

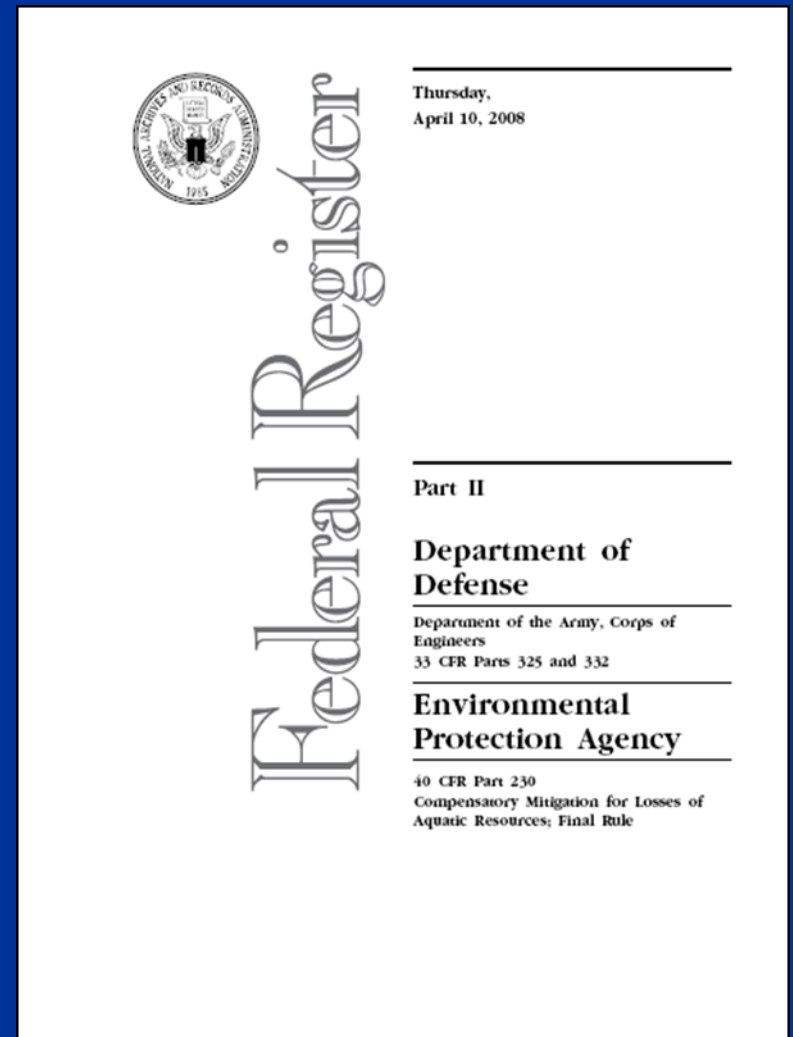
# Estimating Long-term Stewardship Costs



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**EcoLogical Solutions**  
**ELI - ILF Webinar 2013**

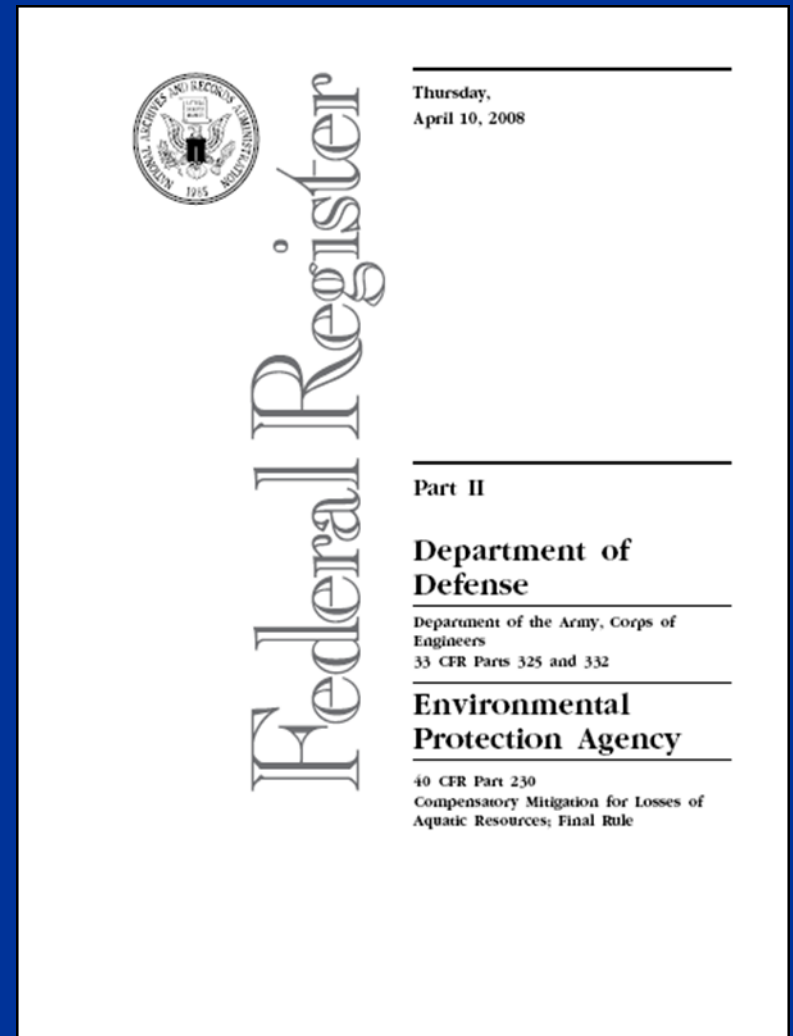
# 2008 RULE

- The long-term stewardship plan must identify:
- The party responsible for long-term management and maintenance activities;
- A description of the long-term management and maintenance needs (affirmative obligations themselves);
- The party responsible for long-term ownership (presumably, fee title);




# 2008 RULE

- A description of the annual cost estimates for those needs; and
- The funding/financing mechanisms that will be used to meet those needs, which may include provisions for:
  - Addressing inflationary adjustments and other contingencies as appropriate;
  - Non-wasting endowments;
  - Trusts;
  - Contractual arrangements with future responsible parties;
  - Other appropriate financial instruments.





**ACQUISITION  
DOES NOT EQUAL  
PROTECTION**



**The financial management is  
as critical as the biological  
management to ensure  
perpetual stewardship.**

The background of the slide is a photograph of a vast blue ocean under a bright blue sky with wispy white clouds. The sun is visible on the left side, creating a shimmering reflection on the water's surface.

Think about the  
long-term  
stewardship first,  
not last

# 5 Points of LTS Costs for ILF's

## 1. *Perpetuity*



# **No Two Preserves Cost the Same – WHY?**

## **Causes of Variation in Stewardship**

- Type of Habitat(s)
- Species/Permit Requirements
- Legal Entity - Fee Title, Conservation Easement or Contract Manager, Public vs. Private
- Management Constraints and Styles
- Purpose of Preservation
- Agreement made between all Parties to the Project
- Location, Location, Location



# Property Analysis Record



PAR  
3



Center for Natural Lands Management  
PAR 3 © 2007 cnlm.org

Userid:

Password:

Login

Cancel

# Property Analysis Record – PAR3<sup>©</sup>

● Due Diligence



# Property Analysis Record – PAR3<sup>©</sup>

- Helps to plan management tasks and costs for individual projects
- Becomes the justification for long-term funding



# 5 Points of LTS Costs for ILF's

2. Sound assumptions using BMP's, available science, and permit requirements, and realistic market costs for labor.



# 5 Points of LTS Costs for ILF's

3. LTS must encompass all aspects of stewarding the land in perpetuity. These are in addition to the permit requirements.



# Stewardship Task Categories

1. Acquisitions
2. Site Construction
3. Biotic Surveys
4. Habitat Restoration
5. Habitat Maintenance
6. Water Management
7. Public Services
8. General Maintenance
9. Reporting
10. Office Maintenance
11. Field Equipment
12. Operations



# Tasking

Tasking								Phasing					
<input type="radio"/> View All <input checked="" type="radio"/> View Included only		Display Category All Categories	<input type="checkbox"/> Auto-populate the Ongoing Information					Find: <input type="text"/> <input type="button" value="Find"/> <input type="button" value="Find Next"/>					
Initial Cost								Ongoing Cost					
Inc	Cat	Task	Specific Description	Units	Qty	Rate	* #Yrs	Cost	Units	Qty	Rate	/ #Yrs	Cost
<input checked="" type="checkbox"/>	Site	Gate	Powder River Gate, 10'	Each	2.000	210.14	1	420.28	Each	4.000	225.00	25	36.00
<input checked="" type="checkbox"/>	Bio	General Wildlife Surveys	General Surveys	L. Hoi	0.000	48.00	5	0.00	L. Hoi	0.000	48.00	1	0.00
<input checked="" type="checkbox"/>	Bio	Ornithologist	Field Survey- BUOW	L. Hoi	40.000	48.00	5	9600.00	L. Hoi	32.000	48.00	1	1536.00
<input checked="" type="checkbox"/>	Bio	Ornithologist	Repair/Maintn burrowing owl bu	L. Hoi	5.000	48.00	0	0.00	L. Hoi	5.000	48.00	3	80.00
<input checked="" type="checkbox"/>	Bio	Project Management	Manage Project And Staff	L. Hoi	16.000	48.00	5	3840.00	L. Hoi	6.000	48.00	1	288.00
<input checked="" type="checkbox"/>	Ha	Exotic Plant Control	Backpack Spray, labor	L. Hoi	24.000	48.00	2	2304.00	L. Hoi	12.000	48.00	1	576.00
<input checked="" type="checkbox"/>	Ha	Exotic Plant Control	Roundup Super Concentrate	Item	5.000	125.00	2	1250.00	Item	0.000	102.00	2	0.00
<input checked="" type="checkbox"/>	Ha	Permit	City Burn	Item	1.000	50.00	2	100.00	Item	1.000	50.00	2	25.00
<input checked="" type="checkbox"/>	Ha	Plant Procurement	Shrubs, Small	Gallon	260.000	8.00	1	2080.00	Gallon	0.000	6.53	0	0.00
<input checked="" type="checkbox"/>	Ha	Plant Procurement	planting labor	L. Hoi	75.000	48.00	1	3600.00	Gallon	18.000	48.00	10	86.40
<input checked="" type="checkbox"/>	Ha	Ripping/Disking	Regular Disc	Acre	50.000	36.50	1	1825.00	Acre	0.000	36.30	10	0.00
<input checked="" type="checkbox"/>	Ha	BUOW nest boxes/burrows	Maintain boxes and burrows	Item	0.000	0.00	0	0.00	Item	1.000	500.00	5	100.00
<input checked="" type="checkbox"/>	Ha	Controlled Burning	tumbleweeds	L. Hoi	0.000	48.00	1	0.00	L. Hoi	0.000	48.00	1	0.00
<input checked="" type="checkbox"/>	Ha	Exotic Plant Control	tumbleweeds	L. Hoi	65.000	48.00	1	3120.00	L. Hoi	35.000	48.00	1	1680.00

Category	Operations	Position	Person	Admin Rate	Contingency Rate	Reoccurring Yr	<input type="checkbox"/> Reinvestment
Task	Taxes	Initial	Preserve Manager	24.00	10.00	0	<input type="checkbox"/> Phased
Specific	Fire Districts	Ongoing	Preserve Manager	24.00	10.00	00000	

# Columns in the Onsite Tasks Database

Tasking									Phasing				
<input type="radio"/> View All <input checked="" type="radio"/> View Included only		Display Category All Categories	<input type="checkbox"/> Auto-populate the Ongoing Information						Find: <input type="text"/>		<input type="button" value="Find"/>	<input type="button" value="Find Next"/>	
Initial Cost									Ongoing Cost				
Inc	Category	Task	Specific Description	Units	Qty	Rate	* #Yrs	Cost	Units	Qty	Rate	/ #Yrs	Cost
<input checked="" type="checkbox"/>	Site Cons	Fence	Monitor/repair 4X/yr	L. Hol	48.000	45.00	3	6480.00	Lin. F	0.000	0.00	0	0.00
<input checked="" type="checkbox"/>	Site Cons	Fence	Monitor/repair 2-3X/yr	L. Hol	0.000	45.00	0	0.00	Lin. F	36.000	45.00	1	1620.00
<input checked="" type="checkbox"/>	Site Cons	Fence - Installed	I-15 buried tortoise fence (5 mi)	Lin. F	26750.000	4.86	0	0.00	Lin. F	2500.000	4.86	10	1215.00
<input checked="" type="checkbox"/>	Site Cons	Fence - Installed	I-40 buried type 1 (34 mi)	Lin. F	184000.000	4.83	1	888720.00	Lin. F	5280.000	4.83	10	2550.24
<input checked="" type="checkbox"/>	Site Cons	Fence - Installed	I-40 buried type 2 (12.5mi)	Lin. F	66300.000	2.75	0	0.00	Lin. F	2500.000	2.75	10	687.50

## n Task Category

- Specific Description (e.g., type of fence)
- Units (of measurement , e.g., linear feet)
- Quantity (Per Year)
- Rate
- \*Yrs. & /Yrs.
- Cost (per Unit)



# 5 Points of LTS Costs for ILF's

4. Contingency funding and Adaptive Management funding.

Contingency funding not less than 10%. Some items need to be greater....fuel, insurance, higher risk items.



# 5 Points of LTS Costs for ILF's

5. Which funding mechanism to use?

Endowment, trust, bond, HOA, annuity?

Use Endowments.

- Fund endowment within 5 yrs. AND with a 5 yr. cash account for initial and capital expenses (upfront and limited term)

# Key Issues

## For Entities Holding Endowment Funds

- Fund Accounting *per site*
- Segregation of Funds- *LT vs. ST*
- Inflation Adjusted Endowments
- Financial Controls and Audits
- Investment Policy \*
- Trust Docs as an Addendum to Agreements
- Credibility of Investment Mgr.
- Careful about use of bonds- too difficult to track/collect
- NGO Board composition and expertise



# Jump In!



# Summary of Operational Safeguards

- ❖ Ensure adequate financial resources for interim management while endowment earning interest – not less than 5 yrs. of cash for initial mgmt.
- ❖ Account for all necessary tasks current & future (general categories)
- ❖ Use market costs
- ❖ Never, never exceed 3.0-4.0% of endowment balance
- ❖ Have built in contingency funding in PAR not <10%
- ❖ Have an Adaptive Mgmt. Fund or annual line item

**Hang in there, you'll get it!**



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