



Legislation Text

File #: 22-2240, **Version:** 1

Chief Administrative Office, Parks Division, recommending the Board approve and authorize the Chair to sign the following:

- 1) Resolution **019-2023** authorizing and directing the Auditor-Controller to transfer the funds from the County Service Area 9 Insurance Reserve Account to the General Fund, Georgetown Divide Recreation District, and the Parks Division as directed on the Resolution, and to close the account after all funds have been transferred; and
- 2) A Fiscal Year 2022-23 Budget amendment to transfer \$101,000 in funds from the County Service Area 9 Insurance Reserve Account to the General Fund (\$65,000), Georgetown Divide Recreation District (\$1000), and the Parks Division (\$35,000) (4/5 vote required).

FUNDING: Parks Division Insurance Reserve.

DISCUSSION / BACKGROUND

In the 1980s, the Board, by resolution, established the following recreation zones of benefit (ZOB): Mother Lode (Resolution 227-83), Ponderosa (Resolution 84-85), Pollock Pines/Camino (Resolution 85-85), Gold Trail (Resolution 86-85), Georgetown (Resolution 265-84), and ZOB #3 within CSA #3 (Resolution 367-86). In 1988, the Georgetown Recreation ZOB was dissolved by Resolution 413-88 and replaced with the newly-formed Georgetown Divide Recreation District, which is a separate legal entity from El Dorado County.

Historically the recreation zones incorrectly received funding from a share of the tax increment which should have been allocated to other local entities such as school, water, and fire districts.

On May 19, 1987, the Board approved discontinuing the practice of allocating tax increment revenues to the recreation zones effective Fiscal Year 1987-88, and transitioned the provision of recreation services from a zone of benefit model to directly by the County General Fund through the standard departmental model.

The meeting minutes from April 6, 1993, indicate the Board approved consolidation of the County Service Area Recreation Zones into one fund and authorized establishment of a Parks & Recreation Administrative Fund to track the contributions separately from restricted revenue.

An insurance reserve account had been established to maintain funds that were set aside to cover potential claims brought against the recreation zones. This fund has been idle, and from 1993 to 2022, only interest transactions have occurred on the account.

County Counsel was able to identify that a portion of the funds, plus accrued interest, were derived from General Fund dollars. These funds are recommended to be transferred back to the General Fund, increasing contingency funds available by approximately \$64,248.

Since Georgetown's ZOB was dissolved and a new legal entity was created, the funds, plus accrued interest, originally contributed by the Georgetown ZOB are recommended to be transferred to the

Georgetown Divide Recreation District in an amount of approximately \$780.

The source of the remaining funds in the insurance reserve account was unable to be identified. County Counsel recommends these funds, plus accrued interest, an estimated amount of \$34,431, be transferred to the Parks Division. Because the funds may include user and permit fee revenues, the use of funds should remain broadly consistent with the program they were originally collected to support, namely public recreation, organized sports, and related facilities. To that end, the Parks Division is requesting to use these funds for the Old Depot Bike Park.

The Bike Park is grant funded from Prop 68 Round Three funding. Construction of the park began in July 2022. The grant contract was approved on April 7, 2020, with Legistar item 20-0448, with a funding amount of \$2,030,000. There have been three change orders since construction began for multiple reasons. The grant funds were able to cover some of these change orders, however, there is another change order that the grant funding is unable to cover. There was fill dirt stored on site from the Missouri Flat Parkway Project. The Bike Park used some of this fill during construction, but could not accommodate all of it, so it had to be hauled off site. This funding will fund that change order. This one-time revenue would help with paying these one-time expenses related to the Bike Park construction.

ALTERNATIVES

The Board may elect not to approve the budget transfer and resolution as proposed.

PRIOR BOARD ACTION

See above.

OTHER DEPARTMENT / AGENCY INVOLVEMENT

County Counsel

CAO RECOMMENDATION / COMMENTS

Approve as recommended.

FINANCIAL IMPACT

This Budget Transfer and Resolution will increase General Fund contingency by approximately \$65,000, fund the Parks Division's Old Depot Bike Park project in an amount of approximately \$35,000, and provide revenue to the Georgetown Divide Recreation District of approximately \$1,000. The final amounts will be determined based on the allocation of current interest revenue.

CLERK OF THE BOARD FOLLOW UP ACTIONS

Obtain Chair's signature on the Budget Transfer & Resolution and forward to the Chief Administrative Office for processing.

Obtain the Chair's signature on the Resolution.

STRATEGIC PLAN COMPONENT

Good Governance

CONTACT

Vickie Sanders, Park Manager