



Agenda Item #: _____

Staff Report

City of Manhattan Beach

TO: Honorable Mayor Ward and Members of the City Council

THROUGH: Geoff Dolan, City Manager

FROM: Bruce Moe, Finance Director

DATE: February 21, 2006

SUBJECT: Discussion of City Subsidies of Community Events and Organizations

BACKGROUND/ DISCUSSION:

This item was originally scheduled for the February 7, 2006, meeting. Due to the length of that meeting it was continued. Attached are the original staff report and the revised attachment.

Attachment



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Staff Report

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TO: Honorable Mayor Ward and Members of the City Council

THROUGH: Geoff Dolan, City Manager

FROM: Bruce Moe, Finance Director

DATE: February 7, 2006

SUBJECT: Discussion of City Subsidies of Community Events and Organizations

RECOMMENDATION:

Staff recommends that the City Council receive and file this report.

FISCAL IMPLICATION:

There are no fiscal implications associated with the recommended action.

BACKGROUND:

The City financially supports a number of events and organizations throughout the year. This support comes in the form of cash contributions as well as in-kind services and fee waivers for City provided services. Most of these subsidies are presented to the City Council for approval at various times during the year. Because a comprehensive listing of all such subsidies has not been presented at one time, Council requested, through its most recent work plan, a complete listing, along with a discussion of the decision making processes in allocating those funds.

DISCUSSION:

The City Council has authorized and approved a number of subsidies over the years. This financial support ranges from fee waivers for community based events such as the Old Hometown Fair, to City-provided services for the School District for field maintenance, and cash contributions in support of public service organizations such as the South Bay Youth Project and 1736 Family Crisis Center. The on-going subsidies add up to approximately \$1 million each year, and exclude one-time cash payments in support of current initiatives (ex: opposing closure of the LAAFB, or support for the Ocean Express).

Attachment "A" provides a summary of the subsidies (on-going and notable one-time) and how the funds are allocated. The list does not include a variety of core City functions that are by nature subsidized with tax dollars, including Police, Fire and Paramedic, ambulance services, etc.

Parks and Recreation Fees

Aside from direct subsidies addressed on the attached listing, the City also subsidizes many of the Parks & Recreation department’s programs (the department’s goal is to generate revenue equal to at least 50% of the General Fund expenditures of the department). The City provides reduced rates for senior and non-profit groups when using City facilities and fields. Determining the exact subsidy for each group for these facility and field charges will require an analysis of past reservations, however, for discussion purposes, we are providing the rate schedules for facilities and fields.

FACILITY RENTALS

Facility rentals are divided into six categories:

	<u>Example Fee for Joslyn N/E Room</u>	
Category I	Free	School District and Senior citizen use free/no charge
Category II	\$6/hour	Non-profit Youth Organization (Little League, AYSO)
Category III	\$8/hour	Resident Non-profit Adult Organization Conducting Recreation Activities
Category IV	\$15/hour	Resident Non-profit Adult Organization conducting non-recreation activities (Toastmasters, AA, VOICE, OHTF)
Category V	\$30/hour	Resident Private Activity and Non-resident organizations (birthday parties, weddings, church service)
Category VI	\$45/hour	Resident and Non-resident for profit (auctions, corporate trainings)

FIELDS RENTALS

Field rentals are divided into four categories:

	Example Fee for Marine Park <u>Fields</u>	
Category I	Free	City, School District and Youth Leagues with open enrollment (Department leagues, Little League, AYSO)
Category II	\$12/hour	Resident adult and youth use with closed enrollment (South Bay Soccer, Wooden Bat League, private resident party)
Category III	\$50/hour	Non-resident adult and youth use (private party)
Category IV	\$100/hour	For Profit (Corporate use)

A few anomalies for the above charts for facility/field rentals are:

1. Chamber of Commerce receives free use of Joslyn N/E Room once monthly for meetings.
2. The Old Hometown Fair pays every other time they use a room. They had 17 meetings and paid for eight.
3. Boy Scouts and Girl Scouts get free use of the Scout House. Only a \$20 application fee is charged annually.
4. The Library uses the Joslyn Auditorium free once a month for puppet shows.

Other Parks and Recreation facilities have similar fee schedules. Picnic pads, gazebos, Begg Pool and Creative Arts Center have no fee for School District and City programs, a very low fee for youth recreational programs, a higher fee for adult resident use and highest fee for the for-profit groups.

Other Parks and Recreation programs that are subsidized include:

- Playground Program: Free for ages 4-12 years throughout the year – total cost \$121,875
- Senior’s Program: Senior lunches, trips, staffing. Total cost does not include use of the Joslyn Center – total cost \$18,098
- Teen Program: Free for ages 12-15 throughout the year – total cost \$67,037
- Arts Manhattan Exhibitions: The City pays Arts Manhattan \$20,000 annually to provide two exhibitions at the Creative Arts Center.

- **Library Services:** The City in essence subsidizes the County of Los Angeles Library system by approximately \$600,000 annually. This is the amount of annual property taxes paid by our residents for library services in excess of the costs associated with operating the Manhattan Beach branch of the library. The City is working with the County to purchase the library using those excess funds.

CONCLUSION:

Staff recommends that Council review the attached list, discuss and provide direction. If Council wishes to make adjustments or modifications in the allocations, or in the processes in which the allocations are made, you will have the opportunity to do so with several of the subsidies since the allocation of Community Development Block Grant Funding is on the agenda for this evening, and the annual fee waivers will be discussed at a Council meeting in April. Beyond that, Council can provide direction during the budget process, or as requests for subsidies are received.

Attachments: A. List of City Subsidies

City Subsidy Listing - February 2005
 REVISED 2-7-06

Attachment "A"

Category	Description of Group or Event Subsidized	Value	Comments/Allocation Criteria
Arts	Arts Manhattan Exhibitions	\$ 20,000.00	Discretionary Through Annual Budget.
Community Activities	American Martyrs 5K Run	\$ 4,890.00	Fee Waivers for labor and materials. Council has generally required that the event be community based and of general interest to the entire community. Approved annually by Council action.
Community Activities	American Martyrs Parish Fair	\$ 393.00	Fee Waivers for labor and materials. Council has generally required that the event be community based and of general interest to the entire community. Approved annually by Council action.
Community Activities	Chevron Bike Race	\$ 17,947.00	Fee Waivers for labor and materials. Council has generally required that the event be community based and of general interest to the entire community. Approved annually by Council action.
Community Activities	Community Gardens at Schools	\$ 6,000.00	One-time support with in-kind services at Council direction.
Community Activities	Grandview 5K Run	\$ 5,227.00	Fee Waivers for labor and materials. Council has generally required that the event be community based and of general interest to the entire community. Approved annually by Council action.
Community Activities	Holiday Fire Works	\$ 35,461.00	Fee Waivers for labor and materials. Council has generally required that the event be community based and of general interest to the entire community. Approved annually by Council action.
Community Activities	Hometown Fair	\$ 60,341.00	Fee Waivers for labor and materials. Council has generally required that the event be community based and of general interest to the entire community. Approved annually by Council action.
Community Activities	Hometown Fair 10K Run	\$ 28,513.00	Fee Waivers for labor and materials. Council has generally required that the event be community based and of general interest to the entire community. Approved annually by Council action.
Community Activities	Little League Opening Day Parade	\$ 2,791.00	Fee Waivers for labor and materials. Council has generally required that the event be community based and of general interest to the entire community. Approved annually by Council action.
Community Activities	Oceanographic Teaching Station Support	\$ 2,000.00	Estimated annual support for in-kind services by Council policy.

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Category	Description of Group or Event Subsidized	Value	Comments/Allocation Criteria
Community Activities	Richstone Pier-to-Pier Jog/Walk	\$ 1,568.00	Fee Waivers for labor and materials. Council has generally required that the event be community based and of general interest to the entire community. Approved annually by Council action.
Community Activities	Robinson School Fun Run	\$ 6,528.00	Fee Waivers for labor and materials. Council has generally required that the event be community based and of general interest to the entire community. Approved annually by Council action.
Economic	Chamber of Commerce - Cash Payments	\$ 156,639.00	Funded through 10% add-on to most business licenses. Collected funds are passed through to the Chamber on a monthly basis.
Economic	Chamber of Commerce - Free Office Rental	\$ 28,800.00	Annual estimated fair market value. Waiver by Council policy.
Economic	Downtown Merchants for Streetscape Services	\$ 47,476.00	Annual outlay to support Downtown Streetscape in excess of Assessments. Discretionary through annual budget and assessment district renewal.
Economic	Los Angeles Air Force Base Closure Opposition Funding	\$ 40,000.00	Two payments in 2004 of \$20K each by Council directive.
Economic	MB Raleigh Studios - Fire Safety Services	\$ 56,000.00	Set through Council policy after request by studios to reduce the fee in 2004. City estimate of cost = \$98,000 per year while studio is charged \$42,000 annually. Suggest reviewing during next fee study in next 2-3 years.
Economic	Ocean Express Support	\$ 16,000.00	2003-2005 support payments by Council policy.
Economic	Bagging of Parking Meters	\$ 85,000.00	Approved by Council Annually.
Schools	Begg Pool Maintenance	\$ 26,000.00	Discretionary Through Annual Budget
Schools	Crossing Guards	\$ 121,000.00	Discretionary Through Annual Budget
Schools	MBUSD Athletic Field Maintenance/Water	\$ 264,311.00	Discretionary Through Annual Budget
Schools	Mira Costa Football Game Security (2005)	\$ 6,639.00	Need determined by City Manager/Police Department and absorbed in Police budget.
Schools	Mira Costa Grad Night	\$ 7,500.00	Discretionary Through Annual Budget.
Schools	Mira Costa Graduation June 2005 Security, Traffic and Parking Support	\$ 817.00	Need determined by City Manager/Police Department and absorbed in Police budget.
Schools	Mira Costa Parking Lot Rehabilitation Project	\$ 50,000.00	One-time support with in-kind services and hard costs (lot remains unused) as directed by Council.
Schools	Mira Costa Track Rehabilitation Funding	\$ 50,000.00	Discretionary Through Annual Budget by Council policy.
Schools	Police Department School Resources Officer	\$ 108,333.00	Discretionary Through Annual Budget
Transportation	MTA Bus Pass Subsidies for Seniors and Students	\$ 5,570.00	Prop A funds used. Allocated by previous Council policy.

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Attachment "A"

Category	Description of Group or Event Subsidized	Value	Comments/Allocation Criteria
Well Being	1736 Family Crisis Center	\$ 21,050.16	Community Development Block Grant funded (exchanged for General Fund dollars). Requests for funding are submitted annually by the agency and allocated by the City Council.
Well Being	Project Touch	\$ 2,192.72	Community Development Block Grant funded (exchanged for General Fund dollars). Requests for funding are submitted annually by the agency and allocated by the City Council.
Well Being	Salvation Army	\$ 3,069.81	Community Development Block Grant funded (exchanged for General Fund dollars). Requests for funding are submitted annually by the agency and allocated by the City Council.
Well Being	South Bay Adult Care Center	\$ 1,227.93	Community Development Block Grant funded (exchanged for General Fund dollars). Requests for funding are submitted annually by the agency and allocated by the City Council.
Well Being	South Bay Center for Counseling	\$ 13,156.35	Community Development Block Grant funded (exchanged for General Fund dollars). Requests for funding are submitted annually by the agency and allocated by the City Council.
Well Being	South Bay Family Healthcare Center	\$ 15,875.33	Community Development Block Grant funded (exchanged for General Fund dollars). Requests for funding are submitted annually by the agency and allocated by the City Council.
Well Being	South Bay Senior Services (services by Jan Buike)	\$ 36,125.00	Community Development Block Grant funded (exchanged for General Fund dollars). Requests for funding are submitted annually by the agency and allocated by the City Council.
Well Being	South Bay Youth Project	\$ 13,648.58	Community Development Block Grant funded (exchanged for General Fund dollars). Requests for funding are submitted annually by the agency and allocated by the City Council.
Well Being	Wellness Community	\$ 1,227.93	Community Development Block Grant funded (exchanged for General Fund dollars). Requests for funding are submitted annually by the agency and allocated by the City Council.
	Subtotals by Category	Value	
	Arts	\$ 20,000.00	
	Community Activities	\$ 171,659.00	
	Economic	\$ 429,915.00	
	Schools	\$ 634,600.00	
	Transportation	\$ 5,570.00	
	Well Being	\$ 107,573.81	
	Total Value of Subsidies	\$ 1,369,317.81	