

# Memorandum

**To:** Chair and Commissioners

**Date:** February 19, 2002



**From:** Diane C. Eidam

**File No:**

Reference No.: 5.1c.

Action

**Ref:** Review and Action on North Coast Rail Authority's (NCRA) Proposed Financial Plan (FY 2002-03 Through FY 2007-08)

Per Resolution TA-01-18, the NCRA is to demonstrate to the Commission how it will fund administrative operations beyond June 30, 2002. The Commission requested that the financial plan cover Fiscal Years (FY) 2002-03 through 2007-08. The Resolution further states that no additional Traffic Congestion Relief (TCR) funds shall be allocated to the NCRA, beyond the \$17,750,00 allocated to date, until review and action by the Commission.

The NCRA has submitted a proposed administrative budget that covers FY 2002-03 for Commission review and action at its February 28, 2002 meeting.

**Proposed NCRA 2002-03 Admin. Budget**

DESCRIPTION	2000-01 BUDGET	2000-01 ACTUAL	ADOPTED 01-02	SPENT THRU 12/31	%	PROJ. THRU 6/30/02	%	PROPOSED 02-03	% Change
<b>ADMINISTRATION</b>									
<b>NCRA staff</b>									
Executive Director	112,000	111,594	117,600	55,797	47.4%	117,600	100.0%	117,600	100.0%
Accountant	25,000	28,662	56,700	18,228	32.1%	18,228	32.1%	0	0.0%
Administrative Assistant	33,000	27,783	29,200	14,586	50.0%	29,200	100.0%	29,200	100.0%
Project Manager	10,000	11,013	15,000	43,575	290.5%	74,000	493.3%	15,000	100.0%
Medical Insurance	13,000	2,204	13,000	3,254	25.0%	7,000	53.8%	6,000	46.2%
Employer payroll taxes	6,000	0	0	0	0.0%	0	0.0%	0	0.0%
Retirement (PERS)	24,500	24,921	30,000	19,717	65.7%	30,000	100.0%	21,000	70.0%
<b>subtotal</b>	<b>223,500</b>	<b>206,177</b>	<b>261,500</b>	<b>155,157</b>	<b>59.3%</b>	<b>276,028</b>	<b>105.6%</b>	<b>188,800</b>	<b>72.2%</b>
<b>Office Expense</b>									
Telephone	15,000	8,971	12,000	7,184	59.9%	14,000	116.7%	14,000	116.7%
Rent and Utilities	600	2,522	1,200	2,876	239.7%	6,000	500.0%	6,000	500.0%
Supplies	17,400	11,062	7,000	5,332	76.2%	7,000	100.0%	7,000	100.0%
Office Furniture and Equipment	6,000	1,374	3,000	0	0.0%	0	0.0%	2,000	66.7%
Computer Software License	4,000	2,535	0	0	0.0%	0	0.0%	0	0.0%
Computer Support Svcs.	0	0	2,000	2,456	122.8%	3,000	150.0%	0	0.0%
Travel Reimbursement	12,000	14,300	20,000	8,266	41.3%	16,000	80.0%	16,000	80.0%
Fees and Assessments	5,000	1,865	5,000	2,609	52.2%	5,000	100.0%	5,000	100.0%
Other	3,000	9,000	0	0	n/a	0	n/a	0	0.0%
Business Plan	2,000	0	2,000	0	0.0%	0	0.0%	0	0.0%
Long Range Plan	20,000	0	20,000	0	0.0%	0	0.0%	0	0.0%
Janitorial services	2,000	2,007	3,000	1,221	40.7%	2,500	83.3%	2,500	83.3%
<b>subtotal</b>	<b>87,000</b>	<b>53,636</b>	<b>75,200</b>	<b>29,944</b>	<b>39.8%</b>	<b>53,500</b>	<b>71.1%</b>	<b>52,500</b>	<b>69.8%</b>
<b>Professional Services</b>									
Mustola Management	66,000	37,811	0	0	0.0%	16,000	0.0%	0	0.0%
Special accounting projects	26,500	26,238	0	2,869	n/a	36,000	n/a	45,200	n/a
Single year audit	25,000	11,331	25,000	5,513	22.1%	25,000	100.0%	25,000	100.0%
Legal Counsel	45,000	50,724	55,000	32,444	59.0%	65,000	118.2%	55,000	100.0%
Insurance	40,000	2,718	50,000	16,551	33.1%	20,000	40.0%	20,000	40.0%
Board stipend	0	0	12,000	5,100	42.5%	12,000	100.0%	12,000	100.0%
<b>subtotal</b>	<b>202,500</b>	<b>128,822</b>	<b>142,000</b>	<b>62,477</b>	<b>44.0%</b>	<b>174,000</b>	<b>122.5%</b>	<b>157,200</b>	<b>110.7%</b>
<b>Capital Expenditures</b>									
Hyrail vehicle	0	30,013	0	5,678	n/a	5,678	n/a	0	0.0%
Computer-copier	0	3,089	0	4,639	n/a	4,639	n/a	0	0.0%
<b>subtotal</b>	<b>0</b>	<b>33,102</b>	<b>0</b>	<b>10,317</b>	<b>n/a</b>	<b>10,317</b>	<b>n/a</b>	<b>0</b>	<b>0.0%</b>
<b>Contingency</b>	<b>0</b>	<b>15,396</b>	<b>21,300</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>12,000</b>	<b>56.3%</b>
<b>TOTAL ADMINISTRATION</b>	<b>513,000</b>	<b>437,133</b>	<b>500,000</b>	<b>257,895</b>	<b>51.6%</b>	<b>513,845</b>	<b>102.8%</b>	<b>410,500</b>	<b>82.1%</b>

See notes on Sheet 2

### Notes

The project manager position as budgeted for the 01-02 fiscal year provided that approximately 80% of the salary would be charged to capital projects and reimbursed from the TCR funds. This assumption was based upon the ability to start some of the capital projects during the FY 01-02. This has not occurred and consequently the majority of the Project Manager's salary is applied against the Administrative Budget. Absent this change, the actual Administrative expenses are projected to 91% of the budgeted amount, a savings of 9% or approximately \$44K.

The 02-03 Budget is currently being prepared for review by the Board. Staff will be making a recommendation to adopt a budget that calls for a 19% reduction in spending a savings of approximately \$99K. There are also some consolidation efforts being considered that could create a further reduction in expenses and provide some additional discretionary funds to address administrative expenses and/or reduce the need for additional funding for Administration.

NCRA will be contracting with Sonoma County to provide accounting services. After the initial setup costs of \$15,440 that will be paid in 2001-02, there will be an annual saving of approximately \$23,000 over the cost of the full time accountant position.