

Memorandum

To : The Conservancy
The Advisory Committee

Date: June 26, 2017

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

Subject: **Agenda Item 10: Consideration of resolution approving the Mountains Recreation and Conservation Authority Preliminary Budget, Fiscal Year 2017-2018.**

Staff Recommendation: That the Conservancy adopt the attached resolution authorizing the Mountains Recreation and Conservation Authority Preliminary Budget FY 2017-2018.

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 30th, 2018, - this is the Official Budget of the MRCA, (2) Preliminary Fiscal Year 2017-2018 Revenue Budget, and (3) Preliminary Fiscal Year 2017-2018 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 7th, 2017 stated meeting. The Governing Board of the Conejo Recreation and Park District approved this preliminary budget on June 15, 2017. The Governing Board of the Rancho Simi Recreation and Park District also approved this preliminary budget on June 15, 2017.

The final budget is currently undergoing review by MRCA management and is expected to be submitted for approval to the Governing Boards at their July and August regularly stated meetings.

The preliminary FY 2017-2018 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 Fiscal Year 2017-2018 is comprised of reimbursements for contracted expenses and services, grants from outside agencies, monies paid for fees, permits, leases, and administrative penalties, as well as all new funds that may be received by the MRCA for various projects.

Total revenues for the preliminary Fiscal Year 2017-2018 budget are \$37,253,000 which is an increase of \$490,000 over Fiscal Year 2016-2017 adopted final budget. This \$490,000 is the net impact of \$1,710,000 in additional revenue (\$710,000 from Los Angeles County Proposition A Servicing and Maintenance grants, and \$1,000,000 from two new Community Facilities Districts) less \$1,220,000 of reserves which were used to balance the Fiscal Year 2016-2017 final budget. Please see the supplemental “Mountains Recreation and Conservation Authority Preliminary Fiscal Year 2017-2018 Statement of Revenues” for additional details.

Expenditures

Expenditures for Fiscal Year 2017-2018 are also budgeted at \$37,253,000. An overview by account class is presented below:

| <u>Account Class</u> | <u>Amount</u> |
|-----------------------------|----------------------|
| Personnel and Benefits | \$ 9,505,000 |
| Operating Expenses | \$ 6,088,000 |
| MRCA Grants | \$ 150,000 |
| Land and Improvements | \$20,450,000 |
| Equipment | \$ 785,000 |
| Interest Expense | \$ 100,000 |
| Contingency | \$ 175,000 |
| Total Expenses | \$37,253,000 |

Please refer to the supplemental “Mountains Recreation and Conservation Authority Preliminary Fiscal Year 2017-2018 Expense Budget” for additional details.