



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, Fund 001, FY 2018-19 annual financial report.

RECOMMENDATION:

It is recommended that the Parks Commission receive the Parks General Fund, Fund 001, FY 2018-19 annual financial report.

SUMMARY:

The Resource Management Agency (RMA) is responsible for over 30,000 acres of parks and open space, including the following parks: Jacks' Peak, Manzanita, Royal Oaks, San Lorenzo, Toro, Laguna Seca, Lake Nacimiento (SLO County), Lake San Antonio, Pajaro, and Travel Camp (plus 2,000⁺ acre of open space on the former Fort Ord). RMA provides an annual summary of the Parks Budget to Actuals (Attachment A), Revenue & Expenditures by Park (Attachment B) and Revenue by Activity (Attachment C). This financial data reflects costs/revenue associated specifically with five (5) parks: Jacks' Peak, Manzanita, Royal Oaks, San Lorenzo, and Toro Parks.

The Fiscal Year (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 for the year total \$973,662. Since revenues were less than anticipated, RMA managed expenditures (\$3,175,179) accordingly, which resulted in a net General Fund Contribution of \$2,201,517. Attachment A provides Budget to Actuals detail for FY 2018-19.

Historically, Parks staff were funded out of different sources and actual time at each of the five facilities 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 operational needs. Losses (expenditure exceeding revenue) were recorded at all day-use parks which ranged from a loss of \$6,582 at Manzanita to a loss of \$351,061 at San Lorenzo. Tracking activities show that day-use park entry fees are the largest revenue source for all parks except San Lorenzo, which realizes more revenue from camping.

DISCUSSION:

The five (5) parks collectively received \$780,617 in revenue in FY 2018-19. The top two (2) revenue generators are Toro Park at \$439,704 and San Lorenzo Park at \$252,422. The revenues for each park are tracked by activity to provide information on park use. The highest revenue-generating activities were Day Use at \$409,885 and Camping at \$173,917. The five parks incurred total costs of \$1,409,965. The two (2) parks incurring the most costs were San Lorenzo Park at \$603,483 and Toro Park at \$562,356. Collectively, Park expenditures exceeded revenues, resulting in a net loss of \$629,348, with all parks contributing to this loss as shown in Attachments B and C.

FY 2018-19 Revenues collected totaled \$973,662: \$780,617 generated from the parks and \$193,045 from other non-park specific revenues. The latter were higher than usual due to a one-time recognition of funds held on deposit of \$153,733, resulting from a change in revenue recognition requirements. Even with this one-time additional revenue, overall revenues fell short of budget by \$295,621. This shortfall is largely due to RMA budgeting for Laguna Seca Rifle Range revenue, which was transferred to the County Administrative Office

during the fiscal year and budgeting for a ten percent (10%) Parks User Fee increase, which did not go into effect until the second half of the fiscal year on January 10, 2019.

Total expenditures of \$3,175,179, include costs directly attributed to the five (5) parks of \$1,409,965 and other non-specific park costs of \$1,765,214 (General Liability and Property Insurance, Fleet and Vehicle Replacement Charges, ERP Upgrade and Maintenance Charges, and Cost Allocation Plan Charges). Overall, expenditures came in under budget by \$603,955 resulting from a combination of circumstances. Salary and Benefits were under budget by \$755,880 as several positions were not filled the entire year, creating a salary and benefits savings. Numerous maintenance and repair projects exhausted the Services and Supplies budget. An increase in Inter/Intra Fund reimbursements of \$93,031 provided an expenditure offset for salary and benefit costs associated with staff working at the Lakes. Equipment purchases exceeded the budget by \$241,693 as RMA purchased an online parks reservation system software (CivicRec) and parks equipment. Equipment purchased included tractors, trailers, mowers, and brush chippers to provide adequate tools to begin addressing deferred maintenance.

OTHER AGENCY INVOLVEMENT:

This report has not been reviewed by the Budget Office.

FINANCING:

Parks actuals, as reported in the General Fund 001, Parks Operations Unit 8475, Facilities Services Unit RMA006, came in under the General Fund Contribution allocation of \$2,509,851 by \$308,334.

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Attachments:

Attachment A-Parks General Fund, Budget to Actuals Financial Report Fiscal Year 2018-19

Attachment B-Parks General Fund, Revenue & Expenditures by Park Fiscal Year 2018-19

Attachment C-Parks General Fund, Revenue by Activity for Fiscal Year 2018-19