



STAFF REPORT

To: ESCOG Joint Powers Authority
From: Elaine Kabala, ESCOG Staff
Subject: Discuss Member Agency Contribution Allocations and Provide Direction to Staff
Meeting date: April 24, 2024
Prepared on: April 17, 2024
Attachments: None

BACKGROUND/HISTORY:

At the June 14, 2023 ESCOG meeting, Bishop Councilmember Muchovej requested the Board identify a more proportionate member agency contribution structure than that current equal contribution made by each member agency.

The Joint Powers Agreement establishing the ESCOG includes the following financial provisions related to member agency contributions:

Section V.5.01 Each member shall contribution to the administrative support of the ESCOG administrative support of the ESCOG. Administrative support is understood as those costs, expenditures and obligation which maintain up to one (1) 0.5 FTE agency administrative staff person. Each Member's contribution to administrative time and support shall be accounted for. It is intended that each Member will provide twenty-five person (25%) of the administrative staff person, unless otherwise agreed by the Board of Directors, and shall agree in advance regarding any additional administrative support.

This section has been interpreted to mean that each member agency provides 25% of the required budget for previously agreed-to staff, including clerical services, legal services, fiscal services, and administrative staff. The ESCOG has recently contracted a full-time Executive Director through Inyo County, and the balance of that salary is paid for through grant agreements for specific assignments.

Supervisor Gardner met with Councilmember Muchovej to discuss options, specifically modifying contributions to allocated on a per capita basis. A per capita reallocation shifts 47% of the contribution to Inyo County.

ESCOG Budget Distribution Based on Population

	Population	% Contribution	Total @ \$100k
Inyo County	15,199	47%	\$ 47,176.96
Mono County	6,154	19%	\$ 19,101.72
City of Bishop	3,771	12%	\$ 11,705.00
Town of Mammoth Lake	7,093	22%	\$ 22,016.33
Total	32,217	100%	\$ 100,000.00

The approximate minimum operating budget reflecting contracts for administrative support with each member agency of the ESCOG is presented below:

23-24 OPERATING EXPENDITURES

Insurance	\$ 3,500
Office expense	\$ -
Clerical	\$ 20,000
Financial	\$ 5,000
Legal	\$ 10,000
Executive Director (Inyo County)	\$ 115,000
Publications and legal notices	\$ 250
External Audit	\$ 10,000
Total	\$ 163,750

* The Inyo County Budget includes \$115,000 for the Executive Director position, but the adopted ESCOG budget included \$150,000

If the member agency contributions are maintained at a total of \$100,000, that leaves approximately \$64,000 for staff to recover through grant work. That is likely achievable in FY 24-25 but is contingent on available grant revenue in the future.

Staff recommends establishing a minimum contribution from each member agency, with the unfunded balance to be allocated on per capita basis with an established not to exceed to ensure the ESCOG has sustainable funding. Staff recommends a \$25,000 contribution for FY 24-25.

Regional managers requested a decision on modification be postponed until mid-year to better project costs and revenues.

BUDGET IMPACTS:

The are no budget impacts in the 2023-2024 fiscal year anticipated from these discussions. Currently, the ESCOG budget is established based on operating costs and revenue projections and the amount of member agency contributions is subject to go up or down each fiscal year depending on anticipated revenues.

LEGAL REVIEW:

ESCOG Counsel Grace Chuchla has reviewed this item and found that it complies with the law.

RECOMMENDATION:

Staff requests the Board receive an update from Supervisor Gardner and Councilmember Muchovej on member agency contribution discussions, and direction be provided to staff to present any modifications to regional management for further discussion.