

September 6, 2022

BH-13

HONORABLE MAYOR AND CITY COUNCIL

City of Long Beach

California

RECOMMENDATION:

Receive supporting documentation into the record, conclude the public hearing, and take the actions necessary to adopt the Fiscal Year 2023 budget as listed in Attachment A. (Citywide)

DISCUSSION

On August 2, 2022, the City Manager's Proposed Budget for Fiscal Year 2023 (FY 23) was delivered by Mayor Garcia to the City Council and the community for consideration. The City Council budget hearings were held on December 7, 2021, as well as on March 8, August 2, August 9, August 16, August 23, and September 6, 2022. Additionally, Budget Oversight Committee (BOC) meetings and citywide community town hall meetings were also held in the months of January and August 2022, at which the Proposed FY 23 Budget was discussed. As a result of these meetings, there were 17 scheduled opportunities for public feedback, deliberation, and input. Additionally, input was solicited through the Long Beach Budget Priority Survey to obtain feedback on desired City priorities. The survey was promoted on the City of Long Beach (City) website, Twitter, Instagram, Facebook, and at community meetings.

At the conclusion of the September 6, 2022 hearing, the City Council will amend the Proposed FY 23 Budget as it deems appropriate and adopt the proposed budget as amended. Since the publication of the Proposed FY 23 Budget, a few updates were made to the proposed revenue and expenditure budgets, which primarily address technical corrections and are listed by fund group and department in Attachments B, C, and D. The reasons for these budget adjustments are discussed at the end of this letter.

As part of the FY 23 Budget Adoption, there are two Ordinances to be considered for approval in Attachment A. The first Ordinance amends the Departmental Organization of the City (A-6). The second is the Appropriations Ordinance (A-15), which officially appropriates the funding for the Adopted Budget (approved in A-3) and authorizes expenditures in conformance with the Adopted Budget. For the Appropriations Ordinance to become effective on October 1, 2022, the City Council must first declare an emergency to exist (A-14) before adopting the Ordinance. Historically, the City Council declares an Ordinance to approve a Resolution establishing the rates and charges for the water and sewer services as part of the budget adoption actions. This year, on May 10, 2022, the City Council approved said Ordinance and because no further changes to water or sewer rates are being proposed, there is no need for the ordinance to be declared again with the FY 23 budget adoption actions.

There are also five Resolutions to approve the budget for the Long Beach Harbor Department (A-8); approve the budget for the Water Department (A-9); approve the Master Fees and Charges Schedule (A-4); establish the Gann Appropriations Limit (A-12); and amend the Salary

Resolution (A-7). There are also the following motions: approve the FY 23 One-Year Capital Improvement Program (A-5); approve the FY 23 Budget for the Long Beach Community Investment Company (A-10); approve the Harbor Fund Group transfer (A-11); approve the amended Financial Policies (A-13); approve the Mayor's Recommendations (A-1); approve the BOC Proposed Funding Recommendations (A-2); and amend the Proposed FY 23 Budget (A-3).

This matter was reviewed by Deputy City Attorney Monica Kilaita on August 16, 2022, and by Budget Manager Grace H. Yoon on August 9, 2022.

TIMING CONSIDERATIONS

In accordance with the City Charter, the Proposed FY 23 Budget must be adopted by September 15, 2022. Should the City Council fail to adopt the budget by that date, the City Manager's Proposed FY 23 Budget will be deemed the budget for the 2023 Fiscal Year. The Mayor has five calendar days from the City Council adoption of the budget to use his veto authority. The City Council would then have until September 30, 2022, to override the veto action by the Mayor with a two-thirds supermajority vote (six Councilmembers).

FISCAL IMPACT

The City Charter requires that the Appropriations Ordinance govern and control the expenditure and commitment amounts stated therein relating to City departments, offices, and agencies during each fiscal year. The total Proposed FY 23 Budget for all departments and fund groups is \$4,088,571,947, which comprises of \$3,177,225,467 in new appropriation and \$911,346,480 in estimated carryover from FY 22 for multi-year grants and projects. Attachments B, C, and D provide the financial overview by Fund Group and Department, and Citywide revenue by Fund Group, respectively.

The Appropriations Ordinance, included as Attachment A-15, totals \$3,267,581,693 for all fund groups except Harbor, Sewer, and Water fund groups, and \$3,269,788,542 for all departments except Harbor and Water Departments. The \$2,206,850 difference between fund groups and departments is due to general City indirect costs budgeted in the Financial Management Department but charged to the Harbor, Water, and Sewer Funds, which are not included in the Appropriations Ordinance by fund groups.

The proposed Harbor, Water, and Sewer Fund Group budgets are in separate City Council Resolutions included as Attachment A-8 and A-9, respectively, and total \$820,990,254. The Board of Harbor Commissioners adopted the budget for the Harbor Department by minute order on May 23, 2022. The Board of Water Commissioners adopted the budget for the Water Department by Resolution on June 23, 2022.

User fees and charges in the Master Fees and Charges Schedule, included as Attachment A-4, have been adjusted due to changes in service and other factors. For details regarding these proposed new fees and adjustments, please see the List of Proposed Fees Adjustments for FY 23 that has been incorporated as Exhibits B and C to the Master Fees and Charges Resolution.

Other requested City Council actions include:

- Approving the FY 23 One-Year Capital Improvement Program (CIP) budget, included as Attachment A-5, which is contained in the Appropriations Ordinance.
- Amending the Departmental Organization Ordinance included as Attachment A-6. This amendment incorporates changes to departments, bureaus, and divisions for FY 23. These organizational changes are necessary to implement changes reflected in the Proposed FY 23 Budget. A redline version of the changes is also provided.
- Adopting the amended Salary Resolution for FY 23, which creates and establishes positions of employment while fixing and prescribing the compensation for officers and employees, is included as Attachment A-7. Historically, the Salary Schedule has been included alongside the Salary Resolution, for review by the City Council. This year the Department of Human Resources will return to the City Council at a later date for approval of the Salary Schedule to ensure accuracy and inclusion of new/updated classifications.
- Adopting the FY 23 Long Beach Community Investment Company (LBCIC) budget, included as Attachment A-10. The LBCIC budget is prepared annually for City Council approval and is a subset of the Housing Development Fund. The LBCIC oversees the delivery of housing and neighborhood revitalization services. The LBCIC approved its FY 23 Budget on May 18, 2022.
- Adopting a Resolution, included as Attachment A-12, establishing the Gann Appropriations Limit (Limit) for general purpose expenditures. In November 1979, the voters of the State of California (State) 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 prevents overspending proceeds of taxes. Only those revenues that 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 45.38 percent of the 2022-2023 Appropriations Limit and, therefore, do not exceed the Limit. The City Auditor reviews this calculation for conformance to the law.
- Adopting the amended Financial Policies for the City, included as Attachment A-13. Changes have been made to the Revenue Projection Policy (Policy 10), which adjusts the Revenue Estimation Methodology from Reasonably Conservative to Reasonably Expected.

After the City Manager delivered the Proposed FY 23 Budget to the Mayor, technical adjustments were made to complete the budget. These changes are shown in Attachments B, C, and D. Changes include the following:

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1. An expense decrease in the Energy Resources Department in the SERRF Fund Group of \$49,342 as a technical correction to align the budget more accurately with anticipated expenditures in FY 23.
2. A revenue decrease in the Public Works Department in the Refuse and Recycling Fund Group by \$3,826,066 to adjust the budget to align with the anticipated impacts of the proposed rate increase to Solid Waste and Recycling fees.
3. An expense decrease of \$1,930,776 and a revenue increase of \$25,000 in the Development Services Department in the Community Development Grants Fund Group as a technical correction to align anticipated expense and revenue to actuals for multiyear grant reimbursements in FY 23.

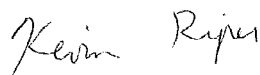
The remaining changes were minor, technical adjustments made to various funds and departments resulting in no bottom line changes at the fund level.

This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

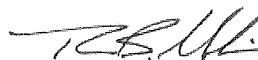
Approve recommendation.

Respectfully submitted,



KEVIN RIPER
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:



THOMAS B. MODICA
CITY MANAGER

ATTACHMENTS

List of Requested Fiscal Year 2023 Budget Adoption Actions

1. Adopt the Mayor's proposed budget recommendations, as amended, to the Proposed FY 23 Budget. (A-1)
2. Adopt the Budget Oversight Committee's proposed funding recommendations, as amended, to the Proposed FY 23 Budget. (A-2)
3. Adopt the expenditures and revenues as identified in the Proposed FY 23 Budget, as amended. (A-3)
4. Adopt the Resolution amending the Master Fees and Charges Schedule for specified City services for Citywide fees and charges for the City of Long Beach. (A-4)
5. Approve the FY 23 One-Year Capital Improvement Program. (A-5)
6. 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-6)
7. Adopt the amended Salary Resolution for FY 23. (A-7)
8. Adopt the Resolution approving the FY 23 budget for the Long Beach Harbor Department as adopted by the Board of Harbor Commissioners on May 23, 2022. (A-8)
9. Adopt the Resolution approving the FY 23 budget of the Long Beach Water Department as adopted by the Board of Water Commissioners on June 23, 2022. (A-9)
10. Adopt a motion approving the FY 23 budget for the Long Beach Community Investment Company in the amount of \$14,085,000. (A-10)
11. Adopt a motion approving the estimated transfer of \$22,786,322 from the Harbor Fund Group to the Tidelands Operations Fund Group. (A-11)
12. Adopt the Resolution establishing the Gann Appropriations Limit for FY 23 pursuant to Article XIII (B) of the California Constitution. (A-12)
13. Adopt a motion approving the Financial Policies, as amended. (A-13)
14. Declare an emergency to exist. (A-14)
15. Declare the Appropriations Ordinance for FY 23, creating and establishing the fund groups 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-15)

FISCAL YEAR 2023 APPROPRIATIONS ORDINANCE BY FUND GROUP
(Does not include Harbor, Water and Sewer Fund Groups)

| <u>FUND GROUP</u> | <u>FY 23 PROPOSED EXPENDITURES</u> | <u>CHANGES*</u> | <u>FY 22 ESTIMATED CARRYOVER**</u> | <u>FY 23 APPROPRIATIONS</u> |
|---|------------------------------------|--------------------|------------------------------------|-----------------------------|
| GENERAL FUND | 669,663,209 | - | - | 669,663,209 |
| UPLAND OIL FUND | 9,352,752 | - | - | 9,352,752 |
| GENERAL GRANTS FUND | 9,962,155 | - | 55,975,057 | 65,937,212 |
| POLICE & FIRE PUBLIC SAFETY OIL PROD ACT FUND | 2,693,369 | - | - | 2,693,369 |
| HEALTH FUND | 61,744,891 | - | 79,687,415 | 141,432,307 |
| CUPA FUND | 2,808,924 | - | - | 2,808,924 |
| SPECIAL ADVERTISING & PROMOTION FUND | 11,555,107 | - | - | 11,555,107 |
| HOUSING DEVELOPMENT FUND | 16,000,104 | - | 5,521,505 | 21,521,610 |
| BELMONT SHORE PARKING METER FUND | 786,388 | - | - | 786,388 |
| BUSINESS ASSISTANCE FUND | 756,036 | - | 3,611,418 | 4,367,454 |
| COMMUNITY DEVELOPMENT GRANTS FUND | 18,615,453 | (1,930,776) | 50,982,198 | 67,666,874 |
| HOUSING AUTHORITY FUND | 108,252,290 | - | 7,497,681 | 115,749,972 |
| GASOLINE TAX STREET IMPROVEMENT FUND | 14,139,365 | - | 10,766,569 | 24,905,933 |
| CAPITAL PROJECTS FUND | 175,830,408 | - | 478,584,363 | 654,414,772 |
| SUCCESSOR AGENCY OPERATIONS | 4,248,628 | - | 27,749,468 | 31,998,096 |
| CIVIC CENTER FUND | 24,102,627 | - | 1,761,484 | 25,864,111 |
| GENERAL SERVICES FUND | 74,747,226 | - | 18,396,319 | 93,143,545 |
| FLEET SERVICES FUND | 50,478,684 | - | 4,037,711 | 54,516,395 |
| INSURANCE FUND | 67,547,362 | - | - | 67,547,362 |
| EMPLOYEE BENEFITS FUND | 389,690,381 | - | - | 389,690,381 |
| TIDELANDS OPERATIONS FUND | 113,192,489 | - | 87,570,506 | 200,762,995 |
| TIDELANDS AREA FUNDS | 32,864,381 | - | 19,861,771 | 52,726,152 |
| TIDELANDS OIL REVENUE FUND | 90,037,870 | - | - | 90,037,870 |
| RESERVE FOR SUBSIDENCE | - | - | - | - |
| DEVELOPMENT SERVICES FUND | 30,222,823 | - | (425,687) | 29,797,135 |
| GAS FUND | 167,147,399 | - | 22,384,350 | 189,531,749 |
| AIRPORT FUND | 53,715,400 | - | 37,320,898 | 91,036,299 |
| REFUSE/RECYCLING FUND | 67,121,695 | - | 63,453 | 67,185,148 |
| SERRF FUND | 49,113,263 | (49,342) | - | 49,063,921 |
| SERRF JPA FUND | - | - | - | - |
| TOWING FUND | 6,945,988 | - | - | 6,945,988 |
| DEBT SERVICE FUND | 8,134,944 | - | - | 8,134,944 |
| SUCCESSOR AGENCY - DEBT SERVICE | 26,743,719 | - | - | 26,743,719 |
| TOTAL | 2,358,215,331 | (1,980,118) | 911,346,480 | 3,267,581,693 |

*Please refer to the Fiscal Impact section of the City Council Letter for a general description of notable changes.

**Reflects estimated carryover for accounts with projects and grants as of 5/31/22.

FISCAL YEAR 2023 APPROPRIATIONS ORDINANCE BY DEPARTMENT
(Does not include Harbor and Water Departments)

| <u>DEPARTMENT</u> | <u>FY 23 PROPOSED EXPENDITURES</u> | <u>CHANGES*</u> | <u>FY 22 ESTIMATED CARRYOVER**</u> | <u>FY 23 APPROPRIATIONS</u> |
|--|------------------------------------|--------------------|------------------------------------|-----------------------------|
| MAYOR AND COUNCIL | 6,157,142 | - | (138) | 6,157,004 |
| CITY ATTORNEY | 12,792,312 | - | - | 12,792,312 |
| CITY AUDITOR | 3,450,581 | - | - | 3,450,581 |
| CITY CLERK | 4,205,416 | - | - | 4,205,416 |
| CITY MANAGER | 19,116,930 | - | 1,442,277 | 20,559,207 |
| CITY PROSECUTOR | 6,554,887 | - | 1,556,596 | 8,111,483 |
| CIVIL SERVICE | 3,715,317 | - | - | 3,715,317 |
| AIRPORT | 53,262,491 | - | 36,794,196 | 90,056,687 |
| DISASTER PREPAREDNESS & EMERGENCY COMMUNICATIONS | 13,863,912 | - | 1,235,426 | 15,099,338 |
| DEVELOPMENT SERVICES | 92,150,228 | (1,930,776) | 81,956,929 | 172,176,381 |
| ECONOMIC DEVELOPMENT | 22,821,694 | - | 12,092,461 | 34,914,154 |
| FINANCIAL MANAGEMENT*** | 729,844,020 | - | 105,379,333 | 835,223,353 |
| FIRE | 153,467,070 | - | 3,405,592 | 156,872,662 |
| HEALTH AND HUMAN SERVICES | 182,091,970 | - | 87,210,542 | 269,302,512 |
| HUMAN RESOURCES | 25,270,577 | - | (678,337) | 24,592,240 |
| LIBRARY SERVICES | 18,102,153 | - | 4,974,134 | 23,076,286 |
| ENERGY RESOURCES | 267,529,467 | (49,342) | 22,384,350 | 289,864,475 |
| PARKS, RECREATION AND MARINE | 74,030,641 | - | 27,193,075 | 101,223,716 |
| POLICE | 293,003,779 | - | 8,968,565 | 301,972,345 |
| PUBLIC WORKS | 308,971,291 | - | 497,687,774 | 806,659,065 |
| TECHNOLOGY & INNOVATION | 70,020,303 | - | 19,743,704 | 89,764,008 |
| TOTAL | 2,360,422,180 | (1,980,118) | 911,346,480 | 3,269,788,542 |

*Please refer to the Fiscal Impact section of the City Council Letter for a general description of notable changes.

**Reflects estimated carryover for accounts with projects and grants as of 5/31/22.

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

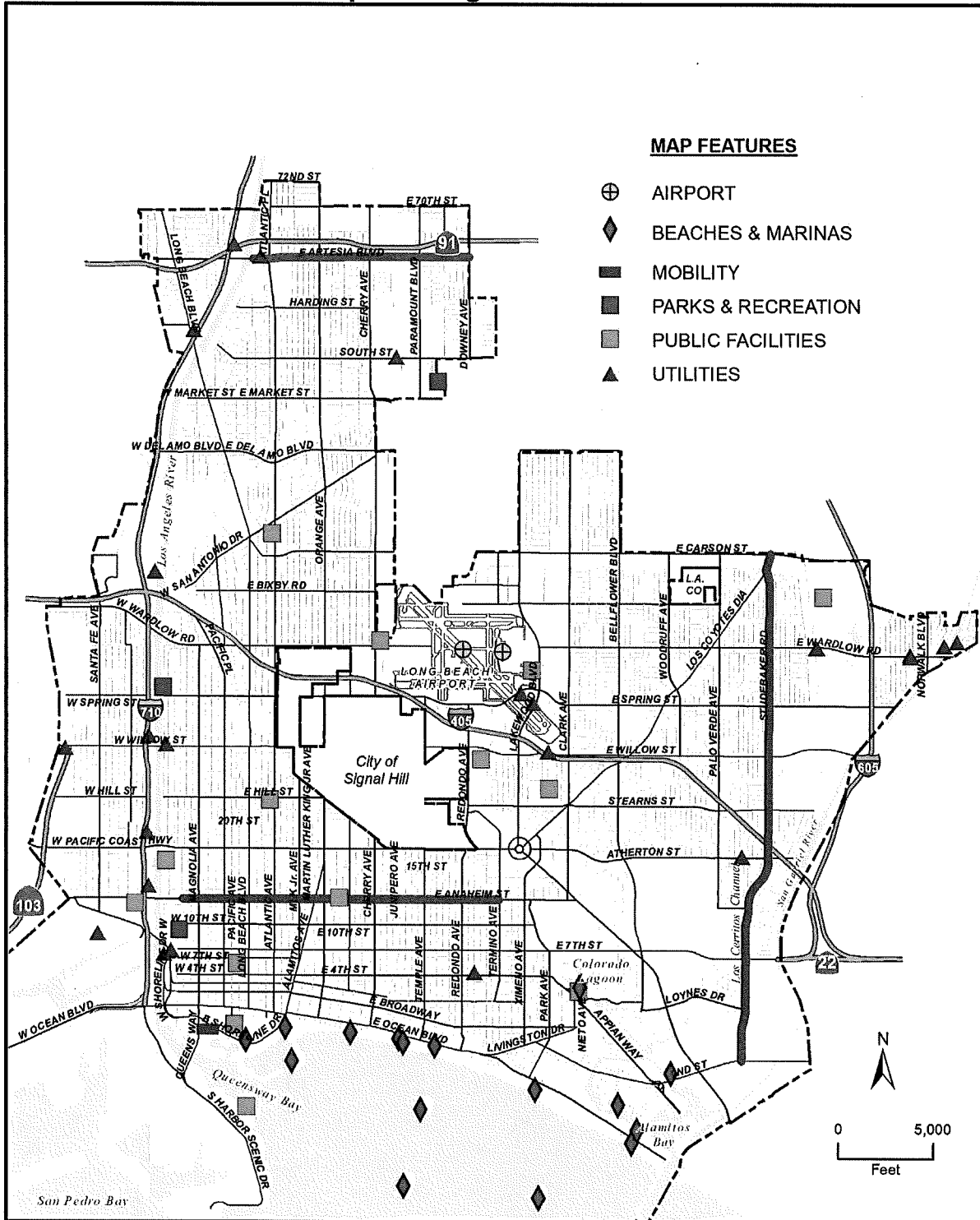
FISCAL YEAR 2023 REVENUES BY FUND GROUP
(Does not include Harbor, Water and Sewer Fund Groups)

| <u>FUND GROUP</u> | <u>FY 23 PROPOSED REVENUES</u> | <u>CHANGES*</u> | <u>FY 23 PROPOSED BUDGETED REVENUES</u> |
|---|------------------------------------|--------------------|---|
| GENERAL FUND | 621,283,066 | - | 621,283,066 |
| UPLAND OIL FUND | 11,811,475 | - | 11,811,475 |
| GENERAL GRANTS FUND | 9,701,912 | - | 9,701,912 |
| POLICE & FIRE PUBLIC SAFETY OIL PROD ACT FUND | 2,693,369 | - | 2,693,369 |
| HEALTH FUND | 61,770,617 | - | 61,770,617 |
| SPECIAL ADVERTISING & PROMOTION FUND | 8,584,444 | - | 8,584,444 |
| HOUSING DEVELOPMENT FUND | 15,237,500 | - | 15,237,500 |
| BELMONT SHORE PARKING METER FUND | 898,884 | - | 898,884 |
| BUSINESS ASSISTANCE FUND | 728,199 | - | 728,199 |
| COMMUNITY DEVELOPMENT GRANTS FUND | 10,691,548 | 25,000 | 10,716,548 |
| GASOLINE TAX STREET IMPROVEMENT FUND | 13,491,359 | - | 13,491,359 |
| CAPITAL PROJECTS FUND | 171,610,605 | - | 171,610,605 |
| CIVIC CENTER FUND | 24,975,297 | - | 24,975,297 |
| GENERAL SERVICES FUND | 74,592,189 | - | 74,592,189 |
| FLEET SERVICES FUND | 56,958,170 | - | 56,958,170 |
| INSURANCE FUND | 76,808,762 | - | 76,808,762 |
| EMPLOYEE BENEFITS FUND | 390,119,981 | - | 390,119,981 |
| TIDELANDS OPERATIONS FUND | 110,893,919 | - | 110,893,919 |
| TIDELANDS AREA FUNDS | 30,242,344 | - | 30,242,344 |
| TIDELANDS OIL REVENUE FUND | 98,787,714 | - | 98,787,714 |
| RESERVE FOR SUBSIDENCE | 980,000 | - | 980,000 |
| DEVELOPMENT SERVICES FUND | 30,462,627 | - | 30,462,627 |
| GAS FUND | 165,712,559 | - | 165,712,559 |
| GAS PREPAY FUND | - | - | - |
| AIRPORT FUND | 61,065,806 | - | 61,065,806 |
| REFUSE/RECYCLING FUND | 77,200,000 | (3,826,066) | 73,373,934 |
| SERRF FUND | 43,794,850 | - | 43,794,850 |
| SERRF JPA FUND | - | - | - |
| TOWING FUND | 7,256,458 | - | 7,256,458 |
| HOUSING AUTHORITY FUND | 105,236,185 | - | 105,236,185 |
| SUCCESSOR AGENCY OPERATIONS | 4,219,567 | - | 4,219,567 |
| CUPA FUND | 1,866,016 | - | 1,866,016 |
| DEBT SERVICE FUND | 6,543,779 | - | 6,543,779 |
| SUCCESSOR AGENCY DEBT SERVICE | 30,162,041 | - | 30,162,041 |
| TOTAL | 2,326,381,241 | (3,801,066) | 2,322,580,175 |

*Please refer to the Fiscal Impact section of the City Council Letter for a general description of notable changes.

FY 23 Capital Improvement Program (CIP)

Capital Program Overview



FY 23 Capital Improvement Program (CIP)

BACKGROUND

As the City of Long Beach continues to recover from the financial challenges caused by the COVID-19 pandemic, we are cautiously optimistic that the worst of the pandemic's fiscal impacts are behind us. As we transition to post-pandemic life, we continue to work on planning for the future and maintaining public infrastructure. The Capital Improvement Program (CIP) continues 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 over the next fiscal year. To determine the best investments to make now, the size, age, and diverse infrastructure of the City requires significant consideration, to realize the most cost-effective returns in the future. The CIP also serves as a financial tool, which identifies funds for the wide variety of mid and longer-term capital projects, as well as a planning tool to ensure capital projects are consistent with the City's General plan.

BUDGET PROCESS

Public Works serves as the lead Department for developing the Fiscal Year 2023 (FY 23) Proposed CIP Budget. 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; and
- The extent to which the project will secure future funds through program planning or grant eligibility.

The CIP identifies current expenditures along with providing an outline of proposed funding for future years. The strategic capital investment in the City's infrastructure includes major enhancements and repairs to critical public assets, including parks, marinas and beaches, City-owned facilities, streets, traffic signals, storm drains, sidewalks, bus stops, bridges, water and sewer facilities, the Harbor, upgrades to meet the Americans with Disabilities Act (ADA) regulations, and improvements to airport facilities to meet the long-term travel needs of our residents and businesses.

With the City continuing to face financial challenges, caused in part by the pandemic, the ability to provide funds to support the capital needs of our infrastructure remains limited, requiring prioritization of competing capital needs. However, given the need for significant ongoing investment in the City's capital assets, we continue to look for opportunities to augment the CIP with external funding opportunities. The pandemic has impacted various revenue sources and though these revenues have recovered from pandemic lows faster than anticipated, they remain below pre-pandemic levels.

BUDGET HIGHLIGHTS

The pandemic's presence over the past few years has impacted the City's CIP, including project schedules and capital revenue sources. Through these challenges, the City has continued to make progress and deliver improvements to critical public assets. The FY 23 Proposed CIP budget continues to focus on the renovation, renewal, and expansion of City infrastructure, such as libraries, parks, and sports fields that promote community health, to fire and police facilities

FY 23 Capital Improvement Program (CIP)

that help keep our community safe, and to airport facilities to meet the travel needs of the community and further the City's economic growth. The following pages provide a summary of each section with a dollar amount that represents proposed funding for FY 23:

- Airport
- Beaches
- Mobility
- Parks
- Public Facilities
- Utilities
- Harbor

ALLOCATION PLAN

| | FY 23 Proposed |
|--------------------------------------|---------------------------|
| Sources¹: | |
| Airport Fund | \$2,000,000 |
| Tidelands Fund | \$12,000,000 |
| Gas Fund | \$11,050,000 |
| Gasoline Tax Street Improvement Fund | \$18,500,000 |
| General Capital Projects Fund | \$17,367,952 |
| Measure A | \$34,994,718 |
| Transportation Fund | \$34,361,899 |
| Water Utility | \$41,127,000 |
| Sewer | <u>\$5,179,299</u> |
| Subtotal | \$176,580,868 |
| Harbor | \$324,086,000 |
| Grand Total | \$500,666,868 |
| Uses: | |
| Airport | \$2,000,000 |
| Beaches | \$5,725,000 |
| Mobility | \$67,390,899 |
| Parks | \$3,235,244 |
| Public Facilities | \$37,873,426 |
| Utilities | <u>\$60,356,299</u> |
| Subtotal | \$176,580,868 |
| Harbor | \$324,086,000 |
| Grand Total | \$500,666,868 |

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 Impact Fees and Uplands Oil Capital Fund.

FY 23 Capital Improvement Program (CIP)

Airport

Long Beach Airport (LGB) offers a variety of services to air carriers, commercial and general aviation users, as well as the traveling public. Funding for Airport Capital Improvement Projects is derived from several sources including Federal Aviation Administration (FAA), Airport Improvement Program grants (AIP), Transportation Security Administration (TSA) grants, Passenger Facility Charges (PFC), Customer Facility Charges (CFC), Airport fees, and operating revenues. The focus of the Airport Capital Improvement Program is to continue improving the safety, security, and operations of the Airport to meet the mandates of the FAA and TSA.

In FY 22, the Airport completed two emergency pavement repair projects on the airfield. A \$300,000 emergency pavement repair project to Taxiway D (South of Taxiway F) was completed which consisted of grind, overlay, and crack sealing repairs. Taxiway G was a \$38,000 project consisting of crack preparation, seal, and slurry to repair asphalt cracks located on the shoulders of the taxiway.

The Terminal Area Improvements Program Phase II continues to progress, with the first two facilities, the Checked Baggage Inspection System (CBIS) and the Ticketing Building, completed in May 2022. The Baggage Claim project component and associated Meeter and Greeter Plaza hardscape areas are currently in progress with the Terminal Renovations starting construction in the fourth quarter of 2022. The Rental Car Customer Service Counters, and the remaining restrooms, concession space, and baggage service offices are anticipated to start in the first quarter of 2023.

Other projects on the airfield include the ongoing reconstruction of Taxiway L and the upcoming Rehabilitate Runway 12-30 Lighting project. The \$25.3M Taxiway L project is estimated to be completed in October 2022 and includes improvements to pavement marking, lighting, signage, and drainage systems. The \$9.5M Rehabilitate Runway 12-30 Lighting project includes the complete replacement of electrical components, including existing runway lighting circuits, constant current regulators (CCRs), and precision approach path indicators (PAPIs). Work also includes pavement markings and striping, and asphalt concrete paving and grinding. Mobilization is set to begin at the end of summer 2022 and construction scheduled for early 2023.

| Project Title | FY 23 Proposed |
|------------------------------------|---------------------------|
| Airport Terminal Area Improvements | \$1,000,000 |
| Airport Pavement Rehabilitation | <u>\$1,000,000</u> |
| Total Airport Projects | \$2,000,000 |

Beaches

Two assets that help make Long Beach unique are its beaches and marinas. These City-operated and maintained assets provide recreational enjoyment to both residents and visitors. In FY 22,

FY 23 Capital Improvement Program (CIP)

the City completed the renovation of the Colorado Lagoon Playground and unveiled several new amenities at Alamitos Beach, including a new in-water playground, new public restrooms, and a concessions building with an adjacent children's play area. New wayfinding signage has been installed in Alamitos Bay to improve access and navigation to the waterfront.

A construction contract for the Colorado Lagoon Open Channel project was awarded in FY 22 and the project is being currently underway. Planning and design efforts continue for the new Belmont Pier, Junipero Beach recreation enhancements, and Pride Tower node. In addition, major milestones were accomplished for the Belmont Beach Aquatic Center, including advancing to Construction Documentation and procuring construction management support services for the work.

| Project Title | FY 23 Proposed |
|---------------------------------------|---------------------------|
| Beach Amenity Improvements | \$950,000 |
| Beach Facility Improvements | \$600,000 |
| Beach Parking Lot Rehabilitation | \$400,000 |
| Bluff Improvements | \$200,000 |
| Coastal Trail Improvements | \$200,000 |
| Marina Improvements | \$400,000 |
| Nearshore Infrastructure Improvements | \$100,000 |
| Seawall Improvements | \$600,000 |
| Lagoon and Wetlands Improvements | \$2,125,000 |
| Coastal Planning Improvements | <u>\$150,000</u> |
| Total Beach Projects | \$5,725,000 |

Mobility

The Mobility section contains programs designed to meet the increased needs for mobility resulting from economic growth, utilizing a combination of different funding sources. Funding sources include the City of Long Beach Measure A, Los Angeles County Proposition A and C, Gas Tax Street Improvement Capital, Transportation Improvement Fees, Los Angeles County Measure M and R, AB 2766, State Road Maintenance and Rehabilitation Act, along with Federal, State, and County grants.

Mobility improvements include roadway rehabilitation, complete streets and corridor improvements, traffic signal system and intersection upgrades, transit improvements, replacement parking and traffic lane striping, neighborhood traffic management, and mobility enhancements in the right-of-way. This section also includes programs that evaluate traffic congestion throughout the City while responding with projects to relieve congestion and enhance traffic safety.

When designing arterial and local streets, each location is addressed using the complete streets design framework. When designing a roadway, several factors are considered such as the conditions for people who walk, bicycle, and use public transportation. The program delivers various improvements including: reconstructing and resurfacing of major, secondary, and residential streets; upgrading accessibility of curb ramps to comply with current American

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Disabilities Act (ADA) regulations; installing bicycle facilities; replacement of street signs; repairing neighborhood sidewalks, curbs, and gutters; and rehabilitating bridges to repair deficiencies identified by bridge inspection reports.

The paving program is guided by the City's Infrastructure Investment Plan (IIP) and Pavement Management Program (PMP), which is updated biannually. Staff also plan projects to coordinate with Development Services projects and projects from other departments and agencies. The program is developed to make the best use of limited funds. This is not a "worst first" methodology as the City uses a balanced approach between maintaining "good" streets in good condition, while also spending some funding to eliminate the backlog of streets in "poor" condition. There are several factors that are taken into consideration when the City evaluates the selection of streets, such as surface conditions, utility work (pipeline construction), future developments in the area, and potential conflicts with other projects. The goal is to rehabilitate a roadway when it is in "good" condition versus delaying repairs to a state in which the street is in a "poor" condition, significantly increasing the costs of repairs.

The following Complete Street Projects started their design process in FY 22 are anticipated to have their designs completed by early 2023: Studebaker Rd Improvements between 2nd St to Carson Ave, Shoreline Dr Improvement Project West of Golden Shore, and the Mid-City Traffic Signal Improvements – area bordered by Alamitos/7th/Redondo/Ocean.

The following Complete Streets projects will move into the design phase by late FY 23: Pacific Ave Cycle Track, between Ocean Blvd to Anaheim St; Pine Ave Bike Blvd North of 11th St; and the Downtown Walkable Street Corners Project. Also notable is the Shoemaker Bridge Improvement Project that will continue its design phase into FY 23. The bridge project has a tentative construction end date in 2028.

The following Complete Street Projects will start construction in FY 23: Anaheim St Improvements between LA River and PCH; South St Improvements between Dairy Ave and Atlantic Ave; and Traffic Signal Improvements at eight signalized intersections throughout the City.

In FY 23, the following Complete Street Projects will have completed their construction phase: Market St Improvements between LA River and Cherry Ave; Santa Fe Ave Traffic Signal Improvements from Anaheim St to Wardlow Rd; Los Coyotes Traffic Signal Improvements from Outer Traffic Circle to Carson St; and Artesia Great Blvd from Eastern City Limit to Western City Limit.

In addition to Measure A funding, Mobility also receives local, state, and federal funding. This includes improvements to sidewalks, bridge rehabilitation and seismic retrofit, sustainable transportation, traffic mitigation, traffic and pedestrian signal improvements, and administration.

| Project Title | FY 23 Proposed |
|-------------------------------------|---------------------------|
| CIP Administration | \$4,960,301 |
| ADA Rapid Response | \$550,000 |
| Parking Garage Improvements | \$600,000 |
| Arterial Corridor Enhancements | \$13,711,498 |
| Arterial Street Rehabilitation | \$16,950,000 |
| Bikeway and Pedestrian Improvements | \$3,400,000 |

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| | |
|-------------------------------------|---------------------|
| Bridge Improvements | \$500,000 |
| ADA Curb Ramp Improvements | \$9,900,000 |
| Residential Street Improvements | \$14,519,100 |
| Citywide Sinkholes | \$250,000 |
| Citywide Striping & Signage Program | \$250,000 |
| Traffic Signal Improvements | <u>\$1,800,000</u> |
| Total Mobility Projects | \$67,390,899 |

Parks

Long Beach has over 170 parks and over 3,000 acres of open space that are used daily by residents and visitors. Parks contribute greatly to the livability of Long Beach, host festivals, concerts and athletic events that draw thousands of visitors, bringing tourism revenue to local restaurants, hotels, and stores, all while boosting the local economy.

Many of Long Beach's parks and open spaces face aging infrastructure and there is a significant effort to rehabilitate existing park assets and infrastructure. Deferred critical repairs have resulted in necessary capital projects to rehabilitate various park sites, while providing an opportunity to upgrade to more energy and water efficient systems. Through intentional planning and design, new parks, playgrounds, and open spaces provide public benefits including access to nature, promoting healthy and active lifestyles, and providing spaces and places for children to learn, socialize, and play.

In FY 22, the Public Works Project Management Bureau completed construction of the Colorado Lagoon Playground, Recreation Park Playground, and saw the opening of the re-imagined Lincoln Park. Design for the Davenport Park Expansion Phase II has been completed and the Gas Treatment System is in the bid and award phase. Several playground projects have also been initiated, including the Admiral Kidd Playground Reconstruction, Ramona Park Playground, and Silverado Park Playground.

| Project Title | FY 23 Proposed |
|-----------------------------|---------------------------|
| Park Open Space Development | \$2,180,000 |
| Park Facility Improvements | <u>\$1,055,244</u> |
| Total Parks Projects | \$3,235,244 |

Public Facilities

The City of Long Beach owns over 250 facilities throughout the City that continue to provide residents with public services, recreational opportunities, places to learn, and public safety. These facilities include but are not limited to the following: Libraries, Health Facilities, Fire Stations, and Police Stations.

In FY 22, the Department of Public Works added additional facilities to the Citywide Facility Condition Assessment (FCA). City-owned buildings have been assessed and final FCA reports have been completed. The assessments form the basis of capital improvement programming and identify early action items for facility maintenance. The FCA will allow staff to identify and prioritize

FY 23 Capital Improvement Program (CIP)

items in need of repair based on resources available at the time. In FY 22, the demolition of the old City Hall was completed. The Ronald R. Arias Health Equity Center and other Health Department locations, such as Main Health, Multi-Service Center, and Central Health, received various facility improvements. Design and entitlement of Fire Station 9, Fire Station 14, and the Fire Department Training Center, along with the Police Department Training Academy, were initiated. In addition, Alamitos and Bayshore Libraries received various improvements.

In FY 23, Main Health and other Health Department locations, Mark Twain and Brewitt Libraries, and Fire Department facilities are anticipated for design work and/or construction related improvements.

| Project Title | FY 23 Proposed |
|--------------------------------|---------------------------|
| Facility Improvements | \$36,469,718 |
| Energy Efficiency Improvements | <u>\$1,403,708</u> |
| Total Public Facilities | \$37,873,426 |

Utilities

The Utilities section is comprised of three services to Long Beach residents. These critical services are provided by the Long Beach Energy Resources Department, Long Beach Water Department, and the Public Works Stormwater/Environmental Compliance Division. In addition, these departments work closely to coordinate water, gas, and street improvement projects in the right-of-way, adhering to the City's "Dig Once" policy preventing any newly paved or slurried street from being torn up. In FY 23, the Utilities budget includes a proposed total of \$60.4 million of new funding.

Long Beach Energy Resources Department

Long Beach Energy Resources (LBER) Department oversees approximately 1,900 miles of natural gas pipelines. The Department's objective is to provide safe and reliable natural gas service to over 150,000 businesses and households in the most cost-efficient manner. All operations are conducted in strict compliance with the U.S. Department of Transportation (DOT) pipeline safety regulations - 49 CFR Part 190-199, and local government codes. LBER is engaged in a long-term pipeline infrastructure replacement program focusing on pipelines and facilities identified in its Distribution Integrity Management Plan (DIMP) and gas facilities master plan. In the past six years, over 50 miles of distribution main and service pipelines have been installed or replaced to improve overall system integrity.

The Capital Improvement Program (CIP) takes a system-wide approach to find patterns and targets pipeline replacement in areas of high risk or consequence within the system. There are numerous factors that affect which pipes are selected for replacement including age, material type, leakage history, etc. In addition to pipeline replacement, the CIP addresses capital needs to maintain and operate regulator stations, valves, rectifiers, and other gas facilities. The CIP funds mandated critical programs such as cross bore inspections, meter replacement, gas facility surveys, cathodic protection, and equipment inspections. LBER will continue to work closely with the Public Works Department to coordinate gas pipeline projects with street improvement projects.

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| Project Title | FY 23 Proposed |
|---|---------------------|
| Gas Meters Replacement | \$300,000 |
| Main Pipeline Replacement | \$4,500,000 |
| Sewer Lateral Inspections (Crossbores) | \$1,500,000 |
| Compliance – Telemetry, SCADA, Regs, Valves & Leak Survey | \$2,000,000 |
| Facility Improvements | \$200,000 |
| Gas Control/Cathodic Protection | \$500,000 |
| System Improvements – Growth & Reliability | \$2,000,000 |
| Identified Capital Projects | <u>\$50,000</u> |
| Total LBER | \$11,050,000 |

Stormwater/Environmental Compliance

The Stormwater/Environmental Compliance Division is responsible for maintaining the City's 300 miles of storm drain pipeline, pump stations, and monitoring stormwater quality within Long Beach. Water quality compliance is handled through the City's National Pollutant Discharge Elimination System (NPDES) permit.

| Project Title | FY 23 Proposed |
|---|--------------------|
| Storm Drain System & Water Quality Improvements | <u>\$3,000,000</u> |
| Total Stormwater | \$3,000,000 |

Long Beach Water Department

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 its useful life, including, but not limited to, water pipelines, valves, and meters. The Department coordinates pipeline projects with Public Works' Street Rehabilitation projects. The Department also established a \$60,000,000 Water Fund Line of Credit to facilitate an increased, multi-year, investment in its water infrastructure. Planned capital improvements include drilling new local water wells, refurbishing existing wells, and rehabilitating existing storage tanks.

These investments will improve production, conveyance, treatment, storage, and distribution of water to its customers. The Sewer CIP budget reflects a sustained level of investment in infrastructure, as the Department follows a programmatic CIP based on an updated Sewer Master Plan.

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| Project Title | FY 23 Proposed |
|---------------------------------|---------------------|
| Potable Water | |
| In-House Water Main Replacement | \$500,000 |
| Meter Replacement Program | \$50,000 |
| Large Valve Replacement | \$1,317,000 |
| Water Developer Projects | \$0 |
| Water Pipeline Improvement | \$5,000,000 |
| Water Pipeline Replace/Install | \$6,500,000 |
| Alamitos Reservoir Improvements | \$7,887,000 |
| Water SCADA Improvements | \$0 |
| Treatment Plant Improvements | \$5,181,000 |
| New Well Development/Equipment | \$8,500,000 |
| Water Supply Improvements | \$0 |
| Well Rehabilitation | \$2,350,000 |
| Recycled Water Improvements | \$932,700 |
| Recycled Developer Projects | \$928,700 |
| Water Facility Improvements | \$932,700 |
| Water Miscellaneous | <u>\$1,047,900</u> |
| Total Water Fund | \$41,127,000 |
| | |
| Sewer | |
| Sewer Pipeline Rehab | \$1,435,000 |
| Sewer Operations | \$652,700 |
| Sewer Lift Stations | \$2,978,600 |
| Sewer Miscellaneous | <u>\$112,999</u> |
| Total Sewer Fund | \$5,179,299 |

Harbor Department

The Harbor Department (Port), with its deep-water channels, rail access, and ongoing investment in state-of-the-art facilities, continues to be the preferred gateway for Asia-Pacific trade and an operational model for its environmental innovations and initiatives. The Port continues to implement a long-term capital improvement program designed to provide Port tenants with secure, state-of-the-art facilities capable of accommodating international trade and safeguarding regional economic benefits in a sustainable manner while ensuring economic vitality, ecological health, and community integrity.

The Port forecasts investing \$2.3 billion in capital projects over the next decade to increase cargo-handling efficiency and enhance competitiveness. This investment will also stimulate the

FY 23 Capital Improvement Program (CIP)

economy by creating thousands of direct construction jobs along with indirect service and commercial opportunities.

| Project Title | FY 23 Proposed |
|--|---------------------------|
| Terminal Projects | |
| Pier G Wharf Improvements Project | \$6,156,000 |
| Middle Harbor (Piers D/E/F) | \$5,104,000 |
| Pier S Container Support Facility | \$5,082,000 |
| Other Terminal Projects | <u>\$1,990,000</u> |
| Total Terminals Projects | \$18,332,000 |
| New Fire Station/Port-wide Security & Safety Projects | |
| Fireboat Station 20 | \$5,935,000 |
| Other Port-wide Security & Safety Projects | <u>\$13,497,000</u> |
| Total Fire Station/Port-Wide Security & Safety Projects | \$19,432,000 |
| Bridges & Railways | |
| Pier B On-Dock Rail Support Facility | \$108,026,000 |
| Fourth Track at Ocean Boulevard | \$16,403,000 |
| Terminal Island Track Realignment | \$8,487,000 |
| Gerald Desmond Bridge Demolition | \$24,467,000 |
| Other Rail Projects | <u>\$64,000</u> |
| Total Bridges & Railways | \$157,447,000 |
| Other Capital Projects | |
| Port Infrastructure (Sewer, Street, Water, and Stormwater) | \$16,724,000 |
| Information Technology Projects | \$19,488,000 |
| Joint Port Goods Movement Training Campus | \$37,500,000 |
| Berth D48-50 Transit Shed Abatement & Renovation | \$20,915,000 |
| Engineering Miscellaneous Projects | \$23,148,000 |
| Environmental Projects | \$8,919,000 |
| Furniture, Fixtures, and Equipment | <u>\$2,181,000</u> |
| Total Miscellaneous Project | \$128,875,000 |
| Total Harbor Department | \$324,086,000 |

