

REPORT OF GENERAL MANAGER

APPROVED
APR 06 2011
BOARD OF RECREATION
and PARK COMMISSIONERS

NO. 11-107

DATE April 6, 2011

C.D. All

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: REDUCTION OF APPROPRIATION IN RECREATION AND PARKS FUND 302/88, ACCOUNT NO. 1010, SALARIES GENERAL ACCOUNT BY \$2,800,000

R. Adams _____	* N. Williams <u>NW</u>
H. Fujita _____	K. Regan _____
S. Huntley _____	M. Shull _____
V. Israel _____	



 General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATIONS:

That the Board:

1. Subject to the approval of the Mayor, approve the reduction of appropriation within Recreation and Parks Fund 302/88, Account No. 1010, Salaries General by \$2,800,000;
2. Authorize the Chief Accountant Employee to decrease the appropriation in Recreation and Parks Fund 302/88, Account No. 1010, Salaries General by \$2,800,000; and,
3. Authorize the General Manager or his designee to make technical corrections as necessary to the transaction included in this Report to carry out the intent as stated in the Summary of this Report.

SUMMARY:

The Department of Recreation and Parks (RAP) is responsible for operating and maintaining parks, playgrounds, swimming pools, public golf courses, recreation centers, camps, educational facilities, and structures of historic significance, and supervises activities at such facilities. In order to meet its responsibilities the Department is appropriated annually a sum of not less than .0325% of assessed value for all property as assessed for City property taxes (Charter Section 593). RAP also may receive additional appropriations from the City General Fund if approved by the City Council and Mayor of the City of Los Angeles.

In RAP's Fiscal Year 2010-11 Adopted Budget, the City Council and Mayor approved an additional City General Fund appropriation of \$4,000,000 for RAP (a subsidy above RAP's Charter mandated amount). These funds were to be used for two specific purposes: (1) outside landscaping maintenance of other City of Los Angeles' facilities (not owned by RAP) and (2) to

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support RAP's Clean and Safe Spaces (CLASS) Parks program. Each of these programs received an appropriation of \$2,000,000.

The City Administrative Officer (CAO) reports to the Council and Mayor on the status of the City's financial condition on a regular basis and makes recommendations on strategies necessary to maintain the financial health of the City. The Third Financial Status Report (FSR) prepared by the CAO projects a citywide budget deficit of \$46,800,000 for Fiscal Year 2010-11. The FSR also included a series of recommendations to reduce this deficit to \$4,100,000. One of these recommendations was to reduce by \$2,800,000 the General Fund subsidy to RAP previously approved by the Council and Mayor. On March 23, 2011, Council adopted the recommendations (Council File No. 10-0600-S60) made by the CAO to alleviate the citywide budget deficit including the reduction of the \$2,800,000 City General Fund subsidy provided to RAP.

Charter Section 591 provides authority to the Board of Recreation and Parks to control, appropriate and expend all money in the Recreation and Parks Fund. Council requests that the Board approve the reduction of appropriation of \$2,800,000 within Recreation and Parks Fund 302/88, Account No. 1010, Salaries General.

Reduction of funding will have a direct impact on the service being provided to other City departments and youth. Frequency of service in outside landscape service to other City facilities (Police, Fire, Library, etc.) will immediately be decreased. Maintenance and facility repair services to CLASS Parks facilities will be reduced. Also, RAP is in the process of obtaining approval to accept a grant from the Los Angeles County Probation Department. This grant is for the Juvenile Justice Crime Prevention Act (JJCPA) in the amount of \$480,793 and can be used for some recreational services (training programs, stipends to youth workers, after school activities, etc.) provided by the CLASS Parks program through June 30, 2011. This will reduce but not completely mitigate some reductions in the CLASS Parks program due to this budget cut.

FISCAL IMPACT STATEMENT:

This transaction will reduce by \$2,800,000 the City General Fund subsidy provided for Fiscal Year 2010-11 to the Department of Recreation and Parks. Expenditures for the affected programs will be adjusted in order to ensure all budgetary targets are met.

Report prepared by Noel Williams, Chief Management Analyst, Finance Division.