



County of Monterey

Item No.

Board Report

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

Legistar File Number: PAR 23-014

May 23, 2023

Introduced: 5/12/2023

Current Status: Agenda Ready

Version: 1

Matter Type: Preliminary Analysis
Report

Receive a referral update in response to **Board Referral No. 2022.23** seeking to develop a long-range funding source for the Pajaro Park.

RECOMMENDATION:

It is recommended that the Board of Supervisors receive a referral update in response to **Board Referral No. 2022.23** and:

- a. Direct that staff proceed with completion of referral based on description in this report; or,
- b. Direct that staff:
 1. Proceed with completion of referral based on modifications by the Board; or,
 2. Return to Board with a more comprehensive analysis of referral and anticipated effort for completion; or,
 3. Rescind referral.
- c. Provide further direction, as appropriate

SUMMARY/DISCUSSION:

Background:

At the November 22, 2022 Board of Supervisors Meeting, the Board added then-Supervisor Phillips' Referral No. 2022.23 (Attachment A) to the Monterey County Board of Supervisors' referral matrix. The referral requested a County funding contribution for Fiscal Year (FY) 2023 and to develop a long-range funding source for Pajaro Park, which is owned and operated by Pajaro/Sunny Mesa Community Services District (District).

At the January 17, 2023 Board of Supervisors Meeting, Public Works, Facilities and Parks (PWWP) presented a preliminary analysis report in response to Board Referral No. 2022.23 to the Board of Supervisors (Attachment B). Multiple options were presented for a County funding contribution for FY 2023 and long-range funding options for Pajaro Park. The Board took action to initially approve a \$35,000 contribution for FY 2023. Staff proposed returning to the Board in April 2023 with additional information regarding long-range funding for the park.

At the March 28, 2023 Board of Supervisors Meeting, PWWP staff brought a Board Resolution for funding action to the Board for a General Fund contribution in the amount of \$35,000, to assist the District in meeting their operational needs for FY 2023, funded through General Fund Contingencies Appropriation Unit CAO020 (Attachment C). The resolution passed unanimously.

Proposed Project Description:Possible Long-range Funding Options

Based on previous statements by the District and review of their Fiscal Year 2022 financial documents, the annual operating funds needed are approximately \$59,000 to \$64,000. This amount will increase each year by 3.5% due to rising labor and materials cost. In addition to the annual operating expense, the District has stated that the artificial turf soccer field will need to be replaced soon. The cost to replace the turf was quoted, in 2019, to be approximately \$550,000. In addition to replacement of the artificial turf, the District needs to maintain the asphalt pathway, parking lot, playground equipment and park furnishings such as benches and tables.

The District has a Park Fund that was initially created with the assistance of a third-party fundraising non-profit but has since become defunct and fundraising has ceased. Currently, the County provides an annual contribution to the District's Park Fund. With the existing annual County contribution of \$25,000 and an approximate annual contribution of \$12,000 from the District, the District's ongoing maintenance and operations activities exceed these revenues; at its current rate of expenditure, the Park Fund will likely be expended by the end of FY 2024. At this time, there is not a long-term funding source for the District.

PWFP staff have researched grants (such as California State Parks grants) and other funding sources for on-going annual maintenance of the park but unfortunately have not been able to identify a funding source. While there are many parks grants at the State and Federal levels, they are primarily for building new facilities or expanding existing ones, not for annual maintenance needs.

Given the lack of outside funding sources, staff are providing the same options that were in the initial analysis of Board Referral No. 2022.23.

Option B - District to conduct a rate study or complete an Engineer's Report to move forward with a Public Hearing and Proposition 218 election to increase property assessments for the Park's operations and maintenance. While Referral 2022.23 questions whether the District can legally subsidize the Park through its ratepayers; staff found no legal requirement precluding the District from conducting a Proposition 218 election with the intent of increasing rates.

At minimum, it would be beneficial for the District to conduct a rate study or Engineer's Report to determine the annual operating funds needed for the Parks long-range sustainability. The study/report would outline necessary obligations, maintenance needs and capital improvements, calculate annual increases based on the Consumer Price Index, and determine the necessary rate increases that are needed over the life of the Park. Option B would be beneficial for the long-term funding and sustainability of the Park.

Option C - District could request that the County include District Park funding in the County Annual Budget Process. This could be done under the County Administrative Office Non-Departmental Budget Unit, Contributions-Other Agencies. Currently, the annual contribution of \$25,000 to the District is funded through this Unit. An option would be to execute an amendment to the District's MOU (Attachment D), and increase the funding amount. The current revenue sources within the

General Fund would be the funding sources staff would evaluate and recommend. Option C would be beneficial for the long-term funding and sustainability of the Park, however, it would reduce County funding for other programs and departments.

Option D - Monterey County Parks to assume operations and maintenance responsibility for the Park. This option would be the costliest to the County and require more than making an annual General Fund contribution. At a minimum, two (2) new FTE's would need to be allocated to the Park; one (1) Parks Buildings and Grounds Worker II and one (1) Parks Services Aide II. Annual cost for the positions including salary and benefits would be approximately \$195,437. An initial one-time contribution of \$100,000 to \$200,000, for vehicles, tools and supplies, would also be needed, plus ongoing replacement costs. While this option would provide for long-term funding for the Park, the District would be partially dependent upon the County which could potentially create legal issues and increase liability.

Option A was excluded from this discussion as it was the one-time contribution for FY 2023 that has already been fulfilled.

Estimated Project Cost:

Costs associated with the completion of this referral include the cost for staff time and is dependent on the option that is chosen.

Staffing Level Estimate:

It is anticipated that one (1) to two (2) PWWP staff, along with CAO-Budget Office staff will be utilized to complete a response to the subject referral. Needs for additional staffing is dependent on the option that is chosen.

Departmental Challenges:

N/A

Proposed Response Date:

Staff proposes to return to the Board as directed.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The recommended action supports the Board of Supervisors' Strategic Initiatives for Health and Human Services and Infrastructure. By partially or fully funding the operations and maintenance of the Park, the County will enable the public to continually use the Park for exercise and recreation and will be able to facilitate the upkeep and longevity of the Park's infrastructure.

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

Legistar File Number: PAR 23-014

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Attachments:

Attachment A - Board Referral No. #2022.23

Attachment B - Pajaro Park PAR Board Report, 2023

Attachment C - Pajaro Park Resolution No. 23-113

Attachment D - PSMCSD MOU Ops and Maint Funding, 2015