



February 6, 2014

TO: Marin Clean Energy Board

FROM: Greg Morse, Business Analyst

RE: Proposed Budget for Fiscal Year 2015 (Agenda Item #8)

ATTACHMENT: Att. A - Proposed Budget for Fiscal Year Ending March 31, 2015  
Att. B - Supplemental Schedule

Dear Board Members:

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**SUMMARY:**

Before the end of every fiscal year (FY), MCE's Board has the responsibility to set forth a budget for the upcoming FY. An initial FY2015 budget draft was reviewed and discussed in the January Executive Committee meeting. The attached budget reflects MCE's anticipated revenue and expenses for the 2015 fiscal year which will run from April 1<sup>st</sup> of 2014 until March 31<sup>st</sup> of 2015.

The attached Proposed Budget for Fiscal Year Ending March 31, 2015 sets forth the following line items:

- Revenue: The proposed FY 2015 budget reflects a rise in the unit cost of energy detailed in agenda item 7.
- Cost of Energy: MCE's per unit cost of energy will increase due to rising energy procurement costs.
- Personnel: The FY 2015 budget reflects modest increases in staffing costs, as MCE scales up to full implementation with the inclusion of additional human resources, regulatory, and administrative support.
- Technical Consultants: MCE's technical consultant costs will slightly decrease in FY 2015.
- Legal Counsel: MCE's legal needs are expected to increase to accommodate additional regulatory filings, legislative work, and strategic planning in FY 2015.
- Communications: The amount budgeted for communications in FY 2015 is equivalent to the adjusted FY 2014 communications budget.
- Data Manager: Data management costs will increase slightly in FY 2015 as MCE will have a full year with the Richmond customer base.

- PG&E Service Fees: PG&E service fees, which are primarily charged on a per customer basis, will increase in FY 2015 due to MCE's increased number of customers.
- Other Services: The other services line item includes: audit, accounting, and information technology, among others.
- General and Administration: The general and administration line includes: data and office telephone service, insurance, office and equipment rentals, subscriptions, travel, business meals, other services, conferences, professional education, special events sponsorship, office supplies and postage, and small equipment. The budget has been increased to accommodate the increase in the number of MCE staff.
- Capital Outlay: MCE anticipates no change in capital expenditures in the coming fiscal year.
- Debt Service: This line item reflects MCE's debt service expenses and is not expected to change in the coming fiscal year.

**Recommendation:** Approve Proposed Budget for Fiscal Year Ending March 31, 2015.

## MARIN CLEAN ENERGY

### OPERATING FUND Proposed Budget Fiscal Year 2014-15

	<b>2013/14 Budget</b>	<b>2014/15 Budget</b>	<b>Increase (Decrease)</b>
<b>REVENUE AND OTHER SOURCES:</b>			
Revenue - Electricity (net of allowance)	\$ 86,865,000	<b>101,138,394</b>	\$ 14,273,394
Total sources	86,865,000	<b>101,138,394</b>	14,273,394
<b>EXPENDITURES AND OTHER USES:</b>			
<b>CURRENT EXPENDITURES</b>			
Cost of energy	76,427,000	<b>88,410,551</b>	11,983,551
Personnel	1,512,000	<b>1,950,000</b>	438,000
Technical consultants	594,000	<b>560,000</b>	(34,000)
Legal counsel	260,000	<b>335,000</b>	75,000
Communications consultants and related expenses	750,000	<b>750,000</b>	-
Data manager	2,534,000	<b>2,670,000</b>	136,000
Service fees- PG&E	603,000	<b>670,000</b>	67,000
Other services	333,000	<b>300,000</b>	(33,000)
General and administration	297,000	<b>350,000</b>	53,000
Marin County green business program	15,000	<b>15,000</b>	-
Solar rebates	10,000	<b>25,000</b>	15,000
Total current expenditures	83,335,000	<b>96,035,551</b>	12,700,551
CAPITAL OUTLAY	20,000	<b>20,000</b>	-
DEBT SERVICE	1,195,000	<b>1,195,000</b>	-
<b>INTERFUND TRANSFER TO:</b>			
Local Renewable Energy Development Fund	51,536	<b>109,994</b>	58,458
Total expenditures	84,601,536	<b>97,360,545</b>	12,759,009
Net increase (decrease) in available fund balance	\$ 2,263,464	<b>\$ 3,777,849</b>	\$ 1,514,385

## MARIN CLEAN ENERGY

### ENERGY EFFICIENCY PROGRAM FUND

#### Proposed Budget

#### Fiscal Year 2014-15

	<u>2013/14 Budget</u>	<u>2014/15 Budget</u>	<u>Increase (Decrease)</u>
<b>REVENUE AND OTHER SOURCES:</b>			
Public purpose energy efficiency program	\$ 2,100,000	\$ 1,505,702	(594,298)
<b>EXPENDITURES AND OTHER USES:</b>			
<b>CURRENT EXPENDITURES</b>			
Public purpose energy efficiency program	<u>2,100,000</u>	<u>1,505,702</u>	<u>(594,298)</u>
Net increase (decrease) in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

### LOCAL DEVELOPMENT RENEWABLE ENERGY FUND

#### Proposed Budget

#### Fiscal Year 2014-15

	<u>2013/14 Budget</u>	<u>2014/15 Budget</u>	<u>Increase (Decrease)</u>
<b>REVENUE AND OTHER SOURCES:</b>			
Transfer from Operating Fund	\$ 51,536	\$ 109,994	58,458
<b>EXPENDITURES AND OTHER USES:</b>			
Capital Outlay	<u>51,536</u>	<u>109,994</u>	<u>58,458</u>
Net increase (decrease) in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## MARIN CLEAN ENERGY

### OPERATING FUND BUDGET SUPPLEMENTAL SCHEDULE Fiscal Year 2014-15

#### Other services

Audit	30,000
Accounting	120,000
Human resources & payroll fees	5,000
IT Consulting	40,000
Legislative consulting	40,000
Other professional fees	65,000
<b>Total Other services</b>	<b>\$ 300,000</b>

#### General and administration

Business meals	1,000
Conferences and professional education	5,000
Data and telephone service	27,000
Dues and subscriptions	40,000
Insurance	15,000
Office and meeting rentals	200,000
Office equipment lease	10,000
Travel	7,000
Office supplies and postage	30,000
Other administration	15,000
<b>Total General and administration</b>	<b>\$ 350,000</b>