

APPROVED
01-06-2016

BOARD OF RECREATION
& PARK COMMISSIONERS

REPORT OF GENERAL MANAGER

NO. 16-007

DATE January 06, 2016

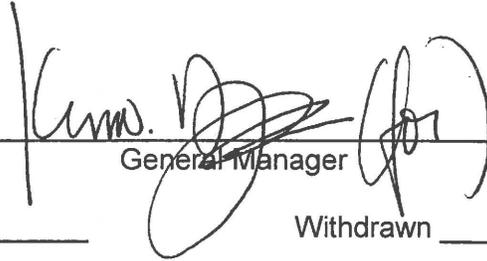
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BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: APPROPRIATION FROM UNRESERVED AND UNDESIGNATED FUND BALANCE IN FUND 302 TO VARIOUS ACCOUNTS IN THE DEPARTMENT OF RECREATION AND PARKS

R. Barajas _____
H. Fujita _____
V. Israel _____

K. Regan _____
* N. Williams NW



General Manager

Approved

Disapproved _____

Withdrawn _____

RECOMMENDATIONS:

That the Board:

1. Subject to approval by the Mayor, authorize the appropriation of \$2,714,167.09 in Fund 302, Department 88, to various accounts as follows:

FROM:	Unreserved and Undesignated Fund Balance	\$2,714,167.09
TO:	Fund 302/88 Account 1070 – Salaries, As-Needed	\$ 414,167.09
	Fund 302/88 Account 3040 – Contractual Services	300,000.00
	Fund 57T/89 Account 89MG02 – Greek Theatre	<u>2,000,000.00</u>
	Total	<u>\$2,714,167.09</u>

2. Authorize and direct the General Manager to reserve \$4,500,000.00 in the Unreserved and Undesignated Fund Balance as part of the Fiscal Year 2015-16 budget as directed by the Mayor and Council and to work with the Controller's Office to meet the Department's budget mandate; and
3. Authorize and direct the General Manager, his designee or the Chief Accounting Employee to correct any clerical, typographical, technical or printing errors, consistent with the actions of the Council in adopting the 2015-16 budget and the Board in authorizing the transactions included in this report.

SUMMARY:

Budgeted funds appropriated to the Department of Recreation and Parks (RAP) which are uncommitted or unencumbered at the end of the Fiscal Year (FY) revert to RAP's Unreserved and Undesignated Fund Balance (UUFB) and are generally used to meet urgent, unforeseen RAP funding needs, or are re-appropriated in the current fiscal year for uses that were

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authorized in a prior year(s). The Board authorizes appropriations from the UUFB for a variety of purposes, subject to approval of the Mayor, and in accordance with Charter Section 343(b). The following transfers are being recommended to meet currently urgent and unfunded needs or to re-appropriate funding intended for FY 2014-15.

Salaries, As-Needed (Account 1070) - \$414,167.09

As a result of the FY 2014-15 Budget, RAP became the "fiscal agent" for the City's Gang Reduction Youth Development (GRYD) Summer Night Lights Program. This entailed handling all hiring of staff for the program and payment of various vendors. Due to a delay in start-up of hiring, \$414,167.09 of funds allocated to RAP in FY 2014-15 were not spent and thus, reverted to the UUFB as unencumbered (or uncommitted) funds. Staff recommends these funds be re-appropriated to the current FY2015-16 to be used on the spring startup costs for the Summer Night Lights Program (Summer 2016).

Contractual Services (Account 3040) - \$300,000.00

The Cabrillo Marine Aquarium has a pump house which houses the electrical equipment and conduit which provides power to the Aquarium. Due to the corrosive nature of the salt air, the equipment needs to be replaced, relocated and secured in another location at the Aquarium. These repairs are projected to be \$300,000.00 are necessary to provide for the stability and safety of the system. Staff therefore, recommends that these funds be re-appropriated to the current FY 2015-16 to meet this unforeseen need.

Greek Theatre-Additional Public Safety and Venue Improvements (Account 89MG02) - \$2,000,000.00

For approximately 40 years, the Greek Theatre was operated by an outside concessionaire as a concert and musical venue. On November 1, 2015, at the expiration of that concession contract, RAP began to self-operate the Greek Theatre as an Open Venue. To assist the Department in preparing the venue for the 2016 concert season, the Board set aside \$2,000,000.00 for needed capital improvements and structural repairs. (Board Report 15-123)

Since that time, numerous studies, inspections and repairs have revealed a more thorough assessment of the venue's physical condition and needed repairs that must be completed to prepare the facility for public attendance in 2016. Most of the newly identified work deals with public safety and building code issues that were not readily apparent on initial inspections. The additional work includes the following:

- *Upgrade house and stage lighting systems.* These repairs are necessary to bring the house lighting system into code compliance for emergency lighting in the event of power loss due to emergency or other situations. The lighting systems will also be converted to LED fixtures, modernizing the system and decreasing operations and maintenance expenses.

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- *Rerouting and repair of exposed electrical conduit from the front of the historical façade of the theatre.* All electrical systems must be brought up to building codes. The present electrical systems must be modernized in coordination with the other construction/ electrical work being performed to meet codes and to reduce future, repair costs..
- *Correct/repair defects fire/life safety systems.* All public venues require annual inspections to ensure fire/life safety systems such as fire alarms, sprinklers, exit signs, etc. are functioning properly. The Los Angeles Fire Department has informed RAP of defects which must be corrected before safely opening the venue for public concert and event attendance.
- *Upgrade technology.* Install network capability (fiber communications) for office space, concessions, box office and backstage. Modernizing the safety and technology systems for the Greek Theatre will ensure that the public can visit the facility with the confidence that their experience will be fun and enjoyable. Presently, there is no fiber communication technology installed at the venue and is necessary to operate, manage and market the facility for business operations and to provide Wi-Fi at the Greek Theatre and surrounding Griffith Park. Wi-Fi will provide sponsorship opportunities and information on Theatre events, shuttles, traffic congestion, parking areas and to provide necessary to emergency notifications and provide patrons the ability to be connected and available while attending concerts or events.

Staff therefore, recommends these funds be re-appropriated to assist in these needed repairs and renovations.

FY 2015-16 Budget Requirement - \$4,500,000.00

Therefore, in accordance with the allocation of unreserved and uncommitted funds from the FY 2014-15 Budget and to meet the operational needs of the Department, Staff requests the Board authorize and direct RAP to reserve \$4,500,000.00 from the UUFB as a self-funding source to the Department's FY 2015-16 adopted budget.

FISCAL IMPACT STATEMENT

The appropriation of \$2,714,167.09 is to re-appropriate funds that were authorized and received prior to FY 2014-15 and/or to appropriate funds that are needed in FY 2015-16 for RAP operations. The \$4,500,000.00 reserved in the RAP General Fund will be appropriated to revenue to support the RAP General Funded operations.

This report was prepared by Noel Williams, Chief Financial Officer, Finance Division.