



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

BH-1

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September 4, 2018

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Receive and discuss an overview of the Proposed Fiscal Year 2019 budgets for the following Departments: Harbor and Water; and,

Receive supporting documentation into the record, conclude the public hearing, and take the actions necessary to adopt the Fiscal Year 2019 budget as listed in Attachment A. (Citywide)

DISCUSSION

On July 31, 2018, the City Manager's Proposed Budget for Fiscal Year 2019 (FY 19) was delivered by Mayor Garcia to the City Council and community for consideration. Budget meetings were held on December 19, 2017, February 6, August 7, August 14, August 21, and September 4, 2018, along with Budget Oversight Committee (BOC) meetings, and community meetings throughout August and September at which the FY 19 Proposed Budget was discussed. As a result of these meetings, there were more than 18 scheduled opportunities for public feedback, deliberation, and input. Additionally, input was solicited through the Long Beach Budget Priority Survey to obtain feedback on what the City's priorities should be. The survey was promoted on the City's website, along with OpenLB, which shows the budget visually, through Twitter and Facebook, and at the community meetings.

At the conclusion of the hearing, 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 19 Proposed Budget, updated estimates of FY 19 revenues and expenses, which primarily address technical corrections, are listed by fund and department in Attachments B, C and D to this letter. The reasons for the adjustments are discussed at the end of this letter.

There are three Ordinances in Attachment A. The first approves Resolution No. WD-1392 (A-3), which establishes the rates and charges for the water and sewer service. The second is the Appropriations Ordinance (A-17), which officially adopts the FY 19 budget and authorizes expenditures in conformance with the adopted budget. For these two Ordinances to become effective on October 1, 2018, the City Council must first declare an emergency to exist before adopting each Ordinance (A-2 and A-16). The third Ordinance amends the Departmental Organization of the City (A-13).

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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 the Salary Resolution (A-14). There are also motions that request approvals for the following: the FY 19 One-Year Capital Improvement Program (A-6); the FY 19 Budget for the Long Beach Community Investment Company (A-7); the Harbor Revenue Fund Transfer (A-8); the revised Financial Policies as recommended by the BOC (A-10); the Mayor's Recommendations (A-11); the BOC Recommendations (A-12); and, a motion amending the Proposed FY 19 Budget (A-15).

This matter was reviewed by Deputy City Attorney Amy R. Webber on August 16, 2018 and by Interim Budget Bureau Manager Grace H. Yoon on August 20, 2018.

TIMING CONSIDERATIONS

In accordance with the City Charter, the FY 19 budget must be adopted by September 15, 2018. Should the City Council fail to adopt the budget by that date, the City Manager's FY 19 Proposed Budget will be deemed the budget for the 2019 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, 2018, 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 19 budget for all departments and funds is \$3,488,079,611, which comprises of \$3,049,742,656 in new appropriation and \$438,336,955 in estimated carry-over from FY 18 for multi-year grants and projects. Attachments B, C and D provide the financial overview by Fund, by Department, and Citywide revenue by Fund.

The Appropriations Ordinance, included as Attachment A-17, totals \$2,357,522,499 for all funds except Harbor, Sewer, and Water, and \$2,361,672,358 for all departments except Harbor and Water. The \$4,149,859 difference between funds and departments 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 Funds budgets are in separate City Council Resolutions included as Attachment A-1 and A-4, respectively, and total \$1,130,557,112. The Board of Harbor Commissioners adopted the budget for the Harbor Department by minute order on June 11, 2018. The Board of Water Commissioners adopted the budget for the Water Department by Resolution on June 21, 2018.

User fees and charges in the Master Fees and Charges Schedule, included as Attachment A-5, have been adjusted due to changes in service and other factors,

including the City Cost Index adjustment. For details regarding these proposed new fees, deletions and adjustments, please see the List of Proposed Fees Adjustments for FY 19 that has been incorporated as Exhibits B and C to the Master Fees and Charges Resolution.

Other requested City Council actions include:

- Approving the FY 19 One-Year Capital Improvement Program (CIP) budget, included as Attachment A-6, which is contained in the Appropriations Ordinance. The Planning Commission, at its meeting of August 16, 2018, approved the CIP for FY 19 as conforming to the General Plan.
- Adopting a 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 (State) 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 that 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 39.84 percent of the 2018-2019 Appropriations Limit and, therefore, do not exceed the Limit. This calculation is reviewed by the City Auditor for conformance to the law.
- Adopting the Financial Policies for the City, included as Attachment A-10. These policies have been presented to the BOC for consideration and review and now come to the full City Council for deliberation. Changes made at the request of the BOC include the Fiscal Impact Policy (Policy 12), which is expanded to include non-City Manager departments or elected officials, and normally a fiscal impact statement reviewed by the Financial Management Department. Additionally, the Grant Policy (Policy 17) has been amended to include a statement of expectations for continued funding after the grant period and any deviations from expectations. A redline version of the changes is also provided.
- Adopting the FY 19 Long Beach Community Investment Company (LBCIC) budget, included as Attachment A-7. The LBCIC budget is prepared annually for City Council approval and is a subset of the Housing Development Fund. The LBCIC oversees the delivery of housing and neighborhood revitalization services. The LBCIC approved its FY 19 budget on April 18, 2018.
- Amending the Departmental Organization Ordinance, included as Attachment A-13. This amendment incorporates changes to departments, bureaus, and divisions for FY 19. These organizational changes are necessary to implement changes reflected in the Proposed FY 19 budget. A redline version of the changes is also provided.

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- Adopting the Salary Resolution, which creates and establishes positions of employment while fixing and prescribing the compensation for officers and employees, is included as Attachment A-14.

After the City Manager delivered the FY 19 Proposed Budget to the Mayor, technical adjustments were made to the budget. These changes are generally not substantive and are shown in Attachments B, C and D. Changes include the following:

1. An appropriation increase in the Gas Fund (EF 301) in the Energy Resources Department (ER) by \$12,050,000 to reflect the FY 19 Capital Improvement plan in ER and a transfer to the Capital Projects Fund (CP 201) that were inadvertently omitted.
2. An appropriation and revenue budget decrease in the Insurance Fund (IS 390) in the Human Resources Department (HR) by \$383,630 to reverse the transfer of the Public Works Department's Safety Division to HR that was included in the FY 19 Proposed Budget. Staff had explored the possibility of housing the Public Works Department's Safety staff under HR, but both departments have decided to postpone the transfer to allow more time to study the impact and implementation of such a change.
3. A revenue budget increase in the Development Services Fund (EF 337) in the Development Services Department (DV) by \$3,467,798 to correctly reflect higher Building and Safety Bureau revenues that were inadvertently reduced.
4. A revenue budget increase in the Civic Center Fund (IS 380) in the Citywide Allocations Department (XI) by \$2,973,603 to correctly reflect FY 19 Civic Center rent revenue collected across departments that was inadvertently omitted.

The remaining changes were minor, technical adjustments made to various funds and departments to align budget with grants and/or revenues.

SUGGESTED ACTION:

Approve recommendation

Respectfully submitted,



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:


PATRICK H. WEST
CITY MANAGER

List of Requested Fiscal Year 2019 Budget Adoption Actions

1. Adopt the Resolution approving the FY 19 budget for the Long Beach Harbor Department as adopted by the Board of Harbor Commissioners on June 11, 2018. (A-1)
2. Declare an emergency to exist. (A-2)
3. Declare the Ordinance approving the Resolution No. WD-1392 establishing the rates and charges for water and sewer service to all customers, as adopted by the Board of Water Commissioners on June 21, 2018, 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 19 budget of the Long Beach Water Department as adopted by the Board of Water Commissioners on June 21, 2018. (A-4)
5. Adopt the Resolution amending the Master Fees and Charges Schedule for specified City services for Citywide fees and charges for the City of Long Beach. (A-5)
6. Approve the FY 19 One-Year Capital Improvement Program. (A-6)
7. Adopt a motion approving the FY 19 budget for the Long Beach Community Investment Company in the amount of \$2,936,263. (A-7)
8. Adopt a motion approving the estimated transfer of \$19,959,950 from the Harbor Revenue Fund to the Tidelands Operations Fund. (A-8)
9. Adopt the Resolution establishing the Gann Appropriations Limit (Limit) for FY 19 pursuant to Article XIII (B) of the California Constitution. (A-9)
10. Adopt a motion approving the Financial Policies as recommended by the Budget Oversight Committee on August 14, 2018. (A-10)
11. Adopt the Mayor's proposed budget recommendations to the FY 19 Proposed Budget. (A-11)
12. Adopt the Budget Oversight Committee's proposed funding recommendations, as amended, to the FY 19 Proposed Budget. (A-12)
13. 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-13)
14. Adopt the amended Salary Resolution for FY 19. (A-14)
15. Adopt a motion amending the proposed FY 19 budget. (A-15)
16. Declare an emergency to exist. (A-16)
17. Declare the Appropriations Ordinance for FY 19, 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-17)

FISCAL YEAR 2019 APPROPRIATIONS ORDINANCE BY FUND
(Does not include Harbor, Water and Sewer Funds)

<u>FUND</u>	<u>FY 19 PROPOSED EXPENDITURES</u>	<u>CHANGES*</u>	<u>FY 18 ESTIMATED CARRYOVER**</u>	<u>FY 19 APPROPRIATIONS</u>
GENERAL FUND	537,585,679	-	-	537,585,679
UPLAND OIL FUND	11,543,099	-	-	11,543,099
GENERAL GRANTS FUND	7,726,730	-	18,436,868	26,163,598
POLICE & FIRE PUBLIC SAFETY OIL PROD ACT FUND	3,316,412	-	-	3,316,412
HEALTH FUND	54,174,568	-	36,239,918	90,414,485
CUPA FUND	2,097,203	-	-	2,097,203
SPECIAL ADVERTISING & PROMOTION FUND	11,753,219	-	-	11,753,219
HOUSING DEVELOPMENT FUND	3,392,996	-	20,527,064	23,920,060
BELMONT SHORE PARKING METER FUND	771,512	-	-	771,512
BUSINESS ASSISTANCE FUND	711,115	-	1,561,622	2,272,737
COMMUNITY DEVELOPMENT GRANTS FUND	22,394,790	-	20,211,542	42,606,332
HOUSING AUTHORITY FUND	76,708,119	-	504,788	77,212,907
GASOLINE TAX STREET IMPROVEMENT FUND	19,913,365	-	21,829,370	41,742,735
TRANSPORTATION FUND	32,467,833	-	31,493,307	63,961,140
CAPITAL PROJECTS FUND	36,047,085	-	95,542,487	131,589,572
SUCCESSOR AGENCY OPERATIONS	45,221,592	-	21,544,584	66,766,176
CIVIC CENTER FUND	10,519,023	-	8,779,267	19,298,291
GENERAL SERVICES FUND	52,283,448	-	4,806,455	57,089,904
FLEET SERVICES FUND	61,777,136	-	1,897,425	63,674,561
INSURANCE FUND	43,245,148	(383,630)	1,445,419	44,306,937
EMPLOYEE BENEFITS FUND	314,856,193	(203)	-	314,855,989
TIDELANDS OPERATIONS FUND	76,241,062	-	85,220,328	161,461,391
TIDELANDS AREA FUNDS	41,384,740	-	16,071,680	57,456,419
TIDELANDS OIL REVENUE FUND	87,678,483	-	-	87,678,483
RESERVE FOR SUBSIDENCE	-	-	-	-
DEVELOPMENT SERVICES FUND	25,260,615	-	2,049,666	27,310,281
GAS FUND	80,590,373	12,050,000	5,750,764	98,391,137
GAS PREPAY FUND	40,902,344	-	-	40,902,344
AIRPORT FUND	49,705,731	-	44,287,430	93,993,162
REFUSE/RECYCLING FUND	50,806,873	-	136,971	50,943,844
SERRF FUND	51,702,117	-	-	51,702,117
SERRF JPA FUND	10,979,994	-	-	10,979,994
TOWING FUND	6,163,648	-	-	6,163,648
DEBT SERVICE FUND	11,228,072	-	-	11,228,072
SUCCESSOR AGENCY DEBT SERVICE	26,369,058	-	-	26,369,058
TOTAL	1,907,519,378	11,666,166	438,336,955	2,357,522,499

*Please refer to the Fiscal Impact section of the City Council Letter for a description of notable changes.

**Carryover of unexpended appropriations for multi-year grants and CIP funds.

**FISCAL YEAR 2019 APPROPRIATIONS ORDINANCE BY DEPARTMENT
(Does not include Harbor and Water)**

<u>DEPARTMENT</u>	<u>FY 19 PROPOSED EXPENDITURES</u>	<u>CHANGES*</u>	<u>FY 18 ESTIMATED CARRYOVER**</u>	<u>FY 19 APPROPRIATIONS</u>
MAYOR AND COUNCIL	6,063,730	-	-	6,063,730
CITY ATTORNEY	11,281,034	-	-	11,281,034
CITY AUDITOR	3,177,279	-	-	3,177,279
CITY CLERK	3,483,375	-	25,612	3,508,986
CITY MANAGER	16,086,773	170,000	2,019,994	18,276,767
CITY PROSECUTOR	6,074,340	-	629,896	6,704,236
CIVIL SERVICE	2,864,732	-	-	2,864,732
AIRPORT	48,994,737	-	44,287,430	93,282,168
DISASTER PREPAREDNESS & EMERGENCY COMMUNICATIONS	12,732,532	-	2,335,955	15,068,487
DEVELOPMENT SERVICES	115,496,477	(100,400)	50,289,009	165,685,086
ECONOMIC DEVELOPMENT	21,524,996	-	15,527,945	37,052,941
FINANCIAL MANAGEMENT***	575,276,003	(326,710)	762,288	575,711,580
FIRE	126,877,832	-	2,839,919	129,717,750
HEALTH AND HUMAN SERVICES	133,433,388	-	37,538,850	170,972,238
HUMAN RESOURCES	13,012,486	(383,630)	-	12,628,856
LIBRARY SERVICES	14,838,826	-	1,455,033	16,293,859
ENERGY RESOURCES	226,816,177	12,050,000	5,750,764	244,616,940
PARKS, RECREATION AND MARINE	64,507,526	-	18,905,700	83,413,225
POLICE	258,957,589	339,000	8,024,660	267,321,250
PUBLIC WORKS	199,280,176	(82,093)	243,137,446	442,335,529
TECHNOLOGY & INNOVATION	50,889,229	-	4,806,455	55,695,684
TOTAL	1,911,669,237	11,666,166	438,336,955	2,361,672,358

*Please refer to the Fiscal Impact section of the City Council Letter for a description of notable changes.

**Carryover of unexpended appropriations for 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.

FISCAL YEAR 2019 REVENUES BY FUND
(Does not include Harbor, Water and Sewer Funds)

<u>FUND</u>	<u>FY 19 PROPOSED REVENUES</u>	<u>CHANGES*</u>	<u>FY 19 PROPOSED BUDGETED REVENUES</u>
GENERAL FUND	526,659,261	-	526,659,261
UPLAND OIL FUND	12,239,561	-	12,239,561
GENERAL GRANTS FUND	7,545,574	-	7,545,574
POLICE & FIRE PUBLIC SAFETY OIL PROD ACT FUND	3,315,912	-	3,315,912
HEALTH FUND	53,642,331	-	53,642,331
SPECIAL ADVERTISING & PROMOTION FUND	11,232,337	-	11,232,337
HOUSING DEVELOPMENT FUND	3,436,465	-	3,436,465
BELMONT SHORE PARKING METER FUND	771,512	-	771,512
BUSINESS ASSISTANCE FUND	677,838	-	677,838
COMMUNITY DEVELOPMENT GRANTS FUND	21,512,651	250,000	21,762,651
GASOLINE TAX STREET IMPROVEMENT FUND	19,848,575	-	19,848,575
TRANSPORTATION FUND	30,419,555	-	30,419,555
CAPITAL PROJECTS FUND	36,545,650	-	36,545,650
CIVIC CENTER FUND	10,519,671	2,972,603	13,492,274
GENERAL SERVICES FUND	53,876,025	(223,304)	53,652,721
FLEET SERVICES FUND	45,297,411	-	45,297,411
INSURANCE FUND	45,299,855	(383,630)	44,916,225
EMPLOYEE BENEFITS FUND	314,701,184	-	314,701,184
TIDELANDS OPERATIONS FUND	72,578,515	-	72,578,515
TIDELANDS AREA FUNDS	41,426,697	-	41,426,697
TIDELANDS OIL REVENUE FUND	89,209,421	-	89,209,421
RESERVE FOR SUBSIDENCE	1,480,000	-	1,480,000
DEVELOPMENT SERVICES FUND	20,589,935	3,467,798	24,057,733
GAS FUND	90,255,725	-	90,255,725
GAS PREPAY FUND	41,475,391	-	41,475,391
AIRPORT FUND	55,611,877	-	55,611,877
REFUSE/RECYCLING FUND	46,613,633	-	46,613,633
SERRF FUND	50,166,100	-	50,166,100
SERRF JPA FUND	11,250,285	-	11,250,285
TOWING FUND	6,210,000	-	6,210,000
HOUSING AUTHORITY FUND	74,280,673	-	74,280,673
SUCCESSOR AGENCY OPERATIONS	45,448,372	-	45,448,372
CUPA FUND	1,822,140	-	1,822,140
DEBT SERVICE FUND	9,079,655	-	9,079,655
SUCCESSOR AGENCY DEBT SERVICE	30,162,041	-	30,162,041
TOTAL	1,885,201,826	6,083,467	1,891,285,293

*Please refer to the Fiscal Impact section of the City Council Letter for a description of notable changes.

FY 19 Capital Improvement Program (CIP)

BACKGROUND

The purpose of the Capital Improvement Program (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 along with limited funding require significant consideration to determine the best investments to make, in order to realize the most cost effective returns in the future. The CIP serves as a financial tool to set aside funds for a 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 2019 (FY 19) 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 proposed new funding for FY 19:

- Airport
- Beaches and Marinas
- Mobility
- Parks & Recreations
- Public Facilities
- Public Utilities
- Harbor

FY 19 Capital Improvement Program (CIP)

ALLOCATION PLAN

	FY 19 Proposed
Sources: ¹	
Airport Fund	\$4,100,000
Gas Fund	\$8,050,000
Gasoline Tax Street Improvement Fund	\$11,774,000
General Capital Projects Fund	\$11,199,000
Measure A	\$24,000,000
Tidelands Operations Fund ²	\$4,050,000
Transportation Fund	\$26,385,000
Water Utility	\$19,511,446
Sewer	<u>\$11,768,916</u>
Subtotal	\$120,838,362
 Harbor	 \$697,501,000
 Grand Total	 \$818,339,362
 Uses:	
Airport	\$4,100,000
Beaches and Marinas	\$2,500,000
Parks	\$5,396,500
Public Facilities	\$16,015,000
Mobility	\$51,258,000
Utilities	<u>\$41,568,862</u>
Subtotal	\$120,838,362
 Harbor	 \$697,501,000
 Grand Total	 \$818,339,362

¹ Each fund may receive 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 Fund.

² Projects subject to State Lands Commission approval.

FY 19 Capital Improvement Program (CIP)

Airport Projects

Long Beach Airport (LGB) serves over 3.8 million passengers each year and offers a variety of services to air carriers, commercial and general aviation users, as well as the traveling public. Funding for Airport Capital Improvement Projects is derived 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 focus of the Airport Capital Improvement Program is to continue improving the safety, security, and operations of the Airport to meet the mandates of the FAA and Transportation Security Administration (TSA).

In FY 18, the Airport will complete improvements to Runway 7R-25L. The improvements included the reconstruction of over six hundred thousand square feet of runway pavement and shortening and realignment of the runway for enhanced airfield safety and efficiency. Additionally, the project also involves the redesignation of the runway numbers to 8R-26L. In addition, the main air carrier runway 12-30 will be completed. This ensures the Airport's obligation as a Part 139 airport to maintain safe and serviceable movement areas is sustained at the highest level. FY 18 also includes the advertisement and award of the Phase II Terminal Area Improvements. The Phase II Terminal Improvements consists of a new ticketing lobby, TSA In-Line Checked Baggage Screening Facility, enhanced Meeter and Greeter Plaza with concession opportunities, additional restrooms, consolidated baggage claim, consolidated Rental Car storage area and upgraded customer transaction facility, and a Ground Transportation Plaza.

Project Title	FY 19 Proposed
Airport Terminal Area Improvements	\$2,000,000
Gateway Sign – LGB – Lakewood Blvd.	\$100,000
Airport Pavement Rehabilitation	<u>\$2,000,000</u>
Total Airport Projects	\$4,100,000

Beaches and Marinas

Two assets that help make Long Beach unique are its beaches and marinas. These City-operated and maintained assets provide recreational enjoyment to both residents and visitors. In FY 18, the City will complete the Seaside Way Rainbow Bridge at the Convention Center, Leeway Sailing Center pier, dock and building improvements, and Bayshore Area Improvements, which include a rebuilt swimming dock and aquatics waterplay structure. These new improvements will reduce ongoing maintenance costs, are easily accessible and environmentally friendly.

In FY 18, the City also initiated construction of the Bayshore Lifeguard Station, which is anticipated to be completed in Fall 2018. In addition, the Rainbow Harbor Commercial Sewage EVAC System Replacement and the Belmont Pool/Granada Parking Lot Improvements are also scheduled to be completed.

FY 19 Capital Improvement Program (CIP)

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

Project Title	FY 19 Proposed
Seawall Maintenance and Repairs	\$750,000
Lifeguard Facilities and Towers	\$250,000
Beach Restroom Rehabilitation	\$500,000
Beach Parking Lots Rehabilitation	\$750,000
Tidelands Critical Facility Repairs	<u>\$250,000</u>
Total Marinas, Beaches & Waterways Projects	\$2,500,000

Mobility

The Mobility section contains programs designed to meet the increased needs for mobility resulting from economic growth, utilizing a combination of different funding sources. These funds include Proposition A & C, Gas Tax Street Improvement Capital, Transportation Improvement Fees, Los Angeles County Measure M, State Road and Rehabilitation Maintenance and Rehabilitation Act, and Federal and County grants.

Mobility improvements include street repair, street and intersection widening, traffic signal system expansion and upgrades, transit improvements, replacement parking and traffic lane striping, neighborhood traffic management, and bike lanes.

This section also includes programs that evaluate traffic congestion throughout the City and respond with projects to relieve congestion or enhance traffic safety. The Street Rehabilitation program is designed to help meet that goal. When arterial and local streets are repaved, each corridor is evaluated through a complete streets lens. This means that conditions for people who walk, bicycle and take transit are considered when developing recommendations.

The program delivers improvements including reconstructing and resurfacing of major, secondary, and residential streets; upgrading accessibility of curb ramps to comply with current American Disabilities Act (ADA) regulations; installing bicycle facilities; replacement 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 biannually and uses the information to prioritize the streets in need of resurfacing or reconstruction.

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 potential conflicts with other projects. The goal and objective is to rehabilitate a 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.

In FY 18, it is estimated that 13 lane miles of arterial streets were reconstructed along with sidewalk and residential street repairs totaling 31 lane miles.

FY 19 Capital Improvement Program (CIP)

Project Title	FY 19 Proposed
Prop A Transit Related Improvements	\$3,000,000
Citywide LED Lighting	\$300,000
Major/Secondary Highway Program	\$12,000,000
Bridge Rehabilitation and Seismic Retrofit Program	\$400,000
Residential Street Repair	\$17,073,000
Alleys	\$1,800,000
ADA Response Program	\$500,000
Citywide Infrastructure Improvements (Sidewalks)	\$2,000,000
Sidewalks/Curbs Ramps	\$5,000,000
Prop A Administration	\$829,000
Prop C Administration	\$956,000
Sustainable Transportation	\$6,000,000
Neighborhood Traffic Mitigation	\$250,000
Citywide Striping and Signage	\$250,000
Traffic and Pedestrian Signals	<u>\$900,000</u>
Total Mobility Projects	\$51,258,000

Parks & Recreation Projects

Long Beach's has 170 parks and over 3,000 acres of open space and in FY 18, the park system was ranked 21st in the Country among the 100 largest U.S. cities in the Trust for Public Land's 2018 ParkScore Index survey, rising from 24 in 2017.

Long Beach parks are fundamental to the fabric of the Long Beach community, and are a cornerstone of the City's livability, economic development, health and safety initiatives. Long Beach parks generate property value and tax revenue, increase community health and safety and reduce environmental impacts and costs.

Parks contribute to the economic vitality of Long Beach, as proximity to Long Beach parks increases property value, thereby increasing property tax revenue. Long Beach Parks are a good value compared with the amount residents would pay to use equivalent private facilities. Long Beach Parks host festivals, concerts and athletics events that draw visitors bringing tourism revenue to local restaurants, hotels, and stores, boosting the local economy.

Parks provide space for exercise and respite, and exposure to green space is associated with better physical and mental health. The environmental benefits of Long Beach Parks save residents money through reduced air pollution, greenhouse gas emissions, and storm water management costs. Long Beach Parks are essential to crime reduction efforts and reduce juvenile crime by providing places for children to learn, play and be involved in positive activity.

FY 19 Capital Improvement Program (CIP)

Parks also deliver multi-generational programs and activities for Long Beach's four-legged residents.

Many of Long Beach's parks and open spaces face aging infrastructure, and there is a constant and significant effort to rehabilitate existing park assets and irrigation. Long deferred critical repairs have resulted in necessary capital projects to rehabilitate various park sites. In FY 18, the second year of Measure A funding provided for playground rehabilitation projects at Drake, Jackson, Los Cerritos, Whaley and Veterans Parks; and grants afforded the development of the Red Car Greenbelt, Drake Chavez Greenbelt, Willow Springs Wetlands and DeForest Wetlands. Also in FY18, newly-developed parks and amenities included Seaside Park and Admiral Kidd Park Artificial Turf Fields, and Molina Park will be completed.

Project Title	FY 19 Proposed
Park Acquisition and Development	\$1,500,000
Game Court Rehabilitation	\$300,000
Irrigation System Replacement	\$357,500
Tree Trimming – Parks	\$495,000
Restroom Rehabilitation	\$990,000
El Dorado Park Rehabilitation	<u>\$1,754,000</u>
Total Parks & Recreation Projects	\$5,396,500

Public Facilities

The City of Long Beach owns hundreds of facilities throughout the City that continue to provide residents with public services, recreation, places to learn, and public safety. A few of the popular facilities include the Civic Center comprised of City Hall, Fire Station #1, Police Headquarters and the Main Library, as well as neighborhood branch libraries.

Long deferred critical repairs are required to sustain the integrity of the City's various facilities. In FY 18 facility projects at the Civic Center included the removal and installation of a 20-ton high efficiency condensing unit at Fire Station #1 and the lighting conversion to LED lights at the Public Safety Building. Both projects reduce greenhouse gas emissions while conserving energy.

Project Title	FY 19 Proposed
Civic Center Complex Improvements	\$650,000
General City Building Refurbishment	\$11,270,000
Convention Center Complex Refurbishments	\$1,000,000
Fire Facilities Modernization	\$1,095,000
Facilities Assessments	\$1,750,000
Citywide Reroofing	<u>\$250,000</u>
Total Public Facilities	\$16,015,000

FY 19 Capital Improvement Program (CIP)

Utilities

The Utilities section is comprised of three services to Long Beach residents. These are provided by the Long Beach Energy Resources Department, Long Beach Water Department and Stormwater/Environmental Compliance Division.

Long Beach Energy Resources Department

Long Beach Energy Resources (LBER) Department oversees 1,900 miles of natural gas pipelines. A key Department objective is the safe delivery of natural gas to its 155,000 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. LBER is engaged in a long-term pipeline infrastructure replacement program focusing on pipelines identified in its Distribution Integrity Management Plan (DIMP). During the past five years, over 50 miles of distribution pipeline and approximately 6,000 service pipelines have been replaced, improving system integrity.

As part of the Department's commitment to provide affordable and safe natural gas, LBER has taken a system-wide approach in reviewing the backbone of the gas distribution system for potential upgrades to increase reliability of gas delivery. LBER is also in the process of establishing a consistent pressure standard throughout the system to ensure the long-term ability to meet customer demand and has installed or replaced 13 district regulator stations in the past five years. The integrated approach to pressure-consistency, and replacement of aging infrastructure will improve reliability and allow for more efficient operations. In addition, LBER will continue to work closely with the Public Works Department to coordinate gas projects with street improvement projects.

Project Title	FY 19 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	\$1,100,000
Total LBER	\$8,050,000

Stormwater/Environmental Compliance

The Stormwater/Environmental Compliance Division is responsible for maintaining the City's 300 miles of storm drain pipelines, pump stations and monitoring stormwater quality within Long Beach. Water quality compliance is handled through the City's National Pollutant Discharge Eliminate System (NPDES) permit. In 2016, an assessment of the City's 23 pump stations was completed and identified over \$35 million in repairs and upgrades.

Project Title	FY 19 Proposed
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FY 19 Capital Improvement Program (CIP)

Storm Drain Pump Station Repair & Certification	\$1,938,500
Storm Drain System & Water Quality Improvements	<u>\$300,000</u>
Total Stormwater	\$2,238,500

Long Beach Water Department

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 pipelines, valves and meters. The Department will coordinate pipeline projects with the Measure A Street Rehabilitation projects. 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 19 Proposed
Potable Water	
Water CIP by In-House Workforce	\$2,850,000
Pipeline System Improvements	\$1,801,200
Reservoir/Treatment Plant Improvements	\$2,986,300
Water Supply Projects	\$3,558,800
Facility Improvements	\$6,915,146
Developer Reimbursed	\$600,000
Interest Expense Capitalized	<u>\$800,000</u>
Total Water Fund	\$19,511,446
Sewer	
Sewer Pipeline Improvements	\$2,528,400
Sewer Lift Stations	\$2,882,400
Facility Improvements	\$5,408,116
Interest Expense Capitalized	\$150,000
Other	<u>\$800,000</u>
Total Sewer Fund	\$11,768,916

FY 19 Capital Improvement Program (CIP)

Harbor Department Projects

The Harbor Department (Port), with its deep-water channels, rail access, and ongoing investment in state-of-the-art facilities, continues to be the preferred gateway for Asia-Pacific trade and operational model for its environmental innovations and initiatives. The Port continues to implement a long-term capital improvement program designed to provide Port tenants with secure, state-of-the-art facilities capable of accommodating international trade and safeguarding regional economic benefits in a sustainable manner while ensuring economic vitality, ecological health, and community integrity.

The Port's approximate \$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 19 alone, the Port is forecasting to spend nearly \$700 million on capital projects, with \$215 million for the payment for the new Port Headquarters which is part of the Civic Center redevelopment, \$154 million for the continued construction of the Gerald Desmond Bridge Replacement project, and \$180 million for the third phase of the Middle Harbor Redevelopment Project. When complete, the Middle Harbor Terminal will accommodate the newest 20,000+ Twenty-Foot Equivalent Unit (TEU) container ships 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 \$34 million in capital projects, including \$28 million for two new fire stations.

Project Title	FY 19 Proposed
Major Projects	
Terminal Development	
Pier D/E/F (Middle Harbor)	<u>\$179,063,000</u>
Total Terminals Expansion and Development	\$179,063,000
Port-Wide Security & Safety Projects	
New Fire Station / Fire Boats / Security Projects	<u>\$33,759,000</u>
Total Port-Wide Security & Safety Projects	\$33,759,000
Streets, Bridges, and Railways	
Gerald Desmond Bridge Replacement	\$153,984,000
Rail Projects	<u>\$27,144,000</u>
Total Streets, Bridges, and Railways	\$181,128,000
Miscellaneous Projects	
Port Headquarters / Civic Center	\$214,694,000
Environmental Projects	\$18,856,000

FY 19 Capital Improvement Program (CIP)

Eng. Misc. Projects / Port Infrastructure	\$22,414,000
Port Infrastructure (Streets, Water, Storm Water, Sewer)	\$37,871,000
Information Technology Projects	\$7,440,000
Furniture, Fixtures, and Equipment	<u>\$2,276,000</u>
Total Miscellaneous Project	\$303,551,000
Total Harbor Department	\$697,501,000