DEPARTMENT: Public Works

RECOMMENDED ACTION AND JUSTIFICATION:

Discussion and Possible Direction Relative to the Formation of Zones of Benefit (ZOB) Under Resolution 99-150.

BACKGROUND AND HISTORY OF BOARD ACTIONS:

In 1999, the Board of Supervisors adopted Resolution 99-150 establishing a revolving loan fund for formation and improvement costs associated with County Service Area zones of benefit for road maintenance in the amount of $1,000,000. The Revolving Fund was to be used for the formation of zones of benefit for existing subdivisions. The intent of Resolution 99-150 was to encourage and facilitate the formation of zones of benefit for existing subdivisions. No zones of benefit for existing subdivisions have been formed since the adoption of Resolution 99-150. Public Works believes this is partially the result of the passage of California Proposition 218.

The Policy and Procedures for Use of Zone of Benefit Revolving Loan Fund stipulates that if the zone of benefit fails to be formed, the affected property owners will not incur an assessment or any other financial obligation to the County. The Board of Supervisors considers any funds expended in an effort to form a zone of benefit, which ultimately fails to be formed, as funds expended in the public interest to encourage private road maintenance. This provision encourages property owners wishing to explore the possibility of forming a zone of benefit for an existing subdivision to pursue the process up to the point when they are required to vote for the zone of benefit. Several thousands of dollars have been expended by the time the required engineering and assessment work has been completed to allow for a vote.

Several unsuccessful attempts have been made to form zones of benefit for existing subdivisions since the adoption of Resolution 99-150. These proposed zones of benefit for existing subdivisions have failed primarily because of the cost and complex formation process resulting from the passage of California Proposition 218. Because of the lack of success of Resolution 99-150 in encouraging the formation of zones of benefit for existing subdivisions, the Public Works Department recommends that the Board consider modifying Resolution 99-150 to require the applicants to pay all or a portion of the formation cost incurred if the zone of benefit fails to form or suspend all activity under resolution 99-150 and return the remaining uncommitted funds to the County’s General Fund.

ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:

1) Continue to encourage the formation of zones of benefit for existing subdivisions under Resolution 99-150. This action would require the County to continue to cover the formation cost incurred for ZOBs that fail to form.

2) Suspend activity under Resolution 99-150 and transfer uncommitted funds to the County’s General Fund. This action would require the applicants to pay for ZOB formation cost as they were incurred and would encourage only applicants which are serious about forming a ZOB for an existing subdivision.

3) Amend Resolution 99-150 to require applicants to be responsible for all or a portion of the formation cost if a ZOB fails to form. This action would require applicants to pay for all or a portion of the formation cost in the event that the ZOB fails to form and would encourage only those parties serious about forming a ZOB to apply.
Financial Impact? ( ) Yes ( ) No  
Budgeted In Current FY? (X) Yes ( ) No ( ) Partially Funded  
Amount in Budget: $  
Additional Funding Needed: $  
Source:  
Internal Transfer  
Unanticipated Revenue  
Transfer Between Funds  
Contingency  
( ) General ( ) Other  

CLERK'S USE ONLY:  
Res. No. #: 34-527  
Ord. No.  
Vote – Ayes: ___  Noes: ___  
Absent: ___  
( ) Approved  
( ) Minute Order Attached  ( ) No Action Necessary  
The foregoing instrument is a correct copy of the original on file in this office.  
Date:  
Attest: MARGIE WILLIAMS, Clerk of the Board  
County of Mariposa, State of California  
By:  
Deputy  

COUNTY ADMINISTRATIVE OFFICER:  
Requested Action Recommended  
( ) No Opinion  
Comments:  
Cash balance in 706 Fund 298 on Dec. 19, 2002 - $90,336  
CAO:  

Revised Dec. 2002
MARIPOSA COUNTY BOARD OF SUPERVISORS

MINUTE ORDER

TO: DANA HERTFELDER, Public Works Director
FROM: MARGIE WILLIAMS, Clerk of the Board

SUBJECT: DIRECTION RELATIVE TO THE FORMATION OF ZONES OF BENEFIT UNDER RESOLUTION 99-150

Resolution No. 04-527

THE BOARD OF SUPERVISORS OF MARIPOSA COUNTY, CALIFORNIA,

ADOPTED THIS Order on December 14, 2004

ACTION AND VOTE:

B) Discussion and Possible Direction Relative to the Formation of Zones of Benefit (ZOB) Under Resolution 99-150

BOARD ACTION: Discussion was held with Dana Hertfelder. (M)Balmain, (S)Pickard, Res. 04-527 was adopted approving alternative 2 – suspend activity under Resolution No. 99-150 and transfer uncommitted funds to the County’s General Fund. This action would require the applicants to pay for Zone of Benefit formation costs as they are incurred and would encourage only applicants which are serious about forming a Zone of Benefit for an existing subdivision. Further discussion was held relative to the balance and transfer of the uncommitted funds and the account where the loan payments would be deposited into. Tom Guarino, County Counsel, suggested that today’s action give direction to staff to bring back a resolution to direct where the funds should be returned to, including where payments and the balance of the uncommitted funds should go. The motion was amended, agreeable with the maker and the second, to include direction for a resolution to be brought back outlining alternative number 2 and directing that the balance of the uncommitted funds and payments be transferred to the General Reserve. Ayes: Unanimous.

cc: Mary Hodson, Deputy County Administrative Officer
    Ken Hawkins, Auditor
    Kris Schenk, Planning Director
    File
MEMORANDUM

Date: FEBRUARY 2, 2005

To: DANA HERTFELDER, Public Works Director
   ATTN: DARLEEN PETERSON, Executive Secretary

From: RACHEL PETTY, Deputy Clerk to the Board

Re: DIRECTION RELATIVE TO THE FORMATION OF ZONES OF BENEFIT (ZOB) UNDER RESOLUTION 99-150

Resolution No. 04-527

Attached, please find a copy of the above referenced Resolution and Minute Order corresponding with this item. I spoke with Mary Hodson, relative to a question from Margie regarding the need for a Budget Action Form based on the Board’s action on this matter.

Mary informed me that changes can only be made to the General Reserve at Final Budget Hearings, unless the County declares an emergency; however, it is okay to utilize Contingency.

I am not familiar with budgeting matters and suggest that you speak with Mary if you have any questions. Any other questions, please do not hesitate to contact me.

Thank you.

Attachment

cc: Mary Hodson, Deputy County Administrative Officer
    Margie Williams, Clerk of the Board
    File
MARIPOSA COUNTY BOARD OF SUPERVISORS

MINUTE ORDER

TO: DANA HERTFELDER, Public Works Director

FROM: MARGIE WILLIAMS, Clerk of the Board

SUBJECT: BUDGET ACTION TRANSFERRING REMAINING CASH BALANCE IN THE ZONE OF BENEFIT REVOLVING FUND TO GENERAL FUND CONTINGENCY

Resolution No. 05-107

THE BOARD OF SUPERVISORS OF MARIPOSA COUNTY, CALIFORNIA

ADOPTED THIS Order on March 22, 2005

ACTION AND VOTE:

11:22 a.m. Dana Hertfelder, Public Works Director;
Approve Budget Action Transferring the Remaining Cash Balance of $51,136 in the Zone of Benefit (ZOB) Revolving Fund to General Fund Contingency; Approve Transferring the Loan Currently in the ZOB Revolving Fund in the Amount of $260,980 (Due from the Don Pedro Wastewater Treatment Project) to the General Fund; and Authorize the Write-Off of an Old Loan in the Amount of $214,402 that is Owed to the ZOB Revolving Fund from the Sidewalk Projects Fund #510

BOARD ACTION: Discussion was held with Dana Hertfelder. Supervisor Turpin asked for clarification of the status of the funding for the Greeley Hill sidewalk project. Supervisor Bibby clarified that this does not impact any existing zones of benefit. Discussion was held relative to the transfer of future repayments from the zones of benefit, and staff advised that they will bring that matter back to the Board. (M)Turpin, (S)Stetson, Res. 05-107 was adopted approving the recommended actions/Ayes: Unanimous.

cc Mary Hodson, Deputy County Administrative Officer
Ken Hawkins, Auditor
File
DEPARTMENT: Public Works  BY: Dana Hertfelder
PHONE: 966-5356

RECOMMENDED ACTION AND JUSTIFICATION:

Approve Budget Action transferring the remaining cash balance of $51,136 in the Zone of Benefit (ZOB) Revolving Fund to General Fund Contingency; approve transferring the loan currently in the ZOB Revolving Fund in the amount of $260,980 (due from the Don Pedro Wastewater Treatment Project) to the General Fund; and authorize the write-off of an old loan in the amount $214,402 that is owed to the ZOB Revolving Fund from the Sidewalk Projects Fund #510.

BACKGROUND AND HISTORY OF BOARD ACTIONS:

At its regular meeting of December 14, 2004, the Board adopted Resolution 04-527 suspending activity relating to the formation of Zones of Benefit authorized by Resolution 99-150. The Zone of Benefit Revolving Fund was intended to provide financial assistance to County residents interested in forming Zones of Benefit, but no new Zones have been formed under this program since its inception over five years ago. The formation of a new Zone is complex and expensive and County staff has expended much time in assisting residents with this process that we have never been reimbursed for, because the matter either never gets to a vote or the vote is negative.

Resolution 04-527 directed Public Works to come back to the Board with a means of returning the remaining funds in the Zone of Benefit Revolving Fund to the General Fund. We are requesting approval of the attached Budget Action form which will do so. (The auditing firm of Smith & Newall has also recommended to the Auditor to return the funds in the Zone of Benefit Revolving Fund to the General Fund.) We are also requesting approval to transfer the $260,980 loan in the ZOB Revolving Fund (due from the Don Pedro Wastewater Treatment Project) to the General Fund.

The third action we are requesting in regard to the ZOB Revolving Fund is approval to write off an old loan in the amount of $214,402 that was given to the Sidewalks Project Fund #510. This loan was authorized by Board Resolution 00-81, but no excess funds remained in the budget after completion of the project for the loan to be repaid. The money was used to complete the Mariposa Town Sidewalks on County Roads in 2000, not the recent sidewalk project along Highway 140. This loan is still on the County’s accounting records and needs to be removed since it cannot be repaid.

ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:

The Board can choose to approve any combination of the three requested actions or none of them. Returning the remaining cash balance in the ZOB Revolving Fund to the General Fund was the direction given to Public Works staff in Board Resolution 04-527.

Financial Impact? (X) Yes ( ) No  Current FY Cost: $214,402
Budgeted In Current FY? ( ) Yes (X) No ( ) Partially Funded
Amount in Budget: $  Annual Recurring Cost: $0
Additional Funding Needed: $  Source:
Internal Transfer
Unanticipated Revenue
Transfer Between Funds
Contingency
 ( ) General ( )Other

List Attachments, number pages consecutively
1. Budget Action Form
2. Journal Entries (from Auditor)

Revised Dec. 2002
The foregoing instrument is a correct copy of the original on file in this office.

Date: __________

Attest: MARGIE WILLIAMS, Clerk of the Board
County of Mariposa, State of California

By: ____________________________
Deputy
# BUDGET ACTION FORM

<table>
<thead>
<tr>
<th>FUND</th>
<th>DEPT/DIV</th>
<th>ACCOUNT</th>
<th>DESCRIPTION</th>
<th>PROJECT</th>
<th>INCREASE</th>
<th>DECREASE</th>
</tr>
</thead>
<tbody>
<tr>
<td>001</td>
<td>0000</td>
<td>309-1669</td>
<td>Transfer In - ZOB Revolving Fund</td>
<td></td>
<td>(51,136)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>001</td>
<td>0104</td>
<td>414-1090</td>
<td>GENERAL CONTINGENCY</td>
<td></td>
<td></td>
<td>51,136</td>
</tr>
</tbody>
</table>

## TRANSFER BETWEEN FUNDS

<table>
<thead>
<tr>
<th>FUND</th>
<th>DEPT/DIV</th>
<th>ACCOUNT</th>
<th>DESCRIPTION</th>
<th>PROJECT</th>
<th>INCREASE</th>
<th>DECREASE</th>
</tr>
</thead>
<tbody>
<tr>
<td>298</td>
<td>0317</td>
<td>588-0787</td>
<td>Transfer Out - ZOB Revolving Fund</td>
<td></td>
<td>51,136</td>
<td></td>
</tr>
<tr>
<td>001</td>
<td>0000</td>
<td>309-1669</td>
<td>Transfer In - ZOB Revolving Fund</td>
<td></td>
<td>(51,136)</td>
<td></td>
</tr>
</tbody>
</table>

TOTAL 0 0

**ACTION REQUESTED:** (Check all that apply)

- **(X)** Budget appropriation by Board of Supervisors (4/5ths Vote Required): Amending the total amount available in the county budget, or in any one fund of the budget, or appropriating Reserve for Contingencies

- ( ) Transfer by Board of Supervisors (3/5ths Vote Required): Moving existing appropriations from one budget to another, or between categories within a budget unit;

**JUSTIFICATION:** To transfer the remaining cash balance in the ZOB Revolving Fund to the General Fund.

**DEPT HEAD SIGNATURE**

**APPROVED BY RES NO.**

**CLERK**

**AUDITOR'S USE ONLY**

**BA#**

Budget Action Form Revised 11/95
**JOURNAL ENTRY**

<table>
<thead>
<tr>
<th>FUND</th>
<th>DEPT</th>
<th>ACCOUNT</th>
<th>PROJECT</th>
<th>DEBIT</th>
<th>CREDIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>510</td>
<td>0000</td>
<td>204-0000</td>
<td>Sidewalk Project Due to Others</td>
<td>214,402.00</td>
<td></td>
</tr>
<tr>
<td>001</td>
<td>0000</td>
<td>131-0000</td>
<td>Gen Fund Due From Others</td>
<td></td>
<td>214,402.00</td>
</tr>
</tbody>
</table>

To forgive a loan made in order to finish the town sidewalk project. When classifying this as a loan, the board left open the possibility that additional state funding may have become available. However, this never came to fruition; therefore, this loan needs to be taken off of the books.

There is no cash being exchanged since the sidewalk project is complete, and the money has been paid. What this journal does (subject to Board approval) is remove the liability to pay a loan in Fund 510 (Sidewalk Project) and also removes the loan receivable recorded in the financial statements for the General Fund.

**DEPARTMENT APPROVAL**

**AUDITOR APPROVAL**

AUDITOR'S USE ONLY

TF TRANSFER: [Signature]

AJ ADJUSTMENT: [Signature]

---

2/16/2005  214,402.00  214,402.00

FORMJE1a.doc.xls  Attachment #2  2/16/2005

Rus.05-10?  3-22-05
This one of three actions that are cleaning up Fund 298, Zone of Benefit, a fund established to give loans to taxpayers wishing to initiate a zone of benefit. That fund never was used for this purpose and, in fact has made this particular loan to Don Pedro in their process to build a new sewer facility. This is a loan, and should be recorded in the general fund since the loan was authorized by the board and is general fund money. This would allow the board and taxpayers to know that this loan is outstanding, rather than being recorded in a separate fund as has been done for the last several years on this loan.