

**APPROVED**

REPORT OF GENERAL MANAGER

APR 16 2008

NO. 08-101

DATE April 16, 2008

**BOARD OF RECREATION  
and PARK COMMISSIONERS**

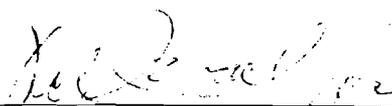
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BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: CONCESSION IMPROVEMENT EXPENDITURE PLAN AND INCREASE OF STAFF EXPENDITURE LIMIT

R. Adams \_\_\_\_\_  
H. Fujita \_\_\_\_\_  
S. Huntley \_\_\_\_\_  
V. Israel \_\_\_\_\_

J. Kolb \_\_\_\_\_  
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K. Regan \_\_\_\_\_  
M. Shull \_\_\_\_\_

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

Approved \_\_\_\_\_

Disapproved \_\_\_\_\_

Withdrawn \_\_\_\_\_

RECOMMENDATION:

That the Board:

1. Approve the Concession Improvement Expenditure Plan as given in the summary of this report, in the amount of \$570,000; and,
2. Approve the increase of staff expenditure limit authority from \$10,000 per transaction to \$25,000 per transaction.

SUMMARY:

The Concessions Unit currently oversees fifty-two (52) agreements which bring in an estimated \$8,000,000 in annual revenue to the Department's General Fund. Ninety percent (90%) of all concession rent is deposited into the Department's General Fund, while the remaining ten percent (10%) is deposited into the Concession Improvement Account and Golf Concession Account to fund various concession-related activities.

The Concessions Unit accomplishes its goals of 1) providing the public with the best and most satisfactory recreational experience from the concessions, and 2) ensuring that the Department receives adequate and appropriate compensation from private concessionaires who operate on park property by utilizing resources partially funded through the Concession Improvement Account and Golf Concession Account.

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Concession Improvement Expenditure Plan

The Concessions Unit requests to utilize funds in the amount of \$570,000 in order to improve the general appearance and attractiveness of the following facilities, and to promote use by the general public.

1. Sherman Oaks Castle Park – Sign \$ 50,000  
A new pole sign is requested by the Region to replace the current sign which has electrical damage due to corrosion and wind damage which has damaged the face plates. The new sign will be more visible to traffic on Sepulveda Boulevard and it will provide greater awareness of the facility, including the Arcade, Batting Cages, and Food Service Concessions.  
Concession Improvement Account: \$50,000  
Golf Concession Improvements Account: 0
  
2. Lincoln Park Carousel – Roof and Drainage Repair \$ 35,000  
During the recent storms, the roof leaked and water collected under and around the carousel. The structure housing the carousel is City-owned property. In order to protect the public and the carousel, repairs to the roof and drainage system are necessary.  
Concession Improvement Account: \$35,000  
Golf Concession Improvements Account: 0
  
3. Westwood Park Tennis Facility – Restroom \$ 35,000  
The Westwood Park Tennis Facility provides lessons to children and adults. The patrons utilize the park restrooms. The Concessionaire has informed the Department of several incidences where patrons, including children, witnessed activities of drug users, prostitutes, and the homeless who share the park restrooms. In order to provide a safe environment, primarily for the children utilizing the tennis facility, a unisex restroom inside the tennis professional shop is requested.  
Concession Improvement Account: \$35,000  
Golf Concession Improvements Account: 0
  
4. Restaurant Equipment Replacement Program \$ 300,000  
The nine golf course restaurants, two Griffith Park snack stands, and Sherman Oaks Castle Park snack stands are operating with City-owned equipment that is aging and obsolete. Frequently needed repairs cause business interruptions, especially on weekends when quick repairs are difficult to obtain by Department maintenance staff or contractors used for emergencies. Reliable

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equipment will improve the effectiveness of the food facilities, provide better service to patrons, and reduce Department maintenance costs.

Concession Improvement Account: \$75,000

Golf Concession Improvements Account: \$225,000

5. Griffith Park Concessions – General Refurbishment \$ 150,000

Due to the recent fires in Griffith Park and natural aging from exposure to the elements, the portions of the structures have a weathered and unattractive appearance. Inspections performed by the Concessions Unit reveal the need to paint, replace damaged wood, improve landscaping, and provide general cosmetic refurbishment. These refurbishments will improve the general appearance and attractiveness; promote the use by the general public; and, increase revenue. Concessions to be improved include: The Merry-Go-Round ticket booth and snack stand; the Pony Ride ticket booth; the Train Ride ticket booth; the Pony Ride Snack Stand and adjacent restrooms; and, the Fern Dell Snack Stand.

Concession Improvement Account: \$150,000

Golf Concession Improvements Account: 0

TOTAL \$ 570,000

Concession Improvement Account: \$345,000

Golf Concession Improvements Account: \$225,000

The proposed expenditures represent approximately seventy percent (70%) of annual funding for the concession accounts. However, as expenditures for the past two years have been for minor repairs, expense items, salaries, and consultants, sufficient funds are available in the concession accounts for the aforementioned improvements.

Concession Improvement Account

Balance as of April 8, 2008	\$ 1,664,365.93
Proposed Expenditures	<u>345,000.00</u>
Remaining Balance	\$ 1,319,365.93

Golf Concession Improvements Account

Balance as of April 8, 2008	\$ 949,532.59
Proposed Expenditures	<u>225,000.00</u>
Remaining Balance	\$ 724,532.59

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### Increase Expenditure Limit Authority

Recent inspections of three concession restaurants by the Los Angeles Fire Department revealed that the fire suppression systems require upgrades costing approximately \$13,000 each. Department staff currently has authority to expend up to \$10,000 per transaction for expense and equipment items in order to respond to emergencies, routine maintenance, and operational needs, and to provide various services to assist the Concessions Unit. Expenditures in excess of \$10,000 require approval by the Board.

As the cost of labor and materials have increased since the Board raised the expenditure limit in 2003 to the current level (Board Report No. 03-211), it is recommended that Department staff authority be increased to \$25,000 per transaction for expense and equipment items. This will ensure that emergencies, routine maintenance, operational needs, and other services which become necessary are addressed in a timely manner.

### FISCAL IMPACT STATEMENT:

There is no impact to the Department's General Fund.

Report prepared by Robert N. Morales, Senior Management Analyst II, Administrative Resources Section, Finance Division