

RICHARDSON BAY REGIONAL AGENCY

STAFF REPORT

For the meeting of March 14, 2024

To: Board of Directors
From: Brad Gross, Executive Director
Subject: Mid-Year Budget Review- through January 31, 2024

STAFF RECOMMENDATION:

Receive report; no action is necessary.

BACKGROUND/DISCUSSION:

This Board adopted the RBRA budget for July 1, 2023 through June 30, 2024 (FY24) at its meeting of June 8, 2023.

The adopted FY 24 Budget was balanced and provided for a nominal increase in member dues of 5%, to reflect established staffing goals and priorities and to continue to implement the provisions of the 2021 agreement between RBRA and the Bay Conservation and Development Commission (BCDC).

Items of note during the first half of FY24:

- 1 Vessel buyback: This program was reinstated as of April 13, 2023. An additional \$100,000 of one-time funds from the County of Marin is budgeted for FY24. At report time, \$39,700 has been spent, leaving this budget item sufficiently funded for the remaining FY. The program has been successful, and beneficial, especially for people participating in the Temporary Housing Voucher Program funded by the State and managed by Marin Health and Human Services and Marin Housing Authority.
- 2 Dock Plan/Installation/Engineer: \$75,000 is budgeted in FY 24. Discussions about this development tapered off. This item will be eliminated in the next budget planning process and may be reinstated if a need arises.
- 3 Insurance: RBRA's insurance coverage was set to renew effective, September 29, 2023. \$45,000 was budgeted, projecting higher premiums based on known increasing pressures in the insurance industry. RBRA's new two-year policy came in higher at \$77,000 per year, along with a new deductible of \$50,000 per case. We are currently involved in one case with the potential of two more. All current and pending cases should be covered by the previous policy.

- 4 Litigation: Not all litigation expenses have been covered by insurance, and we did have an unanticipated increase to Agency participation of \$15,000 towards the settlement of two cases. No other settlement participation is anticipated for the remainder of FY24.
- 5 State Parks, Division of Boating and Waterways: \$453,800 is budgeted for both grant revenue and expense in FY24; year-end reimbursable expenses are projected at \$233,000. Remaining funds will continue to be available for use in future budget projections through the expiration of the specific grant cycle. Any remaining funds revert to the State for use by other grantees, or for future grant cycles. As in past years, reimbursements request trail project expenditures. In the past, DBW has been slow in processing reimbursement requests, and we continue to receive reimbursements for aged projects with \$63,890 in current and aged DBW receivables, dating back to FY2022. Approximately \$90,000 in invoices are being processed internally to be sent to DBW.

Looking forward to the budget for the year July 1, 2024 to June 30, 2025 (FY25), staff anticipates the following matters with fiscal impacts:

- 1 Other grants: Staff and our consultants continuously research and apply for grants. Receipt of grants typically is a 'zero sum' as expenses align with revenue; however, on occasion staff or other administrative costs may be offset by grant revenue.
- 2 Insurance: A new line item, Deductibles, will be included in the FY25 preliminary budget projection.
- 3 Litigation: As stated above, the new liability insurance policy now carries a \$50,000 deductible per case. This possibility was considered last year with the approval of two new contingency budget categories, by this Board at the April 13, 2023 meeting. The Contingency Reserves budget line will, with Board approval, be funded in the FY25 budget; planning for deductible, and/or settlement participation if required in FY25.
- 4 Member dues: staff anticipates only nominal inflation-related increases for FY25.

FISCAL IMPACT:

Although some budget categories, Insurance for example, have come in higher, others, like Dock Plan/Installation/Engineer have not. Therefore, year-end projections are on track to achieve budgetary goals. Staff are not proposing budget adjustments at this time. There are no fiscal impacts of this mid-year budget review.

Attachment: FY 2024 Adopted Budget