

APPROVED
 AUG 09 2006
 BOARD OF RECREATION
 and PARK COMMISSIONERS

REPORT OF GENERAL MANAGER

NO. 06-238

DATE August 9, 2006

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

J. Combs _____ J. Kolb _____
 H. Fujita _____ *F. Mok *f.m.* _____
 S. Huntley _____ K. Regan _____
 B. Jensen _____ M. Shull _____

Robert Jensen (for)

 General Manager

Approved _____ Disapproved _____ Withdrawn _____

RECOMMENDATION:

That the Board:

1. Subject to approval by the Mayor, approve the appropriation of \$3,452,207.00 in Fund 302, Department 88, to various accounts as follows:

FROM: Unreserved & Undesignated Fund Balance	\$3,452,207.00
TO: Account A132 – Information Technology Agency	\$88,046.00
Account 1070 – Salaries As-Needed	360,700.00
Account 1090 – Salaries Overtime	1,200,000.00
Account 2130 – Travel Expense	3,095.00
Account 3040 – Contractual Services	713,469.87
Account 3160 – Maint. Materials & Supplies	34,000.00
Account 3310 – Transportation	30,000.00
Account 6010 – Office and Administrative	276,300.00
Account 6020 – Operating Supplies	51,000.00
Account 6030 – Leasing	12,000.00
Account 7300 – Furniture, Office & Tech. Equip.	248,596.13
Account 7340 – Transportation Equipment	260,000.00
Account 7350 – Other Operating Equipment	<u>175,000.00</u>
	\$3,452,207.00

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2. Authorize the General Manager to reserve \$1.25 million in the Unreserved and Undesignated Fund Balance as part of our Fiscal Year 2006-07 budget as directed by Mayor and Council and to work with the Controller's Office to meet our budget mandate; and,
3. 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 which are uncommitted or unencumbered at the end of the fiscal year revert to the Department's Unreserved and Undesignated Fund Balance (UUFB) and are used to meet urgent, unforeseen Department funding needs. The Board authorizes appropriations from the UUFB for a variety of purposes, subject to approval of the Mayor in accordance with Charter Section 343(b). The following transfers are being recommended to meet currently urgent and unfunded needs:

Low Draft, Aquatic Service Vehicle, "Cookie Cutter" (Machado Lake) – Account 7350 - \$175,000.00 -- Activity Code 2725

This fund transfer was previously approved in Fiscal Year 2005-06 in Board Report No. 06-119. However, the Department was unable to purchase the equipment due to year-end procurement and accounting restrictions. Therefore, the funds reverted to the UUFB. The transfer of funds is needed to purchase a low draft, flat bottom, lake maintenance, watercraft "Cookie Cutter" to be used at Machado Lake.

Forestry Division – 75 foot Aerial Tower Truck - Account 7340 - \$250,000.00 -- Activity Code 0610

This fund transfer was previously approved in Fiscal Year 2005-06 in Board Report No. 06-31. However, the Department was unable to purchase the equipment due to environmental regulations which slowed the procurement process and which we are working with the Department of General Services to address. Therefore, the funds reverted to the UUFB. The transfer of funds is needed to purchase a 75 foot Aerial Tower Truck for our Forestry Division.

Communication Service Requests (CSRs) - Account A132 - \$41,000.00 -- Activity Code 0500

The transfer of funds is needed to cover CSRs through the Information Technology Agency (ITA). ITA provides telephone, data, and other communications services to all City Departments, either directly or through contracts they administer. Departments are required to pay in advance for changes, enhancements, or new installations of communications equipment prior to the acceptance of a work order. There is currently no funding in Account A132 with ITA to process our CSRs.

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FY 06-07 Budget Requirement - \$1,250,000.00

As part of our Fiscal Year 2006-07 approved budget, this Department was directed by Mayor and Council to allocate \$1.25 million from the Recreation and Parks UUFB as a funding source to our adopted budget. This item is presented for approval for us to reserve these monies and to work with the Controller's Office to take the necessary actions to meet our budget mandate.

Public Safety Training - Account 6010 - \$50,000.00 - Activity Code 0590

Various types of safety training are needed for our Construction staff. Some of this training aids us in meeting CAL/OSHA standards. \$50,000.00 is requested for training in scaffolding, aerial lift, trenching/shoring, and confined space.

West Region Bleacher Replacement - \$319,566.00 - Activity Code 2915

Account 7300	\$ 248,596.13
Account 3040	<u>70,969.87</u>
	\$ 319,566.00

This fund transfer was previously approved in Fiscal Year 2005-06 in Board Report No. 06-31. However, the Department was unable to complete the replacement of these bleachers. Therefore, the funds reverted to the UUFB. The transfer of funds is needed for the outdoor bleachers at Rancho Cienega.

Hollywood Sign Security System - \$53,546.00 - Activity Code 0201

Account A132	\$ 47,046.00
Account 3040	<u>6,500.00</u>
	\$ 53,546.00

The transfer of funds is needed for the Hollywood Sign Security System. Recent vandalism to this sign has inspired media attention, which has prompted Council District Office No. 4 to request action from the Department. Funds are needed for installation and service charges from ITA to purchase and install a router, and to physically move the Sign system from our Rangers location and reconnect at the General Services Department (GSD) dispatch.

Harbor Regional Park (Machado Lake) - Account 3040 - \$36,000.00 - Activity Code 2726

The transfer of funds is needed to pay for work by the California Conservation Corps. Staff is currently working on a Memorandum of Agreement with the California Conservation Corps for

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them to clear aquatic vegetation and dense under-story to create a ten foot wide channel along the west and southwest shores at Machado Lake where water craft are not able to gain access. Said channel will improve water flow and allow access to vector control staff to perform mosquito control activities and will improve the overall health of the lake.

Novell Licensing - Account 6020 - \$51,000.00 - Activity Code 0516

The transfer of funds is needed to cover the annual maintenance licensing fee for the Department's entire Novell network. This will ensure licensing compliance in accordance with Federal law. Due to the large number of users, the purchase of a Master Licensing Agreement (MLA) for Novell Netware, GroupWise e-mail and Anti Virus software is needed, thus availing the Department of access to upgrades and maintenance assistance.

Asset/Bldg Maintenance System - \$350,000.00 - Activity Code 0516

Account 3040	\$ 200,000.00
Account 6010	<u>150,000.00</u>
	\$ 350,000.00

This fund transfer was previously approved in Fiscal Year 2005-06 in Board Report No. 06-54. The General Services Department (GSD) is currently in the selection process for a vendor for this contract and the Department will be piggy-backing onto their contract. Since GSD has not completed its vendor selection our funds reverted back to the UUFB. These funds need to be reappropriated for use this fiscal year. The transfer of funds is needed for the Department's Asset/Building Maintenance System.

Property Management (Leasing) - Account 6030 - \$12,000.00 - Activity Code 0912

The Property Management account is used by the Department to pay property taxes on various tracts of land owned by the Department outside of the City of Los Angeles such as the San Bernardino and Sierra Nevada Mountain Camp sites and properties in Mono County. The funding in this account has remained the same for some time despite the continued increase of property taxes. Therefore, more funding is necessary to meet our property tax obligations.

Transportation - Account 3310 - \$30,000.00 - Activity Code 0500

The transfer of funds is necessary to reimburse costs for employee mileage. The Transportation Expense account's budget has remained unchanged for a number of years, however, the mileage allowance has increased during this time. Currently, the mileage rate payout is 44.5 cents per mile traveled, from 36 cents in 2003.

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Overtime - Account 1090 - \$1,200,000.00

Due to the nature of the Department's operations for the public, staff is often required to work holidays and weekends. The Department's overtime salary account is currently facing a structural deficit. This account has not kept up with salary cost of living adjustments and thus provides fewer hours for overtime usage. Our overtime budget is \$396,495, yet we expend over \$1 million towards overtime costs.

Park Restroom Enhancement Program (PREP) - \$394,700.00

Funding for the PREP was eliminated in Fiscal Year 2004-05 Budget but the program has been continued using UUFB funds. Funding was requested in the Fiscal Year 2005-06 Budget but not provided. A fund transfer for \$450,000 was approved in Fiscal Year 2005-06 on Board Report No. 05-291 to continue to support this program. A transfer of funds is needed to continue funding this program in Fiscal Year 2006-07. This will allow the department to clean restrooms one additional time in the afternoon or early evening, at approximately 33 centers. The breakdown by region of funding needed for part-time and maintenance materials expenses are as follows:

<u>Region</u>	<u>Account 1070 Part-Time</u>	<u>Account 3160 Materials and Supplies Expense</u>	<u>Activity Code</u>
Metro	\$48,096.00	\$8,000.00	1901
Valley	\$84,163.00	\$8,000.00	2680
Pacific	\$48,096.00	\$8,000.00	2691
Griffith	\$72,139.00	\$4,000.00	2199
West	<u>\$108,206.00</u>	<u>\$6,000.00</u>	2905
Total	\$360,700.00	\$34,000.00	

Replacement of Horses - Account 7340 - \$10,000.00 - Activity Code 2360

This fund transfer was previously approved in Fiscal Year 2005-06 on Board Report No. 06-31. However, the Department was unable to purchase the horses. Therefore, the funds reverted to the UUFB. The transfer of funds is needed for the Department to purchase these replacement horses.

Computers for Advance Planning Staff - Account 6010 - \$76,300.00 - Activity Code 0516

The transfer of funds from is needed to purchase computer equipment and software for the new Advance Planning staff. Some funding was provided in the Fiscal Year 2006-07 budget for

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computers and a plotter. However, additional equipment and software is needed to support the ten new staff positions. These positions are engineering and architectural positions which require machines that will support drafting software such as Autocad. This additional equipment and software is needed in order for the Advance Planning staff to produce professional output for master planning, facility assessments, and conceptual designs.

Travel for Human Resources Staff - Account 2130 - \$3,095.00 - Activity Code 0590

The transfer of funds is needed to allow the Department's Human Resource staff to attend out-of-town training seminars. These training seminars include topics such as health & safety, networking and various other updates in the Human Resources field which can aid our staff in keeping current with changes in this field.

Griffith Observatory Visitor Access program – Account 3040- \$400,000.00 – Activity Code 7800

The transfer of funds is needed to supplement the funding for the Visitor Access Program at the Griffith Observatory. The Mayor's proposed budget for this program in Fiscal Year 2006-07 is \$600,000.00. Council proposed to add an additional \$600,000.00 for this program during the budget deliberations but funding remained at \$600,000.00. The goal of this program is to manage and mitigate access to the Griffith Observatory and through the surrounding neighborhoods in order to provide a rewarding experience for visitors while addressing concerns of neighbors and other park users. Significant advertising is needed to inform the public of the "timed entrance" ticketing that will be utilized when the facility re-opens. Advertising expenses include radio advertising, ad agency fees, press materials, media management plans and media contract expenses.

FISCAL IMPACT STATEMENT:

The \$4,702,207.00 transfer of funds from UUFB will have no impact on the Department General Fund. Also, \$1.1 million included in this report are for items previously approved in various board reports last fiscal year that need reappropriation and \$1.25 million is a budget mandate item for Fiscal Year 2006-07.

This report was prepared by Regina Adams, Chief Management Analyst, Finance Division, Budget and Accounting Section.