

City Ballot Measures

City Ballot Measures

In recent years, Long Beach has been very fortunate that voters have approved several measures, which support City services. To be fully increase transparency on how those dollars are spent, this section specifically discusses the ballot measures and how the funds are being used. This section includes a summary of the accomplishments and planned uses of the City Ballot Measures approved since 2016.

MEASURE A (2016) – LONG BEACH TRANSACTIONS AND USE TAX

About Measure A

Measure A is a ballot initiative, approved by 60 percent of Long Beach voters on June 7, 2016, which added a transactions and use (sales) tax for a period of ten years. Beginning January 1, 2017, Measure A effectively increased sales tax by 1 percent for the first six years. After six years, and for the remaining four years, the tax increase is reduced to 0.5 percent. The tax is anticipated to generate approximately \$54.5 million per fiscal year, while at 1 percent. When the tax drops to 0.5 percent, it is anticipated to generate approximately \$27 million per year. Measure A sunsets after 10 years.

Although Measure A is a general tax to fund City services, the City Council's intent is to prioritize spending of Measure A funds for the following purposes:

- Public Safety, including the costs of providing Public Safety services, consisting of: police patrol, response, investigation, apprehension and law enforcement, emergency 9-1-1 response, fire prevention and suppression services, paramedic services, and ambulance services.
- Public Infrastructure, including the costs of improving and maintaining streets, sidewalks and alleys, improving and upgrading the City's water system for conservation, and improving, upgrading storm water/storm drain systems and public facilities, including parks.

Measure A is providing for significant and needed investment in public infrastructure and allowing the City to maintain and enhance public safety services.

Implementation

To account for the change in the tax rate over time, where the tax decreases from 1 percent to 0.5 percent in year six, only the revenue from the 0.5 percent that is available for all ten years is considered structural, (i.e., ongoing), and therefore available to fund City operations. The remaining 0.5 percent in years one through six are considered available for one-time purposes only, and will be used primarily to fund infrastructure during that six-year period.

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FY 18 Status and Accomplishments

Mid-year estimates of Measure A revenues are higher than originally anticipated for FY 18, and are expected to be higher than originally anticipated for FY 19. The higher revenues are factored in as a component of the FY 19 budget balancing actions that will help avoid service reductions in FY 19. Consistent with the stated intent for use of Measure A funds, the projections assume Measure A funds will continue to be used for maintaining and restoring public safety services and infrastructure, and not for wage increases.

As part of the FY 18 Adopted Budget, the City Council committed \$47.7 million in anticipated FY 18 Measure A revenues to fund and maintain current public safety levels, including restorations implemented in FY 17, capital improvement projects to help rebuild Long Beach's infrastructure projects, administrative support to keep residents informed on the status of Measure A, and to fund the Measure B contribution. Key accomplishments include:

- Continued funding to maintain the restoration of Fire Engine 8, Paramedic Rescue 12, Police South Patrol Division, and Police Academy staffing
- Maintain public safety staffing, equivalent to 53 sworn positions
- Added 37 new public safety personnel positions
- Police South Division personnel returned to their home base located within the Public Safety Building; marked by a community open house in December
- Preventative repairs to 64 lane miles of residential streets in 2018 out of 206 since Measure A went into effect
- Paved 1.4 lane miles of previously dirt alleys
- New funding allocated to install a playground at Jenni Rivera park
- Improvements to public facilities and parks including the opening of the Red Car Greenbelt and Jackson Park Playground
- Developed a communications and community engagement campaign that highlights the historic and worthwhile investment made by Measure A funding in Long Beach
- Established a Measure A focused content theme "We are Measure A" in the new City blog, InsideLB, which highlights the personal impacts of Measure A on the quality of life of residents and staff
- Received a California Public Information Officer (CAPIO) EPIC Award, the organizations highest honor, for a social media campaign promoting the restoration of Fire Engine 8

Public Safety Maintenance

Implemented as part of the FY 17 budget, the priority for Measure A funds is to help maintain existing levels of Police and Fire services in the face of difficult financial times. Non-public safety departments had reductions in the FY 17 and FY 18 budgets, but due to Measure A, Police and Fire avoided reductions and preserved staffing levels, maintaining the equivalent of approximately 54 sworn staff positions through FY 18 that otherwise would not have had funding. In FY 17, \$3.2 million of Measure A was used for this purpose. The amount needed to maintain public safety grew to \$8.3 million in the FY 18 budget.

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Public Safety Restorations - Fire

One of the first key accomplishments of Measure A was the restoration of Fire Engine 8 in Belmont Shore on October 1, 2016. The restoration of Engine 8 has improved fire and emergency medical response coverage citywide and in the area immediately surrounding Fire Station 8. By responding to 1,811 calls for service over the last year, Engine 8 has reduced the call volume for surrounding resources as well as the distance required for these resources to travel to respond to emergency incidents

On March 1, 2017, the Fire Department implemented its second major restoration utilizing Measure A funds by putting Paramedic Rescue 12 in North Long Beach back into service. The restoration of Rescue 12 has resulted in increased emergency medical response capabilities Citywide as well as in Uptown Long Beach. Rescue 12 responded to 5,305 calls over the last year. That is an average of 14.5 calls a day. By increasing the number of paramedic rescues from eight to nine, the Fire Department has increased citywide coverage for emergency medical responses, while reducing the distance required for other rescues to travel to respond to medical emergencies.

Public Safety Restorations - Police

The passage of Measure A provided funding to avoid the reduction of additional public safety resources and to improve public safety. The FY 17 budget rebuilt the framework needed to reestablish the South Patrol Division at the Public Safety Building. The reestablishment of this Division allows it to operate at the same functional level as other divisions in the City due to the addition of eight sworn positions that focus on identifying crime patterns and responding to calls for service, along with two administrative staff to support the Division. The reestablishment of the South Patrol Division, and the over 100 staff, including sworn staff, transferred from West Division equalized the call volume experienced by the four Patrol Divisions and provides more localized community policing support to the residents, businesses, and tourists located within the Division.

In March of 2017, Measure A funds allowed the Police Department to make another major restoration and eliminate the need to dedicate patrol officers to perform teaching and training responsibilities, with the restoration of nine sworn positions to Academy and training operations. The restoration of these positions relieved the Police Department from temporarily re-assigning patrol and allowing them to remain focused on 911 calls-for-service instead of conducting training operations.

Infrastructure Investments

Prior to the passage of Measure A, the City has not historically had a dedicated source to fund most of our general infrastructure needs. In the past, the City relied on state and federal funds and one-time infusions such as the dissolution of the Redevelopment Agency (RDA) to provide funding for investing in the City's infrastructure. The passage of Measure A allowed the City to invest \$30.5 million in FY 18 to supplement the City's preexisting Capital Improvement Program (CIP). This helps the City to address its aging and deteriorating infrastructure, with a focus on streets, sidewalks and facilities citywide. As a part of the FY

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18 Adopted Budget, one-time Measure A funds totaling \$26.3 million were allocated to Citywide infrastructure programs, including \$14.3 million for Mobility, \$6.1 million for Parks, including playgrounds at various parks, and \$5.9 million for Public Facilities and Utilities. Additionally, surplus Measure A revenues at year-end FY 17 and increased revenue projections mid-year in FY 18 provided an additional \$4.2 million to support Measure A projects. For specifics on individual projects, please visit the City’s website at www.longbeach.gov/MeasureA.

FY 19 Adopted Budget

The FY 19 Adopted Budget demonstrates the City’s commitment to program Measure A funds in a manner that prioritizes investments in public safety and infrastructure. The City Manager has recommended the \$54.5 million in anticipated Measure A revenues to provide the following:

- Maintain and preserve public safety services equivalent to a total of 108 positions
- Continued funding for FY 17 public safety restorations and infrastructure improvements
- Add four new sworn staff to support the City’s homelessness initiatives, increasing public safety positions in the City for the third consecutive year
- Add one-time investments to support additional Police and Fire academies
- Add one-time investments for the modernization of public safety network cameras

The table below summarizes the planned uses for Measure A during the first three years of the tax.

Planned Use of Measure A

(\$ in millions)	FY 17*	FY 18	FY 19
Maintain Public Safety	3.2	8.3	19.3
Restore Public Safety	5.3	6.3	7.2
Enhance Public Safety (one-times)	0.8	6.1	5.6
Invest in Capital Infrastructure	25.7	26.3	24.0
Measure B “Rainy Day”/Administration	<u>0.6</u>	<u>0.7</u>	<u>0.8</u>
Total expenditures (equal to available revenue)	35.6	47.7	56.9

**FY 17 is the first year and a partial year, so the amount is lower*

Public Safety

Consistent with City Council’s policy direction on the use of Measure A funds, this budget proposes the allocation of \$32.1 million in Measure A funding in support of critical public safety operations and program initiatives. In FY 19, the Measure A investments in public safety include:

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- \$19.3 million of Measure A funds will maintain existing Fire Department and Police Department programs and operations, saving the equivalent of 108 sworn positions in FY 19.
- \$6.4 million in continued support for the priority public safety restorations originally approved in FY 17, including:
 - South Police Division with eight sworn police and two civilian positions
 - Fire Engine 8, which includes 12 sworn fire positions;
 - Police Academy operations with nine sworn police positions
 - Paramedic Rescue 12, which includes six sworn fire positions
- \$937,149 to fund new sworn police officer and firefighter positions in support of the City's homeless services initiatives. Addressing homelessness is a key public safety priority for the City as it continues to leverage various grant funds and implements new initiatives such as the Everyone Home Long Beach initiative that will enhance the City's comprehensive and multi-faceted plan to address and prevent homelessness:
 - \$565,232 (including \$130,000 in one-time funding), to fund an additional Long Beach Fire Homeless Education and Response Team (HEART) Unit comprised of two Firefighter/Paramedics
 - \$371,917 to fund the addition of two sworn Quality of Life (QoL) Police Officers to support additional street outreach.
- There are also enhancements to public safety using Measure A one-times, including:
 - \$1.9 million for the Neighborhood Safe Streets Initiative which uses community policing strategies to impact violent and property crime trends in the City's neighborhoods and corridors.
 - \$2.1 million to support the second of two annual Police Academies (Class # 94) to help mitigate the impact of attrition and replenish staffing levels
 - \$900,000 to support the second of two Fire annual Academies to help mitigate the impact of attrition and replenish staffing levels
 - \$600,000 for safety camera network modernization and expansion.

Infrastructure

The FY 19 Budget will invest an additional \$24 million in Measure A funds to address the City's aging and deteriorating infrastructure. Measure A is a much needed supplement to the \$96.8 million in funds anticipated from local, state and federal sources. The FY 19 adopted Measure A investments in public infrastructure include:

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- \$8.5 million in new funding for Mobility programs, including:
 - \$2.5 million for Residential Street Repair
 - \$4.0 million for curb cuts and other sidewalk repairs to ensure ADA compliance
 - \$1.8 million to continue the efforts to improve our alleys in accordance with the City's first Alley Management Plan.
 - \$150,000 for Naples Bridges improvements.

- \$8.2 million in new funding for Public Facilities repair and improvement, including:
 - \$990,000 for Fire Stations 1 and 14, and the fire training center
 - \$650,000 for the Public Safety Building
 - \$540,000 for the Emergency Operations Center
 - \$500,000 for the West Police Station
 - \$2.9 million for two library branches and additional library roof improvements
 - \$600,000 for the main Health building
 - \$300,000 for the Animal Care Facility
 - \$1.8 million in continued funding of a Citywide Facility Condition Assessment, which is the equivalent of a pavement management plan for buildings, to establish a comprehensive list of the City's facility needs

- \$5.4 million in new funding for the City's Parks and Recreation infrastructure, including:
 - \$1.8 million to restore the El Dorado Park duck pond
 - \$1.5 million to support Davenport Park Phase II development
 - \$300,000 for improvements to sports courts at three parks
 - \$990,000 for restroom rehabilitation at two parks
 - \$495,000 for investment in the City's urban forests, including trimming, planning and irrigation
 - \$357,500 to continue to implement critical citywide irrigation upgrades to provide better control and data for making irrigation decisions in our parks.

- Measure A provides \$1.9 million to improve and repair the City's stormwater pump stations

Recommendation for the Use of Unallocated Measure Funds

When Long Beach voter passed Measure A, a \$384 million 10-year investment in public safety and infrastructure was planned. Now beginning its third year, revenue projections have been updated based upon actual activity. The revised projections provide additional revenue from previous projections. The table below summarizes the adopted allocation of new and previously unallocated Measure A funds through FY 23.

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Planned Use for Measure A Funds (FY 17 - FY 23)

Sources and Uses	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	Total
Revenue (structural and one-time)	\$ 38.9	\$ 53.1	\$ 54.5	\$ 54.8	\$ 55.0	\$ 55.3	\$ 33.7	\$ 345.4
Public Safety Maintenance	(3.2)	(8.3)	(19.3)	(19.5)	(19.6)	(19.7)	(20.1)	(109.7)
Public Safety Restoration	(5.3)	(6.4)	(7.2)	(7.2)	(7.2)	(7.2)	(7.2)	(47.7)
Infrastructure	(25.7)	(30.5)	(24.0)	(18.5)	(16.2)	(3.4)	(3.1)	(121.4)
Public Safety One-Time Uses	(0.8)	(6.1)	(5.6)	(6.1)	(3.7)	(24.5)	(14.9)	(61.7)
Measure B	(0.4)	(0.5)	(0.5)	(0.5)	(0.6)	(0.6)	(0.3)	(3.3)
Administration	(0.2)	(0.4)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(1.6)
Total Uses	(35.6)	(52.0)	(56.9)	(52.0)	(47.4)	(55.6)	(45.8)	(345.4)
Surplus/(Shortfall)	3.3	1.0	(2.4)	2.8	7.6	(0.3)	(12.1)	-
Net Unallocated Funds	\$ 3.3	\$ 4.3	\$ 1.9	\$ 4.7	\$ 12.3	\$ 12.1	\$ 0.0	\$ 0.0

The FY 19 Adopted Budget includes recommendations for the use of these unallocated funds for public safety communication technology infrastructure upgrades, additional police and fire academies, renovations of the fire and police academy facilities and in streets, sidewalks, parks, playground and animal care facility upgrades and facility improvements.

The recommended Measure A investments of currently unallocated funds include:

- \$13.4 million in new funding for Infrastructure programs, including:
 - \$10.3 million for complete streets, sidewalks, facilities upgrades, playground upgrades, animal care facility upgrades and facility improvements as determined through the completion of the City's Facility Condition Index master plan
 - \$3.1 million for a critical infrastructure reserve and cost and revenue variances
- \$29.3 million in new funding for Police Department one-time needs, including:
 - \$10.5 million for communication technology infrastructure upgrades
 - \$15.0 million to rebuild the Police Academy facility that has housed trainings, background investigations, recruit hiring operations, and community events in modular trailers that are approximately 20 years old.
 - \$1.8 million to support double Police Academies in FY 19 and FY 20
 - \$2.0 million for Body-Worn Cameras
- \$12.5 million in new funding for Fire Department one-time needs, including:
 - \$5.0 million for communication technology infrastructure upgrades
 - \$6.5 million to rebuild/rehab the Fire Academy facility for critical upgrades

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- \$900,000 for a second Fire Academy in FY 19
- \$130,00 for a vehicle for the HEART Team added in FY 19.

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 detail of the entire Measure A funds allocated towards infrastructure improvements.

Citizen's Advisory Committee

To ensure that the funds are spent as intended by the ballot initiative Measure A established a five-member Citizens' Advisory Committee to periodically review the City's use of revenues generated by the tax and make recommendations to the City Council with regard to the City's use of the tax. The members of the Citizens' Advisory Committee are appointed by the Mayor and confirmed by the City Council, and have met eight times since the creation of Measure A to review funding uses and progress. The Committee has affirmed, to date, that all City uses of Measure A funding are in compliance with the intent of the Measure A resolution.

MEASURE MA (2016) – BUSINESS LICENSE TAX ON MARIJUANA BUSINESSES

About Measure MA

Measure MA is a ballot initiative, approved by 68 percent of Long Beach voters on November 8, 2016, which established a business license tax on marijuana businesses. It was approved by the Long Beach voters at the same time as Measure MM that authorized certain medical marijuana businesses. Measure MA sets a gross receipts tax for sales of both medical and recreational marijuana and establishes a tax on marijuana cultivation, processing, testing and distribution in the City.

Measure MA set tax rates for marijuana business as follows:

- Six to eight percent (6-8%) of gross receipts for medical marijuana dispensaries;
- Eight to twelve percent (8-12%) of gross receipts for non-medical (i.e., recreational) marijuana dispensaries;
- Six to eight percent (6-8%) of gross receipts for processing, distributing, transporting, or testing marijuana and marijuana-related products; and
- Twelve to fifteen dollars (\$12-15) per square foot for marijuana cultivation.

All marijuana businesses are required to pay a minimum tax of one thousand dollars (\$1,000) annually. The taxes set by Measure MA can be increased or decreased, within the established ranges, by the City Council. Changes to the tax cannot exceed the maximum listed rates. Although Measure MA is a general tax to fund City services, the City Council

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has expressed its intent to prioritize spending of Measure MA funds for the following purposes:

- Public Health and Safety, including the costs of providing public health and public safety services, related to emergency response, police and fire services, continuum of public safety services, homelessness, drug prevention and treatment, environmental and food safety services, and other health and safety services.
- Regulation and Enforcement, including the costs of regulating and enforcing the marijuana industry, which includes administration and oversight, licensing, plan checks, inspections, enforcement, and legal services.

In FY 19, Measure MA tax uses include marijuana regulation and enforcement, as well as funding homelessness services.

FY 18 Status and Accomplishments

The FY 18 Adopted Budget estimated \$5.2 million in Measure MA revenues, which assumed that 47 medical cannabis businesses would be licensed and operating by the end of FY 18. However, due to a delay in medical cannabis business openings, actual FY 18 revenues are projected to come in significantly below budget. Based on the current pace of facility openings, approximately 20 medical cannabis businesses will be licensed in Long Beach in FY 18. As a result, the City estimates actual FY 18 year-end Measure MA revenues of approximately \$1.3 million.

The City allocated \$5.2 million in Measure MA expenditures in the FY 18 Adopted Budget. This included \$3.9 million for medical cannabis oversight and \$1.4 million for homelessness programs. Actual FY 18 year-end expenditures for these activities is projected to be \$3.9 million. Of this amount, \$2.5 million will be spent on medical cannabis implementation and \$1.4 million will be spent on homelessness programs. The actual cost of cannabis program implementation is lower than what was allocated in FY 18 mainly due to one-time salary savings in the cannabis regulatory program.

In FY 18, the City's cannabis program made significant strides in licensing and regulating the cannabis industry in Long Beach. Staff from six Departments were directly involved in cannabis oversight, including the City Manager's Office, Development Services Department, Fire Department, Police Department, Health and Human Services Department, and City Attorney's Office. Key accomplishments of these Departments include:

- Business Licensing: The City accepted 219 medical cannabis applications, approved 157 businesses for building plan check, and issued 12 cannabis business licenses.
- Adult-Use Cannabis: Staff presented the City Council with a adopted adult-use cannabis ordinance. The ordinance will authorize and regulate commercial adult-use cannabis activity in Long Beach.

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- Social Equity Program: Staff presented a cannabis social equity program to the City Council. The goal of the cannabis equity program is to support equal opportunity in the cannabis industry for those who wish to participate.
- Business Enforcement: The City initiated 74 enforcement actions against unlicensed cannabis facilities in Long Beach.
- State Regulations: The City incorporated thousands of new State regulations into the local cannabis licensing, regulatory and enforcement program.
- Public Lottery: Staff conducted a public lottery process to determine which applicants would be able to obtain one of the thirty-two medical cannabis dispensary licenses.
- Cannabis Website: The City launched a cannabis website for residents, consumers and businesses to obtain information on cannabis in Long Beach. The website has dedicated pages for legal personal use, purchasing cannabis, personal cultivation, filing a complaint, applying for a license, cannabis taxes, health effects of cannabis, parents and youth, cannabis and driving, and other important materials.
- Background Investigations: The Police Department completed criminal history background investigations for over 400 cannabis business owners and managers.

Homelessness Programs.

The City's focus on homelessness continued in FY 18 through the use of \$1.4 million in Measure MA funds to sustain and structurally fund some homelessness activities previously funded with one-time resources, as well as maintain some existing structural spending on homelessness. FY 18 Measure MA investments for homelessness services include:

- Structurally funding a Long Beach Fire Homeless Education and Response Team (HEART) Unit, the HEART team had just over 1000 responses. 360 of those were 911 calls where the HEART unit responded while patrolling the city. In the majority of those calls, the HEART unit was the first Fire Department unit on scene and was able to cancel either a Fire engine or Paramedic rescue or both. In addition to the 911-responses, the HEART team conducted just under 700 outreach and education contacts with individuals experiencing homelessness. In addition to their field work, the HEART team trained over 50 Fire Department employees in Mental Health First Aid, a course designed to assist first responders in helping patients suffering a mental health or substance abuse issues.
- Two Quality of Life (QOL) Police Officers responsible for contacting homeless individuals, referring individuals to services and housing options, remediating homeless encampments throughout the City, and taking enforcement action as needed. The Police Department Quality of Life Teams have assisted with housing 103 individuals in temporary, permanent or veteran housing since January 2018. The QOL officers have made 644 homeless contacts year-to-date in 2018, which includes referral to services, providing supplies or assisting in mental health evaluations. The Quality of Life officers have also assisted in 174 encampment cleanups in 2018.

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- The Public Works Clean Team continues to work with other departments to coordinate and complete all homeless cleanups in the City, with support from various funding sources including Measure MA. In FY 18, the Clean Team added the function of homeless clean-ups at parks. The Clean Team estimates to take over 95 new homeless encampment cleanups at all parks. In addition, an estimated 267 homeless encampment cleanups will be completed throughout the City to improve the quality of life for all residents and visitors.
- Health Department programming to maintain the support for homeless services through the Proactive Response Initiative and the Multi Services Center (MSC) operations, which provide outreach workers, crisis stabilization, access to resources and case management. The MSC provides comprehensive supportive services to promote progress towards permanent housing and self-sufficiency for people experiencing homelessness.

FY 19 Adopted Budget

The FY 19 Adopted Budget estimates \$5.0 million in Measure MA cannabis business license tax revenues. The projected revenue increase is based on the number of anticipated facility openings in FY 19, and the expected growth in cannabis sales from the adult-use market. Specifically, the Adopted Budget assumes that 63 cannabis businesses will be licensed and operating by the end of FY 19, with the majority of these businesses selling both medical and adult-use cannabis.

In addition, the FY 19 Adopted Budget allocates \$5.0 million for Measure MA expenditures. Consistent with City Council's policy direction on the use of Measure MA funds, the \$5.0 million in funding provides \$3.5 million for medical cannabis oversight and \$1.5 million for homelessness programs. Further details on proposed Measure MA expenditures are provided below.

Medical Marijuana Program Implementation

The Measure MA investments identified here represent the amount expected to be needed to provide adequate oversight and enforcement of the marijuana industry. Marijuana regulatory and enforcement services not identified in these budgetary allocations will need to be absorbed within existing Department operational budgets. FY 19 Measure MA budgeted uses for medical marijuana program implementation include:

City Attorney

This budget includes \$514,700 in Measure MA funds for the City Attorney's Office for three positions to provide dedicated legal support to help draft and interpret local ordinances, understand evolving State and federal legislation, and review case law related to medical marijuana. In addition, the City Attorney's Office was allocated \$220,400 in Measure MA

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funds for outside legal counsel services to help defend the City in cannabis litigation and administrative proceedings, and assist with enforcement of unlicensed facilities.

City Manager

This budget includes \$382,300 in Measure MA funds in the City Manager's Office for two positions to coordinate the City's overall multi-Department efforts to regulate the marijuana industry. This includes licensed business regulation, illegal business enforcement, and personal use policy development. The City Manager's Office will also provide a central point of contact for the City Council and community on marijuana related issues.

Development Services

The Development Services Department will play a lead role in the team-based administrative enforcement model for unlicensed cannabis businesses with four positions utilizing \$611,400 in Measure MA funds. Code Enforcement staff will field complaints, track cases, schedule field visits, issue citations, declare public nuisances, coordinate with property owners, and manage general administrative duties. Code Enforcement staff will also participate in the team-based enforcement model for licensed marijuana businesses, led by the Financial Management Department.

Financial Management

This budget includes \$553,600 in Measure MA funding for the Financial Management Department to lead the team-based administrative enforcement model for licensed marijuana businesses utilizing three positions. Business License staff will field complaints, track cases, schedule site visits, enforce operating conditions, issue citations, coordinate with Community Liaisons, schedule inspections, process license revocations, and manage general administrative duties. The Business License Bureau will handle initial application intake, review and approval, and other ongoing functions such as license transfers, changes of ownership, and audits. The Business License Bureau will also participate in the unlicensed enforcement approach led by Code Enforcement staff. Commercial Services staff will receive and account for taxes paid by medical marijuana businesses.

Health and Human Services

This budget includes \$274,600 in Measure MA funding for the Health and Human Services Department for three staff to plan check and inspect medical marijuana businesses to ensure compliance with food safety, hazardous waste, and other public health requirements. The Community Health Bureau will coordinate public education and prevention programs to address marijuana perception and use.

Fire

This budget includes \$623,600 in Measure MA funding for the Fire Department for three staff to participate in the team-based administrative enforcement model for both licensed and unlicensed marijuana facilities. Fire Department staff will perform inspections, issue citations, and red tag facilities when appropriate. Fire Prevention staff will also review,

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inspect and certify legal marijuana facilities to ensure that businesses will open safely and in a timely manner, and develop policies and advisories to assist Fire operations personnel when entering legal or illegal marijuana facilities. These program enhancements will strengthen the inspection team for illegal marijuana facilities while offering additional enforcement authority. With these resources, the Fire Department will be able to continue the plan check and inspection functions.

Police

This budget includes \$180,000 in Measure MA funds to support Police Department background investigations of cannabis business owners prior to license issuance. Additionally, Measure MA funds will be dedicated to fund overtime and training costs to expand the number of police officers who are certified as Drug Recognition Experts (DRE). This certification requires approximately 152 hours of training and field certification. DRE certification will enhance the Police Department's ability to better detect impairments related to drugs, alcohol or a combination of both.

City Prosecutor

This budget includes \$145,700 in Measure MA funds for the City Prosecutor's Office to participate in the enforcement of unlicensed cannabis businesses. The City Prosecutor's Office will provide advisory support to the administrative enforcement team, and assist with criminal prosecution of illegal cannabis operators.

City staff is organized to work in a multi-department team to provide necessary oversight of sanctioned businesses and enforcement of unsanctioned businesses. Notwithstanding the \$5.0 million allocated in this budget for implementation of the medical marijuana program significant uncertainties exist. Based on past experience in Long Beach and other California jurisdictions have had with legalized medical marijuana businesses, it is likely that a substantial number of unsanctioned dispensaries, cultivation, and manufacturing facilities will operate in within the City. Enforcement against these illegal marijuana businesses will be difficult and time consuming. In some cases, the process to successfully close an unsanctioned business could take months, if not years to complete. The regulatory approach used by the City will be regularly reviewed and adjusted for changes in legal interpretations and to better reflect regulatory and enforcement needs and available funding.

MEASURE B (2016) – BUDGET STABILIZATION “RAINY DAY” FUND

Measure B is a companion ballot initiative to Measure A. Approved by Long Beach voters on June 7, 2016, Measure B established a budget stabilization, or “rainy day” fund. The fund receives automatic deposits/transfers of one percent of any new general tax revenues generated each year, commencing with Fiscal Year 2017-2018. This includes one percent of projected new revenues from Measure A of \$545,000 in FY 19 and one percent of projected new revenues from Measure MA of \$52,140 in FY 19.

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Measure B funds may be used to pay for future City operations and services that might otherwise be reduced in scope, suspended or eliminated due to unanticipated shortfalls in General Fund revenues, whether caused by economic recession or other financial hardship of the City. Measure B has rules to define the scope of the financial hardship and how much of the “rainy day” fund can be used in any given year.

MEASURE M (2018) – UTILITY REVENUE TRANSFER

Measure M, approved by voters on June 5, 2018, effectively reversed the impacts of litigation against the City and restored historical utility revenue transfers and prevented a significant reduction in services that would have otherwise occurred due to the litigation. Specifically, Measure M, amended the City Charter to reauthorize and affirm the City’s practice of revenue transfers from the water, sewer and gas utilities to the General Fund, as approved by the City Council/Board of Water Commissioners, subject to a new cap of twelve percent (12%) of each utility’s annual gross revenues. The practical impact of Measure M was to retain the historical status quo for the use of utility revenue transfers to support City services and avoid \$8.3 million in service and operating reductions as part of the FY 19 budget.

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 Infrastructure Planned Uses (FY 17 -FY 23)
 Summary Detail by CIP Category

Attachment B

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
<i>Police Academy Facility Rebuild</i>	-	-	-	0.5	0.5	7.0	7.0	15.0
<i>Fire Academy Facility Rebuild</i>	-	-	-	-	-	0.8	5.7	6.5
<i>Other Facilities / (Cost & Revenue Variances)</i>	-	-	-	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