

**03-E2: Determine if the City of Costa Mesa should assume the responsibility for the daily operation of the Costa Mesa Senior Center.**

**Current Operational Assessment:**

The Costa Mesa Senior Center is operated Monday through Friday from 9:00 a.m. to 5:00 p.m. and Saturday from 9:00 a.m. to 1:00 p.m. It is available evenings and weekends for rentals. The building is owned by the City of Costa Mesa and leased to the Costa Mesa Senior Corporation for \$1.00 per year.

The Costa Mesa Senior Corporation Board of Directors meets monthly. There is a five member Executive Committee. A Council liaison and a staff liaison sit in on Board meetings.

The Senior Center staff is made up of an Executive Director, an Administrative Assistant, a Program Director, a Fiscal Officer, a Social Services Coordinator and a Facility Specialist. Program support is provided by several social service agencies including Senior Meals and Services, OCTA, Preventive Health Care for the Aging, HICAP, Legal Aid and the Office on Aging. An R.N. is available 40 hours per month to provide health screening (contracted service).

**PROGRAMS**

Several self-help and support groups meet at the CMSC under the guidance of the Social Services Coordinator including AA, Caregiver Support Group (Alzheimer's and Parkinson's), Diabetes Discussion Group, "Take Control" – a group for persons with chronic illnesses, Widow/Widower Support Group and a Transitions Support Group.

In addition to social services, several classes are offered through Coastline Community College. These classes are specifically designed for older adults. They are offered for little or no cost. The Program Director has also developed a cadre of volunteers who teach classes for free (supplies, if needed, are extra). There are also some contract classes available, where the instructor and the Corporation split class proceeds (currently 70% to instructor, 30% to Corporation).

There are several "drop-in" programs: Bingo, Contract and Duplicate Bridge, Cribbage, Pinochle, Billiards and Table Tennis. A computer lab has been developed and several classes are available to participants taught at no cost by the Orange Coast IBM PC Users Group.

Van transportation is also available through an OCTA grant to provide individualized service to/from store, doctors, and other errands. Trips and Tours are provided through a travel agency that specializes in senior tours.

Volunteers work in the gift shop, help in the lunch program, register participants for classes, answer phones and accept trip/tour reservations.

**FINANCES**

The Costa Mesa Senior Corporation and the Executive Director are responsible for raising funds necessary to support the operations of the Senior Center. The City provides \$250,000

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(\$150,000 base grant and up to \$100,000 matching grant) and up to \$50,000 for deferred building maintenance. Grants, donations, rental income, and activity income make up the bulk of the remaining revenue. Income for year ending 6/30/03 was \$680,328. Income has declined in each of the past three years (down from a "high water" mark of \$797,877 in 2000).

Staff costs account for almost 60% of all expenditures. Utilities, insurance, and maintenance costs are an additional 20%. The remaining 20% provides for other professionals (such as a social worker), special events, administrative costs (office supplies, postage, etc), and activity supplies expenses. Total expenditures for the past three years average \$800,000.

City is responsible for external landscaping and infrastructure maintenance (doors, windows, exterior building modifications) and provides support in assessing interior maintenance needs. Corporation is responsible for all interior functions and elements including appliances, heating/ventilation systems, phones/computers, and program equipment.

### **PERCEPTION OF OPERATIONS**

The Executive Director position had been a rotating door until Aviva Goelman was hired a few years ago. While unable to meet the demands of each and every participant, Ms. Goelman has brought consistent and humane programming to the Center that were lacking prior to her tenure. Her greatest challenge may be facility management, but she makes up for this by her ability to bring in funds, secure activities and respond to the majority of constituent requests.

The building itself is showing signs of wear and tear, with several HVAC units needing to be replaced, the building interior needing a paint job and some roof work needs to be done in the near future. The Corporation and the City combined resources this fall to get the entire facility recarpeted and new furniture was purchased for the lobby areas.

Fiscally, the Corporation is on much sounder footing as of December, 2003 with the gifting of an estate to the Corporation. The final amount is not yet determined but is estimated to be in the neighborhood of \$700,000. The Board will be discussing investment options to make the best possible use of this windfall. It is anticipated that some of the principal may be used to do some of the building improvements noted above.

The programs offered are comprehensive, staff are knowledgeable and the hours of operation are within industry standards. The after hours activities and rentals have brought in additional revenue to the Corporation. Unfortunately, a major revenue source, the rental of the facility to a church on Sundays, will be coming to an end in October of this year. This rental provided \$15,000 per month in fees. The Executive Director is hoping to find another like tenant. Absent that, daily rentals will be considered (weddings, quincinieras, etc).

**What would the City do differently:**

**OPERATIONS**

The most immediate change would be labeling the building as a Senior Center by day and a Community Center by night. Direct staff costs would be less (approximately \$314,000 versus \$430,000). Maintenance and Building costs are expected to run about \$143,000 with other activity costs coming in at \$60,000. Contract recreational services (instructional) are included at \$20,500. Total expenditure budget for City to run would be \$520,000 (\$220,000 more than the maximum amount of support we currently provide, but \$280,000 less than Corporation approved budget). Most of the difference is related to salaries. The OCTA grant of \$54,000 has not been included in this budget as it does not change from the current support level.

**City Proposed Budget**

**STAFFING:**

Recreation Coordinator (with expertise in Senior Services as well as facility management)	(1 FT)	\$41,000
Office Specialist	(2 PT @ \$14.04/hr)	\$39,000
Recreation Leader IV (One will be in charge of clubs/drop-in activities; one will be in charge of social services, one will be in charge of facility rentals/bookings)	(3 PT @ \$12.58/hr)	\$56,000
Recreation Leader III (Asst w/ nutrition program, facility mgmt, rentals, some maintenance)	(4 PT @ \$10.35/hr)	\$52,000
Recreation Leader II (Facility coverage)	(as needed @ \$8.87/hr)	\$36,000
Maintenance Worker I	(1FT @ \$23.45/hr)	\$48,750
Total City staff		\$272,750
Benefits @ 15%		\$40, 912
<b>TOTAL</b>		<b>\$313,662</b>

**OPERATIONS/MAINTENANCE:**

Materials and Supplies		
Stationary/Office (account # 510100)	\$2,750	
Multi-media, promo, adver (#510200)	\$15,000	
Small tools & Equip (#510300)	\$5,000	
Health & Safety (#510500)	\$2,500	
Maintenance	\$10,000	
Sub-Total		\$35,250

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Utilities		
Electricity (#515100)	\$43,000	
Gas (#515200)	\$4,000	
Water (#515300)	\$4,000	
Waste Disposal (#515400)	\$3,000	
Sub-Total		\$54,000
Communications and Transportation		
Postage (#520100)	\$5,000	
Advert/Public Info (#520300)	\$500	
Telephone (#520400)	\$7,000	
Sub-Total		\$12,500
Repairs and Maintenance		
Buildings and Structures (#525100)	\$12,500	
Office Equipment (#525700)	\$1,000	
Sub-Total		\$13,500
Professional Services		
Recreation (#530800)	\$20,500	
Maintenance/Custodial (Contracted)	\$35,000 (don't know what acct)	
Sub-Total		\$55,500
Rents, Grants and Allocated		
Internal Rent Equipment (#535300)	\$23,500	
Sub-Total		\$23,500
Fixed Assets		
Office Furniture (#590600)	\$10,000	
Sub-Total		\$10,000
"O&M" Total		\$203,750
<b>BUDGET Total</b>		<b>\$517,412</b>

**PROGRAMMING:**

Social services, the meal program, transportation, information and referral, and various counseling services would still be offered. Club programs would be expanded and could include the following based upon participant interest: bridge, Bingo, Pinochle, Chess/Checkers, Knitting, Quilting, Scrabble. The Travel Club would be expanded to provide additional "Active Lifestyle" trips such as fossil excavation, hiking adventures, canoe/kayak trips, etc. Value-added components would also be featured so that travelers could choose a "basic" trip, or add elements, such as shows and side trips.

Contract classes for persons age 18 and older would be greatly increased.

## **FACILITY RENTALS:**

Facility rentals would become a major feature of this facility, providing a space additional to the currently well-utilized Neighborhood Community Center.

If the CMSC were to fall under the City's programs, it is likely that senior programming across the board would be expanded – that is, offering off-site classes at other City facilities or through the City's agreements with private companies/organizations and contract instructors.

It should be noted that the Costa Mesa Senior Corporation has just commissioned a study by the Drucker Institute to investigate how to better serve the Costa Mesa community of older adults. This study has just been completed and details some of these same concepts. One of their top recommendations entails changing the name from Costa Mesa Senior Center to Costa Mesa Community Center and really looking for niche programming not available in other places.

This effort, along with the influx of funds represented by the recent endowment bequest to CMSC, could spell a more successful and financially stable program.

If the City were to take over operation of facility and programs at Costa Mesa Senior Center, these are the questions that staff felt pertinent for discussion herein:

### **Would it be less expensive?**

It would cost the City almost \$220,000 more than is currently provided to the Corporation. The Corporation's non-profit status does allow the Executive Director to apply for grants that might not be available to municipally run programs.

### **Would there be more programs?**

Possibly, although the direction and emphasis in programming by the current CMSC Executive Director may take a new tack with the directions noted in the Drucker review. Resistance to "converting" the Senior Center to more of a community center may be an issue. The City's ability to market and rent the center may prove greater than the CMSC as a single entity is capable of. It is likely that there would be more non-free programs, as many of the classes would be contract instructed. There may be more programs offered at the facility, but they would not necessarily be senior-specific. Program emphasis during the day would certainly be mostly related to seniors, while evening and weekend programs would take on a broader age mix. Most of the programs currently offered by CMSC would be maintained by the City.

### **Would the facility be managed better?**

Having City staff oversee the building, along with having the resource of the City's public services staff to assist as building problems arise could lead to better building management. If the CM Senior Corporation is able to fix some of the outstanding building problems, the on-going maintenance problems, and participant complaints, would be more fully addressed. The additional advantage of having City staff managing the facility is that these staff would be monitored and held accountable to City standards or performance.

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It should also be noted that in a side-to-side comparison with Newport Beach's OASIS senior center, that programs and services offered by each are very similar. NB City budget for this program is \$627,000.

## **RECOMMENDATIONS**

Staff are not advocating any particular position on this issue. The CMSC, overall, is doing a good job in managing the facility. The Executive Director spends the bulk of her time pursuing funding. If the Council's intention is to maintain and/or increase City involvement at this facility, staff would recommend that facility maintenance (interior) be taken over as a first step. If the Executive Director were relieved of this responsibility, it is likely that she would be more effective in her other pursuits. This option would result in an increased annual expenditure of approximately \$100,000.