



Legislation Details (With Text)

File #:	2017-239	Version:	1	Name:	
Type:	Consent	Status:		Agenda Ready	
File created:	3/29/2017	In control:		Carson Reclamation Authority	
On agenda:	4/4/2017	Final action:			
Title:	AMENDMENT NO. 3 TO THE FY 2016/17 BUDGET OF THE CARSON RECLAMATION AUTHORITY				
Sponsors:					
Indexes:					
Code sections:					
Attachments:	1. Resolution 17-05 - CRJPA Amending FY 2016-17 Budget (4-4-17)				

Date	Ver.	Action By	Action	Result
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Report to Carson Reclamation Authority

Tuesday, April 04, 2017

Consent

SUBJECT:

AMENDMENT NO. 3 TO THE FY 2016/17 BUDGET OF THE CARSON RECLAMATION AUTHORITY

I. SUMMARY

The Carson Reclamation Authority Board approved the budget of the Authority for fiscal year 2016/17 through the adoption of Resolution No. 16-09-CRJPA on June 8, 2016. In the course of the fiscal year, there were budget allocations pertaining to approved contracts that were inadvertently omitted, and there were changes to the remediation activities and in the development plan which necessitate amendment to the approved appropriation. Staff is requesting the Board's approval of the additional budget changes for the fiscal year by adopting Resolution No. 17-05-CRJPA, attached to this report as Exhibit No. 1.

II. RECOMMENDATION

WAIVE further reading and ADOPT RESOLUTION No. 17-05-CRJPA, "A RESOLUTION OF THE CARSON RECLAMATION AUTHORITY AMENDING THE FY 2016/17 BUDGET."

III. ALTERNATIVES

1. TAKE another action that the CRA Board deems appropriate.

IV. BACKGROUND

The Joint Powers Agreement (Agreement) dated February 17, 2015 governs the formation and operation of the Carson Reclamation Joint Powers Authority. As stipulated under Article II, Section 2.03, Subsection (a) of the Agreement, the Authority Board shall adopt an annual budget by approval of not less than 2/3 vote of the Board.

The fiscal year 2016/17 budget of the Authority was approved unanimously at the June 8, 2016 Board meeting. Since then, identification of new or increased remediation work, and engagement of essential services necessitate adjustments to the approved funding. There were also contract approvals which have fiscal impact but were not addressed as appropriate, at the time of their approval.

Included in the unfunded/underfunded expenditure items are utility payments, legal/special counsel services, environmental review services and payment for the consultant who will be assisting the Authority with the EIFD (Enhanced Infrastructure Financing District). Further, the Authority received an invoice from Southern California Edison for \$27,116.78 for the electric distribution line at Lenardo and Torrance Lateral located at the 157 acre CRA property. This was not budgeted so the amount was added to the estimated electricity costs for the site. Because of anticipated savings for insurance costs, the budget for liability insurance is being reduced by \$13,000 and reallocated to payments to regulatory agencies such as the State Water Resources Board and the South Coast AQMD. All the budget adjustments will result to an increase of \$1,245,057 in the current budget.

According to Article II, Section 2.03, Subsection (c) of the Agreement, no expenditures in excess of those budgeted shall be made without the prior approval of an amended annual budget by the CRA Board by not less than a majority vote of the total Board membership. To be compliant with this provision, staff is requesting Board's approval of fiscal year 2016/17 amendments to the expenditures budget by adopting Resolution No. 17-05-CRJPA, attached as Exhibit No. 1.

For this current fiscal year, the CRA received \$5,179,504 reimbursement from Cardinal Calvary/Carson Holdings, LLC for the carry costs, as provided in the settlement agreement between the Authority and the Developer. This revenue source was budgeted in FY 2015/16 but was not received till November 2016; hence, it is being re-budgeted for this year. The Authority also received \$7,180,811 from the AIG Commutation funds as a provided for in the termination and release agreement between the Authority and Tetra Tech dated November 14, 2016. This revenue source was not known at the time of the adoption of the budget; hence, it is also being accounted for in the attached Resolution as an increase in the projected revenues for the current fiscal year.

V. FISCAL IMPACT

If the CRA Board approves the proposed amendments, the revenue projections of the Carson Reclamation Authority for fiscal year 2016/17 will increase by \$12,360,315. The budgeted expenditures will also increase by \$1,245,057 bringing the total budgeted expenditures to \$10,617,007. After taking into account all the revenue and expenditure adjustments, the 2016/17 restricted fund balance of the Authority is estimated at \$59,013,537.

VI. EXHIBITS

1. Resolution No. 17-05-CRJPA amending FY 2016/17 budget. (pgs. 3-4)

1.

Prepared by: Trini Catbagan, Controller