CITY OF LONG BEACH

Fiscal Year 2017 Proposed Budget

AUGUST 2, 2016

Many Accomplishments Achieved

- Civic Center – Courthouse demolished and construction underway
- Disposition of RDA properties – at least $500 million in total investment, 5,000 temporary and permanent jobs, 1,000 housing units and 70,000 square feet of retail space
- Technology initiatives - High speed internet at libraries and new city website
- Efficiency initiatives - Street Sweeping rerouting and LED street light installation underway
- Water quality - Beaches received “A” grades and LB MUST is under design
- Livability - Bike Share Program implemented and 50,000 people attended Beach Streets event downtown
- Police and Fire academies conducted

A Historic Budget to be Celebrated

- Historic passage of Measure A & B
  - > First phase of largest public infrastructure plan in a generation
  - > Enhancements for Public Safety
- Continues investment into improved future
  - > Livability, culture and arts, and tourism
  - > Economic development and business attraction
  - > Innovation and efficiencies
- With improved revenues, previously projected shortfall for FY 17 has been reduced by $1.1 million and this budget is structurally balanced

Overview of Measure A

- 1% sales tax increase; down to 0.5% after 6 years and sunsets after 10 years
- Effective date of January 1, 2017; estimated to generate $35.6 million in FY 17 and $47.7 million in FY 18
- Maintains public safety
- Enhances public safety and infrastructure investment
- 1% of Measure A revenue funds to the new Rainy Day Fund (Measure B)

Significant Investment in Public Infrastructure

- $27.2 million of Measure A funds in FY 17 to address City's aging infrastructure
- This supplements $49.2 million Capital Improvement Program investing in:
  - > Marinas, Beaches, and Waterways
  - > Street Rehabilitation
  - > Public Facilities
  - > Parks & Recreation
  - > Transportation Improvements

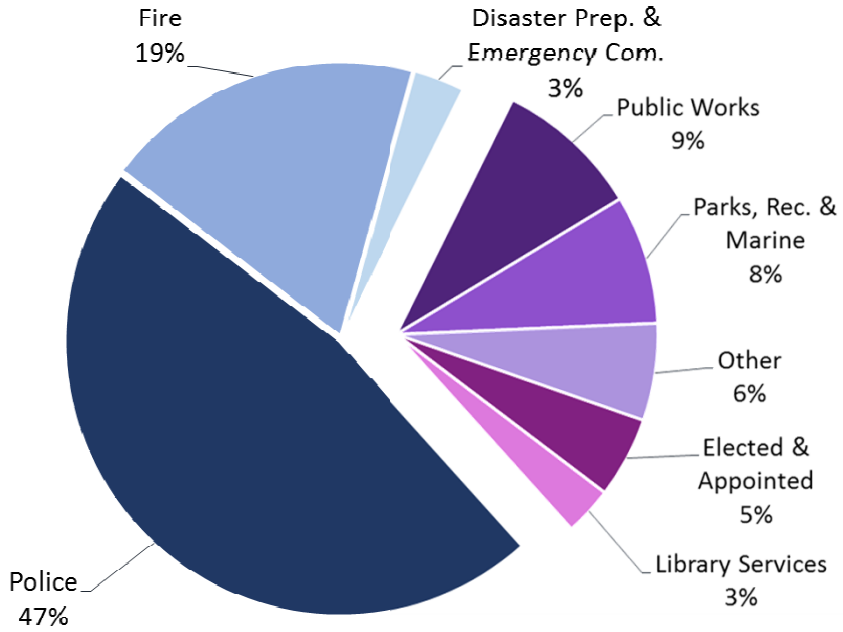
Maintains and Enhances Public Safety

- With Measure A Funds:
  - > Reestablish the South Police Division
  - > Restores Fire Engine 8
  - > Maintains police and fire services

- With Other Funds:
  - > Police recruit academy
  - > Two Fire recruit academies
  - > $2.2 million one-time funds for Police overtime to address violent crime activities
  - > Additional Fire positions to meet State mandated fire and life safety residential annual inspections

Preserves the Balance of Services Citywide

- Budget maintains the relative priorities previously established by the Mayor and City Council to ensure an efficient, full-service City
- Public Safety remains at 69% of General Fund departmental budget



Supports Recent City Council Priorities

- $80,000 ongoing support to continue Language Access Plan implementation
- $100,000 one-time funds for homeless services outreach
- $176,385 one-time funds for Be SAFE
- $203,000 one-time funds for Sunday library hours
- $100,000 ongoing support to fund maintenance costs for Council District funded park enhancements
- $250,000 one-time funds to complete City's match for LA River Study

Focuses on Economic Development

- Adds ombudsman position in Economic and Property Development Department to assist with small business loan program, business location assistance, and data analysis
- Adds Permit Center, plan check, engineering, & inspections positions in Development Services, Fire and Public Works departments in order to enhance customer service and to address the increased workload stemming from our economic development successes

Invests in Marketing & Promotions

- $500,000 one-time funds to conduct two Beach Street events
- $150,000 ongoing support for Long Beach Museum of Art
- $380,000 ongoing support for Convention and Visitors Bureau

Supports Clean Team Operations

- Expand to two Clean Teams to conduct proactive beautification efforts and trash clean-up
- Refuse Fund rate restructuring study being conducted to address Refuse Fund structural deficit and fund clean team

Invests in Innovation & Efficiencies

- Bloomberg Innovation Grant i-team projects including Innovation Hubs & Spaces and Business Navigators
- High Tech Infrastructure Master Plan to maximize City technology assets
- FUSE Corps to address strategies for homeless population and Safe Long Beach
- Restructure Project Management Division in Public Works' Engineering Bureau
- Expansion of Development Services Department's electronic plan submittal/plan check pilot program

Minimized Reductions with Strong Financial Management

- Some reductions had to be made in non-public safety departments
  - > All non-public safety departments had to take reductions
  - > Net impact of City Manager decisions totaled $1.7 million for non-public safety departments
  - > Detailed in full budget book and will be discussed in department presentations to City Council

Minimized Reductions with Strong Financial Management

- Reductions would have been far worse had it not been for Mayor's and City Council's prudent fiscal management
  - > $134 million in General Fund cut since FY 07
  - > Almost 700 General Fund positions cut since FY 07
  - > Partnered with employees to save $250 million in pension costs over 10 years
  - > Held line on new spending and saved surpluses to minimize future budget issues
  - > Invested in efficiency improvements, technology, and innovation to reduce operating costs

Fiscal Outlook

- Projections improved since March Outlook, but future shortfalls remain
- New Measure A funding is used to preserve and expand public safety services throughout outlook
- Remaining shortfalls will need to be resolved through reductions in non-public safety departments, or identification of additional resources or efficiencies

General Fund Surplus/Shortfall (in Millions)				
	FY 17 Budget	FY 18 Projected	FY 19 Projected	Cumulative
Proposed Budget	$0.07M*	($1.4M)	($1.9M)	($3.3M)

* Assumes structural deficits are solved and any structural surplus is assumed to carry over to help in the following year.

Challenges and Plan for Strong Financial Management

Challenge	Approach
Price of oil declined significantly in FY 16 but anticipated to rise slowly after FY 17	FY 17 budget conservatively assumes $35 per barrel level
CalPERS rate increases are anticipated to continue to increase until FY 31	Nearly $10 million in stabilization fund will help smooth funding and contributions will pay off liability in about 30 years
Healthcare costs increases continue to grow	Plan to partially mitigate through competitive bidding process to ensure best value
Agreements with bargaining groups not addressed in budget	Opportunity for fair agreements recognizing value of employees and addressing City's largest cost drivers
Maintain adequate reserves	Added new Rainy Day fund (Measure B)

FY 17 Budget Highlights

- FY 17 Budget is a historic budget that invests into infrastructure and public safety due to the support by the Mayor and City Council of Measure A
- Budget continues to invest in City Council priorities and focus on innovative ways to provide improved and enhanced services
- Reductions from non-public safety departments were required to balance the budget, but service cuts were minimized as much as possible
- Challenges remain with projected future shortfalls but the City will continue to focus on innovations, explore cost reductions, and ways to maximize existing and new revenues through continued focus on economic development

FY 17 Budget Timeline

- Through Today

> March 8 Fiscal Outlook City Council Presentation

> March 9 Instructions to Departments

> July 1 Submittal of Proposed Budget to Mayor

> August 1 Mayor Submits Proposed Budget to City Council

FY 17 Budget Timeline

- Upcoming

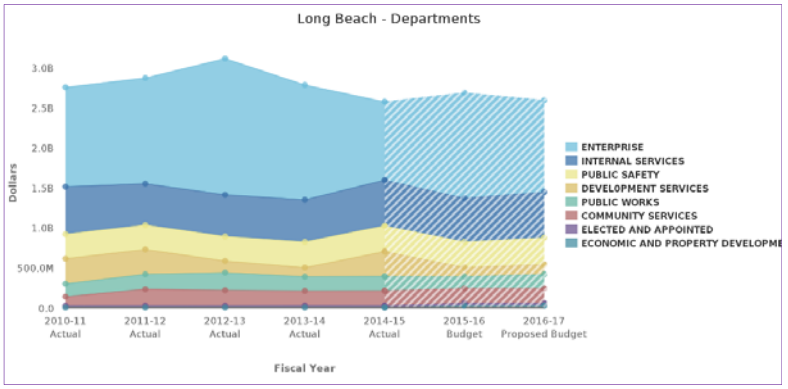
>	August	Community Budget Meetings (TBD)
>	August	Budget Oversight Committee Meetings (TBD)
>	August 2	Budget Meeting (tentative)
>	August 9	Budget Meeting (tentative)
>	August 16	Budget Meeting (tentative)
>	August 23	Budget Meeting (tentative)
>	September 6	Budget Hearing and 1st adoption date
>	September 13	Budget Hearing; 2nd adoption date

Opportunities for Citizen Engagement

- Attend Budget Hearings
- Attend Community Budget Meetings
- Attend Budget Oversight Committee meetings
- Participate in the City of Long Beach Budget Survey on funding priorities
- Use openLB to explore the Proposed Budget visually

Please check one box for each service.

	Very Important	Somewhat Important	Not Very Important	Not at All Important	No Opinion
Providing free or low-cost recreation programs for youth	○	○	○	○	○
Maintaining and repairing public buildings (community and senior centers, fire stations, libraries, etc.)	○	○	○	○	○
Providing special events and programs for families	○	○	○	○	○
Maintaining a low crime rate	○	○	○	○	○
Preparing the community for emergencies or disasters	○	○	○	○	○
Providing programs for seniors	○	○	○	○	○
Maintaining parks	○	○	○	○	○
Providing neighborhood police patrols	○	○	○	○	○



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