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PROGRAM MANAGER – MARY PITTO

## MEMORANDUM

**To:** ESJPA Board of Directors  
**From:** Mary Pitto, Program Manager  
**Date:** December 7, 2010  
**RE:** ESJPA Budget – CY 2011

The proposed ESJPA budget for the 2011 calendar year is shown on the following page based on the existing dues payment schedule.

To better understand the budget, it is necessary to understand the inter-relationship between the ESJPA and RCRC. The ESJPA and RCRC are two separate legal entities, each with their own by-laws and Board of Directors. The RCRC is a non-profit, mutual benefit corporation with a Board of Directors consisting of County Supervisors who are representatives of the 30 participating counties. The ESJPA, however is a governmental agency with a Joint Powers Agreement. The Board of Directors of the ESJPA consists of delegates (or designated staff “alternates”) from the 22 member counties. The ESJPA, itself, does not employ staff, but instead contracts with RCRC to provide the management, technical, and administrative services required to carry out direction from the ESJPA delegates. This contract is subject to annual review.

The current composition of staffing for ESJPA includes RCRC employees, assigned partly to ESJPA activities: the Program Manager (50%), an Accounting Clerk (25%), a Program Assistant for grant implementation assistance (10%) and Administrative Assistant for administrative support as needed. The full time position of the Program Administrator was not filled in 2010 and instead, RCRC contracted for additional consulting services for grant administration and specific issues or projects. RCRC proposes this same scenario for 2011.

The ESJPA’s 2011 revenue includes \$118,800 in membership dues. Revenue from dues, the RCRC contribution, and miscellaneous income (such as interest earned and mileage reimbursement for the ESJPA truck) are used by the ESJPA to pay: (1) RCRC for Technical Services (including advocacy efforts and regulatory involvement in accordance with the Board approved ESJPA/RCRC Agreement; (2) the consulting services of Sweetser & Associates, and; (3) other miscellaneous expenses as listed in the budget.

Note that the budget on the following page shows a payment of \$90,000 to RCRC for its Technical Support services to the ESJPA. This payment partially reimburses RCRC for the overall ESJPA costs, including personnel and overhead. The infrastructure support (i.e. office equipment, supplies,

duplication costs, annual auditing, insurance, legal fees, postage, etc) are now included as expense line items.

In addition to income from membership dues, the ESJPA's CY 2011 revenue also includes grant reimbursements in the amount of \$318,987. As shown on the attached ESJPA Budget Summary, expense line items for Personnel (Direct Labor Grants and Overhead Grants) and Grant Reimbursed Costs are equal to the income line items similarly named. Grant related income is simply reimbursement for the actual grant eligible costs (to vendors, suppliers, contractors, etc) expended by the ESJPA. To cover its ESJPA-related personnel expenses, RCRC bills the ESJPA (in accordance with the ESJPA-RCRC Agreement) on an hourly basis for all grant-related work. The ESJPA then receives reimbursement from the granting agencies for these costs and uses grant reimbursement funds to pay the RCRC invoice.

The following is a list of current grant activities that are included in the CY 2011 budget.

- CalRecycle Household Hazardous Waste Grant HD 17
- CIWMB Used Oil Block Grants (Alpine, Amador, Colusa and Mariposa)
- CIWMB Regional Tire Grant TCA-6
- Department of Conservation City/County Payments

The ESJPA's revenue includes a "Contribution from RCRC", as RCRC's cost has generally exceeded the revenue from the ESJPA between \$20,000 and \$60,000 annually. However, until 2009 the Agency budget did not show it and it was absorbed by RCRC. Many of the RCRC expenses were shown only in the "Department" budget and were not reflected in the "Agency" budget. In the last years the budget expenses included line items not previously shown in the ESJPA Agency budget, but which were included in the ESJPA Department budget and attributed to the cost differences. The 2010 contribution decreased, partially due to the actual lower rent and storage fees, but additionally due to expecting the ESJPA using \$26,000 in its reserves to cover expenses. The ESJPA had approximately \$150,000 in reserves. We expect to finish this budget year without having to tap the reserves. For the 2011 budget year, the RCRC contribution is \$27,494 with the expectation of using \$41,672 of reserves.

Recommendation:

It is recommended that the ESJPA Board adopt the 2011 ESJPA Budget as shown on the following page.

**ENVIRONMENTAL SERVICES JOINT POWERS AUTHORITY**

**FY 2011 BUDGET**

**January 1-December 31, 2011**

	<b>2011 Budget</b>	<b>2010 Budget</b>	<b>Change</b>
<b>Income:</b>			
Member County Dues	118,800	118,800	0
Contracts-grants/projects	318,987	419,440	(100,453)
Contribution from RCRC	27,494	39,669	(12,175)
Interest	90	1	89
Miscellaneous	100	1,000	(900)
<b>Total Income</b>	<b>465,471</b>	<b>578,910</b>	<b>(113,439)</b>
<b>Expenditures:</b>			
Auditing	7,123	5,920	1,203
Bank Fees	200	200	0
Community Relations	400	400	0
Consultants	44,000	44,000	0
Conferences Attended by Staff	2,000	2,000	0
Contract Support Services	90,000	90,000	0
Delivery Services	100	100	0
Dues, Fees and Subscriptions	3,000	3,000	0
Equipment & Furniture	500	500	0
Grants and Contracts	318,987	419,440	(100,453)
Insurance	4,900	4,900	0
Legal Fees	2,000	2,000	0
Meetings	3,300	3,300	0
Miscellaneous	1,000	1,000	0
Office Expense	500	500	0
Off-site Storage	2,200	2,200	0
Rent	20,933	20,450	483
Travel-Delegates	2,000	0	2,000
Travel-Employees	2,500	2,500	0
Truck	1,500	1,500	0
<b>Total Expenditures</b>	<b>507,143</b>	<b>603,910</b>	<b>(96,767)</b>
<b>Net Expenditures Over Revenues</b>	<b>(41,672)</b>	<b>(25,000)</b>	<b>(16,672)</b>

