

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

Members of the Council:

Subject: Finance – September/October Budget Revisions to Revenue and Expenditures for the 2010-11 fiscal year operating budget.

RECOMMENDATION

Recommendation of the City Manager and the Finance Director that Council accept the City Manager's budget proposal, receive public input, and revise or amend to rebalance the revenues and expenditures for the 2010-11 fiscal year operating budget.

BACKGROUND/ANALYSIS

The City Manager respectfully transmits his proposed revisions to the 2010-11 fiscal year operating budget to the City Council. This budget is now the City Council's and may be revised and amended as directed by Your Honorable Body.

The City has projected a budget shortfall for the current 2010-11 fiscal year of \$5.5 million. This is primarily due to revenues falling short of budget estimates for the prior fiscal year (2009-10) by an additional \$5.9 million. The \$5.5 million shortfall was evident as the fiscal year ended and all year-end accounts were closed out. The 2009-10 fiscal year was economically challenging for all, including local government. While the core revenues of the City's General Fund were within 2% of budget projections, the forecast for the non-core revenue categories were too optimistic. Core revenues are property, sales, and utility user's taxes which account for about 70% of the General Fund. Historically, the non-core revenues (business license tax, occupancy tax, investment earnings and miscellaneous revenues) generally offset each other at year-end with some revenues exceeding budget and others coming in below budget. This past year, however, substantially all revenues were below budget. (Attachment B)

Before you tonight are the City Manager's proposed modifications and revisions to the 2010-11 fiscal year operating budget (the budget Your Honorable Body approved on June 15, 2010) to bring it back into balance. Since the City is required to have a balanced budget, certain budget modifications are required immediately to ensure the City maintains a balanced budget for the remainder of the current 2010-11 fiscal year (Attachment A – Budget Summary). The majority of economic forecasts project the economy will improve, albeit slowly, over time and most likely will not have an immediate material impact affecting the remainder of this fiscal year. Staff makes this assertion because included as part of the strategy to balance the current fiscal year is the assumption that revenues will rebound by \$1.8 million by June 2012.

The modifications before you include difficult choices, including a series of vacant position reductions. The City Manager recommends re-balancing the budget by making the following internal adjustments, program modifications and reductions in positions, all of which have the least negative impact to programs and services:

- Internal adjustments ----- \$2,191,500
- Program Modifications ----- \$48,000
- Reductions in Positions ----- \$2,781,000
- One-Time Modifications ----- \$593,000

INTERNAL ADJUSTMENTS - \$2,191,500

- The internal adjustments being recommended include the deferral of certain budgeted reserve increases. The Finance Director believes that in light of the current economic climate, these deferrals are reasonable with the commitment to address these reserve requirements in future budgets.

<u>FUND</u>	<u>AMOUNT</u>
Gas Tax	\$200,000
Self Insurance	\$200,000
Parks & Recreation Enterprise Fund	\$250,000
Retiree Health	\$1,000,000
Tax Revenue Anticipation Notes (TRAN)	\$500,000
SGC Sustainable Communities Planning and Incentives Grant	\$41,500
Total	2,191,500

- **Gas Tax** - Increase the transfer of Gas Tax funds to the City
 - The current annual transfer is \$840,000 and is used for street maintenance and repair rather than reconstruction or new construction. The City Manager proposes to increase the transfer by \$200,000 to \$1,040,000. The original \$840,000 transfer has not changed since before 1990-91 fiscal year.
- **Self Insurance** - Decrease the transfer to Self Insurance by \$200,000 to 2007-08 levels.
- **Parks & Recreation Enterprise Fund** - Decrease City subsidy by \$250,000
 - A market survey was recently conducted and found that the City's fees were below the neighboring market average. The above adjustment brings the City fees closer to the market average by decreasing the current City subsidy by \$250,000. The Community Services Director under the supervision and control of the City Manager has the

authority to establish fees for all classes, events, and activities sponsored by the Community Services Department. See Attachment C

- **Retiree Health** - Deferring the additional transfer of funds by \$1,000,000
 - In 2007-08 the City began funding retiree health benefits on an actuarial basis rather than on a cash basis. The change in funding, though not required, is consistent with the City's fiscally conservative approach.
- **Tax Revenue Anticipation Notes (TRAN)** - Realize the full amount of savings from the City's annual Tax Revenue Anticipation Notes (TRAN) transaction by \$500,000
 - The City has issued TRAN's for the last four years. Earnings on the TRAN's for this fiscal year are projected to be \$1,000,000. Originally the TRAN proceeds were slated to fund capital projects and/or funding of reserves. This will dedicate all of the TRAN proceeds to funding operations.
- **Sustainable Communities Planning and Incentives Grant**
 - Use grant to offset salaries by \$41,500 for two years (two-year grant savings over three years). Note: Grant has been submitted awaiting decision.

PROGRAM MODIFICATIONS - \$48,000

- Also being recommended is one program modification to delete 16 of the 32 Sunday library services during the school year which directly impacts the hours of service to our citizens. Back in June when the budget was adopted, staff listed as an "alternate" proposal the deletion of all of the Sunday library services.

REDUCTIONS IN POSITIONS - \$2,781,000

- Given the economic uncertainty at the end of last fiscal year, the City Manager was cautious in filling vacancies. Since July, the City Manager has been deferring any non-safety position appointments to provide the City Council maximum flexibility in making budget modifications given the current economic climate and its impact on City revenues. No current permanent employee will be out of employment because of the reduction in budgeted positions. The deletion of vacant positions is consistent with past Council policy.
- While the proposed reductions rely on available vacancies to avoid employee layoffs, it does limit the options available to rebalance the rest of the budget. The budget modification recommendations for consideration meet the no layoff policy and have the least impact upon the services available to the citizens of the community. The City Manager must emphasize that none of these budget reductions are desirable. All will result in diminished levels of service to the community or to the internal departmental operations of the City. These reductions are judged to be the most viable at this time with the least adverse impact on residents and employees.

- One of the major projected budget impacts related to our current fiscal year is upcoming contractual wage adjustments for police and fire safety personnel due in January of 2011. These wage increases were included in collective bargaining agreements which were negotiated in late 2008 with an expiration term of December 31, 2011. The final compensation adjustment is the last element of those agreements. When the safety packages were determined, the City's projected revenues reflected a pre-recession economy but were not met because of the prolonged recession. To alleviate the impact of the upcoming wage adjustment, the City Manager explored with each of the effected employee organizations the possibility of deferring these increases by six months until July 2011 to provide short term relief for this fiscal year. No agreement was reached, therefore the required increase in expenditures remain in the current budget. The City Manager is recommending budget expenditure reductions to offset these contractually required compensation adjustments.

Proposed on-going position reductions and modifications to balance Fiscal Year 2010-11, inclusive of negotiated wage contracts, are as follows:

Positions	Annual Savings	Employee Group	Comments
Non-Safety Department Reductions			
1.0 Buyer	\$90,000	TPSA	Vacant
1.0 Intern (CM's Office)	\$40,000	Non-Represented	Vacant
3.0 Maintenance Workers	\$195,000	TME-AFSCME	2 positions from Public Works, and 1 position from CS Park Services (requires transfer of 1 employee to PW)
2.0 Typist Clerk (Park Services & Rideshare/HR) – See Attachment D	\$127,800	TCEA	Vacant
1.0 Deputy City Attorney II – See Attachment E	\$175,000	Executive	Vacant
1.0 Legal Secretary	\$89,000	TCEA	Vacant
1.0 Public Works Supervisor (Streetscape)	\$40,000	TPSA	Downgrade to Lead Maintenance Worker
1.0 Associate Engineer (PW)	\$160,000	Engineers	Vacant, requires function realignment
Fire Department Reductions – See Attachment F			
1.0 Operations Specialist	\$178,500	TFFA	Vacant
3.0 Engineers (Air & Lighting)	\$645,000	TFFA	1 vacancy, 2 through attrition
Police Department Reductions – See Attachment G			

1.0 Public Safety Dispatch Supervisor	\$115,500	TPSA	Vacant
1.0 Secretary	\$76,900	TCEA	Vacant
1.0 Services Officer	\$87,500	TME	Vacant
<i>Positions de-funded, pending possible reinstatement through conversions (subject to meet & confer)</i>			
4.0 Police Officers	\$760,000	TPOA	Vacant

- The City Manager has attached the entire list of vacant positions and total annual compensation amount including benefits. The list may be utilized to explore options if the City Council desires to modify the recommended position reductions as submitted by the City Manager. (Attachment H)

One-Time Modifications - \$593,000

Another balancing alternative option that the City Manager explored with all employee organizations was the possibility of suspending the future accrual of a shift of vacation time prorated over the remaining pay periods of this fiscal year. The proposed vacation accrual reduction is a one-time adjustment with limited impact to an employee's overall compensation. Discussions have been had general employee and safety employee organizations but no agreement has been achieved at this time. Therefore, the City Manager has included a set of contingency budget reductions which is recommended to be in place so as to equal dollar amounts required which could be offset if agreement were reached.

General Employees (hold positions vacant)

- Accountant
- Custodian
- Maintenance Worker (PW)
- Accountant

Fire (Hold position vacant)

- Fire Prevention Specialist

Police

- Captain Promotion – delay by three (3) months
- Lieutenant Promotion – delay by four (4) months

The following is a summary of recurring expenditure reductions and one-time expenditure reductions by employee category:

	<u>Total</u>	<u>Recurring</u>	<u>One-time</u>
General	\$1,173,500	\$ 883,500	\$290,000
Police	1,233,000	1,050,000	\$183,000
Fire	902,000	750,000	\$152,000

These recommendations once approved will achieve a balanced budget as of this date. The Finance Director will be monitoring closely all revenue elements and will provide the City Council with monthly information on our budget status. The City will be conducting its quarterly review with the Council's Finance and Governmental Operations Committee in November and each quarter thereafter.

It is requested that the City Council receive input, review the recommended budget revisions, and concur or modify this document. Any revisions made by Your Honorable Body will be incorporated into the City's operating budget for the 2010-11 fiscal year.

Respectfully submitted,



LeRoy J. Jackson
City Manager

Attachments:

- A: Budget Summary
- B: Revenue Revisions
- C: Community Services Class Fee Increases
- D: Park Services Clerical Job Duties
- E: Note from City Attorney
- F: Note from Fire Chief
- G: Note from Police Chief
- H: Vacancy List

Target \$5,548,000

- A 2,191,500
- B 48,000
- C 1,173,500
- D 1,233,000
- E 902,000

2010-2011 Budget Summary September/October Revise

Group A – Elements with least negative impacts to program and services	Non-Labor
Retiree Health Contribution Reduction	1,000,000
Gas Tax (increase transfer in to General Fund)	200,000
Self Insurance (decrease General Fund transfer)	200,000
Parks & Recreation Enterprise Fund Subsidy Reduction	250,000
TRAN (Tax Revenue Anticipation Notes, realize full amount of savings)	500,000
Use Sustainable Communities Planning and Incentives Grant to offset salaries for two years (Two year grant savings over 3 years)	41,500
Total	2,191,500

Group B – Program Changes	48,000
Library Hours – Close all Sundays (currently 16 out of 32 Sundays)	48,000
Total	48,000

Group C –General Employee Position Reductions and/or Contract Modifications	
1.0 Deputy City Attorney II (less \$33,300 for contract services)	141,700
1.0 Legal Secretary	89,000
1.0 Buyer	90,000
1.0 Intern (City Manager's Office)	40,000
3.0 Maintenance Workers	195,000
2.0 Typist Clerk (Park Services & Rideshare)	127,800
Downgrade 1 Public Works Supervisor to Lead Maintenance Worker	40,000
1.0 Associate Engineer (Public Works)	160,000
Subtotal	883,500
Temporary Hold Pending the Reduction of Vacation Accrual by 9 hours	290,000
1.0 Accountant	101,700
1.0 Custodian	61,500
1.0 Maintenance Worker (Public Works)	65,000
1.0 Library Assistant I	71,000
Total	1,173,500

Group D - Public Safety Department Reductions and/or Contract Modifications - Police Department	
Budget Target	
Police Dept. Budget Modifications	320,000
Funding Jan. 2011 raise (3.5%)	730,000
Reduction of Vacation Accrual by 9 hours	183,000
Total	1,233,000
Position Reductions	
1.0 Public Safety Dispatch Supervisor	115,500
1.0 Secretary	77,000
1.0 Services Officer	87,500
Torrance Unified School District Overtime	34,000
Total	314,000
Delay of PD Raise by 6 months	
4.0 Police Officers - eliminate positions	760,000
Total	760,000
Reduction of Vacation Accrual by 9 hours (One-Time)	
Delay 1.0 Captain promotion by three (3) months	89,000
Delay 1.0 Lieutenant promotion by four (4) months	94,000
Total	183,000

Group E - Public Safety Department Reductions and/or Contract Modifications - Fire Department	
Budget Target	
Fire Dept. Budget Modifications	320,000
Funding Jan. 2011 raise (3%)	430,000
Reduction of Vacation Accrual by 9 hours	152,000
Total	902,000
Position Reductions	
Ops Specialist (to cover FF vacancy)	178,500
Total	178,500
Delay of Fire Raise by 6 months	
3.0 Engineers - achieved through attrition over 3 years	645,000
<i>NOTE: 2 of the currently filled positions will be utilized for constant staffing and IOD</i>	-
Total	645,000
Reduction of Vacation Accrual by 12.6 hours	
Fire Prevention Specialist (Unfund through June 30, 2011)	120,000
Total	120,000

General Fund Revenues
Revised Budget Proposal with YTD Actuals for fiscal year 2011 and 2010

	Adopted Budget 2010-11	Revised Annual Budget 2010-11	Budget Revision	Seasonal Budget 2010-11	YTD Actuals 2010-11	% of Annual	% of Seasonal	YTD Actuals 2009-10	Fiscal Year End Actuals 2009-10
Tax Revenues:									
Property Taxes	\$ 30,155,359	\$ 28,530,000	\$ (1,625,359)	\$ 1,437,120	\$ 1,419,242	5.0%	98.8%	\$ 1,514,349	\$ 28,227,101
VLF Swap	11,626,875	11,070,000	(556,875)	-	-	0.0%	0.0%	-	11,216,152
Real Prop. Transfer Tax	604,000	600,000	(4,000)	123,988	84,984	14.2%	68.5%	89,204	516,996
Sales and Use Taxes	26,410,566	26,000,000	(410,566)	4,123,378	4,931,784	19.0%	119.6%	4,463,532	25,103,636
Sales Tax Flip	7,795,600	8,584,000	788,400	-	-	0.0%	0.0%	-	7,666,250
Sales Tax PS&AF	1,364,928	1,350,000	(14,928)	245,687	204,823	15.2%	83.4%	192,057	1,148,942
Utility Users Tax	36,640,187	37,000,000	359,813	6,387,618	5,891,752	15.9%	92.2%	5,497,042	32,100,029
Business License Tax	8,489,219	7,900,000	(589,219)	166,233	173,774	2.2%	104.5%	189,214	7,668,781
Franchise Tax	6,430,807	5,400,000	(1,030,807)	30,000	22,624	0.4%	75.4%	75,323	4,541,023
Occupancy Tax	8,529,290	7,400,000	(1,129,290)	280,000	238,594	3.2%	85.2%	199,155	6,400,236
Other Taxes	635,130	810,000	174,870	139,298	146,022	18.0%	104.8%	82,776	704,118
Total Tax Revenues	\$ 138,681,961	\$ 134,644,000	\$ (4,037,961)	\$ 12,933,322	\$ 13,113,599	9.7%	101.4%	\$ 12,302,652	\$ 125,293,264
In Lieu & Transfer Ins	\$ 14,392,081	\$ 14,740,000	\$ 347,919	\$ 5,307,736	\$ 5,260,466	35.7%	99.1%	\$ 4,077,491	\$ 19,771,115
Investment Earnings	3,446,727	2,000,000	(1,446,727)	435,425	299,799	15.0%	68.9%	788,720	2,624,386
Other Revenue	11,837,399	11,426,500	(410,899)	1,942,505	1,850,708	16.2%	95.3%	2,015,654	10,486,555
Total Revenues	\$ 168,358,168	\$ 162,810,500	\$ (5,547,668)	\$ 20,618,988	\$ 20,524,572	12.6%	99.5%	\$ 19,184,517	\$ 158,175,320

CITY OF TORRANCE

INTEROFFICE COMMUNICATION

DATE: September 30, 2010

TO: ARAM CHAPARYAN, ASSISTANT TO THE CITY MANAGER

FROM: JOHN JONES, COMMUNITY SERVICES DIRECTOR

SUBJECT: September Budget Revise—Fee Increases

During 2009-2010, the Community Services Department conducted a broad market rate analysis of all recreational and cultural fees at the local and regional levels. The study determined that there were instances in which the City of Torrance's programs and classes were being offered below the average market rate compared to programs and classes offered by neighboring cities, cities of similar size, non-profit and for-profit agencies.

The Department proposes to increase revenue by an additional \$250,000 over four quarters through class and program fee adjustments. It is the goal of the department that these proposed fee increases bring our fees in certain programs and classes up to the average market rate and close the gap in other programs and class areas that are well below the average market rate.

Fee increases to discretionary programs are not a long term solution to budget deficits. However, the increases allow the City to recover direct and some indirect costs and lessen the General Fund subsidy for its recreational and cultural programming. The fee increases for classes and some programs will begin with the Winter "Seasons Guide" available in November with classes starting in January 2011. Other fee based activities will be modified and implemented upon Council approval. The Department has forecast its anticipated revenue for six months as the fee increases are taking place midway through the year. It is anticipated that over 12 months the Community Services Department will meet the \$250,000 goal.

During this fiscal year, the Recreation Services Division plans to raise approximately \$103,000 through a mixture of class and activity/attendance fee increases. Some examples are:

Activity	Current Fee	Proposed Fee	Market Rate
Sea Aire Golf (round of 9 holes)	Youth \$4.00	Youth \$6.00	Youth \$7.00
	Senior \$4.00	Senior \$8.00	Senior \$10.00
	Adult \$6.00	Adult \$10.00	Adult \$13.00
After school Club	\$30/week	\$33/week	\$54/week
Community Gardens (Lago Seco)	\$45/yr	\$48/yr	\$48/yr
Community Gardens (Columbia)	\$35/yr	\$45/yr	\$48/yr

The market rate study showed that some of the classes offered by the Cultural Services Division are lower than in neighboring cities. The Division has been increasing fees to cover increased room rental costs and feels that they cannot raise prices to the market rate this year. Staff has brought the current fees as close to the market rate as possible and will continue to monitor these classes to see if there are any negative impacts. During this fiscal year, the Cultural Services Division plans to raise approximately \$66,000 through a mixture of class fee increases. Some examples are:

Activity	Current Fee	Proposed Fee	Market Rate
Family Fun Time-Youth	\$82	\$88	\$94
Early Childhood Ed	\$229	236	\$258
Beg Guitar	\$61	\$78	\$95
Beg Yoga-Adult	\$54	\$62	\$79
Beg/Int Ceramics-Adult	\$120	\$132	\$132

Last year the non-resident fees were raised from \$10 to \$20 and costs for non-residents will rise again in proportion to the resident class fee increases. Though an increase in revenue was achieved by raising the non resident fees, a 14% reduction in non-resident registrations has occurred over the past year. Staff will continue to monitor this issue and may need to bring this item back to City Council at a later time. It is believed that total registrations by both resident and non-residents will decrease due to the fee increases. This may impact the ability of classes to meet minimum registration guidelines resulting in fewer classes offered to the public. The Community Services Department will be closely monitoring the situation and evaluating the impacts on a class by class basis.

In addition, Staff will also be exploring ways to modify the current contract class agreements to increase the City's share or contract class revenue.



JOHN JONES
COMMUNITY SERVICES DIRECTOR

City of Torrance
Community Services Department
RECREATION DIVISION

PROPOSED FY 2010-11 FEES and CHARGES
and Additional Revenue

PROGRAM or CLASS CATEGORY	TORRANCE CLASS/LESSON/PROGRAM NAME	Proposed Fee Increases	Partial Year Revenue Increase (Upon Council Approval)	Full Year Revenue Increase
Aquatics				
- "Open Rec Swim" Program (admission fee per person per swim)	Youth Admission (Open Rec Swim)	\$2	\$500	\$2,000
	Adult Admission (Open Rec Swim)	\$5	\$200	\$2,000
- Adult Aquatic Programs	Senior Admission (Open Rec Swim)	\$2	\$200	\$2,000
	Adult Lap Swim	\$3	\$750	\$2,000
	Senior Lap Swim	\$2	\$750	\$2,000
	Swim Team	\$195	\$0	\$2,560
	Subtotal		\$2,400	\$12,560
Sea Aire Golf Course Programs				
- Greens Fees (9 hole round of golf)	Youth (under 18 yrs old)	\$6		\$20,000
	Seniors (over 50 yrs old)	\$8		\$20,000
	Adults (18-49 yrs old)	\$10		\$40,000
	For Seniors	\$64		\$15,000
	Subtotal		\$67,295	\$95,000
Special Events				
	Halloween	\$5	\$1,400	\$1,400
	Halloween Carnival		\$1,400	\$1,400
	Subtotal		\$2,800	\$2,800
Afterschool Program (Custodial, Sign In & Sign Out)	After School Club	\$33	\$31,131	\$47,196
	Subtotal		\$31,131	\$47,196
Community Gardens				
	Annual Plot Fees (Ave per yr)	\$45		\$1,250
	Annual Plot Fees (Ave per yr)	\$48		\$393
	Subtotal		\$393	\$1,643
Special Needs (Therapeutic programs)	PALS Social Club Membership	\$16	\$600	\$600
	Subtotal		\$600	\$600
	Revenue Projected Partial Year		\$103,219	
	12 Months Projected Revenue			\$158,399
	Revenue with Possible Decrease in Enrollments Due to Higher Fees (10%)		\$92,897	\$142,559

City of Torrance
Community Services Department
Cultural Services Division

PROPOSED FY 2010-11 FEES AND CHARGES

Category	Class Type	Average Rate Increase by Class Type	One Season	Jan 2011/June 2011	Full Year
Contractor Taught	Adult Exercise	\$10	\$1,479	\$2,958	\$5,916
	Adult Dance	\$36	\$160	\$320	\$639
	Adult Art	\$11	\$80	\$161	\$322
Contractor Taught	Youth Art	\$0	\$0	\$0	\$0
	Youth Exercise	\$7	\$8,552	\$17,104	\$34,207
	Youth Dance	\$0	\$0	\$0	\$0
	Youth Theater	\$0	\$0	\$0	\$0
Employee Taught	Adult Art	\$10	\$1,959	\$3,919	\$7,838
	Adult Exercise	\$19	\$10,251	\$20,502	\$41,003
	Adult Dance	\$11	\$1,057	\$2,114	\$4,228
	Adult Music	\$12	\$2,181	\$4,362	\$8,725
	Senior Music	\$8	\$162	\$324	\$648
	Adult Special Interest	\$0	\$0	\$0	\$0
Employee Taught	Youth Art	\$14	\$3,594	\$7,187	\$14,374
	Exercise	\$14	\$492	\$983	\$1,966
	Dance	\$8	\$643	\$1,286	\$2,572
Early Childhood Education	Early Childhood Education	\$20	\$2,619	\$5,238	\$10,476
	Average Fee Increase	\$10			
	Revenue Projected One Quarter		\$33,228		
	Revenue Projected Two Quarters			\$66,457	
	12 months Projected Revenue				\$132,913
	Revenue with Possible Decrease in Enrollments Due to Higher Fees (10%)		\$29,905	\$59,811	\$119,622

PARK SERVICES DIVISION CLERICAL JOB DUTIES

Job Duties	Secretary	Typist Clerk II	Changes, if any
Daily:			
Supervise and Assign work to Typist Clerk	x		
Point of contact for Division coordination, communications, information to ensure appropriate and timely response	x		
Track FMLA for various employees	x		
New World financial system – requisitions, pay bills, PO change notices, run reports	x	x	
Keep track of Division budget	x		
Keep track of open purchase order amounts/expenditures	x	x	
Answer phones/radio	x	x	West Annex Information Desk to assist with phones, as needed
Assist supervisors, manager and crews with various clerical tasks	x	x	
Enter data into Maximo	x	x	
Create General Services work orders for crews	x	x	
Payroll – entry, PIP report, VL/SL report, time sheets, payroll book entry	x		
Assists crews with any uniform problems, attend uniform meetings, and acts as liaison with uniform company to straighten out any problems (as needed)		x	Move duty to Secretary
Distribute mail		x	Move duty to Secretary
Pick up payroll checks		x	Supervisors will pick up
Assist in Patti's duties when she is on vacation		x	Need clerical support from Public Works with assistance from CSD administration, as needed.
Submit duplicate/bindery requests to Central Services (as needed)		x	Move duty to Secretary

Job Duties	Secretary	Typist Clerk II	Changes, if any
Weekly/Monthly:			
Establish office policies and procedures	x		
Take/type weekly staff meeting minutes	x		
Track move up assignment lengths and temporary employee time	x		
Provide sick leave averages for evaluations	x		
Create and distribute monthly evaluation report	x		
Process Personnel Requisitions/Personnel Action Form	x	x	
Schedule interviews for hiring	x	x	
Create and maintain personnel files	x		
Interpret MOU and Division rules and regulations for supervisors and crews	x		
Maintain office supplies – orders / order printer/fax/copier supplies	x	x	
CalCards – reconcile my statement and review all other statements	x	x	
Process interdepartmental charges and requests	x	x	
Gather information and write monthly report for Commission packet	x		
Schedule Divisional training and enter information into database	x	x	
Schedule physicals and maintain all drivers license information (DMV)	x	x	
Petty Cash – distribute cash, maintain records and reconciliation of petty cash slips	x	x	
Records management – box and keep inventory of records; prep for records consolidation	x		
Schedule appointments and meetings for manager and supervisors	x	x	
Drug/alcohol testing – fill out forms, contact employees and send for testing	x	x	
Sign up/register employees for classes/seminars	x	x	
Schedule vendor deliveries and work	x	x	
Industrial injuries – type report of injury for employee and make referral to workers comp, and start supervisor report and follow through with all paperwork	x	x	

City Attorney's note re proposed position deletions

The city attorney's office has been holding vacant one deputy city attorney II position and one legal secretary position to assess whether one or both of those positions might be deleted from the budget without incurring significant degradation in the provision of legal services or a significant increase in offsetting expenses for outside counsel. The vacant legal secretary position can be deleted without unacceptable consequences.

Deleting an additional deputy city attorney position on top of the 0.5 position deletion in the current adopted budget will bring the number of attorneys in the office down to six.

Minimum staffing required by the criminal prosecution division, which handles about 4,000 state law misdemeanors per year, is two attorneys and two legal secretaries. At that staffing level, Torrance prosecutors and administrative staff maintain per-person workloads two to three times as large as those of comparable agencies, so there is little room to shift significant amounts of civil division work to prosecution staff.

The city would have to retain an outside contractor to handle *Pitches* motions (requests by criminal defendants to obtain material in police officers' personnel files to attack testifying officers' credibility). The cost of outsourcing this work would be at least \$20,000 per year.

In 2009, the police department conducted extensive undercover operations at massage establishments. The city attorney's office brought ten business license revocation cases to the License Review Board. Six of those cases went to a full hearing; one case was appealed to the City Council, and then to superior court. If the City continues its expected enforcement efforts, this will likely lead to more citations, prosecutions, and license revocation hearings in this budget year. The current moratorium on the issuance of new massage establishment business licenses prohibits existing owners from transferring their businesses to new owners, which several massage establishments did while their revocations were pending. A dramatic increase in contested hearings before the License Review Board, appeals to the City Council and subsequent superior court actions are expected. One prospective outside counsel has indicated that handling the expected workload would cost the City \$85,000-143,000 annually.

While the city attorney's office will attempt to maintain existing levels of other services, some delays or other reductions to the level of service presently provided by in-house attorneys will likely occur.

2010-11 Budget Efficiencies

Prepared by: William Racowski Ext. 7000

BACKGROUND

As part of the September 2010 budget revision process for FY 2010-2011, the Fire Department was directed to provide additional reductions to their budget. Subsequently, the Department was provided with a specific reduction target of \$902,000, as detailed below:

1. Department Reductions	\$320,000	(SFI position and one FF)
2. Deferring Upcoming Jan. 3% Fire Raise by 6 months.	\$430,000	(TFFA/Chief Officers)
3. Reduction of Vacation Accrual by 12.6 hours	\$152,000	(TFFA/Chief Officers)
TOTAL September adjustment	\$902,000	

Items numbered 2. And 3. require reaching agreement with the Firefighter Association, TFFA, and the Chief Officer's group.

IMPLEMENTATION OBJECTIVES

Fire Chief's proposal:

To accomplish the reduction efficiencies, the following mitigation points are outlined for consideration:

1. Position Reductions	\$ 645,000.00	(3 Fire Engineer positions)
2. Ops Specialist/Staffing Coordinator	\$ 178,500.00	(1 Firefighter Position)
3. Freeze FPS Position	\$ 120,000.00	(12 month position freeze)
TOTAL Adjustment	\$ 943,500.00	

The efficiencies from Fire's budget total \$943,500. These are made possible by the deletion of one Firefighter position, (the Staffing Coordinator), and deletion of the Air and Light Unit staffing, comprised of three Fire Engineer positions assigned to Operations.

Concerns on impacts to Haz Mat team minimum staffing of five persons will be addressed by internal operations personnel shifts. Once this reduction is implemented, Fire's Operational Platoon personnel staffing will be reduced to 47 per shift.

Once all the positions detailed above are eliminated via attrition, there will be an "overage" of \$73,500, which will serve to carry Fire's budget forward as two of the three Fire Engineer positions will be reduced by attrition.

The "overage" amount includes \$120,000 from an FPS position freeze. Once the reduction goal is reached, Fire will proceed to hire the frozen FPS position and a full-time Typist Clerk level position to assist with the day-to-day payroll issues that were previously handled by the Staffing Coordinator/Operation Specialist firefighter.

IMPACT ANALYSIS

DELETION OF THE AIR and LIGHT UNIT

Fire's Air and Light unit has diverse operational responsibilities. The elimination of the apparatus from first and second alarm assignment will require that fire redistributes responsibilities to other resources. Air and Light Unit is assigned to the following response types:

- Fire Alarms
- Traffic Collisions
- Level I & II Haz-Mat Incidents
- Structure Fires
- Technical Rescue Emergencies
- All Water/flooding Problems

With the above emergencies the Air & Lighting has varying operational responsibilities from lighting an emergency scene, assisting in firefighting, ventilation, utility control, scene personnel rehabilitation, air bottle refill, salvage operations, and providing search and rescue equipment, to name some.

SOLUTIONS

- Fire Alarms
 - No impact unless a confirmed fire or extended night operations. If first alarm units confirm an incident/fire, the second rescue on the 2nd alarm would be assigned to pick-up the Air and Lighting unit and deliver it to the scene. The Department can also alter the pick up assignment and task an engine company to deliver the A&L Unit to a scene
- Traffic Collisions
 - Generally minimum impact as current truck companies have the necessary extrication tools, except for a night incident needing lighting support
- Level I & II haz-mat incidents
 - The current Fire Engineer assigned to Air & Lighting would be transferred to another fire apparatus. The second fire apparatus with the fifth member of the haz mat team would respond only to Haz-Mat Level II incidents. This would address the concerns of having a 5 member haz-mat team on confirmed Haz-Mat emergency responses.
- Structure Fire
 - If first alarm units confirm an incident see above reply for Fire Alarms.
 - Each fire apparatus has a cache' of spare SCBA bottles. This cache' would allow fire operations to continue the mitigation effort without delay. Once the Air & Lighting unit is delivered on-scene personnel from the incident will be assigned to refill SCBA bottles.
- Technical rescue emergencies
 - The impact would be minimal -will adjust alarm assignment with an additional unit.
- All water problems
 - This is an area that may cause impacts. The department will explore alternatives to address this issue and may need to purchase additional water handling/removal equipment.

CITY OF TORRANCE

POLICE DEPARTMENT

TO: Eric Tsao
Finance Director

DATE: October 7, 2010

FROM: John J. Neu
Chief of Police

SUBJECT: 2010-11 September Budget Revisions

Last May and June, the Police Department participated in a series of public budget workshops that resulted in significant long-term savings for the City. In addition to reductions that were implemented immediately, the Department came prepared with a plan that would allow it to adapt in the event that economic conditions were slow to improve. As we indicated in June, the Police Department has a long-range plan that addresses budgetary concerns while maintaining a safe and secure community.

Since the beginning of the 2008 Recession, the Police Department has implemented operating efficiencies, undergone a major redeployment of field resources via Team Policing, and carried out the planned conversions of sworn to civilian personnel in specialized positions. Because these changes were strategically planned and implemented, we were able to manage their impact on the organization and on our level of service to Torrance residents. Our careful planning enabled us to reduce safety operations without curtailing service to the community.

Conditions in the broader economy are challenging our ability to adapt. The next phase of our long-range plan involves the conversion of four supervisory and two managerial positions in the Services Bureau of the Police Department. Like previous conversions, the positions do not require police powers and there are advantages to staffing these areas with civilian professionals. However, our ability to accelerate this conversion to meet immediate budget needs is constrained by external factors. The conversion of these positions is our preferred alternative.

With the current recommendation of de-funding four police officer positions, it will take up to one year to fully realize the negative impact on police operations. At any given time, the Police Department carries a number of officer vacancies. The process of recruiting and testing officer candidates, sending recruits through a law enforcement academy, and completing their field training in Torrance takes minimally a year's time. Fewer vacancies will potentially mean having fewer officers ready for field training next year. Unlike the conversion of administrative staff positions, the loss of field officer positions has a direct impact on front-line police services.

The Police Department can absorb a short term loss of funding for these officer positions, but a change in our current staffing levels, a continued downturn in the economy and a continued rise in criminal activity could very well force us to re-evaluate our resource needs. If the loss of these officer positions becomes long term the Department will have to examine its operations and its ability to achieve key performance indicators within the Strategic Plan. There will be a re-prioritization of service levels. The Department would then be forced to consider the re-deployment of personnel assigned to the Joint Terrorism Task Force, the Los Angeles County Sheriff's Academy training staff and officers assigned to the School Resource Program. In

addition, the Department will have to seriously consider the formation of a single Uniform Bureau, combining the resources of the Patrol Division and the Traffic Division in order to effectively staff team policing levels and mitigate potential cost overruns.

If the de-funding of the officer positions becomes long term, it is foreseeable that the community will experience a change in police service levels. Difficult decisions would have to be made, such as whether to continue to have field personnel complete reports on non-injury traffic incidents or respond to unverified burglary alarm calls. Similarly, many of the incident reports that are now written in the field might be taken over the phone or by other means.

Given the framework of our State Prison early release programs and non-revocable parole coupled with the recent increase in criminal activity this Department will never compromise on priority calls or on officer safety. We will continue to work hard to improve our response times to emergencies and crimes in progress. Our top priority will continue to be a safe and secure community along with providing a high level of service.

Long-range operational planning within the Police Department has, up to this point, enabled us to improve our service to the community while reducing our budget. The Department is now concerned with the possibility of deviating from a proven successful strategy to achieve short-term, unsustainable ends. As we continue to make these difficult choices we would like to thank our City leaders and the community for their support so that we may continue to achieve our vision for the future of the Police Department.

John J. Neu
Chief of Police

CITY OF TORRANCE VACANCY REPORT - OCTOBER 2010

GENERAL FUND POSITIONS

NOTE: Strikeout indicates that the position is included as part of City Manager's proposed budget action

DEPARTMENT	CLASS VACANT	FTE	TEMP	TOTAL ANNUAL COMPENSATION INCLUDING BENEFITS
CIT	Information Tech Analyst	0.3		\$ 40,620
CITY ATTORNEY	Deputy City Attorney II —Delete			175,000
	Legal Secretary —Delete			89,000
CITY TREASURER	Deputy City Treasurer	1.0		130,000
COMMUNITY SERVICES DEPT	Maintenance Worker	0.6		39,000
	Maintenance Worker —Delete position, transfer employee to Public Works	1.0		65,000
	Typist Clerk II —Delete			63,900
	Reference Librarian (part-time)	0.5	Y	47,450
	Sr. Librarian--Ref. Services Supervisor	1.0	Y	118,500
	Librarian (Youth Services)	1.0	Y	94,900
	Library Assistant II	1.0	Y	82,000
	Library Assistant I	1.0	Y	71,000
	Library Assistant I (1.0) —Hold	1.0	Y	71,000
	Library Page	2.0	Y	21,200
FINANCE	Buyer —Delete			90,000
	Accountant —Hold			101,700
	Account Clerk	1.0		75,600
FIRE	Fire Prevention Specialist —Hold			120,000
	Firefighter —Delete			178,500
	Fire Engineer —Delete			215,000
GENERAL SERVICES	Custodian —Hold			61,500
	Electrician	1.0		99,100
	Typist Clerk II (Fleet Services)	0.5		31,950
	Fleet Services Supervisor	1.0		128,000
	Assistant Booking Manager (Cultural Arts)	1.0		62,100
HUMAN RESOURCES	Typist Clerk —Delete	1.0		63,900
POLICE	Forensic ID Specialist	1.0		92,600
	Services Officer —Delete			87,500
	Police Records Technician	2.0		68,600
	Public Safety Dispatcher	3.0		100,700
	Public Safety Dispatch Supervisor —Delete			115,500
	Emergency Services Coordinator	1.0	Y	126,400
	Police Cadet	1.0		26,000
	Secretary —Delete			76,900
	Police Officer	5.0		190,000
	Police Officer (4.0) —Delete			190,000
PUBLIC WORKS	Traffic Signal Technician	3.0		101,800
	Engineering Technician III	3.0		101,100
	Maintenance Worker (4.0) —2 Delete, 1 Hold		Y	65,000
	Deputy Director Public Works/CE	1.0		202,300
	Equipment Operator	1.0		83,900
	Water Service Technician III	2.0	Y	109,600
	Associate Engineer	1.0		160,000
	Associate Engineer (1.0) —Delete			160,000
	Engineering Manager	1.0		167,800
	Tree Trimmer	1.0		78,900
	Public Works Supervisor —Delete			125,400
	TOTAL	41.9		

ENTERPRISE/SPECIAL FUND POSITIONS

Enterprise Funds are operations that are operated in a manner simialar to private business enterprise. Typcially the costs of these

FUND/DEPARTMENT	CLASS VACANT	FTE	TEMP	TOTAL ANNUAL COMPENSATION
CABLE/CITY MANAGER	Production Assistant	1.0	\$	27,000
	Announcer	1.0		29,000
CULTURAL ARTS/GENERAL SERVICES	Customer Service Rep. (P/T)	0.5		26,800
WATER/PUBLIC WORKS	Water Service Technician I	1.0		88,800
SANITATION /PUBLIC WORKS	Maintenance Worker	3.5		65,000
TRANSIT/TRANSIT	Transit Supervisor	2.0		107,200
	IT Analyst	0.7		94,780
	Fleet Services Supervisor	1.0		128,000
	Transit Operations Manager	1.0		177,000
	Storekeeper	1.0		78,200
	Senior Mechanic	1.0		107,700
	Bus Operator	12.0		86,400
	Relief Bus Operator - Part-time	7.0		52,500
	TOTAL	32.7		