue shortfall, or other qualified circumstance. Use of the funds requires Board of Director approval.

East Bay Regional Park District
GENERAL FUND QUARTERLY FINANCIAL REPORT
 For the Period Ending September 30, 2015

| | Amended Budget 2015 | Current YTD [^] Actuals 2015 | Budget Variance | % of Budget Complete | Prior YTD [^] Actual 2014 | % Budget 9/30/2014 | |
|---|------------------------|--|----------------------|-------------------------|---------------------------------------|-----------------------|----|
| REVENUE | | | | | | | |
| Property Taxes | 109,800,000 | 54,943,312 | 54,856,688 | 50.0% | 50,472,032 | 50.8% | |
| Charges for Services | 8,994,250 | 8,348,399 | 645,851 | 92.8% | 8,171,724 | 96.2% | 1 |
| Property Usage | 1,886,000 | 1,521,676 | 364,324 | 80.7% | 1,269,988 | 71.5% | |
| Investment Earnings and Other | 1,322,400 | 1,198,101 | 124,299 | 90.6% | 1,056,711 | 73.2% | 2 |
| Transfers In | 183,887 | 183,887 | 0 | 100.0% | 45,900 | 100.0% | |
| Total Revenue and Transfers In | 122,186,537 | 66,195,375 | 55,991,162 | 54.2% | 61,016,356 | 55.9% | |
| EXPENDITURES | | | | | | | |
| Salary & Benefits | 84,039,550 | 57,272,352 | 26,767,198 | 68.1% | 55,803,721 | 70.8% | |
| Supplies | 8,610,269 | 4,401,106 | 4,209,163 | 51.1% | 5,385,100 | 61.6% | 3 |
| Services | 16,348,723 | 8,567,374 | 7,781,349 | 52.4% | 9,596,333 | 60.0% | 4 |
| Capital Outlay | 1,301,975 | 719,856 | 582,119 | 55.3% | 787,309 | 51.9% | 5 |
| Other Expense | 232,000 | 213,584 | 18,416 | 92.1% | 216,278 | 91.2% | 6 |
| Interfund Charges | 6,021,040 | 4,515,780 | 1,505,260 | 75.0% | 4,513,320 | 75.0% | |
| Transfers Out | 13,783,792 | 11,783,792 | 2,000,000 | 85.5% | 16,360,658 | 91.6% | |
| Total Expenditures and Transfers Out | 130,337,349 | 87,473,844 | 42,863,505 | 67.1% | 92,662,721 | 81.4% | |
| NET REVENUE OVER / (UNDER) | \$ (8,150,812) | \$(21,278,469) | \$ 13,127,657 | | \$(31,646,365) | | |
| EXPENDITURES BY DIVISION | | | | | | | |
| Board of Directors | 358,870 | 163,943 | 194,927 | 45.7% | 135,591 | 16.1% | 7 |
| General Manager | 2,474,290 | 1,206,623 | 1,267,667 | 48.8% | 1,214,934 | 65.9% | 8 |
| Total Executive & Legislative | 2,833,160 | 1,370,566 | 1,462,594 | 48.4% | 1,350,525 | 50.3% | |
| Legal Division | 1,509,580 | 930,616 | 578,964 | 61.6% | 2,225,614 | 87.0% | 9 |
| Finance and Management Services | 8,888,692 | 5,640,806 | 3,247,886 | 63.5% | 5,688,240 | 66.1% | 10 |
| Human Resources | 2,370,227 | 1,494,839 | 875,388 | 63.1% | 1,491,055 | 61.5% | 11 |
| Public Affairs | 4,494,779 | 2,734,848 | 1,759,931 | 60.8% | 2,876,138 | 65.0% | 12 |
| Total District-Wide Support | 17,263,279 | 10,801,109 | 6,462,169 | 62.6% | 12,281,048 | 78.3% | |
| Park Operations Department | 34,623,907 | 23,702,746 | 10,921,161 | 68.5% | 23,403,903 | 70.3% | |
| Maintenance and Skilled Trades Dept. | 14,581,649 | 9,071,411 | 5,510,238 | 62.2% | 10,259,787 | 70.1% | 13 |
| Interpretive and Recreation Services Dept. | 11,854,970 | 8,045,182 | 3,809,788 | 67.9% | 7,452,342 | 68.4% | |
| Total Operations | 61,060,527 | 40,819,339 | 20,241,187 | 66.9% | 41,116,033 | 69.9% | |
| Planning and Stewardship Department | 5,754,259 | 2,707,182 | 3,047,077 | 47.0% | 2,714,708 | 55.3% | |
| Design and Construction Department | 798,369 | 417,475 | 380,894 | 52.3% | 510,908 | 61.1% | |
| Land | 3,101,046 | 1,900,871 | 1,200,175 | 61.3% | 1,904,485 | 66.7% | |
| Total Acquisition, Stewardship & Development | 9,653,675 | 5,025,528 | 4,628,146 | 52.1% | 5,130,102 | 59.6% | 14 |
| Public Safety Administration | 7,203,769 | 4,736,026 | 2,467,743 | 65.7% | 4,715,371 | 69.6% | |
| Police Department | 12,950,763 | 8,371,476 | 4,579,287 | 64.6% | 7,489,314 | 65.5% | 15 |
| Fire Department | 5,588,383 | 4,566,008 | 1,022,375 | 81.7% | 4,219,669 | 84.5% | |
| Total Public Safety | 25,742,916 | 17,673,510 | 8,069,405 | 68.7% | 16,424,355 | 73.6% | |
| Transfers Out | 13,783,792 | 11,783,792 | 2,000,000 | 85.5% | 16,360,658 | 91.6% | |
| Total Expenditures and Transfers Out | \$ 130,337,349 | \$ 87,473,844 | \$ 42,863,505 | 67.1% | \$ 92,662,721 | 81.4% | |

[^] Current Year to Date (YTD) Actuals excluding Encumbrances.

Notes: The percent of year completed equals 75% at September 30. Variances over or under 10% were investigated and are explained below.

Prior year data is presented for comparison purposes.

- 1 Charges for services are higher than budget due to requested reimbursement for fire assistance provided to other jurisdictions.
- 2 Revenue in this category is higher due to grant funds invoiced in a prior year and received in 2015.
- 3 Supply expenses are low due to invoice payment delays related to finance system upgrade. Purchase card payments are 1-month behind.
- 4 Service expenditures appear low; when encumbered funds are included, budgetary actuals are at 70%.
- 5 Capital expenditures appear low, but with encumbrances, \$1.2m has been committed.
- 6 Other expenses include the annual allocation of \$200,000 to Livermore Area Recreation & Park Department, completed in February.
- 7 Board expenditures are low in salary and because contingency funds have not all been allocated.
- 8 GM expenditures are low primarily because contingency funds are not yet allocated, as well as due to staff vacancies.
- 9 Legal expenditures for contracts and legal fees are lower than in 2014, but in line with 2013 costs.
- 10 FMS expenditures are low in services; however, when encumbrances are included, expenditures are 70% of budget.
- 11 HR expenditures are low in part due to vacancies. Budgeted funds for training are encumbered but invoices have not yet been received & paid.
- 12 Public Affairs is below budget due in part to vacancies, and also service contracts where invoices have not yet been received & paid.
- 13 MAST expenditures are low, especially in rolling stock & fuel; however budgets are almost fully encumbered and will be fully spent by year-end.
- 14 ASD is below budget due to vacant positions in Trails, Environmental Programs, and GIS.
- 15 Police expenditures are low due primarily due to vacancies.

East Bay Regional Park District
OTHER GOVERNMENTAL FUNDS QUARTERLY FINANCIAL REPORT
 For the Period Ending September 30, 2015

Special Revenue Funds

| | Amended Budget 2015 | Current YTD [^] Actuals 2015 | <i>Budget Variance</i> | <i>% of Budget Complete</i> | Prior YTD [^] Actual 2014 | <i>% Budget at 9/30/14</i> |
|----------------------|------------------------|--|----------------------------|---------------------------------|---------------------------------------|--------------------------------|
| Total Revenues* | 26,346,000 | 8,106,229 | 18,239,771 | 30.8% | 6,021,645 | 22.3% |
| Total Expenditures** | 31,309,811 | 13,170,954 | 18,138,857 | 42.1% | 11,276,083 | 43.9% |

Special Revenue funds include Measure CC, LLD funds, Zones of Benefit, as well as Measure WW Local Grants. Revenues & expenditures appear low primarily because some local agencies haven't yet requested Measure WW reimbursement.

Project Funds

| | Amended Budget 2015 | Current YTD [^] Actuals 2015 | <i>Budget Variance</i> | <i>% of Budget Complete</i> | Prior YTD [^] Actual 2014 | <i>% Budget at 9/30/14</i> |
|----------------------|------------------------|--|----------------------------|---------------------------------|---------------------------------------|--------------------------------|
| Total Revenues* | 42,261,054 | 40,971,797 | 1,289,257 | 96.9% | 44,575,654 | 62.1% |
| Total Expenditures** | 71,094,221 | 24,241,113 | 46,853,108 | 34.1% | 43,193,568 | 33.5% |

Project funds are used for land acquisition, and capital and non-capital projects. Revenue appears high due to grant revenue received from a prior year. Expenditures for capital projects in Q3 included architectural services for Lake Chabot Campus, Board Room reconfiguration, and construction of the Vargas Plateau Staging Area. Land Acquisitions during this time period included the Clayton Radio LLC Property.

Debt Service Funds

| | Amended Budget 2015 | Current YTD [^] Actuals 2015 | <i>Budget Variance</i> | <i>% of Budget Complete</i> | Prior YTD [^] Actual 2014 | <i>% Budget at 9/30/14</i> |
|----------------------|------------------------|--|----------------------------|---------------------------------|---------------------------------------|--------------------------------|
| Total Revenues* | 30,267,900 | 17,316,509 | 12,951,391 | 57.2% | 15,011,372 | 57.6% |
| Total Expenditures** | 33,282,540 | 32,952,896 | 329,644 | 99.0% | 32,550,220 | 99.0% |

Debt Service revenues and expenditures are related to scheduled debt service payments. Current year activity includes tax revenue and debt payments for Measure AA and WW General Obligation bonds.

Internal Service Funds

| | Amended Budget 2015 | Current YTD [^] Actuals 2015 | <i>Budget Variance</i> | <i>% of Budget Complete</i> | Prior YTD [^] Actual 2014 | <i>% Budget at 9/30/14</i> |
|----------------------|------------------------|--|----------------------------|---------------------------------|---------------------------------------|--------------------------------|
| Total Revenues* | 18,956,710 | 10,790,268 | 8,166,442 | 56.9% | 17,417,694 | 86.3% |
| Total Expenditures** | 13,750,173 | 10,189,474 | 3,560,699 | 74.1% | 11,549,145 | 71.1% |

Internal Service funds pay for services that are allocated District-wide, including costs of General Liability, Major Infrastructure, Equipment and Employee Benefits.

Notes:

[^] Current Year to Date (YTD) Actuals do not include Encumbrances (known obligations/contracts thru September 30).

* including transfers in

** including transfers out

The percent of year completed equals 75% at September 30. Prior year data is presented for comparison purposes.

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EAST BAY REGIONAL PARK DISTRICT
BOARD FINANCE COMMITTEE
AGENDA STATEMENT
MEETING DATE – Monday, November 23, 2015

SUBJECT: September 30, 2015 Investment Report

Prepared by: Bill Zenoni, Interim CFO
Debra Auker, Acting AGM Finance & Management Services

ATTACHMENT: September 30, 2015 Investment Report

RECOMMENDATION: Review the September 30, 2015 Investment Report and direct staff to prepare the information for acceptance by the Board of Directors.

DESCRIPTION:

In accordance with State law and the District's Investment Policy, the attached report has been prepared on the District's cash and investments. The grand total of the District's cash and investments as of September 30, 2015 was \$272,466,032.

Pooled cash/investments held by the District totaled \$179.9 million, \$54.2 million less than the cash/investments held at June 30, 2015. This decrease is mainly the result of scheduled debt service payments of \$25.2 million made in September and the funding of District operating and capital costs during the third quarter. This drawdown of cash was anticipated, as the major portion of property taxes, the District's largest source of revenue, is received during the months of April and December. As a point of reference, pooled cash/investments as of September 30, 2014 totaled \$159.5 million.

Funds held by fiscal agents, US Bank and Union Bank equaled \$92.6 million, \$0.9 million less than bond funds held as of June 30, 2015. The majority of the decrease is due to the continued spending of Measure WW project funds.

Year-to-date investment earnings, at the end of the third quarter, totaled \$1,021,764, which is less than the prior year due to \$19.6 million less in bond funds invested, but in line with the 2015 budget estimates.

This quarter, the District performed slightly under the short-term benchmark - 0.03% average rate of return compared to the average 91-day treasury yield of 0.04%. The average yield on mid-term investments totaled 0.24%, which was 0.072% under the mid-term benchmark of 0.312%. However, both short-term and mid-term yields had increased slightly from the quarter ended June 30, 2015.

This quarter's investment and banking fees totaled \$32,262 or .027% of the average cash/investment balance. Fees as a percentage of the amount invested remained the same as the prior quarter.

Graphs accompanying the investment report include:

- Pie Chart of District cash and investments by type, and
- Bar Graph of the mid-term securities investment maturities.

This report is provided to the Board Finance Committee for review and recommendation to the full Board of Directors for acceptance.

RECOMMENDATION:

Staff requests that the Board Finance Committee recommend to the full Board of Directors acceptance of the September 30, 2015 Investment Report.

**EAST BAY REGIONAL PARK DISTRICT
INVESTMENT REPORT
For Period Ending
September 30, 2015**

