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April 21, 2022

The Honorable Paul Krekorian, Chair
Budget and Finance Committee
Los Angeles City Council
c/o the City Clerk, City Hall Room 395
Los Angeles, CA 90012

ATTN: Andrew Suh, Legislative Assistant

RE: Department of Recreation and Parks (RAP) Fiscal Year (FY) 2022-23 Budget

Dear Chairman Krekorian & Honorable Councilmembers:

The Mayor's proposed \$301,847,843 RAP budget for FY' 2022-23 represents an increase of \$3,120,543 from our current \$298,727,300 budget.

This additional funding allocates resources to the following items:

- Partially Funded Facilities (\$432,381)
- New and Expanded Facilities (\$2,162,192 and 5 new positions)
- Fire Life and Safety Systems (\$450,000)
- Regularization of Bulky Item Illegal Dumping Crews (\$1,658,024 and 24 positions)
- Play LA - Subsidized Summer Camps (\$3,000,000) (not funded by LA 2028 grant funds)
- Play LA - Adaptive Sports Program Expansion (\$124,075-six months funding for 3 position resolution authorities (not funded by LA 2028 grant funds)
- Continued Services at Ten Childcare Centers (including authorities for staff at the sites)
- Restoration of 140 Separation Incentive Program (SIP) Positions and Continuation of 88 Resolution Authorities

While RAP is pleased to see this increased investment , there are some key items we request be considered during your Committee deliberations:

- Steep, Self-Generated Revenue Projections



- Reduction of Full-time Staff Salaries (\$6,000,000) and 5.0% Increase of Salary Savings Rate from .5 % to 5.5% (\$5,500,000) (for a total reduction of approximately \$11,500,000)
- Regularization of Positions (currently designated in the budget as resolution authorities)
- Zero Funding for Additional Childcare Sites (beyond 10 sites)
- Zero Funding for Senior Staffing Services.

Items for Consideration

RAP Self-Generated Revenue Projections

RAP generates revenue by assessing fees for operational services. This funding is vital to support various RAP operations not funded through the allocated budget.

The Mayor's proposed budget projects RAP revenues at \$46,196,000 (a difference of approximately \$6.9 million from RAP's projections) to support ongoing RAP operations.

Initially for FY' 22-23, RAP estimated its revenue at approximately \$33,496,000. However, as operations improved and slowly recovered from pandemic effects, RAP revised & increased its FY' 22-23 projections by \$5,800,000 to a total estimated projection of approximately \$39,296,000.

Although RAP hopes to eventually restore and see increased revenue recovery, our Department is unlikely to meet such steep "stretch goals" beyond our increased, reasonable projections for the upcoming FY'. This mandate would leave RAP short funded to meet its public, operational commitments.

Reductions in Full Time Staff Salaries

In the current FY', the RAP salary savings rate (the amount of funding withheld from a departments full-time salary account for vacancies) is .5%. The Mayor's proposed budget increases this rate to 5.5% and withholds approximately \$5,500,000 in salary funding.

Additionally, the proposed budget recommends a reduction of \$6,000,000 dollars for a total of \$11,500,000 in salary reductions.

These reductions will require RAP to hold vacant 150-175 full-time positions in an already reduced workforce. RAP annually holds an additional 50 positions vacant for unfunded payments to be made to employees for retirement, sick payouts, equipment allowances, bonuses, and other unfunded labor liabilities. Additionally, RAP will pay out approximately

\$2,000,000 (equal to approximately 25 positions) in the next FY' due to recently negotiated labor contracts.

This means RAP will have to hold 225-250 full-time positions vacant out of 1,658 authorized authorities. At a minimum this is 13-15% of the authorized work force or 1 out of every 7 employees will need to be held vacant, dramatically affecting the ability to meet public operational commitments or move important City initiatives.

Regularization of Currently Designated Resolution Authorities

The Mayor's proposed budget provides for 91 resolution authorities. RAP respectfully requests these positions be regularized, as their regularization has no monetary effect on next year's budget and allows for the Department to restore a much-needed workforce and plan for years ahead.

Funding for Additional Childcare Sites & Senior Staffing Services

RAP is diligently working to restore services to underserved and vulnerable populations. Our Department looks forward to working with the City's vast partner agencies and our community to continue to explore ways to increase vital services to parents and seniors, who have been particularly hard hit by the effects of the pandemic and prior budget cuts as they seek childcare and places to find community, health and wellness.

Therefore, as part of RAP's budget submission, RAP proposed to reactivate 14 licensed pre-school sites (in addition to the 10 funded sites, slated to open this and next FY'). However, the proposed budget provides no allocations to fund any additional sites.

Moreover, RAP proposed funding to restore 11 positions to our Senior Services Section so dedicated staff can supervise and reactive senior centers to provide services needs to our aging population. Yet, the proposed budget provides no allocations to meet these goals.

Conclusion

Our Department plays an integral part of the City's continuing recovery efforts from the effects of the pandemic and its economic fallout. Given the appropriate level of resources, RAP will play a major role in improving the quality of life for our residents as it has time and time demonstrated an ability to accomplish great tasks.

RAP joins the City in being good stewards of its monies and is thankful for the increased funding for critical services in the proposed budget. However, as one of the largest, community facing Departments, with the proposed full-time salary reductions and projected revenue overstatements, RAP will not be able to meet the full program

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mandates envisioned for the Department and so heavily relied upon by the public. Without additional augmentations the Department starts out with an approximately \$19 million deficit - (\$13 million in full-time salaries and \$6 million in overstated revenue projections). Therefore, RAP requests the Budget & Finance Committee consider these requests and provides for stronger City General Fund allocations.

Thank you for your time and consideration of our budget requests. We look forward to discussing our budget with you further.

Sincerely,



MICHAEL A. SHULL
General Manager

MAS:NDW:ml

cc: Honorable Councilmembers

Mary Hodge, Deputy Mayor, Mayor's Office of City Services

Jennifer Perkins, Director of Neighborhood Services, Mayor's Office

Sharon Tso, Chief Legislative Analyst

Matthew Szabo, Chief Administrative Officer

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