

CITY OF LOS ANGELES  
DEPARTMENT OF RECREATION AND PARKS

TO: BOARD OF RECREATION AND PARK COMMISSIONERS

FROM: MICHAEL A. SHULL, GENERAL MANAGER  
DEPARTMENT OF RECREATION AND PARKS 

SUBJECT: OVERVIEW OF THE ADOPTED FISCAL YEAR 2019-20 DEPARTMENT OF RECREATION AND PARKS OPERATING BUDGET

The City of Los Angeles (City) Fiscal Year 2019-20 (FY '19-20) Budget was approved by the City Council and the Mayor on May 29, 2019 and May 30, 2019, respectively. Included in the adopted FY '19-20 Budget is the \$268.56M appropriation for the operations of the Department of Recreation and Parks (RAP), an increase of \$20.14M from FY 2018-19 (FY '18-19).

SOURCES OF FUNDS:

The projected sources of funds for FY 19-20 operations include the following:

- \$207.49M from the City's Charter Mandated property tax revenue allocation, an increase of \$14.08M from FY '18-19.
- \$9.08M from the Golf Revenue.
- \$7.2M from the Harbor Department for ground maintenance and recreational services provided by RAP.
- \$5.05M of reimbursements from special funds Proposition K, an increase of \$1.9M from FY '18-19.
- \$3M from the Greek Theatre.
- \$2.7M from Griffith Park Parking.
- \$2.19M from Griffith Observatory.
- \$1.65M from swim pools, a reduction of \$0.3M from FY '19-20.
- \$1.5M transfer from the Pershing Square Revenue.
- \$0.75M from Budgetary Savings (Unreserved and Undesignated Fund Balance).
- \$0.25M of reimbursements from the In-House Capital Delivery Plan, a reduction of \$0.25M from FY '18-19.
- \$17.54M from other self-generated revenues, mainly from facility and programming fees and concessions.
- \$10.16M from the City's General Fund.

See Attachment A for Sources of Funds from FY 2008-09 (FY '08-09) through FY '19-20.

APPROVED FUNDING REQUESTS:

RAP submitted its FY '19-20 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) equitable recreational programming (expansion of the Universal Play initiatives with increased service levels for underserved and economically disadvantaged communities); 2) new and expanded services and facilities; 3) maintenance of facilities and parks; 4)

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obligatory and mandated requests; 5) improved technology for data gathering, metric tracking and asset management; and 6) service requests to support and grow City-wide programs such as emergency preparedness, serving the homeless population and Summer Night Lights.

The adopted FY '19-20 Budget provides healthy funding appropriations to maintain current RAP's core services and the following enhanced services and programs:

- New and Expanded Facilities (\$2,464,000)
- Universal Play – Adaptive Sports (\$472,000)
- Universal Play – LA 2028 Training and Safety Requirements (\$400,000)
- Data/Asset Management Group (\$700,000)
- Senior Program (\$147,000)
- Campo de Cahuenga (\$78,000)
- Summer Night Lights Program Wage Increase (\$146,000)
- HVAC Assessment (\$763,000)
- Fire Life & Safety (\$300,000)
- Citywide Pump Crew (\$250,000)
- Gym Floor Maintenance (supporting Clipper funded basketball court improvements \$160,000)
- Bulky Items Illegal Dumping Crews (BIID) (\$1,435,000)
- Tree Crew (\$852,000)
- Brush Clearance (\$250,000)
- Reduce Salary Savings Rate by 1% to 5.5% (\$820,000)
- Utility increase due to rate increases (\$3,934,000)

The FY '19-20 Budget also includes City General Funds (\$4M) to continue the City Services provided by RAP to other City departments: Joy Picus Child Care Center; Public Building Landscape Services; Summer Night Lights (SNL) Program; and Emergency Management.

See Attachments B and C for the approved budget by budgetary program and category.

Additional funds from City's General Funds, Proposition A Local Transit Assistance Fund and Municipal Improvement Corporation of Los Angeles (MICLA) financing are also allocated for the following programs:

- SNL Fiscal Agent Functions – Continuing program at the same funding level (\$1,688,000).
- Universal Play and SwimLA – Contingent upon the execution of the Youth Sports component of the Games Agreement with LA 2028 (\$1,475,000)
- Youth Program Bus Services (\$500,000)
- Major Equipment Purchase for HVAC, BIID and Tree Maintenance Crews (\$1,254,000)

### CHALLENGES:

Although RAP received a healthy funding allocation for FY '19-20 including \$14.1M mandated increase in property tax assessment, the increase was immediately depleted to offset the increase in City's General Fund (GF) Contribution, the increased needs to maintain existing service levels and unbudgeted demands.

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- *Maintenance of Existing Services Levels* – RAP must use \$8.2M to maintain current existing service levels through supporting negotiated labor contract salary increases and other full-time labor related adjustments (\$7.1M); and fully funding new and expanded facilities that received partial funding in prior year (\$1.1M).
- *Additional City General Fund Contribution* -- \$3.9M was added to pay for Utilities and Refuse Collection in FY '19-20. RAP is required to use \$81.4M (30.3% of the total operating budget) to pay reimbursements to the City's General Fund for employee benefits (\$49.2M), the Department of Water and Power (DWP) for utilities (\$29.9M), and the Bureau of Sanitation for refuse costs (\$2.3M). These increases diminish RAP's ability to meet and increase vital maintenance and recreational programming needs. Since the inception of these Department contributions in FY '08-09, approximately **\$591M** has been diverted away from RAP's core operations.
- *Salary Savings and Unfunded Demands* – The salary savings rate continues to be high at 5.5% for full-time positions. Due to the combination of the high salary savings rate, unfunded labor costs (sick time payouts, retirement payouts, bonuses, etc.), unfunded emergency shelter and cooling center operations, and participation in other mandated City programs that are unfunded or underfunded, RAP must hold approximately 130 of its existing full-time positions vacant.

See Attachment D for expenditures by program and by category.

### POSITIONS:

The FY '19-20 Budget includes 1,537 regular authorities for full-time positions, an increase of 65 positions from FY '18-19. These new positions are for swim pools conversion to year-round operation (7), meeting LA 2028 Training and Safety requirements (4), recreation and maintenance supporting new and expanded facilities (8), Adaptive Sports (3), Senior Program (3), HVAC (10), BIID Crews (15), Tree Crew (11), Data & Asset Management Group (3), and a regularized Service Coordinator. The FY '19-20 Personnel Resolution adopted by this Board on June 5, 2019 under Report No. 19-113 provides details of these positions.

Although the number of authorities has increased in FY '19-20, RAP will face challenges to continue our workforce restoration due to high salary saving rate of 5.5%, increased General Fund contribution, and unbudgeted/under-budgeted demands.

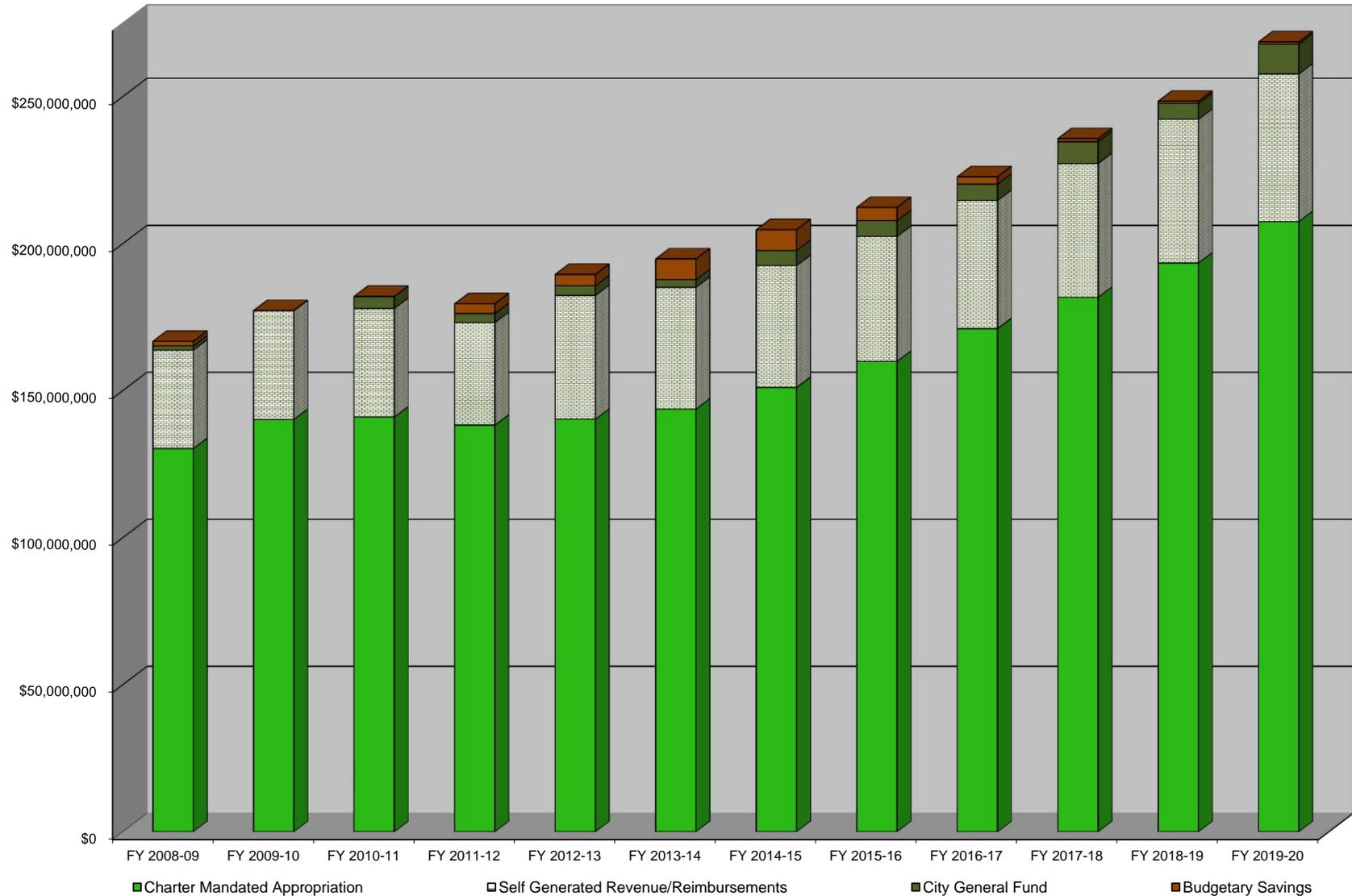
This Report was prepared by Sondra Fu, Senior Management Analyst II, Finance Division.

### LIST OF ATTACHMENTS

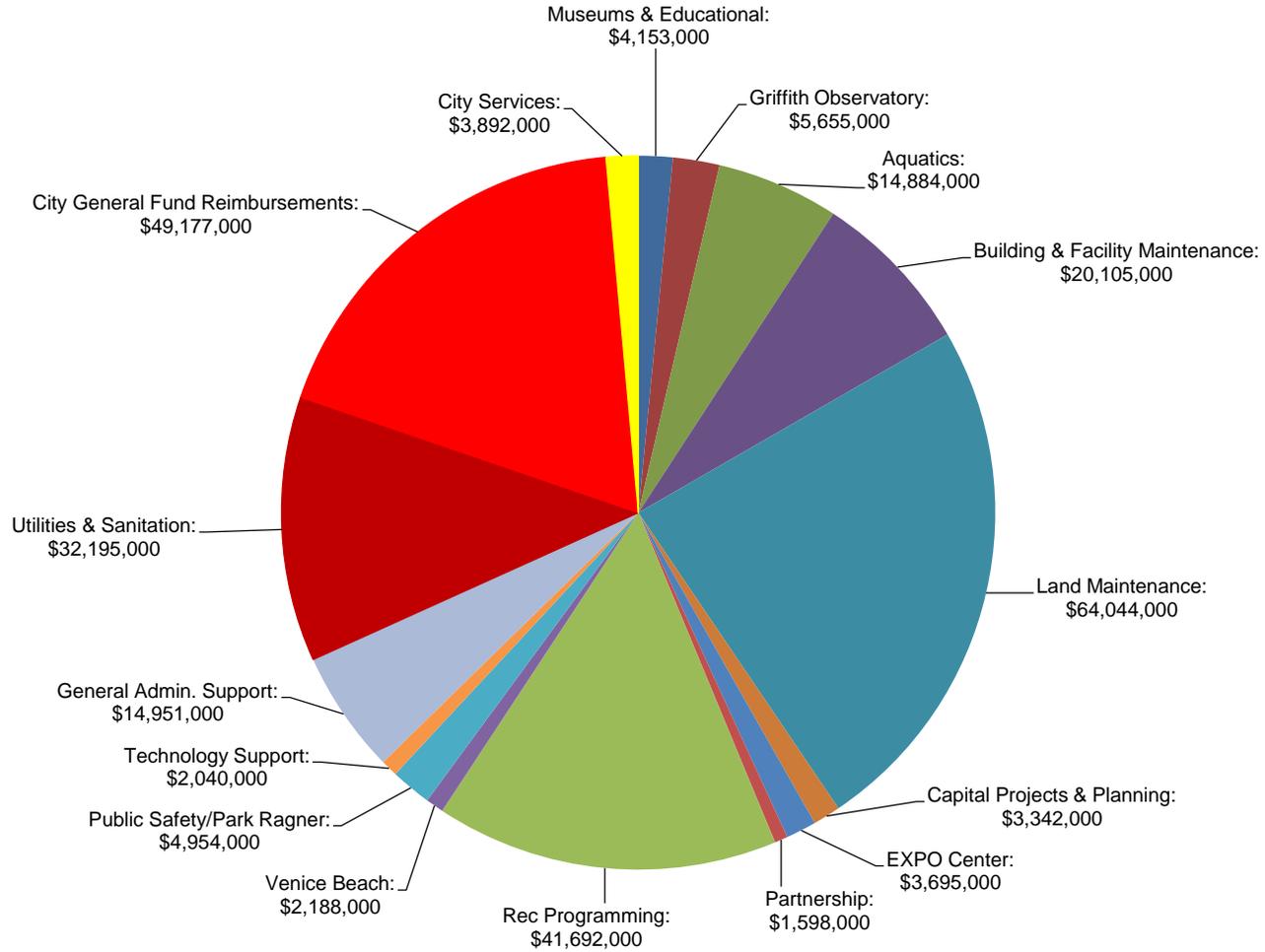
- A) Sources of Funds from FY '08-09 through FY '19-20
- B) FY '19-20 Budget by Program Chart
- C) FY '19-20 Budget by Program Details
- D) Expenditures by Category from FY '08-09 through FY '19-20

**CITY OF LOS ANGELES DEPARTMENT OF RECREATION AND PARKS (RAP)  
SOURCES OF FUNDS  
ADOPTED BUDGET FOR FISCAL YEAR 2008-09 THROUGH FISCAL YEAR 2019-20**

Source of Funds	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	FY 2019-20
Charter Mandated Appropriation	\$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	\$193,411,135	\$207,492,010
Self Generated Revenue/Reimbursements	\$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	\$48,808,000	\$50,159,149
City General Fund	\$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	\$5,452,976	\$10,162,833
Budgetary Savings	\$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	\$750,000	\$750,000
<b>Total</b>	<b>\$166,719,163</b>	<b>\$177,178,893</b>	<b>\$181,992,554</b>	<b>\$179,486,089</b>	<b>\$189,468,724</b>	<b>\$194,745,285</b>	<b>\$204,678,718</b>	<b>\$212,274,884</b>	<b>\$222,697,855</b>	<b>\$235,651,216</b>	<b>\$248,422,111</b>	<b>\$268,563,992</b>



**CITY OF LOS ANGELES DEPARTMENT OF RECREATION AND PARKS  
FISCAL YEAR 2019-20 OPERATING BUDGET DISTRIBUTION BY PROGRAM/CATEGORY**



**CITY OF LOS ANGELES DEPARTMENT OF RECREATION AND PARKS (RAP)  
FISCAL YEAR 2019-20 ADOPTED OPERATING BUDGET BY PROGRAM/CATEGORY**

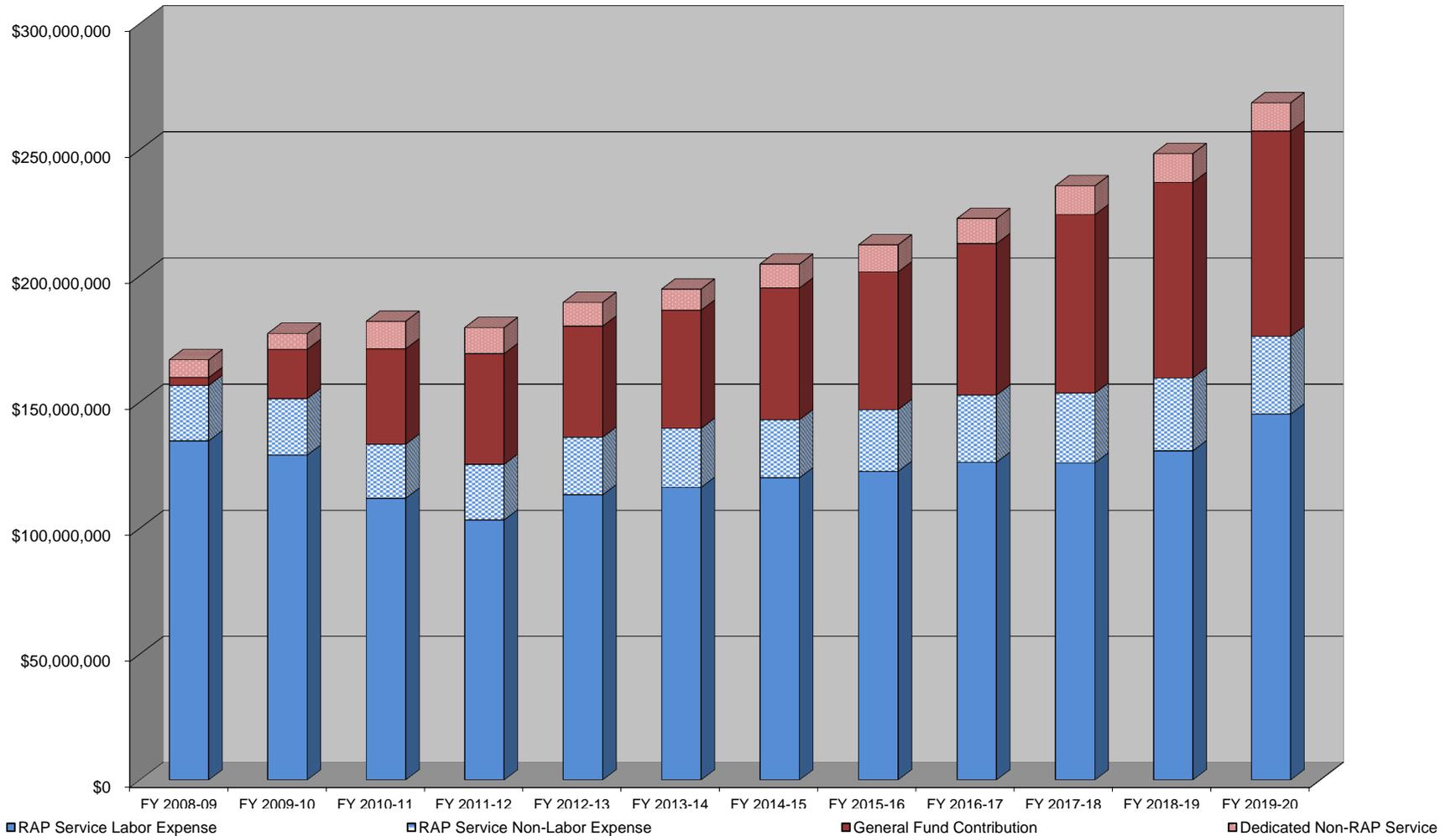
PROG CODE	PROGRAM NAME	PROGRAM DESCRIPTION	AMOUNT	%
<b>2019-20 RAP CORE SERVICES PROGRAMS</b>				
DC8801	<b>Museums and Educational</b> (43 full-time positions)	Provide historic and education-based programs through museum facilities and exhibits.	\$ 4,152,851	1.55%
DC8802	<b>Griffith Observatory</b> (23 full-time positions)	Provide residents and visitors with observational, inspirational, and educational experiences.	\$ 5,655,002	2.11%
DC8807	<b>Aquatics</b> (57 full-time positions)	Provide recreation-based aquatic programs and activities at 62 swimming pools and 3 open water facilities and pool maintenance and operations.	\$ 14,884,217	5.54%
DC8809	<b>Building and Facilities</b> (160 full-time positions)	Provide construction and maintenance services to park buildings and facilities.	\$ 20,105,293	7.49%
DC8810	<b>Land Maintenance</b> (639 full-time positions)	Provide general upkeep, cleanliness, and maintenance of park grounds and facilities (including public restrooms).	\$ 64,044,278	23.85%
DC8811	<b>Capital Projects and Planning</b> (26 full-time positions)	Provide technical services to the Department.	\$ 3,341,802	1.24%
DC8812	<b>Expo Center</b> (30 full-time positions)	Provide recreational, educational, and cultural programs and services in and around South Los Angeles.	\$ 3,694,512	1.38%
DC8813	<b>Partnerships, Grants and Sponsorships</b> (16 full-time positions)	Provide enhanced and expanded recreational programs, environmental stewardship, and improvements to park facilities .	\$ 1,597,563	0.59%
DC8820	<b>Recreational Programming</b> (354 full-time positions)	Provide recreational activities, cultural activities, sports programs activities, youth and senior activities, and community events.	\$ 41,691,697	15.52%
DC8821	<b>Venice Beach</b> (17 full-time positions)	Provide recreational and maintenance services to Venice Beach.	\$ 2,188,245	0.81%
DC8823	<b>Public Safety</b> (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.	\$ 4,953,743	1.84%
DC8849	<b>Technology Support</b> (16 full-time positions)	Provide professional support for RAP in information technology.	\$ 2,039,868	0.76%
DC8850	<b>General Administration and Support (GASP)</b> (91 full-time & 1 resolution positions)	Manage Department wide activities including: policy formulation; administrative decision making; finance administration; human resources; and public information functions.	\$ 14,950,967	5.57%
<b>RAP CORE SERVICES TOTAL (1,527 REGULAR FULL-TIME POSITIONS)</b>			<b>\$ 183,300,038</b>	68.25%
<b>2019-20 CITY GENERAL FUND CHARGEBACKS</b>				
DC8822	<b>Utilities and Sanitation</b>	Water, electricity, and refuse collection fees.	\$ 32,194,486	
	<b>City General Fund Reimbursement</b>	For employee retirement and healthcare benefits	\$ 49,177,099	
<b>CITY GENERAL FUND CHARGEBACKS TOTAL</b>			<b>\$ 81,371,585</b>	30.30%
<b>2019-20 RAP CITY SERVICES PROGRAM FOR NON-RAP FACILITIES</b>				
DC8824	<b>Public Building Landscape</b> (3 full-time positions)	Provide public building landscape services to other City departments.	\$ 2,233,138	
DC8824	<b>Summer Night Lights Program</b> (4 full-time positions)	Provide Summer Night Lights (SNL) programming at recreational centers and Citywide SNL fiscal agent services.	\$ 1,326,003	
DC8824	<b>Emergency Mgmt. Program</b> (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).	\$ 198,597	
DC8824	<b>Joy Picus Child Care Center</b> (1 full-time position)	Provide contract administration for the Joy Picus Child Care Center.	\$ 134,631	
<b>RAP CITY SERVICES FOR NON-RAP FACILITIES TOTAL (10 REGULAR FULL-TIME POSITIONS)</b>			<b>\$ 3,892,369</b>	1.45%
<b>2019-20 RAP ADOPTED BUDGET TOTAL (1,537 REGULAR FULL-TIME POSITIONS)</b>			<b>\$ 268,563,992</b>	100.00%

**CITY OF LOS ANGELES DEPARTMENT OF RECREATION AND PARKS (RAP)  
EXPENDITURES BY CATEGORY  
ADOPTED BUDGET FOR FISCAL YEAR 2008-09 THROUGH FISCAL YEAR 2019-20**

Attachment D

**Expenditures by Category** <sup>(1)</sup>

	<b>FY 2008-09</b>	<b>FY 2009-10</b>	<b>FY 2010-11</b>	<b>FY 2011-12</b>	<b>FY 2012-13</b>	<b>FY 2013-14</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>
<b>RAP Service Labor Expense</b>	\$134,636,254	\$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	\$130,675,969	\$145,234,992
<b>RAP Service Non-Labor Expense</b>	\$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	\$28,868,980	\$30,765,046
<b>General Fund Contribution</b> <sup>(2)</sup>	\$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	\$77,478,585	\$81,371,585
<b>Dedicated Non-RAP Service</b> <sup>(3)</sup>	\$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	\$11,398,577	\$11,192,369
<b>Total</b>	<b>\$166,719,163</b>	<b>\$177,178,893</b>	<b>\$181,992,554</b>	<b>\$179,486,089</b>	<b>\$189,468,724</b>	<b>\$194,745,285</b>	<b>\$204,678,718</b>	<b>\$212,274,884</b>	<b>\$222,697,855</b>	<b>\$235,651,216</b>	<b>\$248,422,111</b>	<b>\$268,563,992</b>



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) General Fund Contribution includes 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, El Pueblo de Los Angeles and City Services (Housing Authority City of Los Angeles (ended in FY 2018-19), public building landscaping for various City departments, Joy Picus Child Care Center, Contract Support, Support for the Film Industry (transitioned to Special Fund in FY 2017-18), Emergency Management, Summer Night Lights and the Bulky Item and Illegal Dumping (BIID) Crew (moved to RAP Services in FY 2019-20), etc.).