

APPROVED

REPORT OF GENERAL MANAGER

FEB 04 2009

NO. 09-019

DATE February 4, 2009

BOARD OF RECREATION
and PARK COMMISSIONERS

C.D. 3, 8, 13

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: REALLOCATION OF UNEXPENDED RECREATION AND PARKS SPECIAL FUND FROM LANARK POOL REPLACEMENT AND BATHHOUSE RENOVATION PROJECT TO RESEDA POOL REPLACEMENT, BELLEVUE RECREATION CENTER AND MARTIN LUTHER KING JR. THERAPEUTIC CENTER RENOVATION PROJECTS

R. Adams _____	J. Kolb _____
H. Fujita _____	F. Mok _____
S. Huntley _____	K. Regan _____
V. Israel _____	M. Shull <i>MS</i>

[Signature]
General Manager

Approved _____ Disapproved _____ Withdrawn _____

RECOMMENDATION:

That the Board:

1. Direct staff to reallocate the unexpended Recreation and Parks (RAP) Special Fund (originally from Municipal Recreation Program (MRP) Fund) for the Lanark Pool Replacement and Bathhouse Renovation project as follows:

From:

<u>Funding Source</u>	<u>Fund No./ Department No./ Account No.</u>	<u>Fund Amount</u>
Lanark Pool Replacement and Bathhouse Renovation Project RAP Special Fund	302/89/803M-00	\$1,800,000

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To:

<u>Funding Source</u>	<u>Fund No./ Department No./ Account No.</u>	<u>Fund Amount</u>
Reseda Pool Replacement	302/89/845M	\$1,400,000
Bellevue Recreation Center Renovation Project	302/89/846M	\$200,000
Martin Luther King Jr. Therapeutic Center Renovation Project	302/89/847M	\$200,000

2. Authorize the General Manager, or his designee, to make technical corrections, as necessary, to the transactions included in this report.

SUMMARY:

One of the main findings of the “Financial and Compliance Audit of the Department of Recreation and Parks” by the City Controller, concerned the MRP Fund’s balance and growth over the last few years. The Department’s MRP Funds contained 487 sub-accounts and it was determined that a portion of the overall MRP Fund balance could be available for one-time use. It was also determined that best and most critical need for the available balance was the repair of four Department swimming pools. A recommendation was made to transfer funds from these sub-accounts and apply them toward the repair of these four swimming pools and the operational deficits of two of the Department’s pedal boat operations, which was approved by the Board on April 17, 2006 (Board Report No. 06-98). In February 2006, the Mayor directed the Department to reallocate \$5,000,000 from the MRP Fund to cover project shortfalls for the repairs of the four swimming pools. \$1,800,000 was allocated for the Lanark Pool Replacement and Bathhouse Renovation project.

On June 7, 2006, a Cooperation Agreement was approved (Board Report No. 06-147) between the Community Redevelopment Agency and the Department of Recreation and Parks to fund the construction of the Lanark Recreation Center Pool Replacement and Bathhouse Renovations project in the amount of \$1,783,161 which raised the total amount of funding to \$6,256,034 from various funding sources, including the \$1,800,000 from MRP Funds.

This project was awarded to Western Group, Inc., (Board Report No. 06-167) and Final Acceptance of the project was approved on October 17, 2007 (Board Report No. 07-237). This project was completed under budget with a residual balance of \$2,610,065.93. One of the residual balances available for reallocation is that which had been transferred from the MRP Fund in the amount of \$1,800,000.

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Staff would like to reallocate the \$1,800,000 to fund the Reseda Pool Replacement project in the amount of \$1,400,000, Bellevue Recreation Center Renovations project in the amount of \$200,000 and Martin Luther King Jr. (MLK) Therapeutic Center Renovations project in the amount of \$200,000.

The Reseda Pool Replacement project will replace the existing swimming pool. The Bellevue Recreation Center Renovations project includes replacement of the recreation center roof, installation of a new Heating, Air Conditioning and Ventilation (HVAC) system, and mold abatement. The MLK Therapeutic Center Renovations project includes mold abatement, waterproofing, mechanical system repairs, exterior drainage renovations and replacement of damaged drywall.

For the proposed projects at Bellevue Recreation Center and MLK Therapeutic Center, staff has determined that these projects will consist of renovation and mold abatement work to existing facilities with no expansion of use, and, therefore, are Categorical Exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Article III, Section 1(a), Class 1(1, 4) of the City CEQA Guidelines.

For the proposed project at Reseda Pool and Bathhouse, staff has determined that until such time as the full scope of the project has been developed, the transfer of funds is a fiscal activity as is not subject to CEQA pursuant to Section 15378 of the State CEQA Guidelines. When the full scope of the project has been developed for final approval, the appropriate CEQA documentation will be prepared for the Board's consideration.

FISCAL IMPACT STATEMENT:

The approval of this reallocation request will not have any fiscal impact on the Department's General Fund.

This report was prepared by Michael A. Shull, Superintendent, Planning and Development Division, Department of Recreation and Parks.