



County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

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Receive the Parks General Fund Biannual Financial Report for the period July 1, 2018 through February 28, 2019.

RECOMMENDATION:

It is recommended that the Budget Committee receive the Parks General Fund Biannual Financial Report for the period July 1, 2018 through February 28, 2019.

SUMMARY:

The Parks budget includes five (5) parks; Jacks Peak, Manzanita, Royal Oaks, San Lorenzo, and Toro. The Rifle Range at Laguna Seca was transferred to the County Administrative Office effective July 1, 2018. The Resource Management Agency is providing an 8-month (Period 8) summary of the Parks Budget to Current Year Estimate, with Period 8 Actuals Financial Report (Attachment A), Revenue & Expenditures by Park (Attachment B) and Revenue by Activity (Attachment C).

The FY 2018-19 Parks General Fund Adopted Budget, includes Revenues and Expenditures of \$1,269,283 and \$3,779,134, respectively, with a General Fund Contribution of \$2,509,851 to balance the budget. Actual revenues collected through Period 8 total \$439,351 and actual expenditures incurred total \$2,097,706; a detailed discussion follows. (Attachment A).

Historically parks staff were funded out of different sources but their actual time at each facility was not tracked. RMA initiated tracking revenue and expenses by park (Attachment B) and tracking revenue by activity at each park (Attachment C) to better understand the operations. Losses (expenditure exceeding revenue) were recorded at all parks except Jacks Peak, for day use ranging from \$6,090 at Manzanita to \$201,353 at San Lorenzo. Tracking activities shows that day use (park entry fees) is the largest revenue source in all parks, except San Lorenzo, which realizes the most revenue from camping.

DISCUSSION:

The five (5) parks collected \$396,651 in revenue through Period 8, with the top two (2) revenue generators being Toro at \$207,720 and San Lorenzo at \$141,785. The revenues for each park are tracked by activity to provide information on park use, which showed the highest revenue generating activities were Day Use at \$185,582 and Camping at \$105,218. The parks incurred total costs of \$741,129 with the two (2) parks incurring the most cost being San Lorenzo at \$343,138 and Toro at \$274,125. Collectively the park's expenditures exceeded revenues, resulting in a net loss of \$344,478, with all parks contributing to the loss except for Jacks Peak, which ended Period 8 with a net gain of \$242 (Refer to Attachments B and C).

Total revenues collected through Period 8 total \$439,351, which includes revenues generated from the parks of \$396,651 (discussed in previous paragraph) and other non-park specific revenues of \$42,700. The current year estimate (CYE) for revenue is \$1,064,674, which is expected to fall short of the \$1,269,283 budget by \$204,609. This is largely due to RMA budgeting for Laguna Seca Rifle Range revenue, which transferred to the County Administrative Office (CAO) in FY2018-19. Also noteworthy is that the revenue budget included a 10% increase to reflect a proposed modification to Article V of the Monterey County Master Fee Resolution relating to Parks User Fees for park use, enforcement, and rentals. The amended Parks User Fees went into

effect January 10, 2019 and revenues are on trend to meet the 10% budget increase.

Total Period 8 expenditures of \$2,097,706, include costs directly attributed to the five (5) parks of \$741,129 and other non-specific park costs of \$1,356,577 (General Liability and Property Insurance, Fleet and Vehicle Replacement Charges, ERP Upgrade and Maintenance Charges, and Cost Allocation Plan Charges). Overall, RMA anticipates expenditures will come in under budget by \$204,609, from a combination of circumstances. Salary and Benefits are estimated to fall short of budget by \$483,267 as several positions were not filled the entire year, creating a salary and benefit savings. There are numerous maintenance and repair projects that are resulting in estimated Services and Supplies exceeding budget by \$312,758; for instance, the homeless encampment clean-up efforts at Manzanita, deck repairs at the Depot building at San Lorenzo, DeAnza Building painting and exterior remodel, emergency tree work at San Lorenzo, San Lorenzo Park lighting upgrades to LED fixtures, picnic table improvements at Toro Park, corral board work at Toro Park, trail maintenance, bathroom painting at Royal Oaks, and pothole repairs at all parks. An increase in Inter/Intra-fund reimbursements of \$47,600 is estimated for salary and benefit costs associated with staff working at the Lake. Also, Capital Assets are estimated to exceed the budget by \$13,500 as RMA purchased Civic Rec software, an online parks reservation system. The new system streamlines the reservation process, allowing customers to reserve picnic areas, campsites, buildings and events online.

One of the major concerns moving forward for the Parks is the growing deferred maintenance. Deferring maintenance results in unscheduled repairs, that are typically costlier and not budgeted. RMA is preparing a plan for future projects that will address the deferred maintenance needs at the Park, improving visitor's park experience, funding needs and viable funding options.

OTHER AGENCY INVOLVEMENT:

Due to late submission of this Budget Committee Report, the CAO Budget and Analysis Division was not provided adequate time to fully review for potential fiscal, organizational, policy or other implications to the County of Monterey.

FINANCING:

The Parks budget to actuals, as reported in the General Fund 001, Parks Operations Unit 8475, Facilities Services Unit RMA006, are expected to come in at budget. This includes an estimated revenue shortfall of \$204,609, offset by an expenditure decrease of \$204,609.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Providing clear financial reporting on a regular basis to the Budget Committee promotes the County's commitment to accountability and transparency.

- Economic Development
- X Administration
- Health & Human Services
- Infrastructure
- Public Safety

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Attachments:

A - Parks General Fund, Budget to Current Year Estimate Financial Report & Actuals for the Period July 1, 2018 - February 28, 2019

B - Parks General Fund, Revenue & Expenditures by Park for July 1, 2018 - February 28, 2019

C - Parks General Fund, Revenue by Activity for Fiscal Year 2018-19 from July to February