



**CITY OF COSTA MESA
DEPARTMENT OF FINANCE
INTEROFFICE MEMORANDUM**

TO: CITY COUNCIL MEMBERS

THROUGH: ALLAN ROEDER, CITY MANAGER

FROM: BOBBY YOUNG, BUDGET AND RESEARCH OFFICER

COPY TO: DEPARTMENT DIRECTORS

DATE: JUNE 14, 2010

SUBJECT: *INFORMATION FROM JUNE 8, 2010 CITY COUNCIL STUDY SESSION*

While presenting the Preliminary Fiscal Year 2010-2011 Budget at the Costa Mesa City Council Study Session meeting on June 8, 2010, the City Council requested follow up information from staff. The following is a list of those requests as well as detailed analysis from applicable department personnel.

1. League of California Cities annual dues.
2. Film Permit Fee.
3. Emergency Medical Services – Resident Paramedic Fee.
4. Fire Prevention – Apartment Inspection Fee.
5. Fire Prevention – Business Inspection Fee.
6. What is needed for more aggressive animal licensing?
7. “Pay to Stay” Jail Fee.
8. Information regarding an ABLE Reduction.
9. Structure of Police management.
10. What is the effect on operations to reduction of administrative staff?
11. What are the costs of keeping the Citizens Academy?
12. How much revenue could be generated from charging for writing off “fix it” tickets?
13. Clarification of the cost for the Playground program.
14. What would a Playground Program fee be? How would it be administered?
15. What are the Recreation Coordinator position duties?
16. Can temporary lights be staffed by volunteers?
17. How much would it cost for online registration of Recreation programs?
18. Update the proposal from Municipal Sports Management.
19. What would be the effects of a reduced budget for janitorial costs?
20. What would be the savings from closing every other Friday?
21. Which crossing guard locations would be eliminated?
22. If we installed parking meters, where and how would it cost and generate in revenue?
23. Provide percentage reduction by Department, rather than just total dollar amount.
24. Project an increase in the Transient Occupancy Tax (TOT) and Business License revenue.
25. Project other revenue increases – Animal License, Waste Hauler Franchise Fees, Green Fees at the golf course, Civil Citations and the Barrett-Jackson event.

1. League of California Cities annual dues.

The discontinuation of the City’s member is the State League of California Cities dues. A survey of Orange County cities was completed by the City of Fullerton. 25 cities responded and of those 25, 23 cities are currently members of both the State and OC/local League organizations. Of the 23 that affirmed membership, all stated they would continue to stay as members. Santa Ana and Orange are the only two cities who are not currently in the League and do not pay the dues. Anaheim did not respond to the survey but a call to their city confirmed that Anaheim's City Council withdrew the city from the State League, but opted to continue membership with the OC Division. The State League was disappointed with Anaheim’s decision and may try to block membership in the OC Division unless membership is continued at the State level. So far, Anaheim is still a member of the OC Division. Costa Mesa may be able to continue participation with the OC Division if we discontinue the State members. However, Costa Mesa’s participation in State League Committees would likely be prohibited.

2. Film Permit Fee.

The City has encouraged filming for many years and staff coordinates the process for private companies for an application fee of \$460. The film company is also responsible for the direct costs associated with any safety or other City personnel that may be needed to ensure a safe event. The amount of the fee needs to be related to the actual direct cost to the City for processing the permit so it really isn’t a potential large revenue source for the City. We basically cover our direct costs with a small overhead charge.

The Management Analyst position in the City Manager’s Office has been responsible for assisting the film industry and processing the film permit applications along with a committee of staff. There are many steps and details that need to be addressed to properly process an application and the payment of fees and review of insurance issues. With the elimination of the Management Analyst position, this function will be relocated from the City Manager’s Office to another department of the City. The details of this change still need to be finalized but it is clearly going to be more difficult in the future to process film permit applications not easier. In addition, with fewer staff, it will be more difficult to meet the municipal code requirement of 5 days to process an application. This 5 day requirement in the code should be changed to a longer period of time to accommodate a reduced ability for staff to process applications.

3. EMS Resident Paramedic Fee.

	ANNUAL PROJECTED REVENUE	AMOUNT OF INCREASE	DESCRIPTION
1	\$350,000	- -	Current billing system. Only non-residents are billed the \$275 First Responder Fee, and the \$185 ALS Fee.
2	\$697,000	+ <u>\$302,000</u>	Increase ALS Fee from \$185 to \$300. Only non-residents are billed the \$275 First Responder Fee, but all patients are billed the \$300 ALS Fee, which may be waived in situations of financial hardship.
3	\$756,000	+ <u>\$361,000</u>	Increase ALS Fee from \$185 to \$350. Only non-residents are billed the \$275 First Responder Fee, but all patients are billed the \$350 ALS Fee, which may be waived in situations of financial hardship.

- A. PLAN HIGHLIGHTS – Unlike most cities in Orange County, Costa Mesa residents are not billed for any Fire Department EMS fees.
1. Residents will still be exempt from the \$275 First Responder Fee (only non-residents will be billed this fee).
 2. Private insurance company and Medicare plans will pay the ALS fees of residents.
 3. Residents without private insurance or Medicare may have their bills considered for waiver due to financial hardship (e.g., recent lay off, disability, insufficient income).
 4. The current financial hardship waiver system administered by the EMS Coordinator for non-residents has worked very well over the past 9 years. There have been an average of two hardship claims per month, and all have been resolved to the complete satisfaction of the patient.
- B. ALS FEE INCREASE JUSTIFICATION
1. The *absolute minimum* cost of providing Advanced Life Support Paramedic services for the residents of Costa Mesa is **\$750,000** annually (\$664,500 Direct Labor Cost for 30 Paramedics and 1 EMS Coordinator + \$85,000 EMS Equipment & Supply Cost).
 2. Raising the ALS Fee will bring Costa Mesa in line with other agencies that contract with Care Ambulance Service: **OCFA** → \$355; **LA County 911** → \$343; **Santa Fe Springs** → \$343; **Montebello** → \$343; **Fountain Valley** → \$325; **Anaheim** → \$350.00; **Fullerton** → \$250.00; **Garden Grove** → \$350; **Buena Park** → \$350.
- C. STAFFING REQUIREMENTS – Both the current plan and either of the proposed alternative EMS billing plans presuppose and require a Fire Department-based EMS system staffed by Mobile Intensive Care Paramedics that are trained and equipped to provide Advanced Life Support level emergency medical care according to state law and regulations, county protocols, and nationally established medical standards of care. Such a system requires an EMS specialist to administer and coordinate, as well as to perform the quality assurance and improvement functions that are legally mandated pursuant to California Health & Safety Code Division 2.5, and California Code of Regulations Title 22.

4. **Fire Prevention – Apartment Inspection Fee.**

BACKGROUND:

Fire Service resources are designed to respond to protect lives and property after an incident occurs. In an effort to prevent incident from occurring, the Fire Department is directed to conduct inspections of all types of occupancies.

Statistically, fires occur more frequently in a residential setting than in any other type of occupancy. Fires in multi-family residential occupancies, such as apartments, represent a high-life hazard due to the large number of people that can be affected by one fire in a single unit.

In the late 1970's California experienced a high rate of fire and fire fatalities in multi-family residential occupancies. As a result of these fires, California passed legislation (California Health and Safety Code 13146.2) requiring local fire authorities to conduct annual inspections of multi-family residential occupancies to reduce loss of life and property. The California Health

and Safety Code also allows for a fee to be charged for these services. Currently, the Fire Department conducts these annual inspections without any cost recovery.

The annual inspections generally include checking the following: emergency access, address and unit numbers on the buildings; Knox Box with keys for gates and common buildings; fire sprinklers systems; fire alarm systems; fire extinguisher; heating appliances; storage and laundry rooms; unapproved electrical; exit signs and clear exit pathways; maintenance of fire resistive construction; and smoke detectors in units that are accessible (vacant units.) Generally, fire department does not examine the interior of individual units.

Due to the complexity of the fire protection systems, a fire protection analyst will need to inspect all of the larger complexes.

ANALYSIS:

In evaluating and determining the proposed Fire Prevention Fees, staff considered the following:

- Services appropriate for the Fire Prevention Fee structure were identified.
- Fees data was collected using current salary/fringe benefit rates and overhead costs.

The proposed Fire Prevention Fees reflect fire protection analyst salaries, administrative overhead, and benefit rates as applicable.

Staff anticipates these fee increases will add approximately \$147,080 to the General Fund revenues. The anticipated increase would provide 100% cost recovery for the service.

The annual fees are proposed as follows:

3 to 207 units	\$12.00 per unit
208 to 500 units	\$12.00 per unit, maximum \$2,500
501 to no limit	\$3,000

The city currently has 1,223 apartment buildings with 3 or more units. Approximately 40% of the total number of buildings is 3 or 4 units.

ALTERNATIVES CONSIDERED:

As Council has directed, the apartment inspections were initiated and a fee schedule is now proposed with the following guidelines:

1. Developing a schedule based on the mean average fees charge by other Orange County agencies providing the same, or similar services.
2. Developing a schedule based strictly on the hourly, fully loaded, cost of providing services.

During this process, it was found that using the hourly, full loaded, cost of providing services based on current Fire Prevention Analyst hourly wage provided a fees structure that nearly matched the mean average fees charged by other Orange County agencies.

Because this method of fees development is fair, defensible, and meets the intent of the law, this is the format used to develop the fees schedule being presented for your approval.

5. **Fire Prevention – Business Inspection Fee.**

BACKGROUND:

The California Fire Code requires businesses to obtain a fire permit annually. A fire permit constitutes permission to maintain, store or handle materials; or to conduct processes which produce conditions hazardous to life or property; or to install equipment utilized in connection with such activities; or to install or modify any fire protection system or equipment or any other construction, equipment installation or modification in accordance with the California Fire Code.

A few examples of occupancies that require a permit are: Places of assembly (occupant load with 50 or more people), utilizing compressed gasses, conducting welding operations, dry cleaning plants, flammable and combustible liquid storage, high-piled storage facilities, automobile repair garages, woodworking operations, Industrial ovens, etc.

Prior to the issuance of a fire permit a fire inspection is required to determine compliance with the California Fire Code or any operational constraints required on the permit. Due to the nature of the “high-hazard” which requires the fire permit a fire protection analyst would be required to conduct the inspection.

The California Health & Safety Code allows municipalities to recover the costs reasonable borne for services provided to the community. The Fire Permit Fee increase, as recommended, were calculated and based on the average mean of the county.

ANALYSIS:

The City of Costa Mesa currently charges a fee for fire permits. To develop a schedule based on the mean average fees charged by other Orange County agencies providing the same, or similar services. The mean average in the county for a fire permit is \$147.00 for a flat rate annual permit. The majority of the annual permits issued in Costa Mesa are a renewal permit for \$45.00. Currently there are 534 permits issued with another 200 occupancies recently identified as requiring a fire permit, for a total of 734 permits.

In evaluating and determining the proposed Fire Permit Fees, staff considered the following:

- Calculated and based on current labor cost to provide the service, including materials and overhead costs.
- Utilizing similar fees charged in the municipal marketplace.

The proposed Fire Permit Fees reflect fire protection analyst salaries, administrative overhead, and benefit rates as applicable. Staff anticipates these fee increases will add approximately \$67,720 to the General Fund revenues.

ALTERNATIVES CONSIDERED:

1. Developing a schedule based on the mean average fees charge by other Orange County agencies providing the same, or similar services.
2. Developing a schedule based strictly on the hourly, fully loaded, cost of providing services.

6. What is needed for more aggressive animal licensing?

Over the last year, we have made efforts to increase licensing by comparing rabies vaccination records received by the county and veterinarians to our current license database. Citizens with dogs that are not licensed are sent correspondence with an application to license their dog. This was an effective way of increasing licensing. However, with the pending layoff of the Permit Processor and the third Animal Control Officer (ACO), animal licensing and additional animal licensing canvassing cannot be facilitated by the Animal Control Unit. The two remaining ACO's will be fully committed to providing field services. As emphasized in the budget reduction prioritization list, the animal licensing process must be absorbed by a department elsewhere in the City (e.g., Finance).

There has been no research conducted by Animal Control staff that identifies canvassing companies and the cost of conducting a canvassing initiative. In an Orange County Register article dated January 14, 2009, Orange County Animal Control was proposing a twelve month canvassing program in Laguna Hills which had an estimated cost of \$40,000. A canvassing type of program would be used just to identify animals in need of a permit. Should the city decide to contract for such a canvass, afterwards it will be difficult for the Police Department to maintain the higher level of processing the program will require with the Animal Control proposed lay offs.

The department has no objection to more aggressive enforcement of animal licensing, but Council should be mindful that additional enforcement increases the workload on remaining staff in the way of preparation for hearings should citations be challenged, increased costs for processing citations, as well as possible overtime expenditures for staff to defend their citations.

7. “Pay to Stay” Jail Fee.

In general most pay-to-stay jail programs give sentenced individuals the opportunity to serve their time in an alternate program and facility, rather than full-time in County Jail lock-up. These types of programs are fee-based and available to those convicted and sentenced for a misdemeanor offence(s) only and who have the ability to pay. The participating individuals check in and out of jail during their time served. For an individual to qualify for participation, they must have permission from the sentencing court. Typically in a pay-to-stay program the participants are housed separate from all other inmates and have minimal or no contact with the non-sentenced inmates. Additionally, all participants must be medically cleared before being accepted for housing.

Typical Program Fees

The average fees gathered by those agencies with pay-to-stay programs range from \$75 to \$125 for the first one to two days, then the fee is often reduced for the remaining term of the sentence (costs vary). There are only a handful of pay-to-stay jail facilities in southern California. The below are recent totals from three selected agencies with pay-to-stay type programs.¹

<u>Agency</u>	<u>Population</u>	<u>Annual Fees Collected</u>
Pasadena ²	148,126	\$234K
Glendale ³	200,065	\$10K
Burbank ⁴	104,108	\$109K

¹ All listed figures were gathered during a study conducted in March of 2009

² The California Finance Department estimates the Pasadena population to be 148,126 in 2008

³ The [2000 Census](#) places the city of Glendale population at 194,973

⁴ Per City-Data.com population in July 2008 was 102,968

Orange County agencies that offer pay-to-stay programs are:

- Santa Ana*
- Fullerton**
- Huntington Beach**

*Program temporarily suspended

** Unable to obtain revenue estimates

It appears that those agencies that have successful pay-to-stay programs are those agencies that have courts located directly within their jurisdictions/city limits. This is practical, due to the natural relationships that are built between the courts, attorneys, and local law enforcement agencies. The courts must not only approve the defendant's⁵ participation in a pay-to-stay program, but must also approve the location of the pay-to-stay facility. All of the previously referenced agencies have courts located within their jurisdictions with the exception of Huntington Beach, which is in close proximity to West Court.

Liability Concerns

An area of potential liability concern is what activities these subjects may become involved in when they are not under direct supervision of a custody facility. In a pay-to-stay program, individuals are allowed to come and go. They either serve their time on weekends, or they leave for a set amount of hours during the week. Both of these arrangements are primarily designed to allow the sentenced individual to work. During the time away from lock-up there have been numerous documented incidents in which individuals have committed criminal acts—in one case researched from a few years ago, the pay-to-stay inmate committed a murder during his leave.

Another critical issue, especially for our Jail facility since we have dealt with it on more than one occasion, is the housing of inmates with health concerns. Each time an individual returns from his leave, he must be medically cleared. If there is a medical concern, medical clearance from a hospital must be obtained. This requires transporting the prisoner to a local facility by a sworn officer, who must be taken out of the field and remain with the inmate until the medical clearance is obtained. Additionally, recent changes in protocol make the pay-to-stay agency and/or the sentenced individual—who typically does not have the resources—responsible for the medical bill. All post-arraignment medical treatment incurred by pay-to-stay inmates will no longer be paid for by the Health Care Agency.

Miscellaneous Concerns

It is unknown how much revenue may actually be generated from a pay-to-stay program for Costa Mesa because one must include operational expenses, such as increased laundry (i.e. bedding, towels, etc) services, increased food and beverage costs, increase staffing to manage an amplified inmate population, etc.

In addition, bed space will be an important issue. Since it is the practice to separate pay-to-stay inmates from non-sentenced inmates, whether you house one pay-to-stay inmate or eight, you will need to utilize an entire cell-block. The utilization of an entire cell-block in a facility that only has three cell-blocks will be problematic. While some increased bed space is available due to the current inmate transportations to County Jail, once South Court re-opens and Harbor Court is no longer burdened with its inmates, Costa Mesa Jail bed space will become limited at best and revenue generation could not be sustained over the long-term.

⁵ Future inmate

Recommendation

It is recommended that Costa Mesa not participate in a pay-to-stay program. The potential monetary gains do not outweigh the significant liability exposure the City will be faced with.

7a. Explore the possibility of housing inmates for other agencies.

The police department has previously explored the feasibility of housing inmates for other law enforcement agencies such as Immigration and Customs Enforcement. It was concluded that our facility is not equipped to meet the visitation and recreation requirements for federal prisoners, so this is not a possibility.

8. Information regarding an ABLE Reduction.

The city is proposing a 50% reduction in ABLE services. The city's partner in ABLE, the City of Newport Beach, has agreed to this reduction. While the exact details are still being worked out, the reduction will result in 1500 hours of flight time for FY 2010-2011, vs. 3000 hours of flight time under the current budget. The monetary savings for this reduction have already been calculated into the proposed budget for FY 10-11. ABLE is also considering not funding the equipment replacement fund for FY 10-11 for an additional savings of \$220,000 for the city. Staff feels that with the proposed reduction in flight hours, the use of existing equipment and aircraft can be prolonged.

9. Structure of Police management.

The current organization of the police department is similar to other municipal law enforcement agencies in medium sized cities. The department looks closely at each vacancy at the supervisory and management level, and positions are only filled out of necessity after consultation with the city manager. This practice will continue as vacancies occur. Over the past few years, the department has consistently worked with supervisory and management vacancies. At this time, the department has three vacant sergeant positions and a training administrator (civilian equivalent of a lieutenant) position vacant.

An important organizational principle in law enforcement is to have an adequate span of control, i.e., the number of people a manager can effectively supervise. This is more important during periods of reduced staffing to ensure department policies and procedures are not circumvented in order to expedite the completion of duties. We also have several less experienced officers and supervisors who are still learning their duties and responsibilities. A further reduction in supervisors and managers at this point would expose us to additional liability. Based on the final adoption of the FY 10-11 budget, supervisory and managerial positions will be reassigned as necessary. A department organizational chart is attached.

10. What is the effect on operations to reduction of administrative staff?

The loss of the non-sworn positions identified for reduction will have significant impacts on the type and level of service the police department will provide. The impact can be categorized in three ways. First, a service or program previously performed by a non-sworn employee would now have to be performed by a sworn employee. This would result in the sworn employee not being available to perform regular duties, which may result in longer response times to requests for service. It will also reduce the amount of time sworn employees have to be proactive in their duties. Further, sworn employees may not be as proficient in performing these duties, at least initially, so the quality of service would be negatively affected. An example of this would be the elimination of Crime Scene Specialist positions. The department would add this responsibility to

sworn officers, who would have to remain at crime scenes for longer periods of time, and they would not have the level of expertise or experience that a Crime Specialist has.

The second category is that a service previously performed by a non-sworn employee will be reduced. An example of this is the Community Service Specialist positions at the police department public counter. It is likely that the hours of service will be reduced to Monday-Friday for fewer hours each day.

The third category is that a service or program would be eliminated. An example of this is involves the investigation of non-injury automobile accidents. With fewer non-sworn report takers and reductions in sworn officers, the department may no longer investigate these accidents.

More detailed explanations for the impacts of each position identified for elimination has already been provided to council in prior budget documents.

11. What are the costs of keeping the Citizens Academy?

With the current hiring freeze and pending layoffs of the Crime Prevention Specialist (CPS) and Crime Prevention Office Specialist, there is no person/position that can absorb the planning, coordinating, and facilitating responsibilities required for the two annual Citizens Police Academy classes provided by the Police Department. Each of the academy classes requires extensive planning and coordinating efforts that begin at least three months before each class. All applicants for the academy are screened, fingerprinted, and subject to a basic background check. The Citizens Police Academy consists of thirteen consecutive weekly sessions. The facilitator schedules and coordinates the twenty-five presentations and thirty-six personnel required for the program, which regularly require additional planning and coordinating efforts for addressing matters that occur throughout the class (i.e., rescheduling of presentations).

In addition to the man-hours put into preparing for each Citizens Police Academy class, the facilitator commits approximately seven man-hours towards each weekly session for preparation and facilitation responsibilities. The Crime Prevention Specialist was capable of flexing her schedule to meet the continuous demands and man-hours required for each Citizens Police Academy class and other community program responsibilities without overtime. Maintenance and Operations costs for the program are approximately \$1,500.

While the Citizens Police Academy is a valuable and important part of the department's philosophy of community oriented policing, the proposed reduction in personnel leaves no choice but to eliminate this program. The only option available to keep the program is to keep the Crime Prevention Specialist position at an approximate cost of \$130,000.

12. How much revenue could be generated from charging for writing off "fix it" tickets?

Background

The Costa Mesa Police Department has experienced an increase in the volume of citation sign-offs we process, because of our current "free sign-off" practice. A number of citizens from surrounding cities have advised our staff they were referred to our police agency, by employees from other cities and courts, because of our free sign-off service. Beginning in 2010, a citation sign-off survey was completed to gather information from major Orange County cities. The survey results show the overwhelming majority of cities charge a citation sign-off fee.

Analysis

Data from January – May of 2010 was gathered and compiled into two tables. The “CMPD Citation Sign-off Volume” table lists the monthly volume of citation sign-offs processed by CMPD staff. This table categorizes received citations that were issued by CMPD and non-local police agencies. Additional categories list whether the cited citizen was resident of Costa Mesa or another city.

The “Fees Charged by Major Orange County Police Agencies” table lists information in a similar manner. The survey shows agencies typically charge more expensive fees to non-local residents who were issued a citation by another police agency. Less expensive fees are charged, by some agencies, to local residents who received a citation from their local police agency. Other cities charge a flat fee for both local and non-local residents. Average fee amounts are listed for each of the categories.

CMPD Citation Sign-off Volume					
2010	Not Our Cite	Not Our Cite	CM Cite	CM Cite	
MONTH	Non-Resident	CM Resident	Non-Resident	CM Resident	Total
JANUARY	106	45	48	73	272
FEBRUARY	95	34	50	66	245
MARCH	95	50	55	114	314
APRIL	94	41	52	49	236
MAY	85	41	28	73	227
Total	475	211	233	375	1294

Fees Charged by Major OC Police Agencies				
Police Departments	Not our Cite Non-Resident	Not our Cite City Resident	City Cite Non-Resident	City Cite City Resident
Anaheim	\$10.00	\$10.00	\$10.00	\$10.00
Brea	\$25.00	\$25.00	\$0.00	\$0.00
Cypress	\$15.00	\$0.00	\$0.00	\$0.00
Fountain Valley	\$15.00	\$15.00	\$15.00	\$15.00
Fullerton	\$10.00	\$10.00	\$0.00	\$0.00
Garden Grove	\$12.00	\$12.00	\$12.00	\$12.00
Huntington Beach	\$0.00	\$0.00	\$0.00	\$0.00
Irvine	\$8.00	\$8.00	\$8.00	\$8.00
Laguna Beach	\$0.00	\$0.00	\$0.00	\$0.00
Newport Beach	\$22.00	\$22.00	\$22.00	\$22.00
Orange	\$21.00	\$21.00	\$0.00	\$0.00
Placentia	\$15.00	\$0.00	\$0.00	\$0.00
Santa Ana	\$10.00	\$10.00	\$0.00	\$0.00
Tustin	\$10.00	\$0.00	\$0.00	\$0.00
Westminster	\$13.00	\$13.00	\$0.00	\$0.00
Total:	\$186.00	\$146.00	\$67.00	\$67.00

Average Total:	\$12.40	\$9.73	\$4.47	\$4.47
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Recommendation

Based on current practices by other police agencies, and the current economy, the police department recommends the city impose a flat \$10 sign-off fee for signing-off a citation. (The flat fee would be applied regardless of the citizen’s city of residence or which police agency issued the citation.) The suggested fee falls between high and low average fee amounts listed in the survey.

Projected annual revenue for 2010, based on the recommended fee amount and survey data, is \$31,056. The actual figure may be slightly lower, based on violators who will seek sign-offs from the two Orange County police agencies who do not charge a sign-off fee, or they may go to a more convenient agency that charges a similar fee.

13. Clarification of the cost for the Playground Program.

The approximate cost is \$267,000. It represents PT staff and supplies only, but no full time Recreation Coordinator position, as this position is recommended to be eliminated.

The following is a breakdown by Playground Program site:

Average daily attendance at all sites = 759

Sonora - \$38,250

PT Staff = \$35,890

Supplies = \$2,360

Total = \$38,250

Average Daily Attendance divided into site costs = \$38,250/148 or \$258 per participant per year = \$8 week

College Park - \$27,414

PT staff = \$25,804

Supplies = \$1,610

Total = \$27,414

Average Daily Attendance divided into site costs = \$27,414/102 or \$269 per participant per year = \$8 week

Davis - \$27,236

PT staff = \$25,804

Supplies = \$1,432

Total = \$27,236

Average Daily Attendance divided into site costs = \$27,236/90 or \$303 per participant per year = \$9 per week

Whittier - \$28,176

PT staff = \$26,804

Supplies = \$1,372

Total = \$28,176

Average Daily Attendance divided into site costs = \$28,176/87 or \$324 per participant per year = \$9 per week

Victoria - \$27,971

PT staff = \$26,804

Supplies = \$1,167

Total = \$27,971

Average Daily Attendance divided into site costs = \$27,971/73 or \$383 per participant per year = \$11 per week

California - \$22,432

PT staff = \$21,550

Supplies = \$882

Total = \$22,432

Average Daily Attendance divided into site costs = \$22,432/56 or \$401 per participant per year = \$11 per week

Killybrooke - \$22,378

PT staff = \$21,550

Supplies = \$828

Total = \$22,378

Average Daily Attendance divided into site costs = \$22,378/52 or \$430 per participant per year = \$12 per week

Paularino - \$22,378

PT staff = \$21,550

Supplies = \$ 828

Total = \$ 22,378

Average Daily Attendance divided into site costs = \$22,378/52 or \$430 per participant per year = \$12 per week

Pomona - \$16,886

PT staff = \$16,296

Supplies = \$590

Total = \$16,886

Average Daily Attendance divided into site costs = \$16,886/37 or \$456 per participant per year = \$13 per week

Kaiser - \$16,800

PT staff = \$16,296

Supplies = \$504

Total = \$16,800

Average Daily Attendance divided into site costs = \$16,800/32 or \$525 per participant per year = \$15 per week

Adams - \$16,773

PT staff = \$16,296

Supplies = \$477

Total = \$16,773

Average Daily Attendance divided into site costs = \$16,773/30 or \$559 per participant per year = \$16 per week

Jana Ransom has clarified that the \$295,000 amount included \$22,000 for the Ranch program and a portion of the Recreation Coordinator's time.

14. What would a Playground Program fee be? How would it be administered?.

Based on a survey conducted by staff, recommendations might be:

- (a) the amount needed if everyone continued to attend,
- (b) the amount most families are willing to pay, and
- (c) monthly pass cost.

There are several options, with the difficulty in charging fees being in how they are collected, how the staff is informed of who has paid, and how to handle kids who have not paid.

However, the following methodologies are suggested:

- (1) Set fees per school above (smaller schools would have higher fees). Or, set fees according to total average daily attendance (\$9 per week).

- (2) As of June 7, 204 respondents out of 223 indicated that they would be willing to pay a fee. 76 respondents, or 34%, indicated they would pay \$10 per week or less (with about 75% of these willing to pay \$20 per month); 30 would pay more, 5 would pay less and 19 indicated they would not pay for the program (less than 10% of total). Staff is recommending a \$20 per month fee with no limit on the number of times a child attends each month (one time or 23 – its still \$20). This would bring in \$126,000 based upon 700 children paying each month.

- (3) Other options include:
 - Institute a “Per School” school amount to be raised with a matching contribution by the City
 - 4 week pass = \$40
 - 12 week pass (each quarter) = \$120
 - School Year pass (37 weeks) = \$330 (4 weeks free)
 - Assuming 500 kids paid each week we'd collect \$185,000.

NOTE: IF THE NUMBER OF KIDS AT SITES GOES DOWN BELOW STAFFING THRESHOLD OF 1 STAFF TO 25 LIDS DUE TO THE IMPLEMENTATION OF FEES, STAFFING WILL BE REDUCED, THEREBY LOWERING EXPENDITURES.

14a. How would the fee be administered/collected?

Finance direction is needed with this item. However, we would want parents to pay at City Hall, NCC, DRC or BCC (BCC for annual passes and monthly debit option only - this would likely require additional support staff who would process monthly credit card charges) or online if we get the Web base system. No site collection.

15. What are the Recreation Coordinator position duties?

Balearic Community Center Rec Coordinator

Balearic Community Center (BCC) oversight including Facility Scheduling and Supervision of PT Office Specialist, Recreation facility staff
Day Camp Program with 1 Rec IV
Early Childhood Program (ECP) with 1 PT Rec Specialist
Playground Programs (School year and Summer sites) with Recreation Leader IV
“The Ranch” After School Program /Fair/NMUSD (Playground Rec IV)
Deposit and Payment Reconciliation for Facility and Registration
Program Budgets/Purchasing
Personnel/Supervision/Training

Assist w/Special Events/Concert

Neighborhood Community Center (NCC) Rec Coordinator

Neighborhood Community Center (NCC) oversight including Facility Scheduling and

Supervision of 1 FT Office Specialist II and Recreation facility Staff

Rentals, Reservations, and Scheduling with General Public and City Personnel

Youth & Adult Contract Classes / Recreation Review Brochure (4) with 1 Recreation Leader IV

Monitor Instructor Contracts, payments

Special Events lead (Concerts, Circle of Service, Lounge Chair Theater, Snow Hill, and other City events as assigned)

Deposit and Payment Reconciliation for Facility and Registration

Program Budgets/Purchasing

Personnel/Supervision/Training

Facility Rentals, Scheduling and Supervision

16. Can temporary lights be staffed by volunteers?

School District has indicated that as long as the City retains responsibility for moving, fueling and maintaining light units they will likely “go along” with volunteers “operating” the lights in the evenings.

17. How much would it cost for online registration of Recreation programs?

- COST is \$25,400, 1 time fee to set up the Web base system from an online registration company.
- \$2,000 annual for Credit Card transactions from online registration company to City.

There are a couple of ways we could go about making this a fee offset proposition, but cost recovery would be over a 3-5 year period, depending upon how high a fee we think our registrants would tolerate. The online registration company would collect a fee per transaction (similar to a merchant processing fee). This either comes off of each registration (thereby reducing the amount per registrant that we would collect if we were doing the registrations in house still) or it gets added on to the transaction. An example would be a \$1 fee and assuming 8,000 transactions in a year (we may see more, we aren't sure how many would take advantage of this, but 8,000 represents about 65% of transactions), we could expect to “pay the cost off” in 3.5 years (adding the \$2,000 per year for daily EFT).

18. Update the proposal from Municipal Sportspark Management.

Per the meeting of June 10, 2010, Municipal Sportspark is at least 1 fiscal year away from being able to operate (and possibly longer). Per the June 10th meeting, these investors are looking to the City to finance via a lease arrangement at a cost projected at about \$350,000. City might realize \$200,000 savings in expenditures (their calculations for maintenance cost of fields). The proposal from Municipal Sportspark has changed significantly since their last meeting with the City and further review by the City is needed to determine true costs and benefits – these are unknown at this time.

It is staff's intent to bring to City Council a field maintenance proposal for FY 10-11 around August 2010.

19. What would be the effects of a reduced budget for janitorial costs?

Staff estimates the janitorial costs could be reduced by 30% or \$74,000 by reducing the number of days of service and the quantity of cleaning. The City Hall building is currently maintained 5

nights per week, however both the Police and Telecommunications buildings are maintained 7 nights per week. Staff has also began analyzing the option of hiring part time employees in place of the maintenance contract altogether and could bring that back should Council desire.

20. What would be the savings from closing every other Friday?

The amounts shown are reductions based on closing only the City Hall building and not the Police Facility or the Communications Center, both of which are 24/7 facilities.

Estimated annual savings:

- Electrical Savings \$ 23,500
- Water Use Savings \$ 886
- Fuel City Vehicles Savings \$ 3,559

TOTAL ANNUAL SAVINGS \$28,000

21. Which crossing guard locations would be eliminated?

The City currently provides 20 guards at 18 elementary school crossings. All these locations have had crossing guards for several years and no changes have been made, even though, the number of students may have declined at certain locations. As a routine practice when considering new crossing guard requests, we evaluate the need based on meeting pedestrian requirements of 40 in either the morning or evening peak period. As part of proposed reductions, four out the following five locations would be candidate for elimination of crossing guard services. Staff will review and select four among the five based on other factors, such as traffic volumes, street characteristics, etc.

1. California Elementary School crossing at Baker Street/Labrador Drive/Andros Street - # of Students in AM - 9 / PM - 8
2. College Park Elementary School crossing at Notre Dame Road/Villanova Road - # of students in AM - 16 / PM - 34
3. Maude B. Davis Elementary School crossing at Presidio Drive/Presidio Square - # of students in AM - 16 / PM - 34
4. Victoria Elementary School crossing at American Avenue/Victoria Street - # of students in AM - 35 / PM - 24
5. Newport Heights Elementary School crossing at 16th Street/Santa Ana Avenue - # of students in AM - 42 / PM - 33

22. If we installed parking meters, where and how would it cost and generate in revenue?

The Transportation Services Division conducted feasibility studies of installing parking meters several years ago. The most recent version was from February 1993, which identified locations for consideration of parking meters and developed preliminary forecasts of revenue. This study was revised to reflect recent market conditions, meter locations, and latest revenue estimates.

The parking meters are proposed generally in the Downtown Costa Mesa area, along Harbor Boulevard and Randolph Avenue. Staff estimates that a total of 570 parking spaces on City streets, as well as City-owned parking lots, could be converted to meter parking. Attachment 1 exhibits the proposed parking meter locations. The Police Department has provided input on violation penalties and industry representatives were contacted to determine technologies, installation, and operations and maintenance costs.

Following review of available technologies, the parking meters could be single-space or multi-space. The single-space meters are traditional meters that are coin operated. The multi-space meters are incorporated with newer technology and are capable of processing credit cards as well as coins. Typically, one multi-space meter is used to service eight to ten on-street parking spaces or approximately 50 spaces within a parking lot. Several agencies, including the City of Newport Beach, are now converting to multi-space meters due to their advantages such as increased compliance, wireless monitoring of parking violations, ease of maintenance, etc.

Based on typical meter parking practices within a variety of jurisdictions, 570 metered parking spaces are expected to generate approximately \$700,000 annually. This includes approximately \$400,000 from actual meter revenue and approximately \$300,000 from enforcement. The option with multi-space meters may result in increased revenue due to their greater efficiency achieved with newer technology. It is estimated that an additional \$100,000 in revenue could be generated by multi-space meters.

The start-up parking meter installation costs are estimated to be approximately \$250,000 for single-space meters and \$350,000 for multi-space meters. The annual operations and maintenance costs are estimated to be \$200,000 for single-space meters and \$250,000 for multi-space meters.

The net revenue from parking meters is summarized below:

Meter Type	1st Year	2nd Year and Beyond
Single Space	\$250,000	\$500,000
Multi Space	\$200,000	\$550,000

Should City Council direct staff to pursue this further, staff proposes to conduct a detailed parking study to confirm the assumptions and revenue forecasts. In addition, the study should analyze potential impacts to adjacent residential neighborhoods or commercial properties offering free parking. Appropriate mitigations should be incorporated as part of the parking meter installation.

23. Provide percentage reduction by Department, rather than just total dollar amount.

The chart below illustrates the percentage reduced from: the Department’s Preliminary General Fund Budget, the Preliminary General Fund Budget total, and the breakdown of all reductions.

	<u>% of Prelim Depart General Fund Budget</u>	<u>% of Prelim General Fund Total Budget</u>	<u>% of Overall Reductions</u>
City Council/ City Manager’s Office	7.76 %	0.13 %	1.51 %
Finance	14.40 %	0.34 %	4.19 %
Administrative Services	12.72 %	1.92 %	23.30 %
Police	6.49 %	2.44 %	29.67 %
Fire	7.35 %	1.49 %	18.12 %
Development Services	11.44 %	0.38 %	4.60 %
Public Services	11.35 %	<u>1.53 %</u>	<u>18.61 %</u>
Total		<u>8.23 %</u>	<u>100.00 %</u>

24. Project an increase in the Transient Occupancy Tax (TOT) and Business License revenue.

Staff projects that for each 1% increase in the TOT rate, annual revenues could increase by \$666,000 (FY 10-11 estimate of \$4 million/current 6% tax rate). Since a tax rate increase is

subject to voter approval during a municipal election, assuming a January 1 implementation date, revenues would be half that amount for the first year the new rate was implemented.

Therefore, for FY 10-11, a 1% increase in the TOT rate could generate \$333,000, and subsequently a 3% overall increase in the tax rate could generate \$999,000. Each year following, a 3% increase would generate approximately \$2 million, based on the current year estimate. If TOT activity increases in future years, similar to the City’s highest level in FY 06-07 of approximately \$6 million, the same rate increase of 3% would project approximately \$3 million increase in revenue estimates compared to the current rate.

For projections in a Business License Tax increase, the chart below helps explain the current structure and possible increases. Using the “Possible Increase” rates against our current business population, the annual increase would be approximately \$3.2 million (from \$800,000 to \$4 million).

Gross Receipts	Percentage of <u>All Businesses</u>	Current <u>Tax</u>	Possible <u>Increase</u>	Dollar <u>Increase</u>
\$0 - \$1,000	7.3 %	\$ 0	\$ 25	\$ 25
\$1,000 - \$25,000	19.0 %	\$ 25	\$ 50	\$ 25
\$25,000 - \$40,000	7.5 %	\$ 35	\$ 100	\$ 65
\$40,000 - \$75,000	17.0 %	\$ 45	\$ 200	\$ 155
\$75,000 - \$200,000	15.0 %	\$ 60	\$ 500	\$ 440
\$200,000 - \$500,000	11.9 %	\$ 100	\$ 800	\$ 700
Over \$500,000	22.3 %	\$ 200	\$ 1000	\$ 800
Total	8,400	\$800,000	\$4 million	\$3.2 million

25. Project other revenue increases – Animal License, Waste Hauler Franchise Fees, Green Fees at the golf course, and Civil Citations.

Animal/Dog License Fee –

Current City rates – \$20, \$10/Spayed-Neutered

Current estimated revenue \$30,000

County of Orange rate – \$100, \$24/Sterilized

Assuming 2,000 Spayed-Neutered, 500 Unaltered:

Projected revenue – \$98,000 (increase of 68,000). More aggressive licensing and monitoring would increase the revenue projection.

Waste Hauler Franchise Fee –

Current City rate – 12%

Current estimated revenue \$1,250,000 (about \$104,000 per %)

Estimated new rate – 15%

Projected revenue – \$1,560,000 (increase of \$310,000)

Waste Hauler Residential Fee –

Current rate – 0%

Estimated new rate – 5%

Projected revenue – \$200,000

Green Fees at the Golf Course –

Estimated increase would be \$2 per round of play. Projected revenue increase would be \$100,000.

Civil Citations –

Current City rate – \$75 1st Violation, \$200 2nd Violation, \$500 All Other Violations

Current estimated revenue – \$20,000

Estimated new rate – \$150 1st Violation, \$300 2nd Violation, \$500 All Other Violations

Projected revenue – \$30,000 (increase of \$10,000)

Barrett-Jackson Event –

On June 25, 26 and 27, 2010, the City will host for the first time the Barrett-Jackson Car Auction. Many quality classic cars will be sold and the event will have other economic benefits. With the assistance of the Chief Operating Officer for Barrett-Jackson and the President of the Costa Mesa Conference and Visitor Bureau (CMCVB), staff was able to develop an estimate for City revenues. Barrett-Jackson estimates that it will auction 400 cars with approximately \$15,000,000 in total sales revenue or around \$37,500 per car. Not all of this revenue will be subject to sales taxes due to the non-taxable nature of dealer to dealer sales. It is likely that less than 50% will be taxable car sales. The CMCVB estimates that 1,650 room nights may be generated from the event with about 75% of these within Costa Mesa hotels. Rough projections would allow staff to estimate that between \$100,000 and \$150,000 may be generated in revenue to the City of Costa Mesa from the Barrett-Jackson Event.

Staff is available to answer questions regarding any information presented herein.

Bobby Young
Budget and Research Officer