

APPROVED

APR 02 2020

BOARD OF RECREATION AND PARK COMMISSIONERS

BOARD REPORT

NO. 20-043

DATE April 02, 2020

C.D. Various

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: APPROPRIATION FROM UNRESERVED AND UNDESIGNATED FUND BALANCE IN FUND 302 TO AN ACCOUNT IN THE DEPARTMENT OF RECREATION AND PARKS DUE TO COVID-19 RESPONSE AND REIMBURSEMENT OF FRINGE BENEFITS

AP Diaz	_____	S. Piña-Cortez	_____
H. Fujita	_____	C. Santo Domingo	_____
V. Israel	_____	*N. Williams	<u>new</u>



 General Manager

Approved X

Disapproved _____

Withdrawn _____

RECOMMENDATIONS

1. Adopt the Resolution attached hereto as Attachment 1 authorizing the transfer of appropriations within Recreation and Parks Fund 302, Department 88 as follows:

FROM:

Unreserved and Undesignated Fund Balance (UUFB)	\$4,609,405.00
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TO:

Account 1070 – Salaries As-Needed	\$4,500,000.00
Account 9120 – City General Fund Reimbursement	<u>\$109,405.00</u>

TOTAL	\$4,609,405.00
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2. Authorize the Department of Recreation and Parks (RAP) General Manager, Chief Accounting Employee, or designee to make technical corrections as necessary, consistent with the intent of this Report.

SUMMARY

Budgeted funds appropriated to RAP that are uncommitted or unencumbered at the end of the Fiscal Year (FY) revert to RAP's UUFB. UUFB funds are also made available due to disencumbered items from prior years, residuals due to discounts later received, items not delivered, closing of inactive accounts, etc.

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UUFB funds are generally used to meet urgent and/or unforeseen funding needs, or are re-appropriated in the current Fiscal Year for uses that were authorized in a prior year. The Board of Recreation and Park Commissioners authorizes appropriations from the UUFB for a variety of purposes in accordance with Charter Section 343(b). The following transfer is being recommended to meet current operational needs.

RAP requests additional appropriations in Salaries As-Needed (\$4,500,000) due to COVID-19 related reduction in revenue. In accordance with guidance from State and local health officials to prevent the spread of COVID-19, RAP has closed all recreation centers, museums, swim pools and senior centers effective March 13, 2020. While significant reduction in revenue is expected due to the suspension of all programming and permits, RAP still has labor expenses associated with the maintenance of outdoor park space and restrooms that have public access; operation and maintenance of various Emergency Homeless Shelters and Child Care Centers; and provision of grab-and-go meal services at selected Senior Centers.

RAP also requests additional appropriations in City General Fund Reimbursement (\$109,405) due to fringe benefits related to overtime salaries which need to be reimbursed to the City's General Fund. Fringe benefits related to overtime include Medicare, Unemployment Insurance, and Worker's Compensation. The requested amount is calculated based on the FY 2019-20 adopted overtime budget and the Cost Allocation Plan (CAP) 41 rate of 6.2%.

FISCAL IMPACT

The appropriation of \$4,609,405 is needed in FY 2019-20 to support RAP's operations.

STRATEGIC PLAN INITIATIVES AND GOALS

Approval of this Report advances RAP's Strategic Plan by supporting:

Goal No. 6: Build Financial Strength & Innovative Partnerships

Outcome No. 1: RAP's operating budget meets the needs of the park system for all Angelenos

Goal No. 7: Maintain a Diverse and Dynamic Workforce

Outcome No. 1: Strengthened capacity of staff to promote public health/public safety while assisting individuals experiencing homelessness

This Report was prepared by Sondra Fu, Senior Management Analyst II, Finance Division.

ATTACHMENT:

1) Resolution

RESOLUTION NO. _____

WHEREAS, the Department of Recreation and Parks (RAP) anticipates additional appropriations needed in the Salaries As-Needed account in the amount of \$4,500,000 due to COVID-19 related reduction in revenue;

WHEREAS, despite the reduction in revenue, RAP still has labor expenses associated with the maintenance of outdoor park space and restrooms that have public access; operation and maintenance of various Emergency Homeless Shelters and Child Care Centers; and provision of grab-and-go meal services at selected Senior Centers.

WHEREAS, RAP anticipates additional appropriations needed in the City General Fund Reimbursement account in the amount of \$109,405 due to fringe benefits related to overtime salaries in FY 2019-20;

WHEREAS, fringe benefits related to overtime include Medicare, Unemployment Insurance, and Workers' Compensation; and

WHEREAS, the requested appropriation from the Unreserved and Undesignated Fund Balance (UUFB) is needed to provide the funds for Salaries As-Needed and General Fund Reimbursement to meet RAP's operational needs.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Recreation and Park Commissioners (Board) authorizes the appropriation from Fund 302, Department 88 as follows:

FROM:

Unreserved and Undesignated Fund Balance (UUFB)	\$4,609,405.00
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TO:

Account 1070 – Salaries As-Needed	\$4,500,000.00
Account 9120 – City General Fund Reimbursement	<u>\$109,405.00</u>

TOTAL	\$4,609,405.00
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BE IT FURTHER RESOLVED, that the Board authorizes RAP's General Manager or designee to make technical corrections as necessary to those transactions referenced herein to carry out the intent of the transfers.

I HEREBY CERTIFY, that the foregoing is a full, true and correct copy of a Resolution adopted by the Board of Recreation and Park Commissioners of the City of Los Angeles at its meeting held on April 2, 2020 (Board Report No. _____).

IRIS L. DAVIS, BOARD SECRETARY

RESOLUTION NO. _____