

BOARD REPORT

NO. 23-019

DATE January 05, 2023

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

B. Aguirre	_____	M. Rudnick	_____
H. Fujita	_____	C. Santo Domingo	_____
B. Jackson	_____	* N. Williams	<u>NDW</u>



 General Manager

Approved _____ Disapproved _____ Withdrawn _____

RECOMMENDATIONS

1. Adopt the Resolution attached hereto as Attachment 1 authorizing the appropriations in the amount of Sixteen Million Two Hundred and Thirty Thousand Dollars (\$16,230,000.00) from Recreation and Parks Fund 302, Department 88 as follows:

FROM:

Unreserved and Undesignated Fund Balance (UUFB)	\$16,230,000.00
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TO:

Account 1070 – Salaries, As-Needed	\$10,000,000.00
Account 3040 – Contractual Services	5,500,000.00
Account 3330 – Utilities Expense	520,000.00
Account 8304 – Refuse Collection Services	<u>210,000.00</u>
Total	\$16,230,000.00

2. Authorize the Department of Recreation and Parks' (RAP) General Manager, Chief Accounting Employee, or their respective designee to make technical corrections as necessary, consistent with the intent of this Report.

SUMMARY

Budgeted funds appropriated to RAP that are uncommitted or unencumbered at the end of the Fiscal Year (FY) revert to RAP's UUFB. UUFB funds are also made available due to disencumbered items from prior years, residuals due to discounts later received, items not delivered, closing of inactive accounts, etc.

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UUFB funds are generally used to meet urgent and/or unforeseen funding needs, or are re-appropriated in the current FY for uses that were authorized in a prior year. The Board of Recreation and Park Commissioners (Board) authorizes appropriations from the UUFB for a variety of purposes in accordance with Charter Section 343(b). The following appropriations are being recommended to meet current operational needs in FY 2022-23.

Salaries, As-Needed - \$10,000,000.00

RAP anticipates additional appropriations in the amount of \$10,000,000 are needed in the Salaries As-Needed account due to shortage of full-time employees required for fire watches and response to emergency situations, shelter activations, extreme weather response, response to homeless encampments, safety compliance, as well as other unexpected or unbudgeted service and event needs. Although RAP has been working hard and aggressively to hire critically needed full-time employees, the shortage in full-time personnel persists as a result of retirements, transfers, promotions, etc. RAP currently has over 300 vacant full-time RAP general funded positions.

Contractual Services - \$5,500,000.00

Additional funding is needed in the contractual services account to cover the following various operational costs in the current fiscal year:

Security Services (\$400,000):

RAP needs additional contractual services funding in the amount of \$400,000 to cover security costs at various RAP facilities. Many of RAP's facilities have requested security services including but not limited to 109th Street Pool, Algin Sutton Recreation Center, Cabrillo Marine Aquarium, and the EXPO Center. This additional funding is needed to cover these security costs.

Information Technology Agency's (ITA's) Communication Service Requests (CSRs) (\$250,000):

Additional funding in the amount of \$250,000 is needed to cover the cost of ITA's CSRs. RAP continues to pay ITA for their services as RAP has done in prior years. ITA provides technical support to RAP for services including but not limited to City Network Interconnections, Internet service, network port activations, programming costs for radios and security camera system support through CSRs, many of which were needed as a result of vandalism. This additional funding is needed to pay ITA for their continued services.

Fire, Life and Safety (\$350,000):

Funding in the amount of \$350,000 is needed to support Fire, Life and Safety functions. Additional inspections and repairs are needed as a result of activating child care facilities as well as reactivating other RAP facilities that were closed during the COVID-19 pandemic as RAP resumes full operations

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Brush Clearance (\$3,000,000):

Funding for Brush Clearance in the amount of \$3,000,000 is needed to be reappropriated from last fiscal year to cover RAP's brush clearance costs. Brush clearance invoices from the previous fiscal year were paid in the current fiscal year, resulting in a shortage of brush clearance funding for the current year.

Sepulveda Basin Survey (\$1,000,000):

Funding in the amount \$1,000,000 is needed for the Sepulveda Basin survey. The City of Los Angeles and the US Army Corps of Engineers (USACE) have had a lease in place for the use of a portion of the Sepulveda Basin since 1966. During this time, the lease has been amended to add or remove acreage from the agreement six times. Under this lease, RAP is responsible for the construction, operations, and maintenance of a large portion of the Sepulveda Basin. The current lease expires in 2042. RAP is currently in discussions with USACE on the development of a new lease agreement for the Sepulveda Basin. As a part of the development of that new lease agreement, the USACE has indicated that there is a need for updated survey information in order to appropriately delineate the boundaries of the proposed lease area as well as existing easements, leases, permits, and licenses. The Department of Public Works Bureau of Engineering (BOE) is currently managing the development of the Sepulveda Basin Vision Plan, which will imagine the future of the more than 2,000-acre Sepulveda Basin. As a part of that project, BOE has engaged with a consultant team that will support the development of the Sepulveda Basin Vision Plan. The consultant team has identified a scope of work for the necessary survey services, which would include an aerial survey, plotting of easements, and a boundary survey. This survey data and information will support both the Sepulveda Basin Vision Plan as well as the proposed new lease agreement.

Equipment Division Operations (\$500,000):

Funding in the amount of \$500,000 is needed for the Equipment Division. This funding is needed to cover the cost of vehicle rentals as RAP awaits vehicle replacements, the increased costs of portable toilets, and the cost of elevator services which include inspection and repair costs at multiple locations. Elevators are inspected once a month.

Utilities Expense - \$520,000.00

Funding for the Utilities Expense account is necessary as water and electricity rates have been increased by the Department of Water and Power (DWP). There was a 10.6% increase for water costs and another 4% increase for electricity costs. RAP requires additional funding in this account to be able to pay the utility bills in the current fiscal year.

Refuse Collection Services - \$210,000.00

Funding for the Refuse Collection Services account is necessary as RAP's refuse collection costs continue to rise due to rate increases and additional demand at high-need RAP sites. The

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existing budget for refuse collection is not sufficient to cover the increasing costs this fiscal year. RAP requires additional funding in this account to be able to pay the refuse collection bills in the current fiscal year.

FISCAL IMPACT

The appropriation of \$16,230,000 is needed in FY 2022-23 to support RAP's operations as described in this Report.

STRATEGIC PLAN INITIATIVES AND GOALS

Approval of this Report advances RAP's Strategic Plan by supporting:

Goal No. 6: Build Financial Strength & Innovative Partnerships

Outcome No. 1: RAP's operating budget meets the needs of the park system for all Angelenos

This Report was prepared by Charles Wilkie, Senior Management Analyst I, Finance Division.

ATTACHMENT:

1) Resolution

RESOLUTION NO. _____

WHEREAS, the Department of Recreation and Parks (RAP) anticipates additional appropriations needed in its Salaries, As-Needed account in the amount of \$10,000,000 due to shortage of full-time employees required for fire watches and response to emergency situations, shelter activations, extreme weather response, response to homeless encampments, safety compliance, as well as other unexpected or unbudgeted service and event needs; and

WHEREAS, RAP anticipates additional appropriations needed in its Contractual Services account in the amount of \$5,500,000 as needed to support RAP’s security services, ITA support costs, Fire, Life and Safety expenses, Brush Clearance activities, the Sepulveda Basin survey, and the Equipment Division operations; and

WHEREAS, RAP anticipates additional appropriations needed in its Utilities Expense account in the amount of \$520,000 as needed to address utility rate increases; and

WHEREAS, RAP anticipates additional appropriations needed in its Refuse Collection Services account in the amount of \$210,000 as needed to cover RAP’s increasing refuse collection costs; and

WHEREAS, the requested appropriations from the Unreserved and Undesignated Fund Balance (UUFB) are needed to provide the funds noted above for the Salaries, As-Needed account, Contractual Services account, Utilities Expense account and Refuse Collection Services account to meet RAP’s operational needs;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Recreation and Park Commissioners (Board), subject to approval by the Mayor, authorizes the appropriations from Fund 302, Department 88 to various accounts as follows:

FROM:

Unreserved and Undesignated Fund Balance (UUFB)	\$16,230,000.00
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TO:

Account 1070 – Salaries, As-Needed	\$10,000,000.00
Account 3040 – Contractual Services	5,500,000.00
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Total	\$16,230,000.00

BE IT FURTHER RESOLVED, that the Board authorizes RAP’s General Manager, Chief Accounting Employee, or their respective designee to make technical corrections as necessary to those transactions referenced herein to carry out the intent of these resolutions.

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 January 5, 2023 (Board Report No. _____). .

TAKISHA SARDIN, BOARD SECRETARY

RESOLUTION NO. _____