

Council Meeting
November 21, 2006

Honorable Mayor and Members
of the City Council
City Hall
Torrance, California

Members of the Council:

Subject: 1st Quarter 2006-07 Budget Review

RECOMMENDATION

The Finance and Governmental Operations Committee recommends that Your Honorable Body concur with the following recommendations:

- Accept the First Quarter 2006-07 Budget Review Report
- Accept the City Treasurer's Investment Report
- Approve the allocation of fiscal year 2005-06 carryover
- Approve the program modifications for the following departments; City Manager, Communications & Information Technology (CIT), Community Services, Finance, General Services, Human Resources, Police, and Public Works

BACKGROUND/ANALYSIS

On Tuesday, November 14, the Finance and Governmental Operations Committee heard a presentation from staff on the First Quarter 2006-07 Budget Review.

The Committee voted and accepted unanimously the First Quarter 2006-07 Budget Review Report, the City Treasurer's Investment Report, the allocation of fiscal year 2005-06 carryover and all of the program modifications.

Currently, the City has reserve accounts established to aide in funding various financial activities. Many of the reserves have been created to assist the City in times of economic uncertainties. Every year, the City Council allocates year-end carryover (if available) to the appropriate reserve accounts where needed.

The Committee recommends that the remaining 2005-06 year end carryover of \$2,994,107 be allocated to the following reserves:

Recommended use of Carryover:**Reserves:**

| | |
|--------------------------------------|--------------|
| Economic Anomaly Reserves | \$ 2,028,067 |
| Program Contingencies Reserves | 100,000 |
| Program Innovation Reserves | 20,000 |
| Security Improvements (EOC) Reserves | 100,000 |

Program Modifications/Other Commitments:

| | |
|--------------------------|---------------------|
| CAD RMS | 103,000 |
| Asphalt | 235,000 |
| Classification Plan | 100,000 |
| Strategic Plan Update | 80,000 |
| City Yard Equipment | 200,000 |
| Cultural Arts Foundation | 23,040 |
| Torrance Symphony | 4,000 |
| Park Ranger Program | 1,000 |
| Total Allocated | \$ 2,994,107 |

Respectfully submitted,

Finance and Governmental Operations Committee



Councilwoman Pat McIntyre, Chair



Councilwoman Hope Witkowsky, Member



Councilman Paul Nowatka, Member

Attachments:

- A. Executive Summary
- B. City Treasurer's Investment Report
- C. Proposed Program Modifications

Committee Meeting
November 14, 2006

Honorable Chair and Members
of the Finance and Governmental Operation Committee
City Hall
Torrance, California

Members of the Committee:

Subject: First Quarter 2006-07 Budget Review

RECOMMENDATION

The City Manager and the Finance Director recommend that the following items be approved by the Finance and Governmental Operations Committee and recommended to the Council for action:

- Accept the First Quarter 2006-07 Budget Review Report
- Accept the City Treasurer's Investment Report
- Approve the program modifications for the following Departments; City Manager, Communications and Information Technology, Community Services, Finance, General Services, Human Resources, Police, and Public Works.

EXECUTIVE SUMMARY

Revenues for the first quarter are projected to meet budget estimates and expenditures for the City are well within budgeted guidelines. As of first quarter, all departments are within budget estimates (except WIN and Section 8 Housing – please see explanation below) and are projected to be at or below budget by fiscal year end.

Torrance continues to have a strong underlying economy. The City's tax and economic base includes a mix of high-end residential properties and a sizable commercial and retail component. The City has a large property tax base of \$20.7 billion in fiscal year 2006, increasing in assessed value by 8.9% over last year. Unemployment rates in the City of 2.2% (as of 09/06) have historically fallen under both State and national averages of 5.0% and 4.8% respectively. Taxable Sales for the State and Torrance have continued to increase and is projected to reflect a modest growth through the fourth quarter of 2008.

A Snapshot of Torrance

Population: 147,405
Peak Daytime Population (2 p.m.): 203,011
Area: 21 Square Miles
1453 Full-time Employees
6 Fire Stations
1 Police Station, 1 Police Substation &
3 Police Community Centers
241 Sworn Police Employees
159 Sworn Fire Employees
6 Public Libraries
90,000 Street Trees
550 Miles of Sidewalks
46 Parks & Recreation Amenities

Year-end operations for the General Fund, fiscal year ended June 30, 2006, generated available carry-over of approximately \$9.9 million prior to commitments. The carry-over was generated from a positive revenue variance of \$3.4 million caused primarily from one-time revenue savings from large construction projects, higher actual receipts in natural gas and electricity Utility Users' Tax and increased investment earnings due to rising interest rates. Carry-over generated from expenditures were due primarily to position vacancies and related employee benefits (\$4.2 million) and savings from materials and professional services (\$2.4 million).

Budget Outlook

| Fiscal Year ended June 30, 2006 | | | |
|---------------------------------|----------------|----------------|--|
| | Sources | Uses | Variance Favorable (Unfavorable) |
| General Fund | \$ 150,291,909 | \$ 140,298,420 | \$9,993,489 |
| Enterprise Funds: | | | |
| Airport | 9,158,981 | 7,389,842 | 1,769,139 |
| Transit | 22,114,692 | 20,847,271 | 1,267,422 |
| Water | 22,402,592 | 20,898,449 | 1,504,143 |
| Emergency Medical | 7,600,579 | 7,431,502 | 169,077 |
| Sanitation | 10,465,173 | 10,102,329 | 362,844 |
| Cultural Arts | 1,702,537 | 1,699,423 | 3,114 |
| Sewer | 1,995,024 | 1,623,673 | 371,351 |
| Parks & Recreation | 6,868,705 | 7,244,841 | (376,136) |
| Internal Services | | | |
| Fleet -Operation | 6,494,970 | 5,649,192 | 845,778 |
| Self Insurance | 3,344,540 | 4,352,146 | (1,007,606) |

The economic forecast for California continues to project an overall growth in payroll by 1%. The 1% growth represents increases and decreases in various job categories with the net change resulting in a modest 1% overall growth. The housing and employment market is expected to

| LAO Forecast | | | |
|-----------------|---------|---------|---------|
| | 2005 | 2006 | 2007 |
| Personal Income | 6.0 | 4.8 | 4.5 |
| Wage Growth | 2.8 | 0.8 | 1.6 |
| Taxable Sales | 7.4 | 4.9 | 4.3 |
| Permits | 209,000 | 180,000 | 161,000 |
| CPI | 3.7 | 4.5 | 3.3 |

reflect a moderate slowdown with the overall economy leveling. The State's budgetary outlook in accordance with the Legislative Analyst Office (LAO) is projected to reflect an overall annual shortfall of expenditures exceeding revenues by approximately \$4.5 billion. Despite much stronger than expected revenues, expenditures exceed revenues with the difference being funded by year-end carryover. The State's total budget expenditure of \$128.4

billion includes increasing funding for education and providing targeted increases in several other programs, including the early repayment of nearly \$3 billion in budgeted debt. The LAO forecast shows the "State facing significant operating shortfalls over the forecast periods of \$4.5 billion in 2007-08 and \$5.0 billion in 2007-08".

Budgetary Concerns

At the start of fiscal year 2006-07, the City submitted a balanced budget with revenues and other funding sources equaling planned expenditures. During the year, revenues and expenditures are closely monitored as new laws, legislation etc. can change which can have an impact on budget. The following items are areas where potential concerns exist with respect to budget being realized:

- (1) **Workforce Investment Network (WIN):** The City of Torrance WIN operation is experiencing reductions in federal funding. WIN started the year with budgeted salary positions of 31 employees. WIN's management staff has monitored its budget and has reduced its budget through attrition; however, budgetary concerns still exist as the WIN division is still projecting a budget shortfall of approximately \$87,000. A program

division is still projecting a budget shortfall of approximately \$87,000. A program modification is included in this first quarter report which discusses the WIN budget concerns in more detail. It is expected that the downward trend in federal funding will continue.

- (2) **Housing - Section 8:** There is a concern with the reduction of federal funds for the City's Section 8 Rental Assistance Program. In January 2006, the Federal Department of Housing and Urban Development (HUD) changed the methodology in its funding calculation for administrative fee reimbursements. The funding change resulted in the City's Section 8 program receiving sufficient housing assistance payments for its clientele but not insufficient funds to pay for administering the program. Last fiscal year, staff used reserves to assist in the payment of the administration fees; however, reserves are diminishing as administrative costs are increasing. Revised projections reflect a budgetary shortfall caused by insufficient administrative reimbursements in the amount of approximately \$187,000 at year end. Staff is reviewing all administrative expenses and will explore adjustments including reducing staff through attrition and reassignment to resolve the budgetary concerns.
- (3) **Utility Users' Tax:** The Federal Government implemented a policy which eliminated the collection of excise tax on long distance telephone calls. There have been discussions with cities in California, along with the League of California Cities, about the potential impact of this change. Cities who have a Utility Users' Tax on long distance telephone calls are uniting together to determine the best approach to preventing the change in policy from becoming law. If the policy change is mandated on cities, then the City of Torrance is projected to have a reduction in UUT revenues of approximately \$5-6 million.
- (4) **Workers' Compensation Costs:** Costs have been declining over the last five years due to various factors, such as increased safety efforts by both employees and management that have resulted in a steady reduction in the number of claims. Departments' commitment to a Return to Work Program has reduced number of lost days from work. The 2004 Workers' Compensation reform has provided ways to control costs. Medical care is now subject to use of treatment guidelines, utilization review and limits on physical therapy and chiropractic care. Temporary disability benefits are limited to two years. Permanent disability factors are now based upon objective factors, not just pain and/or work restrictions, which has resulted in a reduction in permanent disability awards. Reduction in the value of permanent disability awards for injured employees who continue working.

| Fiscal Years | Number of Claims | Total Costs |
|--------------|------------------|-------------|
| 2002/2003 | 339 | 8,903,409 |
| 2003/2004 | 297 | 8,217,881 |
| 2004/2005 | 275 | 7,254,044 |
| 2005/2006 | 251 | 5,993,650 |
| 2006/2007 | 61** | 1,104,099** |

**Figures for FY 2006/2007 are through 9/30/2006.

The number of claims as of 9/30/2005 was 66. The estimated total claims for FY 2006/2007 is 244. Costs as of 9/30/2005 were \$1,633,272 and the estimated costs for FY 2006/2007 is \$4,416,396.

Program Modifications : The following is a summary of the program modifications which is being submitted for Your Honorable Body's approval. The specific detail of each modification request is included in the 1st quarter 2006-07 Budget Review Report (see Program Modifications Tab).

City Manager

- Consolidation of Community Relations Operations

Communications & Information Technology

- Remodel of computer room in basement of City Hall

Community Development

- Additional funds for the City's Strategic Plan Update

Community Services

- Additional funding requests from the Cultural Arts Foundation and the Torrance Symphony Association

Finance

- Deletion of 1.5 Sr. Aide positions and addition of .4 Account Clerk position

General Services

- Proposed organizational restructure of General Services, Fleet Services Division Administration

Human Resources

- Reallocate Light Equipment Operator positions to heavy Equipment Operator positions in Public Works
- Reduction of FY06-07 Workforce Development Division Budget & Development of Contingency Plan
- Development of Equal Employment Opportunity (EEO) Plan and ongoing costs
- Additional funding for professional services

Police

- Increase professional services for Public Safety Information System annual service agreement

Public Works

- Early reinstatement of Deputy Public Works Director/City Engineer
- Transfer of 1 Associate Engineer position in Community Development to Public Works
- Deletion of 1 Intern position
- Change order to purchase order #25047 with Sully-Miller
- \$966,000 increase in water revenues and \$966,000 increase in water costs
- Implementation of enhanced water conservation programs
- Curbside green waste collection pilot program

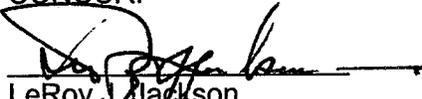
As previously mentioned, currently all departments are within budget with the exception of WIN and Section 8 Housing. The four areas of concern will be closely monitored: WIN sources and uses of budget, Section 8 Housing administrative costs, Utility Users' Tax and Workers' Compensation costs. Staff will continue to monitor City operations and present the mid-year analysis as well as an updated economic forecast during the mid year budget review in March 2007.

Respectfully submitted,



Eric E. Tsao
Finance Director

CONCUR:


LeRoy J. Jackson
City Manager

October 30, 2006

COMMITTEE MEETING
November 14, 2006

Honorable Mayor and
Members of the City Council
City Hall
Torrance, California

VIA: Council Finance and Governmental Operations Committee

The Treasurer's Office and the Investment Advisory Committee have set out to develop and implement investment procedures that insure the City's investment objectives of a high degree of asset safety, an adequate liquidity to meet operating and capital expenditure needs and a reasonable return of the City's investment assets given the City's foremost goals of safety and liquidity.

Investment Summary

As of September 30, 2006 total investments of \$260.1 million consisted of the following categories:

| | |
|--|------------------|
| 1) Pooled Funds (Investment Portfolio) | \$ 131.0 million |
| 2) Restricted Funds: | |
| a. Debt issue proceeds | \$ 17.7 million |
| b. Deferred Compensation | |
| 1) 457 | \$ 105.3 million |
| 2) 401(a) | \$ 3.4 million |
| c. Retirement Health Savings plan | \$ 2.7 million |

The pooled Funds consist of surplus funds invested and managed directly by the City Treasurer. To date the fund has generated year-to-date interest earnings of \$1.3 million and an effective rate of return equal to 4.11 %.

The restricted funds, made up of the Debt issue proceeds, Deferred Compensation funds and the Retirement Health Savings Plan are invested accordingly:

- 1) Debt issue proceeds are invested through a trustee appointed under the Debt Trust Indenture. The funds are invested at the direction of the City Treasurer.
- 2) Deferred Compensation fund is managed by a third party administrator - Great West Life. Investment options made available to the participants are selected and approved by the Deferred Compensation Committee. The fund is a self-

directed program. Participants have the ability to direct their contributions among several different investment options.

- 3) The Retirement Health Savings Plan is managed by a third party administrator – ICMA Retirement. Investment Options are made available to the participants and are selected by ICMA Retirement. Participants can direct their contributions among several different investment options. This program has been offered to employees for the purpose of saving dollars on a pre-tax basis to supplement the cost of health expenses upon retirement.

NOTE: The Deferred Compensation Plans and the Retirement Health Savings Plan are held in Trust for the benefit of the Participant or their Beneficiaries and are not an asset of the City of Torrance.

Investment Forecast

The Federal Reserve Board decided to keep its target for the federal funds rate at 5.25%. Economic growth has slowed over the course of the year, partly reflecting a cooling of the housing market. The Committee feels going forward, the economy seems likely to expand at a moderate pace. Nonetheless, the Committee feels some inflation risk remain and there may be additional firming needed to address these risks.

What does this mean to rates across the short and intermediate curve? At the present, rates between two and five years are relatively flat. Our strategy has been to make sure we have coverage both on the short end of the yield curve (within 2 years) and long end of the yield curve (up to 5 years). It is important to have a good balance across the yield curve protecting the portfolio from market risk.

GASB 31 Impact on Investments

GASB 31 took effect June 1997. The intent of GASB 31 is to bring to light potential liquidity problems by requiring municipalities to mark to market their securities with a maturity greater than one year. This paper gain or loss must be booked against investment earnings at year-end.

One way to avoid the gain/loss issue is to limit all purchases to maturities of less than one year. This condition would then preclude a market valuation and allow investments to be carried on a book value basis. This situation could reduce earnings potential in the loss of yield that a security with a longer term would usually offer.

Within our investment policy we adhere to a buy and hold philosophy. Therefore, our current strategy will not change in light of GASB 31. We will continue to place a percentage of the portfolio out longer on the yield curve to take advantage of higher

earnings. At the same time we keep in excess of 30% of the portfolio liquid in order to meet current and future obligations.

At the present time the monthly investment report tracks all securities by listing the face value, book value and market value. The portfolio paper gain or loss is the difference between book and market value. The unrealized gain/loss is noted monthly even though it is not physically applied to earnings until year-end.

Investment Strategy

Over the last three months the investment activity has been beneficial. For every security that matured, we will be able to re-invest the principal. The average yield on the matured securities was 4.467%. By re-investing those same dollars the portfolio was able to invest in today's market and pick up an additional 1.0% for an average yield of 5.46%.

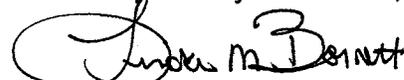
Beginning in mid-December the investment portfolio will begin to increase due to the collection of Property tax, business license fees and occupancy tax. This is when the investment activity will pick up. Currently, the yield curve is relatively flat and there is not much widening or potential of picking up yield within the 2 to 5 year area. However, the Portfolio is too short, we have 61% of the portfolio invested in securities that are 2 years or shorter. Therefore, we have begun to place money out further on the yield curve. If the Federal Reserve changes their strategy and begin to ease, we will be holding securities that have a good rate of return. In addition, it is important to have securities invested in all ranges within the Portfolio to protect the portfolio from market risk exposure.

To be consistent with the City's objectives of high degree of Asset safety, all investments will be invested in high quality rated instruments or those guaranteed by the "full faith and credit" of the government.

Recommendation

Accept and file the 1st Quarter Report.

Respectfully submitted,


Linda M. Barnett
City Treasurer

CONCUR:


LeRoy J. Jackson
Investment Committee Member

Committee Meeting of
November 14, 2006

Honorable Chair and Members
of the Finance and Governmental Operations Committee
City Hall
Torrance, California

**Subject: City Manager's Office – Consolidation of Community Relations
Operations**

Expenditure: \$18,600

RECOMMENDATION

The City Manager recommends that the Finance and Governmental Operations Committee approve the consolidation of the Community Relations program, the reallocation of one (1) Intern II budgeted position to one (1) Staff Assistant budgeted position in the Office of Cable Communications to support the operations of the consolidated program, and the appropriation of \$18,600 offset by an increase in budgeted revenues.

Funding

The Cable TV Fund has sufficient actual revenues in excess of budgeted revenues to provide a funding source for the recommended appropriation.

BACKGROUND/ANALYSIS

PHASE I

The first phase of the consolidation of the Community Relation operations began with the 2003/05 budget. At that time, the duties of the Community Relations Officer were reallocated between the Cable Television Administrator and a Management Associate. The Administrator position was reallocated from the Executive 12 category to 11. In addition, an entry level Community Relations Associate position was created using the class code of Intern II, with full-time hours.

During the last three years, the Office has experienced an increase in responsibilities as well as volume of request for assistance. Departments and elected officials are utilizing services on a consistent basis. Service areas include:

Media Relations

- City Public Information Officer for non public safety city issues/events; and non-emergencies.
- Media liaison for elected leaders and departments

External Publications/Communications and Marketing

- Serve as city spokesperson
- Assist Mayor/Council with speech writing and special appearances
- Make public presentations on media/government relations
- Manage all content on the City's Official website
- Work with departments on all marketing, advertising and communications strategies
- Write/produce/advise/review press releases, pamphlets, brochures, marketing and promotional flyers, programs for all City Departments (exclusive of Police and Fire)
- Write and edit newsletter portion of the Torrance Seasons
- Manage cable television channels: CitiCABLE 3, Torrance 22, and Torrance Community Television 28
- Promote departmental special events
- Promote Torrance as a great place to live, work and play
- Advise Economic Development Team on improving the City of Torrance's corporate image nationally in effort to attract tourism and economic development benefits

PHASE II

During the last few years, the Office has gained valuable insight and experience in the functions of community relations. To increase efficiency, streamline requests for service, improve intra and inter-communications, the implementation of the second phase is needed.

The proposed second phase includes the following:

1. Changing the name of the Office of Cable Communications to the Office of Cable & Community Relations
2. Reallocation of the Intern II budgeted position to a Staff Assistant budgeted position
3. Reallocation of the remaining Community Relations functions to the Office of Cable & Community Relations

Name Change

The Office of Cable Communications functions have expanded over the years to include the following:

- | | |
|---------------------------------------|---|
| ▪ AM Radio | ▪ Government Access |
| ▪ Audio/Visual Services | ▪ Public Access |
| ▪ Citywide External Communications | ▪ Public Information |
| ▪ Citywide Internet Content | ▪ Staff Cable Television Advisory Board |
| ▪ Citywide Public Information Officer | ▪ Staff Public Access Foundation |
| ▪ Community Relations | |
| ▪ Franchise Enforcement | |

To better define the function of the Office, changing the name from Cable Communications to Cable & Community Relations is needed. This name change will be consistent with the manager's title.

Position Reallocation

To accommodate the added level of responsibility, the creation of a career track opportunity for the Associate is needed. The Office currently has one (1) full-time Intern II budgeted position. The reallocation of the Intern II budgeted position to one (1) Staff Assistant budgeted position is recommended. This reallocation will enable the manager to provide promotional opportunities as duties and level of responsibilities are increased. There are sufficient revenues to fund the cost to reallocate the position from the Cable TV Fund balance.

Reallocation of Functions

The following community relation functions are recommended to be reallocated to the Office:

Events/Ceremonies

- Plan/coordinate events, groundbreakings, ribbon cuttings for City Officials
- Plan/coordinate neighborhood meetings regarding city issues

Department Notices

Review all departmental notices such as (but not limited to) neighborhood meetings, street repairs, capital projects, public services, signage, city maintenance work

Media Relations

- Work with media during emergencies for accurate and timely reporting of city government issues
- Serve as city spokesperson during emergencies (Public Information Officer)

Emergency Preparedness

- Serve as Chair of Emergency Public Information Officer Team

Respectfully submitted,

LeRoy J. Jackson
City Manager

By: 

Michael D. Smith
Cable & Community Relations Manager

CONCUR:



LeRoy J. Jackson
City Manager

ATTACHMENTS

1. Proposed Community Relations Team
2. Torrance Office of Cable Communications Fact Sheet
3. 2003/05 Budget Reduction

City of Torrance
City Manager's Office
Community Relations Team

The City Manager has established the Community Relations Team for the purpose of coordinating internal and external communications. The City Manager is committed to improving the quality of service to the community through informed city employees.

The Community Relations Team serves as a central depository of information concerning community issues.

The Team includes Michael D. Smith, Fran Fulton, Olivia Lopez, Gesuina Paras, Jay Scharfman, and department representatives as needed.

GOVERNMENT AFFAIRS – Michael D. Smith & Gesuina Paras

310.618.5762 V

310.350.0142 C

310.781-7132 F

Media Relations

- Work with media for accurate and timely reporting of city government issues
- Media liaison for elected leaders and departments

Publications/Communications

- Assist Mayor/Council with speech writing and special appearances
- Write and edit newsletter section of Torrance Seasons
- Write/produce/advise on press releases for all city departments (exclusive of Police & Fire)
- Review all departmental notices regarding neighborhood meetings
- Serve as city spokesperson
- Promote departmental special events
- Manage external communications on citywide internet webpage
- Manage Office of Cable Communications
- Make public presentations on media/government relations

External Marketing

- Work with departments on all marketing, advertising and communications strategies
- Promote Torrance as a great place to live, work and play
- Advise Economic Development Team on improving the City of Torrance's corporate image nationally in effort to attract tourism and economic development benefits

Intergovernmental Activities

- Contact for California Association of Public Information Officers
- Contact for States of California and Nevada Chapter of NATOA
- Contact for National Association of Telecommunication Officers and Advisors

Events/Ceremonies

- Plan/coordinate events, groundbreakings, ribbon cuttings for City Officials
- Plan/coordinate and provide notice of neighborhood meetings regarding city issues

City of Torrance
City Manager's Office
Community Relations Team

EMERGENCY & MAJOR INCIDENTS MEDIA RELATIONS – Michael D. Smith

310.618.5762 V 310.350.0142 C 310.781-7132 F

Media Relations

- Work with media during emergencies for accurate and timely reporting of city government issues
- Serve as city spokesperson

Emergency Preparedness

- Serve as Chair of Emergency PIO Team

INTRA-GOVERNMENT RELATIONS – Olivia Lopez

310.618.5880 310.618-5891 F

Employee Recognition

- Serve as Chair of the Employee Recognition program

INTER-GOVERNMENT RELATIONS – Olivia Lopez

310.618.5880 310.618-5891 F

Legislative Activities

- Prepare legislative agenda
- Lobby state legislature
- Liaison with state lawmakers
- Liaison with Congress
- Liaison with Torrance Chamber of Commerce
- Research legislative policy

Public/Political Analysis

- Provide situational and political analysis
- Advise on political and public strategies

Intergovernmental Activities

- Make public presentations on legislative action/lobbying
- Liaison with area governments
- Contact for National League of Cities
- Contact for League of California Cities
- Manage annual Green Team program
- Manage Visitors Bureau Contract

GOVERNMENT BUSINESS RELATIONS – Jay Scharfman

310.618.5880 310.618-5891 F

Manage Film permits

- Process, facilitate, and issue film permits
- Promote Torrance as a great place to film

City of Torrance
City Manager's Office
Community Relations Team

Chair Special Events Team

- Coordinates approval of special events

GOVERNMENT RESIDENT BUSINESS RELATIONS – Fran Fulton

310.618.5880

310.618-5891 F

Citizen Concerns

- Receive, research, and respond to all citizen concerns received by the City Manager and City Council offices
- Assists City Manager, Mayor, and Council with responses to citizen concerns
- Provide summary reports of all concerns

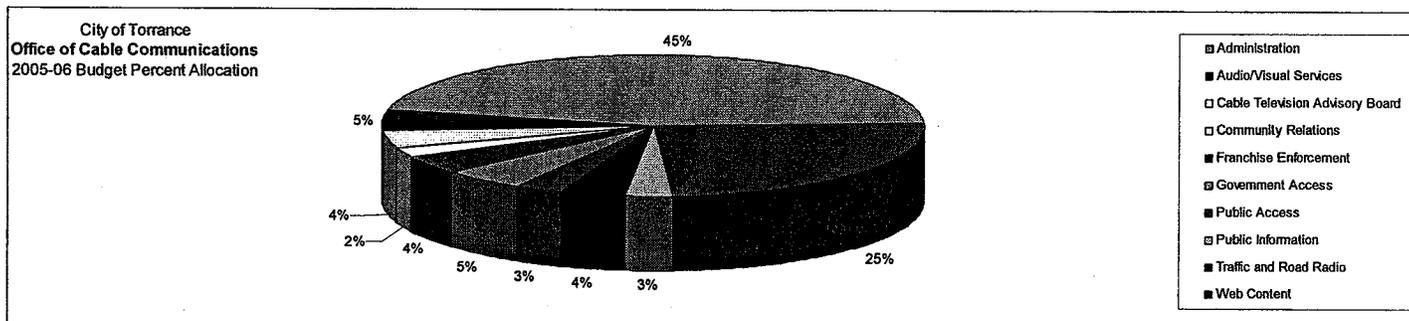
Business/Economic Development

- Represents city at business related functions
- Promote Torrance as a great place to grow, expand, and/or relocate a business
- Facilitate business needs through City Hall process



Primary Responsibilities

- ✚ Franchise Enforcement
- ✚ Citywide Public Information Officer
- ✚ Citywide Internet Content
- ✚ Public Access
- ✚ Staff Cable Television Advisory Board & Public Access Foundation
- ✚ AM Radio
- ✚ Community Relations
- ✚ Government Access
- ✚ Citywide External Communications
- ✚ Audio/Visual Services



- ✚ Established 1983, initial bulletin board cablecast 1984, first video production 1985, first web stream 1997.
- ✚ 17.3 Full Time Equivalent Positions
 - FT 1.0 Cable & Community Relations Manager
 - FT 1.0 Production Supervisor
 - FT 1.0 Supervising Producer/Writer
 - FT 1.0 Senior Operations Assistant
 - FT 1.0 Operations Assistant
 - FT 1.0 Assistant Producer/Writer
 - FT 1.0 TCTV Coordinator (public access)
 - FT 1.0 Community Relations Associate
 - FT 1.0 Office Manager
 - FT 1.0 Clerk Typist (0.5 gov/0.5 pub)
 - PT 26.0 Production Assistants (gov. access) 4.5 FTE
 - PT 5.0 Production Assistants (pub. access) 1.5 FTE
 - PT 4.0 Associate Producer/Writers 1.0 FTE
 - PT 8.0 Announcers 0.3 FTE
 - VT 6.0 News and Entertainment Reporter Volunteers
 - VT 8.0 Sports Reporter Volunteers
- ✚ Monitors the cable television franchise for compliance with the City's cable television franchise agreement;
- ✚ Manages citywide content for website;
- ✚ Manages citywide Community Relations;
- ✚ Facilitates cable subscriber inquiries regarding billing, service, and other cable-related matters;
- ✚ Monitors and participates in federal, state and local legislation involving the video services marketplace;
- ✚ Operates the City's Government Access Channels, CitiCABLE 3 & 22; audio/visual services; audio and video documentation; training; telecommunications planning (using cable);
- ✚ Operates CitiSOUNDS (traffic and road condition low power broadcast radio station); it is also streamed on the Internet at www.TorrNet.com;
- ✚ Manages Live and Archived CitiNET programming (audio and video web streaming at www.TorrNet.com);
- ✚ Supports cable, video or audio requirements by departments;
- ✚ Provides commercial television services, facility rental, and audio/visual services upon request;
- ✚ Provides administration and day-to-day operation of Public Access Foundation activities, including the Cable Television Advisory Board and Torrance Community Television Center (TCTV 28);
- ✚ Provides day-to-day operation of the Instructional Television (ITV) programming playback system for El Camino College channel 8.
- ✚ *NOTE: There are two other Educational Access channels on the Time Warner cable system that we do not operate: Torrance Unified School District 30 and California State University Dominguez Hills 6.*

**city of torrance CITY MANAGER'S OFFICE
OFFICE OF CABLE COMMUNICATIONS**

3350 Civic Center Drive Torrance CA 90503

310.618.5762 v

310.781.7132 f

www.TorrNet.com

Recently Completed Capital Projects

- ✚ Master Control - Omneon, Deko, Crespin, Leitch
- ✚ Production Control/ - Ross, 360 Systems, Chyron, Panasonic
- ✚ Non-Linear Post-Production Systems (gov. and public) - Avid
- ✚ Citywide Web Redesign - RedDot

Current Capital Projects

- ✚ Council Chambers/Nakano Production Control & Camera System - Ross, Inscriber, Panasonic, Telemetrics
- ✚ Mobile Production Van - Ross, 360 Systems, Inscriber, Ikagami
- ✚ Studio - Telemetrics
- ✚ Council Voting and Timer System - Granicus

Facility Stanley E. Remelmeyer Telecommunications Center -- 15,000 square feet

- ✚ Government (acquisition, DVC Pro50; post Avid)
 - Studio & Control Room
 - 3 NLE Suites Avid
 - 1 Linear Suites DVC Pro50
 - Master Control
 - Administrative offices, conference, green room
- ✚ Tenants
 - Time Warner Cable (provides public access for neighboring cities)
 - General Services Department
- ✚ Hours of operation: Monday 7:30 a.m. until 5:30 p.m.; Tuesday through Friday 7:30 a.m. until 11:00 p.m.; and Saturday and Sunday 10:00 a.m. to 6:00 p.m.
- ✚ Public (acquisition, Mini DV; post linear)
 - Studio & Control Room
 - 4 Linear Suites
 - Machine Room
 - Classroom, conference, green room
 - Administrative Offices
- ✚ Mobil Production Van - Sony, DVC Pro50, Laird, Sony

Funding

- ✚ 5% cable television franchise fee

- ✚ \$173,000 public access fee

3 Programming Channel 3 – Original

| SHOW | NO. | HRS | TOT.HRS |
|-----------------------|------------|------|------------|
| Around Town in 15 | 26 | 0.25 | 6.5 |
| Art Studio* | 12 | 0.50 | 6 |
| CitiGUIDE | 26 | 0.25 | 6.5 |
| Common Cents | 12 | 0.50 | 6 |
| Community Cooking* | 26 | 0.50 | 13 |
| Council Meeting | 50 | 4.00 | 200 |
| Documentary | 1 | 1.00 | 1 |
| Events | 4 | 2.00 | 8 |
| Excellence in Arts | 8 | 0.50 | 4 |
| Metro Motion* | 8 | 0.50 | 4 |
| Senior Scene | 26 | 0.50 | 13 |
| Specials | 6 | 0.50 | 3 |
| Sports Desk | 50 | 0.50 | 25 |
| Spotlight Torrance | 26 | 0.50 | 13 |
| This Week in Torrance | 50 | 0.50 | 25 |
| Works in Progress | 4 | 1.00 | 4 |
| Total | 335 | | 338 |

3 Programming Channel 3 – Outside

| SHOW | NO. | HRS | TOT.HRS |
|------------------------------|------------|-----|-----------|
| Jazz Cardio Strength | 11 | 0.5 | 5.5 |
| Metro Motion | 26 | 0.5 | 13 |
| Metropolitan Water District | 12 | 0.5 | 6 |
| Opera Talk with Nick Reveles | 6 | 0.5 | 3 |
| Sit and Be Fit | 26 | 0.5 | 13 |
| Straight From The Tap | 26 | 0.5 | 13 |
| Total | 107 | | 54 |

TOCC Programming Channel 28 – Original

| SHOW | NO. | HRS | TOT.HRS |
|--------------------------|-----------|------|-----------|
| Community College Sports | 24 | 2.00 | 48 |
| Symphony Concerts | 8 | 2.00 | 16 |
| Candidate Forums | 2 | 2.00 | 4 |
| Specials | 2 | 1.00 | 1 |
| Total | 36 | | 69 |

Programming Channel 22 – Original

| SHOW | NO. | HRS | TOT.HRS |
|--------------------------|-----------|------|-----------|
| Civic Chorale Concert | 4 | 1.50 | 6 |
| City CINEMA* | 20 | 1.50 | 24 |
| Pier Concerts* | 6 | 1.50 | 9 |
| Wild Wednesday Concerts* | 5 | 1.50 | 7.5 |
| Total | 35 | | 47 |

*Joint Project

Programming Channel 22 – Outside

| SHOW | NO. | HRS | TOT.HRS |
|-------------------------------|------------|------|--------------|
| California Channel | 261 | 8.00 | 2088 |
| Jazz Notes with Doug McIntyre | 6 | 0.50 | 3 |
| Live at the Ford | 7 | 0.50 | 3.5 |
| Pentagon Channel | 261 | 8.00 | 2088 |
| Total | 535 | | 4,183 |

2003/05 Approved Budget

City Manager Department
5% Budget Reduction Scenario
Goal: \$64,608

Community Relations

410113, Character 30

General Fund:

| | |
|-------------|-------------|
| Budget | \$119,900 |
| Reduction | (\$119,900) |
| % Reduction | 100% |

Cable TV Fund**Cable Communications**

410000, Character 30

| | |
|----------|----------|
| Addition | \$48,300 |
|----------|----------|

Net Savings to City Overall:\$71,600

At the 5% level, the City Manager Department proposes to delete the Community Relations management position and reallocate the primary responsibilities between the Cable TV Administrator and a Management Associate in the City Manager's office. The Cable TV Administrator would be reallocated from the Executive 12 category to the Executive 11 category and retitled. Additionally a full time intern with a public relations background would be added to Cable TV staff to assist with news releases writing and promotion as well as content management for the city's web page.

The salary cost of the intern and the upgrade to the Cable TV Administrator would be funded by the Cable TV Fund, at an estimated cost of \$48,300 budget basis. Therefore the savings to the General Fund will be the full position cost, but the net savings to the City overall will be \$71,600.

Certain responsibilities such as the Employee Recognition program and the publication and design of the Torrance Seasons may be considered for transfer to Human Resources and Parks and Recreation, respectively.

Committee Meeting
November 14, 2006

Honorable Chair and Members
of the Finance & Governmental Operations Committee
City Hall
Torrance, California

Members of the Committee:

**SUBJECT: Communications and Information Technology -
Remodel the computer room in the basement of City Hall**

Expenditure: \$15,245

RECOMMENDATION

It is the recommendation of the Communications and Information Technology Director that the Finance and Governmental Operations Committee approve the following:

- 1) To approve the remodel of the computer room in the basement of City Hall (FEAP 628) in the amount of \$15,245
- 2) To transfer \$15, 245 from CIT's operating budget to FEAP 628.

Funding:

Funding is available in the Communications and Information Technology 2006-2007 operating budget.

BACKGROUND

The number of new applications and systems being implemented require that new equipment be installed and maintained in an air conditioned, secure, and controlled environment. The current configuration of the computer room (two offices) limits the amount of expansion for installing new equipment.

Initially, the project was to remove two offices and make the computer room into one large room at a cost of under \$4,500. Subsequently, it was determined that the two non-working portable air conditioners mounted in the ceiling of the computer room should be removed for safety reasons.

The Communications Division had planned to install wire harnesses above the computer equipment racks because it was growing congested under the computer room floors and becoming difficult to lay new cables and wires. Since installing the wire harnesses in the ceiling required removal and modification of ceiling tiles, the decision was made to combine the three work orders into this project for efficiency and to save time and money.

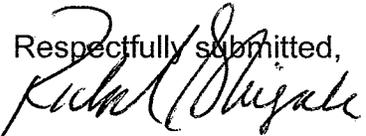
The project cost increased due to additional ceiling work and installation of wiring harness.

ANALYSIS

Removal of the two office walls will provide the open space to expand and accommodate new equipment. Removal of the two ceiling air conditioners and remodel of the ceiling facilitates the opportunity to install wiring harnesses above each equipment rack. Thus, as new equipment is installed, wires can be easily strung overhead instead of having to remove floor tiles one at a time, trying to find a path under the floor to the rack that will house the new piece of equipment.

Removal of the two offices also facilitates better airflow within the computer room. Therefore, the air conditioning unit will run more efficiently and save money.

Funding for the remodel is from a first quarter reduction in printer paper usage yielding a savings in CIT's operations budget.

Respectfully submitted,

RICHARD SHIGAKI
Information Technology Director

CONCUR:


LeRoy J. Jackson
City Manager

Attachment:

A) Capital Improvement Project Request Form

628

City of Torrance

Capital Improvement Project Request Form**Type of Project:**

Equipment Automation Infrastructure Facilities Other

Project Location:**Department:** CIT**Project Title:** Computer Room Remodel

Description: The remodel project opens up needed space for planned growth within the computer room by removing two office walls, removing two ceiling air conditioning units that are no longer in use, and remodeling the room's ceiling to accommodate wiring harnesses that run directly above the equipment racks instead of under the flooring.

Justification: The City's continuing growth in the amount of new equipment being acquired and maintained by CIT necessitates this remodel project. The number of new applications and systems being implemented require that new equipment be installed and maintained in a controlled environment. The current configuration of the computer room (two offices) limits the amount of expansion we have for installing new racks of equipment.

Removal of the two office walls will provide the open space to expand as needed. Removal of the ceiling air conditioners and remodel of the ceiling facilitates the opportunity to install wiring harnesses above each rack. Thus, when we install new equipment, we can run both the wires overhead, instead of having to remove floor tiles one at a time, trying to find a path under the floor to the rack that will house the new equipment.

Removal of the two office walls also facilitates better airflow in the computer room. Therefore, the air conditioning unit will run more efficiently and save money.

Estimated Project Implementation Cost

Additional Personnel Requirements:

of positions (within department) _____

Annual labor costs (with benefits) \$ _____

Additional Personnel Requirements:

of positions (support department) _____

Annual labor costs (with benefits) \$ _____

Equipment \$ _____

Materials \$ 15,245

Professional Services \$ _____

TOTAL \$ 15,245

Status of Land: No land involved City owned Not yet acquired

Estimated Annual Ongoing Operating and Maintenance Costs

None

Additional Personnel Requirements:
 # of position(s) – within department _____
 Annual labor costs (with benefits) _____ \$

Additional Personnel Requirements:
 # of position(s) – support department _____
 Annual labor costs (with benefits) _____ \$

Professional Services/Contracts _____ \$
 Materials _____ \$
 Equipment _____ \$

Other: _____ \$

TOTAL \$

Project Time Line

| <u>Description</u> | Fiscal Year Ending June 30 | | | | |
|-----------------------|----------------------------|------|------|------|------|
| | 2007 | 2008 | 2009 | 2010 | 2011 |
| Survey/Design | X | | | | |
| Plans/Specifications | X | | | | |
| Purchase/Construction | X | | | | |
| Other: _____ | | | | | |

Project Financing

| <u>Financing Source</u> | Fiscal Year Ending June 30 | | | | | TOTAL |
|--------------------------------|----------------------------|------|------|------|------|--------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | |
| General Fund | \$15,245 | | | | | \$15,245 |
| | | | | | | |
| | | | | | | |
| TOTAL | | | | | | |
| <i>Less offsetting revenue</i> | | | | | | |
| Net project request | \$15,245 | | | | | \$15,245 |

| | |
|---|--|
| Vehicle Request Approval (if necessary) | Automation Request Approval (if necessary) |
| _____ | _____ |
| Department Head Signature Date | Department Head Signature Date |

| | |
|--|--------------------------------|
| Requested by: <i>Robert Swain</i> 11/3/06 | Department Priority # <u>1</u> |
| Department Head Signature Date | |

Committee Meeting of
November 14, 2006

Honorable Chair and Members
of the Finance and Governmental Operations Committee
City Hall
Torrance, California

Subject: Community Development – Additional funding for Strategic Plan Update
Expenditure: \$80,000

BACKGROUND/ANALYSIS

The City's Strategic Plan is a proactive statement on where the community wants to be in the future, how it will get there, who will be responsible for taking it there and also acts as a guide for the City's actions, programs and priorities. The Strategic Plan update would also provide the community and the City Council an additional tool for evaluating the General Plan and the long-range future of the City. The City currently has \$60,000 budgeted for updating the City's Strategic Plan originally completed in 1996, updated in 1999. The Strategic Plan is scheduled to be updated in coordination with the General Plan Update.

The budget for the Strategic plan update was established four years ago, and it is no longer sufficient to fund the required studies for a well rounded plan. The Community Development Director is recommending that the budget be augmented by \$80,000.

The primary elements of the Plan update are as follows:

1. Statistical Analysis: Community and Business Populations
Assess: 1996/99 Strategic Goals and Priorities
General Plan Workshop Priorities
Community/ Business attitudes and opinions
2. Futurist analysis that evaluates future local and external events, demographic shifts, cultural shifts, policy shifts, and economic influences to extend the horizon of the current Strategic Plan
3. Economic analysis evaluating the City's strengths, weakness, opportunities and threats (SWOT)
3. Common Interest Focus Groups
4. Strategic Plan Committee to receive data and with a Facilitator arrive at a draft Strategic Plan for Council review

The Strategic Plan updating process is anticipated to begin in January 2007 and a more detailed Council agenda item will be forthcoming at that time.

Respectfully submitted,


Jeffery W. Gibson,
Community Development Director

CONCUR:


LeRoy J. Jackson
City Manager

Committee Meeting of
November 14, 2006

Honorable Chair and Members
of the Finance and Governmental Operations Committee
City Hall
Torrance, California

Subject: Community Services - Additional funding requests from the Cultural Arts Foundation and the Torrance Symphony Association

| | | |
|---------------------|-----------------|---------------------------------|
| Expenditure: | \$23,040 | Cultural Arts Foundation |
| | \$ 4,000 | Torrance Symphony |

BACKGROUND/ANALYSIS

Both the Torrance Cultural Arts Foundation (TCAF) and the Torrance Symphony have submitted requests for additional funding. Their requests have been attached for your review.

The additional subsidy request from TCAF has a breakdown by category of "in-kind" services requested which consists of rental fees by facility and labor costs. The City Manager recommends that if Council approves the request, the funding be approved as additional cash payment to TCAF. This precludes the necessity for the City to track additional specific subsidies of room rental and labor reimbursements.

As a reminder to the Committee, we are in the middle of the 2nd year of the City's two-year operating budget for the 2005-2007 fiscal years. Both requests require recurring funds.

The budget process will soon begin for the upcoming 2007-2009 two-year operating budget and staff would prefer to consider these requests as part of that process. Should the Committee prefer to act now and fund the requests, staff would recommend temporary funding for the current 2006-07 fiscal year using year-end carryover and consider permanent increased funding during the budget process for the 2007-2009 fiscal years.

Respectfully submitted,


Eric E. Tsao
Finance Director

CONCUR:


LeRoy J. Jackson
City Manager

**Torrance Cultural Arts Center Foundation
2006-2007 Subsidy Increase Request**

| | Current City Subsidy | Additional Subsidy Requested | Total Proposed Subsidy |
|---------------------------------------|---------------------------------|---|-----------------------------------|
| Annual Cash Payment | 30,000.00 | 0.00 | 30,000.00 |
| In-Kind Services | 25,000.00 | 0.00 | 25,000.00 |
| Labor Charges: Theatre/Center Staff | 25,000.00 | 11,240.00 | 36,240.00 |
| Facility Rentals: 2007 Gala Event | 0.00 | 8,000.00 | 8,000.00 |
| Facility Rentals: Nakano Theatre | 0.00 | 3,400.00 | 3,400.00 |
| Facility Rentals: Toyota Meeting Hall | 0.00 | 400.00 | 400.00 |
| | \$80,000.00 | \$23,040.00 | \$103,040.00 |



28
T O R R A N C E
C U L T U R A L A R T S C E N T E R
F O U N D A T I O N

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Katy Geissert

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Daily Breeze

STAFF
Ray Solley
Executive Director
Bryna Alper
Administrative Assistant

Nonprofit Corporation
Tax ID 33-0625499

July 18, 2006

City Manager LeRoy Jackson
City of Torrance
3031 Torrance Boulevard
Torrance, CA 90503

Dear City Manager Jackson:

As we look forward to launching our 2006-07 season, we have been assessing our past year. In that spirit, we have completed our Report to the City and a copy is enclosed.

Space precluded us from sharing all of our good news, but we have given you a taste of our accomplishments. For example, we didn't mention two successes in our American Perspectives speakers series - the well-attended Spike Lee talk earned a front-page story in the next day's Daily Breeze, and five Torrance seniors got scholarships to help pay for their arts education as part of the series' last program.

We do have a problem, however, and we are hoping that you are willing to offset two kinds of charges that we hadn't calculated for. Our needs are explained in the enclosures.

Sincerely,

Jean Adelsman
President
Torrance Cultural Arts Center Foundation



July 12, 2006

To the City of Torrance:

The Torrance Cultural Arts Center Foundation made major strides in our 2005-06 season.

- We transitioned from a programming consultant to an executive director, and we hired a part-time administrative assistant.

Thanks to a sponsorship by Exxon Mobil Corporation, our new executive director – Ray Solley – was able to enroll in the Chamber of Commerce's Leadership Torrance program. The participants saw the same enthusiasm, energy and hard work that we have benefited from; consequently, he is the executive director of next year's LT class.

- We added a performance series – the Jazz Cabaret – that spotlighted the intimacy of the Nakano Theatre.

Each of the series' five programs sold out – reflecting a hunger for quality jazz concerts in a relaxed, intimate setting. The Nakano Theatre lent itself to the cabaret-style seating arrangement. The Foundation bought 35 small tables and is making them available for other programs at the Center. The Torrance Art Museum regularly uses the tables at its opening receptions and Starters programs.

Through underwriting by Continental Development Corporation, we were able to keep ticket prices to the Nakano Jazz Cabaret Series affordable. The Armstrong, with 500 seats, and the Nakano's Cabaret configuration with 140 seats, are extremely audience-friendly. There truly is no bad seat in the house. The drawback to having so few seats to sell, however, means that we must continue to seek funds to offset our losses or decide to charge ticket prices that many patrons in the South Bay would find prohibitive.

- We developed a new series for elementary-aged children – Super Science Saturdays – which will make learning about the laws of gravity, inertia, static electricity, physics – even archeology – entertaining. Planning for this series has been done in close consultation with the TUSD over the

past year, and the performances will adhere to California educational science standards. The four-part S3 series debuts in January 2007.

Again, we rely on outside underwriting to allow us to put on this new series. And, again, ExxonMobil has stepped up to the plate.

In March, our annual Lynn Bramhall Program, featuring literature-based productions for middle-school students, received grants from Virco Mfg. Corporation, the Los Angeles County Arts Commission and Health Net. Those additional funds enabled the Foundation to hire an educational consultant and bring virtually every TUSD 8th grader to the Armstrong to see "Spirit in My Soul: The Stories of Rosa Parks and Harriet Tubman."

We are pleased to announce that we have exceeded the number of performances mandated by our agreement with the City of Torrance. In the 2005-06 season, we presented 29 performances and had a 10% increase in ticket sales over 2004-05. Nearly half of our shows were sold out or played to "full houses" (more than 80% capacity).

Over the course of our '05-06 season, nearly 8,000 people attended our programming, bringing the Foundation's lifetime total number of patrons to nearly 80,000. Just as our programming presents diverse themes and types of entertainment, our audience reflected our diverse population.

We are excited about the possibilities for even more sellouts in our 2006-07 season.

Sincerely,



Jean Adelsman

President,

Torrance Cultural Arts Center Foundation



We appreciate the City of Torrance's ongoing support as reflected in the City Council's approval last month of our agreement for 2006-07. We see it as a continuation of our partnership with the City to bring quality and affordable programming to the Center. From the beginning, we have been the Center's 501C3 fundraising arm.

In accordance with our agreement, we have delivered our Report to the City on our accomplishments of last year. It is attached.

Our own budget year now begins Aug. 1. Even though we have not seen final figures for this budget year, we have done some preliminary analysis.

Consequently, we would like to make two requests for fiscal year 2006-07:

■ Offset the fees for all Center uses in addition to the Armstrong.

○ **George Nakano Theatre.**

When the original agreement was created, the Nakano did not exist as a performing space for the Foundation to use. Consequently, unlike our use of the Armstrong, we pay the nonprofit rental fee.

Last year was the second year that we made use of the Nakano, and we showcased it as a premiere venue for jazz.

In the 2006-07 season, we will again have five jazz performances.

We will also introduce a comedy cabaret with one performance of Second City's touring company in a space that evokes the setting of its Chicago theater.

So we are requesting that the rental fees for those six shows be offset. Those six rentals will total a little more than \$3,400.

○ **Toyota Meeting Hall.**

We don't schedule performances in the Meeting Hall, but we need to use it in December for rehearsals of "Drumming Up Character," a Peanut Gallery production being done in concert with TUSD. Students from Riviera and Edison Elementary Schools will practice during the week with Santa Barbara's Dancing Drum Company and perform for the community on Dec. 9.

Because the Armstrong is already booked on Dec. 8, the students will have their final dress rehearsal in the Meeting Hall.

We are requesting that rental fee be offset. We believe this will cost a little more than \$400.

o **Areas used for the Gala:**

Each June, we use the Center to raise money for the Center. Because we draw approximately 500 people to a reception, dinner and performance, we cut a wide swath through the complex. We try to keep our expenses down by soliciting donations wherever possible, but rental of the complex is one of our top three expenses (after the catered meal and the entertainer's fee). In past years, some council members have donated funds to help reduce the rental fee. They have recognized that these fees undercut our ability to raise funds. We are hoping that this cost could also be offset so that we are not paying for the facility. Last year, we were charged \$7,873 so we believe a little less than \$8,000 will take care of the 2007 event.

■ **Increase labor allotment to reflect higher costs and added programs.**

When the \$25,000 labor budget was established, it was sufficient to cover the costs for the Premier programming, the Peanut Gallery and the American Perspectives Presented by Toyota series.

To keep labor costs in check, we have intentionally not booked shows with complicated technical requirements. Still, this year we exceeded our labor budget. Labor costs have risen, and the new Jazz Cabaret was never part of the original labor in-kind fund.

Due to the Cabaret's renewal and the launch of the Super Science Saturdays series, we anticipate again exceeding the \$25,000 in the 2006-07 fiscal year. We are hoping that the labor budget can be increased to reflect higher wages and additional programming. We believe \$8,500 will cover the 10 shows.

We appreciate your consideration of these requests.

Sincerely,



Jean Adelsman

President,

Torrance Cultural Arts Center Foundation



Torrance Symphony Association

California Non-Profit Corporation IRS #33-0151695

P. O. Box 1581
Torrance CA 90505-0581
Phone: (310) 373-2442

FRANK PAUL FETTA
*Music Director and
Conductor*

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Torrance Commissioner

September 14, 2006

Dear Mayor Scotto and Council,

When the City first began to provide funding for the annual August Torrance Symphony concert in Wilson Park in 1999, the cost was \$12,000. Over the years normal increases have seen our costs approaching \$16,000, and will certainly reach \$16,000 for 2007. We have been using our limited funds to cover the shortfall.

It is respectfully requested that the City Council increase the Subsidy to \$16,000 for the 2007 Concert.

The increases in our costs have caused us to significantly accelerate fund raising efforts to provide the free concerts to the community.

We also gratefully acknowledge the support of the City in providing the following:

- The stage, including setup/teardown and electrical power for the sound system
- Park Ranger and Park Grounds support, including overnight security
- Set up for handicapped parking
- Chairs, music stands, conductor podium, and ice provided by the TCAC staff

For further information, feel free to contact Howard Korman, the TSA Treasurer and Program Director at (310) 373-2442 or howarddale64@msn.com.

TSA is grateful for your support in providing quality, all-professional concerts to the community.

Sincerely yours,

Dale A. Korman, TSA president

Committee Meeting of
November 14, 2006

Honorable Chair and Members
of the Finance and Governmental
Operations Committee
Torrance City Hall

Members of the Committee:

SUBJECT: Community Services – Appropriate funds for Park Ranger security at the Annual Torrance Symphony Concert in the Park.

RECOMMENDATION

The Community Services Director recommends that the Finance and Governmental Operations Committee appropriate \$1,000 from the general fund for Park Ranger security at the Annual Torrance Symphony Concert in the Park.

Funding

General Fund

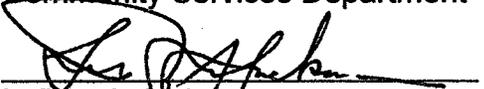
BACKGROUND/ANALYSIS

On August 27, 2006 the City of Torrance, in cooperation with the Torrance Symphony, hosted the Symphony's annual concert at Charles H. Wilson Park. In support of the concert, staff from the Park Services Division continued their practice of setting up the Department's portable stage on Saturday for the event scheduled the following afternoon. To protect against potential vandalism to the stage and theft of the stage's generator, the Department assigned two Park Rangers to provide overnight security on Saturday and Sunday nights.

The presence of the Park Rangers not only provides the necessary security but also eliminates the need for Torrance Symphony volunteers to assume this responsibility. The labor cost to provide the rangers is approximately \$1,000 which can not be absorbed within the Department's current operating budget.

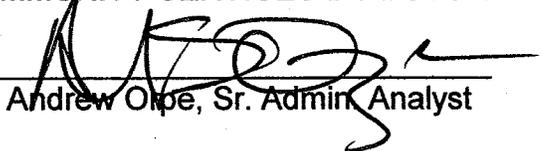
CONCUR:


Gene Barnett, Director
Community Services Department


LeRoy J. Jackson
City Manager

Respectfully submitted,

GENE BARNETT
COMMUNITY SERVICES DIRECTOR

By 
Andrew Olpe, Sr. Admin. Analyst

Committee Meeting of
November 14, 2006

Honorable Chair and Members
of the Finance and Governmental Operations Committee
City Hall
Torrance, California

Subject: Finance – Approve the deletion of 1.5 Sr. Aide positions and the addition of 0.4 Account Clerk position

RECOMMENDATION

The Finance Director recommends that the Finance and Governmental Operations Committee approve the deletion of 1.5 Sr. Aide positions and the addition of 0.4 Account Clerk positions in the Finance Department.

Funding

No additional funding is required.

BACKGROUND/ANALYSIS

The Finance Department is in the process of implementing an optical imaging project that will allow documents to be stored in computer files rather than in filing cabinets. Currently, the primary function of the Sr. Aide positions in the Finance Department is to sort and file records in filing cabinets. However, as the optical imaging project will require a greater degree of technical skills, the Department's needs will be better met by the skill set of an Account Clerk position.

Of the 1.5 budgeted Sr. Aide positions, 0.5 position is temporarily filled and will assist the Department until the end of January, 2007, when the implementation of the optical imaging project is scheduled. The exchange of 1.5 Sr. Aide positions for 0.4 Account Clerk position is proposed to be effective as of February 1, 2007, coinciding with the optical imaging project's implementation.

Respectfully submitted,



Eric E. Tsao
Finance Director

CONCUR:

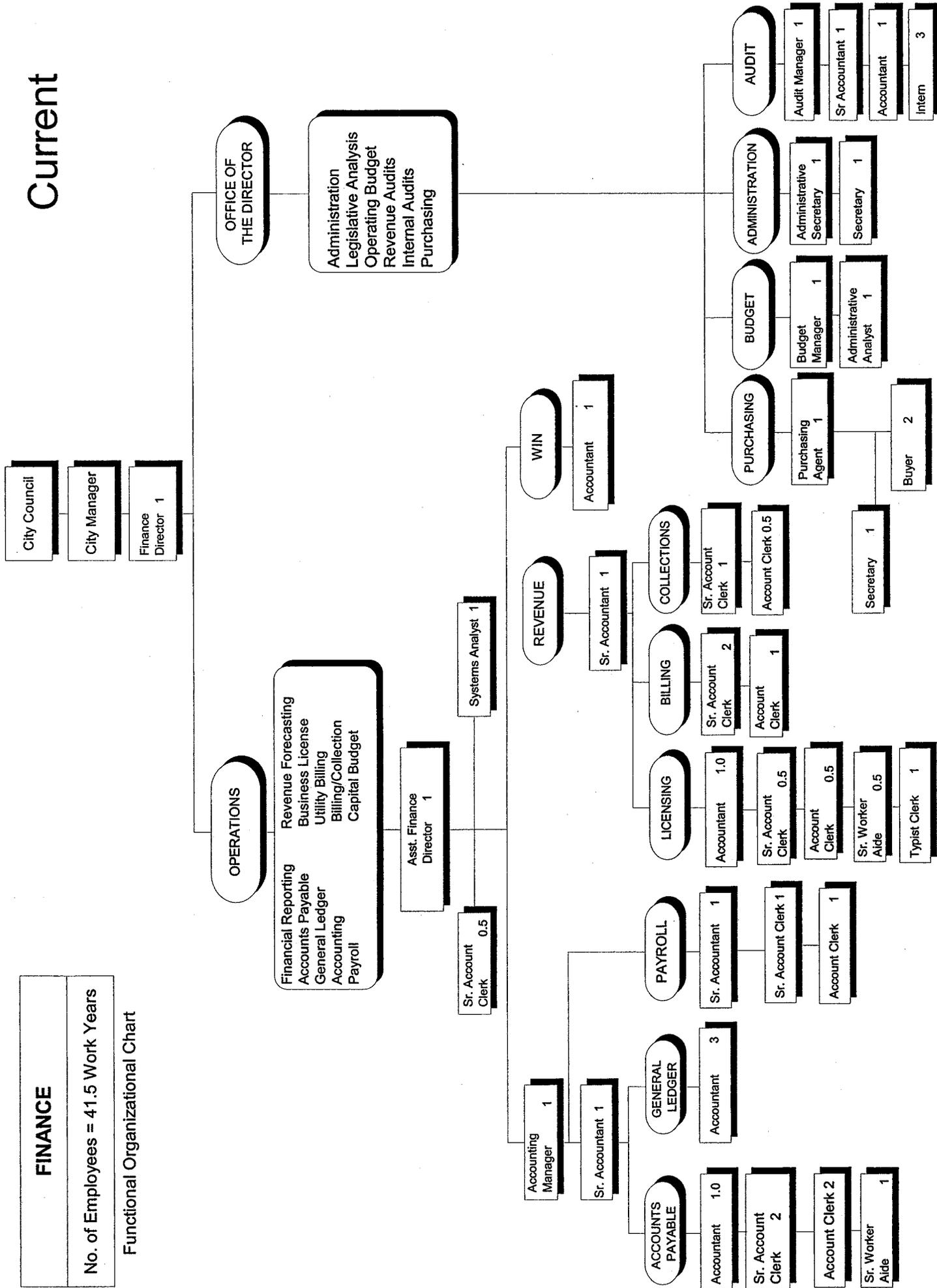
LeRoy J. Jackson
City Manager

FINANCE

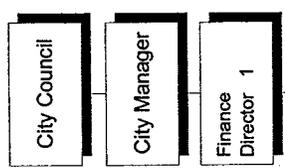
No. of Employees = 41.5 Work Years

Functional Organizational Chart

Current

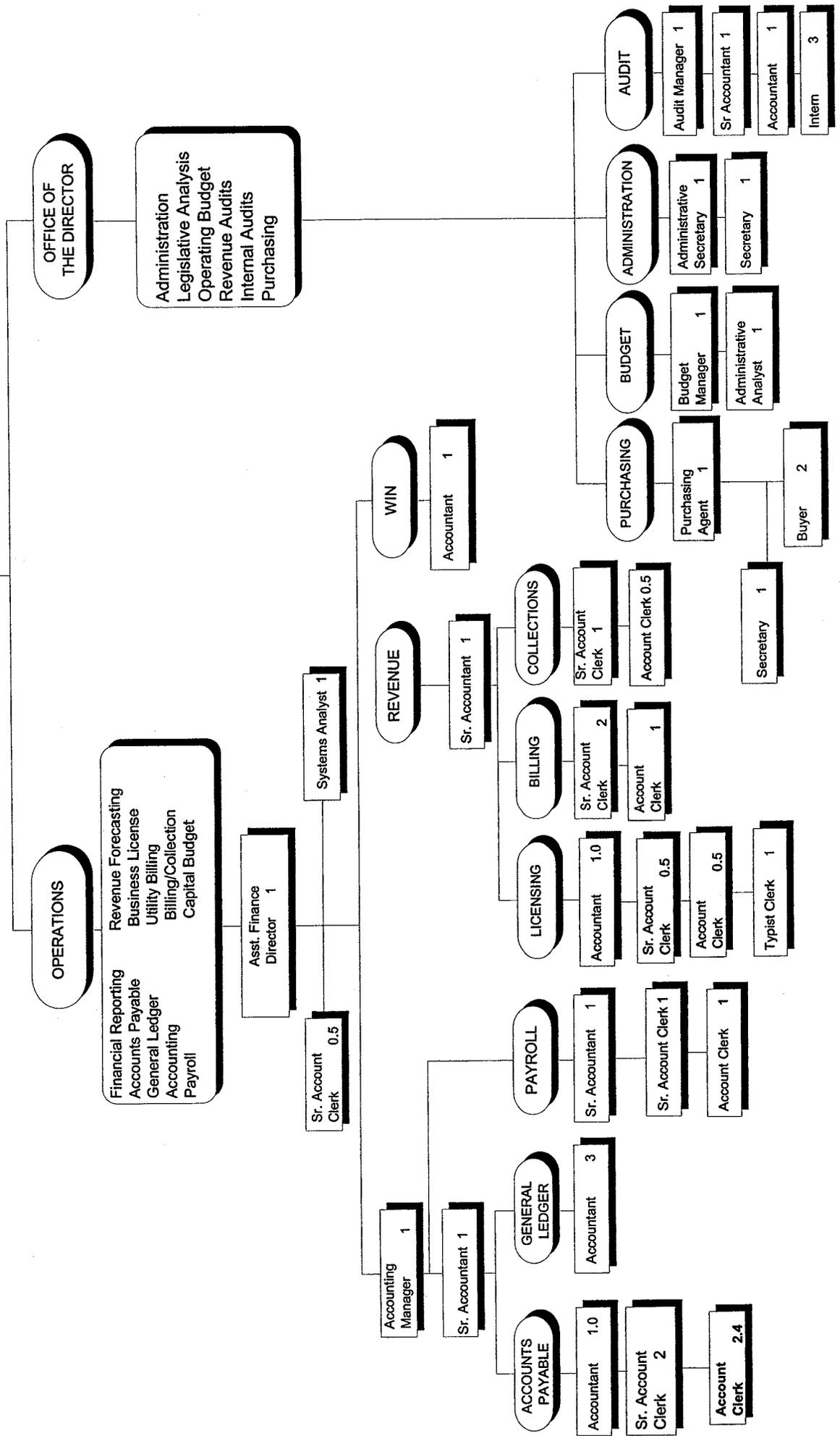


Proposed



FINANCE
No. of Employees = 40.4 Work Years

Functional Organizational Chart



COMMITTEE MEETING
November 14, 2006

Honorable Chair and Members
of the Finance and Governmental Operations Committee
City Hall
Torrance, California

Members of the Committee:

**SUBJECT: Approval of the Proposed Organizational Restructure of
General Services, Fleet Services Division Administration**

Expenditure: \$70,100

RECOMMENDATION

It is the recommendation of the General Services Director that the Finance and Governmental Operations Committee:

- 1) Approve the proposed organization restructure by transferring the Administrative Analyst and corresponding duties from the Fleet Services Division to the Facility Operations Division.
- 2) Approve the reallocation of funding for the General Services Director and the Administrative Analyst position.
- 3) Approve the addition of 1.0 Staff Assistant position to the Fleet Services Division.

FUNDING

Funds are available in the Fleet, Airport, Cultural Arts Center and General Funds.

BACKGROUND AND ANALYSIS

Over the years, the duties and responsibilities associated with the Fleet Services Administrative Analyst position have increased beyond fleet specific operations. Most of these additional functions fall into the areas of environmental compliance and occupational safety.

An operational analysis of the Fleet Services Division was conducted over the last year. The analysis indicated that separating fleet service issues from the more cumbersome environmental issues would result in a more efficient organization and provide more timely response in meeting environmental deadlines.

In order to align the functions of the Administrative Analyst position with the duties of environmental compliance and occupational safety, staff recommends that the incumbent Administrative Analyst position be transferred to the Facility Operations Division. The position will report directly to the General Services Director and be given the primary responsibilities of overseeing the City's Hazardous Materials Management and Air Quality Programs at the Airport and City Yard, as well as certain functions relating to Occupational Safety (e.g., Material Safety Data Sheet Program).

Staff also recommends the addition of a Staff Assistant position to the Fleet Services administration to provide analytical support and oversight of the vehicle maintenance software.

The positions will be funded from the following sources:

| Current Allocation | | | | | | |
|------------------------|----------------|--------------------|---------------------|-----------------|---------------|----------------|
| Position | General Fund | Cultural Arts Fund | Fleet Services Fund | Transit Fund | Airport Fund | Total |
| Admin Analyst | 19,660 | - | 58,980 | 19,660 | - | 98,300 |
| Staff Assist. | - | - | - | - | - | - |
| Gen. Svcs. Director | 148,824 | - | - | - | 57,876 | 206,700 |
| Total | 168,484 | - | 58,980 | 19,660 | 57,876 | 305,000 |
| Proposed Allocation | | | | | | |
| Position | General Fund | Cultural Arts Fund | Fleet Services Fund | Transit Fund | Airport Fund | Total |
| Admin Analyst | 58,980 | - | - | - | 39,320 | 98,300 |
| Staff Assist. | - | - | 70,100 | - | - | 70,100 |
| Gen. Svcs. Director | 107,484 | 20,670 | 20,670 | - | 57,876 | 206,700 |
| Total | 166,464 | 20,670 | 90,770 | - | 97,196 | 375,100 |
| Net Fund Change | (2,020) | 20,670 | 31,790 | (19,660) | 39,320 | 70,100 |

Currently, the General Services Director position is funded by the General Fund and Airport Fund. This position oversees three divisions which also include the Cultural Arts Center and Fleet Services Funds. The revenues and reimbursements generated in the Enterprise and Internal Service funds will provide adequate funding for the recommended reallocations in the proposed reorganization.

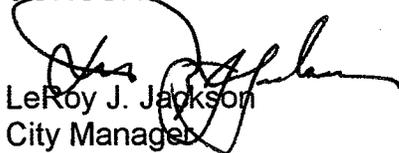
The implementation of this organization restructure will increase the overall efficiency and effectiveness of the Fleet Services Division, and provide analytical support to focus on Hazardous Materials Management and Air Quality issues.

Respectfully submitted,



SHERYL BALLEW
General Services Director

CONCUR:



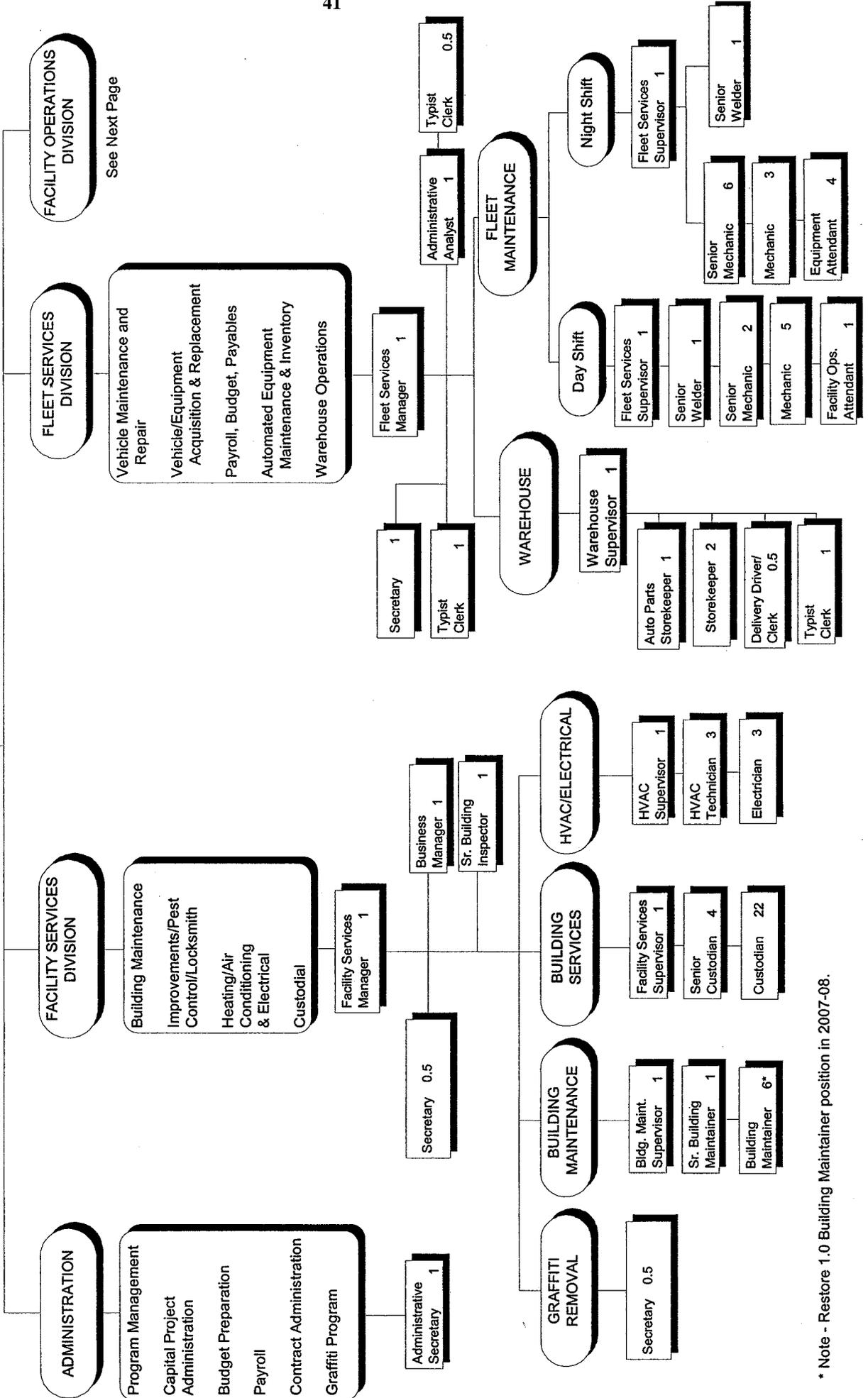
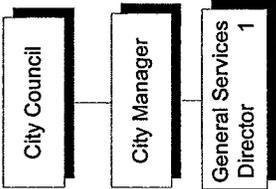
LeRoy J. Jackson
City Manager

Attachment A – Current Org. Chart
Attachment B – Proposed Org. Chart

GENERAL SERVICES

No. of Employees = 125.3 Work Years

Functional Organizational Chart

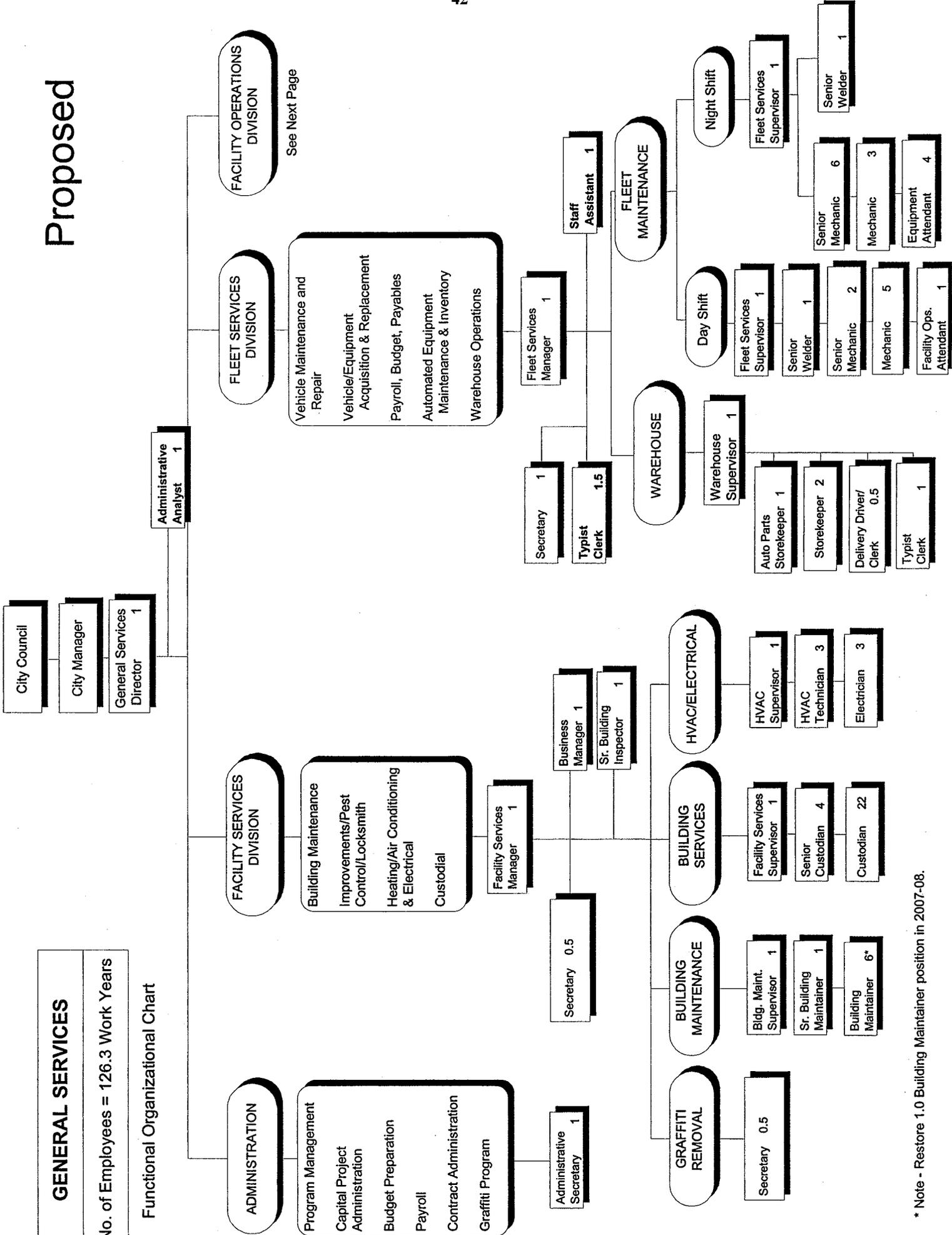


* Note - Restore 1.0 Building Maintainer position in 2007-08.

GENERAL SERVICES

No. of Employees = 126.3 Work Years

Functional Organizational Chart



* Note - Restore 1.0 Building Maintainer position in 2007-08.

Committee Meeting
November 14, 2006

Honorable Chair and Members
of the Finance and Governmental Operations Committee
City Hall
Torrance, California

SUBJECT: Approval to Reallocate Light Equipment Operator Positions to Heavy Equipment Operator Positions in Public Works.

Expenditure: \$8,000

RECOMMENDATION

The Human Resources Director recommends approval of a reallocation of eleven (11) Light Equipment Operator budgeted positions to Heavy Equipment Operator positions in Public Works as a result of a grievance settlement.

FUNDING

Funding is available in the wage reserve.

BACKGROUND AND ANALYSIS

In June 2006, as a result of a grievance settlement, the City agreed to reclassify nine (9) employees in the Light Equipment Operator classification to the Heavy Equipment Operator classification. Those employees formerly in the Light Equipment Operator class will take the steps necessary to be capable of performing the full range of duties as a Heavy Equipment Operator. Also as a result of the settlement, a study is being conducted to review the equipment operator classifications in the City and to prepare revised class descriptions that will meet the Departmental needs.

Respectfully submitted,

ELAINE M. WINER
Human Resources Director

By Melody P. Lawrence
Melody P. Lawrence
Human Resources Manager

CONCUR:

Elaine M. Winer
Elaine M. Winer
Human Resources Director

LeRoy J. Jackson
LeRoy J. Jackson
City Manager

Honorable Chair and Members
of the Finance & Governmental
Operations Committee

Meeting of
November 14, 2006

Honorable Members:

**SUBJECT: Reduction of FY 06-07 Workforce Development Division Budget and
Development of Contingency Plan**

RECOMMENDATION

It is the recommendation of the Human Resources Director that the FY 06-07 Workforce Development Division budget be reduced by 3.0 full-time equivalent positions and that staff be authorized to develop a contingency plan for an additional \$87,164 in additional reductions.

BACKGROUND

The City of Torrance has successfully operated job training programs since the late 1960s. The primary sources of these funds were direct Federal grants. In 1984, the cities of Carson, Lomita and Torrance entered into a Joint Powers Agreement (JPA) to provide local control of employment and training services to businesses and residents. Federal funds now flow through the State to local Workforce Investment Areas such as the Carson/Lomita/Torrance Consortium. Under the JPA, the role of the City is that of grant recipient and Administrative Entity. The City performs such duties as entering into contracts for services, keeping fiscal and accounting records, hiring staff and management of two One-Stop Career Centers. Programs are operated by the Workforce Development Division of the Human Resource Department. Governance of the consortium is shared equally by the Policy Board (an elected official of each member city) and the Workforce Investment Network (WiN) Board.

For the past several years, funding for these programs has steadily declined. Although the City has proactively worked to address these funding shortages, the foreseeable future presents the City with considerable challenges for the management of these programs.

As is typically the case with Federal grants, the Division is in a deficit position at first quarter; however, prospects for realizing all of the pending revenues are not as likely as in past years. Furthermore, revenues in FY 07-08 will further decline as the cost of foreign conflicts diverts scarce resources away from domestic programs. The Carson/Lomita/Torrance consortium has tracked this decline in resources over the past five years and is recommending a conservative revenue scenario that will protect the interests of the City of Torrance (the Administrative Entity and grant recipient for the consortium's job training funds).

ANALYSIS

As of 10-31-06, the Workforce Development Division's budget is as follows:

| | <u>FY 06-07</u> |
|--------------------|------------------|
| Total budget | \$3,503,038 |
| Funds awarded | <u>2,958,561</u> |
| Deficit | (\$544,477) |
| Grants Applied For | <u>731,250</u> |
| Surplus | \$186,773 |

Staff recommends a more conservative estimate of attainable revenues. The scenario below was constructed assuming that at least 75% of two of the outstanding grants would be realized:

| | <u>FY 06-07</u> |
|----------------------|-----------------|
| Deficit | (\$544,477) |
| Anticipated Revenues | <u>457,313</u> |
| Anticipated Deficit | (\$ 87,164) |

In order to achieve this scenario, the following plan is recommended:

1. adjust budget authority to reflect vacant positions due to attrition and voluntary reductions in hours (organizational charts attached)

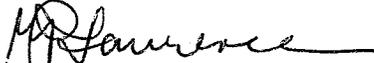
| <u>Classification</u> | <u>Current #</u> | <u>Proposed #</u> |
|---------------------------------|------------------|-------------------|
| Job Training Project Leader | 18.0 | 16.2 |
| Sr. Job Training Project Leader | 6.0 | 4.8 |

2. no wage adjustments to Workforce Development Division classifications for coming fiscal year
3. explore additional options to eliminate balance of estimated deficit such as operational efficiencies, voluntary or mandatory adjustments to staff hours and additional position reductions

Upon Council approval, a specific action plan for additional reductions will be reviewed and adopted by the Workforce Investment Network (WIN) Board and the Carson/Lomita/Torrance Policy Board. In addition, these bodies will explore alternatives for possible changes to the structure of the consortium for the delivery of job training services to the residents and businesses in our service area.

Respectfully Submitted,

ELAINE M. WINER
Human Resources Director

By 
Patricia D. Unangst
Workforce Development Division Manager

CONCUR:


for Elaine M. Winer
Human Resources Director


LeRoy J. Jackson
City Manager

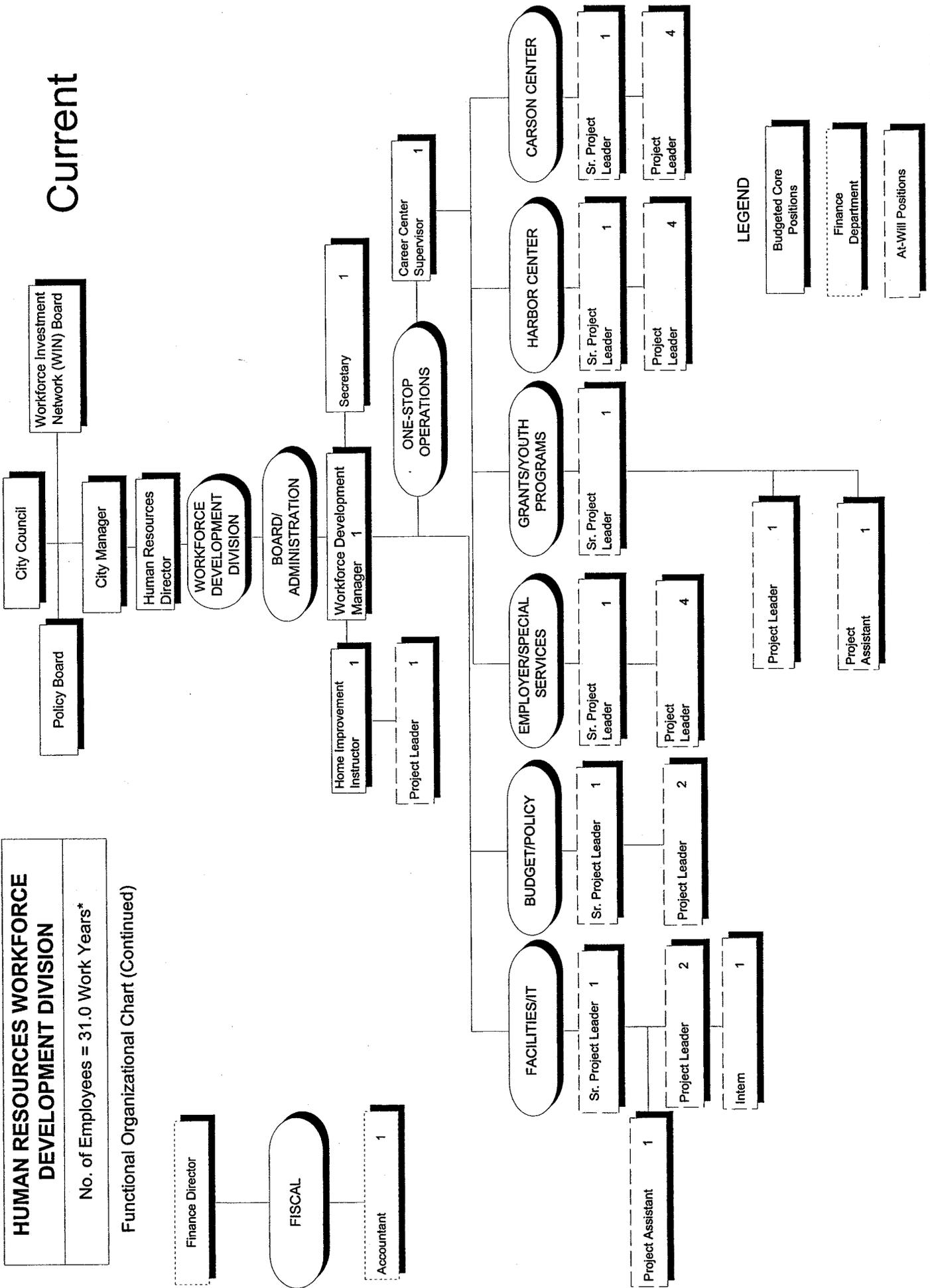
Attachments:

1. March 2006 Organizational Chart of Budgeted Positions
2. November 2006 Proposed Organizational Chart

Current

| | |
|---|--|
| HUMAN RESOURCES WORKFORCE DEVELOPMENT DIVISION | |
| No. of Employees = 31.0 Work Years* | |

Functional Organizational Chart (Continued)

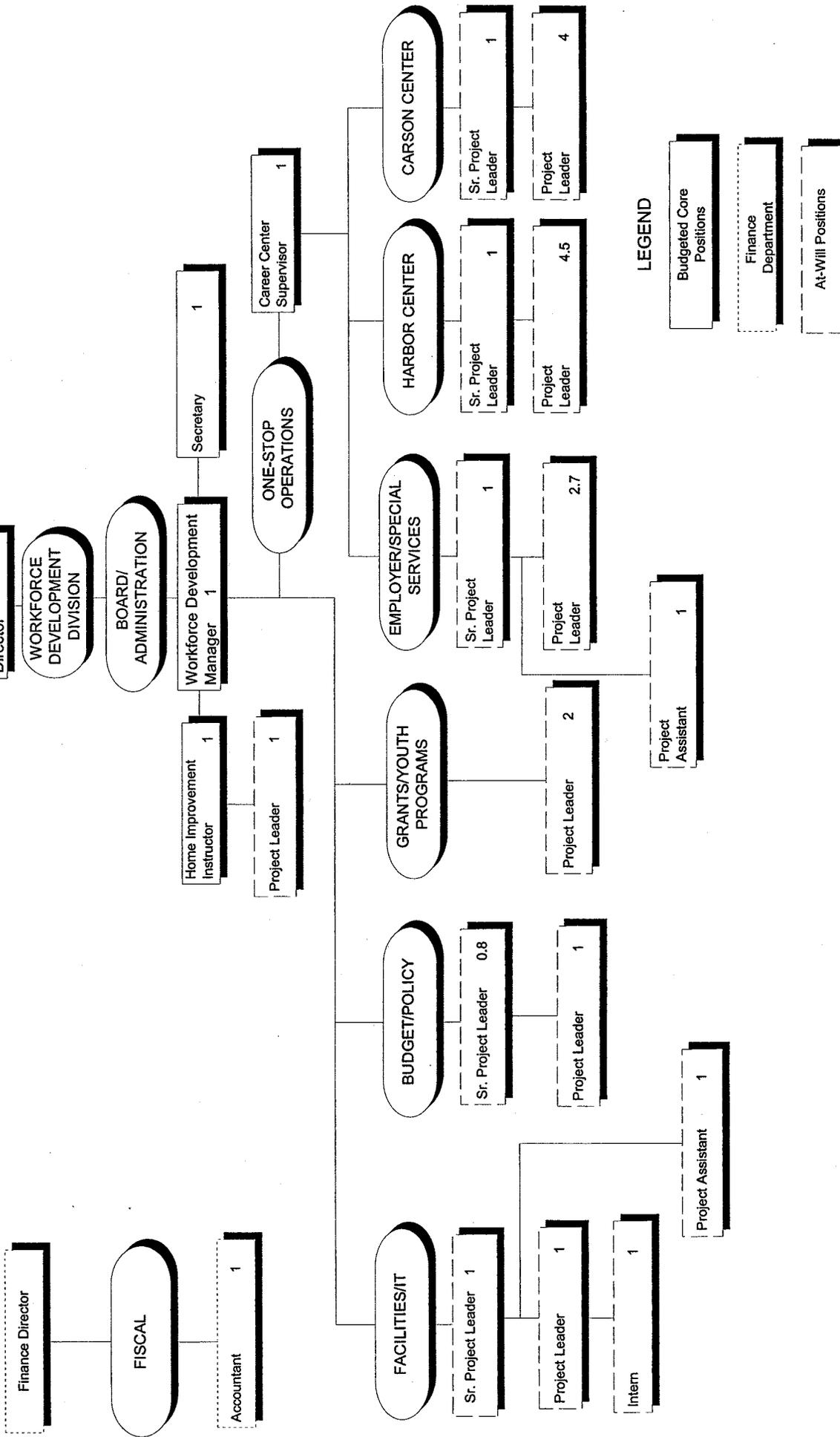


* At will positions will be added and deleted according to availability of funds.

HUMAN RESOURCES WORKFORCE DEVELOPMENT DIVISION
No. of Employees = 28.0 Work Years*

Proposed

Functional Organizational Chart (Continued)



LEGEND

- Budgeted Core Positions
- Finance Department
- At-Will Positions

* At will positions will be added and deleted according to availability of funds.

Committee Meeting
November 14, 2006

Honorable Chair and Members
of the Finance and Governmental Operations Committee
City Hall
Torrance, California

SUBJECT: Approval to Allocate Funds for Development an Equal Employment Opportunity (EEO) Plan and On-going Maintenance Costs

Expenditure: \$12,000

RECOMMENDATION

The Human Resources Director recommends approval to appropriate \$12,000 for a consultant to develop an Equal Employment Opportunity Plan (EEOP) and \$3,000 for on-going maintenance of the plan.

FUNDING

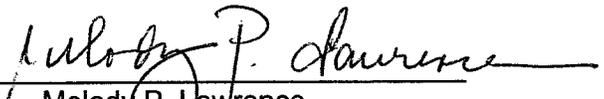
Funding of one-time cost of \$12,000 is available in the reserve for program contingencies. On-going maintenance cost of \$3,000 will be incorporated into the 2007-08 operating budget.

BACKGROUND AND ANALYSIS

In the last several years the Police and Fire Departments have received grants to support their efforts in maintaining the safety and security of the City. However, those funds have been limited as the City has not had a current EEOP which meets the requirements to secure additional funding. Development of an EEOP requires an analysis of the City's current workforce as well as objectives to ensure that there is appropriate representation at all levels in the organization. Therefore, it is proposed that a consultant be retained to develop an Equal Employment Opportunity Plan and that funding be provided to support on-going maintenance of the plan. On-going maintenance costs of \$3,000 will need to be added to the Human Resources professional services budget in 2007-08.

Respectfully submitted,

ELAINE M. WINER
Human Resources Director

By 
Melody P. Lawrence
Human Resources Manager

CONCUR:


Elaine M. Winer
Human Resources Director


LeRoy J. Jackson
City Manager

Honorable Chair and Members
of the Finance and Governmental Operations Committee
City Hall
Torrance, California

SUBJECT: Approval to Allocate Additional Funding for Professional Services to the Human Resources Department Budget.

Expenditure: \$25,000

RECOMMENDATION

The Human Resources Director recommends approval to allocate additional funding for Professional Services to the Human Resources Department budget and appropriation of \$25,000 from the reserve for program contingencies.

FUNDING

Funding is available from the reserve for program contingencies.

BACKGROUND AND ANALYSIS

One of the functions of the Human Resources Department is to provide support during labor negotiations. In anticipation of the expiration of agreements with employee organizations, preparation for negotiations will begin shortly. The retirement of the Chief Labor Negotiator for the City requires that significant Human Resources staff time is required during the negotiations period. Human Resources staff provides technical support including researching proposals, preparing and analyzing data, making recommendations regarding personnel matters and procedures, and developing contract language.

The current staffing in Human Resources is not sufficient to meet the on-going demands of targeted recruitment, specialized testing and the need to conduct classification studies in support of broadening job descriptions. In addition, staff must be allocated to administer employee development and leadership programs to prepare internal candidates for promotional opportunities. Further, Human Resources has assumed the added responsibility of data collection for the development of an Equal Employment Opportunity Plan. As a result, staff needs to identify supplemental resources that can be used while maintaining the level of support required during the negotiations process.

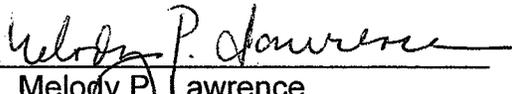
Committee Meeting
November 14, 2006

Specifically, the upcoming promotional examination processes for Police and Fire positions will require the development of specialized components. Additional funds for professional services will therefore be necessary to utilize consultants to develop those materials and to administer the exams.

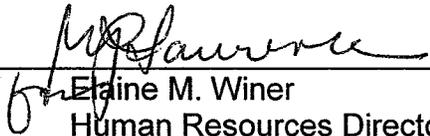
Thus, it is proposed that a consultant be retained to develop and administer promotional processes for Police and Fire positions for the remainder of the fiscal year. This recommendation thus provides a temporary solution to afford time to reconcile Human Resources staffing needs and to provide support for labor relations.

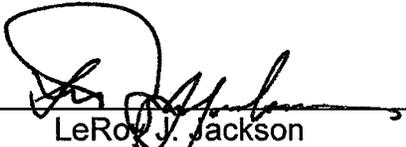
Respectfully submitted,

ELAINE M. WINER
Human Resources Director

By 
Melody P. Lawrence
Human Resources Manager

CONCUR:


Elaine M. Winer
Human Resources Director


LeRoy J. Jackson
City Manager

Committee Meeting of
November 14, 2006

Honorable Chair and Members
of the Finance and Governmental Operations Committee
City Hall
Torrance, California

Subject: Police – Increase professional services for Public Safety Information System annual service agreement

Expenditure: \$103,000

RECOMMENDATION

The Police Chief recommends that the Finance and Governmental Operations Committee approve an increase in professional services budget to support the Public Safety Information System (Spillman CAD/RMS) annual service agreement.

Funding

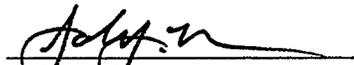
Funding is available from 2005-06 year end carryover. Ongoing funding of \$103,000 will need to be added to the 2007-08 Police Department's operating budget.

BACKGROUND/ANALYSIS

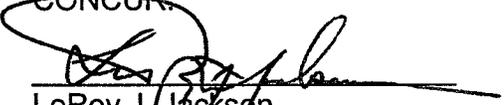
On November 15, 2005, the City Council approved the purchase and installation of a new Public Safety Information System from Spillman Technologies, Inc., for the Police and Fire Departments. As part of the purchase, an annual software maintenance agreement was negotiated. The initial contract approved by Council included funding for the maintenance fees covering the first 15 months; however, maintenance fees after that point are not included in FEAP 535 (Public Safety CAD/RMS/MDC System Replacement project). The annual software maintenance contract is needed so that the Police and Fire Departments can make unlimited support calls and obtain software upgrades, which include identified software problem fixes as well as system enhancements. The City's agreement with Spillman Technologies calls for the purchase of a five year support contract at a cost of \$103,000 per year for years two through five. The fee for year two is due in February 2007.

When the software for the Fire Department is developed, it will take some period to test the new system and to make sure it satisfies Fire's needs. During this period, the current system (TriTech), which the Fire Department is using and the new one will coexist requiring a support contract from both vendors-TriTech and Spillman. However, when the Fire Department's transition to the new system is complete, the City will no longer pay the \$36,643, which it currently pays for the annual TriTech support contract. This will offset the cost for the support contract with Spillman Technologies.

Respectfully submitted,


John J. Neu
Police Chief

CONCUR:


LeRoy J. Jackson
City Manager

Committee Meeting
November 14, 2006

Honorable Chair and Members
Of the Finance and Governmental Operations Committee
City Hall
Torrance, California

Members of the Committee:

SUBJECT: Public Works – Approve early reinstatement of Deputy Public Works Director/City Engineer position

Expenditure: \$83,000

RECOMMENDATION

The Public Works Director recommends that the Finance and Government Operations Committee:

1. Approve the early reinstatement of the Deputy Public Works/City Engineer position and;
2. Approve the use of salary saving from the Public Works vacancies on a one time basis to offset the salary cost of Deputy Public Works Director/City Engineer position for a six month period.

Funding

Funding for the six month early reinstatement of this position is available from salary savings in the Public Works Operating Budget.

BACKGROUND/ANALYSIS

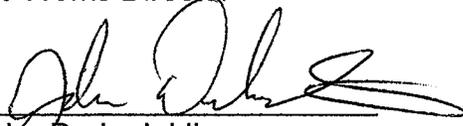
On October 11, 2005, City Council approved a temporary hold of the Deputy Public Works Director/City Engineer position from fiscal year 2005-07 Public Works Department operating budget to help meet the City's goal for budget reductions. The position is scheduled to be reinstated July 1, 2007. The early reinstatement of this position is requested due to the several vacancies within the Engineering Division and the increased amount of workload that the Engineering Division members have as a result of these vacancies. The division currently has the following five vacancies (1 Project Manager, 2 Associate Engineers, 1 Engineering Technician III and 1 Survey Party Chief). At the present time, one of the project managers is now handling all of the City Engineering functions in addition to his regular project manager duties. The Department is now requesting that this position be reinstated prior to the end of the current budget year to balance the workload for the division and to assist in filling the existing engineering positions.

The one time funding for the early reinstatement of this position is available from salary savings realized this fiscal year from the five vacancies within the Engineering Division. With your concurrence, the Public Works Department will conduct recruitment for the Deputy Director/City Engineer position with the intention of making an offer in January 2007.

Respectfully submitted,

Robert J. Beste
Public Works Director

By


John Drakodaidis
Sr. Admin. Analyst

CONCUR:


Robert J. Beste
Public Works Director


LeRoy J. Jackson
City Manager

Committee Meeting
November 14, 2006

Honorable Chair and Members
Of the Finance and Government Operations Committee
City Hall
Torrance, California

Members of the Committee:

SUBJECT: Public Works – Approve the transfer of one Associate Engineer position in Community Development, currently funded by the General Fund, to the Public Works Department

RECOMMENDATION

The Public Works Director and Community Development Director recommend that the Finance and Government Operations Committee approve the transfer of one Associate Engineer position, which is currently assigned to Community Development and funded by the General Fund, from the Community Development Department to the Public Works Department

Funding

No additional funding is required.

BACKGROUND/ANALYSIS

Currently, the function of the Associate Engineer position in Community Development supports capital improvement projects managed by the Public Works Department. While the position is funded by the General Fund, it is 64% reimbursable by capital improvement projects, 12% reimbursable by the Sanitation Fund, 12% reimbursable by the Sewer Fund, and 12% reimbursable by the Water Fund. The capital improvement projects supported by the subject Associate Engineer position and the Sanitation, Sewer and Water Operations are all managed by the Public Works Department.

Based on further analysis of the operational duties of the subject Associate Engineer position, and in concurrence with the Community Development Director, the Public Works Director recommends that the subject Associate Engineer position in Community Development be transferred to the Public Works Department.

Respectfully submitted,

Robert J. Beste
Public Works Director

By Pamela A. Lewis
Pamela A. Lewis
Administrative Analyst

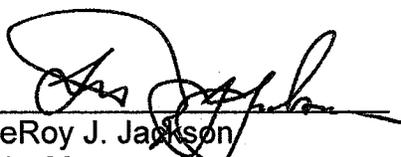
CONCUR:



Jeffrey W. Gibson
Community Development Director



Robert J. Beste
Public Works Director



LeRoy J. Jackson
City Manager

Committee Meeting of
November 14, 2006

Honorable Chair and Members
of the Finance and Governmental Operations Committee
City Hall
Torrance, California

Subject: Public Works – Approve the deletion of 1.0 Intern position

Expenditure Reduction: \$33,700

RECOMMENDATION

The Public Works Director recommends that the Finance and Governmental Operations Committee approve the deletion of 1.0 vacant Intern position in the Waste Management Program.

Funding

No additional funding is required.

BACKGROUND/ANALYSIS

The Intern position was added to the Waste Management Program in 2001-02 to assist the Waste Management Coordinator in the implementation of recycling and waste reduction programs. Due to the technical nature of waste hauler audits, outside consultants were used to audit tonnage disposed from Torrance refuse haulers and verify compliance with the AB939 State mandate. This responsibility was subsequently transferred to the Audit Division of the Finance Department in 2005-06 as part of a Finance Department reorganization. The Audit Division currently performs the audits of the recycling and waste reduction programs and charges the Waste Management Program for the service. The budget for the Audit Division's services are currently included in the Waste Management Program budget in addition to the Intern's labor budget, so the elimination of the vacant Intern position will have no impact on the Waste Management Program operations.

Respectfully submitted,



Robert J. Beste
Public Works Director

CONCUR:


LeRoy J. Jackson
City Manager

Committee Meeting
November 14, 2006

Honorable Chair and Members
Of the Finance and Governmental Operations Committee
City Hall
Torrance, California

Members of the Committee:

SUBJECT: Public Works – Approve change order in the amount of \$235,000 to purchase order # 25047 with Sully-Miller Contracting

Expenditure: \$235,000

RECOMMENDATION

The Public Works Director recommends that the Finance and Government Operations Committee:

1. Approve a change order to purchase order #25047 with Sully-Miller Contracting in the amount of \$235,000 for a new not to exceed amount of \$464,000 and;
2. Approve the use of year end carry over from General Fund operations on a one time basis to offset the increase in cost for asphalt plant mix material.

Funding

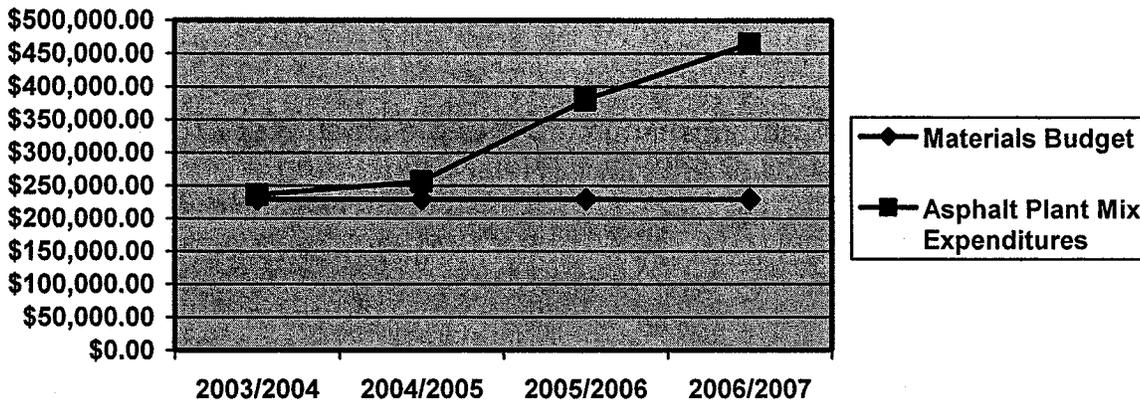
Funding will be available from year end carry over.

BACKGROUND/ANALYSIS

The Public Works Department Street Maintenance Division requires hot asphalt plant mix to perform street maintenance work on citywide streets on a daily basis. On October 24, 2006, Council approved a new vendor contract with Sully-Miller Contracting Company for the purchase of asphalt plant mix. The new contract with Sully-Miller shows increased cost for asphalt plant mix at 24% over the prior year contract. Prices increased from \$46.60 a ton to \$58.00 a ton. The cost has increased more than 51% over the last two years and 100% over the last 4 years. The increases in asphalt cost has been attributed to local refinery production limitations, increased oil cost, product availability, fuel cost for trucking and the cost of producing asphalt.

In addition to increased cost, the Street Maintenance Division in the last year has increased productivity resulting in an increase for asphalt material used for street repairs. The increase in street repairs is attributable to the new equipment (Asphalt Zipper) purchased last year that has allowed street maintenance crews to patch/repair larger street areas in a shorter period. Over the last 4 years the Street Maintenance

division has not seen their construction material budget increased while, at the same time, material costs have doubled. In order to continue to perform street repairs at the current level, the Street Maintenance division budget for construction materials will need appropriate funding. The chart below shows asphalt plant mix expenditures over the last three years and the projected amount for the 06/07 fiscal year.



The continual long-term and on-going maintenance of the City streets is necessary to ensure serviceability and critical in reducing overall long-term adverse deteriorations, thereby maximizing the useful life of a valuable City asset. A properly maintained roadway also maximizes user satisfaction, provides safer passage, reduced liability and enhanced overall aesthetics.

Respectfully submitted,

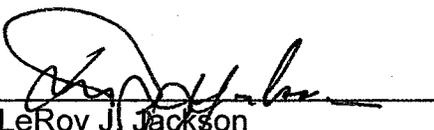
Robert J. Beste
Public Works Director

By


John Drakodaidis
Sr. Admin. Analyst

CONCUR:


Robert J. Beste
Public Works Director


LeRoy J. Jackson
City Manager

Committee Meeting
November 14, 2006

Honorable Chair and Members
Of the Finance and Government Operations Committee
City Hall
Torrance, California

Members of the Committee:

SUBJECT: Public Works – Approve \$966,000 increase in water revenues and \$966,000 increase in water costs

RECOMMENDATION

The Public Works Director recommends that the Finance and Government Operations Committee approve an increase of \$966,000 in water revenues and \$966,000 increase in water costs in the Water Operations Budget for fiscal year 2006-2007, which will have a net zero impact on the Water Operations Budget.

Funding

Funding is offset by additional revenues.

BACKGROUND/ANALYSIS

On May 9, 2006, Council approved a \$400,000 increase to the original adopted 2006-2007 fiscal-year budget to meet increasing water costs. Subsequently, in June 2006, water costs for fiscal year 2005-2006 exceeded budget and salary savings, along with savings from other miscellaneous accounts, were transferred to cover additional water costs (\$1,064,586) at year end. For this reason, the Public Works Department performed an analysis of the Water Operating Budget and has determined that the Water Operating Budget for fiscal year 2006-2007 needs adjusting to closer align with projected actuals.

In addition to imported water costs increasing over the past three years, Torrance Municipal Water (TMW) has increased its purchases of imported water due to Well #6 (a local groundwater resource) being out of service. Since imported water is more expensive than local groundwater, higher cost is associated to the sales volume. This means although regular water sales have decreased, water costs have increased.

The increase in water costs which are passed on to Torrance customers has a direct impact on revenue collected from water sales and water costs associated to water purchases. In addition to an increase in water sales and water costs,

there are a couple other accounts in the Water Operating Budget on the revenue side that show an upward trend and these accounts also need increasing.

The overall budget for water revenues will be adjusted as follows:

1. Current 2006-2007 budget is \$22,019,300
2. Proposed 2006-2007 budget will be \$22,985,300.

The overall budget for water costs will be adjusted as follows:

1. Current 2006-2007 budget for water cost is \$21,711,102
2. Proposed 2006-2007 budget for water costs is \$22,677,102.

In order to meet the current changes in water sales and water costs and other related trends, the Public Works Director, with the concurrence of the Finance Director, is recommending a \$966,000 increase in water revenues and a \$966,000 increase in water costs which will have a net zero impact on the Water Operating Budget.

Respectfully submitted,

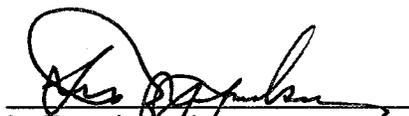
Robert J. Beste
Public Works Director

By Pamela A. Lewis
Pamela A. Lewis
Administrative Analyst

CONCUR:



Robert J. Beste
Public Works Director



LeRoy J. Jackson
City Manager

Committee Meeting
November 14, 2006

Honorable Chair and Members
Of the Finance and Governmental Operations Committee
City Hall
Torrance, California

Members of the Committee

SUBJECT: Public Works - Approve implementation of enhanced water conservation programs and entering into agreements with the both the South Bay Council of Governments and West Basin Municipal Water District to provide for program marketing and implementation services

Expenditure: \$ 135,000 over two year period through December 31, 2008

RECOMMENDATION

The Public Works Director recommends that the Finance and Government Operations Committee;

1. Approve entering into an agreement with the South Bay Council of Governments (SBCCOG), to provide marketing services for the implementation of commercial, industrial and residential water conservation programs, in the amount of \$20,000 over a two year period and;
2. Approve entering into an agreement with the West Basin Municipal Water District (WBMWD) to provide implementation services for commercial, industrial and residential water conservation programs in the amount of \$115,000 over a two year period and;
3. Approve an appropriation of \$115,000 from the unencumbered balance in the Water Revenue Enterprise Fund to pay for conservation program implementation services rendered by WBMWD within the City.

Funding

Funding is available in the Water Revenue Enterprise Fund.

BACKGROUND

Several months ago, the Public Works Department met with representatives of both the SBCCOG and the West Basin Municipal Water District (WBMWD) to explore the possibility of forming a partnership arrangement between all three agencies to implement high priority water conservation programs within the South Bay area, primarily targeted to the institutional and business sectors. Both WBMWD and the City of Torrance are direct member agencies of the Metropolitan Water District of Southern California (MWD) and cover the entire South Bay with regard to imported water supplied by MWD.

The SBCCOG is a joint powers authority among South Bay cities, including the City of Torrance. The principal objective of the SBCCOG is to maximize the quality of life and productivity through the cooperative participation of its member cities on various issues of a regional and sub regional nature. Major focus areas of the SBCCOG include energy issues/conservation, homeland security, transportation, legislation, mass transit, planning and other matters of a regional nature.

Approximately one year ago, the SBCCOG was successful in establishing the South Bay Energy Saving Center. The Energy Center is located in Torrance, and its major function is to promote energy conservation within the South Bay community by marketing a wide variety of energy rebate and incentive type programs, providing energy resource materials, direct procurement and distribution of energy saving devices and conducting an extensive outreach program throughout the South Bay area. The SBCCOG has been extremely successful in this venture and has established an extensive network to effectively market energy conservation programs. The target audience for proposed water conservation programs is the same clientele that the SBCCOG is already marketing energy conservation programs to on an ongoing basis.

ANALYSIS

The development and implementation of effective commercial and institutional water conservation programs are incorporated as core measures in both the City of Torrance's and the West Basin Municipal Water District's recently adopted Urban Water Management Plans (UWMP). To date, most water conservation programs in the area have been focused primarily on the residential sector.

West Basin Municipal received grant funding to implement a public restroom retrofit program using low flow devices and the retrofit of commercial Laundromats with high efficiency clothes washers (HECW). In addition, WBMWD, in conjunction with TMW, has applied for funding from the Metropolitan Water District (MWD) to implement a high efficiency toilet (HET) retrofit program for multi-family and senior housing complexes and provide for landscape audits and irrigation equipment retrofits for greenbelt areas. We have been informed the grant for the landscape program will be awarded, but the high efficiency toilet program was not approved during this grant cycle. TMW and West Basin

will jointly be seeking outside funding for this program from other sources. These programs represent innovative high priority water conservation that have not been previously addressed in this area.

The SBCOG will provide an active marketing campaign to promote the implementation of these and other related water conservation programs. In addition, the SBCOG will function as a resource center to link water and energy conservation programs and be a "clearinghouse" for these programs. It is proposed that the City enter into an initial two year agreement with the SBCOG to provide requisite marketing and support services for \$20,000. In addition, a separate two year agreement would be entered into with West Basin Municipal to develop a partnership arrangement for implementation services for these conservation programs within the City of Torrance. WBMWD will retain outside implementation vendors for these type of "direct install" water conservation programs. Torrance Municipal Water would reimburse West Basin Municipal approximately \$115,000 over the two period to cover the cost of implementation services performed solely within the City.

A summary of the proposed two year conservation program and implementation costs is as follows:

Public Restroom Retrofits – This program would retrofit public restrooms in Torrance and the South Bay with ultra high efficiency toilets, water efficient sinks and waterless urinals. Based on participation of 20 sites in the City, the net TMW cost is estimated at \$32,000.

Commercial Laundromat Retrofits – This program would involve the change out of conventional clothes washers with high efficiency (HECW) models and would be implemented in conjunction with the Southern California Gas Company energy conservation programs. The net cost to TMW for participation with 150 HECW retrofits is \$23,000

Landscape Audits and Irrigation Equipment Retrofits - This program would provide for the retrofit of irrigation systems with water efficient systems for selected public or commercial landscapes and provide for water audits and the development of water budgets for these sites. The net cost to TMWW would be \$20,000 for participation of 20 landscaped acres in the program at various sites.

Water Efficient Landscape Classes - MWD currently sponsors these classes and Torrance has been an active participant in these programs. Although there would be no additional cost for program implementation, the SBCCOG would assist in marketing these programs to a wider audience on a more frequent basis.

High Efficiency Toilet (HET) Direct Install Program for Multi-Family and Senior Complexes-This program would not be implemented until supplemental outside funding is secured. Upon obtaining outside funding, the net cost to TMW would be \$40,000 based on a participation level of 800 units.

Existing and Other Water Conservation Programs - The SBCOG would assist in marketing both existing water conservation programs and those in development to reach a broader target market.

At its regular meeting on August 17, 2006, the Water Commission considered this matter and unanimously supported development of this conservation partnership program with the SBCCOG and the WBMWD

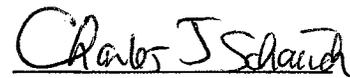
This proposed partnership arrangement between the City, the SBCCOG and West Basin Municipal has a number of near and long term benefits including:

- Implementation of community based innovative water conservation programs in conjunction with both WBMWD and the SBCOG. These programs would be difficult to implement on a stand along basis.
- Maximizes the leveraging of outside funding to implement a series of key conservation programs to meet the City's conservation goals.
- Implementation of high priority conservation programs on a "turnkey" basis that requires only a moderate amount of internal staff support.
- Provides the basis for the development of future beneficial partnerships and a new paradigm for the effective implementation of combined energy and water conservation programs.

Respectfully submitted,

Robert J. Beste
Public Works Director

By:



Charles J. Schaich
Senior Administrative Analyst

CONCUR


Robert J. Beste
Public Works Director


LeRoy J. Jackson
City Manager

Committee Meeting
November 14, 2006

Honorable Chair and Members
Of the Finance and Governmental Operations Committee
City Hall
Torrance, California

Members of the Committee:

SUBJECT: Public Works – Recommendation to implement a curbside green waste collection pilot program on a trial basis and to approve an appropriation for the purchase of automated containers for the pilot program

Expenditure: \$105,000

RECOMMENDATION

The Public Works Director recommends that the Finance and Government Operations Committee:

1. Approve an implementation of a automated green waste collection pilot program; and
2. Direct staff to formulate a pilot program for a weekly collection of green waste which would be brought back to Council with specific program locations; and
3. Appropriate \$105,000 in Sanitation Enterprise Funds for the purchase of 1,800 automated containers for the pilot program

Funding

Funding is available from Sanitation Fund

BACKGROUND/ANALYSIS

The California Integrated Waste Management Act of 1989 (AB 939) created mandatory waste reduction goals of 25% by 1995 and 50% by 2000 for every city in the State, with the penalty of substantial fines for noncompliance. In 1991, your Honorable Body adopted the City's Source Reduction and Recycling Element (SRRE) as required for compliance with AB 939 and it is this document that serves as the guideline for the programs the City has currently implemented. One of the main criteria for evaluating a city's compliance with AB 939 is the implementation of the programs described in the SRRE.

The SRRE is divided into several main categories for waste reduction programs, including Recycling, Source Reduction, Green Waste and Household Hazardous Waste. The Sanitation Division of the Public Works Department oversees compliance with the requirements of AB 939 and has implemented a variety of programs based on the guidelines of the SRRE including the residential curbside recycling program, backyard composting workshops, used oil recycling drop-off centers, as well as education programs and materials. Also, as part of the development of the curbside recycling program, the Sanitation Division upgraded its service level by implementing automated refuse collection in 1992. It is through the implementation of these programs that the City was able to achieve compliance with the first diversion goal of AB 939, a reduction of 25% of the City's waste stream in 1995.

Within the green waste category, there is one major program called for in the SRRE that has not yet been implemented, and that is for a residential green waste collection program. According to the original waste characterization study in the SRRE, green waste makes up a significant portion of the residential waste stream in Torrance, and is therefore an important component in the City's efforts to reach diversion compliance as mandated by AB 939.

Thirty eight cities in L.A. County have reached 50% diversion rate of the waste being dumped in a landfill while Torrance is at a 41% (unofficial) diversion rate as of 2004, and is on a Compliance Order to achieve the 50% rate. The State is still reviewing the 2004 Compliance Report and may enact penalties for our failure to reach the 50% rate. However, the State does take into account new diversion activity that happens after 2004 and this may reduce potential fines by showing a "good faith" effort. Surveys have shown that green waste may constitute up to 31% of the residential waste stream. Residential waste is approximately 1/5 of the entire Torrance waste stream so a green waste program may add 5% to the City's overall diversion rate which would bring the City significantly closer to the 50% diversion requirement. In a recent survey of 88 L.A. County cities, 74 have green waste programs with curbside collection and two have drop-off programs.

The City's contract with BFI/Allied Waste provides a disposal cost of \$38.75/ton for trash and \$29/ton for green waste. This rate differential, which will continue to grow, helps offset the cost of collection.

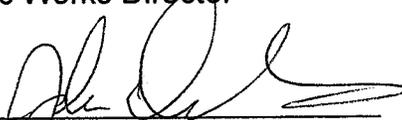
Public Works recommends implementation of curbside green waste collection on a trial basis to determine the cost and diversion rate of a city-wide program. The trial program is scheduled to begin in May 2007 depending on the availability of a new refuse truck and will include at least two routes of 700-900 homes each that will be collected on the same day as the customer's regular pick-up in a new automated 96 gallon green colored container. The trial pilot program will require the purchase of 1,800 green waste containers and will also require the lease of one additional refuse truck due to the reliability of the existing older fleet. There will be no additional staffing needed during the trial period.

Staff is currently working with Fleet services in arranging the leasing, fueling and maintenance contracts for the new refuse truck since the truck is required to be alternative fuel vehicles due to South Coast Air Quality Management District (SCAQMD) rules. The leasing of this vehicle will allow us to hold off on the purchase of any new trucks until the new (SCAQMD) diesel engine requirements are revised in 2009/10. Fleet Services is currently in the process of soliciting lease rates for a Compressed Natural Gas (CNG) refuse truck, but has yet to receive actual lease rates. Fleet Services will return back to City Council requesting appropriation of funds for leasing of a new CNG refuse truck when they receive the lease rate information.

Respectfully submitted,

Robert J. Beste
Public Works Director

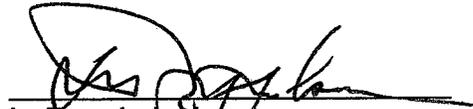
By


John Drakodaidis
Sr. Administrative Analyst

CONCUR:



Robert J. Beste
Public Works Director



LeRoy J. Jackson
City Manager