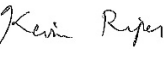


Date: December 16, 2022

To: Thomas B. Modica, City Manager 

From: Kevin Riper, Director of Financial Management 

For: Mayor and Members of the City Council

Subject: **Summary of September 6, 2022, FY 23 Budget Adoption Actions**

On September 6, 2022, the City Council adopted the City Manager's Proposed Fiscal Year 2023 (FY 23) Budget with changes from the Mayor's recommendations, Budget Oversight Committee (BOC) recommendations, and other City Council actions. This memorandum provides the list of City Council motions as approved on adoption night, as well as staff notes (*in italics*) for select items to provide clarifications or comments on next steps. The motions are summarized below.

**A. Motion to support Mayor Garcia's proposed budget recommendations utilizing funds made available through Long Beach Recovery Act, under the Securing our City's Future category, anticipated to be available at the end of FY 22 due to improved FY 22 projections. These adds total to \$1.275 million. Of this amount, the structural costs (or costs that will continue into future fiscal years) total to \$125,000; the structural costs will be funded temporarily with this one-time source in FY 23 and will need additional solutions for FY 24 and beyond.**

A1. Motion to add additional annual funding through Measure B at Tier II for the Cambodian American Cultural Center and Latino Cultural Center (providing these Cultural Centers with annual funding at the same level as the African American Cultural Center—as well as the South Coast Chorale LGBT chorus). Direct the City Manager to place a moratorium on any additional programs funded through Measure B for the next three years, at which time a review can be done to measure the effectiveness of Measure B investments.

A2. Motion to direct the City Manager to formalize and expand the City of Long Beach's (City) program to waive or offset parking citations for people experiencing homelessness to help reduce barriers to housing and services.

*Per this motion, City staff will formalize and expand the existing Homelessness Waiver Program (Program). This Program implements a multi-pronged approach to assist individuals living in a vehicle that has been towed and impounded at the City of Long Beach's (City) impound facility to recover their vehicles. Individuals experiencing homelessness whose vehicles are towed by the City's Towing and Lien Sales Division (Towing) may apply for a one-time waiver of their towing and storage fees and outstanding City parking citation fees. See Attachment A for the **One-Time Towing/Parking Citation Fee Waiver Request Form**, Attachment B for **Towing and Parking Citation Waiver for Homelessness Policy**, and*

*Attachment C for **California AB1685 (2022)**. The Program also encourages persons experiencing homelessness to take advantage of the City's homeless resources, including those provided at the City's Multi-Service Center.*

*Additionally, staff will be expanding this program to comply with Assembly Bill 1685 (AB1685), which passed the State Assembly and Senate and was presented to the Governor on September 12, 2022. AB1685 amends Section 40220 of the Vehicle Code and adds language regarding the requirement to create a parking forgiveness program for persons who are homeless.*

*Some of the key guidelines from AB1685:*

- Beginning for unpaid parking penalties issued on or after July 1, 2023 (Note: effective date of City Program expansion will proceed July 1, 2023).*
- Applicants verified to be homeless shall have outstanding parking fines and fees, including late fees, forgiven no later than 30 days after the application is received.*
- The limit on the amount of fines and fees forgiven is no less than \$1,500 per applicant, per calendar year.*
- The limit on the number of forgiveness applications is no less than 4 applications per applicant, per calendar year.*
- Applicant's eligibility can be determined through a homeless services provider (e.g. Health – Homeless Services Multi-Service Center).*
- Information regarding the forgiveness program will be available at the public counters, website, and on any telephone recordings.*

A3. Motion to add one-time funds of \$50,000 in the General Fund Group in the City Manager's Department for the Long Beach Heritage Coalition to support preservation initiatives.

A4. Motion to add one-time funds of \$400,000 in the General Fund Group in the City Manager's Department to support a joint project between the African American Cultural Center (AACC) and VIP Records. The funding will be allocated as follows:

- \$150,000 invested into AACC for the purposes of creating a cultural exhibit highlighting the impact of Hip Hop in Long Beach and the United States
- \$250,000 for the restoration of the historic VIP Records sign

A5. Motion to add one-time funds of \$300,000 in the General Fund Group in the Economic Development Department to fund the Long Beach Economic Partnership for business attraction and citywide marketing activities to be spent over two years.

*Add one-time funds of \$300,000 in the General Fund Group in the Economic Development Department, to enhance business attraction activities and to determine the future of the Long Beach Economic Partnership (LBEP). Funds are required to be spent on securing the financial future of LBEP and to pay for studies, marketing, and special events towards new, permanent revenue sources. These funds are intended to provide a bridge in FY 23 and FY 24 to new funding.*

*Uses of funding include:*

- Hiring consultants to complete outreach to complete Economic Impact studies on critical economic sectors or sub-sectors that can lead to the targeting of qualified prospects to relocate to Long Beach.*
- Hiring a firm to develop a public relations campaign (paid advertising, virtual group meetings/webinars, email blasts & social media engagement) and outreach to business owners in critical economic sectors. This would likely result in the expansion of paid membership to the LBEP.*
- Revenue generating special events and promotional activities like Accelerate Long Beach.*

*Economic Development staff will coordinate an Agreement for Funding with LBEP that describes the eligible uses of grant funding, payment process, and other terms and conditions.*

A6. Motion to add one-time funds of \$100,000 in the General Fund Group in the City Manager's Department to support the development of a LGBTQ+ cultural district and museum.

*This initiative may require additional staffing support in the Office of the City Manager. Once those needs are identified, staff will return to City Council for approval of additional appropriation if necessary.*

A7. Motion to add one-time funds of \$300,000 in the General Fund Group in the Health and Human Services Department to support pre-K tuition assistance, technology and administration by partnering with the Long Beach Early Childhood Education partnership.

A8. Motion to add structural funds of \$125,000 in the General Fund Group in the City Manager's Department for a full-time education officer position created to be responsible for supporting the Long Beach College Promise and other education initiatives undertaken by the City.

*One Program Specialist position will be created to serve as the full-time education officer within the City Manager's Office.*

- B. Motion to add one-time funds of \$2 million in the General Fund Group in the Citywide Activities Department for a retention incentive for non-sworn positions/employees, and direct the City Manager to develop an approach for these funds to be distributed in FY 23. The impact on other funds is estimated at approximately \$3.8 million, bringing the total All Funds impact to \$5.8 million. The General Fund portion of the cost will be funded utilizing funds made available through Long Beach Recovery Act, under the Securing our City's Future category, anticipated to be available at the end of FY 22 due to improved FY 22 projections. In addition to the Mayor's recommendation, total funds utilizing Long Beach Recovery Act funds made available due to improved projections is \$3.275 million.**

*This funding will allow the City to develop various retention incentive options that aim to recognize current City employees for their loyalty, dedication and hard work. Staff have worked through the meet and confer process with each labor association to create a distribution plan and announced to employees on December 2022.*

- C. Motion to add the following structural and one-time enhancements utilizing the \$2 million Critical Needs Reserve that was included in the Proposed FY 23 Budget to address unexpected labor and other critical needs. These adds total to \$1,990,234. Of this amount, the structural costs (or costs that will continue into future fiscal years) total to \$1,340,234; these costs will be funded temporarily with this one-time source in FY 23 and will need additional solutions for FY 24 and beyond.**

C1. Motion to add structural funds of \$1,100,000 in the General Fund Group in the Financial Management Department with a one-time negative placeholder of \$200,000 for a net impact of \$900,000 to enforce the Healthcare Workers Minimum Wage Ordinance approved by City Council in FY 22. This funding would include materials budget and staffing support for four positions as follows: Administrative Analyst III, Administrative Analyst II, Clerk Typist III, and a Minimum Wage Investigator/Inspector (which will require the creation of a new job classification, similar to Business License Inspector). The full cost of these positions and material support total \$1.1 million but temporary savings of \$200,000 has been included to account for an onboarding-transition period.

*A referendum petition to overturn the Healthcare Worker Minimum Wage ordinance was filed with the City on September 21, 2022. Pursuant to State law, upon submittal of a referendum petition to the City, the Healthcare Worker Minimum Wage Ordinance was automatically suspended and will not go into effect pending review. On November 15, the City Council voted to place this item on the March 2024 ballot. In the meantime, the \$0.9 million General Fund appropriation for enforcement of the ordinance will remain unspent. On December 6, 2022, the City Council approved the use of \$191,336 of these funds to support the creation of an Office of Police Oversight per the approved Measure E, including recruitment of a Director of Police Oversight.*

C2. Motion to add structural funds of \$440,234 in the General Fund Group in the City Manager's Department to add three positions as directed by City Council to support the Citizen Police Complaint Commission (CPCC) prior to a potential charter amendment. These positions include a Special Projects Officer, a Communications Specialist, and an Executive Assistant.

*As the voters approved Measure E which amends the charter to transition the CPCC to the Police Oversight Commission, the entire CPCC budget including this additional structural finding would transfer the newly created Office of Police Oversight and would also include additional costs related to the hiring of a Director of Police Oversight and materials, supplies and services.*

C3. Motion to add one-time funds of \$100,000 in the General Fund Group in the City Manager's Department to provide additional support for Ethics Commission needs and improved response to Public Records requests to facilitate ethics and transparency, such as temporary staffing support or materials.

*The City's Ethics Program encompasses oversight of the Ethics Commission, supporting Ethics Commission's recommendations, and delivery of an Ethics Learning Program with an overall goal of increased government transparency. To this end, these resources will allow for additional staff in FY 23 to support various Ethics Program related efforts including, but not limited to, improving responsiveness to Public Records Act requests, research within the Ethics field, delivery and metric tracking of the Ethics Learning Program, and related materials and professional services.*

C4. Motion to add one-time funds of \$450,000 in the General Fund Group in the Citywide Activities Department to be divided equally between the City Council Districts for District Priorities and in conformance with the existing guidelines for use of District Priority Funding.

C5. Motion to add one-time funds of \$100,000 in the General Fund Group in the City Prosecutor's Department to support the Priority Access Diversion program and Neighborhood Impact Prosecution.

**D. Motion to add one-time funds of \$200,000 in the General Fund Group in the City Manager's Department to support the efforts of the Justice Fund, funded by the carryover of anticipated savings within the Justice Fund budget in FY 22. These funds along with the structural operating budget of \$300,000 plus \$300,000 allocated to the Justice Fund in the Long Beach Recovery Act, will bring total resources for the Justice Fund to \$800,000 in FY 23.**

**E. Motion to reduce the adult-use and medical cannabis cultivation and retail taxes for equity businesses, and direct City Manager to come back to the City Council with a report on how a potential rebate program would work where any revenues above \$12**

**million would be rebated back to businesses who paid taxes with a prioritization on rebating back to cultivation businesses, along with an updated projection report to the City Council on the status of cannabis revenues. This action will promote equity goals while not resulting in revenue loss from the proposed budget.**

*Staff will be returning to the City Council with agenda item to request the City Attorney to draft an Ordinance amendment to reduce taxes for equity businesses. Staff will also return to the City Council in early 2023 with details on the potential rebate program and updated projections for Measure MA revenues. The motion passed on budget adoption night was identical to the recommendation from the Budget Oversight Committee, which was informed by a prior recommendation from the Economic Development and Finance Committee to set the adult-use and medical cannabis cultivation and retail taxes for equity businesses at half the rate of non-equity businesses and rebate any Measure MA revenue above a \$12 million baseline, with adjustments to maintain service levels.*

- F. Motion to utilize \$250,000 of Long Beach Recovery Act funds, originally allocated to Library Services to waive library fines, to go towards a temporary increase in library hours in FY 23. These funds can add five Monday hours at two branches (Michelle Obama and El Dorado) through overtime with existing staff. This will result in two locations increasing service to six days, with service hours at these locations increasing from 34 to 39 hours. Note that the elimination of fines has already been implemented and incorporated as a policy change within the FY 23 budget and thus this reallocation of Long Beach Recovery Act funds does not impact the waiving of library fines.**

*Library's plans for allocating one-time money towards Monday hours are linked to the use of the new structural funds allocated in the General Fund Group as further described in the next motion below. The structural funds will enable Library to move to a six-day service model in at least two branch locations. The one-time funds will then be used to provide a sixth day of service at as many as three smaller branches via staff overtime hours. This service model was successfully deployed in FY 15 – FY 20. These changes will be implemented when the Library is able to fill vacancies in the Senior and General Librarian as well as Library Clerk classes, ideally by January 2023.*

- G. Motion to add structural funds of \$1 million in the General Fund Group in the Library Department to increase library hours across the library system. Direct City Manager to report back with short term and ongoing funding solutions. (City Council adjustment)**

*Library is currently planning the best use of these funds to ensure a structural increase in staffing at no fewer than two branch libraries and enhancements to support staffing at Billie Jean King Main. These staffing enhancements will enable the Library to support Monday hours at the structurally enhanced branches and at branches staffed with overtime. In addition, these enhancements will also be a buffer against the system-wide low staffing that has necessitated the implementation of temporary To-Go services at three branch locations in FY 22 and continuing through early FY 23. Structurally*

*supported robust staffing for six days of service at selected branches is a buffer against low staffing system-wide.*

*Library Services is in the planning phase for these funds now and implementation may be possible as early as January/February, depending on when the Civil Service Senior Librarian eligibility list is available and filling of key branch vacancies.*

- H. Motion to add one-time funds of \$100,000 in the Tidelands Operating Fund Group in the Fire Department to provide additional resources to support lifeguard and marine safety operations, particularly to address the quality of life and security issues in the Alamitos Bay area, funded by anticipated FY 22 year-end savings in the fund.**

*The one-time enhancement of \$100,000 will allow the Marine Safety Division to staff a rescue boat in the Alamitos Bay for five hours each Friday and Saturday evening throughout FY 23. Rescue boat staff will enforce municipal rules and regulations as they pertain to the many quality of life issues raised by residents in and around the neighborhoods of Alamitos Bay, including excessive noise and reckless and negligent operation of recreational vessels.*

- I. Motion to add structural funds of \$160,000 in the Tidelands Operating Fund Group in the Fire Department to support the addition of a Marine Safety Officer to further support lifeguard and marine safety operations. (City Council adjustment)**

*The structural addition of 1.0 FTE Marine Safety Officer will provide a third Lifeguard unit for seven days per week instead of the current two days per week. This front-line Marine Safety truck will be staffed by an Emergency Medical Technician-certified Marine Safety Officer who will provide life rescue and emergency medical services across Long Beach's oceanfront and inland waterways. This will provide greater coverage of response areas and reduce response times on emergency incidents.*

- J. Motion to add structural funds in the amount of \$2,975,570 in the Insurance Fund Group in Human Resources Department, offset by a reduction of \$2,975,570 from the Insurance Fund in the City Attorney's Office. This change reflects the transfer of the Workers' Compensation Claims Division from the City Attorney's Office to the Human Resources Department under the Risk Management Bureau. A total of 18 positions will be transferred. The merge will allow for opportunities to improve operations, streamline processes, and increase overall services to our City employees. This action has no bottom-line change to the Insurance Fund.**

- K. Motion to direct the City Manager to include the following items as high priority projects to be considered for funding using any FY 22 year-end surplus resources from the Long Beach Recovery Act, General Fund, Measure A, and/or any other sources as relevant if available. The City Manager should include the status of funding these projects as part of the FY 22 Year-End Performance Report and in the context of available surplus funds and other priority needs and projects. The following list is not in any priority order and approximate amounts and potential**

**funds included for some items, but actual funding source and amount presented in the year-end report may vary higher or lower depending on the situation at that time:**

K1. One-time funds of \$800,000 in the General Fund Group in the Library Department to provide further support for materials (this is made up of \$400,000 BOC Recommendation and \$400,000 City Council adjustment). This would add to the \$800,000 currently in the FY 23 Budget (\$400,000 structural and \$400,000 one-times), which would bring the total to \$1.6 million for materials and book budget. (City Council adjustment)

K2. One-time funds of \$200,000 in the General Fund Group in the City Manager's Department to further support the Language Access Program needs. This will add to the structural funding of \$345,000 in the Proposed FY 23 Budget for the Office of Equity that supports language access needs citywide and received a structural increase of \$20,000 in the FY 23 Budget to meet the increased demand of interpretation and translation services. The Long Beach Recovery Act has also allocated \$750,000 to support language access, specifically two in-house interpreters (in Spanish and Khmer) and one full-time language access coordinator. In addition, separate from the Office of Equity, individual departments' operating budget may support language access needs, such as bilingual skill pays for eligible employees.

K3. One-time funds of \$100,000 in the General Fund Group in the City Manager's Department to support the Fireworks Enforcement Team working to mitigate the illegal use of fireworks and explosives in Long Beach.

K4. One-time funds of \$150,000 in the General Fund Group in the Health and Human Services Department for any necessary feasibility studies or pilot programs to support increased access to reproductive health in response to the overturning of *Roe v. Wade*.

*The Department of Health and Human Services is a safety net for those seeking health services within the city of Long Beach. The Health Department aligns their program and service offering with federal, State and local legislation therefore are eligible to receive funding from a variety of government sources to maintain their existing operations. In collaboration with MemorialCare, Miller Children's and Women's Hospital, St. Mary's Hospital and local stakeholders, the Health Department works to eliminate challenges experienced by marginalized communities. The additional \$150,000 for reproductive health will be used to augment programs aimed at decreased unintended pregnancies, improve early identification of STI cases, reduce disease transmission and education community partners.*

K5. One-time funds of \$150,000 in the General Fund Group in the City Manager's Department to supplement the Measure B (TOT) revenues that are then allocated to the Convention Center, arts organization, and cultural centers.



*For FY 23 only, this one-time appropriation will be allocated to the Cultural Centers (African American Cultural Center, Latino Cultural Center, and Cambodian American Cultural Center), in lieu of the normal percentage allocation, in a defined amount of \$50,000 to each organization. The remaining Tier I and Tier II organizations will receive funding based on actual Measure B (TOT) revenues consistent with the percentage allocations adopted in FY 20 through FY 22. In FY 24 and beyond, the Cultural Centers will be allocated funding consistent with the direction in Motion A1. At that time, percentage allocations will be revised based on future City Council direction.*

K6. One-time funds of \$50,000 in the General Fund Group in the Economic Development Department to support the Pacific Corridor activation that takes into consideration prior activations and successes including investments such as event signage.

K7. One-time Measure A funds of \$400,000 in the General Fund Group in the Citywide Activities Department to transfer to the Capital Projects Fund Group in the Public Works Department to support the Bluff Park Historic Lamps project. \$300,000 of funds was already included as part of the 5-year infrastructure plan in the FY 23 Budget and \$400,000 would bring the total to the \$700,000 needed to complete the project.

K8. One-time Measure A funds of \$1 million to further support alley repairs through pavement sealing, asphalt overlays, and full reconstruction throughout the City.

K9. One-time Measure A funds of \$200,000 for additional funding to improve the Hudson Park Playground, bringing the total funding to \$800,000 with \$600,000 already included as part of the 5-year infrastructure plan.

K10. One-time funds of \$300,000 in the General Fund Group in the City Manager's Department to provide additional support for the Justice Fund. (City Council adjustment)

K11. One-time Measure A funds of \$500,000 in the Public Works Department to provide additional support for an all-inclusive, all abilities playground. (City Council adjustment)

**L. Motion to direct the City Manager to develop, finalize, and implement plans for a new Talent Acquisition Division in the Human Resources Department with potentially five to seven Human Resources employees with a projected annual cost ranging from \$695,000 to \$965,000. Costs in FY 23 can be funded out of the City's Employee Benefits Fund, which will recoup its cost in future years with increased department charges citywide. Staff should evaluate and finalize the best approach and return to City Council in a Budget Adjustment Letter with request for increased appropriation.**

*This funding will allow the Human Resources Department to implement a new approach to conducting unclassified recruitments that will better meet the needs of the City and result in a more effective and efficient recruitment and selection process. The current model is comprised of a decentralized process where the unclassified recruitment process is led by each of the City's 22 operating departments, with minimal oversight*

*and assistance by the Human Resources Department. Due to lack of standardization and consistency, this process results in an average time to hire of approximately seven months and impacts the City's ability to attract and retain top talent. Under the proposed model, a Talent Acquisition Division will be created within the Human Resources Department to develop and administer a centralized structure and create a standardized timeline that will cut the average recruitment timeframe from seven months to a projected 90 days for the unclassified recruitments. The centralized functions of the Talent Acquisition process will include:*

- *Implementing a strategic approach to recruiting consisting of collaboration and partnership with Departments to develop staffing plans that will address hard to fill positions prior to posting the job.*
- *Advertising and outreach to further address ongoing citywide diversity, equity, and inclusion efforts.*
- *Standardizing all processes.*
- *Developing job bulletins and interview questions.*
- *Locally recruiting within the Long Beach community through job fairs and other outreach events.*
- *Maintaining the NEOGOV applicant tracking system to ensure regular review of performance analytics.*

*The proposed model will be staffed by (1) Human Resources Officer, (4) Personnel Analysts, and (1) Clerk Typist III and will follow the structure of current divisions within the Human Resources Department. Staff will return to City Council for a budget adjustment in the Employee Benefits Fund Group to implement this initiative in early FY 23.*

**M. These recommendations strived to minimize structural enhancements as much as possible as the General Fund is still projecting a structural shortfall situation for FY 23, anticipated to be covered using one-time funding sources. Any structural costs added or reductions to structural revenues will add to the projected shortfall in FY 24 unless a structural offset is identified and approved for reduction.**

**N. Motion to direct City Manager to report back in six months on the status of the Park Rangers Program and the implementation of Park Ambassador Program. (City Council adjustment)**

*The following information provides a status update on next steps in advance of the six-month report to City Council. The Parks, Recreation and Marine Department is working with the Human Resources Department to obtain the status of the Meet and Confer Process and next steps for implementation. The Human Resources Department had scheduled two meetings with the International Association of Machinists and Aerospace Workers (IAM), the union representing the Park Ranger classification; however, both meetings were cancelled. The Human Resources Department is currently working with*

*the IAM to reschedule the meeting to discuss the Park Ranger Program approved as part of the FY 23 Budget.*

*Simultaneously with the above-mentioned process, the Parks, Recreation and Marine Department is preparing to procure and acquire supplies and equipment needed to implement the Park Safety Ambassador Program. Many materials and supplies, such as safety equipment, needed for the Park Safety Ambassadors will be procured with existing contracts in place through the City's regular purchasing procedures. The Parks, Recreation and Marine Department is drafting bid specifications for a competitive solicitation for the magnetic door locks to utilize the one-time funds of \$600,000. The Financial Management Department, Fleet Services Bureau has processed the orders for the Park Safety Ambassador Program vehicles using the one-time funds of \$132,000 and the vehicles are anticipated to arrive in April 2023.*

If you have any questions, please contact Budget Manager Grace H. Yoon at (562) 570-6408.

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