



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

