



# Monterey County

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## Budget Committee Report

Legistar File Number: BC 17-164

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**Introduced:** 11/3/2017

**Version:** 1

**Current Status:** Agenda Ready

**Matter Type:** Budget Committee

Support authorizing the Auditor-Controller to amend the FY 2017-18 adopted budget for County Service Area 66 Las Lomas/Monterra Ranch, Fund 087-3000-8198-RMA083, increasing appropriations in the amount of \$40,000 where Fund 087 Unassigned Fund Balance is the financing source.

### RECOMMENDATION:

It is recommended that the Budget Committee support authorizing the Auditor-Controller to amend the FY 2017-18 adopted budget for County Service Area 66 Las Lomas/Monterra Ranch, Fund 087-3000-8198-RMA083, increasing appropriations in the amount of \$40,000 where Fund 087 Unassigned Fund Balance is the financing source.

### SUMMARY/DISCUSSION:

The Monterra Ranch, Oak Tree Views inclusionary housing development was annexed into CSA 66 - Las Lomas/Monterra Ranch in 1997 and property tax assessments were established to fund services for street lighting, storm drain maintenance, street and sidewalk maintenance and surface water disposition.

CSA 66 is located off of Via Malpaso and Olmstead Road, near Jacks Peak County Park. There are two areas of damaged roadway along Oak Tree Place, consisting of sink holes and ridges that represent a safety hazard and must be repaired.

Monterey County Public Works, Special Districts and the Fifth District Supervisor's office have received complaints about the condition of the road from residents that live in CSA 66. During the FY 2017-18 budget development, the cost for the Oak Tree Place road project was unknown and therefore not included in the annual budget. However, in October of 2017, a job order contracting (JOC) project was initiated with the Gordian Group and Granite Construction, resulting in a quote for construction costs totaling \$47,000.

The requested appropriation of \$40,000 would fund the road repairs on Oak Tree Place. There are sufficient funds available to cover the cost of this action in Fund 087 Unassigned Fund Balance.

Special Districts staff is currently working with a consultant to prepare an Engineer's Report that will analyze the condition of all roads in CSA 66 to determine appropriate funding levels necessary to provide regular maintenance for the roads and provide for a future repair and replacement program.

### OTHER AGENCY INVOLVEMENT:

None.

FINANCING:

The recommended action will increase the FY 2017-18 adopted budget appropriations in Fund 087, Appropriations Unit RMA074 by \$40,000, financed by Fund 087 Unassigned Fund Balance, which will require a 4/5th vote by the Board of Supervisors.

The FY 2017-18 estimated beginning fund balance for the CSA 66, Fund 087, is \$51,444; final numbers are typically available six (6) months after the end of a fiscal year. The recommended action will reduce fund balance by \$40,000, leaving a balance of \$11,444. The FY 2017-18 adopted budget includes revenue of \$17,400 and expenditures of \$23,802 for an estimated ending fund balance of \$5,042.

While this action will draw down the fund balance, it is fairly common for this to happen in small or underfunded County Service Areas. Minimal active services are provided for a number of years while the fund balance grows slowly and then a large project is completed that depletes the fund and the rebuilding starts over. While the beginning fund balance for FY 2018-19 would be approximately \$5,042, revenue is anticipated to be at least \$17,400, which would cover annual expenditures for active services such as street lighting, open space mowing, tot lot maintenance and storm culvert clearing. Major project work for CSA 66 will be complete for the next few years while the fund replenishes.

Alternatively, the annual per parcel CSA 66 assessment can be increased from \$408.96 up to \$1000 per the 1997 Board of Supervisors Agreement A-07513, but this must be done incrementally based on the annual Consumer Price Index. Based on information from the previously mentioned Engineer's Report, the assessment could be increased or a Proposition 218 election could be held to set assessments for special large projects or specific active services.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The requested budget appropriation for CSA 66 will adhere to numerous Monterey County Board of Supervisors Strategic Initiatives. Public safety will be increased by repairing the damaged road sections on Oak Tree Place which will allow vehicles to remain in their lane of travel rather than entering opposing traffic to avoid the rough road sections. By repairing damaged road surfaces, infrastructure will be maintained by limiting future road deterioration.

Check the related Board of Supervisors Strategic Initiatives:

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

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Attachments:

Attachment A - CSA 66 Oak Tree Place Project Budget

Attachment B - CSA 66 FY 2017-18 Appropriation Budget

Attachment C - CSA 66 Location Map