

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

Members of the Council:

Subject: 1st Quarter 2009-10 Budget Review

RECOMMENDATION

Recommendation of the Finance and Governmental Operations Committee that Your Honorable Body concur with the following recommendations:

- Accept and file the First Quarter 2009-10 Budget Review Report;
- Accept and file the City Treasurer's Investment Report; and
- Concur with staff's recommendation for the capital project requests.

BACKGROUND/ANALYSIS

On Tuesday, November 3, the Finance and Governmental Operations Committee heard a presentation from staff on the First Quarter 2009-10 Budget Review.

The Committee voted and accepted unanimously the First Quarter 2009-10 Budget Review Report, the City Treasurer's Investment Report, and the capital requests.

Respectfully submitted,

Finance and Governmental Operations Committee



Councilman Bill Sutherland, Chair



Councilman Cliff Numark, Member



Councilwoman Susan Rhilinger, Member

Attachments:

- A. Executive Summary
- B. City Treasurer's Investment Report
- C. Capital Requests

Committee Meeting of
November 3, 2009

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

Members of the Committee:

Subject: First Quarter 2009-10 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 City Council for action:

- Accept the First Quarter 2009-10 Budget Review Report
- Accept the City Treasurer's Investment Report
- Concur with staff's recommendation for the capital project requests

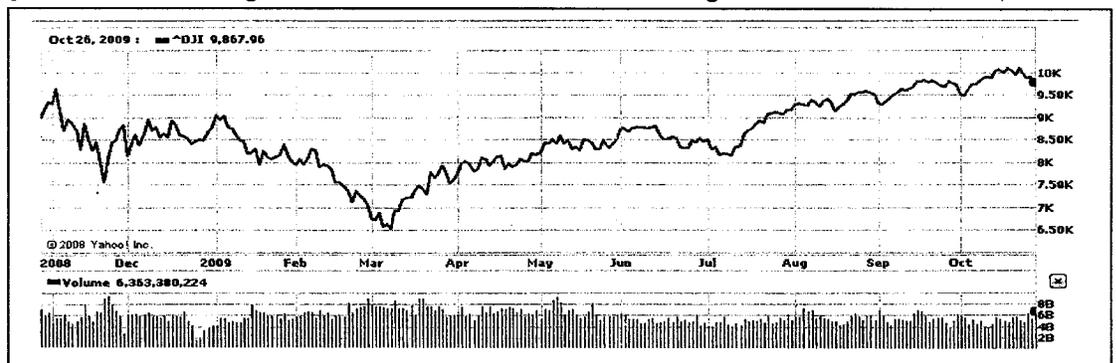
EXECUTIVE SUMMARY

Expenditures for all departments are at 22.3% of the year expired which are well within budgetary guidelines of 25%. Since revenues of the City are seasonal and some major revenues such as property and business license taxes are not realized until December and January, the revenues at 1st quarter do not provide a complete picture. Revenues received for the 1st quarter totaled 15.3% of budget, as compared to 18.8% for the 2008-09 fiscal year which is below budget estimates. As the economy turns the corner, as most predict, revenue streams to the City should improve. Until then, the budgetary outlook for the City will be optimistically guarded.

A Snapshot of Torrance

Population: 149,111
Peak Daytime Population (2 p.m.): 203,011
Area: 21 Square Miles
1343 Full-time Employees
6 Fire Stations
1 Police Station &
2 Police Community Centers
235 Sworn Police Employees
156 Sworn Fire Employees
6 Public Libraries
40,000 Street Trees
550 Miles of Sidewalks
53 Parks & Recreation Amenities

There are many positive signs that the economy is improving. The latest projection for Gross Domestic Product growth is 3.5%, which is why the Dow Jones Industrial Average is trading around the 10,000 level which marks highs for the year (see chart). Favorable signs exist for the future as the Dow was at 6,547 just a short time ago in March of 2009. But before we get ahead of ourselves, the Dow is nowhere near the 14,000 level that was achieved just two years ago in October 2007.



Property values are also showing signs of recovery as values of recently sold properties are stabilizing and some areas are showing a year over year increase. The County's property tax roll has the assessed value of property in the City to be \$23.9 billion (Jan 2009), an increase of \$552 million or about 2.4% over 2008. The current budget forecasts property tax to grow by 3.6%. Please note that there is a difference between assessed value per the County Tax Collector and home sales – median prices. The average assessed value for a home in the City is about \$350,000.

Agency	Median Price September 2009	Median Price September 2008	% Change
Los Angeles County	\$ 333,000	\$365,000	-8.8%
Carson	280,000	360,000	-22.2
Gardena	275,000	397,500	-30.8
Inglewood	225,523	299,000	-24.6
Santa Monica	1,025,000	970,000	5.7
Torrance	508,000	474,500	7.1

Consumer spending, which is a main driver of the economy, is showing positive signs that the economy is turning around. Consumer spending has been steadily climbing in the recent months, with the exception of August which was helped by the "cash for clunkers", as can be seen in the chart below:

Zip Code	Median Price September 2009	% Change Year over Year
90501	\$487,000	-2.5%
90503	660,000	0.0
90504	491,000	0.3
90505	710,000	1.4
90277	860,000	-13.6

Automobiles and Other Motor Vehicles (in millions):

Month	2007	2008	2009
Jan	69,058	67,689	51,399
Feb	69,418	66,133	49,775
Mar	69,266	65,563	48,699
Apr	69,020	63,645	48,824
May	69,587	62,459	49,701
Jun	67,500	60,221	50,771
Jul	67,725	56,660	51,784
Aug	69,327	58,268	56,320
Sep	70,581	55,465	49,696
Oct	71,271	51,969	-
Nov	69,823	50,976	-
Dec	68,613	49,847	-

Although other areas of the economy are in recovery, it has not translated to unemployment as the rate continues to climb each month and which is now into double digits.

The federal government's unemployment rate for September 2009 reached a year high of 9.8%.with the State of California reaching a level of 12.2% for the same period. The State of California's September rate of 12.2% is down slightly from August 2009 where the rate was 12.3%. The slight decline in the rate is a welcome sign for the State. The unemployment rate for Torrance is 6.4%, well below the National, State, and County of Los Angeles averages. Neighboring cities such as Hawthorne, Inglewood, Carson, Gardena and Santa Monica's unemployment rate are not as fortunate and are more in-line with the State and National rate.

September Unemployment Rate	2009	2008
Los Angeles County	12.7%	7.8%
Carson	12.8	7.9
Gardena	11.9	7.3
Glendale	11.1	6.8
Hawthorne	16.4	10.8
Inglewood	15.8	9.9
Santa Monica	10.5	6.4
Torrance	6.4	3.8

Sales tax revenue generates approximately \$39 million annually and is the City's General Fund's second largest revenue source. Automobile sales dropped almost 25% from June

Retail Sales				
Top 5 Sales Tax Producers by Economic Segment (by 000's)				
Description	Y.E. 06/30/09	Y.E. 06/30/08	Variance	%
Auto Sales New	\$ 5,195	\$ 6,878	\$(1,683)	-24.5 %
Department Stores	\$ 4,423	\$ 4,922	\$ (499)	-10.1 %
Restaurants	\$ 3,564	\$ 3,707	\$ (143)	-3.9 %
Misc Retail	\$ 3,085	\$ 3,450	\$ (365)	-10.6 %
Leasing	\$ 2,405	\$ 2,549	\$ (144)	-5.6%

2008 to June 2009 or about \$1,683,000. Staff is awaiting sales tax data for the July – September quarter to be released in December before updating tax revenue projections. The sales tax budget for fiscal year 2009-10 projected no growth due to anticipated sluggish retail sales for the year.

Utility Users' Tax (UUT) is another revenue source which is less sensitive to the economy. The UUT covers a wide tax base including, gas, electricity, cellular phones and water. One area that is less sensitive to the economy but is impacted by the movement in commodities prices is the cost of natural gas and oil. Currently the price of oil per barrel is at \$79.87. This price is well below the triple digit numbers that existed in the 2008-09 fiscal year. This is a revenue source that will be monitored carefully to determine if an adjustment to the budget will be needed at mid-year.

Fiscal Year 2008-09

Year-end operations for the General Fund, fiscal year ended June 30, 2009, resulted in a net available carry-over of approximately \$622,000. The \$622,000 net carryover was generated by a year-end budget deficit in revenues of approximately \$6.5 with expenditures savings of \$7.2 million.

Sales tax receipts fell short of budget by \$3.3 million and Utility Users' Tax receipts primarily in natural gas and electricity fell short by \$2.7 million and \$1.1 million respectively.

The sales tax shortfall was due to sluggish sales on big ticket items such as automobiles, appliances, computers, etc. and the Utility Users' Tax shortfall was primarily caused by a decline in gas and electric use of \$2.7 million gas and electricity of \$1.1 million respectively.

The General Fund budgeted expenditures for fiscal year end resulted in a net savings of approximately \$7.2 million. The \$7.2 million expenditure savings was derived from salary savings of \$2.6 million and unused materials, supplies and professional services savings of

\$4.6 million. The General Fund, albeit the largest fund in the City, is only one of fifty five funds the City operates. The above chart provides a recap for several of the enterprise funds which all were within or exceeded budget.

Fiscal Year ended June 30, 2009			
	Sources	Uses	Variance Favorable (Unfavorable)
General Fund	\$ 174,248,935	\$ 173,626,857	\$622,078
Enterprise Funds:			
Airport	11,556,790	11,370,034	186,756
Transit	22,677,528	21,437,037	1,240,491
Water	26,162,393	23,327,128	2,835,265
Emergency Medical	9,542,924	9,530,596	12,328
Sanitation	11,396,178	11,370,971	25,207
Cultural Arts	2,117,262	2,091,560	25,702
Sewer	3,204,542	1,840,530	1,364,012
Parks & Recreation	7,597,820	7,594,989	2,831
Internal Services			
Fleet -Operation	9,065,187	5,316,665	3,748,522
Self Insurance	5,524,790	5,402,236	122,554

In order to balance the 2009-10 and 2010-11 two-year operating budget, reduction in department expenditures were required. Below is a table that reflects the status of the implementation of those reductions listed by departments:

Status of 2009-10 and 2010-11 Budget Balancing

The balancing of the 2009-10 and 2010-11 two-year operating budget required reductions in department expenditures. All of the reductions have been implemented or are in the progress of implementation. It is important to note that all of the reductions adopted by the Council have been reflected in the adopted budget. The table below reflects those positions that are still in transition and/or are still in progress:

General Fund Revisions still in progress

Department	Description	Status
Community Development	Transfer of NPDES (National Pollution Discharge Elimination System) Program to Fire Dept.	In Progress
Fire	Civilianization of Public Education Officer	In Progress
	Transfer of Admin Analyst position from General Services for Hazardous Materials Program	In Progress
	Reduction of Hazardous Materials Team from 9 members to 5	In Progress
	Conduct Paramedic CE Education in-house	In Progress
Police	Conversion of 1.0 Traffic Police Sergeant into a Police Traffic Supervisor	In Progress
	Deletion of 1.0 Emergency Services Division Commander (Police Lieutenant)	In Progress
	10% shift-lead premium Records Technician premium funded by deletion of a Records Supervisor position	In Progress
	Deletion of 1.0 Police Officer position in Community Affairs Division	In Progress
	Deletion of 1.0 Secretary position through attrition	In Progress

Enterprise/External Fund Expenditure Revisions still in progress

Department	Description	Status
General Services - Airport	Deletion of 1.0 Airport Operations Supervisor position through attrition	In Progress

As mentioned above, the 2008-09 carry-over after prior commitments totaled \$622,000. The \$622,000 represents the lowest carryover amount in over 10 years. Under normal circumstances, the low carryover amount would be alarming; however, the City, state and the federal government have just experienced the worst recession in recent history.

The recession has adversely impacted many local agencies including the State of California who at one point published a State budget deficit of over \$ 20 billion. While many local agencies have been forced to lay-off employees or reduce labor hours by way of furloughs, the City of Torrance with its' fiscally conservative approach has been able to maintain some carryover (albeit \$622,000) and avoid personnel layoffs and major service reductions unlike many other jurisdictions in the State and Nation.

The reduced amount of carryover will have an adverse effect on the City's Capital Budget as well as meeting the funding goals the various City reserves as "year-end" carryover is the primary source of funding for the aforementioned.

Due to the budget issues the State has been having, the City has deferred updating and extending the City's 5-Year Capital Budget. Staff is planning to update and extend the Capital Budget to its full five years in early to mid 2010. There are several capital projects that are more urgent in nature and not able to wait until the full update is in front of Council. The following projects are:

- Wilson Park Pond Restoration
- Installation of Restroom Privacy Doors at City Parks
- Additional Funding for City Yard Camera System
- Workers' Compensation Claims Management Optical Imaging System
- Storm Drain System Master Plan Update
- City-wide Outdoor Overhead Lighting

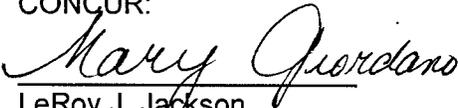
At this time, staff is not recommending any change in budget direction. By mid-year, as the City's seasonal revenues begin to be received, staff will have a more complete picture of revenues and be in position to make recommendations if needed at that time. As a precaution, the City Manager will continue to fill staff vacancies on a case by case basis and to closely monitor department expenditures.

Respectfully submitted,



Eric E. Tsao
Finance Director

CONCUR:

for 
LeRoy J. Jackson
City Manager

October 26, 2009

COMMITTEE MEETING
November 03, 2009

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

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, 2009 total Pooled Funds (Investment Portfolio) was \$158.8 million.

As of June 30, 2009 the total Restricted Funds were \$120.2 million made up of the following categories:

a. Debt issue proceed	\$ 9.3 million
b. Deferred Compensation	
1) 457	\$ 103.0 million
2) 401(a)	\$ 4.5 million
c. Retirement Health Savings plan	\$ 3.4 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 the effective rate of return equaled 3.06%.

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.

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 is not an asset of the City of Torrance.

Investment Forecast

The Federal Reserve Board will continue to employ a wide range of tools to promote economic recovery and to preserve price stability. The Committee will maintain the target range for the federal funds rate at 0 to .25 percent and continues to anticipate that economic conditions are likely to warrant exceptionally low levels of the federal funds rate for an extended period of time. The Federal Reserve will continue to purchase mortgage-backed securities in order to support the mortgage lending and housing markets. With this strategy we can expect to continue to see lower rates along the yield curve.

GASB 31 Impacts 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 invest the portfolio out along the yield curve. At the same time we keep enough liquidity 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 activity has been negative. Some securities that have matured or been called have not been re-invested or deposited in the Local Agency Investment Fund. However, due to the declining market environment all new purchases are earning a lower rate of return. The average yield to maturity on purchases made over the last three months was 2.70%.

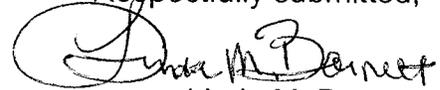
Strategically, we will continue to place money out in the market. Although the market would encourage a very short portfolio, it is not our intent to change our objectives of matching purchases with cash flow needs. We will continue to place investments out on the yield curve to take advantage of a higher rate of return with funds that are not needed on the short term

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



(THIS PAGE LEFT INTENTIONALLY BLANK)

**SUMMARY OF CAPITAL PROJECT REQUESTS
FEAP (FACILITIES, EQUIPMENT, AUTOMATION PROJECTS)
IAP (INFRASTRUCTURE ACTION PLAN)**

NEW FEAP REQUESTS:

DEPARTMENT	PROJECT NAME/DESCRIPTION	JUSTIFICATION	AMOUNT	FUNDING SOURCE
Community Services	Installation Restroom Privacy Doors Install doors to bathroom stalls in all city park facilities.	Current OSHA guidelines require employees to have access to a water closet with walls and a door for privacy.	\$16,500	General Fund
Public Works	Outdoor Overhead Lighting-Citywide upon transfer of the outdoor lighting function from General Services to Public Works, a review of the fixtures was made. Repairs and replacements were identified that need to be done.	New replacement lamps, ballasts, fixtures and switches needed for security, perimeter, parking lots, sports, and open space lighting applications at various city parks and citywide property locations.	65,000	General Fund
TOTAL NEW FEAP REQUESTS			\$81,500	

ADDITIONAL FUNDING REQUESTS - EXISTING FEAPS:

Public Works	FEAP310-City Yard Camera System Security system at the Yard to monitor activity 24 hours a day	Additional funding needed to cover the expenditures related to additional cameras at the gate (guard shack), electrical and network conduit installation of new camera sites, electrical modifications and upgrades to networking equipment	55,000	General Fund
Human Resources	FEAP516-Workers Compensation Claims Management System Imaging Imaging of open claim files and bills	Additional funding is needed to hire a temporary claim technician to prepare files for scanning (final phase of the imaging project).	70,646	General Fund
Community Services	FEAP709-Wilson Park Pond Renovation Renovation of the pond and improvements to the pumping systems	Additional funding is needed for the costs of improvement to the bottom of the pond which exceeded original estimates.	200,000	General Fund
TOTAL ADDITIONAL FUNDING REQUESTS-EXISTING FEAPS			325,646	

GRAND TOTAL-NEW FEAPS & ADDITIONAL FUNDING REQUESTS	\$407,146
--	------------------

ADDITIONAL FUNDING REQUESTS - EXISTING IAP:

Public Works	I-98-Storm Drain System Master Plan Update Project will provide update to the Storm Drain System Master Plan and identify problematic areas throughout the City's drainage system.	Additional funding is needed for the additional work required to assure compliance with existing and future National Pollution Discharge Elimination System (NPDES) permit and regulatory requirements for Total Maximum Daily Loads (TMDLs).	200,000	Gas Tax
--------------	---	---	---------	---------

TOTAL-IAP ADDITIONAL FUNDING REQUEST	\$200,000
---	------------------

GRAND TOTAL-PROJECT FUNDING REQUESTS	\$607,146
---	------------------

14
City of Torrance
FEAP Project Request Form

New Project Request

Type of Project:

Equipment Automation Infrastructure Facilities Other

Requesting Department: Community Services

Managing Department: General Services

Project Leader: Jon Landis

Project Location: Various Parks

Project Title: Installation Restroom Privacy Doors

Project Start Date: 2009

Estimated Completion Date: 2010

Description:

Installation of one compartment door for each gender (male/female) at each Torrance City Park for employee use.

Justification: Current OSHA 1910.141.c.2.i guidelines require employees have access to a water closet with walls and a door for privacy. This equipment was previously removed from the park restrooms due to excessive maintenance costs as a result of vandalism. Restrooms are also washed down with hoses daily with exacerbates rust and corrosion damage to the partition doors. Costs for installation of one compartment door per Park for each gender (male/female) are estimated at \$500 per door or a total of \$15,000. We estimate repair costs due to vandalism and maintenance to require the equivalent of the replacement of 1/3rd of doors annually beginning the 2nd year.

A notice of violation for current conditions is expected if doors are not installed in a timely manner.

Impact of Non-Approval: A notice of violation for current conditions is expected if doors are not installed in a timely manner

Project Costs

Estimated Project Implementation Cost (ONE TIME COSTS)

	Within Dept	Support Dept.	Comments:
Personnel Requirements			
# of Positions			
Labor Costs:	\$	\$	
Per Comp Detail Report-Total			
Date of Comp Detail Report <u>MM/DD/YY</u>			
Equipment	\$	\$	
Materials	\$	\$	
Professional and contract services	\$15,000	\$	Contract installed doors
Other: Contingency	\$ 1,500	\$	
Other:	\$	\$	
TOTAL	\$16,500	\$	

**Estimated Annual Ongoing Operating and Maintenance Costs
(UPON PROJECT COMPLETION/IMPLEMENTATION)**

Not Applicable

	Within Dept	Support Dept.	Comments:
Personnel Requirements # of positions			
Annual Labor Costs:	\$	\$	
Per Comp Detail Report-Total			
Date of Comp Detail Report <u>MM/DD/YY</u>			
Materials	\$	\$5,000	Replacement costs for vandalized doors
Equipment	\$	\$	
Professional and contract services	\$	\$	
Other:	\$	\$	
Other:	\$	\$	
Other	\$	\$	
TOTAL	\$	\$	

Project Time Line

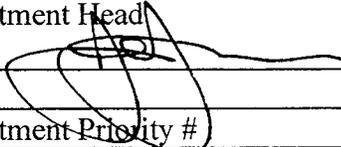
Fiscal Year Ending June 30

Description

Survey/Design
Plans/Specifications
Purchase/Construction
Other: _____

	2009-10	2010-11	2011-12	2012-13	2013-14
Survey/Design					
Plans/Specifications					
Purchase/Construction	x				
Other: _____					

Project Financing		16				
		Fiscal Year Ending June 30				
<u>Financing Source</u>	2009-10	2010-11	2011-12	2012-13	2013-14	<i>TOTAL</i>
General Fund	\$16,500					\$16,500
TOTAL COST	\$16,500					\$16,500

Requested by:	
Department Head 	Date <i>10-29-09</i>

Department Priority #	High	Medium	Low

Type an X in the box if project is:
High, Medium or Low

17
City of Torrance
FEAP Project Request Form

New Project Request

Type of Project:

Equipment **Automation** **Infrastructure** **Facilities** **Other**

Requesting Department: Public Works

Managing Department: Public Works

Project Leader: Steven Cooper

Project Location: Citywide Properties

Project Title: Outdoor overhead lighting

Project Start Date: January 2010

Estimated Completion Date: December 2010

Description: Outdoor overhead and park lighting repair and replacements

Justification: This project entails purchasing new replacement lamps, ballasts, fixtures & switches, needed for security, perimeter, parking lot, sports, and open space lighting applications at various city parks and citywide property locations in order to complete the backlog of repairs. A preliminary inventory of new parks lighting numbers almost 500 units located at 34 locations citywide. It is estimated that \$65,000 is needed for the purchase of these replacement lighting parts and fixtures.

Impact of Non-Approval: The backlog of repairs needed would continue.

Other Alternatives Considered: No

Project Costs

Estimated Project Implementation Cost (ONE TIME COSTS)			Comments:
	Within Dept	Support Dept.	
Personnel Requirements			
# of Positions			
Labor Costs:	\$	\$	
Per Comp Detail Report-Total			
Date of Comp Detail Report <u>MM/DD/YY</u>			
Equipment	\$	\$	
Materials	\$ 65,000	\$	
Professional and contract services	\$	\$	
Other:	\$	\$	
Other:	\$	\$	
TOTAL	\$ 65,000	\$	

Estimated Annual Ongoing Operating and Maintenance Costs (UPON PROJECT COMPLETION/IMPLEMENTATION)			Comments:
	Within Dept	Support Dept.	
<input type="checkbox"/> Not Applicable			
Personnel Requirements # of positions			
Annual Labor Costs:	\$	\$	
Per Comp Detail Report-Total			
Date of Comp Detail Report <u>MM/DD/YY</u>			
Materials	\$	\$	
Equipment	\$	\$	
Professional and contract services	\$	\$	
Other:	\$	\$	
Other:	\$	\$	
Other	\$	\$	
TOTAL	\$	\$	

Project Time Line	Fiscal Year Ending June 30				
	2009-10	2010-11	2011-12	2012-13	2013-14
<u>Description</u>					
Survey/Design					
Plans/Specifications					
Purchase/Construction	X				
Other: _____					

Project Financing		19				
		Fiscal Year Ending June 30				
<i>Financing Source</i>	2009-10	2010-11	2011-12	2012-13	2013-14	<i>TOTAL</i>
General Fund	\$65,000					\$65,000
<i>TOTAL COST</i>	\$65,000					\$65,000

Requested by:	
Department Head	Date

Department Priority # :	High	Medium	Low
	X		

Type an X in the box if project is:
High, Medium or Low

City of ²⁰Torrance 310
Capital Improvement Project Request Form

Additional Funding Request: \$ 55,000

Type of Project: <input checked="" type="checkbox"/> Equipment <input type="checkbox"/> Automation <input type="checkbox"/> Infrastructure <input type="checkbox"/> Facilities <input type="checkbox"/> Other Project Location: City Yard

Department: Public Works	Project Title: City Yard Camera System
------------------------------------	---

Description: Replace existing security camera system at City Yard.
--

Justification: Current security camera system is non-operational. A new system is needed to increase security presence at the Yard and provide monitoring of all activity 24 hours a day. The new cameras will be positioned in many of the same areas that the current system is located. This includes locations on all structures, as well as the employee parking area. In addition, new cameras will be added to the employee parking area so that a greater area can be viewed and recorded. The new system will have digital recording capability. Funds for this project will be allocated based on the number of personnel at the Yard. <u>Additional Funding Request :</u> Additional funding in the amount of \$55,000 requested to cover additional expenditures related to additional cameras at the gate (guard shack), electrical and network conduit installation at new camera sites, electrical modifications, and upgrades to networking equipment. <u>May 2006 Update:</u> This project is still needed at the Yard and will be completed in FY 2007. <u>September 2006 Update:</u> Design of project has begun, with completion still anticipated in FY 2007. <u>December 2006 Update:</u> No Change <u>March 2007 Update:</u> No Change <u>June 2007 Update:</u> No Change <u>September 2007 Update:</u> Scope of project has been re-designed. New design in progress. <u>December 2007 Update:</u> No Change <u>Amendment to FEAP 310 (June 2008):</u> As the project stands, it is within budget. However, to accommodate additional requests for more cameras from Transit, costs will have to be increased. Request additional \$100,000 to complete project.
--

September 2008 Update: No Change.

21

December 2008 Update: Design of project is complete.

March 2009 Update: Funding is identified. Project is ready for bid.

June 2009 Update: No Change.

September 2009 Update: No Change.

Project Costs

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 \$ 40,000

Materials \$ _____

Professional Services \$ 160,000 (original prof. service of \$105,000 approved plus \$55,000 additional funding request=\$160,000)

\$ _____
TOTAL \$ 200,000 New Project Total

Status of Land: [] No land involved [x] 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

Fiscal Year Ending June 30

Description

Survey/Design

Plans/Specifications

Purchase/Construction

Other: _____

	2009	2010	2011	2012	2013
Survey/Design	x				
Plans/Specifications	x				
Purchase/Construction	x	x			
Other: _____					

Project Financing						
Fiscal Year Ending June 30						
<i>Financing Source</i>	2003	2004	2005	2009	2010	TOTAL
General Fund		\$12,150				\$12,150
Street-Sanitation Fund		14,850				14,850
Water Fund		3,600				3,600
Transit Fund		14,400				14,400
General Fund- Council 12F#3- 2/24/09				\$ 100,000		100,000
General Fund- Additional Request					\$55,000	55,000
TOTAL		\$45,000		\$ 100,000	\$55,000	\$200,000
<i>Less offsetting revenue</i>						
<i>Net project request</i>		\$45,000		\$ 100,000	\$ 55,000	\$200,000

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

Requested by:	Department Priority # _____
Department Head Signature _____ Date _____	

City of Torrance

FEAP Project Request Form

Additional Funding Request: \$70,646

Type of Project:

Equipment Automation Infrastructure Facilities Other

Project Location: Risk Management

Department:

Human Resources

**Project Title: Workers' Compensation Claims Management System
Imaging**

Description:

Purchase of a fully integrated Imaging System for the Workers' Compensation Claims Management System. This will allow for direct imaging and storage of bills and correspondence in the Claims Management System. Once imaged the bills would be destroyed eliminating half of the program's storage issues and staff time related to filing. Original correspondence and legal documents would still be filed into the claim file. This complement to the present Claims Management System would improve claims processing efficiencies by having claims information available on staff's desk tops, instead having to continually retrieve cumbersome claims files.

Justification:

The Workers' Compensation Program is faced with two critical issues. The first is space to maintain the open claims files. The other is the loss of a clerical position within the next two years. Imaging of all bills past and future along with the destruction of the original bills would result in a 50% reduction in the need for space. The complete imaging of open claims files more than 15 years would also increase the amount of space available. In an attempt to streamline operations in anticipation for the loss of a clerical position, imaging and elimination of bills would reduce the clerical daily duties by at least 50%.

Additional Funding Justification:

Workers' Compensation started the scanning of mail and bills in November 2006. We are in the final phase of the imaging project (scanning of all open claims) to reduce paper being stored and to free up space in Human Resources (HR). Due to current work loads staff is not able to properly prepare files for scanning to insure that documents are not lost. Therefore, we need to hire a temporary claim technician to prepare the files for scanning which will continue to be done by the program interns. Upon completion of the project the file room will be available for either HR Operations to add work stations for interns to work on projects or for HR Testing and Recruiting to add a conference room for interview panels. It is estimated that the project should be completed February 2011.

September 2006 Update:

Project is now 50% completed, with the training and implementation of software anticipated to be completed on 11/01/06. Completion of imaging of open claims is anticipated to be completed by the end of the 2007/2008 budget year. Purchase of some hardware continuing.

December 2006 Update:

Project remains at 50% completion hardware been obtained and as we are still in the process of obtaining scanning software. We anticipate to have this completed by February, 2007 and should commence scanning of all incoming mail since October 2006. Completion of imaging of open claims is still anticipated to be completed by the end of the 2007/2008 budget year.

March 2007 Update:

Installation of hardware is completed and scanning of all incoming mail since October 2006 will be completed by the end of April 2007. Scanning of bills within open files will commence May 2007. Completion of imaging of open claims is anticipated to be completed by the end of the 2008/2009 budget year.

June 2007 Update:

Scanning of all bills for open files continues. Hiring of two part-time college interns is anticipated to be completed by the end of August. The interns will be scanning all 800 open files into the claims system, which is anticipated to be completed by the end of the 2008/2009 budget year.

September 2007 Update:

Scanning of all bills for open files continues. Two part-time college interns have been hired. A second and larger scanner was ordered to handle the high volume of usage related to the scanning of the 800 open files. The scanner should be delivered by early October. The scanning of the open files is expected to be completed by the end of the 2008/2009 budget year.

December 2007 Update:

Scanning of all mail and bills for open files continues. The new scanner has improved the quality of the scanning as well as the speed. We expect that the scanning of the open files to be completed by the end of the 2008/2009 budget year.

March 2008 Update.

The following is an explanation of the revision for expenditure and annual ongoing operating and maintenance costs. The project is winding down and is expected to be completed in 2008/2009. Initially, the intent was to purchase just the Archival Retrieval System (ARS) for imaging. Further research found that the installation should include Application Service Provider (ASP). This is a web based service which includes leasing our server from the software provider in a 3 year contract. The product relieves CIT of the responsibility for maintaining our server. Original estimates included leasing an e-copier/scanner and hiring a company to handle the scanning of old bills. Once familiar with the scanning product and the volume of documents it was determined that it would be more efficient to scan entire open claim files into the claims system having part-time interns utilize desktop scanners and scanner software. Last, the original estimate of software maintenance was entered as the monthly amount in affect at the time the project estimates were done, instead of the annual costs. The estimates had not been updated to reflect the correct annual costs following approval of the contract.

June 2008 Update

Scanning of all mail and bills for open files continues. We still expect that the scanning of the open files to be completed by the end of the 2008/2009 budget year.

Scanning of all mail and bills for open files continues. We still expect that the scanning of the open files to be completed by the end of the 2008/2009 budget year. The project is winding down; however, the three contract for Application Service Provider (ASP) will not expire until 10/31/2009. There are still funds in this project to cover unexpected programming costs through the expiration of the contract on 10/31/2009.

December 2008 Update

Scanning of all mail and bills for open files continues. We expect the scanning of the open files to be completed by the end of the calendar year 2009.

March 2009 Update

Scanning of all mail and bills for open files continues. We expect the scanning of the open files to be completed by the end of the calendar year 2009. Funds in this project to cover unexpected programming costs will be used within the next 6 months to cover programming costs for a new mandated program from Medicare. This will require the electronic reporting of all future medical care claims for Medicare beneficiaries on an ongoing basis commencing 7/1/2009.

June 2009 Update

Scanning of all mail and bills for open files continues. We expect the scanning of the open files to be completed by the end of June 2010. Funds in this project will be exhausted to cover unexpected programming costs for the electronic reporting of all future medical care claims for Medicare beneficiaries on an ongoing basis commencing 1/1/2010. It is anticipated that this project will be closed within the next 90 days.

September 2009 Update

Scanning of all mail and bills for open files continues. We expect the scanning of the open files to be completed by February 2011. Funds in this project will be exhausted to cover unexpected programming costs for the electronic reporting of all future medical care claims for Medicare beneficiaries on an ongoing basis commencing 1/1/2010. There is also a need for space within Human Resources. Therefore, we will be requesting additional funds for a temporary claims technician to complete the scanning so that much needed space can be made available in Human Resources.

Project Costs

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	\$ 50,405	Purchase of three desktop scanners, scanner software and warranty/maintenance for scanners and software for 2 years (Funding previously approved by Council)
Materials	\$ _____	
Professional Services	\$ 70,646	Additional funding request for temporary claims technician
Land		
Other	\$ 91,000	Software, training and licenses 3-year agreement for installation, training, leasing of server, custom programming and catch-up of backlog of Mandated State Reporting. (Funding previously approved by Council)
TOTAL		
\$	212,051	New Project Total

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

Estimated Annual Ongoing Operating and Maintenance Costs

<input type="checkbox"/> 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	\$ 83,046	Annual Software Maintenance (goes toward biennial upgrades), IBM Universe Maintenance fees, and Mandated State Reporting fees (Funding previously approved by Council)
Materials	\$ _____	
Equipment	\$ 2,805	Annual warranty/maintenance for scanners and scanner software (Funding previously approved by Council)
Other:	_____	
TOTAL		
\$	85,852	

Project Time Line

<u>Description</u>	Fiscal Year Ending June 30				
	2006	2007	2008	2009	2010
Survey/Design					
Plans/Specifications	X				
Purchase/Construction		X			
Other: Scanning of back log of mail and open claim files		X	X	X	X

Project Financing

<u>Financing Source</u>	Fiscal Year Ending June 30					TOTAL
	2005	2006	2007	2009	2010	
Year End Savings from Self Insurance Cost Allocation Program	\$120,505	\$20,900				\$141,405
General Fund- Additional funding request				\$70,646		\$ 70,646
TOTAL	\$120,505	\$20,900		\$70,646		\$212,051
<i>Less offsetting revenue</i>						
Net project request	\$120,505	\$20,900		\$70,646		\$212,051

Vehicle Request Approval (if necessary)

Automation Request Approval (if necessary)

Department Head Signature

Date

Department Head Signature

Date

Requested by:

Department Head Signature

Date

Department Priority # _____

**City of Torrance
FEAP Project Request Form**

Additional Funding Request: \$ 200,000

Type of Project:

Equipment Automation Infrastructure Facilities Other

Requesting Department:

Community Services Department

Managing Department:

Community Services Department

Parks Services Divisions

Project Leader: Andrew Orpe

Project Location:

Charles H. Wilson Park

Project Title:

Wilson Park Pond Restoration

Project Start Date: April 2009

Estimated Completion Date: March 2010

Description:

The project renovates the pond at Wilson Park by removing approximately 3"-4" of sludge, treating the clay bottom and making improvements to both the skimmer and circulation pumping systems. In addition, signage will be installed to discourage releasing animals in the pond, and a biological maintenance program will be implemented.

Justification:

The pond at Wilson Park previously had high levels of bacteria due to the mud/clay bottom and the animal populations that resided in the pond. The facility had developed into a problem area for the maintenance crews and was not representative of the quality facilities at Wilson Park.

Additional Funding Request: \$200,000 is requested as the costs for improvements to the bottom of the pond have exceeded the original estimates.

June 2009 Update:

Work began on the pond during the period. In April 2009, the pond was drained, fenced, and prepped for the project to begin. Upon project implementation, the contractor found that the initial idea of skimming 3"-4" of sludge has proved to be unfeasible. The bentonite clay was clumping during the skimming process, which removed more of the material than planned. The original idea of patching the clay bottom will not be satisfactory, as a majority of the surfacing has been affected. The project scope will need to be reevaluated and a decision of about the type of pond bottom surface must be addressed before the project can proceed.

September 2009 Update:

The City has contracted with an engineering firm to review all data, proposals, and vendor recommendations acquired by City of Torrance staff. The outcome of this contract includes determining the optimal surface for the bottom, selecting the appropriate chemical treatments, and any mitigation efforts necessary to prohibit the development of living things. The review is scheduled to conclude in November so that the Parks and Recreation Commission can review the results.

Impact of Non-Approval:

Continued maintenance issues as well as public safety.

Other Alternatives Considered:

Mitigation methods tried throughout the past several years have not lessened the bacteria levels.

Project Costs—Costs Pending**Estimated Project Implementation Cost (ONE TIME COSTS)**

	Within Dept	Support Dept.	Comments:
Personnel Requirements			
# of Positions			
Labor Costs:	\$	\$	
Per Comp Detail Report-Total			
Date of Comp Detail Report <u>MM/DD/YY</u>			
Equipment	\$	\$	
Materials	\$ 39,175	\$	
Professional and contract services	\$228,755	\$	Original funding approved \$28,755; Additional funding request of \$200,000
Other:	\$	\$	
Other:	\$	\$	
TOTAL	\$ 267,930	\$	New Project Total

**Estimated Annual Ongoing Operating and Maintenance Costs
(UPON PROJECT COMPLETION/IMPLEMENTATION)**

Not Applicable

	Within Dept	Support Dept.	Comments:
Personnel Requirements # of positions			
Annual Labor Costs:	\$	\$	
Per Comp Detail Report-Total			
Date of Comp Detail Report <u>MM/DD/YY</u>			
Materials	\$ 3,175	\$	Chemicals
Equipment	\$	\$	
Professional and contract services	\$	\$	
Other:	\$	\$	
Other:	\$	\$	
Other	\$	\$	
TOTAL	\$ 3,175	\$	

Project Time Line

Fiscal Year Ending June 30

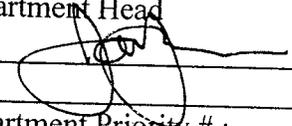
<u>Description</u>	2008-09	2009-10	2010-11	2011-12	2012-13
Survey/Design	X	X			
Plans/Specifications	X	X			
Purchase/Construction	X	X			
Other: _____					

Project Financing

31

Fiscal Year Ending June 30

<i>Financing Source</i>	2008-09	2009-10	2010-11	2011-12	2012-13	<i>TOTAL</i>
General Fund-4/14/09 8c	\$67,930					\$67,930
General Fund- Additional Funding Request		\$200,000				\$200,000
TOTAL COST	\$67,930	\$200,000				\$267,930

Requested by:	
Department Head	Date
	10-29-09

Department Priority # :	High	Medium	Low
	X		

Type an X in the box if project is:
High, Medium or Low

INFRASTRUCTURE ACTION PLAN

Additional Funding Request: \$200,000

I-98 STORM DRAIN SYSTEM MASTER PLAN UPDATE

This project will provide an update to the Storm Drain System Master Plan. The purpose of the plan is to identify problematic areas throughout the City's drainage system due to deteriorated or over-capacity storm drain systems.

Additional Funding Request Justification: The additional work is required to assure compliance with existing and future National Pollution Discharge Elimination System (NPDES) permit requirements and regulatory requirements for Total Maximum Daily Loads (TMDLs). The plan will consider multi-benefit solutions for both urban runoff, flood control and water quality, with an emphasis on using our existing detention basins for dry weather run off infiltration. The new NPDES permit will be based on the Ventura County NPDES permit and has many more monitoring, inspection and BMP requirements. This study is needed to quantify the added impact and costs of these requirements to the City. Trash and nutrient TMDLs have already been adopted for Machado Lake and a Monitoring and Reporting Plan is due to the Board by March 10, 2010. The Board is also developing a trash TMDL for Santa Monica Bay in addition to the existing bacteria TMDL. The Board is also developing a "metals" and Trash TMDLs for Dominguez Channel.

	Amount	Year Ending	Fund	Approval Date	Adjustment
Proposed Project:					-
Gas Tax	\$ 150,000	2007-08	Gas Tax		-
Adopted Budget:					\$ 150,000
Proposed 2009-13 Adjustments:					
Additional Funding Request	\$ 200,000	2010	Gas Tax		200,000
Proposed Project Budget:					<u>\$ 350,000</u>

<u>Adopted Project Budget</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>TOTAL</u>
Project Management	\$ 10,000	\$ -	\$ -	\$ -	10,000
Design	\$ 140,000	\$ -	\$ -	\$ -	140,000
Construction Management/Inspection	\$ -	\$ -	\$ -	\$ -	-
Construction	\$ -	\$ -	\$ -	\$ -	-
Total	\$ 150,000	\$ -	\$ -	\$ -	\$ 150,000

	<u>Gas Tax</u>				<u>TOTAL</u>
Project Management	\$ 10,000	\$ -	\$ -	\$ -	10,000
Design	\$ 140,000				140,000
Construction Management/Inspection					-
Construction					-
Total	\$ 150,000	\$ -	\$ -	\$ -	\$ 150,000

<u>Funding Sources:</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>TOTAL</u>
Gas Tax	\$ 150,000	\$ -	\$ -	\$ -	\$ 150,000
Total	\$ 150,000	\$ -	\$ -	\$ -	\$ 150,000

Proposed Project Budget	2007-08	2008-09	2009-10	2010-11	TOTAL
Project Management	\$ 10,000	\$	\$ 90,000	\$ -	100,000
Design	\$ 140,000	\$	\$ 110,000	\$ -	250,000
Construction Management/Inspection	\$ -	\$ -	\$ -	\$ -	-
Construction	\$ -	\$ -	\$ -	\$ -	-
Total	\$ 150,000	\$ -	\$ 200,000	\$ -	\$ 350,000

	Gas Tax		Gas Tax		TOTAL
Project Management	\$ 10,000		\$ 90,000	\$ -	\$ 100,000
Design	\$ 140,000		\$ 110,000		\$ 250,000
Construction Management/Inspection					\$ -
Construction					\$ -
Total	\$ 150,000	\$ -	\$ 200,000	\$ -	\$ 350,000

Funding Sources:

	2007-08	2008-09	2009-10	2010-11	TOTAL
Gas Tax	\$ 150,000	\$ -	\$ -	\$ -	\$ 150,000
Gas Tax-Additional Funding Request	\$ -		\$ 200,000	\$ -	\$ 200,000
Total	\$ 150,000	\$ -	\$ 200,000	\$ -	\$ 350,000

Project Timeline:

	2006-07	2007-08	2008-09	2009-10	2010-11
Project Management					
Design					
Construction Management					
Construction					

September 2007 Update: Public Works is developing a scope of work to update the City's Storm Drain Master Plan and addressing proposed TMDL's and obtaining the next NPDES permit.

December 2007 Update: Same as September 2007.

June 2008 Update: Scope of Work circulated to City's project team for review. RFP now being prepared.