



Office of the City Manager

SUPPLEMENTAL AGENDA MATERIAL

Meeting Date: April 4, 2017

Item Number: 03

Item Description: Catastrophic Reserve Allocation for Berkeley Tuolumne Camp Rebuild

Submitted by: Jovan Grogan, Deputy City Manager
Phillip Harrington, Director of Public Works

This supplement to the staff report provides a repayment schedule for the \$3,300,000 from the City General Fund's Catastrophic Reserve to restore Berkeley Tuolumne Camp.

As noted in the staff report, the Rim Fire of 2013 destroyed Berkeley Tuolumne Camp. The total estimate to rebuild Camp is \$54.1 million, with a City cost share after anticipated insurance and FEMA grant proceeds of approximately \$3.3 million. In order to fund the City's cost share, staff recommends \$3.3 million be allocated from the City General Fund's Catastrophic Reserve.

The following schedule calls for a 10-year repayment from the General Fund excess property transfer tax revenue, with interest¹. Disbursement will occur between fiscal year 2018 and fiscal year 2022, repayment to the General Fund's Catastrophic Reserve is estimated to begin in fiscal year 2023, the year following the final disbursement from the General Fund's Catastrophic Reserve.

¹ Staff uses the State of California Local Agency Investment Fund (LAIF) rate for the loan repayment. Current LAIF rates are 0.68%.

Repayment Schedule

Annual Repayment Amounts by Source (with interest)

Total Repayment Amount: \$3,414,406

Repayment Source	General Fund Excess Property Transfer Tax*
Year 1	341,441
Year 2	341,441
Year 3	341,441
Year 4	341,441
Year 5	341,441
Year 6	341,441
Year 7	341,441
Year 8	341,441
Year 9	341,441
Year 10	341,441
Total	\$3,414,406

** Total General Fund excess Property Transfer Tax has averaged \$5.8 million over the last two years.*

When the Camps Enterprise Fund (Fund 330), which funds all Berkeley camp programming, generates sufficient revenues for ongoing operations while maintaining a reserve balance of \$1,000,000, the excess revenue will be used to repay the General Fund's Catastrophic Reserve. Concurrently, the contribution made from excess Property Transfer Tax will be reduced. While repayment may be accelerated, it will not exceed ten years from the time of the final disbursement from the General Fund's Catastrophic Reserve for the Berkeley Tuolumne Camp rebuild.

RESOLUTION NO. -N.S.

CATASTROPHIC RESERVE ALLOCATION FOR BERKELEY TUOLUMNE CAMP

WHEREAS, on January 24, 2017, Council adopted the General Fund Reserve Policy (Resolution No. 67,821-N.S.); and

WHEREAS, the City's General Fund Reserve Policy includes a Catastrophic Reserve for the purposes of sustaining General Fund operations in the case of a natural disaster or other catastrophic event; and

WHEREAS, the City's Berkeley Tuolumne Camp sustained a catastrophic event when the 2013 Rim Fire destroyed the Camp; and

WHEREAS, construction costs for the City's Berkeley Tuolumne Camp do not include funding of operational shortfalls or new programs or projects; and

WHEREAS, the City Manager has recommended a replenishment schedule via annual payments from one or more of the following sources: (a) excess property transfer tax; ~~(b) business license tax receipts in excess of \$17 million;~~ and ~~(c)~~ Camps Fund reserve in excess of a \$1 million prudent reserve balance; and confirmed that repayment of these reserve funds would begin no more than 5 years from the date of withdrawal, and be completed within 10 years of the date of final withdrawal; and

WHEREAS, the City's General Fund Reserve Policy requires a two-thirds vote of the City Council for use of General Fund reserves;

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that funds from the City's Catastrophic Fund will be allocated to the Berkeley Tuolumne Camp Rebuild Project in the amount of \$3,300,000.