



City of Long Beach
Memorandum
Working Together to Serve

Date: September 12, 2016
 To: Patrick H. West, City Manager *[Signature]*
 From: John Gross, Director of Financial Management *[Signature]*
 For: Members of the Budget Oversight Committee
 Subject: **Responses to Questions from the September 6, 2016 Budget Oversight Committee Meeting**

This memo provides responses to the questions raised by members of the Budget Oversight Committee (BOC) that were not answered on the floor during the September 6, 2016 BOC meeting.

1. Can the Development Services Department absorb FTEs if the PRHIP fee increase does not get approved?

As part of the FY 17 proposed budget, the Development Services Department has requested a fee increase for its Proactive Rental Housing Inspection Program (PRHIP) to achieve full cost recovery to provide current services. The requested fee increase ranges from \$24 to \$30 per year, per tier depending on the number of rental units within a complex:

	Annual cost per property (not unit) – FY 16	Proposed annual cost per property (not unit) – FY 17	Proposed annual increase
4-10 unit property	\$ 230	\$ 254	\$ 24
11-20 unit property	\$ 260	\$ 287	\$ 27
21+ unit property	\$ 290	\$ 320	\$ 30

The resulting increase proposed would range from \$6.00 per unit for a four-plex to \$0.30 per unit for a 100-unit apartment. Overall, the requested fee increase would generate approximately \$160,000. There are approximately 11.60 FTE positions that are assigned to the PRHIP program. The purpose of the increase is to achieve full cost recovery, as with the current rates there is a \$150,000 shortfall.

The proposed increase would not increase the number of inspectors or support staff assigned to the program, nor would the proposed increase expand the number of inspections that occur annually. Prior to proposing this fee increase, staff provided this information to executive management of the Apartment Association, California Southern Cities (Association) in discussions over the past few months.

If the City Council chooses not to implement the fee increase, Development Services will face an approximately \$150,000 shortfall in the program, which is entirely fee dependent. To resolve that shortfall, Development Services would reduce the number of FTE positions assigned to PRHIP by one FTE. A reduction in one FTE in the PRHIP program will impact the number of inspections that can be performed annually by approximately 1,100. It should be noted that baseline inspections of all 67,000 units citywide is needed to fully assess the habitability of the City's rental housing stock. Such assessment is critical to the formation of a Gold Star incentive program, which has also been a topic of discussion with the Association.

In order to avoid a layoff/reduction in force if the fee increase is not approved, Development Services would move one FTE Combination Building Inspector (CBI) to fill a General Fund vacancy in Standard Code Enforcement. The vacancy exists due to the recent resignation of a CBI for another job outside the City. Vacancies in the CBI classification have been difficult to fill or avoid due to the strong construction industry. The fully loaded cost of a CBI is approximately \$142,000, which includes salary, benefits and other costs to support the provided services (e.g., vehicle, computer, annual training).

- 2. The FY 17 Proposed Budget includes one-time funding for the Be SAFE program at seven park sites throughout the City. Which three of those sites would the Department of Parks, Recreation and Marine recommend for permanent funding? If funding were provided for three additional sites beyond the initial seven, for a total of ten Be SAFE sites in FY 17, which three parks would the Department recommend?**

Please see details provided in the attached follow-up memo from the Department of Parks, Recreation and Marine.

If you have any questions regarding this matter, please contact Assistant Finance Director Lea Eriksen at (562) 570-6533.

LE:JT
K:\BUDGET\FY 17\BOC\SEPTEMBER 6 BOC\RESPONSE TO QUESTIONS 09.6.16 BOC.DOCX

Attachment

CC: MAYOR AND MEMBERS OF THE CITY COUNCIL
CHARLES PARKIN, CITY ATTORNEY
LAURA L. DOUD, CITY AUDITOR
DOUGLAS HAUBERT, CITY PROSECUTOR
TOM MODICA, ASSISTANT CITY MANAGER
ARTURO SANCHEZ, DEPUTY CITY MANAGER
REBECCA JIMENEZ, ASSISTANT TO THE CITY MANAGER
LEA D. ERIKSEN, ASSISTANT FINANCE DIRECTOR
DEPARTMENT HEADS



City of Long Beach
Working Together to Serve

Memorandum

Date: September 9, 2016
To: Patrick H. West, City Manager *T.H.W.*
From: Marie Knight, Director of Parks, Recreation and Marine *M.K.* /s/
For: Mayor and Members of the City Council
Subject: **Be S.A.F.E. Program Update**

This memorandum provides the Mayor and City Council additional information regarding the Be S.A.F.E. Program operated by the Department of Parks, Recreation and Marine (Department), and responds to questions asked at the Budget Oversight Committee (BOC) meeting on September 6, 2016.

BACKGROUND

The Be S.A.F.E. (Summer Activities in a Friendly Environment) Program (Program) started operations in FY 13 as a violence prevention measure, as an extension of recreation programming at selected parks, using resources allocated from City Council District Office one-time funds. The Program offers three hours of additional programming each evening to help engage youth and families in positive and safe activities during the extended daylight hours of summer. The programming includes sports, games, tournaments, recreation and fitness activities, and a wide range of enrichment opportunities, such as the Library Services Department's Summer Reading Program and Mad Science's hands-on interactive science enrichment program.

In the current year, the Program was offered at seven sites: Admiral Kidd, Drake, Houghton, Martin Luther King, Jr., Scherer, Seaside, and Silverado Parks. The Program was operated Monday through Friday, from 6:00 p.m. to 9:00 p.m., except at Seaside Park, which operated from 5:00 p.m. to 8:00 p.m. Total participation in the Program grew by almost 30 percent to over 32,000 visits. Program coordination and administration total \$8,385 annually for the seven sites, and each site costs \$24,000 to operate.

POTENTIAL NEW LOCATIONS FOR FY 17

In FY 17, \$176,385 in one-time funds is proposed to continue this valuable free Program for the community at the current seven locations. The Program is a critical component of the City's Safe Long Beach initiative and healthy active lifestyle goals, and results in positive outcomes at all Program locations. While the Department desires to have this Program funded at all park locations, existing resources limit the number of Program sites.

As previously noted, the cost for each new site beyond the seven locations already in the proposed budget would be \$24,000, plus an additional \$1,100 per site for coordination and administration. The park locations that the Department would like to add include the following, in priority order:

1. Bixby Park
2. Ramona Park
3. Orizaba Park
4. Pan American Park

As requested by the BOC, the Department has analyzed Program participation and staff experiences, and consulted with the Long Beach Police Department to identify priority Program locations citywide should structural funding become available in FY 17. Based on this work, the Department recommends the following four sites for structural funding of the Program in FY 17, in priority order:

1. Drake Park
2. Houghton Park
3. Admiral Kidd Park
4. Martin Luther King, Jr. Park

If you have any additional questions or concerns regarding the information provided, I can be reached at (562) 570-3170.

cc: Charles Parkin, City Attorney
Laura L. Doud, City Auditor
Douglas Haubert, City Prosecutor
Tom Modica, Assistant City Manager
Arturo Sanchez, Deputy City Manager
Rebecca Jimenez, Assistant to the City Manager
John Gross, Director of Financial Management
Lea Eriksen, Assistant Finance Director
Department Heads

List of Requested Fiscal Year 2017 Budget Adoption Actions

1. Adopt the Resolution approving the FY 17 budget for the Long Beach Harbor Department as adopted by the Board of Harbor Commissioners on May 23, 2016. (A-1) *(Passed 9/6/16)*
2. Declare an emergency to exist. (A-2) *(Passed 9/6/16)*
3. Declare the Ordinance approving the Resolution No. WD-1357 establishing the rates and charges for water and sewer service to all customers, as adopted by the Board of Water Commissioners on June 16, 2016, 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 17 budget of the Long Beach Water Department as adopted by the Board of Water Commissioners on June 16, 2016. (A-4)
5. Recommendation to consider amending the Master Fee and Charges Schedule for specified City services for Citywide fees and charges for the City of Long Beach specifically for the changes to the PHRIP fees laid over from the City Council meeting of Tuesday, September 6, 2016. (A-5)
6. Approve the FY 17 One-Year Capital Improvement Program. (A-6)
7. Adopt a motion approving the FY 17 budget for the Long Beach Community Investment Company (formerly known as the Long Beach Housing Development Company) in the amount of \$11,385,370. (A-7) *(Passed 9/6/16)*
8. Adopt a motion approving the estimated transfer of \$17,772,000 from the Harbor Revenue Fund to the Tidelands Operating Fund. (A-8) *(Passed 9/6/16)*
9. Adopt the Resolution establishing the Gann Appropriations Limit (Limit) for FY 17 pursuant to Article XIII (B) of the California Constitution. (A-9) *(Passed 9/6/16)*
10. Adopt the Mayor's proposed budget recommendations, as amended, to the FY 17 Proposed Budget. (A-10)
11. Adopt the Budget Oversight Committee's proposed funding recommendations, as amended, to the FY 17 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 17. (A-13)
14. Adopt a motion amending the proposed FY 17 budget. (A-14)
15. Declare an emergency to exist. (A-15)
16. Declare the Appropriations Ordinance for FY 17, 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)