

REPORT OF GENERAL MANAGER

NO. 14-037

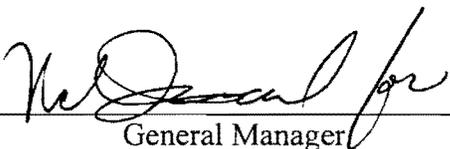
DATE February 19, 2014

C.D. ALL

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: TRANSFER OF APPROPRIATIONS WITHIN FUND 302 IN THE DEPARTMENT OF RECREATION AND PARKS FOR BUDGETARY ADJUSTMENTS

R. Adams	_____	V. Israel	_____
R. Barajas	_____	K. Regan	_____
H. Fujita	_____	*N. Williams	<u>NCW</u>

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

Approved \_\_\_\_\_

Disapproved \_\_\_\_\_

Withdrawn \_\_\_\_\_

RECOMMENDATIONS:

That the Board:

1. Subject to approval by the Mayor, authorize the transfer of appropriations within Recreation and Parks Fund 302, Department 88, as follows:

FROM:	Account 1010 – Salaries, General	\$1,600,000.00
	Account 8304 – Refuse Collection Services	<u>1,500,000.00</u>
		\$3,100,000.00
TO:	Account 1070 – Salaries, As Needed	\$1,000,000.00
	Account 1090 – Salaries, Overtime	100,000.00
	Account 3330 – Water and Electricity	<u>2,000,000.00</u>
		\$3,100,000.00

2. Authorize the General Manager or his designee to make technical corrections as necessary to those transactions included in this Report to carry out the intent of the transfer as stated in the Summary of this Report.

SUMMARY:

Salaries, As-Needed (Account 1070) and Salaries, Overtime (Account 1090) are in need of additional appropriations. The Department of Recreation and Parks (RAP) has had to utilize the

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services of part-time staff as well as use up overtime funds due to shortages in full-time personnel, as a result of retirements, transfers, hiring freezes and promotions.

RAP's cost for Water and Electricity (Account 3330) has increased and resulted in a projected deficit of \$2,000,000.00 this fiscal year. Despite aggressive steps taken by RAP to implement conservation measures and promote sustainability, the cost has increased due to:

- Increased water, sewer, and electricity rates by Los Angeles Department of Water and Power.
- Increased usage of water due to unusually dry conditions.
- Increased number of meters for both water and electricity, primarily as a result of opening of new parks and facilities including those under the 50 Parks Initiative. Eighty-three (83) new meters were added to RAP over the last couple of years.

On October 2, 2013, the Board authorized the transfer of \$1,634,000.00 from Unreserved and Undesignated Fund Balance to cover budgetary shortage for water and electricity in Fiscal Year 2012-13 (Report No. 13-252). This report, if approved, will authorize the transfer of funds to cover the projected shortage in Fiscal Year 2013-14.

RAP projects an overage of \$1,500,000.00 in Refuse Collection Services (Account 8304) that can be used to partially offset the shortage in the Water and Electricity Account. Until Fiscal Year 2011-12, RAP was not charged for refuse removals. RAP began to receive billings and pay for these services since 2011. Department of Public Works Bureau of Sanitation provided an estimated annual cost of \$3,400,000.00 for Fiscal Year 2013-14. The overage of \$1,500,000.00 is projected based on the actual billings that RAP has received.

RAP is proposing an increased budget amount for the Water and Electricity Account and reduced amount for the Refuse Collection Services Account to reflect the actual needs in the Fiscal Year 2014-15 Budget, which would minimize the budgetary adjustments if approved.

### FISCAL IMPACT STATEMENT:

This transfer between accounts is for budgetary adjustments and has a net zero impact on the Department of Recreation and Parks' General Fund.

This report was prepared by Noel Williams, Chief Management Analyst, Finance Division – Budget Section.