City Manager Budget Overview
August 2, 2022

Fiscal Year
2023
Proposed Budget
A total Long Beach Recovery Act plan of $271.3 million with over 80 Recovery Programs being designed or implemented

- The Small Business and Nonprofit Relief Grants Program has provided more than $8 million to 700 local businesses and nonprofit organizations
- The Emergency Rental Assistance Program has disbursed $44.5 million in rental relief to nearly 6,100 residents

Since 2020, more than 880 affordable units completed, under construction, or proposed throughout the City

The City’s comprehensive 2021-2029 Housing Element update was certified by the California Department of Housing and Community Development

Continued and expanded Project RoomKey program, adding 26 room locations and totaling 274 rooms

Added 552 shelter beds over past two years bringing total capacity to 994
Accomplishments (continued)

- Over 1,000 visits to various encampments, providing outreach to 1,800 people experiencing homelessness
- The Multi-Service Center regularly sees 3,000 visitors a month
- Abated 1.25 million square feet of graffiti
- Removed over 2,100 tons of litter and illegally dumped items from public rights of way, alleys, and high-traffic business corridors
- More than 40,000 potholes filled
- Recovered 112 firearms and made 98 firearm-related arrests
- 16.7% decrease of citywide shooting incidents compared to last year
- Responded to over 76,000 fire, marine safety, and other emergency incidents
Accomplishments (continued)

• Backup 9-1-1 Center established with 14 work stations
• Launched the 11-member Youth Advisory Council
• Over 2,000 early literacy development kits distributed to parents and caregivers and over 50,000 youth served through various Literacy Development Programs
• Airport’s new Ticketing Lobby and Checked Baggage Inspection System facility completed, with new baggage claim facility expected to open later this year
• On track to adopt first-ever Climate Action and Adaptation Plan
• Water Department adopted 100% renewable energy for operations
• Earned the 1st place “Digital City” award by the Center for Digital Government
FY 23 Budget Maintains Previous Year’s Services

- FY 23 Budget is $3.2 billion, with 36 fund groups (made up of 126 funds) and 23 departments
- Maintains current services and continues support for pandemic recovery
- Makes additional investments without adding to the structural General Fund shortfall, which is covered by one-time solutions as previously planned

Emergency response including Priority 1 & 2 Police calls Emergency medical and fire services Infrastructure funding for sidewalks and potholes Maintenance of safe/clean/accessible parks, facilities, and public spaces Major facilities’ maintenance Graffiti abatement Landscaped median maintenance Clean Teams Core youth and senior programming Provision and improvement of affordable housing Business assistance programs Water and Gas customer service Support for economic development and business assistance Multi-faceted Homelessness response Investment in technology support Green fleet investments Energy efficiency investments and upgrades to City facilities Permitting and inspection for businesses and residential improvements Animal Care services Tree Trimming
FY 23 Budget Makes Strategic and Forward-thinking Investments

• The Proposed Budget prioritizes and makes investments into the following areas:
  o Addressing Homelessness
  o Community Safety
  o Equity, Inclusion, Health, and Quality of Life Support
  o Business Attraction, Support, and Economic Development
  o Arts, Culture, and Tourism
  o Infrastructure, Maintenance, and Critical Needs Investments
  o Climate Change and Environmental Sustainability
  o Recruitment, Retention, and Strengthening Internal Administrative Services
  o Unfunded Operational Needs and Major Liabilities Improvements

• In addition to weighing City Council priorities, these investments took into consideration community feedback that was received from residents early during the budget development process.
Addressing Homelessness

- Add a 3rd Restorative Engagement to Achieve Collective Health (REACH) team, creating more after hours support
- Add two counselor positions that will coordinate with City’s call center to enhance communications with community members and respond to those seeking help
- One-time Measure A funding of $2.1 million for a 2-year outreach and clean-up initiative along the river beds
- Structural funding of $255,000 for enhanced rapid response, clean-ups, and outreach
- One-time funding of $125,000 for cleanup of large encampment sites in parks and open spaces
- Towing Fund to provide $250,000 in support for direct homelessness waivers and other unreimbursed costs, funded from reduced transfer to General Fund
Community Safety

- One-time funding of $980,000 for the Community Crisis Response Program where an unarmed team responds to mental health, substance abuse, and quality of life related 9-1-1 calls.

- Create a new Collaborative Response and Engagement Bureau in the Police Department and add 20 new Police Officers to disrupt primary factors of crime through relationship-based community policing models (16 Bike Officers and 4 Quality of Life Officers).

- Structurally add Measure A funds of $609,333 to provide the estimated City match funding needed for SAFER grant that, if awarded, would help fund Engine 17 operations.

- One-time Measure A funding of $1 million to support the Coordinated Response Team working to reduce overall violent crime citywide with emphasis on gun-related crimes.
Equity, Inclusion, Health, and Quality of Life Support

- Fully funding a position that will provide support for Commission on Women and Girls, Equity and Human Relations Commission, the Justice Fund, and support for ongoing Racial Equity and Reconciliation efforts
- Increase structural funding by $20,000 for increased interpretation and translation services
- One-time funding of $100,000 to support the Office of Equity interdepartmental efforts
- Add a Fire Captain to continue to lead Fire’s Diversity Recruitment Program, previously funded with one-times
- Upgrade a part-time position to a fully funded Public Health Professional program to lead the Office of Veteran’s Affairs
• One-time Measure US funding of $511,620 for Community Based Grants and Incentives around Youth Development
• One-time Measure US funding of $25,000 for the annual Long Beach Youth Festival
• Waive all Library late fees and eliminate fines for materials returned late
• Increase structural funding by $400,000 and one-time funding of $400,000 to supporting an inclusive and diverse library collection
• Add Senior Librarian to expand on the multilingual collections
• Enhance Animal Care Services by upgrading a Public Health Associate to an Assistant Administrative Analyst, converting 2 Clerk I positions to 3 Clerk Typist I positions, and addition of four General Assistant positions to enhance volunteer management, support field and licensing operations, and help implement the Compassion Saves Program
Business Attraction, Support, and Economic Development

- Add an Analyst position to serve as a business liaison and support business outreach efforts
- Add three Permit Technician positions and a Customer Service Representative to ensure full staffing at the Permit Center
- Add two Planner positions to staff the public counter and zoning telephone line to support plan reviews and customer service
- Add a Planner position to assist with increased Coastal Zone workload and meet Accessory Dwelling Unit review periods mandated by State law
- Increase structural funding of $457,478 to support meeting the goals set out in Housing General Plan and its Elements
• FY 23 Budget maintains support:
  o Support includes $4,606,676 for Convention and Visitors Bureau; $425,550 for Museum of Art, and $454,085 for Arts Council for Long Beach
  o $2.1 million of Measure B TOT that supports Convention Center and major arts organizations
  o Long Beach Recovery Act allocates over $2.4 million through FY 24, including $1.1 m in funding to support visitor attraction and hospitality recovery; $900,000 in creative economy grants to support arts organizations and artists; and $445,000 to support cultural events citywide

• New items in FY 23 Budget:
  o New Pier H Bureau to oversee Queen Mary operations
  o Add an Events Coordinator to assist with reopening of the Queen Mary
  o Add an Analyst position for improved oversight of the operating contract for the Long Beach Convention Center
  o One-time funding of $200,000 for Olympic consultant support
The FY 23 Capital Improvement Program (CIP) - $176.6 million, excluding Harbor
  - Mobility – $67,390,899
  - Parks – $3,235,244
  - Public Facilities – $37,873,426
  - Beaches and Marinas – $5,725,000
  - Utilities – $60,356,299
  - Airport – $2,000,000

A new 5-year infrastructure plan of $522 million (FY 23-FY 27). Funded through the issuance of a Measure A funded bond that will generate $150 million, $88 million of other Measure A revenues, and $284 million of external funding sources.

Public Works staffing support included in budget in anticipation of external infrastructure funding leading to increased number of projects.
Investments for Other Critical Needs include:

• Structural funding of $200,000 and one-time funding of $200,000 for Grid Tree Trimming allowing for annual tree trimming on a 7-year cycle

• One-time Measure A funding of $1.8 million to remove structurally defective trees in the parks

• One-time Measure A funding of $2,784,600 for investments into Network Camera Modernization that will upgrade obsolete cameras and establish a lifecycle replacement program
Park Safety Ambassadors, Clean Restroom, and Safe Playground Initiative

Repurpose Park Ranger funding and positions in Police Department and incorporate into larger initiative in the Parks, Recreation, and Marine Department that will take the City from 3.5 armed Park Ranger positions covering five parks/locations to 12.3 different budgeted unarmed positions with the ability to close all park restrooms and funding for innovative bathroom infrastructure upgrades. Park Ranger classification will be discontinued but will not result in the layoff of any current staff. Program components include:

- 6 Maintenance Assistant positions to lock all freestanding restrooms and complete minor park repairs
- 4 Maintenance Assistant positions to provide service requests for repairs and maintenance
- 1.34 Recreation Leader Specialist positions to provide greater park permit compliance monitoring
- One-time Measure A funding of $600,000 for pilot Magnetic Door Locks Initiative
- The parks with freestanding restrooms and mini-parks that will be serviced through this program are as follows: Admiral Kidd, Bixby Knolls, Bixby, Chavez, Chavez/Drake, Cherry, Chittick Field, Coolidge, Craftsman, Davenport, Deforest, Drake, El Dorado East Regional, El Dorado West, Heartwell, Houghton, Hudson, Lincoln, Locust Tot, Los Cerritos, MacArthur, Martin Luther King Jr., McBride, Miracle on 4th Street, Molina, Pan American, Ramona, Recreation Dog Park, Recreation, Rotary, Scherer, Seaside, Silverado, Somerset, Stearns, Tanaka, Veterans, Wardlow, and Whaley Parks.
• Creation of a new Office of Climate Action in the City Manager’s Office to manage a coordinated response to Climate Change, adding 4 FTEs for a total of 9.3 FTEs when combined with the current Office of Sustainability

• Add a Public Affairs Assistant in the Energy Resources Department to provide communications and public educational leadership on the City’s strategies to address climate change

• Add a Planner position to implement 16 of the City’s Climate Action and Adaptation Plan actions

• Add a Combination Building Inspector position to support City’s annual oil well inspection program, and the oil well abandonment and methane gas mitigation programs

• Add one-time funding of $200,000 to prepare for a potential oil liability assessment study to better understand the financial liability and feasibility considerations associated with ending oil production in the City
Recruitment, Retention and Strengthening Internal Services

- Add two Personnel Analyst positions and one Personnel Assistant II position in the Civil Service Department to help improve the time to hire staff
- Add one Personnel Analyst position to focus on classification and compensation
- Add structural funding of $104,317 for a Learning Management System for citywide staff development and training
- Add a Business Systems Specialist and an Administrative Analyst positions to address general Cybersecurity and data privacy citywide
As part of FY 23 Base Budget updates, the City was able to address or make progress towards funding some of the City’s unfunded and underfunded liabilities, including:

- $300,000 to stay on a 6-year street tree trimming cycle
- $617,467 to offset increased water costs and help address water needs required to maintain green and safe parks
- $465,000 to achieve same level of weed abatement with alternative herbicides that was previously possible with glyphosate
- $499,258 to support medical costs needed for Animal Care Services and its Compassion Saves Program
FY 23 General Fund Budget Balancing

The General Fund structural shortfall remains at around $12 million plus $4.9 million of proposed one-times.

Including the Measure M litigation loss, the structural shortfall is $20.2 million.

The FY 23 funding needs are proposed to be resolved through one-time solutions, including Long Beach Recovery Act and funds set aside to mitigate the Measure M loss.

General Fund Operating ($14.9 million) and Emergency Reserve ($47.8 million) remain intact, along with $2 million reserve included in Proposed Budget for unexpected labor and other critical costs potentially needing funding in FY 23.

<table>
<thead>
<tr>
<th>FY 23 General Fund Budget Updates since March Projection ($ in millions)</th>
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<tbody>
<tr>
<td><strong>Surplus/(Shortfall)</strong></td>
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<td>--------------------------</td>
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<tr>
<td>Preliminary Shortfall as of March</td>
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<tr>
<td>Citywide Revenue and Expense Updates**</td>
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<tr>
<td>Proposed Budget Changes</td>
</tr>
<tr>
<td><strong>Revised Surplus / (Shortfall)</strong></td>
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**Budget Balancing Solutions**

| Funds made available through LB Recovery Act | 14.5 |
| Release of Reserve for Measure M shortfall | 8.5 |
| FY 22 Police savings for Community Crisis Response | 1.0 |
| Citywide indirect cost plan allocations update | 1.1 |

| **Final Surplus / (Shortfall)** | (20.2) |

* A positive number helps bottomline fund status; a negative number is a hit/cost to bottomline fund status

** Includes impact of Measure M litigation loss at $8.5 million
**General Fund Fiscal Outlook**

### Projected General Fund Budget Shortfall*

<table>
<thead>
<tr>
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<th>FY 23</th>
<th>FY 24</th>
<th>FY 25</th>
<th>FY 26</th>
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</thead>
<tbody>
<tr>
<td>Surplus/(Shortfall) - Annual</td>
<td>-</td>
<td>(5.4)</td>
<td>2.3</td>
<td>0.2</td>
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<tr>
<td>Shortfall from Previous Year</td>
<td>-</td>
<td>(20.2)</td>
<td>-</td>
<td>-</td>
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<tr>
<td><strong>Final Surplus / (Shortfall)</strong></td>
<td>-</td>
<td>(25.6)</td>
<td>2.3</td>
<td>0.2</td>
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*Shortfall in each year is assumed to be solved. Number for each year is the new projected shortfall for that year.

- Challenges ahead in FY 24
- Much of the FY 24 shortfall is a carry-over from FY 23 ($20.2 million of the projected shortfall)
- It will be a priority during FY 23 to develop approaches to address the structural shortfall for FY 24
Budget Timeline

Through today:

• **January 25** – Virtual Community Meeting

• **January 27** – Virtual Community Meeting

• **March 8** – City’s Fiscal Outlook Study Session

• **July 3** – Proposed Budget delivered to Mayor

• **August 2** – Mayor submits Proposed Budget to City Council

Upcoming:

• **August** – Community Budget Meetings

• **August 2** – Budget Hearings & BOC

• **August 9** – Budget Hearings & BOC

• **August 11** – Virtual Community Meeting

• **August 16** – Budget Hearings & BOC

• **August 17** – Virtual Community Meeting

• **August 22** – Virtual Community Meeting

• **August 23** – Budget Hearings & BOC

• **Sept 6** – Budget Hearing & BOC, 1\(^{st}\) Possible Adoption

• **Sept 13** – Budget Hearing & BOC, Last Possible Adoption
Opportunities for Community Engagement

- Attend Budget Hearings
- Attend Budget Oversight Committee Meetings
- Attend the Virtual Community Budget Meetings
- Complete the FY 23 Proposed Budget Digital Comment Card
A Resilient City Focused On Progress

- A City of many accomplishments
- A full-service City providing a wide variety of comprehensive services
- A City that has maintained resources and increased support for the community through the pandemic
- A City with committed and dedicated employees who continue to perform every day in extraordinary ways
- A City with strong fiscal management providing foundation for strategic and prudent decisions and investments
- Strong leadership from the Mayor and City Council
- The support and collaboration of the City Auditor, City Attorney, City Prosecutor, City Clerk, Civil Service Executive Director, Harbor Executive Director, and the Water General Manager
Measure A - New 5 Year Infrastructure Plan

- The Public Works Department has developed a new proposed five-year Infrastructure Investment Plan for FY 23 through FY 27 totaling $522 million.

- Investments will be spread across the following categories: Mobility, Park Improvements, Public Facilities, Right-of-Way/Water Quality/CAAP Improvements, Critical Facilities and Grant Match Funding Reserve, and Other Critical Needs supporting the City’s infrastructure (such as tree removal at parks, improvements to park bathroom locks, and a plan to modernize the City’s Camera Network).

- Funds of $522 million are anticipated through:
  - The issuance of a Measure A funded bond anticipated to generate $50 million in FY 23, FY 25, and FY 27 for a total of $150 million.
  - Other Measure A revenues of $88 million (for total Measure A funding of $238 million for infrastructure projects and other critical needs support).
  - Grants and external transportation funding sources estimated at $284 million.
More Information Available Online: www.longbeach.gov/budget