

CITY OF LOS ANGELES
DEPARTMENT OF RECREATION AND PARKS

July 13, 2016

TO: BOARD OF RECREATION AND PARK COMMISSIONERS

FROM: MICHAEL A. SHULL 
General Manager

SUBJECT: OVERVIEW OF THE ADOPTED FISCAL YEAR 2016-17 DEPARTMENT OF RECREATION AND PARKS BUDGET

The City of Los Angeles (City) Fiscal Year (FY) 2016-17 Budget was approved by the City Council and the Mayor on May 25, 2016 and June 2, 2016, respectively. Included in the adopted FY 2016-17 Budget is the \$222.7 million appropriation for the operations of the Department of Recreation and Parks (RAP), an increase of \$10.4 million over FY 2015-16. See Attachment A for budget breakdown by category.

SOURCE OF FUNDS:

The projected sources of funds for FY 2016-17 operations include the following:

- \$171,068,000 from the City's Charter Mandated property tax revenue allocation, an increase of \$11.1 million over FY 2015-16.
- \$9 million from the Golf Revenue.
- \$5.7 million from the Harbor Department for ground maintenance services provided by RAP.
- \$2.5 million from Budgetary Savings (Unreserved and Undesignated Fund Balance), a reduction of \$2 million from FY 2015-16.
- \$2.5 million of reimbursements from special funds such as Proposition K.
- \$1.5 million of reimbursements from the In-House Capital Delivery Plan, a reduction of \$0.5 million from FY 2015-16.
- \$1 million transfer from the Pershing Square Revenue for the Park Ranger Regeneration in the Metro District.
- \$0.5 million from Griffith Park Parking
- \$23.3 million from other self-generated revenues, mainly from facility and programming fees and concessions.
- \$5.6 million from the City's General Fund.

See Attachment B for Source of Funds from FY 2006-07 through FY 2016-17.

APPROVED FUNDING REQUESTS:

RAP submitted budget requests centered on five core areas: 1) clean and safe facilities and parks; 2) increased recreational opportunities for underserved areas or groups; 3) improved information technology; 4) continued expansion and access to RAP facilities and parks; and 5) implementation of sustainability goals. The majority of the funding requests were approved, including the following programs and operations:

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- New and Expanded Facilities (\$1,508,000).
- Park Ranger Regeneration Program in the South Los Angeles, Harbor and Venice Districts (\$1,264,000).
- Expanded restroom access serving the needs of homeless (\$675,000).
- Park Restroom Enhancement Program (PREP) (\$455,000).
- Gladys Park maintenance services (\$158,000).
- Joint Use Agreements with schools to increase park access (\$109,000).
- Clean and Safe Spaces Program (CLASS Parks) Enhancements (\$507,000).
- Girls Play Los Angeles Sports (GPLA) Enhancement (\$462,000).
- Increased funding and authority for positions to support various critical functions of RAP operations.
- City Services provided by RAP to other City departments (\$4,104,000), including 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; Emergency Preparedness; and support for the film industry.
- Utility increase due to water rates increases (\$5,200,000).

See Attachment C for the approved funding requests by program.

Additionally funded with City's General Purpose Fund:

- Venice Beach 24-hours year-round restroom access (\$234,000)
- SNL Fiscal Agent functions (\$1,688,000)

EXPENDITURES BY CATEGORY AND ISSUES:

RAP's non-discretionary expenditures, "chargebacks", have increased significantly from a minimal amount in FY 2007-08 to \$60 million in FY 2016-17. The chargebacks include employee retirement, healthcare, and other City overhead costs, as well as utility and sanitation expenses. The \$60 million RAP is to reimburse City's General Fund in FY 2016-17 is 27% of the department annual operating budget.

The increase in utility expense is mainly due to water and power rate increases by the Department of Water and Power. Of the increased operating budget appropriation of \$10.4 million in FY 2016-17, \$5.2 million (50%) will be needed to offset the utility costs. Within five (5) years, utility expenses are expected to double from \$15 million to approximately \$31 million. Even with moderate growth in the property tax base, these cost increases will erode and take away funding that would otherwise be used to provide additional and even ongoing recreational programming public services.

See Attachment D for Expenditures by Category.

POSITIONS:

The adopted FY 2016-17 Budget includes 1,421 regular authorities for full-time positions, an increase of 30 positions over FY 2015-16. The new or regularized positions are for the Park Ranger Program, PREP, GPLA, contract support, new and expanded facilities, and various positions across Divisions. The FY 2016-17 Personnel Resolution adopted by this Board on June 1, 2016 under Report No. 16-142 provides details of these positions.

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This report was prepared by Noel Williams, Chief Financial Officer, Finance Division.

LIST OF ATTACHMENTS

- A) FY 2016-17 Budget Breakdown by Category
- B) Source of Funds from FY 2006-07 through FY 2016-17
- C) Approved Funding Requests by Program
- D) Expenditures by Category

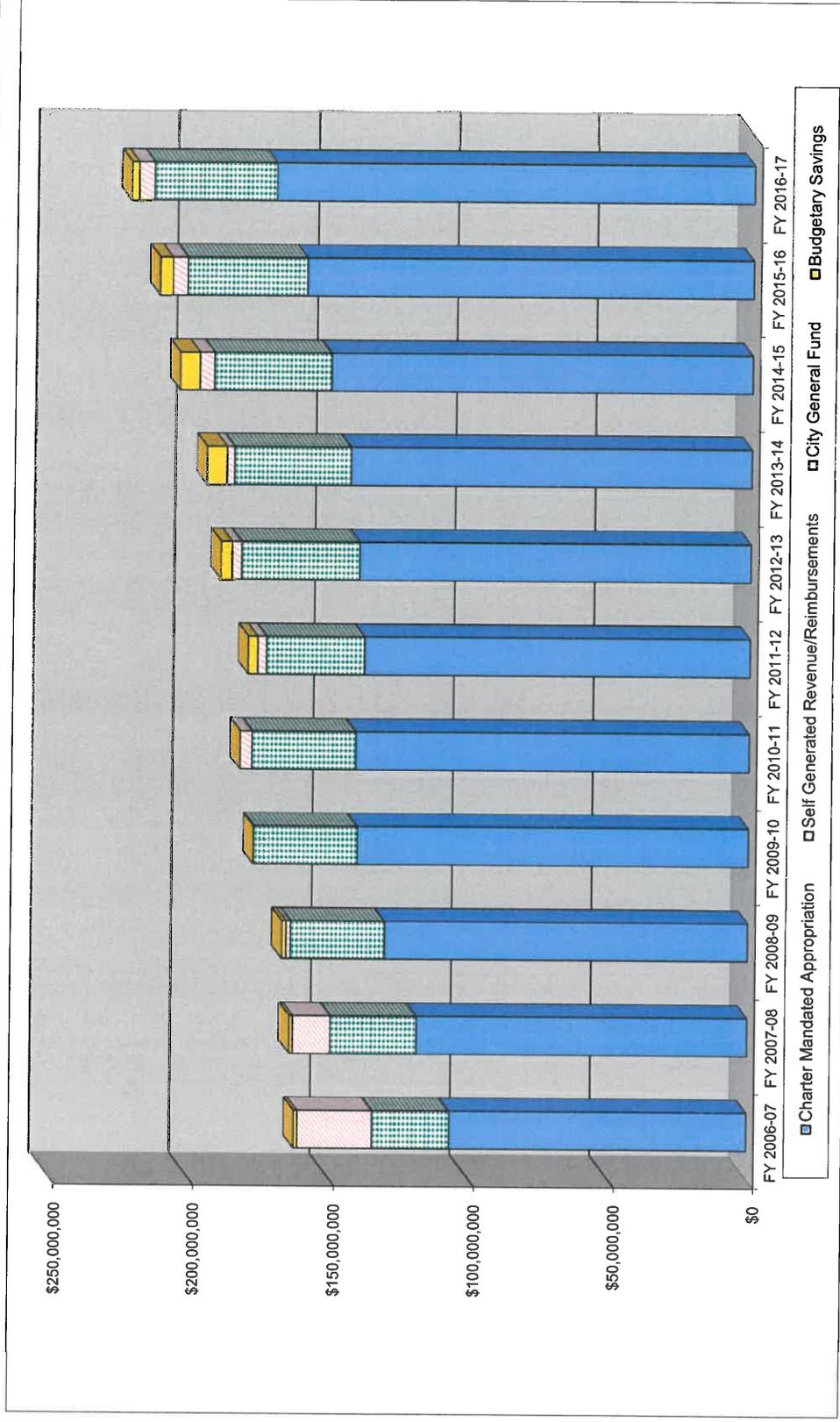
**CITY OF LOS ANGELES DEPARTMENT OF RECREATION AND PARKS
FISCAL YEAR 2016-17 ADOPTED OPERATING BUDGET
DEPARTMENT: 88 FUND: 302**

ACCOUNT NAME	NO.	AMOUNT
SALARIES GENERAL	1010	94,887,326
SALARIES, AS-NEEDED	1070	36,049,597
SALARIES, OVERTIME	1090	1,764,595
SALARIES, HIRING HALL	1100	982,246
FRINGE BENEFITS, HIRING HALL	1120	344,236
SUBTOTAL SALARIES		\$134,028,000
PRINTING AND BINDING	2120	481,650
CONTRACTUAL SERVICES	3040	10,114,064
FIELD EQUIPMENT REPAIR	3090	120,285
MAINTENANCE MATERIALS, SUPPLIES & SERVICES	3160	8,955,083
TRANSPORTATION	3310	105,203
UNIFORMS	4430	219,457
ANIMAL FOOD/ FEED & GRAIN	4580	26,055
CAMP FOOD	4590	314,713
OFFICE AND ADMINISTRATIVE	6010	1,518,147
OPERATING SUPPLIES	6020	5,045,621
LEASING	6030	103,004
SUBTOTAL EXPENSE		\$27,003,282
FURNITURE, OFFICE & TECH. EQUIP.	7300	-
TRANSPORTATION EQUIPMENT	7340	577,000
OTHER OPERATING EQUIPMENT	7350	0
SUBTOTAL EQUIPMENT		\$577,000
CHILDREN'S PLAY EQUIPMENT	8620	1,067,250
SUBTOTAL SPECIAL		\$1,067,250
TOTAL DISCRETIONARY FUNDING		\$162,675,532
REFUSE COLLECTION SERVICES	8304	2,061,890
WATER & ELECTRICITY	3330	21,576,553
CITY GENERAL FUND REIMBURSEMENT	9120	36,383,880
TOTAL NON-DISCRETIONARY FUNDING		\$60,022,323
TOTAL ANNUAL ADOPTED BUDGET		\$222,697,855

CITY OF LOS ANGELES DEPARTMENT OF RECREATION AND PARKS (RAP)
SOURCE OF FUNDS

ADOPTED OPERATING BUDGET FOR FISCAL YEAR 2006-07 THROUGH FISCAL YEAR 2016-17

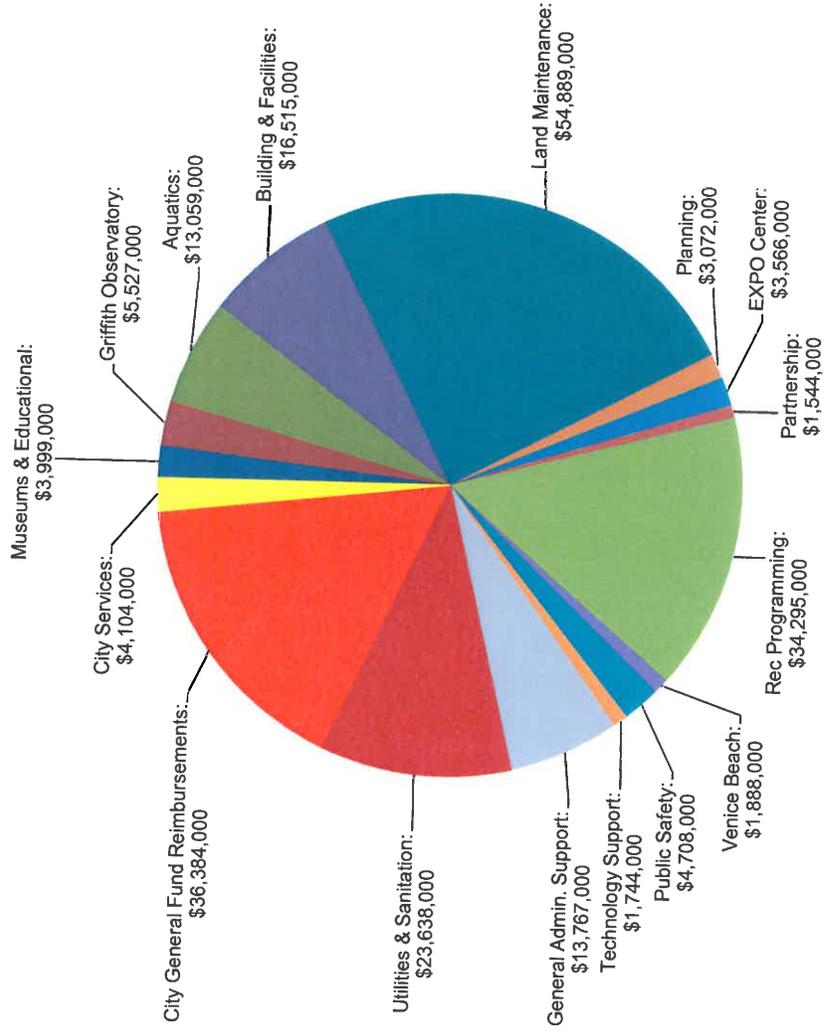
Source of Funds	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
Charter Mandated Appropriation	\$106,565,370	\$118,431,449	\$130,226,837	\$140,147,292	\$140,960,963	\$138,211,089	\$140,294,701	\$143,733,170	\$151,018,118	\$159,925,758	\$171,068,408
Self Generated Revenue/Reimbursements	\$27,650,000	\$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
City General Fund	\$26,575,111	\$13,331,257	\$1,489,700	\$100,000	\$4,100,000	\$3,100,000	\$3,311,662	\$2,624,662	\$5,160,448	\$5,393,126	\$5,573,447
Budgetary Savings	\$1,250,000	\$1,250,000	\$1,500,000	\$0	\$0	\$3,300,000	\$3,834,113	\$7,044,152	\$4,500,000	\$4,500,000	\$2,500,000
Total	\$162,040,481	\$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



**CITY OF LOS ANGELES DEPARTMENT OF RECREATION AND PARKS (RAP)
FISCAL YEAR 2016-17 ADOPTED OPERATING BUDGET BY PROGRAM/CATEGORY**

PROG CODE	PROGRAM NAME	PROGRAM DESCRIPTION	AMOUNT	%
2016-17 RAP CORE SERVICES PROGRAMS				
DC8801	Museums and Educational (43 full-time positions)	Provide historic and education-based programs through museum facilities and exhibits.	\$ 3,999,254	1.80%
DC8802	Griffith Observatory (23 full-time positions)	Provide residents and visitors with observational, inspirational, and educational experiences.	\$ 5,527,004	2.48%
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.	\$ 13,059,031	5.86%
DC8809	Building and Facilities (150 full-time positions)	Provide construction and maintenance services to park buildings and facilities.	\$ 16,514,507	7.42%
DC8810	Land Maintenance (597 full-time positions)	Provide general upkeep, cleanliness, and maintenance of park grounds and facilities (including public restrooms).	\$ 54,888,726	24.65%
DC8811	Capital Projects and Planning (26 full-time positions)	Provide technical services to the Department.	\$ 3,071,686	1.38%
DC8812	Expo Center (30 full-time positions)	Provide recreational, educational, and cultural programs and services in and around South Los Angeles.	\$ 3,566,022	1.60%
DC8813	Partnerships, Grants and Sponsorships (16 full-time positions)	Provide enhanced and expanded recreational programs, environmental stewardship, and improvements to park facilities .	\$ 1,544,431	0.69%
DC8820	Recreational Programming (309 full-time positions)	Provide recreational activities, cultural activities, sports programs activities, youth and senior activities, and community events.	\$ 34,294,786	15.40%
DC8821	Venice Beach (16 full-time positions)	Provide recreational and maintenance services to Venice Beach.	\$ 1,887,504	0.85%
DC8822	Utilities and Sanitation	Water, electricity, and refuse collection fees.	\$ 23,638,443	10.61%
DC8823	Public Safety (49 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.	\$ 4,707,883	2.11%
DC8849	Technology Support (14 full-time positions)	Provide administrative and professional support for RAP in accounting, budget, information technology, and contract resources.	\$ 1,744,333	0.78%
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.	\$ 13,766,806	6.18%
	City General Fund Reimbursement	For retirement, healthcare, & other city overhead	\$ 36,383,880	16.34%
RAP CORE SERVICES TOTAL (1,409 REGULAR FULL-TIME POSITIONS)			\$ 218,594,296	
2016-17 RAP CITY SERVICES PROGRAM FOR NON-RAP FACILITIES				
DC8824	HACLA (2 full-time positions)	Provide recreation programming and maintenance for the Housing Authority of the City of Los Angeles (HACLA) at the Imperial Courts Recreation Center.	\$ 308,610	
DC8824	Public Building Landscape (3 full-time positions)	Provide public building landscape services to other City departments.	\$ 2,242,989	
DC8824	Summer Night Lights Program (4 full-time positions)	Provide Summer Night Lights (SNL) programming at recreational centers and Citywide SNL fiscal agent services.	\$ 1,173,172	
DC8824	Emergency Mgmt. Program (2 full-time positions)	Provide services to RAP's responsibility as the City's Public Welfare and Shelter Division (Admin. Code Sec. 8.59).	\$ 156,726	
DC8824	Joy Picus Child Care Center (1 full-time position)	Provide contract administration for the Joy Picus Child Care Center.	\$ 135,118	
DC8824	Support for the Film Industry (2 resolution positions)	Provide one-time funding for staff and a computerized hiring system linked to FilmLA in support of the film industry.	\$ 86,944	
RAP CITY SERVICES FOR NON-RAP FACILITIES TOTAL (12 REGULAR FULL-TIME POSITIONS)			\$ 4,103,559	1.84%
2016-17 RAP ADOPTED BUDGET TOTAL (1,421 REGULAR FULL-TIME POSITIONS)			\$ 222,697,855	100.00%

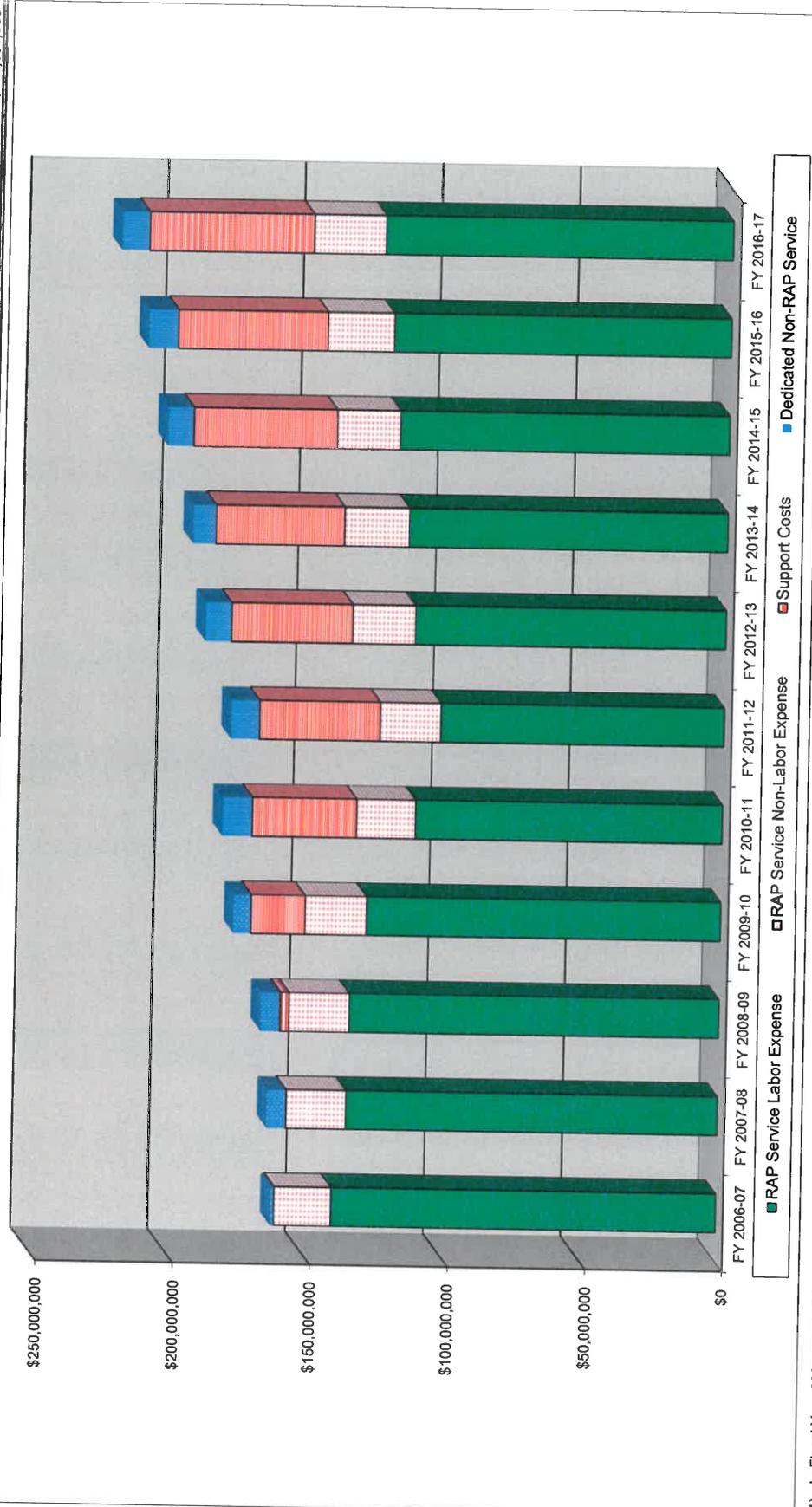
CITY OF LOS ANGELES DEPARTMENT OF RECREATION AND PARKS
FISCAL YEAR 2016-17 OPERATING BUDGET DISTRIBUTION BY PROGRAM/CATEGORY



CITY OF LOS ANGELES DEPARTMENT OF RECREATION AND PARKS (RAP)
EXPENDITURES BY CATEGORY

ADOPTED OPERATING BUDGET FOR FISCAL YEAR 2006-07 THROUGH FISCAL YEAR 2016-17

Expenditures by Category	FY 2006-07	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
RAP Service Labor Expense	\$140,034,793	\$135,258,425	\$134,636,254	\$128,985,474	\$111,874,680	\$103,308,301	\$113,254,058	\$116,177,389	\$120,038,524	\$122,860,275	\$126,609,860
RAP Service Non-Labor Expense	\$20,691,877	\$21,730,466	\$21,943,543	\$22,371,681	\$21,407,523	\$22,006,164	\$22,802,077	\$23,397,556	\$22,981,854	\$24,030,897	\$26,162,113
Support Costs ⁽²⁾	\$0	\$0	\$3,144,231	\$19,533,754	\$37,810,351	\$43,871,624	\$44,012,589	\$46,825,678	\$52,202,548	\$54,591,454	\$60,022,323
Dedicated Non-RAP Service ⁽³⁾	\$1,313,811	\$6,873,209	\$6,995,135	\$6,287,984	\$10,900,000	\$10,300,000	\$9,400,000	\$8,344,662	\$9,455,792	\$10,692,258	\$9,903,559
Total	\$162,040,481	\$163,862,100	\$166,719,163	\$177,178,893	\$179,992,554	\$179,486,089	\$189,468,724	\$194,745,285	\$204,678,718	\$212,274,884	\$222,697,855



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 currently includes services for Harbor Department, El Pueblo de Los Angeles, the Housing Authority City of Los Angeles, public building landscaping for various City departments, and Joy Picus Child Care Center, Emergency Management, public building landscaping contract group, and the Summer Night Lights Program.