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Proposed 2022 Budget for Multistate Trust Administrative Account (AA) (Cost Code # I)
Greenfield Environmental Multistate Trust LLC
Trustee of Multistate Environmental Response Trust (Multistate Trust)
Submittal to United States--12/6/2021; REVISED 02/14/2022

CC #	CC Description	Proposed 2022 Budget	Expected Costs thru 12/31/2021	2021 Approved Budget	2022 Scope of Work	Basis for 2022 Budget
A	Financial Affairs	\$1,187,620	\$685,118	\$816,500	Budget covers internal and third-party financial services, including: (1) costs to implement and manage Multistate financial procedures and protocols, including a) processing receipts, b) reviewing and tracking contractor invoices, c) reconciling monthly bank and general ledger statements for ±29 segregated accounts, d) preparing/filing annual tax returns, and e) documenting, implementing and monitoring internal controls; (2) costs to: a) process and disburse payments, b) organize, scan and distribute incoming mail at central post office box, c) assist with preparing quarterly financial statements, d) process and track real property taxes, e) oversee property tax payments; (3) costs to a) review and reconcile monthly investment reports for ±110 accounts, b) prepare reports and participate in periodic treasury meetings and follow-up, c) perform annual evaluations of treasury consultant and investment manager performance and strategy, d) communicate with treasury team, and e) research and follow-up on Multistate Trust investment policy; (4) costs to complete a five-year (2016 to 2020) audit of the Multistate Trust financial statements (which commenced 10/2021 and is projected to be concluded by April of 2022), including fees and expenses of outside auditor; (5) financial tasks required to implement the Transparency Plan, including uploading financial data to Multistate Trust website and supporting preparation of Multistate Trust annual progress report; and (6) other financial tasks and reporting requirements (quarterly financial statements, Administrative Account budgets, long-term financial forecasts for Administrative Account, etc.). [Notes: (I) Direct fees and costs associated with bank custodial fees and asset management fees are netted against investment income for each segregated account and are therefore not included in this not Cost Center. (II) Financial tasks directly attributable to ECA activities are budgeted for and paid from the specific ECA budgets. (III) In 2022, at the request of the US, in consultation with the state beneficiaries, the Multistate Trust will issue financial statements for all Owned Service Station ECAs, NOSS Work Accounts, Owned Other Sites and Non-Owned Other Site ECA-equivalents.]	Budget based on expected level of effort for 2022.
B	Taxes	\$603,300	\$566,975	\$587,700	Budget covers property taxes for Multistate Trust Owned Sites, assuming 10% increase in taxes from 2021 to 2022. [Note: The majority of property taxes are paid in December of each year.]	Budget based on estimated 2021 actual taxes paid plus 10%.
C	Site Security & Property Management	\$640,700	\$312,847	\$543,360	Budget includes: (1) third-party costs for caretaking, site security, property management and maintenance costs that are unrelated to Environmental Actions, including (for example) a) repair of vandalized property (doors, gates, etc.), b) installation and repair of fencing, and c) mowing, snow removal and compliance with local ordinances and codes; (2) management and oversight of ±100 Multistate Trust property maintenance and caretaker professionals; (3) communications and coordination with municipal inspection departments and local compliance officers; and (4) administering, tracking and authorizing payment of property taxes for Multistate Trust properties. The 2022 budget also includes \$309,000 for Owned Funded Site security measures, including: (1) a placeholder estimate of \$123,000 for third-party costs to design and perform an inventory of all mine openings (site visit, photographs and aerial imagery) and coordinate the data findings/information with the Nevada Division of Minerals database for the Bristol and Casleton mining sites (but does not include costs to implement mine closure measures, which, if required, will be covered in a budget amendment) (Note: this task was included in the 2021 budget, but was not performed in 2021); (2) a placeholder estimate of \$75,000 for a portion of the costs to install fencing at the Casleton OFS to prevent trespassing, vandalism and exposure to contaminated soil; and (3) a third-party contractor estimate of \$111,000 to perform drainage ditch vegetation and sediment removal at the Indianapolis Site.	Budget level funded from 2021 expected costs; plus cost estimates received for specific identified scopes of work to be performed in 2022.
D	Insurance	\$277,000	\$231,874	\$253,800	Budget covers annual insurance premiums for the Multistate Trust's general commercial liability, auto, excess liability, commercial property and crime bond insurance policies (including taxes and fees).	Assumes no change in coverage and a 20% increase in premiums over 2021 actuals.
E	Administrative Fees/Expenses	\$526,600	\$316,300	\$640,200	Budget includes ongoing and recurring costs of \$268,000 for Multistate Trust senior management, program, project and support personnel to: perform routine administrative tasks and activities, including Beneficiary communications, consultations and portfolio updates; oversee Multistate Trust financial, investment, budget and financial controls; develop, implement and maintain program and portfolio management controls and protocols and perform other portfolio-wide activities; support and direct property disposition activities; develop portfolio-wide local contracting strategies; prepare and issue annual progress report; update Multistate Trust website, including EJAB materials; and perform other Multistate Trust administrative activities that are not Environmental Actions. Budget also includes \$110,000 for one-time non-recurring costs for Multistate Trust staff to update financial projections and support critical sites activities. Budget also includes \$50,000 for third-party costs for: outsourced Multistate Trust administrative support (\$5,000); Multistate Trust direct costs (\$12,000); Multistate Trust operating fees, such as permits, licenses and filing fees (\$6,000); portfolio meeting costs (\$12,000); and other direct costs associated with Multistate Trust meetings and activities (\$15,000).	2022 budget assumes expected level of effort by Managing Principal to oversee the Multistate Trust portfolio and perform routine, recurring trust administration tasks.
F	Legal Affairs	\$693,460	\$479,573	\$854,700	Budget includes costs for legal services, including: (1) negotiation, management and monitoring of more than 50 third-party contracts and agreements; (2) insurance and risk management issues; (3) Settlement and Multistate Trust Agreement compliance; (4) Trustee compliance with State laws and regulations governing Multistate Trust activities in individual states (including analysis and follow-up on state filing requirements); (5) site-specific and portfolio-wide legal issues not related to Environmental Actions; (6) Beneficiary communications and consultation on administrative matters; (7) legal support for special projects (such as Critical Sites, local contracting and annual progress report) and other legal service requirements; and (8) outside counsel fees and expenses associated with Trustee obligations under Settlement and Multistate Trust Agreements and other legal matters. [Note: Property disposition costs are included in Cost Center I.L.]	Budget based on 2021 actual costs incurred that have been adjusted to expected level of effort in 2022, noting that some positions in 2021 were vacant for a significant portion of the year.
G	Overall Trust IT & Records Document Management	\$107,000	\$95,229	\$107,000	Budget covers third-party costs and fees to operate and maintain the Multistate Trust-dedicated IT on-line document storage and management system (Alfresco), consultant technical support with Alfresco configuration and permissions, general IT support and matters, certain hardware and software upgrades and online communications costs.	Level funded from 2021 budget.
K	Other Site Fund Administration	\$15,600	\$5,277	\$18,400	Budget covers activities associated with administration of the Other Sites program.	Budget based on expected level of effort for 2022.
L	Property Disposition: Internal Costs	\$740,100	\$482,320	\$559,300	Budget covers costs related to disposition of Multistate Trust properties (including Owned Funded Sites, Other Sites Owned and Owned Service Stations). Proposed 2022 budget increase (compared to 2021) covers costs for planned disposition of Owned Funded Sites and Other Owned Sites. Multistate Trust property disposition costs are reimbursed to the Administrative Account post-closing (from 2011 to 2020 have totaled ±\$1,042,000 of costs incurred in the disposition).	Budget estimate based on expected level of effort in 2022.
M	Property Disposition: External Costs	\$150,000	\$57,622	\$165,000	Budget covers outside counsel fees and expenses, third-party costs (including appraisers, surveyors, market studies and development planners) and other fees (broker fees, closing costs and other costs) related to property disposition. [Note: As with Multistate Trust property disposition costs, these external costs are reimbursed to the Administrative Account post-closing.]	Budget estimate based on expected level of effort in 2022.
N	Owned and Non-Owned Service Stations: Administration	\$66,100	\$56,668	\$62,250	Budget includes costs to administer the Owned Service Stations (OSSs) and Non-Owned Service Stations (NOSSs). [Note: Cost Center I.N was established in 2021 to provide greater transparency and reporting related to administration of the OSS and NOSS portfolios.]	Budget estimate based on expected level of effort in 2022.
O	Environmental Justice Programs	\$168,800	\$349,358	\$824,975	Budget covers costs to lead, manage and coordinate the Multistate Trust Environmental Justice Advisory Board (EJAB), including: (1) consulting with EJAB Chair and members on priorities and programs to be considered by EJAB; (2) preparing materials for EJAB meetings; (3) coordinating logistics and plans for EJAB meetings; (4) participating in EJAB quarterly meetings; and (5) payment of stipends for EJAB members.	Budget estimate based on expected level of effort in 2022.
Total Multistate Trust Administrative Account Proposed 2022 Budget		\$5,176,280	\$3,639,161	\$5,433,185	Notes: (I) Non-recurring site security costs total \$309,000 (or 6% of the total proposed budget). (II) Property disposition costs totaling \$890,100 (or 17% of total proposed budget) should be reimbursed as described above. (III) Environmental Justice Programs totaling \$168,800 represent 3% of the proposed budget. (IV) Excluding costs for (I), (II) and (III), total proposed Administrative Account Budget is \$3,808,380.	
Estimated Funds Remaining at Beginning of 2022 Budget Year*		\$38,900,000	Total funds allocated to the Administrative Account per Consent Decree and Environmental Settlement Agreement; less 2011 thru 2019 actual and 2021 estimated costs; plus 2011 thru 2020 actual and 2021 estimated investment activity and other receipts, including property sale reimbursement funds. *This is a projection based on actuals and estimates and is subject to change once final costs have been received. Actual balances are presented in the quarterly distributed financial statements.			
Estimated Remaining Funds (Post-2022)		\$33,723,720	Initial Funding (2/14/11): \$16,936,352 Anadarko Settlement Funds (2015 and 2016): \$52,338,018 Waterfall Distribution from Sale of Other Sites Properties: \$619,082			