

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

DATE: March 13, 2019
TO: Board of Directors
FROM: Shuran Parker, Administrative Services Manager
REVIEWED BY: Rafael Payan, General Manager
SUBJECT: Fiscal Year 2018-19 Budget Review

RECOMMENDED ACTION

It is recommended that the Board receive this report on the status of the District's budget as of 1/31/2019, just passed the half-year mark.

FISCAL IMPACT:

There is no fiscal impact associated with receiving this report.

FUNDING SOURCE:

All general fund and assessment district accounts with current or anticipated activity this Fiscal Year (FY) are represented in this budget report.

FUNDING BALANCE:

Total revenue as of the reporting period was \$4,469,484, while expenditures were \$3,852,417.

DISCUSSION:

The adopted budget includes \$6,875,327 in revenue and \$6,859,255 in expenditures. The District's combined revenue totals \$4,469,484, about 65% of the budgeted amount, while expenditures are \$3,852,417, approximately 56% of budget.

At close of the 2018-19 FY (July 1 – June 30), total revenue for the District is projected to be \$8,248,113, \$1,372,786 more than was budgeted, primarily due to reimbursement from insurance for the Soberanes Fire expenditures, along with increased dividends on investment accounts and profit sharing from the District's new tenant.

Combined expenditures are projected to be \$7,171,414, \$326,159 more than the approved budget, mostly because of continued expenditures from the Soberanes Fire and prior year winter storm repairs, additional staffing and new expenses unknown at budget adoption at the new District headquarters.

The budget projections are further summarized below and listed by line-item account in the attached spreadsheet entitled FY2018-19 Budget Review (**ATTACHMENT 1**).

Revenue Activity and Projections

Based on year-to-date and anticipated performance, District revenues at year-end are projected to be 20 % above the budgeted amount, as noted above and on the attached

summary. The additional revenue, which will more than offset some additional expenditures, is to reimburse costs incurred by the District last FY for unanticipated storm and weather damage caused to various District parks.

Expenditure Activity and Projections

Administration (Admin)

The Administration program expenditures, \$831,093, were 48% of budget and we anticipate ending the year slightly over budget because of utilities and property taxes associated with the new Administrative office and acquisition, unknown at the time of budget adoption. With Board approval, we will also transfer savings from the Board Elections account to pay down the pension liability, as discussed in an earlier report.

Operations & Maintenance (O&M)

O&M expenses, \$752,802, were about 61% of budget and are anticipated to be \$1,483,609 at year-end, or \$245,159 more than the approved budget due to continued repairs from the Soberanes Fire and prior year winter storms. Staff anticipates recuperating additional repair costs from FEMA, for some items not reimbursed by insurance.

Environmental Education & Community Outreach (EECO)

The EECO program expenditures, \$233,125, were about 47% of budget as of the reporting period and if the Board approves allocation of additional funding for contract staffing and exhibits, we anticipate ending the year at \$538,100 which is \$38,600 more than budget but offset by the reimbursement revenue received. This year also represents closing out all activity from the B-WET grant.

Capital Improvements (Capital)

As of the reporting period, slightly over 6% (\$3,017) was expended for noted Capital projects, with an estimated year-end total of \$54,000, which includes additional funding needed to re-roof property at Garland Park.

Planning & Conservation Management (PCM)

PCM expenses of \$1,587,938, were approximately 85% of budget but anticipated to be \$1,808,900 or \$65,500 less than the approved budget. Rather than the normal process of the State sending the annual payment for the Joyce Stevens Monterey Pine Forest Preserve ("Aguajito") acquisition from Proposition 117 funding directly to the title company, this year the District had to send the \$1,500,000 payment up front and is seeking reimbursement from the State.

Assessment District (AD)

The AD expenditures of \$444,443 with roughly a half-year to go, were around 31% of budget but we anticipate ending the year at \$1,517,000, \$68,000 more than budgeted, mostly because of the delayed delivery of a FY2017-18 vehicle purchase, for new trail development at Garland Ranch and to close out remaining grant projects. Staff continues to work on projects and improvements at the new Rancho Canada unit of Palo Corona and expect to use the remaining funding this FY.

Based on the District's current and recommended supplementary staffing, project work and planning, and fiscal conservatism, the budget report indicates the continued stability of the District's financial condition. Because of the Board's foresight in establishing a General Fund Reserve Fund Balance Policy (Reserve Policy), the District had funds available for items like long term debt payment and catastrophic storm/weather events (almost \$3M combined). These recent expenditures and this year's rain and wind events underscore how vital it is to have and review the policy, to ensure that we maintain adequate levels of funding. Staff respectfully submits this review and looks forward to continued discussions about budget, longer term planning and our Reserve Policy.

ATTACHMENTS:

1. [FY2018-19 Budget Review Spreadsheet](#)