

# AGRICULTURAL PRESERVATION & OPEN SPACE DISTRICT

Andrea Mackenzie, General Manager

## MISSION STATEMENT

The mission of the Sonoma County Agricultural Preservation and Open Space District (District) is to permanently preserve the diverse landscapes of Sonoma County for future generations, including working farms and ranches, greenbelts and community separators between and around urban areas, natural areas and wildlife habitat, and land for public access and passive recreation.

### Budget at a Glance:

Total Expenditures	\$36,641,951
Total Staff	24
% Funded by Local Discretionary Funds	0%

## DEPARTMENTAL DESCRIPTION

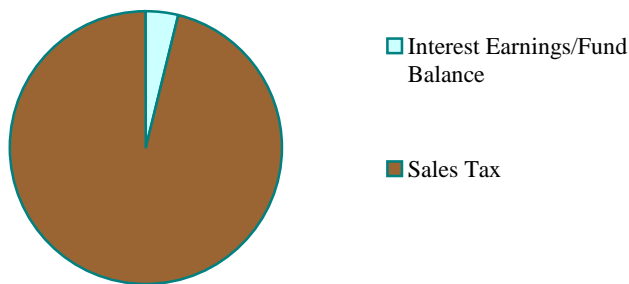
Sonoma County voters created a unique land protection agency, the Agricultural Preservation and Open Space District (District) in November 1990 and funded it with a quarter-cent sales tax to 2011. In November 2006, voters overwhelmingly approved Measure F, which will take effect in 2011 and extends the quarter-cent sales tax through 2031. Since its inception, the District has protected over 75,000 acres (100 square miles) on 163 properties. It has received a national award from the National Association of Counties and the Trust for Public Land, ranking it as one of the top open space and farm land conservation programs in the nation.

The District partners with willing landowners, public agencies, and non-profit organizations to protect land permanently from development, through agreements with landowners (conservation easements) and outright purchase of land. District acquisitions are guided by a long-range acquisition plan, "Connecting Communities and the Land," which reflects community desires and values and directs preservation to the highest priority farmlands, greenbelts, natural areas, and recreational lands. In addition, the District implements the Agricultural Resources and Open Space and Resource Conservation Elements of the Sonoma County General Plan.

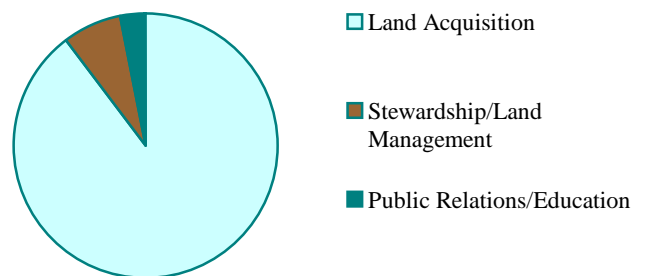
Primary financing for the District comes from a voter-approved quarter-cent sales tax. The five-member Open Space Authority (Authority) levies the sales tax and ensures that the District's open space purchases are consistent with the voter-approved expenditure plan. The District's sales tax funds currently generate approximately \$18 million annually. Over the past 11 years, the District has secured over \$31 million of matching funds from other sources, including state, federal, and private grants for protecting Sonoma County's diverse farmlands and natural lands. The Authority currently contracts with the District to acquire open space (planning, appraisal, negotiation, and stewardship). Both the Authority and District have annually adjusted appropriation limits. Beginning in 2011, the Sonoma County Board of Supervisors will levy the sales tax and will enter into a contract with the District for such purpose.

The District's budget currently consists of five distinct funds. The first provides for the operations of the District in order to carry out the acquisition and preservation of agricultural and open space lands. The second fund contains monies committed to completed purchases for which payments are made on an installment basis. This fund will be closed out in FY 09-10. The third fund provides monies for public access and restoration improvements previously approved for the Prince Memorial Greenway Matching Grant to the City of Santa Rosa in 2001 and revised in 2005. The fourth fund is to record land acquisitions using sales tax revenues from Measure C which will expire in early 2011. Lastly, the District established a fund in FY 07-08 to record purchases of land from Measure F bond proceeds.

### Funding Sources



### Funding Uses



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## FY 08-09 ACCOMPLISHMENTS

- Implemented reorganization and staffing plan to build the District's capacity to implement the 2006 voter-approved expenditure plan and the District's Acquisition Plan ("Connecting Communities and the Land"), and to effectively manage and steward the District's conserved properties.
- Working collaboratively with the county, Citizens Advisory Committee, and other agency and non-profit partners, developed a Strategic Plan that identifies 3-5 year program initiatives to implement the District's mission, consistent with the 2006 voter-approved expenditure plan.
- Entered into a cooperative agreement with agency partners to open the Healdsburg Ridge Open Space Preserve for public access; completed trail plan for North Slope Sonoma Mountain Ridge Trail.
- Completed 9 conservation projects totaling 740 acres at a cost of approximately \$15.4 million, through conservation easement, fee title, and matching grants, including the prominent Sonoma Mountain Ranch acquisition.
- Conducted grant workshop for potential grant applicants, solicited applications, and selected 7 projects for the 2008 matching grant program.

## FY 09-11 OBJECTIVES

- Using strategic conservation planning, develop an acquisition work plan based on resource priority, threats, and available funding to effectively conserve greenbelts, farmland, and important natural and water resources through conservation easement and fee title transactions.
- Implement the District's Strategic Plan by launching initiatives for climate change, sustainable water, and healthy communities with partners including the county, state, Sonoma County Water Agency, and Sonoma County Transportation Authority.
- Develop public access on Montini Ranch, North Slope Sonoma Mountain Trail, and Taylor Mountain in cooperation with the county, state and other recreational partners.
- Develop a model for long-term stewardship costs associated with District-protected lands; develop resource management policies including Climate Adaptation, Grazing, Forest Management, Exotic Species Control, Fire Management, Native Grasslands, and Watersheds.
- Continue legislative program development with the county and other conservation agencies and organizations.

### FINANCIAL SUMMARY

Budget Division/Fund	<i>Total Expenditures</i>			<i>Net Cost/Use of Fund Balance</i>		
	FY 08-09 Adopted	FY 09-10 Recommended	%	FY 08-09 Adopted	FY 09-10 Recommended	%
SCAPOSD - Operations	5,670,953	6,525,572 *	15.1	753,253	1,239,972	64.6 *
Land Acquisitions - Measure C	10,000,000	20,067,000	100.7	-	-	0.0
Land Acquisitions - Measure F	26,120,510 **	10,000,000	(61.7)	-	-	0.0
Santa Rosa Creek - Spec Fund	928,596	49,379	(94.7)	928,596	49,379	(94.7)
Installment Payments - Spec Fund	18,667	-	(100.0)	15,917	-	(100.0)
<b>TOTAL FINANCIAL</b>	<b>42,738,726</b>	<b>36,641,951</b>	<b>(14.3)</b>	<b>1,697,766</b>	<b>1,289,351</b>	<b>(24.1)</b>

\* Includes \$275,000 funded by Clover Springs Endowment Reserve received in FY 07-08. Total operating expenditures excluding reserve funding is \$6,341,548 representing an increase of 11.8% over FY 08-09. Total use of fund balance excluding Clover Springs funding is \$1,055,948, representing an increase of 40.2% over FY 08-09. Use of fund balance has increased to expend funds that accrued due to an unusually high number of vacant positions during FY 08-09. The Open Space Authority holds the majority of revenues for the District. As a result, the district does not need to maintain a large fund balance.

\*\* Excludes budgetary adjustment totaling \$529,575 processed in October 2008 for funding of Sebastopol Skate Park.

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## STAFFING SUMMARY

Staffing	FY 08-09 Adopted	FY 09-10 Recommended	FTE Change	% Change
Permanent Positions	24.00	24.00	0.00	0.0%

## SUMMARY OF KEY ISSUES

- The District's Preliminary Budget for FY 09-10 is expected to be presented to the Open Space Authority for consistency with the voter-approved Expenditure Plan in late April or early May.
- The District's operations budget represents 18% of the total annual budget and is increasing by approximately \$580,000 or 10.2% for FY 09-10. Approximately \$164,000 of this increase is due to salary and benefit increases seen throughout the county. The other driving factors associated with this increase are due to the District's increased investment in its Strategic Plan (\$125,000), land management and stewardship (\$70,000), administrative support (\$100,000), financial management capacity (\$78,000), and the reorganization that was approved during FY 07-08 (\$43,000). These elements are described in further detail below.
- In February 2009, the Board of Directors approved the District's Strategic Plan. The Strategic Plan builds on the District's Acquisition Plan by positioning the District to be responsive to emerging trends and challenges including launching initiatives for climate change, supporting sustainable water, and promoting healthy communities through local food production and open space opportunities in underserved areas. The five-year Strategic Plan identifies specific initiatives and implementation actions that will be updated on an annual basis as part of the District's overall budget process. The proposed FY 09-10 budget includes an increase of \$125,000 in funding associated with implementation of the Strategic Plan initiatives. The District will work collaboratively with the county, and its other partners, to launch all of its strategic initiatives.
- The District has purchased over 62 properties for recreation, many of which have been transferred to, or are being operated by, county parks, state parks and cities. Consistent with the voter-approved expenditure plan and its adopted Strategic Plan, the District's preliminary budget includes short term operation and maintenance funds to open properties for public use. Additionally, the District is responsible for a growing number of properties it has protected through conservation easement and fee purchase. As a result, the FY 09-10 budget includes an increase of approximately \$170,000 for land management and stewardship activities, as well as anticipated administrative support needs associated with acquiring and managing a greater number of properties.
- In response to financial deficiencies identified in the District's recent audit, the existing Financial Analyst position has been reclassified to an Administrative Services Officer I position, resulting in a salary and benefit increase of \$46,000. In addition, contract services provided by the Auditor-Controller-Tax Collector have been expanded, resulting in a \$32,000 increase in FY 09-10.
- In FY 08-09, the District implemented its approved Reorganization and Staffing Plan to more effectively carry out the voters' expectations, increase its capacity for securing grant funding, and manage and steward its protected properties. In FY 09-10, the District will enhance its organizational structure and efficiencies by integrating new staff into their respective divisions, and by instituting project tracking, workflow, and project management systems for its administrative, conservation planning, acquisition, and stewardship programs. The FY 09-10 budget includes an increase in lease payments of approximately \$43,000 to expand the existing office space which will promote efficiency and provide improved functionality within divisions.
- The use of projected fund balance has increased over the prior year due to the fact that several allocated positions, including those approved as part of the reorganization, were vacant during the FY 08-09 period. As a result, a significant fund balance has accrued and the District plans to drawdown this balance in FY 09-10.
- The District is evaluating the impact of a decrease in sales tax revenue associated with the current economic climate. The most recent estimate by the California Board of Equalization indicates a 5% decline in sales tax revenue during 2009. This represents a reduction in District revenue of approximately \$1,000,000. This is in addition to a 5% decrease in 2008. As a result, sales tax revenues for 2009 are anticipated to total approximately \$18,000,000. The District's proposed budget has been developed taking these projected decreases into account. Though revenues are expected to decline, the District anticipates a potential decline in the value of land it is considering for conservation, thus allowing the District to pursue a similar level of acquisition activity in the face of declining sales tax revenue.

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- Since the sale of revenue bonds in late 2007 through Measure F, the District has utilized the bond proceeds to acquire interests in land. In FY 09-10, the District anticipates the remaining bond proceeds will be fully expended for land acquisitions. Additional acquisitions projected to occur in FY 09-10 will be funded through Measure C revenues.

## District Special Funds Fund Balance Summary

	District Operations	Installment Payments	SR Creek Special Fund	Land Acq Measure F	Land Acquisitions
Est. Beginning Balance 7/2009	1,123,785	1,551	49,379	1,114	0
Plus Revenues & Reimb	5,285,600	0	0	10,000,000	20,067,000
Less Expenditures	6,525,572	0	49,379	10,000,000	20,067,000
Use of Endowment Reserves	275,000	0	0	0	0
Est. Ending Fund Bal 6/2010	158,813	1,551	(0)	1,114	0
Change in Fund Balance	(964,972)	0	(49,379)	0	0

## COUNTY ADMINISTRATOR'S RECOMMENDATION SUBJECT TO AVAILABLE FINANCING

None