

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

**DATE:** June 7, 2023  
**TO:** Board of Directors  
**FROM:** Shuran Parker, Acting General Manager/Administrative Services Manager  
**SUBJECT:** Public Hearing for Review of MPRPD Proposed FY2023-24 Budget and Approval of Resolution #2023-04, to Adopt the FY2023-24 Agency Budget

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**SUMMARY:**

At this evening's meeting, staff will review the proposed Fiscal Year (FY) 2023-24 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 \$7,343,600 in combined revenues and \$8,882,300 in expenditures for FY2023-24.

**FUNDING SOURCE:**

Not applicable

**FUNDING BALANCE:**

Not applicable

**DISCUSSION:**

The proposed budget for FY2023-24, reviewed by the Board's Finance Committee, represents a spending plan that includes projected revenues of \$7,343,600 and expenditures of \$8,882,300. These figures include revenues and expenditures from the District's General Fund and the Parks, Open Space and Coastal Preservation Community Facilities District (CFD).

Compared to the FY2022-23 estimate, projected revenues will be approximately \$144,000 more next year, in part to an anticipated increase in property tax revenues. Because we haven't secured as many grants for next year (though we will be applying), the revenue was not as large as an increase due to decreased grants. Upon award of any new grants during the year, staff will submit a budget amendment, likely at mid-year.

The projected expenditures overall are \$1,538,700 more than revenues, as we plan to expend some unused CFD funds, currently in reserves. When compared to the General Fund, however, revenue does exceed expenditures by roughly \$88,000. We are likely to request the use of reserves each year, as we probably will not expend all unused CFD funds during each budget year.

The Fund Balance is projected to be \$17,627,852 on 6/30/24. 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>1</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	\$160,000	Nonspendable
Seawall Mitigation Funds	Buy Coastal Dune Property	\$2,500,000	Restricted
Operating Expenses	Annual Operating Budget	\$8,900,000	Unassigned
Depreciation	Accumulated depreciation	\$2,500,000	Unassigned
Unanticipated Expenses	Unanticipated expenditures	\$1,000,000	Unassigned
<b>COMBINED TOTAL</b>		<b>\$15,060,000</b>	

Based on the District’s Reserve Policy and existing obligations, the estimated amount to remain in reserves totals \$15,060,000. It is important to call attention to these figures, as a reminder that most funding in reserves has a designated purpose.

Although unbalanced, the proposed FY2023-24 budget calls for using reserve funds representing unused money from the CFD accounts, which as noted above will often be the case given the rolling balance of special purpose CFD funds. These reserved funds aside, staff has presented an otherwise balanced budget, programming within the estimated revenue for FY2023-24. For additional information, please refer to the attached proposed budget document.

<sup>1</sup> California Special Districts Association, *Special District Reserves Guidelines*, 2<sup>nd</sup> Edition, 2013

**RECOMMENDED ACTION:**

It is recommended that the Board receive staff's oral presentation and conduct a Public Hearing for the proposed budget for FY2023-24 (**ATTACHMENT 1**). It is further recommended that the Board approve Resolution #2023-04 (**ATTACHMENT 2**) to adopt said budget.

**ATTACHMENTS:**

1. [MPRPD FY2023-24 Proposed Budget](#)
2. [Resolution #2023-04 to Adopt FY2023-24 Budget](#)