



Monterey County

Item No.35

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: RES 21-081

May 04, 2021

Introduced: 4/19/2021

Current Status: RMA Public Works -
Consent

Version: 1

Matter Type: BoS Resolution

Adopt a resolution to:

- a. Authorize and direct the Auditor-Controller to amend the FY 2020-21 Adopted Budget for County Service Area 1-Carmel Point, Fund 051, Appropriation Unit RMA047, to increase appropriations by \$2,400, financed by Unassigned Fund Balance (Fund 051-Balance Sheet Account 3101) 4/5th vote required);
- b. Authorize and direct the Auditor-Controller to amend the FY 2020-21 Adopted Budget for County Service Area 17-Rancho Tierra Grande, Fund 057, Appropriation Unit RMA053, to increase appropriations by \$13,644, financed by Unassigned Fund Balance (Fund 057-Balance Sheet Account 3101) 4/5th vote required);
- c. Authorize and direct the Auditor-Controller to amend the FY 2020-21 Adopted Budget for County Service Area 25-Carmel Valley Golf & Country Club, Fund 062, Appropriation Unit RMA058, to increase appropriations by \$7,807, financed by Unassigned Fund Balance (Fund 062-Balance Sheet Account 3101) 4/5th vote required); and
- d. Authorize and direct the Auditor-Controller to amend the FY 2020-21 Adopted Budget for County Service Area 75-Chualar, Fund 093, Appropriation Unite RMA088, to increase appropriations by \$34,948, financed by Unassigned Fund Balance (Fund 093-Balance Sheet Account 3101) 4/5th vote required).

RECOMMENDATION:

It is recommended that the Board of Supervisors adopt a resolution to:

- a. Authorize and direct the Auditor-Controller to amend the FY 2020-21 Adopted Budget for County Service Area 1-Carmel Point, Fund 051, Appropriation Unit RMA047, to increase appropriations by \$2,400, financed by Unassigned Fund Balance (Fund 051-Balance Sheet Account 3101) 4/5th vote required): and
- b. Authorize and direct the Auditor-Controller to amend the FY 2020-21 Adopted Budget for County Service Area 17-Rancho Tierra Grande, Fund 057, Appropriation Unite RMA053, to increase appropriations by \$13,644, financed by Unassigned Fund Balance (Fund 057-Balance Sheet Account 3101) 4/5th vote required): and
- c. Authorize and direct the Auditor-Controller to amend the FY 2020-21 Adopted Budget for County Service Area 25-Carmel Valley Golf & Country Club, Fund 062, Appropriation Unit RMA058, to increase appropriations by \$7,807, financed by Unassigned Fund Balance (Fund 062-Balance Sheet Account 3101) 4/5th vote required): and
- d. Authorize and direct the Auditor-Controller to amend the FY 2020-21 Adopted Budget for County Service Area 75-Chualar, Fund 093, Appropriation Unite RMA088, to increase appropriations by \$34,948, financed by Unassigned Fund Balance (Fund 093-Balance Sheet Account 3101) 4/5th vote

required).

SUMMARY/DISCUSSION:

Four (4) County Service Areas (CSAs) will incur costs greater than the amount budgeted in FY 2020-21 due to higher than anticipated costs. They are CSA 1-Carmel Point, CSA 17-Rancho Tierra Grande, CSA 25-Carmel Valley Golf & Country Club, and CSA 75-Chualar.

CSA 1-Carmel Point will incur greater than anticipated personnel expenses due to increased staff time for preparation and attendance at quarterly meetings and an anticipated increase in PG&E streetlighting costs. This appropriation will increase the budgeted amount from \$116,791 to \$119,191, a 2% increase. The estimated ending fund balance is \$178,875.

CSA 17-Rancho Tierra Grande will incur greater than anticipated annual costs for personnel and professional services necessary to complete the engineer's report, rate study, and Proposition 218 election to establish an annual assessment to increase revenue for the CSA. This project was started in FY 2019-20; however, it was not finalized due to the loss of Special District's staff, including a Civil Engineer and Management Analyst II. This will increase the budgeted amount from \$10,199 to \$23,843, a 134% increase. The estimated ending fund balance is \$14,544.

CSA 25-Carmel Valley Golf & Country Club (now referred to as Quail Lodge) will incur greater than anticipated annual costs for personnel and professional services necessary to complete the engineer's report, rate study, and Proposition 218 election to establish an annual assessment to increase revenue for the CSA. CSA 25 does not have an annual assessment and the revenue received from a portion of general property tax has been insufficient to fund the level of service requested by CSA property owners. This project was started in FY 2019-20; however, it was not finalized due to the loss of Special District's staff, including a Civil Engineer and Management Analyst II. There will also be slightly higher than anticipated administrative costs due to the residents' request to create an advisory committee, which will add additional staff time for the administration of and attendance of the committee meetings. These additional costs will be partially offset by a reduction in maintenance costs from \$20,000 to \$5,000, resulting in a budget increase from \$37,914 to \$45,721, a 20% increase. The estimated ending fund balance is \$136,446.

CSA 75-Chualar will incur greater than anticipated annual costs of \$34,948 for various services and tasks. Increased funding for staff time and professional services funding is necessary to complete the engineer's report, rate study, and Proposition 218 election to establish new assessments for CSA street lighting, storm drainage maintenance, and road maintenance, with smaller increases necessary to fund other special department expenses which consist of the necessary permits and sewer sample lab testing. A portion of these increased costs will be offset by higher than anticipated revenue of \$5,658 and lower than budgeted costs for fleet service and utilities. The total budget increase is \$34,948, an 18% increase. The estimated ending fund balance is \$145,058.

OTHER AGENCY INVOLVEMENT:

This recommendation was presented to the Budget Committee on April 28, 2021.

FINANCING:

CSA 1-Carmel Point

As of June 2020, the CSA 1 Unassigned Fund Balance has \$255,340 available to finance FY 2020-21 Expenditures, including the requested appropriation increase. If approved, the recommended action will increase appropriations for Fiscal Year 2020-21 CSA 1-Carmel Point Adopted Budget, Fund 051, Account 3101, from \$116,791 to \$119,191 to fund the additional expenditures necessary for increases in personnel services and PG&E streetlighting costs. The estimated ending fund balance prior to the request appropriation is \$182,274. If the requested appropriation is approved, the final ending fund balance for the CSA 1 Fiscal Year Ending 06-31-2021 will be \$178,912, considering an estimated \$962 decrease in projected revenue. Attachment A provides a Financial Summary for the CSA 1 Fiscal Year Ending 06-31-2021.

CSA 17-Rancho Tierra Grande

As of June 2020, the CSA 17 Unassigned Fund Balance has \$23,951 available to finance FY 2020-21 Expenditures, including the requested appropriation increase. If approved, the recommended action will increase appropriations for Fiscal Year 2020-21 CSA 17-Rancho Tierra Grande Adopted Budget, Fund 057, Account 3101, from \$10,199 to \$23,843 to fund the additional expenditures necessary for the increases in personnel services and professional and other services. The estimated ending fund balance prior to the requested appropriations is \$27,897. If the requested appropriation is approved, the final ending balance for CSA 17 Fiscal Year Ending 03-31-2021 will be \$14,544, considering an estimated \$291 increase in estimated revenue. Attachment B provides a Financial Summary for the CSA 17 Fiscal Year Ending 06-31-2021. The pending rate study will include funding strategies to increase the fund balance over time, should the CSA 17 property owners approve an assessment to fund the recommended services identified in the study.

CSA 25-Carmel Valley Golf & Country Club

As of June 2020, the CSA 25 Unassigned Fund Balance has \$138,508 available to finance FY 2020-21 Expenditures, including the requested appropriation increase. If approved, the recommended action will increase appropriations for Fiscal Year 2020-21 CSA 25-Carmel Valley Golf & Country Club Adopted Budget, Fund 062, Account 3101, from \$37,914 to \$45,721 to fund the additional expenditures necessary for the increases in personnel services and professional and other services. The estimated ending fund balance prior to the requested appropriations is \$144,933. If the requested appropriation is approved, the final ending balance for CSA 25 Fiscal Year Ending 06-31-2021 will be \$136,446, considering an estimated decrease in revenue of \$680. Attachment C provides a Financial Summary for the CSA 25 Fiscal Year Ending 06-31-2021. The pending rate study will include funding strategies to increase the fund balance over time, should the CSA 25 property owners approve an assessment to fund the recommended services identified in the study.

CSA 75-Chualar

As of June 2020, the CSA 75 Unassigned Fund Balance has \$90,305 available to finance FY 2020-21 Expenditures, including the requested appropriation increase. If approved, the recommended action will increase appropriations for Fiscal Year 2020-21 CSA 75-Chualar Adopted Budget, Fund 093, Account 3101, from \$187,399 to \$222,347 to fund the additional expenditures necessary for the increases in personnel services and professional and other services. The estimated

ending fund balance prior to the requested appropriations is \$172,593. If the requested appropriation is approved, the final ending balance for CSA 75 Fiscal Year Ending 06-31-2021 will be \$143,303, considering an estimated increasing in revenue by \$5,658. Attachment D provides a Financial Summary for the CSA 75 Fiscal Year Ending 06-31-2021. The pending rate study to increase rates for street lighting, storm drainage maintenance and road maintenance will include funding strategies to increase the fund balance over time, should the CSA 75 property owners approve an assessment to fund the recommended services identified in the study.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The requested appropriations to fund the specific operations and projects for the CSAs identified in this report support the fiscal sustainability to allow the County to continue the appropriate level of administration, operations, and maintenance within the CSAs.

- Economic Development
- Administration
- Health and Human Services
- Infrastructure
- Public Safety

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Approved by: Shawne Ellerbee, Assistant Director of Public Works, Facilities, and Parks

Approved by: Randy Ishii, MS, PE, TE, PTOE, Director of Public Works, Facilities, and Parks

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Attachments:

- Attachment A-CSA 1 Financial Summary FY End 6/30/2021
- Attachment B-CSA 17 Financial Summary FY End 6/30/2021
- Attachment C-CSA 25 Financial Summary FY End 6/30/2021
- Attachment D-CSA 75 Financial Summary FY End 6/30/2021
- Attachment E-Draft Resolution
- Attachment F-CSA 1 Location Map
- Attachment G-CSA 17 Location Map
- Attachment H-CSA 25 Location Map
- Attachment I-CSA 75 Location Map