

Yolo Habitat Conservancy  
Yolo County, California

Date: May 16, 2022

To: Yolo Habitat Conservancy ✓

12.

Approve 2022-23 budget and budget resolution for the Mitigation Fee Fund, Grant Fund, Other Revenue Fund, Mitigation Trust Account, Pre-Permit Endowment Fund, and Post-Permit Endowment Fund

Minute Order No. 22-13: Approved recommended action by Budget Resolution No. 22-01.

MOTION BY: Saylor / SECONDED BY: Neu  
AYES: Arnold, Early, Fernandez, Neu, Sandy, Saylor.

**Yolo Habitat Conservancy**

**Meeting Date:** 05/16/2022

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**Information**

**SUBJECT**

Approve 2022-23 budget and budget resolution for the Mitigation Fee Fund, Grant Fund, Other Revenue Fund, Mitigation Trust Account, Pre-Permit Endowment Fund, and Post-Permit Endowment Fund

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**Attachments**

Staff Report

Attachment A. Budget Summary

Attachment B. Grant Balances

Attachment C. Budget Resolution

Attachment D. FY21-22 Organization and Budget Goals Outcomes

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**Form Review**

Form Started By: Alexander Tengolics

Started On: 05/11/2022 02:01 PM

Final Approval Date: 05/12/2022

# Yolo Habitat Conservancy

County of Yolo • City of Davis • City of Winters • City of West Sacramento  
City of Woodland • University of California, Davis

To: Gary Sandy, Chair  
Members of the Board

From: Alexander Tengolics  
Executive Director

Re: Approve 2022-23 budget and budget resolution for the Mitigation Fee Fund, Grant Fund, Other Revenue Fund, Mitigation Trust Account, Pre-Permit Endowment Fund, and Post-Permit Endowment Fund

Date: May 16, 2022

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## REQUESTED ACTIONS:

1. Approve FY 2022-23 budget (Attachment A)
2. Approve budget resolution (Attachment C)

## BACKGROUND:

The Conservancy financial structure has six funds, with a separate budget for each fund, as follows:

- **Mitigation Fee Fund.** The Conservancy places revenue collected from mitigation fees in this fund and tracks expenditures of mitigation fees.
- **Grant Fund.** The Conservancy tracks all grant revenues and expenditures through this fund.
- **Other Revenue Fund.** The Conservancy places revenue from Special Participating Entities contribution to recovery fees, landowner contributions, and other non-mitigation fee revenue in this fund.
- **Mitigation Trust Account.** The fund contains Swainson's hawk mitigation fees collected prior to permit issuance on January 9, 2019. This Conservancy will exhaust these funds by purchasing conservation easements and close the account.

- **Pre-permit Endowment Fund.** This fund contains revenue from endowments to monitor conservation easements collected prior to issuance of the permits on January 9, 2019. As of 2022, these funds are managed by the Yolo/Sacramento Community Foundation.
- **Post-permit Endowment Fund.** The Conservancy places a portion of every mitigation fee in this fund to save for management and monitoring of the reserve system after the permit term ends in 50 years. As of 2022, these funds are managed by the Yolo/Sacramento Community Foundation.

The proposed FY22-23 budgets for the Mitigation Fee Fund, the Grant Fund, the Other Revenue Fund, the Mitigation Trust Account, and the Pre-Permit Endowment Fund and Post-Permit Endowment are presented in Attachment A. A report on current grant balances is included in Attachment B. The budget was reviewed by Yolo County's Chief Financial Officer.

The Conservancy expects to end the FY21-22 with almost \$3.4 million in fund balance. This fund balance is largely driven by permit revenue. Overall, the Conservancy has a strong fiscal outlook. Highlights of the FY22-23 budget include:

**Continued emphasis on easement acquisition.** The Conservancy continues with easement acquisitions and completed a solicitation for interested landowners in 2021. Staff and consultants will focus on closing out the 2020 Section 6 grant and expending the remaining \$550,000 in the Mitigation Trust Account to acquire easements for the benefit of the Swainson's Hawk before acquiring sites with permit fee revenue. There are currently nine sites in various stages of acquisition due diligence.

**Continuation of current administrative model.** The FY22-23 budget anticipates a continuation of the County providing administrative services and the majority of the existing consultant contracts being renewed. FY22-23 will be the third year of county administration of the Conservancy. In that time, the Conservancy's financial outlook has dramatically improved providing the Board the opportunity to reevaluate the current administrative model, should it so choose. Staff will work with the Chair and Vice-Chair in the following months to discuss any need to reevaluate the current administrative model and the Conservancy's long-term resource needs.

Based on these budget highlight, staff proposes the following organizational and budget goals for FY22-23. Outcomes of the FY21-22 organizational and budget goals are included in Attachment D.

### **FY22-23 Organizational and Budget Goals**

- Close at least five easements and fully expend and close the Mitigation Trust Account
- Reevaluate current administrative model and long-term resource needs

**ATTACHMENTS:**

**Attachment A.** Mitigation Fee Fund, Grant Fund, Other Revenue Fund, Mitigation Trust Account, Pre-Permit Endowment Fund, and Post-Permit Endowment Fund Budgets

**Attachment B.** Grant Balances

**Attachment C.** Budget Resolution

**Attachment D.** FY21-22 Organization and Budget Goals Outcomes

FY22-23 Budget (May 2022)

Fund #	Description	FY21-22 Beginning Balance	FY21-22 Revenue (Estimated Actual)	FY21-22 Revenue (Budgeted)	FY21-22 Expenditure (Estimated Actual)	FY21-22 Expenditure (Budgeted)	FY21-22 Actual Revenue vs. Expenditure	FY21-22 Ending Balance (Estimated)	FY22-23 Revenue (Budgeted)	FY22-23 Expenditure (Budgeted)	FY22-23 Ending Balance (Budgeted)
<b>6944</b>	<b>Mitigation Fee Fund</b>	\$ 603,255	\$ 3,504,000	\$ 1,500,000	\$ (686,614)	\$ (1,410,000)	\$ 2,817,386	\$ 3,420,641	\$ 1,505,000	\$ (4,055,500)	\$ 870,141
	<i>Revenues</i>										
	Fees and Permits		\$ 3,500,000	\$ 1,500,000					\$ 1,500,000		
	Interest		\$ 4,000	\$ -					\$ 5,000		
	<i>Expenditures</i>										
	Insurance-public liability				\$ (500)	\$ (500)				\$ (500)	
	Prof & Sec Svc - auditing and accounting				\$ (10,000)	\$ (40,000)				\$ (30,000)	
	Prof & Sec Svc - Legal				\$ (5,000)	\$ (20,000)				\$ (20,000)	
	Prof & Sec Svc - Other				\$ (450,000)	\$ (710,000)				\$ (750,000)	
	Board Meeting Stipends				\$ (5,000)	\$ (8,000)				\$ (5,000)	
	Easements - Non Depreciable				\$ -	\$ (350,000)				\$ (3,000,000)	
	Loan Repayment				\$ (216,114)	\$ (213,523)				\$ -	
	Contingency				\$ -	\$ (67,977)				\$ (250,000)	
	<i>Use (Contribution) to Fund Balance</i>										
	Transfer to reserve				\$ (90,000)	\$ (90,000)				\$ (200,000)	
<b>6945</b>	<b>Mitigation Account Fund</b>	\$ 737,411	\$ 3,000	\$ 10,000	\$ (189,527)	\$ (753,386)	\$ (186,527)	\$ 550,884	\$ 2,000	\$ (552,884)	\$ -
	<i>Revenues</i>										
	Interest		\$ 3,000	\$ 10,000					\$ 2,000		
	<i>Expenditures</i>										
	Prof & Spec Svc - Legal										
	Prof & Spec Svc - Other										
	Easements - Non Depreciable				\$ (189,527)	\$ (753,386)				\$ (552,884)	
<b>6946</b>	<b>Grant Fund</b>	\$ 83,779	\$ 49,870	\$ 133,792	\$ (50,000)	\$ (100,000)	\$ (130)	\$ 83,649	\$ 125,000	\$ (125,000)	\$ 83,649
	<i>Revenues</i>										
	Interest		\$ (130)								
	Other revenue- State		\$ 50,000	\$ 133,792					\$ 125,000		
	<i>Expenditures</i>										
	Prof & spec svc-other				\$ (50,000)	\$ (100,000)				\$ (125,000)	
<b>6947</b>	<b>Pre Permit Endowment Fund</b>	\$ 384,161	\$ (1,055)	\$ 10,000	\$ (5,750)	\$ (2,000)	\$ (6,805)	\$ 377,356	\$ 10,000	\$ (10,000)	\$ 377,356
	<i>Revenues</i>										
	Interest		\$ (1,055)	\$ 10,000					\$ 10,000		
	<i>Expenditures</i>										
	Prof & spec svc-other				\$ (5,750)	\$ (2,000)				\$ (10,000)	
<b>6948</b>	<b>Post Permit Endowment</b>	\$ 32,204	\$ 91,117	\$ 40,000	\$ -	\$ -	\$ 91,117	\$ 123,321	\$ 44,000	\$ (44,000)	\$ 123,321
	<i>Revenues</i>										
	Fees and Permits		\$ 91,000	\$ 39,000					\$ 39,000		
	Interest		\$ 117	\$ 1,000					\$ 5,000		
	<i>Use (Contribution) to Fund Balance</i>										
	Contribution to fund balance									\$ (44,000)	\$ -
<b>6949</b>	<b>Other Revenue Fund</b>	\$ 23,876	\$ 40,147	\$ 25,000	\$ -	\$ (25,000)	\$ 40,147	\$ 64,022	\$ 51,000	\$ -	\$ 115,022
	<i>Revenues</i>										
	Fees and Permits		\$ 40,000	\$ 25,000					\$ 50,000		
	Interest		\$ 147	\$ -					\$ 1,000		
	<i>Expenditures</i>										
	Prof & spec svc-other				\$ -	\$ (25,000)				\$ -	
<b>All Funds</b>		\$ 1,864,686	\$ 3,687,079	\$ 1,718,792	\$ (931,891)	\$ (2,290,386)	\$ 2,755,187	\$ 4,619,873	\$ 1,737,000	\$ (4,787,384)	\$ 1,569,489

## HABITAT ACTIVE GRANT INVOICE LOG FY21-22

<b>2020 Local Assistance Grant (LAG2) (Q2020102 ) Exp: 3/31/23 Total:\$125,000 6946-53-2931-7035</b>							LCC Reserve Unit 7	Customer#:1732	Account: 401340
Invoice Number	Sent To	For	Date Sent	Invoice Total	Retention	Date Received			
<b>FY 21-22</b>									
1	Gabe Quillman (CDFW)	Qtr 4 (April - June 2021)	8/10/2021	\$ 5,212.72	n/a	10/12/2021			
2	Gabe Quillman (CDFW)	Qtr 1 (Jul, Aug, Sep 2021)	11/1/2021	\$ 5,717.37	n/a	1/5/2022			
3	Gabe Quillman (CDFW)	To be combined with Q3							
4	Gabe Quillman (CDFW)								
5	Gabe Quillman (CDFW)								
6	Gabe Quillman (CDFW)								
7	Gabe Quillman (CDFW)								
8	Gabe Quillman (CDFW)								
<b>Totals</b>				<b>\$ 10,930.09</b>					

<b>2020 Local Assistance Grant (LAG2) (Q2020101 ) Exp: 3/31/23 Total: \$50,000 6946-53-2931-7036</b>							Swh Priority Mapping	Customer#:1732	Account: 401340
Invoice Number	Sent To	For	Date Sent	Invoice Total	Retention	Date Received			
<b>FY 21-22</b>									
1	Gabe Quillman (CDFW)	Qtr 4 (April - June 2021)	8/16/2021	\$ 5,150.00	n/a	9/28/2021			
2	Gabe Quillman (CDFW)	Qtr 1 (Jul, Aug, Sep 2021)	11/1/2021	\$ 2,667.50	n/a	1/4/2022			
3	Gabe Quillman (CDFW)	Qtr 2 (Oct, Nov, Dec 2021)	2/15/2022	\$ 4,112.50	n/a				
4	Gabe Quillman (CDFW)								
5	Gabe Quillman (CDFW)								
6	Gabe Quillman (CDFW)								
7	Gabe Quillman (CDFW)								
8	Gabe Quillman (CDFW)								
<b>Totals</b>				<b>\$ 11,930.00</b>					

RESOLUTION NO. 22-01**Resolution of the Yolo Habitat Conservancy Board of Directors Adopting the  
Fiscal Year 2022-23 Budget**

**WHEREAS**, the Board of Directors (“Board”) of the Yolo Habitat Conservancy (“YHC”) has heard and considered annual budgets for the FY 2022-23 Mitigation Fee Fund, Grant Fund, Other Revenue Fund, Mitigation Trust Account Fund, Pre-Permit Endowment Fund, and the Post-Permit Endowment Fund (collectively, the “Fiscal Year 2022-23 Budget”); and

**WHEREAS**, the May 16, 2022 staff report for the Fiscal Year 2022-23 budget provides information regarding each fund or account included in the overall YHC budget; and

**WHEREAS**, the recommended budgets for the Mitigation Fee Fund, Grant Fund, Other Revenue Fund, Mitigation Trust Account Fund, Pre-Permit Endowment Fund, and the Post-Permit Endowment Fund are balanced, with total revenues and other available funds equaling or exceeding total expenditures; and

**WHEREAS**, at the conclusion of the Board’s consideration of this item at its May 16, 2022 public meeting, the Board of Directors determined that it was necessary and appropriate to approve the Fiscal Year 2022-23 Budget;

**NOW, THEREFORE**, the Board of Directors of the YHC hereby resolves as follows:

1. The Board adopts the Mitigation Fee Fund budget and approves the appropriations of \$4,055,500 based on the revenue of \$1,505,000 and use of the available fund balance of \$2,550,000 (Mitigation Fee Fund), as set forth therein.
2. The Board adopts the Grant Fund budget and approves the appropriations of \$125,000 based on the revenue of \$125,000, as set forth therein.
3. The Board adopts the Other Revenue Fund budget and approves the appropriations of \$0 based on the revenue of \$51,000 as set forth therein.
4. The Board adopts the Mitigation Trust Account Fund budget and approves the appropriations of \$552,884 based on the revenue of \$2,000 and use of the available fund balance of \$550,884 (Mitigation Trust Account Fund), as set forth therein.
5. The Board adopts the Pre-permit Endowment Fund budget and approves the appropriations of \$10,000 based on the revenue of \$10,000, as set forth therein.
6. The Board adopts the Post-permit Endowment Fund budget and approves the appropriations of \$44,000 based on the revenue of \$44,000, as set forth therein.
7. The Board adopts the annual work plan for FY2022-23, as set forth in the staff report accompanying this Resolution.



**PASSED AND ADOPTED** by the Board of Directors of the Yolo Habitat Conservancy on May 16, 2022, by the following vote:

**AYES:** Arnold, Early, Fernandez, Neu, Sandy, Saylor.

**NOES:** None.

**ABSENT:** None.


**ABSTAIN:** None.

  
\_\_\_\_\_  
Gary Sandy, Chair  
Yolo Habitat Conservancy

Attest:  
Julie Dachtler, Clerk of the Board

Approved As To Form:

By:   
\_\_\_\_\_  
Julie Dachtler

By:   
\_\_\_\_\_  
Philip J. Pogledich, County Counsel  
Counsel to the Yolo Habitat Conservancy

## FY21-22 Yolo Habitat Conservancy Organizational and Budget Goals- Final Report

<b>Goal</b>	<b>Status</b>
Close at least five easements and fully expend and close the Mitigation Trust Account	The Conservancy has closed four easements in FY21-22 and spent down 26% of remaining funds in the Mitigation Trust Account.
Complete development and implementation of permitting, reserve system, and monitoring database	Staff has completed the framework of the database and is in the process of populating the database.
Complete transition of endowment funds to a community foundation	Complete.
Engage the Department of Water Resources on matters related to mitigation credit agreements including the West Sacramento Area Flood Control Agency pilot mitigation credit agreement	Staff has engaged the West Sacramento Area Flood Control Agency and its consultant team to understand the status of negotiations with the California Department of Fish and Wildlife and coordinate review of any potential mitigation credit agreement.