

RICHARDSON BAY REGIONAL AGENCY

STAFF REPORT

For the meeting of April 14, 2022

To: Board of Directors
From: Steve McGrath, Interim Executive Director
Subject: Fiscal Year 2023 Preliminary Budget

STAFF RECOMMENDATION:

Staff recommends this Board consider the Preliminary Budget for FY 23, and after discussion and public comment, adopt Resolution 04-22, approving the Preliminary Budget for FY 23.

Motion: Adopt Resolution 05-22, adopting the Preliminary Fiscal Year 2022-2023 Budget

SUMMARY:

The Fiscal Year 2022-2023 Preliminary Budget is balanced, and reflects progressive implementation of the Settlement Agreement with the Bay Conservation and Development Commission (BCDC). The preliminary budget shows an anticipated 18% increase in revenues (exclusive of member agency dues), a 64% increase in staffing costs, a 14% increase in non-personnel costs, and a 253% increase in costs associated with the BCDC Agreement. This results in a 23% increase in total expenditures, requiring a 78% 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 fiscal year 2022-23 (FY23) budget, staff considered the following factors:

1. Implementation of steps to further transition to a safer, healthier and well managed anchorage, such as those identified in the draft transition plan
2. Projected actual revenues and expenses for fiscal year FY22 and estimated expenses and revenues for FY23 – including grant funding for abatement of marine debris and abandoned 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 Preliminary Budget for the period from July1, 2022 through June 30, 2023 and

includes an estimate of \$790,600 in revenues plus a 78% increase in member agency contributions of \$1,041,098.

Member agency contributions are based on anticipated expenditures of \$1,831,183 resulting in a balanced budget with no funds added to reserves or to fund balance.

Grants:

Staff will continue to seek grant funds for management of the anchorage, environmental restoration, and implementation of the settlement agreement. Grant funds are already in place to manage the disposal of marine debris and abandoned or surrendered vessels. Additionally Coastal Policy Solutions continues to work with staff to implement the existing grants for environmental restoration received from both the Ocean Protection Council and the National Oceanic and Atmospheric Administration. Both grants extend beyond the end of FY23.

A \$3 million funding request has been submitted to Senator McGuire for consideration of recommendation for an appropriation in the State budget. This funding will be of significant help in moving the Agency and goals forward, but neither it nor the projects anticipated to be funded, is accounted for in this preliminary budget.

The County of Marin has made a two year, \$200,000 commitment above and beyond its ordinary member agency contribution. This is shown partially in FY 23; the balance will be shown in FY 24.

Personnel:

This Board approved a revised organizational chart for the Agency and additionally approved a staffing proposal from Regional Government Services to accomplish the administrative side of that chart. Costs for the implementation of that have been included in the FY 23 budget. This represents a 54% increase over FY22 personnel costs.

The recruitment for the full time Executive Director is underway; Karen Prows, an employee of RGS, has already joined the RBRA team for administrative support.

Capital Projects:

The Executive Director, at Board direction, executed a contract with GHD for design/development of the required mooring field. Staff anticipates \$50,000 of expenditures under this contract in the current FY22, and an additional \$75,000 in expenditures in FY 23. Additionally, GHD is currently recommending that, in order to meet the deadline for completion of the mooring field by December 15, 2023, RBRA should consider purchasing the moorings early (rather than including them in the Invitation to Bid

for mooring installation) in order to better manage any supply chain issues. Currently the \$100,000 budgeted for this is allocated to FY23. See Related Staff Report and Consultant presentation.

The Future:

Separately from this budget, staff has projected five years into the future. Major caveat: just like the weather, the further out a budget projection is made, the more unreliable it becomes. However, with the successful implementation of the goals enumerated in the Settlement Agreement, it may be possible to reduce staffing levels, as the management of activities on the water will be more maintenance of existing conditions than of active engagement and implementation of discrete goals. Should this occur, and allowing for a 3% inflation factor, member dues could decrease 37% by FY28.

Next steps:

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