

APPROVED

REPORT OF GENERAL MANAGER

NO. 12-046

DATE February 15, 2012

FEB 15 2012

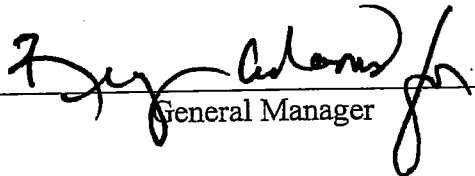
C.D. ALL

**BOARD OF RECREATION
and PARK COMMISSIONERS**

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 _____
H. Fujita _____
V. Israel _____
K. Regan _____
M. Shull _____
*N. Williams NDW



General Manager

Approved _____ Disapproved _____ Withdrawn _____

RECOMMENDATIONS:

That the Board:

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

From:	Account 8140 – Early Retirement Payout	<u>\$ 4,300,000</u> \$ 4,300,000
To:	Account 1010 –Salaries, General	<u>\$ 4,300,000</u> \$ 4,300,000
From:	Account 1010 – Salaries, General	<u>\$ 3,200,000</u> \$ 3,200,000
To:	Account 1070 – Salaries-As-Needed	\$ 2,000,000
	Account 1100 – Salaries-Hiring Hall	\$ 400,000
	Account 1120 – Fringe Benefits–Hiring Hall	\$ 150,000
	Account 3310 – Transportation	\$ 60,000
	Account 3040 – Contractual Services	<u>\$ 590,000</u>
Total		\$ 3,200,000

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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:

In 2010, the City of Los Angeles, due to an economic crisis, offered an Early Retirement Incentive Program (ERIP). This program offered cash incentives as well as retirement age and service credits to employees willing to retire. Many employees took advantage of this program including over 200 RAP employees. In order to minimize the effect of the ERIP on departmental budgets, retiring employees were to be paid their cash incentives and other payouts over the next two fiscal years (Fiscal Years 2010-11 and 2011-12). For this Fiscal Year the funds to pay the ERIP payments were budgeted in the Account 8140, Early Retirement Payout (\$4,300,000), however, the payments are actually made from the Account 1010, Salaries, General. Staff requests that the Board approve this transfer in order to facilitate the ERIP payments.

Additionally, staff is requesting that the Board approve a transfer (\$3,200,000) from the Account 1010, Salaries, General to other accounts as outlined below:

Account 1070, Salaries, As-Needed (\$2,000,000). For the last two years, the majority of RAP's summer programming has begun on/after July 1. Due to changes in the Los Angeles Unified School District (LAUSD) calendar, students will be returning to the classroom earlier this year (third week of August). RAP staff recommends that the majority of summer programming begin one week earlier on June 25, 2012. In order to begin summer programming early, it is necessary to fund part-time staff in the current Fiscal Year for day camps, aquatics, residential camps, etc. Additionally, due to shortages of full-time personnel (from transfers, promotions and retirements), the Department has had to utilize part-time staff to perform a variety of critical functions in operations and support divisions.

Account 1100, Salaries, Hiring Hall (\$400,000). Due to shortages (from transfers, promotions and retirements) in craft-level staff, the Department has had to utilize hiring hall staff to perform skilled labor tasks such as electrical, plumbing, air conditioning and carpentry duties.

Account 1120 Fringe Benefits Hiring Hall (\$150,000). The salaries and rates per hour for Hiring Hall Benefits have risen which has caused and increased the liability for the Department.

Account 3310 Transportation Services (\$60,000). Funds are also necessary to provide mileage payments to employees utilizing their own vehicles for Department business (as required by various labor contracts).

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Account 3040 Contractual Services (\$590,000). Transferred funds would be utilized for: (1) Payment to LAUSD for maintenance costs (\$100,000) at the Joint-Use Los Angeles City Enriched Studies High School; (2) Payment of grant writers (\$90,000) to apply for Proposition 84 Grants; (3) Payment of appraisal, escrow fees, and other costs (\$140,000) for the acquisition and transfer of properties to implement the 50 Park Initiative Program; (4) Payment for emergency tree trimming and removal (\$100,000) caused by the December 2011 Wind Storms; and (5) Funding for buses for day camps (\$160,000) for this Fiscal Year due to the loss of funding from the Department of Transportation (DOT).

Funds are available from the various accounts listed to complete the various transfers.

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.

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