

**Special Meeting of the Water Conservation Garden Authority
Thursday, May 2, 2024, 2:30 p.m., Water Conservation Garden Multipurpose Room**

1. Call to Order and Roll Call

- The meeting was called to order at 2:40 p.m.
- Attendance:
 - Voting Members Present:
 - Mark Robak, President (Otay)
 - Joel Scalzitti (Helix Alternate)
 - Dan McMillan (SDCWA)
 - Dr. Lynn Neault, Secretary (GCCCD)
 - Nicole Beaulieu DeSantis (City of San Diego)
 - Steve Casteneda (Sweetwater)
 - Non-Voting Alternates Present:
 - Jose Lopez (Otay)
 - Voting Members Absent
 - Kathleen Hedberg, Vice President (Helix)
 - Guests, Presenters, and Staff Members Present:
 - Lauren Magnuson (The Garden)
 - Tim Townsley (The Garden)
 - Brian Olney (Helix, General Manager)
 - Mark Gracyk (Helix, Director)
 - Ed Woodruff (Friends, VP)

2. Pledge of Allegiance

- The Pledge of Allegiance was said.

3. Approval of Agenda

- Director McMillan moved to approve the agenda, Director Casteneda seconded it; the motion passed unanimously.

4. Public Comments

- DeAna Verbeke said that the Friend's Board formally approved bankruptcy today. They have not received the Employee retention Federal funds.
- Pam Misner said that she is glad to see The Garden rising again, but is not willing to "give it her identity." She is willing to give it her lesson plans, but she is in the process of trademarking her image. "You can't take my livelihood."
 - The Directors requested she be placed on the next agenda.
- Rose Steinhardt said that volunteers invest not only their time but also their money.

5. Action and Discussion Items

a. Approval of the Minutes of the April 4, 2024, Special Meeting

- Director McMillan moved for approval, DirectorDeSantis seconded; the motion passed unanimously.

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b. Update on Garden Operations and Volunteer Efforts

Lauren Magnuson gave an update on Garden Operations. See Attachment 1, Profit and Loss, Balance Sheet, and Cash Flow.

- The College's Spring Festival will be held May 4; music will be performed in The Garden's amphitheater.
- Keller Williams 40 employees will be volunteering in the garden on May 9 for their annual day of giving back.
- May 10 will be a free Friday. The Garden has partnered with the Heritage Museum, and KUSI will be there.
- Energy usage is down. Solar lights have been installed.
- The Garden brought in \$14,481 in monthly sales for April.
- We are part of the San Diego Museum Council's Big Exchange and will track that in admissions. We need more volunteers for admissions.
- The 25th Anniversary Committee has about 15 volunteers now, and will be meeting May 15. We will have an event date by the next JPA meeting.
- In the process of ordering butterflies, thanks to volunteer donations.
- The tortoises have awakened from hibernation.
- The Garden is open Tuesday through Friday from 9 a.m. to 2 p.m.; Saturdays 9 a.m. to 4 p.m.; closed Sundays and Mondays.

Steven Zolezzi gave an update on volunteer efforts:

- We continue to have 20 teams. We've added a new Accessions Team which will manage and provide signage and inventory the plant collection, to keep us qualified for Arboretum status.
- We hope to add an Adult Education Team in the 2024/25 budget to plan programs led by the volunteers. They are looking to JPA member Agencies to provide staff such as instructors, PR, to give presentations, training at volunteer meetings on the last Wednesday of the month, and keep volunteers abreast of things they need to know.
 - Director Casteneda asked that the JPA write to each agency about this.
- A new volunteer two day orientation session has been planned, and eight people signed up already.
- The Gift Shop team continues to add inventory and is firming up store hours.
- The Admissions kiosk staffing is a work in progress as current and new volunteers commit to shifts to free up Lauren Magnuson and Tim Townsley to do other things.
- The Volunteer waiver has been reviewed and Zolezzi thinks it can be implemented within the July time frame. The volunteers will rely on the JPA to cover the cost of DOJ background checks.
- Volunteers are reimagining their roles at The Garden, and how to enrich experience for the Public.
 - Alternate Scalzitti suggested "Volunteers" be renamed "Ambassadors."
- Director Robak presented a limited series coin for The Garden that a volunteer will donate.

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c. Status of the Water Conservation Garden Authority Assuming Garden Operations Effective April 1, 2024, through June 30, 2024

Brian Olney presented a PowerPoint update (see Attachment 2).

- General Liability Insurance
 - A policy is in force as of yesterday; limits have increased to \$1 million/occurrence, \$2 million aggregate.
- Automotive Insurance
 - They've obtained a quote, but first the titles must be returned to The Garden before they can be insured.
- Property/Casualty Insurance
 - He has been working closely with two brokers. They have not found an insurer and a broker said it may not be possible in this market.
 - The Fire Marshall inspected the property and issued a letter saying The Garden has everything it needs for protection; hopefully that will enable it to get insurance now.
 - They've also reached out to the State FAIR plan but that agency hasn't responded; they will continue to pursue it.
- Sexual Abuse/Misconduct Insurance
 - Coverage was denied as a rider on general liability.
 - The insurance company would reconsider with clarification on minor interactions at The Garden; and certain policies being put in place such as a supervision plan, a media plan, and formal training for staff to recognize abuse.
 - Currently minors on premise are here with their own supervisors and guardians.
- Live Scan and Background Checks
 - The process for onboarding would apply to employees and volunteers. The process is involved and will require time for DOJ multistage clearance. Helix is willing to manage this process as its HR Department already handles this for their District. Live Scan costs \$29. DOJ background checks cost \$61, and will be paid by Helix to be reimbursed by the JPA.
- Waiver and Release
 - It has been signed off by the liability insurance company. Right now he knows of approximately 86 volunteers.
 - Dr. Neault suggested setting a July 1 date by which volunteers must sign in order to be allowed back on site.
 - Director Robak said that the waiver has also been looked over by Helix's attorney and the volunteers.
- Accounting
 - There is an accounting process in place now and a contract with Cube 10 LLC, which has been coordinating with The Garden and the JPA. Director Robak has been added as a check signatory for the time being as a stop gap. QuickBooks is being used.
 - Director McMillan asked for clarity on the monthly cost per agency.

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- Director Beaulieu DeSantis asked what happens if revenues are higher than anticipated. The Board will decide what to do at that point, possibly credit it to the next period.

d. FY 2024-2025 Draft Budget Options for Final Budget Development and Approval in June 2024

Brian Olney gave out an Operations budget handout (Attachment 3) with line items for more detailed information. April information includes up to April 18th; May and June are estimates. There will be a true up around June.

- Employment requirements:
 - They are still clarifying employment requirements for a public vs. non-profit operator. It looks like they will not be able to have a non-profit status if the JPA continue to run The Garden as it is a public agency, but it will be tax exempt.
- Discussion about what is included in the scenarios.
 - They have allotted dollars for insurance, should The Garden be able to acquire it, as well as \$6,000 for an anniversary celebration.
 - All scenarios focus only on core mission and keeping the doors open with three full time employees, and do not include any educational program, such as Miss Smarty Plants. As we have Master Gardener volunteers, we do not need to have a paid horticulturalist on staff.
 - Master Gardener Vince McGrath described what they do in San Diego. He could probably arrange Master Gardener work days here.
 - Olney described the difference in the three scenarios presented, and what it means to agency cost shares.
 - Director Castenadas said he will need a single plan rather than a "cafeteria plan" to present to his Board. Olney said with agency feedback they will work on that as well as an Employee Handbook for approval by June.
 - Olney requested feedback to focus on which he should bring back at the next meeting. There was a general consensus on option four.
 - Director Robak and Mr. Olney said they have been looking at defining what is covered on each line item, as well as defining revenue streams.
 - Lauren Magnuson said that the budget will help them determine what activities The Garden can have. She believes education programs will attract their own funding once we have insurance.
- Member agencies on site visit:
 - Olney proposed an on-site for Agency Board Members to familiarize themselves with The Garden.
 - Member agencies will get back to him with dates that could work for them.
 - Casteneda said he would like to have zip code information. Although The Garden no longer collects zip codes at admission, Lauren Magnuson said she can provide zip code information for memberships.
- Discussion about reliance on volunteers in the budget.

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- Dr. Neault said she is concerned about a budget that relies on volunteers for the long term. Director Scalzitti said the intention of relying on volunteers is only as a stop gap measure to give time to create a more solid plan. Director Casteneda expressed his belief that The Garden must eventually rely on non-governmental funding. Director McMillan agreed, and said it will be easier to support if, for example, we see an off ramp in two years.

- e. Creation of Ad Hoc Committee to Discuss Development of Garden Operating Plans
 - Discussion about who will serve on the ad hoc committee.
 - Director Robak said we can't have more than three on this committee due to Brown Act requirements. He suggested the original agencies Helix, Otay and the College sit on the committee, being Directors Robak, Hedberg and Dr. Neault.
 - Alternate Scalzitti suggested drawing on the alternates as well.
 - Dr. Neault repeated her desire to have the College take over The Garden without JPA involvement, so she does not wish to be on the Committee if it will be an argument. Mr. Olney said he felt there is a value in the College participating. Dr. Neault agreed to participate.
 - Discussion on the purpose and scope of the ad hoc committee.
 - The Directors discussed that the purpose of the committee be to look at visions for what and who The Garden will be long term, and it's relationship with the College.
 - Discussion about a nonprofit.
 - Alternate Jose Lopez stated he thinks there needs to be some sort of alternative nonprofit to the Friends to bring in community involvement and sponsorship.
 - Director Robak said it would need to have Board Members who have the horsepower to bring in big sponsors. Dr. Neault said the Collage has the advantage of already having that ability. Olney said the JPA Board needs to hear what the College would bring to have time to develop a plan. Director Neault said she needs to know what the JPA wants before she could present a plan to her board.
 - Director Casteneda said due to distance Sweetwater doesn't have to be involved in The Garden but it would like to be. It needs to see that there is value to its customers.

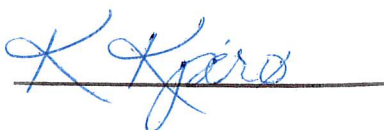
6. Legal Counsel Comments


There were no closing comments.

7. Adjournment

The meeting adjourned at 4:35 p.m.

The next meeting will be June 7 at 1:00 p.m



DocuSigned by:

8/8/2024
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Attachment 1

Profit and Loss

January - April, 2024

	Total
REVENUE	
Contributed Income	
Government grants & contracts	
Water Authority Funding - Helix Water District	12,000.00
Water Authority Funding - Otay Water District	10,000.00
Water Authority Funding - SD County Water Authority	8,000.00
Water Authority Funding - Sweetwater Authority	8,000.00
Total Government grants & contracts	38,000.00
Total Contributed Income	38,000.00
Sales	
Admissions	4,064.00
Donations	140.65
Memberships	8,700.91
Total Sales	12,905.56
Sales of Product Income	
Discounts/Refunds	-578.28
Gift Shop	638.00
Plant Sales	1,613.00
Total Sales of Product Income	1,672.72
Uncategorized Income	1,455.03
Total Revenue	64,033.31
GROSS PROFIT	
54,033.31	
EXPENDITURES	
Contract & professional fees	
Accounting fees	2,500.00
Legal fees	11,266.35
Management	6,956.00
Operations	5,503.75
Total Contract & professional fees	26,226.10
Licenses & Permits	150.00
Office expenses	
Bank fees & service charges	31.75
Merchant account fees	613.91
Total Office expenses	645.66
Sales Tax Expenses	74.00
Total Expenditures	27,095.76
NET OPERATING REVENUE	
26,937.55	
NET REVENUE	
\$26,937.55	

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Balance Sheet

As of April 30, 2024

	Total
ASSETS	
Current Assets	
Bank Accounts	
US Bank Checking - 3947	13,998.80
Total Bank Accounts	13,998.80
Accounts Receivable	
Accounts Receivable (A/R) - CC Merchant	12,698.38
Total Accounts Receivable	12,698.38
Total Current Assets	26,697.18
TOTAL ASSETS	\$26,697.18
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Sales tax to pay	158.63
Total Other Current Liabilities	158.63
Total Current Liabilities	158.63
Total Liabilities	158.63
Equity	
Retained Earnings	-399.00
Net Revenue	26,937.55
Total Equity	26,538.55
TOTAL LIABILITIES AND EQUITY	\$26,697.18

Statement of Cash Flows

January - April 2024

	Total
OPERATING ACTIVITIES	
Net Revenue	26,937.55
Adjustments to reconcile Net Revenue to Net Cash provided by operations:	
Accounts Receivable (A/R) - CC Merchant	-12,698.38
Accounts Payable (A/P)	-399.00
Sales tax to pay	158.63
Total Adjustments to reconcile Net Revenue to Net Cash provided by operations:	-12,938.75
Net cash provided by operating activities	13,998.80
NET CASH INCREASE FOR PERIOD	13,998.80
CASH AT END OF PERIOD	\$13,998.80

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Attachment 2

Garden Operations: April 1 – June 30, 2024

Insurance Update

General Liability

- Policy issued – 5/1/24
- Limits in policy
 - \$1M/Occurrence, \$2M Aggregate

Automotive

- Quote obtained from Progressive Commercial Automotive
- Will implement policy if/when JPA obtains vehicle(s)

Property/Casualty

- Still have not found insurer
- Broker commented it may not be possible in this market
- Contacted State FAIR Plan but have not received response
- Will continue seeking coverage
- Alternate approach to possibly provide funds to support College coverage?



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Garden Operations: April 1 – June 30, 2024

Insurance Update

Sexual Abuse/Misconduct (SAM)

- Submitted for coverage on General Liability Policy
- Coverage denied
- Can re-evaluate after development of certain policies, procedures, and plans and clarification of minor interaction

Required for evaluation

- Crisis Plan for employees, victims, parents, authorities, media
- Supervision Plan that monitors day-to-day minor relationships with staff/volunteers on and off premises
- Formal training to recognize abuse and make sure no relationship can occur



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Garden Operations: April 1 – June 30, 2024

Onboarding

- Live-Scan process
 - Helix WD processing
 - Volunteers - \$29 (Fingerprints)
 - JPA - \$32 (DOJ Check)
 - Helix to bill JPA for DOJ portion
 - Meeting w/Volunteers on May 28
- Waiver and Release of Liability
 - Include w/meeting on May 28



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Garden Operations: April 1 – June 30, 2024

Financial Update

- 1) Accounting set up and in place
 - Cube 10, LLC (Contract)
 - Coordination w/Treasurer (Sahar Abushaban)
 - Coordination w/Lauren Magnuson
- 2) Check signing authorization
 - Treasurer - Sahar Abushaban
 - Board President – Mark Robak
- 3) Expense payments being made
 - Utilities
 - Legal
 - Contract Labor
- 4) Revenues being collected
 - Admissions
 - Memberships
 - JPA member payments



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Garden Operations: April 1 – June 30, 2024

Interim Operating Costs

JPA Interim Budget Summary (March-June)
 Updated 4/25/24

May 2, 2024 Agenda Item 5.3

	March*	April	May	June	Total	
Revenue						
Admissions	\$0	\$1,000	\$1,000	\$1,000	\$3,000	<ul style="list-style-type: none"> • Full detail on handouts • Includes revenue estimate
Memberships	\$0	\$3,940	\$2,000	\$2,000	\$7,940	
Events	\$0	\$0	\$0	\$0	\$0	
Store/Shop Sales	\$0	\$100	\$100	\$100	\$300	
Miscellaneous/Other	\$0	\$200	\$200	\$200	\$600	
Total Monthly Revenue	\$0	\$5,240	\$3,300	\$3,300	\$11,840	
Expenses						
JPA Contracts	\$11,266	\$17,876	\$19,188	\$17,876	\$66,206	
Utilities	\$0	\$4,731	\$4,731	\$4,731	\$14,193	
Insurance	\$0	\$2,285	\$1,285	\$1,285	\$4,856	
Operational Expense	\$0	\$2,435	\$2,555	\$2,435	\$7,424	
JPA Administrative	\$0	\$399	\$2,616	\$13,200	\$16,215	
Contingency	\$0	\$1,000	\$1,000	\$1,000	\$3,000	
Total Monthly JPA Costs	\$11,266	\$28,726	\$31,375	\$40,527	\$111,894	
<small>*Friends covering payroll and operating until March 31. Amount reflects JPA legal cost</small>						
Net Expense (less revenue)	\$11,266	\$23,486	\$28,075	\$37,227	\$100,054	



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Garden Operations: April 1 – June 30, 2024

Status of Member Agency Contributions

Status of Member Agency Contributions as of 5/1/24

	March	April	May	June	Total
Helix	\$4,000	\$4,000	\$4,000	\$0	\$12,000
Otay	\$5,000	\$5,000	\$5,000	\$0	\$15,000
Sweetwater	\$4,000	\$4,000	\$0	\$0	\$8,000
SDCWA	\$4,000	\$4,000	\$0	\$0	\$8,000
City SD	\$0	\$0	\$0	\$0	\$0
Total	\$17,000	\$17,000	\$9,000	\$0	\$43,000

- New invoices for May – June sent on April 25
- City requested initial invoice to include March – June/Payment in process
- Initial funding plan approval on February 23 estimated \$4,000/agency/month (\$16k total)
- Actual cost trending at \$5,000/agency/month (\$20k total)
- Expected “True-Up” in middle to late June for actual shared costs



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Attachment 3

Fiscal Year 2024-2025 Draft Budget

Assumptions

All options:

- 1) Assume operation under non-profit status
 - Still clarifying employment requirements Public Agency vs Non-Profit
- 2) Revenue is constant between options
 - Based on historical data
 - Normalized to remove spikes from recent requests for funding
- 3) Include estimated costs for Property Insurance
 - If/When able to acquire
- 4) Include \$6,000 funding for Garden 25th Anniversary (Fall 2024)



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Fiscal Year 2024-2025 Draft Budget

Assumptions - Continued

All options:

- 5) Assume \$500 medical stipend for Full-Time employees in-lieu of providing medical insurance
- 6) Likely able to remove Automatic Data Processing (ADP) services and manage through Cube 10, LLC accounting contract
- 7) Scenarios do not include MSP program or similar educational program
- 8) Variance reflects labor cost with associated option
- 9) Final draft budget still developing and may change after board feedback



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Fiscal Year 2024-2025 Draft Budget

Comparison

- 1) All options include 3 full-time positions and 1 to 3 part-time positions
 - Should meet staffing needs based on previous meeting comments and feedback from existing staff
- 2) Options 1 and 2
 - Labor reflects staff with specialized botany/horticulture expertise
 - Volunteer Master Gardeners and associated resources could fill this need
- 3) Options 3 and 4
 - Assumes Volunteer Master Gardener and associated resources manage horticulture expertise
 - Varies part-time staff between 2 and 3



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Fiscal Year 2024-2025 Draft Budget

Option Summary

JPA FY 2024-25 Budget Scenario Summary
 Updated 4/25/24

May 2, 2024 Agenda Item 5.4

	Option 1	Option 2	Option 3	Option 4
Full-Time Staff	3	3	3	3
Part-Time Staff	1	2	2	3
Revenue				
Total Revenue	\$77,200	\$77,200	\$77,200	\$77,200
Expenses				
Total JPA Annual Expense	\$557,639	\$581,500	\$545,612	\$569,473
Net Expense (Less Revenue)	\$480,439	\$504,300	\$468,412	\$492,273
Agency Annual Cost by Cost Share				
SDCWA 30%	\$144,132	\$151,290	\$140,524	\$147,682
Helix 20%	\$96,088	\$100,860	\$93,682	\$98,455
Otay 20%	\$96,088	\$100,860	\$93,682	\$98,455
Sweetwater 15%	\$72,066	\$75,645	\$70,262	\$73,841
City SD 15%	\$72,066	\$75,645	\$70,262	\$73,841

Fiscal Year 2024-2025 Draft Budget

Option Summary - Adjustments

JPA FY 2024-25 Budget Scenario Summary
 Updated 4/29/24

	Option 1	Option 2	Option 3	Option 4
Full-Time Staff	3	3	3	3
Part-Time Staff	1	2	2	3
Revenue				
Total Revenue	\$77,200	\$77,200	\$77,200	\$77,200
Expenses				
Total JPA Annual Expense	\$526,609	\$550,470	\$514,582	\$538,443
Net Expense (Less Revenue)	\$449,409	\$473,270	\$437,382	\$461,243
Agency Annual Cost by Cost Share				
SDCWA 30%	\$134,823	\$141,981	\$131,215	\$138,373
Helix 20%	\$89,882	\$94,654	\$87,476	\$92,249
Otay 20%	\$89,882	\$94,654	\$87,476	\$92,249
Sweetwater 15%	\$67,411	\$70,990	\$65,607	\$69,186
City SD 15%	\$67,411	\$70,990	\$65,607	\$69,186

Adjusted with
ADP services
removed

Fiscal Year 2024-2025 Draft Budget

Next Steps

Board Feedback/Questions

- Any additions/deletions from proposed budget?

June Board Meeting

- Make any FY 2024-25 budget adjustments from board feedback
- Review and approve final FY 2024-25 budget
- Review and discuss draft employee handbook
- Possible approval of employee handbook

Special Board Member Event at Garden May/June

