

Date: August 23, 2021

To: Thomas B. Modica, City Manager



From: John Gross, Interim Director of Financial Management



For: Mayor and Members of the City Council

Subject: **Response to Questions from the City Council Budget Hearing and Budget Oversight Committee on August 10, 2021**

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During the Budget Oversight Committee and Budget Hearing meetings held on August 10, 2021, staff provided an overview of the City's Insurance Program, an update on the Ethics Commission, and the Health and Police Departments presented an overview of their departments as part of the Proposed Fiscal Year 2022 Budget process. This memorandum provides responses to questions raised by members of the City Council during that time that were not fully addressed on the floor or need further clarification.

**1. How does the City compare to other cities and general market trends in terms of the number and severity of lawsuits and settlements?**

The Human Resources Department is currently researching how the City compares to other jurisdictions and will provide a response to this question at a later date in a separate memorandum.

**2. Why is there a difference between budgeted positions and budgeted expenditures in the Homeless Services Bureau from FY 21 to FY 22?**

The Proposed FY 22 Budget includes changes to organizational structure in the Health and Human Services Department to better reflect operational needs. Previously, there was a Human Services Bureau, which was composed of the Homeless Services Division and the Community Impact Division. In FY 22, the Community Impact Division and its associated FTEs and budget was moved to a new Collective Impact Bureau. Additionally, the Human Services Bureau was renamed the Homeless Services Bureau. In total, between FY 21 and FY 22 there is a decrease of 14.75 FTEs in the Homeless Services Bureau page in the Budget Book, reflecting this reorganization as well as a few other base budget position clean-ups.

**3. What are the costs for providing four versus six sworn officers in the Air Support Unit (Police Helicopter Services)?**

This response focuses on the cost for potential changes/restorations to the Air Support Unit. The Police Chief will be available at the August 24, 2021 hearing to answer any questions about the operational impact.

In FY 20, the Long Beach Police Department Air Support Unit (ASU) was comprised of six sworn police officers that included five certified sworn pilots and one Tactical Flight Officer (TFO). In the Adopted FY 21 Budget, these six sworn positions were eliminated

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and two civilian pilots were added. As a mid-year budget adjustment, two sworn TFOs were added, offset by Fleet reductions within the Police Department, for a total of four positions (two civilian pilots and two sworn TFOs).

The creation of the civilian pilot positions has been delayed due to the required Meet and Confer process. As such, the current ASU is operating with four sworn officers (two certified pilots and two TFOs) reassigned from other areas of the Department until the civilization process is completed.

Two options for restoration of sworn staff to the ASU were discussed at the Police Department Budget Hearing on August 10, 2021. Below is a summary of these options and the associated costs.

**Option# 1 – Total of Four Sworn Police Officers**

*(Eliminate two civilian positions and add two sworn pilot positions)*

For an ASU consisting of a total of four sworn officers, two civilian pilots would be eliminated and two sworn pilots would need to be added in the FY 22 Budget. This option would result in an ASU of four sworn officers, comprised of two sworn certified pilots and two existing sworn TFOs. The net cost to fund these additional two sworn pilot positions is \$100,116.

**Option# 2 – Six Sworn Police Officers**

*(Eliminate two civilian positions and add four sworn Officer positions)*

For an ASU consisting of a total of six sworn officers, two civilian pilots would be eliminated and four sworn positions would need be added in the FY 22 Budget. This option would result in an ASU of six sworn officers, comprised of three certified sworn pilots and three sworn TFOs (two of which are already existing in the budget). The net cost to fund these additional four sworn positions is \$559,704.

The following table provides a summary of these incremental costs to the FY 22 Budget.

**General Fund Budget Impact of Revised Air Support Unit Staffing Models - Incremental Change Only**

<b>Option</b>	<b>Detail</b>	<b>Budget Impact</b>	<b>FTE Change</b>
<b>Option 1: A total of 2 Pilots and 2 Tactical Flight Officers</b>	Eliminate two civilian pilots	(333,735)	(2.00)
	Add two Police Officers - Pilots	480,162	2.00
	Technical Skill Pay Cleanup	(46,311)	-
	<b>Total Option 1 Impact on FY 22 Budget</b>	<b>100,116</b>	<b>-</b>
<b>Option 2: A total of 3 Pilots and 3 Tactical Flight Officers</b>	Eliminate two civilian pilots	(333,735)	(2.00)
	Add three Police Officers - Pilots	707,372	3.00
	Add one Police Officer - TFO	232,378	1.00
	Technical Skill Pay Cleanup	(46,311)	-
	<b>Total Option 2 Impact on FY 22 Budget</b>	<b>559,704</b>	<b>2.00</b>

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Both options create structural enhancements. As with other structural enhancements, if the City Council wishes to include one of these options in the FY 22 Budget, structural funding offsets need to be identified. If no structural offsets are identified, the enhancement could be temporarily funded by potential improved projections in FY 21 (which will be confirmed by February 2022). In FY 23 and beyond, a permanent offsetting reduction would be required. FY 23 is expected to be a very difficult year for reductions, and so it is recommended that structural offsets be made this year in accordance with normal City Council financial policies instead of delaying the offsetting structural reduction to next year.

#### 4. What is the cost of the Ethics Commission's Proposed FY 22 budget request, and what is staff's alternative suggestion?

The total cost of the Ethics Commission (Commission) FY 22 budget request is approximately \$612,000, for a total of 3.0 FTEs (see table below for detailed information). This would be a structural enhancement and if City Council wishes to include it as part of the FY 22 Budget, structural offsets need to be identified. If no structural offsets are identified, the enhancement could be temporarily funded by potential improved projections in FY 21 (which will be confirmed by February 2022), or if those projections do not materialize, by a drawdown of reserves. In FY 23 and beyond, a permanent offsetting reduction would be required. FY 23 is expected to be a very difficult year for reductions, and so it is recommended that structural offsets be made this year in accordance with normal City Council financial policies instead of delaying the offsetting structural reduction to next year.

<b>Ethics Commission FY 22 Budget Request</b>		
<b>Position</b>	<b>FTE</b>	<b>Salary*</b>
Executive Director	1.00	\$ 314,310
City Clerk Analyst	0.50	\$ 57,367
Deputy City Attorney	0.50	\$ 117,042
AA III (Human Resources)	0.50	\$ 61,669
AA III (TID)	0.50	\$ 61,669
<b>Total</b>	<b>3.00</b>	<b>\$ 612,057</b>

\*Annual fully-loaded cost

Alternatively, staff is suggesting to carry over FY 21 salary savings of approximately \$35,000 to FY 22 to further support potential Commission needs, such as outside professional services or materials. This anticipated salary saving in FY 21 was created by underfilling a full-time management position approved in the Adopted FY 21 Budget. Should the City Council support staff's request, a motion could be made to increase FY 22 appropriation in the General Fund Group in the City Manager's Department for the Ethics Commission by \$35,000 and staff would reserve the funds in FY 21 to carry over into FY 22. This approach does not require additional funding to be identified. Another option would be to structurally fund one additional Ethics position, an Ethics Officer, in the amount of \$165,000 in the City Manager's Office. This structural add would need to

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be offset with one-time funding in FY 22 and ongoing structural funding would need to be identified as part of the FY 23 budget through other reductions.

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

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