

Yolo Habitat Conservancy
Yolo County, California

Date: May 19, 2025

To: Yolo Habitat Conservancy ✓

10.

Approve the fiscal year 2025/26 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. 25-12: Approved recommended action by **Resolution No. 25-01**.

MOTION BY: Sulpizio Hull / SECONDED BY: Moreno

AYES: Deos, Casavecchia, Moreno, Sulpizio Hull, Vixie Sandy, Frerichs.

ABSENT: None.

ABSTAIN: None.

Yolo Habitat Conservancy

Meeting Date: 05/19/2025

Information

SUBJECT

Approve the fiscal year 2025/26 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

Attachments

Staff Report

Att. A. 2025-26 Budget

Att. B. Budget Resolution

Form Review

Form Started By: Brandy Hall

Final Approval Date: 05/14/2025

Started On: 05/14/2025 02:24 PM



Yolo Habitat Conservancy

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

To: Lucas Frerichs, Chair
Members of the Board

From: Chris Alford
Interim Executive Director

Re: Approve the 2025/26 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 19, 2025

REQUESTED ACTIONS:

1. Approve the FY2025-26 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 the majority of revenue collected from mitigation fees in this fund¹ and tracks expenditures of mitigation fees. The majority of Yolo HCP/NCCP implementation costs are paid from this fund, including: administration, reserve system establishment, natural community restoration, and management, monitoring, and habitat enhancement of reserve lands. Staff estimate that approximately \$1.06 million in mitigation fees will be deposited into the Mitigation Fee Fund during Fiscal Year 2025-26, based on the current projects that are in the processes of obtaining Yolo HCP/NCCP permit coverage and the assumption that two of the four largest projects will submit final applications and fee payments within the next year. It is possible that the actual amount of mitigation fees collected could be significantly higher or lower depending on a variety of factors that are outside of the Conservancy's control. Staff estimate approximately \$2.7 million in expenditures from the fund in Fiscal Year 2025-26, including \$1.5 million for easement acquisitions and approximately \$463,000 for the County to provide key staff positions, including a fulltime Executive Director, as well as human resources, legal, fiscal, accounting, and IT support services.

¹ A small portion (2.6%) of every Yolo HCP/NCCP land cover fee payment that is collected is transferred to the Post-Permit Endowment Fund.

- **Mitigation Trust Account:** This fund currently contains mitigation fees collected specifically to mitigate for impacts to burrowing owl. The Conservancy intends to use the current fund balance of approximately \$158,700 in FY25/26 for the acquisition of a conservation easement on lands that have occupied burrowing owl habitat.
- **Grant Fund:** The Conservancy tracks all grant revenues and expenditures through this fund. The Conservancy does not have any grants, so this fund is currently idle. The FY24/25 budget included both assigned and unassigned fund balances that appear to be amounts that were erroneously carried over from prior years in the Conservancy's account ledger and do not reflect the actual funds attributed to the Grant Fund. Conservancy staff are working with County finance staff to address this within the County's accounting system. Conservancy staff aim to apply for at least one land acquisition grant and one habitat restoration grant in FY25/26. If any grants are awarded, Conservancy staff will return to the Board with an updated budget and budget resolution for this fund.
- **Pre-Permit Endowment Fund:** This fund contains endowment funds collected to monitor conservation easements established prior to the official start of Yolo HCP/NCCP implementation (January 11, 2019). Revenue to this fund consists of interest accruals. Expenses to this fund include fund management fees from the Sacramento Regional Community Foundation, annual compliance monitoring expenses, and funding losses due to changes in the economic market that result in negative interest rates.
- **Post-Permit Endowment Fund:** The Conservancy places 2.6% of all HCP/NCCP mitigation fees collected as well as all stewardship donations collected into this fund to save for management and monitoring of the reserve system once the 50-year permit term ends. The Conservancy deposits these funds into an account held by the County at the time they are received and subsequently transfers the funds to a long-term endowment fund held by the Sacramento Regional Community Foundation on a semi-regular basis. Revenue to this fund consists of mitigation fee contributions to the fund as well as interest accruals. Expenses to this fund include fund management fees from the Sacramento Regional Community Foundation and funding losses due to changes in the economic market that result in negative interest rates.
- **Other Revenue Fund:** The Conservancy places contribution to recovery fee revenue collected from Special Participating Entities and other non-mitigation fee revenue in this fund. These funds do not have the same funding restrictions that the other funds have and may be used for special projects or other expenditures deemed appropriate by the Board. Currently these funds are being held in case any unexpected expenses or situations arise that warrant their use.

The proposed Fiscal Year 2025-26 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 Resolution for Fiscal Year 2025/26 is included as Attachment B.



Overall, the Conservancy expects to end Fiscal Year 2024-25 with approximately \$3.6 million in total fund balance with an estimated fund balance of over \$2.5 million 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 approximately \$1.1 million dollars in fee revenue anticipated in Fiscal Year 2025-26.

ATTACHMENTS:

Attachment A. Mitigation Fee Fund, Grant Fund, Other Revenue Fund, Mitigation Trust Account, Pre-Permit Endowment Fund, and Post-Permit Endowment Fund Budgets for FY25/26

Attachment B. Budget Resolution for Fiscal Year 2025/26



Yolo Habitat Conservancy FY25-26 Budget

Mitigation Fee Fund (Fund 7230)

Description	Approved FY24/25 Budget (5.20.24)	FY24/25 Actuals through Q3	FY24/25 Year End Estimated*	FY25/26 Budget
Beginning Fund Balance	\$ 2,967,008	\$2,747,162	\$2,747,162	\$2,836,379
Unassigned Fund Balance	\$ 2,506,921	\$2,187,075	\$2,087,075	1,976,292
Assigned Fund Balance	\$ 460,087	\$ 560,087	\$ 660,087	\$ 860,087
Revenues	\$ 705,000	\$281,882	\$687,882	\$ 1,068,750
Fees and Permits	\$ 700,000	\$224,477	\$630,477	\$ 1,068,750
Interest	\$ 5,000	\$57,406	\$57,406	\$ -
Expenditures	\$ (2,589,962)	\$ (444,792)	\$ (598,665)	\$ (2,702,550)
Insurance-public liability	\$ (500)	(\$1,045)	(\$1,045)	(1,100)
Office Expense	\$ (500)	(\$35)	\$0	(5,000)
Transportation and Travel	\$ (300)	\$0	\$0	(3,000)
IT Service - ERP	\$ (500)	(\$837)	(\$1,000)	(1,000)
IT SVCS - Dept System Maint	\$ (7,000)	(\$127)	(\$500)	(2,000)
Prof & Sec Svc - IT Services	\$ (700)	(\$444)	(\$444)	(2,500)
Prof & Sec Svc - auditing and accounting	\$ (25,000)	\$ (36,480)	\$ (36,480)	\$ (19,200)
Prof & Sec Svc - Legal	\$ (15,000)	\$ -	\$ (5,000)	\$ (20,000)
Prof & Sec Svc - Other	\$ (753,700)	\$ (404,579)	\$ (550,000)	\$ (943,750)
Board Meeting Stipends	\$ (2,000)	\$ (950)	(\$1,900)	\$ (2,000)
Memberships		\$ (296)	\$ (2,296)	\$ (3,000)
Easements - Non Depreciable	\$ (1,584,762)	\$ -	\$ -	\$ (1,500,000)
Contingency	\$ (200,000)	\$ -	\$ -	\$ (200,000)
Net Fund Balance	\$ (1,884,962)	\$ (162,910)	\$ 89,217	\$ (1,633,800)
Use (Contribution) to Fund Balance				
Transfer to reserve	\$ (200,000)	(\$100,000)	(\$200,000)	(200,000)
End Fund Balance	\$ 1,082,046	\$2,584,252	\$2,836,379	\$1,202,579
Unassigned Fund Balance	\$ 421,959			
Assigned Fund Balance	\$ 660,087	\$ 560,087	\$ 660,087	860,087

* Staff provide an estimate in this column of the potential additions or reductions in revenue and expenditures relative to actual revenue and expenditures. This column allows staff to communicate expected upcoming changes that actual reporting does not reflect.

Mitigation Trust Account Fund (Fund 7231)

Description	Approved FY24/25 Budget (5.20.24)	FY24/25 Actuals (as of end of Q3)	FY24/25 Year End Estimated*	FY25/26 Budget
Beginning Fund Balance	\$ 155,611	\$ 150,611	\$ 150,611	\$ 158,700
Revenues	\$ -	\$ 3,089	\$ 3,089	\$ -
Interest	\$ -	\$ 3,089	\$ 3,089	\$ -
Expenditures	\$ (155,611)	\$ -	\$ -	\$ 158,700
Prof & Spec Svc - Legal				
Prof & Spec Svc - Other				
Easements - Non Depreciable	\$ (155,611)	\$ -	\$ -	\$ (158,700)
Other Fin Uses - Transfer Out				
Net Fund Balance	\$ (155,611)	\$ 3,089	\$ 3,089	\$ (158,700)
End Fund Balance	\$ -	\$ 158,700	\$ 158,700	\$ -

* Staff provide an estimate in this column of the potential additions or reductions in revenue and expenditures relative to actual revenue and expenditures. This column allows staff to communicate expected upcoming changes that actual reporting does not reflect.

Grant Fund (Fund 7232)*

Description	Approved FY24/25 Budget (5.20.24)	FY24/25 Actuals (as of end of Q3)	FY24/25 Year End Estimated*	FY25/26 Budget
Beginning Fund Balance	\$ 28,496	\$ 20,357	\$ 20,357	\$ -
Unassigned Fund Balance	\$ (31,591)	\$ 20,357	\$ 20,357	
Assigned Fund Balance	\$ 60,087	\$ -	\$ -	
Revenues	\$ -	\$ -	\$ -	\$ -
Interest	\$ -	\$ -	\$ -	\$ -
Other revenue- State	\$ -	\$ -	\$ -	\$ -
Expenditures	\$ -	\$ -	\$ -	\$ -
Prof & spec svc-other	\$ -	\$ -	\$ -	\$ -
Net Fund Balance	\$ -	\$ -	\$ -	\$ -
End Fund Balance	\$ 28,496	\$ 20,357	\$ 20,357	\$ -
Unassigned Fund Balance	\$ (31,591)	\$ 20,357	\$ 20,357	
Assigned Fund Balance	\$ 60,087	\$ -	\$ -	

associated with prior grants allocations that have since closed and were carried over in error and potentially some accrued interest. Conservancy staff are working with County finance staff to identify and correct the issue in the County's accounting system.

Pre Permit Endowmnet Fund (Fund 7233)

Description	Approved FY24/25 Budget (5.20.24)	FY24/25 Actuals (as of end of Q3)	FY24/25 Year End Estimated*	FY25/26 Budget
Beginning Fund Balance	\$ 351,715	\$ 358,092	\$ 358,092	\$ 374,076
Revenues	\$ -	\$25,584	\$25,584	\$0
Interest	\$ -	\$25,584	\$ 25,584	\$ -
Expenditures**	\$ (10,000)	(\$8,602)	(\$9,600)	(\$10,000)
Prof & spec svc-other**	\$ (10,000)	(\$8,602)	(\$9,600)	\$ (10,000)
Net Fund Balance	\$ (10,000)	\$16,982	\$15,984	\$ (10,000)
End Fund Balance	\$ 341,715	\$ 375,074	\$ 374,076	\$ 364,076

* Staff provide an estimate in this column of the potential additions or reductions in revenue and expenditures relative to actual revenue and expenditures. This column allows staff to communicate expected upcoming changes that actual reporting does not reflect.

** Funds in this line item were noted as income in the FY24/25 budget approved on 5/20/24. This is assumed to have been a hand key error and has been corrected in this table.

Post Permit Endowmnet Fund (Fund 7234)

Description	Approved FY24/25 Budget (5.20.24)	FY24/25 Actuals (as of end of Q3)	FY24/25 Year End Estimated*	FY25/26 Budget
Beginning Fund Balance	\$ 350,858	\$ 336,359	\$ 336,359	\$ 394,925
Revenues	\$ 8,000	\$ 23,340	\$ 15,974	\$ 29,250
Fees and Permits	\$ 8,000	\$ 5,418	\$ 15,974	\$ 29,250
Interest	\$ -	\$ 17,923	\$ -	\$ -
Expenditures	\$ -	\$ (2,053)	\$ (2,700)	\$ (3,000)
Prof & spec svc-other	\$ -	\$ (2,053)	\$ (2,700)	\$ (3,000)
Net Fund Balance	\$ 8,000	\$ 25,393	\$ 18,674	\$ 29,250
End Fund Balance	\$ 358,858	\$ 376,251	\$ 394,925	\$ 424,175

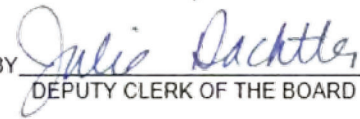
* Staff provide an estimate in this column of the potential additions or reductions in revenue and expenditures relative to actual revenue and expenditures. This column allows staff to communicate expected upcoming changes that actual reporting does not reflect.

Other Revenue Fund (Fund 7235)

Description	Approved FY24/25 Budget (5.20.24)	FY24/25 Actuals (as of end of Q3)	FY24/25 Year End Estimated*	FY25/26 Budget
Beginning Fund Balance	\$ 122,550	\$ 103,560	\$ 103,560	\$ 104,989
Revenues	\$ -	\$ 1,429	\$ 1,429	\$ -
Fees and Permits	\$ -	\$ -	\$ -	\$ -
Interest	\$ -	\$ 1,429	\$ 1,429	\$ -
Expenditures	\$ -	\$ -	\$ -	\$ -
Prof & spec svc-other	\$ -	\$ -	\$ -	\$ -
Net Fund Balance	\$ -	\$ -	\$ -	\$ -
End Fund Balance	\$ 122,550	\$ 104,989	\$ 104,989	\$ 104,989
All Funds End Fund Balance	\$ 1,933,665	\$ 3,619,623	\$ 3,889,426	\$ 2,095,819

* Staff provide an estimate in this column of the potential additions or reductions in revenue and expenditures relative to actual revenue and expenditures. This column allows staff to communicate expected upcoming changes that actual reporting does not reflect.

June 10, 2025

BY 
DEPUTY CLERK OF THE BOARD**RESOLUTION NO. 25-01****Resolution of the Yolo Habitat Conservancy Board of Directors Adopting the
Fiscal Year 2025-26 Budget**

WHEREAS, the Board of Directors (“Board”) of the Yolo Habitat Conservancy (“YHC”) has heard and considered annual budgets for the FY 2025-26 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 2025-26 Budget”); and

WHEREAS, the May 19, 2025 staff report for the Fiscal Year 2025-26 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 19, 2025 public meeting, the Board of Directors determined that it was necessary and appropriate to approve the Fiscal Year 2025-26 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 \$2,702,550 based on the revenue of \$1,068,750 and use of the available fund balance of \$2,836,379 (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 \$0 based on the revenue of \$0 as set forth therein.
4. The Board adopts the Mitigation Trust Account Fund budget and approves the appropriations of \$158,700 based on the revenue of \$0 and use of the available fund balance of \$158,700 (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 \$0 and use of the available fund balance of \$10,000, as set forth therein.
6. The Board adopts the Post-permit Endowment Fund budget and approves the appropriations of \$3,000 based on the revenue of \$29,250, as set forth therein.

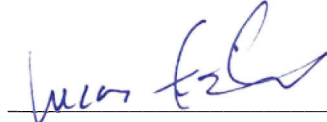
PASSED AND ADOPTED by the Board of Directors of the Yolo Habitat Conservancy on May 19, 2025, by the following vote:

AYES: Casavecchia, Deos, Moreno, Sulpizio Hull, Vixie Sandy, Frerichs.

NOES: None.

ABSENT: None.

ABSTAIN: None.



Lucas Frerichs, Chair
Yolo Habitat Conservancy

Attest:

Julie Dachtler, Clerk of the Board

By: 



Approved as to Form:

By: 

Philip J. Bogledich, County Counsel
Counsel to the Yolo Habitat Conservancy