

October 29, 2019

TRANSACTIONS AND USE TAX CITIZENS' ADVISORY COMMITTEE MEMBERS

City of Long Beach
California

RECOMMENDATION:

Recommendation to confirm that the City Council's revisions to the Measure A FY 20 and out-year plan, including budget contingent appropriations, made as part of the Fiscal Year 20 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

On September 3, 2019, the City Council adopted the City Manager's Proposed FY 20 Budget with the following changes related to the Measure A spending plan:

1. The revised FY 17 - FY 27 plan for Measure A allocation in the FY 20 Proposed budget included \$9,561,510 of one-time funds set aside for public safety restorations. The City Council approved the allocation of those funds as follows:
 - a. \$4,700,000 to temporarily fund a two-year restoration of Engine 17 for FY 20 and FY 21, with a two-week delay in implementation in FY 20 to mid-October;
 - b. \$4,761,510 available over four years to help fund the cost of providing a temporary and long-term solution for Fire Station 9; and,
 - c. \$100,000 for diseased Magnolia tree program and removal.

2. Consistent with the Measure A plan as modified in #1 above, the following items were appropriated in FY 20:
 - a. \$2,300,000 for Engine 17;
 - b. \$1,514,645 for Fire Station 9; and,
 - c. \$100,000 for the diseased Magnolia tree program and removal.

The following table summarizes the FY 20 Adoption Night actions to reallocate the funds set aside for public safety in the Measure A plan. Also, attached is a modified out-year plan for Measure A based on the FY 20 adoption night changes approved by the City Council.

	FY 19	FY 20	FY 21	FY 22	FY 23	TOTAL
Revenue Set Aside/ Anticipated	4,561,938	2,475,779	891,573	532,502	1,099,718	9,561,510
<i>Allocated Uses</i>						
Engine 17		(2,300,000)	(2,400,000)			(4,700,000)
Station 9 ¹		(1,514,645)	(1,614,645)	(532,502)	(1,099,718)	(4,761,510)
Magnolia Trees		(100,000)				(100,000)
Total Uses	4,561,938	(1,438,866)	(3,123,072)	-	-	(0)

1. Per City Council action on September 3, 2019, the first available FY 19 year-end Measure A surplus up to \$3 million will be automatically appropriated for Fire Station 9. This potential contingent appropriation has not yet been budgeted and is not included in this table

Additionally, the City Council approved the following contingent appropriation (#3 below) as well as made recommendations on the allocation of potential future funding for infrastructure, if out-year revenue projections improve (#4 below).

3. The City Council approved up to \$3.0 million of contingent appropriation for Fire Station 9 in FY 20, contingent on the availability of FY 19 Measure A year-end surplus above what is currently projected in the Adopted FY 20 Measure A plan. If such surplus funds are available, up to \$3.0 million will be automatically appropriated for Fire Station 9 in FY 20, bringing the total planned funding for Station 9 across multiple years to \$7,761,510 (an additional \$3.0 million to the \$4,761,510 listed for Station 9 in the table above).

4. The City Council also made recommendations on the allocation of any additional future surplus funds that may be realized from any potential improved Measure A revenue projections. For instance, if total revenue projections increased by \$3.0 million above budgeted levels beginning in FY 20, with half being available for one-time purposes, City Council recommended the following priority allocation for any additional funds between FY 20 to FY 22 (The amounts listed in c – e represent what the allocation would be in this sample scenario):
 - a. The first \$100,000 for irrigation pumps;
 - b. The next \$100,000 for tree stump removals;
 - c. Alleys – 60 percent (\$2,580,000);
 - d. Park Bathrooms – 20 percent (\$860,000); and,
 - e. Playgrounds – 20 percent (\$860,000).

In this sample scenario, the total funds available for one-time allocation would be \$4.5 million between FY 20 to FY 22. Once funds are determined to be available, an allocation plan will be brought back to the City Council for review, approval, and appropriation as part of the proposed budget development process.

SUGGESTED ACTION:

Approve recommendation.

ATTACHMENT



FY 20 Adopted - Measure A Allocations (FY 17 - FY 27)

Summary Detail

\$ in Millions	FY 2017 Actuals	FY 2018 Actuals	FY 2019 Adjusted	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	TOTAL
Total Revenue	38.9	61.5	59.1	59.7	60.4	61.2	37.8	30.9	31.1	31.2	7.2	479.1
Total Uses	(35.6)	(52.6)	(64.9)	(58.4)	(55.9)	(61.4)	(49.9)	(30.9)	(31.1)	(31.2)	(0.1)	(471.9)
Surplus/(Shortfall)	3.3	9.0	(5.8)	1.3	4.5	(0.2)	(12.1)	(0.0)	(0.0)	(0.0)	7.1	7.2

Structural Portion

<i>Revenue</i>	23.8	26.6	29.6	29.9	30.2	30.6	30.7	30.9	31.1	31.2	-	294.5
<i>Uses</i>												
Public Safety Maintenance	(3.2)	(8.3)	(19.3)	(21.9)	(22.2)	(22.6)	(23.0)	(23.2)	(23.4)	(23.5)	-	(190.7)
Public Safety Restorations & Enhancements	(5.3)	(6.4)	(7.2)	(7.2)	(7.2)	(7.2)	(7.2)	(7.2)	(7.2)	(7.2)	-	(69.0)
<i>Fire Engine 8</i>	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	-	(23.0)
<i>Paramedic Rescue 12</i>	(0.7)	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)	-	(10.6)
<i>HEART Team</i>	-	-	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	-	(3.5)
<i>Police South Division</i>	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)	-	(15.4)
<i>Police Academy Staffing</i>	(0.9)	(1.4)	(1.4)	(1.4)	(1.4)	(1.4)	(1.4)	(1.4)	(1.4)	(1.4)	-	(13.5)
<i>Quality of Life Unit</i>	-	-	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	-	(3.0)
Measure B	(0.4)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.4)	(0.3)	(0.3)	(0.3)	(0.1)	(4.8)
Admin	(0.1)	(0.2)	(0.3)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	-	(2.1)
One-Time Uses												-
<i>Infrastructure*</i>	(13.9)	(2.5)	-	-	-	-	-	-	-	-	-	(16.3)
<i>South Division One-Times</i>	(0.8)	-	-	-	-	-	-	-	-	-	-	(0.8)
<i>Police Academy</i>	-	(4.3)	-	-	-	-	-	-	-	-	-	(4.3)
<i>Network Camera Modernization</i>	-	(0.8)	-	-	-	-	-	-	-	-	-	(0.8)
<i>Police Overtime</i>	-	(1.0)	-	-	-	-	-	-	-	-	-	(1.0)
<i>Public Safety Handhelds</i>	-	(0.5)	-	-	-	-	-	-	-	-	-	(0.5)
<i>Subtotal One-Time Uses</i>	(14.7)	(9.1)	-	-	-	-	-	-	-	-	-	(23.7)
Total Uses	(23.7)	(24.5)	(27.4)	(29.9)	(30.2)	(30.6)	(30.8)	(30.9)	(31.1)	(31.2)	(0.1)	(290.3)
Structural Available / (Shortfall)	0.0	2.0	2.2	0.0	0.0	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)	4.2

FY 20 Adopted - Measure A Allocations (FY 17 - FY 27)

Summary Detail

\$ in Millions	FY 2017 Actuals	FY 2018 Actuals	FY 2019 Adjusted	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	TOTAL
One-Time												
Revenue	15.16	34.99	29.56	29.86	30.2	30.6	7.0	-	-	-	7.2	184.6
Uses												
Admin	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure*	(11.9)	(28.0)	(31.9)	(21.1)	(18.5)	(13.3)	(16.9)	-	-	-	-	(141.6)
Fire Academy	-	-	(0.9)	-	-	-	-	-	-	-	-	(0.9)
HEART Team Vehicle	-	-	(0.1)	-	-	-	-	-	-	-	-	(0.1)
Fire Communications Technology	-	-	-	-	-	(5.8)	-	-	-	-	-	(5.8)
Police Academy	-	-	(2.1)	(1.4)	-	-	-	-	-	-	-	(3.5)
Police Body-Worn Cameras	-	-	-	(1.4)	-	-	-	-	-	-	-	(1.4)
Police Overtime	-	-	(1.9)	(2.2)	(2.2)	(2.2)	(2.2)	-	-	-	-	(10.7)
Police Communications Technology	-	-	-	-	(2.6)	(9.5)	-	-	-	-	-	(12.1)
Police Jail Clinician Program	-	-	-	(0.1)	-	-	-	-	-	-	-	(0.1)
Set Aside for Engine 17	-	-	-	(2.3)	(2.4)	-	-	-	-	-	-	(4.7)
Network Camera Modernization	-	-	(0.6)	-	-	-	-	-	-	-	-	(0.6)
Magnolia Tree Program & Removal	-	-	-	(0.1)	-	-	-	-	-	-	-	(0.1)
Total Uses	(11.9)	(28.0)	(37.5)	(28.5)	(25.7)	(30.8)	(19.1)	-	-	-	-	(181.6)
One-time Available / (Shortfall)	3.3	7.0	(8.0)	1.3	4.5	(0.2)	(12.1)	-	-	-	7.2	3.0
TOTAL AVAILABLE / (SHORTFALL)	3.3	9.0	(5.8)	1.3	4.5	(0.2)	(12.1)	(0.0)	(0.0)	(0.0)	7.1	7.2
CUMULATIVE		12.3	6.5	7.9	12.4	12.1	0.1	0.1	0.1	0.1	7.2	NA

***Total infrastructure** (25.7) (30.5) (31.9) (21.1) (18.5) (13.3) (16.9) - - - - - (157.9)
(From combined one-time and structural portions)

¹ Amounts in the Infrastructure Category include costs for public safety facilities, including the Police and Fire Academy rebuilds at \$15 million and \$6.9 million, respectively. As part of the FY 20 Budget, a total of \$4.8 million was included between FY 20 and FY 22 for Fire Station 9.

² Per City Council action of September 3, 2019, the first available FY 19 year-end Measure A surplus, up to \$3 million will be automatically appropriated for Fire Station 9. That amount is not included in the table above because the offsetting revenues are not yet certain. The total planned funding for Station 9 with both budgeted and contingent funding is \$7,761,510

³ Per City Council action of September 3, 2019, if there are any additional future surplus Measure A funds that are realized or improved revenue projections for Measure A, in excess of the contingent appropriation for Fire Station 9, prioritize the additional funds available for one-time infrastructure investments in the following areas using the following priority allocation of any additional funds: The first \$100,000 for irrigation pumps; the next \$100,000 for tree stump removals; Alleys – 60 percent (\$2,580,000), Park Bathrooms – 20 percent (\$860,000) and; Playgrounds – 20 percent (\$860,000). The total of this one-time allocation would be \$4.5 million, and will be brought back to City Council for appropriation and add to the above plan once funds are determined to be available.

FY 20 Adopted - Measure A Infrastructure Planned Uses (FY 17 -FY 23)
Summary Detail by CIP Category

Infrastructure Category (\$ in Millions)	FY 17 Adjusted	FY 18 Adjusted	FY 19 Adjusted	FY 20 Proposed	FY 21 Planned Uses	FY22 Planned Uses	FY 23 Planned Uses	Total Planned Uses
Beaches & Marinas	-	-	-	0.2	0.5	-	-	0.7
Mobility	16.5	16.3	9.5	11.3	13.0	2.8	0.2	69.7
Parks & Recreation	6.1	9.3	11.5	2.0	0.5	1.0	-	30.4
Public Facilities	3.1	3.3	9.0	6.1	4.5	9.5	16.7	52.2
<i>Police Academy Facility Rebuild</i>	-	-	-	0.5	0.5	7.0	7.0	15.0
<i>Fire Academy Facility Rebuild</i>	-	-	-	-	-	0.8	5.7	6.5
<i>Station 9</i>				1.5	1.6	0.5	1.1	4.8
<i>Operating - (Magnolia Tree Program & Removal)</i>				0.1				0.1
<i>Other Public Facilities/(Cost & Revenue Variances)</i>	-	-	-	4.1		1.2		5.3
Utilities (Stormwater Protection)		1.6	1.9	1.5	-	-	-	5.0
Grand Total (\$ in Millions)	\$ 25.7	\$ 30.5	\$ 31.9	\$ 21.1	\$ 18.5	\$ 13.3	\$ 16.9	\$ 158.0