



CITY COUNCIL AGENDA REPORT

MEETING DATE: JUNE 21, 2004

ITEM NUMBER:

SUBJECT: CONSIDERATION OF PRIORITIZATION OF PROGRAMS AND SERVICE EFFORTS

DATE: JUNE 16, 2004

FROM: FINANCE DEPARTMENT/ADMINISTRATION

PRESENTATION BY: MARC R. PUCKETT, DIRECTOR OF FINANCE

FOR FURTHER INFORMATION CONTACT: MARC R. PUCKETT (714)754-5243

RECOMMENDED ACTION:

1) Provide direction to staff regarding prioritization of programs and services to potentially be discontinued or modified to either close the budgetary spending gap or add new services.

BACKGROUND:

At the February 9, 2004, City Council study session, staff presented a listing of program and service priorities. This listing was presented to Council in response to Council's request for such a list at its December 8, study session during discussion of potential new revenue sources. As a component of the fiscal year 2004-2005 budget preparation process and to facilitate providing such a list to Council, staff initiated a review of all programs and services. This effort resulted in the development of a listing of programs and services prioritized based upon established prioritization criteria. Results of this effort are attached to this report.

In addition, at the February study session, Council was requested to provide feedback and direction regarding the programs and services prioritization listing with respect to which, if any, of the identified programs and services that Council may be willing to discontinue or modify to either close the budgetary spending gap or add new services.

At the March 1, 2004, City Council meeting, Council selected thirty-two (32) programs and services that were to be considered for further detailed study and review. Final action on whether to consider the selected programs and services for detailed review was postponed to the March 15, 2004, City Council meeting at which time it was determined that Council member Cowan may be present and may be able to participate in this discussion.

At the April 12, 2004, City Council meeting, Council selected twenty-three of the remaining thirty-two programs and services for further detailed study and review. These twenty-three programs and services were studied further by staff and reports on each subject were presented back to City Council at the Council's budget study session on June 14, 2004. Copies of the reports are attached as Attachment 1.

ANALYSIS:

Deeper cuts in subvention revenues than what was initially proposed by the Governor for fiscal year 2004-2005 have been proposed as part of the Governor's agreement with the League of Cities to help stabilize the state's fiscal situation. The dynamics of the state's fiscal condition have caused local units to re-examine programs and services provided to their constituents.

Staff has already enacted a number of management actions to reduce spending in the current year. These actions have included limiting all discretionary spending, limiting all non-mandatory training and initiating a temporary "slowing" of the recruitment process until the state budget impacts upon the city are more readily identifiable. These short-term budget measures have assisted with addressing current year budgetary concerns.

However, in order to address long-term budgetary concerns, staff would need to consider implementation of long-term budgetary strategies. One of the long-term budgetary strategies considered were possible reductions and/or modifications of existing programs and services.

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Staff has previously provided complete listings, by department and by overall-rating summaries, of the programs and services presented to Council for consideration and review. Further, staff has provided Council with a listing of only those twenty-three programs identified by Council for further consideration and review as part of the budget study session supplemental book. A copy of the staff reports on these twenty-three items is attached and encompasses the programs and services listed below. The programs and services discussion items are listed below in the same order as presented in the attachment.

1. Park Rangers – Public Park security services.
2. Committee Support – Staff Liaison support for Fairview Park Friends Committee. Coordinate with other staff liaisons on rosters, recruitments and appointments for all city committees
3. Community Foundation – Serve as ad hoc Executive Director to the Community Foundation. Provide financial and clerical staff support.
4. Planning Commission Support - Staff from Planning, Building, Engineering, Transportation, Fire Prevention, Police, and City Attorney's Office regularly work on analyzing, researching, and preparing documents to process projects through Planning Commission study sessions and public hearings.

5. Council/Commission Support - The Public Services Department provides an attendee (normally Ernesto Munoz, City Engineer) at all regular Planning Commission meetings in order to provide information and answer any questions that may arise concerning engineering, transportation, or general maintenance. The Department also provides an attendee at all City Council (William Morris, Public Services Director) and Parks and Recreation Commission (William Morris and Bruce Hartley, Maintenance Services Manager) meetings in order to provide information and to answer any questions that may arise concerning engineering, transportation, landscaping, trees, or general maintenance.
6. Citizen Committee Support - Development Services Planning staff attend, act as liaison, provide research, and/or coordinate regular meetings, agendas and/or activities of the Bristol Street Land Use Committee and the Westside Revitalization Oversight Committee (WROC), with its six sub-committees.
7. Personnel Committee Support - The Human Relations Committee's function is to advise City Council on matters of social significance; to recommend and implement projects that will encourage interaction, sharing and understanding of each cultures' riches; and to be a catalyst for the resolution of issues which separate people. Staff assists in the development of the monthly meeting agendas and coordinates the distribution along with the prior month's minutes; attends monthly meetings; assists with procedural and policy related questions/issues brought forth by the Committee; assists with special projects/activities of the Committee; coordinates the preparation of the annual work program and budget submittal.
8. Recreation Committee Support - Recreation staff provides direct support to 4 Committees: Child Care and Youth Services which assists City Council regarding policy and other service concerns in the area of childcare and youth services; Advisory Committee of Teens, which provides input regarding community projects, improvements, and activities, which are of interest to Costa Mesa's youth, and responds to requests for input from the City Council, City Commissions, Committees, and City Staff, Cultural Arts and Historic Preservation Committees which maintains, educates, enriches and promotes cultural arts and historical programs and resources throughout the City.
9. Recreation Commission Support - Assists City Council and various City departments with parks and recreation related issues including Council delegated authority relating to trees, Master Plan review and research. Direct staff support includes agenda preparation and posting, official minutes, report preparation and inquires from Commissioners and the public.
10. City Newsletter – Coordinate Newsletter Committee made up of reps from all departments. Edit content and work with contractor for layout and printing of the bi-monthly publication.
11. Public Notice Requirements - Public noticing is required for all public hearings through publication and mailings to residents. The Municipal code, in compliance with the State Code, sets the mailing parameters, in addition to requiring posting of the locations. Costs associated with the public noticing very dependent upon the type of hearing and noticing requirement.

12. Development Processing Public Noticing - Code Enforcement posts public notice signs on all residential properties prior to decisions by the Zoning Administrator or Planning Commission. A contract service posts large signboard notices on all commercial and industrial properties under consideration. Additionally, Planning mails postcard notices to all property owners within 500 feet of a proposal, posts written notices on three public buildings, and publishes a legal notice in the local newspaper. Lastly, the City Clerk's Office publishes a legal notice for any development proposal considered by City Council.
13. Appeals Process - The appeals process is provided for in the Municipal Code and dictates the process that allows for review of the determination made by administrators, commissions and council. If the application for an appeal or rehearing is for Council review this office provides the compliance with the publication and mailing requirements for holding of the hearing.
14. Development Permit Appeals Process - Decisions on development permits may be appealed from a staff Planner to the Zoning Administrator, then to the Planning Commission, on to City Council, and finally to a Council rehearing.
15. Permit Processing Regulation - The Zoning Code is a "permissive" document establishing what can occur on private property by right, or subject to a discretionary City decision known as a conditional use permit, minor conditional use permit, minor development review, or development review permit. A high percentage of all land use activities are subject to a discretionary City permit.
16. Teen Programs - Year round programs and activities designed for teens (grades 6-9) to enhance self-esteem, provide a healthy environment to socialize, promote positive role models and involve teens in at least 4 community volunteer service projects with ACT. Programs include a drop-in program for middle school teens, Winter Camp, Summer Camp and Spring Camp.
17. Adult Programs - Provides adult recreation for men and women with basketball and volleyball league play in the DRC gym and softball league play for men, women, and coed teams at Davis Field and TeWinkle Park. Provides instructional classes on a variety of topics, (through the Recreation Review) for adults on a participant fee basis. Adult programs are designed to be fully self-supported through fee recovery based on the Cost Recovery Guidelines adopted by Council.
18. Concerts and Events - Provides for 6 live summer music concerts at Fairview Park and for special, one time or Council requested event. Examples include the 9/11 Memorial held at the Orange County Fairgrounds, Circle of Service and Holiday Snow Hill. In some cases, sponsors partner with the City to present these events to the community.
19. Field Allocation and Field Ambassadors - Administers, allocates and schedules field/facility reservations for youth and adults participating in soccer, baseball, softball and flag football practice and games on athletic fields and facilities owned by the City and NMUSD in Costa Mesa through the Joint Use Agreement implemented in July, 2001. There are 68 fields and 8 facilities at 26 parks and school locations serving over 47 user groups. Field Ambassadors act as the City liaison for field users and are responsible for problem solving, community building and education regarding the Field Allocation Policy.

20. Playground/Mobile Rec. and Skate - These programs provide drop in, supervised programs for 5 – 12 yr olds that promote positive activities and interaction. Playground programs for children in grades 1 through 6 at 12 NMUSD elementary schools and selected parks, encourages academic enrichment activities, leadership, teamwork and character education in a educational/recreational environment. Mobile playground program takes activities directly to the community by via the Mobile Recreation Van, and offers supervised recreation to children who do not traditionally attend community centers or other municipal recreational facilities. Mobile skate park, which takes skating activities directly into the community in a supervised setting with portable skate elements to teach proper technique and etiquette to skaters.
21. Family Programs - Provides programs and activities to participate in intergenerational activities, allowing multiple & whole families to interact together as a unit through affordable recreation programs, activities, & excursions. The program also provides for various different segments of the community, families, and cultures to interact together within the framework of one organized recreational activity. Costs are established for recovery of fees based on the Cost Recovery Guidelines adopted by Council.
22. Birthday Party Activity - Provides theme based party packages for up to twenty 5 – 12yr olds in a supervised setting that includes food, games, crafts in a positive affordable recreation activity. Fees are established by the Council-approved Cost Recovery Guidelines. Costs for this program are not incurred unless a birthday party is actually arranged.
23. Youth Programs - Made up of several activities, youth programs provide clinics, practices, and league play for youth basketball and youth flag football; provides a cheerleading program and co-ed soccer, all focusing on skill development, teamwork, healthy competition, character building, physical fitness and sportsmanship. Costs are established for recovery of fees based on the Cost Recovery Guidelines adopted by Council. In addition, provides instructional classes on many topics (through the Recreation Review) for youth on a participant fee basis.

The attachment should be reviewed to determine if Council desires to change and/or reduce the level of service delivery in order to “free-up” resources for an alternative use. It is requested that Council make a determination as to whether the program or service should continue when the fiscal year 2004-2005 budget is adopted.

CONCLUSION:

During each Budget Study Session for the past three years, staff has noted that the guiding principles used to develop the operating and capital improvement budget were to maintain current programs and services at existing levels. This direction and philosophy is consistent with decreased budgetary flexibility with respect to how service delivery is funded. Staff has also discussed with Council a proposed policy related to new or expanded programs and services. Staff noted that there is a finite limit to programs and services that can be offered within existing resources and recommended that no new programs or services be added without first identifying a new revenue source or funding alternative.

In the past, we have been able to work in the “margins” making small cuts throughout the budget on a line-item basis to balance the budget. The budgetary flexibility no longer exists that would allow such a practice to continue without impacting current staffing levels.

In fiscal year 2004-2005, the proposed budget anticipates utilization of \$3.5 million of fund balance. Absent a long-term solution, a significant risk of creating a structural imbalance between expenditures and available resources exists. This risk will continue to increase over time if the budgetary concerns are not addressed.

It is requested that Council provide direction to staff regarding prioritization of programs and services to potentially be discontinued or modified to either close the budgetary spending gap or add new services.

In addition, it is recommended that Council use a process similar to the “consent calendar” process as was used to select those programs and services to be studied further in order to facilitate an efficient review and discussion of the issues at the Council meeting.

Staff is available at your convenience to provide additional information if you have any questions.

Marc R. Puckett
Director of Finance

Attachments:

1. [Programs and Services Reports](#)

Copy to: City Manager
Department Directors