

December 14, 2018

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach, California

**SUBJECT: Fiscal Year 2019 Adopted Budget**

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This transmittal letter and the attachments that follow describe the changes to the Proposed FY 19 Budget made by the City Council, which are reflected in this Adopted Budget.

The City Council adopted the City Manager's Proposed FY 19 Budget on September 4, 2018 with changes related to the Mayor's 2018 Budget Recommendations (Attachment A) and City Council Recommendations (Attachment B). The FY 19 General Fund budget also contains General Fund Strategic One-Time Investments – Non Measure A (Attachment C).

The FY 19 Budget is structurally balanced to fund critical services to our community. Thanks to the residents of Long Beach and their support of the City through the passage of Measure A (Sales Tax, 2016), Measure MA (Cannabis, 2016), and Measure M (Utility Fund Transfers, 2018), this budget is able to continue funding current service levels and invest in public safety and infrastructure. In addition, this budget invests in addressing homelessness, economic development, mobility enhancements, innovation and efficiency initiatives, arts and culture, and programs to support quality of life for the community.

A description of the changes is as follows:

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

- c. Training and education funds for LGBTQ and bullying issues in the amount of \$100,000.
  - d. Expungement Fund in the amount of \$200,000.
  - e. Justice Fund in the amount of \$150,000.
2. Use \$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.
  - b. Senior citizen programming in the amount of \$100,000.
  - c. Addressing 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:
  - a. Supplemental funding for addressing 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 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 outreach and promotional efforts to support the development of the African American Cultural Arts Center, offset by funds available (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 Fund supported 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 project budget 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 projects:
  - a. \$850,000 for the Alamitos Beach Concessions stand.
  - b. \$150,000 to begin the PD-6 Waterfront Visioning process.
  - 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 Street 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.
8. Reallocate \$200,000 for 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.
9. Incorporate the additional budget and direction from the Mayor's Recommendations:
  - 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. The City Manager to work with property owners and the community to strengthen the Proactive Rental Housing Inspection Program.
  - c. The 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.

The City Council also provided additional direction for staff to explore various operational items that did not have a direct impact to the budget. These items can be found in Attachment B, in the section Other Notes/Changes. Lastly, the City Council reviewed and amended its Financial Policies, which are included in their entirety in the Appendices section of this book.

This budget accomplishes many things and is one to be proud of with its continued investment in addressing a variety of City Council initiatives while adhering to prudent fiscal policies and practices. As we look to the future, we will continue to work diligently to address future challenges through strong fiscal management to continue to provide great services to our residents.

I want to express my appreciation to the Mayor, the City Council and the Budget Oversight Committee, for their work to review, modify and adopt this balanced budget, and to all of the staff who worked diligently to support the Mayor and the City Council in this effort.

Respectively submitted,

A handwritten signature in blue ink that reads "P West" with a long horizontal line extending to the right.

PATRICK H. WEST  
CITY MANAGER

Attachments