

REPORT OF GENERAL MANAGER

NO. 03-371

DATE November 19, 2003

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: APPROPRIATION FROM THE UNRESERVED AND UNDESIGNATED FUND BALANCE IN FUND 302 TO VARIOUS ACCOUNTS FOR DEPARTMENT OPERATIONS IN FISCAL 2003-2004 AND REDUCTION OF APPROPRIATIONS FROM BUDGETED ACCOUNTS TO MATCH CITY BUDGET REDUCTIONS

G. Stigile _____	H. Fujita _____
A. Corrales _____	J. Kolb _____
F. Mok _____	B. Lukehart _____
L. Barth <i>JP</i>	

[Signature]
 General Manager

Approved _____ Disapproved _____ Withdrawn _____

RECOMMENDATION:

1. That the Board reduce 2003-2004 General Fund appropriations by \$462,660 from the accounts as follows, in accordance with the action of the City Council.

FROM: Appropriation Account 1070 - Salaries As-needed - Fund 302, Dept 88	\$385,160
Appropriation Account 3040 - Contractual Services - Fund 302, Dept 88	26,000
Appropriation Account 0602 - Operating Supplies - Fund 302, Dept 88	49,500
Appropriation Account 7300 - Equipment - Fund 302, Dept 88	2,000

2. That the Board, subject to approval by the Mayor, approve the appropriation of \$4,586,960 from the Unreserved and Undesignated Fund Balance to various accounts as follows.

FROM: Unreserved and Undesignated Fund Balance - Fund 302, Dept 88	\$4,586,960
TO: Appropriation Account 1070 - Salaries As-needed - Fund 302, Dept 88	\$3,915,434
Appropriation Account 3040 - Contractual Services - Fund 302, Dept 88	130,000
Appropriation Account 3160 - Maintenance Materials - Fund 302, Dept 88	390,000
Appropriation Account V140 - General Services	151,526

SUMMARY:

The City Council and the Mayor have executed a City-wide reduction of the 2003-2004 fiscal year budget, which for Recreation and Parks represented about a 1% cut, or \$1.07 million. More

REPORT OF GENERAL MANAGER

PAGE 2 NO. 03-371

than half of the cut is made up by \$610,000 originally allocated to fund playground installation and maintenance; this amount has been placed in the City's Unappropriated Balance and may still be appropriated back to Recreation and Parks' Playground account in a future action by the Council and the Mayor. The balance of the cutback comes from a minor reduction in contractual services funds, removal of extra funds which had been appropriated to pay for maintenance of some new police stations and libraries, and reduction by \$215,343 of funding for part-time recreation center hours. In compliance with the action of the Council and Mayor, staff recommends that the Board effectuate the reductions by making the corresponding cuts in our appropriation accounts, as detailed above.

In part to offset the reductions of this cut, and also to compensate for shortfalls in the part-time budget because of underfunding for 2003-2004, staff also recommends some timely appropriations of funds remaining from prior fiscal years. At the end of each fiscal year, the City general funds which are budgeted to the Department but which are uncommitted or become unencumbered revert into a fund called the Unreserved and Undesignated Fund Balance (UUFB). The UUFB is available to the Department to appropriate to meet urgent or unforeseen budgetary needs in the current fiscal year, subject to approval of the Mayor in accordance with Charter Section 343(b).

By approving the budget for 2003-2004, the Council directed the Department to allocate \$1.2 million from the UUFB to supplement funding for part-time hours, inasmuch as the Department received insufficient adjustments for negotiated pay increases to adequately fund the number of part-time hours used annually. Additionally, the recommended appropriation from the UUFB restores the cut of \$215,434, and then adds \$2.5 million calculated as the differential needed to cover the true shortfall from the amount appropriated in 2003-2004.

Staff also recommends appropriation of some funding to immediately handle State-mandated playground inspection reports at all the Department's play areas (\$130,000 for the services of the City's playground contractor). Because the Department is still working with the City Administrative Officer to receive back the \$610,000 for playgrounds, only the playground inspection funds are requested under this report. A second major service element of the Department urgently needing an infusion of funds is swimming pools. Staff recommends \$275,000 for the purchase of chlorine for the year-round pools and for opening of the seasonal swimming pools at the start of next summer. Pool heaters at Roosevelt, Hubert Humphrey, Glassell, and Cleveland need replacement at a cost of \$115,000. Finally a transfer of \$151,526 to General Services for various construction services was authorized by the Board in the last fiscal year, but the transfer was not made prior to the end of the year, and so the funds reverted again into the UUFB. This report recommends re-appropriating that same amount again from the UUFB, for transfer as previously approved to GSD for work already performed.