



COUNTY OF HUMBOLDT

AGENDA ITEM NO.

C-17

For the meeting of: March 22, 2016

Date: March 8, 2016

To: Board of Supervisors

From:  Thomas K. Mattson, Public Works Director

Subject: Supplemental Budget for Parks & Recreation--Fiscal Year 2015-16 (4/5 Vote Required)

RECOMMENDATION(S):

That the Board of Supervisors:


1. Adopt the following supplemental budget for FY 2015-16:

Revenue:	1100713-661010	County Park Income	\$ 45,680
	1100713-705700	Transfer From Park Trust	\$ 18,704
	1100713-707700	Parks Recycling	\$ 12,659
Expenditure:	1100713-2109	Household Expense	\$ 8,000
	1100713-2112	Maintenance-Equipment	\$ 12,500
	1100713-2113	Maintenance-Structures	\$ 16,900
	1100713-2122	Small Tools	\$ 2,643
	1100713-2123	Special Departmental Expense	\$ 7,000
	1100713-2125	Transportation & Travel	\$ 30,000

SOURCE OF FUNDING:

General Fund- Parks & Recreation (1100713)

Prepared by Hank Seemann

CAO Approval 

REVIEW:

Auditor 

County Counsel _____

Personnel _____

Risk Manager _____

Other _____

TYPE OF ITEM:

- Consent
- Departmental
- Public Hearing
- Other _____

PREVIOUS ACTION/REFERRAL:

Board Order No. _____

Meeting of: _____

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT
Upon motion of Supervisor _____
Seconded by Supervisor _____

- Ayes _____
- Nays _____
- Abstain _____
- Absent _____

SEE ACTION SUMMARY

and carried by those members present, the Board hereby approves the recommended action contained in this Board report.

Dated: _____

By: _____

Kathy Hayes, Clerk of the Board

DISCUSSION:

The insurance cost for the Parks & Recreation budget unit (713) has had a major increase due to a motor vehicle accident in 2013:

- FY 2013-14: \$6,154
- FY 2014-15: \$54,213
- FY 2015-16: \$91,842

The insurance cost is expected to stay at this elevated level for five more years. For FY 2014-15, the General Fund contribution to the Parks budget unit was increased to account for the insurance increase. For FY 2015-16, a supplemental budget request to offset the insurance increase was not approved, therefore the available budget for other expenditures had to be reduced to produce an overall balanced budget.

With the spike in insurance charges, insurance is now 42% of the “services and supplies” category of the Parks budget unit. The Parks division has little or no control over most of the expenditures in this category, including utilities, vehicle fuel and maintenance, cleaning supplies, fee envelopes, trash disposal, septic pumping, camp host stipends, and rents and leases. Allocations for equipment maintenance (\$7,500) and facilities maintenance (\$8,500) were significantly reduced for FY 2015-16. Prior to the insurance increases, the budget for services and supplies allowed only a limited level of service and preventative maintenance.

In response to the reduced budget for FY 2015-16, the Parks division applied the following cost-savings measures:

- Attempted to increase the use of volunteers, community groups, Sheriff Work Alternative Program, and other corrections system manpower.
- Discontinued operation and maintenance of the state-owned Luffenholtz beach access property near Trinidad.
- Developed the means of constructing concrete fire rings in-house rather than purchasing.
- Continued to defer vehicle upgrades, new equipment and tools, computer purchases, and most facility improvements.

In addition, Public Works utilized funds from two Parks trust funds for budget balancing. Trust Fund 3700 (Parks Recycling/Wood Sales) was created for the purpose of saving revenue from recycling redemptions and wood sales to purchase new equipment and tools. Trust Fund 3710 (Parks Hot Showers Fees) was created to save funds for establishment of new shower facilities, and has subsequently been used for shower maintenance and other capital projects. Together these trust funds accrue approximately \$10,000 to \$20,000 per year. The current balance for the two funds is \$70,396 (\$28,285 in Fund 3700 and \$42,111 in Fund 3710). The adopted FY 2015-16 budget incorporated a transfer of \$20,000 from the trust funds (\$10,000 from each fund) for operational expenses, which deviated from the original purpose of the funds.

During the current fiscal year two projects became urgent and could not be deferred. The Parks maintenance building, which is leased from the Aviation Division, requires testing and abatement for asbestos and mold, structural repairs to prevent further water damage, and lighting upgrades. Remedying these issues is necessary for occupational health and safety reasons. Testing and evaluation are underway and the total cost of structural repairs is unknown. The repairs for the Parks maintenance building may come before your Board at a later date based on the recommendations by

the consultant. Second, the parking lot lights at the Jimmy Smith Fields Landing Boat Launch Facility were chronically failing and required upgrades. Reliable lighting is needed at this facility for public safety. Other unanticipated costs include a hazard tree at Pamplin Grove campground and expenses (administrative time and new signs) for enacting reduced hours at Mad River County Park to address inappropriate nighttime behavior.

The attached supplemental budget reflects an increase in the projected revenue from parks fees through the remainder of the current fiscal year. Fee revenue varies year to year based on a variety of factors including weather, the economy, and the public's recreation alternatives. Normally Public Works develops a conservative estimate for revenue and then submits a supplemental budget at the end of the fiscal year to incorporate any additional revenue that exceeded initial projections. The attached supplemental budget incorporates a more aggressive revenue estimate for the current fiscal year. In addition, the attached supplemental budget transfers an additional total of \$31,363 from the two Parks trust funds to cover services and supplies (category 02) line items.

FINANCIAL IMPACT:

The requested supplemental budget and transfer will adjust the Parks budget up by \$77,043 based on increased projected revenue and transfers from two Parks trust funds. If the projected revenue increases are not achieved, there may be an impact to the General Fund.

Two Parks trust funds are being drawn down to cover the current fiscal year costs. The remaining balance in the two trust funds will be \$19,033. Funds from recycling, wood sales, and shower fees accrue over time but will not be sufficient for balancing the Parks division budget on an ongoing basis.

The current situation points to a structural deficit in the Parks Division budget. For FY 2016-17, the fee structure will be analyzed for potential increases that would result in a net revenue increase. Public Works anticipates submitting a supplemental budget request for FY 2016-17 to offset the insurance cost increases. More extensive changes including discontinuing services, adding new fees, and disposing of park properties may be needed to achieve a sustainable balanced budget. Potential changes include:

- Discontinue servicing of the portable bathroom at Moonstone Beach.
- Discontinue installing the temporary dam for summer swimming at Freshwater Park.
- Charge day-use fees at parks such as Clam Beach and Mad River.
- Selling or relinquishing Crab Park, Centerville Beach, Table Bluff County Park, Samoa Campground/Boat Ramp, Fairhaven T Beach Access, Samoa Power Pole Beach Access, and/or A.W. Way County Park.

OTHER AGENCY INVOLVEMENT: None

ALTERNATIVES TO STAFF RECOMMENDATIONS:

1. The Board could choose not to adopt the supplemental budget or approve the request for budget transfer. This alternative is not recommended because it would result in expenditures in excess of appropriations.
2. The Board could choose to direct a transfer from General Fund contingencies.

ATTACHMENTS: None