

MARIN GENERAL SERVICES AUTHORITY

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MEMORANDUM

DATE: July 14, 2011
TO: Board of Directors
FROM: Paul Berlant, Executive Officer
SUBJECT: AGENDA ITEM F: MGSA 2011-12 BUDGET AMENDMENT

RECOMMENDED ACTION: Adopt an amendment to the fiscal year 2011-2012 general fund budget for the Marin General Services Authority.

BACKGROUND

On May 12, 2011, the MGSA Board adopted a budget for 2011-12. Attached is the staff memorandum, including all tables, related to that action. Upon entering the data into the County accounting system, I was informed by an accountant with the Department of Finance that I had made an error and that the fund balance or "carryover" I had estimated was incorrect. My error had been to double count the fund balance of the funds collected on behalf of the MCEP program. Thus, my estimated fund balance was approximately \$80,000 over the correct amount. This error had not been obvious to me as I prepared the budget because we had made an adjusting journal entry for the 2008-09 fiscal year "deferring" revenue to MCEP from a grant from the Marin Community Foundation, and that deferral had not been reversed once the grant was "earned" (Our accountant, John Maher had us make this change as a result of his 2008-09 review.). We have since reversed the deferral of the revenue. My error this spring was the second time I made the error, having done the same thing for the 2010-11 budget (the same deferral situation pertained a year ago). The good news is that given the conservative numbers I used in estimating revenues and expenditures, although I double counted a portion of past fund balance, our current fund balance is \$25,000, rather than \$80,000, less than I had estimated in April.

In order to balance our budget, we need to either adjust expenditures or add revenues. Rather than ask members to contribute more to MGSA, the budget can be balanced by reducing the Contingency line item from \$50,000 to \$25,000. In my three plus years with MGSA we have never had to tap the contingency line item; there have always been sufficient funds to cover costs, even if one line item was higher than anticipated (for example legal costs due to litigation).

The table below shows revised general expenses of MGSA, reflecting the reduced contingency amount as well as updated estimates of revenue and Fund Balance/Carryover. When combined with the table which shows revenues and expenditures for the MCEP program, the new total Fund Balance/Carryover is estimated at \$140,105, rather than \$165,105. This table can be compared to the one in the May 12, 2011 staff memorandum. The distribution of costs to the MGSA members would not change under the proposed amendment.

Recommended revised 2011-12 MGSA general expenditures and revenues (not including MCEP):

Expenditures	Final Budget 2010-11	Estimated Actual 2010-11	Proposed 2011-12	Difference Proposed vs. Actual
Insurance	\$10,000	\$11,000	\$11,000	\$0
Taxicab Regulation	7,000	7,000	7,000	0
Contract Services	203,000	193,000	197,000	4,000
Legal Expense	25,000	40,000	35,000	(5,000)
Audit/Accounting	12,000	11,000	12,000	1,000
Rent	5,000	4,500	4,500	0
Office Expenses	1,000	1,000	1,000	0
General	50,000	0	25,000	25,000
Contingencies				
Sub-total	313,000	267,500	292,500	25,000
Streetlight Pole Repair	60,000	62,740	40,000	(22,740)
Total	\$373,000	\$330,240	\$332,500	\$2260
Resources				
Member Contributions	\$219,000	\$219,000	\$199,220	(\$19,780)
Interest	4,000	2,000	2,000	0
Taxicab Permit Fees	40,000	61,000	69,000	8,000
Taxi Fines	0	1,600	2,400	800
Smart Meter Fees	0	3,520	0	(3,520)
Fund Balance/ Carry Forward	110,000	59,880	59,880	
Total	\$373,000	\$347,000	\$332,500	(\$14,500)

The County Auditor-Controller requests that the Board be shown the budget data, including account numbers to be entered in the County accounting system.

G/L		FY	FY
		2010-11	2011-12
4220610	Other Permits - Taxi Cab	-40,000	-71,400
4410125	Rev fr Use of Mny Prop - Int On Pooled	-4,000	-2,000
4640322	Chrgs for Cur Svcs - City Contribution	-243,000	-223,220
4710642	Misc Rev # Other (grant)	-80,000	0
REVCAT	Revenue Categories - CI	80,000	0
5210100	Professional Services	368,000	352,000
5210110	Professional Services	0	0
5210122	Prof Svcs - Advertising & Marketing	0	0
5210131	Prof Svcs - Legal	0	0
5210200	Administration & Finance Services	12,000	12,000
5210500	Insurance Premiums	10,000	11,000
5210700	Communications Services	800	2,000
5210800	Utilities	1,000	0
5211200	Rent & Operating Leases	5,000	4,500
5211270	Rent & Operating Leases - Office Space	0	0
5211440	Travel - Mileage	200	0
5220100	Office Supplies	6,300	6,000
5220125	Office Supplies - Printing Supplies	0	0
5220130	Office Supplies - Copier Supplies and Se	0	0
5220146	Office Supplies - Postage	0	0
5220910	Equipment Other - Telecomm Equipment	0	0
5200000	Service and Supplies	502,000	387,500
ZCONTIN	Contingencies	71,000	49,225

Not shown is \$140,105 in Fund Balance/Carryover