

Yolo Habitat Conservancy
Yolo County, California

Date: May 15, 2023

To: Yolo Habitat Conservancy ✓

12.

Approve 2023-24 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. 23-11: Approved recommended action by **Budget Resolution No. 23-02.**

MOTION BY: Fernandez / SECONDED BY: Frerichs
AYES: Casavecchia, Fernandez, Frerichs, Sulpizio Hull, Sandy.
ABSENT: Arnold.
ABSTAIN: None.



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 2023-24 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 15, 2023

REQUESTED ACTIONS:

1. Approve FY 2023-24 budget (Attachment A)
2. Approve budget resolution (Attachment B)

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. Staff anticipates spending down and closing this account in FY24.

- **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 FY23-24 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. The budget was reviewed by Yolo County's Chief Financial Officer.

The Conservancy expects to end the FY22-23 with approximately \$3.6 million in total fund balance with an estimated fund balance of over \$2.7m in the Mitigation Fee Fund (operational fund). This fund balance is largely driven by permit revenue. Overall, the Conservancy has a stable fiscal outlook and anticipates \$1,000,000 in fee revenue in FY23-24. These fee revenues coupled with existing fund balance provides for an easement acquisition budget of \$1,500,000 in FY23-24. Other budgeted professional services costs in the Mitigation Fee Fund are generally consistent with FY22-23 at \$840,000. The FY23-24 budget further contemplates an additional \$200,000 contribution to reserves, bringing the total to \$460,087.

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. Budget Resolution



Yolo Habitat Conservancy FY23-24 Budget

Description	FY22-23 Budget	FY22-23 Actuals (as of date of the report)	FY22-23 Year End Estimated Actuals	FY23-24 Budget
Fund 6944 Mitigation Fee Fund				
<i>Beginning Fund Balance</i>	\$ 3,415,884	\$ 3,415,884	\$ 3,415,884	\$ 2,743,620
Unassigned Fund Balance	\$ 3,355,797	\$ 3,355,797	\$ 3,355,797	\$ 2,483,533
Assigned Fund Balance	\$ 60,087	\$ 60,087	\$ 60,087	\$ 260,087
Revenues	\$ 1,505,000	\$ 512,208	\$ 797,999	\$ 1,005,000
Fees and Permits	\$ 1,500,000	\$ 364,635	\$ 657,999	\$ 1,000,000
Interest	\$ 5,000	\$ 147,573	\$ 140,000	\$ 5,000
Expenditures	\$ (4,055,500)	\$ (319,200)	\$ (1,470,263)	\$ (2,545,500)
Insurance-public liability	\$ (500)	\$ -	\$ (500)	\$ (500)
Prof & Sec Svc - auditing and accounting	\$ (30,000)	\$ (13,933)	\$ (15,000)	\$ (20,000)
Prof & Sec Svc - Legal	\$ (20,000)	\$ -	\$ (10,000)	\$ (20,000)
Prof & Sec Svc - Other	\$ (750,000)	\$ (304,217)	\$ (380,271)	\$ (800,000)
Board Meeting Stipends	\$ (5,000)	\$ (1,050)	\$ (3,000)	\$ (5,000)
Easements - Non Depreciable	\$ (3,000,000)	\$ -	\$ (1,061,492)	\$ (1,500,000)
Contingency	\$ (250,000)	\$ -	\$ -	\$ (200,000)
Net Fund Balance	\$ (2,550,500)	\$ 193,008	\$ (672,264)	\$ (1,540,500)
Use (Contribution) to Fund Balance				
Transfer to reserve	\$ (200,000)	\$ (200,000)	\$ (200,000)	\$ (200,000)
End Fund Balance	\$ 865,384	\$ 3,608,892	\$ 2,743,620	\$ 1,203,120
Unassigned Fund Balance	\$ 605,297	\$ 3,348,805	\$ 2,483,533	\$ 743,033
Assigned Fund Balance	\$ 260,087	\$ 260,087	\$ 260,087	\$ 460,087
Fund 6945 Mitigation Account Fund				
<i>Beginning Fund Balance</i>	\$ 533,968	\$ 533,968	\$ 533,968	\$ 153,238
Revenues	\$ 2,000	\$ 19,499	\$ 20,000	\$ 1,000
Interest	\$ 2,000	\$ 19,499	\$ 20,000	\$ 1,000
Expenditures	\$ (552,884)	\$ (257,222)	\$ (400,730)	\$ (154,238)
Prof & Spec Svc - Legal	\$ -	\$ -	\$ -	\$ -
Prof & Spec Svc - Other	\$ -	\$ (471)	\$ (471)	\$ -
Easements - Non Depreciable	\$ (552,884)	\$ (184,751)	\$ (328,259)	\$ (154,238)
Other Fin Uses - Transfer Out	\$ -	\$ (72,000)	\$ (72,000)	\$ -
Net Fund Balance	\$ (550,884)	\$ (237,724)	\$ (380,730)	\$ (153,238)
End Fund Balance	\$ (16,916)	\$ 296,244	\$ 153,238	\$ (0)
Fund 6946 Grant Fund				
<i>Beginning Fund Balance</i>	\$ 29,818	\$ 29,818	\$ 29,818	\$ 7,245
Unassigned Fund Balance	\$ (30,269)	\$ (30,269)	\$ (30,269)	\$ (52,842)
Assigned Fund Balance	\$ 60,087	\$ 60,087	\$ 60,087	\$ 60,087
Revenues	\$ 125,000	\$ 25,141	\$ 48,128	\$ -
Interest	\$ -	\$ (2,339)	\$ (2,339)	\$ -
Other revenue- State	\$ 125,000	\$ 27,480	\$ 50,467	\$ -
Expenditures	\$ (125,000)	\$ (70,701)	\$ (70,701)	\$ -
IT Service - ERP	\$ -	\$ (234)	\$ (234)	\$ -
Prof & spec svc-other	\$ (125,000)	\$ (70,467)	\$ (70,467)	\$ -
Net Fund Balance	\$ -	\$ (45,560)	\$ (22,573)	\$ -
End Fund Balance	\$ 29,818	\$ (15,742)	\$ 7,245	\$ 7,245
Unassigned Fund Balance	\$ (30,269)	\$ (75,829)	\$ (52,842)	\$ (52,842)
Assigned Fund Balance	\$ 60,087	\$ 60,087	\$ 60,087	\$ 60,087

Fund 6947 Pre Permit Endowment Fund					
Beginning Fund Balance	\$ 335,708	\$ 335,708	\$ 335,708	\$ 350,778	
Unassigned Fund Balance	\$ (13,322)	\$ (13,322)	\$ (13,322)	\$ 1,748	
Endowments Balance	\$ 349,030	\$ 349,030	\$ 349,030	\$ 349,030	
Revenues	\$ 10,000	\$ 7,070	\$ 25,070	\$ 25,000	
Interest	\$ 10,000	\$ 7,070	\$ 25,070	\$ 25,000	
Expenditures	\$ (10,000)	\$ (6,736)	\$ (10,000)	\$ (15,000)	
Prof & spec svc-other	\$ (10,000)	\$ (6,736)	\$ (10,000)	\$ (15,000)	
Net Fund Balance	\$ -	\$ 334	\$ 15,070	\$ 10,000	
End Fund Balance	\$ 335,708	\$ 336,042	\$ 350,778	\$ 360,778	
Unassigned Fund Balance	\$ (13,322)	\$ (12,988)	\$ 1,748	\$ 11,748	
Endowments Balance	\$ 349,030	\$ 349,030	\$ 349,030	\$ 349,030	
Fund 6948 Post Permit Endowment					
Beginning Fund Balance	\$ 99,814	\$ 99,814	\$ 99,814	\$ 263,582	
Revenues	\$ 44,000	\$ 80,878	\$ 164,283	\$ 131,000	
Fees and Permits	\$ 39,000	\$ 3,855	\$ 84,260	\$ 116,000	
Interest	\$ 5,000	\$ 5,023	\$ 8,023	\$ 15,000	
Other Fin Sources - Transfer In		\$ 72,000	\$ 72,000		
Expenditures	\$ -	\$ (380)	\$ (515)	\$ (1,000)	
Prof & spec svc-other	\$ -	\$ (380)	\$ (515)	\$ (1,000)	
Net Fund Balance	\$ 44,000	\$ 80,499	\$ 163,768	\$ 130,000	
Use (Contribution) to Fund Balance	\$ (44,000)	\$ -	\$ -		
Contribution to fund balance	\$ (44,000)	\$ -			
End Fund Balance	\$ 99,814	\$ 180,313	\$ 263,582	\$ 393,582	
Fund 6949 Other Revenue Fund					
Beginning Fund Balance	\$ 99,814	\$ 69,129	\$ 99,814	\$ 122,550	
Revenues	\$ 51,000	\$ 23,397	\$ 22,736	\$ 26,000	
Fees and Permits	\$ 50,000	\$ 22,068	\$ 22,068	\$ 25,000	
Interest	\$ 1,000	\$ 1,328	\$ 668	\$ 1,000	
Expenditures	\$ -	\$ -	\$ -	\$ (15,000)	
Prof & spec svc-other		\$ -			
Net Fund Balance	\$ 51,000	\$ 23,397	\$ 22,736	\$ 11,000	
End Fund Balance	\$ 150,814	\$ 92,526	\$ 122,550	\$ 133,550	
All Funds End Fund Balance	\$ 1,464,622	\$ 4,498,275	\$ 3,641,013	\$ 2,098,275	

RESOLUTION NO. 23-02**Resolution of the Yolo Habitat Conservancy Board of Directors Adopting the Fiscal Year 2023-24 Budget**

WHEREAS, the Board of Directors (“Board”) of the Yolo Habitat Conservancy (“YHC”) has heard and considered annual budgets for the FY 2023-24 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 2023-24 Budget”); and

WHEREAS, the May 15, 2023 staff report for the Fiscal Year 2023-24 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 15, 2023 public meeting, the Board of Directors determined that it was necessary and appropriate to approve the Fiscal Year 2023-24 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 \$2,545,500 based on the revenue of \$1,005,000 and use of the available fund balance of \$1,540,500 (Mitigation Fee Fund), as set forth therein.
2. The Board adopts the Grant Fund budget and approves the appropriations of \$0 based on the revenue of \$0, as set forth therein.
3. The Board adopts the Other Revenue Fund budget and approves the appropriations of \$15,000 based on the revenue of \$26,000 as set forth therein.
4. The Board adopts the Mitigation Trust Account Fund budget and approves the appropriations of \$154,239 based on the revenue of \$1,000 and use of the available fund balance of \$153,239 (Mitigation Trust Account Fund), as set forth therein.
5. The Board adopts the Pre-permit Endowment Fund budget and approves the appropriations of \$15,000 based on the revenue of \$25,000, as set forth therein.
6. The Board adopts the Post-permit Endowment Fund budget and approves the appropriations of \$1,000 based on the revenue of \$131,000, as set forth therein.

PASSED AND ADOPTED by the Board of Directors of the Yolo Habitat Conservancy on May 15, 2023, by the following vote:

AYES: Casavecchia, Fernandez, Frerichs, Sulpizio Hull, Sandy.

NOES: None.

ABSENT: Arnold.

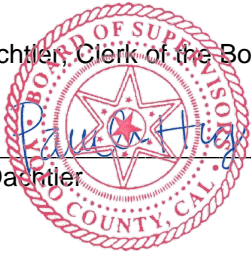
ABSTAIN: None.



Gary Sandy, Chair
Yolo Habitat Conservancy

Attest:
Julie Dachtler, Clerk of the Board

By: _____
Julie Dachtler



Approved As To Form:

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

