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February 24, 2010

To:
Councilmember Tom LaBonge, Chair: Arts, Parks, Health and Aging Council
Committee
Councilmember Ed Reyes, Member
Councilmember Herb Wesson, Member

RE: The Three-Year Plan to Fiscal Sustainability; Containing CAO Recommendations Impacting Recreation and Parks in the City Budget Fiscal Year 2010-2011. CAO file No. 0590-00098-3842, Council File No. 09-0600-5159

Dear Councilmembers LaBonge, Reyes, and Wesson,

The Los Feliz Improvement Association, which represents over 1000 households, fully understands that Los Angeles is experiencing a fiscal crisis, and that drastic financial measures will be necessary in the 2010-2011 fiscal year. However, the Board is also fully aware that three items in the Chief Administrative Officer's "Three Year Plan to Fiscal Sustainability" file number 0590-00098-3842 (Council file number 09-0600-S159), pertaining to the Department of Recreation and Parks, do not effect any significant cost savings. These recommendations merely transfer funds from one city pocket to another to make the general fund look solvent, and emasculate a department that has already suffered devastating budget cuts.

The LFIA strongly opposes the following three proposals:

**1) CITY RESTRUCTURING PROPOSALS
DEPARTMENT OF RECREATION AND PARKS
REIMBURSEMENT OF GENERAL FUND COSTS**

"Part One" of this item proposes that the Department of Recreation and Parks pay fees for LADWP water and power usage at each of its over 400 properties. This proposal saves the City absolutely nothing. It simply takes \$20 million from the Department of Recreation and Parks' already inadequate operating budget and transfers it to the DWP's coffers.

"Part Two" of this item proposes that the Department of Recreation and Parks pay its pension liabilities at the rate of 10% in 2010, increasing to 50% in five years. As stated on page 215 of the CAO's report, "General

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Fund savings for 2010-2011 would be approximately \$4 million” at the cost of \$37.2 million to Recreation and Parks, representing “approximately a quarter of RAPs total operating budget.” And what do the citizens of Los Angeles get in exchange? Nothing less than the “potential elimination of the recreation function” of Recreation and Parks. The LFIA suggests that rather than taking \$37.2 million from Recreation and Parks’ operating funds in order to possibly save approximately \$4 million, it would be fairer and more fiscally responsible to simply reduce Recreation and Park’s budget by \$4 million. The same amount of money would be saved, and Recreation and Parks would have \$33.2 million more in operating funds than suggested in the CAO’s proposal.

2) CITY RESTRUCTURING PROPOSALS CONSOLIDATE DESIGN AND DELIVERY OF CAPITAL PROJECTS

This proposal removes the Advance Planning Division from the Department of Recreation and Parks, requires that it employ the Bureau of Engineering (BOE) to provide these fundamental services, and pay the BOE for same. This will reduce the operating funds available for recreational services while precipitating delays and additional expense in the planning and construction of projects that Recreation and Parks now handles internally (from a simple playground or drainage ditch, to the major wash-out repair of Vista del Valle mountain road in Griffith Park). The BOE is not parks-centric and will be slower to respond, delaying action in situations that may be urgent in terms of public safety. Once again, there will be little or no cost savings, as one department will simply pay another department for services rendered – services which will certainly be less efficient.

3) CITY RESTRUCTURING PROPOSALS PUBLIC-PRIVATE PARTNERSHIP — GOLF OPERATIONS

Currently, revenue from the City’s golf courses is returned directly to the Department of Recreation and Parks. Privatization will provide an opportunity for that revenue stream to be redirected elsewhere. Privatization changes the mission of the golf courses from services-centered to profit-centered and opens up these facilities to unforeseen alternate uses in the name of profit. Furthermore, the City has never demonstrated that its previous privatization schemes have generally provided any more than minimal additional revenues-- but they have enriched the lucky concessionaires at the public’s expense. Until the City is willing to prove that privatization has worked in the past, it should not be entertaining plans to give away more of our precious assets.

The Los Feliz Improvement Association strongly opposes these draconian recommendations which are masked as responsible fiscal measures.

Sincerely yours,



Donald A. Seligman, D.D.S.
President