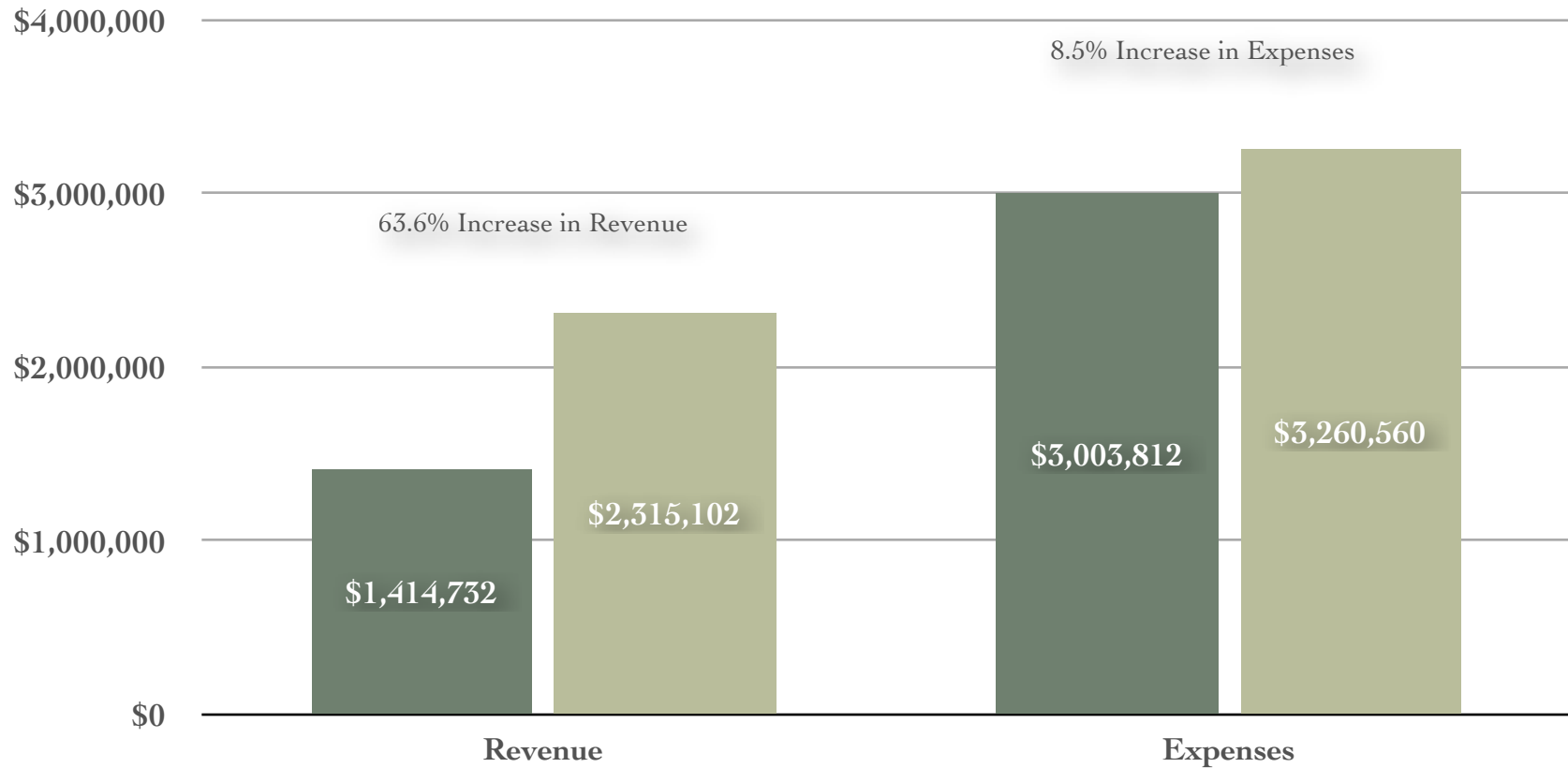




Proposed Mid-Year 2015 Budget Revision

August 5, 2015

Proposed 2015 Mid-Year Budget Revision



■ Approved 2015 Budget
■ Proposed 2015 Mid-Year Budget Revision

The Natomas Basin Conservancy
Proposed FY 2015 Mid-Year Budget Revision

Budget line item information

I. Revenue			
Line item	Discussion	Proposed M-Y 2015	Approved FY 2015
Mitigation fees	Received 5.65 acres for City of Sacramento mitigation in 2015.	\$182,263	151,893
Mitigation fees	Estimate zero acres for Sutter County mitigation in 2015.	-	-
Mitigation fees	Estimate zero acres for Metro Air Park mitigation in 2015.	-	-
Mitigation fee - other	Additional one-time projects surface from time-to-time and this is a budgeted project placeholder. One such project could exceed this amount or no such funds could be received.	\$50,000	\$50,000
Investment income - Restricted	Investment and interest income expected from Endowment and Supplemental funds, based on 3% projected real rate of return. This also includes interest income on the SAFCA endowment fund. <i>Endowment Fund \$480,000</i> <i>Supplemental Fund \$80,000</i>	\$560,000	\$560,000
Investment income - Unrestricted Funds	Interest is accrued on account balances. Interest fluctuates periodically, and the total investment income will vary depending on the date available funds are used for various expenditures as well as interest rate changes. Allocation to each of the Conservancy's unrestricted funds is based on the fund balance at the time interest is accrued. Based on 2% projected real rate of return. <i>Administration Fund \$110,000</i> <i>Restoration & Enhancement Fund \$30,000</i> <i>Land Acquisition Fund \$40,000</i>	\$180,000	\$180,000
Farm rent	Gross rent from farmable acres under contract. We are budgeting one-half the normal acreage leased due to anticipated water shortages.	\$452,839	\$452,839
Miscellaneous income *	Gross rent from residences, SAFCA contract payments, various reimbursements, PG&E payment for easement, and participation in the Natomas Central Mutual Water Company (NCMWC) groundwater exchange program.	\$890,000	\$20,000
Total revenue		2,315,102	\$1,414,732
Gross operating income	HCP-related income and investment income from all funds with the exception of the Endowment Fund and the SAFCA funds.	\$412,263	\$381,893
Total non-fee revenue	Includes investment income, farm rent and miscellaneous income with the exception of the Endowment Fund and SAFCA funds.	\$1,522,839	\$652,839

* This line item does not include revenue for property tax reassessment for the current year or for prior years. These numbers were not available at time of publication. Also included in this line item is \$800,000 for revenue generated from the groundwater exchange program. This is estimated based on information available at time of publication.

The Natomas Basin Conservancy
Proposed FY 2015 Mid-Year Budget Revision

Budget line item information

II. Expenditures			
Line item	Discussion	Proposed M-Y 2015	Approved FY 2015
Program Expenditures			
Biological monitoring	Pertains exclusively to biological monitoring as required by the 2003 NBHCP.	\$298,196	\$298,196
Land Management	This is an estimate of land management labor costs based on 2014 costs.	\$400,000	\$400,000
SSMP Preparation and Revision	Estimated amount for SSMP revision. May be a multi-year project.	\$150,000	\$150,000
Contract work, public education and publications	This item includes general contract work, public education and publications. Includes \$20,000 for the Ag Water Waiver program instituted by regional and state water regulatory agencies. Proposed funds are added for property tax reassessment project.	\$62,500	\$42,500
Property taxes	This is an estimate of property taxes for TNBC real property based on actual tax bills. This excludes RD 1000 assessments.	\$214,085	\$214,085
Water - RD 1000 and NCMWC	This NCMWC's assessment and water usage rates are projected to be approximately \$120 per acre for rice (the Conservancy's largest crop), as well as, RD 1000 assessments, approximately \$60,000. Conservancy farm tenants pay up to \$65.00/acre leased. This also includes water for marsh watering.	\$446,139	\$446,139
Property maintenance	General property maintenance items, including fences, signs, road maintenance, weed control, security and general repairs. This also includes selected field leveling and flow meters for wells. Significant well repairs are proposed by Lucich North and Natomas Farms wells.	\$442,000	\$328,000
Electricity	Includes electricity costs for lights and irrigation pumps on various Conservancy properties. Due to participation in the NCMWC groundwater exchange program electricity costs increased.	\$115,000	\$50,000
Restoration & enhancement	No restoration and enhancement projects budgeted for 2015.	-	-
Land acquisition	No land acquisitions budgeted for 2015.	-	-
Administration			
Administrative			
Staff	This includes five staff members: Executive Director, Manager of Business and Accounting, Manager of Contracts and Compliance, Administrative Assistant and Field Services Assistant. (Included for potential salary adjustments is 2.5%.)	\$377,411	\$374,062
Benefits, taxes and charges	Includes statutory wage payments, employment taxes (Social Security, Medicare, California Unemployment Insurance and Employment Training Tax) and benefits. Includes basic retirement plan and group health insurance plan (employer-sponsored high deductible health insurance plan with a health savings account net of employee contributions including dependant coverage of 50%; annual out-of-pocket maximum \$4,400 per individual/\$8,800 per family). The retirement plan, Simplified Employee Pension-Individual Retirement Account, involves no on-going liability to the Conservancy after employee separation and can be discontinued in any given year by action of the Board. Eligibility for participation in the plan at 13% of gross salary begins after completion of six months employment.	\$146,200	\$145,515
Board expense	Includes \$100 per meeting fee; anticipates 10 Board members for entire year plus Committee meetings. Includes small amount for miscellaneous Board expenses.	\$10,000	\$10,000

The Natomas Basin Conservancy
Proposed FY 2015 Mid-Year Budget Revision

Budget line item information

II. Expenditures (cont.)			
Line item	Discussion	Proposed M-Y 2015	Approved FY 2015
Office expense			
Rent	Includes basic office space at 2150 River Plaza Drive, Suite 460 (\$6,180 per month for 2,806 square feet).	\$77,158	\$77,158
Telecommunications	For basic telecommunications service, including telephone, internet connection, email and webhosting.	\$42,500	\$42,500
Copying & printing	For oversize photocopying, surveys, aerial photos, associated printing, electronic media, archives and copies.	\$20,000	\$20,000
Office supplies	Essential and common office supplies.	\$16,000	\$16,000
Postage	General postage.	\$2,000	\$2,000
Equipment	For basic office equipment, furniture.	\$22,000	\$22,000
Vehicle expense	For vehicle allowance and mileage expenses for staff as well as Board as needed.	\$25,200	\$25,200
Miscellaneous expense			
Insurance	Basic business insurance.	\$47,000	\$47,000
Accounting	For general accounting work and fiscal year-end audit.	\$32,000	\$32,000
Legal	General legal work.	\$125,000	\$75,000
Fees	For general corporation fees and investment management fees.	\$100,000	\$100,000
Contingency	5% contingency on all above administration items.	\$52,248	\$48,534
Subtotal TNBC expenditures		\$3,222,637	\$2,965,889
SAFCA Projects	Investment and interest income based on 2% projected real rate of return	\$21,763	\$21,763
SAFCA Projects	Non-HCP income - SAFCA's Natomas Levee Improvement Project Contract	\$69,160	\$69,160
SAFCA Projects	Less Non-HCP - SAFCA's Natomas Levee Improvement Project Management	(\$53,000)	(\$53,000)
Total expenditures		\$3,260,560	\$3,003,812
Total revenue over expenditures		(\$945,458)	(\$1,589,080)
Modified revenue over expenditures	This line excludes Endowment Fund investment income.	(\$1,395,333)	(\$2,038,955)