

STAFF REPORT



DATE: August 5, 2022

TO: MORPD Advisory Board of Directors

FROM: Daniel Barton, District Administrator
Darren Woodland, Finance Manager
Pati Brown Todd, Finance Committee Member
Michael Alcalay, Finance Committee Member

SUBJECT: Adopt the proposed Mission Oaks Maintenance and Improvement District Budget (336B) for FY 2022-23.

BACKGROUND:

As part of the annual county budget process, staff has prepared the FY 2022-23 Assessment Budget (**Attachment A**). The final budget will be submitted to the County Executive Office following the August 8, 2022, board meeting.

DISCUSSION:

The Districts capital improvement projects include, but are not limited to, the HVAC replacement at the Mission Oaks Community Center, ADA improvements, resurfacing of basketball courts at Swanston Park, three new vehicles for the Parks Division, an LED sign at Eastern Oak Park and replenishment of playground fiber throughout our various parks. This would also include payment for water services, landscape, and engineer contract services. Staff has provided a Budget Narrative (**Attachment B**) to identify the expenditures and projects included in the Assessment Budget 336B.

Staff met with the Finance Committee on July 29 to review and discuss the FY 2022-23 proposed budget. Staff have made changes to the proposed budget as recommended by the Committee. The Committee recognizes the increased cost of services, supplies, water, and capital improvement projects. The Committee has approved the proposed budget to be presented to the Advisory Board of Directors.

RECOMMENDATION:

To adopt the proposed Mission Oaks Maintenance and Improvement District Budget (336B) for FY 2022-23 as presented by the Finance Committee and District staff.



**Assessment Budget - 336B
Summary**

Attachment A
Mission Oaks Maintenance
Improvement District

CARRYOVER	FY 2022 Approved	FY 2022 Final	FY 2023 Proposed
Carryover	83,460	83,460	306,310

REVENUE	FY 2022 Approved	FY 2022 Final	FY 2023 Proposed
Assessment & Interest	1,032,586	1,044,477	1,040,480
Grants & Other Misc Aid	-	-	-
SUBTOTAL	1,032,586	1,044,477	1,040,480

TOTAL CARRYOVER + REVENUE	1,116,046	1,127,937	1,346,790
	Revenue Carryover	11,890	

EXPENDITURES	FY 2022 Approved	FY 2022 Final	FY 2023 Proposed
Services and Supplies	460,000	429,174	503,425
Contingency	-	-	-
Capital Improvements	655,500	391,906	843,365
TOTAL EXPENDITURES	1,115,500	821,080	1,346,790
	Expense Carryover	294,420	

FY 21-22 Reserve Balance	341,443
Addition to Reserve	0
FY 22-23 Reserve Balance	341,443



**Assessment Budget - 336B
Detail**

**Mission Oaks Maintenance Improvement District
Budget No: 9336001**

Account Number	Account Title	FY 2022 Approved	FY 2022 Mid-Year	FY 2022 Final	FY 2023 Proposed	2022 Appr Less 2023 Pro	Detailed description of what is budgeted in each account AND an explanation of changes
2000 Services & Supplies							
20210300	Agriculture & Horticulture Service	265,000	126,612	245,952	286,500	21,500	Landscape Contract for Park Maintenance
20210400	Agriculture & Horticulture Supply	5,000	-	2,574	5,000	-	Supplies for Maintenance & Care of Parks
20211100	Building Maintenance Service	-	-	-	-	-	Costs used to maintain the useful life of buildings. (Excludes custodial services)
20219800	Water Service	175,000	109,019	166,616	195,000	20,000	Irrigation and Water. (Plan for Increase in fees)
20252500	Engineering Services	15,000	3,488	14,033	16,925	1,925	Engineer's report preparation and services (\$13,950), with potential additional fees if extra work necessary)
20291900	GS Contract Services	-	-	-	-	-	Sac County Contract Services Fees
Total Services & Supplies		460,000	239,119	429,174	503,425	43,425	
4000 Fixed Assets							
42420100	Buildings	470,000	13,960	207,194	378,365	(91,635)	Gibbons HVAC Replacement-Cont'd-Phase II
42420200	Structures & Improvements	95,500	18,666	105,363	347,000	251,500	ADA Sidewalks DO, Reslurry, Swanston basketball courts, ADA sidewalk Gibbons, Eastern Oak LED sign, Playground fiber
43430110	Equipment	90,000	-	79,349	118,000	28,000	(3) Trucks
Total Fixed Assets		655,500	32,626	391,906	843,365	187,865	
7000 Contingency Appropriation							
79790100	Contingency Appropriation	-	-	-	-	-	Emergency Funds
Total Expenses		1,115,500	271,745	821,080	1,346,790	231,290	

Carryover	294,420
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Fund Balance	83,460	83,460	83,460	306,310	222,850	
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9000 Taxes & Interest							
94941000	Interest Income	100	463	3,213	2,000	1,900	Interest earned bank deposits, bonds & investments
95953200	Aid to County Funds	-	-	-	-	-	
95956900	State Grant - Land & Water	-	-	-	-	-	
96969000	Lease Property	-	4,244	-	-	-	Cell tower revenue (Transfer to 336A)
96969900	Service Fees Other	-	-	-	-	-	
97976200	Assessment Fees	1,032,486	622,789	1,041,264	1,038,480	5,994	Assessment Fees
97979000	Miscellaneous Revenue	-	-	-	-	-	
Total Revenue		1,032,586	627,496	1,044,477	1,040,480	7,894	
Total Revenue + Carryover		1,116,046	710,956	1,127,937	1,346,790	7,894	

Carryover	11,891
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Fiscal Year 2022-2023 Final Budget Narrative

- 1. The Assessment District Budget, The Lighting and Landscaping Assessment Budget, The Mission Oaks Parks and Recreation Maintenance and Improvement Assessment District and Fund 336B:** Are all titles that describe the same budget. This budget is financed by assessment fees. The purpose of this budget is pay for Capital Improvement Projects. These funds are to be spent on park maintenance, infrastructure, engineering firm, the county administration fee and capital improvements. The amount of funds allocated to capital improvements must be greater than those budgeted for maintenance and operations within services and supplies.

Reserves: The reserve balance is similar to a savings account. At the February 10, 2015 Board meeting, the Mission Oaks Advisory Board approved a policy establishing 10% of the operating budget for each year as a minimum guideline for the reserve balances. The reserve balance is set aside and not part of the operating budget. In the event of an emergency, the Advisory Board can utilize reserve funds. The Board can do this by approving a special resolution asking the Sacramento County Board of Supervisors to approve a transfer of funds into the District Budget. The Advisory Board can decide to spend a portion of the reserve, up to the 10% threshold, on improvement projects or property acquisition.

Contingencies: Contingency appropriations are generally 5-10% of the operating budget. The amount may vary based upon the type of projects or expenditures anticipated for that year. Over the past forty years, the District has only used contingency funds three times. To use contingency funds in either budget, a resolution must be approved by the District's Advisory Board. The resolution must request that the Sacramento County Board of Supervisors authorize a mid-year fund transfer.

Carryover: A carryover is budgeted money that was not spent in the previous year OR the receipt of more revenue than anticipated.

2. Revenue Assessment Fund Budget (336B):

\$ 1,040,480	Annual Assessment
\$ 306,310	Carryover from FY 2021-2022
\$ 1,346,790	Total Anticipated Revenue

3. Expenditures Assessment Fund Budget (336B):

\$ 503,425	Service/Supplies (Water, Landscape Services, Engineer Services)
\$ 843,365	Capital Improvements
\$ 1,346,790	Total Anticipated Expenditures
\$ -	Add to Reserve

4. Projects Assessment Fund Budget (336B):

HVAC Replacement Project (Phase II) Gibbons Park	\$ 378,365.00
ADA sidewalk replacement at Mission North Park	\$ 100,000.00
Parking lot slurry at Mission North Park	\$ 18,000.00
Resurface basketball courts at Swanston Park	\$ 25,000.00
ADA sidewalk replacement at Orville Wright Park	\$ 100,000.00
Replace 3 vehicles for Parks Staff	\$ 118,000.00
LED Sign at Eastern Oak Park	\$ 79,000.00
Replenish playground fiber at various parks	\$ 25,000.00
TOTAL	\$ 843,365.00

5. District's Financial Health:

The District expects to receive a slight increase in assessment fund revenue in FY 2022-2023. 52% of these funds will be used on Capital Improvement Projects and 48% on landscape services, water, and engineering services.

Daniel Barton
 District Administrator
 Mission Oaks Recreation & Parks District