

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

0150-12835-0000

Date: November 21, 2024

To: The City Council

From: Matthew W. Szabo, City Administrative Officer
Jimmy Kim, General Manager, Recreation and Parks



Subject: **ECONOMIC OVERVIEW OF COMPARABLE WAGES AND BENEFITS FOR THE CITY'S PARK ACTIVITY MONITORS AND FILM MONITORS WHEN COMPARED TO THE FILM INDUSTRY AND RELATED MATTERS, PURSUANT TO C.F. 23-1228**

RECOMMENDATION

That the Council note and file this report, as it is provided for informational purposes only.

SUMMARY

On January 10, 2024, the City Council instructed the City Administrative Officer (CAO) and the Department of Recreation and Parks (RAP) to report back on the following (C.F. 23-1228):

- a. An economic overview of comparable wages and benefits for the City's Park Activity Monitor and FilmL.A., Inc.'s (FilmLA) Film Monitor personnel when compared to the film industry as a whole;
- b. A targeted analysis of the number of RAP permits issued in the last calendar year, with specific attention to the recent industry strikes and any changes in trends or forecasting that the Department can predict. This report includes an analysis of permits issued at all park properties, inclusive of parkland, aquatic centers, park facilities, equestrian centers, lakes, and golf courses, hereafter referred to as RAP properties;
- c. A targeted analysis of the number of filming activities that have occurred at City parks and recreation centers in the last calendar year. This analysis of filming activities is inclusive of all RAP properties, as defined in b. above; and
- d. A targeted analysis of the distribution of the total charges (inclusive of location charges) required of the production companies and all involved parties for filming and its related activities at these sites.

This report includes a summary of the RAP Park Activity Monitor and FilmLA Film Monitor wages; a comparison of the number of permits issued, number of filming activities, charges collected by

FilmLA for RAP sites and net revenue collected in 2022 and 2023; film industry trends and a forecast of 2024 filming activity and projected revenue. As requested by the City Council, we have provided the requested information by calendar year, as opposed to the City's fiscal year.

Background

The Department of Recreation and Parks administers more than 15,700 acres of parkland, 52 aquatic centers, 480 park facilities, 3 equestrian centers, 13 lakes, and 12 golf courses. Hereafter these are referred to as RAP properties. RAP properties attract film production companies from around the world. RAP and the Park Film Office continue to support the film industry by working with FilmLA and production companies in coordinating film permit applications for RAP properties. While RAP facilitates the permit application process with FilmLA, it is the Los Angeles Police Department (LAPD) as the permit authority which issues the film permit. A film permit is a legal right to film at that location, subject to restrictions and conditions that vary by location. LAPD issues a film permit for each location where filming will occur. Filming activities are those which take place during the filming at a particular location. Thus, there may be multiple filming activities associated with one film permit. Depending on what type of filming activities are planned, it may be necessary to obtain approvals from additional City departments, such as the Los Angeles Fire Department, before the permit application is submitted to LAPD for final approval. RAP collects charges for costs associated with its property and services, while LAPD assigns its costs separately on the same permit. The Park Film Office is a full cost recovery operation and it therefore receives no General Fund subsidy. The cost of a film permit varies depending on the filming services needed. RAP provides services based on charges paid.

Departmental Wages and Benefits

The RAP Park Film Office currently has an average of 22 administrative support personnel who coordinate production activity with location managers, schedule on-location tech scouts, and work directly with FilmLA to coordinate approval of permits. Tech scouts are walkthroughs with City staff and film crews of proposed activities where questions may be asked and answered directly with key personnel for unusual requests, such as vehicle or equipment placement, explosions, or use of weapons or animals. Filming activities on RAP property require production companies to adhere to the guidelines that are discussed during their scout and included in their film permit. In order to provide support to the industry on location in real time, the Park Film Office has about 60 Park Activity Monitors (PAM). In 2023, the hourly rate for this position was \$22.68. A PAM is assigned to film shoots to monitor the filming activity, support location managers with unforeseen issues, enforce permit rules and regulations, help ensure safety, protect park property, and respond to public concerns that may arise at the filming location.

A PAM is either an intermittent or exempt half-time employee that is scheduled to work as-needed hours in locations that vary from shift to shift. Whether an employee is intermittent or exempt with half-time benefits is determined by the following:

General Provisions for Intermittent (part-time) Employees:

1. Intermittent employees are employees assigned to a regular or as-needed work schedule of less than half-time of the available working time (less than 1,040 hours) in a service year.
2. Intermittent employees accrue Compensated Personal Time Off (CPTO) at a rate of 2.75 minutes for every hour compensated. Employees must complete a period of six consecutive months of City service and must have been compensated for at least 500 hours before qualifying to use CPTO. CPTO time can be used for personal business and holidays assigned off.

General Provisions for Civil Service exempt Half-Time Employees:

1. Exempt Half-time employees are employees regularly assigned to work a schedule of half-time (1,040 hours) in a service year. The hours worked may vary depending on available work and schedule availability.
2. Benefits of exempt half-time employees are normally calculated on the basis of the number of hours an employee works.
3. Employees shall not receive more than ninety-six hours of 100 percent sick leave and forty hours of 75 percent sick leave in a calendar year.
4. Prorated extra-time benefits are additional sick and vacation leave for half-time employees who are compensated in excess of their regularly assigned 1,040 hours during the year. The employee begins accruing vacation and sick leave and becomes eligible to use sick leave and holiday benefits at the appropriate prorated rate. Vacation benefits can be used one year after their anniversary date.

Under instructions issued by the Executive Employee Relations Committee (EERC) and the City Council, the CAO represents the management of the City in negotiating all labor contracts. The American Federation of State, Country, and Municipal Employees (AFSCME) Union represents the PAM under Memorandum of Understanding (MOU) 03. The 2023-2028 MOU includes general base wage movement schedules and a targeted salary adjustment that includes additional compensation for the PAM classification. Currently, the hourly rate for this classification is \$25.12, and the hourly rate increases for the current MOU are as follows:

- \$26.12 effective June 29, 2025
- \$27.16 effective June 28, 2026
- \$27.97 effective June 27, 2027
- \$28.81 effective December 26, 2027
- \$29.39 effective June 25, 2028

Comparable Wages and Benefits at Other Local Governmental Agencies

RAP reviewed the wages paid to classifications in nearby local government agencies that are similar to the PAM Classification. These agencies included the cities of Burbank, Glendale, and Pasadena. In this review, it was found that these agencies have Facility Attendants to monitor filming activities on city property with the following average hourly rates: City of Burbank (\$21.00/hour), City of Glendale (\$18.15/hour), and City of Pasadena (\$16.99/hour).

The CAO requested that FilmLA provide information on comparable wages and benefits for the film industry as a whole. FilmLA responded that it does not have comparable information for Park Monitors or the industry as a whole as these are specialized roles.

FilmLA Wages and Benefits

FilmLA is a 501(c)4 not-for-profit public benefit organization and the official film office of the City and County of Los Angeles, as well as serving additional local municipalities. FilmLA coordinates and processes permits for on-location motion picture, television, and commercial production under contract to public-sector clients in the Los Angeles region. All permits are issued by the authority of, and in accordance with the policies of, each client jurisdiction.

FilmLA Film Monitors work to ensure compliance with film permit terms and provide on-set mediation between film production companies, neighbors, and merchants. They work on site as third-party support, communicating best practices to each involved stakeholder. The current average hourly rate for FilmLA Film Monitors is \$26.83. All FilmLA employees receive the following benefits: medical, dental, vision, long term disability, life insurance, and an employee assistance program.

Number of Permits Issued for RAP Properties

As stated earlier, one permit is required per filming location. For the calendar year 2022, FilmLA issued a total of 1,649 film permits approved by LAPD for RAP properties. The film industry strike began in May 2023 and the number of issued film permits dropped significantly. In 2023, FilmLA issued a total of 1,121 film permits approved by LAPD for RAP properties, a reduction of 32 percent.

Table 1

	2022	2023	Percent change	2024 (through 8/31/24)
Total film permits on RAP properties	1,649	1,121	-32%	746

Number of Filming Activities at RAP Properties

There can be multiple filming activities associated with one film permit. In calendar year 2022, there were 2,048 filming related activities at RAP properties. There were 1,470 filming related activities at RAP properties in 2023, which was a decrease of 28 percent from 2022. As of August 31, 2024, there have been 1,075 filming related activities at RAP properties. For the purposes of this report, filming related activities at RAP properties includes the total count for filming days, the aerial activities, special effects activities, and weapons/gunfire activities.

Table 2

	2022	2023	Percent change	2024 (through 8/31/24)
Number of Filming Days	1560	1044	-33%	707
Count of Aerial Activities ¹	437	426	-3%	306
Count of Special Effects Activities ²	0	0	-	34
Count Weapons/Gunfire Activities ³	51	0	100%	28
Total Filming Activities	2,048	1,470	-28%	1,075

Filming Charges

Under the authority of the Los Angeles City Charter, the City of Los Angeles, the Department of Recreation and Parks Board of Commissioners sets the rates and charges for permitted use of park property. Table 4 outlines an abbreviated list of possible filming related charges collected by FilmLA for RAP properties. The full list of charges and associated terms is outlined in the Department's Manual of Rates and Fees. RAP advises that the Park Monitor charge listed in Table 4 is higher than the Park Activity Monitor's hourly wage as this amount also includes indirect costs.

RAP charges are estimated and collected by FilmLA at the point of issuance for a permit. RAP invoices FilmLA the actual final charges, and upon receipt, FilmLA remits payment to the City. Typically, it takes about 60 days for payment to be made to the City from the time FilmLA collects charges. The estimated charges are typically higher than the actual final charges from RAP. When the estimated charges are higher than the actual final charges from RAP, productions can receive a refund for the overpayment. A total of 60 percent of the collected charges are deposited into the Film Coordination Surcharge Account within the Recreation and Parks Fund, which is a self-sustaining operation that receives no annual budget. This account pays for PAM salary costs, administrative support, supervisors, and the on-location supervisor who conducts all tech scouts, as well as office supplies and other essentials for the daily operations. The remaining 40 percent of the collected charges are transferred to the operating accounts in the Department of Recreation and Parks Fund to help rehabilitate locations that are heavily used in film production.

¹ Aerial activities may include use of aircraft, drones, or helicopters.

² Special effects may include breaking glass; cigarette, e-cigarette, or vaping; disabling/bypassing fire safety system; explosion; fire bar; smoke effects-non-water based; spark effects; special effects-other; squibs (such as an explosive device); or zirk hits (plastic balls that simulate bullets)/bullet hits.

³ Weapons/Gunfire activities may include brandishing weapons-in public view; brandishing weapons-not in public view; exterior gunfire-automatic, semi-automatic, single shot, or non-gun; interior gunfire-automatic, semi-automatic, single-shot, or non-gun.

Table 4

Department of Recreation and Parks Filming Charges	Base price	Rate Type
Catering, 1-74 Persons	\$225.00	Day
Catering, 75 Plus Persons	450.00	Day
Crew Parking, 1-15 Vehicles	100.00	Day
Crew Parking, 16 Vehicles And Up	300.00	Day
Camera Class Use, 1-14 Persons	75.00	Day
Camera Class Use, 15 Plus Persons	150.00	Day
Park Monitor	38.00	Hour
Spot Check	150.00	Location
Still Photo Use, 1-14 Persons	75.00	Day
Film Location	450.00	Day
Still Photo Use, 15 Plus Persons	150.00	Day
Basecamp Only	450.00	Day
Location Hold	450.00	Day
Monitor Reporting	76.00	Shift
Facility Expert	1.00	Location
Prep-Strike	150.00	Day
Special Facility Administration	150.00	Location

Revenue

As the number of permits issued in 2023 has fallen compared to 2022, RAP generated revenue has also decreased. RAP generated film revenue for the 2022 calendar year was \$973,068.20, while revenue for the 2023 calendar year was \$730,426.20, a decline of 25 percent.

Table 3

	2022	2023	Percent change	2024 (through 8/31/24)
RAP Generated Revenue	\$973,068.20	\$730,426.20	-25%	\$510,023.74

Film Industry Trends and 2024 Revenue Projections

FilmLA states that all forms of production have decreased as companies reduce budgets, length of series, and days of shooting. Locally, FilmLA noted this trend a year before the double strikes of 2023, which included the Writers Guild of America strike over a labor dispute with the Alliance of Motion Picture and Television Producers (AMPTP) from May 2 to September 27, 2023, and the Screen Actors Guild – American Federation of Television and Radio Artists strike over a labor dispute with the AMPTP, from July 14 to November 9, 2023.

While FilmLA expects permit levels in the City of LA to remain consistent moving forward, RAP anticipates an increase in permits issued and revenue generated for the 2024 calendar year due to the conclusion of the film industry strikes. Pre-pandemic (2019), RAP noted that the total number of permits issued was 1,959 in 2019 with total revenue generated in the amount of \$1,260,069.10. The RAP Park Film Office forecasts that revenue for the 2024 calendar year will either match or exceed these numbers.

In *FilmLA's 2023 Scripted Content Study* released on October 9, 2024, FilmLA states that “over the past three years, California’s signature industry has lost market share to its array of U.S. and global competitors, including the United Kingdom, Ontario, New York, Georgia and others. Greater Los Angeles went from a nearly 23 percent capture of qualified projects in 2021, to a 22 percent share in 2022, and 18 percent share in 2023.” FilmLA reported that it is at a five-year low in terms of permit applications processed, which is approximately 15 percent lower than pre-pandemic levels.

The California Film Commission administers the Film and Television Tax Credit Program, which provides tax credits based on qualified expenditures for eligible productions that are produced in California. An October 27, 2024 article in the LA Times stated that this Program was created in 2009 as a way to stop film and TV production from moving to other states. Originally the credit was restricted to \$100 million per year. In 2014, the amount was increased to \$330 million per year, awarding studios tax credits of up to 25 percent to offset qualified production costs. In 2023, the Governor extended that version of the program for an additional five years and added a feature entitling studios to cash payments from the state when their credits exceed their tax bills.

According to *FilmLA's 2023 Scripted Content Study* report, in 2023 the annual tax incentive funding cap for California was \$330 million. In comparison, the annual tax incentive funding caps for other top filming locations were: New York (\$700 million); Georgia (no cap); United Kingdom (no cap); British Columbia (no cap); and Ontario (no cap). On October 27, 2024, Governor Gavin Newsom proposed to increase California’s annual film and TV tax credit from \$330 million to \$750 million, making California the top state for capped film incentive programs, surpassing New York. If approved by the Legislature, the increase could take effect as early as July 2025 and span five years. An October 27, 2024 article in the New York Times, reported that “Colleen Bell, executive director of the California Film Commission, said ‘We’re losing our market share and there’s no reason,’ ‘Production companies are just seeking these tax credits. It’s not enough anymore just to be the state with the best crews and the best weather and the best locations.’”

FISCAL IMPACT STATEMENT

There is no fiscal impact associated with approval of the recommendation to Note and File this report.

FINANCIAL POLICIES STATEMENT

This report is in compliance with the City’s Financial Policies.