



March 22, 2023  
Agenda Item B-3

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Governing Board Communication

**TO: MERA Governing Board**

**FROM: Heather Plamondon, Executive Officer**

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

Recommended Action:

Receive 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. Adoption of this Budget will take place in May 2023, per MERA By-Laws.

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 relevant documents in support of the proposed Operating and Project Budgets that will be explained below.

Fiscal Impact:

Attachment A: 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 when the 6-month extension was done in December 2022. The new contract will include Executive Officer and Finance support.
- 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 Leases and Utilities has increased because FY23-24 is the full year that will require funding of both Gen One and Next Gen Sites and Utilities.
- 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.

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Attachment B: 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 at the February Governing Board Meeting.
- The RGS Project Team has been separated out from RGS General Admin and Finance, reduction noted. This will also be a new contract in July 2023, but will have an end date that is consistent with the Next Gen Project Go-Live.
- 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, covered by either the existing cash balances or the LOC.

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

Attachment D: Cash Balance Summary

- This is intended to show available cash balances by Fund as of February 28, 2023.

Attachments:

Attachment A\_ FY23-24 Proposed Budget \_ Fund 30 Operating

Attachment B\_ FY23-24 Proposed Budget \_ Fund 38 Project Budget

Attachment C \_ FY23-24 Proposed Budget \_ Total Agency Contribution

Attachment D \_ FY 23-24 Proposed Budget\_ Cash Balances as of 2/28/23