

### **Current Status - Budget**

At the time this report was prepared, the Governor's May revise had not been released. As noted previously, the Governor's proposed budget would provide full funding for SNC without anticipation of a spending reduction goal, which has been the case the past two fiscal years. Staff will provide a verbal update on the 2016-17 budget at the board meeting.

As for the current year, we are on target to achieve our \$310,000 cost savings in the Environmental License Plate Fund and spend our remaining budget. The current status of SNC's 2015-16 budget can be viewed on page three of this report.

### **Current Status - Human Resources**

In April, we recognized the exceptional work of Mandy Vance and Lynda Young by presenting each with a Merit Award. Mandy has done an excellent job leading the Watershed Improvement Program, and Lynda has done an outstanding job bringing human resource functions in-house and learning to use the state's payroll system while Jennifer Barnes was on maternity leave.

Our communications efforts have played a key role in increased attention at the state scale, contributing to the fact that Sierra issues and the WIP are now being recognized and included in state planning documents and efforts. The combination of these factors, together with Brandon Sanders' departure, created an opportunity to re-organize the Outreach and Policy team to recognize the increased importance of and need for a more structured communications team within the SNC.

As of April 1, Brittany Covich began a new role as the SNC Outreach and Communications Manager, supervising the work of the SNC communications team which consists of Belinda Gutierrez, Theresa Burgess, and the vacant position opened when Brandon Sanders departed. Covich continues to report to Angie Avery, who is now utilizing the shift in the Policy and Outreach team's organization to spend more time focusing on the policy work of the agency, including the legislative work for which Brandon was responsible. We plan to advertise the vacant position very soon and will provide a verbal update on the status at the board meeting. The current SNC organizational chart can be viewed on page four of this report.

### **Current Status - Accounting**

The SNC is doing everything in our power to ensure vendors and grantees are paid and that the transition to FI\$Cal is a success. Unfortunately, many bills continue to not be paid in a timely manner for reasons beyond our control. We are meeting regularly with the other conservancies, departments who transitioned to FI\$Cal in Wave 1, and the Department of Finance. Whenever possible we are working directly with the State Controller's Office instead of Contracted Fiscal Services (CFS) and we are attending all training offered by FI\$Cal, including asking FI\$Cal trainers to come out to our Auburn office. In April, SNC transmitted a memo to the California Natural Resources Agency (CNRA) on behalf of the California Tahoe Conservancy, Santa Monica Mountains

Conservancy, San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy, and San Diego River Conservancy to inform them that the relationship with CFS is affecting our business operations and our ability to implement our missions. The letter can be viewed on page five of this report.

At the March meeting, we reported that CNRA hired a contractor to help Departments transition to FI\$Cal. We hoped to receive some assistance with our FI\$Cal issues. Unfortunately, the contractor will only be able to assist Departments who are transitioning to FI\$Cal in Wave 4. To get SNC immediate help, we have entered into an interagency agreement with the California Conservation Corps to access one of their employees, who has extensive experience with accounting, procurement, contracting, and budgeting functions.

### **Current Status - Facilities**

We have entered into an MOU with the Central Valley Water Quality Control Board (Regional Board) to obtain office space in Redding for SNC staff member Elizabeth Betancourt. The Regional Board and SNC have identified mutual benefits and interests that can be achieved by having the organizations co-located. We look forward to working more closely with the Regional Board and appreciate their willingness to accommodate our needs.

As for office space in the Mt. Lassen Area for Kristy Hoffman, we are working with the Department of General Services to obtain delegation to enter into a lease with Plumas County.

### **Recommendation**

**This is an informational item only; no formal action is needed by the Board at this time, although Boardmembers are encouraged to share their thoughts and comments.**

**2015-16 SNC BUDGET  
 as of March 2016**

<b>Environmental License Plate Fund (ELPF) Support Budget</b>			
	<i>Budget</i>	<i>Expended thru March</i>	<i>%</i>
<i>ELPF Appropriation</i>	\$ 4,476,000		
<i>ELPF Cost Savings Drill</i>	\$ (310,000)		
<i>Total ELPF Support Budget</i>	\$ 4,166,000		
SALARIES & STAFF BENEFITS	\$ 2,830,743	\$ 2,011,376	71%
<b>Operating Expenses &amp; Equipment</b>			
GENERAL EXPENSE (includes printing, communications & postage)	\$ 122,921	\$ 94,768	77%
TRAVEL	\$ 79,000	\$ 43,124	55%
TRAINING	\$ 20,000	\$ 6,486	32%
FACILITIES	\$ 286,101	\$ 230,499	81%
UTILITIES	\$ 19,700	\$ 11,421	58%
CONTRACTS - INTERAGENCY AGREEMENT (includes CFS \$176,000, Prop 1 CEQA/NEPA Reviews \$130,915, DGS \$11,710, SCO \$2,680, Legal Svcs \$25,000, SPB \$4,000, CalHR \$5,700)	\$ 346,574	\$ 228,804	66%
CONTRACTS - EXTERNAL (includes Altum \$26,448)	\$ 112,843	\$ 102,843	91%
INFORMATION TECHNOLOGY	\$ 56,470	\$ 41,523	74%
PRO RATA (control agency costs)	\$ 260,955	\$ 195,746	75%
VEHICLE OPERATIONS (includes vehicle insurance)	\$ 30,693	\$ 13,808	45%
<i>Total Operating Expenses &amp; Equipment</i>	\$ 1,335,257	\$ 969,022	73%
<i>Total Personal Services &amp; OE&amp;E Expenditures</i>	\$ 4,166,000	\$ 2,980,398	72%

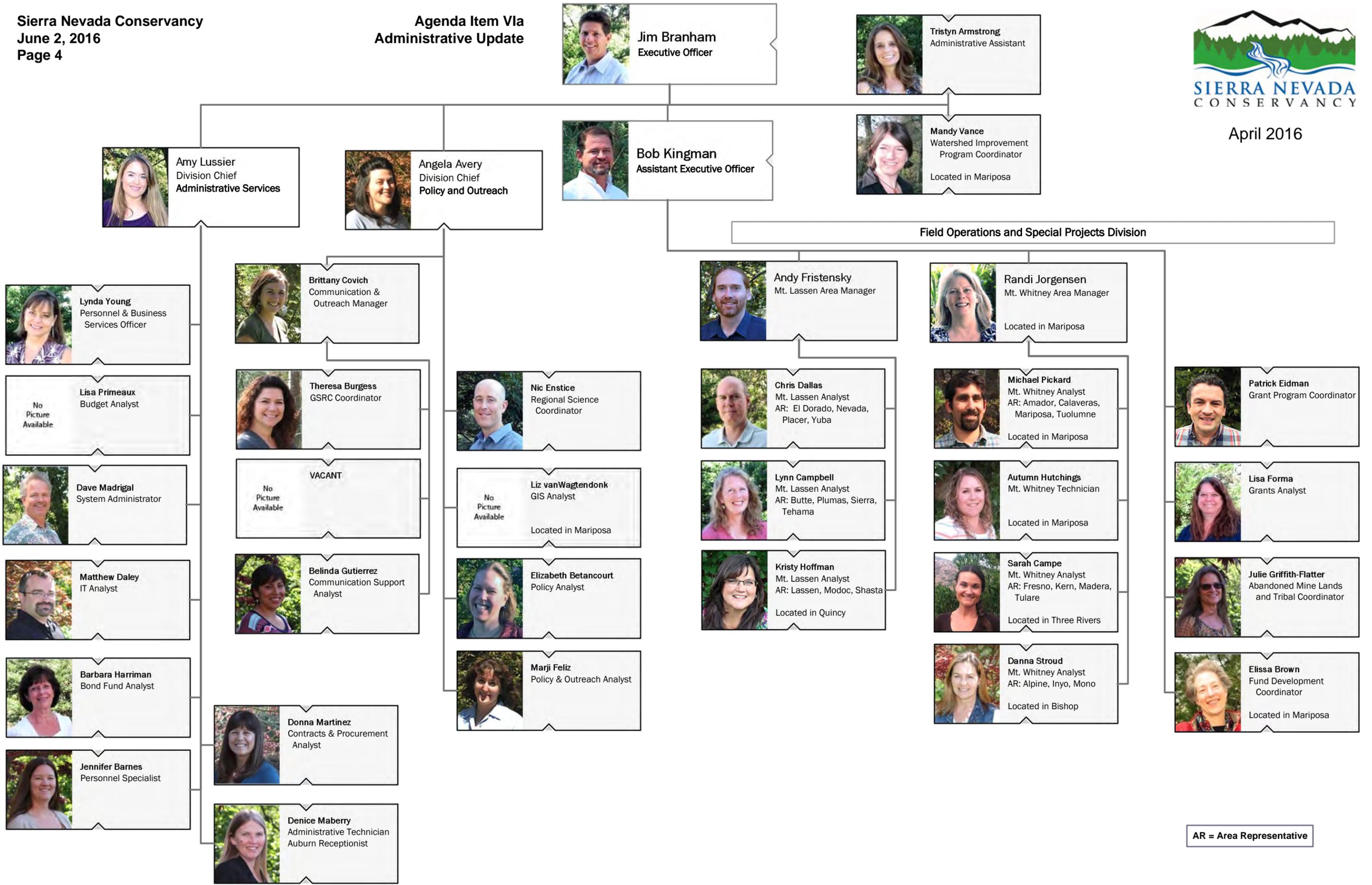
<b>Prop 1 Support Budget</b>			
	<i>Budget</i>	<i>Expended thru March</i>	<i>%</i>
<i>Prop 1 Appropriation</i>	\$ 207,000		
SALARIES & STAFF BENEFITS	\$ 207,000	\$ 147,643	71%
<b>Operating Expenses &amp; Equipment</b>			
GENERAL EXPENSE			0%
TRAVEL			0%
<i>Total Operating Expenses &amp; Equipment</i>	\$ -	\$ -	0%
<i>Total Personal Services &amp; OE&amp;E Expenditures</i>	\$ 207,000	\$ 147,643	71%
<b>Prop 1 Local Assistance</b>			
	<i>Budget</i>	<i>Expended thru March</i>	<i>%</i>
<i>Prop 1 Appropriation</i>	\$ 10,000,000	\$ 306,069	3%

<b>Prop 84 Support Budget</b>			
	<i>Budget</i>	<i>Expended thru March</i>	<i>%</i>
<i>Prop 84 Appropriation</i>	\$ 150,000		
SALARIES & STAFF BENEFITS	\$ 148,000	\$ 112,704	76%
<b>Operating Expenses &amp; Equipment</b>			
GENERAL EXPENSE			0%
TRAVEL	2,000	1,068	53%
<i>Total Operating Expenses &amp; Equipment</i>	\$ 2,000	\$ 1,068	53%
<i>Total Personal Services &amp; OE&amp;E Expenditures</i>	\$ 150,000	\$ 113,772	76%

Agenda Item VIa  
 Administrative Update



April 2016



AR = Area Representative



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**TO:** John Laird, Secretary  
Natural Resources Agency

**FROM:** Jim Branham  
On behalf of Patrick Wright, Joe Edmiston, Mark Stanley, Julia Richards

**CC:** Janelle Beland, Pat Kemp, Bryan Cash, Todd Ferrara

**DATE:** April 7, 2016

**RE:** Accounting Concerns

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The Sierra Nevada Conservancy, California Tahoe Conservancy, Santa Monica Mountains Conservancy, San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy and San Diego River Conservancy (Conservancies) each has an Interagency Agreement with the Department of General Services Contracted Fiscal Services (CFS) to perform all accounting functions.

While this arrangement has always been less than optimal, the current situation is reaching crisis level. It appears that the introduction of FI\$Cal system has created a situation in which the processing of our invoices is being significantly delayed. Many of our vendors and grantees are four to six months past due being paid for their invoices. As you can well imagine, this is causing significant hardship to grantees who are trying to keep projects on schedule and increased workload for Conservancies' staff in fielding all of the phone calls from vendors and grantees, and to investigate the status of their payment. Additionally, we are incurring expedite fees from the State Controller's Office (SCO), paying reactivation fees to a variety of vendors, and incurring late fees with our small businesses who are not being paid within the 45-day requirement.

Also it's very difficult for us to perform our regular business functions when critical services like American Express, CAL-Card, Voyager, and utilities are shut off.

The response to our inquiries to CFS as to the cause for these dramatic delays has been they are under-staffed and have not been trained to use the FI\$Cal system. If we ask them to pay one specific invoice they will pull it out of FI\$Cal and pay it with a paper claim through SCO and then charge us an expedite fee. Now that we no longer receive claim schedules or CALSTARS reports, we have no way of knowing what bills have or haven't been paid. The calls from vendors and grantees are the only clue we have.



As referenced above, many of us have been dissatisfied with the level of service from CFS prior to the FI\$Cal complication. We appreciate the support Agency provided in receiving additional funds to offset some of the recent significant price increases for this “service.” As our staff become proficient in the use of FI\$Cal, our long-term goal would be to discontinue our use of CFS.

These issues are affecting the morale of grantees, vendors, and employees. We fear this situation may eventually become a topic for the media, as there are many unhappy parties who have a legitimate complaint. We cannot effectively and efficiently implement our missions under these circumstances.

We send this memo for two reasons: 1) to make you aware of the magnitude of this problem, and 2) to seek Agency assistance in identifying both a short-term and long-term solution to this problem.

Thank you for your attention to this matter and please let us know how to proceed.

