

REPORT OF GENERAL MANAGER

NO. 05-177

DATE June 15, 2005

C.D. Various

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: RECONCILIATION OF THE GOLF SURCHARGE ACCOUNT AND APPROVAL OF THE FISCAL YEAR 05-06 EXPENDITURE PLAN

H. Fujita _____
J. Kolb _____
S. Huntley _____
F. Mok _____

K. Regan _____
*J. Combs 
B. Jensen _____


General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATION:

That the Board:

1. Instruct the Director of Finance to transfer funds within the Golf Surcharge Account 321K sub-accounts as described below; and,
2. Approve the Fiscal Year 2005-06 expenditure plan for the Golf Surcharge Account.

SUMMARY:

The Golf Division has not had an approved expenditure plan for Golf Surcharge Account monies since July, 2003, when the last approved expenditure plan (Board Report No. 01-424, approved November 7, 2001) expired. In that report, as well as Board Report No. 01-288 (August 6, 2001), several sub-accounts, descriptions, and initial funding amounts were approved and established. Since July, 2003, in order to meet operational needs and address emergencies, many active sub-accounts have been taken into negative balances.

In addition to the active sub-accounts, many inactive sub-accounts had previously accrued negative balances or retained positive balances that remained idle. This report recommends action to

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reconcile all active negative balances, zero out balances (negative or positive) on inactive sub-accounts, and to establish an expenditure plan for the Golf Surcharge Account 321K for FY 2005-06.

As of March 31, 2005, the total balance of the Golf Surcharge Account is \$11,780,554. It is recommended that \$7,999,338 from inactive and/or idle accounts with positive balances listed below be transferred to the Unallocated Balance Sub-Account 00 creating a new Unallocated Balance of \$10,016,349.

Sub Acct	Title	Status	Balance as of 3-31-05	Amt to Transfer to Unallocated Balance	New Sub-Acct Balance
CT	Griffith Clubhouse Restaurant	Inactive	10,283.75	(10,283.75)	0.00
DI	Sepulveda Golf Paving	Inactive	240,443.18	(240,443.18)	0.00
FH	Pacific Golf Course Improv	Inactive	5,943.98	(5,943.98)	0.00
HF	Harding Fence	Inactive	7,272.68	(7,272.68)	0.00
HK	Hansen Fence	Inactive	400,000.00	(400,000.00)	0.00
RP	Rancho Pk Driving Range Improv	Inactive	236,257.90	(236,257.90)	0.00
WR	Wilson/Harding Rebuild Greens	Inactive	18,673.98	(18,673.98)	0.00
			2,490,000.00	(1,990,000.00)	500,000.00
			269,607.92	(169,607.92)	100,000.00
			250,555.73	(150,555.73)	100,000.00
			1,341,530.92	(341,530.92)	1,000,000.00
			4,428,490.00	(3,928,490.00)	500,000.00
			1,200,277.99	(500,277.99)	700,000.00
Total Transfer to Unallocated Balance				(7,999,338)	

Upon transfer of surplus funds to the Unallocated Balance, it is recommended that \$9,985,795 be transferred from the Unallocated Balance to various sub-accounts listed below to eliminate negative balances and to establish funding amounts for active sub-accounts for fiscal year 2005-06.

Sub Acct	Title	Status	Balance as of 3-31-05	Amt to Transfer from Unallocated	New Sub-Acct Balance
AD	Woodley Clubhouse	Inactive	(251,987.12)	251,987.12	0.00
DC	Wilson/Harding Greens	Inactive	(10,080.68)	10,080.68	0.00

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FG	Griffith Golf Course Improvement	Inactive	(1,489.56)	1,489.56	0.00
FI	Valley Golf Course Improv	Inactive	(9,423.89)	9,423.89	0.00
HQ	Golf Headquarters	Inactive	(146,609.22)	146,609.22	0.00

Sub Acct	Title	Status	Balance as of 3-31-05	Amt to Transfer from Unallocated	New Sub-Acct Balance
RR	Rancho Golf Course Reblid Green	Inactive	(770.00)	770.00	0.00
SC	Sepulveda Basin - Golf Parking	Inactive	(584.55)	584.55	0.00
WH	Wilson/Harding Complex Water System	Inactive	(40,431.62)	40,431.62	0.00
XX	Woodley Golf Irrigation	Inactive	(9,292.93)	9,292.93	0.00
01	Golf Revenue	Active	(133,667.45)	383,667.45	250,000.00
EA	Motor Fuel General	Active	(285,994.22)	485,994.22	200,000.00
EB	Water Revenue General	Active	(137,701.23)	337,701.23	200,000.00
EC	Valley Water General	Active	(517,509.24)	867,509.24	350,000.00
GM	Golf Water General	Active	(3,178,437.16)	3,878,437.16	700,000.00
GR	Griffith Golf Course	Active	3,637,004.13	3,362,995.87	7,000,000.00
GS	Golf Surcharge	Active	34,367.76	15,632.24	50,000.00
TU	Turf Irrigation	Active	(83,188.25)	183,188.25	100,000.00
Total Transfer From Unallocated Balance				9,985,795	

Upon approval of the above described reconciliation, the FY 05-06 Expenditure Plan will be established as described in Attachment A. In FY 05-06, Golf Division staff is expecting to have a \$1.2 million loan, made to EPICC in 2002, re-paid and deposited into Sub-Account 321K-RI for the Roosevelt Golf Course Irrigation. Additionally, staff projects golf revenues of approximately \$3.8 million to accrue to the Golf Surcharge Account Unallocated Balance during FY 05-06. A proposed FY 06-07 expenditure plan for those future revenues will be presented to the Board in early 2006.

FISCAL IMPACT STATEMENT:

There is no impact on the Department's General Fund.

This report prepared by James Ward, Golf Manager.

ATTACHMENT A

Golf Surcharge Account 321K
Fiscal Year 2005-06 Expenditure Plan

<u>Sub-Acct</u>	<u>Title & Description</u>	<u>FY 05-06 Amt</u>
321K-CP	Cart Paths - Installation of concrete cart path system at all 18-hole courses.	\$500,000
321K-CS	Rancho Clubhouse Reconstruction - Renovation of the entire clubhouse that will provide complete access in compliance with current ADA requirements and allow for improved use of the existing facilities.	\$100,000
321K-GG	Griffith Clubhouse Reconstruction - Renovation of the entire clubhouse that will provide complete access in compliance with current ADA requirements and allow for improved use of the existing facilities.	\$100,000
321K-FA	Griffith/Metro Region General Maintenance - Supplement for fertilizers, chemicals, landscape materials.	\$200,000
321K-FB	Pacific Region General Maintenance - Supplement for fertilizers, chemicals, landscape materials.	\$200,000
321K-FC	Valley Region General Maintenance - Supplement for fertilizers, chemicals, landscape materials.	\$350,000
321K-HI	Hansen Irrigation - New irrigation system and concrete cart paths.	\$7,000,000
321K-PM	Project Management - Funds a full time Project Manager to oversee all capital projects.	\$50,000
321K-RI	Roosevelt Irrigation - Construction of new greens and complete new irrigation system.	\$1,700,000*
	*\$1.2M of this amount is to come from pending loan re-payment from Exposition Park Inter-generational Community Center.	
321K-SU	Service Yard Upgrades - Equipment, storage areas, repair shop upgrades, etc.	\$700,000
321K-LC	Landscape Crew - Salaries, equipment, and materials to fund roving crew for golf course improvements and renovations.	\$1,000,000
321K-CU	Golf Equipment - New mowing equipment and vehicles.	\$250,000
321K-GM	Golf Management - Expenditures from this account to be authorized by the Golf Manager. Funds to be utilized for in-house projects, such as ADA improvements; small paving, fencing and irrigations jobs; U.S.G.A. inspection issues; response to emergency and safety issues; training of Golf personnel; memberships in professional organizations and advertising.	\$700,000
321K-TT	Tree Trimming - Tree maintenance and replacement program.	\$100,000
321K-OO	Unallocated Balance	\$30,554