

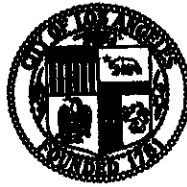
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**ELLEN OPPENHEIM
GENERAL MANAGER**

April 25, 2002

Budget & Finance Committee
Attn.: Adrienne Bass, Office of the City Clerk
200 North Spring Street
Los Angeles, CA 90012

Honorable Nick Pacheco:

**DEPARTMENT OF RECREATION AND PARKS COMMENTS ON MAYOR'S FY 2002-03
PROPOSED BUDGET**

The Mayor's Proposed budget fulfills many of the pressing needs of Recreation and Parks for FY 2002-03, including new facilities, new and replacement equipment and ADA mandated facility construction. I wish to thank the Mayor for providing for these important issues in the upcoming year.

However, the following issues need your Committee's consideration if the Department is expected to provide for the current level of services in the upcoming fiscal year:

- 1. Mandated Salaries-As Needed (part-time staff) and Overtime Increases \$2,571,861 SAN; \$44,813 SOT.** The Proposed Budget does not provide for the MOU mandated part-time staff increases and Overtime accounts.

The impact on the part-time account totals \$2,571,861 million, whose impact is a loss of 244,939 part-time staff hours (11.7 percent) of the current part-time staff hours of 2,084,452. The part-time staff hours are used by the Department to provide for about 60 hours of weekly programming at the City's Recreation Centers as well as provide for the maintenance of parks and facilities. Not providing for the MOU mandated increases reduces the Department's ability to maintain the current service levels next fiscal year by 11.7 percent, which means reducing restroom cleaning and gardening.

The impact on the Overtime account totals \$44,813 (8 percent), which significantly impacts the Department's ability to provide for the mandated overtime coverage for holidays. The Department's current overtime account of \$560,168, does not adequately cover the Department's holiday overtime requirements nor address its \$2.1 million overtime obligation. Budgeted overtime funds are allocated primarily to the Rangers to keep within FLSA mandated overtime requirements.

2. **Salary Holdback SG \$4,000,000; SAN \$1,000,000.** The proposed continuation of the \$5 million salary holdback in the Unappropriated Balance is an inefficient means of reviewing Department expenditures and revenues. The \$4 million in Salaries-General represents 87 full-time equivalent positions; the \$1 million in Salaries-As Needed represents 95,238 part-time hours. In adopting the CAO's Midyear Report, the Council mandated that the Department provide for a monthly financial status report. This report will provide the Mayor and the Council with the necessary information regarding the Department's expenditures and revenues. If the Council implements the proposed holdback, the Department will require a clear understanding that it continue to provide programmed services as if the \$5 million was included in its operating budget. Lacking such a clear indication, I have no option but to lay-off 87 fulltime permanent staff and reduce Recreation Center hours by 95,238 hours, which equal to 95 half-time employees.
3. **Eucalyptus Tree Removal Program (Phase I and Phase II) - 7 positions (3 continuing; 4 new) SG \$397,367; SAN \$50,909; EX \$1,225,000; EQ \$115,000.** Mayor and Council action in December 2001 (C.F. 01-2336) provided positions and funding for Phase I of the Eucalyptus Tree Removal Program, in response to the Red Gum Lerp Psyllid infestation. Three position authorities (one Tree Surgeon Supervisor; two Tree Surgeons) and related funding (\$146,555) are required to continue Phase I of the Program. A Department report on the Program is before the Budget and Finance Committee.

In addition, funding for Phase II of the Program (four positions; \$1,641,721) is required. Phase II consists of removing an additional 3,500 dying eucalyptus trees in highly used public areas (e.g., play equipment, picnic areas) and (primarily by contract), provide for a planting crew to begin the reforestation, related equipment and a tree inventory system.

4. **Legal Requirements: Federally Mandated Lake Water Testing - EX \$63,000; Software Licensing - EX \$33,000.** The Department's original request for the Federally mandated lake water testing program was \$200,000. At the request of the Mayor, the Department has entered into an MOU with the Bureau of Sanitation to do regular testing of the City's lakes (Echo Park, Hollenbeck, Reseda Park, MacArthur Park, Lincoln Park, Harbor Park). However, the Department is still required to provide for the collection of water samples and final reporting, which will be done by contract. As a result, the proposed funding requirement is \$63,000. Not funding this leaves the City liable to criminal and civil lawsuit, with penalties as high as \$25,000 per day per violation.

Each department is required to conduct an annual audit of the total number of software licenses in use. The Department is dependent on the software (Novell, Groupwise, Norton Anti-virus) to operate within the City's computer network. There is no "master" software licensing agreement and each department is required to pay for its own software licenses. This amounts to \$33,000 for the Department.

5. **Summer Lunch Program - EX \$450,000.** Funding is requested to provide a match for the City's recently expanded, Federally subsidized, State administered, Summer Lunch Program. Even though titled the "Summer Lunch Program," it operates Citywide on a year round basis to provide free meals to students on the off-track and regular school year system. Meals are served to approximately 950 youth daily (171,000 meals) from October through June at 34 Recreation Centers. Another 5,400 youth (264,000 meals) are served from June through September. The Program complements the Department's CDBG funded Youth Enrichment Program at the same Recreation Centers, which provide learning opportunities and recreation.

Total program costs are \$1.6 million (\$1 million for food costs; \$0.6 million for two full-time program managers; 20 part-time positions, and administrative costs). Federal funding is limited to eight percent for salaries/administrative costs. Due to the reduced volume of meals served in the off-track season, the cost per meal increases, resulting in a greater Department match, amounting to \$450,000. Previously, this match was met by a generous private donation, which no longer exists.

6. **Griffith Observatory - EX \$370,000; EQ \$300,000.** Funding is required to pay for the rental of the trailers (\$150,000) and the weekly pumping of the septic tanks (\$17,000) that serve as the Griffith Observatory Satellite. Three months of contract security funding (\$48,000) is required to guard the Griffith Observatory between the time of the move to the satellite location and the start of construction work at the observatory. In addition, \$465,000 is required to purchase the all-dome digital graphics projection system (\$300,000) and related contractual services (\$165,000) to begin the long term planning and design once the observatory reopens. Because of the long programming lead time required the equipment needs to be purchased at this time so that the observatory will have functioning programming when it opens.

Budget and Finance Committee

April 25, 2002

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I am available to respond to any questions regarding the impact of the Proposed Budget.

Sincerely,


EO ELLEN OPPENHEIM
General Manager

EO:JJD:HWB:dg

- cc Mayor James K. Hahn
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Councilmember Dennis P. Zine, CD 3
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William T Fujioka, City Administrative Officer
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