

South Bay Cities Council of Governments

July 24, 2014

TO: SBCCOG Board of Directors

FROM: Steering Committee

RE: 2014-2015 Budget Approval Confirmation

Adherence to Strategic Plan:

Goal D – Organization Stability, #7 – Create a long-range financial plan to assure the future viability of the SBCCOG.

BACKGROUND

At the Board meeting last month, Chair Goodhart expressed his concern that the budget presented for adoption from the Steering Committee was not balanced. Because the by-laws say that the budget must be approved prior to July 1, the budget was approved tentatively. However, Chair Goodhart asked that a balanced budget be brought back to the August or September meeting.

What was not recalled at the June meeting was the action that the Board took at its March meeting. That action was as follows:

The SBCCOG Board approved the current dues amounts as well as the special assessment, and continues to spend reserves to balance the operating budget for one more year.

It is also recommended that the Chair appoint a committee of Steering Committee members and city managers to review the dues amount and provide a recommendation by the end of 2014 in preparation for the 2015-2016 fiscal year.

STATUS

At the July Steering Committee, an Ad Hoc Finance Committee was appointed to review the dues and budget per the March motion. The members of the committee are:

Chair Goodhart, Britt Huff (RHE), Ralph Franklin (Inglewood), Tony Dahlerbruch (CM-PVE), Tom Bakaly (CM-Hermosa Beach) and Michael Rock (CM-Lomita). The Committee will probably be holding its first meeting in August.

RECOMMENDATION

Approve the 2014-2015 budget (attached) unconditionally and await the committee's report on the SBCCOG's dues and budget issues.

SBCCOG Budget FY 2014-2015

7/1/14 - 6/30/15

	<u>ADOPTED 2013- 2014 Budget</u>	<u>FY 13-14 Actuals thru 3/31/14</u>	<u>2014-2015 Budget (Tentatively APPROVED on 6/24/14)</u>	
Estimated Beginning Fund Balance July 1st	381,860	437,451	387,096	
SBCCOG GENERAL OPERATION INCOME				
1 Dues	230,000	230,000	230,000	
2 General Assembly Sponsorships	35,000	59,500	40,000	
3 Training		1,000	1,000	
4 MTA South Bay Deputy Administration	84,340	63,711	84,338	
5 MTA South Bay Deputy Travel Reimb.		0	0	
6 Staff expenses offset by grants *	135,000	101,250	141,000	
7 Special Assessment for Climate Action Planning staff	62,625	57,750	62,625	
8 Interest	160	102	140	
9 Grant Revenue	<u>2,286,683</u>	<u>1,426,517</u>	<u>2,196,453</u>	
SUB-TOTAL INCOME:	2,833,808	1,939,830	2,755,556	97.2%
SBCCOG GENERAL OPERATION EXPENSES				
PERSONNEL				
1 Staff Team (for operations & grant administration)	348,000	261,000	365,400	
SERVICES AND SUPPLIES				
2a Bookkeeper	10,000	6,635	10,000	
2b Mailing, Postage and Supplies	4,000	2,935	4,000	
2c Meetings & Refreshments	5,500	4,462	5,500	
2d Travel & Arrangements	500	459	2,000	
2e Conferences	1,000	347	2,000	
2f Memberships	2,750	2,750	4,000	
2g Audit	5,150	5,098	5,300	
2h Gifts and Mementos	300	0	300	
2i Office (desk @ SBESC)	12,000	9,000	18,000	
2j Miscellaneous	1,000	282	1,000	
2k Administrative Assistant	18,000	10,223	18,000	
COMMUNICATIONS				
3a Newsletter	4,800	4,420	5,600	
3b Website	2,400	1,500	2,400	
3c MTA South Bay Deputy Consultant	88,930	66,697	88,930	
3d MTA South Bay Deputy Consultant Travel		0	0	
EVENTS				
4 General Assembly	<u>16,000</u>	<u>16,458</u>	<u>18,000</u>	
SUB-TOTAL OPERATING EXPENSES:	520,330	392,266	550,430	
SPECIAL PROJECTS				
5a Data & GIS Application Server	2,650	2,090	2,650	
5b Human Resources - Salary Survey	3,575	3,575	3,575	
5c Training		0	0	
5d Climate Action Planning staff person	62,625	47,698	62,625	
5e Consulting - Transportation Services	13,000	9,285	13,000	
5g Bad Debt - unpaid assessments		4,875	-	
5f SBCCOG Strategic Planning	<u>19,800</u>	<u>19,800</u>	<u>-</u>	
SUB-TOTAL SPECIAL PROJECT EXPENSES:	101,650	87,323	81,850	
GRANT BUDGET EXPENSES				
6a Grant Labor Expense + Benefits	1,062,000	702,821	1,104,480	
6b Rent	109,000	98,045	134,973	
6c Insurance	9,800	7,270	12,000	
6d Consultants	930,883	663,214	780,000	
6e Office supplies; ODCs	<u>175,000</u>	<u>110,693</u>	<u>165,000</u>	
SUB-TOTAL GRANT BUDGET EXPENSES:	2,286,683	1,582,043	2,196,453	
TOTAL EXPENSES:	2,908,663	2,061,632	2,828,733	97.25%
ESTIMATED ENDING FUND BALANCE June 30th	324,805	387,096	313,919	
	11%	Estimated Ending Fund balance/Total Expenses		11%
		25% COG Operating		
25% reserve	151,045	Budget Reserve	158,070	
7.59% grant reserve	173,559	7.09% grant reserve	155,729	
unallocated	201	unallocated	120	

* Staffing expenses for grant administration paid for by grants:
PUC - SCE/SCG, WBMWD, MTA Measure R, MTA Vanpool,
Sanitation District, Torrance Water, AQMD, SCAG & SCE (EEMIS and EE CAP)