



**CITY OF COSTA MESA
DEPARTMENT OF FINANCE
INTEROFFICE MEMORANDUM**

**MARC R. PUCKETT
DIRECTOR OF FINANCE**

TO: CITY COUNCIL MEMBERS

THROUGH: ALLAN ROEDER, CITY MANAGER

FROM: BOBBY YOUNG, BUDGET AND RESEARCH OFFICER

COPY TO: MARC PUCKETT, DIRECTOR OF FINANCE
DEPARTMENT DIRECTORS

DATE: JUNE 7, 2009

SUBJECT: *FOLLOWUP INFORMATION FROM PROPOSED FY 2009-10 BUDGET*

During discussion with the City Manager about the Proposed Fiscal Year 2009-2010 Budget, Council members requested additional information from staff on a variety of issues. Those issues that Staff is able to respond to immediately are briefly summarized below. For other items that will require additional research and follow-up, Staff will provide responses in the near future.

1. **Question:** If the City did not organize and manage a Neighbors for Neighbors Program, what otherwise could the City do with those funds?

Response: Neighbors for Neighbors is a housing rehabilitation as well as volunteer project. We are able to add 10 or more homes per year to our housing rehab goals which ties into our Annual Plan and our 5-year Consolidated Plan. We also use this program to leverage our HOME and RDA grants and loans. Low income homeowners can save money by getting their houses painted, trash hauled away and yards landscaped for free so that we can use the HOME and RDA grant and loan money for the more serious code violations.

By not doing the Spring Park Clean-up, the City has already saved \$17,000 in labor and materials costs. The remaining \$24,517 in the budget is really for small tools, paint, equipment, t-shirts etc. for both the Spring and Fall housing rehabilitation projects. However, it should be noted that over \$11,000 of donated labor is received as well as thousands of dollars of both cash and in-kind donations each year to help fund this event.

If the \$24,517 wasn't used for Neighbors for Neighbors it could be used for a capital improvement project. Alternately, it could be put in our housing rehabilitation loan and grant fund to fund an extra 3 grants. Additionally, if this program didn't exist, staff salaries would have to be redistributed to both the RDA and HOME housing rehabilitation accounts and production goals would be raised for these programs. Also, the hours for the housing rehabilitation consultant would be reduced commensurate with the shift in Neighbors for Neighbors staff salaries since Neighbors for Neighbors staff would experience a shift in responsibilities.

2. **Question:** What would be the consequences of eliminating all part-time salaries in Finance?

Response: The Finance Department currently utilized 2 part-time employees to complete duties regularly performed by full-time staff. One of the employees functions in the Purchasing Division to assist with establishing vendors in our software system; assisting, completing and issuing purchase orders to all user departments; tracking, logging and verifying purchase orders issued to ensure proper closure when complete; and assists the department with vacation and sick coverage. The other employee functions at the City's Warehouse by assisting and logging all deliveries received; scheduling and making deliveries to all City facilities of items like paper, cleaning supplies, toiletries and other various items purchased in bulk; assists with movement and storage of office equipment sent to the warehouse for disposal. These employees provide extremely valuable assistance to the Finance Department and should the part time hours be eliminated, all duties stated above would have to be completed by current full-time staff and would impact the completion of their duties equally.

3. **Question:** Can the Planning Commission meetings be reduced to once a month? Can the Planning Commission be combined with the Parks and Recreation Commission?

Response: It is suspected that Planning Commission meetings can be reduced to once a month, based on number of agenda items. However, the combination of the Planning Commission and the Parks and Recreation Commission would require more analysis from staff to determine impacts.

4. **Question:** What is the budgetary impact of eliminating dinners for City Council and Commissions?

Response: City Council meetings = \$6,000. Planning Commission meetings = \$4,500. Parks & Recreation Commission meetings = \$2,400.

5. **Question:** On page 110 – Administrative Services – what makes up the budget for the Office Equipment and Other Equipment accounts?

Response: Of the Office Equipment line item amount of \$768,222 - \$761,922 is for computer program licenses and maintenance contracts for all computer programs citywide budgeted in the Information Technology Division. They include Peoplesoft (financial software), GIS (Geographic Information System) software used by many departments, and Computer Aided Dispatch (CAD) and Mobile Data Computer (MDC) software also used by many departments. Of the Other Equipment line item amount of \$199,570 – \$183,785 is for 800Mhz radio and other miscellaneous radio repairs for the Telecommunications Division.

6. **Question:** Can we contract out the Community Centers to a 3rd party to allow the programs to be more self sufficient?

Response: The most difficult part about contracting our community center operations is what to do about all of the waived fee events, activities and uses. At Neighborhood Center, this is largely the School District (revenue waived averages over \$25,000 annually for the past 6 years – up to \$29,000); at Downtown Recreation Center, Child's Pace pays \$1 per year for an activity room and kitchen – the room was built for them, actually. At Balearic, is a bit all over the map but \$18,000-30,000 is the range over the past 5 years. Users include NMUSD, the City's HR/FD/PD

trainings, Community Meetings and City co-sponsored groups (Historical Society, Freedom Fighters, Friends of the Library, Senior Center). Contract classes and instructional classes, both youth and adult, pay a percentage of overhead. Youth classes are assessed a 33% overhead rate to offset recreation administration costs, while adult classes are assessed 50% for both recreation administration and city administration overhead. Rental rates are based on a market survey of comparable facilities, and staff charges are additionally assessed when a rental occurs outside of regular operating hours. Unlike private rental facilities, however, City staff are not able to negotiate rates depending upon usage, as our fees are set by City Council (a mixed blessing).

As to making programs self sufficient - attached is the Cost Recovery policy we currently function under. As you know, there is a utility debt threshold for pricing that makes raising fees too high an iffy proposition – a little raise will turn away a few, a big raise turns away a lot – then you have empty buildings.

State law allows the City to recover up to 100% of its costs. At this time we recover somewhat less than that because maintenance is not included. It should be noted, however, that if we have the buildings, we will continue to have to maintain them, whether they are programmed or not – so it behooves us to program them, rent them or close them altogether.

In any case, we currently offer several totally subsidized programs. The playground and teen programs will be discussed in more detail in the next couple of questions, but these are all of the fully subsidized and partially subsidized programs we offer:

- Playground Program (includes the Ranch program) 100% subsidized
- Mobile Recreation Program (includes event support) 100% subsidized
- Youth Sports Programs (Flag Football and Basketball) 100% subsidized
- Teen and Youth drop-in programs 100% subsidized
- Summer Concerts 100% subsidized
- Snow Hill 100% subsidized
- Fields for Group 1 (non-profit, recreational, resident youth organizations) and Group 2 (NMUSD) 100% subsidized

As the **youth drop-in programs** are non-custodial, and to encourage children to come to an activity in a safe location with some oversight by trained staff, charging a fee would not be an option.

As for the **youth sports programs**, Costa Mesa is one of the few cities that does not charge any fees for their programs.

- Fountain Valley \$60 (and uses volunteer coaches)
- Huntington Beach Free
- Garden Grove Free
- Newport Beach \$50-65
- Santa Ana \$13.18
- Tustin \$74
- Irvine \$84
- Laguna Beach \$84

Full cost recovery for youth sports would result in a fee of \$165 per child per season (this includes cost to administrate the league and a portion of FT costs).

Summer concerts, due to the location, would be difficult to charge for – collection expenses would probably offset revenue gained. Sponsorships are a possibility, but full cost runs about

\$5,500 per concert with all personnel costs figured in. Of that amount, almost \$13,000 is for bands and dance floor rental. FT (\$4,600 plus benefits) and PT staff costs account for \$14,000.

Snow Hill, even with the sponsorship by Torelli realty, costs \$12,000, which is almost entirely staff time. Torelli pays for the ice and hayrides, contributing an additional \$15,000.

Field ambassadors and FT staff account for \$163,500 in costs, with another \$190,000 going to the School District. Revenue from fields is about \$120,000 annually. \$775,000 in fees are waived for groups 1 (\$675,000) and 2 (\$100,000). Field fees are charged in some cities to youth sports user groups. I've attached the field fee survey, but just to highlight a few:

Newport Beach \$1/hr for AYSO and LL; \$12/hr for other youth leagues;

Garden Grove \$2/resident youth/\$4/non-resident player in each group

Huntington Beach \$15-25/hr

Tustin Youth leagues are not charged fees

So charging a fee for use may be an option. As the youth leagues used the fields for 33,500 last year, even a \$1 per hour charge could result in a revenue increase of \$33,000 (assuming usage levels remain constant). Adult non-resident rates could be increased, as much as \$10-15 more per hour. Assuming usage rates remain the same, this could result in an increased revenue of \$35,000-40,000.

7. **Question:** What is involved with the Recreation Programs – Youth Sports, Day Camp, and Playgrounds (page 114)? Is the City duplicating services that are already provided by private organizations?

Response: Youth Sports Program – see response to previous question #6.

Day Camp Program -

Playground Program - There are currently 2 summer sites (8 weeks) and 11 school year afterschool program sites (37 weeks), plus the Ranch Program (24 weeks). During the school year, an average of 35-45 children participate each day at 7 sites (supervised by 3 staff each day), 45-60 at 3 sites (supervised by 4 staff each day, and 60-80 at 1 site (supervised by 5 staff each day). 4 to 5 staff are at each summer site where attendance averages 80-100 children each day. City provides 5 rec leaders for the Ranch Program to supervise kids and assist Fairgrounds staff with activities.

Staff provides homework assistance, run organized games, arts and crafts, and read stories. Youth sports are also provided on the campuses. During the summer, children may go on excursions for a fee (admission) – program pays for transport to sites. The Recreation Leader in Training Program is conducted at all sites during the school year and summer. Program goes from school dismissal until 5:30pm during the school year and from 10am to 4pm in the summer.

Total program cost is \$400,000, with the small sites averaging about \$23,000 per site and the largest \$35,000. Some FT salary is charged to this program.

This is a non-custodial program (with the exception of The Ranch Program). Children may come and go as they please (they do sign in and out and we try to have an emergency card for each participant). Staff is there to provide general oversight within defined program boundaries. Children may choose to participate in any of the activities that are organized, or they may recreate on their own – wall ball, tether ball, just hanging out on the playground, are examples.

A program description and schedule is attached as additional background. On an average day, over 500 children are participating in free, City run afterschool programs.

8. **Question:** What is involved with the Recreation Programs - Teen Programs and Special Recreation Events (page 115)?

Response: Teen Programs - The youth and teen open gym and drop-in program is held at two sites: the Downtown Recreation Center provides youth drop-in basketball Monday through Thursday afternoon, a movie and special activities on Friday, and drop-in gym on Saturday. An afterschool center has recently opened at TeWinkle School and has been furnished with computers, games, furnishings, and a weight room. City staff has been supplementing the TeWinkle school staff at this location since January. The school district refurbished the room and furnished it.

Approximately 10-20 kids attend DRC programs while 45-60 kids attend the TeWinkle Program each day. TeWinkle School has no paid staff for the afterschool program. As with the Playground program, City staff assist with homework, organize activities and keep the chaos to a manageable level. These programs are also non-custodial. The youth and teen drop-in programs cost \$75,000. While charging a fee may result in some revenue, the number of kids willing to pay to play is likely to be much reduced. The concept of the afterschool program is to provide a safe and secure place for these kids to take part in positive leisure activities. In the absence of these programs, these kids may just hang out with their friends without any supervision.

Special Recreation Events Program - was initially set up to fund special events – such as Snow Hill, dedications, ground-breakings and such, and emerging programs. The funding came from the differential revenue increase when golf fees were raised in early 2000. This amount was \$119,000. Initially the Mobile Recreation program, the youth skate program and the teen program were developed and funded. As these programs became established, they were spun off into their own on-going programs and new programs emerged. Youth In Government was funded under this program.

This program was intended to be flexible and available for things that emerged after the budget year began. A dodgeball program was done one year, kickball another year. Depending upon the popularity of the activities, and availability of on-going funding, these programs, too, might have continued under their own program. Unexpected expenditures, portable restrooms for instance, in support of community events also were funded here.

For the past couple of years, I have not budgeted for any new programs or events to come out of this budget. Currently, Youth in Government, Lounge Chair Theater, the Youth Skate Program, and Snow Hill are funded here.

9. **Question:** What would be the consequences of reducing or eliminating the budget for the Child Care and Youth Services (CCYS) Committee, Cultural Arts Committee, Historic Preservation Committee?

Response: The **CCYS Committee, Cultural Arts Committee and Historic Preservation Committee** have a total civic involvement of almost 40 adults. While the CCYS Committee has struggled with attendance issues, they have still produced a youth services directory and a teen services directory. They became ad hoc a year ago. The group has conducted surveys to establish the existing additional need for afterschool care programs.

The Cultural Arts and Historic Preservation Committees were once a single committee. Established in 2001, these committees reformed to two committees in 2003. Since then, the

members of both have been very active, regarding very few no quorums. The Historic Preservation Committee has been responsible for reviewing the Huscroft House plans and eventual agreement, for developing a brochure identifying various building styles in Costa Mesa, for commissioning the City's first historical mural, for advocating for historical preservation efforts and reviewing applications for designation as historical sites/landmarks/registry. Their most recent project involved researching original businesses in Costa Mesa, developing bronze plaques that are been placed in the sidewalk along Newport Blvd and developing a brochure for businesses along the route to hand out.

The Cultural Arts Committee has been responsible for developing the Artist Showcases for the City, as well as participating in the review of the Public Art Policy submitted by Development Services. This group has also been involved in developing an Artists Directory and other smaller scale events. Their most recent effort is a gallery tour event called Day of Art in Costa Mesa, happening this Saturday with 20 local galleries participating.

The Cultural Arts and the Historic Preservation Committees had a budget of \$28,480 this current fiscal year, which has been reduced to \$12,300 for the upcoming year. They also each have some funding remaining from the original "Signs of Support" money, the amount remaining in these accounts rolls over each year. There is about \$20,000 left in each committee's "account." Both Committee's are very judicious in spending these funds, as they are not replenished.

The Historic Preservation Committee also has some involvement in the allocation and expenditure of funds related to restoration of the Estancia Adobe. \$120,000 was set aside from the Huscroft/Home Ranch projects. To date, about \$30,000 has been expended to repair the roof and upgrade electrical.

Staff time is not attributed explicitly to these committees. Staff liaisons either flex shifts to cover meetings/events or are management. Thus the only impact, budget-wise, is what is allocated annually. For the upcoming year, that's about \$14,000 total for all three.

10. **Question:** What are the impacts of reducing the total number of Animal Control Officers from 3 to 2, without a layoff (i.e. – transfer of personnel to another duty)?

Response: The reduction of one Animal Control Officer (ACO) was a possible suggestion if the Police Administration Division was required to meet a 5% reduction on its own. We then went back and prioritized the cuts we would want to make on a department-wide basis. After that process, the ACO position was left in, and another position would be cut in its place. Animal Control traditionally consisted of only two ACOs, but two years ago a third position was authorized due to the increase of calls for service related specifically to animal control issues. In 2008, Animal Control responded to approximately 3,832 dispatched calls and initiated 1,345 calls, for a total of 5,187 calls for service. The below chart also shows how calls for service, self-initiated calls due to violations, and impounds continue to increase annually over the last three years.

	Calls for Service	Self-Initiated Calls	Dog Impounds	Cat Impounds	Other Impounds
2006	3296	1072	562	387	849
2007	3656	1482	568	465	809
2008	3832	1345	529	567	970

There is no other assignment that any of the ACOs could specifically be reassigned to. If layoffs were put into effect, the junior ACO may be able to "bump" back to her original position as a

Records Tech., depending on city policy. The senior ACOs have not held other positions with the City.

Animal Control could be contracted out to the County, but there would be a sharp decrease in capability and response time to calls for service. The County serves several other jurisdictions and utilizes their shelter in the City of Orange. The PD recently explored this option when the contract with the City of Irvine was terminated this year, and the County quoted the City an annual cost of approximately \$230,000 just for shelter services (which we would be required to use), plus the requirement of the City to fund a portion of a bond and construction costs for the County's proposed shelter. These costs do not include the service fees of having their ACOs specifically assigned to Costa Mesa to respond and handle animal control calls for service.

11. **Question:** Why does the City have so many Senior Police Records Technicians, but not any non-senior Police Records Technicians?

Response: Once a Police Records Technician has been employed with the City for approximately two years receiving a minimum rating of "Meets Standards" evaluations they would be eligible to apply for a "Senior Police Records Technician" position. This is not an automatic promotion as in the past. The process now consists of an application, a written test and an oral interview.

The main difference between the "Police Records Technician" position and the "Senior Police Records Technician" position is the "Senior Police Records Technician" becomes a trainer for our new employees. This is a journey level position versus an entry level position. More independent judgment would be used taking on lead responsibilities when there is no Police Records Shift Supervisor on duty. Additional training is also received with regards to the Public Record Act for records release of information.

There is no cap for the amount of "Senior Police Records Technician" positions. In theory we may have eighteen of them, which is our maximum complement for "Technicians." The current budget is based on all eighteen positions being filled as Senior Techs, so we realize some salary savings when they are filled as regular Tech positions. It should be noted that promotion to this position is based solely on the candidate's ability to pass the tests, and not based on any specific need. I would guess that in order for us to change that, we would have to do it during Meet and Confer, which is going on now with that group. However, we have had a few candidates recently fail the promotional testing process.

12. **Question:** Why does the City have so many positions in the Training Division?

Response: Two of the positions have come from the currently suspended Recruitment Program. The Training Division is responsible for providing in-service training to all existing employees, record keeping for POST, the range master position, conducting the pre and post-academy classes, and recruitment and retention. Although we are not filling vacant positions at this time, we need to be prepared to fill positions depending on the number of employees that take advantage of the early retirement option, or if some of those that retire are in mission critical positions that we must fill. Also, when the next sergeant position becomes vacant, we will be moving the sergeant currently in the Training Division into that vacancy, reducing staffing to five positions. Last, we anticipate that some personnel assigned to the Training Division may be picking up the workload for one of the positions we have designated for layoff. Believe me, we took a long hard look at this before arriving at the decision we did.

13. **Question:** What is involved with Youth Crime Intervention (page 120)? Can this Division be combined with Special Enforcement Detail (SED) like the Narcotics Division?

Response: Provides services to local schools; provides security to intermediate and high schools through the School Resource Officer Unit; gang suppression; and coordinates outreach intervention opportunities through the Gang Detail. This is the Gang Squad, so the recommendation would be – no they should not be combined.

14. **Question:** Why the increase in the Holiday Allowance line item (page 132)?

Response: Recently a change in the vacation bank policy was made in all employee association contracts (MOU's). The change no longer allow employees to be paid for vacation time earned in excess of the vacation bank. So as to not reach the maximum vacation time in their bank, they will begin using vacation time for their time off. As it relates to the Police Department, it is anticipated employees will begin taking the option of cashing out Holiday Allowance earned rather than taking time off as they had in the past because of the vacation bank.

15. **Question:** What is included in the Other Compensation line item (page 132)?

Response: Other Compensation includes: Bilingual Pay, Canine Assignment, Motorcycle Assignment, POST Pay, Shift Differential, and Uniform Assignment Pay.

16. **Question:** Can the Field Area Policing Division be increased by reallocating personnel from the Traffic Enforcement Division?

Response: No decisions have been made on moving existing positions around until we know how many officers take advantage of the early retirement option and what positions they were in, and how many positions we may receive from the federal grant money. We would certainly look at moving officers from Traffic or Detectives if it became necessary to add staffing to Patrol. It's just too early to make those decisions. It's important to note that the Traffic Officers play a critical role in making our streets safer as the primary unit responsible for the enforcement of traffic law within the city. We also receive a considerable amount of state grant money because of how effective they are, and they are also primarily responsible for the investigation of traffic collisions, freeing up patrol officers to handle other calls for service. Last, they play an important part in handling the many special events the city hosts on an annual basis.

17. **Question:** Is there anything in the budget for part time Reserve Police Officers?

Response: There is about \$150,000 in the budget for Reserve Officers. There are currently seven (7) officers in the Reserve Program, and as you know the budget figure we arrived at was based on past expenditures for this line item. They are required to work a minimum number of hours to maintain their certification, and retired officers who are now reserves can only work 960 hours under POST regulations. Some officers only work the minimum number of hours necessary to maintain certification, while others may work up to the maximum number of hours allowed. As a result, it's really not possible to equate the dollar figure to a number of positions. We will manage the \$150,000 during the course of the FY to make sure each officer works the minimum number of hours or doesn't exceed the maximum. We recently let two reserve officers go because they were not able to work the minimum number of hours required because of conflicts with their regular jobs.

18. **Question:** What is included in the Other Compensation, Small Tools and Equipment, Uniform and Clothing, Safety and Health, and Consulting line items for the Fire Department (page 144)?

Response: Other Compensation includes: Bilingual Pay, CERT Pay, Paramedic Assignment Pay

Small Tools and Equipment includes: replacement of various pieces of equipment like fire hose, fire nozzles, chain saws, small hand tools, foam for pumpers, and wildland firefighting equipment.

Uniform and Clothing includes: new and replacement turnouts, cleaning of turnouts (because of toxins after a fire), assorted boots, gloves and safety helmets - as needed.

Safety and Health: replacement of self-contained breathing apparatus and various equipment used with the SCBAs, valve replacements, EMD supplies, and annual fire hose testing.

Consulting includes: Automated Vehicles Locator licensing and maintenance contract, Africanized Bee Abatement contract, and HazMat Consultant contract.

19. **Question:** What are the impacts of reducing the total number of Code Enforcement Officers from 8 to 6, without a layoff (i.e. – transfer of personnel to another duty)? Anticipating the there will still be 2 funded from the Community Development Block Grant Fund.

Response: See attached memo from Acting Chief of Code Enforcement, Fidel Gamboa.

20. **Question:** Can the duties for Water Quality be contracted out?

Response: There are many tasks that the assigned staff person responsible for this work performs. Some of the work includes meeting 11 elements of the federally mandated programs, inspections for industrial, commercial, and now residential water quality programs, new project requirements/plan reviews, construction inspection, emergency water quality issues, and preparation of the annual reports (takes about 2 1/2 months). This work can be contracted out for approximately \$250k. Typically cities in OC have more than one staff member in charge of this program plus consultant. There is always also a risk of a city being fined hundreds of thousands of dollars if we happen not meeting the required elements.

21. **Question:** Can we reduce Street Sweeping from once a week to once every other week?

Response: This is a complicated issue. If we go to bi monthly street sweeping, it doesn't mean that everything is cut in half. In deed, bi monthly street sweeping would mean twice as much debris, dumping etc. that would need to be picked up as a result of missing weekly schedule. We would also need to consider what we do with the machines and staff on this schedule. The best way to be able to answer the question would be to secure a quote from a private contractor for bi monthly sweeping program, and then subtract that from our existing weekly in house program cost to see what the delta cost savings would be. For this purpose and as a quick response only, the suggestion would be if we go to bi monthly sweeping schedule, the program budget could possibly be cut by 1/3rd.

22. **Question:** Can the flight hours or patrol time for ABLE program be reduced?

Response: All aircrafts have what the industry refers to as “direct operating costs” (DOC’s). This refers to the actual cost for an aircraft’s flight time. ABLE operates the EC120B aircraft and the DOC’s are published at \$255 per flight hour. A reduction in flight time requires ABLE Board approval and the reduction in DOC’s would be approximately \$127.50 per flight hour to each City. Since Santa Ana had an increase in funding for 09/10, this would further reduce the patrol times in Costa Mesa and Newport Beach.

Per the joint powers agreement (JPA) each agency is required to have two part-time observers and they are paid by their respective agencies. Often time's shifts are filled by observers from Santa Ana, which saves the member agencies from overtime costs and Santa Ana is not compensated for this. This year Santa Ana is contributing \$320,294 in cash plus a full time pilot to total \$489,770. The cash payment reduces the member agencies annual contributions by \$160,147.

23. **Question:** Do Observers in the ABLE program need to be Sworn? And if so, why? Where are Observers budgeted?

Response: All pilots and observers are sworn police officers. There are several reasons for this. First, the air crews are often the only witnesses to misdemeanor crimes and per PC 836.5 they must be sworn officers as defined in PC 830 in order to affect an arrest. Other reasons include expertise as police officers in establishing perimeters, conducting patrols, deploying law enforcement tactics during dynamic events such as pursuits, and apprehending fleeing suspects.

24. **Question:** What is the value of the 22 layoffs proposed in the 5% budget reduction scenario?

Response: Approximately \$3.1 million.

25. **Question:** With respect to the 2008 salary adjustments, what was the range of the adjustments made and the dollar value of those adjustments?

Response: Range = 0.0% to 9.9%. Dollar Value = Approximately \$2.3 million which includes all related increases in benefits.

26. **Question:** What is the estimated budget impact of the salary reductions as stated in the 10 point plan, and how does it relate to the increases in 2008?

Response: The estimated budget impact of salary reduction in the 10 point plan equals \$3,623,663 from a 5% reduction across the board and \$508,764 from the suspension of the Retirement Health Savings (RHS) Plan, for a total of \$4,132,427. This is approximately \$1.8 million more than the salary increases in 2008.

Please keep in mind that responses presented above are "brief" responses prepared based on the limited time Staff had to prepare a response and are not intended to be a thorough and detailed analysis of the subject matter. The responses included herein are a consolidation of responses received from all departments. Staff will be available at the Special Council meeting this evening to answer questions regarding any information presented herein.

Bobby Young
Budget and Research Officer

Attachments: 1. Cost Recovery Guidelines
2. Field Rental Survey
3. Inter Office Memorandum from Fidel Gamboa regarding Operating Impacts due to staff reduction in code enforcement.

City of Costa Mesa
COST RECOVERY GUIDELINES
FOR RECREATION CLASSES, PROGRAMS AND ACTIVITY FEES

To provide the flexibility necessary to operate fee-based programs in an entrepreneurial manner and in emerging markets, the following guidelines will be used in developing Recreation Division program fees.

RESIDENT FEES

Fees for resident users of the City of Costa Mesa Recreation Division fee-based activities and services, such as those itemized on the approved list of Recreation Division Fees and Charges, shall be set to meet the following goals:

Fully Supported Activities: To offer programs to the community at minimal or no participation fee.

Mostly Supported Activities: To offer programs to the community at minimal or no participation fee, with recovery of direct costs such as admission fees to attractions.

Partially Supported Activities: Recover direct and indirect costs.

Self-Supported Activities: Recover direct, indirect, and administrative costs.

- Direct costs include actual staff and costs directly related to the program, including appropriate benefit rates.
- Recreation Indirect costs include Division FT and PT staff, supplies, and other costs at an additional 33% rate.
- City Administrative costs include City support costs at an additional 17% rate.

FULLY SUPPORTED ACTIVITIES	MOSTLY SUPPORTED ACTIVITIES	PARTIALLY SUPPORTED ACTIVITIES	SELF-SUPPORTED ACTIVITIES
<i>Programs offered at minimal or no participation fee</i>	<i>Programs offered at minimal or no participation fee, with recovery of direct costs, such as admission fees to attractions</i>	<i>Recovery of Direct and Indirect Costs</i>	<i>Recovery of Direct, Indirect and Administrative Costs</i>
Youth Sports Special Recreation Events Concerts in the Park Mobile Recreation Playground Program DRC Drop In Programs – Open Gym and Lap Swim	Youth/Family Programs Teen Programs Aquatics- Lessons, Water Polo	Day Camp Early Childhood Program Youth Instructional Classes	Adult Sports Softball Adult Sports Basketball Adult Instructional Classes
Promote a safe, healthy and secure community with emphasis on youth and/or senior activities. May target underserved populations.*	Promote a safe, healthy and secure community with emphasis on youth and/or family activities.*	Promote affordable activities. Increase the quality of life. Enhance opportunities available to participants.*	Developed for adults. Can be defined as personal development. May be available elsewhere. Offering based on community request or hot topic.*
Recovery rate between 0-99%. No target percentage recovery.	Recovery rate between 1-99% Target the upper 90 percentile.	Recovery rate between 100-133%. Target the upper 90 percentile.	Recovery rate between 133-150%. Target the upper 90 percentile.

*Activities meet one or more of these criteria

COUNCIL APPROVED FEES & COST RECOVERY – the programs/facilities below fall outside consideration of Cost Recovery Guidelines:

Balearic Community Center
Downtown Recreation Center
Neighborhood Community Center
Athletic Sports Field Rentals

Commissions and Council-Appointed Committees
City Celebration
Special Event Support
Tennis Center/Programs

Senior Center
Portable Lights
Community Gardens
Golf Fees/Clubhouse

City of Costa Mesa Recreation Division Field Rental Fee Survey August 12, 2008

City	Total Fields	Fields w/Lights	Hourly Fees	
Newport Beach	14	4	\$1 to \$221	14 fields total 4 with lights (5 soccer fields, 9 baseball/Softball) \$65 per hour fee for residents and \$110 per hour fee for non; \$1 hour for AYSO and All American Little league; \$12 hour for other youth leagues. \$221 for commerical use and \$30 for lights, \$35 for field prep
Yorba Linda	27	7	0.00	Do not charge residents fees. Do not rent to non residents or business.
Garden Grove	20	9	\$2 to \$40	20 fields total 9 with lights (2 baseball/Soccer fields, 4 little league fields, 2 softball and 12 soccer , 2 soccer are used as football) Fees (City free, Non profit youth \$2R and \$4NR per youth \$20-\$40 hr for lights(depends on the field); Non profit adult and residents \$4-35 hr and \$25 for lights
Huntington Beach	17	14	\$15 to \$35	17 fields total all with lights (3 football/soccer artificial fields, 14 softball) \$15 Non Profit Youth/Seniors w/o lights;\$25 adult/youth with lights;\$25 Non Profit Youth and Seniors with lights;\$25 Adult/Youth Artificial Turf; \$35 for lights)
Tustin	9	9	\$11 to \$22	9 total fields all with lights (2 soccer fields, 4 Softball/Soccer fields, 2 Softball fields and 1 baseball fields) The 4 Softball/Soccer fields school districts. All fee for youth are waved (total of 8 youth leagues) \$22 per hour for residents and non residents. Light fees vary
Average	17	9	\$ 35.00	
COSTA MESA	70	15	\$20-\$40	70 total fields, 15 lit; 13 out of the 70 are City owned fields The rest are NMUSD fields. 6 classifications. Youth non profit groups with at least 75% residents pay \$0. Residents Utility/Softball/Baseball \$20hr w/o lights and \$30 with lights; Non residents Utility/Softball \$25h and \$40 with lights (baseball \$35/h non residents without lights)

City of Costa Mesa

Inter Office Memorandum

To: Kim Brandt, Acting Dev Svs Director
Khanh Nguyen, Building Official

From: Fidel Gamboa, Acting Chief of Code Enforcement

Date: June 8, 2009

Subject: OPERATING IMPACTS DUE TO STAFF REDUCTION IN CODE ENFORCEMENT (NON-CDBG)

Staff was requested to prepare an analysis of the operating impacts to Code Enforcement if current staff levels were to be reduced by two full time non-CDBG positions. The following analysis is based on the reported Code Enforcement activities for the 2008 calendar year.

Current Code Enforcement Operation/Staffing

Code Enforcement is currently staffed by five FT and 3 PT non-CDBG officers, or six and a half full time equivalent (FTE). Each of the five FT officer patrols their own individual area and at least once a week, each officer is assigned to handle all counter, internet and over the phone complaints. The PT officers assist the FT officers and are assigned the duties of patrolling and handling cases at the local motels and hotels, weekend coverage as well as the recent added responsibility of business license inspection.

Service Calls

The areas patrolled by Code Enforcement are made up of residential, commercial and industrial zones, with two specific areas being designated CDBG. The non-CDBG areas account for over 18,000 violations based on the 2008 calendar year. This nearly doubles the number of violations from previous years due to the combination of the recession and the spike in use of emails to file complaints. It equates to 2,773 or 16% of the total violations a year handled by each of the six and a half FTE non-CDBG officers. These violations are generated through both proactive and reactive measures.

Reduction in Code Enforcement Staffing Operational Impacts Analysis

A reduction of staffing from six and a half FTE to four and a half FTE non-CDBG officers would impact the Code Enforcement operations in the following manner:

- Four and a half FTE officers would each be assigned 22% of the total non-CDBG areas of the City.

- Four and a half FTE officers would be responsible for over 4,000 violations in each of their areas per year. This is approximately a *44% increase* in workload for each code officer.
- The majority of the time will be spent in dealing with complaint driven violations (Reactive); thus, almost eliminating all proactive enforcement. The following are proactive priorities:
 - ❖ abandoned shopping carts
 - ❖ dead landscaping
 - ❖ deteriorating building exteriors
 - ❖ excessive banner signage
 - ❖ excessive window signage
 - ❖ graffiti
 - ❖ illegal median and parkway signage
 - ❖ illegal RV parking in front yards
 - ❖ illegal signage on vehicles
 - ❖ illegal temporary signage
 - ❖ illegally parked commercial trucks
 - ❖ missing window screens
 - ❖ over flowing dumpsters
 - ❖ inoperative vehicles
 - ❖ research for illegal occupancy
 - ❖ street vendors
 - ❖ trash cans in front yards
 - ❖ vehicles parked on lawns
 - ❖ visible trash and debris
- Currently, the officers respond within a two day timeframe to address a code violation. This timeframe would increase to over a week due to the increase in calls for service and the additional time needed to prepare documentation.
- Current staffing levels allows for the correction of the most common violation(s) under 15 days with the more difficult cases running 30 to 60 days. The increase in workload would double and in some cases triple the time in which a violation may be resolved.

Conclusion

Reduction of two full-time non-CDBG positions would increase the overall work load for each of the remaining four and a half FTE officers substantially. It would reduce response time for addressing complaints and the time it would take to resolve the violations.

In a layoff scenario, the 3 PT positions would be eliminated first; thus, eliminating the hotels and motels inspection, weekend patrol, and business license inspection.

These operational impacts would lead to an overall increase in the visual impact by slowing down our ability to respond to blight, and an increase in complaints on longer response time.