

Date: October 14, 2021

To: Thomas B. Modica, City Manager 

From: Kevin Riper, Director of Financial Management 

For: Mayor and Members of the City Council

Subject: **Summary of August 24, 2021 FY 22 Budget Adoption Actions**

On August 24, 2021, the City Council adopted the City Manager's Proposed FY 22 Budget with changes incorporated 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 clarification or comments on next steps. The motions are summarized below:

1. Revise the proposed allocation of the Measure US funding as follows: Add \$457,337 to the Community Based Grants for Youth Development, bringing the total allocated in the Proposed Budget to \$673,471. Funding will come from defunding the Youth Ambassador Program by \$337,337 (which includes funding for 8 FTEs) and the Field Work Program (for youth workers and trainees) by \$120,000. With this funding change, the total category of the Youth Fund will be \$1,037,636 (originally \$917,636) and the category of Climate Change will be \$123,029 (originally \$243,029). The City of Long Beach (City) anticipates receiving direct allocations from the State for youth employment and workforce development, which may potentially restore the defunded programs.
  - *The adopted FY 22 State Budget includes \$185 million in one-time federal recovery funds for California Volunteers, to administer grants to cities and counties to create or expand youth employment opportunities. Of this amount, \$150 million will be provided directly to large cities on a per capita basis, and the City anticipates receiving a direct allocation currently estimated at \$6.3 million. The goal of this program is to increase employment opportunities for youth such as part-time work or summer jobs to provide them with an opportunity to gain valuable work experience. Funds may also support community-based youth development efforts and programming will be established in the first half of FY 22.*
2. Request the City Manager to allocate any additional Measure US revenues that come in higher than projected at year-end, to the Community Based Grants for Youth Development in the following budget year.
  - *At the end of FY 22, staff will assess actual revenues received related to Measure US. Any surplus revenue above the Adopted FY 22 amount of \$1.33 million (net of the 1 percent Measure B set-aside amount) will be reserved at the end of FY 22 to add to the funding for Community Based Grants for Youth Development in FY 23, which will be brought forward in a budget adjustment letter during FY 23.*

3. Use \$1,340,116 of one-time funds from potential improved projections for the General Fund in FY 21 (which will be confirmed by February 2022), or a drawdown of reserves if the FY 21 improved projections do not materialize, for the following structural and one-time investments in the General Fund:
  - a. Use \$165,000 in the General Fund Group in the City Manager Department, to structurally add one Ethics Officer position to support Ethics Commission work, with structural offsets for future years to be identified during those budget processes.
    - *The Ethics Officer position will bring ethics-related expertise to the City to further support the important work of the Ethics Commission.*
  - b. Add one-time funds of \$35,000 in the General Fund Group in the City Manager Department, to further support Ethics Commission needs in FY 22, such as outside professional services or materials, offset by the carryover of projected FY 21 salary savings.
    - *The carryover of salary savings from FY 21 to FY 22 will allow staff to use these one-time funds for much needed Commission support, such as professional services and/or materials.*
  - c. Use \$100,116 in the General Fund Group in the Police Department, to structurally support the incremental cost of the conversion of two civilian positions in the Air Support Unit to two police officers, with structural offsets for future years to be identified during those budget processes.
    - *As part of this motion, the FY 21 civilianization of the Police Department Air Support Unit (Unit) was reversed, and two budgeted civilian pilot FTEs were converted to two sworn pilot FTEs where the Unit is now comprised of four sworn police officers – two certified pilots and two tactical flight officers. An additional \$100,116 was appropriated to offset the higher cost of the sworn pilots. The civilianization process for the civilian pilots was still in the meet and confer phase and no civilian pilots had been hired.*
  - d. Add one-time funds of \$100,000 in the General Fund Group in the City Manager Department, to further support the Fireworks Enforcement Team piloted in FY 21 to mitigate the illegal use of fireworks and explosives in Long Beach.
    - *This funding will allow the Fireworks Working Group to implement the Fireworks Action Plan to address the illegal use of fireworks and explosives in Long Beach. This team is comprised of representatives from the City Manager, City Prosecutor, City Attorney, Police, Fire, Disaster Preparedness and Emergency Communications, and Technology and Innovation Departments. This funding will enable staff to focus on key areas to mitigate illegal fireworks in the community, including supply chain confiscation, regional coordination, State legislation to ban fireworks, coordination of implementation of newly enhanced fines and penalties, community education and outreach, and ongoing data collection and assessment for proactive enforcement.*

- e. Add one-time funds of \$200,000 in the General Fund Group in the Economic Development Department, to determine the future of Bixby Knolls Business Improvement Association (BK BIA). Funds are required to be spent on securing the financial future of Bixby Knolls and pay for studies, outreach, and implementation of new, permanent revenue sources that can replace or enhance past Redevelopment Agency (RDA) funding from the City. These funds are intended to provide a bridge in FY 22 to new funding sources and cover administrative costs. Funding for events and business support will come from other internal sources or Long Beach Recovery Act dollars.
- *The one-time funding will be spent on professional services, outreach, and administrative expenses that result in new revenue sources for the BK BIA that can replace or enhance past RDA funding from the City. Examples of eligible uses of funding include, but are not limited to, the following:*
    - *Hiring consultants to complete outreach to commercial property owners, complete engineering studies, and create a Management District Plan that can lead to the formation of a property-based Business Improvement District (BID).*
    - *Paying BK BIA staff to conduct outreach to business owners in other commercial areas around Bixby Knolls that may be interested in joining the existing merchant-based BID. This would likely result in the expansion of the footprint for the existing BID.*
    - *Hiring a consultant to think through other revenue generation opportunities, such as revenue-generating special events and promotional activities.*
  - *Economic Development staff will coordinate an Agreement for Funding with BK BIA that describes the eligible uses of grant funding, payment process, and other terms and conditions.*
- f. Add one-time funds of \$540,000 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.
- g. Add one-time funds of \$100,000 in the General Fund Group in the Public Works Department for speed mitigation efforts on residential streets, to be divided equally between City Council Districts. The proposed mitigation efforts must comply with normal rules and regulations and, accordingly, must be approved by the City's Traffic Engineer and follow normal City processes.
- *The Public Works Department will review the speed mitigation requests that have been submitted, and perform field investigations to identify critical locations to implement speed mitigation strategies. The identified locations and respective strategies will comply with all rules, regulations, and best traffic engineering practices.*

- h. Add one-time funds of \$100,000 in the General Fund Group in the Public Works Department, to develop a vision and plan for a Long Beach COVID-19 Memorial.
  - *The Public Works Department will lead the visioning effort, including the organization of a stakeholder working group comprised of interdepartmental staff as well as community members, to collaborate and develop a vision and location for a COVID-19 memorial. Community workshops will be held to solicit input and ideas to develop a plan for implementation.*
4. Appropriate \$127,633 in the Special Advertising and Promotion Fund Group in the City Manager Department, to structurally restore one Program Specialist position in the Communications Program, with structural offsets for future years to be identified during those budget processes.
  - *This funding restores 1.0 FTE in the Special Advertising and Promotion Fund Group for a Social Media Coordinator that was cut as part of the FY 21 Budget. This item was originally approved as an enhancement in FY 20 and was restored in FY 22.*
5. Request the City Manager to include the following items as high-priority projects to be considered for funding using any year-end surplus resources from General Fund, Measure A, Special Advertising and Promotions Fund, and/or other sources, as relevant and if available. The City Manager should include the status of funding these projects as part of the FY 21 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:
  - a. MLK Jr. Statue Restoration and park area improvements
  - b. North Long Beach Pool feasibility study
  - c. All Abilities Playground design enhancements for Admiral Kidd playground and other potential playground projects
  - d. Duck Pond gap funding, as necessary
  - e. Tree Trimming enhancements
  - f. Bluff Park Historic Lamps
  - g. Bixby Bandshell and park improvements
  - h. Gateway Sign (405 and 22) implementation
  - i. Public Fireworks show on July 4<sup>th</sup>
  - j. Beach Streets
  - *A final report with any recommendations will be brought to the City Council in February 2022 based on actual year-end transactions for FY 21. In this report, the City Manager will report on any recommended uses of funds available, including the funding for these high priority projects. Additionally, the City Manager will also consider other major needs eligible under Measure A and other sources and will include a comprehensive list of recommended projects in the February 2022 year-end report for City Council consideration.*

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

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