



Midpeninsula Regional
Open Space District

R-21-151
Meeting 21-31
November 10, 2021

AGENDA ITEM 4

AGENDA ITEM

Quarter 1 Proposed Budget Amendments to the Fiscal Year ending June 30, 2022

GENERAL MANAGER'S RECOMMENDATION

Adopt a resolution approving the proposed Quarter 1 budget amendments for the fiscal year ending June 30, 2022.

SUMMARY

This report presents the Quarter 1 (Q1) proposed budget amendments by fund for both revenue and expense. Proposed revenue budget adjustments for the fiscal year ending June 30, 2022 (FY22) increase revenue by \$1,420,000 to make the Fund 10 property tax revenue budget consistent with estimates provided by the Controller and to reflect the newly awarded State Coastal Conservancy grant of \$400,000. Proposed Q1 FY22 expenditure budget adjustments for services, supplies and capital improvements result in a \$2.2 million net increase from the amended budget. This increase is primarily due to invoicing delays in FY21 that shifted some expenses into FY22 for the *New Administrative Office (AO) Facility (31202)* project. The budget adjustments also include net-zero budget shifts between funds, projects and expenditure categories in the proposed budget adjustments.

The quarterly budget amendment process includes an evaluation of the year-to-date financial performance to highlight any potential material changes on future financial performance expectations for Board consideration. The Q1 review of financial performance and economic conditions indicates that the expected financial performance remains in line with longer-term financial projections (see Attachments 5 and 6 for supporting commentary and schedules).

DISCUSSION

The Board adopted the FY22 Budget and Action Plan on June 9, 2021 (R-21-72) with a total budget of \$89.6 million. Prior Board-approved adjustments have brought the FY22 amended budget to \$88.8 million. The proposed Q1 adjustments increase this number by \$2.2 million to \$91 million (see Table 2). The original FY22 revenues were projected at \$69.2 million. Based on revised projections, revenues are now estimated at \$70.5 million (see Table 1).

Proposed FY22 Budget Quarter 1 Amendments – Revenues

The adopted FY22 revenue budget was \$69.2 million. On August 11, 2021 (R-21-104) the Board authorized a decrease in the grant revenue budget by \$75,000 to align with a reduction in project scope done to recalibrate the FY22 workload, resulting in a decrease in project expenses for

Phase II Trail Improvements at Bear Creek Redwoods Open Space Preserve (MAA21-011). The proposed Q1 revenue adjustments include an increase of \$1,020,000 to bring the General Fund Operating (Fund 10) property tax revenue budget in alignment with revised estimates provided by the Controller. It also includes an increase of \$400,000 in General Fund Operating (Fund 10) grant revenue to reflect the newly awarded State Coastal Conservancy grant for the Forest Health & Wildfire - Wildland Fire Resiliency (61028) project. These increases bring the amended FY22 revenue budget to \$70.5 million, or \$1.3 million above the adopted revenue budget. Table 1 lists the projected revenue by Fund, including amendments to date.

Table 1: Summary of Projected FY22 Revenue

DISTRICT REVENUE BY FUND & CATEGORY	FY22 Adopted Budget	YTD Approved Budget Amendments	Amended Budget (as of 9/30/2021)	Quarter 1 Proposed Budget Amendments	FY22 Proposed Amended Budget
General Fund Operating (Fund 10)	\$60,291,232	\$0	\$60,291,232	\$1,420,000	\$61,711,232
Property Tax	57,778,577		57,778,577	1,020,000	58,798,577
Grants	314,000		314,000	400,000	714,000
Interest Income	465,000		465,000		465,000
Rental Income	1,239,100		1,239,100		1,239,100
Rancho San Antonio Agreement	394,555		394,555		394,555
Miscellaneous	100,000		100,000		100,000
Hawthorns (Fund 20)	\$5,000	\$0	\$5,000	\$0	\$5,000
Interest Income	5,000		5,000		5,000
Measure AA Land/Capital (Fund 30)	\$3,297,932	(\$75,000)	\$3,222,932	\$0	\$3,222,932
Grants	3,088,932	(75,000)	3,013,932		3,013,932
Interest Income	209,000		209,000		209,000
General Fund Land/Capital (Fund 40)	\$0	\$0	\$0	\$0	\$0
Grants	0				
Debt Service Fund (Fund 50)	\$5,579,000	\$0	\$5,579,000	\$0	5,579,000
Property Tax	5,560,000		5,560,000		5,560,000
Interest Income	19,000		19,000		19,000
TOTAL DISTRICT REVENUE	\$69,173,164	(\$75,000)	\$69,098,164	\$1,420,000	\$70,518,164

Proposed Quarter 1 Amendments to the FY22 Budget – Expenses

The proposed Q1 budget amendments result in a net increase of \$2.2 million, bringing the total new amended FY22 Budget to \$91,037,772. Table 2 summarizes the FY22 adopted budget and proposed Q1 budget amendments by Fund. A summary of changes by fund follows Table 2.

Table 2: Summary of FY22 Budget by Fund

DISTRICT BUDGET BY FUNDING SOURCE	FY22 Adopted Budget	YTD Approved Budget Amendments	Amended Budget (as of 9/30/2021)	Quarter 1 Proposed Budget Amendments	FY22 Proposed Amended Budget
Fund 10 - General Fund Operating	\$41,413,605	(\$190,000)	\$41,223,605	(\$55,550)	\$41,168,055
Fund 20 - Hawthorn Fund	\$124,500	\$0	\$124,500	\$0	\$124,500
Fund 30 - MAA Land/Capital	\$8,697,439	(\$160,975)	\$8,536,464	\$200,225	\$8,736,689
Fund 40 - General Fund Land/Capital	\$23,360,120	(\$504,500)	\$22,855,620	\$2,108,020	\$24,963,640
Fund 50 - Debt Service	\$16,044,888	\$0	\$16,044,888	\$0	\$16,044,888
Total	\$89,640,552	(\$855,475)	\$88,785,077	\$2,252,695	\$91,037,772

The General Fund Operating (Fund 10) budget is proposed to decrease by a net of \$55,500 primarily due to the following:

- The allocation of \$77,300 more in Measure AA (MAA)-reimbursable labor funding from Fund 10 general salaries to the Fund 30 *Phase II Loop Trails, Lower La Honda Creek OSP (MAA07-011)* project because more crew time was needed to complete the MAA project.
- The addition of \$43,000 to the *Website Redesign (40011)* project. The project was delayed due to COVID-19 disruptions, staff vacancies and an opportunity to expand the scope to create a better site. Therefore, the project was not completed in FY21 as originally anticipated. As of the date of this report, the new redesigned website has launched and is actively in use.

The Measure AA Capital (Fund 30) budget is increasing by a net of \$200,225 primarily due to:

- The addition of \$106,475 to the *Mindego Ranch South Pasture (MAA09-006)* project. The project was not completed last fiscal year because the contractor had a delay getting their cost-share funding from the Natural Resources Conservation Service for this work. The work will now take place this fiscal year.
- The addition of \$77,300 more in MAA-reimbursable labor funding to the *Phase II Loop Trails, Lower La Honda Creek OSP (MAA07-011)* project because more crew time was needed to complete the MAA project.

The General Fund Capital (Fund 40) budget is increasing by \$2,108,020 primarily due to:

- The addition of \$2,027,102 to the *New Administrative Office (AO) Facility (31202)* project. Due to the timing of invoice submittals, less was spent on construction than originally anticipated in FY21. This is not an increase to the overall project budget, it is only a carryover of certain invoice payments from FY21 to FY22.

The proposed budget amendments listed above (see Attachment 2 for full list) require Board approval per Board policy *3.04 Budget and Expenditure Authority*.

FISCAL IMPACT

The original projection for FY22 revenue was \$69,173,164. The total amended revenues are now estimated at \$70,518,164. The District retains \$23,480,267 in other funding sources, resulting in a total of \$93,998,431 in available funding. The FY22 proposed Q1 budget amendments result in a net budget increase of \$2,252,695 and a new amended budget of \$91,037,772.

Table 4 below summarizes the FY22 estimated change in fund balance as a positive change, with a resulting total fund balance of \$2,960,659.

Table 4: FY22 Estimated Change in Fund Balance

FY22 Estimated Change in Fund Balance	Fund 10 General Fund	Fund 20 Hawthorn	Fund 30 Measure AA Capital	Fund 40 General Fund Capital	Fund 50 Debt Service	Total
Total Amended Revenues	\$61,711,232	\$5,000	\$3,222,932	\$0	\$5,579,000	\$70,518,164

Total Amended Other Funding Sources	(18,060,855)	119,500	5,722,757	24,963,640	10,735,225	23,480,267
Grand Total: Revenues & Other Funding Sources	\$43,650,377	\$124,500	\$8,945,689	\$24,963,640	\$16,314,225	\$93,998,431
Total Amended Expenses	\$41,168,055	\$124,500	\$8,736,689	\$24,963,640	\$16,044,888	\$91,037,772
Adopted Change in Fund Balance	765	0	209,000	0	269,337	479,102
Net Change in Fund Balance	2,481,557	0	0	(0)	0	2,481,557
Amended Change in Fund Balance	\$2,482,322	\$0	\$209,000	(\$0)	\$269,337	\$2,960,659

BOARD AND COMMITTEE REVIEW

- **December 7, 2020:** Board adoption of the FY22 Strategic Plan Goals and Objectives ([R-20-112](#), [minutes](#))
- **March 4, 2021:** Board review and affirmation of the FY22/FY23 Capital Improvement and Action Plan ([R-21-33](#), [minutes](#))
- **April 29, 2021:** Overview of the Proposed Fiscal Year 2021-22 Budget and Action Plan ([R-21-57](#), [minutes](#))
- **May 4, 2021:** Continuation of the Overview of the Proposed Fiscal Year 2021-22 Budget and Action Plan ([R-21-57](#), draft minutes (Attachment 7))
- **May 12, 2021:** Approval of a New Field Resource Specialist Position to Implement the Wildland Fire Resiliency Program ([R-21-60](#), [minutes](#))
- **May 26, 2021:** Overview of the Proposed Fiscal Year 2021-22 Budget and Action Plan ([R-21-68](#), [minutes](#))
- **June 9, 2021:** Fiscal Year 2021-22 Budget and Capital Improvement and Action Plan ([R-21-72](#), [minutes](#))
- **August 11, 2021:** Proposed Amendments to the Fiscal Year 2021-22 Capital Improvement & Action Plan (CIAP) and Budget ([R-21-104](#), [minutes](#))
- **August 25, 2021:** Award of Contract to CVE Demolition, Inc., for Demolition Work at the former Billingsley and Burton Properties in Sierra Azul Open Space Preserve ([R-21-114](#), [minutes](#)). As part of this item, the Board amended the FY22 Capital Improvement and Action Plan to add the *Burton Property Site Cleanup (MAA25-003)* project with an increase of \$109,025 to MAA Portfolio 25 *Sierra Azul: Loma Prieta Area Public Access, Regional Trails and Habitat Projects*.

PUBLIC NOTICE

Public notice was provided as required by the Brown Act.

CEQA COMPLIANCE

This item is not a project subject to the California Environmental Quality Act.

NEXT STEPS

Upon Board approval, staff will make the necessary Budget amendments.

Attachments:

1. Resolution Amending the FY22 Budget by Fund
2. FY22 Quarter 1 Budget Amendments by Fund and Project
3. FY22 Quarter 1 Budget Amendments by Department & Budget Category
4. FY22 Quarter 1 Budget Amendments Detail by GL Account
5. Q1 FY22 Financial Performance Comments
6. Q1 FY22 Budget Performance Report - "Green Report"
7. Draft Budget and Action Plan meeting minutes for May 4, 2021

Responsible Department Head / Staff contact:

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RESOLUTION NO. 21-__**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
MIDPENINSULA REGIONAL OPEN SPACE DISTRICT AMENDING
THE BUDGET FOR FISCAL YEAR 2021-2022**

WHEREAS, on June 9, 2021 the Board of Directors (Board) of the Midpeninsula Regional Open Space District (District) adopted the Fiscal Year ending June 30, 2022 (FY22) Budget and Action Plan; and

WHEREAS, on August 11, 2021 and August 25, 2021 the Board of Directors of the Midpeninsula Regional Open Space District amended the FY22 Budget; and

WHEREAS, the General Manager recommends amending the FY22 Budget to reflect changes resulting in a net budget increase.

NOW, THEREFORE, the Board of Directors of the Midpeninsula Regional Open Space District does resolve as follows:

SECTION ONE. Approve the recommended revenue amendments to the District's FY22 Budget resulting in a net increase as follows:

DISTRICT REVENUE BY FUNDING SOURCE	FY22 Adopted Budget	YTD Approved Budget Amendments	Amended Budget (as of 9/30/2021)	Quarter 1 Proposed Budget Amendments	FY22 Proposed Amended Budget
Fund 10 - General Fund Operating	\$60,291,232	\$0	\$60,291,232	\$1,420,000	\$61,711,232
Fund 20 - Hawthorn Fund	\$5,000	\$0	\$5,000	\$0	\$5,000
Fund 30 - MAA Land/Capital	\$3,297,932	(\$75,000)	\$3,222,932	\$0	\$3,222,932
Fund 40 - General Fund Land/Capital	\$0	\$0	\$0	\$0	\$0
Fund 50 - Debt Service	\$5,579,000	\$0	\$5,579,000	\$0	\$5,579,000
Total	\$69,173,164	(\$75,000)	\$69,098,164	\$1,420,000	\$70,518,164

SECTION TWO. Approve the recommended budget amendments to the District FY22 Budget resulting in a net increase as follows:

DISTRICT BUDGET BY FUNDING SOURCE	FY22 Adopted Budget	YTD Approved Budget Amendments	Amended Budget (as of 9/30/2021)	Quarter 1 Proposed Budget Amendments	FY22 Proposed Amended Budget
Fund 10 - General Fund Operating	\$41,413,605	(\$190,000)	\$41,223,605	(\$55,550)	\$41,168,055
Fund 20 - Hawthorn Fund	\$124,500	\$0	\$124,500	\$0	\$124,500
Fund 30 - MAA Land/Capital	\$8,697,439	(\$160,975)	\$8,536,464	\$200,225	\$8,736,689
Fund 40 - General Fund Land/Capital	\$23,360,120	(\$504,500)	\$22,855,620	\$2,108,020	\$24,963,640
Fund 50 - Debt Service	\$16,044,888	\$0	\$16,044,888	\$0	\$16,044,888
Total	\$89,640,552	(\$855,475)	\$88,785,077	\$2,252,695	\$91,037,772

SECTION THREE. Monies are hereby appropriated in accordance with said budget by fund.

SECTION FOUR. Except as herein modified, the FY22 Budget and CIAP, Resolution No. 21-18 as amended, shall remain in full force and effect.

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PASSED AND ADOPTED by the Board of Directors of the Midpeninsula Regional Open Space District on _____, 2021, at a regular meeting thereof, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVED:

Larry Hassett, Secretary
Board of Directors

Curt Riffle, President
Board of Directors

APPROVED AS TO FORM:

Hilary Stevenson, General Counsel

I, the District Clerk of the Midpeninsula Regional Open Space District, hereby certify that the above is a true and correct copy of a resolution duly adopted by the Board of Directors of the Midpeninsula Regional Open Space District by the above vote at a meeting thereof duly held and called on the above day.

Jennifer Woodworth, District Clerk

FY22 Quarter 1 Budget Amendments by Project including description (Attachment 2)

Operating (Fund 10) Project Adjustments		Q1 Adjustment	Icon	Explanation
40011	Website Redesign	43,000	↑↓	Project delay due to COVID disruptions, staff vacancies and opportunity to expand scope to create better site. Project was not completed in FY21. As of late October, newly designed website has launched and is now in active use.
61016	Burkhart Spring Construction	(21,250)	↑	Project scope increased due to neighbor negotiations, now making it a capital project.
61017	Fuel Reduction Implementation	(373,500)	↑↓	Separating grant-funded work into a discreet project from 61017 to 61028.
61028	SCC Forest Health & Wildfire - Wildland Fire	673,500	↑↓	Separating grant-funded work into a discreet project from 61017 to 61028.
TOTAL FUND 10		321,750		
Fund 10 - net operating expense adjustments		(377,300)	↑↓	Moving general salaries from fund 10 to allocate to projects 61028 and MAA07-011.
GRAND TOTAL FUND 10		(55,550)		

Measure AA Capital (Fund 30) Project Adjustments		Q1 Adjustment	Icon	Explanation
MAA03-005	Purisima-to-the-Sea Trail and Parking Area - Feasibility Study	57,000	↑↓	Less scope was completed than anticipated in FY21, shifting funds to do work in FY22.
MAA05-010	Restoration Forestry Demonstration Project	(100,000)	→	Extended public outreach with partners and stakeholders to finalize the recommendations is delaying implementation.
MAA05-011	Lone Madrone Ranch Fence Installation	59,450	↑↓	Project not completed last FY due to contractor injury (not on this project), will be completed this FY.
MAA07-008	Lower Turtle Pond Repair	-	↑↓	Net-zero adjustment - moving from sub-department 830 to 850.
MAA07-011	Phase II Loop Trails, Lower La Honda Creek OSP	77,300	↑	Additional time to complete work was needed.
MAA09-006	Mindego Ranch South Pasture	106,475	↑↓	Project not completed last FY due to delay with contractor getting cost share funding from NRCS. NRCS made errors on the paperwork which caused the delay in processing.
TOTAL FUND 30		\$200,225		

General Fund Capital (Fund 40) Project Adjustments		Q1 Adjustment	Icon	Explanation
31202-11-10	New Administrative Office (AO) Facility	2,027,102	↑↓	Due to timing of invoice submittal, project did not spend all the anticipated construction budget in FY21 but will spend it in FY22 (i.e. shifting unspent funds into FY22).
35004	Sierra Azul Ranger Residence	49,925	↑↓	Project remained in the assessment phase and did not require environmental or planning services in FY21. Will continue in FY22.
61011	Install Solar Panels at Skyline Field Office	188,993	↑↓	Project delayed to properly address bat discovery and negotiate design-build contract, remaining work is shifting into FY22.
61016	Burkhart Spring Construction	100,000	↑	Project scope increased due to neighbor negotiations, now making it a capital project.
None	Vehicles and Machinery	(458,000)	< \$	Water tender and 10 Wheel Dump Truck replacement not necessary for replacement per California emission standards for Special Districts.
VP23-003	Mt. Umunhum - Radar Tower Repair	200,000	↑↓	Start of construction delayed in part due to COVID, remaining work is shifting from FY21 to FY22.
TOTAL FUND 40		\$2,108,020		

GRAND TOTAL		\$2,252,695		
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→	Project will continue next fiscal year (or later)	(\$100,000)
↑	Increase to project cost	\$156,050
↑↓	Reallocation of funds, no net increase	\$2,654,645
< \$	Savings this fiscal year	(\$458,000)
TOTAL		\$2,252,695

FY22 Quarter 1 Budget Amendments by Department & Budget Category (Attachment 3)

DISTRICT BUDGET BY EXPENDITURE CATEGORY	FY22 Adopted Budget	YTD Approved Budget Amendments	Amended Budget (as of 9/30/2021)	Quarter 1 Proposed Budget Amendments	FY22 Proposed Amended Budget
Administrative Services					
Salaries and Benefits	\$5,791,536		\$5,791,536		\$5,791,536
Services and Supplies	\$2,181,406		\$2,181,406		\$2,181,406
Total Operating Expenditures	\$7,972,942	\$0	\$7,972,942	\$0	\$7,972,942
General Fund Capital	\$62,000	(\$62,000)	\$0		\$0
Total Capital Expenditures	\$62,000	(\$62,000)	\$0	\$0	\$0
Total Administrative Services Expenditures	\$8,034,942	(\$62,000)	\$7,972,942	\$0	\$7,972,942
Engineering & Construction					
Salaries and Benefits	\$1,206,827		\$1,206,827		\$1,206,827
Less: MAA Reimbursable Staff Costs	(\$258,414)		(\$258,414)		(\$258,414)
Net Salaries and Benefits	\$948,413	\$0	\$948,413	\$0	\$948,413
Services and Supplies	\$190,319		\$190,319		\$190,319
Total Operating Expenditures	\$1,138,732		\$1,138,732	\$0	\$1,138,732
Hawthorn Capital	\$47,300		\$47,300		\$47,300
Total Hawthorn Expenditures	\$47,300	\$0	\$47,300	\$0	\$47,300
Measure AA Capital	\$5,814,803	(\$300,975)	\$5,513,828		\$5,513,828
General Fund Capital	\$19,634,983	(\$397,500)	\$19,237,483	\$2,277,027	\$21,514,510
Total Capital Expenditures	\$25,449,786	(\$698,475)	\$24,751,311	\$2,277,027	\$27,028,338
Total Engineering & Construction Expenditures	\$26,635,818	(\$698,475)	\$25,937,343	\$2,277,027	\$28,214,370
General Counsel					
Salaries and Benefits	\$801,859		\$801,859		\$801,859
Services and Supplies	\$98,985		\$98,985		\$98,985
Total Operating Expenditures	\$900,844	\$0	\$900,844	\$0	\$900,844
Total General Counsel Expenditures	\$900,844	\$0	\$900,844	\$0	\$900,844
General Manager					
Salaries and Benefits	\$1,855,225		\$1,855,225		\$1,855,225
Services and Supplies	\$402,125	\$55,000	\$457,125		\$457,125
Total Operating Expenditures	\$2,257,350	\$55,000	\$2,312,350	\$0	\$2,312,350
Total General Manager Expenditures	\$2,257,350	\$55,000	\$2,312,350	\$0	\$2,312,350
Land & Facilities					
Salaries and Benefits	\$7,210,449		\$7,210,449		\$7,210,449
Less: MAA Reimbursable Staff Costs	(\$193,321)		(\$193,321)	(\$77,300)	(\$270,621)
Net Salaries and Benefits	\$7,017,128	\$0	\$7,017,128	(\$77,300)	\$6,939,828
Services and Supplies	\$4,742,204	(\$50,000)	\$4,692,204	(\$133,750)	\$4,558,454
Total Operating Expenditures	\$11,759,332	(\$50,000)	\$11,709,332	(\$211,050)	\$11,498,282
Hawthorn Services and Supplies	\$77,200		\$77,200		\$77,200
Total Hawthorn Expenditures	\$77,200	\$0	\$77,200	\$0	\$77,200
Measure AA Capital	\$419,821	\$5,000	\$424,821	\$243,225	\$668,046
General Fund Capital	\$1,656,925	(\$35,000)	\$1,621,925	(\$169,007)	\$1,452,918
Total Capital Expenditures	\$2,076,746	(\$30,000)	\$2,046,746	\$74,218	\$2,120,964
Total Land & Facilities Expenditures	\$13,913,278	(\$80,000)	\$13,833,278	(\$136,832)	\$13,696,446
Natural Resources					
Salaries and Benefits	\$1,778,648		\$1,778,648		\$1,778,648
Less: MAA Reimbursable Staff Costs	(\$91,920)		(\$91,920)		(\$91,920)
Net Salaries and Benefits	\$1,686,728		\$1,686,728		\$1,686,728
Services and Supplies	\$3,275,223	(\$165,000)	\$3,110,223	\$112,500	\$3,222,723
Total Operating Expenditures	\$4,961,951	(\$165,000)	\$4,796,951	\$112,500	\$4,909,451
Measure AA Capital	\$1,316,920	\$85,000	\$1,401,920	(\$100,000)	\$1,301,920
General Fund Capital	\$161,000		\$161,000		\$161,000
Total Capital Expenditures	\$1,477,920	\$85,000	\$1,562,920	(\$100,000)	\$1,462,920
Total Natural Resources Expenditures	\$6,439,871	(\$80,000)	\$6,359,871	\$12,500	\$6,372,371

FY22 Quarter 1 Budget Amendments by Department & Budget Category (Attachment 3)

DISTRICT BUDGET BY EXPENDITURE CATEGORY	FY22 Adopted Budget	YTD Approved Budget Amendments	Amended Budget (as of 9/30/2021)	Quarter 1 Proposed Budget Amendments	FY22 Proposed Amended Budget
Planning					
Salaries and Benefits	\$1,727,229		\$1,727,229		\$1,727,229
Less: MAA Reimbursable Staff Costs	(\$75,645)		(\$75,645)		(\$75,645)
Net Salaries and Benefits	\$1,651,584		\$1,651,584		\$1,651,584
Services and Supplies	\$674,783	(\$75,000)	\$599,783		\$599,783
Total Operating Expenditures	\$2,326,367	(\$75,000)	\$2,251,367	\$0	\$2,251,367
Measure AA Capital	\$1,021,645	\$50,000	\$1,071,645	\$57,000	\$1,128,645
General Fund Capital	\$33,000		\$33,000		\$33,000
Total Capital Expenditures	\$1,054,645	\$50,000	\$1,104,645	\$57,000	\$1,161,645
Total Planning Expenditures	\$3,381,012	(\$25,000)	\$3,356,012	\$57,000	\$3,413,012
Public Affairs					
Salaries and Benefits	\$1,191,021		\$1,191,021	\$43,000	\$1,234,021
Services and Supplies	\$1,204,292	(\$10,000)	\$1,194,292		\$1,194,292
Total Operating Expenditures	\$2,395,313	(\$10,000)	\$2,385,313	\$43,000	\$2,428,313
Total Public Affairs Expenditures	\$2,395,313	(\$10,000)	\$2,385,313	\$43,000	\$2,428,313
Real Property					
Salaries and Benefits	\$810,192		\$810,192		\$810,192
Services and Supplies	\$99,324		\$99,324		\$99,324
Total Operating Expenditures	\$909,516		\$909,516	\$0	\$909,516
Measure AA Land and Associated Costs	\$124,250		\$124,250		\$124,250
General Fund Land and Associated Costs	\$634,000	(\$10,000)	\$624,000		\$624,000
Total Land and Associated Costs	\$758,250	(\$10,000)	\$748,250	\$0	\$748,250
Total Real Property Expenditures	\$1,667,766	(\$10,000)	\$1,657,766	\$0	\$1,657,766
Visitor Services					
Salaries and Benefits	\$6,123,818	\$30,000	\$6,153,818		\$6,153,818
Services and Supplies	\$667,440	\$25,000	\$692,440		\$692,440
Total Operating Expenditures	\$6,791,258	\$55,000	\$6,846,258	\$0	\$6,846,258
General Fund Land and Associated Costs	\$1,178,212		\$1,178,212		\$1,178,212
Total Land and Associated Costs	\$1,178,212	\$0	\$1,178,212	\$0	\$1,178,212
Total Visitor Services Expenditures	\$7,969,470	\$55,000	\$8,024,470	\$0	\$8,024,470
Debt Service					
Debt Service	\$16,044,888		\$16,044,888		\$16,044,888
Total Debt Service Expenditures	\$16,044,888		\$16,044,888		\$16,044,888
Total Debt Service Expenditures	\$16,044,888		\$16,044,888		\$16,044,888
Total District Budget	\$89,640,552	(\$855,475)	\$88,785,077	\$2,252,695	\$91,037,772

FY22 Quarter 1 Budget Amendments by GL Account (Attachment 4)

Budget Categories / Accounts	Budget as of Sept 30	Quarter 1 Proposed Budget Amendment	Quarter 1 Proposed Amended Budget
10-61-611-4101 - Full Time	\$4,747,756	(\$77,300)	\$4,670,456
General Fund (10) Salaries & Benefits		(\$77,300)	
10-40-410-7502 - Special Projects & Programs	\$472,000	\$43,000	\$515,000
10-61-631-5218 - Bio Survey	\$95,000	\$7,000	\$102,000
10-61-631-7112 - Facility Maint - Resource Mgmt/Landscaping	\$152,300	(\$49,000)	\$103,300
10-61-631-7112.07 - Fuels Management	\$126,000	\$42,000	\$168,000
10-61-641-5218 - Bio Survey	\$80,000	\$11,000	\$91,000
10-61-641-7101 - Facility Maint - Structures - Exterior/Interior	\$117,250	(\$17,250)	\$100,000
10-61-641-7112 - Facility Maint - Resource Mgmt/Landscaping	\$485,000	(\$324,500)	\$160,500
10-61-641-7112.07 - Fuels Management	\$0	\$201,000	\$201,000
10-61-641-7202 - Permits & Licenses, Fees	\$20,000	(\$4,000)	\$16,000
10-80-820-7112 - Facility Maint - Resource Mgmt/Landscaping	\$935,500	\$112,500	\$1,048,000
General Fund (10) Services & Supplies		\$21,750	
30-61-611-4109 - Measure AA Labor Reimbursement	\$193,321	\$77,300	\$270,621
MAA (30) Salaries & Benefits		\$77,300	
30-30-320-8201 - ARCHITECT/ENGINEERING SERVS	\$211,000	\$57,000	\$268,000
30-61-621-8203 - CONSTRUCTION & SPECIAL INSPECTION/MONITORING	\$7,500	(\$3,750)	\$3,750
30-61-621-8205 - CONSTRUCTION	\$20,000	\$169,675	\$189,675
30-80-830-8201 - ARCHITECT/ENGINEERING SERVS	\$125,000	(\$40,000)	\$85,000
30-80-830-8202 - ENVIRONMENTAL/PLANNING SERVICES	\$350,000	(\$5,000)	\$345,000
30-80-850-8201 - ARCHITECT/ENGINEERING SERVS	\$290,000	(\$60,000)	\$200,000
30-80-850-8202 - ENVIRONMENTAL/PLANNING SERVICES	\$375,000	\$5,000	\$345,000
MAA (30) Capital/Fixed Assets		\$122,925	
40-35-325-8201 - ARCHITECT/ENGINEERING SERVS	\$775,500	\$49,925	\$825,425
40-35-325-8205 - CONSTRUCTION	\$16,020,483	\$2,227,102	\$18,247,585
40-61-621-8204 - PERMITTING FEES	\$13,500	\$5,000	\$18,500
40-61-621-8205 - CONSTRUCTION	\$481,925	\$95,000	\$576,925
40-61-641-8202 - ENVIRONMENTAL/PLANNING SERVICES	\$0	\$20,871	\$20,871
40-61-641-8204 - PERMITTING FEES	\$0	\$18,538	\$18,538
40-61-641-8205 - CONSTRUCTION	\$0	\$149,585	\$149,585
40-61-671-8410 - Machinery	\$435,000	(\$250,000)	\$185,000
40-61-671-8501 - Vehicles	\$488,000	(\$208,000)	\$280,000
General Fund (40) Capital/Fixed Assets		\$2,108,020	
Total Budget Amendments - Increase / (Decrease)		\$2,252,695	

Q1 FY22 Financial Performance Comments

Overall District Financial Health:

With Fiscal Year 2022 (FY22) expenditures tracking to budget or less, and revenues tracking to budget or better, District financial health is currently expected to be consistent with, or better than, the FY22 adopted budget.

Revenues:

The vast majority of budgeted annual revenue is derived from Property Taxes (92%), which are received in Q2 (December) and Q4 (April). Accordingly, Q1 revenues of \$1.7 million represent only 2% of the annual amended budget of \$70.5 million. Additional commentary on Q1 revenue budget variances can be found in the Q1 Budget Amendment Board report. The Controller's Monthly Investment report for September 2021 indicates that the assessed value in both Santa Clara and San Mateo Counties continues to increase at about a 5% annual rate, excluding the inflation factor. It is expected that the inflation factor will reach the 2% maximum for annual assessed property valuations.

Expenditures:

Expenditures for Q1 were \$24.6 million or about 27% of the annual amended budget. Excluding Land (which is traditionally not budgeted) and Debt Service, expenditures were \$11 million or 19% of the plan. The Q1 percentage spend of the annual budget is tracking similarly to past years. If the proposed Q1 budget amendments are adopted (see Board report for more detail), expenditures are expected to end the year at or below the amended FY22 budget.

Other Financial Considerations:

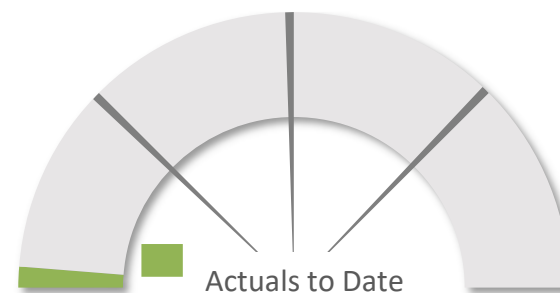
Some important economic factors have improved since the initial economic impacts of the pandemic:

- The national unemployment rate fell from 5.9% in June 2021 to 4.8% in September, with a continuing declining trend (US Bureau of Labor Statistics, Civilian Unemployment Rate). For comparison, the San Jose-Sunnyvale-Santa Clara, CA Metropolitan Statistical Area unemployment rate was 4.8% in August 2021 (the latest reporting period).
- September 2021 was the worst-performing month for the S&P 500 since the height of the pandemic in March 2020. September is seasonally one of the lowest performing months overall for equities. Various factors contributed to the poor performance, but the uncertainty created by differences in the U.S. Congress with the stopgap spending bill, raising the debt ceiling, and the approval of various stimulus initiatives, including the \$1.2 trillion infrastructure plan had a greater than expected impact on the markets.
- The yield on a 10-Year U.S. Treasury Bond increased from 0.69% at the end of September 2020 to 1.52% at the end of September 2021. Interest rates are approximately 30 basis points lower than pre-pandemic levels.
- Real GDP increased by 6.7% in the second quarter of 2021, a total contrast from the 32.9% decrease in the second quarter of 2020.
- Bay Area CPI (San Francisco-Oakland-Hayward) increased by 2.1% from August 2020 to August 2021.

Major fiscal stimulus actions have aided economic recovery, but many have or will expire by the end of the calendar year. It is uncertain how this might impact the overall economy and fiscal recovery efforts.



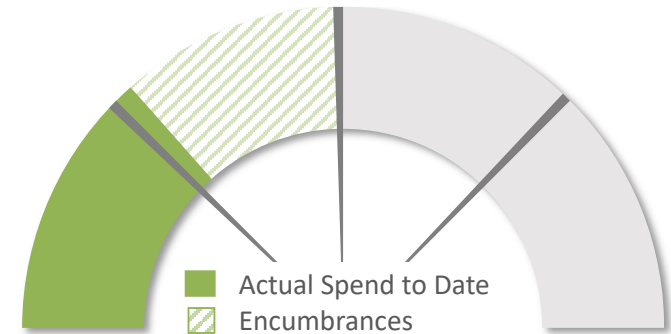
Revenue Quarterly Performance Report



DISTRICT REVENUES BY FUND & CATEGORY	FY22 Adopted Budget	FY22 Budget Adjustments	FY22 Amended Budget	FY22 Actual (through 9/30)	Budget Remaining	Budget Used (%)
Fund 10 - General Fund	60,291,232	1,420,000	61,711,232	448,260	61,262,972	1%
General Property Taxes	57,778,577	1,020,000	58,798,577	63,698	58,734,879	0%
Grants Revenue	314,000	400,000	714,000	-	714,000	0%
Interest Income	465,000	-	465,000	131,883	333,117	28%
Rental Income	1,239,100	-	1,239,100	182,321	1,056,779	15%
Other Revenues	494,555	-	494,555	70,358	424,197	14%
Fund 20 - Hawthorn Fund	5,000	-	5,000	-	5,000	0%
Interest Income	5,000	-	5,000	-	5,000	0%
Fund 30 - MAA Fund	3,297,932	(75,000)	3,222,932	1,264,041	1,958,891	39%
Grants Revenue	3,088,932	(75,000)	3,013,932	1,264,041	1,749,891	42%
Interest Income	209,000		209,000	-	209,000	0%
Fund 40 - General Fund Capital	-	-	-	-	-	0%
Fund 50 - Debt Service	5,579,000	-	5,579,000	8,649	5,570,351	0%
General Property Taxes	5,560,000	-	5,560,000	3,792	5,556,208	0%
Interest Income	19,000	-	19,000	4,856	14,144	26%
DISTRICT REVENUES (All Funds)	69,173,164	1,345,000	70,518,164	1,720,949	68,797,215	2%



Expenses Quarterly Performance Report



DISTRICT EXPENSES BY FUND	FY22 Adopted Budget	FY22 Budget Adjustments	FY22 Amended Budget	YTD Encumbrances	FY22 Actual (through 9/30)	Budget Remaining of Amended (\$)	Budget Remaining of Amended with Encumbrances (\$)	FY22 Budget Spent of Amended (%)	FY22 Budget Spent of Amended with Encumbrances (%)	FY21 Budget Spent of Amended (%)	FY21 Budget Spent of Amended with Encumbrances (%)
Fund 10 - General Fund	41,413,605	(245,550)	41,168,055	2,606,240	9,738,880	31,429,175	28,822,935	24%	30%	22%	31%
Fund 20 - Hawthorn Fund	124,500	-	124,500	21,250	35	124,465	103,215	0%	17%	18%	18%
Fund 30 - MAA Fund	8,697,439	39,250	8,736,689	4,686,312	488,449	8,248,240	3,561,929	6%	59%	5%	26%
Fund 40 - General Fund Capital	7,191,637	(423,582)	6,768,055	1,939,282	735,899	6,032,156	4,092,874	11%	40%	8%	32%
DISTRICT EXPENSES (Subtotal)	57,427,181	(629,882)	56,797,299	9,253,084	10,963,262	45,834,037	36,580,953	19%	36%	17%	30%
Fund 40 - One Time Expenses	16,168,483	2,027,102	18,195,585	10,924,684	1,913,634	16,281,951	5,357,267	11%	71%	5%	29%
Fund 50 - Debt Service	16,044,888	-	16,044,888	-	11,675,156	4,369,732	4,369,732	73%	73%	76%	76%
DISTRICT EXPENSES (All Funds)	89,640,552	1,397,220	91,037,772	20,177,768	24,552,052	66,485,720	46,307,952	27%	49%	27%	39%

FY22 Budget Performance Report - "Green Report" by Category
(through Sept 30)

Attachment 6

DISTRICT EXPENSES BY FUND & CATEGORY	FY22 Adopted Budget	FY22 Budget Adjustments	FY22 Amended Budget	YTD Encumbrances	FY22 Actual (through 9/30)	Budget Remaining of Amended (\$)	Budget Remaining of Amended with Encumbrances (\$)	FY22 Budget Spent of Amended (%)	FY22 Budget Spent of Amended with Encumbrances (%)	FY21 Budget Spent of Amended (%)	FY21 Budget Spent of Amended with Encumbrances (%)
Fund 10 - General Fund	41,413,605	(245,550)	41,168,055	2,606,240	9,738,880	31,429,175	28,822,935	24%	30%	22%	31%
Personnel Services	27,877,504	(47,300)	27,830,204	-	7,832,593	19,997,611	19,997,611	28%	28%	25%	25%
Services and Supplies	13,536,101	(198,250)	13,337,851	2,606,240	1,906,287	11,431,564	8,825,324	14%	34%	16%	45%
Fund 20 - Hawthorn Fund	124,500	-	124,500	21,250	35	124,465	103,215	0%	17%	18%	18%
Services and Supplies	77,200	-	77,200	-	35	77,165	77,165	0%	0%	20%	20%
Capital/Fixed Assets	47,300	-	47,300	21,250	-	47,300	26,050	0%	45%	0%	0%
Fund 30 - MAA Fund	8,697,439	39,250	8,736,689	4,686,312	488,449	8,248,240	3,561,929	6%	59%	5%	26%
Personnel Services	619,300	77,300	696,600	-	244,178	452,422	452,422	35%	35%	16%	16%
Capital/Fixed Assets	8,078,139	(38,050)	8,040,089	4,686,312	244,271	7,795,818	3,109,507	3%	61%	5%	27%
Fund 40 - General Fund Capital	7,191,637	(423,582)	6,768,055	1,939,282	735,899	6,032,156	4,092,874	11%	40%	8%	32%
Capital/Fixed Assets	7,191,637	(423,582)	6,768,055	1,939,282	735,899	6,032,156	4,092,874	11%	40%	8%	32%
DISTRICT EXPENSES (Subtotal)	57,427,181	(629,882)	56,797,299	9,253,084	10,963,262	45,834,037	36,580,953	19%	36%	17%	30%
Fund 40 - One Time Expenses	16,168,483	2,027,102	18,195,585	10,924,684	1,913,634	16,281,951	5,357,267	11%	71%	5%	29%
Fund 50 - Debt Service	16,044,888	-	16,044,888		11,675,156	4,369,732	4,369,732	73%	73%	76%	76%
DISTRICT EXPENSES (All Funds)	89,640,552	1,397,220	91,037,772	20,177,768	24,552,052	66,485,720	46,307,952	27%	49%	27%	39%

DISTRICT EXPENSES BY FUND & CATEGORY	FY22 Adopted Budget	FY22 Budget Adjustments	FY22 Amended Budget	YTD Encumbrances	FY22 Actual (through 9/30)	Budget Remaining of Amended (\$)	Budget Remaining of Amended with Encumbrances (\$)	FY22 Budget Spent of Amended (%)	FY22 Budget Spent of Amended with Encumbrances (%)	FY21 Budget Spent of Amended (%)	FY21 Budget Spent of Amended with Encumbrances (%)
Personnel Services	28,496,804	30,000	28,526,804	-	8,076,771	20,450,033	20,450,033	28%	28%	25%	25%
Services and Supplies	13,613,301	(198,250)	13,415,051	2,606,240	1,906,322	11,508,729	8,902,489	14%	34%	16%	45%
Capital/Fixed Assets	15,317,076	(461,632)	14,855,444	6,646,844	980,169	13,875,275	7,228,431	7%	51%	5%	28%
DISTRICT EXPENSES (Subtotal)	57,427,181	(629,882)	56,797,299	9,253,084	10,963,262	45,834,037	36,580,953	19%	36%	17%	30%
One Time Expenses	16,168,483	2,027,102	18,195,585	10,924,684	1,913,634	16,281,951	5,357,267	11%	71%	5%	29%
Debt Service	16,044,888	-	16,044,888	-	11,675,156	4,369,732	4,369,732	73%	73%	76%	76%
DISTRICT EXPENSES (All Funds)	89,640,552	1,397,220	91,037,772	20,177,768	24,552,052	66,485,720	46,307,952	27%	49%	27%	39%

**FY22 Budget Performance Report - "Green Report" by Department
(through Sept 30)**

Attachment 6

DISTRICT EXPENSES BY DEPARTMENTS (All Funds)	FY22 Adopted Budget	FY22 Budget Adjustments	FY22 Amended Budget	YTD Encumbrances	FY22 Actual (through 9/30)	Budget Remaining of Amended (\$)	Budget Remaining of Amended with Encumbrances (\$)	FY22 Budget Spent of Amended (%)	FY22 Budget Spent of Amended with Encumbrances (%)	FY21 Budget Spent of Amended (%)	FY21 Budget Spent of Amended with Encumbrances (%)
Administrative Services	8,034,942	(62,000)	7,972,942	401,136	2,663,929	5,309,013	4,907,876	33%	38%	30%	33%
Engineering & Construction	10,467,335	(448,550)	10,018,785	4,854,546	1,072,957	8,945,828	4,091,282	11%	59%	7%	28%
General Counsel	900,844	-	900,844	34,772	214,318	686,526	651,754	24%	28%	18%	24%
General Manager	2,257,350	55,000	2,312,350	16,369	497,292	1,815,058	1,798,689	22%	22%	18%	19%
Land & Facilities	13,913,278	(216,832)	13,696,446	878,548	2,800,912	10,895,534	10,016,987	20%	27%	22%	28%
Natural Resources	6,439,871	(67,500)	6,372,371	1,564,872	764,858	5,607,513	4,042,640	12%	37%	12%	43%
Planning	3,381,012	32,000	3,413,012	889,294	521,097	2,891,915	2,002,620	15%	41%	11%	34%
Public Affairs	2,395,313	33,000	2,428,313	321,143	490,396	1,937,917	1,616,774	20%	33%	16%	66%
Real Property	1,667,766	(10,000)	1,657,766	106,051	255,440	1,402,326	1,296,276	15%	22%	6%	8%
Visitor Services	7,969,470	55,000	8,024,470	186,353	1,682,062	6,342,408	6,156,055	21%	23%	24%	27%
DISTRICT EXPENSES (Subtotal)	57,427,181	(629,882)	56,797,299	9,253,084	10,963,262	45,834,037	36,580,953	19%	36%	17%	30%
One Time Expense: Fund 40	16,168,483	2,027,102	18,195,585	10,924,684	1,913,634	16,281,951	5,357,267	11%	71%	5%	29%
Debt Service	16,044,888	-	16,044,888	-	11,675,156	4,369,732	4,369,732	73%	73%	76%	76%
DISTRICT EXPENSES (All Funds)	89,640,552	1,397,220	91,037,772	20,177,768	24,552,052	66,485,720	46,307,952	27%	49%	27%	39%



Midpeninsula Regional
Open Space District

ACTION PLAN AND BUDGET COMMITTEE

May 4, 2021

The Board of Directors conducted this meeting in accordance with California Governor Newsom's Executive Order N-29-20. All Board members and staff participated via teleconference.

DRAFT MINUTES

ROLL CALL

Director Cyr called the meeting to order at 1:00 p.m.

Members Present: Jed Cyr, Larry Hassett, and Yoriko Kishimoto

Members Absent: None

Staff Present: General Manager Ana Ruiz, General Counsel Hilary Stevenson, Chief Financial Officer Stefan Jaskulak, Assistant General Manager Brian Malone, Assistant General Manager Susanna Chan, Controller Mike Foster, District Clerk/Assistant to the General Manager Jennifer Woodworth, Budget & Analysis Manager Rafaela Duran, Natural Resources Manager Kirk Lenington, Visitor Services Manager Matt Anderson, Planning Manager Jane Mark, Land & Facilities Manager Brandon Stewart, Engineering & Construction Manager Jay Lin, Information Systems & Technology Manager Casey Hiatt, Public Affairs Manager Kori Skinner, Real Property Manager Mike Williams, Budget Analyst I Lupe Hernandez, and Budget Analyst I Elissa Martinez

ADOPTION OF AGENDA

Motion: Director Hassett moved, and Director Kishimoto seconded the motion to adopt the agenda.

ROLL CALL VOTE: 3-0-0

ORAL COMMUNICATIONS

District Clerk Jennifer Woodworth reported no public comments have been submitted.

COMMITTEE BUSINESS

1. Approve the April 29, 2021 Action Plan & Budget Committee Minutes

Item 1 was heard after Item 2.

Motion: Director Hassett moved, and Director Kishimoto seconded the motion to approve the April 29, 2021 Action Plan and Budget Committee minutes.

ROLL CALL VOTE: 3-0-0

2. Continued Discussion of Proposed Fiscal Year 2021-22 Budget and Action Plan Overview (R-21-57)

Chief Financial Officer/Director of Administrative Services Stefan Jaskulak provided an overview of changes to the proposed FY2021-22 budget based on updated expenditure information and additional information regarding restricted funds in the general fund.

Assistant General Manager Susanna Chan reviewed projects included in the Public Access, Education, and Outreach program, including numerous regional trails, such as the Purisima-to-the-Sea Trail, Alpine Road Regional Trail, and Highway 17 trail crossing; Districtwide ADA barrier removal; and expanding public access at District preserves, such as at La Honda Creek, Bear Creek Redwoods, and Windy Hill Preserves.

Director Kishimoto requested and received an update regarding use of the Driscoll Event Center parking lot for hiker use, which was recently opened by permit.

Director Hassett requested and received an update regarding implementation of short-term measures to support public access, which were suggested by the La Honda Public Access Working Group.

Assistant General Manager Brian Malone described projects included in the Assets and Organizational Support Program. Projects include agricultural workforce housing at the La Honda Creek Open Space Preserve, property management for residential, office, and other building sites, and improvements to business systems and administrative processes.

Director Hassett requested an update regarding the Skyline Field Office remodel project and spoke in support of making necessary facility updates.

Mr. Malone reported the permit requirements for the driveway improvements and water storage requirements raised the project costs back in 2008/09, and the project was subsequently removed at that time from the action plan. In lieu of a major expansion, Mr. Malone described updates and small improvements to the facility, which have since been made.

Directors Hassett and Cyr spoke in favor of a live staff member answering District phones.

Mr. Jaskulak provided additional information regarding the District's phone system, which allows callers to reach individual staff members directly or speak with the front desk staff member.

Director Kishimoto requested additional information regarding projects supporting the District's diversity, equity, and inclusion (DEI) initiatives.

Public Affairs Manager Kori Skinner reported many aspects of the 50th anniversary celebration will include activities supporting DEI initiatives, and DEI components are also included in many of the District's other projects, such as for the grants program. The District also has internal staff teams working on DEI initiatives.

Director Kishimoto suggested including information highlighting DEI initiatives and projects in the budget book.

Director Kishimoto requested that when the Measure AA projects are prioritized again that a status update on current progress also be included.

Mr. Malone reported staff has typically brought the prioritization criteria to the Board for approval.

Director Kishimoto asked that the Board be able to provide more input into the prioritized list.

Public comments opened at 2:38 p.m.

Ms. Woodworth reported no public comments were received for this item.

Public comments closed at 2:38 p.m.

Motion: Director Kishimoto moved, and Director Hassett seconded the motion to recommend Board adoption of the Fiscal Year 2021-22 Budget and Action Plan.

Director Hassett requested adding a project to the Budget and Action Plan to update the Skyline Field Office.

Ms. Ruiz stated additional information is needed to understand staff deployment to support current and future District preserves. This information and recommendations are being developed as part of the Coastal Management Plan that is underway. Once that information is gathered, potential projects scopes to update or expand field offices can be identified and resource loaded for Board consideration. Findings from the Coastal Management Plan are expected to be ready for Board review by late 2021.

ROLL CALL VOTE: 3-0-0

ADJOURNMENT

Director Cyr adjourned the meeting of the Action Plan and Budget Committee of the Midpeninsula Regional Open Space District at 2:45 p.m.

Jennifer Woodworth, MMC
District Clerk