

Memorandum

To : The Conservancy
The Advisory Committee

Date: August 25, 2014

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

Subject: **Agenda Item 12: Consideration of resolution approving the Mountains Recreation and Conservation Authority Final Budget, Fiscal Year 2014-2015.**

Staff Recommendation: That the Conservancy adopt the attached resolution approving the Mountains Recreation and Conservation Authority Final Budget, Fiscal Year 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 governing board of 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. On June 4, 2014, the MRCA governing board approved the MRCA's preliminary budget. On June 5, 2014 the governing board of the Conejo Recreation and Park District (CRPD) approved the MRCA's preliminary budget. Also on June 5, 2014 the governing board of the Rancho Simi Recreation and Park District (RSRPD) approved the MRCA's preliminary budget. Finally, on July 28, 2014 the governing board of the Santa Monica Mountains Conservancy (SMMC) approved the MRCA's preliminary budget. The FY 2014-2015 preliminary budget was based on the FY 2013-2014 final budget. Management reviewed the FY 2014-2015 preliminary budget against FY 2013-2014 actual operating results and adjusted several categories for the FY 2014-2015 final budget.

The governing board of the MRCA approved the final budget for FY 2014-2015 at its August 6th, 2014 regularly stated meeting. The MRCA's final budget for FY 2014-2015 is now submitted to the Conservancy for approval. The MRCA's final budget will be submitted to the other two joint powers authority boards (CRPD, and RSRPD) at future meetings for approval as well.

It is expected that a mid-year revised budget will be submitted to the various governing boards for approval in January 2015, although this is not required. The final budget is described herein and further detailed in four attachments: (1) Official Budget by Account Class Category - this is the Official budget of the MRCA, (2) Final Management Revenue Budget, (3) Final Management Expense Budget, and (4) Final Management Budget by Task. A current MRCA salary schedule is included as a fifth attachment to this staff report.

An overview of the final budget, compared with the preliminary budget, is represented in the following tables.

REVENUES	Actual 12/13	Adopted 13/14	Est Year-End 13/14	Final 14/15
Interest Earnings	\$ 10,163.00	\$ -	\$ 6,387.00	\$ 8,000.00
Fees - Events	\$ 1,067,098.00	\$ 840,000.00	\$ 1,007,257.00	\$ 895,000.00
Fees - Filming	\$ 1,761,243.00	\$ 1,700,000.00	\$ 1,686,512.00	\$ 1,760,000.00
Fees - Parking	\$ 253,924.00	\$ 250,000.00	\$ 262,164.00	\$ 250,000.00
Leases - Antenna	\$ 26,400.00	\$ 25,000.00	\$ 27,600.00	\$ 30,000.00
Leases - Building	\$ 276,808.00	\$ 330,000.00	\$ 285,802.00	\$ 308,000.00
Leases - Land	\$ 29,737.00	\$ 32,000.00	\$ 30,800.00	\$ -
Administrative Fees GC 53069.4	\$ 1,452,549.00	\$ 900,000.00	\$ 1,499,149.00	\$ 1,380,000.00
Park Safety Fund	\$ 253,741.00	\$ 300,000.00	\$ 499,717.00	\$ 360,000.00
SMMC Grants	\$ 3,236,677.00	\$ 6,346,000.00	\$ 6,360,606.00	\$ 4,754,000.00
Other Government Grants	\$ 8,870,779.00	\$ 14,347,000.00	\$ 13,983,787.00	\$ 27,870,000.00
Mitigation Revenue	\$ 861,900.00	\$ 1,508,000.00	\$ 1,210,931.00	\$ 2,473,000.00
Government Agency Contracts	\$ 3,120,913.00	\$ 1,926,000.00	\$ 1,385,002.00	\$ 1,871,000.00
Sales of Assets	\$ 40,598.00	\$ -	\$ 2,363.00	\$ 1,000.00

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Donations	\$ 160,350.00	\$ -	\$ 125,362.00	\$ 54,000.00
PAD	\$ 306,294.00	\$ 200,000.00	\$ 306,810.00	\$ 2,329,000.00
CFD	\$ -	\$ 250,000.00	\$ 817,000.00	\$ 1,021,000.00
Misc. Revenue	\$ 103,050.00	\$ -	\$ 678,393.00	\$ 32,000.00
Total Revenue	\$ 21,832,224.00	\$ 28,954,000.00	\$ 30,175,642.00	\$ 45,396,000.00

EXPENSES	Actual 12/13	Adopted 13/14	Est Year-End 13/14	Proposed 14/15
Salaries and Wages	\$ 4,800,973.00	\$ 4,441,025.00	\$ 4,578,094.00	\$ 5,590,000.00
Payroll Benefits	\$ 3,017,190.00	\$ 2,910,900.00	\$ 3,334,176.00	\$ 3,437,000.00
Contract Services	\$ 2,626,276.00	\$ 1,595,000.00	\$ 1,737,681.00	\$ 1,992,000.00
Supplies & Maintenance	\$ 1,027,263.00	\$ 1,356,114.00	\$ 1,101,302.00	\$ 1,067,000.00
General Office/ Operations	\$ 470,301.00	\$ 330,000.00	\$ 402,943.00	\$ 401,000.00
Insurance	\$ 646,874.00	\$ 625,000.00	\$ 708,537.00	\$ 738,000.00
Utilities	\$ 1,072,504.00	\$ 963,000.00	\$ 1,153,186.00	\$ 1,117,000.00
Grants - Out	\$ 372,595.00	\$ 100,000.00	\$ 251,470.00	\$ 100,000.00
Land and Improvements	\$ 7,858,831.00	\$ 16,257,961.00	\$ 16,197,199.00	\$ 30,244,000.00
Capital Equipment Purchases	\$ 316,418.00	\$ 339,000.00	\$ 351,901.00	\$ 650,000.00
Interest Payments	\$ 47,775.00	\$ 36,000.00	\$ 74,905.00	\$ 60,000.00
Total Expenses	\$ 22,257,000.00	\$ 28,954,000.00	\$ 29,891,394.00	\$ 45,396,000.00

The FY 2014-15 budget was prepared using information available in grant and contract files, current and prior year actual revenue receipts and expenditures, and information regarding future project funding. The Assistant Financial Officer, with information provided by Project Managers, is able to directly input into the MRCA financial management system (Logos.NET) the amount of revenue and expenditures which he anticipates will occur in FY 2014-15. All MRCA staff positions are accounted for in each project budget, as are all task (project) related expenses and overhead costs.

Task (Project) Accounting:

The MRCA budgets each task (project) separately, and the total budget figures are a compilation of those project budgets. The Final Management Budget by Task details the amount of expenses expected to be incurred in FY 2014-15 by task. See the Final Management Budget by Task report for more information.

Projects are identified in the 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 periodical basis, or as allowed for in the grant agreements.

It is the practice of the MRCA to include budgets for anticipated projects, sometimes where funding is not yet finalized. Anticipated projects for FY 2014-15 are listed as "New Projects" in the Final Management Budget by Task. If funding is not secured these projects will not be pursued. The MRCA has applied to the Conservancy and several other grantors to fund several of the anticipated projects

Budget Management

The MRCA's Project Managers are issued monthly 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.