

R-13

April 20, 2021

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Approve the Fiscal Year 2021 second departmental and fund budget appropriation adjustments in accordance with existing City Council policy. (Citywide)

DISCUSSION

On September 8, 2020, the City Council adopted the Appropriations Ordinance governing the City's Adopted Budget for Fiscal Year 2021 (FY 21). Periodically, changes in revenue or operating conditions require mid-year appropriation adjustments. For example, in certain cases, these adjustments enable departments to expend recently awarded grant revenue for which there is no existing appropriation. In addition, changes for multi-year grants/projects are necessary to bring appropriations in line with final grant/project award amounts. Other instances involve a department spending over the appropriation authority toward a contractual obligation or a City Council-initiated project or general operations that require appropriation adjustments to be made. In accordance with the City's practice, these adjustments are presented periodically throughout the year to the City Council for consideration. On March 9, 2021, the City Council approved the first departmental and fund budget appropriations adjustments. For this second budget adjustment, please see Attachment A for a Summary of Proposed Adjustments of impacted City funds.

Some of the proposed adjustments include the proposed use of funds available or operating reserves to offset expenditures with no identified funding source directly related to the use. For some of these adjustments, departments may be noting potentially higher than budgeted department-related revenues. For the General Fund, departmental revenues are typically used to balance the overall budget or create a surplus at year-end. In FY 21, with an anticipated use of operating or emergency reserves to end the year, any revenues, including departmental revenues, that perform better than budget would normally be first used to reduce the use of reserves. There is an exception if an expense increase directly results in increased revenue.

This matter was reviewed by Principal Deputy City Attorney Gary J. Anderson on March 30, 2021.

TIMING CONSIDERATIONS

The following requests for adjustments to FY 21 departmental and fund appropriations are necessary to reflect changes in operating conditions. City Council action is requested on April 20, 2021, to enable the timely processing of budget adjustments.

FISCAL IMPACT

City Manager

1. *Increase appropriations in the General Fund Group in the City Manager Department by \$50,000, for the Fireworks Enforcement Pilot Program;*

Increase appropriations in the General Fund Group in the Police Department by \$300,000, for the Fireworks Enforcement Pilot Program; and,

Decrease appropriations in the General Fund Group in the Citywide Activities Department by \$350,000, to transfer the funds set aside to the City Manager Department and the Police Department for firework enforcement activities.

On September 8, 2020, the City Council adopted the FY 21 budget, which included one-time funding of \$350,000 for a Fireworks Enforcement Pilot Program. This funding was temporarily placed in the Citywide Activities Department, and this request will move the funds to the appropriate departments who will be managing the efforts. The City Manager Department will use \$50,000 to lead a public outreach and communications campaign in coordination with the Police Department and the remaining \$300,000 will be used by the Police Department and other partners within the City to lead enforcement efforts. In the fall of 2021, the City Manager Department will prepare a report that highlights the results of this pilot program including metrics regarding enforcement and other initiatives associated with this effort.

Fire

2. *Increase appropriations in the Capital Projects Fund Group in the Fire Department by \$600,018, for Fire Station 15 and 20 improvements, the Electronic Patient Care Reporting system, and expansion of the David Rosa Regional Fire Training Center, offset by Fire Facility Impact Fee revenues.*

In April 2007, the City Council established the Fire Facilities Impact Fee, which is imposed on new development in Long Beach to mitigate the impact of new development on fire facilities. New development increases the demand for public safety facilities and impact fees help defray the cost of these facilities. Additional appropriations are necessary to fund various projects, including equipment and furnishing at Fire Stations 15 and 20 to accommodate additional staff; costs of Electronic Patient Care Reporting (ePCR) implementation; and, an expansion of the David Rosa Regional Fire Training Center. Projects in this fund are completely offset by revenue from Fire Facilities Impact Fees.

3. *Increase appropriations in the General Fund Group in the Fire Department by \$165,600 for rent and utility costs for temporary Fire Station 9, offset by a revenue transfer from the Capital Projects Fund Group in the Public Works Department.*

On September 18, 2020, the Fire Department moved Engine 9 and Rescue 9 personnel and apparatus to the former Boeing Fitness Center located at 2019 East Wardlow Road.

Staff will remain in this location until a permanent station is built. An appropriation increase is needed to support estimated annual rent costs of \$123,600 and utility costs of \$42,000. This request will be offset by a transfer from the Capital Projects Fund Group in the Public Works Department, funded by Measure A. Annual operating costs for future years at this temporary site will be requested as part of the annual budget process.

Legislative Department

- 4. Increase appropriations in the General Fund Group in the Citywide Activities Department by \$25,000 to return one-time District Priority Funds to the Sixth Council District, offset by funds transferred from the Economic Development Department; and,*

Decrease appropriations in the General Fund Group in the Economic Development Department by \$25,000, to offset a transfer to the Citywide Activities Department.

On December 8, 2020, the City Council approved \$25,000 in one-time District Priority Funds to fund bilingual workforce and economic development support in response to the COVID-19 pandemic and related economic emergency. An appropriation increase for \$25,000 was approved in the General Fund Group in the Economic Development Department, offset by Sixth Council District One-time District Priority Funds. These funds were requested back by the Sixth Council District to be reprogrammed for other uses. The Sixth Council District requests an appropriation decrease in the General Fund Group in the Economic Development Department to return the funds to the Sixth Council District One-time District Priority Funds in the Citywide Activities Department for future allocation to new projects.

Long Beach Airport

- 5. Increase appropriations in the Airport Fund Group in the Airport Department by \$501,647 for police services provided to the Airport as outlined by the FY 21 Memorandum of Understanding (MOU), offset by Airport Fund Group operating revenues.*

The FY 21 MOU for services provided by the Police Department to the Long Beach Airport was finalized after the FY 21 Budget was adopted. An appropriation increase of \$501,647 is requested, offset by operating revenues, to align the budget in the Airport Fund Group for anticipated expenditures for police services during FY 21.

Parks, Recreation and Marine

- 6. Increase appropriations in the General Fund Group in the Parks, Recreation and Marine Department by \$88,101 for landscaping services to various departments, offset by revenue received through MOU service charges.*

The Parks, Recreation and Marine Department has MOU agreements with various City departments for landscape services. An appropriation increase of \$88,101 is requested to align the budget to the actual cost of service provided to the Health and Human Services, Library Services, Police, Public Works, and Technology and Innovation

Departments. The appropriations increase will be offset by revenue received from these departments through MOU service charges. Sufficient appropriation exists in the user departments for this service.

- 7. Increase appropriations in the General Fund Group in the Parks, Recreation and Marine Department by \$28,600 to support the Department's Strategic Plan and space planning services, offset by funds available or operating reserves.*

The Parks, Recreation and Marine Department is requesting an appropriation increase of \$28,600 to complete its Strategic Plan and for space planning services. In FY 19, the City Council approved for the department to update its Strategic Plan. The new updated plan will cover a ten-year period and will guide programmatic, staffing, and budget decisions for the Department. While a significant portion of the plan has been developed, \$20,600 from the General Fund is requested to support additional staff work needed to complete the plan. In addition to the Strategic Plan, the Department is requesting \$8,000 from the General Fund for space planning services. The current lease for the Department's trailers is expiring. As a result, the Department will consolidate staff into fewer buildings and will require space planning services to maximize use of existing resources. The Department is currently projecting some permit revenues to come in higher than budgeted in the current year. As the General Fund in FY 21 was balanced with an anticipated use of operating or emergency reserves to end the year, any revenues that perform better than budget are first needed to balance the bottom line and mitigate the use of operating reserves, unless a revenue is offsetting an expense that is a direct result of a revenue-generating department action. This appropriation increase will add to General Fund expenses that need to be offset by funds available or the projected reserves at the end of the year, although the Department is projecting higher revenues than budgeted that may positively help end of year funds.

- 8. Increase appropriations in the Tidelands Area Fund Group in the Parks, Recreation and Marine Department by \$100,000 for the Surrender and Abandoned Vessel Exchange Program, offset by grant revenues.*

On April 14, 2020, the City Council approved a grant from the State of California Department of Parks and Recreation, Division of Boating and Waterways (DBAW) for the Surrender and Abandoned Vessel Exchange Program (SAVE). City Council approved an appropriation increase of \$100,000 for grant expenditures, offset by grant revenues, for the removal and disposal of abandoned and surrendered vessels, which may become a substantial hazard to navigation. There were no expenditures for reimbursement in FY 20 and the grant is effective until September 30, 2021. This request will reappropriate the grant in FY 21, offset by grant revenues.

- 9. Increase appropriations in the General Fund Group in the Parks, Recreation and Marine Department by \$80,000 as a technical correction for the Be SAFE program appropriation.*

As part of the Adopted FY 21 Budget, the City Council approved a motion to add one-time funding of \$192,000 to the already structurally funded amount of \$80,000 for a total of \$272,000 for the Be SAFE program at 11 sites. The budget for this program was inadvertently reduced by \$80,000 in the Parks, Recreation and Marine Department at

the second reading of the Budget Ordinance. An appropriations increase in the amount of \$80,000 in the General Fund Group in the Parks, Recreation and Marine Department is requested as a technical correction.

10. *Increase appropriations in the General Fund Group in the Parks, Recreation and Marine Department by \$2,250 to support the purchase of a new storage container for Stearns Champions Park in the Fourth District, offset by funds originally set aside for this purpose.*

On September 1, 2020, the City Council approved the allocation of District Priority Funds to support the purchase of a new storage container for Stearns Champions Park in the Fourth District to be used by Long Beach Little League. The Parks, Recreation and Marine Department was unable to purchase the storage container in FY 20 but are planning to make the purchase in FY 21. An appropriations increase in the amount of \$2,250 in the General Fund Group in the Parks, Recreation and Marine Department is requested to provide appropriation for the purchase in FY 21, offset by the funds originally set aside for this purpose.

Police

11. *Decrease appropriations in the General Grants Fund Group in the Police Department by \$490,492, as a technical correction.*

On December 15, 2020, the City Council approved two different appropriation increases for a total amount of \$490,492 in the Police Department to allow for the delivery of police uniforms, equipment, supplies and accessories from Galls, LLC. A technical correction is needed to reduce the appropriation in the General Grants Fund Group by \$490,492 as budget for these purchases was also increased by City Council on January 19, 2021 in the FY 20 Third Departmental and Fund Appropriation Adjustment letter through the approval of the State of California Citizens Option for Public Safety (COPs) 2018 and 2019 grant revenue. This request will reduce the excess appropriation for this contract.

Public Works

12. *Increase appropriations in the Capital Projects Fund Group in the Public Works Department by \$126,000 for capital improvements related to the sewer drain repairs at the Multi-Service Center, offset by a transfer of \$56,000 from the General Fund Group and \$70,000 from the Health Fund Group in the Health and Human Services Department.*

The sewer drains at the Multi-Service Center are damaged, causing water to back up in the men's showers. This requested appropriations increase will cover the cost of needed repairs to restore the showers in the men's restroom. Currently, all clients are sharing the women's showers at designated times for men and women. In addition, the funds will also be used to remove existing multi-person shower towers and install individual shower stalls, which will facilitate social distancing during the pandemic. This appropriation increase of \$126,000 in the Capital Projects Fund Group in the Public Works Department will be offset by a transfer of \$56,000 from the General Fund Group and \$70,000 from the Health Fund Group in the Health and Human Services Department.

13. *Increase appropriations in the Capital Projects Fund Group in the Public Works Department by \$944,087 for renovations at the Youth Shelter and Navigation Center, offset by a transfer of \$344,087 from the Health Fund Group in the Health and Human Services Department and \$600,000 from the Community Development Grants Fund Group in the Development Services Department.*

The City is renovating two adjacent properties located at 1718 and 1722 Hayes Avenue. The 1718 Hayes Avenue will be converted into a shelter for up to 12 youth experiencing homelessness, while 1722 Hayes Avenue will be converted into a Navigation Center that will allow people experiencing homelessness to store belongings while being connected to services, resources, and case management. The requested appropriation increase of \$944,087 in the Capital Projects Fund Group in the Public Works Department will cover design and construction costs and will be offset by a transfer of \$344,087 from State funds budgeted in the Health Fund Group in the Health and Human Services Department and \$600,000 from ESG-CV round 2 grant funds budgeted in the Community Development Grants Fund Group in the Development Services Department.

14. *Increase appropriations in the Capital Projects Fund Group in the Public Works Department by \$41,900, offset by rebates and incentives received from Southern California Edison (SCE) ChargeReady program.*

On December 4, 2018, the City Council approved participation in SCE ChargeReady program and awarded a contract to ChargePoint, to install and maintain electric vehicle (EV) charging stations. Per the agreement with SCE, rebates and incentives are available to assist with funding of purchase, installation, and maintenance of EV charging stations. At the time, total project costs, net of SCE rebates and incentives, were estimated at \$4.3 million. The City Council approved \$3.3 million in appropriation, with revenue to offset project costs, leaving \$977,780 in unfunded project costs. The Public Works Department indicated that it would return to request additional appropriation once identified. This request is for an appropriation increase of \$41,900 to support a portion of the ChargeReady program, offset by rebates and incentive revenues received from SCE's ChargeReady program. Of the total unfunded project cost, the Department has gathered previously approved funding in the amount of \$327,789, combined with the present request of \$41,900 for a total of \$369,689. A remaining balance of \$608,091 remains unfunded for the program and the Department will return to the City Council as new revenues are identified to complete the project.

15. *Increase appropriations in the Capital Projects Fund Group in the Public Works Department by \$647,000 for the installation of EV infrastructure and charging units, offset by a transfer from the Fleet Services Fund Group in the Financial Management Department; and,*

Increase appropriations in the Fleet Services Fund Group in the Financial Management Department by \$500,000, offset by a transfer of AB 32 Cap and Trade funds from Gas Fund Group in the Energy Resources Department.

The Public Works Department has completed the installation of 96 EV charging ports at 11 locations citywide. There are currently an additional 210 EV charging ports at 13

Fleet locations planned for installation through September 2022. The Fleet Services Bureau in the Financial Management Department received \$250,000 in AB 32 Cap and Trade funds in FY 20, of which \$147,000 will be utilized for this project, and \$500,000 in FY 21, for a total of \$647,000. These funds are to support the EV Charging program at City site locations to support ZEV Fleet roll-out and charging. An appropriation increase of \$647,000 is requested in the Capital Projects Fund Group in the Public Works Department for the installation of remaining EV infrastructure and charging units, offset by a transfer from the Fleet Services Fund Group in the Financial Management Department. An appropriation increase of \$500,000 is also requested in the Fleet Services Fund Group for the FY 21 allocation of AB 32 funds to transfer to the Capital Projects Fund Group.

16. *Increase appropriations in the Capital Projects Fund Group in the Public Works Department by \$136,637, for costs related to damages to the Bellflower Boulevard Bridge, offset by reimbursements received from SCE.*

On August 9, 2019, Public Work's Construction Management Division authorized (Permit PWP42325) Southern California Edison (SCE) to excavate 2 holes at Spring Street and Bellflower Boulevard to install a 10-foot electrical vault. During the time of installation, SCE's contractor inadvertently sawcut through the concrete deck of the Bellflower Boulevard Bridge over Los Cerritos Drain Channel (City Bridge Number 2983). Two longitudinal cuts of approximately 20 feet in length and 27 inches apart were made into the concrete deck, which compromised the bridge's structural integrity. SCE agreed to repair the bridge and reimburse the City for engineering design, construction inspection, staff time, and any bridge repair-related costs. The total cost to repair the bridge was \$136,637; SCE was billed for the total cost and has reimbursed the City.

17. *Increase appropriations in the Civic Center Fund Group in the Public Works Department by \$14,500 for the Fire Station 1 HVAC system, offset by a transfer from the Capital Projects Fund Group in the Public Works Department.*

As part of the Adopted FY 20 Budget approved by the City Council on September 3, 2019, an amount of \$1,000,000 was allocated in the Capital Projects Fund Group in the Public Works Department for facility improvements, of which, \$14,500 of expense was incurred for repairs to Fire Station 1 HVAC system. These costs will be charged to the Civic Center Fund Group. Therefore, an appropriation increase of \$14,500 is requested in the Civic Center Fund Group, offset by a transfer from the Capital Projects Fund Group.

18. *Decrease appropriations in the Debt Service Fund in the Public Works Department by \$762,441 for the City, Light and Power (CLP) budget, which is no longer considered a debt service transaction for accounting purposes;*

Decrease appropriations in the General Fund Group in Citywide Activities Department by \$1,243,422 previously used for the CLP debt service transfer to the Debt Service Fund Group and move the appropriation to the Public Works Department; and,

Increase appropriations in the General Fund Group in the Public Works Department by \$1,243,422 for the total CLP contract costs, offset by reducing appropriation in Citywide Activities Department.

The CLP contract has included debt service payments for the installation of lights throughout the City. The City recorded the full interest and principal debt payments over 23 years in the Debt Service Fund Group, resulting in the debt being paid in full by FY 19. The remaining two years of the CLP contract needs to be budgeted in the General Fund Group as part of the regular electrical contract with CLP that expires in April 2021. The \$762,441 was erroneously budgeted in the Debt Service Fund Group. This request transfers the appropriation from Citywide Activities Department to the Public Works Department in the General Fund Group, where the department is making the CLP contract payments. This is the last year of the contract and the amount of \$1,243,422 is needed to pay the CLP contract for FY 21.

19. *Decrease appropriations in the General Fund Group in the Public Works Department by \$112,746 as a technical correction.*

As part of the Adopted FY 21 Budget, the City Council approved the transfer of the Street Light Maintenance (Program) currently performed by CLP to City staff. The approved transfer included a budget of \$112,746 for ongoing vehicle maintenance needs, which was erroneously budgeted in the Program and was also budgeted through Fleet Services Memorandum of Understanding (MOU). A decrease of appropriations in the amount of \$112,746 is requested in the General Fund Group in the Public Works Department as a technical clean up to remove the duplicative fleet maintenance budget from the Program.

Capital Projects Budgeting Munis Technical Cleanups

On April 15, 2019, the City went live with Phase 1 of the Munis Financials system. The implementation included approximately 100,000 converted lines of the FY 19 Adopted and Adjusted Budget, utilizing the newly developed Chart of Accounts, as well as over 2,800 lines of Projects and Grants budget from the converted Project Ledger data. By design during implementation, the Capital Projects budget amounts from the prior financial system were transferred into a unique account in the Munis Project Ledger and were appropriated in new individual Munis funds within the Capital Projects Fund Group. As part of a new budgeting methodology in the Munis Project Ledger, Capital Projects expenditures are recorded in the Capital Projects Fund while funding sources such as Gas Tax, County Proposition C, County Measure R, Transportation Improvement Fees, and other sources are purposely recorded in a different fund within the Capital Projects Fund Group. This creates a need to double budget projects from particular funding sources in the Munis Project Ledger. Items #20 through #23 below are adjustments needed to properly budget projects in the correct fund according to the new Munis Project Ledger and accounting system.

20. *Increase appropriations in the Capital Projects Fund Group in the Public Works Department by \$67,142,095, as a technical budget adjustment to allow for the Project Ledger double budgeting process in the Munis Financials.*

The appropriation increase of \$67,142,095 is requested in the Capital Projects Fund to complete the new double budgeting methodology for a portion of the active projects that were transferred from the prior financial system as seen in the table below. This is a technical adjustment to align budget to where costs will be recorded, and no new budget is being added to any projects or programs at this time. Analysis of project budgets are still underway by the Public Works Department, and it is likely additional adjustments will be needed in future budget adjustment letters to complete the double budgeting methodology for Capital Projects in the Project Ledger to allow for proper accounting and budgeting. Those items will be brought to the City Council at a future date.

| Capital Projects Fund Group Technical Adjustment | | | |
|---|---------------------------|-------------------|-------------------------|
| Fund Title | Conversion History | | Appropriations |
| | Imported to MUNIS | | Increase Request |
| CAPITAL PROJECTS | \$ | - | \$ 67,142,095 |
| <u>Double Budget Per Fund</u> | | | |
| TRAFFIC MITIGATION FEES | \$ | 1,099,915 | \$ - |
| PARKS IMPACT FEES | \$ | 1,453,909 | \$ - |
| SPECIAL ASSESSMENT PROJECTS | \$ | 53,541 | \$ - |
| TRANSPORT CAPITAL PROJECT-GRANTS | \$ | 6,674,653 | \$ - |
| STATE GAS TAX CP PROJECTS | \$ | 12,222,925 | \$ - |
| COUNTY PROP C METRO | \$ | 19,474,572 | \$ - |
| COUNTY MEASURE R METRO | \$ | 1,800,251 | \$ - |
| STATE AB2766 AIR QUALITY | \$ | 1,334,768 | \$ - |
| COUNTY MEASURE M METRO | \$ | 2,377,227 | \$ - |
| COUNTY PROP A METRO | \$ | 14,996,611 | \$ - |
| STATE RMRA LOCAL RETURN | \$ | 5,429,046 | \$ - |
| STATE PT TRAN DEV ACT SB821 | \$ | 224,678 | \$ - |
| Total: | \$ | 67,142,095 | \$ 67,142,095 |

21. *Increase appropriations in the Civic Center Fund Group in the Public Works Department by \$2,750,000 for the Lincoln Park Project, offset by a decrease in budget in the Capital Projects Fund Group in the Public Works Department; and,*

Decrease appropriations in the Capital Projects Fund Group in the Public Works Department by \$2,750,000 as a technical cleanup.

As part of the Adopted FY 20 Budget approved by the City Council on September 3, 2019, \$4,736,227 was allocated for the Lincoln Park Project in the Civic Center Fund Group as part of the Capital Improvements Program. Due to double budgeting required by the new financial system, \$2,750,000 was incorrectly added to the Capital Projects Fund Group. This is a technical cleanup to move the appropriation from the Capital Projects Fund Group to the Civic Center Fund Group where the expenses will be charged.

22. *Increase appropriations in the Civic Center Fund Group in the Public Works Department by \$660,000 for solar panels for the Civic Center, offset by a decrease in budget in the Capital Projects Fund Group in the Public Works Department; and,*

Decrease appropriations in the Capital Projects Fund Group in the Public Works Department by \$660,000 as a technical cleanup.

As part of the Adopted FY 20 and FY 21 Budgets approved by the City Council, \$553,000 and \$107,000, respectively, for a total of \$660,000, were allocated as part of the Capital Improvement Program for new solar panels to be installed on the 2nd floor of the Civic Center, offset by AB 32 funds. This is a technical cleanup to move the appropriation from the Capital Projects Fund Group to the Civic Center Fund Group, where the expenses will be charged.

23. *Increase appropriations in the Capital Projects Fund Group in the Public Works Department by \$8,000,000 as a technical cleanup, offset by transfer of Road Maintenance and Rehabilitation Account (RMRA) funds from the Capital Projects Fund Group.*

As part of the Adopted FY 21 Budget approved by City Council, \$8,000,000 was allocated in the Capital Projects Fund Group in the Public Works Department, offset by RMRA funds. Due to the double budgeting required by the new financial system, a technical adjustment to increase appropriation in the amount of \$8,000,000 is requested to align revenue and expense appropriation.

CARES Funding

On July 14, 2020, the City Council approved a spending plan for the \$40.28 million Coronavirus Aid, Relief and Economic Security (CARES) Act allocation received as part of the State's budget. The spending included: \$19.13 million to offset the costs of the City's emergency response efforts, including staff substantially diverted to COVID-19 response activities; \$14.4 million for Community Support Programs; and, \$6.75 million for Business Support Programs.

The \$19.13 million approved for the City's pandemic response covered costs that are not otherwise reimbursable by other funding sources to help mitigate General Fund needs. In FY 20, \$13.13 million of General Fund costs related to the COVID-19 response were offset by funds made available by the State CARES Act allocation. The balance of \$6 million was set aside at FY 20 year-end to be reappropriated in FY 21 for use in FY 21 for COVID-19-related costs. The exact allocation of funding will be determined at year-end depending on costs and may require appropriation adjustments based on actual expenditures incurred.

Of the \$21.15 million allocated for Community Support and Business Recovery and Resiliency, approximately \$2.14 million was expended in FY 20. The balance of \$19,003,501 was reserved at year-end FY 20 and is requested to be reappropriated in FY 21 for City Council-approved programs. Given the late timing of the allocation from the State, it was clear the majority of the funds would need to be expended in FY 21, mostly between October 2020 and the end of December 2020. All approved programs have been implemented and are either complete or in the final stages of completion. The appropriation amounts requested below reflect the reappropriation of FY 20 funding approved by City Council in the December 15, 2020

memorandum "Update on CARES Act Programs," so that the correct appropriation exists in FY 21 for completion of the programs and uses.

24. *Increase appropriations in the General Fund Group in the Citywide Activities Department by \$6,000,000 for FY 21 citywide COVID-19 response efforts, offset by a release of the State allocation of U.S. Treasury Coronavirus Relief Funds set aside for this purpose at FY 20 year-end, and*
25. *Increase appropriations in the General Fund Group in the Health and Human Services Department by \$9,758,500 for one-time projects to relieve COVID-19 impacts in the community, offset by a release of the State allocation of U.S. Treasury Coronavirus Relief Funds set aside for this purpose at FY 20 year-end.*
26. *Increase appropriations in the General Fund Group in the City Manager Department by \$1,700,000 for one-time projects to relieve COVID-19 impacts in the community, offset by a release of the State allocation of U.S. Treasury Coronavirus Relief Funds set aside for this purpose at FY 20 year-end.*
27. *Increase appropriations in the General Fund Group in the Economic Development Department by \$5,642,274 for one-time projects to relieve COVID-19 impacts in the community, offset by a release of the State allocation of U.S. Treasury Coronavirus Relief Funds set aside for this purpose at FY 20 year-end.*
28. *Increase appropriations in the General Fund Group in the Parks, Recreation and Marine Department by \$804,837 for one-time projects to relieve COVID-19 impacts in the community, offset by a release of the State allocation of U.S. Treasury Coronavirus Relief Funds set aside for this purpose at FY 20 year-end.*
29. *Increase appropriations in the General Fund Group in the Public Works Department by \$73,404 for one-time projects to relieve COVID-19 impacts in the community, offset by a release of the State allocation of U.S. Treasury Coronavirus Relief Funds set aside for this purpose at FY 20 year-end.*
30. *Increase appropriations in the General Fund Group in the Technology and Innovation Department by \$1,024,485 for one-time projects to relieve COVID-19 impacts in the community, offset by a release of the State allocation of U.S. Treasury Coronavirus Relief Funds set aside for this purpose at FY 20 year-end.*

Citywide Homelessness Efforts

31. *Increase appropriations in the General Fund Group in the City Manager Department by \$784,486 to implement citywide homelessness response and cleanup efforts, offset by unspent FY 20 funds set aside for this purpose.*

On February 2, 2021, a memo went to the City Council regarding the Interdepartmental team's efforts related to cleanups for the homeless population throughout the City. The Interdepartmental team includes the Department of Health and Human Services Homeless Services Division, Police Department Quality of Life Officers, Fire Department

Homeless Education and Response Team (HEART) units, and staff from the Public Works, Parks, Recreation and Marine, Library Services, and City Attorney Departments, as well as Emergency Response personnel, all who conduct outreach and cleanup efforts throughout Long Beach. The chart below describes the staffing model and duration of services as presented in the February 2nd memo, and also describes the costs associated with each Department.

On August 4, 2020, the City Council authorized the release of \$1 million from the Unfunded Liability Reserve held in the Employee Benefits Fund to transfer to the General Fund Group in the Economic Development Department for the Small Business Restart Grant Program that would provide direct grants to eligible Long Beach small businesses impacted by damages, theft, and/or vandalism related to the events on May 31, 2020. This program has ended and a total of \$213,206 in grants were approved to recipients from the \$1 million budget, leaving a balance of \$786,794. At the end of FY 20, these funds were reserved with the intention that the \$784,486 would be used to offset the future cleanup and outreach efforts conducted by the Interdepartmental team. These funds will be appropriated in the City Manager's Department as they will be managing and facilitating these funds according to the plan outlined in the table below:

| Department | Staffing Model | Duration | Fund Group | Allocation Amounts |
|------------------------------|---|--|--------------------|--------------------|
| Health and Human Services | 1 Supervisor 2 Outreach Workers | 1 Day per weekend (Overtime) | General Fund Group | \$58,875 |
| Fire | 1 HEART Unit and/or Marine Safety for Tidelands area outreach = 2 members | Sat. & Sun., 6am-2pm (Overtime) | General Fund Group | \$144,000 |
| Police | 1 Quality of Life Team = 2 members | 1 Day per weekend (Overtime) The second day is covered by Tidelands at this time. | General Fund Group | \$81,611 |
| Public Works | 2 Refuse Operator I 2 Refuse Operator II 1 Maintenance Assistant I Miscellaneous Costs Equipment (\$4,000) Disposal (\$3,000) Ocean Blue (\$45,000) | 32 Hours per week 32 Hours per week 24 Hours per week | General Fund Group | \$400,000 |
| Parks, Recreation and Marine | 1 Gardener II 1 Park Maintenance 1 Supervisor Contractor | Four days per week (2 days for posting/2 days for cleaning) | General Fund Group | \$100,000 |
| Total | | | | \$784,486 |

LB COAST Cost Allocation #2

32. *Increase appropriations in the Development Services Fund Group in the Development Services Department by \$246,159 for a transfer to the General Services Fund Group in the Technology and Innovation Department for the LB COAST project.*

On March 9, 2020, the Financial Management Department released a memo to departments outlining an additional cost allocation (#2) to reflect the increased costs for the LB COAST project. The cost allocation methodology was the same as the methodology used for the original project cost allocation and is based on the indirect cost allocation plan used for accounting operations and on revenue generated by each City fund. The schedule for providing the requested funds was discussed with each fund manager, with payments being made in either FY 20 or FY 21. Each department was to request appropriation for the transfer should they determine it was necessary.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN GROSS
INTERIM DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:



THOMAS B. MODICA
CITY MANAGER

Second Budget Adjustment for FY 21

| | USES: <u>Budgeted</u> <u>Expenditure</u> | SOURCES: <u>Budgeted</u> <u>Revenue</u> | <u>Other</u> <u>Sources</u> |
|--|---|--|--|
| <u>General Fund Group</u> | | | |
| Proposed 2nd FY 21 Adjustments | | | |
| Fireworks Enforcement Pilot Program Transfer to Police Department | - | - | - |
| Fire Station 9 Rent and Utilities | 165,600 | 165,000 | - |
| Council District 6 One-Time District Priority Reprograming | - | - | - |
| Landscape Services MOU | 88,101 | 88,101 | - |
| PRM Strategic Plan and Space Planning | 28,600 | - | 28,600 |
| Be SAFE Technical Correction | 80,000 | - | 80,000 |
| Stearns Champions Park Technical Correction | 2,250 | - | 2,250 |
| City, Light and Power (CLP) Contract | - | - | - |
| Fleet Maintenance Budget Technical Correction | (112,746) | - | (112,746) |
| CARES - FY 21 COVID-19 Response City Costs | 6,000,000 | - | 6,000,000 |
| CARES - FY 21 COVID-19 Impact Projects - Health and Human Services | 9,758,500 | - | 9,758,500 |
| CARES - FY 21 COVID-19 Impact Projects - City Manager | 1,700,000 | - | 1,700,000 |
| CARES - FY 21 COVID-19 Impact Projects - Economic Development | 5,642,274 | - | 5,642,274 |
| CARES - FY 21 COVID-19 Impact Projects - Parks, Rec and Marine | 804,837 | - | 804,837 |
| CARES - FY 21 COVID-19 Impact Projects - Public Works | 73,404 | - | 73,404 |
| CARES - FY 21 COVID-19 Impact Projects - Technology & Innovation | 1,024,485 | - | 1,024,485 |
| Citywide Homelessness Efforts | 784,486 | - | 784,486 |
| Total Adjustments - General Fund Group | \$ 26,039,791 | \$ 253,101 | \$ 25,786,090 |
| <u>Airport Fund Group</u> | | | |
| Proposed 2nd FY 21 Adjustments | | | |
| Police Services MOU Adjustment for the Airport | \$ 501,647 | \$ - | \$ 501,647 |
| Total Adjustments - Airport Fund Group | \$ 501,647 | \$ - | \$ 501,647 |
| <u>Capital Projects Fund Group</u> | | | |
| Proposed 2nd FY 21 Adjustments | | | |
| Fire Station 15 and 20 Improvements | 600,018 | 600,018 | - |
| Multi-Service Center Sewer Drain Repairs | 126,000 | 126,000 | - |
| Youth Shelter and Navigation Center Renovations | 944,087 | 944,087 | - |
| SCE ChargeReady Program | 41,900 | 41,900 | - |
| EV Infrastructure and Charging Units | 647,000 | 647,000 | - |
| Bellflower Boulevard Bridge Repairs | 136,637 | 136,637 | - |
| Capital Projects Fund Group Technical Adjustment | 67,142,095 | - | 67,142,095 |
| Lincoln Park Budget Technical Correction | (2,750,000) | (2,750,000) | - |
| Civic Center Solar Panels Technical Correction | (660,000) | (660,000) | - |
| RMRA Funds Technical Correction | 8,000,000 | 8,000,000 | - |
| Total Adjustments - Capital Projects Fund Group | \$ 74,227,737 | \$ 7,085,642 | \$ 67,142,095 |
| <u>Civic Center Fund Group</u> | | | |
| Proposed 2nd FY 21 Adjustments | | | |
| Fire Station 1 HVAC System Repairs | 14,500 | 14,500 | - |
| Lincoln Park Budget Technical Correction | 2,750,000 | 2,750,000 | - |
| Civic Center Solar Panels Technical Correction | 660,000 | 660,000 | - |
| Total Adjustments - Civic Center Fund Group | \$ 3,424,500 | \$ 3,424,500 | \$ - |
| <u>Debt Service Fund</u> | | | |
| Proposed 2nd FY 21 Adjustments | | | |
| City, Light and Power (CLP) Contract | (762,441) | (762,441) | - |
| Total Adjustments - Debt Service Fund Group | \$ (762,441) | \$ (762,441) | \$ - |

Second Budget Adjustment for FY 21

| | USES: | SOURCES: | |
|--|---------------------------|------------------------|-----------------------|
| | <u>Budgeted</u> | <u>Budgeted</u> | <u>Other</u> |
| | <u>Expenditure</u> | <u>Revenue</u> | <u>Sources</u> |
| <u>Development Services Fund Group</u> | | | |
| Proposed 2nd FY 21 Adjustments | | | |
| LB COAST Cost Allocation #2 | 246,159 | - | 246,159 |
| Total Adjustments - Development Services Fund Group | \$ 246,159 | \$ - | \$ 246,159 |
| <u>Fleet Services Fund Group</u> | | | |
| Proposed 2nd FY 21 Adjustments | | | |
| EV Infrastructure and Charging Units | 500,000 | 500,000 | - |
| Total Adjustments - Fleet Services Fund Group | \$ 500,000 | \$ 500,000 | \$ - |
| <u>General Grants Fund Group</u> | | | |
| Proposed 2nd FY 21 Adjustments | | | |
| State COPS Grant Technical Correction | (490,492) | (490,492) | - |
| Total Adjustments - General Grants Fund Group | \$ (490,492) | \$ (490,492) | \$ - |
| <u>Tidelands Operations Fund Group</u> | | | |
| Proposed 2nd FY 21 Adjustments | | | |
| Surrender and Abandoned Vessel Exchange Program | 100,000 | 100,000 | - |
| Total Adjustments - Tidelands Operations Fund Group | \$ 100,000 | \$ 100,000 | \$ - |
| | 103,786,901 | 10,110,310 | 93,675,991 |