

REPORT OF GENERAL MANAGER

NO. 05-270

DATE October 6, 2005

C.D. ALL

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: VARIOUS RECREATION FACILITIES -- PROCEDURES AND GUIDELINES FOR SPORTS OFFICIALS PERMITS

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H. Fujita _____	K. Regan _____
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J. Kolb _____	S. Huntley _____


 for General Manager

Approved _____ Disapproved _____ Withdraw _____

RECOMMENDATION:

That the Board adopt the proposed permit guidelines and procedures for the administration of sports officials permits.

SUMMARY:

Adults interested in team sports at our recreation facilities can participate through leagues organized by our citywide Municipal Sports section, leagues organized by each recreation center, or leagues conducted by outside organizations permitted to use our facilities. Leagues organized by Municipal Sports pay a standard participation fee by sport as established in our Schedule of Rates and Fees and play weekday evenings and on Sundays. Leagues organized by recreation centers pay fees established by each facility based on program costs as outlined in the Municipal Recreation Program Manual, and have the facilities available to them prior to 6:00 p.m. on weekdays and on Saturday. The Department leagues are provided with team play coordination and scheduling, assignment to facilities, assignment of officials, coordination of team standings, awards, and all other administration. Leagues organized by an outside group may be permitted to use facilities when the Department is not using them for its own programs. The Department issues permits to the outside organizations conducting sports leagues and charges the Board-approved fee. The permittees operate their league without involvement of the Department, beyond field use permission.

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An internal committee consisting of staff from recreation, accounting, human resources, and administration, have been reviewing the Department's methods of engaging game officials/umpires for our Department conducted adult sports programs in an attempt to streamline the cumbersome process involved in paying officials. For Fiscal Year 2004-2005, 19,817 requests to issue checks to officials (done through forms known as Officials' Payment Vouchers, "OPVs") were processed. The process includes reviewing the OPVs and attached documents, approving the payment voucher, data entry, printing and verifying the checks, and mailing the checks. Additional time is spent on filing the OPV, returning incomplete OPVs and handling returned checks. The Department's MRP Accounting section utilizes five staff working a total of 37-47 hours per week to process OPVs. Additional time is spent by staff at the facility level to process invoices and prepare OPVs. The committee re-evaluated the OPV process, and found that there would be numerous benefits to revising how the Department utilizes and pays officials.

Currently, officiating of our sports programs is provided by full-time staff, part-time staff (who receive a bonus to provide this expertise) and independent contractors. In 1998, the Department adopted a policy eliminating a fourth option for use of officials -- patrons would pay non-staff officials directly. This standard method of payment to officials is used by nearly all other municipalities, public and private schools, and private recreation organizations. The Department initiated a policy change when it was made aware of a concern originating from a divorce proceeding of one of these officials. The claim was that cash payments received directly from our program participants to officials were not documented and therefore the person could easily avoid income tax reporting. In response, the Department took proactive measures by requiring all non-staff officials to be independent contractors under agreement with the Department and all payments to officials would be paid by City check.

However, payment of officials through City check proves problematic, particularly in adult sports where the more skilled officials is in demand and the officials prefer to take assignments at municipalities and schools where they are paid on the day of service rather than with the City of Los Angeles where they must wait for payment. Additionally, with officials paid through the City, registration fees increased \$100-\$720 to cover the expense of officials.

In order to attract a sufficient pool of top-quality officials to be available for peak times, the Department needs to keep all its options open. For all adult leagues organized by the Municipal Sports section and individual recreation centers, staff proposes once again allowing independent officials to conduct officiating activity at our parks under direct hire of the registered patrons. To address the concerns regarding the reporting of income made by officials on park property, the Department will require as a condition of the officials permit, that the permittee acknowledge that he/she must pay all applicable local,

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state, and federal taxes. Officials working directly for outside organizations who conduct adult leagues at Department facilities under permit would not be required to take out a separate permit and would operate under the permit issued to the outside organization for field use. Officiating for youth sports would continue to be provided by City staff or officials/officiating companies who are independent contractors through the Official's Payment Voucher (OPV) system.

Officials Permits would be issued on an annual basis for ease of monitoring and efficiency of processing. Handled centrally by the Municipal Sports section or other division as assigned by the General Manager, officials with an annual permit will be placed on an approved list to be circulated to MRP Managers and posted on the Department Intranet. Facility Directors may facilitate use of approved officials to provide services directly to patrons by giving rosters to teams and sharing team schedules and contacts with officials.

The permits would include the following guidelines:

Guidelines For Adult Sports Officiating Permit

1. Each official must have a permit individually, even if working for an officiating company or association.
2. Officials must complete an application and receive a permit prior to commencing service to patrons.
3. The Facility Director may provide Official/Officiating company with the game schedules on behalf of the patrons' team.
4. Payment is between the Permittee (Official) and the Patron (Team). Recreation and Parks will not handle payments, assumes no liability for the payment of the official by the patron, and makes no guarantees.
5. Permittee is solely responsible for compliance with applicable Federal, State, and Local tax regulations, to be affirmed on the application completed by officials.

FISCAL IMPACT STATEMENT:

Assuming a 20% reduction in OPV processing by allowing permitted officials for Adult sports leagues, and using a Controller's office estimate of \$300 to process a check (accounts for all Citywide resources involved in the transaction), up to \$1,139,520 could be saved annually Citywide.

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