

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

Members of the Council:

Subject: First Quarter 2005-06 Budget Review

RECOMMENDATION

The Finance and Government Operations Committee recommends that the City Council adopt the following:

- Accept the First Quarter 2005-06 Budget Review Report;
- Accept the City Treasurer's Investment Report;
- Approve program modifications for the City Manager's office, Community Services, Police, Fire, General Services, Human Resources and Public Works Departments.

BACKGROUND/ANALYSIS

On Tuesday, December 20, 2005, the Finance and Governmental Operations Committee heard a presentation from staff on the First Quarter 2005-06 Budget Review. The following sections of the report are attached: the Executive Summary, the City Treasurer's Investment Report and the proposed departments program modifications.

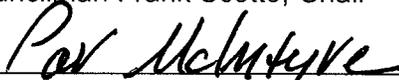
The Committee voted and accepted unanimously the First Quarter 2005-06 Budget Review Report, the City Treasurer's Investment Report and the Department program modifications.

Respectfully submitted,

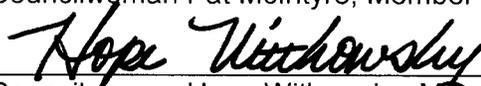
Finance and Governmental Operations Committee



Councilman Frank Scotto, Chair



Councilwoman Pat McIntyre, Member



Councilwoman Hope Witkowsky, Member

Attachments:

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

Committee Meeting
December 20, 2005

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

Members of the Committee:

Subject: First Quarter 2005-06 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 2005-06 Budget Review Report
- Accept the City Treasurer's Investment Report
- Approve the program modifications for the City Manager's office, Community Services, Police, Fire, General Services, Human Resources, and Public Works departments.

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 and are projected to be at or below budget by fiscal year end.

As reported earlier, 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 \$19.01 billion in fiscal year 2005, growing 53% over the past 5 years. Unemployment rates in the City of 2.0% (as of 10/05) have historically fallen under both State and national averages of 5.0% and 4.6% respectively. Wealth and income indicators are above average with a per capita effective buying power of 121% at the national level and a median household income of 128% at the national level. Median home sale prices in October 2005 ranged from \$570,000 (90504) to \$857,000 (90505).

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, 2005, generated available carry-over of approximately \$7 million. The carry-over was generated from expenditure savings as actual revenues exceeded budget projections. Revenues exceeded budget by approximately \$3.6 million and actual expenditures were below budget by \$3.4 million. The primary cause in increased revenues was in the Utility Users' Tax for natural gas, higher building activity and increased investment earnings due to rising interest rates. The expenditure savings were evenly split between vacant or unfilled positions (\$1.55 million) and unspent budget for non wage areas (\$1.85 million). The higher carry-over amount was not unexpected as the City began implementing the budget balancing strategies during the fiscal year.

Fiscal Year ended June 30, 2005			Variance
	Sources	Uses	Favorable (Unfavorable)
General Fund	\$ 149,523,432	\$ 142,525,668	\$6,997,764
Enterprise Funds:			
Airport	8,087,366	7,255,455	831,911
Transit	20,311,752	19,586,512	725,240
Water	23,119,263	20,022,663	3,096,600
Emergency Medical	7,615,504	7,173,939	441,565
Sanitation	9,679,661	8,519,913	1,159,748
Cultural Arts	1,697,833	1,602,916	94,917
Sewer	2,926,827	1,584,852	1,341,975
Parks & Recreation	7,106,575	7,055,793	50,782
Internal Services			
Fleet	4,631,944	2,565,345	2,066,599
Self Insurance	5,087,391	4,694,617	392,774

Budget Outlook

The economic forecast for California continues to project moderate economic growth. The State's budgetary outlook has improved. The Legislative Analyst Office latest forecast on the State budget has the current fiscal year reserves ending up nearly \$4 billion from the 2005-06 estimates. This large carryover will sufficiently cover the State's \$4 billion budget deficit in 2006-07. Over the longer term through 2011, the State's operating shortfalls persist but narrow. The LAO forecast shows the "State facing significant operating shortfalls over the forecast periods, peaking at \$4.3 billion in 2007-08, before declining to \$3 billion in 2008-09, \$1.7 billion by 2009-10, and \$600 million in 2010-11."

LAO Forecast			
	<u>2005</u>	<u>2006</u>	<u>2007</u>
Personal Income	6.3	5.7	6.0
Wage Growth	1.4	1.3	1.4
Taxable Sales	6.1	5.2	5.6
Permits	214,000	185,000	175,000
CPI	3.5	2.6	2.3

Budgetary Concerns

Fuel Costs

The City consumes approximately 850,000 gallons of diesel fuel and 25,000 gallons of unleaded fuel per year. The majority of the diesel fuel, 555,000 gallons, is used for the City's Transit buses. During the calendar year 2003, diesel and unleaded fuel had an average cost of \$1.16 and \$1.42 per gallon respectively. In 2004 average fuel costs for diesel and unleaded were \$1.60 and \$1.77 gallon respectively, an increase of 38% and 25%. At the height of the 2005 hurricane season, diesel and unleaded fuel hit \$2.75 and \$2.73 respectively. Current prices of \$2.13 for diesel and \$2.11 for unleaded, though still high, are much more manageable. The current operating budget for the General Fund has projected fuel costs to increase about \$0.75 cents per gallon over last year. Transit fuel costs are projected to be \$200,000 to \$300,000 higher. Transit has implemented operational changes to reduce fuel consumption and stream lined all other areas of their budget to ensure Transit at year-end will be within budget parameters.

<u>Unleaded Fuel</u>					
	<u>2003</u>	<u>2004</u>	<u>2005</u>		
Jan	1.2405	1.3602	1.6035	1.18	1.29
Feb	1.4496	1.5424	1.8264	1.18	1.26
Mar	1.7933	1.7634	2.0165	1.14	1.12
Apr	1.4561	1.7848	2.2589	1.27	1.55
May	1.3060	1.9714	2.0622	1.05	1.58
Jun	1.4054	1.8982	2.0141	1.06	1.43
Jul	1.3492	1.8249	2.2299*	1.22	1.65
Aug	1.5502	1.7393	2.3723*	1.36	1.53
Sep	1.4746	1.7645	2.7295*	1.55	1.85
Oct	1.3161	2.0463	2.5293*	1.24	1.92
Nov	1.3765	1.8974	2.1121	1.11	1.53
Dec	1.3019	1.6060			
Avg	1.4183	1.7665	2.1595		
% Change		25%	22%		
% Chg - November 2004/2005			11%		
<u>*2005 Hurricanes</u>					
Dennis	7/10	Florida			
Katrina	8/25	Louisiana/Mississippi			
Rita	9/24	Texas			
Wilma	10/24	Florida			

<u>Diesel Fuel</u>					
	<u>2003</u>	<u>2004</u>	<u>2005</u>		
Jan	1.1147	1.2286	1.5003	1.22	1.35
Feb	1.2850	1.3834	1.7146	1.24	1.33
Mar	1.3615	1.3928	1.9901	1.43	1.46
Apr	1.1113	1.7649	2.1001	1.19	1.89
May	1.0063	1.8631	1.9524	1.05	1.94
Jun	1.0792	1.4180	2.0030	1.41	1.86
Jul	1.1165	1.5652	2.0962*	1.34	1.88
Aug	1.2420	1.6321	2.4470*	1.50	1.97
Sep	1.1041	1.6770	2.6274*	1.57	2.38
Oct	1.1112	1.9211	2.7450*	1.43	2.47
Nov	1.1862	1.7917	2.1306	1.19	1.80
Dec	1.2285	1.5969			
Avg	1.1622	1.6029	2.1188		
% Change		38%	32%		
% Chg - November 2004/2005			19%		
<u>*2005 Hurricanes</u>					
Dennis	7/10	Florida			
Katrina	8/25	Louisiana/Mississippi			
Rita	9/24	Texas			
Wilma	10/24	Florida			

Workforce Investment Network Funding/Housing - Section 8

Funds for the federal Workforce Investment Act (WIA) have been declining since the act was implemented in 2000. Competing priorities for funds resulting from the events of 9/11/01,

the war on terrorism and natural disasters have further reduced the funds available for WIA. The City is projecting a shortfall of approximately \$500,000 for 2005-06 and \$700,000 for the 2006-07 fiscal years. Staff has been streamlining since

<u>WIN Sources of Funds (in millions)</u>	
2005-06 (proj)	\$ 4.1
2004-05 (est)	3.8
2004-05	4.2
2003-04	4.5
2002-03	6.4
2001-02	6.1
2000-01	6.3
1999-00	7.2

2002-03 when revenues were at \$6.7 million compared to staff's latest projection of \$3.8 million for this fiscal year. Staff is working on reducing expenditures or increasing revenues that will balance the WIA budget. The shortfall the City is seeing is consistent with other local WIA's.

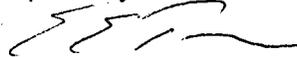
There is also a concern that federal funds for the City's Section 8 Rental Assistance program will be reduced. Congress has not yet finalized the budget and is funding the program on a month to month basis at the same level as the previous year. Once Congress begins to take action, staff will be able to better analyze the impact on the City's budget.

Workers' Compensation

Prior to the 2004-05 fiscal year, the cost of workers' compensation has grown significantly over the last few years. However, in 2004-05 the City reduced medical, temporary and permanent disability and other expenses for workers' compensation by \$1.84 million due to the implementation of elements of workers' compensation reform. This trend has continued through the first quarter of this fiscal year. Although the recent trend is positive, this area will continue to be monitored closely.

As previously mentioned, currently all departments are within budget with the exception of WIN. The three areas of concern will be closely monitored: WIN sources and uses of budget, fuel costs 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 2006.

Respectfully submitted,



Eric E. Tsao
Finance Director

CONCUR:



LeRoy J. Jackson
City Manager

November 30, 2004

COMMITTEE MEETING
December 13, 2005

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, 2005 total investments of \$237.3 million consisted of the following categories:

1) Pooled Funds (Investment Portfolio)	\$115.8 million
2) Restricted Funds:	
a. Debt issue proceeds	\$ 19.9 million
b. Deferred Compensation	
1) 457	\$ 96.9 million
2) 401(a)	\$ 2.8 million
c. Retirement Health Savings plan	\$ 1.9 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 \$944,662 and the effective rate of return equaled 3.17 %.

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 has raised rates by 25 basis points (bps) over that last two Federal Open Market Committee (FOMC) meetings bringing the Fed Fund Rate to 3.75%. What does this mean to rates across the short and intermediate curve? We would expect to see rates rise along the yield curve, however the rise should be most noticeable on the short end of the curve. The FOMC will meet again in November and it will be interesting to see if they continue to stay the course to bring the Fed Funds rate to 4.0%. The determining factor is based on whether the economy is in a position to maintain a steady pace of expansion. Economic recoveries are measured on consistent growth from more than one indicator; however, decisions to tighten have been driven by the unemployment data. The Fed is anticipating continued growth, and the market is building in increases through the remainder of the year.

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

For the past three months, the portfolio has experience very little activity. The City's monthly expenditures have exceeded the monthly revenue received. There has been no Investment Activity over the last 90 days. I expect this to continue through the remainder of 2005.

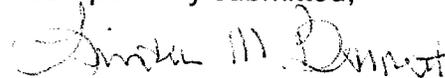
Beginning in mid-December the investment portfolio should begin to increase due to the collection of Property tax, business license fees and occupancy tax. This is when the investment activity will pick up. Currently, the yield curve is relatively flat and there is not much widening or potential of picking up yield with the 2 to 5 year area. For the short term our strategy will not change, the concentration will be within the 1 to 2 year range. When the yield curve begins to widen then it would be an opportune time to reposition some of the portfolio out further on the yield curve still keeping the overall duration of the portfolio around two years.

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

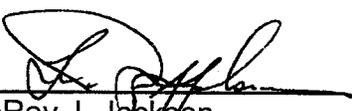
Accept and file the 1st Quarter Report.

Respectfully submitted,



Linda M. Barnett
City Treasurer

CONCUR:



LeRoy J. Jackson
Investment Committee Member

Committee Meeting
December 20, 2005

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

Members of the Committee:

Subject: Recommendation to establish a Special Events and Filming Office (SEFO)

Expenditure: \$23,550

RECOMMENDATION

It is the recommendation of the City Manager that the Finance and Governmental Operations Committee approve the establishment of a Special Events and Filming Office (SEFO) and an appropriation of \$15,100 in 2005-06 and \$8,450 in 2006-07 from the Innovation Reserve for start up funding.

Funding

Funding is available in the City's General Fund Innovation Reserve.

BACKGROUND

While Torrance is the host of many filming projects and special events, there has been no standard to date for policies, procedures, and fee structures. There is also no comprehensive calendar to determine conflicts of events. A Special Events and Filming Office (SEFO) would establish these systems and track progress in order to facilitate the process and justify a financially self-sustaining entity.

ANALYSIS

By creating an office and implementing a consistent, proactive approach to filming and special events, Torrance has the potential to draw a larger income base. In order to be successful, the SEFO must be mindful of production organizations' needs and demands, community impact or involvement, as well as the economy and any related legislation. On a local level, the SEFO will launch a PR campaign, including a SEFO website, Torrance Seasons articles, and the Economic Development Team involvement, and use it to solicit involvement from the community, as well as advertise to local production organizations. The start up budget is projected to be one-time appropriations of \$15,100 for the first year and \$8,450 for the following year. Most of the costs incurred will be capital investments, and the remainder will be maintenance and

proactive meetings and site visits. It is anticipated that the changes will impact the local economy and regional business trends; however, the business plan has been designed to minimize the effects of the negative impacts to Torrance residents and internal City departments.

Based on historical data, the City has brought in total revenue of about \$90,000 per year from film permits, only \$30,000 - \$35,000 of which is truly additional revenue to the City's general fund (the rest primarily consists of reimbursements for safety officer wages). Motion films bring in the most revenue. A comparative fee study across various cities in the Southern California region established middle ground upon which a competitive fee structure for the City of Torrance could emerge. Assuming 10% growth, which is feasible through the creation of a dedicated and proactive SEFO, the City can expect to nearly double the additional City revenue from around \$32,000 to \$62,000 in next five years. Further, Torrance would benefit from conducting a fee study in order to establish competitive fees for its filming services, location rentals and film liaison services. By implementing the proposed fee study, the City can potentially increase the additional City revenues from around \$32,000 to \$80,000 in next five years.

Respectfully Submitted,

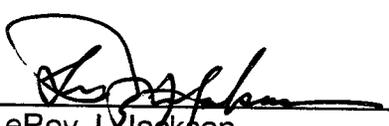
LeROY J. JACKSON
CITY MANAGER

By


Jay Scharfman

Senior Management Associate

Concur:


LeRoy J. Jackson
City Manager

Council Committee Meeting of
December 20, 2005

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

Members of the Finance and Governmental Operations Committee:

SUBJECT: Program Modification to City Manager's Budget

RECOMMENDATION

The City Manager recommends the approval of a budget increase to fund a replacement position within the home department of the AFSCME Local 1117 President.

Funding

The funding will vary depending on the presidency; based on the current home department, the annual amount is projected to be \$80,000, with \$40,000 appropriated for the remainder of fiscal year 2005-06. The funding source is the materials reserve set aside to fund professional/contract/material increases.

BACKGROUND AND ANALYSIS

Due to the large number of members and diverse job classifications represented by AFSCME Local 1117, an agreement was entered into with AFSCME Local 1117 (Union) effective June 20, 2002 to provide time away from assigned duties for the Union President. The agreement states that the President will maintain his/her status as a full time employee with the City and will be allowed the work days of Tuesday, Wednesday and Thursday for union activities.

This agreement has made it difficult for the home department of the Union President to cover work loads and functions of the President. The City Manager is recommending that the agreement be funded as though it were a contract. The Union President will charge those days assigned to Union activities to the City Manager's budget which will be funded through increased appropriation. This will free up the home department's budget to hire an employee for coverage of functions formerly performed by the Union President. This recommendation is made with the understanding that the President shall return to their full course of duties of their position in their home department at the end of their presidency. The employee hired for coverage of the President's duties will transfer to the first available position within their class.

Respectfully submitted,

LeROY J. JACKSON
CITY MANAGER

By 
Mary Giordano
Assistant City Manager

CONCUR:


LeRoy J. Jackson
City Manager

Attachment: Agreement between City and AFSCME Local 1117 dated June 20, 2002

Date: June 19, 2002

TO: Sue Herbers, City Clerk

FROM: Ken Flewellyn, Assistant Finance Director

RE: **AFSCME Local 1117 President's Release Time**

Management and AFSCME have met and have reached agreement as noted on the attached document. Section 14.8.14.b of the Torrance Municipal Code reads:

"If agreement is reached by management and a recognized employee organization or recognized employee organizations, on matters subject to approval by the City Council, they shall jointly prepare a written and signed memorandum of such understanding and present it to the City Council for determination. If agreement is reached on matters not subject to approval by the City Council, those conferring shall jointly prepare a written and signed memorandum of such agreement which shall be filed with the City Clerk."

Pursuant to the last sentence of the above paragraph, the City Manager's Office is filing the attached agreement with your office.

AFSCME

Alan Lee

Margaret

Wendy Wolfe

Management

Ken Flewellyn

Stacy Lewis

Agreement

Due to the large number of members covered under this contract and their diverse job classifications, a need to an enhanced level of representation pertaining to labor related concerns have been identified. For purpose of this section, a large number of members shall mean a union or labor organization with represented members of 400 or more.

Effective upon the signing of this agreement, the President of AFSCME Local 1117 will be authorized to have available three work days per week to perform union related activities.

The President of AFSCME Local 1117 will maintain his/her status as a full time employee with the City. Unless otherwise on leave, the President shall report to work on his/her normally scheduled work day. All policies, procedures, contractual obligations and laws that apply to full time employees shall apply to the President. The City will not assume any responsibility for occurrences or incidents that happen outside the scope of this agreement.

Tuesday, Wednesday and Thursday shall be the regularly scheduled days for union activities. A day must not exceed 8, 9 or 10 hours depending on the current President's regular work schedule. In the event a union related activity falls on a day other than the regularly scheduled day(s), the union may substitute another day with proper notice of at least 48 hours to the City assigned AFSCME Labor Relations Manager. Written notification will constitute proper notice. The Labor Relations Manager must be able to contact the President via cellular phone or pager on any of the union activity days. In the event union activities must be conducted outside the City boundaries, prior advance notification of 48 hours or more must be given to the Labor Relations Manager. No city vehicle will be provided during these aforementioned three days. The President shall certify, on a time sheet, a true and accurate time spent for all days on union related activities. The President shall not be paid overtime for hours spent on union activities beyond the normally assigned shift for union activity days unless also assigned to regular work duties for that day. If at any time the President's union activities do not assume a complete work day, the President will report to his/her Supervisor for assignment to regular work duties.

The City of Torrance and the President of AFSCME, Local 1117 are entering into this agreement in good faith. In the event that there are three infractions to this agreement within one fiscal year, then the president shall be subjected to discipline. Improper notification prior to conducting union related activities outside the City boundaries will constitute an infraction.

Committee Meeting
December 20, 2005

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

Members of the Committee:

Subject: Recommendation to Approve Funding for the Library's Trial Use of the OCLC Cataloguing Database.

Expenditure: \$29,000

RECOMMENDATION

It is the recommendation of the Community Services Director that the Finance and Governmental Operations Committee approve a one-time appropriation of \$29,000 from the Innovation Reserve for the Torrance Public Library's purchase of a one-year subscription to the OCLC cataloguing database.

Funding

Funding is available in the City's General Fund Innovation Reserve.

BACKGROUND

As part of the Community Services Department Consolidation your Honorable Body conceptually approved the use of the OCLC cataloguing database as a means to improve the efficiency of the Torrance Public Library's cataloguing and technical processing operations. Currently the Library catalogs approximately 12,000 book titles and 3,000 audiovisual items each year. Audiovisual materials include music CDs, books on tape, DVDs, and videotapes. Library staff has generally used outside sources to provide cataloging data that is copied and modified by staff to conform to the City's on-line catalog needs; a technique known as copy-cataloging. The City has used this methodology from the inception of the library, as have most other public libraries.

The two primary resources employed by the Library for catalog records are the Library of Congress MARC Database, known as LCMARC, provided by Sirsi Corp., and AVACCESS, supplied by TLC, a company that provides cataloging data for audiovisual items. Neither of the two services provides all the cataloging data the Library needs, and staff has had to use original cataloging means for approx 20% of the items not available via other sources. Original cataloging requires a high level of staff expertise and is extremely time intensive.

During the last year or more, with four full-time staff vacancies and ongoing turnover, the Library developed a backlog of over 6 months of materials that have been ordered and received, but not cataloged. Staff has used a variety of temporary appointments and move-ups to fill positions, but such staff has not had the level of expertise required, nor has there been sufficient time to give training on the complexity of cataloging processes to reduce the existing backlog.

ANALYSIS

Staff feels that utilization of the OCLC Database, which has become the primary source of cataloging data for public and university libraries, will significantly reduce the Torrance Public Library's cataloging backlog.

General Advantages of OCLC.

- More than 53,000 libraries in 96 countries are members and supply cataloging records to the OCLC database.
- The database currently has over 60 million cataloging records that the City would be able to access.
- OCLC saves cataloging time by pooling knowledge from members around the world and eliminates effort duplication.
- With OCLC the City will have the ability to copy-catalog more than 95% of the library materials.

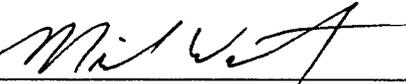
Advantages of OCLC vs. the Databases Currently Used by the City:

- AVACCESS provides a small fraction of records compared to OCLC. Staff has found that AVACCESS supplies cataloging for only about 60% of the audiovisual materials, and this percentage is decreasing as the library buys more foreign language titles, which generally are not in the AVACCESS database.
- With the present system, staff need to perform original cataloging on over 40% of the audiovisual materials. Original cataloging requires a high level of expertise and is time-intensive. Staff estimate that for every 1 item completed through original cataloging, 10 or more items can be handled through copy cataloging.
- LCMARC provides approximately 5 million records compared to over 60 million for OCLC. LCMARC provides approximately 75% of the City's book copy cataloging. The other 25% requires original cataloging. Staff obtain less than 1% of the system's audiovisual copy cataloging from the LCMARC database. Because of the time intensive nature of original cataloging, the library is dealing with more than a six-month backlog of library materials that need processing.

OCLC is more expensive than the combination of LC MARC, and AVACCESS. However, the advantages of using a single resource that will enable the library to far more efficiently catalog and process library materials and make them quickly available to the public is well worth the cost. In addition, through a contract with OCLC, the Torrance Public Library's records will also become part of the OCLC database. The California State Library has recently been working with OCLC and Internet search engines and through a cooperative venture, individuals looking for specific books will be able to search by zip code, and their local library's holdings will be visible. Participating in the OCLC database will enable our patrons to take advantage of the State Library's venture to bring local collections to search engines and may also encourage more use of interlibrary loan since other libraries will be able to view our library records.

Respectfully Submitted,

GENE BARNETT
COMMUNITY SERVICES DIRECTOR

By 
Michael Witzansky
Administrative Analyst III

Concur:


Gene Barnett
Community Services Director


LeRoy J. Jackson
City Manager

Committee Meeting
December 20, 2005

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

Members of the Committee:

Subject: Recommendation to Establish Park Ranger Program Positions in the Community Services Department Operating Budget

Expenditure: \$0

RECOMMENDATION

It is the recommendation of the Community Services Director and the Chief of Police that the Finance and Governmental Operations Committee approve the establishment of park ranger positions in the Community Services Department operating budget.

Funding

Funding is available in the Police Department's operating budget.

Expenditure Accounts:	RECURRING EXPENSES:	
Fund # 1001		
Dept. ID # 9301040000	0.8 FTE Recreation Specialist II	\$32,400
Acct. # 3062	2.4 FTE Sr. Recreation Leaders	\$57,120
	Materials and Supplies	<u>\$ 8,800</u>
	TOTAL	\$98,320
Reimbursement Accounts:	RECURRING OFFSET:	
Fund # 1001		
Dept. ID # 9301040000	From existing Prop 172 Funding in	(\$89,520)
Acct. # 3004	Police Department Operating Budget	<u>(\$ 8,800)</u>
Acct. # 3768		(\$98,320)
	Net Cost to General Fund	\$0

BACKGROUND

The intent of this program modification is to create accounting efficiency and ease of assignment (funding for the Park Ranger program would remain in the Police Department's operating budget). The Community Services and Police Departments have partnered for several years to provide the City's Park Ranger program. Staff members assigned to the program are hired as recreation employees and are supervised within the Community Services Department, but have historically charged

their wages to the Police Department's operating budget. As the program has expanded and the variety of the ranger assignments has grown, this process has become more cumbersome.

ANALYSIS

In total, the Police Department operating budget includes \$130,070 for park patrol (park ranger) activity. The park rangers currently charge the Police operating budget \$106,180 per year in salaries and \$16,800 in materials and supplies. The Community Services Department budget contains matching funding for only \$16,660 of these salaries and \$8,000 of these materials and supplies. It is staff's recommendation that budget for the remaining \$89,520 of salary expenditures and \$8,800 for the remaining materials and supply expenditures be established within the Community Services Department operating budget and that the program's reimbursement account be expanded to offset the cost. The Police Department's total budget would be unaffected, and reflect \$106,180 of labor charges from other Departments, \$16,800 of material charges from other Departments and \$7,090 for other special materials and supplies. The reimbursement account would be paid for by the \$130,070 of funding that currently exists for the program in the Police Department's operating budget, which is made available through Proposition 172 monies approved by County residents several years ago to enhance park patrol and security. Ultimately this recommended action consolidates the program and allows for more accurate tracking of expenditures.

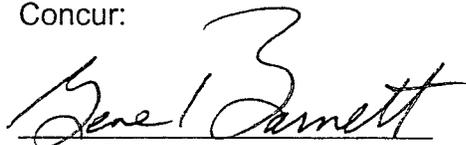
Respectfully Submitted,

GENE BARNETT
COMMUNITY SERVICES DIRECTOR

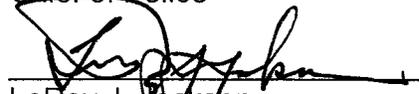
By 

Michael Witzansky
Administrative Analyst III

Concur:


Gene Barnett
Community Services Director


Jim Herren
Chief of Police


LeRoy J. Jackson
City Manager

Council Committee Meeting of
December 20, 2005

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

Members of the Finance and Governmental Finance Committee:

SUBJECT: Program Modification for the Fire Department to add one Dispatcher position

RECOMMENDATION

The City Manager and the Fire Chief recommend the approval of one additional Dispatcher position for the Fire graveyard shift for the remainder of this two-year budget cycle.

Funding

The position cost is \$92,500 annually. Funding for the remainder of the 2005-06 fiscal year is estimated to be \$38,500 and is available in the Balancing Strategies Reserve. The funding for the remainder of the two-year term will be addressed in the 2006-07 Fiscal Year Operating Budget.

BACKGROUND

The consolidation of the Police and Fire Communication Centers was considered and approved by Your Honorable Body with adoption of the Fiscal Year 2003-05 operating budgets. The consolidation offered both an opportunity to achieve savings in communications, release Police Officers to field duties, improve public safety response through investment in a state of the art 911 and radio communication systems and a common Computer Aided Dispatch (CAD) system.

On May 24, 2005 Council approved the form of organization of the consolidated public safety communication center. On June 1, 2005 the co-location of the two communication centers was completed. Prior to the co-location of the two centers, Fire has been using 2.6 Full Time Equivalent (FTE) Relief Fire Communication Operator (RFCO) positions to supplement its budgeted six full-time Fire Communications Operator (FCO) positions. A component of the reorganized center was the conversion of the 2.6 FTE Relief Fire Communications Operator positions to two full-time positions, for a total of eight FCO positions. Fire management had developed a work schedule for the Fire co-located center that provided for two full-time FCOs to be on duty during the day and swing shifts and one full-time FCO on duty during the graveyard shift. This schedule was developed with the belief that if the FCO had to leave the console, a Police Communications Operator could cover the call until the FCO returned. During the transition phase of reducing the Fire graveyard shift coverage to one full-time FCO, Council approved the use of part-time/overtime hours for the graveyard shift to remain at two Operators.

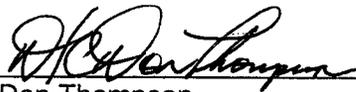
ANALYSIS

There is a need to extend the period of time that two Communication Operators are on duty for the Fire graveyard shift. It is recommended that the coverage be extended through the next 18 months to work through the learning curve of consolidating the centers and for the Communications Operators to gain the knowledge and expertise they and management feel is needed to handle calls and dispatching during the graveyard shift. The safety departments cannot continue to rely on overtime and part-time help to fill the void; therefore a new position is proposed. It will be reevaluated at the end of the two-year budget to determine the need for the position when more experience is gained.

The goal of the Fire Department is to fill this position under the newly created position of Public Safety Dispatcher classification which provides for handling both Fire and Police 911 calls and dispatching. The class specification has been approved by the Civil Service Commission and meet and confer is underway on wages for the position.

Respectfully submitted,

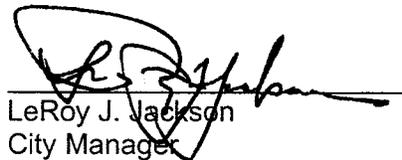
RICK BONGARD
FIRE CHIEF

By 
Don Thompson
Division Chief

CONCUR:


Mary Giordano
Assistant City Manager

NOTED:


LeRoy J. Jackson
City Manager

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Committee Meeting
December 20, 2005

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

Members of the Committee:

Subject: Recommendation to convert one (1) Senior Aide position in the Fleet Services Division to one (1) Facility Operations Attendant position

Expenditure: \$0

RECOMMENDATION

The General Services Director recommends that the Budget Review Team approve the conversion of one (1) Senior Aide position (\$17,000) to one (1) Facility Operations Attendant position (\$20,500) offset by a \$3,500 reduction from the Fleet Services Division.

Funding

Funding is available in the Fleet Services Division Operating Budget.

BACKGROUND AND ANALYSIS

The Fleet Services Division has for many years been staffed by two (2) part-time Senior Aides, budgeted as one (1) full-time position. These individuals have been employed to assist in and around the Fleet Services garage, performing tasks not requiring a high degree of skill or formal training. Typical duties of the Senior Aides include such things as cleaning up common areas in the shop, pickup and delivery of parts and materials from off-site vendors, light preventive maintenance on shop and facility support equipment, and a myriad of other tasks as needed. Their contributions to the Division's mission have enabled personnel in the higher-skilled classifications (Equipment Attendant, Mechanic, and Senior Mechanic) to devote most of their respective efforts towards vehicle and equipment maintenance and repairs.

Although the Senior Aide program has for many years provided the Fleet Services Division with a valuable pool of responsible and mature employees, last year one (1) of the two (2) incumbents unexpectedly passed away and has not yet been replaced due to the City Manager's desire to revisit the Senior Aide

program in its entirety. The remaining Senior Aide in the Fleet Services Division has been in poor health for several months and as a result is frequently absent.

In the absence of employees specifically assigned to carry out the aforementioned duties, the Fleet Services Division has no other option than to rely on the higher-skilled employees (Equipment Attendant, Mechanic, and Senior Mechanic) to perform work for which they are clearly overqualified. This is neither an efficient nor cost-effective use of our labor force.

Respectfully Submitted,


Sheryl Ballew
General Services Director

CONCUR:


LeRoy J. Jackson
City Manager

COMMITTEE MEETING
December 20, 2005

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

Members of the Committee:

**SUBJECT: Recommendation to Upgrade One Secretary Position to
Personnel Technician**

Expenditure: \$0

RECOMMENDATION

It is the recommendation of the Human Resources Director that the Finance Committee approve the upgrade of 1.0 Secretary (\$60,600) position to a Personnel Technician (\$63,000) offset by a \$2,400 reduction from the Human Resources Department operating budget.

Funding

Funding is available from the Human Resources Department operating budget.

BACKGROUND AND ANALYSIS

As a result of the reorganization of the Human Resources and Civil Service Departments, the staff dedicated to curriculum design and implementation of training was severely reduced. At the reduced staffing level, the scheduling of programs has been limited to supervisory training offered through the South Bay Employment Relations Consortium. All other training has been postponed. The upgrade of 1.0 Secretary to 1.0 Personnel Technician would enable the department to support the Employee Development and Training function.

The demand for training is expected to continue into future years in light of:

- 1) the turnover generated by the high volume of retirements and the need to prepare employees to fill vacancies,
- 2) the impact of recent reorganizations on staffing changes, and
- 3) the requirement to comply with mandated training.

Currently, there are 1.5 Secretary positions assigned to support the functions of the Human Resources Operations Division in the areas of administration, employee recognition, performance evaluation monitoring, program compliance

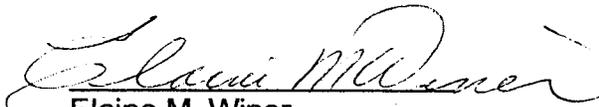
and training. The recommended position upgrade would enable the division to re-align duties related to the implementation of training programs. Thus, the Personnel Technician would provide all administration and logistical support for training programs once a Personnel Analyst has identified the curriculum.

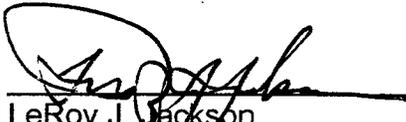
Respectfully submitted,

ELAINE M. WINER
Human Resources Director

By 
Leyta O. Fuentes
Human Resources Manager

CONCUR:


Elaine M. Winer
Human Resources Director


LeRoy J. Jackson
City Manager

Committee Meeting
December 20, 2005

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

Members of the Committee:

SUBJECT: Revision to Sanitation Refuse NPDES Program for trash removal at Transit Stops

Expenditure: None

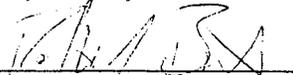
RECOMMENDATION

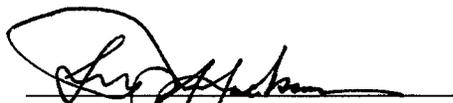
Recommendation of the Public Works Director that the Finance and Government Operations Committee delete 2.0 Transit Fund reimbursed Semi-skilled Labor positions dedicated to the collection of refuse at bus stops as part of the NPDES Program.

BACKGROUND/ANALYSIS

This program was set up in FY 2003-04 for the collection of refuse from transit stops in Torrance as a requirement of the National Pollution Discharge Elimination System (NPDES). During the time the program was being developed it was determined that the Sanitation Division would hire two Semi-skilled Laborers to pick up trash containers located at transit stops and Transit would reimburse Sanitation for labor charges. Prior to the program starting, Transit reconsidered the programs options and determined that it would be more cost effective to contract out for the service. As a result, the two Semi-skilled Laborer positions have not been filled and will not be needed in the future.

Respectfully submitted,


Robert J. Beste
Public Works Director


LeRoy J. Jackson
City Manager

Committee Meeting
December 20, 2005

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

Members of the Committee:

SUBJECT: Increase in appropriation of \$500,000 for Sanitation Refuse Dump Fees

Expenditure: \$500,000

RECOMMENDATION

Recommendation of the Public Works Director that the Finance and Government Operations Committee increase appropriation in the amount of \$500,000 to the Sanitation Refuse Dump Fees.

Funding

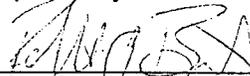
Offset by refuse collection revenues

BACKGROUND/ANALYSIS

On October 25, 2005, Council approved a new three year contract with BFI for the disposal of refuse at their transfer stations. BFI was the lowest responsible bidder. The new contract with BFI, increased dump fees from \$27.80 to \$36.90 per ton over our previous contract. This bid increased the annual cost for disposing of refuse by approximately \$500,000, compared to the rate of our prior long-term contract.

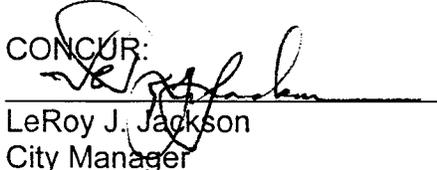
Although the increase for dump fees this year is significant, it is estimated that the cost for the additional \$500,000 appropriation will be offset by refuse revenues received during the current fiscal year.

Respectfully submitted,



Robert J. Beste
Public Works Director

CONCUR:



LeRoy J. Jackson
City Manager