



SAN FRANCISCO BAY
RESTORATION AUTHORITY

Memorandum

Date: June 18, 2021

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 2021-22 Budget

Staff requests Authority review and approval of Resolution 78 adopting the Fiscal Year (FY) 2021-22 Budget.

The budget is divided into two distinct programmatic areas, the Project-Based Budget and the Operating Budget. Basic assumptions going into the FY 2021-22 budget are:

- Measure AA special parcel tax revenue will be approximately \$25 million.
- An administrative fee (5%) is taken off the top and transferred to the Operating Budget.
- The Operating Budget includes \$385,000 in interest earnings.
- Staff costs consist of both MTC and Coastal Conservancy staff which is proposed to increase by 9% as more staff resources are dedicated to project support and to account for salary/benefit increases.
- Operating contingency 10% of administration fee
- Project funding increases by \$23.5 million
- No change in the Project Contingency budget.

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 2021-22 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.

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 2021-22 project budget is an addition to the current adopted budget through FY 2020-21. The process follows this procedure:

- Life-to-Date project budget through FY 2020-21 \$ 94.7 million
- Proposed new project funding in FY 2021-22 \$ 23.5 million
- Final adopted Life-to-Date budget through FY 2021-22 \$118.2 million

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.

Project commitments for FY 2021-22 are \$23.5 million, with \$11.3 million remaining uncommitted at this time. Project funding includes:

- South San Francisco Bay Shoreline Project \$11.4 million
- Bay Restoration Integration Team (BRRIT) \$.4 million
- Community Grants Program \$.4 million
- Unallocated Project Funding \$11.3 million

The life-to-date budgets for the South San Francisco Shoreline Project and Community Grants Program will increase to \$50.0 million and \$600,000, respectively. BRRIT funding will increase to \$2.9 million. The remaining \$11.3 million in unallocated funding will be presented for approval at a later time. The FY 2021-22 proposed budget will bring total project funding to \$118 million, or 92% of the \$129 million collected through FY 2021-22.

The project contingency can be utilized across all approved projects to accommodate changes in project scope and priorities. Resolution 78 authorizes the Executive Officer to use the project contingency without further approval or budget amendment but only up to the extent of the total budgeted project contingency. The project contingency will remain at \$4.3 million. Under Resolution 28, the Executive Officer has delegated authority to increase project grant amounts by 15%, not to exceed \$100,000.

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 2021-22 Operating Budget is nearly \$1.7 million consisting of \$1.3 million administrative fee and \$385,000 interest earnings.

The proposed operating expense for FY 2021-22 is approximately \$1.6 million, including a budgeted contingency of 10%. The major changes are:

- Staff costs \$1.2 million up 9% to for additional staff support for a growing number of projects and to account for salary/benefit increases
- Ballot costs ended with the final FY 2021 payment
- Operating contingency \$120,075 up 102% increased from 5% to 10%

The end of the county ballot repayments releases over \$369,000 in operating costs allowing some flexibility to improve project management support and an increase to the operating contingency without taking away from current service levels. As projects grow in the future it will be difficult to manage the growing project portfolio within the funding limits of the 5% administration take-down.

Resolution 78 authorizes the Executive Officer to modify the FY 2021-22 expenses shown in the Operating Budget without approval of a budget amendment, but only as long as the expenses do not exceed the total approved budget. The proposed budget has a projected operating surplus of \$27,296.

Recommendation: Staff recommends approval of Resolution 78, *Adopting the FY 2021-22 Authority Budget.*



SAN FRANCISCO BAY
RESTORATION AUTHORITY

RESOLUTION NO. 78

ADOPTING THE FY 2021-22 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 2021-22 that is laid out in two distinct programmatic areas, Project and Operating budgets in Attachment A; and

Whereas, the proposed budget for FY 2021-22 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 2021-22 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 2021-22 and amend these encumbrances into the FY 2021-22 budget without formal budget action except to inform the Governing Board 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 June 18, 2021, by the following vote:

Pine, Gioia, Peskin, Holman, Hahn, Lieber, Gorin

AYES: Governing Board Members _____

NOES: Governing Board Members _____

ABSENT: Governing Board Members _____

ABSTAIN: Governing Board Members _____

DocuSigned by:

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Dave Pine, Chair

I, Anulika White, 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 June 18, 2021, which Resolution is on file in the office of this regional governmental entity.

DocuSigned by:
Anulika White
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Anulika White, Clerk

SF Bay Restoration Authority - Project Based Budget

	Actual as of 12/31/20	Approved Budget FY 2020-2021	Approved Budget and Admin Update FY 2020-2021	Proposed Budget FY 2021-2022	Proposed LTD Budget FY 2021-2022
Revenue					
4620 Measure AA Special Tax Revenue	\$ 86,621,065	\$ 102,028,480	\$ 102,028,480	\$ 25,815,000	\$ 127,843,480
Project Fees	505,850	1,125,000	1,125,000	-	1,125,000
Total Project Revenue	\$ 87,126,915	\$ 103,153,480	\$ 103,153,480	\$ 25,815,000	\$ 128,968,480
Expense - Fees					
Less 5% Administration Fee	3,851,569	5,101,424	5,101,424	1,290,750	6,392,174
County Administration Fee	2,540,468	2,945,246	2,945,246	750,000	3,695,246
Technical Services - Consultants	178,944	201,840	201,840	50,000	251,840
Total Expense Fees	\$ 6,570,981	\$ 8,248,510	\$ 8,248,510	\$ 2,090,750	\$ 10,339,260
Expense - Projects					
South Bay Salt Ponds Restoration Project, Phase 2	911,066	8,021,730	8,021,730	-	8,021,730
South San Francisco Bay Shoreline Project	17,826,091	37,839,406	38,639,406	11,400,000	50,039,406
Restoring wetland-upland transition zone habitat	923,553	2,661,264	2,661,264	-	2,661,264
Montezuma Tidal and Seasonal Wetlands Restoration Project	1,386,000	1,610,000	1,610,000	-	1,610,000
Deer Island Basin Phase 1 Tidal Wetlands Restoration Project	44,547	630,000	630,000	-	630,000
San Leandro Treatment Wetland	231,770	539,000	539,000	-	539,000
Encinal Dune Restoration and Public Access	39,095	450,000	450,000	-	450,000
Sonoma Creek Baylands Strategy	172,500	172,500	172,500	-	172,500
Bay Restoration Regulatory Integration Team	439,061	2,543,512	2,543,512	386,075	2,929,587
900 Innes	428,660	4,998,600	4,998,600	-	4,998,600
Tiscornia Marsh Restoration and Sea Level Rise Adaptation	420,812	968,916	968,916	-	968,916
Coyote Hills Restoration and Public Access	-	450,000	450,000	-	450,000
Lower Walnut Creek Restoration	-	7,929,855	7,929,855	-	7,929,855
North Richmond Shoreline Living Levee	-	-	644,709	-	644,709
San Pablo Baylands Collaborative Protection and Restoration Project	-	-	2,950,000	-	2,950,000
Rehabilitating Fish Screens of Suisun Marsh	-	-	454,624	-	454,624
Heron's Head Park Shoreline Resilience	-	-	297,000	-	297,000
American Canyon Wetlands Restoration Plan	-	-	450,000	-	450,000
Oakland Shoreline Leadership Academy	-	-	180,000	-	180,000
Invasive Spartina Removal and Tidal Marsh Restoration Project	-	-	4,000,000	-	4,000,000
Long Beach Restoration Design Project w/City of San Leandro	-	-	514,500	-	514,500
Hayward Marsh Restoration Project w/East Bay Regional Parks District	-	-	500,000	-	500,000
Community Grants Program	-	200,000	200,000	400,000	600,000
Unallocated Measure AA Projects	-	20,812,843	10,645,000	11,324,232	21,969,232
Project Contingency	-	4,908,560	4,285,570	-	4,285,570
Total Projects Expense	\$ 22,823,155	\$ 94,736,186	\$ 94,736,186	\$ 23,510,307	\$ 118,246,493
Total Expense	\$ 29,394,136	\$ 102,984,696	\$ 102,984,696	\$ 25,601,057	\$ 128,585,753
Balance	\$ 57,732,779	\$ 168,784	\$ 168,784	\$ 213,943	\$ 382,727

SF Bay Restoration Authority - Operating Budget
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	Actual as of 12/31/2020	Approved Budget FY 2020-21	Proposed Budget FY 2021-22	Change % Inc./Dec.	Change \$ Inc./Dec.
Revenue					
Administration Transfer in	\$ -	\$ 1,275,000	\$ 1,290,750	1%	\$ 15,750
Interest Revenue	49,086	385,000	385,000	0%	-
Miscellaneous	4,372	-	-	0%	-
Total Operating Revenue	\$ 53,458	\$ 1,660,000	\$ 1,675,750	1%	\$ 15,750
Salaries & Benefit					
MTC Salaries & Benefit	106,255	226,436	299,000	32%	\$ 72,564
MTC Indirect cost	60,746	128,229	149,679	17%	21,450
State Coastal Conservancy Staff	153,671	750,000	750,000	0%	-
Total Salaries & Benefit	\$ 320,672	\$ 1,104,665	\$ 1,198,679	9%	\$ 94,014
Expense					
Ballot Cost	323,243	369,421	-	-100%	(369,421)
Travel	-	7,700	7,700	0%	-
Audit	37,180	50,000	50,000	0%	-
Banking & Finance Fees	12,964	145,000	145,000	0%	-
Insurance	14,337	15,000	15,000	0%	-
Consultants	-	100,000	100,000	0%	-
Committee Member Stipend	800	3,000	3,000	0%	-
Operating Contingency (10%)*	4,814	63,750	129,075 *	102%	65,325
Total Expense	\$ 714,010	\$ 1,858,536	\$ 1,648,454	-16%	\$ (304,096)
Surplus/Deficit	\$ (660,552)	\$ (198,536)	\$ 27,296	-114%	\$ 225,831
Beginning Fund Balance	\$ 1,662,717	\$ 1,662,717	\$ 1,464,181		
Ending Fund Balance	\$ 1,002,165	\$ 1,464,181	\$ 1,491,477		

*Contingency rate changed from 5% to 10% of Admin Revenue



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RESTORATION AUTHORITY

DATE: June 18, 2021

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 2021/2022**

The following outlines the Restoration Authority's proposed staff work plan for Fiscal Year 2021/22, covering the period of July 2021 to June 2022. 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 grant 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 eight projects in Grant Round 4. It reflects less staff time dedicated to the Advisory Committee, which has become more self-sustaining in its operations.

San Francisco Bay Restoration Authority Fiscal Year 2021/2022 Staff Workplan

The total estimated annual staff costs for operations for the San Francisco Bay Restoration Authority (Authority) is **\$1,198,679**. Staff services are provided by the State Coastal Conservancy (SCC) and the Metropolitan Transportation Commission (MTC), acting on behalf of the Association of Bay Area Governments (ABAG), including the San Francisco Estuary Partnership (SFEP). The cost of services of SCC executives and contracts staff are included in the SCC's fully burdened rates.

Task 1: Revenue Management

Approximate % of staff time = 1%

For FY 21/22 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 MTC and be covered by fully burdened rates of SFEP/MTC program staff and the finance fees charged by MTC. 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 related to the 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 and Agenda Packets.* 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 the agenda packet.
3. *Board Clerk.* The clerk's main roles include, but are not limited to: duties prior to board meetings, such as scheduling meetings, posting meeting dates and notices on the Authority's website, preparing annotated agendas, posting agendas and agenda packets; duties during board meetings, such as recording the meeting, taking notes, and facilitating roll call for attendance and actions; and duties after board meetings, such as preparing meeting summaries and circulating for staff review, and conducting board meeting follow-up (e.g., collecting signatures on resolutions).
4. *Staffing Board Meetings.* This accounts for the Authority's staff time associated with attendance and making presentations at board meetings, and needed follow-up after board meetings.
5. *Filling Board Vacancies (as needed).* This task involves minimal Authority staff time from a few staff members. Association of Bay Area Governments (ABAG) staff prepares an announcement, reviews applications, and coordinates within ABAG in making appointments. Authority staff provides subsequent orientation of new members.
6. *Governing Board Tours.* Coordination of Governing Board tours of current and potential shoreline restoration sites, including visits to economically disadvantaged communities along the bay shoreline to better understand issues and opportunities.

Task 3: Advisory Committee

Approximate % of staff time = 5%

Task 3 accounts for staff time related to the 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. This includes seeking diverse, equitable and inclusive representation on the Advisory Committee, and preparing resolutions related to Advisory Committee membership for consideration by the Governing Board.
5. Coordination of Advisory Committee tours of current and potential shoreline restoration sites, including visits to economically disadvantaged communities along the bay shoreline to better understand issues and opportunities.

Task 4: Independent Citizens Oversight Committee

Approximate % of staff time = 4%

In FY 21/22 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 several times each year 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.
6. Management of the member addition process, which will be led by a deputy program manager and supported by the clerk and other staff. This includes seeking diverse, equitable and inclusive representation on the Oversight Committee, and preparing resolutions related to Oversight Committee membership for consideration by the Governing Board.
3. 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= 65%

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 fifth RFP.
2. 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.
3. Phone consultations with prospective grantees, after their submission of a Pre-Application Form that provides an overview of their project, to determine whether the project is a good fit for Authority funding and provide advice on how to improve the fit.
4. 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 RFP.
5. Implementation of the Community Grants Program on a rolling basis, with a focus on funding projects that are led by community-based organizations, include meaningful community engagement, and provide tangible benefits to economically disadvantaged communities (EDCs). This includes:
 - a. Building trust with community-based organizations in economically disadvantaged communities;
 - b. Identifying and working with community leaders who have already created trusting relationships with the people in the community;
 - c. Seeking ways for the Authority funds to support work the community is already doing or interested in doing, e.g., meet with community leaders to identify how Measure AA funding can support their current and planned work; and
 - d. Identifying community-based groups with the administrative capabilities to partner with smaller and/or grassroots organizations to apply for and manage a government restoration grant.
6. Preparation of an annual progress report on implementing the equity recommendations developed by the Advisory Committee and endorsed by the Governing Board.
7. Preparation of staff recommendations and contracts with grantees and management of executed contracts, including reviewing and approving progress reports, invoices, and other deliverables. Project managers are assigned individual projects and perform all activities related to that project, with advice provided by the Authority's legal staff and 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.

8. Support for 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. Staff support includes:
 - a. Management of grants supporting the BRRIT;
 - b. Solicitation and selection of projects to be reviewed by the BRRIT;
 - c. Maintenance of the BRRIT pages on the SFBRA website by the Authority's Public Information Officer.
9. 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 raise awareness of their interests and facilitate partnerships among proponents of nearby projects.
10. Editing the RFP for the grant round on an annual basis for release the following fiscal year, and creation and maintenance of grant program documents (forms, templates, guidance, etc.). Lead staff conduct this work with support from the Authority's legal staff.

Task 6: Authority General Work

Approximate % of staff time = 10%

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

1. Development of the 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 Authority projects.
3. Maintenance of the 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. 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 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.