

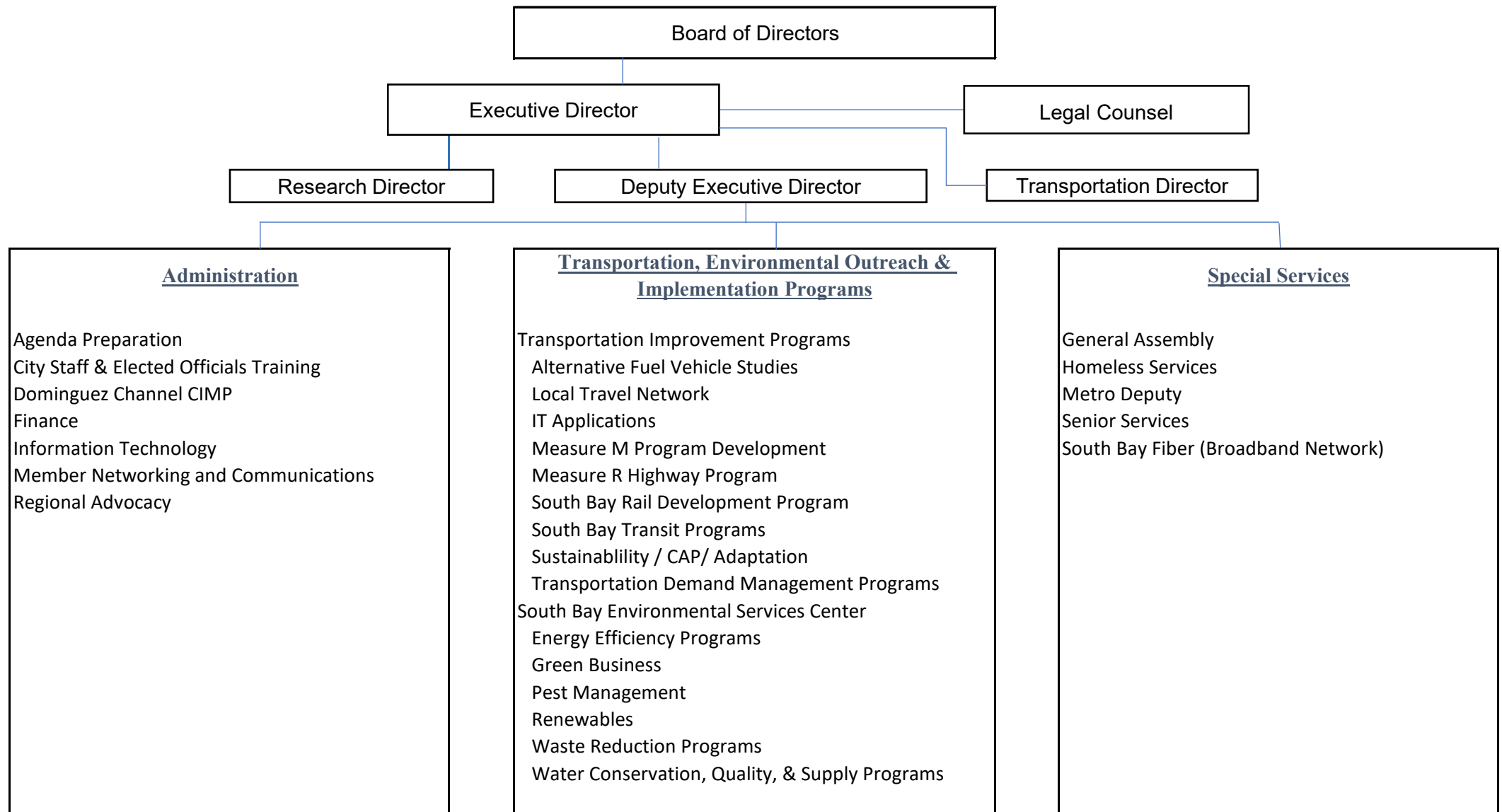
SOUTH BAY CITIES
COUNCIL OF GOVERNMENTS

PROPOSED BUDGET
FISCAL YEAR 2020-2021

June 8, 2020



**SBCCOG
ORGANIZATIONAL STRUCTURE
PROPOSED BUDGET
FISCAL YEAR 2020-2021**



- Goal A: Environment, Transportation and Economic Development**
- Goal B: Regional Advocacy**
- Goal C: Member Networking and Communications**
- Goal D: Organizational Stability**

**SBCCOG
BUDGET SUMMARY
PROPOSED BUDGET
FISCAL YEAR 2020-2021**

	ACTUAL FY 18-19	ADOPTED BUDGET FY 19-20	REVISED BUDGET FY 19-20	YTD AS OF 03/31/20	PROPOSED BUDGET FY 20-21	INCREASE (DECREASE) PROPOSED BUDGET FY20-21/ ADOPTED BUDGET FY19-20	
						AMOUNT	PERCENT
<u>ESTIMATED REVENUES:</u>							
Dues	\$ 372,501	\$ 392,500	\$ 392,500	\$ 392,499	\$ 392,500	\$ -	-
Other General Fund Revenues	304,233	257,689	283,234	178,467	246,088	(11,601)	-4.50%
Grant Revenues	1,239,806	1,301,296	4,782,761	2,956,394	5,881,087	4,579,791	351.94%
Total Revenues	\$ 1,916,540	\$ 1,951,485	\$ 5,458,495	\$ 3,527,360	\$ 6,519,675	\$ 4,568,190	234.09%
<u>EXPENDITURES:</u>							
Salaries & Benefits	\$ 671,721	\$ 689,284	\$ 800,955	\$ 444,222	\$ 922,014	\$ 232,729	33.76%
Professional/Contractual	865,337	974,552	3,939,838	2,262,405	4,733,070	3,758,518	385.67%
Supplies & Services	348,940	365,960	274,674	196,537	634,131	268,171	73.28%
Sub Total Expenditures	\$ 1,885,998	\$ 2,029,797	\$ 5,015,467	\$ 2,903,164	\$ 6,289,214	\$ 4,259,418	209.84%
<i>Moving Expenses</i>	-	100,000	100,000	45,519	42,226	(57,774)	-57.77%
<i>Website Redesign</i>	-	-	-	-	100,000	100,000	0.00%
Total Expenditures	\$ 1,885,998	\$ 2,129,797	\$ 5,115,467	\$ 2,948,683	\$ 6,431,440	\$ 4,301,644	201.97%
Estimated Balance (Deficit)	\$ 30,542	\$ (178,312)	\$ 343,028	\$ 578,677	\$ 88,235	\$ 266,546	149.48%

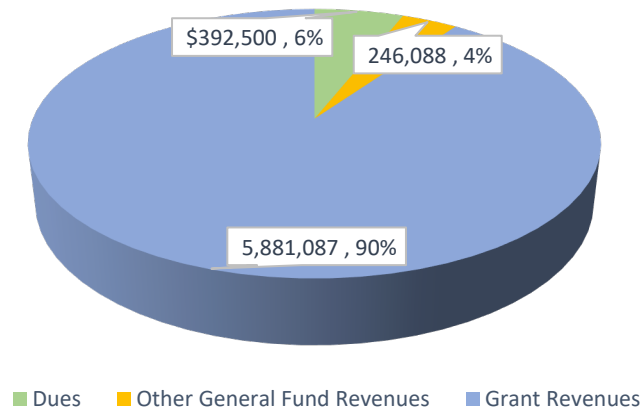
RESERVES:

Contributions to Reserve:	Amount
Prior to FY15-16	\$ 53,372
FY 15-16 Plus Interest Earnings	20,192
FY 16-17 Plus Interest Earnings	20,349
FY 17-18 Plus Interest Earnings	20,939
FY 18-19 Plus Interest Earnings	22,297
FY 19-20 Plus interest Earnings	22,743
FY 20-21 Reserve	90,000
Total in LAIF thru 6/30/21	\$ 249,892

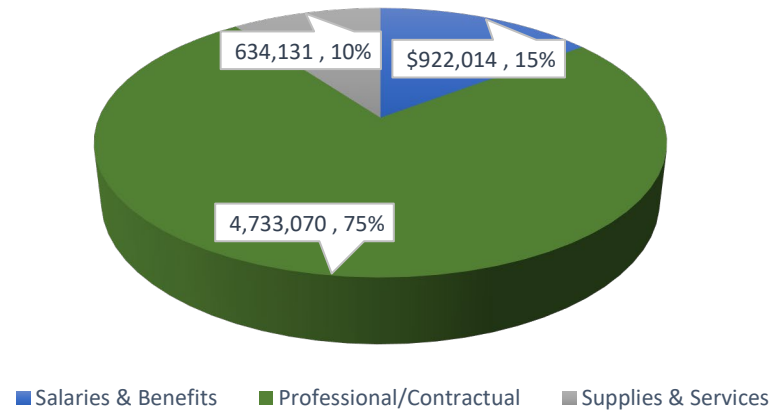
Note:
Both revenue and expenses are higher than usual for both FY19-20 and FY20-21 due to the South Bay Fiber Network project. The majority of the revenue/expense is passed through to American Dark Fiber who was contracted to build network.
Estimates:
FY19-20 - approximately \$2.8m
FY20-21 - approximately \$3.8m

**SBCCOG
ESTIMATED REVENUES / EXPENDITURES CHARTS
PROPOSED BUDGET
FISCAL YEAR 2020-2021**

ESTIMATED REVENUES FY 2020-2021: \$6,519,675



ESTIMATED EXPENDITURES FY 2020-2021: \$6,431,440



**SBCCOG
ESTIMATED REVENUE DETAILS
PROPOSED BUDGET
FISCAL YEAR 2020-2021**

REVENUE SOURCE:	ACCOUNT CODE	ACTUAL FY 18-19	ADOPTED BUDGET FY 19-20	REVISED BUDGET FY 19-20	YTD AS OF 03/31/20	PROPOSED BUDGET FY 20-21	INCREASE (DECREASE) PROPOSED BUDGET FY20-21/ ADOPTED BUDGET FY19-20	
							AMOUNT	PERCENT
Dues	4020	\$ 372,501	\$ 392,500	\$ 392,500	\$ 392,499	\$ 392,500	\$ -	-
General Assembly Sponsorship	4050	62,250	60,000	64,250	64,250	40,000	(20,000)	-33.33%
Holiday Light Exchange	4055	2,250	-	-	1,000	-	-	-
Training	4060	5,000	-	1,000	-	-	-	-
MTA South Bay Deputy	4070	98,877	100,439	100,439	77,161	106,288	5,849	5.82%
Interest Income	4090	29,610	28,800	47,444	23,768	30,000	1,200	4.17%
Green Business Assist Program	4125	12,000	12,000	12,000	12,000	12,000	-	-
Reimbursable Expense	4190	-	300	300	-	-	(300)	-100.00%
CIMP Dominguez Channel Admin Fee	4810	92,958	56,150	57,800	-	57,800	1,650	2.94%
Miscellaneous Revenue	4999	1,288	-	-	288	-	-	-
Sub-total General Fund Revenues		\$ 676,734	\$ 650,189	\$ 675,734	\$ 570,966	\$ 638,588	\$ (11,601)	-1.78%
GBN - Hawthorne	4126	\$ 29,271	\$ 10,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 10,000	100.00%
GBN - Torrance	4127	34,500	10,000	24,500	20,000	20,000	10,000	100.00%
SCG Contract	4511	-	-	-	28,109	50,000	50,000	-
SCG-DWP Outreach	4512	40,000	40,000	40,000	30,000	40,000	-	-
WBMWD Contract	4520	149,732	168,980	203,480	115,386	174,980	6,000	3.55%
Sanitation District	4525	49,000	49,000	49,000	36,750	49,000	-	-
Torrance Water	4540	26,250	29,000	29,000	21,750	29,000	-	-
CalTrans LTN	4544	51,588	231,184	231,184	191,191	103,657	(127,527)	-55.16%
Metro Vanpool / Shared Mobility	4545	30,735	50,000	50,000	38,014	50,000	-	-
Metro Express Lane	4546	48,000	48,000	34,000	22,000	48,000	-	-
Measure R	4570	95,781	120,000	88,000	111,902	88,000	(32,000)	-26.67%
PACE (HERO, Ygrene)	4580	3,336	3,320	1,032	835	1,100	(2,220)	-66.87%
Integrated Pest Management	4589	6,000	6,000	2,300	500	2,300	(3,700)	-61.67%
Energy Coalition (REN)	4592	-	-	84,000	-	100,000	100,000	0.00%
Homeless (PATH)	4600	25,000	25,000	25,000	20,119	25,000	-	-
Homeless - LA County	4601	61,238	79,347	72,797	44,755	79,000	(347)	-0.44%
Homeless - LA County- Innovation Fund	4602	-	-	147,937	-	739,685	739,685	-
Water Replenishment District	4610	52,000	50,000	50,000	39,000	50,000	-	-
Measure M	4611	87,299	147,800	108,000	41,413	60,000	(87,800)	-59.40%
South Bay Fiber Network (SBFN)	4612	-	-	3,207,161	1,970,403	4,101,365	4,101,365	-
Fiber - State of CA	4613	-	-	60,000	764	50,000	50,000	-
PUC SCE/SCG Contract	4510	324,500	189,479	199,203	149,191	-	(189,479)	-100.00%
SCG-Strategic Plan Income	4514	8,649	-	5,400	5,438	-	-	-
SCE-Strategic Plan Income	4515	34,597	-	21,708	21,750	-	-	-
SOLSmart	4590	14,050	1,071	950	950	-	(1,071)	-100.00%
Energy Efficiency	4591	6,097	32,071	28,109	26,175	-	(32,071)	-100.00%
SBWIB Broadband Income	4135	41,683	11,044	-	-	-	(11,044)	-100.00%
SBWIB Telework	4136	15,000	-	-	-	-	-	-
EV-LA County	4549	5,500	-	-	-	-	-	-
Sub-total Grant Revenues		\$ 1,239,806	\$ 1,301,296	\$ 4,782,761	\$ 2,956,394	\$ 5,881,087	\$ 4,579,791	351.94%
Total Estimated Revenues		\$ 1,916,540	\$ 1,951,485	\$ 5,458,495	\$ 3,527,360	\$ 6,519,675	\$ 4,568,190	234.09%

SBCCOG
EXPENDITURE DETAILS BY ACCOUNT
PROPOSED BUDGET
FISCAL YEAR 2020-2021

EXPENDITURE CATEGORY	ACCOUNT CODE	ACTUAL FY 18-19	ADOPTED BUDGET FY 19-20	REVISED BUDGET FY 19-20	YTD AS OF 03/31/20	PROPOSED BUDGET FY 20-21	INCREASE (DECREASE) PROPOSED BUDGET FY20-21/ ADOPTED BUDGET FY19-20	
							AMOUNT	PERCENT
Salaries/Regular	6010	\$ 524,804	\$ 552,000	\$ 640,000	\$ 358,520	\$ 739,070	\$ 187,070	33.89%
Salaries/Part-Time	6030	-	5,520	9,500	-	5,520	-	-
Overtime	6011	1,346	1,400	1,400	187	1,400	-	-
Medical/Deferred Comp	6012	52,250	67,200	75,600	46,100	92,400	25,200	37.50%
Life Insurance	6013	1,091	1,114	1,091	750	1,663	549	49.30%
Social Security	6014	35,571	34,566	40,594	22,830	46,165	11,598	33.55%
Medicare	6015	8,319	8,084	9,418	5,339	10,797	2,713	33.55%
FUTA	6016	387	491	504	389	743	252	51.36%
California SUI-ER	6017	4,001	3,069	5,208	4,019	5,116	2,047	66.68%
Workers' Comp	6018	7,369	8,200	10,000	3,392	8,200	-	-
Employee Reimbursable Expense	6019	2,585	2,640	2,640	2,695	5,940	3,300	125.00%
Vacation/Floating Holiday Payoff	6020	17,498	5,000	5,000	-	5,000	-	-
Severance Pay	6035	16,500	-	-	-	-	-	-
Sub-total Salaries & Benefits		\$ 671,721	\$ 689,284	\$ 800,955	\$ 444,222	\$ 922,014	\$ 232,729	33.76%
Office Supplies	6201	\$ 12,314	\$ 12,599	\$ 12,599	\$ 5,230	\$ 7,500	\$ (5,099)	-40.47%
Postage	6202	1,237	1,200	1,200	546	1,200	-	-
Refreshments	6203	26,266	25,597	25,597	16,142	25,500	(97)	-0.38%
Membership Dues	6204	10,116	11,500	10,581	9,327	11,500	-	-
Mileage Reimbursement	6205	4,875	4,649	5,058	5,153	6,871	2,222	47.78%
Meetings/Conferences	6206	9,772	6,840	6,840	3,954	6,840	-	-
Special Events/General Assembly	6224	28,716	31,160	31,160	1,286	40,000	8,840	0.28
Staff Training/Development	6207	774	2,500	2,500	524	2,500	-	-
Newsletter	6208	10,369	8,400	11,428	6,712	11,424	3,024	36.00%
Audit Fees	6209	5,000	6,578	6,578	6,578	6,000	(578)	-8.79%
Contractual Services	6210	445,337	554,552	3,523,838	1,951,405	4,313,070	3,758,518	677.76%
Professional Services	6211	420,000	420,000	416,000	311,000	420,000	-	-
Rent	6212	150,544	153,336	82,548	61,591	136,100	(17,236)	-11.24%
Equipment Lease	6213	10,794	11,685	9,832	7,219	9,960	(1,725)	-14.76%
Telephone	6214	7,686	8,610	8,400	6,201	8,400	(210)	-2.44%
IT Services/Maintenance	6215	54,573	63,129	35,811	51,794	36,616	(26,513)	-42.00%
Software/Hardware	6216	12,892	8,777	15,142	6,216	14,133	5,356	61.03%
Liability Insurance	6217	2,226	2,400	2,400	2,248	2,300	(100)	-4.17%
Subscription/Advertising	6218	292	1,000	1,000	200	1,000	-	-
Miscellaneous Supplies/HLE	6219	3,001	-	-	-	-	-	-
Specialty Legal Services	6220	-	5,000	5,000	4,725	10,000	5,000	100.00%
City Reimbursements	6222	-	-	-	-	295,287	295,287	-
Miscellaneous Expenses	6225	(2,507)	1,000	1,000	890	1,000	-	-
Sub-Total Supplies & Services		\$ 1,214,277	\$ 1,340,512	\$ 4,214,512	\$ 2,458,942	\$ 5,367,201	\$ 4,026,688	300.38%
<i>Moving Expenses</i>	6221	-	100,000	100,000	45,519	42,226	(57,774)	-57.77%
<i>Website Redesign</i>	6032	-	-	-	-	100,000	100,000	-
Total Operating Expenditures		\$ 1,885,998	\$ 2,129,797	\$ 5,115,467	\$ 2,948,683	\$ 6,431,440	\$ 4,301,644	201.97%

SBCCOG
APPROVED SALARY SCHEDULE BY POSITION /
PROFESSIONAL-CONTRACTOR LABOR DISTRIBUTION
PROPOSED BUDGET
FISCAL YEAR 2020-2021

POSITION	SALARY
Administrative Officer - Tier 1	\$ 91,000
Senior Project Manager - Tier 1	85,000
Accountant - Tier 3	81,000
Project Manager - Tier 3	78,000
Project Manager - Tier 2	71,000
Project Manager - Tier 1	64,000
Environmental Services Analyst III - Tier 3	87,000
Environmental Services Analyst III - Tier 2	82,000
Environmental Services Analyst III - Tier 1	77,000
Environmental Services Analyst II - Tier 3	72,000
Environmental Services Analyst II - Tier 2	67,000
Environmental Services Analyst II - Tier 1	62,000
Environmental Services Analyst I - Tier 3	57,000
Environmental Services Analyst I - Tier 2	53,500
Environmental Services Analyst I - Tier 1	50,500
Administrative Assistant - Tier 3	47,000
Administrative Assistant - Tier 2	40,000
Administrative Assistant - Tier 1	35,000
Part-time Hourly Staff (ESAs for events)	10,000

PROFESSIONAL SERVICES - 6211	TOTAL AMOUNT
Executive Director (JB) and staff - appx. Jacki Bacharach and Associates \$186,000 - appx. \$234,000 (subs to JB)	\$ 420,000
CONTRACTOR SERVICES - 6210	
Transportation Director - Steve Lantz	112,690
Research Director - Siembab Corp.	95,000
Energy Efficiency Engineer - GSE Solutions	50,000
Metro Deputy - Mike Bohlke	110,879
Budget & Finance Consultant - Agnes Walker	8,500
South Bay Fiber Network Contractor - American Dark Fiber	3,811,000
Additional consultants or staff as needed on contracts or project development	125,000
Estimated Contractor Expenses FY 2020-2021	\$ 4,313,070

**SBCCOG
LIST OF ACRONYMS USED
PROPOSED BUDGET
FISCAL YEAR 2020-2021**

<u>ACRONYM</u>	<u>DEFINITION</u>	<u>ACRONYM</u>	<u>DEFINITION</u>
CA-SUI	California State Unemployment Insurance	LADWP	Los Angeles Department of Water & Power
CALCOG	California Council of Governments	LAIF	Local Agency Investment Fund
CAP	Climate Action Plan	LARC	Los Angeles Regional Coalition
CEC	California Energy Commission	LGSEC	Local Government Sustainability Energy Coalition
CIMP	Coordinated Integrated Monitoring Program	MEL	Metro Express Lanes
CPUC	California Public Utilities Commission	MTA	Metropolitan Transportation Authority
DWP	Department of Water & Power	LTN	Local Travel Network
EUC	Energy Upgrade California	PACE	Property Assessed Clean Energy
EV	Electric Vehicle	PATH	People Assisting the Homeless
FTE	Full Time Equivalent	PUC	Public Utilities Commission
FUTA	Federal Unemployment Tax Act	REN	Regional Energy Network
FY	Fiscal Year	SB	South Bay
GA	General Assembly	SBCCOG	South Bay Cities Council of Governments
GBC	Green Building Challenge	SBFN	South Bay Fiber Network
GBN	Green Business Network	SBWIB	South Bay Work Investment Board
GSW	Golden State Water	SCE	Southern California Edison
HERO	Home Energy & Resources Organization	SCG	Southern California Gas
HLE	Holiday Light Exchange	WBMWD	West Basin Metropolitan Water District
ICLEI	International Council for Local Environmental Initiatives	WRCOG	Western Riverside Council of Government
LA	Los Angeles	WRD	Water Replenishment District

SBCCOG
PROPOSED BUDGET NARRATIVE
FISCAL YEAR 2020-2021
June 8, 2020

Budget summary: Overall, the proposed budget for FY20-21 reflects a projected budget balance of \$88,235: revenue increase of \$4,568,190 or 234.09% and an expenditure increase of \$4,301,644 or 201.97%. Primarily, these increases are due to the South Bay Fiber project which is a pass through for the fiber network construction. A one-time web-site redesign expense of \$100,000 is also proposed.

Estimated revenues: As illustrated on the Estimated Revenue Details (page 4), the total General Fund revenues which include Dues, are projected to decrease by (\$11,601) or (1.78%). Revenues from grants increased \$4,579,791 or 351.94%. As stated above, this increase is due primarily to the South Bay Fiber project.

Below is an explanation of some of the revenue increases and (decreases) with the corresponding account codes and descriptions on the revenue categories:

- *Dues/4020* - remains at same level as current year
- *General Assembly Sponsorship/4050* - estimated decrease of (\$20,000) due to the cancellation of the GA in 2020
- *MTA South Bay Deputy/4070* – increase in reimbursement of \$5,849 reflects estimated increase funded by Metro
- *CalTrans LTN/4544* – decrease of (\$127,527) due to project ending
- *Measure R/4570* - decrease of (\$32,000) due to decrease in program activity
- *PACE programs/4589* - decrease of (\$2,220) due to less participation in program
- *Integrated Pest Management/4589* - decrease of (\$3,700) due to change in scope of services
- *Energy Coalition (REN)/4592* - new contract estimated \$100,000
- *Homeless – LA County, Innovation Fund/4602* – new contract estimated \$739,685; includes \$295,287 of pass through funds for cities
- *Measure M/4611* – decrease of (\$87,800) due to decrease in program activities
- *South Bay Fiber Network (SBFN)/4612* - increase of \$4,101,365; additional funding for network construction
- *Fiber – State of CA/4613* - anticipated spending of \$50,000
- *Contracts ended*
 - *PUC SCE/SCG Contract/4510*
 - *SCE/SCG Strategic Plan/4514-4515*
 - *SolSmart/4590*
 - *Energy Efficiency/4591*
 - *SBWIB Broadband/4135*

Proposed expenditures/Salaries & Benefits: The proposed expenditures (page 5) for the coming fiscal year show a *net* increase of \$4,301,644 or 201.97% compared to the adopted budget in the current year. The Salaries & Benefits portion of the budget increased \$232,729 or 33.76%, which reflects four additional staff.

Below is an explanation of the expenditure increases with the corresponding account codes and descriptions on the various expenditure categories:

**SBCCOG
PROPOSED BUDGET NARRATIVE
FISCAL YEAR 2020-2021
June 8, 2020**

- *Salaries/Regular/6010* – \$739,070 reflects proposed budget for 11 positions, up from 7 in the current year
- *Salaries/Part-Time/6030* – provides \$5,520 funding for a part-time employee, as needed, working an average of 20 hours a month to assist with outreach events
- *Medical/Deferred Comp/6012* – \$92,400 includes SBCCOG’s contribution of \$700 per month per employee.
- *Benefits/6013-6017* – as salaries increase, benefits will have a relative increase, especially those benefits based on a percentage of salaries such as: Social Security, Medicare, and California SUI-ER
- *Employee Reimbursable Expense/6019* – \$5,940 provides a cell phone allowance of \$55 per month for nine employees (current year budget is for four employees) who often work in the field; required to telecommute or attend outside meetings
- *Vacation/Floating Holiday Payoff/6020* - \$5,000 provides for payoff in case an employee leaves during the coming fiscal year

Supplies & Services: Overall, the Supplies & Services category shows a *net* increase of \$4,026,688 or 300.38%. As stated above, the expense increase is due primarily to the South Bay Fiber Network.

Below is an explanation of increases or (decreases) and the corresponding account codes and descriptions of the expenses:

- *Office Supplies/6201* – decrease of (\$5,099) based on current expenses: paper, pens, business cards, etc.
- *Membership Dues/6204* – proposed budget \$11,500 paid to 13 Chambers of Commerce in the South Bay, CALCOG, ICLEI, LGSEC, LARC, and Cal Chamber
- *Mileage Reimbursement/6205* – an increase of \$2,222 due to staff increase; provides employee reimbursements for attending events or site visits based on IRS mileage rate
- *Special Events/6224* – \$40,000 proposed for all expenses related to General Assembly; reflects increase of \$8,840 to allow for price increases from vendors
- *Newsletter/6208* – \$11,424, an increase of \$3,024; includes both the Newsletter and the What is the SBCCOG & SBESC handouts
- *Contractual Services/6210* – *net* increase of \$3,758,518; reflects increase in grant-related expenditures, primarily South Bay Fiber Network (SBFN)
- *Professional Services/6211* – \$420,000 for JB&A agreement; no change in budget; however, only \$416,000 was distributed to JB&A in FY19-20 (per request by JB&A to balance total compensation for FY2018-19)
- *Rent/6212* – decrease (\$17,236): annual lease at new location less than annual lease at prior location
- *Equipment Lease/6213* – \$9,960 for Xerox machine per agreement
- *IT Services/Maintenance/6215* – \$36,616, a decrease of (\$26,513) due to change of vendor
- *Software/Hardware/6216* - \$14,133, includes scheduled computer upgrade
- *Miscellaneous Supplies/HLE/6219* – Holiday Light Exchange program cancelled

SBCCOG
PROPOSED BUDGET NARRATIVE
FISCAL YEAR 2020-2021
June 8, 2020

- *Specialty Legal Services/6220* – \$10,000 for legal services outside of current pro-bono services
- *City Reimbursements/6222* - \$295,287 LA County Homeless Innovation pass through funds for cities
- *Moving Expenses/6221* – \$42,226, balance of \$100,000 from prior year to cover residual moving expenses
- *Website Redesign/6032* - proposed budget of \$100,000, one-time expense

Reserves: Per the newly adopted reserve policy, the target amount for contingencies is \$405,000. As shown on the Budget Summary (page 2), if approved, \$249,892 shall be accumulated in LAIF as of June 30, 2021. This amount includes \$53,372 reserve funds established prior to FY15-16 and \$106,520 from the 5-year dues increase with interest. In addition, \$90,000 to be reserved in FY20-21. In order to reach the target of \$405,000, \$38,777 will be required each year for four additional years.

**SBCCOG
CALCULATION OF ESTIMATED FUND BALANCE
FOR JUNE 30, 2021**

Fund Balance for June 30, 2019 per Audited Financial Statement		\$ 756,750
Revised Revenue Budget FY19-20	\$ 5,458,495	
Less Adjustments:		
Energy Coalition	\$ (84,000)	
Homeless LA County	(147,937)	
Fiber - State of CA	<u>(60,000)</u>	
Total Revenue Adjustments	(291,937)	
Adjusted Revised Revenue Budget FY19-20		5,166,558
Revised Expenditure Budget FY19-20	(5,119,467)	
Less Adjustments:		
Salaries & Benefits (staff not hired)	111,671	
Moving expenses not incurred	<u>42,226</u>	
Total Expense Adjustments	153,897	
Adjusted Revised Expenditure Budget FY19-20		<u>(4,965,570)</u>
Estimated Fund Balance FY19-20		957,738
Proposed Budget FY20-21		
Estimated Revenues	6,519,675	
Estimated Expenditures	<u>(6,431,440)</u>	
Estimated Balance (Revenue over Expenditures)		88,235
Less Reserve for Contingencies:		
FY19-20 (final dues increase with interest)	(22,743)	
FY20-21 as proposed	<u>(90,000)</u>	
Total Proposed Reserve		(112,743)
Proposed carryover balance for moving expenses		<u>(42,226)</u>
Estimated Fund Balance June 30, 2021		<u><u>\$ 891,004</u></u>

Note: The SBCCOG has received a \$1.2 million from the State of California for the fiber network, of which \$764.00 has been expended. This \$1.2 million is not currently part of the fund balance.