

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

DATE: June 3, 2020
TO: Board of Directors
FROM: Shuran Parker, Administrative Services Manager
REVIEWED BY: Rafael Payan, General Manager
SUBJECT: Public Hearing for Review of MPRPD Proposed FY2020-21 Budget and Approval of Resolution #2020-05, to Adopt the FY2020-21 Agency Budget

RECOMMENDED ACTION:

It is recommended that the Board receive staff's oral presentation and conduct a Public Hearing for the proposed budget for FY2020-21 (**ATTACHMENT 1**). It is further recommended that the Board approve Resolution #2020-05 (**ATTACHMENT 2**) to adopt said budget.

FISCAL IMPACT:

Approval of this proposed budget will establish \$7,151,000 in combined revenues and \$8,798,655 in expenditures for FY2020-21.

FUNDING SOURCE:

Not applicable

FUNDING BALANCE:

Not applicable

DISCUSSION:

The proposed budget for FY2020-21, previously reviewed by the Board's Finance Committee, represents a spending plan that includes projected revenues of \$7,151,000 and expenditures of \$8,798,655. 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 "sunsetted" Assessment District.

Compared to the FY2019-20 estimate, projected revenues will be approximately 7% less, at \$7,151,000, due to acknowledgement of a grant last FY, that the District will not receive in the coming year. The projected expenditures-\$8,798,655 are \$1,647,655 more than revenues, as we plan to expend the remaining AD funds, and some unused CFD Services funds, currently in reserves.

The District's Fund Balance is projected to be \$15,123,789 at 6/30/21, which represents a 10% decrease from the estimate at 6/30/20.

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 balance¹:

COMPONENTS OF FUND BALANCE

NONSPENDABLE	RETRICTED	COMMITTED	ASSIGNED	UNASSIGNED
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.



Account	Purpose	Amount	Status
Prepaid Expenses	Insurance	\$125,000 ²	Nonspendable
Seawall Mitigation Funds	Buy Coastal Dune Property	\$2,500,000	Restricted
Sherar Property	Acquisition	\$630,000	Assigned
Operating Expenses	Six month's expenses	\$4,400,000	Unassigned
Depreciation	Accumulated depreciation	\$1,450,000	Unassigned
Unanticipated Expenses	Unanticipated expenditures	\$1,000,000	Unassigned
COMBINED TOTAL		\$10,105,000	

Based on the Reserve Policy, the estimated amount to remain in reserves totals \$10,105,000. 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 Message, although unbalanced, the proposed FY2020-21 budget calls for using reserve funds from unexpended Assessment District revenue, to close out that funding mechanism, along with unused money from the CFD Services account. For additional information, please refer to the attached proposed budget document.

It is recommended that the Board hold a Public Hearing on the proposed budget document. After due consideration of any public comments regarding the proposed

¹ California Special Districts Association, *Special District Reserves Guidelines*, 2nd Edition, 2013

² Estimated amount, as invoicing not available as of report development.

budget, it is recommended that the Board approve Resolution #2020-05, adopting the District budget for FY2020-21.

ATTACHMENTS:

1. [MPRPD FY2020-21 Proposed Budget](#)
2. [Resolution #2020-05 to Adopt FY2020-21 Budget](#)