

# Memorandum

To : The Conservancy  
The Advisory Committee

Date: July 28, 2014

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

Subject: **Agenda Item 11: Consideration of resolution approving the Mountains Recreation and Conservation Authority Preliminary Budget, Fiscal Year 2014-2015.**

Staff Recommendation: That the Conservancy adopt the attached resolution authorizing the Mountains Recreation and Conservation Authority Preliminary Budget FY 2014-2015.

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 three attachments: (1) Preliminary Budget by Account Class Category for Fiscal Year ending June 30<sup>th</sup>, 2015 - this is the Official Budget of the MRCA , (2) Preliminary Fiscal Year 2014-2015 Revenue Budget, and (3) Preliminary Fiscal Year 2014-2015 Expense Budget. 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 4<sup>th</sup> , 2014 stated meeting. The Governing Board of the Conejo Recreation and Park District approved this preliminary budget on June 5. The Governing Board of the Rancho Simi Recreation and Park District approved this preliminary budget on June 5. The final budget is currently undergoing final review by MRCA management and is expected to be submitted for approval to the MRCA Governing Board at its August 6<sup>th</sup>, 2014 regularly stated meeting.

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

The preliminary FY 2014-2015 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 2014-2015 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 FY 2014-2015 budget are \$28,954,000. This amount includes \$ 0 of advanced funds received during prior years. Please see the supplemental “Mountains Recreation and Conservation Authority Preliminary Fiscal Year 2014-2015 Revenue Budget” report for additional details.

Projects are identified in the general ledger (LOGOS.NET 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 2014-2015 expenditures are budgeted at \$28,954,000. A overview by account class is presented below:

| <b><u>Account Class</u></b> | <b><u>Amount</u></b> |
|-----------------------------|----------------------|
| Salaries and Benefits       | 7,351,925            |
| Contract Services           | 1,595,000            |
| Operating Expenses          | 3,274,114            |
| MRCA Grants                 | 100,000              |
| Land & Improvements         | 16,257,961           |
| Equipment                   | 339,000              |
| Interest Expense            | 36,000               |
| <b>Total Expenses</b>       | <b>28,954,000</b>    |

Please refer to the supplemental “Mountains Recreation and Conservation Authority Preliminary Fiscal Year 2014-2015 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.