

DEPARTMENT OF RECREATION
AND PARKS

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ASSISTANT GENERAL MANAGER

(213) 202-2633 FAX (213) 202-2614

April 23, 2018

Honorable Paul Krekorian, Chair
Budget and Finance Committee
City Clerk, City Hall Room 395
Los Angeles, CA 90012

ATTN: Richard Williams, Legislative Assistant

RE: Department of Recreation and Parks Fiscal Year 2018-19 Budget

Dear Chairman Krekorian & Honorable Councilmembers:

On November 17, 2017, our Department submitted its Fiscal Year 2018-19 (FY' 18-19) budget request to Mayor Garcetti in alignment with our strategic goals, the City's Sustainability pLAN and the Mayor's specific visions for our Department.

The Department's proposed budget of \$246.672 million dollars, consists of \$11.6 million dollars in mandated property tax revenue increases, and the incorporation of \$3.15 million dollars in newly projected, RAP revenue. These new revenue sources will require modest fee adjustments in municipal sports permits and the realignment of some special funded programs. However, RAP regards them as positive, fiscally responsible steps to meet the Mayor's City-wide objectives while helping preserve vital maintenance and construction services and positions.

The Mayor's proposed budget allocates \$2.762 million dollars (19% of additional funding) to support equitable youth recreational programming: \$1,146,000 for 30 full-time resolution positions to support the developing Olympic and Paralympic youth subsidization programs, \$200,000 for LA Kids, \$259,000 dollars for the expansion of the Girls Play LA program, \$997,000 dollars for new and/or expanded facilities and \$160,000 for one-year maintenance costs for indoor and outdoor basketball courts. These significant investments will yield positive outcomes in health, wellness and sport development.

Maintenance of Existing Service Levels - RAP must use \$5.4 million (36% of additional funding) to support current existing service levels through eliminating the City's General Fund (GF) subsidies (\$3.280 million) and to support negotiated labor contract salary increases, one time salary and expense cuts and to fund partially funded new and expanded facilities (\$2.124 million).



Additional GF Contribution - Another significant portion of RAP's allocated budget requires RAP to use \$77.4 million dollars (31.4% of the total budget) to pay reimbursement to the City's General Fund for employee benefits and to the Department of Water and Power (DWP) and the Bureau of Sanitation for utility and refuse costs. This increase raises RAP's contribution by \$6.626 million from \$70.8 million in FY' 17-18. These increases diminish RAP's ability to meet and to increase vital maintenance and recreational programming needs. Since the inception of these Department contributions in FY' 08-09, approximately **\$510 million** has been diverted away from RAP's core operations (See Attachments 1 & 2).

Salary Savings - Additionally, due to the high salary savings rate (6.5%) for full-time positions, unfunded labor costs (sick time payouts, retirement payouts, bonuses, etc.), participation in mandated City programs and the one time FY' 18-19 proposed budget cut of \$969,000 in full-time salaries, RAP must hold approximately 175 of its existing full-time positions vacant. To prevent active lists from expiring and to hire more targeted, local hires to meet RAP maintenance needs, it is requested that the \$969,000 be restored to our budget. This would allow RAP to hire an additional 20 gardener caretakers.

Maintenance & Infrastructure - It cannot be argued that RAP has significant infrastructure needs. Many of our parks, existing recreational facilities and pools are in excess of 50 years old. While we are very grateful for the capital funds included in the City's Capital Improvement Expenditure Program (CIEP), it is impossible to address the Department's mounting capital needs through the annual budget process. Our building facility needs are mounting with many roof, sewer, heating and air conditioning failures. We continue to address our pool infrastructure and again are grateful for the support but we still have pools closed such as Peck Park Pool and pools nearing failure such as Venice, Harbor and Costello to name a few. Many of our recreation and community centers along with field restrooms are in need of replacement or refurbishment. We also have unfunded community supported challenges such as the abandoned land slide area at Sunken City which attracts hundreds of people daily that place themselves at risk of injury. Although we have fenced it off for decades and have appropriate warning and no trespassing signs, it remains a very attractive and well known nuisance. Preliminary studies show with a \$3-\$4 million dollar investment, the landslide could be cleaned up and mitigated to allow limited safe access to the coastline. These are just examples of the capital challenges we face. The Department is actively engaged in a detailed Citywide Capital Improvement plan and look forward to presenting this in the very near future.

The maintenance of the park system continues to be a challenge especially around restroom cleanliness and building maintenance support. Our construction trades process more than 30,000 repair requests consisting of plumbing, carpentry, roofing mechanical and electrical repairs, and vandalism repairs and graffiti removal every year.

While the Department is very proud of the equitable growth in our sports and fitness program participation and excited about the recreational positions in this year's budget, the challenge of more participation brings a heavier demand for increased maintenance. Early evidence of this arises from RAP's pilot programs, where youth sports have been heavily subsidized and we have seen participation increase in some cases by 300%.

Homeless Abatement & Emergency Preparedness - In addition, RAP devotes significant resources to addressing homeless encampments in our parks and to meeting our emergency preparedness responsibilities. Our current FY's direct costs for homeless cleanups are limited to one full-time crew and are projected to be in excess of \$1 million dollars. While there is

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significant funding allocated for other City-wide clean up abatement efforts, there is no budget for homeless clean up abatement in City Parks. Therefore, RAP's respectfully requests reconsideration of its modest, \$382,000 General Fund request for clean-up of homeless encampments in RAP parks.

Additionally, RAP has the enormous responsibility to provide shelter to the public and to support other operational departments (e.g. Fire, Emergency Management, and Police) during all (local, state and federal) emergencies. This includes opening and staffing facilities during wildfires, earthquakes, floods, fires and other City emergencies like excessive heat waves and city fires. Underfunded programs require the Department to divert funding and resources from other programs, hold additional full-time positions vacant or make difficult decisions on which centers to open, how to respond to city and count requests for assistance and jeopardize service needs to affected communities.

Outside Funding - Although, the Department expects to receive some funding from Measure A funding, it will not solve all of RAP's infrastructure or operational needs. The funds are expected to take time to materialize and have geographic and use restrictions. Similarly, although Quimby receipts have been robust, they too are not the panacea for RAP's emerging and existing needs. Quimby funding remains dependent upon the economy, development forecasting and are constrained by geographic restrictions and local community supported park needs. RAP remains hopeful that the statewide parks and water bond measure appearing on the June 5 statewide ballot passes opening opportunities for much needed capital funding.

Private funding remains of great interest and serves as a positive path toward improving facilities as well. We are so grateful for the recent \$10M gift from the Los Angeles Clippers and \$400K from the Annenberg Foundation to improve every indoor and outdoor basketball court in our inventory. We hope this serves as a positive message to other prospective donors that we are capable and ready to streamline partnerships throughout the park system.

Given our significant capital and operational funding needs, RAP will continue to advocate for and work together to develop alternative revenue sources to meet our core responsibilities, increase the City's health and wellness, preserve and protect our precious parkland and reduce liability and risks to the City's valued resources. I am so incredibly proud of the staff that support this Department. They remain so supportive and wanting to do more, not less but are disadvantaged at having enough resources to support the services they are so very capable of providing.

Thank you for your continued support of Recreation and Parks and for your time and attention to our request. We look forward to discussing our budget with you further and remain inspired for the good things to come. Please contact me at (213) 202-2633 should you have any questions,

Sincerely,



MICHAEL A. SHULL
General Manager

MAS:ndw

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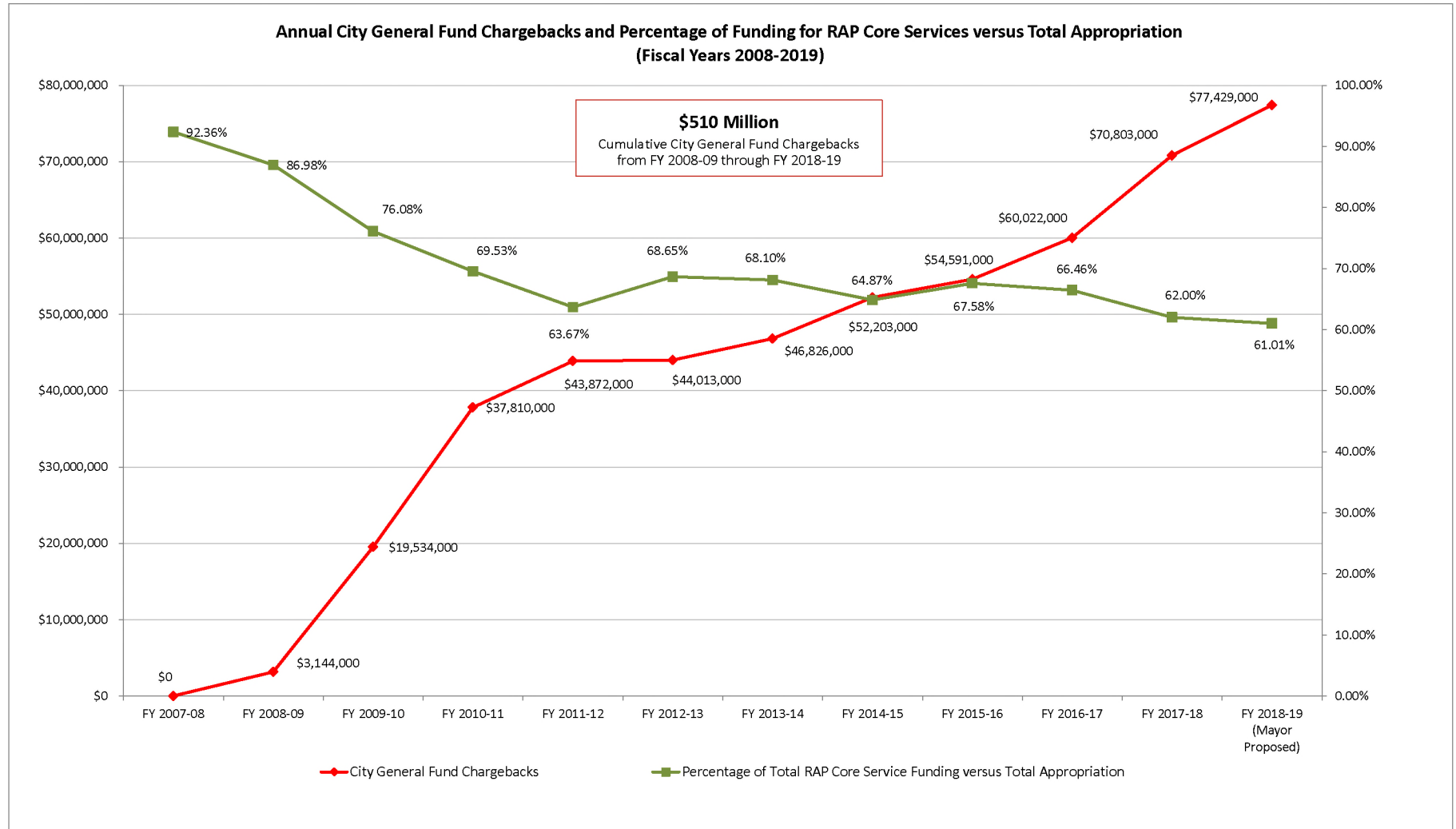
Attachments

Cc:

Honorable Councilmembers
Barbara Romero, Deputy Mayor
Zachia Nazarzai, Office of the Mayor
Sharon Tso, Chief Legislative Analyst
Richard H. Llewellyn, Chief Administrative Officer
Terry Sauer, Office of the City Administrative Officer
Jay Shin, Office of the City Administrative Officer
Board of Recreation and Parks Commissioners
Anthony-Paul Diaz, Esq., Executive Officer & chief of Staff, RAP
Noel Williams, Chief Financial Officer, RAP

**DEPARTMENT OF RECREATION AND PARKS
HISTORICAL CITY GENERAL FUND CHARGEBACKS AND
PERCENTAGE OF TOTAL RAP CORE SERVICE PROGRAM FUNDING VERSUS TOTAL APPROPRIATION**

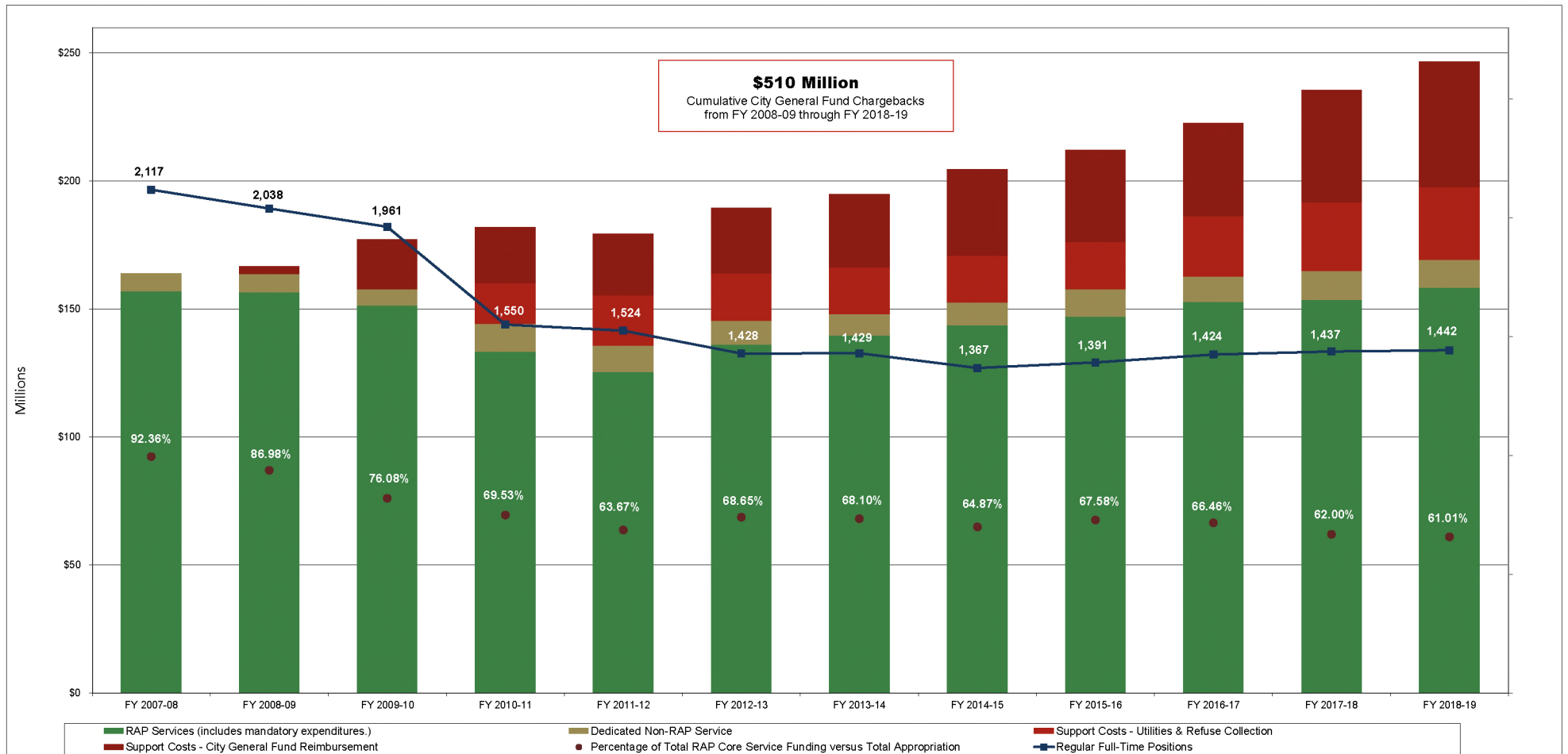
	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19 (Mayor Proposed)
City General Fund Chargebacks	\$0	\$3,144,000	\$19,534,000	\$37,810,000	\$43,872,000	\$44,013,000	\$46,826,000	\$52,203,000	\$54,591,000	\$60,022,000	\$70,803,000	\$77,429,000
Percentage of Total RAP Core Service Program Funding versus Total Appropriation	92.36%	86.98%	76.08%	69.53%	63.67%	68.65%	68.10%	64.87%	67.58%	66.46%	62.00%	61.01%



Note: City General Fund Chargebacks include utilities, refuse collection, and City General Fund Reimbursement for employee benefits.

**CITY OF LOS ANGELES DEPARTMENT OF RECREATION AND PARKS
EXPENDITURES BY CATEGORY AND POSITIONS
FISCAL YEARS 2007-08 THROUGH 2018-19**

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19 ⁽⁴⁾
RAP Services (includes mandatory expenditures.)	\$156,989,000	\$156,580,000	\$151,357,000	\$133,282,000	\$125,314,000	\$136,056,000	\$139,575,000	\$143,703,000	\$146,962,000	\$152,722,000	\$153,455,000	\$158,241,000
Dedicated Non-RAP Service ⁽¹⁾	\$6,873,000	\$6,995,000	\$6,288,000	\$10,900,000	\$10,300,000	\$9,400,000	\$8,345,000	\$8,773,000	\$10,721,000	\$9,953,000	\$11,393,000	\$11,003,000
Support Costs - Utilities & Refuse Collection ⁽²⁾	\$0	\$0	\$0	\$16,000,000	\$19,700,000	\$18,400,000	\$18,400,000	\$18,400,000	\$18,429,000	\$23,638,000	\$26,851,000	\$28,251,000
Support Costs - City General Fund Reimbursement ⁽³⁾	\$0	\$3,144,000	\$19,534,000	\$21,810,000	\$24,172,000	\$25,613,000	\$28,426,000	\$33,803,000	\$36,162,000	\$36,384,000	\$43,952,000	\$49,177,000
Total RAP Expenditures	\$163,862,000	\$166,719,000	\$177,179,000	\$181,992,000	\$179,486,000	\$189,469,000	\$194,746,000	\$204,679,000	\$212,274,000	\$222,697,000	\$235,651,000	\$246,672,000
Regular Full-Time Positions (Resolution Positions not included)	2,117	2,038	1,961	1,550	1,524	1,428	1,429	1,367	1,391	1,424	1,437	1,442
Percentage of Total RAP Core Service Program Funding versus Total Appropriation	92.36%	86.98%	76.08%	69.53%	63.67%	68.65%	68.10%	64.87%	67.58%	66.46%	62.00%	61.01%



Notes:

- 1) Dedicated Non-RAP Service includes services for Harbor, El Pueblo de Los Angeles, the Housing Authority City of Los Angeles, public building landscaping for various City departments, Joy Picus Child Care Center, Contract Support, Support for the Film Industry, Emergency Management, and the Summer Night Lights program.
- 2) In Fiscal Year 2007-08, RAP began paying utilities (\$1.25 Million) with special funds from the Golf Division and Pershing Square.
- 3) City General Fund Chargebacks include utilities, refuse collection, and City General Fund Reimbursement for employee benefits
- 4) Fiscal Year 2018-19 is based on Mayor's Proposed Budget.