City of Long Beach
Working Together to Serve

Memorandum

Date: November 8, 2018

To: Patrick H. West, City Manager

From: John Gross, Director of Financial Management

For: Mayor and Members of the City Council

Subject: **Summary of September 4, 2018 FY 19 Budget Adoption Actions**

On September 4, 2018, the City Council adopted the City Manager's Proposed FY 19 Budget with the following changes related to the Mayor's recommendations, Budget Oversight Committee recommendations, and other City Council actions. This memorandum provides a summary of direction and clarification to support City Council actions as they relate to the items that were approved.

1. Use $315,000 of the General Fund one-time health care cost savings and $315,000 of the projected FY 18 year-end savings to fund the Mayor's one-time General Fund recommendations as follows:

   a. Language Access Program (LAP) in the amount of $80,000. Of the LAP funds, at least $10,000 is to be used for native language signage in the communities with the greatest number of non-English speaking residents, with the highest priority given to Spanish and Cambodian dialects. Additionally, within the total FY 19 one-time funds for LAP, a comprehensive study and evaluation of the LAP program shall be conducted with results reported back to the City Council before determining FY 20 LAP priorities.

      - The Health Department plans to work with the community, CSULB, and the Language Access Coalition on conducting the study and evaluating the program. It is anticipated that an update will be provided to the City Council by August 2019.

   b. Partners of Parks Management support in the amount of $100,000.

      - Funds will be used by Partners of Parks to support an Executive Director position, $50,000 will be used in FY 19 and $50,000 in FY 20. Partners of Parks has partnered with the Parks, Recreation, and Marine Department for over 30 years, providing funding support for park programs through corporate partnerships, scholarships for fee-based classes to families in need, and working with neighborhood and community groups who support and conduct activities in City parks.

c. Training and education funds for LGBTQ and bullying issues in the amount of $100,000.

- The City Manager will use approximately $50,000 for internal LBGTQ training and $50,000 for community bullying education. The Human Resources Department will look into training initiatives and best practices from other cities and implement training for City staff, exploring potential collaboration with The LGBTQ Center Long Beach.

d. Expungement Fund in the amount of $200,000.

- Funds will be used to expunge low-level marijuana or other misdemeanors from people's criminal records to help them reenter the workforce and will be implemented by the City Prosecutor's Office.

e. Justice Fund in the amount of $150,000.

- Staff will report to City Council on options and alternatives to the Vera Institute, including but not limited to the services provided by the Long Beach Bar Association. Any proposed contract with the Vera Institute will be brought to the City Council for consideration.

2. Use the remaining $315,000 of the General Fund one-time health care cost savings and $185,000 of the remaining projected FY 18 year-end savings to fund the following:

a. Capital infrastructure or existing City programming, in the amount of $315,000, to be divided equally between the City Council Districts for District Priorities and with the programmatic portion not to exceed 20 percent per district. Any exceptions must go to the City Council for approval.

- Each City Council District shall receive $35,000. Of this amount, 20 percent, or $7,000, can be spent on non-infrastructure requests. Once the $7,000 has been expended for programmatic items, requests for additional programmatic items will need to go to the City Council as a stand-alone request on the regular agenda.

b. Senior citizen programming in the amount of $100,000.

- The Parks, Recreation and Marine Department will work with the Senior Citizen Advisory Commission to draft a plan of programming priorities and will report back to the Budget Oversight Committee early in 2019 for discussion. Recommendations will be forwarded to the City Council for the use of the funds.

c. The elimination of the tree stump removal backlog in the amount of $85,000.

3. Fund the following one-time programming, listed in order of priority, contingent on the availability of additional FY 18 General Fund Surplus (after *FY 18 year-end close, staff will determine the extent to which any year-end surplus is sufficient to fund these items; staff expects to know the level of funding available by February 2019):*

   a. Supplemental funding for the elimination of the tree stump removal backlog in the amount of $130,000. (One-time budgeted funding plus this contingent appropriation brings the total for tree stump removal backlog in FY 19 to $215,000.)

   b. A Strategic Plan for the Parks, Recreation, and Marine Department in the amount of $70,000.

   c. Planning and outreach efforts for the African American Cultural Arts Center in the amount of $25,000.

      - An additional $25,000 will be appropriated through a separate budget adjustment letter in the Special Advertising and Promotions Fund (SR 133) for any outreach and promotional efforts of the African American Cultural Arts Center, offset by funds available (a total potential $50,000 may be available with $25,000 from General Fund contingent funds and $25,000 from Special Advertising and Promotions Fund funds available).

   d. STD outreach, testing, and mobile center in the amount of $30,000.

   e. Support for efforts around affordable housing and homelessness in the amount of $50,000.

4. Restore the Police Department's downgraded Police Officer position back to a Sergeant (downgraded in the proposed budget), and fund the additional cost by reallocating $25,000 of General Fund budgeted overtime to the Sergeant position.

5. Expand the use of Tidelands budgeted overtime, currently allocated to Tidelands South Division patrol overtime, to include all Tidelands Areas, at the discretion of the Police Chief, and increase appropriation by $25,000 in the Tidelands Operations Fund.

6. Modify the City Manager's proposed FY 19 Tidelands Capital Projects to prioritize community-serving projects. Decrease the Alamitos Bay Parking Improvements by $250,000, defer $1,000,000 in the Convention Center Arena and Critical Improvements to a later funding cycle, and reallocate these funds to the following Tidelands Operations Fund projects:

   a. $850,000 for the Alamitos Beach Concessions stand;

   b. $150,000 to begin the PD-6 Waterfront Visioning process (managed by the Development Services Department);

c. $250,000 for the Granada Beach Concession Stand and Playground project.

7. Redistribute $250,000 in Special Advertising and Promotions Fund (SR 133) one-time funding currently budgeted for one Beach Streets event to fund three smaller corridor activations. Staff is encouraged, but not mandated, to consider prior activations and successes, opportunities for collaboration of multiple districts in a single event, and interest from businesses in those areas; to be supplemented with Metro grants/funding and/or other funding, as available.

   - Staff will work to do smaller activations, while adapting to meet any minimum event size required to receive grant funds.

8. Reallocate $200,000 in one-time funds for Youth and Children from the Parks, Recreation and Marine Department to fund a Youth and Children strategic planning process and implementation in the City Manager's Department.

   - The City Manager Department will assign departments to coordinate a consultant to conduct a youth development strategic planning process that is inclusive of all youth across the City. The planning process will involve the Commission on Youth and Families, Invest in Youth Coalition, other relevant community organizations, the Health and Parks, Recreation and Marine Departments, and any other department as identified by the City Manager. If there are funds remaining after the strategic planning process, those funds will be applied towards the implementation of the plan.

The following direction was also provided by the City Council:

1. Explore a pilot at McBride Teen Center for workforce programming that prepares youth for the workforce and explores the possibility of transferring all Teen Centers from Parks, Recreation and Marine Department to Workforce Development in FY 20.

   - The Economic Development Department and the Parks, Recreation and Marine Department will be assessing the feasibility and collaborating on a possible pilot at McBride Teen Center for workforce programming.

2. Instruct the Parks, Recreation and Marine Department to implement posting park reservations (Active Net) starting with field reservations, then community rental space by January 1, followed by all other reservations thereafter.

   - The Department is working to start posting field permits by the end of the calendar year. Additionally, the Department will work towards posting other information after the implementation of posting field permits.

3. Move all median responsibilities from the Parks, Recreation and Marine Department to the Public Works Department including an appropriate structural transfer of budget and positions effective on or before January 1, 2019.

    - The Parks, Recreation, and Marine and Public Works Departments will work together to discuss transition and budgetary components. The transition may not be cost-neutral and may require a budgetary adjustment. If it does, a report will be provided to the City Council in a memo before implementing the transition. The report will also provide a status update if it is believed the timing could go beyond January 2019, due to requirements to meet and confer with employee bargaining units.

4. Instruct the City Manager to work with the Development Services Department to implement a comprehensive tracking system for code enforcement violations, with special attention to Proactive Rental Housing Inspections Program (PRHIP) to better understand the effectiveness of the program.

    - The Development Services Department will review current staffing and fee levels for PRHIP and prepare a memo to the City Council that addresses potential fee increases to support an enhanced inspection schedule that would increase inspection volumes and decrease the inspection cycle timeframe for multi-family rental properties in the City.

    - Development Services Department staff will also prepare a separate memo that provides the status of implementing a comprehensive system to track code enforcement notices, citations, and inspections, with a special focus on PRHIP workflow metrics. As an immediate step, the Development Services Department is coordinating with the Technology and Innovation Department to draft a scope of work to engage a third party to assess current and future capacity to provide comprehensive project review and tracking services for the core development review, permitting, and code enforcement functions.

5. Recommend the Water Commission to work with Public Works Department on finding creative solutions to reduce water usage in the City's medians, and explore collaborations with Metropolitan Water District.

    - The Public Works Department will work with the Water Commission to discuss options.

6. Motion for the Airport Department to continue to work towards establishing an aircraft landing observation area in FY 19.

    - The Airport Department will work towards establishing an aircraft landing observation area in FY 19.

7. Motion for the Library Services Department to find one-time savings in FY 19 to continue funding current Sunday Library hours of operation through the end of the 2018 calendar year; and recommend staff review the potential 7-day library model with stakeholders, present options and alternatives to City Council during this time period, and report back to the City Council on both branch and Main Library options.

   - The Library Services Department is working on collecting data from a public survey regarding potential library hours of operation and will report back to the City Council with the results of the survey, recommendations, and next steps.

8. Direct the Chief of Police to use existing resources to expand the Reserve Police Officer Program with special attention to the recruitment of retirees.

   - The Police Department will report back to the City Council if there are any issues with expanding the use within existing resources.

9. Report back on any fee studies for Parks, Recreation and Marine and Development Services Department to the Budget Oversight Committee.

   - The Budget Office will coordinate these studies using a common vendor and common procedure in accordance with City Council's financial policies. Individual departments will work directly with the consultants on specific fees. The fee studies will begin with the Parks, Recreation and Marine Department and the Development Services Department in FY 19. The review of all the fees will be a multi-year initiative in accordance with financial policies.

10. Request staff to report back to the Budget Oversight Committee with a list of positions that were converted from being grant-funded to being structurally-funded in the General Fund.

    - The Financial Management Department will review all positions added in the General Fund originally funded by grant funds over the past five years and will report back to the City Council in a separate memo by March 2019.

11. The FY 19 Adopted Budget included a multi-year plan for the use of all anticipated Measure A funds. From FY 17 through FY 23, the Measure A tax is 1 percent (FY 23 is a partial year) and the planned uses during that period include substantial one-time infrastructure and capital investments. In FY 23, when the tax is reduced to 0.5 percent, the plan is that the tax will only be used to continue to pay for the restoration of public safety services that have been added through FY 19 as well as the other public safety services that have been preserved and maintained through Measure A funds. The only remaining unallocated funding is anticipated in the final year of the tax (FY 27, a partial year). The planned use of those funds would be determined later. For reference, Attachment A includes a year-by-year detail of the entire Measure A plan, including the plan for the out-years. Attachment B provides details on Measure A funds allocated towards infrastructure improvements.

12. The following budget and direction from the Mayor has also been included as part of the FY 19 Budget and direction for staff, as the City Council incorporated these recommendations on Adoption night:

    a. One-time funding from the Special Advertising and Promotions Fund funds available to support the Museum of Latin American Art (MOLAA) facilities master-plan efforts in the amount of $150,000.

    b. City Manager to work with property owners and the community to strengthen the Proactive Rental Housing Inspection Program.

    c. City Manager to identify new revenue sources to restore Engine 17 and to restore a Community Rapid Response Bike Team of six new police officer positions sometime in FY 19.

If you have any questions regarding this matter, please contact Grace Yoon, Budget Manager, at 570-6408.

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ATTACHMENTS

CC: CHARLES PARKIN, CITY ATTORNEY
LAURA L. DOUD, CITY AUDITOR
DOUGLAS HAUBERT, CITY PROSECUTOR
TOM MODICA, ASSISTANT CITY MANAGER
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REBECCA G. GARNER, ASSISTANT TO THE CITY MANAGER
GRACE YOON, BUDGET MANAGER
DEPARTMENT HEADS

FY 19 Adopted - Measure A Allocations (FY 17 - FY 27)

Summary Detail

$ in Millions	FY 2017 Actuals	FY 2018 Adjusted	FY 2019 Adopted	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	TOTAL
Total Revenue	38.9	53.1	54.5	54.8	55.0	55.3	33.7	27.9	28.1	28.2	5.9	435.6
Total Uses	(35.6)	(52.1)	(56.9)	(52.0)	(47.4)	(55.6)	(45.8)	(27.9)	(28.1)	(28.2)	(0.1)	(429.6)
Surplus/(Shortfall)	3.3	1.0	(2.4)	2.8	7.6	(0.2)	(12.1)	0.0	0.0	-	5.9	**6.0**

Structural Portion	FY 2017 Actuals	FY 2018 Adjusted	FY 2019 Adopted	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	TOTAL
Revenue	*23.8*	*26.6*	*27.3*	*27.4*	*27.5*	*27.7*	*27.8*	*27.9*	*28.1*	*28.2*	-	*272.2*
Uses												
Public Safety Maintenance	(3.2)	(8.3)	(19.3)	(19.5)	(19.6)	(19.7)	(20.1)	(20.3)	(20.4)	(20.6)	-	(171.0)
Public Safety Restorations & Enhancements	(5.3)	(6.4)	(7.2)	(7.2)	(7.2)	(7.2)	(7.2)	(7.2)	(7.2)	(7.2)	-	(69.0)
Fire Engine 8	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	-	(23.0)
Paramedic Rescue 12	(0.7)	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)	-	(10.6)
HEART Team	-	-	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	-	(3.5)
Police South Division	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)	-	(15.4)
Police Academy Staffing	(0.9)	(1.4)	(1.4)	(1.4)	(1.4)	(1.4)	(1.4)	(1.4)	(1.4)	(1.4)	-	(13.5)
Quality of Life Unit	-	-	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	-	(3.0)
Measure B	(0.4)	(0.5)	(0.5)	(0.5)	(0.6)	(0.6)	(0.3)	(0.3)	(0.3)	(0.3)	(0.1)	(4.4)
Admin	(0.1)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)		(2.0)
One-Time Uses												-
*Infrastructure**	(13.9)	(2.5)	-	-	-	-	-	-	-	-	-	(16.3)
South Division One-Times	(0.8)	-	-	-	-	-	-	-	-	-	-	(0.8)
Police Academy	-	(4.3)	-	-	-	-	-	-	-	-	-	(4.3)
Network Camera Modernization	-	(0.8)	-	-	-	-	-	-	-	-	-	(0.8)
Police Overtime	-	(1.0)	-	-	-	-	-	-	-	-	-	(1.0)
Public Safety Handhelds	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal One-Time Uses	*(14.7)*	*(8.5)*	-	-	-	-	-	-	-	-	-	(23.2)
Total Uses	*(23.7)*	*(23.9)*	*(27.3)*	*(27.4)*	*(27.5)*	*(27.7)*	*(27.8)*	*(27.9)*	*(28.1)*	*(28.2)*	*(0.1)*	*(269.6)*
Structural Available / (Shortfall)	*0.0*	*2.7*	*(0.0)*	-	*0.0*	-	*(0.0)*	*0.0*	*0.0*	-	*(0.1)*	***2.6***

FY 19 Adopted - Measure A Allocations (FY 17 - FY 27)

Summary Detail

One-Time	FY 2017 Actuals	FY 2018 Adjusted	FY 2019 Adopted	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	TOTAL
Revenue	*15.2*	*26.6*	*27.3*	*27.4*	*27.5*	*27.7*	*5.9*	-	-	-	*5.9*	*163.4*
Uses												
Admin	-	*(0.1)*	-	-	-	-	-	-	-	-	-	(0.1)
Infrastructure*	*(11.9)*	*(28.0)*	*(24.0)*	*(19.0)*	*(16.7)*	*(11.2)*	*(15.8)*	-	-	-	-	(126.6)
Fire Academy	-	-	*(0.9)*	-	-	-	-	-	-	-	-	(0.9)
HEART Team Vehicle			*(0.1)*	-	-	-	-	-	-	-	-	(0.1)
Fire Communications Technology	-	-	-	-	-	*(5.0)*	-	-	-	-	-	(5.0)
Police Academy	-	-	*(2.1)*	*(1.4)*	-	-	-	-	-	-	-	(3.5)
Police Body-Worn Cameras	-	-	-	*(2.0)*	-	-	-	-	-	-	-	(2.0)
Police Overtime	-	-	*(1.9)*	*(2.2)*	*(2.2)*	*(2.2)*	*(2.2)*	-	-	-	-	(10.7)
Police Communications Technology	-	-	-	-	*(1.0)*	*(9.5)*	-	-	-	-	-	(10.5)
Network Camera Modernization	-	-	*(0.6)*	-	-	-	-	-	-	-	-	(0.6)
Total Uses	*(11.9)*	*(28.2)*	*(29.6)*	*(24.6)*	*(19.9)*	*(27.9)*	*(18.0)*	-	-	-	-	*(160.1)*
One-time Available / (Shortfall)	*3.3*	*(1.6)*	*(2.4)*	*2.8*	*7.6*	*(0.2)*	*(12.1)*	*0.0*	*0.0*	*0.0*	*5.9*	*3.3*
TOTAL AVAILABLE / (SHORTFALL)	*3.3*	*1.0*	*(2.4)*	*2.8*	*7.6*	*(0.2)*	*(12.1)*	*0.0*	*0.0*	*0.0*	*5.9*	*6.0*
CUMULATIVE		*4.3*	*2.0*	*4.8*	*12.4*	*12.1*	*0.1*	*0.1*	*0.1*	*0.1*	*6.0*	NA
**Total Infrastructure* *(From one-time and structural portion)*	(25.7)	(30.5)	(24.0)	(19.0)	(16.7)	(11.2)	(15.8)	-	-	-	-	(142.9)

FY 19 Adopted - Measure A Infrastructure Plannned Uses (FY 17 -FY 23)

Attachment B

Summary Detail by CIP Category

Infrastructure Category ($ in Millions)	FY 17 Adjusted	FY 18 Adjusted	FY 19 Adopted	FY 20 Planned	FY 21 Planned	FY22 Planned	FY 23 Planned	Total Planned
Beaches & Marinas	-	-	-	-	0.7	-	-	***0.7***
Mobility	16.5	16.3	8.5	10.2	12.9	2.6	-	***67.1***
Parks & Recreation	6.1	9.3	5.4	3.4	1.0	0.8	-	***26.0***
Public Facilities	3.1	3.3	8.2	3.9	2.1	7.8	15.8	***44.2***
Police Academy Facility Rebuild	-	-	-	*0.5*	*0.5*	*7.0*	*7.0*	*15.0*
Fire Academy Facility Rebuild	-	-	-	-	-	*0.8*	*5.7*	*6.5*
Other Facilities / (Cost & Revenue Variances)	-	-	-	*3.4*	*1.6*	-	*3.1*	*8.1*
Utilities (Stormwater Protection)	-	1.6	1.9	1.5	-	-	-	***5.0***
Grand Total ($ in Millions)	***25.7***	***30.5***	***24.0***	***19.0***	***16.7***	***11.2***	***15.8***	***142.9***