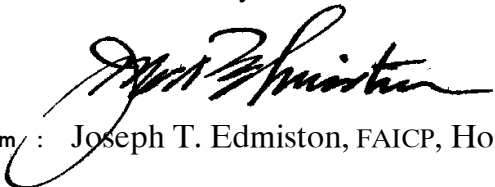


Memorandum

To : The Conservancy
The Advisory Committee

Date: June 27, 2011



From : Joseph T. Edmiston, FAICP, Hon. ASLA, Executive Director

Subject: **Agenda Item 16: Consideration of resolution approving the Mountains Recreation and Conservation Authority Preliminary Budget, Fiscal Year 2011-2012.**

Staff Recommendation: That the Conservancy adopt the attached resolution authorizing the Mountains Recreation and Conservation Authority Preliminary Budget FY 2011-2012.

Legislative Authority: Section 6500 *et. seq.* of the Government Code, and MRCA Joint Exercise of Powers Agreement, Section 11.3:

“ . . . The Authority shall prepare an annual budget, in a form approved by the Conservancy and the Districts, which budget shall be submitted to the Conservancy and the Districts for approval, in the time and manner as specified by the Conservancy and the Districts . . . ”

Background: The Conservancy is required to approve the Mountains Recreation and Conservation Authority (MRCA) annual budget per Section 11.3 of the MRCA Joint Exercise of Powers Agreement. The preliminary budget is described herein and further detailed in four attachments: (1) Preliminary Budget by Account Class Category for Fiscal Year ending June 30th, 2012 - this is the Official Budget of the MRCA, (2) Preliminary Fiscal Year 2011-2012 Revenue Budget, (3) Preliminary Fiscal Year 2011-2012 Expense Budget, and (4) Preliminary Fiscal Year 2011-2012 Management Budget by Project. It should be noted that the MRCA only expends funds on those projects authorized according to the Workplan of the MRCA. The MRCA Workplan is approved on an annual basis by its Governing Board.

The MRCA Governing Board approved this preliminary budget at its June 1st , 2011 stated meeting. The Governing Board of the Conejo Recreation and Park District approved this preliminary budget on June 16. The Governing Board of the Rancho Simi Recreation and Park District also approved this preliminary budget on June 16.

Each project is budgeted separately, and the total MRCA budget is a compilation of those project budgets.

The preliminary FY 2011-2012 budget was prepared using information available in grant and contract files, current and prior year actual revenue receipts and expenditures, information regarding future project funding, and the current workprogram.

Revenue

Revenue for FY 2011-2012 is comprised of new funding for expenditures in the upcoming year. This includes reimbursements for contracted expenses, monies paid for fees, permits, and leases, as well as new funds that may be received by the MRCA for various projects.

Total revenues for the preliminary FY2011-2012 budget are \$26,338,544. This amount includes \$235,000 of advanced funds received during prior years. Please see the supplemental “Mountains Recreation and Conservation Authority Preliminary Fiscal Year 2011-2012 Revenue Budget” report for additional details.

Projects are identified in the general ledger (AS 400 system) as reimbursable or advanced funds, which aids in the MRCA’s accounts receivable process. All reimbursable grants are invoiced by the MRCA on a periodic basis as allowed for in the grant agreements.

Expenditures

Total FY 2011-2012 expenditures are budgeted at \$26,338,544. An overview by account class is presented below:

<u>Account Class</u>	<u>Amount</u>
Direct Payroll	4,325,559
Payroll Benefits and Taxes	2,667,251
Contract Services	1,811,061
Operating Expenses	3,317,221
MRCA Grants	300,000
Land & Improvements	13,472,000
Equipment	415,452
Interest Expense	30,000
Total Expenses	26,338,544

Please refer to the supplemental “Mountains Recreation and Conservation Authority Preliminary Fiscal Year 2011-2012 Expense Budget” for additional details.

Budget Management / Project Accounting

The MRCA's Project Managers are issued periodic Budget Performance Reports (BPRs), which track actual performance relative to the budgeted figures for each individual project. These reports assist Project Managers in making necessary spending adjustments and help in the identification of other potential fiscal problem areas. The Preliminary Budget takes into account prior year performance to compile expected future spending.