

CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

BH-1

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September 6, 2016

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Receive and discuss an overview of the Proposed Fiscal Year 2017 budgets for the following Departments: Harbor, Water, and Civil Service; and,

Receive supporting documentation into the record, conclude the public hearing and take the actions necessary to adopt the Fiscal Year 2017 budget as listed in Attachment A. (Citywide)

DISCUSSION

On August 1, 2016, the City Manager's Proposed Budget for Fiscal Year 2017 (FY 17) was delivered by Mayor Garcia to the City Council and community with recommended amendments for consideration. Budget meetings were set for March 8, August 2, August 9, August 16, August 23, September 6, and September 13, along with five Budget Oversight Committee (BOC) meetings, and ten community meetings at which the FY 17 Proposed Budget was discussed. We are pleased to report that through the scheduled hearings, BOC and community meetings, there have been 22 separate opportunities for public feedback, deliberation and input. In addition, this year, the City has solicited input through the Budget Priority Survey to obtain feedback on what the City's General Fund priorities should be. The survey was promoted, along with OpenLB, which shows the budget visually, on the City's website, through Twitter and Facebook, and at the community meetings.

At the conclusion of the hearings, the City Council will amend the proposed budget as it deems appropriate, and adopt the proposed budget as amended. Since the publication of the FY 17 Proposed Budget, updated estimates of revenue and expense, which primarily address technical corrections, are listed by fund and department in Attachments B, C and D to this letter. The reasons are discussed at the end of this letter.

There are three Ordinances in Attachment A. The first Ordinance approves Resolution No. WD-1357 (A-3), which establishes the rates and charges for the water and sewer service, and the second is the Appropriations Ordinance (A-16), which officially adopts the FY 17 budget and authorizes expenditures in conformance with the adopted budget. In order for these two Ordinances to become effective October 1, 2016, the City Council

must first declare an emergency to exist before adopting each Ordinance (A-2 and A-15). The third Ordinance amends the Departmental Organization of the City (A-12). There are also five Resolutions that provide for approval of the budget for the Harbor Department (A-1), the budget for the Water Department (A-4), the Master Fees and Charges Schedule (A-5), establish the Gann Appropriations Limit (A-9), and amend Salary Resolution (A-13). There will also be motions that request approvals for the following: the FY 17 Capital Improvement Program (A-6); FY 17 Budget for the Long Beach Community Investment Company (A-7); the Harbor Revenue Fund Transfer (A-8); the Mayor's Recommendations (A-10); the Budget Oversight Committee (BOC) Recommendations (A-11); and a motion amending the Proposed FY 17 Budget (A-14).

This matter was reviewed by City Attorney Charles Parkin on August 24, 2016.

TIMING CONSIDERATIONS

In accordance with the Long Beach City Charter, the FY 17 budget must be adopted by September 15, 2016. Should the City Council fail to adopt the budget by that date, the City Manager's FY 17 Proposed Budget will be deemed the budget for the 2017 fiscal year. The Mayor has five calendar days from City Council adoption of the budget to use his veto authority. The City Council would then have until September 30, 2016, to override veto action by the Mayor with a two-thirds supermajority vote (six Councilmembers).

FISCAL IMPACT

The City Charter requires that the Appropriations Ordinance shall govern and control the expenditure and commitment amounts stated therein relating to the City's departments, offices and agencies during each fiscal year. The total Proposed FY 17 budget for all departments and funds is \$3,097,225,448, which comprises \$2,610,195,313 in new appropriation and \$487,030,135, in estimated carry-over from FY 16 for multi-year grants and projects.

The Appropriations Ordinance, included as Attachment A-16 to this letter, totals \$2,200,333,310 for all funds except Harbor, Sewer, and Water, and \$2,203,622,682, for all departments except Harbor and Water. The \$3,289,372 difference between funds and departments in the Appropriations Ordinance is due to general City indirect costs budgeted in the Financial Management Department, but charged to the Harbor, Water and Sewer funds, which are not included in the Appropriations Ordinance by fund.

The proposed Harbor, Water and Sewer fund budgets are in separate City Council Resolutions included as Attachment A-1 and A-4 to this letter, respectively, and total \$897,411,822. The Board of Harbor Commissioners adopted the budget for the Harbor Department by minute order on May 23, 2016. The Board of Water Commissioners adopted the budget for the Water Department by Resolution on June 16, 2016.

User fees and charges in the Master Fees and Charges Schedule as Attachment A-5 have been adjusted due to changes in service and other factors. For details regarding these proposed new fees, deletions and adjustments, please see the List of Proposed Fees Adjustments for FY 17 that has been incorporated as Exhibit C to the Master Fees and Charges Resolution.

Other requested City Council actions include approval of the FY 17 One-Year Capital Improvement Program (CIP) budget, included in Attachment A-6, which is contained in the Appropriations Ordinance. The Planning Commission, at its meeting of August 18, 2016, approved the CIP for FY 17 as conforming to the General Plan.

The City Council is also requested to adopt the Resolution, included as Attachment A-9, establishing the Gann Appropriations Limit (Limit) for general purpose expenditures. In November 1979, the voters of the State of California approved Proposition 4, also known as the Gann Initiative (Initiative). The Initiative places certain limits on the amount of tax revenue that can be appropriated each fiscal year. The Limit is based on actual appropriations during FY 79 and prevents overspending proceeds of taxes. Only those revenues which are considered as "proceeds of taxes" are subject to the Limit. The Limit is recalculated each fiscal year based on certain inflation and population factors provided by the State. The Proposed Budget includes tax revenue estimates that are at 46.60 percent of the 2016-2017 Appropriations Limit and, therefore, does not exceed the Limit. This calculation is reviewed by the City Auditor for conformance to the law.

A motion is also being requested to amend the Departmental Organization Ordinance, included as Attachment A-12. This amendment incorporates changes to departments, bureaus, and divisions for FY 17. These organizational changes are necessary to implement changes reflected in the Proposed FY 17 budget. (A redline version is also provided). A motion is also being requested to adopt the Salary Resolution, included as Attachment A-13.

After the City Manager delivered the FY 17 Proposed Budget to the Mayor, technical adjustments were made to the budget. These changes are generally not substantive and are shown in Attachment B, C and D of this letter. The Housing Development Fund (SR 135) had a technical correction to reduce budgeted revenue by \$9.8 million to reflect removing the one-time revenue received in FY 16 for the Successor Agency's loan repayments to the Housing Development Fund. Also, there was a technical correction of \$19.2 million in the Employee Benefits Fund (IS 391) to account for the pass-through of employee benefits for FY 17, which reflects updates to budgeted overhead costs since FY 16, such as PERS changes that are impacted by FTE changes and cost trends as reflected in the Proposed Budget. Finally, there was a realignment of general administrative support in the amount of \$415,216 for capital projects that was moved from the Capital Projects Fund (CP 201) to the General Fund (GF). These costs are offset by revenue from CIP overhead rate applied to capital projects, resulting in zero net impact to either fund. The remaining changes were minor technical adjustments made to various funds and departments in order to align the budget with grants and/or revenues.

HONORABLE MAYOR AND CITY COUNCIL

September 6, 2016

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SUGGESTED ACTION:

Approve recommendation

Respectfully submitted,



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

JG/LE/RAG/aoc
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ATTACHMENTS

APPROVED:



PATRICK H. WEST
CITY MANAGER

List of Requested Fiscal Year 2017 Budget Adoption Actions

1. Adopt the Resolution approving the FY 17 budget for the Long Beach Harbor Department as adopted by the Board of Harbor Commissioners on May 23, 2016. (A-1)
2. Declare an emergency to exist. (A-2)
3. Declare the Ordinance approving the Resolution No. WD-1357 establishing the rates and charges for water and sewer service to all customers, as adopted by the Board of Water Commissioners on June 16, 2016, as an Emergency Ordinance, read, and adopted as read and laid over to the next regular meeting of the City Council for final reading. (A-3)
4. Adopt the Resolution approving the FY 17 budget of the Long Beach Water Department as adopted by the Board of Water Commissioners on June 16, 2016. (A-4)
5. Adopt the Resolution amending the Master Fee and Charges Schedule for specified City services for Citywide fees and charges for the City of Long Beach. (A-5)
6. Approve the FY 17 One-Year Capital Improvement Program. (A-6)
7. Adopt a motion approving the FY 17 budget for the Long Beach Community Investment Company (formerly known as the Long Beach Housing Development Company) in the amount of \$11,385,370. (A-7)
8. Adopt a motion approving the estimated transfer of \$17,772,000 from the Harbor Revenue Fund to the Tidelands Operating Fund. (A-8)
9. Adopt the Resolution establishing the Gann Appropriations Limit (Limit) for FY 17 pursuant to Article XIII (B) of the California Constitution. (A-9)
10. Adopt the Mayor's proposed budget recommendations, as amended, to the FY 17 Proposed Budget. (A-10)
11. Adopt the Budget Oversight Committee's proposed funding recommendations, as amended, to the FY 17 Proposed Budget. (A-11)
12. Declare the Ordinance amending the Departmental Organization Ordinance read the first time and laid over to the next regular meeting of the City Council for final reading. (A-12)
13. Adopt the amended Salary Resolution for FY 17. (A-13)
14. Adopt a motion amending the proposed FY 17 budget. (A-14)
15. Declare an emergency to exist. (A-15)
16. Declare the Appropriations Ordinance for FY 17, creating and establishing the funds of the Municipal Government and appropriating money to and authorizing expenditures from said funds and for said fiscal year as an Emergency Ordinance, read, and adopted as read and laid over to the next regular meeting of the City Council for final reading. (A-16)

FISCAL YEAR 2017 APPROPRIATIONS ORDINANCE BY FUND
 (Does not include Harbor, Water and Sewer Funds)

<u>FUND</u>	<u>FY 17 PROPOSED EXPENDITURES</u>	<u>CHANGES</u>	<u>FY 16 ESTIMATED CARRYOVER*</u>	<u>FY 17 APPROPRIATIONS</u>
GENERAL FUND**	469,730,388	415,216	-	470,145,604
UPLAND OIL FUND	7,094,773	-	-	7,094,773
GENERAL GRANTS FUND	7,775,064	119,135	13,547,564	21,441,764
POLICE & FIRE PUBLIC SAFETY OIL PROD ACT FUND	3,573,474	-	-	3,573,474
HEALTH FUND	43,052,210	-	25,907,012	68,959,222
PARKING & BUSINESS AREA IMPROVEMENT FUND	7,970,420	-	-	7,970,420
SPECIAL ADVERTISING & PROMOTION FUND	8,382,412	-	-	8,382,412
HOUSING DEVELOPMENT FUND	13,612,862	-	16,991,437	30,604,299
BELMONT SHORE PARKING METER FUND	830,891	-	-	830,891
BUSINESS ASSISTANCE FUND	704,289	-	1,329,289	2,033,578
COMMUNITY DEVELOPMENT GRANTS FUND	20,162,053	-	14,739,083	34,901,136
GASOLINE TAX STREET IMPROVEMENT FUND	10,577,854	-	28,669,284	39,247,138
TRANSPORTATION FUND	20,749,066	-	22,517,111	43,266,176
CAPITAL PROJECTS FUND	38,352,829	(8,903)	63,714,316	102,058,242
CIVIC CENTER FUND	9,435,785	-	13,401,669	22,837,455
GENERAL SERVICES FUND	41,720,130	48,506	27,299,750	69,068,386
FLEET SERVICES FUND	59,276,203	-	3,753,043	63,029,247
INSURANCE FUND	42,610,539	-	-	42,610,539
EMPLOYEE BENEFITS FUND	248,827,267	19,164,874	-	267,992,141
TIDELANDS FUNDS	108,841,316	-	171,561,695	280,403,011
TIDELAND OIL REVENUE FUND	64,159,027	-	-	64,159,027
RESERVE FOR SUBSIDENCE	-	-	-	-
DEVELOPMENT SERVICES FUND	21,123,554	-	1,775,100	22,898,654
GAS FUND	88,869,666	-	18,713,913	107,583,579
GAS PREPAY FUND	39,706,428	-	-	39,706,428
AIRPORT FUND	44,978,685	-	32,575,783	77,554,468
REFUSE/RECYCLING FUND	47,154,322	-	93,886	47,248,208
SERRF FUND	51,032,196	-	-	51,032,196
SERRF JPA FUND	11,202,424	-	-	11,202,424
TOWING FUND	5,437,193	-	-	5,437,193
HOUSING AUTHORITY FUND	70,011,281	-	134,871	70,146,151
SUCCESSOR AGENCY	74,023,058	-	30,305,323	104,328,382
CUPA FUND	1,987,120	-	5	1,987,126
DEBT SERVICE FUND	10,599,566	-	-	10,599,566
TOTAL	1,693,564,346	19,738,829	487,030,135	2,200,333,310

*Carryover of multi-year grants and CIP funds.

**The first available additional FY 16 year-end General Fund surplus above \$1.1 million of up to \$500,000 will be automatically appropriated in the FY 17 Public Works Budget for the Belmont Beach and Aquatics Center.

FISCAL YEAR 2017 APPROPRIATIONS ORDINANCE BY DEPARTMENT
(Does not include Harbor and Water)

<u>DEPARTMENT</u>	<u>FY 17 PROPOSED EXPENDITURES</u>	<u>CHANGES</u>	<u>FY 16 ESTIMATED CARRYOVER*</u>	<u>FY 17 APPROPRIATIONS</u>
MAYOR AND COUNCIL	5,407,574	-	(0)	5,407,574
CITY ATTORNEY	10,252,267	-	-	10,252,267
CITY AUDITOR	3,085,313	-	-	3,085,313
CITY CLERK	2,728,419	-	-	2,728,419
CITY MANAGER	12,646,684	119,135	120,708,656	133,474,474
CITY PROSECUTOR	5,191,418	-	463,114	5,654,532
CIVIL SERVICE	2,649,249	-	-	2,649,249
AIRPORT	44,570,978	-	32,575,783	77,146,761
DISASTER PREPAREDNESS & EMERGENCY COMMUNICATIONS	12,037,748	(33,600)	66,278	12,070,426
DEVELOPMENT SERVICES	122,107,144	-	59,214,613	181,321,757
ECONOMIC & PROPERTY DEVELOPMENT	27,003,413	-	5,603,499	32,606,912
FINANCIAL MANAGEMENT**	506,182,586	19,458,878	1,945,731	527,587,196
FIRE	106,444,081	33,600	5,727,270	112,204,951
HEALTH AND HUMAN SERVICES	114,102,849	-	26,370,733	140,473,582
HUMAN RESOURCES	11,351,658	-	-	11,351,658
LIBRARY SERVICES	13,425,103	-	1,109,260	14,534,363
LONG BEACH GAS AND OIL	207,793,350	-	18,687,068	226,480,418
PARKS, RECREATION AND MARINE	56,485,913	-	54,269,455	110,755,368
POLICE	216,456,274	-	3,068,959	219,525,233
PUBLIC WORKS***	177,048,751	112,309	129,919,968	307,081,028
TECHNOLOGY & INNOVATION	39,882,945	48,506	27,299,750	67,231,201
TOTAL	1,696,853,718	19,738,829	487,030,135	2,203,622,682

*Carryover of multi-year grants and CIP funds.

**Department of Financial Management includes internal service charges that are contained in the resolutions of the Harbor, Water, and Sewer funds for accounting, budgeting and treasury functions, and other citywide activities such as debt service.

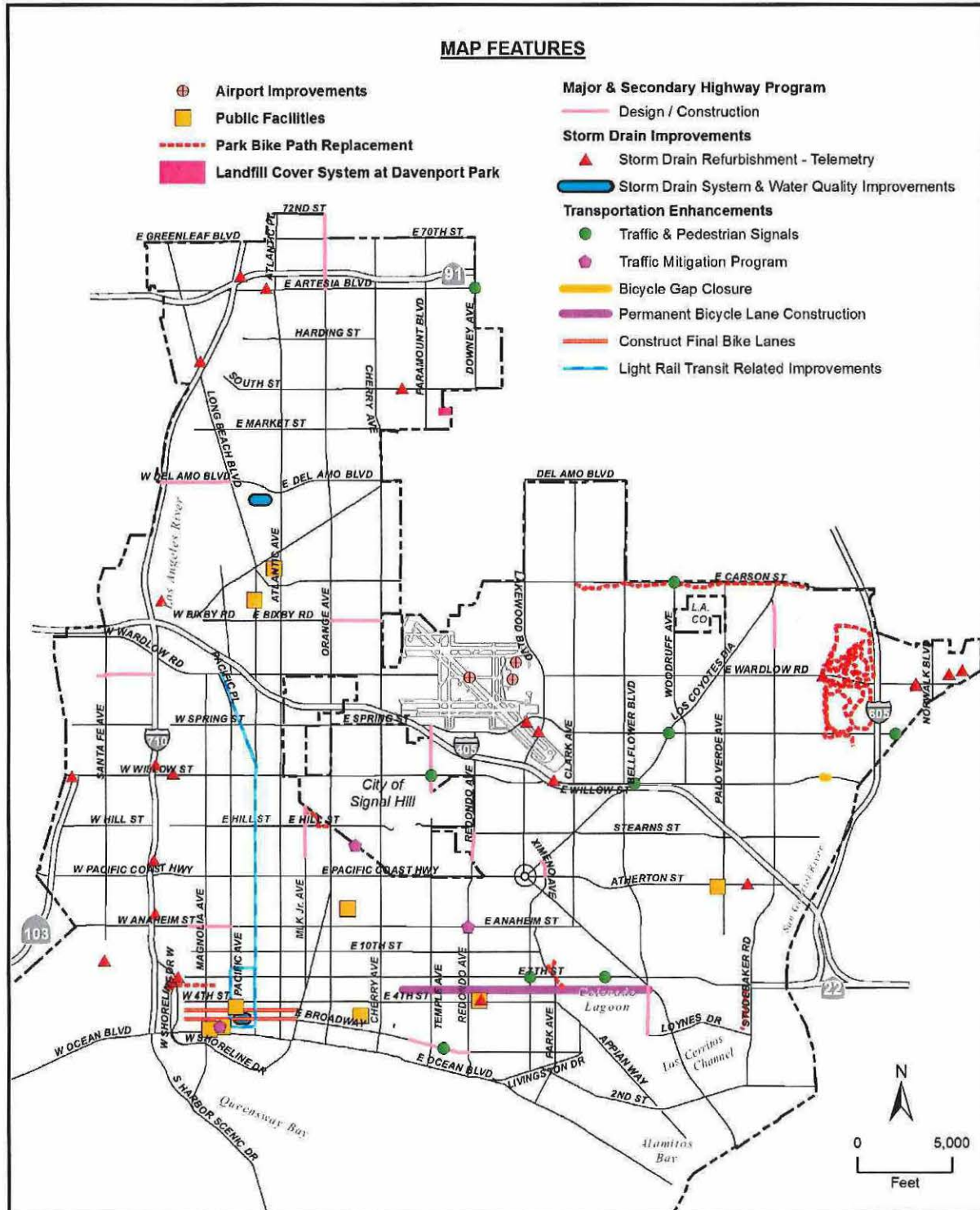
***The first available additional FY 16 year-end General Fund surplus above \$1.1 million of up to \$500,000 will be automatically appropriated in the FY 17 Public Works Budget for the Belmont Beach and Aquatics Center.

FISCAL YEAR 2017 REVENUES BY FUND
(Does not include Harbor, Water and Sewer Funds)

<u>FUND</u>	<u>FY 17 PROPOSED REVENUES</u>	<u>CHANGES</u>	<u>FY 17 PROPOSED BUDGETED REVENUES</u>
GENERAL FUND	459,044,680	415,216	459,459,896
UPLAND OIL FUND	7,276,260	-	7,276,260
GENERAL GRANTS FUND	7,775,064	119,135	7,894,199
POLICE & FIRE PUBLIC SAFETY OIL PROD ACT FUND	3,136,590	-	3,136,590
HEALTH FUND	43,096,998	-	43,096,998
PARKING & BUSINESS AREA IMPROVEMENT FUND	7,968,757	-	7,968,757
SPECIAL ADVERTISING & PROMOTION FUND	9,741,650	-	9,741,650
HOUSING DEVELOPMENT FUND	11,598,238	(9,764,486)	1,833,752
BELMONT SHORE PARKING METER FUND	701,734	-	701,734
BUSINESS ASSISTANCE FUND	677,838	-	677,838
COMMUNITY DEVELOPMENT GRANTS FUND	20,481,641	-	20,481,641
GASOLINE TAX STREET IMPROVEMENT FUND	11,105,956	-	11,105,956
TRANSPORTATION FUND	21,373,040	-	21,373,040
CAPITAL PROJECTS FUND	38,006,750	-	38,006,750
CIVIC CENTER FUND	9,509,131	-	9,509,131
GENERAL SERVICES FUND	41,028,080	-	41,028,080
FLEET SERVICES FUND	37,730,841	-	37,730,841
INSURANCE FUND	48,155,895	-	48,155,895
EMPLOYEE BENEFITS FUND	247,461,743	19,718,644	267,180,387
TIDELANDS FUNDS	106,687,256	201	106,687,457
TIDELAND OIL REVENUE FUND	64,100,959	-	64,100,959
RESERVE FOR SUBSIDENCE	1,480,000	-	1,480,000
DEVELOPMENT SERVICES FUND	24,396,065	-	24,396,065
GAS FUND	92,820,208	-	92,820,208
GAS PREPAY FUND	41,475,391	-	41,475,391
AIRPORT FUND	47,566,705	-	47,566,705
REFUSE/RECYCLING FUND	43,707,331	-	43,707,331
SERRF FUND	51,715,036	-	51,715,036
SERRF JPA FUND	11,250,285	-	11,250,285
TOWING FUND	5,691,849	-	5,691,849
HOUSING AUTHORITY FUND	69,221,942	-	69,221,942
SUCCESSOR AGENCY	75,610,413	-	75,610,413
CUPA FUND	1,607,180	59,687	1,666,867
DEBT SERVICE FUND	10,356,482	-	10,356,482
TOTAL	1,673,557,988	10,548,397	1,684,106,386

FY 17 Capital Improvement Program (CIP)

Capital Program Overview*



* This map does not reflect Measure A funded projects.

FY 17 Capital Improvement Program (CIP)

BACKGROUND

The purpose of the CIP is to provide a comprehensive program to the City Council and the residents of Long Beach to plan, design, construct, maintain, and repair City facilities and infrastructure. The size, age and diverse infrastructure of the City require significant consideration to determine the best investments to make now, in order to realize the most cost effective returns in the future. The CIP also serves as a financial tool to set aside funds for the wide variety of capital projects as well as a planning tool to ensure capital projects are consistent with the City's General plan.

BUDGET PROCESS

The Public Works Department was responsible for developing the Fiscal Year 2017 (FY 17) CIP. Public Works, in conjunction with other Departments, reviewed the City's capital needs and prioritized project submittals based on established criteria:

- The ability of the project to meet health, safety and legal concerns and mandates
- The value of the project to prolong the life of City assets or avoid/minimize future repair costs
- The benefit the project will provide the community in support of the goals articulated in the Strategic Plan
- The potential for the project to generate savings or increase productivity
- The extent to which the project will secure future funds through program planning or grant eligibility

The CIP identifies and provides for infrastructure expenditures. The strategic capital investment in the City's infrastructure includes major enhancements and repairs to the Airport, parks, marinas and beaches, buildings, streets, traffic signals, storm drains, sidewalks, bus stops, fuel storage facilities, bridges, water and sewer facilities, the Harbor and Americans with Disabilities Act (ADA) upgrades.

BUDGET HIGHLIGHTS

The economic vitality and quality of life in the community is enhanced through CIP projects. Capital improvements require a major initial investment, a significant and continuing financial commitment for maintenance and, eventually, replacement. The following pages provide a summary of each section with a dollar amount that represents new funding for FY 17:

- Airport Projects
- Gas & Oil Projects
- Marinas, Beaches & Waterways Projects
- Parks and Recreation Projects
- Public Facilities Projects
- Storm Drains Projects
- Street Rehabilitation Projects
- Transportation Enhancements Projects
- Harbor Department Projects
- Water Department Projects

FY 17 Capital Improvement Program (CIP)

ALLOCATION PLAN

	FY 17 Proposed
Sources: ¹	
Airport Fund	\$4,350,000
Civic Center Fund	\$500,000
Fleet Services Fund	\$860,525
Gas Fund	\$8,050,000
Gasoline Tax Street Improvement Fund	\$5,300,000
General Capital Projects Fund	\$10,687,100
Measure A	\$27,239,000
Queen Mary Fund	\$2,639,000
Tidelands Operations Fund ²	\$3,165,000
Transportation Fund	<u>\$13,630,000</u>
Subtotal	\$76,420,625
Harbor	\$501,025,000
Water Utility	\$12,587,800
Sewer	<u>\$3,794,400</u>
Subtotal	\$517,407,200
Grand Total	\$593,827,825
Uses:	
Airport	\$4,350,000
Gas & Oil	\$8,050,000
Marinas, Beaches & Waterways	\$3,165,000
Parks & Recreation	\$6,698,000
Public Facilities	\$6,570,525
Storm Drains	\$4,637,100
Street Rehabilitation	\$39,570,000
Transportation Enhancements	<u>\$3,380,000</u>
Subtotal	\$76,420,625
Harbor	\$501,025,000
Water Utility	\$12,587,800
Sewer	<u>\$3,794,400</u>
Subtotal	\$517,407,200
Grand Total	\$593,827,825

¹ Each fund receives revenue from various sources such as bonds, fees and grants. Funding sources for the Capital Projects Fund may include, but are not limited to: County Park Bonds, County Grants, Developer Fees, Federal Grants, General Fund, Lease Revenue Bonds, Park Impact Fees, State Grants, Traffic Impact Fees and Uplands Oil Capital Fund.

² Projects subject to State Lands Commission approval.

FY 17 Capital Improvement Program (CIP)

Airport Projects

Long Beach Airport serves over 3 million passengers each year and offers a variety of services to airlines, commercial and general aviation users, as well as the general public, providing direct and indirect economic benefits to the region. Funding for Airport Capital Improvement Projects comes from several sources including Federal Aviation Administration (FAA), Airport Improvement Program grants (AIP), Passenger Facility Charges (PFC), Customer Facility Charges (CFC), Airport fees, and bond sale proceeds. The basis for Airport capital projects is the safety and security of the general public, FAA and Transportation Security Administration (TSA) mandates and operational improvements. In FY 16, the Airport will complete the second phase of an airfield geometry study that will lead to the realignment, reconstruction and re-designation of the airfield over the next several years for enhanced safety. The Taxiway J improvements and a pavement maintenance management study are also scheduled for completion in FY 16.

Planned projects in FY 17 include design of Runway 7R-25L improvements, construction of perimeter security enhancements, upgrades to the Lot A Parking Structure and design of the baggage claim upgrades.

Project Title	FY 17 Proposed
Airport Terminal Area Improvements	\$1,000,000
Airport Pavement Rehabilitation	1,000,000
Rental Car Facility	<u>2,350,000</u>
Total Airport Projects	\$4,350,000

Gas & Oil Projects

Long Beach Gas & Oil (LBGO) oversees 1,900 miles of natural gas pipeline. A key Department objective is the safe delivery of natural gas to its 145,000 businesses and households. All operations are conducted in strict compliance with U.S. Department of Transportation's (DOT) pipeline safety regulations, CFR 49 part 190-199. LBGO is engaged in a long-term pipeline infrastructure replacement program focusing on pipelines identified in its Distribution Integrity Management Plan. During the past five years, over 89 miles of distribution pipeline and approximately 10,000 service pipelines have been replaced, improving system integrity.

As part of the Department's commitment to provide affordable and safe natural gas, LBGO has taken a system-wide approach in reviewing the backbone of the gas distribution system for potential upgrades to increase reliability of gas delivery. LBGO is also in the process of establishing a consistent pressure standard throughout the system to ensure the long-term ability to meet customer demand. The integrated approach to pressure-consistency, and replacement of aging infrastructure will improve reliability and allow for more efficient operations. In addition, LBGO will continue to

FY 17 Capital Improvement Program (CIP)

work closely with the Public Works Department to coordinate gas projects with street improvement projects.

Project Title	FY 17 Proposed
Facility Work	\$500,000
Gas Control/Cathodic Protection	250,000
Meters/Regulators Budget & Actuals	700,000
Main Pipeline Replacement	5,500,000
Service Pipeline Replacement	<u>1,100,000</u>
Total Gas & Oil Projects	\$8,050,000

Marinas, Beaches & Waterways Projects

Two assets that make Long Beach unique are its beaches and marinas. These City operated and maintained resources provide recreational enjoyment to both residents and visitors. In FY 16, the City will complete the construction of the Alamitos Beach Parking Lot, Shoreline Drive Traffic and Pedestrian Improvements, Belmont Pier Concrete and Rail Repairs, Lifeguard Facilities Repairs at 72nd Place and Colorado Lagoon, Livability Initiative Projects like Bike Repair Stations and Hydration Stations, Bike Path Rock Embankment Major Repairs at Queensway Bay, and the Naples Seawalls Phase 1 Permanent Repairs. These new improvements are more efficient and environmentally friendly than the previous facilities. In FY 16, the City initiated construction of the Seaside Pedestrian Bridge at the Convention Center and is scheduled to be completed in FY17. Phase 2b of the Colorado Lagoon Improvements is set to begin construction by the end of FY 16. The engineering design for the Colorado Lagoon (Phase 2a) Open Channel Project is anticipated to begin in FY 16 and be completed in FY 17 upon project approval from State/Federal regulatory agencies. Among others, projects anticipated to begin construction in FY 17 include the Leeway Sailing Center Pier Rebuild, Bayshore Lifeguard Facility Rebuild, and the Rainbow Harbor Commercial Sewage EVAC System Replacement.

The Marinas, Beaches & Waterways budget includes a total of \$3.2 million in new funding for FY 17. This funding includes preliminary work for the Belmont Beach & Aquatics Center, repair of the wave fountain at the Aquarium Plaza, upgrades to Bayshore and Mother's Beach docks and Rainbow Lagoon footbridge repairs.

Most Tidelands Capital Improvement Projects are subject to State Lands Commission approval.

Project Title	FY 17 Proposed
Rainbow Harbor	\$300,000
Leeway Sailing Center	600,000
Belmont Pool and Pier Improvements	1,200,000
Rainbow Lagoon	200,000
Tidelands Critical Facilities	<u>865,000</u>
Total Marinas, Beaches & Waterways Projects	\$3,165,000

FY 17 Capital Improvement Program (CIP)

Parks & Recreation Projects

Parks located throughout the City provide recreational amenities and open space to enhance the environment and provide recreational and educational opportunities to meet the needs and interests of residents. There is a constant effort to address aging park infrastructure throughout the City as well as to address the lack of parks and open spaces in underserved neighborhoods.

In FY 16, the focus was on continued renovation and replacement of park infrastructure citywide. The projects that are currently ongoing include restroom replacement at Bixby Park, irrigation upgrades at Stearns and Heartwell Parks, structural and waterproofing upgrades for Stearns Park Community Center roof, LED lighting was installed at DeForest Park and new playground equipment was installed at Promenade Park.

Additional one-time funded projects continue to be designed, constructed, and completed, including Gumbiner Park, Houghton Park Community Center, Locust Avenue Tot Lot, and infrastructure improvements at Bixby Park and Recreation Park. One-time funds also provide support for design and construction of greenways, access to open space, and trail connections including Drake/Chavez Greenbelt, DeForest Wetlands, Red Car Greenway, Willow Springs Wetlands and Wrigley Greenbelt.

Parks & Recreation budget totals \$6.7 million in new funding for FY 17. This budget proposes \$6.1 million in new Measure A funds for critical improvements and repairs to six parks, four playgrounds, and two athletic fields as well as investments in citywide irrigation upgrades, community center restroom upgrades, senior center improvements and urban forestry in our parks. Both Rancho Los Alamitos and Rancho Los Cerritos will receive \$500,000 each to continue their improvement plans for our historic buildings. The Parks, Recreation and Marine Department will continue to implement critical citywide irrigation upgrades, converting our current manual irrigation system to an electronically controlled system, saving significant amount of staff time and providing better control and data for making irrigation decisions in our parks. Non-Measure A funds have been provided for the continued restoration of the Train Depot at Willow Springs park and the continued upgrades of park bike paths.

Project Title	FY 17 Proposed
Measure A Supported Projects	\$6,098,000
Park Bike Path Replacement	100,000
Park Acquisition & Development	<u>500,000</u>
Total Parks & Recreation Projects	\$6,698,000

Public Facilities

Long deferred critical repairs are required to sustain the integrity of various health, library, fire, police, public works and other key facilities. All Civic Center projects are on hold due to the construction of the new Civic Center. Repairs are addressed on an as-needed basis moving forward.

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In FY 16, Convention Center improvements included convention/banquet chair replacement, classroom table replacement, Center Theatre entry-way aesthetics upgrades, Terrace Theatre restroom upgrades and Promenade meeting room artwork and sconces. Ongoing improvements include enhancements to the Terrace Plaza Lights and Sound, Seaside-Way Pedestrian Bridge, Seaside Meeting room restrooms, air handlers and exterior painting around the facility.

Also in FY 16, repairs will be completed at the Fleet Services and Environmental Services Bureau facilities included roofing, painting, and on-site water line repairs. Additionally, Fleet Services Bureau has initiated the design and construction of a new liquefied natural gas filling station.

The Public Facilities budget totals \$6.6 million in new funding for FY 17. The City's public facilities including fire stations, police facilities and libraries will receive \$1.6 million in new Measure A funding. This includes Fire Station 9 rehabilitation and Fire station roof repairs, work on the Police Crime Lab and Public Safety building, improvements at five library branches, improvements to the Expo Building, improvements to the Animal Care Services facility and a continued investment in smart street light technology. Non-Measure A funds have been provided for improvements to the Queen Mary, Civic Center, general city building infrastructure improvements and upgrades to regional fuel storage stations.

Project Title	FY 17 Proposed
Measure A Supported Projects	\$1,571,000
Civic Center Complex Improvements	500,000
General City Building Refurbishment	1,000,000
Regional Fuel Storage	860,525
Queen Mary Projects	<u>2,639,000</u>
Total Public Facilities	\$6,570,525

Storm Drains Projects

The Storm Water Management Division is responsible for all Storm Water related issues, CIP work and water quality regulations that affect the City.

The City's Storm Drain Pump Stations have been in service since the 1950's and 60's and are in need of repairs and upgrades. Assessment of the City's pump stations was completed in January 2016. Assessment of the City's Municipal Separate Stormwater Sewer System (MS4) is still pending and necessary to update the Storm Drain Master Plan in order to address the undersized and deficient MS4.

The City's Water Quality Compliance work is conducted through the implementation of its National Pollutant Discharge Elimination System (NPDES) permit. Recently the City was issued a new NPDES permit that was adopted by the Los Angeles Regional Water Quality Control Board in February 2014 and became effective in March 2014.

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The Long Beach Municipal Urban Stormwater Treatment facility (LB-MUST) will begin design in 2016 with an estimated construction date scheduled for 2018. This facility will intercept polluted urban street water runoff and the first flush of stormwater runoff from rainy weather and prevent the transport of pollution into the Los Angeles River.

Project Title	FY 17 Proposed
Storm Drain Pump Station Repair & Certification	\$287,100
Storm Drain Refurbishment - Telemetry	100,000
Storm Drain System & Water Quality Improvements	<u>4,250,000</u>
Total Storm Drains Projects	\$4,637,100

Street Rehabilitation Projects

Preserving our neighborhoods is a key element in the Long Beach Strategic Plan. The Street Rehabilitation program is designed to help meet that goal. The program delivers improvements including reconstructing and resurfacing major, secondary, and residential streets; upgrading accessibility of curb ramps to comply with current disabled access regulations; replacing of street signs; repairing neighborhood sidewalks, curbs, and gutters; and rehabilitating bridges to repair deficiencies identified by the annual bridge inspection report. Public Works continues to update the Pavement Management System annually and utilizes the information to prioritize the streets that need to be resurfaced or reconstructed.

There are several factors that are taken into consideration when the City evaluates the selection of streets, such as surface conditions, utility work (pipeline construction), future developments in the area, and any potential conflicts with other projects. Ultimately, the goal and objective is to rehabilitate a particular roadway when it is in "good" condition versus delaying repairs to a state in which the street is in a "poor" condition significantly increasing the costs of repairs.

The Street Rehabilitation budget includes a total of \$39.6 million in new funding for FY 17. Measure A funds total \$19.5 million, of which \$13.1 million is for Residential Street Repair throughout the City. This investment in preventative maintenance will ensure that we invest in our residential streets before they degrade further, leading to an even higher replacement costs in the future. There is also \$4.8 million for Arterial Street improvements, which in FY 17 will focus on a complete overhaul of Broadway, one of our highly travelled corridors in the City. We will also complete the City's first Alley Management Plan and begin the efforts to improve our alleys. Lastly, \$1.2 million in Measure A funds are budgeted to improve the parking experience in the City Place Parking Garages and surrounding areas and \$100,000 for Naples Bridge improvements are also included in this category.

In addition to Measure A, Street Rehabilitation also receives local and state funding totaling \$20.1 million for major and secondary streets, residential street repair,

FY 17 Capital Improvement Program (CIP)

sidewalks, bridge rehabilitation and related improvements provided in the FY 17 Capital Budget.

Project Title	FY 17 Proposed
Measure A Supported Projects	\$19,520,000
Proposition A Transit Related Improvements	450,000
Major and Secondary Highway Program	10,900,000
Bridge Rehabilitation & Seismic Retrofit	300,000
Citywide Residential Street Repair	4,900,000
Citywide Infrastructure Improvements (Sidewalks)	3,000,000
ADA Response Program	<u>500,000</u>
Total Street Rehabilitation Projects	\$39,570,000

Transportation Enhancements Projects

This section contains programs designed to meet increased needs for mobility resulting from economic growth utilizing a combination of funds. These funds include Measure A, Proposition A & C, Gas Tax Street Improvement Capital, Transportation Improvement Fees, and Federal and County grants. The transportation improvements include street and intersection widening, traffic signal system expansion and upgrades, transit improvements, replacement parking, neighborhood traffic management, and bike lanes. This category also includes programs that monitor and evaluate traffic congestion areas throughout the City and respond with projects to relieve congestion or enhance traffic safety.

The Transportation Enhancements budget includes a total of \$3.4 million in new funding for FY 17. This budget also invests Measure A funds in replacing our traffic signs with an initial investment of \$50,000. Non-Measure A funding has been provided for completion of 6th St Bike Boulevard, installation citywide livability projects, update of traffic impact fees and installation of new traffic signals.

Project Title	FY 17 Proposed
Measure A Supported Projects	\$50,000
Citywide Signage Program	600,000
Sustainable Transportation Improvements	1,330,000
Traffic Mitigation Program	400,000
Traffic & Pedestrian Signals	<u>1,000,000</u>
Total Transportation Enhancements Projects	\$3,380,000

Harbor Department Projects

The Harbor Department (Port) continues to implement a long-term capital improvement program designed to provide Port tenants with safe and secure, state-of-the-art facilities capable of accommodating international trade and secure regional economic benefits

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in a sustainable manner that ensures economic vitality, ecological health, and community integrity.

The Port's \$3 billion investment in capital projects over the next decade will stimulate the economy by creating thousands of direct construction jobs along with indirect service and commercial opportunities. In FY 17, the Port is forecasting to spend over \$267 million on the Gerald Desmond Bridge as construction is well underway, with all work scheduled to be completed in 2018. FY 17 will also see the Port invest approximately \$90 million in its Middle Harbor Redevelopment Project. When the project is complete, the Middle Harbor Terminal will accommodate the newest 20,000+ TEU container ship and be the greenest major container terminal in North America due to its extensive use of on dock rail and cold ironing infrastructure.

Port Security will continue to be a high priority, with the Department investing nearly \$19 million in capital projects including \$15 million for fire station upgrades and the construction of one new fire boat

Project Title	Proposed FY 17
Major Projects	
Terminal Development	
Pier D/E/F (Middle Harbor)	\$89,337,000
Total Terminals Expansion and Development	\$89,337,000
Port-Wide Security & Safety Projects	
New Fire Station / Fire Boats	\$14,700,000
Security Projects	\$4,475,000
Total Port-Wide Security & Safety Projects	\$19,175,000
Streets, Bridges, and Railways	
Gerald Desmond Bridge Replacement	\$266,815,000
Rail Projects	23,066,000
Total Streets, Bridges, and Railways	\$289,881,000
Miscellaneous Projects	
Environmental Projects	11,779,000
Eng. Misc. Projects / Port Infrastructure / Technology	89,628,000
Furniture, Fixtures, and Equipment	1,225,000
Total Miscellaneous Project	\$102,632,000
Total Harbor Department Expenditures	\$501,025,000

Water Department Projects

Planned capital improvements to the City's water and sewer system encompass a wide range of projects. The Water Department will continue replacing aging infrastructure that is approaching the end of their useful life including, but not limited to; water

FY 17 Capital Improvement Program (CIP)

pipelines, valves and meters. In addition, the Department is continuing with its well and water tank rehabilitation projects.

The Sewer CIP budget reflects a sustained level of investment in infrastructure, as the Department follows a programmatic CIP based on an updated Sewer Master Plan.

Project Title	FY 17 Proposed
Potable Water	
Water CIP by In-House Workforce	\$2,850,000
Pipeline System Improvements	2,817,300
Reservoir/Treatment Plant Improvements	1,706,000
Water Supply Projects	3,894,500
Facility Improvements	520,000
Interest Expense Capitalized	<u>800,000</u>
Total Potable Water	\$12,587,800
Total Water Fund	\$12,587,800
Sewer	
Sewer Rehabilitation & Replacement	<u>\$3,794,400</u>
Total Sewer Fund	\$3,794,400
Total Water Department Projects	\$16,382,200