



Board Report

File #: 19-0925, **Version:** 1

- a. Consider the *Lake San Antonio Operations Plan* (formerly known as “Monterey County Lakes Operation Plan) for Lake San Antonio; and
- b. Adopt a Resolution to: 1) Authorize and direct the Auditor-Controller to amend Fiscal Year 2019-20 Adopted Budget, Fund 001, Appropriation Unit RMA104 to increase appropriations in the amount of \$1,714,758, financed by an increase in Park Revenues of \$703,530 and a decrease in General Fund Contingencies, Fund 001, Appropriation Unit CAO020 of \$1,011,228; 2) Amend RMA Parks Operations, Fund 001, Appropriation Unit RMA104, to add one (1) Parks Building and Grounds Worker II and five (5) Park Service Aide II positions; 3) Authorize the Auditor-Controller to incorporate the six (6) positions in the RMA-Park Operations, Fund 001, Appropriation Unit RMA104; and 4) Direct the Human Resources Department to implement the changes in the Advantage HRM system.(4/5th Vote Required)

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve the *Lake San Antonio Operations Plan* (formerly known as “Monterey County Lakes Operation Plan) for Lake San Antonio; and
- b. Adopt a Resolution to: 1) Authorize and direct the Auditor-Controller to amend Fiscal Year 2019-20 Adopted Budget, Fund 001, Appropriation Unit RMA104 to increase appropriations in the amount of \$1,714,758, financed by an increase in Park Revenues of \$703,530 and a decrease in General Fund Contingencies, Fund 001, Appropriation Unit CAO020 of \$1,011,228; 2) Amend RMA Parks Operations, Fund 001, Appropriation Unit RMA104, to add one (1) Parks Building and Grounds Worker II and five (5) Park Service Aide II positions; 3) Authorize the Auditor-Controller to incorporate the six (6) positions in the RMA-Park Operations, Fund 001, Appropriation Unit RMA104; and 4) Direct the Human Resources Department to implement the changes in the Advantage HRM system.(4/5th Vote Required)

SUMMARY

RMA was assigned responsibility for County Parks in 2016. The Board received reports on the conditions of the Lakes, which generated a request for a business plan for lake operations in August 2018. In developing that Plan, it was determined that Lake San Antonio (LSA) was set up to operate more like a County Park where Lake Nacimiento was designed to operate more like a resort. County parks tend to have expenses exceed revenues where the resort has potential to make a profit in a good water year.

Based on this information, ahead of having a final Plan, the Board approved the removal of LSA from the Enterprise Fund when presented that it could not operate as a business-type activity and would be better suited to operate in a similar fashion to a regional County park under the General Fund. With LSA removed from the Lakes Enterprise Fund, negotiations between Basecamp and the County focused on developing a facilities management agreement for resort and recreational areas at Lake Nacimiento. This was the context used during the preparation of the initial *Draft Reservoir Recreational Area Plan* (Draft Plan) for LSA, which was released to the public on March 20, 2019, and shortly after presented to the Community of Lockwood, Parks Commission, Parks Ad Hoc Committee, Capital Improvement Committee and Budget Committee.

Staff has been working on a Plan based on Board direction. Meanwhile, a new Management Agreement with Basecamp for the operation and maintenance of the resort and recreation area of Lake Nacimiento went into effect August 1, 2019, including transition of LSA operations to the County. The Board also approved an additional position for RMA, but deferred discussion of full staffing until a Plan was completed. At that time, the Board provided additional comments on expectations for the Plan including a request for demographics in the plan.

A draft *Lake San Antonio Operations Plan* (Plan) is attached for Board consideration and approval (**Attachment A**). This draft responds to comments received from the July 23rd Board meeting as well as the Parks Commission and Board appointed Parks Ad Hoc Committee. Transition services currently provided by Basecamp cease on November 30, 2019. In order to maintain existing service levels at LSA, RMA is requesting a baseline budget adjustment of additional funding for the remainder of FY 2019-20, continued in future fiscal years as outlined in the Plan.

Total expenditures for Fiscal Year (FY) 2019-20 to operate LSA based on the proposed operations plan are estimated to be \$2,977,863. General Fund contributions already approved for FY 2019-20 are \$1,115,056 with projected revenues of \$703,530 and revenues previously approved of \$148,049. The proposed shortfall is \$1,011,228, so RMA is requesting a General Fund contribution in this amount (see **Attachment B**) in order to maintain current staffing and service levels at LSA for the remainder of FY2019-20 and the following fiscal years. This will allow for staff to prepare for, and provide coverage through, the peak season, which overlaps between fiscal years.

Capital costs are not currently included. As part of the Plan, a timeline has been developed to create a capital plan for all parks inclusive of Lake San Antonio. The capital plan will be brought back to the Board for consideration after the Plan is adopted and RMA has a better understanding of impacts from major reservoir projects being handled by Monterey County Water Resources Agency (tunnel, spillway), property owner.

DISCUSSION:

Monterey County Parks includes 11 parks and open space with over 30,000 acres of land to manage. This includes assets like Laguna Seca Raceway, Lake San Antonio, and Lake Nacimiento. Monterey County leases land from the Monterey County Water Resources Agency (MCWRA) to provide recreational services at Lake Nacimiento and Lake San Antonio, which are reservoirs operated by MCWRA. Lake Nacimiento is located in San Luis Obispo County, so any sales tax or transient occupancy tax generated through the park goes to that County. An independent Parks Department was established in 1966.

In July 2016, the RMA Director was named as Interim Director of the Parks Department following a significant reduction in the Parks Department in the newly adopted FY 2016-17 budget that resulted in a loss of nine (9) positions, reduced to 33 funded positions. On December 13, 2016, the Board approved the integration of the Monterey County Parks Department (Parks) into the RMA with the intent to realize efficiencies with RMA's resources, which had been recently reorganized to create such efficiencies. With this integration, RMA assumed responsibility for the Monterey County Parks and associated agreements, excluding Laguna Seca Raceway.

Lake San Antonio (LSA) had been closed since 2013, and RMA was asked to reopen the facility with the resources it has, there was no additional funding provided. RMA discovered that LSA was completely ignored during this time and its resources were pilfered for maintaining Lake Nacimiento, meaning items were taken from LSA to Nacimiento. The Chimney Fire in the summer/fall of 2016 impacted operations and attendance at Lake Nacimiento. Major winter storms hit the County in January/February 2017, which helped water levels in the reservoirs but also had impacts associated with significant runoff following a fire. Despite these challenges, RMA was able to partially reopen LSA in April 2017. An algae bloom developed, possibly as a result of the significant ecological changes in water levels following an extended drought. While there were attempts to encourage patrons to return to LSA with the reopening, that was hampered significantly with the algae limiting access to water.

In 2016, RMA assumed an agreement with CalParks (now Basecamp) that was initiated in 2011 for lake resort management services (both facilities). This contract was set to expire October 2016, so RMA processed a request to extend that agreement until RMA could initiate a new RFP and gain understanding of the Lake operations. It was determined a new Request for Proposal (RFP) for long-term lake resort management services would be issued and, meanwhile, the contract extension was extended to October of 2018.

In August 2018, RMA Staff presented financial reports for the Lake San Antonio and Lake Nacimiento (Lakes)

that led to the Board requesting a business plan for lake operations. In the subsequent months, discussions were held with the Parks Ad Hoc Committee and County Administrative Office regarding alternatives for Lake operations that would be the basis for development of an operations plan. Options ranged from a third-party managing both lakes to County managing both lakes.

On January 15, 2019, Resource Management Agency (RMA) Staff presented three (3) options for the management of Lake San Antonio (LSA) to the Board of Supervisors (Board). The Board selected the option whereby management of LSA would transition entirely to the County and approved the removal of Lake San Antonio (LSA) from the Enterprise Fund. Lake Nacimiento (Nacimiento) would continue to operate under a third-party agreement through the Enterprise Fund. The County would assume full operational control of LSA upon the effective date of the new Management Agreement. Preparation of the Lake San Antonio Operations Plan for LSA (formerly known as, "*Monterey County Lakes Operation Plan*") is based on the Board's selected option, subsequent public meetings, Parks Commission meetings, and meetings with the Parks Ad Hoc Committee.

In the following months, RMA Staff continued to negotiate the terms and conditions for the Management Agreement with Basecamp and concurrently continued to refine the Draft Plan based on comments received by the various committees. Amendment No. 8 with Basecamp was approved on June 25, 2019, which provided for a one-month extension through July 2019. With the extension, came a need for an immediate increase in appropriations in the General Fund for LSA of \$148,049, which was funded with an increase in Park Revenues.

On July 23, 2019, the Board approved the new Management Agreement with Basecamp for the operation and maintenance of the resort and recreation area of Nacimiento (effective August 1, 2019). To ensure minimal disruption to park patrons during the peak operating season, the Board authorized the RMA Director and RMA Deputy Director of Administrative Services to negotiate a transition plan with Basecamp for the provision of personnel necessary to maintain existing service levels at LSA (entry gates, vessel inspections, camping, and housekeeping) for a not-to-exceed cost of \$150,000, for the period of August 1, 2019 through November 30, 2019. At that time, the Board also provided RMA Staff with comments to the Draft Plan including a request for demographics in the plan. The Board was informed the Reservoir Recreational Plan would be refined to address comments received during the Board meeting and would be brought back for Board consideration.

RMA Staff refined the Draft Reservoir Recreational Plan, now referred to as the *Lake San Antonio Operations Plan*, (Plan) based on comments received from the July 23rd Board meeting as well as the Parks Ad Hoc Committee and Parks Commission. A copy of the Plan is attached for Board consideration and approval.

Over the last three years there has been an average annual increase in revenues of eighteen and a half percent (18.5%). The projected revenues for FY 2019-20 have been conservatively estimated at eleven percent (11%) or \$703,530. Current revenues through October 2019 for the facility are approximately at 62% of the target revenue estimate. Its important to note that the target does not include revenues from anticipated events that will be occurring in the current fiscal year. The operation is predominately staffed with part time personnel allowing operational costs to be increased or decreased based on revenue.

Transition services currently provided by Basecamp cease on November 30, 2019. In order to maintain existing service levels at LSA, RMA staff is requesting a baseline budget adjustment of additional funding for the remainder of FY 2019-20, continued in future fiscal years as outlined in the Plan. These funds will ensure continuation of existing personnel and critical services during the preparation of, and coverage through, the peak season which overlaps between both fiscal years. Requested funds will also provide for the addition of one (1) Parks Building and Grounds Worker and five (5) Parks Service Aides. A breakdown of staffing costs is

provided in **Attachment C**.

FY 2019-20 Operating Expenses for LSA include salary and benefits of \$1,038,029 for current positions and \$619,786 for new positions for a total salary and benefit cost of \$1,657,815. Services and supplies expenses are estimated at \$979,965, Other Professional Services of \$148,049 (previously approved) and other expenses of \$192,035. Total expenditures for FY 2019-20 to operate LSA based on the proposed operations plan are estimated to be \$2,977,863. General Fund contributions and revenues already approved for FY 2019-20 are \$1,115,056 and \$148,049, respectively, with additional projected revenues of \$703,530. The proposed shortfall and subsequently General Fund contribution needed is \$1,011,228. Refer to Attachment B.

RMA staff will be compiling a prioritized list of all County parks capital and non-capital maintenance projects by late March 2020. The list and anticipated capital costs will be brought back to the Board for consideration in spring 2020.

OTHER AGENCY INVOLVEMENT:

RMA Staff worked closely in collaboration with the Counsel, Parks Ad Hoc Committee, Parks Commission and Auditor Controller’s Office during the preparation of the Plan. The Plan was presented to the Capital Improvement Committee on April 8, 2019, Budget Committee on April 10, 2019, and MCWRA Board of Directors on October 21, 2019. Input from the meetings was also considered in the plan. In addition to the aforementioned, RMA Staff also collaborated with the Parks Commission and the Community of Lockwood during the preparation of the Plan.

FINANCING:

The Plan recognizes a need to modify the FY 2019-20 Adopted Budget in General Fund, Fund 001, Parks Appropriation Unit RMA104 by increasing appropriations by \$1,714,758, funded by increased Park Revenues of \$703,530 and decreasing General Fund Contingencies, Fund 001, Appropriation Unit CAO020 appropriations by \$1,011,228. Staff is requesting that the increase be approved as a baseline budget adjustment in general fund contributions. The current balance of General Fund Contingencies, Fund 001, Appropriation Unit CAO020 is \$3,393,567; however, there is one (1) pending request being brought to the Board on December 10, 2019 totaling \$157,523, which if approved, would reduce the balance to \$3,236,044. If this request is approved, that balance will reduce to \$2,224,816, and RMA’s baseline general fund contribution would increase by \$1,011,228.

An alternative funding source for the general fund contribution of \$1,011,228 is Cannabis Assigned Fund Balance, which has a current estimated fund balance of \$27,792,652. If these funds were used, the balance would be reduced to \$26,781,424.

Capital costs are currently not included in this funding request.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

This recommendation is consistent with the Board of Supervisors’ Administration Strategic Initiative by providing efficient, cost-effective management of County Parks. Availability of Parks and open spaces provides opportunity for healthy living.

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

___ Public Safety

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

Attachments on file with Clerk of the Board:

Attachment A - Lake San Antonio Operations Plan

Attachment B - Budget

Attachment C - Breakdown of Proposed Positions

Attachment D - Resolution