

AGRICULTURAL PRESERVATION & OPEN SPACE DISTRICT

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Department Head

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 2015-2016	FY 2016-2017
Total Expenditures	\$48,140,101	\$35,217,401
Total Revenues/Use of Fund Balance	\$48,140,101	\$35,217,401
Total General Fund Contribution	\$0	\$0
Total Staff	26.50	26.50
% Funded by General Fund	0.00%	0.00%

DEPARTMENT SERVICES

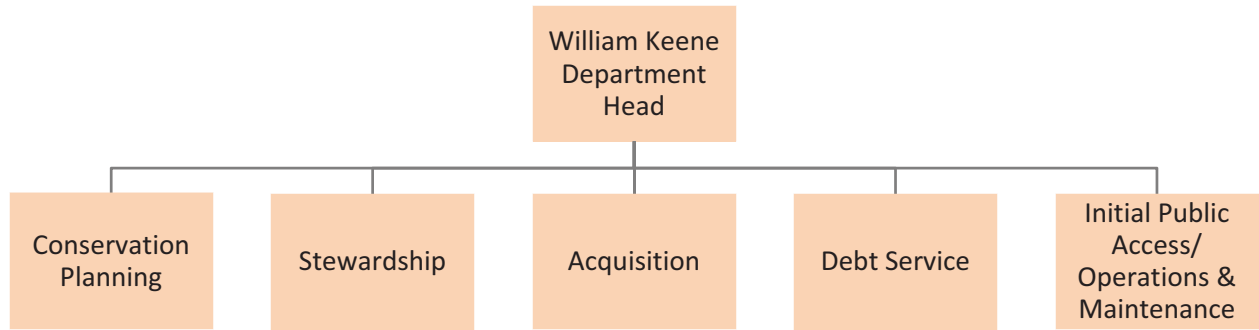
The District partners with willing landowners, public agencies, and non-profit organizations to permanently protect land from development through agreements with landowners (conservation easements), outright purchase of land, and through ongoing stewardship activities on existing easements. District 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.

Financing for the District comes almost exclusively from the voter-approved sales tax. 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 operations 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.

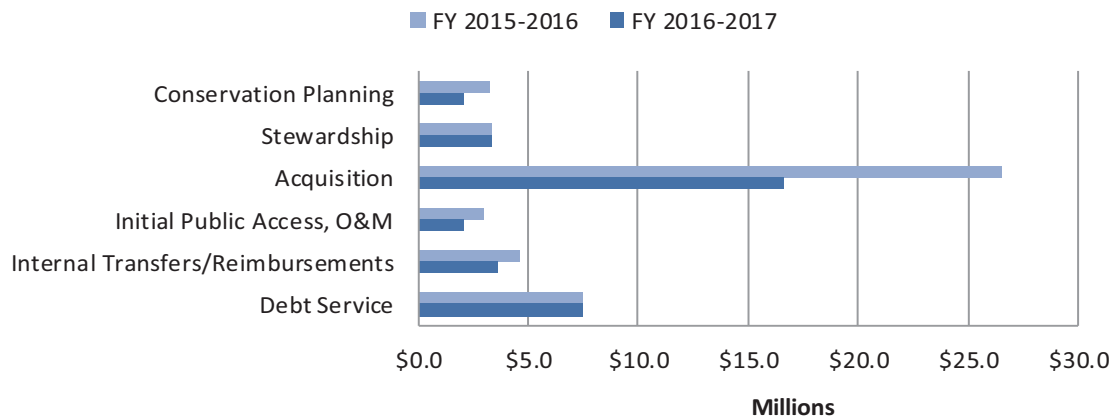
The District is organized into three programs: **Conservation Planning**, which develops and analyzes data to ensure the highest value land is protected; **Acquisitions**, which purchases conservation easements to protect farmland, greenbelts, natural areas, and recreational lands; and **Stewardship**, which 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, Operations and Maintenance** reflects expenditures by the District for eligible expenses and negotiated payments to other agencies for eligible work on properties that have been transferred from the District. **Debt Service** reflects repayment of Measure F 2007 bond financing used to purchase high priority conservation easements and fee properties.

For more information, call (707) 565-7360, or visit www.sonomaopenspace.org/.

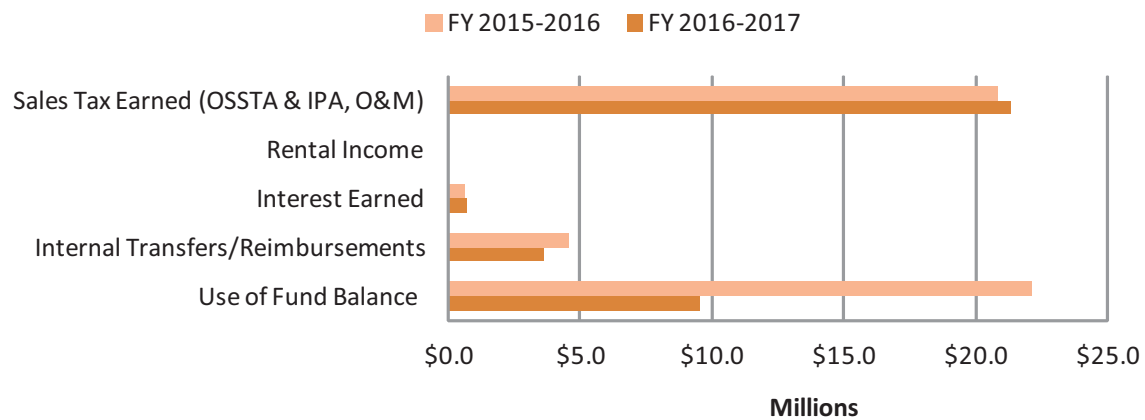
ORGANIZATIONAL PROGRAM CHART



FUNDING USES



FUNDING SOURCES



FINANCIAL SUMMARY

	FY 2014-15	FY 2015-16			FY 2016-17		
	Adopted Budget	Recommended Budget	Change from 2014-15	% Change from 2014-15	Recommended Budget	Change from 2015-16	% Change from 2015-16
Expenditures (Uses)							
Conservation Planning	2,477,367	3,225,404	748,037	30.2	2,047,435	(1,177,969)	(36.5)
Stewardship	4,122,981	3,339,269	(783,712)	(19.0)	3,333,433	(5,836)	(0.2)
Acquisition*	21,486,985	26,532,931	5,045,946	23.5	16,610,786	(9,922,145)	(37.4)
Initial Public Access, O&M**	0	2,966,500	2,966,500	N/A	2,097,000	(869,500)	(29.3)
<i>Internal Transfers/Reimbursements</i>	852,122	4,568,622	3,716,500	436.1	3,624,122	(944,500)	(20.7)
Debt Service	7,508,200	7,507,375	(825)	(0.0)	7,504,625	(2,750)	(0.0)
Total Expenditures	36,447,655	48,140,101	11,692,446	32.1	35,217,401	(12,922,700)	(26.8)
Revenues/Reimbursements/Use of Fund Balance (Sources)							
Sales Tax Earned (OSSTA & IPA, O&M)	19,051,200	20,800,000	1,748,800	9.2	21,320,000	520,000	2.5
Rental Income	166,188	15,000	(151,188)	(91.0)	15,000	0	0.0
Interest Earned	514,502	660,000	145,498	28.3	710,000	50,000	7.6
<i>Internal Transfers/Reimbursements</i>	852,122	4,568,622	3,716,500	436.1	3,624,122	(944,500)	(20.7)
Use of Fund Balance	15,863,643	22,096,479	6,232,836	39.3	9,548,279	(12,548,200)	(56.8)
Total Revenues/Use of Fund Balance	36,447,655	48,140,101	11,692,446	32.1	35,217,401	(12,922,700)	(26.8)
Total Permanent Positions	26.5	26.5	0.0	0.0	26.5	0.0	0.0

Note: Transfers and reimbursement expenses from one section of the District's budget to another total \$4.6 million in FY 2015-2016 and \$3.6 million in FY 2016-2017, resulting in a net budget of \$43.6 million in FY 2015-2016, and \$31.6 million in FY 2016-2017.

*Appropriations for Acquisitions are annually recommended at an ambitious level directly related to the active projects for each fiscal year for administrative ease of completing planned acquisitions and flexibility to respond to opportunities that arise during the year. Acquisition transactions may take multiple years for completion.

** Through FY 2014-2015, the Initial Public Access, Operations and Maintenance budget was included in Stewardship.

BUDGET CHANGES

FY 2015-2016

The recommended District budget includes expenditures totaling \$48.1 million, an increase of \$11.7 million or 32.1% over FY 2014-2015. This change is driven by increases in funding for the Matching Grant Program, land and conservation easements, Initial Public Access and Operation and Maintenance (IPA O&M), consulting services for Board directed Conservation Planning projects, and increases in internal transfers to the Stewardship Reserve. The District does not receive a contribution from the General Fund. Total revenue and use of fund balance for the District also increases by \$11.7 million, primarily due to increased use of fund balance for acquisitions and increased internal transfers to the Stewardship Reserve.

Conservation Planning

During FY 2014-2015, the Board adopted a management review of the District that directs staff to develop a comprehensive integrated planning framework and strategic plan and substantially enhance community relations and grant funding coordination. The deployment of all of these and other Board directed projects and actions will require additional short term consulting support and some operational costs, which accounts for most of the \$748,000 or 30.2% increase.

Stewardship

In the Stewardship program, a reduction of \$784,000 or 19% reflects the breakout of IPA O&M expenditures for the first time in FY 2015-2016. The budget for IPA O&M will be shown as a separate line item going forward. Overall expenditures for the Stewardship program outside of those related to IPA O&M have remained nearly level.

Acquisition

The Acquisition program's \$5.0 million or 23.5% increase includes a budget recommendation for the \$3 million Matching Grant Program approved by the Board in FY 2014-2015, as well as an increase of \$2.2 million in capital acquisitions towards land and conservation easements offset by decreases in operating costs. The Matching Grant Program makes available grants to cities, the County, other public agencies, and non-profit organizations for projects that provide open space preservation, community recreation, and public access opportunities within or near urban areas.

Initial Public Access, Operation and Maintenance

Initial Public Access, Operation and Maintenance (IPA O&M) is being broken out separately in the budget document for the first time this year, accounting for \$3 million in expenditures. Up to 10% of the dedicated sales tax receipts can be spent on projects that allow for initial public access to properties designated for recreation or operations and maintenance on these properties. Examples would include trail construction or payments to another agency to maintain newly-transferred lands. The anticipated expenditures include reimbursement to the District for Operations and Maintenance on District owned eligible properties in the amount of \$1,516,500 and \$1,450,000 of payments to other agencies for negotiated expenditures related to Initial Public Access, Operations and Maintenance. This constitutes a significant increase over the FY 2014-2015 budget due to increased payments to other agencies for newly-transferred lands and increased capital spending on trail projects, including East Slope Sonoma Mountain and North Slope Sonoma Mountain Regional Park and Open Space Preserve are completed.

Revenue

Revenue increases by \$11.7 million. This includes an increase of \$1.7 million in revenue from the District's sales tax, a 9.2% increase from FY 2014-2015 based on current collections. A decline in rental income of \$151,000 or 91% is due to the transfer of cell tower leases to Regional Parks and the completion of some grazing leases. Interest earned increases by \$145,000 or 28.3% primarily due to increasing balance in the Stewardship Reserve as the result of larger transfers.

Internal transfers and reimbursements increase by \$3.7 million or 436.1%. Most of this change is due to a \$2.4 million increase in transfers to the Stewardship Reserve in order to build the reserves needed to provide stewardship of District properties and conservation easements in perpetuity if the sales tax that provides District funds sunsets in 2031. This total transfer of \$3 million will bring the reserve balance to \$14.2 million. Additionally, \$1.5 million is estimated to be reimbursed to the District from the IPA O&M fund for operations and capital activity on District owned recreational properties. The \$6.2 million, or 39.3%, increase in Use of Fund Balance from the Open Space Sales Tax Account (OSSTA) is needed for potential acquisitions.

FY 2016-2017

The recommended District budget includes expenditures totaling \$35.2 million, which is a decrease of \$12.9 million or 26.8% from FY 2015-2016. The decrease is due to the anticipated completion of projects in FY 2015-2016, as well as a decrease in projected expenditures for capital acquisitions of land and conservation easements.

Sales tax revenues are projected to increase \$520,000 or 2.5% in FY 2016-2017 and the Use of Fund Balance decline of \$12.5 million or 56.8% is due to the overall reductions in spending as discussed below. Internal transfers and reimbursements decline by \$945,000 or 20.7%, primarily due to a decrease in reimbursements to the Districts for IPA O&M eligible projects. Transfers to the Stewardship Reserve remain at \$3 million, with a projected accumulated balance of \$17.5 million by June 30, 2017.

Conservation Planning

Due to the expected completion in FY 2015-2016 of contracts related to the District's Strategic Plan and integrated planning framework, as well as other planning projects, expenditures in the Conservation Planning area drop by \$1.2 million, or 36.5%.

Acquisition

The FY 2016-2017 Acquisition budget drops by \$9.9 million due primarily to a decrease of \$6.7 million from the prior year projected expenditures for capital acquisitions of land and conservation easements and due to anticipated completion of many planned acquisitions in FY 2015-2016. In addition there is a \$3 million reduction in Matching Grant expenditures for the biennial program.

Initial Public Access, Operation and Maintenance

Initial Public Access, Operation and Maintenance decreases by \$870,000, or 29.3% in FY 2016-2017 due to a decrease of \$945,000 as trail projects including East Slope Sonoma Mountain and North Slope Sonoma Mountain Regional Park and Open Space Preserve are completed. Payments to other agencies for transferred properties increase by \$75,000.

ALIGNMENT WITH THE COUNTY STRATEGIC PLAN

Of the four goals in the County Strategic Plan, programs provided by the Agricultural Preservation and Open Space District most closely align with the goal of Economic and Environmental Stewardship. All activities under the District's Programs are aimed at achieving the outcomes of this goal including:

- Protecting watersheds, promoting biodiversity and contributing to recreational and economic vitality.
- Protecting, maintaining, and managing public lands and open space systems.
- Continued stewardship of easements and management of properties the District owns in fee.
- Ensuring that agricultural resources are preserved and valued for food and for maintaining links to our County's agricultural heritage.

ACCOMPLISHMENTS AND OBJECTIVES

FY 2013-2015 Accomplishments

- Completed transfer of North Sonoma Mountain to Sonoma County Regional Parks (736 acres), Montini to the City of Sonoma (98 acres), and Wright Preservation Bank to the State of California (173 acres).
- Acquired conservation easements over Curreri (29 acre addition to Sonoma Valley Regional Park), Fitch Mountain (creation of 173 acre Open Space Preserve in Healdsburg); acquired agricultural easements over Jones Dairy and Foppiano Vineyards.
- Completed 8 stewardship workdays on 6 properties with 80 volunteers, and trained 60 new volunteer patrollers.
- Conducted 50 outings county-wide reaching 1300 participants of very diverse demographics, and led 90 environmental and agricultural education field trips serving 4,000 youth.

FY 2015-2017 Objectives

- Develop an integrated, hierarchical planning framework which will produce a long term strategic plan, annual work plans, property-specific plans, summary statistics for messaging and grants, and performance metrics.
- Enhance community outreach and focused youth engagement via a new website, stakeholder input, 25th anniversary celebration, community meetings, diverse media strategy, land stewardship, educational programs and hosting of workshops and events.
- Complete transfer of Tier 1 properties including Carrington Ranch, Haroutunian North, Mark West Regional Park and Open Space Preserve, and Healdsburg Ridge Open Space Preserve.
- Acquire six conservation easements that protect natural and scenic resources while furthering sustainable agricultural, forestry practices, recreational opportunities, and initiate ongoing stewardship of each acquisition.
- Present six Matching Grant projects to the Board of Directors that preserve and enhance urban open spaces with opportunities for a variety of recreational enjoyment.
- Establish a 2031 funding target for the Stewardship Reserve Fund through development of a model that can be continuously updated as easements are acquired.
- Increase the frequency of conservation easement monitoring visits and other opportunities for communication with easement landowners.