

APPROVED

REPORT OF GENERAL MANAGER

SEP 05 2012

NO. 12-241

DATE August 8, 2012

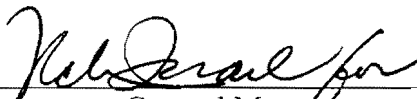
BOARD OF RECREATION
AND PARK COMMISSIONERS

C.D. Various

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: APPROPRIATION FROM UNRESERVED AND UNDESIGNATED FUND
BALANCE IN FUND 302 TO VARIOUS ACCOUNTS IN THE
DEPARTMENT OF RECREATION AND PARKS

R. Adams _____	K. Regan _____
H. Fujita _____	M. Shull _____
V. Israel _____	*N. Williams <u>NOW</u>



General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATIONS:

That the Board:

1. Authorize the Department's Chief Accounting Employee to establish a new account in Fund 302, Department 89, Account 89704H, Deferred Maintenance; and,
2. Authorize the Department's Chief Accounting Employee to establish a new sub-account 270KCD, Capital Park Development A in Fund 302, Department 89, Account 89270K, General Capital; and,
3. Authorize the Department's Chief Accounting Employee to establish a new sub-account 270KCG, Capital Park Development B in Fund 302, Department 89, Account 89270K, General Capital; and,
4. Authorize the Department's Chief Accounting Employee to establish a new sub-account 270KCM, 109th Street Pool Replacement and Refurbishment Project in Fund 302, Department 89, Account 89270K, General Capital; and,
5. Subject to approval by the Mayor, approve the appropriation of \$19,000,000 in Fund 302, Department 88, to the newly established accounts as follows; and,

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FROM:	Unreserved & Undesignated Fund Balance	\$19,000,000
TO:	Fund 302, Department 89, Account 89704H	\$3,000,000
	Fund 302, Department 89, Account 89270K, Sub-Account 270KCM	\$2,500,000
	Fund 302, Department 89, Account 89270K, Sub-Account 270KCG	\$7,500,000
	Fund 302, Department 89, Account 89270K, Sub-Account 270KCM	\$6,000,000

6. Subject to approval by the Mayor, approve the appropriation of \$2,000,000 in Fund 302, Department 88 to the account as follows:

FROM:	Unreserved & Undesignated Fund Balance	\$2,000,000
TO:	Account 1070 – Salaries, As-Needed	\$2,000,000

7. Authorize the General Manager to reserve \$3,834,000 in the Unreserved and Undesignated Fund Balance as part of our Fiscal Year 2012-13 budget as directed by Mayor and Council and to work with the Controller's Office to meet our budget mandate; and,
8. Authorize the General Manager or his designee to make technical corrections as necessary to those transactions included in this Report.

SUMMARY:

Budgeted funds appropriated to the Department of Recreation and Parks (RAP) which are uncommitted or unencumbered at the end of the fiscal year revert to RAP's Unreserved and Undesignated Fund Balance (UUFB) and are used to meet urgent, unforeseen RAP funding needs. The Board authorizes appropriations from the UUFB for a variety of purposes, subject to approval of the Mayor, and in accordance with Charter Section 343(b). The following transfers are being recommended to meet current urgent and unfunded needs:

Deferred Maintenance - \$3,000,000

RAP Planning, Construction and Maintenance staff recently completed inspections of all outdoor facilities in parks throughout the City. As a result of these inspections, staff has identified facilities that have exceeded their useful life and are in need of maintenance or refurbishment so that they may continue to be open and usable to the public. These outdoor facilities included basketball and tennis courts; playgrounds; athletic fields; parking lots; walkways, as well as miscellaneous building repair items, such as roofs, and heating and air conditioning systems.

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RAP uses a variety of sources to fund deferred maintenance (grants, fees, etc), however not all projects can be funded from these sources. Staff is recommending that \$3,000,000 be applied to deferred maintenance and refurbishment projects.

Capital Park Development - \$10,000,000

In 2009, RAP completed its Citywide Community Needs Assessment. One of the key findings of the Assessment was that the City had many “park poor” areas where there was little access for residents of those communities to green space and park areas. In response to this and in an effort to continue to expand access to parks, RAP began the 50 Parks Initiative. This Initiative is designed to add 50 new parks to RAP’s park inventory. To date, 53 sites have been identified for inclusion in the Initiative with 39 under site control by RAP and another 14 in various stages of acquisition, lease or transfer to RAP. Quimby, state grants, donations, and partnership funding are funding many of these projects, however not all projects are completely funded. Currently, 17 parks are either under construction or scheduled to be completed in the next 11 months, and there is a funding gap of approximately \$2,500,000 to complete these parks. Staff recommends that \$2,500,000 be made available upon Board approval of this report to complete these projects. Additionally, there is a funding gap of \$7,500,000 for parks still in development and staff is recommending that \$7,500,000 be applied to these parks on a project by project basis subject to RAP Board approval.

Pool Replacement and Refurbishment - \$6,000,000

Aquatics programming is one of the largest recreation components in RAP’s operations. RAP operates over 40 pools on a seasonal basis and 17 pools year-round. Over 1,000,000 patrons utilize RAP pools every year. However, many of RAP’s pools are in need of refurbishment. Staff is recommending that \$6,000,000 be utilized to refurbish 109th Street pool located in Council District # 15 in South Los Angeles. Design plans were completed, the project was previously ready for construction but funding was rescinded by Council due to the City’s financial difficulties.

FY 2012-13 Summer Programming and Year Round Pool Operation - \$2,000,000

RAP provides programming for hundreds of thousands of youth each summer. Programming is primarily offered through Summer Day camps, aquatics at pools and sports leagues. Much of RAP’s summer programming follows the opening and closing of the Los Angeles Unified School District’s (LAUSD) calendar (when a majority of youth is out of school). This fiscal year LAUSD students returned to school two weeks earlier than normal and RAP had planned to close the seasonal pools on August 12, however, at the request of City Council, RAP extended the pool season until Labor Day (September 3, 2012). Additionally, RAP will maintain year-round operation of Peck Park, Humphrey and Glassell pools. LAUSD will also close the school

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year during the last week of May in calendar year 2013. In order, to provide summer programming to youth, RAP will begin its summer programs in early June 2013 (approximately 3-4 weeks earlier than usual). Due to changes in LAUSD's school calendar, the 2012 extended summer aquatics season and the continuation of year-round operation of three pools, staff is recommending \$2,000,000 be appropriated to Account 1070 – Salaries, As-Needed.

FY 2012-13 Budget Requirement - \$3,834,000

As part of our FY 2012-13 budget, RAP was directed by Mayor and Council to allocate \$3.834 million from the RAP UUFB as a funding source to our adopted budget.

FISCAL IMPACT STATEMENT:

During FY Year 2011-2012, RAP did not expend all its budgeted general funds. This was primarily due to a hiring freeze which created a surplus in RAP's salary accounts. Additionally, RAP had an unexpected surplus in revenue and some expense accounts. At the end of the fiscal year, these funds reverted to the UUFB and are available for re-appropriation this year. The appropriation of funds from the UUFB will have a positive impact on the RAP General Fund. The \$3,834,000 transferred to the RAP General Fund will be appropriated to revenue to support RAP General Funded operations and the appropriation to the special funds will support unfunded deferred maintenance, the development of additional parks and the refurbishment of the 109th Street Pool.

This report was prepared by Noel Williams, Chief Management Analyst, Finance Division.