

Memorandum

To : The Conservancy
The Advisory Committee

Date: January 27, 2014


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

Subject: **Agenda Item 16: Consideration of resolution authorizing use of funds from the Conservancy Fund for Department of Justice and Department of General Services - Real Estate Services Division services.**

Staff Recommendation: That the Conservancy adopt the attached resolution authorizing the use of funds from the Conservancy Fund for services provided by the Department of Justice and the Department of General Services - Real Estate Services Division in the amount of \$100,000.

Legislative Authority: Section 33211(b), (c), and (d) of the Public Resources Code.

Background: The Santa Monica Mountains Conservancy regularly contracts with the Department of Justice and the Department of General Services - Real Estate Services Division for various costs associated with the Conservancy's mission.

The services provided by the Department of Justice - Office of the Attorney General (Attorney General) includes review of all bond-funded grants to assure compliance with the bond act and the General Obligation Bond Law. Review by the Attorney General of bond funded grants is required in the Conservancy's budget language. Recommendations from the last audit by the Department of Finance - Office of State Audits and Evaluations, included restricting the scopes of project planning and design grants. For example, a grant that might have previously analyzed three project locations for potential acquisition, is now three separate grants. As a result, the number of grants awarded by the Conservancy each year has more than doubled. Therefore, the Attorney General has reviewed twice as many grants than in previous years. The increased workload has increased the amount due to the Department of Justice. In addition, the Attorney General represents the Conservancy in several ongoing legal issues. The average monthly cost for these services is now \$15,000.

The services provided by the Department of General Services - Real Estate Services Division (RESA) include appraisals, appraisal reviews, and transaction reviews, including the ongoing review of the transfer of Upper Las Virgenes Open Space from the Mountains Recreation and Conservation Authority to the Conservancy. The cost of these services through RESA are more expensive than when using local providers. The Conservancy requested an explanation for the

increased costs for approximately \$40,000 in pending invoices. RESD indicated that the higher costs are largely due to associated travel expenses. Therefore, though some situations require the use of RESD, the Conservancy tries to limit these occurrences where possible.

In the past, the Conservancy has been able to absorb these costs using the Conservancy's support budget. The support budget has continued to decrease annually as bond funds decline. The Conservancy has implemented several cost-savings measures to cut support budget costs, including using email to distribute board materials, cancelling expedited service contracts, and removing 0.2 personnel positions. Despite cost saving cuts, the existing support budget can no longer cover these ongoing and increasing expenses from the Attorney General, nor old RESD invoices which were questioned but which have now been satisfactorily explained. The authorization of the use of \$100,000 of Conservancy Funds, would allow the Conservancy to continue paying for these services when necessary, without depleting support budget funds.