

REPORT OF GENERAL MANAGER

NO. 05-179

DATE June 15, 2005

C.D. ALL

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: APPROPRIATION FROM SALARIES GENERAL ACCOUNT (1010) IN FUND 302 TO VARIOUS ACCOUNTS IN THE DEPARTMENT OF RECREATION AND PARKS AND OTHER ACTIONS IN ACCORDANCE WITH FY 2004-05 YEAR-END FINANCIAL ADJUSTMENTS REPORT

H. Fujita _____	K. Regan _____
J. Kolb _____	J. Combs _____
S. Huntley _____	B. Jensen _____
*F. Mok <u>F.M.</u>	

  
 \_\_\_\_\_  
 General Manager

Approved \_\_\_\_\_ Disapproved \_\_\_\_\_ Withdrawn \_\_\_\_\_

RECOMMENDATIONS:

That the Board,

1. Approve the appropriation of \$550,000 in Fund 302, Department 88, to various accounts as follows:

FROM:	Account 1010 – Salaries General	\$550,000
TO:	Account 1090 – Salaries Overtime	\$426,000
	Account 1100 – Hiring Hall Salaries	20,000
	Account 1120 – Hiring Hall Benefits	6,000
	Account 2120 – Printing & Binding	1,000
	Account 3160 – Maint. Materials, Supplies	43,000
	Account 6010 – Office & Admin. Expense	7,000
	Account 7350 – Other Operating Equipment	<u>47,000</u>
		\$550,000

2. Reduce Appropriation in Fund 302, Department 88, Salaries General Account No. 1010 by \$2,300,000 and make a corresponding reduction to the budgeted revenue estimate, necessitated by an anticipated year-end revenue shortfall in Fund 302;
3. Authorize the transfer of \$94,025 from Fund 302, Department 88, to Fund 760, Department 50, Sewer Construction and Maintenance Fund, Account W782 – Expense and Equipment Sanitation Pro, for sewer repair work performed at Lincoln Park; and

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4. Reduce Appropriation to Fund 302, Department 88, Salaries General Account No. 1010 by \$1,255,750 and recognize an increase in appropriation to Fund 100, Department 54, Capital Improvement Expenditure Program to the following accounts:

<b>Account No.</b>	<b>Account Name</b>	<b>Amount</b>
New	RAP – Hollenbeck Park Bridge	\$450,000
New	RAP – Echo Park Bridge	120,000
New	RAP – Denker Recreation Ctr. Field Lights	150,000
New	RAP – Rancho Cienga Restrooms	150,000
New	RAP – Lummis House Garage Roof	50,000
New	RAP – South Park Field Restroom	150,000
New	RAP – Point Fermin Park Fencing	50,000
New	RAP – Van Nuys Sherman Oaks Floor	40,000
New	RAP – Sun Valley Recreation Ctr. Floor	52,000
New	RAP - Ritchie Valens Parking Lot	<u>43,750</u>
		\$1,255,750

### SUMMARY:

On May 31, 2005, the Budget and Finance Committee of the City Council adopted recommendations contained in the Year-End Adjustment and Financial Status Report prepared by the City Administrative Officer (CAO). The CAO recommendations that pertain to this Department were prepared based on year-end expenditure and revenue projections as submitted by Department staff in the April 2005 Financial Status Report (FSR).

Based on the April 2005 FSR, Department staff has projected a year-end surplus in the 1010 Full-Time Salaries Account of \$4.75 million. This surplus reflects a nearly 24% vacancy rate in the Department's full-time positions, largely kept vacant due to the City's managed employment process. Partially offsetting this surplus are projected year-end deficits in overtime and hiring hall salaries, as well as in expense and equipment accounts, totaling \$550,000 (see Recommendation #1). These account deficits are primarily attributable to emergency repair work necessitated by the 2004/05 winter storms, operation and maintenance requirements for new and unfunded parks and facilities, such as the Augustus F. Hawkins Nature Park, as well as delays in the proposed consolidation of security services into the General Services Department.

The 2004/05 winter storms have also severely impacted the Department's revenue generating programs and services. Based on revenue data through April 30, 2005, Department staff project a year-end revenue shortfall of approximately \$2.3 million. Due to this anticipated shortfall in revenues, the CAO has recommended that the Department's appropriation authority and revenue be reduced by \$2.3 million (see Recommendation #2).

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In July 2004, the Bureau of Sanitation provided emergency repairs to the main sewer line at Lincoln Park. This included running a new sewer line from within 20 feet of the park property line into Valley Blvd. and across to the main City sewer line. The emergency contractor performed the work in approximately one week and the recreation center was closed to the public for five days. Had the Bureau not assisted the Department with this work through use of their emergency contractor, the repair work would have taken considerably longer and would have delayed the opening of the swimming pool for the summer. A transfer from Recreation and Parks to the Bureau of Sanitation totaling \$94,025 is therefore included to fully reimburse the Bureau for the cost of these services (see Recommendation #3).

In addition to the abovementioned transfers between funds, departments and accounts, as well as the appropriation and revenue reduction, the CAO has also recommended that \$1.255 million be transferred from the Department's budgetary accounts to the Capital Improvement Expenditure Plan to fully fund health, safety and other repairs for capital projects as described below:

**Hollenbeck Park Bridge (\$450,000)** - Funds will be used to re-enforce the steel bridge supports in order to bring this bridge back into use for the community. The bridge is located on the lake in Hollenbeck Park in the Boyle Heights community. This bridge has been closed to the public since 2002 after a routine inspection found that the support system had cracks.

**Echo Park Bridge (\$120,000)** - Funds will be used to enlarge the span of the bridge to accommodate usage demands. This project will also repaint the bridge to its original, historic colors, as requested by the community. This project is supported by the local neighborhood council and preservation groups.

**Denker Recreation Center Field Lights (\$150,000)** - Funds for this project will re-connect the electrical power to the ball field from the new gymnasium. The electrical conduit was severed during construction of the new gym. As the contractor walked off the job and the General Services Department finished the project, funds were not available to complete this portion of the project.

**Rancho Cienega Restrooms (\$150,000)** - Funds for this project will provide for lighting, paint, plumbing fixtures, and other health/safety repairs for the field restroom building adjacent to the Jackie Robinson Stadium. This field is used heavily by both the Los Angeles Unified School District (LAUSD) and the Department for recreation and other programs.

**Lummis House Garage Roof (\$50,000)** - Funds will be used to replace the roofs on the garage buildings at this Historic Landmark in the Arroyo Seco. The work includes asbestos abatement, wood roof repairs and new roofing materials.

**South Park Field Restroom (\$150,000)** - Will provide for plumbing, electrical, tile work and

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other health/safety repairs.

**Point Fermin Park Fencing (\$50,000)** – The requested funding will allow for the repair and replacement of fencing at Point Fermin Park. This request is essential to ensure the safety of children and families that utilize this park.

**Van Nuys Sherman Oaks Recreation Center Hardwood Floor (\$40,000)** – Will provide hardwood flooring for the new multipurpose room in the refurbished portion of the building.

**Sun Valley Recreation Center Floor Replacement (\$52,000)** – Will provide for replacement of deteriorated gym flooring that was further damaged by the recent storms (\$35,000 for wood flooring and \$17,000 for tile flooring replacement).

**Ritchie Valens Parking Lot Refurbishment (\$43,750)** – Will provide funding for the refurbishment of this parking lot, including replacement of concrete curbs.

The Department anticipates that work for the abovementioned projects will be performed through use of both City and contractor construction forces. Given that this funding is being made available at the end of FY 2004-05, the Department will request that any uncommitted funding for the above projects be re-appropriated in FY 2005-06.

**FISCAL IMPACT STATEMENT:**

Transfers totaling \$1,899,775 are recommended in this report to offset deficits in Department budgetary accounts, reimburse the Bureau of Sanitation for emergency sewer repairs, and to fully fund health and safety repairs for Recreation and Parks capital projects. An appropriation and revenue reduction totaling \$2.3 million is also recommended to reflect a projected year-end revenue shortfall, largely due to the 2004/05 winter storms. The recommendations in this report are consistent with the City's Financial Policies.

This report prepared by Neil Guglielmo, Chief Management Analyst.