

DATE: April 16, 2020

TO: WCA Governing Board

FROM: Nicole Law, Fiscal Manager

THROUGH: Mark Stanley, Executive Officer

SUBJECT: Item 13: Consideration of a resolution to update Fiscal Year 2019/2020 Annual Budget

RECOMMENDATION: That the WCA Governing Board approve an update to the Fiscal Year 2019/2020 Budget.

BACKGROUND: In June 2019 the WCA Governing Board approved the Fiscal Year 2019/2020 Budget. Significant changes over the course of this fiscal year warrant an update to reflect increased revenue, additional cost and recommended reallocations of expenses. Attached as Exhibit A is an updated Fiscal Year 2019/2020 budget.

A) GENERAL ADMINISTRATIVE & OPERATING REVENUE

Lease Revenue: The original budget anticipates collection of revenue from Unit 96 located on the El Encanto property; staff now anticipates no lease revenue will be collected through the end of this fiscal year. In addition, staff is forecasting a potential loss on leases and expenditures due to the COVID-19 response. It includes two (2) months' rents of the Equestrian Center and electricity usage reimbursements from the Duck Farm caretaker. The decrease in revenue shall be utilized from unexpended operational expenses or funded from an emergency financial relief program.

COVID-19 Funding Opportunities: Staff recommends the Board approve this new revenue line item as staff is looking for emergency financial assistance to cover any potential losses on lease revenue and expenditures through the end of this fiscal year. It includes two (2) months' rents of the Equestrian Center, electricity usage reimbursements from the Duck Farm caretaker, a laptop purchase, office disinfection services and administrative labor expenditures.

B) GRANTS AND SPECIAL PROJECTS – REVENUE & CAPITAL OUTLAY

East Fork Sustainability River Access Project (RMC19001): In September 2019, the Authority accepted a new grant of \$128,700 from the Rivers and Mountains Conservancy Proposition 1 grant program to complete the design, engineering, and permitting for the Oaks Areas improvements.

Vasquez Overlook Acquisition Project (RMC19006): In November 2019, the Authority accepted a new grant of \$1,064,200 from the Rivers and Mountains Conservancy Proposition 68 grant program for acquisition of the 39-acre Vasquez Overlook parcel and the acquisition was completed on January 2020.

LA River Ranger Program Reach Zones (RMC19005): In November 2019, the Authority accepted a new grant of \$250,000 from the Rivers and Mountains Conservancy to facilitate coordination between Los Angeles River and tributary-adjacent governments to develop a river ranger program.

C) GENERAL ADMINISTRATIVE EXPENSES

Personnel Services: Services from ADP, a human capital management company, was upgraded from Basic to Enhanced, increasing cost by approximately 20% or \$800 over budget projections. The new package provides comprehensive employee and legal assistances which benefit the Authority in completing numerous personnel and HR tasks. The increase in expenses shall be utilized from unexpended operational expenses.

COVID-19 Unplanned Expenses: Due to coronavirus disease outbreak and following stay-at-home orders, staff recommends inclusion of this new expenditure line item to cover unplanned expenditures due to the COVID-19 response. Expenses include a laptop purchase, office disinfection services, and administrative labor expenditures; therefore, necessitating a budget increase of \$4,750 through the end of this fiscal year. The increase in expenses shall be utilized from unexpended operational expenses or funded from an emergency financial relief program.

D) PERSONNEL EXPENSES

There are four budget modifications in the personnel expense category: First, the Authority replaced an outgoing Project Manager II with a new staff member who began this month, April 2020. Second, the Authority has no plan to fill the open Associated Project Manager and Project Manager I positions through the end of the fiscal year. Third, staff recommends bringing on a part-time accounting clerk before the end of the fiscal year. Last, staff recommends keeping the total budgeted personnel costs the same and moving the differences to the Merit/Salaries Adjustment Pool.

E) GENERAL OPERATIONAL EXPENSES

Insurance: California wildfires in 2018 have dramatically impacted insurance estimates for potential losses. This year continuance of major fires in Northern California has caused a reevaluation by insurance providers to those holding open space assets within California, spiking premiums significantly. The Authority is experiencing approximately 62% or \$20,819 higher than YTD budget projections in the cost of insurance. The increase in insurance expense shall be absorbed through utilizing unexpended operational expenses.

Water System Operation/Irrigation: The level of water system enforcement and repair fees were under-estimated in the initial budget. The cost is projected to be 8% or \$3,086 higher than the YTD budget projection. The increase in expenses shall be utilized from unexpended operational expenses.

FISCAL INFORMATION: The proposed amended FY 2019/20 budget increases WCA Grants and Special Projects Capital Revenue by \$912,728 and Capital Outlay Expenses by \$896,949.

General Administrative Expenses increase by \$2,653; while it decreases General Administrative & Operating revenue by \$2,564 and General Operational Expense by \$5,217.

Changes in revenue, expenditures and recommended budget reallocations outlined in this report are anticipated balancing out through the end of fiscal year.

**WATERSHED CONSERVATION AUTHORITY
CONSOLIDATED BUDGET FISCAL YEAR 2019 - 2020**

	Budget FYE 2020	Annual Update FYE 2020	\$ Change Budget '20 vs. Annual Budget '20
Revenues			
General Administrative & Operating Revenue			
JPA Contributions			
LA County Flood Control District	25,500	25,500	0
Rivers and Mountains Conservancy	10,000	10,000	0
Lease Revenue	289,596	278,532	(11,064)
COVID-19 Funding Opportunities	-	8,500	8,500
Property Management Contribution	59,500	59,500	0
Fees-Citation	3,000	3,000	0
Fees- Filming/Permits	2,500	2,500	0
Other Miscellaneous Revenue	195,705	195,705	0
Subtotal-General Administrative & Operating	585,801	583,237	(2,564)
Grants and Special Projects Revenue			
Grant-Rivers & Mountains Conservancy ^{1,5}	4,502,622	5,415,350	912,728
Grant-LA County Flood Control District ^{1,6}	280,000	280,000	0
Grant-SEP ^{2,6}	123,525	123,525	0
Grant-Federal Funds ^{1,6,7}	345,026	345,026	0
Grant-Other State Funds ^{4,6}	1,630,571	1,630,571	0
Grant-Other County & Local Funds ^{2,6}	2,009,923	2,009,923	0
Grant-Public Foundations ^{3,6}	82,723	82,723	0
Other-Consultant Contracts ^{3,6,8}	9,741	9,741	0
Subtotal-Grants and Special Projects	8,984,131	9,896,859	912,728
Total Revenue	9,569,932	10,480,096	910,164
Expenses			
General Administrative Expenses			
Fiscal Services Auditor-Controller	65,000	65,000	0
Funding Opportunities	37,300	37,300	0
Legal Services	15,000	15,000	0
Information Technologies	28,320	28,320	0
Strategic Planning	5,000	5,000	0
Grant Writing	2,000	2,000	0
Travel	4,000	4,000	0
Financial Audit Services	5,400	5,400	0
Insurance/Insurance Bond	6,500	3,603	(2,897)
Training/Conferences	5,000	5,000	0
Meeting Supplies	500	500	0
Other/Not Classified	4,000	4,000	0
Wireless Phones	1,140	1,140	0
Personnel Services	3,926	4,726	800
Office Supplies	650	650	0
Postage	500	500	0
Printer Supplies	250	250	0
Equipment & Software	1,500	1,500	0
Dues & Subscriptions	425	425	0
COVID-19 Unplanned Expenses	-	4,750	4,750
Subtotal-General Administrative	186,411	189,064	2,653
Personnel			
Salaries	473,541	387,439	(86,102)
Merit Pool / Salary Adjustment	35,409	148,262	112,853
Benefits	127,815	100,565	(27,250)
Benefits Plan Provider Admin Cost	1,066	1,501	435
Employer Taxes	43,882	43,946	64
Subtotal-Personnel	681,713	681,713	0

WATERSHED CONSERVATION AUTHORITY
CONSOLIDATED BUDGET FISCAL YEAR 2019 - 2020

	Budget FYE 2020	Annual Update FYE 2020	\$ Change Budget '20 vs. Annual Budget '20
General Operational Expenses			
Insurance	33,583	54,402	20,819
Security	3,916	3,916	0
Building Maintenance and Repair	18,500	18,500	0
Grounds Maintenance and Repair	8,300	8,300	0
Electricity	16,907	16,907	0
Propane	8,000	8,000	0
Other Utilities	900	900	0
Waste Removal	9,536	9,536	0
Water System Operation/Irrigation	40,240	43,326	3,086
Property Management	32,650	32,650	0
Deferred Maintenance Contingency	75,314	46,192	(29,122)
Janitorial Services	10,582	10,582	0
Ranger Services	92,000	92,000	0
Weed Abatement	16,000	16,000	0
Property Tax	561	561	0
Legal Services	-	-	0
Subtotal-General Operational	366,989	361,772	(5,217)
Grants and Special Projects Total Expense-Capital Outlay			
Grant-Rivers & Mountains Conservancy	4,224,344	5,121,293	896,949
Grant-LA County Flood Control District	252,535	252,535	0
Grant-SEP	84,890	84,890	0
Grant-Federal Funds	333,640	333,640	0
Grant-Other State Funds	1,568,885	1,568,885	0
Grant-Other County & Local Funds	1,931,367	1,931,367	0
Grant-Public Foundations	68,493	68,493	0
Other-Consultant Contracts	-	-	0
Other-Mitigation Revenue	-	-	0
Other-Donations	-	-	0
Other-Miscellaneous	-	-	0
Carryover	-	-	0
Subtotal-Grants and Special Projects	8,464,154	9,361,103	896,949
Total Expense	9,699,267	10,593,652	894,385
Change In Net Position Before Transfers	(129,335)	(113,556)	

¹Labor Reimbursed at Salary & EB Only

²Labor Eligible to be Reimbursed at Admin & Billable Rate

³Labor Reimbursed at Consultant Rate

⁴Labor Reimbursed at Grantor Approved Compensation Rate

⁵Eligible for Advances

⁶Payment by Reimbursement Only

⁷Eligible for additional 10% for Indirect Costs

⁸Primarily SGRDCA, NET, & Los Alamitos

**WATERSHED CONSERVATION AUTHORITY
EXPANDED BUDGET FISCAL YEAR 2019 - 2020**

	General Fund	Operational Duck Farm	Operational Mt. Baldy	Operational Citrus Heights	Operational El Encanto	Operational Parque Dos Rios	Operational Walnut Creek	Payroll and Accrued Leave	Grant & Special Project	Annual Budget FY 2019-2020
Revenues										
General Administrative & Operating Revenue										
JPA Contributions	35,500	-	-	-	-	-	-	-	-	35,500
Lease Revenue	-	142,532	-	-	92,500	43,500	-	-	-	278,532
COVID-19 Funding Opportunities	-	3,350	-	-	5,150	-	-	-	-	8,500
Property Management Contribution	-	2,000	3,500	500	49,500	2,000	2,000	-	-	59,500
Fees-Citation	-	-	2,000	-	1,000	-	-	-	-	3,000
Fees- Filming	-	-	500	-	2,000	-	-	-	-	2,500
Other Miscellaneous Revenue	192,305	1,000	-	-	2,400	-	-	-	-	195,705
Subtotal-General Administrative & Operating	227,805	148,882	6,000	500	152,550	45,500	2,000	-	-	583,237
Grants and Special Project Income										
Grant-Rivers & Mountains Conservancy	-	-	-	-	-	-	-	-	5,415,350	5,415,350
Grant-LA County Flood Control District	-	-	-	-	-	-	-	-	280,000	280,000
Grant-SEP	-	-	-	-	-	-	-	-	123,525	123,525
Grant-Federal Funds	-	-	-	-	-	-	-	-	345,026	345,026
Grant-Other State Funds	-	-	-	-	-	-	-	-	1,630,571	1,630,571
Grant-Other County & Local Funds	-	-	-	-	-	-	-	-	2,009,923	2,009,923
Grant-Public Foundations	-	-	-	-	-	-	-	-	82,723	82,723
Other-Consultant Contracts	-	-	-	-	-	-	-	-	9,741	9,741
Other-Mitigation Revenue	-	-	-	-	-	-	-	-	-	-
Other-Donations	-	-	-	-	-	-	-	-	-	-
Other-Miscellaneous	-	-	-	-	-	-	-	-	-	-
Subtotal-Grants and Special Projects	-	-	-	-	-	-	-	-	9,896,859	9,896,859
Total Revenue	227,805	148,882	6,000	500	152,550	45,500	2,000	-	9,896,859	10,480,096
Expenses										
General Administrative Expenses										
Fiscal Services Auditor-Controller	65,000	-	-	-	-	-	-	-	-	65,000
Funding Opportunities	37,300	-	-	-	-	-	-	-	-	37,300
Legal Services	15,000	-	-	-	-	-	-	-	-	15,000
Information Technologies	28,320	-	-	-	-	-	-	-	-	28,320
Strategic Planning	5,000	-	-	-	-	-	-	-	-	5,000
Grant Writing	2,000	-	-	-	-	-	-	-	-	2,000
Travel	4,000	-	-	-	-	-	-	-	-	4,000
Financial Audit Services	5,400	-	-	-	-	-	-	-	-	5,400
Insurance/Insurance Bond	3,603	-	-	-	-	-	-	-	-	3,603
Training/Conferences	5,000	-	-	-	-	-	-	-	-	5,000
Meeting Supplies	500	-	-	-	-	-	-	-	-	500
Other/Not Classified	4,000	-	-	-	-	-	-	-	-	4,000
Wireless Phones	1,140	-	-	-	-	-	-	-	-	1,140
Personnel Services	4,726	-	-	-	-	-	-	-	-	4,726
Office Supplies	650	-	-	-	-	-	-	-	-	650
Postage	500	-	-	-	-	-	-	-	-	500
Printer Supplies	250	-	-	-	-	-	-	-	-	250
Equipment & Software	1,500	-	-	-	-	-	-	-	-	1,500
Dues & Subscriptions	425	-	-	-	-	-	-	-	-	425
COVID-19 Unplanned Expenses	4,750	-	-	-	-	-	-	-	-	4,750
Subtotal-General Administrative	189,064	-	-	-	-	-	-	-	-	189,064
Personnel										
Salaries	-	-	-	-	-	-	-	387,439	-	387,439
Merit Pool	-	-	-	-	-	-	-	148,262	-	148,262
Benefits	-	-	-	-	-	-	-	100,565	-	100,565
Benefits Plan Provider Admin Cost	-	-	-	-	-	-	-	1,501	-	1,501
Employer Taxes	-	-	-	-	-	-	-	43,946	-	43,946
Subtotal-Personnel	-	-	-	-	-	-	-	681,713	-	681,713

**WATERSHED CONSERVATION AUTHORITY
EXPANDED BUDGET FISCAL YEAR 2019 - 2020**

	General Fund	Operational Duck Farm	Operational Mt. Baldy	Operational Citrus Heights	Operational El Encanto	Operational Parque Dos Rios	Operational Walnut Creek	Payroll and Accrued Leave	Grant & Special Project	Annual Budget FY 2019-2020
General Operational Expenses										
Insurance	-	6,935	14,411	120	32,338	480	119	-	-	54,402
Security	-	1,786	-	-	2,130	-	-	-	-	3,916
Building Maintenance and Repair	-	3,500	-	-	15,000	-	-	-	-	18,500
Grounds Maintenance and Repair	-	2,000	2,000	-	2,000	2,000	300	-	-	8,300
Electricity	-	907	-	-	16,000	-	-	-	-	16,907
Propane	-	-	-	-	8,000	-	-	-	-	8,000
Other Utilities	-	-	-	-	900	-	-	-	-	900
Waste Removal	-	3,222	-	-	6,314	-	-	-	-	9,536
Water System Operation/Irrigation	-	6,000	-	-	37,326	-	-	-	-	43,326
Property Management	-	6,500	6,000	250	17,300	1,500	1,100	-	-	32,650
Deferred Maintenance Contingency	-	-	-	-	46,192	-	-	-	-	46,192
Janitorial Services	-	-	-	-	10,582	-	-	-	-	10,582
Ranger Services	-	17,000	25,000	-	40,000	5,000	5,000	-	-	92,000
Weed Abatement	-	10,000	-	-	3,000	-	3,000	-	-	16,000
Property Tax	-	-	561	-	-	-	-	-	-	561
Legal Services	-	-	-	-	-	-	-	-	-	-
Subtotal-General Operational	-	57,850	47,972	370	237,082	8,980	9,519	-	-	361,772
Grants and Special Project Total Expense-Capital Outlay										
Grant-Rivers & Mountains Conservancy	-	-	-	-	-	-	-	-	5,121,293	5,121,293
Grant-LA County Flood Control District	-	-	-	-	-	-	-	-	252,535	252,535
Grant-SEP	-	-	-	-	-	-	-	-	84,890	84,890
Grant-Federal Funds	-	-	-	-	-	-	-	-	333,640	333,640
Grant-Other State Funds	-	-	-	-	-	-	-	-	1,568,885	1,568,885
Grant-Other County & Local Funds	-	-	-	-	-	-	-	-	1,931,367	1,931,367
Grant-Public Foundations	-	-	-	-	-	-	-	-	68,493	68,493
Other-Consultant Contracts	-	-	-	-	-	-	-	-	-	-
Subtotal-Grants and Special Projects	-	-	-	-	-	-	-	-	9,361,103	9,361,103
Total Expense	189,064	57,850	47,972	370	237,082	8,980	9,519	681,713	9,361,103	10,593,652

April 16, 2020 – Item 13

RESOLUTION 2020-11

**RESOLUTION TO ADOPT AN UPDATE TO THE BUDGET
FOR FISCAL YEAR 2019/2020**

WHEREAS, The Watershed Conservation Authority has been established as a joint powers agency between the Rivers and Mountains Conservancy (RMC) and the Los Angeles County Flood Control District (District); and

WHEREAS, the Watershed Conservation Authority (WCA) has further been established to focus on projects which will provide open space, habitat restoration, and watershed improvement projects in both the San Gabriel and Lower Los Angeles Rivers watershed; and

WHEREAS, this action adopts an update to the budget for Fiscal Year 2019/2020; and

WHEREAS, the proposed action is exempt from the provisions of the California Environmental Quality Act; NOW

Therefore be it resolved that the WCA hereby:

1. **FINDS** that this action is consistent with the purposes and objectives of the WCA.
2. **FINDS** that the actions contemplated by this resolution are exempt from the environmental impact report requirements of the California Environmental Quality Act (CEQA).
3. **ADOPTS** the staff report dated April 16, 2020.
4. **APPROVES** the adoption of an update to the Fiscal Year 2019/2020 budget.

~ End of Resolution ~

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Motion: _____ Second: _____

Ayes: _____ Nays: _____ Abstentions: _____

Passed and Adopted by the Board of the
WATERSHED CONSERVATION AUTHORITY
On April 16, 2020

Herlinda Chico,
Governing Board Chair

ATTEST: _____
David Edsall, Jr.
Deputy Attorney General