



WILLIAM T FUJIOKA
Chief Executive Officer

County of Los Angeles
CHIEF EXECUTIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION
LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://ceo.lacounty.gov>

May 13, 2008

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
Los Angeles, California 90012

Dear Supervisors:

**DEPARTMENT OF BEACHES AND HARBORS: APPROVAL OF
APPROPRIATION ADJUSTMENT
(SUPERVISORIAL DISTRICTS 3 AND 4)
(3 VOTES)**

SUBJECT

Approval of this item will transfer one-time Salaries and Employee Benefits and Other Charges savings to Services and Supplies within the Department of Beaches and Harbors' Beach Budget Unit to fund ongoing critical equipment repairs, hazardous waste disposal, higher fuel costs, temporary and as needed services, and unanticipated increased labor costs incurred for the Water Awareness, Training, Education and Recreation Program.

IT IS RECOMMENDED THAT YOUR BOARD:

Approve an appropriation adjustment in the amount of \$560,000 to transfer one-time savings in the Department of Beaches and Harbors' Beach Budget Unit from Salaries and Employee Benefits (\$160,000) and Other Charges (\$400,000) to Services and Supplies to fund increased ongoing costs for critical equipment repairs, hazardous waste disposal, higher fuel costs, temporary and as needed services, and unanticipated increased labor costs associated with the Water Awareness, Training, Education and Recreation Program.

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

Prior to fiscal year (FY) 2006-07, the Department of Beaches and Harbors (Department) had a single budget unit to finance and account for beach and Marina del Rey operating expenditures. The single budget unit provided the Department with the flexibility to reallocate budgetary resources between beach and Marina work activities to fund unanticipated and/or increased operating costs. Following the prepayment of all of the outstanding Marina del Rey Certificates of Participation Series A in 2005, the Department requested, and the CEO concurred, the establishment of separate Marina and Beach Budget Units. The new budget structure prohibited the Department from transferring budgetary savings between budget units and, when combined with general cost increases, resulted in a structural budget deficit in the Beach Budget Services and Supplies (S&S) because expenditures were being properly allocated without a co-occurring increase in the S&S funding allocation.

Although a proposal to permanently rectify the structural Beach Budget Unit S&S structural deficit is included in the Department's FY 2008-09 Proposed Budget, the recommended appropriation adjustment is required in FY 2007-08 to deal with the deficit in S&S needed to meet critical operating needs. The Department has sufficient one-time savings within the Beach Budget Unit to cover its needs; there is funding available for reallocation to Beach S&S from the Beach Salaries & Employee Benefits (S&EB) and Other Charges (OC) Budgets for this purpose, due to position vacancies and delays in procuring equipment.

The \$560,000 Appropriation Adjustment requested by the Department will cover the following:

- \$20,000 for heavy equipment maintenance;
- \$130,000 to cover increased fuel costs;
- \$242,000 to cover charges for a hazardous waste mitigation contract the Department entered into in FY 2006-07*;
- \$100,000 for the temporary and as needed services contract*;
- \$68,000 to cover for the increased hourly salary costs of lifeguards provided by the Fire Department to staff the Department's Water Awareness, Training, Education and Recreation (W.A.T.E.R.) Programs. The lifeguards' salaries increased from \$30.70/hr. to \$34.27/hr. The lifeguards provide all program instruction for the W.A.T.E.R. Programs and, therefore, comprise the majority of

the program costs. The Department staff assigned to the program include only one administrative position, one clerical position and student and pro student worker positions in its Beach S&EB Budget. The Department will be requesting additional funding in its Final Changes request to cover the projected cost increases in the FY 2008-09 W.A.T.E.R. Program.

*(Note: at the time of Board approval of the hazardous waste and temporary and as needed services contracts, the Department relied upon overall Beach appropriation to fund the contracts, not necessarily only funds immediately available in the Beach S&S Budget.)

Implementation of Strategic Plan Goals

This recommendation is consistent with the County's Strategic Plan Goal 1, Service Excellence, as these actions will result in improved services to the public by ensuring adequate beach maintenance and current W.A.T.E.R. Program service levels, and Goal 4, Fiscal Responsibility, as the costs are completely financed within the Department's existing budget allocation.

FISCAL IMPACT/FINANCING

The proposed action will have no net impact on the County's General Fund as the proposed expenditures are offset by one-time savings in the Department's Beach S&EB and OC Budgets.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

None.

IMPACT ON CURRENT SERVICES

The recommended action will enable the Department to continue providing Beach and W.A.T.E.R. Program services to the public through the end of the fiscal year and will improve the efficiency of the fiscal operations by providing the appropriation to fund ongoing costs.

The Honorable Board of Supervisors
May 13, 2008
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CONCLUSION

Please instruct the Executive Officer-Clerk of the Board to forward one conformed copy of the letter and appropriation adjustment each to the Auditor-Controller and Chief Executive Office and forward three conformed copies of this letter and the appropriation adjustment to the Department of Beaches and Harbors for distribution.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:LS
SHK:KS:tm

Attachment

c: County Counsel
Auditor-Controller
Department of Beaches and Harbors

PINK

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BOARD OF SUPERVISORS OFFICIAL COPY

COUNTY OF LOS ANGELES
REQUEST FOR APPROPRIATION ADJUSTMENT

DEPT'S. No. M055

DEPARTMENT OF BEACHES AND HARBORS

APRIL 28 2008

AUDITOR-CONTROLLER.

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. WILL YOU PLEASE REPORT AS TO ACCOUNTING AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF ADMINISTRATIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

FY 2007-08
3 - VOTES

SOURCES

Beaches and Harbors - Beach Salaries and Employee Benefits
A01-BH-27500-27510-1000

\$160,000

Beaches and Harbors - Beach Other Charges
A01-BH-27500-27510-5500

\$400,000

USES

Beaches and Harbors - Beach Services and Supplies
A01-BH-27500-27510-2000

\$560,000

JUSTIFICATION

Appropriation adjustment in the amount of \$560,000 to transfer one-time savings in Salaries and Employee Benefits and Other Charges Budget appropriation to Services and Supplies to fund increased ongoing costs for critical beach maintenance and repair activities, hazardous waste and rubbish disposal, higher fuel costs, temporary and as-needed services and unanticipated increased labor costs associated with the Water Awareness, Training, Education and Recreation Program

Adriana Zarate-Lee
Adriana Zarate-Lee, Head, Mgmt Services

CHIEF ADMINISTRATIVE OFFICER'S REPORT

REFERRED TO THE CHIEF ADMINISTRATIVE OFFICER FOR - ACTION
2 ✓ RECOMMENDATION

APPROVED AS REQUESTED ✓ AS REVISED
5/01 2008 *[Signature]*
CHIEF ADMINISTRATIVE OFFICER

AUDITOR-CONTROLLER BY *Karen Silcuma*

APPROVED (AS REVISED): BOARD OF SUPERVISORS 20

NO. 226 April 30 2008

BY _____ DEPUTY COUNTY CLERK