

## Staff Report

TO: Chair and Board Members  
Yolo County Habitat JPA

FROM: Maria Wong  
Executive Director

DATE: June 21, 2010

SUBJECT: Discussion and adoption of FY 2010-11 Budget and Work Plan.

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### ***Requested Action:***

1. Board discussion and adoption of FY 2010-11 annual Budget and Work Plan.
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### **REASON FOR REQUESTED ACTION:**

The JPA Board is required to adopt an annual budget and workplan.

### **BACKGROUND**

Staff is committed to completion of the HCP/NCCP planning phase in FY 2010-11. The recommended Budget and Work Plan anticipates a transition from planning to implementation in the second half of the budget cycle. Highlights of the Work Plan and Budget are below. The full Budget and Work Plan are attached.

### **Budget**

The following assumptions were used to formulate the 2010-11 Budget (Attachment 2):

#### Mitigation Trust Fund account

Revenue to the WMTF account from the Interim Mitigation Fee program is expected to be unchanged from FY 2010-11. Housing starts remain stagnant and the budget assumes that the economy will continue to make a slow recovery. In lieu mitigation fees collected in FY 2010-11 will continue to be directed to Mitigation Receiving sites. This budget assumes that no more than 50 acres of impact will be mitigated via payment of the in lieu fee.

The Work Plan assumes that staff time will be directed to completion of the HCP/NCCP planning process; therefore, conservation easements will not be actively pursued. Completion of the Conceptual Area Protection Plan (CAPP) linked to the HCP/NCCP identified in last year's work plan is a priority for FY 2010-11. Completing the CAPP will make additional non-JPA funding available if opportunities to protect lands in advance of the adopted HCP/NCCP arise.

#### Administrative account

Personnel and professional services have comprised the largest share of the JPA's administrative budget and will continue to do so in FY 2010-11. The planning process is in the critical final stages, consequently no changes to staffing levels are recommended in FY 2010-11. The JPA is currently staffed by one full time Executive Director, one full time administrative assistant, and one 0.5 FTE position filled by a student intern/graduate fellow.

## **Agenda Item 7**

Personnel costs will decline slightly from last year due to continued budget challenges facing Yolo County. The county provides accounting and payroll services to the JPA and several other special districts. The JPA has been advised that special districts must conform to the county's payroll and furlough protocols or look for other providers for those services. The county's adopted budget, subject to further amendment when the state budget passes later this year, assumes a 10% reduction in payroll costs in FY 2010-11, accomplished by a combination of mandatory furloughs and a shift in the payment of PERS retirement benefits from the employer to the employee. The PERS shift is proposed to be offset through the availability of "personal time off" days. The impact of these changes on JPA staff positions is unclear until the county resolves its budget issues. What is certain is that JPA employees will be subject to at least 80 hours of furlough time and additional compensatory time off requirements to offset the PERS shift.

The county's budget crisis has resulted in a reorganization of several county departments. Beginning July 1, 2010 office space allocated to the JPA in the former Parks Department will be overseen by General Services. The JPA should experience minimal disruption due to the reorganization. Operating costs are projected to remain constant over the next budget cycle.

The Revenue and Expenditure Summary (Section 3 of the Budget) is subject to change pending receipt of final fund activity from the County Auditor's office at the end of this fiscal year.

### **Work Plan**

The draft Work Plan (Attachment 1) focuses on the delivery of the approved HCP/NCCP and a certified EIS/EIR. Several carry over tasks from the previous year that will better position the JPA for grant funding are identified as priority projects.

### **Attachments:**

1. Draft FY 2010-11 Work Plan
2. Draft FY 2010-11 Line Item Budget
3. Draft Resolution 2010-\_\_\_\_

## Attachment 1

### FY 2010-11 Work Plan

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#### **Introduction**

This Work Plan reflects the goals and priorities of the Yolo H/NCCP JPA by establishing objectives for Fiscal Year 2010-11 and the methods for achieving those objectives. The Work Plan is designed to operate in tandem with the FY 2010-11 budget that allocates funding for associated Work Plan activities.

In addition to its administrative responsibilities, the JPA will continue to oversee two programs in FY 2010-11: the Swainson's hawk Interim Mitigation Fee program and the Yolo Natural Heritage Program ("HCP/NCCP planning process"). The Swainson's hawk Interim Mitigation Fee program was expanded last year to include establishing and monitoring two Mitigation Receiving Sites. The JPA will continue to coordinate with various entities and processes related to the Yolo Natural Heritage Program and regional habitat issues. This Work Plan identifies the institutional and organizational relationships that are integral to the successful implementation of target objectives.

#### **Organizational Structure**

The JPA Board of Directors oversees the coordination of work performed in pursuit of a regional multi-species conservation plan (HCP/NCCP) and the Interim Mitigation Fee program for Swainson's hawk. An Executive Director, Land Agent (currently unfilled) and in-house legal counsel provide staff support. Intermittent assistance from Member Agency staff augments the JPA's limited staff resources. Specialized assistance is provided by consultants. The Board is also assisted by several committees as described below.

#### Board of Directors' Committees

*Executive Committee:* Three Board members comprised of the JPA Board Chair, Vice-Chair and one regular member to review, advise and interact with staff on matters that do not require full Board actions (meets on an as needed basis).

*Legislative Subcommittee:* A two member committee comprised of the JPA Board Chair and one regular member to review, advise and interact with staff on matters related to the adopted legislative platform (meets on an as needed basis).

#### Advisory Committees

The JPA Board of Directors has established two advisory committees that will continue to operate in FY 2010-11. These committees serve as a link to citizens, key interest groups, and partner planning agencies.

*Technical Advisory Committee:* Twelve members representing agency, appointed by the JPA Board to review and advise the Board regarding the acquisition of Swainson's hawk conservation easements (meets on an as needed basis).

*Steering Advisory Committee:* An unspecified number of stakeholder members (between 11 and 20) appointed by the Board to assist in the preparation of the Yolo County HCP/NCCP (meets twice monthly or as needed).

Working Groups

Working groups are a sub-set of the Steering Advisory Committee formed to address specific issues and to assist with problem solving. Working groups will continue to meet frequently throughout the remainder of the planning process as specific issues are identified and conservation objectives are refined. Working groups currently convened include the Urban Interface Working Group, the Ag Interface Working Group and the Biological Working Group. Economic and Governance Working Groups will be activated early in FY 2010-11.

JPA Participation in other Local / Regional Conservation Planning Efforts

A number of important conservation related processes are underway in Yolo County and the region which could affect the outcome of the HCP/NCCP. The JPA works toward cooperation and coordination with these processes through participation in the following:

*Northern California Conservation Planning Partners:* An ad-hoc association of eight County and Sub-county scale Habitat Conservation Plans and Natural Community Conservation Plans. Activities include an annual workshop; discussion of issues of common concern; regional coordination with wildlife agencies; and the preparation of a multi-year strategy and plan to bring additional conservation dollars to Northern California in support of regional conservation plan implementation.

*California Habitat Conservation Planning Coalition:* The California Habitat Planning Coalition consists of local agencies, conservation organizations and business organizations supporting regional habitat conservation planning.

*Delta Protection Commission:* The Delta Protection Commission is working on several programs and proposals related to the future of the Delta.

*Bay Delta Conservation Plan:* A multi-species conservation plan covering the Sacramento-San Joaquin River Delta.

*Lower Yolo Bypass Planning Forum:* Facilitated stakeholder group focused on the Lower Yolo Bypass area.

Public Involvement

In addition to regularly, scheduled public meetings the JPA will continue to use the website, a bi-annual newsletter, press releases, and information workshops in FY 2010-11 to inform and communicate with the public and stakeholders.

**Report Format**

The Work Plan is organized into Elements, which are broad work broad categories that are not expected to change significantly over time. Elements are further sub-divided into program level categories (such as the Swainson's hawk Interim Mitigation Fee program) that represent significant objectives.

**ELEMENT 10-01: ORGANIZATIONAL MANAGEMENT**

*OBJECTIVE:* To provide coordinated support for the Board of Directors and various sub-committees.

This element includes those tasks and products that are associated with the day to day operation of the organization. Tasks will be undertaken with the goal of increasing the JPA's efficiency, performance and accountability.

*Tasks and End Products*

- a. Monitor for compliance with applicable state and federal regulations
- b. Consultant Contract administration
- c. Agency Contract administration
- d. Establish goals, evaluate progress, and update strategies
- e. **Board Agendas and Staff reports**
- f. **Committee Agendas and Staff reports**
- g. **Work Plan and Quarterly Reports**

**ELEMENT 10-02: FUNDING**

*OBJECTIVE:* To insure that sufficient funds are available to complete the adopted tasks.

Funding for JPA activities comes from several sources. Fund support for administrative tasks comes from fund balances available from FY2009-10; accrued interest income; and an administrative allocation from the Swainson's hawk Mitigation In-lieu fee approved in 2004. Funds in support of other activities come from a combination of developer fees and grants. Grant revenue from state and federal sources is generally paid as a reimbursement, which in the past created cash flow problems. The Restated and Amended Joint Powers Agency Agreement approved in 2006 allows limited funds from the Wildlife Mitigation Trust Fund to be reprogrammed in support of completion of the HCP/NCCP planning process.

*Tasks and End Products*

- a. On-going coordination with state and federal funding partners
- b. Identify new grant opportunities
- c. Explore new funding partnership opportunities
- d. Continue to pursue planning grants for the developing HCP/NCCP
- e. Explore grant opportunities that build organizational and program capacity
- f. Explore funding opportunities in support of on-going administrative costs associated with the HCP/NCCP planning effort
- g. Continue to work with the NCCPP to develop funding legislation for Northern California HCP/NCCP plans
- h. **2011 Section 6 planning assistance grant application**
- i. **2011 Section 6 research and acquisition grant applications**
- j. **Additional grant applications (as warranted)**
- k. **Development of a CDFG Conceptual Area Protection Plan (CAPP)**
- l. **Budget change orders (as needed)**
- m. **Mid-year Budget Report**

**ELEMENT 10-03: PUBLIC OUTREACH**

*OBJECTIVE:* To insure that the public and stakeholders have an adequate opportunity to participate in development of the HCP/NCCP.

*Tasks and End Products*

- a. Continue to identify & engage stakeholders
  - Outreach to agricultural interests
  - Outreach to academic community
  - Outreach to business/development community
- b. **Implement the Public Outreach Program**
- c. Continue and expand the HCP/NCCP vision process
- d. Assess stakeholder needs and concerns
- e. **Website**
- f. **Bi-annual newsletter and other print materials**
- g. **Traveling information kiosk, County Fair and State Fair exhibits**
- h. **Press releases (as needed)**
- i. **Public informational workshop and EIS/EIR scoping sessions**

#### **ELEMENT 10-04: PROGRAMS**

##### **Program 10-04-01: Swainson's hawk Interim Mitigation Fee Program**

*OBJECTIVE:* To successfully implement the Swainson's hawk Interim Mitigation Fee program.

The Swainson's hawk Interim Mitigation Fee program is an interim program pending development and approval of a regional conservation plan for Yolo County.

##### *Tasks and End Products*

- a. Work with the local, regional and state conservation partners to identify and engage potential landowners.
- b. Continue outreach efforts to farming and ranching interests
- c. Review and (if needed) update the interim mitigation fee
- d. Secure **conservation easements**
- e. **Annual Performance Report**

##### **Program 10-04-02: HCP/NCCP Planning Process**

*OBJECTIVE:* To continue development of a county-wide multi-species HCP/NCCP.

The HCP/NCCP planning process will conclude in FY 2010-11. Fund balances remaining in the 2005 and 2009 grant awards and reprogrammed funds from the Wildlife Mitigation Trust Fund will fund tasks in the FY 2010-11 Work Plan associated with the HCP/NCCP. The 2006 Independent Science Advisors Report, the emerging BDCP and related Delta efforts, and public input will continue to inform assumptions related to the HCP/NCCP. Close coordination with wildlife agencies and other partners, and securing additional grant funding will continue to be a priority.

##### *Tasks and End Products*

- a. Project coordination, contract administration, additional technical support (as needed)
- b. Oversee consultant work on existing Contacts
- c. Coordinate with Member Agencies to ensure consistency between local general plan and the final HCP/NCCP
- d. Monthly project management meetings with wildlife agency staff
- e. Evaluation of the Independent Science Advisors Report
- f. **2005 Section 6 contract with CDFG (to be closed out this year)**
- h. **2009 Section 6 contract with DFG**
- k. **Monthly Consultant Progress Reports**
- m. **Deliverables associated with the 2009 Section 6 contract**

## Attachment 2

# YOLO HABITAT JOINT POWERS AGENCY FY2010-11 Budget DRAFT

## INTRODUCTION

The Yolo Habitat Joint Powers Agency (JPA) was created in 2002 for the purpose of developing and adopting a County-wide Natural Communities Conservation Plan/Habitat Conservation Plan covering the political boundary of Yolo County.

The JPA is governed by an executive Board of Directors. The JPA Executive Board consists of representatives from Member Agencies as follows: two members from the Yolo County Board of Supervisors, one member each from the City Councils of Davis, Winters, Woodland and West Sacramento, and one ex-officio member from University of California at Davis.

This budget document is organized into three sections. Section 1 outlines the accounting structure utilized in the preparation and implementation of the JPA budget. Section 2 identifies the various funds administered by the JPA. Section 3 provides a summary of the anticipated revenues and expenditures for FY 2010-11 and includes a discussion regarding assumptions and forecasting.

## Section 1

### ACCOUNTING STRUCTURE

The JPA operates a collection of separate funds that are segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. For the purposes of this budget, the term fund is defined as “a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances”.<sup>1</sup>

The budget is adopted on a modified accrual basis, consistent with generally accepted accounting principles. Under this method, revenues are recognized when they are “measurable” (the amount can be determined) and “available” (collectable within the current period). Expenditures are accounted for as the related fund liability is incurred.

## Section 2

### OPERATING BUDGET

The JPA operates funds which are generally classified as either administrative or fiduciary funds. Administrative funds are used to account for the JPA’s business-type activities (such as payroll, rent, and general office expenses). Fiduciary funds are used when the JPA manages financial resources in a trustee or fiduciary capacity. Fiduciary funds consist of expendable trust funds and agency trust funds. Outlined below is a summary of the purpose of each fund, appropriations

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<sup>1</sup> The Government Accounting Standard Board’s (GASB) *Codification of Governmental Accounting and Financial Reporting Standards (Codification)*, Section 1300

information for the fund, budget estimates for FY2010-11 and a discussion of changes that will be required during the current budget cycle to implement the anticipated programs and entitlements.

### **Administrative Funds**

The JPA manages an administrative fund that finances day to day operations of the organization. As in past years, revenues for this fund will come from three sources in FY2010-11: fund balance available from FY2009-10; accrued interest income; and a 5% percent allocation from the collected Swainson's hawk Mitigation In-lieu fee. Expenditures to this fund include salary expense, insurance expense, legal expense, and expenses for specialized professional services. Administrative costs are expected to decrease slightly again in FY2010-11 due to a decline in salary expenditures associated with efforts to balance the Yolo County budget.

The administrative fund is a non-replenishing account. Current revenues are limited to a portion of the Swainson's hawk Interim Mitigation Fee to support staff activities related to the acquisition of conservation easements. Subsequent budgets will need to consider supplemental revenue sources as the balance in this account will continue to decline over time.

As in past years, JPA Member Agencies are no longer able to underwrite JPA operational expenses, except rent, through in lieu contributions.

### **Fiduciary Funds**

Agency Trust Funds: For the purposes of this budget, agency trust funds are defined as fiduciary trust funds that are programmatic and for which the JPA has little discretion. The JPA will continue to manage several agency trust funds during FY 2010-11. The source of fiduciary funds this FY is expected primarily from grants for both planning and acquisition related activities.

Federal Section 6 Planning Assistance Grants:

2005 Planning Assistance Grant: A second Section 6 grant in the amount of \$605,000 was awarded in 2005. The award generated \$515,408 in net useable funds and required \$201,667 in matching local funding. This grant will be closed early in FY2010-11 as tasks associate with the grant are completed.

2007 Planning Assistance Grant: Tasks associated with this grant have been competed; the grant contract will close in FY 2010-11 with the final payment.

2009 Planning Assistance Grant: A Section 6 grant in the amount of \$634,998 was awarded in April 2009. Acceptance of the grant requires \$213,000 in matching local funding, which will come from reprogrammed WMTF funds. This grant will be used to undertake the last stage of the NCCP/HCP consultant contract beginning in summer 2009. Tasks outlined in the 2009 grant proposal have been incorporated into the FY 2010-11 Work Plan.

Expendable Trust Funds: For the purposes of this budget document, expendable trust funds are defined as fiduciary funds over which the JPA has some discretion. The JPA currently manages one expendable trust fund, known as the Wildlife Mitigation Trust Fund (WMTF). This fund is financed by the payment of developer in-lieu fees.

The purpose of the fund is to hold developer mitigation fees associated with the loss of Swainson's hawk foraging habitat until those monies can be expended through the purchase of conservation easements. The Swainson's hawk in-lieu mitigation fee was increased in FY 2006-07 from \$8,500/acre to \$8,660/acre.

Accrued interest

The WMTF is an interest bearing account; interest income from the WMTF is accounted for in a separate fund sub-account. At the discretion of the JPA Board accrued interest income may be borrowed from this fund for use in administrative efforts that are directly associated with development of the NCCP Plan.

Reprogrammed Funds in Support of HCP/NCCP

The Board and JPA member Agencies, with support from California Department of Fish and Game, have approved the allocation of no more than 2 million dollars from the WMTF to complete the HCP/NCCP. Fund transfers in excess of the amount of in-lieu fees collected prior to July 24, 2002 require prior approval of the JPA Board and Member Agencies.

**Budget assumptions and forecast through fiscal year 2009-10**

The purpose of budget forecasting is to provide the JPA Board with an “order of magnitude” ability to fund programs, including administration of the JPA. Because the forecast is subject to many unknown factors it is not predictive and should be viewed only as one of many tools to guide the JPA in a general financial direction. Forecasting for the FY2010-11 budget cycle assumes that interest rates and development activity remain unchanged in the region through completion of the HCP/NCCP.

Financing for the Yolo Habitat NCCP/HCP will continue to come from three primary sources: private developer fees, State and Federal grants, and local revenues. Grant funding will continue to be highly competitive, but should continue to be pursued. As in past years, this budget does not assume that local revenues (member agency general funds) will be required to complete the HCP/NCCP. Any estimate of future local revenue contributions will be made after the draft NCCP/HCP Planning Document is complete and will be based on the priorities established at that time by the JPA Board.

**Section 3**

**REVENUE AND EXPENDITURE SUMMARY FY 2010-11**

Note: Figures shown in [ ] are for reference only and are not included in calculations  
Columns may not total due to rounding

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## Attachment 3

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### RESOLUTION 2010-\_\_

#### **A resolution of the Yolo County Habitat/Natural Community Conservation Plan Joint Powers Agency Adopting the approved 2010-11 fiscal year budget**

#### Section 1. Purpose

This resolution defines the authority and responsibilities of the Executive Director in implementing the Approved Budget of the Yolo County Habitat/Natural Community Conservation Plan Joint Powers Agency.

#### Section 2. Definitions

- 2.1 “Approved budget,” means the budget adopted by the JPA Executive Board for the 2010/11 fiscal year.
- 2.2 “Executive Director” means the Executive Director, or his or her designee.

#### Section 3 Authorized staffing and appropriations

- 3.1 Any changes in staffing levels as authorized by the Approved or Amended Budget must be approved by the JPA Board.

#### Section 4 Appropriation transfers between funds

- 4.1 The Board may authorize the use of accrued interest income from the Wildlife Mitigation Trust Fund (WMTF) for administrative efforts that are directly associated with development of the NCCP Plan.
- 4.2 The Board may authorize the use of up to 2 million dollars of the WMTF for other appropriate purposes that are consistent with the goal of addressing the impacts of urban development on the Swainson’s hawk, including but not limited to costs of completing the HCP/NCCP. Fund transfers in excess of the amount of in-lieu fees collected prior to July 24, 2002 requires prior approval of the JPA Board and member Agencies. Mitigation fee revenues shall not be used to pay overhead or other administrative costs unless such costs are directly associated with the acquisition or long-term management of habitat conservation land.

#### Section 5 Operating grants

- 5.1 Operating grants shall be approved by the JPA Board if:
  - a) Matching funds from the JPA resources are required; or
  - b) Accepting the grant creates an expectation for ongoing service or funding by the JPA.

#### Section 6 Miscellaneous controls

- 6.1 The Executive Director is authorized up to \$25,000 discretionary spending per fiscal year, subject to approval by the Executive Committee.
- 6.2 A Budget Change Order is required for expenditures exceeding \$5,000 that are not specifically funded at the beginning of the fiscal year.

Resolution 2010-\_\_\_\_  
Date

Section 7 Mid-year financial report

7.1.1 The Executive Director shall prepare and present a mid-year financial report for the Board's approval each fiscal year.

Section 8 Work Plan

8.1 The Executive Director shall implement the approved Work Plan and prepare a mid-year status report for the Board's approval each fiscal year.

PASSED AND ADOPTED by the Yolo County Habitat/Natural Community Conservation Plan Joint Powers Agency Executive Board on the fifteenth day of June 2009 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

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Helen Thomson, Chairwoman  
Yolo County Habitat/Natural Community Conservation Plan  
Joint Powers Agency

**ATTEST:**

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Secretary, Yolo County Habitat/Natural  
Community Conservation Plan Joint Powers Agency