

Item 4, Attachment 1

October 17, 2005

MEMORANDUM

To: RMP Steering Committee
From: Meg Sedlak
Re: Updated Summary of RMP Budget (Years 2003 – 2005)

This information represents budget status to the best of my knowledge at this time and has been reviewed and approved by the Program Manager (Jay Davis) and the Executive Director (Mike Connor).

RMP PROGRAM - 2003

- **Revenue:** The total revenue was less than what was originally approved by SC for the following reasons:
 - Reduced Participant fee contributions (shortfall of ~131K-dredgers)
 - Less than budgeted interest income (~11K)
 - Uncollected Participant Fees to date (~30K) - Mirant California Cooling (\$29,374) and Marina Vista Improvement (\$836). Caltrans dredging and stormwater fees written off in December 2003 (~60K), paid in 2004 and credited to 2003.
- **Expenses:** Budget was adjusted in the Spring (by eliminating or deferring some projects) and additional savings were found by asking the sub-contractors to come in at equal costs to the previous year (to help offset the reduced revenue). These changes resulted in a surplus of approximately \$110K.
- **Budget Summary:** Significant savings due to the early budget adjustments, and less than budgeted expenditures in labor (~\$70K). Unfinished labor tasks and corresponding labor effort (~\$70K) were carried into 2004. Overruns from the previous year 2002 (approximately \$178,000) were deducted from the surplus. Approximately \$18,000 remains from 2003 account (see attached spreadsheet).

RMP PROGRAM - 2004

- **Revenue:**

Revenue Estimate (SC approved)	Actual Revenue (to date)	Difference
\$3,103,183	\$3,079,041	-\$24,142

Less than the original SC approved budget because of shortfalls associated with participant fees.

- Outstanding Participant Fees (~24K -- Loch Lomond Marina \$19,622 and Mirant \$4,519). The permit condition requiring Loch Lomond Marina to contribute to the RMP was inadvertently omitted. The SFRWQCB has

requested payment from Loch Lomond; however, the State Board's legal counsel has indicated that it may be difficult to collect these funds should Loch Lomond decide not to pay.

- **Expenses:** As shown on attached spreadsheet, labor, subcontracts and direct costs were all slightly underbudget.
- **Budget Summary:** Based on audit, a surplus of approximately \$42,000 remains from 2004. Approximately \$66,000 underbudget for the year (see attached spreadsheet); however, there was a revenue shortfall of approximately \$24,000.
 - **Labor** – Labor surplus of approximately 32K.
 - **Subcontracts** – Due to cancellation of contracts (e.g., diving duck samples that were compromised due to a malfunctioning freezer (~20K)) and reduction of analyses (dropping the “new analytes” for 2004 (~20K)), approximately \$30K remains in the subcontract budget (see TRC 12/21/04 minutes for discussion of elimination of new analytes).

RMP PROGRAM -2005

Revenue Estimate (SC approved)	Actual Revenue (to date)	Difference
\$3,128,595	\$3,016,949	-\$111,645

- **Revenue:** (see attached spreadsheet)
 - Participant fee increase of 1.5%. All participants have been invoiced. Fees are over target by approximately \$108,000 (Target for dredgers \$523,292; invoiced dredgers for \$631, 409). The dredger fees have varied over the last several years (e.g., shortfall for FY2002 was approximately \$108,500, shortfall for FY2003 was approximately \$131,200, and shortfall for FY2004 was approximately \$22,700).
 - **Outstanding invoices total \$159,882.** Unpaid participant fees include: Caltrans (\$35K), Marin Stormwater (\$51K), SF Dry Dock (\$46K), and City of Vallejo Marina (\$21K). Dyan Whyte is working with Caltrans; received payment this quarter from Caltrans for East Span (~ \$19K). SF Dry Dock has indicated that the invoice will be paid by December 1, due to insufficient funds this quarter. Follow-up telephone calls have been placed to Marin Stormwater and City of Vallejo.
- **Expenses:** (see attached spreadsheet)
 - Labor – We have expended \$944,150 through the end of September. Approximately 25% of the labor budget is available for the remaining three months.

- Subcontracts – Approximately 1.4 million dollars in contracts have been written of a total approved budget of \$1,629,095.
 - EEPS (\$200K for 2005) Approximately \$80K remained in the EEPS budget as of July. This funding has been recently allocated to several project including a study of small fish (~\$20K for subcontracts and an additional ~\$30K of SFEI labor) and establishment of a laboratory fish culture (add-on to the existing shiner surfperch study, approximately \$10K).
 - Episodic Toxicity (\$140K for 2005). Only a small portion of the budgeted \$140K for episodic toxicity has been spent to date (~\$40K for a study examining aquatic toxicity in tributaries). Approximately, ~\$100K remains unallocated. Assuming no budget shortfall from the participant fees, this funding will be carried over into 2006. If there is a revenue shortfall, the unspent funds will be used to offset the shortfall.
- Direct Costs - Approximately \$68K of the approved \$93K has been spent (approximately 75 percent of budgeted direct costs). Major direct costs to date have been: printing of the Pulse and newsletters (\$23K), software for the multi-box model (\$8K), conferences and meetings (\$11K), and accounting audit (\$9K). Major direct costs projected for the last quarter of 2005 include honorariums for the science advisory panel (projected to be approximately \$10K) and costs associated with workgroup meetings in November (EEPS and Sources Pathways and Loading) and conferences (National SETAC meeting in Baltimore).
- **Budget Summary:** Budget is generally on track with regard to labor and subcontracts. It is possible that direct costs will exceed budget projections. Direct costs in the last quarter will be closely monitored.

RMP PROGRAM -2006

- **Revenue:**
 - No increase in participant fees. All participants have been invoiced. There is an approximate \$8,000 shortfall due to fewer dredgers. Total invoiced for 2006 is \$2,982,000. Target fees were \$2,990,241.
- **Expenditures:**
 - The 2006 budget is currently being developed in consultation with the TRC and SC.