



County of Monterey

Item No.5

Monterey Room
168 W. Alisal St., 2nd
Floor Salinas, CA 93901

Staff Report

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Receive the Parks Division General Fund Year-End Financial Report for Fiscal Year (FY) 2024-25 and the Budget Comparison for FY 2025-26.

RECOMMENDATION:

It is recommended that the Parks Commission receive the Parks Division General Fund Year-End Financial Report for Fiscal Year (FY) 2024-25 and the Budget Comparison for FY 2025-26.

SUMMARY:

The Parks Division closed Fiscal Year 2024-25 with higher-than-anticipated revenues and modest underspending, resulting in a reduced General Fund Contribution compared to the adopted budget. These results reflect strong operational performance and cost control, despite staffing vacancies and rising service demands.

For Fiscal Year 2025-26, the adopted budget reflects a strategic reduction in expenditures and General Fund reliance. Staffing levels have been adjusted, and capital purchases deferred, to accommodate increases in labor costs. The Division will monitor revenue trends closely and may request mid-year budget adjustments if current patterns continue.

Attachments A and B provide detailed financial comparisons and actuals.

DISCUSSION:

In Fiscal Year 2024-25, total revenues collected by the Parks Division amounted to \$1,904,199, exceeding the adopted budget by \$265,963. Much of this revenue, \$1,747,679, was generated through park operations, while \$13,629 came from leases and \$5,100 from the sale of capital assets. Additionally, the Division received \$137,791 through a grant from the California Division of Boating and Waterways (DBW).

Total expenditures for the year were \$10,214,799, which came in \$45,664 under budget. Of this amount, \$7,539,079 was directly attributable to park operations, and \$2,675,720 represented indirect costs, including general liability and property insurance, vehicle replacement charges, and cost allocation plan expenses. A notable contributing factor to the savings was a shortfall in salary and benefit expenses, which were \$829,272 under budget due to multiple staff vacancies throughout the year. While this led to personnel cost savings, the Services and Supplies exceeded the budget, largely due to numerous maintenance and repair projects undertaken across park sites. Some more notable projects included the entry gate reroof and emergency repairs, energy efficiency upgrades, marina demolition, fire pit replacement and Los

Robles well cleanout and pump replacement at Lake San Antonio; bird and bat exclusions and termite treatments at San Lorenzo Park; culvert repair at Toro Park; sinkhole and house repairs at Royal Oaks Park; playground equipment repairs in North County parks; and significant tree trimming throughout all County parks.

The Division also benefited from an increase of \$114,344 in Inter/Intra Fund reimbursements, reflecting staff time allocated to projects outside the core parks operations, which helped offset personnel costs. Regarding capital equipment, the Division purchased two replacement vehicles for operational park staff through the Vehicle Asset Management Program (VAMP), as well as rodent control compressors and mower attachments to support ongoing maintenance needs. Additionally, an operating transfer out was made to VAMP to help fund two new Park Ranger vehicles that were ordered but not delivered by year-end.

Looking ahead to FY 2025-26, total revenues are budgeted at \$1,841,646. This figure was developed using revenue trends observed during FY 2024-25, particularly the higher-than-anticipated revenue performance in the late spring and early summer months. While the DBW Boat Grant is not expected to continue in the upcoming fiscal year, a transfer of Quagga Mussel Prevention Program funding has been added to support a project planned for FY 2025-26. If revenue trends remain strong, staff intend to return to the Board mid-year to request a budget appropriation adjustment to align with actual collections.

Total expenditures for FY 2025-26 are budgeted at \$9,608,739, a reduction of \$651,724 compared to the prior year. Despite the elimination of several staff positions, salary and benefit costs are projected to increase by \$525,386 due to recently negotiated labor agreements and the results of multiple classification wage studies. To manage the increase in personnel costs and reduce reliance on General Fund support, the Division has removed several positions, including the Parks Planning Manager, Parks Building and Grounds Supervisor and Park Service Aide I, as well as unfunded the Senior Secretary position. In addition, the Division has temporarily paused contributions to the VAMP and has not included any capital asset purchases in the FY 2025-26 budget.

These budget adjustments reflect a strategic effort to balance operational needs, staffing capacity, and fiscal sustainability while continuing to deliver essential park services to the public.

FINANCING:

The Parks Division concluded FY 2024-25 under its General Fund allocation by \$311,627, due to both higher-than-expected revenue collections and controlled spending. This resulted in a reduced actual General Fund Contribution of \$8,310,600, compared to the adopted \$8,622,227.

For FY 2025-26, the adopted General Fund Contribution is \$7,767,093, reflecting a year-over-year reduction of \$855,134. This decrease demonstrates the Division's ongoing efforts to manage rising personnel costs through staffing adjustments, operational efficiencies, and deferred capital spending, while maintaining core park services within available funding.

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Attachments:

Attachment A - Parks General Fund, Budget to Actuals Financial Report FY 2024-25

Attachment B - Parks General Fund, Budget Comparison, FY 2024-25 and FY 2025-26