



CITY OF LONG BEACH

BH-1

DEPARTMENT OF FINANCIAL MANAGEMENT

333 West Ocean Boulevard 6th Floor • Long Beach, CA 90802 • (562) 570-6425 • Fax (562) 570-5836

September 2, 2014

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Receive and discuss proposed Fiscal Year 2015 budgets for the following departments: Harbor Department and Financial Management Department; and

Receive supporting documentation into the record, conclude the public hearing and take the actions necessary to adopt the Fiscal Year 2015 budget as listed in Attachment A of this letter. (Citywide)

DISCUSSION

On July 22, 2014, the City Manager's Proposed Budget for Fiscal Year 2015 (FY 15) was delivered by Mayor Garcia to the City Council and community with recommended amendments for consideration. Budget meetings were set for March 11, July 22, August 5, August 12, August 19, September 2, September 9, along with six Budget Oversight Committee (BOC) meetings, and ten community meetings at which the FY 15 Proposed Budget was discussed. We are pleased to report that through the scheduled hearings, BOC and community meetings, presentations have been made by multiple City departments resulting in 23 separate opportunities for public feedback, deliberation and input.

At the conclusion of the hearings, the City Council will amend the proposed budget as it deems appropriate, and adopt the proposed budget as amended. Since the publication of the FY 15 Proposed Budget, updated estimates of revenue and expense, which primarily address technical corrections, are listed by fund and department in Attachments B and C to this letter, respectively.

The Appropriations Ordinance officially adopts the FY 15 budget and authorizes expenditures in conformance with the adopted budget. To become effective October 1, 2014, this Ordinance must include a finding of emergency. Specific resolutions provide for approval of the budgets for the Harbor, Sewer, and Water funds, which are not in the Appropriations Ordinance and certain fee adjustments. There will be motions that request approvals for the following: the FY 15 Capital Improvement Program; the Mayor's Recommendations; the Budget Oversight Committee's Recommendations; the Departmental Organization Ordinance; and the Salary Resolution for the FY 15 Proposed Budget.

This matter was reviewed by City Attorney Charles Parkin on August 19, 2014.

TIMING CONSIDERATIONS

In accordance with the Long Beach City Charter, the FY 15 budget must be adopted by September 15, 2014. Should the City Council fail to adopt the budget by that date, the City Manager's FY 15 Proposed Budget shall be deemed the budget for the 2015 fiscal year. The Mayor has five calendar days from City Council adoption of the budget to use his veto authority. The City Council would then have until September 30, 2014, to override veto action by the Mayor with a two-thirds supermajority vote.

FISCAL IMPACT

The City Charter requires that the Appropriations Ordinance shall govern and control the expenditure and commitment amounts stated therein relating to the City's departments, offices and agencies during each fiscal year. The total FY 15 budget for all departments and funds is \$3,322,069,507, which comprises \$3,006,466,116 in new appropriation and \$315,603,391 in estimated carry-over from FY 14 for multi-year grants and projects.

The Appropriations Ordinance, included as Attachment A-16 to this letter, totals \$2,340,204,053 for all funds except Harbor, Sewer, and Water, and \$2,345,806,321 for all departments except Harbor and Water. The \$5,602,268 difference between funds and departments in the Appropriations Ordinance is due to general City indirect costs budgeted in the Department of Financial Management but charged to the Harbor, Water and Sewer funds, which are not included in the Appropriations Ordinance by fund.

The proposed Harbor, Water and Sewer fund budgets are in separate City Council resolutions included as Attachment A-1 and A-4 to this letter, respectively, and total \$981,789,527. The Board of Harbor Commissioners adopted the budget for the Harbor Department by minute order on July 14, 2014. The Board of Water Commissioners adopted the budget for the Water Department by resolution on June 19, 2014.

User fees and charges in the Master Fee and Charges Schedule Attachment A-5 have been adjusted due to changes in service and other factors. For details regarding these proposed new fees, deletions and adjustments, please see the List of Proposed Fee Adjustments for FY 15 that has been incorporated as Exhibit C to the Master Fee and Charges Resolution.

Other requested City Council actions include approval of the FY 15 One-Year Capital Improvement Program (CIP) budget, included in Attachment A-6, which is contained in the Appropriations Ordinance. The Planning Commission, at its meeting of August 21, 2014, approved the CIP for FY 15 for conformance with the General Plan.

The City Council is also requested to adopt the Resolution, included as Attachment A-9, establishing the "Gann Appropriations Limit" (Limit) for general purpose expenditures. In November 1979, the voters of the State of California approved Proposition 4, also known as the "Gann Initiative" (Initiative). The Initiative places certain limits on the amount of tax revenue that can be appropriated each fiscal year. The Limit is based on actual appropriations during FY 79 and guards against overspending proceeds of taxes. Only those revenues which are considered as "proceeds of taxes" are subject to the Limit. The Limit is recalculated each fiscal year based on certain inflation and population factors provided by the State. The Proposed Budget includes tax revenue estimates that are at 42.13 percent of the 2014-2015 Appropriations Limit and, therefore, does not exceed the Limit. This calculation is reviewed by the City Auditor for conformance to the law.

A motion to amend the Departmental Organization Ordinance, included as Attachment A-12, is also being requested. This amendment incorporates changes to departments, bureaus, and divisions for FY 15. These organizational changes are necessary to implement changes reflected in the Proposed FY 15 budget. (A redline version is also provided). The Salary Resolution, included as Attachment A-13, is also included for adoption.

After the City Manager delivered the FY 15 Proposed Budget to the Mayor, technical adjustments in nature were made to the budget. These changes are generally not substantial and are disclosed in Attachment B and C of this letter. Since the release of the FY 15 Proposed Budget, a few noteworthy changes have occurred. The Police Department and the Harbor Department finalized the Port Security Unit MOU for FY 15 and it increased the sworn staffing by one Sergeant position. Along with the two Sworn positions added through the Long Beach Transit contract earlier in the process, this results in a total sworn staffing increase of three FTEs, from 803 FTEs in FY 14 to 806 FTEs in FY 15. The second change relates to the non-structural appropriation in the General Fund in the Citywide Activities Department representing the transfer of one-time GEMT funds to Fleet for the replacement of five fire engines/pumpers. On July 1, 2014, the City Council redirected \$517,000 of these funds to the Capital Projects Fund for sidewalks. The original one-time transfer of \$2.8 million was reduced to \$2.3 million, which will now fund four fire engine/pumpers. In FY 15, the Human Resources Department is proposing several organizational changes to better reflect the structure and functions of its operation. The changes are detailed in the FY 15 Organizational Ordinance. The remaining changes were minor technical adjustments made to various funds and departments.

HONORABLE MAYOR AND CITY COUNCIL
September 2, 2014
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SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

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ATTACHMENTS

APPROVED:



PATRICK H. WEST
CITY MANAGER

List of Requested Fiscal Year 2015 Budget Adoption Actions

1. Adopt the Resolution approving the FY 15 budget for the Long Beach Harbor Department as adopted by the Board of Harbor Commissioners on July 14, 2014. (A-1)
2. Declare an emergency to exist. (A-2)
3. Declare the Ordinance approving the Resolution No. WD-1326 establishing the rates and charges for water and sewer service to all customers, as adopted by the Board of Water Commissioners on June 19, 2014, as an Emergency Ordinance, read, and adopted as read and laid over to the next regular meeting of the City Council for final reading. (A-3)
4. Adopt the Resolution approving the FY 15 budget of the Long Beach Water Department as adopted by the Board of Water Commissioners on June 19, 2014. (A-4)
5. Adopt the Resolution amending the Master Fee and Charges Schedule for specified City services for Citywide fees and charges for the City of Long Beach. (A-5)
6. Approve the FY 15 One-Year Capital Improvement Program. (A-6)
7. Adopt a motion approving the FY 15 budget for the Long Beach Community Investment Company (formerly known as the Long Beach Housing Development Company) in the amount of \$9,290,777. (A-7)
8. Adopt a motion approving the estimated transfer of \$17,300,000 from the Harbor Revenue Fund to the Tidelands Operating Fund. (A-8)
9. Adopt the Resolution establishing the "Gann Appropriations Limit" (Limit) for FY 15 pursuant to Article XIII (B) of the California Constitution. (A-9)
10. Adopt the Mayor's proposed budget recommendations, as amended, to the FY 15 Proposed Budget. (A-10)
11. Adopt the Budget Oversight Committee's proposed funding recommendations, as amended, to the FY 15 Proposed Budget. (A-11)
12. Declare the Ordinance amending the Departmental Organization Ordinance read the first time and laid over to the next regular meeting of the City Council for final reading. (A-12)
13. Adopt the amended Salary Resolution for FY 15. (A-13)
14. Adopt a motion amending the proposed FY 15 budget. (A-14)
15. Declare an emergency to exist. (A-15)
16. Declare the Appropriations Ordinance for FY 15, creating and establishing the funds of the Municipal Government and appropriating money to and authorizing expenditures from said funds and for said fiscal year as an Emergency Ordinance, read, and adopted as read and laid over to the next regular meeting of the City Council for final reading. (A-16)

FISCAL YEAR 2015 APPROPRIATIONS ORDINANCE BY FUND
(Does not include Harbor, Water and Sewer Funds)

<u>FUND</u>	<u>FY 15 PROPOSED EXPENDITURES</u>	<u>CHANGES</u>	<u>FY 14 ESTIMATED CARRYOVER*</u>	<u>FY 15 APPROPRIATIONS</u>
GENERAL FUND	417,836,232	(551,475)	-	417,284,757
UPLAND OIL FUND	36,015,702	164,174	-	36,179,876
GENERAL GRANTS FUND	8,812,460	(13,437)	8,759,078	17,558,100
POLICE & FIRE PUBLIC SAFETY OIL PROD ACT FUND	4,433,161	-	-	4,433,161
HEALTH FUND	39,482,210	-	30,266,730	69,748,940
PARKING & BUSINESS AREA IMPROVEMENT FUND	7,142,408	-	-	7,142,408
SPECIAL ADVERTISING & PROMOTION FUND	6,062,804	-	-	6,062,804
HOUSING DEVELOPMENT FUND	10,713,202	-	9,717,315	20,430,517
BELMONT SHORE PARKING METER FUND	656,145	-	-	656,145
BUSINESS ASSISTANCE FUND	650,119	-	1,609,518	2,259,637
COMMUNITY DEVELOPMENT GRANTS FUND	21,051,815	-	18,617,913	39,669,727
GASOLINE TAX STREET IMPROVEMENT FUND	15,605,973	-	29,736,462	45,342,435
TRANSPORTATION FUND	20,851,962	-	10,856,163	31,708,125
CAPITAL PROJECTS FUND	12,478,624	-	51,229,329	63,707,952
CIVIC CENTER FUND	10,195,588	-	1,454,735	11,650,323
GENERAL SERVICES FUND	51,318,524	-	13,401,723	64,720,248
FLEET SERVICES FUND	34,483,667	-	1,931,667	36,415,334
INSURANCE FUND	42,042,245	-	139,683	42,181,927
EMPLOYEE BENEFITS FUND	232,706,625	-	-	232,706,625
TIDELANDS FUNDS	148,678,871	(6,244)	76,380,468	225,053,096
TIDELAND OIL REVENUE FUND	417,816,112	-	-	417,816,112
RESERVE FOR SUBSIDENCE	-	-	-	-
DEVELOPMENT SERVICES FUND	18,153,507	-	1,323,586	19,477,093
GAS FUND	106,368,549	-	8,692,923	115,061,472
GAS PREPAY FUND	39,128,641	-	-	39,128,641
AIRPORT FUND	43,017,760	-	22,092,203	65,109,962
REFUSE/RECYCLING FUND	45,361,815	-	494,261	45,856,075
SERRF FUND	51,224,403	-	-	51,224,403
SERRF JPA FUND	11,218,558	-	-	11,218,558
TOWING FUND	7,160,349	-	-	7,160,349
HOUSING AUTHORITY FUND	77,074,605	-	-	77,074,605
SUCCESSOR AGENCY	75,610,411	-	28,891,812	104,502,223
CUPA FUND	1,692,365	-	7,822	1,700,187
DEBT SERVICE FUND	9,962,233	-	-	9,962,233
TOTAL	2,025,007,644	(406,982)	315,603,391	2,340,204,053

*Carryover of multi-year grants and CIP funds.

FISCAL YEAR 2015 APPROPRIATIONS ORDINANCE BY DEPARTMENT
(Does not include Harbor and Water)

<u>DEPARTMENT</u>	<u>FY 15 PROPOSED EXPENDITURES</u>	<u>CHANGES</u>	<u>FY 14 ESTIMATED CARRYOVER*</u>	<u>FY 15 APPROPRIATIONS</u>
MAYOR AND COUNCIL	4,747,735	-	-	4,747,735
CITY ATTORNEY	9,463,005	-	-	9,463,005
CITY AUDITOR	2,970,581	-	-	2,970,581
CITY CLERK	2,620,378	-	-	2,620,378
CITY MANAGER	59,883,349	22,324	61,195,866	121,101,539
CITY PROSECUTOR	4,779,147	-	60,507	4,839,654
CIVIL SERVICE	2,174,093	-	-	2,174,093
AIRPORT	42,122,257	-	22,092,203	64,214,459
DISASTER PREPAREDNESS & EMERGENCY COMMUNICATIONS	1,441,814	-	533,158	1,974,973
DEVELOPMENT SERVICES	117,602,816	-	54,156,195	171,759,011
FINANCIAL MANAGEMENT**/**	476,302,341	(1,884,101)	1,170,499	475,588,739
FIRE	97,542,076	-	910,949	98,453,025
HEALTH AND HUMAN SERVICES	117,233,226	-	30,855,537	148,088,763
HUMAN RESOURCES	20,973,051	-	4,909,004	25,882,055
LIBRARY SERVICES	14,392,795	-	-	14,392,795
LONG BEACH GAS AND OIL	600,189,937	164,174	8,697,375	609,051,486
PARKS, RECREATION AND MARINE	54,122,709	-	10,671,911	64,794,620
POLICE	208,935,992	(432,068)	3,376,417	211,880,341
PUBLIC WORKS	145,519,936	346,274	103,572,045	249,438,255
TECHNOLOGY SERVICES	48,969,089	-	13,401,725	62,370,814
TOTAL	2,031,986,327	(1,783,397)	315,603,391	2,345,806,321

*Carryover of multi-year grants and CIP funds.

**Department of Financial Management includes internal service charges that are contained in the resolutions of the Harbor, Water, and Sewer funds for accounting, budgeting and treasury functions, and other citywide activities such as debt service.

***Part of the Changes column includes the shifting of the ERP system budget from the Citywide Allocations Department (XI) to the Water Department, whose numbers are not included in Attachment C.

Exhibit A

as of 1:28 PM

FISCAL YEAR 2015 APPROPRIATIONS ORDINANCE BY FUND

FUND	FY 15 NEW ALLOCATION	FY 14 ESTIMATED CARRYOVER*	FY 15 APPROPRIATION
GENERAL FUND	417,284,757	-	417,284,757
UPLAND OIL FUND	36,179,876	-	36,179,876
GENERAL GRANTS FUND	8,799,023	8,759,078	17,558,100
POLICE & FIRE PUBLIC SAFETY OIL PROD ACT FUND	4,433,161	-	4,433,161
HEALTH FUND	39,482,210	30,266,730	69,748,940
PARKING & BUSINESS AREA IMPROVEMENT FUND	7,142,408	-	7,142,408
SPECIAL ADVERTISING & PROMOTION FUND	6,062,804	-	6,062,804
HOUSING DEVELOPMENT FUND	10,713,202	9,717,315	20,430,517
BELMONT SHORE PARKING METER FUND	656,145	-	656,145
BUSINESS ASSISTANCE FUND	650,119	1,609,518	2,259,637
COMMUNITY DEVELOPMENT GRANTS FUND	21,051,815	18,617,913	39,669,727
GASOLINE TAX STREET IMPROVEMENT FUND	15,605,973	29,736,462	45,342,435
TRANSPORTATION FUND	20,851,962	10,856,163	31,708,125
CAPITAL PROJECTS FUND	12,478,624	51,229,329	63,707,952
CIVIC CENTER FUND	10,195,588	1,454,735	11,650,323
GENERAL SERVICES FUND	51,318,524	13,401,723	64,720,248
FLEET SERVICES FUND	34,483,667	1,931,667	36,415,334
INSURANCE FUND	42,042,245	139,683	42,181,927
EMPLOYEE BENEFITS FUND	232,706,625	-	232,706,625
TIDELANDS FUNDS	148,672,627	76,380,468	225,053,096
TIDELAND OIL REVENUE FUND	417,816,112	-	417,816,112
RESERVE FOR SUBSIDENCE	-	-	-
DEVELOPMENT SERVICES FUND	18,153,507	1,323,586	19,477,093
GAS FUND	106,368,549	8,692,923	115,061,472
GAS PREPAY FUND	39,128,641	-	39,128,641
AIRPORT FUND	43,017,760	22,092,203	65,109,962
REFUSE/RECYCLING FUND	45,361,815	494,261	45,856,075
SERRF FUND	51,224,403	-	51,224,403
SERRF JPA FUND	11,218,558	-	11,218,558
TOWING FUND	7,160,349	-	7,160,349
HOUSING AUTHORITY FUND	77,074,605	-	77,074,605
SUCCESSOR AGENCY	75,610,411	28,891,812	104,502,223
CUPA FUND	1,692,365	7,822	1,700,187
DEBT SERVICE FUND	9,962,233	-	9,962,233
TOTAL	2,024,600,662	315,603,391	2,340,204,053

*Carryover of multi-year grants and CIP funds.

FISCAL YEAR 2015 APPROPRIATIONS ORDINANCE BY DEPARTMENT

DEPARTMENT	FY 15 NEW ALLOCATION	FY 14 ESTIMATED CARRYOVER*	FY 15 APPROPRIATION
MAYOR AND COUNCIL	4,747,735	-	4,747,735
CITY ATTORNEY	9,463,005	-	9,463,005
CITY AUDITOR	2,970,581	-	2,970,581
CITY CLERK	2,620,378	-	2,620,378
CITY MANAGER	59,905,673	61,195,866	121,101,539
CITY PROSECUTOR	4,779,147	60,507	4,839,654
CIVIL SERVICE	2,174,093	-	2,174,093
AIRPORT	42,122,257	22,092,203	64,214,459
DISASTER PREPAREDNESS & EMERGENCY COMMUNICATIONS	1,441,814	533,158	1,974,973
DEVELOPMENT SERVICES	117,602,816	54,156,195	171,759,011
FINANCIAL MANAGEMENT**	474,418,240	1,170,499	475,588,739
FIRE	97,542,076	910,949	98,453,025
HEALTH AND HUMAN SERVICES	117,233,226	30,855,537	148,088,763
HUMAN RESOURCES	20,973,051	4,909,004	25,882,055
LIBRARY SERVICES	14,392,795	-	14,392,795
LONG BEACH GAS AND OIL	600,354,111	8,697,375	609,051,486
PARKS, RECREATION AND MARINE	54,122,709	10,671,911	64,794,620
POLICE	145,866,210	103,572,045	249,438,255
PUBLIC WORKS	208,503,924	3,376,417	211,880,341
TECHNOLOGY SERVICES	48,969,089	13,401,725	62,370,814
TOTAL	2,030,202,930	315,603,391	2,345,806,321

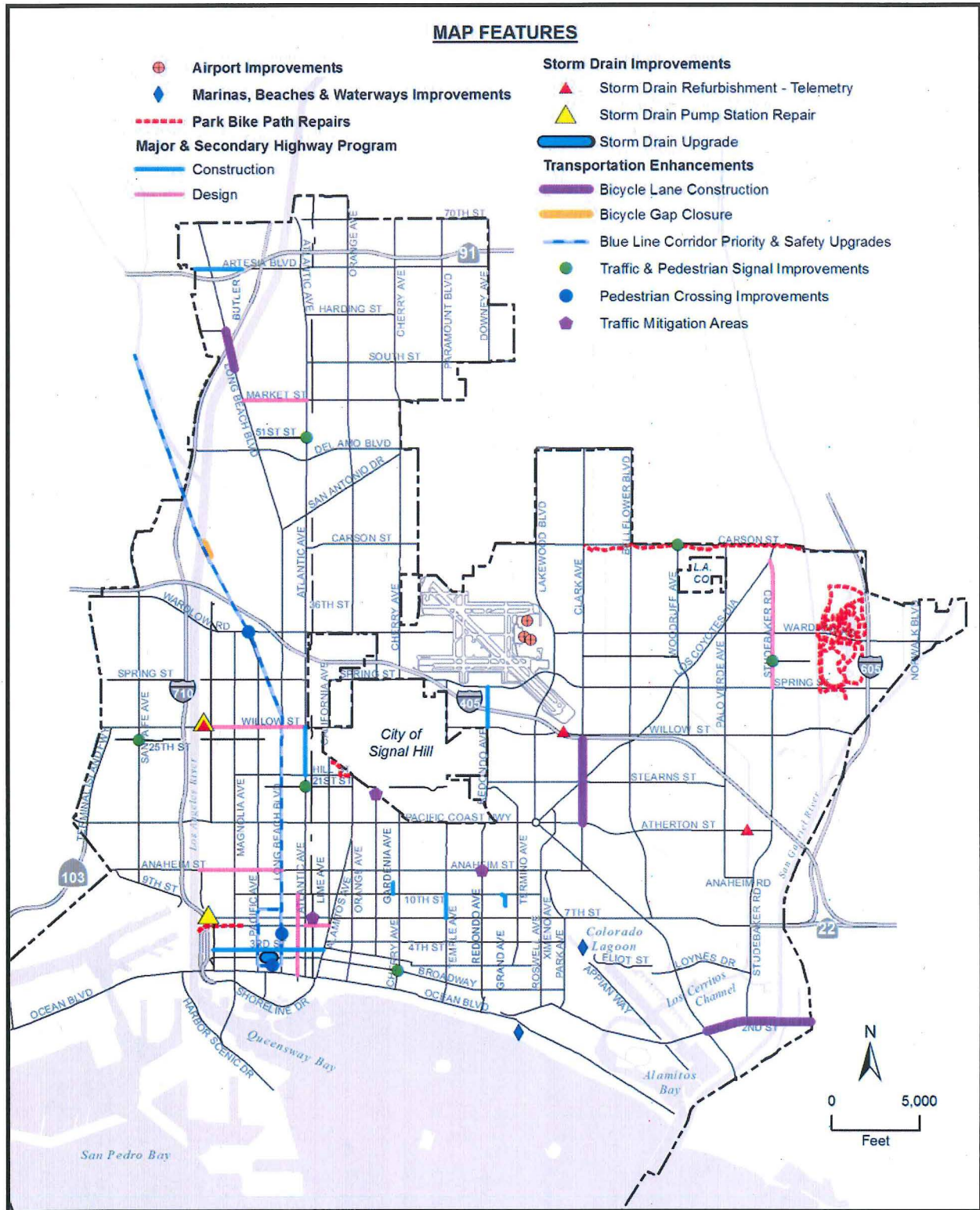
*Carryover of multi-year grants and CIP funds.

**Department of Financial Management includes internal service charges that are contained in the resolutions of the Water, Sewer and Harbor funds for accounting, budgeting and treasury functions, and other citywide activities such as debt service.

**Capital Improvement
Program (CIP)**

FY 15 Capital Improvement Program (CIP)

Capital Program Overview



FY 15 Capital Improvement Program (CIP)

BACKGROUND

The purpose of the CIP is to provide a comprehensive program to the City Council and the residents of Long Beach to plan, design, construct, maintain, and repair City facilities and infrastructure. The size, age and diverse infrastructure of the City require significant consideration to determine the best investments to make now, in order to realize the most cost effective returns in the future. The CIP also serves as a financial tool to set aside funds for the wide variety of capital projects as well as a planning tool to ensure capital projects are consistent with the City's General plan.

BUDGET PROCESS

The Public Works Department was responsible for developing the Fiscal Year 2015 (FY 15) CIP. Public Works, in conjunction with other Departments, reviewed the City's capital needs and prioritized project submittals based on established criteria:

- The ability of the project to meet health, safety and legal concerns and mandates
- The value of the project to prolong the life of City assets or avoid/minimize future repair costs
- The benefit the project will provide the community in support of the goals articulated in the Strategic Plan
- The potential for the project to generate savings or increase productivity
- The extent to which the project will secure future funds through program planning or grant eligibility

The CIP identifies and provides for infrastructure expenditures. The strategic capital investment in the City's infrastructure includes major enhancements and repairs to the Airport, parks, marinas and beaches, buildings, streets, traffic signals, storm drains, sidewalks, bus stops, fuel storage facilities, bridges, water and sewer facilities, the Harbor and Americans with Disabilities Act (ADA) upgrades.

BUDGET HIGHLIGHTS

The economic vitality and quality of life in the community is enhanced through CIP projects. Capital improvements require a major initial investment, a significant and continuing financial commitment for maintenance and, eventually, replacement. The following pages provide a summary of each section with a dollar amount that represents new funding for FY 15:

- Airport Projects
- Gas & Oil Projects
- Marinas, Beaches & Waterways Projects
- Parks and Recreation Projects
- Public Facilities Projects
- Storm Drains Projects
- Street Rehabilitation Projects
- Transportation Enhancements Projects
- Harbor Department Projects
- Successor Agency Projects
- Water Department Projects

FY 15 Capital Improvement Program (CIP)

ALLOCATION PLAN

	FY 14 Estimated	Proposed FY 15
Sources: ¹		
Airport Fund	\$19,189,023	\$3,800,000
Civic Center Fund	\$1,359,787	\$0
Fleet Services Fund	\$0	\$0
Gas Fund	\$28,100,000	\$8,050,000
Gasoline Tax Street Improvement Fund	\$9,713,469	\$8,623,000
General Capital Projects Fund	\$25,727,248	\$4,175,000
General Capital Projects – Legislative Fund	\$7,781,076	\$0
Marina Fund	\$11,864,600	\$0
Queen Mary Fund	\$450,000	\$0
Special Assessment District Capital Projects	\$2,227	\$0
Special Revenue General Grants Fund	\$26,000	\$0
Tidelands Operations Fund ²	\$33,276,192	\$48,250,000
Transportation Fund	<u>\$16,920,512</u>	<u>\$11,657,000</u>
Subtotal	\$154,410,134	\$84,555,000
Harbor	\$629,816,898	\$582,339,000
Successor Agency ³	\$640,000	\$16,730,000
Water Utility	\$13,164,700	\$13,044,300
Sewer	<u>\$3,511,600</u>	<u>\$3,925,200</u>
Subtotal	\$647,133,198	\$616,038,500
Grand Total	\$801,543,332	\$700,593,500
Uses:		
Airport	\$19,189,023	\$3,800,000
Gas & Oil	\$28,100,000	\$8,050,000
Marinas, Beaches & Waterways	\$38,539,926	\$48,250,000
Parks, Recreation & Marine	\$10,580,362	\$100,000
Public Facilities	\$11,740,013	\$0
Storm Drains	\$1,524,011	\$1,550,000
Street Rehabilitation	\$38,995,409	\$20,180,000
Transportation Enhancements	<u>\$5,741,391</u>	<u>\$2,625,000</u>
Subtotal	\$154,410,134	\$84,555,000
Harbor	\$629,186,898	\$582,339,000
Successor Agency ³	\$640,000	\$16,730,000
Water Utility	\$13,164,700	\$13,044,300
Sewer	<u>\$3,511,600</u>	<u>\$3,925,200</u>
Subtotal	\$647,133,198	\$616,038,500
Grand Total	\$801,543,332	\$700,593,500

¹ Each fund receives revenue from various sources such as bonds, fees and grants. Funding sources for the Capital Projects Fund may include, but are not limited to: County Park Bonds, County Grants, Developer Fees, Federal Grants, General Fund, Lease Revenue Bonds, Park Impact Fees, State Grants, Traffic Mitigation Program and Uplands Oil Capital Fund.

² Projects subject to State Lands Commission approval.

³ \$12,230,000 in Successor Agency projects has been funded but included for reporting purposes.

FY 15 Capital Improvement Program (CIP)

Airport Projects

Long Beach Airport serves over 3 million passengers each year and offers a variety of services to airlines, commercial and general aviation users, as well as the general public, providing direct and indirect economic benefits to the region. Funding for Airport Capital Improvement Projects comes from several sources including Federal Aviation Administration (FAA) Airport Improvement Program grants (AIP), Passenger Facility Charges (PFC), Airport fees and facility charges, and bond sale proceeds. The basis for Airport capital projects is the safety and security of the general public, FAA and Transportation Security Administration (TSA) mandates and operational improvements. In FY 14, the Airport completed the rest of its new passenger concourse, portions of which were opened to the public in December 2012. It has been named Fodor's Travel, Top 10 Airport Terminals in 2014 and the British Broadcasting Corporation's 10 Most Beautiful Airports in the World. Other completed projects include Taxiway J, Taxiway D and Runway 30 safety area improvements.

Planned projects in FY 15 include completion of the Airport's secondary air carrier runway, 7L-25R, the design-build of a new rental car facility funded from Customer Facility charges and improvements to the Lot A parking structure. These projects will further enhance the passenger's experience at Long Beach Airport.

Project Title	Proposed FY 15
Airport Terminal Area Improvements	\$500,000
Airport Parking Structure	1,000,000
Rental Car Facility	<u>2,300,000</u>
Total Airport Projects	\$3,800,000

Gas & Oil Projects

Long Beach Gas & Oil (LBGO) oversees 1,900 miles of natural gas pipeline. A key Department objective is the safe delivery of natural gas to its 145,000 businesses and households. All operations are conducted in strict compliance with U.S. Department of Transportation's (DOT) pipeline regulations, CFR 49 part 190-199. LBGO is engaged in a long-term pipeline infrastructure replacement program focusing on upgrading pipe 60+ years old. Over the past five years, over 80 miles of distribution pipeline and approximately 15,000 service pipelines have been replaced, improving system integrity.

As part of the Department's commitment to provide affordable and safe natural gas, LBGO has taken a system-wide approach in reviewing the backbone of the gas distribution system for potential upgrades to increase reliability of gas delivery. LBGO is also in the process of establishing a consistent pressure standard throughout the system to ensure the long-term ability to meet customer demand. The integrated approach to pressure-consistency, and replacement of aging infrastructure will improve reliability and allow for more efficient operations. In addition, LBGO will continue to work closely with the Public Works Department to coordinate gas projects with street improvement projects.

FY 15 Capital Improvement Program (CIP)

Project Title	Proposed FY 15
Facility Work	\$500,000
Gas Control/Cathodic Protection	250,000
Gas Meter Replacement Program	700,000
Main Pipeline Replacement	5,500,000
Service Pipeline Replacement	<u>1,100,000</u>
Total Gas & Oil Projects	\$8,050,000

Marinas, Beaches & Waterways Projects

Two assets that make Long Beach unique are its beaches and marinas. These City operated and maintained resources provide recreational enjoyment to both residents and visitors. In FY 14, the City completed the construction of nine beach restrooms, three beach parking lots, and the Belmont Temporary Pool. The public dock behind Parker's Lighthouse (Dock 10) is expected to be completed in FY 14 as well. These new improvements are more efficient and environmentally friendly than the previous facilities. A low flow diversion system at Appian Way and Second Street was started in FY 14 and will be completed in FY 15, which will help with the City's efforts to improve the City's beaches and recreational water quality. Low Flow diversions reroute dry weather urban runoff into the sanitary sewer system as opposed to Alamitos Bay.

In FY 15, the engineering design of the Colorado Lagoon Open Channel and the assessment of Rainbow Lagoon is expected to be completed. The first phase of the Naples Seawalls Permanent Repairs and the implementation of the required habitat mitigation at Colorado Lagoon are also expected to be completed in FY 15. The entitlement and architectural design phase for the Belmont Pool project are expected to be completed in FY 15.

Proposed public dock and pier improvements at Rainbow Harbor, Leeway Sailing Center, and Peter Archer Rowing Center will continue to move forward.

All projects are subject to State Lands Commission approval.

Project Title	Proposed FY 15
Beach Maintenance Yard Improvements	\$250,000
Belmont Plaza Pool	39,000,000
Beach Restroom Rehabilitation	2,000,000
Colorado Lagoon	5,000,000
Tidelands Critical Facilities	<u>2,000,000</u>
Total Marinas, Beaches, & Waterways Projects	\$48,250,000

FY 15 Capital Improvement Program (CIP)

Parks & Recreation Projects

Parks located throughout the City provide recreational amenities and open space to enhance the environment and provide leisure opportunities to meet the needs and interests of residents. There is a constant effort to address aging park infrastructure throughout the city as well as to address the lack of park and open space opportunities in underserved neighborhoods.

During this past year, the renovation of Chittick Field was completed as well as the construction of a new community center at Orizaba Park. Design and construction efforts will continue at Wrigley Greenbelt, Alamos Park, the Drake/Chavez Greenbelt and Soccer Fields, and the DeForest Wetlands.

Many projects have been completed using one-time funds, including Whaley and Stearns baseball field upgrades, College Estates and Bixby Knolls Community Center upgrades, community center roof replacements and repairs, fencing upgrades at 14th Street Park and the El Dorado Nature Center, a new 14th Street Park Fitness Zone, and a new playground at Loma Vista Park.

Additional one-time funded projects continue in design and construction, including athletic field renovations, a new community center at Houghton, upgrades to lakes and pond at El Dorado Park, and infrastructure improvements at Recreation Park and Bixby Park.

Bike path and sidewalk repairs will also be completed at Cherry Park, Coolidge Park, Deforest Park, Lincoln Park, Recreation Park, Stearns Park and Wardlow Park in the upcoming fiscal year.

Project Title	Proposed FY 15
Park Bike Path Replacement	<u>\$100,000</u>
Total Parks & Recreation Projects	\$100,000

Storm Drains Projects

The Storm Water Management Division (SWMD), is a division of Public Works that is responsible for all Storm Water related issues, CIP work and water quality regulations that affect the City. Responsibilities under the SWMD can be categorized in two areas: CIP Improvements and Water Quality Compliance.

The City's Municipal Separate Storm Sewer System (MS4) consists of over 383 miles of storm drain pipes, channels, and ditches, 23 Storm Drain Pump Stations (SDPS), 3,800 catch basin, 5 beach outfalls and miles of street gutters and alleys throughout the City. This infrastructure transports stormwater and non-stormwater runoff water away from residential and business properties that would otherwise result in flooding and severe damage. The City's SDPS have been in service since the 1950s and 60s and are in need of repairs and upgrades. These SDPS have been kept in operation through repeated repair work and necessary upgrades to keep up with storm drain demands. Several miles of the City's storm drain pipe infrastructure have been in service since the 1930s and have become undersized by the demands of the

FY 15 Capital Improvement Program (CIP)

City through years of growth, development and age of the infrastructure. Assessments of the City's SDPS are needed along with a Storm Drain Master Plan to address the undersized and deficient MS4. CIP Improvements are planned and scheduled to address the City's MS4 deficiencies by continuing to design and construct upgrades.

The City's Water Quality Compliance work is conducted through the implementation of its National Pollutant Discharge Elimination System (NPDES) permit. This permit is a result of regulations conceived as a result of the Federal Clean Water Act (CWA) and subsequent CWA amendments, all of which were adopted to protect receiving waters such as rivers, lakes, bay areas, beaches and oceans from contamination by preventing pollutants from entering MS4. Recently the City was issued a new NPDES Permit that was adopted by the Los Angeles Regional Water Quality Control Board on February 6, 2014 and became effective on March 28, 2014. Starting March 28, 2014 CIP projects will now have to conform with the new NPDES permit.

Project Title	Proposed FY 15
Storm Drain Pump Station Repair & Certification	\$1,000,000
Storm Drain Refurbishment - Telemetry	100,000
Storm Drain System & Water Quality Improvements	<u>450,000</u>
Total Storm Drains Projects	\$1,550,000

Street Rehabilitation Projects

Preserving our neighborhoods is a key element in the Long Beach Strategic Plan. The Street Rehabilitation programs are designed to help meet that goal. The program delivers improvements including reconstructing and resurfacing major, secondary, and residential streets, upgrading accessibility of curb ramps to comply with current disabled access regulations, replacing of street signs; repairing neighborhood sidewalks, curbs, and gutters; and rehabilitating bridges to repair deficiencies identified by the annual Los Angeles County bridge inspection reports. One of the key focus areas in FY 15 will be the consideration of an updated pavement management program, which will likely prompt staff to make several new recommendations on street resurfacing projects.

Project Title	Proposed FY 15
Proposition A Transit Related Improvements	\$825,000
Major and Secondary Highway Program	10,430,000
Bridge Rehabilitation & Seismic Retrofit	500,000
Citywide Residential Street Repair	4,925,000
Citywide Infrastructure Improvements (Sidewalks)	3,000,000
ADA Response Program	<u>500,000</u>
Total Street Rehabilitation Projects	\$20,180,000

FY 15 Capital Improvement Program (CIP)

Transportation Enhancements Projects

This section contains programs designed to meet increased needs for mobility resulting from economic growth utilizing a combination of funds. These funds include Proposition C, Gas Tax Street Improvement Capital, Transportation Improvement Fees, and Federal and County grants. The transportation improvements include street and intersection widening, traffic signal system expansion and upgrades, transit improvements, parking restrictions and replacement parking, neighborhood traffic management, and bike lanes. This category also includes programs that monitor and evaluate traffic congestion areas throughout the City and respond with projects to relieve congestion or enhance traffic safety.

Project Title	Proposed FY 15
Sustainable Transportation Improvements	\$675,000
Traffic Mitigation Program	400,000
Traffic & Pedestrian Signals	1,250,000
Light Rail Transit Related Improvements	<u>300,000</u>
Total Transportation Enhancements Projects	\$2,625,000

Harbor Department Projects

The Harbor Department (Port) continues to implement a long-term capital improvement program designed to provide Port tenants with safe and secure, state-of-the-art facilities capable of accommodating international trade and secure regional economic benefits in a sustainable manner that ensures economic vitality, ecological health, and community integrity.

The Port's \$4 billion investment in capital projects over the next decade will stimulate the economy by creating thousands of direct construction jobs along with indirect service and commercial opportunities. In FY 15, the Port will be spending \$252 million on the Gerald Desmond Bridge as construction is well underway, with all work scheduled to be completed in 2017. FY 15 will also see the Port invest \$142 million in its Middle Harbor Redevelopment Project. When the project is complete, the Middle Harbor Terminal will be the greenest major container terminal in North America due to its extensive use of on dock rail and cold ironing infrastructure. In addition, \$28 million is being allocated in FY 15 to environmental expenditures, which includes \$11 million for the development of cold-ironing infrastructure on Piers A, G, J and T.

Port Security will continue to be a high priority with the Department investing over \$38 million in projects including nearly \$30 million for fire station upgrades and the planned purchase of two fireboats.

Project Title	Proposed FY 15
Major Projects	
Terminal Expansion and Development	
Pier D/E/F (Middle Harbor)	\$141,750,000
Pier G	16,905,000
Pier S	3,243,000
Back Channel Navigation	<u>9,763,000</u>
Total Terminals Expansion and Development	\$178,739,000

Streets, Bridges, and Railways

FY 15 Capital Improvement Program (CIP)

Rail Projects	\$12,850,000
Gerald Desmond Bridge Replacement	251,751,000
Other Streets and Bridges	<u>10,529,000</u>
Total Streets, Bridges, and Railways	\$275,130,000
 Total Major Projects	 \$453,869,000
 Miscellaneous	
Environmental Projects/Shore to Ship Power	\$27,637,000
Security Projects	7,735,000
Eng Misc Projects/Port Infrastructure	60,298,000
Fire Station/Fire Boat Replacements	29,895,000
Furniture, Fixtures, and Equipment	<u>2,905,000</u>
Total Miscellaneous Project	\$128,470,000
 Total Harbor Department Expenditures	 \$582,339,000

Successor Agency Projects

The Successor Agency (Agency) is the successor entity to the former Long Beach Redevelopment Agency (RDA), which was dissolved by action of the State legislature on February 1, 2012. The Successor Agency is winding down the outstanding obligations of the former RDA, including planned and ongoing Capital Improvement Projects. These projects total \$16.7 million during FY 15 and include improvements to streets and pedestrian rights-of-way, and construction of libraries and public safety facilities.

The Agency is assisting with the funding of a new neighborhood library in North Long Beach, which will enhance community resources for area residents. Street enhancements are also ongoing in North Long Beach with median improvements to Atlantic Avenue. The construction of the new East Police Station will ensure that residents and businesses in that area receive effective safety protection. Finally, the Agency is supporting construction of the Deukmejian Courthouse by funding off-site improvements

Project Title	Proposed FY 15
Libraries	
North Library	<u>\$8,860,000</u>
Total Libraries	\$8,860,000
 Public Safety	
East Police Station	<u>\$3,370,000</u>
Total Public Safety	\$3,370,000
 Others	
Deukmejian Courthouse	<u>\$4,500,000</u>
Total Others	\$4,500,000
 Total Successor Agency¹	 \$16,730,000

¹ \$12,230,000 for North Library and East Police Station has been funded but included for reporting purposes.

FY 15 Capital Improvement Program (CIP)

Water Department Projects

Planned capital improvements to the City's water and sewer system encompass a wide range of projects. The Water Department will continue replacing aging infrastructure that is approaching the end of their useful life including, but not limited to, water pipelines, valves and meters. In addition, the Department is continuing with its well and water tank rehabilitation projects.

The Sewer CIP budget reflects a significantly increased investment in infrastructure, as the Department moves forward with a programmatic CIP based on an updated Sewer Master Plan.

Project Title	Proposed FY 15
Potable Water	
Water CIP by In-House Workforce	\$3,400,000
Pipeline System Improvements	3,097,800
Reservoir/Treatment Plant Improvements	2,885,700
Water Supply Projects	2,666,800
Facility Improvements	<u>810,000</u>
Total Potable Water	\$12,860,300
Reclaimed Water	
Reclaimed Water System Expansion	<u>\$184,000</u>
Total Reclaimed Water	\$184,000
Total Water Fund	\$13,044,300
Sewer	
Sewer Rehabilitation	\$2,313,300
Sewer Replacement	<u>1,611,900</u>
Total Sewer Fund	\$3,925,200
Total Water Department Projects	\$16,969,500