



MEMO

To: Finance Committee
From: Executive Director Mitch Stogner
Date: May 12, 2010
Subject: **Agenda Items E. 1 and E.2 Preliminary Budgets for Fiscal Year 2010-2011**

Agency – 787010

The attached FY 2010-2011 budget document outlines the requested budget for fiscal year 09-10, the actual revenues and expenditures for the 09-10 fiscal year which ends June 30, 2009, and the proposed final budget for fiscal year 10-11, which will begin July 1, 2010.

Highlights of requested 10-11 Agency Budget:

- NCRA's three primary revenue sources on an annual basis continue to be advance lease payments from NWP Co., property lease, and lease of rail cars and work equipment. Total projected revenue for 10-11 is \$890,000. Staff anticipates increased property revenue in fiscal year 2010-11 generated by a possible option to sell the Ukiah Depot property, and a possible contract with a property management firm which would increase property revenues.
- The largest expenditures are labor, \$190,100 which covers salary for two full-time employees (Executive Director and Executive Assistant), Legal Fees of \$ 125,000, and contract service fees of \$90,000, which covers engineering and capital programming provided by American Rail Consultants (annual contract not to exceed \$90,000 per year). Other relatively large projected expenditures, which are unchanged from previous years, include: insurance (\$37,000), Single Year Audit Services and CPA services (\$49,800), payments to CalPERS (\$50,000) and interest on long-term debt (\$60,000).
- Staff has been able to reduce expenses by reducing the Sonoma County Accounting contract by 33%. Subject to Board approval the annual amount for Sonoma County accounting services will go from \$29,000 to \$26,000.

Once annual depreciation cost is removed from projected expenditures, staff projects a balanced budget for fiscal year 2010-11. It should be pointed out that NCRA continues to accrue legal and engineering expenses that will need to be repaid in the future.

Capital Budget

•TCRP Final Budget

The biggest component of the TCRP budget is project 32.9 which commits \$31 million to the Lombard to Windsor project. (With exception of \$240,000 for Canyon mapping)

Other TCRP Projects include:

- 32.3 - \$600,000 – mapping and Geotechnical Report for the Canyon;
- 32.4 - \$4.9 million for emergency repairs on the RRD and King Salmon levee repair on the ERD;
- 32.5 - \$2.9 million for sub-surface clean-up of 9 ECD sites;
- 32.7 - \$1.8 for local match to the \$8.6 million in ISTEAs funds.

Preliminary Agency Budget
 FY 2010-2011

Sub Object	As of April 30, 2010		
	Budgeted 09-10	Actual	Requested 10-11
71700-Interest Earned on Pooled Cash			
<i>Funds received from cash accounts held with Sonoma County Auditor's Office.</i>	3,000.00	89.00	2,000.00
71701-Interest Earned			
<i>Cash held with others-UP Escrow Account</i>	0.00	22,500.00	22,500.00
71800 - Rent - Operator			
<i>Funds received from Track Lease (NWP Co.)</i>	240,000.00	200,000.00	240,000.00
71801 - Rents Real Estate			
<i>Funds received from Leases along right-of-way.</i>	250,000.00	245,671.00	400,000.00
71850 - Rents - Equipment			
<i>Funds received from lease of railcars and NCRA owned equipment</i>	233,000.00	156,579.00	200,000.00
72600 - State Other			
<i>Disaster Assistance, Program 219 (Brown Act Reimbursement)</i>	0.00	0.00	4,500.00
73323 - Encroachment Permits			
<i>Funds received from temporary or one time only encroachments</i>	4,000.00	4,000.00	4,000.00
73702 - Application Fees			
<i>Funds received from application fees</i>	11,000.00	16,140.00	15,000.00
74040 - Misc revenue			
<i>Insurance Reimbursements/Credit Card cash incentives, etc.</i>	5,000.00	767.00	1,000.00
Total Revenue	746,000.00	645,746.00	889,000.00
75100 - Labor-Perm Positions			
<i>Payroll for NCRA employees - Full-Time Administrative Staff and Executive Director</i>	190,100.00	143,927.00	190,100.00
75110 - Extra Help			
	15,000.00	9,230.00	15,000.00
75210 - CalPERS Retirement			
<i>Retirement Benefits - Administrative Staff and Executive Director</i>	45,000.00	48,313.00	50,000.00

Preliminary Agency Budget
FY 2010-2011

75220 • FICA Payroll Taxes	3,700.00	2,797.00	3,700.00
75300 • Health Insurance Health Insurance Benefits for Executive Director	15,000.00	15,419.00	16,500.00
76040 • Telephone / Communication Includes conference call capabilities and long distance	7,000.00	3,427.00	6,000.00
76060 • Business Meals Meals for Board Meetings	1,300.00	1,099.00	1,300.00
76100 • Insurance Other Includes General Liability insurance and vehicle/equipment insurance SDRMA - Workers Compensation Insurance	37,000.00	29,045.00	37,000.00
76140 • Maintenance - Equipment - Property - Building Railcar security, office equipment maintenance, building repair and maint.	7,500.00	1,774.00	4,000.00
76166 • Maintenance - Bridge Emergency repairs not covered by State of Federal funds Bridge Electrical Emergency Repair	100.00	0.00	100.00
76300 • Miscellaneous	0.00	0.00	0.00
76400 • Office Expenses General office supplies - Staples, Ukiah Trophy, Alhambra, Outside Copy Services	6,000.00	2,196.00	5,000.00
76410 • Postage and Delivery Includes FedEx, UPS, and Stamps.com	5,000.00	3,350.00	4,000.00
76415 • Books and Periodicals Trade Publications - printing expenses	100.00	0.00	100.00
76500 • Professional Fees California Special Districts Association (CSDA)	12,000.00	826.00	1,300.00
76507 • Weed Abatement	6,500.00	0.00	6,500.00

Preliminary Agency Budget
FY 2010-2011

Emergency weed abatement along right-of-way

Weed abatement should be increased to at least \$120,000 per year. This line item is severely underfunded.

76516 · Data Processing Fees							
Website maintenance		5,000.00		2,631.00		4,000.00	
76540 · Contract Service Fees							
American Rail Consultants		90,000.00		35,453.38		90,000.00	
76573 · Administration Expense							
Board Stipends		14,000.00		3,400.00		7,000.00	
76589 · Permits and Fees							
Fees associated with filing of public documents		8,000.00		417.00		2,000.00	
76610 · Legal Fees							
General Counsel \$5,400 per month plus litigation fees		125,000.00		48,600.00		125,000.00	
76629 · Fiscal Accounting Fees							
Sonoma County Auditors Office		39,000.00		25,406.00		26,000.00	
76630 · Audit / Accounting Fees							
Single Year Audit Firm		29,000.00		12,099.00		49,800.00	
Certified Public Accountant							
76640 · Engineering/Property Services							
Funded by Property Applicants		-		10,365.00		40,000.00	
76639 · Property Management							
Fee paid to Cyndee Logan		5,300.00		638.00		5,300.00	
76800 · Public/Legal Notice							
Fees for publishing announcements in newspapers		2,500.00		955.00		2,500.00	
76840 · Rent - Facilities/Equipment							
Talmage office rent, Board Meeting facilities		14,000.00		11,673.00		13,000.00	
76889 · Software Expense							
Antivirus software/Parcel Quest/Microsoft Updates		1,800.00		1,578.00		2,000.00	
77120 · Training - In Service Fees							
		0.00		0.00		0.00	

Preliminary Agency Budget
FY 2010-2011

Staff Training/CSDA/Career Track, Etc.

77302 - Travel						
Reimbursement of travel expenses, i.e., meals, lodging, incidentals	4,000.00	2,570.00	4,000.00			
77303 - Automobile Expenses						
Reimbursement of private vehicle expense, mileage	10,500.00	2,570.00	10,000.00			
77320 - Utilities Expense						
Electric and Water along right-of-way	38,000.00	27,271.00	38,000.00			
77680 - Judgements/Settlements						
	-	1,626.13	2,000.00			
77970 - Taxes/Assessments						
Property Taxes, Environmental Fees	2,800.00	1,794.00	16,800.00			
77910 - Long-Term Debt Principal						
Principal payment on debts held for longer than one year Harbor District - Option B - California Redwood Coast	-	129,313.00	51,000.00			
77930 - Interest Long Term Debt						
Interest paid to long-term debtors and Humboldt Bay Harbor District Annual CTC	60,000.00	12,261.00	60,000.00			
Total Expense	800,200.00	592,023.51	889,000.00			
	Requested 08-09	as of 04/30/10	Requested 09-10			
Total Income	746,000.00	645,746.00	889,000.00			
Total Expense	800,200.00	-592,123.51	-889,000.00			
Total Surplus/Deficit	(54,200.00)	53,622.49	0.00			
77980 - Depreciation (expense)						
Non Cash item to record annual depreciation expense on fixed assets and equipment	780,000.00	780,000.00	780,000.00			

		Budgeted	Actual	Requested
		2009/10	Thru 04/30/10 2009/10	2010-2011
Revenues:				
Sub-Object				
1700	Interest on Pooled Cash	0	1,286	0
1701	Interest Earned	0	0	0
Total Use of Money/Property		0	1,286	0
2500	State -Other	12,725,583	3,119,385	9,606,198
2680	Fed - Disaster Relief	0	0	0
2900	Other Governments	0	429,524	0
		0	0	0
Total Intergovernmental		12,725,583	3,548,909	9,606,198
4040	Miscellaneous Revenue	0	0	0
Total Miscellaneous Revenues		0	0	0
Total Revenue:		12,725,583	3,550,195	9,606,198
Expenses:				
6300	Miscellaneous	0	0	0
6500	Professional/Special Services (TCRP)	9,449,542	4,827,640	4,621,902
6540	Contract Services	0	0	0
6570	Consultant Services	0	0	0
6573	Administration Costs	0	0	0
Total Services & Supplies		9,449,542	4,827,640	4,621,902
7910	Long-Term Debt - Principal	0	0	0
7930	Long-Term Debt - Interest	0	0	0
Total Other Charges		0	0	0
8510	Buildings/Improvements	0	0	0
8560	Equipment	0	0	0
Total Fixed Assets		0	0	0
9000	Appropriations for Contingency	0	0	0
Total Appropriations for Contingency		0	0	0
Total Expenses		9,449,542	4,827,640	4,621,902
Beginning Balance - Retained Earnings		0	3,276,041	1,998,596
Total Revenue		12,725,583	3,550,195	9,606,198
Total Expenses		9,449,542	4,827,640	4,621,902
Ending Balance - Retained Earnings		3,276,041	1,998,596	6,982,892