

# AGRICULTURAL PRESERVATION & OPEN SPACE DISTRICT

Version #4

**William Keene**  
General Manager

**The Sonoma County Agricultural Preservation and Open Space District permanently protects the diverse agricultural, natural resource, and scenic open space lands of Sonoma County for future generations.**

BUDGET AT A GLANCE:	FY 2017-2018
Total Expenditures	\$38,857,566
Total Revenues/Use of Fund Balance	\$38,857,566
Total General Fund Contribution	\$0
Total Staff	27.50
% Funded by General Fund	0.00%

## DEPARTMENT SERVICES

The District partners with willing landowners, public agencies, and non-profit organizations to permanently protect land from development through agreements with landowners (conservation easements), purchase of land, and ongoing stewardship activities on existing easements and District-owned properties. District acquisitions are guided by the 2006 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. The District is currently working on its "Vital Lands Initiative" which will build upon the existing guiding documents, while incorporating advanced science and current discussions with the public on future lands to be prioritized for protection in Sonoma County.

The District is funded by Measure F, a Sonoma County sales tax measure which provides revenue to fund District activities. Most of this funding goes toward acquisition of land and easements, stewardship activities, and department operations. Up to 10% of sales tax revenue can be used for initial public access to, and operation and maintenance of, recreational lands purchased by the District. Additionally, reserves

are funded to allow for ongoing stewardship should the sales tax not be reauthorized in the future.

The District is organized into three programs.

**Conservation Planning** develops and analyzes data to ensure the highest value land is protected.

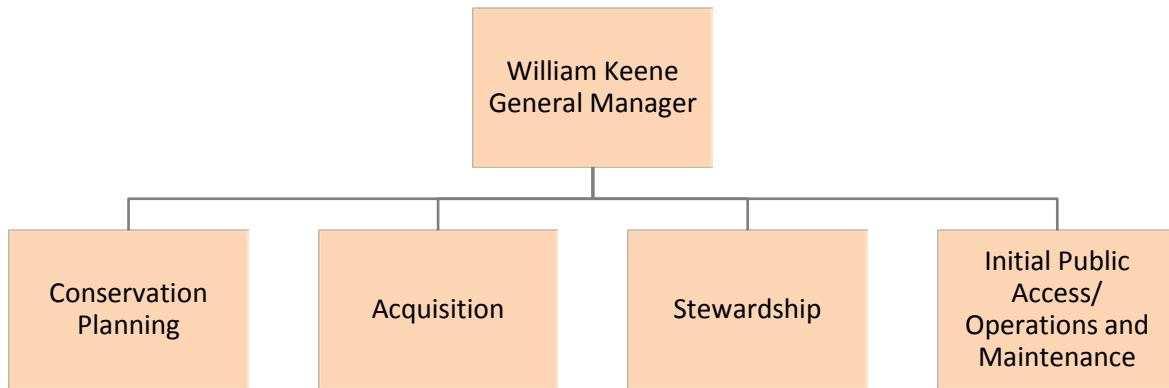
**Acquisition** purchases conservation easements and land to protect farmland, greenbelts, natural areas, and recreational lands.

**Stewardship** monitors conservation easements, and manages properties that the District owns in fee, to ensure that the values purchased are maintained in perpetuity.

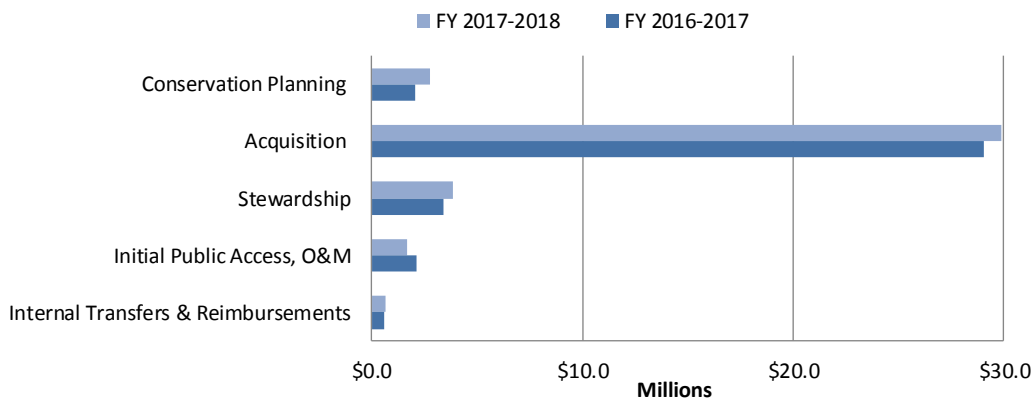
**Initial Public Access, Operation and Maintenance** reflects expenditures by the District for eligible expenditures and negotiated payments to other agencies for eligible work on properties that have been transferred from the District.

For more information, call (707) 565-7360, or visit <http://sonomaopenspace.org/>.

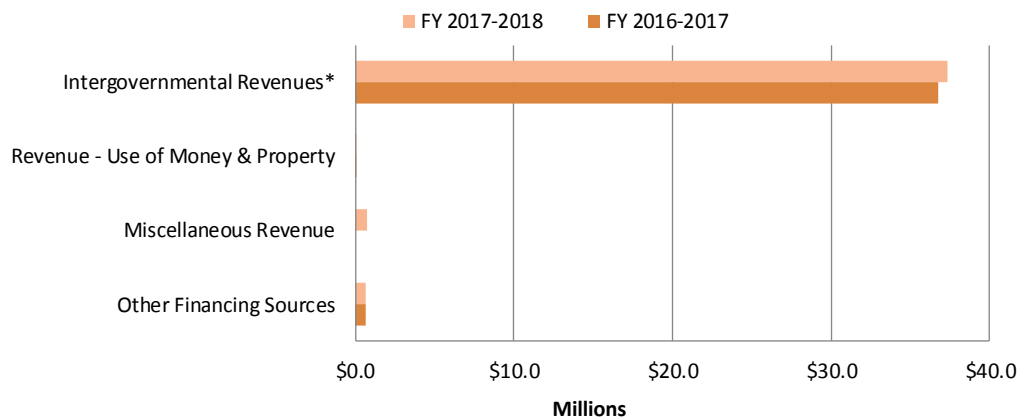
## ORGANIZATIONAL PROGRAM CHART



## FUNDING USES



## FUNDING SOURCES



\*Intergovernmental revenue includes \$23.04 million in dedicated sales tax revenue that is collected by the County and transferred to the District, as well as \$10.32 million in fund balance from dedicated revenue bonds transferred from the County and \$4 million in state and federal grants.

# FINANCIAL SUMMARY

Expenditures (Uses)	FY 2016-2017 Adopted Budget	FY 2017-2018 Recommended Budget	Change from 2016-2017	% Change from FY 2016-2017
<b>Expenditures by Program</b>				
Conservation Planning	2,047,435	2,774,062	726,627	35.5
Acquisition	29,072,074	29,872,640	800,566	2.8
Stewardship	3,390,448	3,869,931	479,483	14.1
Initial Public Access, O&M	2,097,000	1,675,833	(421,167)	(20.1)
<i>Internal Transfers &amp; Reimbursements</i>	624,122	665,100	40,978	6.6
<b>Total Expenditures by Program</b>	<b>37,231,079</b>	<b>38,857,566</b>	<b>1,626,487</b>	<b>4.4</b>
<b>Expenditures by Character</b>				
Salaries and Benefits	4,110,739	4,299,002	188,263	4.6
Services and Supplies	4,763,992	5,178,980	414,988	8.7
Other Charges	3,000,000	3,531,270	531,270	17.7
Capital Expenditures	24,715,000	25,165,624	450,624	1.8
Appropriation for Contingencies	0	0	0	0.0
Special Items	0	0	0	0.0
Other Financing Uses	641,348	682,690	41,342	6.4
Capital Assets	0	0	0	0.0
<b>Total Expenditures by Character</b>	<b>37,231,079</b>	<b>38,857,566</b>	<b>1,626,487</b>	<b>4.4</b>
<b>Revenues/Reimbursements/Use of Fund Balance (Sources)</b>				
General Fund Contribution	0	0	0	0.0
Use of Fund Balance	(226,699)	0	226,699	(100.0)
Tax Revenue	0	0	0	0.0
Licenses, Permits, Franchises	0	0	0	0.0
Intergovernmental Revenues	36,752,956	37,361,586	608,630	1.7
Fines, Forfeitures, Penalties	0	0	0	0.0
Revenue - Use of Money & Property	75,000	60,000	(15,000)	(20.0)
Charges for Services	0	0	0	0.0
Miscellaneous Revenue	0	750,000	750,000	N/A
Other Financing Sources	629,822	685,980	56,158	8.9
Special Items	0	0	0	0.0
Reimbursements	0	0	0	0.0
<b>Total Revenues/Use of Fund Balance</b>	<b>37,231,079</b>	<b>38,857,566</b>	<b>1,626,487</b>	<b>4.4</b>
<b>Total Permanent Positions</b>	<b>27.50</b>	<b>27.50</b>	<b>0.00</b>	<b>0.00</b>

*Note: Internal transfer and reimbursement of expenses between budget sections within the Sonoma County Agricultural Preservation and Open Space District total \$665,100 in FY 2017-2018, resulting in a net budget of \$38,192,466.*

*Note: Initial Public Access, Operations and Maintenance receives 10% of District sales tax revenue each year, but funding may be spent in years other than that which it is accrued. Entering FY 2017-2018 the fund balance is \$3,702,471.*

## BUDGET CHANGES

The FY 2017-2018 Recommended Budget includes expenditures totaling \$38.9 million, financed with \$38.9 million in revenues. Appropriations are increasing by \$1.6 million, or 4.4%, compared to the FY 2016-2017 Adopted Budget, due primarily to the anticipation of acquisitions, an increase in anticipated Matching Grant expenditures, and an increase due to work on the District's comprehensive plan titled the "Vital Lands Initiative" and other outreach programs.

The District does not receive any General Fund support.

### Expenditures (Uses)

- Salaries and Benefits are increasing by \$188,300, or 4.6%, due to negotiated salaries and benefits adjustments as well as anticipated changes as a result of an ongoing class and compensation study due to be completed in FY 2017-2018.
- Services and Supplies are increasing by \$415,000, or 8.7%, due in part to the District "Vital Lands Initiative", which is increasing by \$475,000. The Initiative requires substantial community input, scientific review, and technical assistance. It will create a plan to guide the District's work – building on over 26 years of successful land conservation – in protecting local food, scenic viewsheds, ecosystems, greenbelts, water quality and supply, and lands for recreation. There is also an \$84,200 increase for outreach programs, and \$175,000 in additional funding for data projects to create a centralized data management system to store scientific and other information to support the implementation of the Vital Lands Initiative and ongoing acquisition work. The budget also includes a \$157,500 increase in funding for County Counsel services related to ongoing litigation. These increases are partially offset by a decrease of \$476,700 in budgeted expenses in the Initial Public Access – Operations and Maintenance Fund due to the completion of three-year transfer agreements initiated in FY 2014-2015, including North Sonoma Mountain, Lawson, Pole Mountain, and Clover Springs, as well as other savings. District policy allows for Operations and Maintenance funding to be provided for up to three years following the transfer of a property.
- Other Charges are increasing by \$531,300, or 17.7%, which represents anticipated expenditures towards prior Board of Directors approved Matching Grant projects including Andy's Unity Park, Colgan Creek 3, Roseland Creek Community Park, and Guerneville River Park II. Matching Grant projects are approved by the Board of Directors every other fall as part of an application cycle, but payments are made on a reimbursement basis as work on the projects is completed, and thus varies depending on the status of approved projects.
- Capital Expenditures are increasing by \$450,600, or 1.8%. This change represents an increase of \$253,100 for anticipated major acquisitions including Cresta III, Donnell, Mattos Ranch, Rips Redwoods, and Weeks Ranch, as well as a \$197,500 increase for implementation of road improvement and other projects as described in the Calabazas Creek Preserve and Wright Hill Ranch Preserve Management Plans. Road improvements are also anticipated at the Saddle Mountain Preserve contingent upon Board approval of the Management Plan for that property.

### Revenues (Sources)

- Use of fund balance is increasing by \$226,700, or 100%, to return to no use of fund balance. Generally the District requests only the funding needed to meet its operating budget and has no net use of fund balance in District funds. The FY 2016-2017 Adopted Budget showed a negative use of fund balance due to late changes in budgeted expenses that were not reflected in decreased budgeted revenue.
- Intergovernmental Revenues is increasing by \$608,600, or 1.7%. The Open Space District is primarily funded through a special sales tax, which is deposited in the Open Space Special Tax Account, located in the County's Non-Departmental budget, and revenue is passed to the District to fund acquisitions and operations. For FY 2017-2018 the District's sales tax is expected to generate \$23.04 million in revenue, an increase of \$1.72 million, or 8.1%, from FY 2016-2017. This increase is based on higher than budgeted collections in FY 2016-2017 as well as projected increases in revenue during FY 2017-2018. In addition, the Open Space Special Tax Account includes a fund balance of \$50.78 million from the sale of revenue bonds to provide working capital

for District acquisitions. The FY 2017-2018 budget includes the use of \$10.32 million of fund balance, down \$4.87 million or 32% from FY 2017-2018. This decrease is offset by an increase of \$3.75 million in grant revenue, including: 1) an increase of \$1.75 million in expected revenue from the multi-year Natural Resource Conservation Service grant for the Sonoma County Venture Conservation Program; 2) a \$1.00 million State grant from the Sustainable Agriculture Lands Conservation Program; and 3) a \$1.00 million State Wildlands Conservation Grant.

- Miscellaneous Revenue increase by \$750,000 due to private grants for acquisitions from the Moore Foundation and others.
- The \$56,200, or 8.9%, increase of Other Financing Sources is primarily due to the \$55,500 increase in reimbursements to the District from the Initial Public Access, Operations and Maintenance Fund for maintenance and operations of District held recreational properties. Because the voter-approved expenditure plan limits funding for initial public access and operations and maintenance to 10% of sales tax revenue collected, all funds designated for this purpose are deposited in a separate fund and eligible expenses are reimbursed from this fund.

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## ACCOMPLISHMENTS AND OBJECTIVES

### FY 2016-2017 Accomplishments

- Completed key data and analysis projects including a collection of countywide light detection and ranging (LiDAR) and the Sonoma County Vegetation and Habitat Mapping program, in collaboration with NASA, Sonoma County Water Agency, and other local and national partners.
- Acquired three conservation easements over nearly 2,600 acres of land that protect a diversity of habitats including old growth redwood and coastal grasslands while furthering local agriculture and sustainable forestry practices and providing for the recreational enjoyment of the Sonoma Coast.
- Accepted 7 new Matching Grant Awards with a total recommended funding amount of over \$4.3 million, and brought 4 Matching Grant Agreements to the Board that provided funding for new athletic fields in Petaluma and riparian restoration of Irwin Creek (Laguna de Santa Rosa), Nathanson Creek (City of Sonoma), and the Petaluma River.
- Staff completed development of a model for use in establishing a funding target for the Stewardship Reserve, which will support stewardship of District-held easements and District-owned properties beyond the sunset of Measure F. In order to ensure that the District-protected properties are preserved in perpetuity, the Reserve will need to generate enough interest to cover annual stewardship activities such as monitoring and reporting, processing use requests, and enforcement actions, as well as legal costs associated with ensuring compliance with easement provisions.
- Initiated the District “Vital Lands Initiative” including development of plan design and significant public outreach. The Vital Lands Initiative will create an integrated plan to guide District conservation actions for the next 15 years.

### FY 2017-2018 Objectives

- Complete the development of a comprehensive, integrated plan, the Vital Lands Initiative, to guide District conservation actions for the next 15 years. The effort will include substantial community engagement opportunities to inform the plan development process.
- Recommend for Board of Directors consideration criteria to implement projects under the \$8.0 million dollar Natural Resources Conservation Service (NRCS) Regional Conservation Partnership Program grant for Sonoma County Venture Conservation.
- Acquire six conservation easements that protect natural and scenic resources while furthering sustainable agricultural and forestry practices and recreational opportunities and initiate ongoing stewardship of each acquisition.

- Complete transfer of Tier 1 District-owned properties to their permanent owners, including the transfer of properties comprising the future Mark West Creek Regional Park and Open Space Preserve, while retaining a conservation easement over the entirety of the Preserve. Tier 1 properties are properties that have a permanent owner identified and have been prioritized by the Board of Directors for transfer.
- Determine a funding target for the Stewardship Reserve in coordination with the District's Fiscal Oversight Commission and receive Board of Directors approval for the Stewardship Reserve model and target amount. Develop an investment strategy to implement the funding target set by the Board in order to ensure that District held easements are protected in perpetuity.