

CITY OF LOS ANGELES  
Interdepartmental Correspondence

January 17, 2001

TO: Board of Recreation and Park Commissioners

FROM: Ellen Oppenheim, General Manager



SUBJECT: Request for Batting Cage Price Increase - Report No. 00-446

At your meeting of December 13, 2000, the Board considered Report No. 00-446, a Request for Price Increase for the Batting Cage Concessionaire at the Sherman Oaks Castle Park. The requested increase was from the current \$.07 to \$.08 per pitch, or 25 pitches for \$2.00. At the proposed price, the batting cage rate at Sherman Oaks would be at the exact median price among other batting cages in the San Fernando Valley.

As mentioned in Report No. 00-446, the concessionaire has experienced inflationary increases in machinery maintenance and replacement, insurance, and labor since the last increase about five years ago. The Report also indicated an estimated additional income to the City annually of \$24,000.00 at the proposed new price. However, the Sherman Oaks Castle Park operation run by the City is entirely self-funded by revenue from mini-golf and a percentage of concession rent, and like the concessionaires has also experienced increases to operating expenses. Increases have occurred in salaries, security, advertising, repairs and improvements in the 25-year old building, and credit card fees. The most notable of these expenses are in labor costs, as full-time City employees wages have risen by 2% every six months for the past three years; part-time employee salaries have risen from starting pay around \$6.00 to entry-level pay of \$9.60, in conformance with the City's Living Wage regulations. Operating costs for the Castle in fiscal 1998-1999 were about \$583,000, rising to \$674,000 in fiscal year 1999-2000, of which \$40,000 was cost of labor. The last increase to golf prices was from \$5.00 to \$5.50 for adults and from \$4.00 to \$4.50 for children in 1996. Since the majority of competing course rates are at \$6.00 a round, Castle management has been compiling information for an increase to mini-golf prices as well to offset rising expenses, which can only be supplemented out of revenue.

I hope this information provides a fuller understanding of the revenue requirements at the Castle.

EO/LB:la