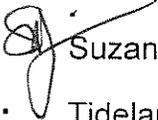




NB-18-Attachment

Date: December 5, 2013
To: George Chapjian, Director of Parks, Recreation & Marine
From:  Suzanne Frick, Assistant City Manager
Subject: Tidelands Items

George, this memo is in response to your January 25, 2013 memo and the follow-up email from November 25, 2013 (see attached) requesting Tidelands operating funds be transferred to the Marina Fund. The following outline the decisions.

In summary, your November 25, 2013 communication requested the following:

1. A one-time transfer of \$293,000 from Tidelands operating to the Marina Fund to reflect charges that were made by staff to the wrong account. No new funding is being requested.
2. Increase the current PRM Tidelands operating budget by \$195,000 to off-set time Marina staff devote to Tidelands operations.
3. Increase the PRM Tidelands operating budget by \$52,000 to address increased operations and supply costs.
4. Increase the PRM Tidelands operating budget by \$213,000 to address increased water charges in the Tidelands area.

The following reflects the City Manager's decision on the requested items:

Request #1: This request is approved.

Request #2: There does not appear to be any change in the scope or responsibilities for the Marina staff. It is possible that Marina staff have not been correctly charging their time to the appropriate accounts. Because there is a substantial TF 401 operating budget for PRM (\$8m), we propose you use the existing PRM Tidelands operating budget to cover any time Marine Bureau staff spend on projects outside the Marina.

Request #3: This increase is approved.

Request #4: This increase is approved for FY 14 and possibly FY 15. During FY14 PRM needs to identify what improvements should be done to reduce water consumption. Instead of increasing the budget, we want to make improvements that reduce water consumption, reduce water costs or maintain costs at the current level. We would like a list of water conservation projects so they can be implemented in FY 15.

Attachment

562.570.7650 fax

George Chapjian---11/25/2013 01:59:04 PM---Suzanne, Per your request, please find below our TF 403 vs. TF 401/411 summary, in addition to a lis

From: George Chapjian/PR/CLB
 To: Suzanne Frick/CM/CLB@CLB,
 Cc: Patrick West/CM/CLB@CLB, Jyl Marden/CM/CLB@CLB, Stephen Scott/PR/CLB@CLB
 Date: 11/25/2013 01:59 PM
 Subject: Fw: Tidelands Items

Suzanne,

Per your request, please find below our TF 403 vs. TF 401/411 summary, in addition to a listing of our ongoing TF 401 needs.

TF 403 vs. TF 401/TF 411 Items:

1) Marine Maintenance Activities - In FY 13, PRM moved approximately **\$293,000** from TF 403 to TF 401 (where the work actually occurred). This **did not necessitate a budget adjustment**, as PRM had sufficient TF 401 appropriation. On a go forward basis, PRM will charge where the work actually occurs, not where the employees who performed the work are budgeted. At this time, a budget adjustment is not anticipated.

2) Marine Bureau Administrative Staff - As part of the FY 14 Budget development process, PRM requested that **\$195,000 in appropriations be transferred from TF 403 to TF 401 and TF 411**, to reflect actual work performed by the Marine Bureau's administrative staff (Bureau Manager, Special Projects Officer, Accounting Clerk, and Clerk Typist). These employees are budgeted 100% in TF 403 and charge their time entirely to that funding source, although they perform work in support of TF 401 and TF 411 operations. Attached please find a document that highlights the work (and average hours/day) performed outside of TF 403.

TF 401 Needs:

3) Beach Restrooms - Custodial Supplies - As part of the FY 14 Budget development process, PRM requested **\$52,000 in new TF 401 appropriations** to adequately fund operating and maintenance costs of new public beach restrooms. New restroom configurations (addition of stalls) have resulted in higher use, and have increased the costs for materials, utilities, and maintenance. To ensure that restrooms are clean and available to the public, PRM is requesting to increase the budgeted amount for the restrooms that opened since FY 12, and eleven drop-in restroom buildings opening in FY 14.

4) Water Budget in TF 401 - As part of the FY 14 Budget development process, PRM requested **\$213,000 in new TF 401 appropriations** to properly fund water utility costs for

new and existing beach facilities and grounds. The water budget for Tidelands areas facilities and grounds is underfunded (\$100k budget vs. \$313k actuals). This shortfall has been funded by keeping positions vacant and reducing budgets for maintenance materials. The request will adjust the water budget to historical average usage to allow PRM to hire needed staff and fully fund grounds and facilities maintenance.



Date: January 25, 2013
To: Patrick H. West, City Manager
From: George Chapjian, Director of Parks, Recreation and Marine
Subject: TIDELANDS/MARINA FUND BUDGETS

A handwritten signature in black ink, appearing to read "G.C.", located to the right of the "From:" field.

As you directed a number of months ago, we have performed an analysis of budgets and resources utilized in all of the Tidelands Funds for the Department of Parks, Recreation and Marine (PRM). This analysis includes operations in the Tidelands Operating Fund (TF401), the Marina Fund (TF403) and the Rainbow Harbor Fund (TF411). PRM has budgetary appropriation and expends resources in each of these funds. This analysis found that the Marina Fund is subsidizing the Tidelands Operating and Rainbow Harbor Funds by approximately \$895,000 a year (\$830,000 to the Tidelands Operating Fund and \$65,000 to the Rainbow Harbor Fund).

I have summarized our analyses below, and included in this memo are my recommendations as to how the budgets should be split to properly reflect staffing efforts in each area.

Maintenance Bureau Staffing

The Maintenance Bureau is responsible for all of the open space, facility and custodial maintenance along the waterfront. As you are aware, this requires a significant amount of routine and continuous maintenance. In addition, there is a tremendous amount of work generated by non-routine events, such as the Holiday Tree Program, special events, and emergencies such as dock and facility failures. Historically, this Bureau utilizes staff where skilled employees are needed most, regardless of where they are budgeted. Each employee charges the funds in which they are budgeted without regard to the area they are working. While PRM has always recognized that there was a crossover between funds, it has become apparent in the last few years that this can no longer continue.

Therefore, PRM analyzed the staffing resources utilized for maintenance operations, by reviewing and calculating the cost of work orders in October and December 2011, and February, April and June 2012. The results of this analysis, which we can make available for independent review, indicates that the Marina Fund (TF403) is subsidizing the non-marina Tidelands areas by approximately \$700,000.

Marine Bureau Staffing

In the Marine Bureau, most of the staff are properly separated between the three Tidelands Funds, and charge their time appropriately. There are, however, four exceptions: the Marine Bureau Manager, the Special Projects Officer, the Accounting Clerk III and the Clerk Typist II. The Marina Fund (TF403) funds all

Patrick H. West

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four of these positions wholly, yet the effort of these individuals is about 60% marina and 40% non-marina. The Marine Bureau handles operations in the marinas, in the non-marina areas of Alamitos Bay, on the beaches and in Rainbow Harbor.

We believe that the proper allocation of time for these four positions would be 62.5% in the Marina Fund (TF403), 25% in the Tidelands Operating Fund (TF401) and 12.5% in the Rainbow Harbor Fund (TF411). This would result in a savings to the Marina Fund (TF403) of approximately \$195,000 a year.

Staff Re-allocation Recommendations

In general, the historical allocation within the Tidelands Funds has not been an issue since PRM continually meets its budgeted appropriations annually. Years ago, it was apparently widely recognized that the Marina Fund was subsidizing the Tidelands Funds, but was deemed necessary at the time because the Tidelands Operating and Rainbow Harbor Funds were fiscally strapped. However, that dynamic has changed with the increases in oil revenue and the Port transfer. In addition, a healthy Marina Fund is needed to continue the rebuild process. As a result, we recommend the following:

- 1) Re-allocate staff costs in the Maintenance Bureau in line with the analysis. This can be accomplished by changing the budgeted FTEs in the Marina Fund and Tidelands Operating Fund to align with the efforts expended, thus shifting approximately \$700,000 out of the Marina Fund (TF 403) and into the Tideland Operating Fund (TF 401).
- 2) Re-allocate staff costs in the Marine Bureau for the Marine Bureau Manager, Special Projects Officer, Accounting Clerk III and Clerk Typist II. This would entail that each of these individuals charge 5 daily hours to TF403, 2 daily hours to TF401 and one daily hour to TF411. This would shift approximately \$195,000 out of the Marina Fund (TF 403), while shifting \$130,000 into the Tidelands Operating Fund (TF 401) and \$65,000 into the Rainbow Harbor Fund (TF411).

We can supply additional information if needed. Please let me know how you want us to proceed on this, and let me know if you have any questions at this time.

GC:MS:vd

cc: Suzanne Frick, Assistant City Manager
John Gross, Director of Financial Management
John Keisler, Manager of Business Operations

13 FEB -5 AM 9:17

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CITY MANAGER