



Monterey County

Item No.20

Board Report

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

Legistar File Number: RES 20-180

October 20, 2020

Introduced: 10/9/2020

Current Status: RMA Administration -
Consent

Version: 1

Matter Type: BoS Resolution

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).

RECOMMENDATION:

It is recommended that the Board of Supervisors 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 for 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).

SUMMARY/DISCUSSION:

A financial condition report for the Lake Nacimiento Resort and Operations Enterprise Fund for Fiscal Year (FY) 2019-20 and a forecast for FY 2020-21 using three different operating scenarios is provided in Attachment A. It provides an overview of the Lakes Operations since the Parks Department was reorganized under the RMA, and details both FY 2019-20 actuals and FY 2020-21 forecasts of revenues, expenses, and net position. In summary, Lake Nacimiento FY 2019-20 Resort and Operations ended up in a net negative position of \$1,433,912; FY 2020-21 is currently projected to end up in a net negative position of \$361,870.

RMA requests a General Fund subsidy of \$1,433,912 for FY 2019-20, to replace:

\$700,000 Zebra/Quagga Mussel Program Restricted Funds used to cover operating costs;

\$263,633 2018 Trailer Fire Insurance Proceeds (Restricted Fund) used to cover operating costs; and

\$470,279 Lake Nacimiento Resort and Operations Enterprise Fund FY 2019-20 loss.

RMA projects FY 2020-21 will experience losses up to \$ 361,870, which would require an additional General Fund subsidy. Staff will continue to work with Basecamp to minimize losses throughout the year. RMA is scheduled to provide the Budget Committee with a mid-year financial report, which will include updated estimates of potential losses.

RMA recommends the Board adopt a resolution to authorize and direct the Auditor-Controller to amend the FY 20-21 Adopted Budget to increase appropriations in 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, which will provide a General Fund subsidy of \$1,433,912, to put the Enterprise Fund in a positive fund balance to begin FY 2020-21. This subsidy would provide for the FY 2019-20 loss of \$470,279 and fund the restricted fund balance of \$963,633.

OTHER AGENCY INVOLVEMENT:

RMA consulted the County Administrative Office Budget & Analysis Division on this report. The Budget Committee voted to support this recommendation on October 7, 2020.

FINANCING:

RMA is recommending a General Fund subsidy of \$1,433,912, which will put the Enterprise Fund in a positive fund balance to begin FY 2020-21. This subsidy would provide for the FY 2019-20 loss of \$470,279 and fund the restricted fund balance of \$963,633. If approved, funding for the \$1,433,912 subsidy requested will be provided by the General Fund, Fund 001, Contingencies, Appropriation Unit CAO020, available balance of \$2,247,993, reducing it to \$814,081.

The Enterprise Fund ended FY 2019-20 with a positive cash balance of \$150,312, obviating the need for a temporary, cash-flow loan for the fiscal year.


BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The recommendation of this report supports the Board of Supervisors' Administration Strategic Initiative by ensuring accurate, timely, and transparent fiscal accounting and effective resource management which enables the RMA to complete its essential public services.

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

Prepared by: Jessica Cordiero-Martinez, Finance Manager II (831) 755-4824

Approved by: Shawne Ellerbee, Assistant Director of Resource Management Agency

Approved by: Carl P. Holm, AICP, RMA Director 

Attachments:

Attachment A-Lake Nacimiento Financial Condition Report for Fiscal Years 2019-20 & 2020-21

Attachment B-Resolution

(Attachments are on file with the Clerk of the Board)

