

Los Cerritos Wetlands Authority

Date: August 3, 2017
To: Governing Board Members
From: Mark Stanley, Executive Officer
Subject: Item 8: Consideration of resolution authorizing staff to adopt the LCWA Budget Fiscal Year 2017/2018. (RESOLUTION 2017-06)

RECOMMENDATION: Staff recommends adoption of the LCWA Budget Fiscal Year 2017/2018 as submitted and detailed in the attached Exhibit A.

BACKGROUND: In accordance with the provisions of the Joint Powers Agreement, approval of the LCWA budget by the LCWA Board is required. The attached Consolidated Budget for Fiscal Year 2017-2018 (Exhibit A) includes three revenues and expenditure components: 1) Administration, 2) Operational, and 3) Capital Outlay. Total budgeted revenue for Fiscal Year (FY) 17/18 is **\$1,667,117** and expenditures are balanced with revenues. Total revenues for FY 17/18 have increased compared from budgeted FY 16/17 revenues of \$177,600 primarily due to the anticipated acquisition of the Bryant Property, program environmental impact report expenses for the Los Cerritos Wetlands CRP, and an increase in project management services and contracts. Although there is a decrease in total revenues, the LCWA expects an increase in Capital Outlay (Grants and Special Projects) revenue. The LCWA continues to work cooperatively to receive payments for the JPA Annual Contribution and continues to maintain tenants for the OTD Parcel in order to keep pace with increasing in expenditures.

The revenues, in combination with in-kind services, grants acquired by program partners organizations, and the MOA with ASCON RP, will allow public programming to continue as part of the LCWASP through December 2018. At current staffing levels, implementation and management of the LCWASP will require consultant services to lead these public programs; therefore, Tidal Influence, LLC, the Aquarium of the Pacific, and Los Cerritos Wetlands Land Trust have partnered and have applied for and received several grants to support the LCWASP.

The Aquarium of the Pacific and Los Cerritos Wetlands Land Trust are great partners and have provided matching grant funds to the LCWASP in order to continue the monthly Habitat Restoration and Nature Walks and provide educational materials for FY 17/18. The authority also benefits from bird walks led by the El Dorado Audubon that contributes the total hours of in-kind stewardship participation.

In FY 16/17, Staff was successful in actively seeking grants to fund the LCWASP through the FY 17/18 and will continue to actively seek funding sources for sustainable revenues that deliver public programs in perpetuity. Further, the LCWASP provides in-kind services from volunteers to help manage the LCWA properties through habitat restoration, trash cleanups, habitat assessments, and several other public programs. The LCWA has developed the Stewardship Program to promote community involvement with environmental education, maintenance, restoration and monitoring of the wetlands areas.

Administration expenses in the amount of \$24,838 are detailed by line item in the attached budget summary. The expenses under general administrative costs include website maintenance and monitoring services. The budget reflects an increase for Director & Officers, general liability, and umbrella insurance policies for all the LCWA properties including the Phase 2 Property and

additional insurances for the City of Long Beach Marketplace Marsh and State Lands Parcel 043-160-47, whereas expenses directly associated to property ownership are reflected. The expenditures for D & O insurance in FY 16/17 were higher than budgeted due to industry increases and the unexpected elimination of a government discount.

Operational expenses consist of the Los Cerritos Wetlands Authority Stewardship Program (LCWASP) and Property Management expenditures. The FY 17/18 total budget is \$122,262 and is consistent with the annualized revenues and expenditures at a minimum to operate, manage, and maintain the LCWA properties. The current budget for the LCWASP includes expenses related to three major contracts – the Orange County Public Works to provide appropriate services wetland restoration services, a MOA with Southern California Edison to accept compensatory mitigation funds, and a MOA with Ascon Landfill to accept mitigation funds for the Southern Tarplant Mitigation Plan. The Capital Outlay budget is in the amount of \$1,520,017 with approximately 67% of this budget category being allocated for the acquisition activities of the Bryant Properties.

FISCAL INFORMATION: The LCWA will adopt the FY 2017/2018 Budget with a balanced budget of \$1,667,117.

**LOS CERRITOS WETLANDS AUTHORITY
CONSOLIDATED BUDGET FISCAL YEAR 2017 - 2018**

	FY 16/17 Budget	Projected FYE 16/17	Proposed FY 17/18 Budget
Revenues			
General Administrative & Operating Revenue			
JPA Contributions	20,000	10,000	20,000
Lease Revenue	64,400	67,640	68,120
Contracts	41,100	6,771	34,330
Mitigation Revenue	12,000	-	-
Fees	9,500	11,879	11,820
Permits	10,000	10,000	10,000
Carryover from FY2016	15,500	-	-
Subtotal-General Administrative & Operating	172,500	106,290	144,270
Grants and Special Projects Revenue			
Grant - State Coastal Conservancy	45,000	66,669	204,453
Grant - LA Regional Parks & Open Space District	34,600	34,600	-
Grant - Rivers & Mountains Conservancy	98,000	98,000	1,260,000
Grant - Other Federal, State, County & Local Funds	-	-	-
Other - Mitigation Revenue	-	37,586	58,394
Other - Donations	-	-	-
Other - Miscellaneous	-	-	-
Subtotal-Grants and Special Projects	177,600	236,856	1,522,847
Total Revenue	350,100	343,146	1,667,117
Expenses			
Insurance - D & O Policy	1,000	3,671	4,038
Audit Services	6,500	5,024	6,500
Website	-	825	2,000
Miscellaneous Administrative Costs	5,000	-	5,000
Miscellaneous PM/Accounting Costs	7,300	-	7,300
Administration Expense Subtotal	19,800	9,520	24,838
Grant & Land Management - General	25,000	42,477	35,000
Grant Management - Contracted Services	43,000	35,060	46,330
Insurance - General Liability/Umbrella	9,700	9,484	10,432
Los Cerritos Wetlands Stewardship Program	22,000	5,000	15,500
Security	8,700	8,700	5,000
Signage	8,700	-	3,000
OTD Security Deposits	3,400	2,400	-
Miscellaneous	7,200	-	7,000
Operational Expense Subtotal	127,700	103,121	122,262
Consultant Services	93,463	66,111	20,670
Grant - State Coastal Conservancy	-	-	46,394
Grant - LA Regional Parks & Open Space District	-	-	-
Grant - Rivers & Mountains Conservancy	98,000	47,568	1,057,953
Grant - Other Federal, State, County & Local Projects	-	-	260,000
Other - Mitigation Projects	-	37,586	135,000
Other - Miscellaneous	11,137	-	-
Capital Outlay Expense Subtotal	202,600	151,266	1,520,017
Total Expense	350,100	263,906	1,667,117
Ending Net Position	-	79,240	(0)

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RESOLUTION 2017 – 06

RESOLUTION OF THE LOS CERRITOS WETLANDS AUTHORITY (LCWA) AUTHORIZING STAFF TO ADOPT THE LCWA BUDGET FISCAL YEAR 2017/2018

WHEREAS, the Los Cerritos Wetlands Authority (Authority) has been established between the Coastal Conservancy, the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy, the City of Seal Beach and the City of Long Beach to facilitate the acquisition, protection, conservation, restoration, maintenance and operation an environmental enhancement of the Los Cerritos Wetlands; and

WHEREAS, the LCWA has further been established to focus on projects which will provide open space, habitat restoration, and watershed improvement projects within the Los Cerritos Wetlands; and

WHEREAS, the joint powers agreement provides for the adoption of an annual budget; and

WHEREAS, this action is exempt from the environmental impact report requirements of the California Environmental Quality Act (CEQA); NOW

Therefore be it resolved, that the LCWA hereby:

1. FINDS that this action is consistent with the purposes and objectives of the LCWA.
2. FINDS that the actions contemplated by this resolution are exempt from the environmental impact report requirements of the California Environmental Quality Act.
3. ADOPTS the staff report dated August 3, 2017.
4. ADOPTS FY 17/18 LCWA Budget and authorizes the Executive Officer to make budget amends as necessary.

~ End of Resolution ~

Passed and Adopted by the Board of the LOS CERRITOS WETLANDS AUTHORITY on August 3, 2017.

Sam Schuchat, LCWA Vice Chair

ATTEST:

David Edsall, Jr.
Deputy Attorney General