

# Proposed Draft 2018 Budget

October 4, 2017

**The Natomas Basin Conservancy**

**FY 2018 Draft Budget**

Budget line item information

**I. TNBC Revenue**

<b>Line item</b>	<b>Discussion</b>	<b>Proposed 2018</b>	<b>Estimated YE 2017</b>
Mitigation fees	Estimate 6 acres for City of Sacramento mitigation in 2018.	\$189,600	-
Mitigation fees	Estimate zero acres for Sutter County mitigation in 2018.	-	-
Mitigation fees	Estimate 60 acres for Metro Air Park mitigation in 2018.	\$1,221,000	-
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	\$1,794,600
Investment income - Restricted	Investment and interest income expected from Endowment and Supplemental funds, based on 3% projected real rate of return. This item also includes interest income on the SAFCA endowment fund.	\$630,000	\$630,000
	<i>Endowment Fund \$540,000</i>		
	<i>Supplemental Fund \$90,000</i>		
Investment income - Unrestricted Funds	Interest is accrued on account balances. The total investment income varies 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.	\$190,000	\$190,000
	<i>Administration Fund \$100,000</i>		
	<i>Restoration &amp; Enhancement Fund \$30,000</i>		
	<i>Land Acquisition Fund \$60,000</i>		
Farm rent	Gross rent from farmable acres under contract. This is an estimate of base rent acres. This also estimates 10% of rice acres to be fallowed in 2018.	\$671,400	\$570,450
Miscellaneous income	Gross rent from residences, SAFCA contract payments, and various reimbursements.	\$150,000	\$150,000
<b>Total revenue</b>		<b>\$3,102,000</b>	<b>\$3,335,050</b>

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II. TNBC Expenditures		Proposed	Estimated YE
Line item	Discussion	2018	2017
<b>Program Expenditures</b>			
Biological monitoring	Pertains exclusively to biological monitoring as required by the 2003 NBHCP.	\$315,316	\$315,316
Land Management	This is an estimate of land management labor costs based on 2017 costs and anticipated workload for 2018.	\$400,000	\$275,000
SSMP Preparation and Revision	Estimated amount for SSMP revision finalization.	\$25,000	\$25,000
Contract work, public education and publications	This item includes general contract work, public education and publications. Includes \$20,000 for Clean Water Act compliance. This also includes \$20,000 for participation in Basin-wide security services and \$15,000 for pre-marsh conversion planning and permitting.	\$107,500	\$91,500
Property taxes	This is an estimate of property taxes for TNBC real property based on actual tax bills. This excludes RD 1000 assessments.	\$190,000	\$186,500
Water - NCMWC and RD 1000	This NCMWC's assessment and water usage rates are projected to be approximately \$143/acre for rice (the Conservancy's largest crop), and \$152/acre for managed marsh. Conservancy farm tenants pay up to \$65/acre leased. RD 1000 assessments are also included at approximately \$60,000.	\$470,298	\$456,600
Property maintenance	General property maintenance items include: fences, signs, road repair and maintenance, weed control, general site repairs as well as rental house repairs, and select field leveling. This also includes BKS repairs and updates including: Pond R outfall repair, forebay cleanout and new well pump.	\$435,000	\$410,000
Electricity	Includes electricity costs for lights and irrigation pumps on various Conservancy properties.	\$36,000	\$36,000
Restoration & enhancement	No restoration and enhancement projects budgeted for 2018.	-	-
Land acquisition	No land acquisitions are budgeted for 2018.	-	-
<b>Administration</b>			
<b>Administrative</b>			
Staff	This includes five staff members: Executive Director, Chief Financial Officer, Manager of Contracts and Compliance, Administrative Assistant and Field Services Assistant. (Included for potential salary adjustments is 2.5%.)	\$416,700	\$402,982
Benefits, taxes and charges	Includes statutory wage payments, employment taxes (Social Security, Medicare, California Unemployment Insurance and Employment Training Tax) and benefits. Includes group health insurance plan that is ACA-compliant at the Silver level (employer-sponsored high deductible health insurance plan with a health savings account including dependant coverage of 50%; annual out-of-pocket maximum with participating providers is \$5,050 per individual/\$6,000 per family). This also includes a health reimbursement account for one employee for reimbursement of Medicare & Supplemental Insurance. 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 year by action of the Board. Eligibility for participation in the plan at 13% of gross salary begins after completion of six months employment.	\$164,000	\$158,648
Board expense	Includes a \$100/meeting fee (covers meeting and Board service expenses). Anticipates 10 Board members for entire year plus Committee meetings. Includes small amount for miscellaneous Board-associated expenses.	\$10,000	\$10,000

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#### II. TNBC Expenditures (cont.)

Line item	Discussion	Proposed 2018	Estimated YE 2017
Office expense			
Rent	Includes basic office space at 2150 River Plaza Drive, Suite 460 (\$5,618 per month plus expense recoveries for 2,806 square feet).	\$70,000	\$67,269
Telecommunications and Media	For basic telecommunications service, including telephone, internet connection, email, web design and webhosting.	\$44,500	\$42,000
Copying & printing	For oversize photocopying, surveys, aerial photos, associated printing, electronic media, archives and copies.	\$22,000	\$22,000
Office supplies	Essential and common office supplies, including publications, subscriptions and membership dues.	\$18,000	\$18,000
Postage	General postage.	\$2,000	\$2,000
Equipment	For basic office equipment, furniture.	\$25,000	\$25,000
Vehicle expense	For vehicle allowance and mileage expenses.	\$25,200	\$25,200
Miscellaneous expense			
Insurance	Basic business insurance which includes; Directors & Officers (D&O), general liability, crime, non-owned/hired auto, umbrella and flood insurance on the two rental properties.	\$48,000	\$45,000
Accounting	For general accounting work and fiscal year-end audit.	\$42,000	\$40,000
Legal	General legal work including funds for legal services covering Board-related issues.	\$250,000	\$250,000
Fees	For general corporation fees and investment management fees.	\$100,000	\$100,000
Contingency	5% contingency on all above administration items.	\$64,245	\$61,980
<b>Total expenditures</b>		<b>\$3,280,759</b>	<b>\$3,065,995</b>
<b>Total revenue over expenditures</b>		<b>(\$178,759)</b>	<b>\$269,055</b>

#### III. SAFCA Projects

SAFCA Projects	Investment and interest income based on 2% projected real rate of return	\$20,000	\$20,000
SAFCA Projects	SAFCA projects contract revenue	\$296,100	\$268,160
SAFCA Projects	SAFCA properties farm rent	\$19,800	\$19,716
<b>Total SAFCA projects revenue</b>		<b>\$335,900</b>	<b>\$307,876</b>
SAFCA Projects	SAFCA projects contract expenditures	\$279,863	\$279,863
<b>Total SAFCA projects expenditures</b>		<b>\$279,863</b>	<b>\$279,863</b>
<b>Total SAFCA revenue over expenditures</b>		<b>\$56,037</b>	<b>\$28,013</b>