

**MONTEREY PENINSULA REGIONAL PARK DISTRICT  
BOARD OF DIRECTORS MEETING**

**DATE:** June 1, 2022  
**TO:** Board of Directors  
**FROM:** Shuran Parker, Administrative Services Manager  
**REVIEWED BY:** Rafael Payan, General Manager  
**SUBJECT:** Public Hearing for Review of MPRPD Proposed FY2022-23 Budget and Approval of Resolution #2022-11, to Adopt the FY2022-23 Agency Budget

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**SUMMARY:**

At this evening's meeting, staff will review the proposed Fiscal Year (FY) 2022-23 District budget, request that the Board open a public hearing, then approve the draft document as presented, or with modifications.

**FISCAL IMPACT:**

Approval of this proposed budget will establish \$7,470,900 in combined revenues and \$9,385,900 in expenditures for FY2022-23.

**FUNDING SOURCE:**

Not applicable

**FUNDING BALANCE:**

Not applicable

**DISCUSSION:**

The proposed budget for FY2022-23, reviewed by the Board's Finance Committee, represents a spending plan that includes projected revenues of \$7,470,900 and expenditures of \$9,385,900. These figures include revenues and expenditures from the District's General Fund and the Parks, Open Space and Coastal Preservation Community Facilities District (CFD), plus the use of remaining funds from the "sunsetting" Assessment District.

Compared to the FY2021-22 estimate, projected revenues will be approximately 2% less next year, due to re-budgeting of grant receivables originally anticipated for receipt last FY. Also, last year's budget included a large, unanticipated one-time grant from Pacific Gas & Electric, which increased revenue higher than normal. Property tax revenue has also been increased by 7% over the prior FY estimate due to receipts of more than 5% over budget toward year-end.

The projected expenditures, \$9,385,900 are \$1,915,000 more than revenues, as we plan to expend the remaining AD funds (\$2,000,000) and some unused CFD funds, currently in reserves.

The Fund Balance is projected to be \$17,175,229 at 6/30/23, which represents a 10% decrease compared to the March 2022 year-end estimate for FY2021-22<sup>1</sup>.

In accordance with the District’s Reserve Policy, a large portion of the estimated fund balance includes the following amounts for Restricted, Assigned and Unassigned projects and expenditures. For clarification, below is a chart with definitions that outlines the components of a fund balance<sup>2</sup>:

**COMPONENTS OF FUND BALANCE**

<b>NONSPENDABLE</b>	<b>RESTRICTED</b>	<b>COMMITTED</b>	<b>ASSIGNED</b>	<b>UNASSIGNED</b>
This category is inherently nonspendable, such as the long-term portion of loans receivable, the principle of an endowment and inventories.	This classification has externally enforceable limitations on the use of fund balance, imposed parties such as creditors, grantors or laws or regulations of other governments.	This encompasses limitations imposed by the special district upon itself at its highest level of decision making (e.g., governing Board through a resolution).	This portion is earmarked for an intended use. The intent is established at either the highest level of decision making or by a body or official designated for that purpose.	This comprises all fund balances that are left after considering the other four categories. Use is least constrained in this category of fund balance.



<b>Account</b>	<b>Purpose</b>	<b>Amount</b>	<b>Status</b>
Prepaid Expenses	Insurance	\$147,000	Nonspendable
Seawall Mitigation Funds	Buy Coastal Dune Property	\$2,500,000	Restricted
Operating Expenses	Annual Operating Budget	\$9,400,000	Unassigned
Depreciation	Accumulated depreciation	\$2,300,000	Unassigned
Unanticipated Expenses	Unanticipated expenditures	\$1,000,000	Unassigned
<b>COMBINED TOTAL</b>		<b>\$15,347,000</b>	

Based on the District’s Reserve Policy and existing obligations, the estimated amount to remain in reserves totals \$15,347,000. It is important to call attention to these figures, as a reminder that most funding in reserves has a designated purpose.

As detailed in the General Manager’s Budget Overview, although unbalanced, the proposed FY2022-23 budget calls for using reserve funds from the remaining unexpended Assessment District revenue to close out that funding mechanism, along with unused money from the CFD accounts. These reserved funds aside, staff has presented an otherwise balanced budget, programming within the estimated revenue for

<sup>1</sup> Final budget numbers will vary, based on activity that occurs during the remainder of the fiscal year, as referenced in the District’s financial statements. Actual FY2021-22 numbers will be reflected in the FY2023-24 budget.

<sup>2</sup> California Special Districts Association, *Special District Reserves Guidelines*, 2<sup>nd</sup> Edition, 2013

FY2022-23. For additional information, please refer to the attached proposed budget document.

**RECOMMENDED ACTION:**

It is recommended that the Board receive staff's oral presentation and conduct a Public Hearing for the proposed budget for FY2022-23 (**ATTACHMENT 1**). It is further recommended that the Board approve Resolution #2022-11 (**ATTACHMENT 2**) to adopt said budget.

**ATTACHMENTS:**

1. [MPRPD FY2022-23 Proposed Budget](#)
2. [Resolution #2022-11 to Adopt FY2022-23 Budget](#)