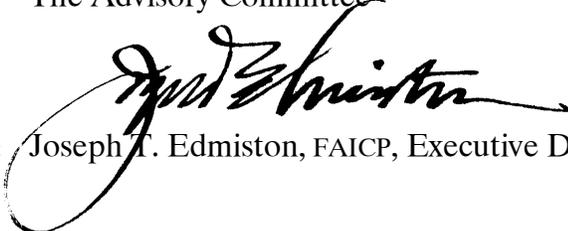


Memorandum

To : The Conservancy
The Advisory Committee

Date: August 22, 2005

From :  Joseph T. Edmiston, FAICP, Executive Director

Subject: **Agenda Item 12: Consideration of resolution approving the Mountains Recreation and Conservation Authority FY 2005-06 final budget.**

Staff Recommendation: That the Conservancy adopt the attached resolution approving the Mountains Recreation and Conservation Authority FY 2005-2006 final budget.

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. On June 20, 2005, the Conservancy approved the MRCA's preliminary budget. The final budget is now submitted for approval. It is expected that a revised budget will be submitted for approval later in the year, although this is not required. The final budget is described herein and further detailed in three attachments: (1) Official Budget by Account Class Category, (2) Final Management Budget by Account Class, and (3) Final Management Budget by Project (to be delivered under separate cover).

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

	Final Budget	Preliminary Budget	Difference
FY 05/06 Budgeted Revenue	\$22,096k	\$8,440k	\$13,656k
Carryover Funds	<u>1,906k</u>	<u>1,678k</u>	<u>228k</u>
Total Funds Available	<u>\$24,002k</u>	<u>\$10,118k</u>	<u>\$13,884k</u>
	<u>\$23,975k</u>	<u>\$10,118k</u>	<u>\$13,857k</u>

FY 05/06 Budgeted Expenditures

This final budget incorporates anticipated funding from State bond grants that the MRCA will be applying for. These grants account for the majority of the difference between the preliminary and final budget figures.

The MRCA budgets each project separately, and the total budget figures are a compilation of those project budgets. The Final Management Budget by Project details the amount of revenue and expenses by project for FY 2005-06. In general, if no revenue is listed for a project, funds to complete that project were received by the MRCA in prior years.

The FY 2005-06 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

The total funds available is comprised of carryover funding (monies received in prior fiscal years) and new funding for expenditures in the upcoming year, including reimbursements for contracted expenses, revenue for fees, permits, and leases, as well as new funds that may be received by the MRCA for various projects.

New revenue for FY 2005-06 is estimated at \$22.1 million, up from \$8.4 million in the preliminary budget due to anticipated funding from State bond grants. A complete listing by project of how the revenue will be received is in the Final Management Budget by Project.

The following is an overview of the FY 2005-06 budgeted revenue, by account and type of revenue:

FY 2005-06 Budgeted Revenue:

	Final	Preliminary	Difference
Fees - Garden Tours	\$46k	\$46k	0
Fees-Conferences/Meetings	\$116k	\$116k	0
Fees-Special Events	\$565k	\$502k	\$63k
Fees-Filming	\$394k	\$304k	\$90k

Fees-Parking	\$176k	\$171k	\$5k
Leases-Land	\$150k	\$150k	0
Leases-Buildings	\$535k	\$530k	\$5k
Lease-Antenna	\$195k	\$195k	0
Citations	\$660k	\$660k	0
SMMC Grants	\$5,357k	\$1,557k	\$3,800k
Government Grants	\$12,382k	\$2,927k	\$9,455k
Grants/Settlements	\$285k	\$69k	\$216k
Govt Agency Contracts	\$849k	\$849k	0
Donations	\$27k	\$27k	0
Benefit Assessment District	\$349k	\$327k	\$22k
Miscellaneous Revenue	\$10k	\$10k	0
Total FY 2005-06 Budgeted Revenue	\$22,096k	\$8,440k	\$13,656k

Projects are identified in the AS400 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 monthly basis, or as allowed for in the grant agreements.

Expenditures

Total FY 2005-06 expenditures are budgeted at \$24.0 million. A overview by account class is presented below:

<u>Account Class</u>	<u>Final</u>	<u>Prelimi</u>	<u>Diffe</u>
Personnel	\$5,162	\$4,977	\$185
Contract Services	\$1,637	\$1,015	\$622
	k	k	k
Operating Expenses	\$2,407	\$2,407	0
	k	k	
MRCA Grants	\$96k	\$96k	0
Land & Improvement	\$14,44	\$1,393	\$13,0
	3k	k	50k
Equipment	\$230k	\$230k	0

Total FY 2005-06 Expenditures	23,975	\$10,11	\$13,8
	k	8k	57k

Expenditures are further detailed in the Final Management Budget by Account Class and the Final Management Budget by Project.

It is the practice of the MRCA to include budgets for anticipated projects, sometimes where funding is not yet finalized. Anticipated projects for FY 2005-06 are listed as “New Projects” in the Final Management Budget by Project. If funding is not secured, these projects will not be pursued. The MRCA has applied to the Conservancy to fund several of the anticipated projects with State bond measure grants.

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 then identification of other potential fiscal problem areas.