

# RICHARDSON BAY REGIONAL AGENCY

## STAFF REPORT

For the meeting of March 14, 2024

**To:** Board of Directors  
**From:** Brad Gross, Executive Director  
**Subject:** Fiscal Year 2024-2025 Draft Preliminary Budget

### STAFF RECOMMENDATION:

Staff recommends this Board consider the Draft Preliminary Budget for Fiscal Year 2024-2025 (FY25), and after discussion and public comment, adopt Resolution 24-04, approving the Draft Preliminary Budget for FY25.

Motion: Adopt Resolution 24-04, adopting the FY25 Draft Preliminary Budget.

### SUMMARY:

The FY25 Draft Preliminary Budget is balanced and reflects progressive implementation of the Agreement with the Bay Conservation and Development Commission (BCDC). The Draft Preliminary Budget shows an anticipated 45% decrease in revenues (exclusive of member agency dues), a cumulative 4% increase in staffing costs over the FY24 adopted budget, a cumulative 33% increase in non-personnel costs, and a 100% decrease in costs associated with the BCDC Agreement and Capital Projects. This results in a nominal increase in total expenditures of \$37,100. Balancing the FY25 budget is achieved by requiring a 3% increase in member agency dues.

### BACKGROUND:

Each year the Board of Directors adopts a budget for the next fiscal year that begins July 1 and ends June 30. In developing the FY25 Draft Preliminary Budget, staff considered the following factors:

1. Continued implementation of steps to further transition to a safer, healthier, and well managed anchorage, such as those identified in the June 11, 2020, Transition Plan 2.0.
2. Projected actual revenues and expenses for FY24 and estimated expenses and revenues for FY25 – including grant funding for the Housing Voucher Program, Eelgrass Protection, Management, and Restoration Plan, abatement of marine debris and abandoned, and surrendered vessels.
3. Reliance on member agency contributions for a significant portion of RBRA's revenue, recognizing city/county budget constraints.

The Agency's annual budget is the main fiscal planning tool used throughout the year. This is the Draft Preliminary Budget for the period from July 1, 2024 through June 30, 2025, and includes an estimate of \$435,00 in revenues plus a 3% increase in member agency contributions of \$1,130,250.

Member agency contributions are based on anticipated expenditures of \$1,565,250 resulting in a balanced budget.

#### Grants:

Sufficient grant funding is currently in place to allow staff and contractors to maintain current progress on projects. Staff will continue to seek grant funds for management of the anchorage, environmental and eelgrass restoration, implementation of the Bay Conservation and Development Commission Agreement, and the disposal of marine debris and abandoned or surrendered vessels, as they become available.

Coastal Policy Solutions continues to work with staff to implement the existing \$2,782,586 grant for eelgrass restoration and supporting activities received from the Environmental Protection Agency (EPA).

RBRA staff received, for FY25 budget planning year, \$275,000 for the Surrendered and Abandoned Vessel Grant Program (SAVE) from the California Division of Boating and Waterway for vessel removal and disposal. Staff plans to utilize an additional \$138,000 from previous grant cycles recorded in the approved FY24 budget.

RBRA staff, collaborating with partners at Marin Housing Authority, Marin Health and Human Services, and Episcopal Community Services, continue to administer the Temporary Housing Voucher Program (THVP). The THVP is funded via a \$3,000,000 grant award received on March 28, 2023. This grant calls for updates to this Board and Senator McGuire's office regularly on the expenditure of funds and the efficacy of the efforts to house the anchor-out community on the water.

The funds for the THVP are maintained in a separate project in RBRA's fund 8050, project 40RBRAHOUS, managed by the County of Marin Budget Office (CMBO). This project allows staff to track and report activity utilizing these funds separately from the RBRA baseline budget. To date, approximately \$230,000 has been spent on this grant.

The EPA grant funds remain with the federal government and RBRA is reimbursed quarterly based on request for reimbursement submitted. This project is also maintained and tracked in a separate CMBO managed RBRA's fund 8050, project 40RBRAEPA. The first reimbursement for this project was received on February 1, 2024 in the amount of \$73,647.

Both EPA and THVP grants' revenue and expenditures were recorded in the FY24 budget. Therefore, they are not reflected in the FY25 budget projections. Rather, staff will come back to the Board at the beginning of the fiscal year to request carry forward of the

specific amounts unspent/unrealized from FY24 in RBRA's fund 8050, project 40RBRAHOUS and 40RBRAEPA.

#### Vessel Buyback Program:

This category is fully funded for the upcoming year. Approximately, \$100,000 of the \$200,000 allocated from FY23 & FY24 budgets has been expended. The EPA grant has additional reimbursable funds available throughout the life of the EPA grant funded project.

#### Non-Personnel Cost:

Significant increases in cumulative non-personnel cost are reflected in FY25 budget projections, and each category is projected with an increase as increasing costs continue to fuel upward economic pressures on these categories. Most categories saw a nominal increase between 3% and 11%, averaging 3.2% across the categories. Insurance continues to increase significantly. RBRA's new two-year policy's annual premium grew by 71%, and now also requires a \$50,000 deductible per occurrence. These increases were expected and are in keeping with carriers who continue to provide coverage in California. An additional increase was realized in Attorney and Legal categories, based on efforts to support cases filed over the last few years. Staff anticipates a leveling off, or even a reversal of these expenses as the number of vessels remaining on the anchorage continues to decrease.

#### Personnel:

RBRA is now fully staffed and operating efficiently. The FY25 Draft Preliminary Budget reflects a nominal cumulative increase of 4% over the approved FY24 budget.

#### Capital Projects:

The planned development of the required mooring field in FY23 was put on hold in agreement with BCDC. Staff efforts for the near future will concentrate on the grant funded eelgrass projects, and non-grant funded vessel assistance, removal, and enforcement. Therefore, expenses in the categories have been shifted to other categories to cover those increase efforts.

Note of Interest:

As mentioned in the Grants section above, EPA, THVP, and SAVE grants have revenues recorded in previous budget cycles. These grants cover multiple years, and expenditure and requests for reimbursement may, and often do, flow into the following years. The budgeting process does not allow for the recording of unspent revenues, nor anticipated expenses against previously recorded revenue(s). The actual final balance can only be recorded and reported at the conclusion of each grant. Any unused grant funds always revert to the issuing agency.

Therefore, additional planned reimbursable expenses against previous years' revenues are not reflected in the FY25 Draft Preliminary Budget. For each of these grants, FY25 reimbursable expenses are planned as follows:

EPA- \$730,000

THVP- \$500,000

SAVE- \$138,000

FY2025-2026 Draft Preliminary Budget:

Historically, RBRA submits a one-year draft preliminary budget for review, discussion, and any changes; and then approves a final one-year budget. The County of Marin projects a two-year budget. The CMBO, who administers the RBRA budget, has requested that RBRA follows suit, and project a two-year budget. Therefore, the attached Draft Preliminary Budget includes FY26 budget projections. Staff will return to this Board during the FY26 budget planning process and again present the FY26 Draft Preliminary Budget, or an updated Draft Preliminary Budget for review, discussion, and approval.

Next steps:

After adoption of the Draft Preliminary Budget, staff will incorporate changes as directed by this Board, update with any added information, and return to this Board with an amended Draft Budget for final approval.

Attachments:

Attachment 1: Fiscal Year 2024-2025 Draft Preliminary Budget

Attachment 2: DRAFT Resolution 24-04 approving FY24-25 Preliminary Budget