

Date: August 19, 2020

To: Thomas B. Modica, City Manager



From: John Gross, Director of Financial Management



For: Mayor and Members of the City Council

Subject: **Response to Questions from the August 11, 2020 City Council Budget Hearing**

During the Budget Hearing held on August 11, 2020, the Health and Human Services, Fire, and Parks, Recreation and Marine Departments provided presentations on their Proposed FY 21 Budgets. This memorandum provides responses to questions raised by members of the City Council that were not fully addressed on the floor or needed further clarification.

- 1. In terms of revenue for the Certified Unified Program Agency (CUPA) Fund, are there any fines for local violations that previously went to the State that should instead be allocated to the City?**

For many years, the City, through its CUPA (operated by the Health and Human Services and Fire Departments) and the City Prosecutor's Office, has enforced environmental regulations and collected fines for violations of these regulations. Pursuant to California Health and Safety Code Section 25404.1.1, if a person or entity (business or other organization) has committed a violation that the CUPA is authorized to enforce, the CUPA may issue an administrative enforcement order requiring the violation be corrected and imposing an administrative penalty. All such administrative penalties collected are paid to the CUPA and deposited into a special account that must be expended only to fund the activities of the CUPA.

The City's CUPA works with the City Prosecutor's Office to enforce applicable provisions of the Health and Safety Code and to ensure that administrative penalties and fines are collected. Local violations have always been paid to the local agencies and must stay in the CUPA for CUPA-related activities. Additionally, if a CUPA-covered business is cross-jurisdictional (such as a national or regional company that operates throughout the State) and has been cited for hazardous waste violations, funds are divided among the CUPAs, usually based proportionally on the number of facilities in their jurisdiction.

- 2. With regard to Parks Gate Fees, could local residents be ambassadors to reduce their entrance fees to the El Dorado Regional Park?**

The City understands the great value that park volunteers play in supporting the City's parks, programs, and services. The Parks, Recreation and Marine Department is working with the City Attorney's Office to evaluate what options are available for local residents to be ambassadors with reduced entrance fees. If allowable, the Department would work to identify the criteria and parameters by which the program could be implemented.

3. Provide more information on the Park Ranger program, including where they are stationed and a recommended operational model. Can Park Rangers be transferred to the Parks, Recreation and Marine Department?

The Park Ranger program is composed of 1.0 Supervising Park Ranger, 2.0 Park Ranger Is and 0.5 of a Park Ranger I Non-Career, for a total of 3.5 FTEs. The Park Rangers are stationed in El Dorado Regional Park and provide most of their patrol services to the park due to the limited size of the detail. On occasion, they may patrol other parks, such as Heartwell Park, depending on the public safety need. City staff does not recommend a change to the current operational model for FY 21. If the Council wants to expand the program on a permanent basis, additional budget to hire more Park Rangers would be needed to cover additional parks.

It is not recommended that the Park Rangers be transferred outside of the Police Department as they are armed personnel. Park Rangers are considered Peace Officers under the California Penal Code, and may carry firearms. Because the Park Rangers are armed, the Park Ranger program, which was previously housed in the Parks, Recreation and Marine Department, was transferred to the Police Department as part of the FY 16 budget process. Should Park Rangers be moved to the Parks, Recreation and Marine Department, it is recommended to remove their armed status, which would require an extensive meet and confer process.

4. Can a different model with paramedics be looked at for the City's Homeless Education and Response Team (HEART) Units? Can Health staff on the HEART units respond to 911 calls?

The Fire and Health and Human Services Departments are working on a joint memorandum in response to these questions, which will be issued separately.

5. How do we budget for the mutual aid (i.e., wildland fires) reimbursements the Fire Department receives? What is a 5-year average of actuals related to this?

Each fiscal year, the Fire Department budgets \$175,000 in overtime for mutual aid incidents, most of which are wildland fires throughout the State. These budgeted costs are completely offset by budgeted revenue from the California Office of Emergency Services (Cal OES). The past practice has been to budget this amount of expenditures and revenues conservatively, since the number of incidents can vary significantly from year to year. Regardless of how much is budgeted, the result is neutral to the General Fund Group, since reimbursement revenues from Cal OES offset expenditures. Following each incident, the City is reimbursed for the total cost of each mutual aid deployment, including 100 percent of the overtime costs for each Fire Department staff deployed, a 10 percent administrative cost, and reimbursement for depreciation of the vehicles used in the deployment. Overtime costs are reimbursed by Cal OES on a "portal to portal" basis, from the time employees leave the City to the time they return to the City from the incident. The annual average for mutual aid reimbursement from FY 15 through FY 19 was \$1,785,140.

6. How will the proposed budget changes of reducing a Marine Safety Officer and some of the Lifeguard positions impact the Junior Lifeguard program? What is the impact on the Tidelands Operating Fund if this reduction does not happen?

The proposed reduction of a Marine Safety Officer (MSO) and some of the Lifeguard budgeted positions will not eliminate the Junior Lifeguard Program. The program will continue with a different operational management structure. The responsibilities currently conducted by the MSO would be distributed to the Administrative Marine Safety Captain and a civilian Assistant Administrative Analyst, which will add to their current workload. These two civilian positions will now be responsible for managing the day-to-day operations of the Junior Lifeguard Program, and the off-season Junior Lifeguard preparation class with the Long Beach Unified School District. The 10 percent cut to Seasonal Lifeguards does not have an impact on the Junior Lifeguard Program, but would result in five to seven fewer lifeguards on the beach on any given day.

Delaying the Proposed FY 21 Marine Safety Officer/Lifeguard reductions would increase the Fire's Tidelands Operating Fund budget by \$292,520. The Tidelands Operating Fund has been heavily impacted by the pandemic with reduced oil revenues in FY 20, the need to pay debt service on bond issues that would normally be covered by other sources, and costs related to the Convention Center losses. To assist in mitigating these losses, staff is evaluating actions for any one-time savings from projections and operations that can be taken in FY 20 and is proposing various structural reductions in FY 21. Even with these actions, it is anticipated that the fund will need to draw down on its reserves in FY 21, as well as the following years depending on revenues and expenses. However, it is currently assumed that oil prices will slowly increase and eventually generate more revenue, allowing the City to resume funding oil abandonment costs and, at least for a time, relieve some of the pressure on operations. Staff will continue to look at other one-time savings options for FY 21 and more permanent reduction savings ideas as part of the study of fire services planned for FY 21.

7. Can we push to see if there can be waivers or leniency in terms of requirements of the SAFER grant for the Fire Department?

The City will ask FEMA if the SAFER grant Maintenance of Effort provision can be waived and the grant period extended in a formal letter. Updates on this will be brought to City Council in a separate communication.

8. What happens to unspent Municipal Band budget/funds, particularly in the Special Advertising and Promotions Fund Group?

In FY 20, the six-week, 24-concert series was estimated to cost \$360,000. The structural funding for the concert series is \$231,000; comprised of \$66,000 from the Special Advertising and Promotions Fund Group (SAP), \$65,000 from the Tidelands Operating Fund Group, \$50,000 from the Energy Resources Department, and \$50,000 from the Environmental Services Bureau. The remaining \$129,000 needed to fund the program

is intended to come from donations from the Port of Long Beach and private “pass-the-bucket” donations from concert goers.

As of today, Parks, Recreation and Marine has spent \$21,343 on Municipal Band-related costs. This is made up of \$20,118 of SAP and \$1,225 of Tidelands Operating Fund costs for things such as vendor payments for Municipal Band music listening costs and other contractual services.

There is an estimated \$210,000 difference of cost from actuals to budgeted appropriation, if no other expenditures are made during the year in FY 20, \$45,882 of that amount is in SAP. While actual spending is anticipated to be lower than budgeted appropriation, this does not mean there will be extra or surplus funds at the end of the year in FY 20. These savings will just help the bottom line status of the fund. In FY 20, the Transient Occupancy Tax (TOT) revenue has been dramatically impacted by the pandemic and severe losses are expected into FY 21. As a result, the SAP Fund Group is projecting to rapidly draw down on its funds available and reserves, which could result in this fund’s reserves being depleted by FY 22 or 23. To begin to mitigate this rapid drain on funds available, FY 20 one-time projects are being evaluated to see if any projects can be defunded to generate savings. Additionally, savings from unspent SAP funding for programs, such as the Municipal Band, could help mitigate the draw down on funds available.

9. Does the City Manager have alternatives if the City does not raise Youth Sports Fees per the Mayor’s budget recommendations?

The Mayor has several recommendations that reverse some of the proposals in the City Manager’s Proposed FY 21 Budget, including to not add a new youth sport registration fee of \$25 per participant, per sport. Currently, these recommendations are proposed to be offset with additional use of operating reserves (or presumably emergency reserves if no operating reserves are available after FY 20 and the Proposed FY 21 budget use of \$6.1 million). For structural items, reserves can be utilized for FY 21, with structural costs to be incorporated into the development and balancing of the FY 22 budget. Alternatively, the City Council could review and propose alternative reductions. Page 25 of the Proposed FY 21 Budget Book under the section of “Alternative Budget Reduction Options” provide examples of such alternative options.

10. What is the status of the real-time bed application and the homeless work program?

Bed Application

Initially, at its August 20, 2019 meeting, the City Council requested the City Manager to evaluate the feasibility of working with Get Help, or a similar service, to develop a City of Long Beach (City) specific mobile and web-based applications for City staff and Long Beach residents who work, or interact, with persons experiencing homelessness and/or addiction, or other mental health issues. The tool would provide updated real-time data on bed availability for shelters, rehab, detox, medical detox, and other types of public,

private, and nonprofit beds. The mobile and web-based applications would also provide additional information to City employees and residents about services such as food pantries, showers, or locations to get ID vouchers.

The Health and Human Services Department (Health Department) interviewed a number of companies, including Get Help, that have the capacity to provide real-time referral and access technologies. During the timeframe of the interviews, the Health Department was also invited to participate in the City's Start-Up in Residency (STIR) program, that invites start-ups and more established organizations to develop applications to meet City needs. City staff included in the STIR competition a request for a real-time availability bed app that could be used by City staff and service providers who work with those experiencing homelessness. Fourteen proposals were received in response to the STIR request, including a submission from Get Help.

Through the STIR review process, which included representatives from the Technology and Innovation Department, Office of Civic Innovation, and Health Department, Open Lattice was selected to develop a pilot real-time availability bed app during the four-month STIR timeframe. Open Lattice is currently partnering with the Justice Lab for data integration opportunities to improve coordinated service opportunities between Police, Fire, and the Health Departments to support services for high utilizers of the criminal justice system and homeless services.

Open Lattice will pull from existing technologies they have developed and will begin outreach to local nonprofit organizations that provide shelter, treatment, and other services to determine interest and requirements for their participation in a real-time bed application. At this time, Open Lattice has developed the base model for the application. The ability for the Homeless Services (HSD) team to provide additional feedback and guidance for the next phase of development has been hampered since the onset of the COVID-19 pandemic given the opening of three temporary sheltering operations and increased outreach efforts. The HSD team will schedule a meeting in the upcoming weeks to move the app forward. Resources have been identified with grant funding to support the app pilot. If the pilot is successful, HSD will work to identify additional funding within its grants to maintain operations. A real-time bed application is only possible in Long Beach with provider agreements and participation.

The Health Department will continue to follow the progress of other real-time app opportunities to determine appropriate steps after the STIR process is completed.

People Experiencing Homelessness Work Program

On July 1, 2020, the Health Department Homeless Services Division, Multi-Service Center (MSC), in partnership with the Economic Department Workforce Services Bureau-Pacific Gateway (Pacific Gateway), implemented the People Experiencing Homelessness (PEH) work pilot program. Of the five individuals that started, four are still enrolled and are working at Willow and Springs Park Wetlands caring for native plants and habitat restoration. The fifth person was discharged from the program due to severe mental health needs. (Staff are having conversations with the client to get additional mental health support and services.) The second cohort of five client

participants is scheduled to begin on August 24, 2020. The MSC is currently working to identify clients who are well fitted for the work program.

Additionally, prior to July 1, 2020, and to ensure the City was providing workforce opportunities for PEH, the MSC made referrals to Pacific Gateway, who then placed PEH clients into existing training and workforce programs offered by Pacific Gateway.

11. Please provide a status of current Be S.A.F.E. funding.

The Be S.A.F.E. (Summer Activities in a Friendly Environment) Program started operations in FY 13 as a violence prevention measure, an extension of recreation programming at selected parks, supported by one-times funding. In FY 17, the City Council structurally funded \$80,000 to support the program at three park sites. Additionally, the City Council has provided one-times funding for additional sites throughout the City over the past several years. In the Proposed FY 21 Budget, aside from the structurally funded \$80,000, the City Manager is proposing to allocate \$192,000 in one-times funds to provide funding for eight additional sites, bringing the total sites to 11 in FY 21.

If you have any questions, please contact Budget Manager Grace H. Yoon at (562) 570-6408.

CC: CHARLES PARKIN, CITY ATTORNEY
DOUGLAS P. HAUBERT, CITY PROSECUTOR
LAURA L. DOUD, CITY AUDITOR
LINDA F. TATUM, ASSISTANT CITY MANAGER
KEVIN JACKSON, DEPUTY CITY MANAGER
TERESA CHANDLER, DEPUTY CITY MANAGER
REBECCA G. GARNER, ADMINISTRATIVE DEPUTY CITY MANAGER
DEPARTMENT HEADS