

City Council Citizen Development
and Enrichment Committee
West Annex Commission Meeting Room
Torrance, California

Members of the Committee:

SUBJECT: Community Services – Review of Subsidy Levels

BACKGROUND/ANALYSIS

The Citizen Development and Enrichment Committee met on August 13, 2012. Staff provided an overview of the Madrona Marsh and Torrance Art Museum budgets, along with Community Services Subsidy Levels and the budget for the Senior Citizen Excursion Program. The Committee requested staff to prepare a recap and action item report to the full body of the City Council. This report was approved by the City Council on August 21, 2012. (Attachment A).

There were two major topics that had required additional research and discussion by various Commissions. The first action item included an in depth analysis of the Senior Citizen Excursion Program. The fee increases that were approved May 2012 increased the participant fee from an average of \$80 per participant for a day trip to an average of \$110 per participant.

- Staff completed a participant survey that was mailed to 405 Torrance Traveler members with 206 surveys returned. The survey results have been provided (Attachment B).
- Staff also provided the recent history of excursions along with their attendance numbers. (Attachment C).
- Staff have provided a list of other local agencies that offer excursions for seniors, along with the estimated prices of their respective trips (Attachment D).

The second action item was the Community Services Subsidy Levels that included the Cost Recovery/Subsidy Plan (Attachment E). The requested action was to share these subsidy levels with the various commissions for review and comment in order to bring them back to the Citizen Development and Enrichment Committee for further discussion.

COMMENTS AND ACTIONS FROM THE COMMISSIONS

Commission on Aging – Tuesday, September 11, 2012

Staff met with the Commission on Aging to discuss the Senior Citizen Excursion Program. As this program is a component of the overall Cost Recovery/Subsidy Plan and directly affected the subsidy level within the plan, staff decided to take this topic to the Commission on Aging as

soon as the survey results from the Torrance Travelers participants were tallied. At this meeting, staff shared the survey results, a survey of what other agencies offer, and results of discussions with other cities in regard to partnerships in an effort to reduce costs.

Commission on Aging – Tuesday, October 9, 2012

Staff presented the Cost Recovery/Subsidy Plan to the Commission, providing a full history and explanation of the previous Subsidy Plan and how this current plan was developed. The Commission had several questions for staff as to how the subsidy levels were determined for each of the senior programs, with the end result agreeing with the current subsidy levels for the following:

Seniors – Facilities -	100% City Subsidy
Seniors – Program -	60% City Subsidy

As the Commission had not yet come to a conclusion as to how to address the Senior Excursion Program, they felt it best to hold off on approving the proposed subsidy level and directed staff to provide subsidy and funding alternatives for the Senior Excursion Program for their review at the November 13, 2012 meeting. Once the additional information was available, the Commission would share their thoughts as to the subsidy level for the Senior Excursion Program.

In addition, during the discussion on the subsidy levels, many Commissioners felt that the Indirect Divisional Costs were too burdensome, causing the program fees to be too high. The Commission requested that staff bring back an alternative that burdened the Senior Excursion Program with only 50% of the Indirect Divisional Cost and a small participant fee increase to see what that would do to the full Cost Recovery/Subsidy Plan.

Commission on Aging – November 13, 2012

Staff presented various funding alternatives for the Senior Excursion Program. As one of the alternatives for this meeting, the Commission directed staff to provide back a scenario that charges only 50% of the Indirect Divisional Costs and a small participant fee increase to see what that would do to the full Cost Recovery/Subsidy Plan.

Staff presented the Commission with four alternatives for the Senior Excursion Program for the Cost Recovery/Subsidy Plan. The alternatives included the following:

1. Charging only 50% of the Indirect Costs while raising fees \$6-\$11 per excursion and offering a Scholarship/Senior Discount Program for Need Based Seniors.
2. Shifting the subsidy level from 20% to 40% while raising fees \$6-\$11 per excursion and offering a Scholarship/Senior Discount Program for Need Based Seniors.

3. Maintain the current Cost Recovery/Subsidy Plan, raising the fees \$25-\$30 per excursion, and offering a Scholarship/Senior Discount Program for Need Based Seniors.
4. Reducing the number of trips while raising fees \$6-\$11 per excursion and offering a Scholarship/Senior Discount Program for Need Based Seniors. The Commission discussed the alternatives, took comments from the public in attendance, and offered their own ideas as potential savings for the program to keep costs down.

OUTCOME -- After lengthy discussion and deliberation, the Commission ultimately recommended Alternative #2 for the Senior Excursion Program:

- Shift the subsidy level from 20% to 40%.
- Raise fees \$6-\$11 per excursion.
- Offer a Scholarship/Senior Discount Program for Need Based Seniors.
- Request that City Council find additional funding to bridge the gap of approximately \$28,000.

Youth Council – Wednesday, October 17, 2012

Staff presented the Cost Recovery/Subsidy Plan to the Youth Council, providing a full history and explanation of the previous Subsidy Plan and how this current plan was developed. The Youth Council had several questions for staff as to how the subsidy levels were determined for each of the youth programs. They were comfortable with the current subsidy levels for all of the youth programs with the exception of the Youth Sports, Youth Contract Classes, and Youth Staff Taught Classes.

The Youth Council recommended exploring a subsidy level that would align the youth programs together in subsidy and importance to the community, and allow reduced rates for the youth. They directed staff to provide back to them a 50% scenario that aligns the subsidy levels at 50% for Youth Sports, Youth Contract Classes, and Staff Taught Classes that they can review at their November 7, 2012 meeting. At that time they would share their thoughts as to the subsidy levels for the Youth Programs.

Youth Council – Wednesday, November 7, 2012

Staff presented the 50% scenario that aligns the subsidy levels at 50% for Youth Sports, Youth Contract Classes, and Staff Taught Youth Classes. This scenario showed that if all direct costs, indirect divisional costs, subsidy and revenue expectations remain static the Cost Recovery/Subsidy Plan would be out of balance by \$60,188. It was further explained that if this alignment were to be implemented, they would need to increase fees or find additional program cuts in this amount from other youth programs.

OUTCOME -- The Youth Council fully understood the impact of this change, and a recommendation was made to:

- Support the subsidy levels as presented by staff
- If additional funding is available, align Youth Sports, Youth Contract Classes, and Staff Taught Youth Classes in a new 50% subsidy level category.

This recommendation was approved unanimously by the Youth Council.

Joint Parks and Recreation and Cultural Arts Commissions--Wednesday, November 14, 2012

Staff presented the Cost Recovery/Subsidy Plan with subsidy levels to the Joint Commissions for their review and discussion, providing a full history and explanation of the previous Subsidy Plan and how this current plan was developed. The commissions then reviewed the Philosophy Statement (Attachment E) as well as the subsidy guidelines that were used to determine in which category the various facilities, programs, events, and classes were placed. Questions ensued from the various commission members as to the make up of the Direct and Indirect Divisional Costs; explanation of the Enterprise Fund, subsidy percentages, concern about decreased enrollment with the increase of fees, and explanation of the Delta Values.

After all the questions were addressed, staff asked the Commissioners to review the comments provided by the Youth Council and Commission on Aging as to the subsidy levels, as well as their recommendations, and informed them that their recommendation will be forwarded to the City Council Citizen Development and Enrichment Committee for their consideration. Staff recommended two options:

1. Support the subsidy levels in this plan as presented without consideration to the comments from the Youth Council and Commission on Aging; or
2. Support the subsidy levels with suggested subsidy level revision or comments.

OUTCOME — The Parks and Recreation and Cultural Arts Commissions recommended and unanimously approved Option 2 with comments as follows:

1. Support the recommendations from the Commission on Aging on the Senior Excursion Program that:
 - Shifts the subsidy level from 20% to 40%.
 - Raises fees \$6-\$11 per excursion.
 - Offers a Scholarship/Senior Discount Program for Need Based Seniors.
 - Requests that City Council find additional funding to bridge the gap of approximately \$28,000.
2. Support the recommendations from the Youth Council that:
 - Supports the subsidy levels for youth programs as presented by staff.
 - Aligns Youth Sports, Youth Contract Classes, and Staff Taught Youth Classes in the 50% subsidy level category if funding becomes available.

3. Support the current subsidy levels for the remaining Recreation and Cultural Programs as presented by staff in the Cost Recovery/Subsidy Plan.
4. Recommend that the City not overburden the indirect costs onto the programs.
5. Raise subsidy levels in the future if possible to reduce the need to raise prices.

RECOMMENDATION:

The Community Services Director is requesting your Honorable Body to review the recommendations from the joint Parks and Recreation and Cultural Arts Commissions; evaluate the Cost Recovery/Subsidy Plan with subsidy levels; and make a recommendation of budget and subsidy levels to the City Council, or direct staff for further analysis. As we are midway through the current fiscal year, and as these trips take time to program, staff estimates that only \$7,000 (cost of 3 excursions) would be needed to fund the additional subsidy for the excursions for the remainder of this fiscal year by looking for one time savings within the Senior Citizen Programs. The additional subsidy needed for a full fiscal year would be \$25,000. The current fiscal year amount of \$7,000 could be absorbed by the department operating budget. However, if approved, staff would request an additional appropriation of \$25,000 to fund excursions for the 2013-14 Fiscal Year.

Respectfully submitted,



John Jones
Community Services Director

CONCUR:



LeRoy J. Jackson
City Manager

Attachments:

- A. 8/21/12 City Council Mtg - Item 12A (with 8/13/12 Review of Subsidy Level item)
- B. Survey Results
- C. List of Recent Excursions
- D. Other Cities Excursion Information
- E. Cost Recovery/Subsidy Plan Matrix and Spreadsheets
- F. Philosophy Statement of the Parks and Recreation and Cultural Arts Commissions

Council Meeting of
August 21, 2012

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

Members of the Council:

SUBJECT: City Council Committee on Citizen Development and Enrichment – Accept and File August 13, 2012 Meeting Report

RECOMMENDATION

Recommendation of the City Council Committee on Citizen Development and Enrichment that City Council accept and file the August 13, 2012 meeting report.

BACKGROUND/ANALYSIS

At the City Council meeting of May 15, 2012 and as part of the budget discussion, Mayor Scotto requested that the Citizen Development and Enrichment Committee review several programs and budgets from the Community Services Department including the Madrona Marsh, Torrance Art Museum and Community Services subsidy levels. Two additional topics; Senior Citizen Excursions and the proposed Marketing Plan for Cultural Services Classes were also discussed the City Council meeting.

A meeting of the Citizen Development and Enrichment Committee was held on Monday, August 13, 2012 at the City Council Chamber to provide an overview of above programs and budget in order to provide residents with an opportunity to provide comments. John Jones, the Community Services Director and his Management Team provided the Committee members and a packed Council Chamber with an overview of each topic. The meeting minutes are attached to this item as Attachment B.

The following recap and action items were discussed and approved by the Citizen Development and Enrichment Committee:

MADRONA MARSH & TORRANCE ART MUSEUM

- Chair Brewer stated that the information received was sufficient and that staff should prepare a report on behalf of the Citizen Development and Enrichment Committee stating the Committees recommendation that the Madrona Marsh and Torrance Art Museum stay as they are.
- Councilman Barnett concurred with Chair Brewer and added that the Madrona Marsh and Torrance Art Museum are managed sufficiently and requested that staff send a report of the meeting to the City Council for its full consideration.
- Councilman Furey also concurred with the recommendations and requested that the report also include the Torrance Art Museum.
- Staff will explore revenue enhancement concepts for the Torrance Art Museum and gain approval from the Cultural Arts Commission and then return to the Citizen Development and Enrichment Committee with an update.

SENIOR CITIZEN EXCURSION PLAN

- John Jones stated that staff will conduct a survey of current members, as well as conduct a survey of other agencies to determine types and fees of excursions offered.
- Staff will also explore partnership opportunities with other cities in an effort to reduce the cost of excursions.

COMMUNITY SERVICES SUBSIDY LEVELS

- The current subsidy levels will be shared with the various Commissions for review and comment prior to bringing the discussion back to the Citizen Development and Enrichment Committee for further discussion.

MARKETING SUPPORT FOR CULTURAL SERVICES CLASSES

- The Community Services Department will develop a Request for Proposal and will bring a joint item with the General Services Department to the City Council for review and approval.

Councilman Barnett made the motion on the above action items, with a second from Councilman Furey. The motion was approved 3-0.

In the interest of reducing paper printing while still providing residents and any interested party access to the materials from the August 13, 2012 CD & E Committee Meeting, the agenda and all materials are available on-line at <http://www.torranceca.gov/21980.htm>.

Respectfully submitted,

CITY COUNCIL COMMITTEE ON CITIZEN
DEVELOPMENT AND ENRICHMENT


Councilman Tom Brewer, Chair


Councilman Gene Barnett


Councilman Pat Furey

- Attachments: A) Agenda and Staff Reports from the August 13, 2012 CD & E Committee Meeting (Limited Distribution). All materials are available on-line at <http://www.torranceca.gov/21980.htm>
- B) Meeting Notes from the August 13, 2012 CD & E Committee Meeting
- C) Additional Public Comments received since August 13, 2012

City Council Citizen Development
and Enrichment Committee
City Council Chambers
Torrance, California

Members of the Committee:

SUBJECT: Community Services – Review of Subsidy Levels

BACKGROUND

During the 2011-13 Budget Process, the Community Services Department was tasked with reducing the General Fund Annual Subsidy of the Parks and Recreation Enterprise Fund from \$4,000,000 to approximately \$3,200,000, a reduction of nearly \$800,000. To accomplish this reduction, Community Services proposed a mix of budget reductions, fee increases, staffing cuts, and a Cost Recovery/Subsidy Plan.

The Cost Recovery/Subsidy Plan was brought forward to City Council as part of the City Manager's Budget in May 2012. During the budget approval process, Council had questions regarding the allocation of subsidy to various programs and facilities as well as budget levels for specific programs which needed review (Madrona Marsh Preserve, Madrona Marsh Nature Center, Torrance Art Museum, and Senior Excursions). The Council decided to refer the budget and subsidy review process to the Citizen Development and Enrichment Committee for the upcoming budget cycle of 2013.

The 2012 Cost Recovery/Subsidy Plan replaces the Subsidy Plan approved by the City Council in 1993. This plan was developed by DMG--Consulting and required that all the direct costs and only appropriate indirect costs be covered by participant fees. The previous plan identified a subsidy of 60% for youth, 40% for seniors, and 20% for adults programs and classes with only a small portion of indirect costs being recovered. In comparison, though still subsidized at 60%, the new Cost Recovery/Subsidy Plan requires that all indirect costs are charged to the program, which drives up either the need for revenue through fee increases or program cuts to balance the budget.

Since 1993, programming under the Enterprise Fund has changed. Many free and fully subsidized programs have been replaced with fee based or partially subsidized programs. Despite the shift from free to fee, the variety and breadth of recreational and cultural opportunities for the community have expanded and grown with more classes, events and facilities than in the past. However, as free programs were cut and fee based programming increased, it became apparent that as fees rose more and more programs required less subsidy (Attachment A). The former subsidy plan had become less relevant and a new plan

was needed so that the Department could continue to offer quality programs and classes for the Torrance community.

ANALYSIS

The Cost Recovery/Subsidy Plan has been shared with the Cultural Arts and Parks and Recreation Commissions at their meetings in March 2012. The two Commissions felt that the subsidy plan meshed with their Philosophy of Service (Attachment B) as best as can be expected during difficult economic times.

Cost Recovery/Subsidy Plan Overview

The Cost Recovery/Subsidy Plan consists of several interconnected documents that each function to address an aspect of the whole. The Recreation and Cultural Services Division Budgets provide expenditure and revenue targets and assist with operational planning (budget documents are not attached to this item). The Cost Recovery/Subsidy Guidelines assist in assigning a subsidy percentage by categorizing the programs based on the cost vs. revenue, type of activity, and the primary user group. Profit and Loss Statements (P&L's) for each program are developed to determine expenditure needs (Part Time Staffing, materials and other costs versus expected revenue also not attached, but available upon request). The Cost Recovery and City Subsidy Plan Matrix summarizes the program expenditures and revenues from the P&L's and assigns the subsidy percentages established in the Guidelines (Attachment C).

As an overview, the Cost Recovery/Subsidy Plan takes into consideration the fully burdened costs of the direct and indirect costs for each of the programs within the Enterprise Fund (Attachment D). It is important to understand each type of cost which are explained below:

Direct Program Costs

Direct Program Costs are defined as all costs directly related to the program that would not be needed and/or spent if the program was not offered. Direct costs can be identified specifically with a final cost objective, and will be charged directly to that objective. Direct costs do not require any further allocation or breakdown by funding source or cost category. These costs may include, but are not limited to:

- Part time staff specific to the program or class
- Materials and Supplies to support the specific program or class
- Contract funding specific to the event or class

Indirect Divisional Costs

Indirect Divisional Costs are defined as costs that are incurred for a common or joint purpose benefiting more than one cost objective. Indirect costs are not readily assignable to the cost objectives specifically benefited without effort disproportionate to the results

achieved. Measuring benefit is the critical requirement and central task to be performed in allocating indirect costs. Certain indirect costs benefit several programs or cost objectives (while being for a specific service or function) are outlined below. These costs may include, but are not limited to:

- Full time staff salaries/benefits
- Utilities
- Training/Education
- Subscriptions
- Memberships
- Certain equipment
- Certain furniture
- City Interdepartmental Charges

Subsidy Levels

With the identification of the direct and indirect divisional costs, staff then addressed the appropriate subsidy levels to be recommended for each of the programs. Staff reviewed each of the columns and subsidy levels to ensure that the programs were in the appropriate category. Each of these six categories are defined by criteria that justify the need for subsidy. For example Category I includes *"Programs, Activities, Events and Facilities that promote a safe, healthy, and secure community with an emphasis on Environmental Education, youth, fixed income seniors and community cultural awareness."*

The six categories are as follows:

1. 100% Subsidized--Programs are not required to cover their respective Direct Costs or Indirect Divisional Costs.
 - *Examples: city facilities and community events and programs.*
2. 60% Subsidized--Programs recover a portion of their Direct Costs and Indirect Divisional Costs.
 - *Examples: Youth, Senior Citizens and Special Needs Classes and Programs.*
3. 40% Subsidized--Programs recover a portion of their Direct Costs and Indirect Divisional Costs.
 - *Examples: Youth and Senior Citizen Classes and Programs that can recover a greater amount of revenue)*
4. 20% Subsidized--Programs recover a portion of their Direct Costs and Indirect Divisional Costs.
 - *Examples: Youth, Senior Citizen, and Adult Programs that promote Personal Enrichment and Quality of Life in the Community.*

5. 10% Subsidized--Programs recover a portion of their Direct Costs and Indirect Divisional Costs.
 - *Example: Adult Classes.*
6. 0% Subsidy/No Subsidy--Programs are expected to recover their Direct Costs and Indirect Divisional Costs.
 - *Example: Special Interest Adult Programs and Community Facilities that promote Personal Development.*

Included in the Subsidy Plan above is a category for Adult Classes in both the Cultural and Recreation Divisions. This category was added at the 10% level to emphasize the importance of covering the costs of classes for non-residents, as there has been much concern over the City's subsidy of non-residents. With a non-resident fee of approximately 10% of the value of each class, the City's subsidy of 10% for all adult classes would be covered by the additional fee paid by the participant. Therefore, for Adult classes, there would in effect be no subsidy for any non-resident enrolled in an Adult class.

This formula does not hold true for youth classes, as they have a recommended subsidy of 40%. In these cases, the non-resident fee of approximately 10% would not cover the full subsidy of non-resident enrollments. However, staff continues to estimate the significance of non-resident enrollments in classes and programs, and have found that there are economic benefits, as well as quality of life benefits, to having non-resident youth enrolled in our Classes and Programs. For instance, many parents drive their kids to classes, drop them off, and head off to do errands. This is especially true for participants at the Cultural Arts Center, with its proximity to the Del Amo Fashion Center. But the same can be said for restaurants, gas stations, and other shopping centers, some of which are within walking distance for the parents that do not sit and wait during their kids classes.

Fees and Impact

With the implementation of the new Cost Recovery/Subsidy Plan that includes all direct costs as well as all indirect costs, fees for classes and programs were raised to the average market rate as identified by the Market Rate Analysis. In doing so, there has been a noticeable reduction in participation within these programs and classes. Staff reviewed the past 3 – 5 year timeframe to identify how fees for individual Community Services classes have changed.

Over the course of the last three years, fees for classes and programs in the Parks and Recreation Enterprise Fund have risen by 20%. In 2008, the average class fee was \$66.35, and in 2009, the average class fee was \$67.52. While in 2010 the average class fee was up \$5.39 to \$72.91, in 2011 the average class fee was up another \$8.48 to \$81.39. These fee increases across the board have had a significant impact on enrollments. If we look back to 2008, comparing total enrollments across the board, there is a decrease in total annual enrollments every year. To summarize, here is a look at the net revenue, total enrollments, resident enrollments, and non-resident enrollments for each calendar year:

	Net Revenue	Total Enrollments	Total Residents	Total Non-residents	Average Class Fee
2008	\$3,239,383	41,674	32,838	8,836	\$66.35
2009	\$3,109,825	39,646	31,457	8,189	\$67.52
2010	\$3,188,118	37,672	29,739	7,933	\$72.91
2011	\$3,238,401	33,324	27,340	5,984	\$81.39

Staff have evaluated the impact of the fee increases on a random sample of classes and found that while in some cases fee increases have had little effect on enrollments, such as adult golf and youth creative ballet, some classes have dramatically decreased including Yoga, Aerobics, and Drawing, Painting and Watercolor. In some cases, the result has been a decrease of more than 50% of the class attendance. In addition to fee increases, there are multiple factors that must be considered when reviewing the enrollment numbers. These include a tough economy, increased unemployment, and a reduction of discretionary income.

Given all of the aforementioned information staff believe that the new Cost Recovery/Subsidy Plan will work, but continue to be cautious in the area of raising fees until there is a strong recovery of participation numbers in all programs and classes.

It is important to note that all future Cost of Living increases provided to the direct program costs (part-time labor) of providing these services can be included. Staff believes these increases can be recovered by fee increases to these classes and programs. Although, if future Cost of Living increases are provided to the indirect divisional costs (full time labor), staff recommend that this same amount of funding be added to the city subsidy level of approximately \$3,200,000. Additional fee increases for the programs and classes will not be able to support or keep pace with these Cost of Living increases.

RECOMMENDATION

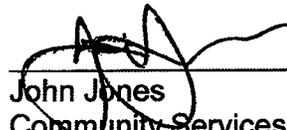
Programming for the Parks and Recreation Enterprise Fund is primarily provided oversight by both the Cultural Arts and Parks and Recreation Commissions. Additionally, the Youth Council and Commission on Aging assist in providing programming guidance and oversight for youth and seniors within the Recreation Services Division.

Staff recommends that each of the four Commissions review their programs for public participation/attendance, value to the Community, and fees in comparison to Market Rate. The review will allow for full participation from all commissions who provide oversight within the Department.

It is anticipated that the information would be presented to each of the commissions in the following order:

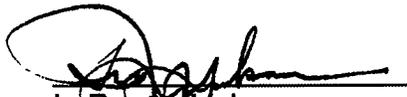
1. Staff will share this plan with the Youth Council and Commission on Aging at their upcoming monthly meeting.
2. Once this information has been gathered, staff would then present these findings to both the Cultural Arts and Parks and Recreation Commissions at their monthly meetings. The Commissions will review the plan and findings, and provide a recommendation back to the Citizen Development and Enrichment Committee.
3. The Citizen Development and Enrichment Committee would then review the program findings, evaluate the Cost Recovery/Subsidy Plan and make a recommendation of budget and subsidy levels back to the City Council.

Respectfully submitted,



John Jones
Community Services Director

CONCUR:



LeRoy D. Jackson
City Manager

Attachment:

- A. History of Subsidy
- B. Parks and Recreation and Cultural Arts Commission Philosophy Statement
- C. Cost Recovery/Subsidy Plan
- D. Supplementary Material to Item 13A

JJ:AO:evp/restricted/commission/CityCouncilCommittee/reviewofsubsidyitem8.13.12

History of Cultural Arts Center Fund and Recreation Fund Subsidies

	Total Revenues	Total Expend. Budget	Revenues Less Expenditures	Transfers		Subsidy as % of Total Budgeted Revenues	Subsidy as % of Total Budgeted Expenditures
				In (Subsidy)	Out		
Cultural Arts Center							
2001-02 Adopted	1,526,475	1,472,495	53,980	770,075	770,075	50%	52%
2002-03 Adopted	1,553,995	1,596,892	(42,897)	780,075	780,075	50%	49%
2003-04 Adopted	1,553,995	1,606,110	(52,115)	780,075	780,075	50%	49%
2004-05 Adopted	1,553,995	1,701,562	(147,567)	780,075	780,075	50%	46%
2005-06 Adopted	1,581,275	1,827,051	(245,776)	780,075	780,075	49%	43%
2006-07 Adopted	1,619,275	1,894,698	(275,423)	780,075	780,075	48%	41%
2007-08 Adopted	1,919,275	1,964,554	(45,279)	1,065,075	1,065,075	55%	54%
2008-09 Adopted	2,061,315	2,098,229	(36,914)	1,149,875	1,149,875	56%	55%
2009-10 Adopted	2,524,785	2,198,265	326,520	1,156,255	1,156,255	46%	53%
2010-11 Adopted	2,009,005	2,177,687	(168,682)	780,075	780,075	39%	36%
2011-12 Adopted	1,984,117	2,161,885	(177,768)	713,187	713,187	36%	33%
2012-13 Original Adopted	2,088,627	2,167,985	(79,358)	713,187	713,187	34%	33%
2012-13 Revised	1,984,117	2,169,223	(185,106)	713,187	713,187	36%	33%
Recreation Fund							
2001-02 Adopted	5,896,083	6,273,336	(377,253)	2,703,830	2,703,830	46%	43%
2002-03 Adopted	6,251,472	6,415,869	(164,397)	3,073,830	3,073,830	49%	48%
2003-04 Adopted	6,502,121	6,567,509	(65,388)	2,919,830	2,919,830	45%	44%
2004-05 Adopted	7,027,693	7,374,123	(346,430)	2,919,830	2,919,830	42%	40%
2005-06 Adopted	6,925,412	7,251,857	(326,445)	2,893,847	2,893,847	42%	40%
2006-07 Adopted	7,254,427	7,476,952	(222,525)	3,043,847	3,043,847	42%	41%
2007-08 Adopted	7,620,787	7,691,373	(70,586)	3,410,597	3,410,597	45%	44%
2008-09 Adopted	8,147,790	8,270,863	(123,073)	3,745,750	3,745,750	46%	45%
2009-10 Adopted	8,211,790	8,177,922	33,868	3,745,750	3,745,750	46%	46%
2010-11 Adopted	7,939,890	8,154,592	(214,702)	3,283,695	3,283,695	41%	40%
2011-12 Adopted	8,099,304	8,502,368	(403,064)	3,283,695	3,283,695	41%	39%
2012-13 Original Adopted	8,099,304	8,514,968	(415,664)	3,283,695	3,283,695	41%	39%
2012-13 Revised	8,099,304	8,501,678	(402,374)	3,283,695	3,283,695	41%	39%

**Parks and Recreation and Cultural Arts Commission
Philosophy Statement**

Our philosophy for the services provided by the Community Services Department is to:

- **Deliver services with integrity and honesty respecting all users**
- **Foster lifelong learning and personal development**
- **Cultivate joy, delight, and wonder**
- **Embrace diversity and offer equal access to services and programs to all our citizens**
- **Incorporate innovation and adopt new technologies to extend, expand, and enhance services**
- **Be responsible stewards of City resources**
- **Provide opportunities for civic participation and contribution**
- **Recognize and celebrate accomplishments and successes**

It is understood and well documented that Recreation and Cultural programs and classes augment and enhance "quality of life" for all our citizens. These programs and classes are not optional; they are *essential* parts of our community making it better now and in the future.

All who live, learn, work, and play in Torrance including youth, juveniles, adults and senior citizens, should have access to individual and group recreational and cultural activities, programs, instructional classes and facilities for free or, at least, at an affordable amount; and it should be available regardless of status or the ability to pay.

COST RECOVERY & CITY SUBSIDY GUIDELINES FOR CULTURAL AND RECREATIONAL CLASSES, PROGRAMS & ACTIVITIES

The following guidelines will be used in developing Cultural and Recreation Division program fees and to determine the appropriate cost recovery and/or the amount of City subsidy necessary for the program to operate.

Category 1	Category 2	Category 3	Category 4	Category 5	Category 6
<p>Programs are not required to cover their respective Direct Costs or Indirect Divisional Costs. (100% subsidized)</p> <p>Cultural Services Cultural Events Torrance Art Museum</p>	<p>Programs recover a portion of their Direct Costs and Indirect Divisional Costs. (60% subsidized)</p> <p>Cultural Services</p>	<p>Programs recover a portion of their Direct Costs and Indirect Divisional Costs. (40% subsidized)</p> <p>Cultural Services Civic Chorale Contract Youth Classes Staff Youth Classes</p>	<p>Programs recover a portion of their Direct Costs and Indirect Divisional Costs. (20% subsidized)</p> <p>Cultural Services Early Childhood Development Theater Company</p>	<p>Programs recover the majority of their Direct Costs and Indirect Divisional Costs. (10% subsidized)</p> <p>Cultural Services Contract Adult Classes Staff Adult Classes</p>	<p>Programs are expected to recover their Direct Costs and Indirect Divisional Costs. (No subsidy)</p> <p>Cultural Services Cultural Excursions</p>
<p>Recreation Services Madrona Marsh Nature Center Madrona Marsh Preserve Senior Facilities Summer Parks</p>	<p>Recreation Services ATTIC Teen Center DH Sports Center Senior Programs Senior Lunch Program Special Needs Youth Sports</p>	<p>Recreation Services Aquatics Contract Youth Classes Co-Rec Teen Activities Special Events</p>	<p>Recreation Services Adult Sports Afterschool Clubs Day Camps Roller Hockey Senior Excursions</p>	<p>Recreation Services Contract Adult Classes</p>	<p>Recreation Services Batting Cages Community Gardens Farmers Market Las Canchas Tennis Center Sea Aire Golf Course Turkey Trot</p>
<p>Programs, activities, and facilities that promote a balanced community with an emphasis on environmental education, youth, seniors citizens, and cultural awareness</p>	<p>Programs, activities, and facilities that promote a balanced community with an emphasis on high school teens, special needs individuals, fixed income seniors, and youth</p>	<p>Programs, activities, and facilities that increase the quality of life in the community and provide a wide range of healthy, affordable activities to youth, teens, adults, and families.</p>	<p>Programs, activities, and facilities that increase the quality of life in the community and enhance healthy opportunities to participants of all ages</p>	<p>Classes targeted specifically for adults that are for personal development.</p>	<p>Programs, activities and facilities that revenue producing special interest areas offered primarily for adults for personal development.</p>

Direct Costs include all costs directly related to the program that would not be needed &/or spent if the program was not offered. This includes part-time staff, materials/supplies, contract services, etc.

Indirect Divisional Costs are set at a percentage based on Divisional budget relative to the program and recover indirect costs including full-time/support staff, administrative materials/supplies, & contract services covered by the respective Division.

Attachment D

Council Meeting of
May 15, 2012**SUPPLEMENTARY MATERIAL**

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

Members of the City Council:

SUBJECT: Supplementary Material to Item 13A

Staff have provided clarification on the Community Services Department Enterprise Fund Cost Recovery/Subsidy Plan as well as answers to specific questions regarding this plan (Attachment A).

The attached spreadsheet Net Cost Review is a slightly different version of the copies in the packet on pages 53 and 54 of Council Item 13A (Attachment B).

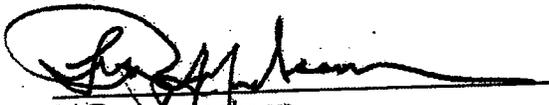
Explanation of the difference between Direct and Indirect Costs has been added to both the Recreation Services Division and Cultural Services Division sheets in boxes at the bottom. In addition, there have been some format changes that make the sheet easier to read.

The Total Subsidy listed in Column h is the subsidy values that have been implemented over the past year while the Subsidy Target in Column i is a future target.

Respectfully submitted,


John Jones
Community Services Director

CONCUR:


LeRoy Jackson
City Manager

Attachments:

- A. Memo on Clarification on the Community Services Department Enterprise Fund Cost Recovery/Subsidy Plan
- B. Net Cost Review, Pages 53 and 54 of Item 13A

CITY OF TORRANCE

INTEROFFICE COMMUNICATION

DATE: May 15, 2012

TO: Eric Tsao, Finance Director

FROM: John Jones, Community Services Director

**SUBJECT: CLARIFICATION ON THE COMMUNITY SERVICES DEPARTMENT
ENTERPRISE FUND COST RECOVERY/SUBSIDY PLAN**

At the May 8, 2012 Budget Hearing, the City Council asked staff for additional program information in order to clarify questions on the Cost Recovery/Subsidy Plan for the Enterprise Fund.

As a recap, the purpose of this plan was to review the Enterprise Fund reduction goal of \$400,000, provide an overview of recommended deletions, reductions and fee increases, and demonstrate how these changes fit within the Departments vision and connect to the new philosophy provided by the Parks and Recreation and Cultural Arts Commissions. This Cost Recovery/Subsidy Plan takes into consideration the fully burdened costs of the direct and indirect costs for each of the programs within the Enterprise Fund. This plan has also been vetted with the Parks and Recreation and Cultural Arts Commissions earlier this year.

- Q.** Why was the amount of \$447,889 provided in deletions, reductions, and fee increases, instead of the targeted amount of \$400,000?
- A.** In the analysis of all the programs and classes for deletion, reduction and fee increases, staff deleted many of the free community events to reach the targeted amount of \$400,000 to maintain the current subsidy level and to balance the budget. To be consistent with the deletions in the plan, staff provided additional deletions in the amount of \$47,889. These deletions have all been included in this plan and are only being provided to the City Council if they wanted to re-fund these deletions. The list of programs that are deleted and would be considered for re-funding are listed in Attachment D-5 page 56.
- Q.** Please provide an explanation of the Recreation Division Indirect Costs of \$2,328,126; and the Cultural Division Indirect Costs of \$596,931.
- A.** The Recreation and Cultural Divisions Indirect Costs are made up of all full time staff salaries/benefits; city interdepartmental charges (phone, central services, cable, custodial, communications, electrical maintenance, building maintenance, air conditioning, data and internet); Utilities as appropriate,

Training and Education; Memberships; Certain Equipment and Furniture; and replacement fund for computers and phones. The breakout is as follows:

Recreation Division	
Salaries and Benefits	\$1,484,797
Materials and Supplies	15,404
Professional/Contract Services	8,600
Training, Travel, and Membership	5,900
Liabilities	18,421
Inter-Departmental Charges	754,409
Operating Transfers Out	40,595
Recreation Indirect Overhead	\$2,328,126

Cultural Services	
Salaries and Benefits	\$578,100
Material and Supplies	9,431
Professional/Contract Services	3,600
Training, Travel, and Membership	5,800
Cultural Indirect Overhead	\$596,931

- Q.** In referring to Attachment D-5 on page 55, where can the \$447,889 of deletions, reductions, and fee increases be found in the Cost Recovery/Subsidy Plan? Is the prioritized listing of programs to save included in the total reduction value of \$447,889?
- A.** A complete listing of the proposed deletions, reductions, and fee increases can be found in the budget item in Attachment A from pages 69 - 72. Yes, all of the listed programs have been included in the total reduction value of \$447,889.
- Q.** Is there a chart that shows the proposed subsidy percentages for each of the programs within the Enterprise Fund?
- A.** Yes, the Cost Recovery & Subsidy Guidelines can be found in the budget item in Attachment C page 75. This is the revised subsidy policy moving away from the 60% Youth and 40% Seniors that was approved in the early 1990's. These categories better reflect needs of the community as well as the overall philosophy of the Parks and Recreation and Cultural Arts Commissions and vision of the Community Services Department.

The large spreadsheet provided basically reflects the future goal or targets for each of the programs based on this Cost Recovery/Subsidy Plan. The chart illustrates the differences between the "current" level of subsidy and the "subsidy" goal based on the revised subsidy policy. How the enterprise fund achieves the "subsidy" goal is in the planning process and will be brought forward at a later date.


 John Jones
 Community Services Director

FY 2012-2013
Cultural Services Division
Cost Recovery and City Subsidy Plan

All Cult Div Programs, Classes, and Activities	P & L's		% of CULT Div Total	Cult Div		Direct Costs		Cost Recovery	% Recovery	% Subsidy	Subsidy Value	PROPOSED REVENUES		Balance
	Direct Costs	Indirect Costs		Direct Costs	Indirect Costs	Div Indirect Costs	Category					P & L's	Balance	
	a	b		c	d	e	f	g	h	i	j	k	l	m
930702 Torrance Art Museum	\$ 128,884	\$ -	9%	\$ 56,334	\$ 185,218	1	0%	100%	\$ 185,218	-	\$ -	-	\$ -	Torrance Art Museum
930703 Cultural Events	\$ -	\$ -	0%	\$ -	\$ -	1	0%	100%	\$ 0	-	\$ -	-	\$ -	Cultural Events
930705 Civic Chorale	\$ 40,800	\$ 17,833	3%	\$ 58,633	\$ -	3	60%	40%	\$ 23,453	-	\$ 30,000	30,000	\$ 30,000	Civic Chorale
930706 Staff Taught Classes-Youth (60% of total)	\$ 280,048	\$ 113,666	19%	\$ 373,715	\$ -	3	60%	40%	\$ 149,486	-	\$ 312,442	312,442	\$ 312,442	Staff Taught Classes-Youth (60% of total)
930708 Contract Classes-Youth (60% of total)	\$ 312,942	\$ 138,785	23%	\$ 448,727	\$ -	3	60%	40%	\$ 179,891	-	\$ 336,895	336,895	\$ 336,895	Contract Classes-Youth (60% of total)
930711 Early Childhood Dev	\$ 127,335	\$ 95,657	9%	\$ 182,992	\$ -	4	80%	20%	\$ 38,688	-	\$ 139,060	139,060	\$ 139,060	Early Childhood Dev
930710 Theater Company	\$ 108,680	\$ 47,503	8%	\$ 166,183	\$ -	4	80%	20%	\$ 31,237	-	\$ 50,000	50,000	\$ 50,000	Theater Company
930708 Contract Classes-Adult (40% of total)	\$ 208,628	\$ 91,190	15%	\$ 299,818	\$ -	5	90%	10%	\$ 29,982	-	\$ 221,838	221,838	\$ 221,838	Contract Classes-Adult (40% of total)
930706 Staff Taught Classes-Adult (40% of total)	\$ 173,368	\$ 75,777	13%	\$ 249,143	\$ -	5	90%	10%	\$ 24,914	-	\$ 204,578	204,578	\$ 204,578	Staff Taught Classes-Adult (40% of total)
930707 Excursions	\$ 5,000	\$ 2,185	0%	\$ 7,185	\$ -	6	100%	0%	\$ 0	-	\$ 7,185	7,185	\$ 7,185	Excursions
	\$ 1,385,684	\$ 586,931	100%	\$ 1,962,615	\$ -				\$ 660,779		\$ 1,301,836	1,301,836	\$ 1,301,836	

2011-2012 Subsidy	\$ 703,879
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Recreation Division Operations Cost	\$ 1,365,684
Recreation Division Admin Cost	\$ 586,931
Division Total	\$ 1,962,615

Cultural Budget	\$ 1,962,615
less Revenue	\$ 1,301,836
Difference	\$ (660,779)
Difference	\$ (660,779)
less Subsidy	\$ 660,779
Balance	\$ 0

**FY 2012-2013
Recreation Services Division
Cost Recovery and City Subsidy Plan**

All Rec Div Programs, Classes, and Activities	P & L's		% of Rec Div Total	Direct Costs + Div Indirect Costs		Rec Div Indirect Costs	Cost Recovery Category	% Recovery	% Subsidy	Subsidy Value	Revenue		Balance
	Direct Costs	Indirect Costs		a	b						c	d	
930508 Seniors - Facilities	\$ 92,587	\$ -	2.54%	\$ 151,653	\$ -	\$ 151,653	1	0%	100%	\$ -	\$ 151,653	\$ -	\$ 0
930527 Madrona Marsh Nature Center	\$ 280,304	\$ 178,822	7.68%	\$ 459,126	\$ -	\$ 459,126	1	0%	100%	\$ -	\$ 459,126	\$ -	\$ 0
930528 Summer Drop-in Park Programs	\$ 88,770	\$ 56,631	2.43%	\$ 145,401	\$ -	\$ 145,401	1	0%	100%	\$ -	\$ 145,401	\$ -	\$ 0
930528 Madrona Marsh Preserve	\$ 142,233	\$ 90,738	3.90%	\$ 232,971	\$ -	\$ 232,971	1	0%	100%	\$ -	\$ 232,971	\$ -	\$ 0
930505 Teen Activities-The ATTIC	\$ 148,312	\$ 95,255	4.09%	\$ 244,567	\$ -	\$ 244,567	2	40%	60%	\$ -	\$ 148,312	\$ 16,545	\$ 81,282
930507 Special Needs	\$ 50,911	\$ 32,478	1.40%	\$ 83,389	\$ -	\$ 83,389	2	40%	60%	\$ -	\$ 50,911	\$ 24,684	\$ 8,662
930508 Seniors - Program	\$ 86,347	\$ 55,088	2.37%	\$ 141,435	\$ -	\$ 141,435	2	40%	60%	\$ -	\$ 84,960	\$ 30,213	\$ 26,360
930532 Youth Sports	\$ 237,981	\$ 151,822	6.92%	\$ 389,803	\$ -	\$ 389,803	2	40%	60%	\$ -	\$ 233,882	\$ 49,348	\$ 8,937
930537 D.H Sports Center	\$ 162,222	\$ 103,491	4.45%	\$ 265,713	\$ -	\$ 265,713	2	40%	60%	\$ -	\$ 159,428	\$ 60,000	\$ 9,916
930505 Teen Activities-Co Rec	\$ 80,901	\$ 32,473	1.39%	\$ 113,374	\$ -	\$ 113,374	3	60%	40%	\$ -	\$ 33,349	\$ 34,809	\$ 53,719
930508 Special Events (Multiple)	\$ 80,080	\$ 57,487	2.47%	\$ 137,567	\$ -	\$ 137,567	3	60%	40%	\$ -	\$ 388,494	\$ 443,472	\$ 139,269
930536 Aquatics	\$ 682,955	\$ 971,235	16.25%	\$ 1,654,190	\$ -	\$ 1,654,190	3	60%	40%	\$ -	\$ 67,293	\$ 200,847	\$ 99,908
930511 Contract Classes-Youth	\$ 102,708	\$ 65,623	2.81%	\$ 168,331	\$ -	\$ 168,331	3	60%	40%	\$ -	\$ 126,424	\$ 528,960	\$ 23,285
930528 After School Club	\$ 385,919	\$ 246,200	10.55%	\$ 632,119	\$ -	\$ 632,119	4	80%	20%	\$ -	\$ 100,261	\$ 328,472	\$ 79,427
930545 Adult Sports	\$ 308,065	\$ 195,250	8.39%	\$ 503,315	\$ -	\$ 503,315	4	80%	20%	\$ -	\$ 49,857	\$ 120,000	\$ 13,172
930510 Roller Hockey-Youth, Adult, & Rink	\$ 152,192	\$ 97,092	4.17%	\$ 249,284	\$ -	\$ 249,284	4	80%	20%	\$ -	\$ 28,293	\$ 100,000	\$ 17,580
930508 Seniors - Excursions	\$ 86,367	\$ 65,098	2.37%	\$ 151,465	\$ -	\$ 151,465	4	80%	20%	\$ -	\$ 83,146	\$ 315,000	\$ 17,580
930510 Day Camps	\$ 253,807	\$ 161,918	6.95%	\$ 415,725	\$ -	\$ 415,725	5	80%	20%	\$ -	\$ 7,174	\$ 105,241	\$ 40,679
930511 Contract Classes-Adult	\$ 43,798	\$ 27,940	1.20%	\$ 71,738	\$ -	\$ 71,738	5	80%	20%	\$ -	\$ -	\$ 483,774	\$ 147,351
930502 Farmers Market	\$ 205,392	\$ 131,031	5.63%	\$ 336,423	\$ -	\$ 336,423	6	100%	0%	\$ -	\$ -	\$ 99,604	\$ 89,604
930509 Special Events-Turkey Trot addtl rev	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	6	100%	0%	\$ -	\$ -	\$ 12,000	\$ 1,373
930513 Community Gardens	\$ 6,488	\$ 4,139	0.18%	\$ 10,627	\$ -	\$ 10,627	6	100%	0%	\$ -	\$ -	\$ 25,000	\$ 18,147
930534 Las Canchas Tennis Center	\$ 10,289	\$ 6,564	0.28%	\$ 16,853	\$ -	\$ 16,853	6	100%	0%	\$ -	\$ -	\$ 140,000	\$ 27,420
930535 Sea Aire Golf Course	\$ 68,732	\$ 43,848	1.88%	\$ 112,580	\$ -	\$ 112,580	6	100%	0%	\$ -	\$ -	\$ 25,000	\$ 20,066
930547 Batting Cages	\$ 3,000	\$ 1,914	0.08%	\$ 4,914	\$ -	\$ 4,914	6	100%	0%	\$ -	\$ -	\$ -	\$ -
930548 Skate Park	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	6	100%	0%	\$ -	\$ -	\$ -	\$ -
1508 Beverage Agreement	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	6	100%	0%	\$ -	\$ -	\$ 30,000	\$ 30,000
TOTAL	\$ 3,649,348	\$ 2,328,126	100%	\$ 5,977,474	\$ -	\$ 5,977,474				\$ 2,607,403	\$ 3,370,071	\$ -	

2011-2012	Subsidy	\$	2,607,403
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Recreation Budget	\$	5,977,474
less Revenue	\$	3,370,071
Difference	\$	(2,607,403)
Difference less Subsidy	\$	(2,607,403)
Balance	\$	(0)

Recreation Division Operations Cost	\$	3,649,348
Recreation Division Admin Cost	\$	2,328,126
Division Total	\$	5,977,474

NY 2012-2013
 Recreation Division
 Net Cost Review

All Rec Div Programs, Classes, and Activities	Direct Costs	Rec Div Indirect Costs	Dept Admin Overhead	City Indirect	Total City Cost	% of Revenue to Total City Cost	Total Costs minus Revenue	Total Subsidy Current %	Total Subsidy Target	Processed Subsidy based on Subsidy Plan	Subsidy Gap Value	All Rec Div Programs, Classes, and Activities
Section - Facilities	\$ 82,547	\$ 30,028	\$ 5,624	\$ 10,070	\$ 107,269	100%	\$ -	100%	100%	\$ 107,269	\$ -	Section - Facilities
Madison March Madness Center	\$ 260,904	\$ 17,622	\$ 17,651	\$ 30,487	\$ 307,643	100%	\$ -	100%	100%	\$ 307,643	\$ -	Madison March Madness Center
Summer Drop-in Park Programs	\$ 67,770	\$ 56,831	\$ 5,944	\$ 9,655	\$ 130,200	100%	\$ -	100%	100%	\$ 130,200	\$ -	Summer Drop-in Park Programs
Madison March Madness	\$ 142,253	\$ 90,738	\$ 9,597	\$ 16,476	\$ 259,064	100%	\$ -	100%	100%	\$ 259,064	\$ -	Madison March Madness
Teen Activities - The ATTC	\$ 148,312	\$ 95,795	\$ 10,156	\$ 18,240	\$ 272,503	100%	\$ -	100%	100%	\$ 272,503	\$ -	Teen Activities - The ATTC
Section - Programs	\$ 66,347	\$ 65,083	\$ 4,331	\$ 8,391	\$ 144,152	100%	\$ -	100%	100%	\$ 144,152	\$ -	Section - Programs
Section - Youth Sports	\$ 27,961	\$ 151,822	\$ 14,990	\$ 25,655	\$ 319,428	100%	\$ -	100%	100%	\$ 319,428	\$ -	Section - Youth Sports
D-H Sports Center	\$ 162,272	\$ 103,481	\$ 10,204	\$ 17,694	\$ 293,651	100%	\$ -	100%	100%	\$ 293,651	\$ -	D-H Sports Center
Teen Activities - Co Rec	\$ 50,901	\$ 32,473	\$ 3,202	\$ 5,506	\$ 92,111	100%	\$ -	100%	100%	\$ 92,111	\$ -	Teen Activities - Co Rec
Special Events (MADISON)	\$ 62,990	\$ 37,390	\$ 3,738	\$ 6,487	\$ 110,703	100%	\$ -	100%	100%	\$ 110,703	\$ -	Special Events (MADISON)
Contract Classes - Youth	\$ 102,708	\$ 66,523	\$ 8,460	\$ 11,171	\$ 188,862	100%	\$ -	100%	100%	\$ 188,862	\$ -	Contract Classes - Youth
After School Club	\$ 306,519	\$ 248,200	\$ 24,274	\$ 41,874	\$ 600,867	100%	\$ -	100%	100%	\$ 600,867	\$ -	After School Club
ADAM Sports	\$ 95,250	\$ 195,250	\$ 19,250	\$ 32,287	\$ 342,037	100%	\$ -	100%	100%	\$ 342,037	\$ -	ADAM Sports
Roller Hockey - Youth, ADAM, & RINK	\$ 152,182	\$ 87,062	\$ 9,773	\$ 16,583	\$ 265,600	100%	\$ -	100%	100%	\$ 265,600	\$ -	Roller Hockey - Youth, ADAM, & RINK
Swimming - Youth	\$ 283,800	\$ 171,918	\$ 19,284	\$ 27,635	\$ 443,837	100%	\$ -	100%	100%	\$ 443,837	\$ -	Swimming - Youth
Contract Classes - ADAM	\$ 45,798	\$ 27,840	\$ 2,765	\$ 4,763	\$ 76,946	100%	\$ -	100%	100%	\$ 76,946	\$ -	Contract Classes - ADAM
Farmers Market	\$ 200,392	\$ 151,631	\$ 12,818	\$ 22,539	\$ 377,380	100%	\$ -	100%	100%	\$ 377,380	\$ -	Farmers Market
Special Events - Turkey Trot add'l rev	\$ 4,583	\$ 4,583	\$ -	\$ -	\$ 4,583	0%	\$ 4,583	0%	0%	\$ -	\$ 4,583	Special Events - Turkey Trot add'l rev
Community Outreach Center	\$ 10,296	\$ 4,583	\$ 4,647	\$ 1,116	\$ 10,590	100%	\$ -	100%	100%	\$ 10,590	\$ -	Community Outreach Center
See All City Centers	\$ 9,752	\$ 43,648	\$ 4,329	\$ 7,476	\$ 65,205	100%	\$ -	100%	100%	\$ 65,205	\$ -	See All City Centers
Swimming Capes	\$ 3,000	\$ 1,974	\$ 189	\$ 328	\$ 5,491	100%	\$ -	100%	100%	\$ 5,491	\$ -	Swimming Capes
Swim Park	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -	0%	0%	\$ -	\$ -	Swim Park
Beverage Agreement	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ 30,000	0%	0%	\$ -	\$ 30,000	Beverage Agreement
TOTAL	\$ 3,649,348	\$ 2,329,126	\$ 229,639	\$ 396,913	\$ 6,605,026	100%	\$ 3,770,071	0%	0%	\$ 2,834,955	\$ 3,649,348	TOTAL

The Subsidy Plan takes into consideration the fully burdened costs of the Direct and Indirect Costs for each Program within the Enterprise Program.

Direct Costs are defined as all costs directly related to the program that would not be needed and/or spent if the program was not offered. Direct Costs can be identified specifically with a final cost objective, and will be charged directly to that objective. Direct costs do not require any further allocation or breakdown by funding source or cost category.

Costs may include but are not limited to:
 Part Time Staff specific to the program or class
 Materials and Supplies
 Contract funding specific to the event or class.

Indirect Divisional Costs are defined as costs that are incurred for a common or joint purpose benefiting more than one cost objective. Indirect costs are not readily assignable to the cost objective directly benefited but are necessary for the accomplishment of the objective. Indirect costs are allocated to the cost objective on the basis of a rational plan. Certain indirect costs benefit several programs or cost objectives (which being for a specific service or function) are outlined below. These costs may include, but not be limited to:

- Full Time Staff salaries/benefits
- Utilities
- Training/Education
- Subscriptions/Memberships
- Certain equipment
- Certain furniture
- City interdepartmental Charges.

Recreation Division Operations Cost
 Recreation Division Admin Cost
 Division Total

Development Admin in column d is 20% of Admin Div Cost
 Note: City Indirect in column e is 19.58% of Division FT Salaries

Recreation Budget
 Less Revenue
 Difference

Division
 City Indirect
 Balance

Note:
 Subsidy Target in column i was developed to recover Direct Costs and Divisional Overhead only.
 Does not include Department Overhead or City Indirect Costs

COST RECOVERY & CITY SUBSIDY GUIDELINES FOR CULTURAL AND RECREATIONAL CLASSES, PROGRAMS & ACTIVITIES

The following guidelines will be used in developing Cultural and Recreation Division program fees and to determine the appropriate cost recovery and/or the amount of City subsidy necessary for the program to operate.

Category 1	Category 2	Category 3	Category 4	Category 5	Category 6
<p>Programs are not required to cover their respective Direct Costs or Indirect Divisional Costs. (100% subsidized)</p> <p>Cultural Services Cultural Events Torrance Art Museum</p>	<p>Programs recover a portion of their Direct Costs and Indirect Divisional Costs. (60% subsidized)</p> <p>Cultural Services Civic Chorale Contract Youth Classes Staff Youth Classes</p>	<p>Programs recover a portion of their Direct Costs and Indirect Divisional Costs. (40% subsidized)</p> <p>Cultural Services Early Childhood Development Theater Company</p>	<p>Programs recover the majority of their Direct Costs and Indirect Divisional Costs. (10% subsidized)</p> <p>Cultural Services Contract Adult Classes Staff Adult Classes</p>	<p>Programs are expected to recover their Direct Costs and Indirect Divisional Costs. (No subsidy)</p> <p>Cultural Services Cultural Excursions</p>	
<p>Recreation Services Madrona Marsh Nature Center Madrona Marsh Preserve Senior Facilities Summer Parks</p> <p>Programs, activities, and facilities that promote a balanced community with an emphasis on environmental education, youth, seniors citizens, and cultural awareness</p>	<p>Recreation Services ATTIC Teen Center DH Sports Center Senior Programs Senior Lunch Program Special Needs Youth Sports</p> <p>Programs, activities, and facilities that promote a balanced community with an emphasis on high school teens, special needs individuals, fixed income seniors, and youth</p>	<p>Recreation Services Aquatics Contract Youth Classes Co-Rec Teen Activities Special Events</p> <p>Programs, activities, and facilities that increase the quality of life in the community and provide a wide range of healthy, affordable activities to youth, teens, adults, and families.</p>	<p>Recreation Services Adult Sports Afterschool Clubs Day Camps Roller Hockey Senior Excursions</p> <p>Programs, activities, and facilities that increase the quality of life in the community and enhance healthy physical and cultural opportunities to participants of all ages</p>	<p>Recreation Services Contract Adult Classes</p> <p>Classes targeted specifically for adults that are for personal development.</p>	<p>Recreation Services Batting Cages Community Gardens Farmers Market Las Canchas Tennis Center Sea Aire Golf Course Turkey Trot</p> <p>Programs, activities and facilities that revenue producing special interest areas offered primarily for adults for personal development.</p>

Direct Costs include all costs directly related to the program that would not be needed &/or spent if the program was not offered. This includes part-time staff, materials/supplies, contract services, etc.

Indirect Divisional Costs are set at a percentage based on Divisional budget relative to the program and recover Indirect costs including full-time/support staff, administrative materials/supplies, & contract services covered by the respective Division.



City of Torrance
Community Services Department
RECREATION DIVISION

"Creating and Enriching the Community through People, Programs & Partnerships"
www.torranceca.gov • 310 618-2930

TORRANCE TRAVELERS
PROGRAM SURVEY
WITH RESULTS

1. How many *Torrance Travelers* tours do you go on each year? Please check one:

59% 0-2 per year
28% 3-4 per year
7% 5-6 per year
6% 7 or more

2. Why do you like going on *Torrance Travelers* tours? Please check all that apply:

150 Enjoy traveling with a group/making new friends
133 Do not like to or cannot drive long distances
171 Enjoy having the trips coordinated and packaged for me
136 Like the quality of the venues selected
170 Enjoy the variety of tours offered

3. Do you reside in Torrance?

79% yes **21%** no

If no, please indicate your city: **Redondo Beach (9); Gardena (5); Lomita (5); San Pedro (3); RPV (3); Carson (2); Culver City (1); Cypress (1); Harbor City (1); Hawthorne (1); Inglewood (1); Manhattan Bch (1); Rancho Dominguez (1); Rolling Hills Estates (1); Wilmington (1); and PV (1).**

4. What is your age?

4% 50 – 59 yrs old
24% 60 – 69 yrs old
35% 70 – 79 yrs old
33% 80 – 89 yrs old
4% 90 – 99 yrs old

5. What is the number of people in your household?

- 48% 1 per household
- 40% 2 per household
- 6% 3 per household
- 3% 4 per household
- 3% 5 per household

6. What is your annual gross family income? (Based on 2 member family)

- 15% \$20,250 or under
- 23% \$33,750 or under
- 38% \$54,000 or under
- 24% \$54,001 or above

Please feel free to add any comments: **See Attachment**

SENIOR EXCURSION "TORRANCE TRAVELERS" PROGRAM**FY 2008-09**

TOUR	TOUR DATE	PARTICIPANTS
Orchids at the Flower Fields	4/24/09	44
Grammy Museum	5/20/09	31
Glendale Theatre	6/18/09	52 with a short waiting list

FY 2009-10

No July Tour	No July Tour	No July Tour
Disney Music Hall	8/9/09	54 with a long waiting list
Luau in Laughlin	8/19-21/09	52 with a short waiting list
Shake, Rattle & Rail	9/4/09	51 with a short waiting list
Winemaker for a Day	10/22/09	38
Meet Me in St. Louis	11/8/09	52 with a short waiting list
Mission Inn	12/7/09	53 with a long waiting list
San Diego Gaslamp	1/20/10	45 (47 max) with a short waiting list
Wheel of Fortune	2/18/10	45 (48 max) with a short waiting list
Yosemite Falls	3/8/10 to 3/10/10	42 no waiting list
Palm Springs Follies	4/28/10	52 with a short waiting list
Arboretum & Norton Simon	4/22/10	50
Morro Bay	5/19-20/10	44 no waiting list
Santa Barbara Sunset	6/16/10	52 with a long waiting list

FY 2010-11

TOUR	TOUR DATES	PARTICIPANTS
Neon Museum	7/29/10	40
Disney Music Hall	8/8/10	38
Las Vegas	9/13-15/10	48
Spirit of Hollywood	10/29/10	38 (40 max.) with a long waiting list
Lawrence Welk Theatre	11/10/10	34
Newport Harbor Boat Cruise	12/15/10	52 with a long waiting list
Gentle Barn Tour cancelled	1/19/11	21
Frankie Avalon	2/6/11	27
Wonder Valley	3/7-9/11	43
Space Odyssey	4/14/11	52 with a small waiting list
Palm Springs Follies	5/11/11	53 with a long waiting list
Lake Arrowhead	6/16/11	52 with a long waiting list

FY 2011-12

Reagan Library	7/20/11	52 with a small waiting list
Luau in Laughlin	8/16-18/11	51 with a long waiting list
Graceland of the West	9/21/11	52 with a long waiting list
Oak Glen Apples	10/26/11	52 with a long waiting list
Jeopardy!	11/29/11	43 (45 max) with a long waiting list
Santa's Wish	12/14/11	52 with a small waiting list
No January tour	No January tour	No January tour
Warriors, Tombs, & Temples Tour cancelled	2/29/12	31
Battle of the Dance	3/28/12	45
Death Valley Tour cancelled	4/23-25/112	37
New Orleans Jazz Brunch Tour cancelled	5/20/12	25

Senior Tour Programs in Local Cities

City	Do They Offer Senior Tours?	Pricing	Do They Use Prop A Funds?	Do They Plan Their Own Tours?	Do They Offer Tours to Non Residents?	Do Residents Get Priority?	Is There an Additional Fee for Non Residents ?
Hawthorne Sr. Ctr.	yes	varies, no more than \$10	not sure	yes	yes	no	no
Hermosa Beach	open to all; 90% srs	varies; avg \$65	partial	plan some; use 2 tour co. for others	yes	no	yes; \$5 extra
Inglewood	yes	no answer	no answer	yes	yes	no	no
Lawndale	yes	majority are Free to srs. Membership in Travel Club is \$3/yr	fund tours through CDGB grant	yes	yes	yes	no
Lomita	no	no	no	no	no	no	no
Carson Sr. Social Services	no	no	no	no	no	no	no
Gardena Nakaoka Ctr.	yes	avg. \$30. includes venue, meal, & bus	yes	yes	yes	no	no
PV Peninsula	yes	varies - \$70 to \$150 Membership is \$45/yr	no	plan some- use agency for some	yes	no	yes; \$10
Redondo Beach	yes	varies	yes	yes	yes	no	no
San Pedro	yes	around \$10 Wednesday Club membership is \$30/yr	no	yes	yes	no	no

Parks and Recreation and Cultural Arts Commissions Philosophy Statement

Our philosophy for the services provided by the Community Services Department is to:

- Deliver services with integrity and honesty respecting all users
- Foster lifelong learning and personal development
- Cultivate joy, delight, and wonder
- Embrace diversity and offer equal access to services and programs to all our citizens
- Incorporate innovation and adopt new technologies to extend, expand, and enhance services
- Be responsible stewards of City resources
- Provide opportunities for civic participation and contribution
- Recognize and celebrate accomplishments and successes

It is understood and well documented that Recreation and Cultural programs and classes augment and enhance "quality of life" for all our citizens. These programs and classes are not optional; they are *essential* parts of our community, making it better now and in the future.

All who live, learn, work, and play in Torrance regardless of status or the ability to pay including youth, juveniles, adults and senior citizens, should have access to individual and group recreational and cultural activities, programs, instructional classes and facilities for free or, at least, at an affordable amount; and it should be available regardless of status or the ability to pay.