

RICHARDSON BAY REGIONAL AGENCY

STAFF REPORT

For the meeting of April 13, 2023

To: Board of Directors
From: Brad Gross, Executive Director
Subject: Fiscal Year 2023-2024 Preliminary Budget

STAFF RECOMMENDATION:

Staff recommends this Board consider the Preliminary Budget for Fiscal Year 2023-2024 (FY24), and after discussion and public comment, adopt Resolution 23-06, approving the Preliminary Budget for FY24. Adopt Resolution 23-07 approving Fiscal Year 2022-2023 (FY23) budget amendment No 2.

Motion: Adopt Resolution 23-06, adopting the Preliminary FY24 Budget.

Motion: Adopt Resolution 23.07, approve Budget Amendment No. 2 to increase FY23 expenditure appropriations by \$2,600,000, resulting in a total expenditure budget of \$3,000,000 in RBRA fund 8050, project 40RBRAHOUS to fully cover the \$3,000,000 in revenue previously adopted in Resolution 23-22; and require staff to seek authorization from this Board at the beginning of the each fiscal year to request carry forward of the specific amounts unspent/unrealized from the previous fiscal year in project 40RBRAHOUS.

SUMMARY:

The FY24 Preliminary Budget is balanced and reflects progressive implementation of the Agreement with the Bay Conservation and Development Commission (BCDC). The preliminary budget shows an anticipated 6% decrease in revenues (exclusive of member agency dues), a cumulative 6% increase in staffing costs over the FY23 adopted budget, a cumulative 37% increase in non-personnel costs, and a 30% decrease in costs associated with the BCDC Agreement. This results in a nominal increase in total expenditures of \$5,334. Balancing FY24 budget is achieved by requiring a 5% 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 FY24 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 FY23 and estimated expenses and revenues for FY24 – including grant funding for the Housing Voucher Program, Eelgrass Protection and Management Plan, 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 July 1, 2023 through June 30, 2024, and includes an estimate of \$743,789 in revenues plus a 5% increase in member agency contributions of \$1,093,153.

Member agency contributions are based on anticipated expenditures of \$1,837,032 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 Bay Conservation and Development Commission Agreement. Grant funds are already in place for 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 conclude in FY24 and are reflected in the FY24 budget projections.

On November 10, 2022 (FY23), this Board approved budget amendment No 1. and adopted Resolution 23-22 which increased grant revenue by \$3,000,000 and expense appropriations of \$400,000 in RBRA's Fund 8050. This Resolution approved acceptance of the California State Department of Housing and Community Development (CADHCD) grant award to RBRA of \$3,000,000 and 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. To date, no expenditure for this project has occurred.

These funds were received on March 28, 2023, and are now maintained in a separate project in RBRA's fund 8050, project 40RBRAHOUS, managed by the County of Marin Budget Office (CMBO). This project will allow us to track and report activity utilizing these funds separately from the RBRA baseline budget. Working with CMBO preparing this FY24 preliminary budget forecast, it was recommended that this Board approve a resolution in FY23 to increase expenditure appropriations in project 40RBRAHOUS by \$2,600,000, resulting in a total expenditure budget of \$3,000,000 in this project, fully covered by the \$3,000,000 in revenue previously adopted in Resolution 23-22. This

expense increase will allow RBRA to fully utilize the CADHC grant to fund the Temporary Housing Support Program during FY24 and continue to annually report on the efficacy of the project to this Board and Senator McGuire's office. Budget tracking for these funds will remain with the CMBO through the life of this project. 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 FY 23 to FY 24 in project 40RBRAHOUS.

Additionally, in FY23, The County of Marin made a two-year, \$200,000 commitment above and beyond its ordinary member agency contribution. This was shown partially in FY23; the balance of \$100,000 is reflected in FY24 as revenue with a corresponding \$100,000 expense. These funds will support the planned reinstatement of the Vessel Buyback Program.

Non-Personnel Cost:

Significant increases in non-personnel cost are reflected in FY24 budget projections and each category is projected with an increase as the cost to conduct business continues to fuel upward economic pressures. Most categories saw unrepresented increases over FY23. The categories increase to note: County of Marin administrative cost +58%, insurance premium +105%, professional development +40%, and office expense +86%. These increases are offset by decreases in other categories and the creation of project 40RBRAHOUS, tracked separately, resulting in no cumulative change in this category.

Personnel:

RBRA is now fully staffed and operating efficiently. The FY24 budget reflects a nominal cumulative increase of 6% over the approved FY23 budget.

Capital Projects:

The planned development of the required mooring field in FY23 was put on hold in agreement with BCDC. Staff anticipates there may be yet identified capital project(s) required in FY24 as RBRA continues to implement requirements outlined in the BCDC agreement, therefore, staff has included \$75,000 in expenditures in FY24 to manage these potential requirements.

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.

Attachments:

- Attachment 1: Preliminary Budget for July 1, 2023 – June 30, 2024
- Attachment 2: MUNIS FY24 Preliminary RBRA FY24 Budget DRAFT
- Attachment 3: Resolution 23-06 Preliminary FY24 Budget DRAFT
- Attachment 4: Resolution 23-07 Amendment No. 2 FY22/23 DRAFT