

APPROVED
07-13-2016

BOARD OF RECREATION
& PARK COMMISSIONERS

BOARD REPORT

DATE July 13, 2016

NO. 16-154

C.D. ALL

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: **PERSHING SQUARE PARK AND GARAGE - ESTABLISHMENT OF A SPECIAL FUND AND TRANSFER OF APPROPRIATIONS**

AP Diaz	_____	V. Israel	_____
*R. Barajas	_____	K. Regan	_____
H. Fujita	_____	N. Williams	<u>NDW</u>



General Manager

Approved ✓ Disapproved _____ Withdrawn _____

RECOMMENDATIONS

1. Adopt a Resolution, herein included as Attachment 1, to establish an interest bearing Special Fund for Pershing Square Park and Garage to be effective August 1, 2016;
2. Authorize the Department of Recreation and Parks' (RAP) Chief Accounting Employee to establish new Pershing Square Park and Garage appropriation accounts and transfer appropriations within the fund on an as-needed basis for operation of Pershing Square Park and Garage;
3. Authorize RAP's Chief Accounting Employee to transfer existing funds from various accounts as detailed in Attachment 2 to the newly established Special Fund for Pershing Square Park and Garage; and,
4. Authorize the Department's Chief Accounting Employee to make technical corrections necessary to implement the intent of this Report.

SUMMARY

Pershing Square Park is one of the City of Los Angeles RAP's oldest parks. Park operations are funded by parking garage revenues. The Pershing Square Parking Garage (Garage) is a three-story underground public parking facility, located directly under Pershing Square Park. The Garage, constructed in 1950, was leased for fifty (50) years to a private operator. In September 2000, at the end of the long-term lease, RAP assumed self-operation of the Garage.

The Department of General Services (GSD), under a Memorandum of Understanding with RAP, carries out daily garage management and operations. In addition to funding Garage operations, Garage revenues (Revenues) provide enhanced funding for park maintenance, park programs, and special events, security in the Downtown/Metro area and capital improvements. Revenues also provide funding for youth programming for youth and families within a five-mile radius of Pershing

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Square Park.

RAP staff is proposing to establish a new Special Fund for Pershing Square Park and Garage in order to capture all financial transactions in one separate fund. Currently, revenue and expenditures are recorded in separate funds. The establishment of this Special Fund will allow RAP to more clearly monitor the financial performance of the Pershing Square Park and Garage.

A description of the new accounts is outlined below:

1. Pershing Square Park Operations – A Pershing Square Park Operations Account will be established to deposit all revenue generated by the Pershing Square Park. Salaries, supplies, services and other related expenses will be expended from this account for Pershing Square Park operations and programming.
2. Pershing Square Parking Garage Operations – A Pershing Square Parking Garage Operations Account will be established to deposit all revenues generated by the Pershing Square Parking Garage. Salaries, supplies, services and other related expenses will be expended from this account for Pershing Square Parking Garage operations.
3. Pershing Square Parking Garage and Park Operations Emergency Contingency – A Pershing Square Parking Garage and Park Operations Emergency Contingency Account will be established to provide interim funding for both Garage and Park operations in the event of unexpected needs, problems and emergencies.
4. Pershing Square Capital Improvements – A Pershing Square Capital Improvement Account will be established to collect and record transactions related to capital improvements for both the Pershing Square Park and the Garage.
5. Pershing Square Project Renew – Environmental, Design, and Construction – A Pershing Square Project Renew Account will be established to collect and record transactions related to Pershing Square Project Renew.

Sub-Accounts will be established to capture more detailed information on an as-needed basis.

FISCAL IMPACT STATEMENT

Establishment of this Special Fund will have no negative impact on RAP's General Fund.

This Report was prepared by Noel Williams, Chief Financial Officer, Finance Division.

LIST OF ATTACHMENTS

- 1) Proposed Resolution
- 2) List of Transfers Between Funds and New Accounts

RESOLUTION NO. _____

WHEREAS, Pershing Square Parking Garage revenues provide funding for park operations and maintenance, park programs, special events, security services in the Downtown/Metro area, and capital improvements;

WHEREAS, Pershing Square Parking Garage revenues also provide funding for youth programming for youth and families within a five-mile radius of Pershing Square Park;

WHEREAS, the establishment of a new Special Fund would capture all financial transactions to clearly monitor the financial performance of the Pershing Square Park and Garage;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Recreation and Park Commissioners, authorizes the establishment of an interest-bearing Special Fund for Pershing Square Park and Garage to be effective August 1, 2016;

BE IT FURTHER RESOLVED, that the Board of Recreation and Park Commissioners authorizes the Chief Accounting Employee to establish the following Pershing Square Park and Garage appropriation accounts, and transfer appropriations within the Special Fund on an as-needed basis for operation of the Pershing Square Park and Garage;

1. Pershing Square Park Operations – A Pershing Square Park Operations Account shall be established to deposit all revenue generated by the Pershing Square Park. Salaries, supplies, services and other related expenses shall be expended from this account for Pershing Square Park operations and programming.
2. Pershing Square Parking Garage Operations – A Pershing Square Parking Garage Operations Account shall be established to deposit all revenues generated by the Pershing Square Parking Garage. Salaries, supplies, services and other related expenses shall be expended from this account for Pershing Square Parking Garage operations.
3. Pershing Square Parking Garage and Park Operations Emergency Contingency – A Pershing Square Parking Garage and Park Operations Emergency Contingency Account will be established to provide interim funding for both Garage and Park operations in the event of unexpected needs, problems and emergencies.
4. Pershing Square Capital Improvements – A Pershing Square Capital Improvement Account will be established to collect and record transactions related to capital improvements for both the Pershing Square Park and the Garage.
5. Pershing Square Project Renew – Environmental, Design, and Construction – A Pershing Square Project Renew Account will be established to collect and record transactions related to Pershing Square Project Renew.

BE IT FURTHER RESOLVED, that Sub-Accounts within the Special Fund for the Pershing Square Park and Garage shall be established to capture more detailed information on an as-needed basis;

RESOLUTION NO. _____

BE IT FURTHER RESOLVED, that the Board of Recreation and Park Commissioners authorizes the Chief Accounting Employee to transfer existing funds from the following various accounts to the newly established Special Fund for Pershing Square Park and Garage:

FROM:

• Fund 301-88, Account 88012M	\$1,000,000.00
• Fund 302-89, Account 89810M	2,425,000.00
• Fund 302-89, Account 89810M	2,500,000.00
• Fund 302-89, Account 89811M	917,607.00
• Fund 302-89, Account 89812M	1,300,000.00
• Fund 302-89, Account 89704H	<u>297,338.00</u>
Total Transfers:	\$8,439,945.00

TO:

• Fund 302-88, Account 4147 – Metro Ranger Program	\$1,000,000.00
• New Pershing Square Operations Account	2,425,000.00
• New Pershing Square Parking Garage Operations Account	2,500,000.00
• New Pershing Square Parking Garage and Park Operations Emergency Contingency Account	917,607.00
• New Pershing Square Capital Improvements Account	1,300,000.00
• New Pershing Square Project Renew – Environmental, Design and Construction Account	<u>297,338.00</u>
Total Transfers:	\$8,439,945.00

BE IT FURTHER RESOLVED, that the Board of Recreation and Park Commissioners authorizes the Chief Accounting Employee to make technical corrections as necessary to those transactions referenced herein to carry out the intent of the transfers and establishment of the new Special Fund.

I HEREBY CERTIFY, that the foregoing is a full, true and correct copy of a Resolution adopted by the Board of Recreation and Park Commissioners of the City of Los Angeles at its Regular Meeting held on _____ (Board Report No. _____).

ARMANDO X. BENCOMO, BOARD SECRETARY

RESOLUTION NO. _____

ATTACHMENT 2

Department of Recreation and Parks (RAP)
 Transfers Between Funds and New Accounts
 Pershing Square Park and Garage Special Fund

From Account	To Account	Amount	Description
Fund 301-88-88012M	302-88-4147	\$ 1,000,000	Metro Ranger Program
Fund 302-89-89810M	Fund XXX-89-89XXXX	\$ 2,425,000	Pershing Square Park Operations
Fund 302-89-89810M	Fund XXX-89-89XXXX	\$ 2,500,000	Pershing Square Parking Garage Operations
Fund 302-89-89811M	Fund XXX-89-89XXXX	\$ 917,607	Pershing Square Parking Garage and Park Operations Emergency Contingency
Fund 302-89-89812M	Fund XXX-89-89XXXX	\$ 1,300,000	Pershing Square Capital Improvements
Fund 302-89-89704H	Fund XXX-89-89XXXX	\$ 297,338	*Pershing Square Project Renew-Environmental, Design and Construction
Total Transfers		\$ 8,439,945	

*These funds were transferred from Council District 14 to a RAP interim account until a new Pershing Square Park Fund could be established.