

## Summary of CCSD Finance Committee Ad Hoc on unfunded/underfunded/understaffed

On January 19, 2021, the CCSD Board of Directors adopted a strategic plan objective to “achieve and sustain adequate financial resources to sustain the mission”. The Finance Committee was assigned the task of identifying unfunded, under-funded, or understaffed activities.

Each CCSD Department Manager submitted a list of his/her department’s needs that fell into the category of unfunded, under-funded, or understaffed. These needs were then prioritized as

1. Needed now or within next 6 months
2. Needed within 6-12 months
3. Beyond 12 months

The items were further identified as “one-time only” or “ongoing”. (see attached list)

Once the funding gaps were identified, the committee was to seek possible solutions which might include cost savings, new sources of revenue or the development of new or enhanced public-private partnerships. An ad hoc subcommittee of the Finance committee was formed to work with the CCSD Finance Manager in the pursuit of this goal.

The decision was made that this group should narrow its focus to concentrate on the General Fund areas- specifically Fire Dept., Facilities & Resources and Parks, Recreation & Open Spaces.

As the group began its analysis of the issues, it became apparent that there is insufficient revenue for the District to continue to provide the same services and at the same level as it has been attempting to do or to expand services to meet the additional requests.

The first recommendation is that a roundtable meeting be held with a group of the most influential members of the community (i.e., leaders of the major civic organizations, FFRP, Chamber of Commerce, Lions Club, Greenspace, American Legion, etc.). The participants should be made aware of CCSD’s financial challenges, and their assistance sought to identify possible courses of action. CCSD should be represented by Board President Steidel, Finance Committee Chairman Gray, General Manager Weigold and Finance Manager Duffield. Community participants should be limited to no more than eight to keep the meeting to a manageable size.

Obviously, every possible grant opportunity for each of the various areas should be explored.

### **Fire Department**

#### **Priority 1**

A grant application for the additional 3 firefighters is pending. If that grant is received it will provide a short-term solution. Grants for some of the other needs may also be available. However, for the long-term, the Board of Directors must decide to what level they wish to staff and equip the fire department. The only viable and sustainable source of additional revenue is

a substantial increase to property taxes through the fire benefit assessment. The proposition for such increase must be presented to the voters and receive a two-thirds majority in favor.

### Priority 2

Many, if not most of the priority 2 items can be funded in the normal budgeting process with exception of the addition of clerical staff. Perhaps the need for a clerical staff can be met by sharing resources with other departments. The department should investigate the sharing of an existing training facility with other fire departments in the area rather than invest in creating its own. The new fire engine, if needed, may be financed.

### Priority 3

The further addition of staff falls into the same scenario as in priority one requiring fire benefit assessment increases. Financing of the generator might be obtained. The water tender is far enough in the future that a dedicated reserve may be created to prepare for the purchase. As for the expansion of the fire station, without a windfall grant of some kind it is unlikely that funds will be available for this project in the foreseeable future.

As a strategic alternative, the board might consider merging the fire department with another such as SLO County Fire or CalFire.

## **Facilities and Resources**

### Priority 1

Consider adding the additional maintenance worker at a lower job grade to reduce the initial expense or utilize part-time or temporary help.

Seek grants to assist with the weed abatement and tree removal

Continue to pursue county, state and federal assistance with the storm damage expenses

Vets Hall: The combined priority 1,2 and 3 Vets Hall repair projects total \$375,000. This is a result of deferring needed maintenance over a long period of time. CCSD should consider enlisting the help of other civic organizations or citizens groups to form an independent 501(c)3 foundation to "save the hall". The foundation could then launch a community fund raising effort to make the necessary repairs and assume the management and maintenance responsibility going forward. An alternative short-term solution might be to attempt to secure a loan on the building to fund the repairs. In the meantime, CCSD staff will review all fees relative to the use of the Veterans Hall for opportunities to increase revenue.

Homeless Encampment: Every effort should be made to discourage these encampments. Seek grants or other financial assistance from the county and state to defray the expense associated with these encampments.

Fiscalini Ranch Preserve: It is recognized that Fiscalini Ranch Preserve is a virtual treasure for Cambrians and visitors alike and every effort must be made to maintain and preserve it. The combined priority 1 and 2 needs on the list total \$1.5 million. CCSD alone does not have the ability to acquire this amount. It must rely on grants or financial assistance from other entities. Senior Management of CCSD should meet with the Senior Management of Friends of Fiscalini Ranch Preserve to review and, if necessary, update the Ranch Management Plan that was implemented in 2003. The objective of the meeting would be to reach agreement on a realistic maintenance and funding plan.

Other: CCSD personnel perform a considerable amount of maintenance and service on property owned by SLO County (parking lots, restrooms, etc.) or other agencies. Efforts should be made to ensure that the District is reimbursed for those services or stop performing them and deploy resources elsewhere.

### PROS

Parks, recreation, and open-space projects on the list are all very desirable but without major grant opportunities funds to execute these projects are unlikely to become available in the foreseeable future.

One possible revenue source, albeit a small one, might be to seek a share of the SLO County Transient Occupancy Tax (TOT). The county collects a 12.5% lodging tax of which 1.5% is used to promote tourism. The PROS resources and activities support tourism therefore CCSD should be entitled to a portion of the tax revenue. SLO County says the remainder of the TOT goes for other public services. Again, CCSD performs some of those services and should be compensated accordingly.

### Administration

Most of the Administration needs can be funded through the normal budgeting process except for an Administration Office Building. A specific reserve should be established to begin accumulating funds for this purpose.

### Vacant Lots owned by CCSD

Attempt to divest as many of these lots as possible. Seek volunteer labor in the maintenance of these properties (“adopt a lot program”). No additional real estate should be accepted by CCSD without guaranteed funding for its maintenance.

### Conclusion

As an unincorporated community services district, CCSD is limited in its ability to raise revenue. As in the private sector, the first step toward achieving and maintaining financial stability is to look for savings through efficiency and eliminating waste. Since Cambria is a no-growth community and, in fact, has lost population in the last decade there should be an opportunity to reduce rather than increase personnel. The implementation of new technologies should

enable additional efficiencies. Wherever practical, outsourcing should be considered as a means to reduce headcount. An additional benefit is the elimination of the need to purchase and maintain equipment.

District staff is encouraged to examine every activity for possible cost savings. Cross-training of employees and sharing of vehicles and equipment between departments is a good starting point.