



Legislation Details (With Text)

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Title: Environmental Management Department recommending the Board approve and authorize the Chair to sign a budget transfer adjusting the budget for Fiscal Year (FY) 2020-21 to pay the final Clean Tahoe Program invoice for FY 2020-21.

FUNDING: Non-General Fund / County Service Area No. 10, Zone C Parcel Assessment Fees.

Sponsors:

Indexes:

Code sections:

Attachments: 1. A - Budget Transfer, 2. Executed Budget Transfer TR2021182

Date	Ver.	Action By	Action	Result
8/10/2021	1	Board of Supervisors	Approved	Pass

Environmental Management Department recommending the Board approve and authorize the Chair to sign a budget transfer adjusting the budget for Fiscal Year (FY) 2020-21 to pay the final Clean Tahoe Program invoice for FY 2020-21.

FUNDING: Non-General Fund / County Service Area No. 10, Zone C Parcel Assessment Fees.

DISCUSSION / BACKGROUND

The Clean Tahoe Program (Clean Tahoe) began in 1988, and by 1989, began receiving parcel fees assessed on the County tax rolls in the South Lake Tahoe Basin in exchange for litter pick-up services. Currently, Clean Tahoe receives approximately \$29,000 of the total CSA 10, Zone C parcel fees collected. In addition to parcel fees, and as authorized by Board Resolution No. 218-99, Clean Tahoe is also funded by a surcharge of fifteen cents (\$0.15) per month on each refuse account serviced by South Tahoe Refuse, Inc. in the unincorporated area of the Lake Tahoe Basin.

Under a separate agreement, the City of South Lake Tahoe also funds and receives litter services from this program. In May, 1992, the City of South Lake Tahoe and the County entered into a Joint Powers Agreement and a City/County Joint Board of Commissioners was appointed to oversee the program. In 1995, Clean Tahoe became a non-profit corporation overseen by a Board of Directors. On June 29, 1999, a formal written agreement documenting the expectations for Clean Tahoe in exchange for revenue provided by the County was executed. Under the agreement with Clean Tahoe, dated June 29, 1999, the County paid \$21.00 per hour for 23 hours of service per week.

On August 10, 2011, Environmental Management received an email from Clean Tahoe requesting to negotiate the agreement between the County and Clean Tahoe. At that time, the hourly cost of operations had risen to \$38.25 per hour, resulting in a loss of \$17.25 per hour for each hour worked in the County. Environmental Management met with Clean Tahoe to discuss this request and reviewed Clean Tahoe's financial information. On December 19, 2011, Environmental Management received another email from Clean Tahoe detailing an updated hourly cost of \$36.06 and a

suggestion of reducing the service hours under the new agreement to 12 hours per week from October 1 to March 31 each year, and 22 hours per week from April 1 to September 30 each year. Upon an analysis of the services Clean Tahoe provides to the County, and the updated costs of services, Environmental Management determined it was necessary to further reduce the number of service hours per week in order to stay within the expected revenue collected from the parcel fees in accordance with the annual Resolution.

On June 19, 2012 (Item 3), the Board approved Agreement #245-F1311 with a three year term, commencing July 1, 2012. The agreement allowed for the increased hourly rate of \$36.06, and reduced the hours to an average of eight hours of service per week between October 1 and March 31 each year and 18 hours of service per week between April 1 and September 30 each year. Because funding for the program is collected through parcel fees on a fiscal year basis, the agreement period coincided with the fiscal year in order to track the amount of funding available.

Under Agreement 3038, which was approved by the Board on June 26, 2018 (File No. 18-0731, Item No, 42), Clean Tahoe invoices Environmental Management twice per year: the first invoice is for the period of July 1 to December 31 and the second from January 1 to June 30. Each invoice is generally approximately \$18,000 to \$20,000. The first invoice is paid in full with the revenue that has been collected from the first installment of property tax parcel fees thus far in the year. Historically the second invoice is short paid, with the actual amount paid depending upon the amount of revenue remaining and up to the amount invoiced. Contractually, Clean Tahoe should receive 50% of the revenue generated from this parcel assessment for the Tax Year for Zones of Benefit within County Service Area No. 10, Zone C, as well as any penalties and costs on delinquent prior year parcel fees, plus interest earned on the fee revenue.

On June 23, 2018 (Item 36), the Board approved Agreement #520-F1511 with a three year term, commencing June 19, 2015. Minor changes were made to the agreement to clarify portions of the scope of work and update service locations along Highway 50. There was no change to the hourly rate or service hours under the new agreement.

Discussions between Clean Tahoe and Environmental Management throughout 2020 and 2021 indicated a need to revisit the funding for this program. An amendment was approved on June 8, 2021 which extended the term of this agreement through December 30, 2021 in order to allow Clean Tahoe and South Tahoe Refuse sufficient time to develop alternative contractual and funding strategies to fund the Clean Tahoe Program.

In July of 2021 Environmental Management received Clean Tahoe's second invoice for a total of \$16,722.83. The contractual obligation was determined to be \$7,551.68; however, only \$7,364 in appropriations are available in the object. Budget Staff are recommending the Board approve a Budget Transfer in the amount of \$1,000 to allow a detailed and sufficient accounting and payment of all fees due to Clean Tahoe within Fiscal Year 2020/21. Based on increases in current parcel assessment revenue, staff will include an increase to appropriations in future years' budgets. A new agreement will be negotiated and brought before the Board before the end of the Year which will address these concerns moving forward.

In order to pay this invoice, the budget needs to be amended as follows:

Budgeted appropriations need to be increased in Other Governmental Agencies by \$1,000 in the Environmental Management Clean Tahoe Org, offset by an increase to Charges for Services revenue

in the amount of \$1,000.

ALTERNATIVES

The Board may choose to deny the approval of this Budget Transfer. This would result in a short payment of this invoice to the detriment of Clean Tahoe and our contractual responsibility for the Agreement.

OTHER DEPARTMENT / AGENCY INVOLVEMENT

N/A

CAO RECOMMENDATION

Approve as recommended.

FINANCIAL IMPACT

There is no change to Net County Cost associated with this Agreement. Funding is obtained through the annual collection of parcel fees; however, the exact dollar amount of the Agreement cannot be determined before the end of each fiscal year and the amount of fees collected can change each year. Provided the services performed under this Agreement are satisfactory, Clean Tahoe is eligible to receive 50% of County Service Area No. 10, Zone C Parcel Assessment parcel fees collected by the County, plus interest and penalties accrued.

CLERK OF THE BOARD FOLLOW UP ACTIONS

- 1) The Clerk of the Board will obtain the Chair's signature on the budget transfer documents.
- 2) The Clerk of the Board will forward the budget transfer to the Auditor/Controller for processing.
- 3) The Clerk of the Board will return one (1) copy of the budget transfer to Chief Administrative Office, Community Development Finance and Administration for further processing.

STRATEGIC PLAN COMPONENT

Good Governance

CONTACT

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