

COUNTY OF LOS ANGELES
DEPARTMENT OF PARKS AND RECREATION
"Creating Community Through People, Parks and Programs"



May 17, 2005

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

Dear Supervisors:

**APPROVAL OF APPROPRIATION ADJUSTMENT
FOR THE GOLF COURSE FUND
(FIRST, SECOND, FOURTH and FIFTH DISTRICTS – FOUR VOTE MATTER)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the approval of the Critical Capital Improvements (Attachment I) is exempt from the California Environmental Quality Act (CEQA) according to the Sections of the State CEQA Guidelines and Classes of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987 cited herein.
2. Approve the attached appropriation adjustment to increase services and supplies and revenue in the Golf Course Fund (CA2), in the amount of \$2,143,000, to finance 27 capital improvements at various golf courses as identified in Attachment I.

PURPOSE / JUSTIFICATION OF RECOMMENDATION

Approval of this action will allow the Department of Parks and Recreation (the Department) to:

- a. Transfer funds from the individual Trust Funds designated for Chester Washington, Eaton Canyon, Knollwood, Marshall Canyon, and Santa Anita Golf Courses for the purposes of financing critical capital improvements identified in Attachment I.

- b. Transfer funds from the individual Trust Funds designated for Altadena, Eaton Canyon, Chester Washington, Diamond Bar, Knollwood, Lakewood, La Mirada, Marshall Canyon, Mountain Meadows, Santa Anita, Victoria and Whittier Narrows Golf Courses for reimbursement of final costs upon-completion and verification of projects.
- c. Initiate the projects in FY 2004-05.

Currently, all of the County's 19 golf courses are operated by private contractors under management lease agreements with the County in which the lessee's pay the County a percentage of gross receipts on greens fees and other revenue. The Golf Course Fund was established to provide a method of financing capital improvements at the golf courses. Under the existing lease agreements, either 10 or 15 percent of the gross green fees are set aside from the County's share and deposited into individual trust funds for capital improvements at the courses, which are then owned by the lessee until the termination of the lease, at which time the improvements are transferred to the County.

As improvements are identified and approved, funding from the trust funds is transferred to the Golf Course Fund and appropriation in the fund is used to pay the lessees for the costs of designing and constructing the improvements. The Department budgets the Golf Course Fund based on the projected projects that will be continuing or undertaken in each fiscal year.

However, the estimated timeline for many of the projects that were identified for Fiscal Year 2004-05 were over-estimated and the projects have proceeded through design and construction more quickly than originally estimated. Many of the projects that were estimated for completion in Fiscal Year 2005-06 are now scheduled for completion this fiscal year. Therefore, the appropriation adjustment will provide for final reimbursement of 22 projects with the potential for completion in Fiscal Year 2004-05.

In addition, the Department and lessees have identified five additional critical projects that need to be completed and which were not originally identified for funding this fiscal year. These projects include installation of additional netting to prevent injury and property damage at Marshall Canyon and Washington Golf Courses; slope stabilization between the number two tee-box and private property at Knollwood Golf Course; replacement of deteriorated railroad tie stairs leading to the driving range at Eaton Canyon Golf Course; and improvements to the sewer and irrigation system at Santa Anita Golf Course. These projects need to be started so that they may be completed prior to the next rainy season to prevent damage to property and will also provide better facilities for our patrons.

Implementation of Strategic Plan Goal

Approval of this budget adjustment and the completion of the various projects will improve the golf course facilities, in support of County Strategic Plan Goal No. 1, Service Excellence, and No. 4, Fiscal Responsibility by investing in the public infrastructure to increase facility safety and enhance the level of service to the golfing public.

FISCAL IMPACT / FINANCING

This action will have no impact on the County's General Fund. Funding for the projects is available in the golf course trust funds for each course, which were established pursuant to the lease agreements to finance improvement projects at each golf course.

Approval of the appropriation adjustment will transfer the revenue into the Golf Course Fund and provide sufficient appropriation to pay the lessees in accordance with the lease agreements.

FACTS AND PROVISIONS / LEGAL REQUIREMENTS

As provided for in the lease agreements, the lessee, upon receiving approval for a capital improvement project, is eligible to receive 90 percent of the estimated project funds prior to commencement of construction. Upon completion of construction and submission of verifying documents, the lessee is eligible to receive the balance of the project cost. Currently there are approximately 22 projects that have been completed or will be completed this fiscal year and will be eligible for payment of final project costs. In addition, there are five new projects for which the lessees will be entitled to receive the 90 percent advance.

ENVIRONMENTAL DOCUMENTATION

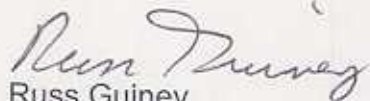
The approval of the Critical Capital Improvements (Attachment I) is exempt from the California Environmental Quality Act (CEQA) according to one or more of the following authorities: Sections 15301 (a) (d) (f) (h), 15302 (c), 15303 (d) (e), 15304 (b) of the State CEQA Guidelines and Classes 1 (i) (j) (p) (x-12), 2 (e), 3 (a) (b) and Class 4 (c) of the *Environmental Document Reporting Procedures and Guidelines* adopted by your Board on November 17, 1987, because the projects involve minor alteration of existing facilities, replacement and reconstruction of existing facilities, construction of new small facilities and new landscaping.

The Honorable Board of Supervisors
May 17, 2005
Page 4

CONCLUSION

Please instruct the Executive Officer-Clerk of the Board to forward one conformed copy of the letter and appropriation adjustment to the Auditor-Controller and Chief Administrative Office, Budget and Operations Management Branch, and forward three conformed copies of this letter and the attachments to the Department of Parks and Recreation for distribution.

Respectfully submitted,


Russ Guiney
Director

Attachments (2)

c: Chief Administrative Officer
County Counsel

Attachment I

A) CAPITAL IMPROVEMENT PROJECTS COMPLETED IN 2004-05, BALANCE DUE

<u>Altadena Golf Course -</u>	Driving Range Fence	\$ 14,520
<u>Chester Washington Golf Course -</u>	Safety Netting, 10 th Tee	\$ 3,148
	ADA Construction Upgrade	\$ 42,058
	Sign Project	\$ 6,224
<u>Eaton Canyon Golf Course -</u>	Bridge Replacement	\$ 10,377
	Gasoline Tank Replacement	\$ 5,490
	ADA Clubhouse Feasibility Study	\$ 635
<u>Diamond Bar Golf Course -</u>	Irrigation Lake Edge	\$ 21,256
	Roof Replacement	\$ 12,310
<u>Knollwood Golf Course -</u>	ADA Design Services	\$ 3,300
<u>Lakewood Golf Course -</u>	Safety Netting, Driving Range	\$ 4,586
	ADA Design Services	\$ 2,200
<u>Los Verdes Golf Course -</u>	Replace Light Poles	\$ 2,759
	Stairway Replacement	\$ 8,311
<u>Marshall Canyon Golf Course -</u>	Bunker Sand Replacement	\$ 21,700
	Bridge Replacement	\$ 44,979
	Ceiling, Fire Sprinklers and Light Replacement	\$ 423
<u>Santa Anita Golf Course -</u>	Shade Structure Design	\$ 1,594
<u>Victoria Golf Course -</u>	Cart Path Renovation	\$ 53,450
	Avalon Slope Landscaping	\$ 34,980
	Avalon Slope Design	\$ 2,190
<u>Whittier Narrow Golf Course -</u>	Sewer Connection	\$ 10,280
	Total	\$ 306,770

B) ADDITIONAL CRITICAL CAPITAL IMPROVEMENTS

<u>Chester Washington Golf Course -</u>	\$ 100,000
Install protective fencing behind the driving range to stop errant golf balls.	
<u>Eaton Canyon Golf Course -</u>	\$ 35,000
Stairway Replacement - Replacement of worn railroad tie stairs leading to the driving range with concrete steps and metal handrails.	
<u>Knollwood Golf Course -</u>	\$ 125,000
Repair Slope at Number 2 Tee - Correct an unstable soil and erosion situation that exist along the boundary line that separates a Homeowner's property from Knollwood Golf Course.	
<u>Marshall Canyon Golf Course -</u>	\$ 50,000
Install protective fencing at Number 13 Tee Box to stop errant golf balls from entering into the Marshall Canyon Equestrian Center facility.	
<u>Santa Anita Golf Course -</u>	<u>\$ 1,525,361</u>
Install irrigation system and sewer improvements.	
Total	1,835,361
Grand Total	<u>\$2,142,131</u>

COUNTY OF LOS ANGELES
REQUEST FOR APPROPRIATION ADJUSTMENT
DEPARTMENT OF Parks and Recreation

DEPT'S. No. 600 - 09
March 16, 2005

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 2004-05

4 - VOTE BUDGET ADJUSTMENT

FINANCIAL SOURCES:

Golf Course Fund
Revenue: Miscellaneous - Ongoing
CA2 - PK - 40535 - 9679
\$2,143,000

FINANCIAL USES:

Golf Course Fund
Services and Supplies
CA2 - PK - 40535 - 2000
\$2,143,000

JUSTIFICATION: This budget adjustment is necessary to provide sufficient appropriation to fund various golf course capital improvement projects, fully offset by revenue to be transferred into the Golf Course Fund from the various golf course capital improvement trust funds.

Ahmed Bahbah
Acctg. Officer III

CHIEF ADMINISTRATIVE OFFICER'S REPORT

REFERRED TO THE CHIEF ADMINISTRATIVE OFFICER FOR

ACTION

APPROVED AS REQUESTED

AS REVISED

RECOMMENDATION

April 12 2005 [Signature]
CHIEF ADMINISTRATIVE OFFICER

AUDITOR-CONTROLLER

[Signature]
MARCH 30 2005

APPROVED (AS REVISED):
BOARD OF SUPERVISORS

19

No. 291

BY [Signature]
DEPUTY COUNTY CLERK

SEND 5 COPIES TO THE AUDITOR-CONTROLLER