



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

333 West Ocean Boulevard 6th Floor • Long Beach, CA 90802 • (562) 570-6465 • Fax (562) 570 -5836

February 28, 2018

TRANSACTIONS AND USE TAX CITIZENS' ADVISORY COMMITTEE MEMBERS

City of Long Beach
California

RECOMMENDATION:

Recommendation to confirm that the City Manager's proposed revisions to the Measure A spending plan in the FY 18 Adjusted Budget conform with the intent of Resolution No. RES-16-0018 prioritizing spending and with the language contained in the ballot measure expressed in Resolution No. RES-16-0017.

DISCUSSION

Summary

Pursuant to the June 7, 2016 Measure A ballot initiative, on January 1, 2017, businesses in the City began to collect an additional one percent in sales tax on all tangible personal property sold at retail in Long Beach. The City Council committed \$47.7 million in anticipated FY 18 Measure A revenues to fund priority public safety maintenance and restorations, as well as capital improvement projects to help rebuild Long Beach's infrastructure and the administration of the Measure A tax.

FY 17 Year-End Performance

As of September 30, 2017, actuals for Measure A revenues, including the accrual for revenues earned in FY 17 but not yet received, were \$38.9 million. These figures were above previous revenue estimates for the ramp up period of Measure A collection. Between surplus revenue and expenditure savings from Measure A administration, there is \$3.3 million in funds above the budgeted amount, which were reserved for appropriation in FY 18.

Revised FY 18 Measure A Budget

On February 20, 2018, City staff recommended that these one-time funds be reserved and appropriated in FY 18 to ensure that key Measure A infrastructure projects are not deferred from the original schedules. Where applicable, the appropriation requests for these proposed uses of the surplus will be brought to the City Council in March. Measure A project budgets were based on preliminary engineering estimates. Since these estimates were developed, detailed design has progressed and economic conditions have driven construction costs up nationwide; therefore, there have been several projects that are projected to exceed budget. These surplus funds will help mitigate some of these cost overruns. Additionally, funding for Jenni Rivera Park is being proposed using some of the

funds allocated in Year 3 of the Measure A plan for the MacArthur Park restroom that is no longer being recommended at this time. Additionally, \$145,000 of this surplus is needed to administer Measure A, which is partially funded from expenditure savings in this area in FY 17. Table 1 below shows the proposed uses for the Measure A surplus funds.

Table 1. Recommended Uses for Unallocated FY 17 Measure A Funds	
FY 17 Measure A Surplus	\$ 3,313,915
Recommended Uses:	
Mobility	1,250,000
Arterial Street Improvements	750,000
City Place Garage Improvements	250,000
Residential Street Repair (Slurry)	250,000
Public Facilities	508,915
Stearns Park Community Center Roof Repair	508,915
Parks & Recreation	1,410,000
Bixby Park Community Center	250,000
Houghton Park Community Center	500,000
Jackson Park Playground	100,000
Pan American Roof Replacement	60,000
Redcar Greenway Park	150,000
4th Street Senior Center Improvements	100,000
Jenni Rivera Park Playground (Advance Year 3 Funding from MacArthur Park Restroom)	250,000
Measure A Admin	145,000
Administration carryover and addition	145,000
Total Recommended Uses	\$ 3,313,915
Ending Net Surplus	--

Lastly, as described at the October 10, 2017 Citizen's Advisory Committee meeting, per the City Council adopted Budget on September 5, 2017, if sufficient surplus exists in the Tidelands Operations Fund at year-end to fund the \$1.0 million contingent appropriation for the Convention Center improvements, \$1.0 million of Measure A funds that were planned for Convention Center improvements will be appropriated for replacement, repair and rapid response for sidewalks to be used Citywide based on need. Sufficient surplus in the Tidelands Operations Fund is available to fund these contingent appropriations and staff will adjust the budget accordingly.

Table 2 shows the original and revised FY 18 Measure A spending plan based on these changes.

TRANSACTIONS AND USE TAX CITIZENS' ADVISORY COMMITTEE MEMBERS

February 28, 2017

Page 3

Table 2. Measure A Proposed Changes by Project			
Measure A - Funding			
Year Two			
Infrastructure Project List			
	FY 18 Adopted	FY 18 Adjusted	Change
Mobility	\$ 14,333,239	\$ 16,583,239	\$ 2,250,000
Arterial Street Improvements	6,902,739	7,652,739	750,000
Residential Street Repair (Slurry)	2,670,000	2,920,000	250,000
Curbs & Sidewalks ¹	2,700,000	3,700,000	1,000,000
Alley Improvements	1,800,000	1,800,000	-
Smart Street Light Technology	210,500	210,500	-
City Place		250,000	250,000
Traffic Signage Replacement	50,000	50,000	-
Public Facilities	\$ 4,341,000	\$ 3,849,915	\$ (491,085)
Facility Assessment	200,000	200,000	-
Convention Center ²	1,000,000	-	(1,000,000)
Police Academy Building	900,000	900,000	-
Fire Station 7 Improvements	120,000	120,000	-
Fire Station 10 Improvements	125,000	125,000	-
Fire Station 17 Improvements	35,000	35,000	-
Fire Training Center Improvements	325,000	325,000	-
Emergency Operations Center	290,000	290,000	-
Harte Library Branch Improvements	40,000	40,000	-
Bach Library Branch Improvements	67,000	67,000	-
Mark Twain Library Branch Improvements	47,000	47,000	-
Library Roof Improvements	250,000	250,000	-
Health Department Building Improvements	650,000	650,000	-
Stearns Park Community Center Roof Repair	292,000	800,915	508,915
Parks & Recreation	\$ 6,087,500	\$ 7,497,500	\$ 1,410,000
Houghton Park Community Center	4,000,000	4,500,000	500,000
Rancho Los Alamitos Improvements	500,000	500,000	-
Rancho Los Cerritos Improvements	500,000	500,000	-
Citywide Park Irrigation Improvements	357,500	357,500	-
4th Street Senior Center Improvements	250,000	350,000	100,000
Veterans Field Turf Improvements	160,000	160,000	-
Hudson Field Turf Improvements	160,000	160,000	-
Admiral Kidd Field Turf Improvements	160,000	160,000	-
Jenni Rivera Park Playground (Advance Year 3 Funding from MacArthur Park Restroom)		250,000	250,000
Jackson Park Playground		100,000	100,000
Pan American Roof Replacement		60,000	60,000
Redcar Greenway Park		150,000	150,000
Bixby Park Community Center		250,000	250,000
Utilities	\$ 1,550,000	\$ 1,550,000	\$ -
Stormwater Protection	1,550,000	1,550,000	-
Measure A Admin	\$ -	\$ 145,000	\$ 145,000
Administration Carryover and addition		145,000	145,000
Total	\$ 26,311,739	\$ 29,625,654	\$ 3,313,915

Notes:

¹ The first available additional FY 17 Year-End Tidelands Operations Fund surplus up to \$1,000,000 will be automatically appropriated in the Public Works Department for one-time improvements to the Convention Center. The \$1,000,000 in Measure A Funds originally appropriated for Convention Center improvements will be reallocated as indicated in item "2" below.

² Contingent on the availability of FY 17 Year-End Tidelands Operations Fund surplus up to \$1,000,000, automatically reappropriate \$1,000,000 in Measure A Funds to be used for one-time purposes in the Public Works Department for Sidewalk Replacement, Repair, and Rapid Response to be used Citywide based on need.

SUGGESTED ACTION:

Approve recommendation.