



SAN FRANCISCO BAY
RESTORATION AUTHORITY

Memorandum

Date: May 8, 2020

To: Governing Board
San Francisco Bay Restoration Authority

From: Sam Schuchat, Executive Officer
Brian Mayhew, Treasurer of the Authority & Chief Financial Officer of the
Metropolitan Transportation Commission

Subject: Adoption of Fiscal Year 2020-21 Budget

Submitted for Authority review and approval of Resolution 65 adopting the Fiscal Year (FY) 2020-21 Budget.

The budget is divided into two distinct programmatic areas, the Project-Based Budget and the Operating Budget. Basic assumptions going into the FY 2020-21 budget are the following:

- Measure AA special parcel tax revenue will be approximately \$25 million. Adjustment for prior year actual AA special tax revenue and related expenses have been applied to current year budget.
- An administrative fee (5%) is taken off the top and transferred to the Operating Budget.
- An estimate of \$385,000 in interest earnings is included in the Operating Budget.
- Staff costs consist of both MTC and Coastal Conservancy staff. The combined staff cost will increase by 36% as more staff resources are dedicated to project support and to account for salary/benefit increases.
- FY 2020-21 will be the final year for repayment of ballot costs.
- The Project-Based Budget contingency will increase by \$1.2 million to \$4.9 million.
- The Operating Budget includes a contingency of \$63,750.

The budget reflects the Authority's practice of allowing all committed funds, including grants and contracts, to be budgeted and carried forward without further Authority approval until the project is completed or cancelled. Uncommitted or unencumbered funds from a prior year are added to the estimated balance for the FY 2020-21 budget and made available for future programming.

Project-Based Budget

The Measure AA special parcel tax is the main source of revenue for the Authority. The measure is a parcel tax of \$12 per year, raising approximately \$25 million annually for a total of twenty

years. The project fee revenue of \$375,000 is a partial offset for the Bay Restoration Regulatory Integration Team (BRRIT) project. The project fee represents contributions from other organizations to support the costs of the BRRIT.

Projects are budgeted on a Life-to-Date (LTD) budget basis, compared to operating expenditures that expire on June 30th of each year. The FY 2020-21 project budget is an addition to the current adopted budget through FY 2019-20. The process follows this procedure:

- Life-to-Date project budget through FY 2019-20
- Proposed new project expenses in FY 2020-21
- Final adopted Life-to-Date budget (prior and current project expenses) proposed through FY 2020-21

This process allows us to track the total authorized project budget on an individual project basis until completion, adjustment or cancellation, without the need for constant budget amendments.

In FY 2020-21, the Authority revenue will total \$25.3 million with net revenue of approximately \$23.3 million after provision for the 5% administrative fee, county tax collection charges, and technical tax consultant services.

A total of \$24.2 million is currently proposed as the new project expense funding in FY 2020-21, including approximately \$11.4 million in new projects, \$11.4 million for the South San Francisco Bay Shoreline Project and \$200,000 for the Community Grants Program with the balance uncommitted for future allocation.

The project contingency will increase by \$1.2 million to a total of \$5.0 million. The project contingency can be utilized across all approved projects to accommodate changes in project scope and priorities. Resolution 65 authorizes the Executive Officer to use the project contingency without approval of a budget amendment but only up to the extent of the total budgeted project contingency. Under Resolution 28, the Executive Officer has delegated authority to increase project grant amounts by 15%.

Operating Program

Funding for Authority operations are provided by a 5% administrative fee taken from parcel tax revenue plus interest earnings on idle cash. The total available for the FY 2020-21 operating revenue is nearly \$1.6 million consisting of \$1.3 million administrative fee and \$385,000 interest earnings.

The proposed operating expense for FY 2020-21 is approximately \$1.9 million, including a budgeted contingency of 5%. Staff costs will be about 59% of the budget with the repayment of the ballot initiative taking up another 20%. Banking and finance fees are identified separately from MTC's indirect cost, and are budgeted to cover MTC expenses for treasury and cash management costs. Resolution 65 authorizes the Executive Officer to modify the FY 2020/21 expenses shown in the Operating Budget without approval of a budget amendment as long as the expenses do not exceed the total approved expenses.

The proposed budget will leave a projected operating deficit of \$198,536 which will be covered with available fund balance. As the Ballot costs will be fully repaid by the end of FY 2020-21, staff anticipates there will be sufficient administrative funds to cover the increases in staffing costs.

Recommendation: Staff recommends approval of Resolution 65, *Adopting the FY 2020-21 Authority Budget*.



SAN FRANCISCO BAY
RESTORATION AUTHORITY

RESOLUTION NO. 65

ADOPTING THE FY 2020-21 AUTHORITY BUDGET

Whereas, the San Francisco Bay Restoration Authority (“Authority”) was established by the San Francisco Bay Restoration Authority Act, California Government Code Section 66700 et seq. (“Act”) as a regional entity to generate and allocate resources for the protection, restoration, enhancement, and enjoyment of tidal wetlands and wildlife habitat in San Francisco Bay and along its shoreline; and

Whereas, on October 24, 2016, the State Coastal Conservancy ("Conservancy"), the Association of Bay Area Governments ("ABAG") and the Authority entered into a joint powers agreement ("JPA") pursuant to which ABAG provides treasurer services for the Authority; and

Whereas, on December 15, 2017, the Conservancy, ABAG and the Authority amended the JPA to reflect that ABAG’s staff services under the JPA will be provided by the Metropolitan Transportation Commission ("MTC") pursuant to a Contract for Services between ABAG and MTC; and

Whereas, Staff has prepared a proposed budget for FY 2020-21 that is laid out in two distinct programmatic areas, Project and Operating budgets in Attachment A; and

Whereas, the proposed budget for FY 2020-21 has been reviewed and recommended for approval by the MTC Chief Financial Officer acting as Treasurer to the Authority;

Now Therefore Be It Resolved, that the San Francisco Bay Restoration Authority hereby:

1. Adopts the Proposed Budget for FY 2020-21 as shown in Attachment A.
2. Authorizes the Executive Officer and the MTC Chief Financial Officer to:
 - a. Modify the operating budget as necessary except that any change that would increase overall expenses approved in the operating budget must first be approved by the Governing Board as a formal budget amendment.

- b. Carryover expenses properly encumbered in the prior fiscal year and for which services will not be provided until FY 2020-21 and amend these encumbrances into the FY 2020-21 budget without formal budget action except to inform the authority of the amount of the carryover. All other operating contracts and expenses shall lapse at fiscal year-end.
 - c. Budget and encumber project budgets for authorized grants and carryover all unspent balances regardless of fiscal year until the Authority's grant funding obligations are complete or the grant agreement terminated.
3. Authorizes the MTC Chief Financial Officer acting as Treasurer to the Authority to pool funds for investment and authorize advances for cash flow purposes provided that such advances are reconciled and restored to the originating fund by fiscal year end.
 4. Directs the Executive Officer to obtain Governing Board approval of any increase to the approved overall Project Based Budget except where funding for the increase is derived from an approved and budgeted contingency. The Executive Officer shall keep the Governing Board informed of any use of an authorized contingency and any remaining balance.
 5. Directs the Executive Officer to research and recommend operating and project reserve levels.

PASSED AND ADOPTED by the Governing Board of the San Francisco Bay Restoration Authority at its meeting on May 8, 2020, by the following vote:

AYES: Governing Board Members _____

NOES: Governing Board Members _____

ABSENT: Governing Board Members _____

ABSTAIN: Governing Board Members _____

Dave Pine, Chair

I, Maggie Jenkins, Clerk of the Governing Board of the San Francisco Bay Restoration Authority, do hereby certify that the foregoing is a true and correct copy of the Resolution adopted by the Governing Board of the San Francisco Bay Restoration Authority at its meeting of May 8, 2020, which Resolution is on file in the office of this regional governmental entity.

Maggie Jenkins, Clerk

Resolution 65, Attachment A

SF Bay Restoration Authority - Project Based Budget

	Adopted LTD Budget FY 2019-20	Proposed Budget FY 2020-21	Proposed LTD Budget FY 2020-21	LTD Actual As of 3/31/2020
Revenue				
4620 Measure AA Special Tax Revenue	\$ 77,145,480	\$ 24,883,000	\$ 102,028,480	\$ 65,809,116
Project Fees	750,000	375,000	1,125,000	375,000
Total Project Revenue	\$ 77,895,480	\$ 25,258,000	\$ 103,153,480	\$ 66,184,116
Expense - Fees				
Less 5% Administration Fee	3,857,274	1,244,150	5,101,424	3,826,424
County Administration Fee	2,256,506	688,740	2,945,246	1,883,506
Technical Services - Consultants	151,940	49,900	201,840	130,141
Total Expense Fees	\$ 6,265,720	\$ 1,982,790	\$ 8,248,510	\$ 5,840,071
Expense - Projects				
South Bay Salt Ponds Restoration Project, Phase 2	8,021,730	-	8,021,730	450,766
South San Francisco Bay Shoreline Project	26,439,406	11,400,000	37,839,406	4,399,199
Restoring wetland-upland transition zone habitat	2,661,264	-	2,661,264	561,642
Montezuma Tidal and Seasonal Wetlands Restoration Project	1,610,000	-	1,610,000	867,366
Deer Island Basin Phase 1 Tidal Wetlands Restoration Project	630,000	-	630,000	-
San Leandro Treatment Wetland	539,000	-	539,000	46,287
Encinal Dune Restoration and Public Access	450,000	-	450,000	4,775
Sonoma Creek Baylands Strategy	172,500	-	172,500	132,399
900 Innes	4,998,600	-	4,998,600	-
Bay Restoration Regulatory Integration Team	2,543,512	-	2,543,512	65,448
Tiscornia Marsh Restoration and Sea Level Rise Adaptation	968,916	-	968,916	63,723
Lower Walnut Creek Restoration	7,929,855	-	7,929,855	-
Coyote Hills Restoration and Public Access	450,000	-	450,000	-
Community Grants Program	-	200,000	200,000	-
Unallocated Measure AA Projects	9,457,249	11,355,594	20,812,843	-
Project Contingency	3,664,410	1,244,150	4,908,560	-
Total Projects Expense	\$ 70,536,442	\$ 24,199,744	\$ 94,736,186	\$ 6,591,605
Total Expense	\$ 76,802,162	\$ 26,182,534	\$ 102,984,696	\$ 12,431,676
Uncommitted Balance	\$ 1,093,318	\$ (924,534)	\$ 168,784	\$ 53,752,440

SF Bay Restoration Authority - Operating Budget

	Adopted Budget FY 2019-20	Proposed Budget FY 2020-21	Change % Inc./Dec.	Change \$ Inc./Dec.	YTD Actual As of 3/31/20
Revenue					
Administration Transfer in	\$ 1,285,758	\$ 1,275,000	-1%	\$ (10,758)	\$ 1,285,758
Interest Revenue	300,000	385,000	28%	85,000	338,864
Miscellaneous	-	-	0%	-	9,305
Total Operating Revenue	\$ 1,585,758	\$ 1,660,000	5%	\$ 74,242	\$ 1,633,927
Salaries & Benefit					
MTC Salaries & Benefit	171,585	226,436	32%	\$ 54,851	\$ 110,294
MTC Indirect cost	91,777	128,229	40%	36,452	62,493
State Coastal Conservancy Staff	550,000	750,000	36%	200,000	224,542
Total Salaries & Benefit	\$ 813,362	\$ 1,104,665	36%	\$ 291,303	\$ 397,329
Expense					
Ballot Cost	369,421	369,421	0%	-	369,421
Travel	7,700	7,700	0%	-	1,024
Audit	50,000	50,000	0%	-	30,000
Banking & Finance Fees	145,000	145,000	0%	-	25,391
Insurance	15,000	15,000	0%	-	16,360
Consultants	70,000	100,000	43%	30,000	67,458
Committee Member Stipend	5,000	3,000	-40%	(2,000)	700
Operating Contingency (5%)*	192,864	63,750	-67%	(129,114)	-
Total Expense	\$ 1,668,346	\$ 1,858,536	-6%	\$ (101,114)	\$ 907,683
Surplus/Deficit	\$ (82,588)	\$ (198,536)	140%	\$ (115,947)	\$ 726,244
Beginning Balance	\$ 1,267,665	\$ 1,185,077			\$ 1,267,665
Ending Balance	\$ 1,185,077	\$ 986,541			\$ 1,993,909



SAN FRANCISCO BAY
RESTORATION AUTHORITY

DATE: May 1, 2020

TO: Governing Board
San Francisco Bay Restoration Authority

FROM: Sam Schuchat, Executive Officer; Jessica Davenport, Deputy Program Manager; Karen McDowell, Deputy Program Manager
San Francisco Bay Restoration Authority

SUBJECT: **Staff Work Plan: Fiscal Year 2020/2021**

The following outlines the Restoration Authority's proposed staff work plan for Fiscal Year 2020/21, covering the period of July 2020 to June 2021. It includes an overview of staff work associated with each major task, and the approximate percent effort associated with each task. Staff costs are estimated with full benefit and overhead costs included. However, during the operating year only actual costs incurred will be billed.

This year's projected budget/work plan incorporates continued program growth in connection to new project approvals, as well as incorporation of feedback from the Governing Board and Advisory Committee on issues such as equity improvements to the grant program. It reflects staff's recommendation to authorize funding for nine projects in Grant Round 3.

**San Francisco Bay Restoration Authority
Fiscal Year 2020/2021 Staff Work Plan**

The total estimated annual staff and direct costs for operations for the Restoration Authority is **\$1,104,665**.

Task 1: Revenue Management *Approximate % of staff time = 2%*

For FY 20/21 annual tax administration services (provided by the Authority's consultant, NBS) will continue, with oversight by staff. Treasury and accounting services will continue through the Metropolitan Transportation Commission (MTC) and be covered by fully burdened rates of SFEP/MTC program staff. Staff will coordinate an annual audit to be conducted by a consultant.

Task 2: Authority Board *Approximate % of staff time = 15%*

Task 2 includes staff time, and consultants' time, related to the Restoration Authority's Governing Board. It includes the following subtasks:

1. *Governing Board Policies.* Board policies may be developed or revised as needed as the Authority's programming develops. Lead staff will draft these policies, and supporting staff will review, including the Authority's legal staff.
2. *Preparation of Agendas.* A lead staff person will develop the Governing Board agendas, facilitate staff review, finalize the agenda, and coordinate with the Governing Board clerk on the preparation of supporting materials and the agenda packet. Supporting staff will review the agenda and agenda packet (developed by the Governing Board clerk) and provide feedback.
3. *Board Clerk.* The clerk's main roles include, but are not limited to: scheduling meetings, posting meeting dates and notices on the Restoration Authority's website, preparing annotated agendas and agenda packets, duties during board meetings such as recording the meeting, taking notes, and facilitating roll call for attendance and actions, preparing meeting summaries and circulating for staff review, and conducting board meeting follow-up (such as collecting original signatures on resolutions and attendance sheets).
4. *Staffing Board Meetings.* This accounts for all of the Restoration Authority's staff time associated with review of board meeting materials, attendance at board meetings, and needed follow-up after board meetings.
5. *Filling Board Vacancies (as needed).* This task involves minimal Restoration Authority staff time from a few staff members. ABAG staff prepares an announcement, reviews applications, and coordinates within ABAG in making appointments. Authority staff provides subsequent orientation of new members.

Task 3: Advisory Committee *Approximate % of staff time = 10%*

Task 3 accounts for staff time related to the Restoration Authority's Advisory Committee. Main subtasks associated with the management of the Advisory Committee include:

1. Staff time for the preparation of agendas, meeting minutes, and other documents as needed, which will occur on a quarterly basis. A deputy program manager serves as lead for working with the Advisory Committee Chair on the preparation of these documents and supporting staff will review. Staff time for presentations to the Advisory Committee to keep them updated on grant program progress.

2. Clerk duties for Advisory Committee meetings, which will also occur on a quarterly basis. This includes sending out public notices, formatting and posting the agendas and meeting materials to the website, and confirming the quorum.
3. Staff support for the Advisory Committee's development of recommendations to the board on program elements. This often involves staff support for ad hoc subcommittees to develop draft recommendations for consideration by the full Advisory Committee and may include management of consultants providing resources to the Committee.
4. Management of the member addition process, which will be led by a deputy program manager and supported by the clerk and other staff members.

Task 4: Independent Citizens Oversight Committee *Approximate % of staff time = 8%*

In FY 19/20 this task will cover a full cycle of Oversight Committee activities. Subtasks are anticipated to include:

1. Preparation of agendas, notices, and other documents as needed, which is anticipated will occur semi-annually and will be led by a deputy program manager and supported by the clerk and other staff members.
2. Staffing of the Oversight Committee meetings, which will occur on a semi-annual basis and involves the clerk as well as other staff.
3. Management of the member addition process, which will be led by a deputy program manager and supported by the clerk and other staff.
4. Preparation of Oversight Committee Reports, which may involve the services of an outside financial and/or program consultant, if approved by the Board and funds are available.

Task 5: Grant Program *Approximate % of staff time = 55%*

This task will continue to expand as grant-making continues. Subtasks will include:

1. Finalization of annual Request for Proposals (RFP) for the grant round. The year will begin with the finalization and release of the program's fourth RFP.
2. Review and selection of proposals submitted for the grant round, with participation by members of the Advisory Committee, managed by a lead staff and supported by other staff, consistent with the Grant Program Guidelines and RFP.
3. Development of a Community Grants Program, with a focus on funding projects that include meaningful community engagement and provide tangible benefits to economically disadvantaged communities (EDCs).
4. Development and release of a Pre-Application Form, to enable prospective grantees to provide an overview of their project in preparation for a phone consultation with staff to determine whether their project is a good fit for Authority funding.
5. Outreach to potential Authority project proponents and partners, with a focus on building capacity for projects that include meaningful community engagement and provide tangible benefits to EDCs. This will include technical assistance, such as workshops and/or individual consultations, for community-based organizations in EDCs to support them in developing eligible projects and applying for grants. It will also include outreach to agencies and organizations engaged in habitat restoration in or near EDCs to assist

them in forming partnerships with local community-based organizations and other local experts. This subtask may include management of consultants as needed.

6. For each Authority project, staff writes the staff recommendation, executes and manages the contract (including reviewing and approving progress reports, invoices, and other deliverables), and pays invoices. Project managers are assigned individual projects and perform all activities related to that project, with overall support for the grant program provided by the deputy program managers. Contract management is provided by the Conservancy's Contracts Manager (covered by overhead in SCC staff rates). Payment of invoices is done by MTC's accounting staff.
7. Management of grants supporting the Bay Restoration Regulatory Integration Team (BRRIT), which consists of dedicated staff from the six state and federal regulatory agencies with jurisdiction over habitat restoration projects in San Francisco Bay, and solicitation and selection of projects to be reviewed by the BRRIT.
8. Maintenance of the list of SFBRA-eligible and SFBRA-funded projects within the EcoAtlas Project Tracker system. This includes reviewing projects, as needed, to determine eligibility for SFBRA grant funds and thus eligibility for review by the BRRIT. It also includes adding projects proposed by community-based organizations to Project Tracker to raise awareness of their interests and facilitate partnerships among proponents of nearby projects.
9. Editing the RFP for the grant round on an annual basis for release the following year, and creation and maintenance of grant program documents (forms, templates, guidance, etc.)

Task 6: Restoration Authority General Work *Approximate % of staff time = 10%*

Task 6 captures other staff tasks associated with the administration of the Restoration Authority. Subtasks include:

1. Development of the Restoration Authority's work plan and budget, which is led by the Deputy Program Managers and supported by other staff.
2. Drafting and working with a consultant to format the Annual Report, which summarizes funds collected and expended and provides updates on the status of Restoration Authority projects.
3. Maintenance of the Restoration Authority's website, www.sfbayrestore.org, on which relevant documentation for the public is posted and maintained. Management of the website is led by the authority's Public Information Officer and supported by other staff.
4. Public outreach and education, such as the creation of website content, outreach products, presentations, and other materials as needed. Preparation of public outreach and education materials is led by the authority's Public Information Officer and supported by other staff.
5. Restoration Authority staff meetings, which involve the preparation and review of the staff agenda, the staff meeting itself, the preparation of meeting summaries, and action items and needed follow-up from each staff meeting. This task involves staff time from a variety of members.
6. Management of inquiries to the Restoration Authority's email addresses, info@sfbayrestore.org, grants@sfbayrestore.org and brrit@sfbayrestore.org, phone inquiries, as well as suggestions for upcoming board meetings, and other requests. This task is led by a lead staff person and supported by other staff as needed.

7. Coordination with other regional San Francisco Bay habitat restoration and nature-based shoreline adaptation efforts. This task involves staff time from a variety of members.
8. Other direct costs.