

City of Long Beach Budget Oversight Committee

Report and Recommendations FY 06 Proposed Budget September 6, 2005

Laura Richardson, Chair

6th District Councilwoman

Jackie Kell, Member

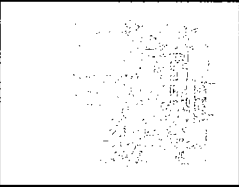
Vice-Mayor and 5th District Councilwoman

Tonia Reyes Uranga, Member

7th District Councilmember

Executive Summary

- Reduce structural deficit while continuing to fund critical programs
- BOC has held 8 public meetings
 - ✓ Ongoing oversight of the Financial Strategic Plan
 - ✓ Detailed review on potential revenue generating options
 - ✓ Examination of proposed reductions to ensure solutions consistent with City Council goals and community priorities
- Primary BOC objective is to make recommendations that:
 - ✓ Enable a balanced budget
 - ✓ Protect core services
 - ✓ Evaluate potential reductions and areas of optimization
 - ✓ Meet the demands of a growing and aging City
 - ✓ Oversee the development of the Performance-based Program Budget

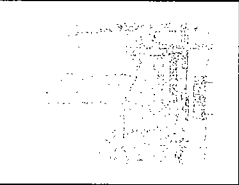


City Council Financial Policies

- 1) Structurally Balanced Budget
- 2) Report on How the Budget is Balanced
- 3) General Fund Reserves
- 4) Use of One-Time Resources
- 5) Use of New Discretionary Revenue
- 6) Accounting and Financial Reporting
- 7) User Fees and Charges
- 8) Grants
- 9) Long-Term Financial Plan
- 10) Debt Issuance

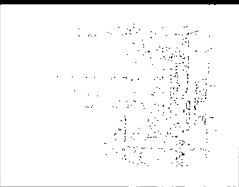
Status of FY 05 Recommendations

- 1) Discussed potential long-term funding strategies
 - ✓ Study of full cost recovery for fees
 - ✓ Reviewed possible revenue generation options
 - ✓ Evaluated library recommendations and requirements



Status of FY 05 Recommendations

- 2) Enhanced City Council's role in evaluating contracting-out
 - ✓ Optimization considered before contracting
 - ✓ Potential contracting opportunities are now brought to the City Council first prior to Prop L findings
 - ✓ Methodology for identifying and verifying of contracting will be reviewed with the Council

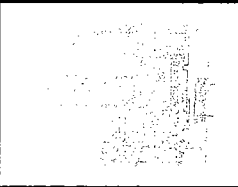


Status of FY 05 Recommendations

Summary Status

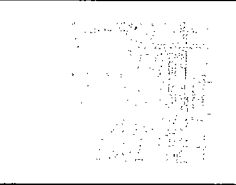
FY 05 Recommendations

14	Completed
10	Achieved and On-Going
9	On-Going
2	Open



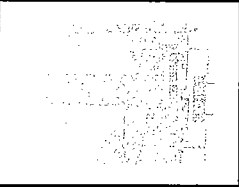
Recommended Actions for FY 06

- 1) Recommend implementation of Phase II of the Citywide Fee Study to further reduce the structural deficit
- 2) Recommend completion of research and recommendation for revenue generating ballot initiatives to the City Council
- 3) Recommend implementation of Parking Optimization results
- 4) Recommend the City Manager and staff focus greater attention on achieving increased contracting-in opportunities and utilization of our workforce capacity to generate revenue



Recommended Actions for FY 06

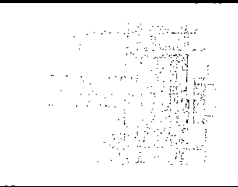
- 5) As mentioned in the Clarion Study and proposed by Councilman Lerch and Redevelopment Agency Boardmember Bill Baker, the BOC concurs in requesting the Redevelopment Agency consider taking the Port Area Property Tax Increment assigned to the North Long Beach Redevelopment Project Area and transfer it to the City for general City purposes
- 6) Recommend the City Council request the Redevelopment Agency to develop a repayment schedule for outstanding loans



Discussion of FY 06 Recommendations

- 1) Recommend implementation of Phase II of the Citywide Fee Study to further reduce the structural deficit
 - ✓ Resulting revenue to address remaining structural deficit
 - ✓ Formulate Fee Policy to identify methodology for setting and adjusting fees or service levels

- 2) Recommend completion of research and recommendation for revenue generating ballot initiatives to the City Council
 - ✓ Completion of research regarding community support
 - ✓ Resulting recommendations brought to City Council

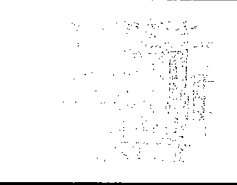


Discussion of FY 06 Recommendations

- 3) Recommend implementation of Parking Optimization results
 - ✓ Support the hiring of a Parking Operations Officer
 - ✓ Consider consolidation and implementation of the Carl Walker, Inc. and City Auditor's studies
 - ✓ Support parking enforcement staffing levels
 - ✓ Renegotiate all private parking contracts
- 4) Recommend the City Manager and staff focus greater attention on achieving increased contracting-in opportunities and utilization of our workforce capacity to generate revenue
 - ✓ Cost of conducting business in the City is growing
 - ✓ Review current contracts to ensure full cost recovery
 - ✓ Evaluate potential candidates for contracting-in

Discussion of FY 06 Recommendations

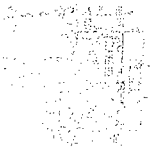
- 5) As mentioned in the Clarion Study and proposed by Councilman Lerch and Redevelopment Agency Boardmember Bill Baker, the BOC concurs in requesting the Redevelopment Agency consider taking the Port Area Property Tax Increment assigned to the North Long Beach Redevelopment Project Area and transfer it to the City for general City purposes



Discussion of FY 06 Recommendations

- 6) Recommend the City Council request the Redevelopment Agency to develop a repayment schedule for outstanding loans

Year	Debt to City w/o Payments	Debt to City with Possible Payments
2006	103,000,000	101,500,000
2007	106,090,000	103,045,000
2008	109,272,700	104,636,350
2009	112,550,881	106,275,441
2010	115,927,407	107,963,704
2011	119,405,230	109,702,615
2012	122,987,387	111,493,693
2013	126,677,008	113,338,504
2014	130,477,318	115,238,659
2015	134,391,638	117,195,819
2016	138,423,387	119,211,694
2017	142,576,089	121,288,044



Next Steps for FY 06

- 1) Evaluate and discuss fiscal impacts of a Port located within an urban area
- 2) Continue optimization of Parking Management and Operations
 - ✓ City and private lots
 - ✓ All contracts and agreements
- 3) Continue efforts aimed at the state and federal levels for transportation policy amendments that could include urban local streets, school bus traveled routes and other initiatives



Next Steps for FY 06

- 4) Evaluate Community Development Block Grant (CDBG) funding for the Non-Profit Assistance Program, which currently allocates \$500,000 to non-profits to complete repairs such as roofs, windows, etc.
- 5) Continue further discussions of outstanding resident, employee and Innovation Team recommendations
- 6) Schedule BOC workshops in FY 06 to assess implementation of the updated Financial Strategic Plan solutions, and the impacts on public services and the workforce
- 7) Review the progress of the Focus on Results (FOR) Long Beach performance management efforts

Recommended Actions

- ✓ Recommend the City Council adopt the proposed updated Financial Strategic Plan
- ✓ Recommend reaffirmation of existing City Financial Policies
- ✓ Support the City Manager's proposed enhancements related to Public Safety, Infrastructure, Community Planning, Litter and Graffiti abatement and other quality of life issues, which have been identified as core services, community priorities and/or as Mayor and City Council priorities
- ✓ Support the fee increases and adjustments proposed by the City Manager and Board of Water Commissioners

Recommended Actions

- ✓ Recommend implementation of Phase II of the Citywide Fee Study to further reduce the structural deficit
- ✓ Recommend completion of research and recommendation for revenue generating ballot initiatives to the City Council
- ✓ Recommend implementation of Parking Optimization results
- ✓ Recommend the City Manager and staff focus greater attention on achieving increased contracting- in opportunities and utilization of our workforce capacity to generate revenue

Recommended Actions

- ✓ As mentioned in the Clarion Study and proposed by Councilmember Lerch and Redevelopment Agency Boardmember Bill Baker, the BOC concurs in requesting the Redevelopment Agency consider taking the Port Area Property Tax Increment assigned to the North Long Beach Redevelopment Project Area and transfer it to the City for general City purposes;
- ✓ Recommend the City Council request the Redevelopment Agency to develop a repayment schedule for outstanding loans

Recommended Actions

- ✓ Concur with the City Manager's recommended reviews and optimization efforts for FY 06 including the Youth Services Master Plan, Information Technology, Health Insurance, Parking Management, Fleet Parts, Communication and Marketing, Messenger and Mail Services, and Custodial Services
- ✓ Concur with the Mayor's recommendation to include funding for educational programming and services to youth in the Library Department



Recommended Actions

- ✓ Concur with the Mayor's recommendation to include funding for the Municipal Band, specifically, *"Recommend that the Municipal Band Concerts be returned to an eight-week schedule, to possibly include performances in districts currently not represented. We encourage the pursuit of private sponsorships for these popular events, as well as recommend that the City Manager pursue funding from non-General Fund sources."*

Recommended Actions

- ✓ Concur with the Mayor's recommendation to include funding for Fourth of July Fireworks, specifically, *"Recommend the reinstatement of the City's support for an annual Fourth of July fireworks show, displayed off our coastline at a location to be determined by the City Manager, and to be funded from non-General Fund sources."* The BOC recommends the pursuit of private sponsorships as well
- ✓ Recommend that the restoration of the sixth day at the Main Library be a funding priority when other programs are considered for restoration

Recommended Actions

✓ When considering City Council budget concerns, program restoration must be considered only when offsetting funds have been identified. Stated concerns include:

Fourth of July Fireworks	(120,000)	Private Sponsorship and/or Non-General Fund
8-week Municipal Band Season	(440,000)	Private Sponsorship and/or Non-General Fund
Library Educational Program and Youth-Related Services	(223,498)	Restore
Main Library Additional Day Reduction	(262,006)	City Manager evaluate for funding opportunities
PAL (transfer 7 police officers to Patrol)	(\$384,848)	City Manager evaluate for funding opportunities and reconsider lease or space allocation adjustments for the North Facility no later than September 2006
DARE (transfer 3 police officers to Patrol)	(7,067)	No Recommendation
1-day Closure of Nature Center	(59,000)	City Manager evaluate for funding opportunities and explore future grant opportunities
Police Civilian Budget	(500,000)	City Manager evaluate for funding opportunities
Streets in Poor Condition in Need of Replacement	TBD	City Manager evaluate for a future plan (arterial/residential streets, storm drains, standing water, facilities and prevention maintenance
Total	(\$1,996,419)	Could pay for 19 Police Officers and many other desperate needs

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