

**MINUTES OF A JOINT MEETING OF THE
PARKS AND RECREATION COMMISSION AND
CULTURAL ARTS COMMISSION**

1. CALL TO ORDER

A joint meeting of the Torrance Parks and Recreation Commission and Torrance Cultural Arts Commission convened in a regular session at 7:00 p.m. on Wednesday, November 14, 2012, in the West Annex meeting room at Torrance City Hall.

2. ROLL CALL

Present: **Parks and Recreation Commission:**
Commissioners Gilbert, Hays, Ning, Taniguchi, and
Chairperson Mayeda.

Absent: Commissioners Baxter and Greenberg.

Present: **Cultural Arts Commission:**
Commissioners Candioly, Endo-Roberts, Frangos, and
Chairperson Bunting.

Absent: Commissioners Korman, Miranda, and Rische.

Also Present: Community Services Director Jones, Senior Business
Manager Minter, Recreation Services Manager Brunette,
Senior Administrative Analyst Orpe, Cultural Services
Manager Rappoport, Commission on Aging Chairperson
Davis, and Commission on Aging Commissioner Davis.

MOTION: Commissioner Gilbert moved to grant excused absences to Commissioners Baxter and Greenberg for the November 14, 2012 joint Commission meeting. Commissioner Taniguchi seconded the motion; a voice vote reflected unanimous approval.

MOTION: Commissioner Candioly moved to grant excused absences to Commissioners Korman, Miranda, and Rische for the November 14, 2012 joint Commission meeting. Commissioner Endo-Roberts seconded the motion; a voice vote reflected unanimous approval.

3. FLAG SALUTE

Commissioner Endo-Roberts led the Pledge of Allegiance.

4. AFFIDAVIT OF POSTING

MOTION: Commissioner Taniguchi moved to accept and file the report of the City Clerk on the posting of the agenda for this meeting. Commissioner Hays seconded the motion; a voice vote reflected unanimous approval.

5. APPROVAL OF MINUTES

5A. PARKS AND RECREATION COMMISSION MINUTES OF OCTOBER 10, 2012

MOTION: Commissioner Gilbert moved to approve the October 10, 2012 Parks and Recreation Commission meeting minutes as submitted. Commissioner Ning seconded the motion; a voice vote reflected unanimous approval (absent Commissioners Baxter and Greenberg).

5B. CULTURAL ARTS COMMISSION MINUTES OF OCTOBER 15, 2012

MOTION: Commissioner Candioty moved to approve the October 15, 2012 Cultural Arts Commission meeting minutes as submitted. Commissioner Endo-Roberts seconded the motion; a voice vote reflected unanimous approval (absent Commissioners Korman, Miranda, and Rische).

Chairperson Bunting asked if anyone wished to speak under Oral Communications at this time and, seeing none, the next item was introduced.

6. WELCOME AND INTRODUCTIONS

6A. PARKS AND RECREATION COMMISSION – CHAIRPERSON DEAN MAYEDA

Chairperson Mayeda welcomed Cultural Arts Commissioners and Parks and Recreation Commissioners took turns introducing themselves.

6B. CULTURAL ARTS COMMISSION – CHAIRPERSON LYNDA BUNTING

Chairperson Bunting thanked everyone for attending this meeting and Cultural Arts Commissioners introduced themselves.

Community Services Director Jones introduced Senior Business Manager Minter, Recreation Services Manager Brunette, Senior Administrative Analyst Orpe, Cultural Services Manager Rappoport, Commission on Aging Chairperson Davis, Commission on Aging Commissioner Davis, and Torrance Youth Council member Jillian Free.

7. DISCUSSION ITEM ON THE ENTERPRISE FUND SUBSIDY LEVELS WITHIN THE COST RECOVERY/SUBSIDY PLAN FOR THE COMMUNITY SERVICES DEPARTMENT

Community Services Director Jones provided background on the item and requested that the Commissions review the Cost Recovery/Subsidy Plan for the Community Services Department and give direction for recommendation for the Citizen Development and Enrichment Committee. He reported that staff met several times with the Commission on Aging and the Torrance Youth Council to gain their perspectives and recommendations on the Plan. He called attention to the recommendation of the Commission on Aging for the Senior Excursion Program included in supplemental material, noting that they approved Alternative #2, recommending that the subsidy level be changed from 20% to 40%, and requesting that City Council find additional funding to bridge the gap of approximately \$28,000. He stated that the Youth Council tasked staff to consider aligning the subsidy levels at 50% for Youth Sports, Youth Contract Classes and Staff Taught Youth Classes. It was determined that the change would mean the

Plan would be out of balance by \$60,188 and recommended to support the subsidy levels as presented by staff with the comment that in the future, or if additional funding is available, they would like to see Youth Sports, Youth Contract Classes, and Staff Taught Youth Classes be aligned with a 50% subsidy level category.

With the aid of slides, Senior Business Manager Minter showed the Philosophy Statement adopted by the Parks & Recreation and Cultural Arts Commissions. He presented the Cost Recovery & City Subsidy Guidelines for Cultural and Recreational Classes, Programs & Activities. He explained the six Categories in the Guidelines, from Category 1 programs that are 100% subsidized and are not required to cover their respective Direct Costs or Indirect Divisional Costs to Category 6 programs that have no subsidy and are expected to recover their Direct Costs and Indirect Divisional Costs. He described how the subsidy levels were developed and explained why Category 5, 10% subsidized programs for adult classes, was added.

Responding to Commissioner Candioly's inquiry, he explained that all programs listed in the Guidelines are budgeted in the Enterprise Fund and that any revenues generated by the programs are supposed to be applied directly to those programs. He stated that the subsidies fill the gap between the revenue that the programs generate and what it costs to run them, and that any surplus revenue is kept in the Enterprise Fund to help fund programs that are subsidized.

Chairperson Bunting inquired why Youth Sports is subsidized at 60% and Director Jones explained that it stems from tradition and was developed in the 1950s when the community believed that it was a common standard that would always be offered.

Senior Business Manager Minter next reviewed the Recreation Services Division Net Cost Review for FY 2012-2013 on the spreadsheet in Attachment B. He pointed out that the highlighted columns are what are being considered in the Plan. Using Youth Sports as an example, he explained Direct Costs and how Indirect Costs are developed by taking the overall Administrative budget for that Division and applying a percentage based on the size of that budget to the Recreation Division budget. He explained that the last column, the Subsidy Delta Value, shows what exceeds or is less than the proposed subsidy when added to the projected revenue. Using Torrance Art Museum and Early Childhood Development as examples, he further explained the spreadsheet for the Cultural Services Division Net Cost Review. He noted that a comprehensive list of Enterprise Fund Programs offered by both the Recreation and Cultural Services Divisions by Category of subsidy is included in Attachment C and stated that staff is in the process of looking at all areas to generate additional revenue.

In response to Commissioner Candioly's inquiry, staff explained that the Delta Value for Aquatics is high because the budget includes the operation of the Plunge, a reciprocal agreement with Torrance Unified School District, and the belief that the programs offered there are essential to the community.

Director Jones stated that the Plan is a work in progress and that staff would continue to work on the Subsidy Delta Value year after year to try to close the gaps. He requested that Commissioners review the thoughts of the Commission on Aging and Youth Council, provide input on the Plan, and recommend to support the subsidy levels

as presented or support the subsidy levels with suggested subsidy level revision or comments.

Commissioner Hays noted the approximately 25% drop in enrollment from 2008 to 2011 on page 5 of the item and expressed concern that clients are being priced out.

Senior Business Manager Minter indicated that fee increases have affected enrollment for some classes but maintained that those fees were gradually increased to keep to the market rate per the Market Rate Analysis that was conducted in June 2010. He stated that the decrease in enrollment could also be attributed to increased unemployment, a reduction of discretionary income, and a tough economy.

Commissioner Endo-Roberts inquired about the increase in non-resident fees and staff explained that a year ago those fees were reduced to 10% to try to recapture the non-residents that were lost.

In response to Commissioner Candioly's inquiry regarding economic projections, Senior Business Manager Minter stated the City is starting to show signs that it is coming out of the recession; however, much of the optimistic projections have already been included in the revenue numbers.

Community Services Director Jones advised that there is a freeze on all fee increases at this time.

Commissioner Ning inquired about the trend of indirect costs over the past few years. Staff explained that the majority of indirect cost is full-time staff and that the trend has remained relatively static due to the lack of raises and hiring.

Commissioner Ning offered his observation that most programs and classes are human oriented with the exception of the Madrona Marsh and Nature Center. He suggested that staff consider making the Madrona Marsh a 501c3 conservancy in order to have an excess of \$700,000 to allocate to other areas.

Staff stated that the Citizen Development and Enrichment Committee discussed this idea and took a position that they are not in support of that concept. It was pointed out that there is a Friends of Madrona Marsh that raises a significant amount of funds that directly support programs at the Marsh.

Chairperson Bunting stated that the subsidy levels seem reasonable in a recovering economy but expressed concern that the levels may be reduced or eliminated in the future, particularly the Torrance Art Museum that is fully subsidized.

Director Jones stated that Torrance Art Museum is trying to develop other revenue sources and to be more entrepreneurial.

Commissioner Taniguchi commended staff for working so hard to provide what is in the Commissions' Philosophy Statement.

Commissioner Gilbert applauded staff for coming up with a balanced budget but stated that she could not support the recommendation of the Commission on Aging to

increase the cost of the Senior Excursion Program by \$28,000 without finding some kind of offset in the budget.

Commission on Aging Commissioner Davis discussed how important the Senior Excursion Program is to the City's seniors.

Commissioner Taniguchi received clarification from staff that the Commissions were making a recommendation but it is City Council's responsibility to balance the budget. It was pointed out that the Plan was approved before fiscal year 2012-013 began, and actual numbers would be gathered as staff prepares for fiscal year 2013-14.

Youth Council member Jillian Free discussed the Youth Council's recommendation to support the subsidy levels, with the comment that in the future or if additional funding is available, that Youth Sports, Youth Contract Classes, and Staff Taught Classes be aligned within a 50% subsidy level category.

Commission on Aging Chairperson Davis stated that the Commission and staff looked at several alternatives for the Senior Excursion Program for the Cost Recovery/Subsidy Plan. She noted that their recommendation also includes a small fee increase and expressed concern that they would lose the Senior Excursion Program if participant fees were increased any further.

Commissioner Ning offered his observation that subsidy gets taken away the more successful a program is.

MOTION: Commissioner Taniguchi moved to support recommending option 2, Support the subsidy levels with suggested subsidy level revisions or comments by the Youth Council and Commission on Aging, with the recommendation not to overburden the indirect costs onto the programs and to raise subsidies in the future if possible. Commissioner Candioly seconded the motion; a voice vote reflected unanimous approval (absent Commissioners Baxter, Greenberg, Korman, Miranda, and Rische).

8. STANDING COMMITTEE UPDATES

9. MONTHLY DEPARTMENT ACTIVITY

MOTION: Commissioner Hays moved to accept the Standing Committee Updates and Monthly Department Activity reports for October 2012 as presented. Commissioner Taniguchi seconded the motion; a voice vote reflected unanimous approval (absent Commissioners Baxter, Greenberg, Korman, Miranda, and Rische).

10. ORAL COMMUNICATIONS

Commissioner Endo-Roberts stated that she attended the November 13 Commission on Aging meeting and that she enjoyed Torrance Theatre Company's "The Complete History of America Abridged."

Commissioner Candioly stated that he had the opportunity to see the Tim Weisberg concert at Studio Cabaret.

Chairperson Bunting stated that she enjoyed a Tift Merritt concert at McCabe's.

Director Jones announced that City Council would be considering the item regarding play equipment for Pueblo Park on November 20. He encouraged Commissioners to participate in the Turkey Trot and the Citizen Development and Enrichment Committee meeting in December when the Cost Recovery/Subsidy Plan recommendation is considered.

Cultural Services Manager Rappoport distributed fliers for Torrance Theatre Company's "A Christmas Carol" opening November 30 as well as for Torrance Art Museum's South Bay Focus exhibition opening December 1.

Commissioner Gilbert thanked the Cultural Arts Commission and mentioned that she also enjoyed "The Complete History of America Abridged."

Commissioner Hays stated that he watched the U-Tube video from the Madrona Marsh and suggested publicizing it. He congratulated Commissioner Taniguchi for the special recognition she received from Torrance Sister City Association.

Commissioners and staff wished each other a happy Thanksgiving.

Chairperson Mayeda expressed his appreciation to the Cultural Arts Commission and staff members and encouraged everyone to attend the Turkey Trot.

7. ADJOURNMENT

At 7:47 p.m., Chairperson Mayeda adjourned the meeting to December 12, 2012 at 7:00 p.m. at the West Annex meeting room.

At 7:48 p.m., Chairperson Bunting adjourned the meeting to December 17, 2012 at 7:00 p.m. at the West Annex meeting room.

Approved as Amended December 12, 2012 s/ Sue Herbers, City Clerk
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