



Legislation Text

File #: 14-0758, **Version:** 1

Community Development Agency, Administration and Finance Division, recommending the Board approve and authorize the Chair to sign a budget transfer adjusting various program budgets for Fiscal Year 2013-2014 to accommodate operational changes required for the fiscal year. (4/5 vote required)

FUNDING: County Engineer Time & Material revenues, County Service Area No. 3 and County Service Area No.10 Funds, Airport Fuel Sales, Interest, Traffic Impact Mitigation Fees, Special District Fund Balances, General Fund Contribution (Meyers Landfill).

Fiscal Impact/Change to Net County Cost

There is an increase of \$651,000 to the General Fund Contribution budgeted for the Meyers Landfill resulting in a decrease to General Fund Contingency.

Additional funding is provided by County Engineer Time & Material (T&M) revenue, County Service Area #3 (CSA #3) and County Service Area #10 (CSA #10) Funds, airport fuel sales, interest, Traffic Impact Mitigation (TIM) Fees, and Special District fund balances, with an offsetting reduction in United States Forest Service (USFS) funding.

Background

During the creation and implementation of the Community Development Agency (CDA), there were several issues which were still dynamic at the time the FY 2013-14 budget was created. One of these was the method of allocating the administration costs to the supported programs versus direct charging. Salary costs for Administration staff that provides direct program support to Cemetery Operations and Special Districts (Zones of Benefit) will be directly borne by those budget units. Administration overhead costs are now to be spread based on percentage of salary costs for each program, therefore a budget transfer is needed to accommodate the correct distribution of salary costs and overhead allocations. This transfer would move budgeted salary appropriations from the CDA Administration and Finance Division to Cemetery Operations and Special District Administration.

This redistribution of salary costs necessitates the following changes:

In addition to the decrease in salary appropriations of \$123,000 for the reasons listed above, the CDA Administration and Finance Division requires a reduction in budgeted Interfund Revenue of \$64,311 due to decreased direct charges to Special Districts accounts and a reduction in Intrafund Abatement appropriations of \$8,000 due to increased overhead charges to Cemetery Operations.

Cemetery Operations requires an increase in Intrafund Transfers of \$8,000 due to overhead charges from the CDA Administration and Finance Division, in addition to the increase in salary appropriations of \$53,000.

County Service Area #9 (Special Districts) Administration's salary appropriations require an increase of \$70,000, along with an increase in Interfund appropriations of \$5,689 to accommodate overhead

charges from the CDA Administration and Finance Division, offset by a reduction in Special Projects appropriations of \$4,016 and a decrease of Interfund Abatements of \$71,673, due to charges to individual Special District accounts from this index code instead of CDA Administration and Finance.

Additionally, an increase in appropriation for Rent & Lease of Equipment for CDA Administration and Finance Division for copier lease costs is included.

Other Agency budget transfers needed:

County Engineer: Even though an increase in development related projects was budgeted in FY2013-14, the actual workload has increased more than expected and the Agency needs to increase the County Engineer's budget for the transfer of road fund staff and overhead costs (appropriations) by \$150,000, as well as Operating Transfers In (revenue) in the same amount. These additional costs are wholly offset by revenues, resulting in a net zero change to budgeted General Fund costs.

Road Fund: With the increased County Engineer work performed by Road Fund staff, billable staff time increases, which lowers the cost to the discretionary Road Fund. Additionally, the Road Fund Maintenance staff is projected to see an increase in work performed on drainage projects for the Special Districts. The Agency needs to increase the budget for interfund revenue from County Engineer and Special Districts by a total of \$161,922, and reduce the net use of Road Fund Balance by \$41,473. The Erosion Control Program is anticipating an increased need of Regional Surface Transportation Program (RSTP) funding received from the Tahoe Regional Planning Agency which is being held in the Road Fund for Erosion Control purposes, so appropriations for intrafund transfer to Erosion Control needs to increase by \$120,449.

Airports: In FY2013-14, the Placerville Airport has experienced an increase in fuel sales, and therefore, a corresponding increase in fuel purchases. This trend is expected to continue for the remainder of the fiscal year, so the Agency needs to increase the budgeted appropriations for Placerville fuel purchases by \$100,000 with an offsetting increase in revenues of the same amount.

CSA #3 - SLT City Snow Removal: This account is a pass-through account, but over the years, it was allowed to accumulate a cash balance. In order to correctly distribute the funds, the Agency needs to increase the appropriations budget for non-County contributions by \$26,743 and decrease the budgeted Designation of Fund Balance by \$26,743.

CSA#10 - Tahoe Clean Program: Like the CSA#3 account above, this account is a pass-through account which has accumulated a cash balance. The Agency needs to increase the budget for appropriations to Other Government Agencies by \$9,237, decrease the budgeted Designation of Fund Balance by \$2,771, and increase the Use of Fund Balance by \$6,466 in order to correctly distribute the funds held in this account.

Meyers Landfill Special Revenue Fund: The Meyer's Landfill project has been completed, but there are still remaining construction-related consultant costs to be paid. The Agency needs to increase the budget for appropriations for Professional Services by \$80,000 in order to pay these invoices. Additionally, USFS revenue budgeted to be received in FY2013-14 is now anticipated in a future fiscal year. This necessitates a reduction in budgeted Miscellaneous Revenue of \$571,000 and an increase in budgeted General Fund Contribution of \$651,000.

Pollock Pines/Camino Park Special District: The Transportation Division's Capital Improvement Program (CIP) is working on a project which will extend the El Dorado Trail in the Camino area. Funding that is currently held in the Pollock Pines/Camino Park special district fund is to be used for partial funding of this project. The Agency needs to increase the budgeted revenue from Use of Fund Balance by \$33,174 and from Interest by \$186, as well as increase budgeted appropriations for an Interfund Transfer to the CIP program by \$33,360 in order to transfer the funding for this project.

Capital Improvement Program: As mentioned above, the CIP is working on a project extending the El Dorado Trail, and this budget transfer would decrease revenue from grant funding by \$33,360, with an offsetting increase in Interfund Revenue from the Pollock Pines/Camino Park special district fund in the same amount.

Erosion Control Program: The Erosion Control program is utilizing increased RSTP funds and less California Tahoe Conservancy (CTC) funds than originally projected; therefore, the Agency needs to decrease the budgeted revenue from the CTC by \$120,449 and decrease the budgeted appropriations for Interfund Abatement: Erosion Control by \$120,449.

South Lake Tahoe Transit: In FY2013/14, the Agency budgeted revenue via an Operating Transfer from the South Lake Tahoe Transportation Development Act (SLT TDA) Article 4 special revenue account, as well as an appropriation for Miscellaneous Expenses within the South Lake Tahoe Transit budget unit. This budget transfer would reduce the Operating Transfer by \$40,946 and the Miscellaneous Expense by the same amount, zeroing out both budgets. Instead, the appropriation will be adjusted in the SLT TDA Article 4 special revenue account, reducing the Operating Transfer Out and increasing Miscellaneous Expenses with the expenditures being paid directly from this account. The South Lake Tahoe Transit enterprise fund has no cash and will be closed.

Silva Valley TIM Fees Special Revenue Funds: In October 2013, the Board approved the Implementation Agreement Regarding Processing of Set Aside Portion of Pre-Paid El Dorado Hills TIM Fees with West Valley, LLC. The County agreed that County in-house staff costs for project management associated with the Silva Valley Interchange project would be reimbursed from the collection of the set aside fees from projects other than the Blackstone project. These fees are being deposited in the TIM 2004 Silva Valley Interchange fund 7730504. The approved budget assumed all project costs would be initially funded with fund balance in the Road Impact Fees:Silva Valley Interchange fund 7730401. In order to be in compliance with the Agreement and reimburse the Road Fund for project management staff costs associated with the Silva Valley Interchange project, a budget transfer is required to increase appropriations in 7730504 by \$500,000 and decrease appropriations in fund 7730401 by \$500,000.

Reason for Recommendation

Approving the budget transfer will:

- 1) Accommodate the approved methodology of distributing administration costs for the Community Development Agency.
- 2) Allow for the correct distribution of administrative costs to the Agency's Special Districts and Cemetery accounts.
- 3) Allow for the transfer of Road Fund staff costs to County Engineer due to the increased activity.
- 4) Allow for the purchase of fuel for the Placerville Airport to keep up with the increased demand.
- 5) Correctly distribute CSA#3 and CSA#10 residual monies held in these pass-through accounts.

- 6) Allow the Agency to pay the construction and consulting invoices for the Meyers Landfill project.
- 7) Distribute Pollock Pines/Camino Park funds to the CIP to partially fund the El Dorado Trail extension.
- 8) Allow the Erosion Control Program to receive RSTP funds held in the Road Fund to fund projects.
- 9) Allow for the closure of the South Lake Tahoe Transit enterprise fund.
- 10) Allow reimbursement to Road Fund for project management staff costs related to the Silva Valley Interchange project.

Clerk of the Board Follow Up Actions

Clerk of the Board will obtain the Chair's signature on the original budget transfer and forward to the Auditor's office for processing in FY2013-14.

Contact

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