



## City of Long Beach Budget Oversight Committee Recommendations

	Recommendation	Current Status	BOC Recommended Next Steps
<b>FY 07 Recommendations</b>			
1	Recommend the City Manager identify existing staff to be dedicated to performing a detailed contracting-in marketing and capacity analysis and implement findings in FY 07	Staff reviewed and presented a report on contracting opportunities in 2006. The study and recent experience indicate very limited opportunities, given lack of capacity and cost structures.	
2	Recommend the City Council support the current repayment plan adopted by the RDA, until such time as a new and expedited schedule can be developed. We request the City Manager to work with the RDA to review projected revenue and expenditures in the Downtown Project Area at the end of the first quarter, December 31, 2006, after it receives its tax increment from the County. And if there is additional revenue beyond current budget projections, the RDA commit these additional revenues to Downtown debt repayment to the General Fund; and, recommend that the North Redevelopment Property Tax Increment generated by Port District assets continue to be shared for general City purposes in accordance with the Clarion Study.	The RDA repayment Schedule was adopted by the City Council on September 12, 2006, and anticipated repayment of Downtown RDA debt commencing in FY 08. Subsequent to receiving the March 2007 installment of Property Tax Increment revenue, staff will report as to whether the repayment can be accelerated to begin this fiscal year. Staff continues to monitor the North RDA's Port-area generated tax increment and will report back concurrent with the Downtown RDA revenue mentioned above. Note that an additional \$2.3 million of North RDA revenue was committed to fund high priority fire stations.	
3	Recommend the City Manager pursue the following initiatives, based on Employee Innovation Team Implementation proposals:		
(a)	Create a Revenue Collection Enforcement Team that is charged with maximizing revenue collection;	In progress	
(b)	Expand the cost recovery program for law violators to all impacted departments with recurring costs; and	Staff will provide a full mid-year update to the BOC on project status at an upcoming BOC meeting.	
(c)	Develop safety programs and preventative measures that provide incentives for reducing Workers' Compensation costs.	Staff is working to identify possible options for inclusion in the FY 08 budget.	



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4	Recommend support of the City Manager-proposed fee increases using the full-cost methodology developed through the fee study, in support of the City Council's newly adopted fee policy.	The fee increases proposed for FY 07 were adopted in full by the City Council on September 12, 2006. Departments are reviewing fees and cost recovery for services provided on a continual basis. Opportunities to generate a material level of revenue from fee increases during the fiscal year will be brought to the City Council on a case-by-case basis.	
5	Recommend the City Manager present recommendations to the City Council from the Parking Optimization Study regarding current rates, and develop a Citywide parking strategy that would include meters, structures and lots.	The RDA is updating its parking study. It will develop a strategy for addressing a number of parking issues in the Downtown, including rate structure, valet, circulation, parking solutions, etc. The study will include a community participation element and should be concluded by July 2007.	
6	Recommend the development of multi-year financial strategies and priorities to address critical unmet City infrastructure and Public Safety needs such as:		
(a)	One Time Revenue/Expenditures for: <ul style="list-style-type: none"> <li>· Streets, alleys, sidewalks, curbs, street drainage and potholes;</li> <li>· Fire and Police Facilities;</li> </ul>	During a City Council Study Session on January 16, 2007, the Director of Financial Management and the Director of Public Works gave a presentation on the City's Infrastructure needs (focusing on streets and sidewalks) and possible funding options, including doubling the current Oil Production Tax to \$0.30/bbl. Several questions were asked and staff is preparing responses for the City Council. Staff is working with RDA to assess the Agencies commitment to streets and will be scheduling another workshop to continue discussions in the coming months. A formal review is being conducted on Police/Fire facilities and will incorporate disparate studies recently completed. Staff is bringing an update (qtrly) to City Council on the status of funding and implementing priority public safety facility improvements.	



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<b>(b)</b>	<p>On-Going Revenue/Expenditures</p> <ul style="list-style-type: none"> <li>· Police Officer Recruitment and Retention; and</li> <li>· Library Programs, services and hours of operation</li> </ul>	<p>The City Council approved a 10 percent longevity increase along with additional guaranteed salary increases for Police Officer Association (POA) members and Police Department management on November 21, 2006. This \$10 million increase over three years was requested to head-off potential retention issues amongst more senior officers within the police force. As part of the Mayor's Recommendations for the Adopted FY 07 Budget, approved by the City Council, service levels for the Department of Library Services were restored back to FY 03 levels. \$400,000 was also pledged as a one-time infusion of resources for the Department's general book budget. The level of funding was still short of the levels envisioned by the Long Beach Challenge outreach strategy.</p>	
<b>7</b>	<p>Recommend the City Manager and City Council evaluate potential Spring 2007 and April 2008 tax measures and other revenue opportunities during FY 07, including but not limited to:</p>		
<b>(a)</b>	<p>Fee Based Revenue Generating Options not Requiring a Vote of the Public</p> <ul style="list-style-type: none"> <li>- Container Fee</li> <li>- Rental Car Fee</li> </ul>	<p>A staff report was presented to the BOC on July 11, 2006 regarding the possibility of implementing a Container Fee. A staff report has been completed concerning the Rental Car Fee and is available to be presented to BOC at a future meeting.</p>	
<b>(b)</b>	<p>Non-resident Tax Generating Options</p> <ul style="list-style-type: none"> <li>- Oil Production</li> <li>- Transient Occupancy</li> </ul>	<p>On January 30, 2007 the City Council voted to place a \$.25 increase to the Oil Production tax, with CPI increases, on the May 1, 2007 ballot, the Police and Fire Public Safety Oil Production Act, which if approved by a 2/3rds majority of the electorate, will provide dedicated funds for police officers and firefighters, by assessing an additional \$0.25/bbl on the current \$0.15 Oil Production Tax. Note that the city's major Hoteliers self-assessed a 3 percent Transient Occupancy Tax in August 2005; this action brought total City/Hotelier TOT up to 15 percent, which is among the highest in the region.</p>	



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(c)	Local Resident and Business Tax Generating Options - Local Parcel - Mello Roos - Parking Lot	Information can be provided at a future meeting	
8	Evaluate and develop long-term financial mechanism to address the on-going graffiti removal program	Responsibility for the Graffiti Abatement Program was shifted from Public Works to Community Development on November 1, 2006. As a result, Program resource requirements have also expanded from a single response truck to 4 response trucks. Additionally, as of January 2007, the Program was further expanded to include public rights of way. This additional responsibility will likely require a 5 <sup>th</sup> truck.	
9	Recommend reaffirmation of existing City Financial Policies, as amended	Adopted by Council 9/12/06	
10	Support the City Manager's proposed enhancements related to Infrastructure and other quality of life issues, which have been identified as core services, community priorities and/or as Mayor and City Council priorities;	Adopted by Council 9/12/06	
11	Support the fee increases and adjustments proposed by the City Manager and Board of Water Commissioners.	Adopted by Council 9/12/06	
<b>FY 07 Next Steps</b>			
1	Develop financial strategies to address future liabilities, as identified in the City Manager's Proposed Financial Strategic Plan including annual costs for:		



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(a)	Negotiated increase to bring police personnel to the median of the City's comparable agencies (\$10-\$15 million)	On August 16, 2005, the City Council approved a MOU with the POA that provided an increase in base compensation, plus a guaranteed adjustment to the median pay rate of Police Department's ten comparable agencies. On November 21, 2006, the City Council approved an amendment to the MOU providing an additional 5 percent increase in FY 07, retroactive to October 1, 2006, for police officers with 10 years or more of service. Beginning in FY 08, officers with 15 or more years of service will receive an additional 5 percent increase annually.	



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<b>(b)</b> Fire and non-sworn personnel negotiations (\$1.5 million per additional 1 percent growth in salaries)	The current contract with Fire runs through September 30, 2008. On January 30, 2007 the City Council voted to place on the May 1, 2007 ballot, the Police and Fire Public Safety Oil Production Act, which if approved by a 2/3rds majority of the electorate, will provide dedicated funds for police officers and firefighters, including equipment, by assessing an additional \$0.25/bbl on the current \$0.15 Oil Production Tax. The non-sworn employees contract expires September 30, 2007.	
<b>(c)</b> City Hall seismic retrofit (over \$3.5 million – early estimate)	City Hall review of retrofit options is underway. Staff will bring a report with disposition and funding options to the BOC once a proposal has been developed.	
<b>(d)</b> Annual set-aside for GASB 45 retiree healthcare liabilities	Possible \$2.5 - \$4 million per year impact. Presentation will be scheduled with BOC to discuss.	
<b>2</b> Evaluate and develop financial strategies to address critical unmet City infrastructure needs.	See 6a on Page 2	
<b>3</b> Continue further discussions of outstanding resident, employee and Innovation Team recommendations.	In progress	
<b>4</b> Review the progress of the Focus on Results (FOR) Long Beach performance management efforts.	Focus on Results is fully incorporated in the budget development process. Reporting and tracking systems are being implemented to provide expanded information on Citywide performance.	
<b>5</b> Review and update the City Council Stated Priorities to ensure they reflect the community's needs and include "Reduce poverty in the City of Long Beach".	A community survey will be executed in March 2007 to identify community priorities. Results of the survey will be presented to City Council in an April 3 <sup>rd</sup> study session during which the City Council will develop its stated priorities for FY 08. Staff will use the outcome of the study session to develop their FY 08 budget proposals.	
<b>6</b> Evaluate and develop long-term financial mechanism to increase the Arts Council budget.	In progress	
<b>7</b> Evaluate and develop long-term financial mechanism to reinstate the Employee Tuition Reimbursement Program.	In progress	
<b>8</b> Review the proposed items for consideration submitted by Councilwoman Schipske (see attached).	In progress	