

Attachment B

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*Before the Board of Supervisors in and for the
County of Monterey, State of California*

Resolution No. 20- _____

- Adopt a resolution to:)
- a. Receive a financial condition report on)
Lake Nacimiento Resort and Operations)
Enterprise Fund, Fund 452, for Fiscal Year)
(FY) 2019-20 and estimates for FY 2020-21;)
and)
- b. Authorize and direct the Auditor-Controller)
to amend the FY 20-21 Adopted Budget to: 1))
Increase appropriations in the General Fund,)
Fund 001, Other Financing Uses,)
Appropriation Unit CAO017, by \$1,433,912,)
funded by a decrease in General Fund, Fund)
001, Contingencies, Appropriation Unit)
CAO020, 2) Increase operating transfers in, in)
the Lakes Resort and Operations Enterprise)
Fund, Fund 452, Appropriation Unit RMA102,)
by \$1,433,912, and 3) Transfer \$1,433,912)
from General Fund, Fund 001, Other)
Financing Uses, Appropriation Unit CAO017,)
to the Lakes Resort and Operations Enterprise)
Fund, Fund 452, Appropriation Unit RMA102)
(4/5th vote required))

WHEREAS, oversight of the Lakes Resort and Operations was delegated to the Resource Management Agency (RMA) in July 2016, and the County Parks Department was integrated into the RMA in December 2016;

WHEREAS, Fiscal Year (FY) 2019-20 was the first year the Enterprise Fund operated separately under the new model, with Lake San Antonio (LSA) moved to the General Fund;

WHEREAS, since the formation of the Lake Enterprise Fund, the Lakes operations have yet to turn a profit, and between FYs 2014-15 through 2018-19, the Fund experienced annual operating losses ranging from \$1,207,328 to \$2,759,453, all requiring General Fund subsidies;

WHEREAS, contributing factors for this lack of profitability include the reliance on reservoir levels for recreational purposes; the unpredictability of the annual weather cycle; and the unprofitable scale-of-operations at LSA, and since March 2020, the crippling impacts of the Coronavirus outbreak and Shelter-in-Place Orders throughout California, and recently, the 2020 Wildfires throughout California;

WHEREAS, Lake Nacimiento's negative beginning net position of \$2,733,381, less the negative net operating loss of \$283,674, less the non-operating loss of \$103,869, plus operating transfers in of \$2,650,645, result in an overall negative net position of \$470,279, the RMA is requesting a subsidy of \$470,279 to make the Enterprise Fund whole for the FY 2019-20 loss;

WHEREAS, additionally, the Lakes have restricted balances of \$700,000 for the Zebra/Quagga Mussel Program and \$263,633 in Insurance Proceeds to replace trailers damaged in the 2018 fire, a combined restricted fund total of \$963,633, which inadvertently subsidized operating losses throughout the years, and RMA is requesting a subsidy of \$963,633 to replenish these funds;

WHEREAS, collectively RMA is requesting \$1,433,912 for the FY 2019-20 loss of \$470,279 and fund the restricted fund balance of \$963,633, which will put the Enterprise Fund in a positive fund balance to begin FY 2020-21; and

WHEREAS, on October 7, 2020, the Budget Committee voted to support this recommendation to the Board of Supervisors.

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Supervisors does hereby:

- a. Receive a financial condition report on Lake Nacimiento Resort and Operations Enterprise Fund, Fund 452, for Fiscal Year (FY) 2019-20 and estimates for FY 2020-21; and
- b. Authorize and direct the Auditor-Controller to amend the FY 20-21 Adopted Budget to: 1) Increase appropriations in the General Fund, Fund 001, Other Financing Uses, Appropriation Unit CAO017, by \$1,433,912, funded by a decrease in General Fund, Fund 001, Contingencies, Appropriation Unit CAO020, 2) Increase operating transfers in, in the Lakes Resort and Operations Enterprise Fund, Fund 452, Appropriation Unit RMA102, by \$1,433,912, and 3) Transfer \$1,433,912 from General Fund, Fund 001, Other Financing Uses, Appropriation Unit CAO017, to the Lakes Resort and Operations Enterprise Fund, Fund 452, Appropriation Unit RMA102.

PASSED AND ADOPTED upon this 20th day of October 2020, by roll call vote:

AYES: Supervisors
NOES:
ABSENT:
(Government Code 54943)

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original resolution of said Board of Supervisors duly made and entered in the minutes thereof Minute Book ___ for the meeting on October 20, 2020.

Dated: October , 2020
File ID: RES 20-
Agenda Item:

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

By _____
Deputy