



County of Monterey

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

Board Report

File #: 21-015, **Version:** 1

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.

RECOMMENDATION:

It is recommended that the Parks Commission 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.

SUMMARY/DISCUSSION:

The Public Works, Facilities and Parks Department (PWFP), formerly the Resource Management Agency, is providing 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. Attachment A 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.

On October 20, 2020, RMA requested the Board of Supervisors approve 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.

The Board of Supervisors approved this request and adopted 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 provided a General Fund subsidy of \$1,433,912.

PWFP 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.

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 and the Board of Supervisors approved it on October 20, 2020.

FINANCING:

The General Fund subsidy of \$1,433,912 put the Enterprise Fund in a positive fund balance to begin FY 2020-21. This subsidy provided for the FY 2019-20 loss of \$470,279 and funded the restricted fund balance of \$963,633. The funding for the \$1,433,912 subsidy was 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.

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Approved by: Randy Ishii, M.S., P.E., P.T.O.E., Public Works, Facilities and Parks Director

Attachments:

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