



SAN FRANCISQUITO CREEK
JOINT POWERS AUTHORITY

Notice of Special Meeting of the Board of Directors Finance Committee

Tuesday March 15, 2022

1:00 P.M.

Due to the risk of COVID-19 transmission, this meeting will be held remotely via video/teleconference pursuant to Government Code Section 54953(e) (Assembly Bill 361). Members of the public may observe or participate in this meeting by joining the meeting online through the Zoom link provided below or by joining the meeting with a telephone by dialing the Zoom teleconference number provided below.

You may provide public comment during the meeting: (1) by using the chat function and typing your question or comment, (2) if you are joining online, by selecting the raise your hand function and speaking when called upon, or (3) if you are joining by phone, by pressing*9 to raise your hand and *6 to mute/unmute yourself and to speak. If you experience technical problems with the Zoom meeting, please contact the Clerk of the Board at the phone number or email listed at the bottom of this Agenda.

If you require an accommodation pursuant to the Americans with Disability Act, please contact the Clerk of the Board at the phone number or email listed at the bottom of this Agenda by 10:00 am on the day of the meeting.

Join Zoom Meeting

<https://us02web.zoom.us/j/86201452406>

Meeting ID: 862 0145 2406

Dial In: (669) 900-6833,,86201452406#

Agenda

1. CALL TO ORDER AND ROLL CALL
2. APPROVAL OF AGENDA: Changes or additions to the agenda.
3. PUBLIC COMMENT: *Individuals may speak on a non-agendized topic for up to three minutes.*

REGULAR BUSINESS

Members of the Public may speak on any agenda item for up to three minutes

4. Discuss Draft FY 2022/2023 Operating Budget
5. ADJOURNMENT

PLEASE NOTE: Board meeting Agenda and supporting documents related to items on

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SFCJPA.ORG



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the Agenda can be viewed online by 5:00 p.m. on Friday, March 11, 2022 at sfcjpa.org
-- click on the "Meetings" tab near the top.

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To: Finance Committee
From: Executive Director
Subject: Memo describing FY 22-23 Draft Budget
Date: March 11, 2022

The following is a line-by-line description of the draft SFCJPA budget for fiscal year 22-23 for the finance committee's review and comment.

Personnel

Executive Director Salary – This is the current executive director's salary. The Board may choose to change this after the Executive Director's annual review, prior to finalizing the budget.

Executive Director Transportation Allowance – No change is being requested.

Finance & Admin. Mgr./Clerk of the Board (FAM/CB) Salary, Senior Project Managers (SPM) Salaries – I am recommending a Cost-of-Living Adjustment (COLA) of 4.5%. This COLA is based on benchmarking with the published Social Security COLA increase of 5.9%, the CalPERS increase of 3%, San Mateo County's increase of 3%, 3% then 4% increase over the next 18 months, and last June Valley Water increased salaries for engineers 4% (current year's numbers are not yet available).

The SFCJPA's salaries overall are on the low side of comparability. I want to ensure the team's compensation does not fall below comparable salary ranges from other similar regional jurisdictions. I place a high priority on the retention and morale of our highly qualified employees.

Employee Benefits

The cost of health insurance and other benefits continues to increase on par with other economy-wide cost increases. Providing employee benefits through the ACWA JPIA program has been the most cost-effective for a small governmental organization such as the SFCJPA.

Membership Dues

The SFCJPA's membership in CSDA, ACWA JPIA, and SDRMA enables us to take advantage of the insurance and other services provided by these organizations. The budget amount reflects the known or projected membership dues increases.

Payroll Administration/Fees

The SFCJPA utilizes QuickBooks payroll. This fee is charged to support the payroll function and is not anticipated to increase in the next fiscal year.

Employer Taxes

These are State and federal payroll taxes and are based on employee compensation. This number will change if there are Board changes to compensation.

Contract Services

Legal Counsel

Legal counsel costs are not anticipated to change – overall. Some areas of cost are expected to be reduced, while others will increase. On balance, the overall cost for legal services is expected to be about the same.

Auditor

The current contract for auditing services is set to expire after the completion of our FY20-21 audit. Per the contract, this is the known cost of the annual audit. The board should anticipate a different budget amount based on a new contract/auditor in ongoing fiscal years.

Project Consultants

The requested amount covers the costs of maintaining our creek monitoring system and the components of its web-based interface, as well as incidental ad hoc technical support (often for grant-applications).

Upstream Detention Project expenses

Investigation of the feasibility and cost-benefit of an off-stream detention basin in the upper watershed on Stanford lands, including geotechnical, environmental, and cultural resources investigations. Preliminary evaluation work has been done in the current FY. We anticipate this work to continue into the 22-23 fiscal year.

Reach 2 Supplementary EIR

In the event the Top-of-Bank features on the Reach 2 portion of the creek downstream of the University Avenue bridge are determined to be unsuitable (which is probable), a supplementary EIR will be needed. Valley Water estimates the cost for a supplementary EIR to be up to \$200,000. Of that amount, \$50K is being carried over from the 21-22 fiscal year, for a budget request for the fiscal year of \$150,000. This is one of two large necessary expense items in the 21-22 fiscal year budget.

USACE CAP 205

Non-federal match to U.S. Army Corps of Engineers Continuing Authorities Program Section 205 study.

This is the second of two large necessary expense items in the 21-22 fiscal year budget. Our 'non-federal sponsor match' obligation for the next fiscal year will be \$343,000. Of that amount, I propose pulling \$200,000 from the unspent remainder from Reach 1 3-year maintenance funding from the construction funding agreement to supplement this line item, so that \$143,000 of new member contributions will complete the CAP 205 study match requirement for the 22-23 fiscal year. This will leave ~\$90,000 of unspent grant funds as a hedge against future unforeseen O&M needs for Reach 1.

The \$1.230M study, which is cost-shared 50/50 between the SFCJPA and the federal government, is the first necessary phase to secure up to \$10M in total federal investment through the Corps of Engineers for Reach 2 widening. The FY 22-23 contribution covers the cost of the USACE CAP 205 team for the SFCJPA's 22-23 Fiscal Year (which does not coincide with the USACE FY). The 22-23 FY increase does not increase our non-federal share/commitment to the study (which remains at 50%). The amount of our contribution for FY 22-23 is based on the USACE current total study cost estimate of \$1.230M – which could change. At this moment, we are also assuming that the study will result in a positive Benefit – Cost Ratio (BCR). The USACE team is performing the necessary evaluation of the economic benefits of the project, and we will have a firm "GO or NO-GO" decision by the end of May. If the analyses result in an unfavorable BCR, the study may be terminated, and the SFCJPA's contribution may be removed from the 22-23 budget. Looking ahead to the contribution necessary to finish

the CAP 205 study, and assuming a favorable BCR, our remaining contribution to complete the 50% share would be around \$60K in our FY 23-24.

Reach 1/Downstream O & M

Annual maintenance costs for project mitigation sites have been about \$70k/year. This item covers regulatory monitoring and reporting, as well as weeding, watering, and plant replacement to meet the mitigation success criteria required by our construction permits. This amount is generally consistent, year-to-year, but current drought conditions may require extra measures.

Administrative

Computers/Software

At least one of our staff computers is at the end of its useful life and for reliability reasons should be replaced soon. In addition to the regular Microsoft Office suite of tools, we make use of file and project management tools, time-tracking, and Adobe software. This line item ensures we are current with all necessary software licenses.

Meeting Supplies

We anticipate costs to increase in this line item because we envision having hybrid meetings – both in-person and via web – and will need to prepare accordingly.

Travel/Training

When we can take advantage of professional development opportunities, some of these require travel. We strive to minimize costs and to take advantage of nearby and low-cost options.

Office Supplies

This covers printer ink, paper, and other miscellaneous office supplies.

Telecommunication

This line item covers cell phone allowances for staff.

IT Support

As we prepare for hybrid meetings, we will need to ensure our video, audio, and computer technologies are integrated and functioning. We will need some technical support as we get these systems in place.

Postage

This covers postage for anticipated SFCJPA U.S. Mail correspondence.

Printing/Design

This covers incidental printing of meeting materials, presentations, business cards, or similar.

Website

This covers the cost of our subscription to SquareSpace, Godaddy and Nexcess. SquareSpace is the framework for the SFCJPA website, Godaddy provides our website domain and Nexcess provides hosting services for our website.

Office Lease

Our current office lease renews on August 31, 2022. Last year I was able to negotiate a very favorable (minimal) rate increase. Given the popular nature of the 'hotel' office space model, I am assuming a conservative higher percentage increase of 12% for the 11 months of the next fiscal year. That lease cost results in a cost-per-square-foot of approximately \$127/sf/yr. This lease cost INCLUDES four dedicated phone lines, internet, janitorial, utilities, security, mail service, landscape management, and parking. Comparable office space rates in the SFCJPA's jurisdiction (in Menlo Park, Palo Alto or East Palo Alto) range from \$86 to \$120/sf/yr. However, most leases do not include the costs currently wrapped into the Regus office lease – so it is not a one-for-one comparison. Furthermore, office leases elsewhere may not include the costs of necessary tenant improvements, and some building owners/managers are reluctant to sub-divide vacant spaces into office sizes as small as the SFCJPA needs.

Utilities

We have no separate costs for utilities while leasing at the Regus offices.

General Contingency

This budget field is for use of items not classifiable in other budget fields as well as contingency funds to cover expenditures in administrative or contract services at the Executive Director's discretion.

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FY2022/2023 preliminary **Draft** Proposed Budget. For discussion purposes only
FY2021/2022 Approved Budget
% Increase/Decrease from FY21/22

REVENUES	FY2022/2023 preliminary Draft Proposed Budget. For discussion purposes only	FY2021/2022 Approved Budget	% Increase/Decrease from FY21/22
Member Contributions towards expenses (\$352,334 x 5)	1,761,670	1,461,584	20.5%
Member Contributions towards reserves (per reserve policy approved by Board in 2020) (\$44,041.75 x 5)	220,209	224,616	-2.0%
Interest	3,500	3,500	0.0%
Total Revenues	1,985,379	1,689,700	17.5%

EXPENSES

Acct.	Description	Amount	Amount	Amount
Personnel				
1	Executive Director Salary	155,000	155,000	0.0%
2	E.D. Transportation Allowance	--	5,000	0.0%
3	Finance & Admin. Mgr./Clerk of the Board (FAM/CB)	111,467	106,668	4.5%
4	Senior Project Mgr. (SPM) Salary	129,037	123,480	4.5%
5	Senior Project Manager (SPM) Salary	129,037	123,480	4.5%
6	COLA ₂	16,629	15,913	4.5%
7	Employee Benefits	260,000	254,500	2.2%
8	Membership Dues	17,000	15,000	13.3%
9	Payroll Administration/Fees	--	3,000	0.0%
10	Employer Taxes	65,000	62,000	4.8%
	Subtotal Personnel	891,170	864,041	3.1%
Contract Services				
11	Legal Counsel	130,000	130,000	0.0%
12	Auditor	20,000	20,000	0.0%
13	Project Consultants (Flood Early Warning System, Ad Hoc Technical services, etc.)	70,000	70,000	0.0%
	Upstream Detention Project expenses	150,000	231,500	-35.2%
	Reach 2 Supplementary EIR ₃	150,000	50,000	200.0%
	Cap 205 ₄	143,000	160,000	-10.6%
	Reach 1 O&M	70,000	70,000	0.0%
	Subtotal Contract Services	733,000	731,500	0.2%
Administrative				
14	Computers/Software	--	5,000	40.0%
15	Meeting Supplies	--	2,500	100.0%
16	Travel/Training	--	9,000	-11.1%
17	Office Supplies	--	1,500	0.0%
18	Telecommunication	--	2,000	0.0%
19	IT	--	4,000	25.0%
20	Postage	150	100	50.0%
21	Printing/Design	--	1,000	-25.0%
22	Website	--	1,500	0.0%
23	Liability Insurance	15,000	15,000	0.0%
24	Office Lease	56,000	56,000	0.0%
25	Utilities	--	--	--
26	Office furniture/maintenance	600	800	-25.0%
	Subtotal Administrative	102,500	98,400	4.2%
General Contingency				
27	General Contingency	35,000	35,000	0.0%
Total Expenses		1,761,670	1,728,941	1.9%

1 Member Contributions include 12.5% reserves approved by the Board in November 2020. Budgeting for reserves at 15% started with the FY21-22 approved budget. 2022 proposed contributions represent a 17.5% increase. (FY21/22 contribution) \$337,240
**The SFCJPA will maintain a reserve account in the range of 12.5% – 17.5% of the Authority's annual budget starting with 15% effective in FY 2021-2022.

2 COLA at 4.5%:Based on SSI and CALPERS 2022 COLA rates. Consumer Price index set to release 2022 salary rates April 2022

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3 Funds allocated for this budget field (\$50,000) are not expected to be used in this 21-22FY. These funds will be rolled over to FY22-23.

4 The total amount of expenditures in this account field in FY22/23 is expected to be \$343,000. \$200,000 will be pulled from remaining funds from the SFCJPA 1E grant funds.

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