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**DEPARTMENT OF
RECREATION AND PARKS**

221 NORTH FIGUEROA STREET #350
LOS ANGELES, CA 90012

EXECUTIVE OFFICE
P.O. BOX 86328
LOS ANGELES, CA 90086-0328

(213) 202-2633

MICHAEL A. SHULL
GENERAL MANAGER

April 21, 2017

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 (FY) 2017-18 Budget

Dear Councilmember Krekorian:

On November 18, 2016, the Department of Recreation and Parks (RAP) submitted its budget request for Fiscal Year 2017-18 (FY '17-18) in alignment with RAP's strategic goals, the City's Sustainability pLAN and the Mayor's specific goals for our Department.

RAP was fortunate to receive an additional \$10.7M in property tax funding mandated by the City Charter. Consistent with our annual practice, we submitted a fiscally responsible budget to operate within these allocations including covering the \$3.2M increase in our water bill, related obligatory expenses of \$2.3M and budgeting for items to improve equity, recreational programming, park access, park safety, emergency management planning, homelessness maintenance operations and reduction risk and liability.

RAP understands the fiscal challenges facing the City of Los Angeles and the challenges and difficult choices the City employs to address them. However, the practicality of how our proposed FY '17-18 budget breaks down is as follows:

- (+)\$10.7M, additional revenue from RAP's charter mandated proportional share of 2016 City Property Taxes
- (-)\$7.5M General Fund reimbursement
- (-)\$3.2M utility bill increase (mainly water rate increase)
- (+)\$3.0M RAP's new budget requests listed below
- (-)\$1.7M in full time salary adjustments

- (-)\$0.572M to fully fund expenses that were partially funded in prior year
- (-)\$3M deletion of 53 gardener and senior gardener positions
- (-)\$1.4M increase in salary saving rate (5% to 6.5%)
- (-)\$0.96M one time cut to RAP salary and expense accounts

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 for utilities and City General Fund Reimbursements. The combined utility payments along with this and past years mandated General Fund Reimbursements to the City's General Fund will now reach \$70.8M, which means nearly 1/3 of RAP's total annual budget cannot be used for vital public services and programs.

We are very grateful for the approval of \$3M in core requests listed below, however, it comes at a net loss to the Department. The practical reality of these cuts is that RAP will have less funding that goes directly towards public services and programs.

The \$3M approved requests are:

- Park Restroom Enhancement Program (PREP) - \$150,000
- Park Ranger Regeneration Program - \$220,000
- Girls Play LA Sports & Clean & Safe Spaces Park Programs(CLASS) - \$375,000
- Brush Clearance, Fire Life Safety and Citywide Pump Crew - \$601,000
- New and Expanded Facilities - \$968,000
- Joint Use with Los Angeles Unified School District - \$340,000
- Centralized Government Affairs Staffing - \$103,000
- Venice Beach 24-Hour Restroom Access - \$255,000

The major areas of critical concern are:

- *Deletion of 44 Gardener Caretaker and 9 Senior Gardener Positions.* Deletion of fifty-three (53) critical positions will severely hinder RAP's ability to hire and maintain adequate staff to provide safe, clean and well-maintained park facilities to public. It will also jeopardize RAP's ability to quickly implement the Mayor's Directive for Equitable Workforce and Service Restoration; reestablish presence at community parks; increase liability risks; and reduce services for trash pickup, restroom and playground safety.
- *Increased Water and Power Rate Payments:* Over the last ten (10) years, RAP "chargebacks" including utilities and General Fund Reimbursement have grown from minimal amounts to the proposed \$70.8 million for FY '17-18. In FY '07-08 for example, 92% of RAP's funding went to core services and programs, which will reduce to **61.8%** in FY '17-18 (Attachment).

Within five (5) years, utility expenses are expected to double from \$15 million to approximately \$31 million dollars. These drastic cost increases will erode and eliminate funding used to provide existing and new recreational and public

programming services.

- *Homeless Encampment Cleanup.* RAP currently has a small Bulky Item Illegal Dumping (BIID) crew covering citywide. In FY '16-17 RAP has:
 - Received more than 1300 homeless cleanup requests.
 - Completed approx. 420 requests.
 - Removed 330 tons of trash and debris.

It is our responsibility to abate public safety issues that arise from approximately 780 tons of debris scheduled to be removed in FY '17-18 and as such, RAP requested \$3.2M to fund five (5) BIID crews that would be assigned to each region: Metro, Valley, Pacific, West and Griffith Park to address and abate these public safety issues. As these services are not budgeted, RAP will be unable to continue drawing from existing resources to meet these needs. As an example, as of March 2017, RAP incurred over \$525,000 in additional abatement labor cost alone this fiscal year.

In summary RAP's proposed budget will have a reduced workforce and less funding to provide direct services to public. The budget cuts will stop our workforce restoration; limit our ability to reduce risk and liability; and reduce our ability to address urgent and/or unbudgeted demands. RAP is committed to provide the highest quality services for the public and looks forward to working with the City's budget teams on workable alternatives.

Thank you for your continued support of the Department of Recreation and Parks. Should you have any questions, please contact me at (213) 202-2633.

Sincerely,



MICHAEL A. SHULL
General Manager

MAS:ndw

Attachment

cc:

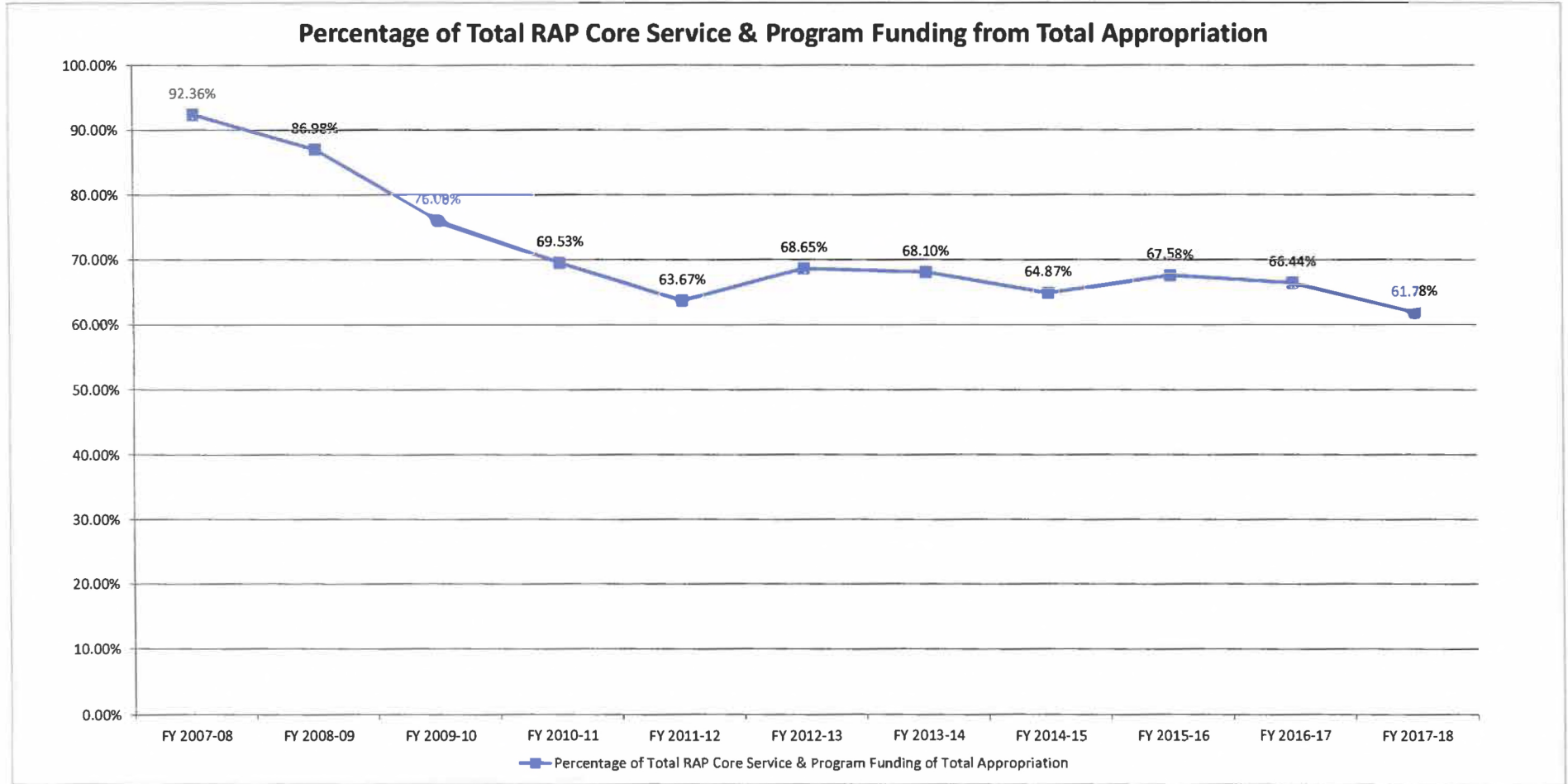
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Honorable Nury Martinez, Councilmember Sixth District
Honorable Bob Blumenfield, Councilmember Third District
Honorable Mike Bonin, Councilmember Eleventh District
Honorable Gilbert A. Cedillo, Councilmember First District
Honorable David E. Ryu, Councilmember Fourth District
Honorable Paul Koretz, Councilmember Fifth District
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Honorable Marqueece Harris-Dawson, Councilmember Eighth District
Honorable Curren D. Price, Jr., Councilmember Ninth District
Honorable Herb J. Wesson, Jr., Councilmember Tenth District
Honorable Mitch O'Farrell, Councilmember Thirteenth District
Honorable Jose Huizar, Councilmember Fourteenth District
Honorable Joe Buscaino, Councilmember Fifteenth District
Barbara Romero, Deputy Mayor of City Services
Zachia Nazarai, Office of the Mayor
Sharon Tso, Chief Legislative Analyst
Karen Kalfayan, Office of the Chief Legislative Analyst
Richard H. Llewellyn, Interim City Administrative Officer
Terry Sauer, Office of the City Administrative Officer
Jay Shin, Office of the City Administrative Officer
Sylvia Patsaouras, President, Board of Recreation Park Commission
Anthony-Paul (AP) Diaz, Esq., Executive Officer & Chief of Staff, RAP
Noel Williams, Chief Financial Officer, RAP

**CITY OF LOS ANGELES DEPARTMENT OF RECREATION AND PARKS (RAP)
PERCENTAGE OF TOTAL RAP CORE SERVICE & PROGRAM FUNDING OF TOTAL APPROPRIATION
ADOPTED BUDGET FOR FISCAL YEAR 2007-08 THROUGH FISCAL YEAR 2017-18**

	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
Percentage of Total RAP Core Service & Program Funding of Total Appropriation	92.36%	86.98%	76.08%	69.53%	63.67%	68.65%	68.10%	64.87%	67.58%	66.44%	61.78%



Note: (1) Based on Fiscal Year 2017-18 Blue Book