



Midpeninsula Regional
Open Space District

R-26-91
Meeting 26-17
June 24, 2026

AGENDA ITEM 3

AGENDA ITEM

Authorization to Transfer \$1.1 Million from Fiscal Year 2025-2026 Budget Savings to the Committed for Infrastructure Reserve

GENERAL MANAGER'S RECOMMENDATION

By affirmative vote of 2/3 of the Board of Directors, adopt a Resolution authorizing the General Manager to transfer \$1.1 Million into the Committed for Infrastructure Reserve to pre-fund upcoming large-scale infrastructure projects.

SUMMARY

At the approach of the fiscal year-end, staff evaluates and forecasts salaries and benefits savings, comparing the adopted budget amounts with the actual and anticipated expenditures for the fiscal year. The available savings are considered for determining a prudent amount that can be allocated toward reducing the unfunded pension liability or for making additional contribution to a reserve(s). Based on the most current review of Fiscal Year 2025-26 (FY26) salary savings, the General Manager recommends transferring \$1.1 million into the Committed for Infrastructure Reserve to pre-fund upcoming large-scale infrastructure projects like the Coastal Area Office and the Skyline Field Office Rebuild. The District Controller agrees with the proposed transfer.

DISCUSSION

To mitigate the future effects of increases to pension costs due to volatile investment returns and/or changes in actuarial parameters, the District has used salary savings to pay down its unfunded pension liability. Since establishing a Section 115 Trust administered by PARS in 2018, the District has used budget savings to make additional contributions totaling \$9.6 million. As of June 30, 2024, the funded ratio for the District's pension plan is 81.1%. With inclusion of \$9.6 million in additional contributions and interest earned, the funded ratio increases to 92.4%. This compares favorably to the overall CalPERS funded ratio of 73.9% as of June 30, 2024.

Given the adequate funded ratio for the pension plan, the recommendation for FY26 is to instead transfer \$1.1 million in salary savings to the Committed for Infrastructure Reserve in preparation for upcoming large-scale infrastructure projects. The balance of the Committed for Infrastructure Reserve is \$50.9 million. With the additional \$1.1 million contribution, the balance will increase to \$52 million.

The purpose of this reserve is to fund construction, expansion, or renewal of office and field facilities. The District has historically and successfully set aside funds to finance its facility needs. Most recently, the purchase and renovation of the Administrative Office and the South Area Office

were funded using the Committed for Infrastructure Reserve, avoiding the issuance of new debt and saving the District millions of dollars.

Two major facility projects are currently in progress, the Coastal Area Office and the Skyline Field Office Rebuild. The conservative cost estimate in the FY27 Budget for both facilities is \$52.6 million. These estimates are very preliminary and are subject to change as they are both in the design phase. With the approval of the proposed \$1.1 million transfer, the remaining outstanding funding will be \$0.6 million based on current preliminary estimates.

Board Policy 3.07, Fund Balance Policy, provides that the amount reserved in Committed Funds (including the Committee for Infrastructure Fund) will be reviewed annually, and any changes to such Fund Balances require two-thirds (2/3) Board approval.

PRIOR BOARD AND COMMITTEE REVIEW

None

FISCAL IMPACT

The proposed transfer will augment the Committed for Infrastructure Reserve to fund the District's facility needs and is offset by projected savings in salaries and benefits budgeted in FY26.

PUBLIC NOTICE

Public notice was provided pursuant to the Brown Act. No additional notice is required.

CEQA COMPLIANCE

The recommended action is not a project for purposes of the California Environmental Quality Act.

NEXT STEPS

Upon approval, staff will transfer \$1.1 Million to the Committed for Infrastructure Reserve prior to the end of FY26.

Attachment:

1. Resolution authorizing the transfer of \$1.1 million into the Committed for Infrastructure Reserve Fund

Responsible Department Manager:
Stefan Jaskulak, Chief Financial Officer

Prepared by/Contact person:
Rafaela Ocegüera, Budget & Finance Manager

RESOLUTION NO. 26-__

RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDPENINSULA REGIONAL OPEN SPACE DISTRICT AUTHORIZING THE TRANSFER OF \$1.1 MILLION INTO THE COMMITTED FOR INFRASTRUCTURE RESERVE FUND

WHEREAS, at the end Fiscal Year 2025-26, budget savings from salaries and benefits were estimated to be approximately \$1.1 million; and

WHEREAS, the balance of the Committed for Infrastructure Reserve is \$50.9 million; and

WHEREAS, additional funds are needed for upcoming large-scale infrastructure projects; and

WHEREAS, the General Manager recommends increasing the Committed for Infrastructure Reserve Fund to pre-fund upcoming large-scale infrastructure projects.

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

SECTION ONE. Approve the transfer of \$1,100,000 from the General Fund’s Budget Savings to the Committed for Infrastructure Reserve Fund.

* * * * *

PASSED AND ADOPTED by the Board of Directors of the Midpeninsula Regional Open Space District on June 24, 2026, at a regular meeting thereof, by the following vote:

- AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST:

APPROVED:

Margaret MacNiven, Secretary
Board of Directors

Zoe Kersteen-Tucker, 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.

Maria Soria, District Clerk