

APPROVED

JUL 12 2006

REPORT OF GENERAL MANAGER

NO. 06-193

DATE July 12, 2006

BOARD OF RECREATION
and PARK COMMISSIONERS

C.D. All

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: KAISER FOUNDATION HEALTH PLAN, INC. "OPERATION SPLASH"
DONATION - RESCISSION OF PREVIOUSLY APPROVED AGREEMENT;
REVISED AGREEMENT CONSISTING OF CASH AND IN-KIND PRODUCTS
FOR CAPITAL IMPROVEMENT SWIMMING POOL PROJECTS
(NORTHRIDGE PARK AND HARVARD PARK) AND FOR THE
ENHANCEMENT OF SUMMER POOL PROGRAMMING CITYWIDE

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

Robert H. Jensen (for)
General Manager

Approved AS Amended Disapproved _____ Withdrawn _____

RECOMMENDATION:

That the Board:

1. Rescind approval granted on May 3, 2006, of a proposed Agreement, between the Department and Kaiser Foundation Health Plan, Inc., for a donation consisting of cash and in-kind products for the construction of physical improvements at the Northridge Pool and Harvard Pool, and the development and implementation of swim programs and community events at various pools throughout the City (Board Report No. 06-102);
2. Approve a revised proposed Agreement, substantially in the form on file in the Board Office, between the Department and Kaiser Foundation Health Plan, Inc., for a donation of \$1,223,096 (Donation) from Kaiser Foundation Health Plan, Inc., for the construction of physical improvements at the Northridge Pool and Harvard Pool, as described in the body of this report, and the development and implementation of swim programs and community events at various pools throughout the City, subject to approval of the Mayor and of the City Attorney as to form;

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3. Direct the Chief Accounting Employee to deposit the Donation accordingly upon receipt of the funds from Kaiser, pursuant to the proposed Agreement and the following allocations:

<u>Donation Component</u>	<u>Amount</u>	<u>Fund and Account</u>
a. Northridge Pool Waterslide	\$300,000	Fund 205/Dept. 88/ Acct YD06
b. Harvard Pool Waterslide	\$300,000	Fund 205/Dept. 88/ Acct YD07
c. Swimming Lesson Sponsorships	\$414,000	Fund 301 - Acct 053M MRP 402 Citywide Aquatics
d. Kaiser Donation Community Events	\$12,000	Fund 301 - Acct 053M MRP 402 Citywide Aquatics
e. Extended Summer Pool Season	\$114,600	Fund 301 - Acct 053M MRP 402 Citywide Aquatics

4. Authorize the Chief Accounting Employee to transfer any available funding between project accounts as necessary, to ensure the successful completion of the capital improvement projects as priority and successful implementation of swimming programs and related community events at various pools throughout the City;
5. Direct the Board Secretary to transmit the proposed Agreement to the Mayor in accordance with Executive Directive No. 3, and to the City Attorney for review and approval as to form; and,
6. Authorize the President and Secretary to execute the Agreement, subject to the necessary approvals.

SUMMARY:

As presented at the meeting of May 3, 2006, and as part of its effort to help communities thrive through its Operation Splash program, Kaiser has offered to assist the Department of Recreation and Parks (Department) by providing much needed funding for the installation of a water slide at the Northridge Park Pool, located at 10058 Reseda Boulevard, Reseda, and another at the Harvard Park Pool, located at 6120 Denker Avenue, Los Angeles, and the enhancement and implementation of swimming programs and community events at various pools Citywide. Their proposed Donation consists of a cash donation of \$1,140,600 and in-kind products valued at \$82,496. The activities proposed to be funded through the Kaiser Donation will provide recreational water activities and related products for both children and adults within each of the fifteen City Council Districts.

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Because the goals of the City coincide with the mission of Kaiser's Community Benefits Program, Operation Splash was developed as a public/private partnership between Kaiser and the Department's Aquatics Division to improve public access to aquatic facilities and swim programs in low-income areas. By facilitating such access, the Department and Kaiser shall work together to build strong bodies through increased physical activity and help diminish the risk of chronic diseases. Program participants will become water-safe in a fun and healthy environment. In addition to the physical benefits of swimming, pool programs deter negative behavior among youth by providing a positive outlet for their energy.

Subsequent to the Board accepting the \$1,223,096 Donation from Kaiser Foundation Health Plan, Inc. (Kaiser), and approving the prior Agreement, Kaiser requested that certain changes be made to the structure of the donation cash payments to the Department, thereby requiring that the revised Agreement be approved by the Board. The Donation amount and components have not changed, and the Agreement, for the most part, remains consistent with the previously approved document; however, the following modifications have been made at Kaiser's request:

1. Instead of the Free Swim Lessons being provided only during the 2006 summer swim season, the lessons will be split between the 2006 and 2007 summer swim seasons; and,
2. Donation cash payments will be made according to the following schedule:
 - a. Within fourteen (14) days of the execution of the proposed Agreement, \$324,000 shall be provided by Kaiser to the Department for the development and implementation of the 2006 summer swim season free swim lessons and events;
 - b. On or before December 1, 2006, \$600,000 shall be provided by Kaiser to the Department for the installation of a water slide at the Northridge Pool and a waterslide at the Harvard Pool; and,
 - c. On or before May 1, 2007, ^{216,600}~~\$216,000~~ shall be provided by Kaiser to the Department for the implementation of the 2007 summer swim season free swim lessons and events.

All other Agreement components remain consistent with that of the previously approved Agreement.

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As proposed by Kaiser, the Department shall allocate the Donation (\$1,140,600 – cash) in the following manner:

A.	Northridge Park Pool Water Slide:	\$ 300,000
B.	Harvard Park Pool Water Slide:	\$ 300,000
C.	Swim Lesson Sponsorships (33 pools):	\$ 414,000
D.	Community Events:	
	Program Kick-Off Event:	\$ 2,000
	Family Fun Day:	\$ 2,000
	Three (3) End of Season Culminating Events:	\$ 8,000
E.	Extended Summer Pool Season	\$ <u>114,600</u>
	(Additional 2 Weeks through September 17, 2006)	
	Total Cash Donation:	\$ 1,140,600

The in-kind product portion of the Donation shall consist of:

A.	Swim Lesson Gear Bags, valued at:	\$ 76,996
B.	Event Banners at selected pools, valued at:	\$ <u>5,500</u>
	Total In-Kind Donation:	\$ 82,496

The physical improvements to be constructed with the funding from this Donation (water slides) were previously approved in connection with the Northridge Park Pool and Bathhouse (W.O. #E170600A) and the Harvard Park Pool and Bath House Project (W.O. #E170601A), which are currently underway and were previously funded by a separate and independent funding source. In order to satisfy an unanticipated funding shortfall and avoid a reduction in the scope of work (deletion of water slides), Kaiser will provide the much needed funds to complete the pool improvement projects as previously designed and approved.

The Swim Lesson Sponsorships will be administered by the Department's Aquatics Division and will be provided at the thirty-two pools specified below:

109 th Street Pool	Griffith Park Pool	Ritchie Valens Pool
Algin Sutton Pool	Harbor Pool	Roosevelt Pool
Banning Pool	Highland Pool	Ross Snyder Pool
Celes King III Pool	Hollywood Pool	Sepulveda Pool
Central Pool	Hubert Humphrey Pool	South Park Pool
Costello Pool	Lincoln Pool	Sun Valley Pool
E.G. Roberts Pool	North Hollywood Pool	Sylmar Pool
Fernangeles Pool	Pan Pacific Pool	Valley Plaza Pool

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Fremont Pool	Pecan Pool	Van Ness Pool
Glassell Pool	Reseda Pool	Yosemite Pool
Green Meadows Pool	Richard Alatorre Pool	

The Department's Aquatics Division anticipates that the number of participants to be served through this Donation will be 16,500 children and adults over the course of the two-year funding period. The swim lesson program shall include the following elements:

- Children's swim lessons: a series of twenty-five (25) minute lessons
- Adult group swim lessons: a two-week session consisting of ten (10) lessons
- Essential Gear Bags provided by Kaiser to all swim lesson participants (one per participant). Gear shall consist of goggles, sunscreen, lip balm, towel, swim suit, and vinyl bag.

The Extended Summer Pool Season component of the Donation shall allow fifteen pools, one in each City Council District, to remain open for an additional two weeks, extending the swim season beyond the normal closing date of September 4 to September 17, 2006. The extended swim season remains for 2006 only. The pools selected for this program are:

Highland Pool	North Hollywood Pool	Sun Valley Pool
Reseda Pool	Hollywood Pool	Granada Hills Pool
Griffith Park Pool	South Park Pool	Lincoln Pool
Van Ness Pool	Algin Sutton Pool	Westchester Pool
Woodland Hills Pool	Valley Plaza Pool	Stoner Pool

To ensure the overall success of each project component specified herein and in the proposed Agreement, Kaiser has requested that the Department be granted flexibility in reallocating and using the Donation. Therefore, it is requested that staff be authorized to transfer necessary funds among the project components and related Department accounts so that the funds are used in the manner most appropriate to maximize the value of the Donation and benefits to the community.

Representatives from Kaiser have met with Department representatives from Aquatics, Real Estate, Marketing and Development, and management and have determined the proposed Agreement to be mutually acceptable.

Kaiser shall be recognized for its contribution through several media and community events that are to be planned among Kaiser and Department staff. These events are to occur prior to, during, and at the end of the summer swim season, which has been designated to be June 23, 2006 through September 17, 2006. The performance of said events shall not interfere with regular Department programming and prescheduled events.

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Staff has determined that the capital improvement projects at both Northridge and Harvard Recreation Center Pools, which include the water slide components to be funded by the Kaiser donation, have been previously exempted from CEQA and a Notice of Exemption has been filed for both projects with the Los Angeles City and County Clerks on June 23, 2005 and February 24, 2006, respectively.

All other actions contemplated in association with the Kaiser Donation would constitute either ongoing operations at the pool facilities that would involve negligible or an expansion of use or temporary events having no permanent effects on the environment and are, therefore, exempt from CEQA pursuant to Article III, Section 1, Classes 1(14) and 4(6) of the City CEQA Guidelines.

Staff has discussed the proposed Agreement and related activities with the Mayor's Office and senior staff, and each supports the proposed project and concurs with staff's recommendations. The Mayor's Office and General Manager have also obtained support for this project from the City Council.

FISCAL IMPACT STATEMENT:

The fiscal impact on the Department associated with this project is that two (2) under-funded capital improvement projects and two seasons of summer swim programming will be able to proceed without the City having to identify additional funds from other funding sources, as the required funds for the proposed improvements and programming will be funded through the proposed Kaiser Donation and previously approved funding sources.

Prepared by Joel Alvarez, Management Analyst II, of the Department's Real Estate and Asset Management Section.