



Topic: Authority Board Agenda Item 5-12

2019 December 20

Subject: Authority's 2020 Work Plan and Budget

Requested Action:

Consider Approval of the Authority budget for Authority-funded activities in fiscal year 2020, which occurs between January 1, 2020 and December 31, 2020.

Detailed Description/Background:

Based on prior years' spending, status of both the Sites Reservoir and Maxwell Water Intertie projects, and other Authority Board activities a set of revenue and expense working assumptions has been used to develop a fiscal year 2020 budget for the Authority. The budget by activity is presented in Attachment A.

Revenue Assumptions:

Authority revenue consists entirely of Authority Board dues. The following assumptions will be used to develop a work plan.

1. Membership dues remain unchanged from 2019: \$55,000 per year for a seat and \$5,000 per year for an associate membership.
2. Membership levels remain unchanged from 2019: 9 Seats and 2 Associate Member positions.
3. Carryover funds from 2019 are excluded.

Expense Assumptions:

Authority Board expenses are based on direct expenses and shared expenses with the Reservoir Committee according to the following assumptions:

1. Staff, including Authority's Agents, remain as contractors to the Authority, not employees.
2. Employer costs for the Authority are not included. Ex: salary and wages, benefits, HR services, training, payroll, workers' comp, accounting, development of employee and office policies and procedures.
3. 3% escalation for contractor and vendor costs of services from 2019.
4. Service Area C – Outreach and Communications budget is allocated to include contract costs for program-wide outreach, program-wide communications, website development and maintenance, and social media communications. The allocation for these tasks is estimated to be \$90,000.
5. Fund 15% of Executive Director costs. Executive Director role is assumed to be interim through March and then permanent from April through December.

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6. Fund 10% of Real Estate and Public Affairs Manager costs.
7. Fund 20% of accounting (CPA) costs.
8. Fund 50% of governmental advisor costs (state and federal).
9. Fund 20% of the board clerk costs.
10. Fund 60% of general counsel costs.
11. Fund office costs for the Maxwell office including rent, office supplies, utilities, pest control, trash pickup, office equipment (e.g., computers, printers), IT services, etc.
12. Fund 50% of ACWA membership and ACWA JPIA insurance.
13. Fund the annual financial audit.
14. A \$60,000 contingency to account for possible reductions in membership of one member and one associate member.
15. Costs for the organizational assessment and associated actions are part of the Reservoir Committee work plan.

Prior Authority Board Action:

November 19, 2019: The Authority Board provided direction on revenue and expense assumptions to be used in the development of a 2020 Authority Board budget.

Fiscal Impact/Funding Source:

The proposed revenue requirement is based on 9 Authority Board seats with annual dues equal to \$55,000/seat plus 2 Associate Members (non-voting) with annual dues equal to \$5,000/position. The budget includes a 10% contingency that would be used should a reduction in membership occur.

Staff Contact:

Joe Trapasso/JP Robinette

Attachments:

Attachment A: Authority-funded activities for FY2020

	2019 Actuals Plus Forecast, Auth Board		Comments	2020 Auth Board Budget		Assumption
Revenue						
Membership	\$	495,000	9 voting	\$	495,000	9 voting
Associate Membership	\$	10,000	2 non-voting	\$	10,000	2 non-voting
Total Revenue	\$	505,000		\$	505,000	
Expenses						
Executive Director Services and Expenses	\$	63,900		\$	73,800	15% of costs
Real Estate and Public Affairs Manager Services and Expenses	\$	23,500		\$	26,700	10% of costs
Service Area C - Outreach and Communications	\$	220,000	60% of costs	\$	90,000	Task allocation est.
Accounting (CPA)	\$	9,000		\$	9,300	20% of costs
Governmental Advisor (State)	\$	43,700		\$	48,000	50% of retainer costs
Governmental Advisor (Federal)	\$	25,000	Services started Aug 2019	\$	60,000	50% of retainer costs
Board Clerk Services and Expenses	\$	13,400		\$	13,600	20% of costs
General Counsel Services and Expenses	\$	63,800		\$	66,800	60% of costs
ACWA Membership	\$	12,300		\$	12,300	50% of costs
ACWA JPIA Insurance	\$	1,600		\$	1,700	50% of costs
Financial Audit	\$	12,000		\$	12,400	100% of costs
Maxwell Office Expenses and Rent	\$	8,000	Expenses Only	\$	30,000	\$2k/mo + Expenses
Contingency	\$	-		\$	60,000	
Total Expenses	\$	496,200		\$	504,600	
	Balance: \$	8,800		\$	400	

Notes:

The Reservoir Project Committee work plan for the covering the calendar year 2020 has not been finalized or approved, so split costs may vary.