


CITY OF LOS ANGELES
DEPARTMENT OF RECREATION AND PARKS

August 9, 2017

TO: BOARD OF RECREATION AND PARK COMMISSIONERS

FROM: MICHAEL A. SHULL 
General Manager

SUBJECT: OVERVIEW OF THE ADOPTED FISCAL YEAR (FY) 2017-18 DEPARTMENT OF RECREATION AND PARKS BUDGET

The City of Los Angeles (City) Fiscal Year 2017-18 (FY 17-18) Budget was approved by the City Council and the Mayor on May 24, 2017 and May 25, 2017, respectively. Included in the adopted FY17-18 Budget is the \$235.6M appropriation for the operations of the Department of Recreation and Parks (RAP), an increase of \$12.9M from FY 2016-17 (FY 16-17).

SOURCES OF FUNDS:

The projected sources of funds for FY 17-18 operations include the following:

- \$181.7M from the City's Charter Mandated property tax revenue allocation, an increase of \$10.7M from FY 16-17.
- \$9.1M from the Golf Revenue.
- \$7.2M from the Harbor Department for ground maintenance and recreational services provided by RAP.
- \$1M from Budgetary Savings (Unreserved and Undesignated Fund Balance), a reduction of \$1.5M from FY 16-17.
- \$3.1M of reimbursements from special funds such as Proposition K, an increase of \$0.7M from FY 16-17.
- \$0.5M of reimbursements from the In-House Capital Delivery Plan, a reduction of \$1M from FY 16-17.
- \$1M transfer from the Pershing Square Revenue for the Park Ranger Regeneration in the Metro District.
- \$2.8M from the Greek Theatre.
- \$0.5M from Griffith Park Parking.
- \$21.2M from other self-generated revenues, mainly from facility and programming fees and concessions.
- \$7.4M from the City's General Fund.

See Attachment A for Sources of Funds from FY 07-08 through FY 17-18.

APPROVED FUNDING REQUESTS:

RAP submitted its FY 17-18 budget proposal in alignment with RAP's strategic goals, the City's Sustainability pLAn and the Mayor's specific goals for the Department. The budget requests center around six core areas: 1) clean and safe parks and facilities; 2) increased recreational opportunities for underserved areas and groups; 3) improved information technology; 4) continued development

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and access to RAP sites; 5) implementation of sustainability goals; and 6) providing core services to support other LA City Departments. The adopted FY 17-18 budget provides funding to maintain current RAP's core services level and additional funding for the following services and programs:

- New and Expanded Facilities (\$1,480,000).
- Park Rangers for Harbor Regional Parks and Cabrillo Beach (\$221,000).
- Citywide Brush Clearance (\$926,000).
- Fire Life Safety (\$250,000).
- Citywide Pump Crew (\$175,000).
- Park Restroom Enhancement Program (PREP) (\$150,000).
- Joint Use with Los Angeles Unified School District to increase park access (\$340,000).
- Clean and Safe Spaces Program (CLASS Parks) (\$97,000).
- Girls Play Los Angeles Sports (GPLA) (\$278,000).
- Venice Beach 24-Hour Public Restroom Access (\$255,000)
- Utility increase due to rate increases (\$3,203,000).

The FY 17-18 Budget also includes City General Funds (\$4.09M) to continue the City Services provided by RAP to other City departments: Joy Picus Child Care Center; Housing Authority of the City of Los Angeles (HACLA) site at Imperial Courts Recreational Center; Public Building Landscape Services; Summer Night Lights (SNL) Program; and Emergency Preparedness.

See Attachment B for the approved budget by program.

Additionally, following programs are funded with City's General Purpose Fund:

- SNL Fiscal Agent functions (\$1,688,000).
- 2017 World Police and Fire Games (\$200,000).

EXPENDITURES BY CATEGORY AND ISSUES:

- RAP's non-discretionary expenditures, "chargebacks", continue to increase significantly from a minimal amount in FY 2007-08 to \$70.8M in FY 17-18. The chargebacks include City General Fund Reimbursement for employee retirement and healthcare, as well as utility and sanitation expenses. Although RAP received a \$10.7M mandated increase in property tax assessment for FY '17-18, the increase will be immediately depleted to offset the significant increase in chargebacks. This means 30% of the Department's total annual operating budget is being used for "chargebacks".

The increase in utility expense is mainly due to water and power rate increases by the Department of Water and Power. Within five (5) years, utility expenses are expected to double from \$15M to approximately \$31M. Even with moderate growth in the property tax base, these drastic cost increases will erode and eliminate funding used to provide existing and new recreational and public programming services.

- Although RAP's funding requests for Homeless Encampment Cleanup and Cooling Center/Emergency Shelters (totaling \$3.3M) were not approved, we continue to work closely with the Mayor's Office, Service Providers and City Family to track and prioritize to best address the increasing challenges the City faces. We intend to collaborate very closely with the upcoming City budget process to help us best address homelessness in our City Parks.

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See Attachments C and D for expenditures by program and by category.

POSITIONS:

The FY 17-18 Budget includes 1,437 regular authorities for full-time positions, an increase of 16 positions from FY 16-17. These new positions are for the Park Ranger Program (6), new and expanded facilities (9) and CLASS Parks Program (1). The FY 17-18 Personnel Resolution adopted by this Board on June 21, 2017 under Report No. 17-145 provides details of these positions.

Although the number of authorities has increased in FY 17-18, RAP will have difficulties to continue our workforce restoration due to increased salary saving rate to 6.5%, one-time salary reduction of \$0.5M, and increased chargebacks.

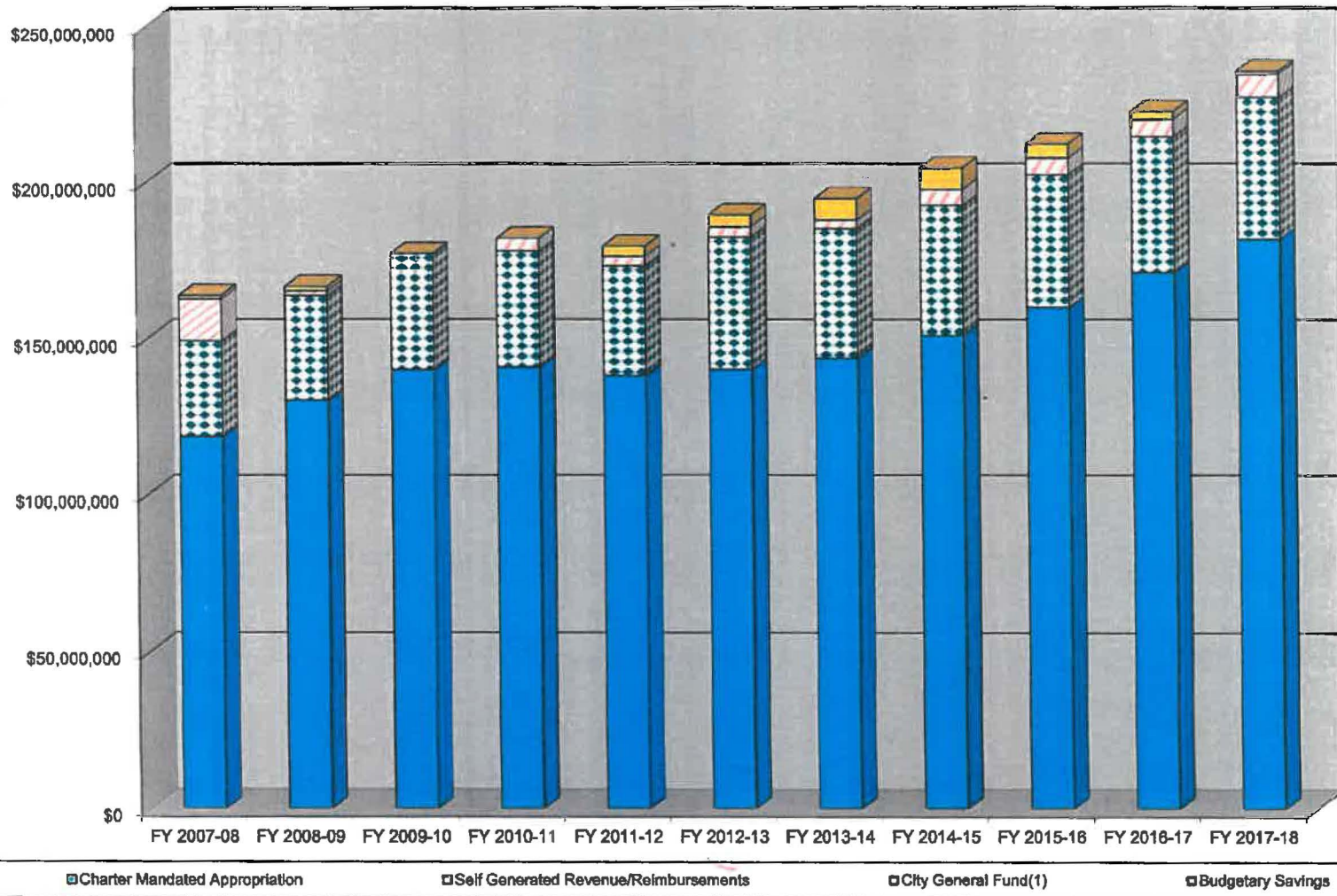
This Report was prepared by Sondra Fu, Senior Management Analyst II, Finance Division.

LIST OF ATTACHMENTS

- A) Sources of Funds from FY 2007-08 through FY 2017-18
- B) Approved Funding Requests by Program
- C) Expenditures by Program
- D) Expenditures by Category

**CITY OF LOS ANGELES DEPARTMENT OF RECREATION AND PARKS (RAP)
SOURCES OF FUNDS
ADOPTED BUDGET FOR FISCAL YEAR 2007-08 THROUGH FISCAL YEAR 2017-18**

Sources of Funds	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
Charter Mandated Appropriation	\$118,431,449	\$130,226,837	\$140,147,292	\$140,960,953	\$138,211,089	\$140,294,701	\$143,733,170	\$151,018,118	\$159,925,758	\$171,068,408	\$181,769,043
Self Generated Revenue/Reimbursements	\$30,849,394	\$33,492,626	\$36,931,601	\$36,931,601	\$34,875,000	\$42,028,248	\$41,343,301	\$41,456,000	\$42,456,000	\$43,556,000	\$45,408,000
City General Fund ⁽¹⁾	\$13,331,257	\$1,499,700	\$100,000	\$4,100,000	\$3,100,000	\$3,311,662	\$2,624,662	\$5,160,448	\$5,393,126	\$5,573,447	\$7,474,173
Budgetary Savings	\$1,250,000	\$1,500,000	\$0	\$0	\$3,300,000	\$3,834,113	\$7,044,152	\$7,044,152	\$4,500,000	\$2,500,000	\$1,000,000
Total	\$163,862,100	\$166,719,163	\$177,178,893	\$181,992,554	\$179,486,089	\$189,468,724	\$194,745,285	\$204,678,718	\$212,274,884	\$222,697,855	\$235,651,216

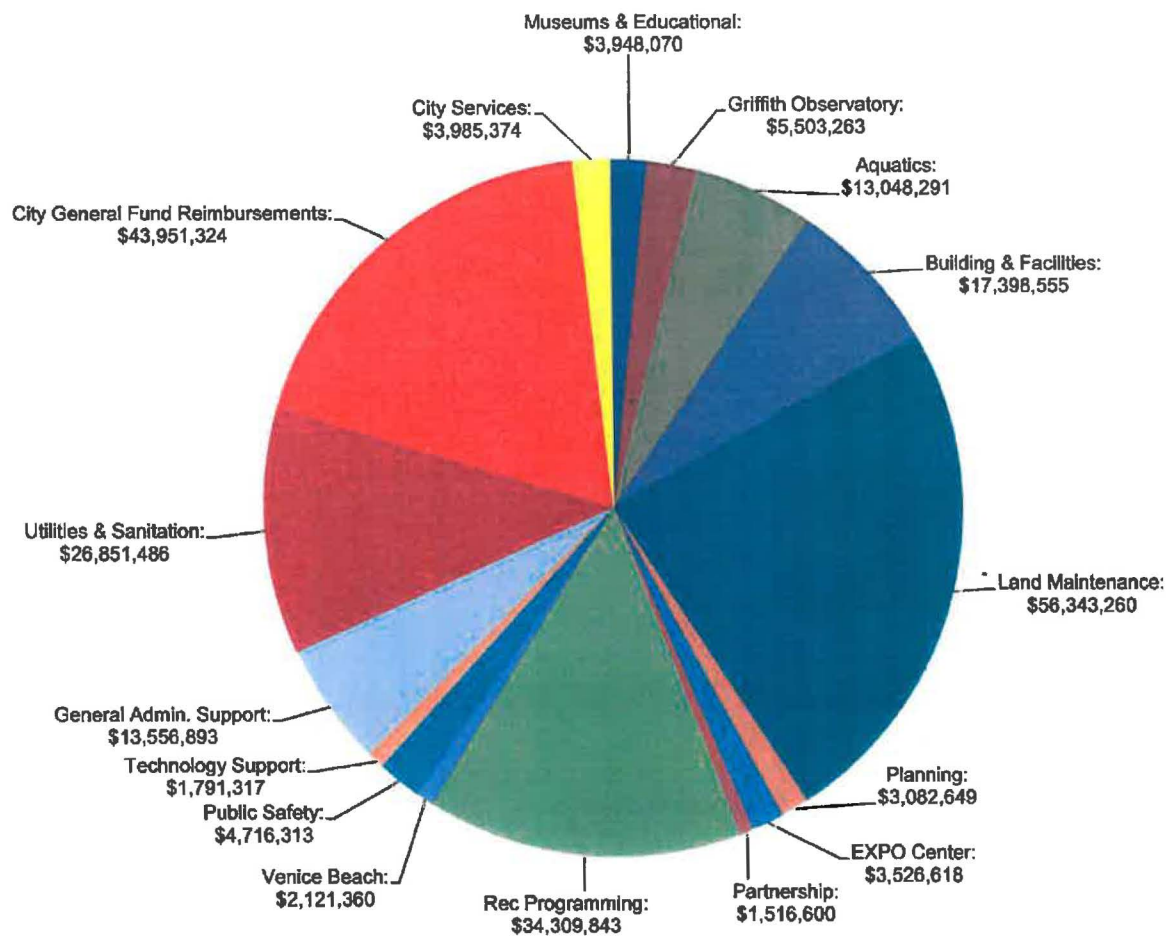


Note: (1) City General Fund includes the funding for City Services (the Housing Authority of the City of Los Angeles (HACLA), public buildings landscaping for various City departments, Joy Picus Child Care Center, Emergency Management and Summer Night Lights).

**CITY OF LOS ANGELES DEPARTMENT OF RECREATION AND PARKS (RAP)
FISCAL YEAR 2017-18 ADOPTED OPERATING BUDGET BY PROGRAM/CATEGORY**

PROG CODE	PROGRAM NAME	PROGRAM DESCRIPTION	AMOUNT	%
2017-18 RAP CORE SERVICES PROGRAMS				
DC8801	Museums and Educational (43 full-time positions)	Provide historic and education-based programs through museum facilities and exhibits.	\$ 3,948,070	1.68%
DC8802	Griffith Observatory (23 full-time positions)	Provide residents and visitors with observational, inspirational, and educational experiences.	\$ 5,503,263	2.34%
DC8807	Aquatics (46 full-time positions)	Provide recreation-based aquatic programs and activities at 62 swimming pools and 3 open water facilities and pool maintenance and operations.	\$ 13,048,291	5.54%
DC8809	Building and Facilities (150 full-time positions)	Provide construction and maintenance services to park buildings and facilities.	\$ 17,398,555	7.38%
DC8810	Land Maintenance (606 full-time positions)	Provide general upkeep, cleanliness, and maintenance of park grounds and facilities (including public restrooms).	\$ 56,343,260	23.91%
DC8811	Capital Projects and Planning (26 full-time positions)	Provide technical services to the Department.	\$ 3,082,649	1.31%
DC8812	Expo Center (30 full-time positions)	Provide recreational, educational, and cultural programs and services in and around South Los Angeles.	\$ 3,526,618	1.50%
DC8813	Partnerships, Grants and Sponsorships (16 full-time positions)	Provide enhanced and expanded recreational programs, environmental stewardship, and improvements to park facilities.	\$ 1,516,600	0.64%
DC8820	Recreational Programming (309 full-time positions)	Provide recreational activities, cultural activities, sports programs activities, youth and senior activities, and community events.	\$ 34,309,843	14.56%
DC8821	Venice Beach (16 full-time & 1 resolution positions)	Provide recreational and maintenance services to Venice Beach.	\$ 2,121,360	0.90%
DC8823	Public Safety (55 full-time positions)	Consists of Park Ranger services. Park Rangers support RAP's recreation and community service mission by providing law enforcement, public education, resource protection, and visitor services on park property.	\$ 4,716,313	2.00%
DC8849	Technology Support (14 full-time positions)	Provide professional support for RAP in information technology.	\$ 1,791,317	0.76%
DC8850	General Administration and Support (GASP) (90 full-time & 1 resolution positions)	Manage Department wide activities including: policy formulation; administrative decision making; finance administration; human resources; and public information functions.	\$ 13,556,893	5.75%
RAP CORE SERVICES TOTAL (1,424 REGULAR & 2 RESOLUTION FULL-TIME POSITIONS)			\$ 160,863,032	68.26%
2017-18 CITY GENERAL FUND CHARGEBACKS				
DC8822	Utilities and Sanitation	Water, electricity, and refuse collection fees.	\$ 26,822,387	
	City General Fund Reimbursement	For retirement, healthcare, & other city overhead	\$ 43,872,324	
CITY GENERAL FUND CHARGEBACKS TOTAL			\$ 70,694,711	30.00%
2017-18 RAP CITY SERVICES PROGRAM FOR NON-RAP FACILITIES				
DC8824	HACLA (3 full-time positions)	Provide recreation programming and maintenance at the Housing Authority of the City of Los Angeles (HACLA) site, Imperial Courts Recreation Center.	\$ 382,972	
DC8824	Public Building Landscape (3 full-time positions)	Provide public building landscape services to other City departments.	\$ 2,223,942	
DC8824	Summer Night Lights Program (4 full-time positions)	Provide Summer Night Lights (SNL) programming at recreational centers and Citywide SNL fiscal agent services.	\$ 1,150,364	
DC8824	Emergency Mgmt. Program (2 full-time positions)	Provide services to fulfill RAP's responsibility as the City's Public Welfare and Shelter Division (Admin. Code Sec. 8.59).	\$ 225,287	
DC8824	Joy Picus Child Care Center (1 full-time position)	Provide contract administration for the Joy Picus Child Care Center.	\$ 110,908	
RAP CITY SERVICES FOR NON-RAP FACILITIES TOTAL (13 REGULAR FULL-TIME POSITIONS)			\$ 4,093,473	1.74%
2017-18 RAP ADOPTED BUDGET TOTAL (1,437 REGULAR & 2 RESOLUTION FULL-TIME POSITIONS)			\$ 235,651,216	100.00%

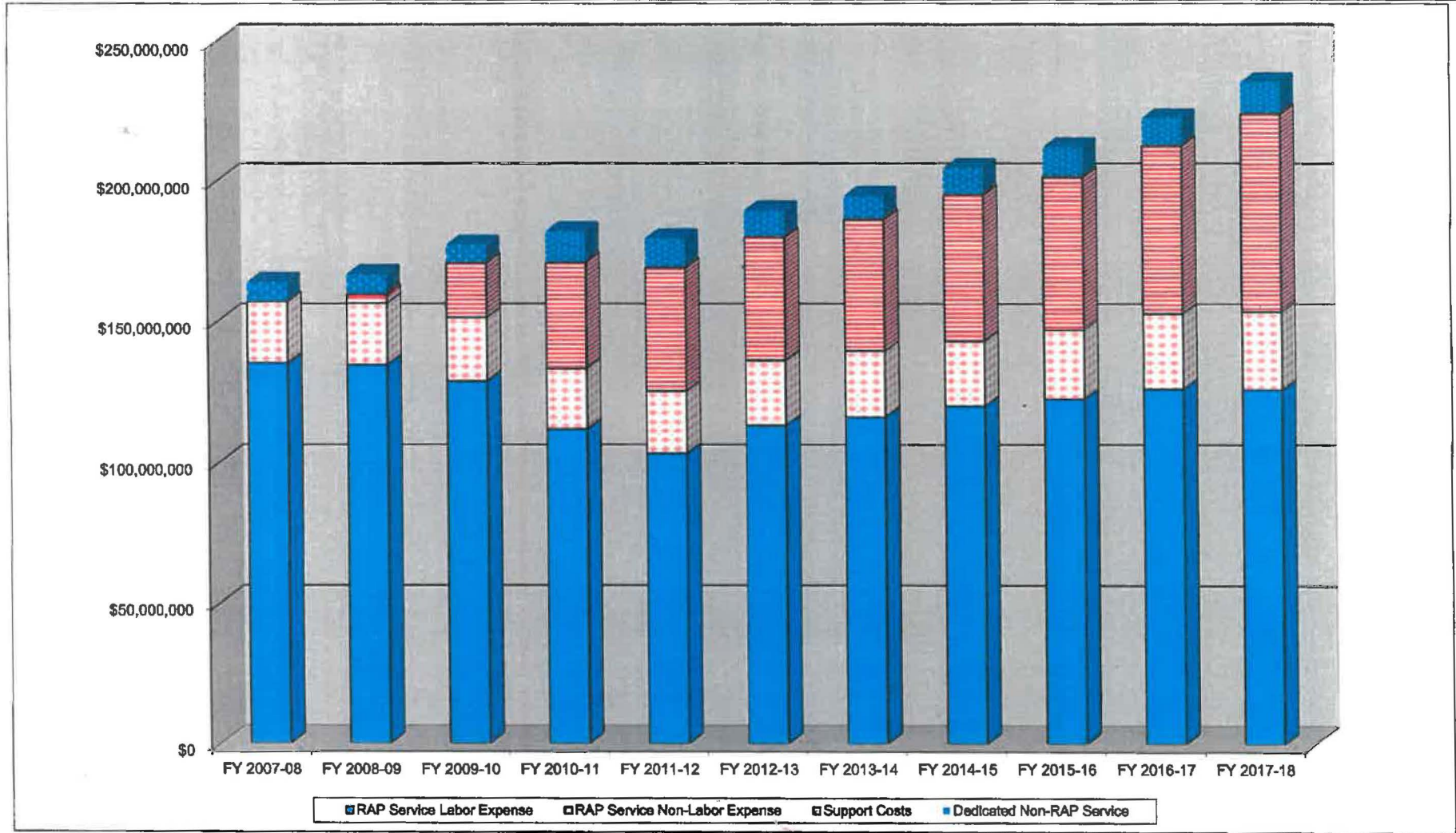
**CITY OF LOS ANGELES DEPARTMENT OF RECREATION AND PARKS
FISCAL YEAR 2017-18 OPERATING BUDGET DISTRIBUTION BY PROGRAM/CATEGORY**



**CITY OF LOS ANGELES DEPARTMENT OF RECREATION AND PARKS (RAP)
EXPENDITURES BY CATEGORY
ADOPTED BUDGET FOR FISCAL YEAR 2007-08 THROUGH FISCAL YEAR 2017-18**

Attachment D

Expenditures by Category	FY 2007-08 ⁽¹⁾	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
RAP Service Labor Expense	\$135,258,425	\$134,638,254	\$128,985,474	\$111,874,680	\$103,308,301	\$113,254,058	\$116,177,389	\$120,038,524	\$122,504,275	\$126,153,860	\$125,923,157
RAP Service Non-Labor Expense	\$21,730,466	\$21,943,543	\$22,371,681	\$21,407,523	\$22,006,164	\$22,802,077	\$23,397,556	\$22,981,854	\$24,486,897	\$26,618,113	\$27,639,875
Support Costs ⁽²⁾	\$0	\$3,144,231	\$19,533,754	\$37,810,351	\$43,871,624	\$44,012,589	\$46,825,678	\$52,202,548	\$54,562,454	\$60,022,323	\$70,694,711
Dedicated Non-RAP Service ⁽³⁾	\$6,873,209	\$6,995,135	\$6,287,984	\$10,900,000	\$10,300,000	\$9,400,000	\$8,344,662	\$9,455,792	\$10,721,258	\$9,903,559	\$11,393,473
Total	\$163,862,100	\$166,719,163	\$177,178,893	\$181,992,554	\$179,486,089	\$189,468,724	\$194,745,285	\$204,678,718	\$212,274,884	\$222,697,855	\$235,651,216



1) In Fiscal Year 2007-08, RAP began paying the utilities (\$1.25 Million) with special funds from the Golf Division and Pershing Square.
 2) Support Costs include Refuse Collection Services, Utilities and City General Fund Reimbursements for retirement, healthcare, and other City overhead costs.
 3) Dedicated Non-RAP Service includes services for Harbor Department, El Pueblo de Los Angeles, the Housing Authority of the City of Los Angeles (HACLA), public building landscaping for various City departments, Joy Picus Child Care Center, Emergency Management and Summer Night Lights.