



March 6, 2014

TO: Marin Clean Energy Board

FROM: Greg Morse, Business Analyst

RE: Proposed Budget for Fiscal Year 2015 (Agenda Item #6)

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

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 Budget for Fiscal Year Ending March 31, 2015.