

September 5, 2023

BH-27.5

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Receive supporting documentation into the record, conclude the public hearing, and take the actions necessary to adopt the Fiscal Year 2024 budget as listed in Attachment A. (Citywide)

DISCUSSION

On August 1, 2023, the City Manager's Proposed Budget for Fiscal Year 2024 (FY 24) was delivered by Mayor Richardson to the City Council and the community for consideration. The City Council budget hearings were held on January 17, March 7, August 1, August 8, August 15, August 22, and September 5, 2023. Additionally, Budget Oversight Committee (BOC) meetings and citywide community town hall meetings were also held in the months of January, February, July, and August 2023, at which the Proposed FY 24 Budget was discussed. As a result of these meetings, there were 24 scheduled opportunities for public feedback, deliberation, and input. Additionally, FY 24 budget input was solicited through the Long Beach Budget Priority Survey in January and the Digital Budget Comment Card in August to obtain feedback on desired City priorities and input on the FY 24 Proposed Budget. Both the survey and the comment card were promoted on the City's website, X (formally Twitter), Instagram, Facebook, Reddit, Nextdoor, and at community meetings.

At the conclusion of the September 5, 2023 Budget Hearing, the City Council will amend the Proposed FY 24 Budget as it deems appropriate and adopt the proposed budget as amended. Since the publication of the Proposed FY 24 Budget, a few updates were made to the proposed revenue and expenditure budgets, which primarily address technical corrections and are listed by fund group and department in Attachments B, C, and D. The reasons for these budget adjustments are discussed at the end of this letter.

As part of the FY 24 Budget Adoption, there are three Ordinances to be considered for approval in Attachment A. The first Ordinance amends the Departmental Organization of the City (A-6). The second Ordinance approves Resolution No. UT-1482 (A-10), which establishes the rates and charges for the water, sewer, and gas services. The third is the Appropriations Ordinance (A-16), which officially appropriates the funding for the Adopted Budget (approved in A-3) and authorizes expenditures in conformance with the Adopted Budget. For the second and third Ordinances to become effective on October 1, 2023, the City Council must first declare an emergency to exist before adopting each Ordinance (A-9 and A-15).

There are also five Resolutions to approve the Master Fees and Charges Schedule (A-4); amend the Salary Resolution (A-7); approve the budget for the Long Beach Harbor Department (A-8); approve the budget for the Utilities Department (A-11); and establish the Gann Appropriations Limit (A-14). There are also the following motions: approve the Mayor's

HONORABLE MAYOR AND CITY COUNCIL

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Recommendations (A-1); approve the BOC Proposed Funding Recommendations (A-2); amend the Proposed FY 24 Budget (A-3); approve the FY 24 One-Year Capital Improvement Program (A-5); approve the FY 24 Budget for the Long Beach Community Investment Company (A-12); and approve the Harbor Fund Group transfer (A-13).

This matter was reviewed by Deputy City Attorney Monica Kilaita on August 16, 2023 and by Budget Manager Grace H. Yoon on August 15, 2023.

TIMING CONSIDERATIONS

In accordance with the City Charter, the Proposed FY 24 Budget must be adopted by September 15, 2023. Should the City Council fail to adopt the budget by that date, the City Manager's Proposed FY 24 Budget will be deemed the budget for the 2024 Fiscal Year. The Mayor has five calendar days from the City Council adoption of the budget to use his veto authority. The City Council would then have until September 30, 2023, to override the veto action by the Mayor with a two-thirds supermajority vote (six Councilmembers).

FISCAL IMPACT

The City Charter requires that the Appropriations Ordinance govern and control the expenditure and commitment amounts stated therein relating to City departments, offices, and agencies during each fiscal year. The total Proposed FY 24 Budget for all departments and fund groups is \$4,264,914,347, which comprises of \$3,239,989,594 in new appropriation and \$1,024,924,753 in estimated carryover from FY 23 for multi-year grants and projects. Attachments B, C, and D provide the financial overview by Fund Group and Department, and Citywide revenue by Fund Group, respectively.

The Appropriations Ordinance, included as Attachment A-16, totals \$3,339,734,767 for all Fund Groups except Harbor, Sewer, Water, and Gas Fund Groups, and \$3,344,564,651 for all departments except Harbor and Utilities Departments. The \$4,829,884 difference between Fund Groups and Departments is due to general City indirect costs budgeted in the Financial Management Department but charged to the Harbor, Water, Sewer, and Gas Fund Groups, which are not included in the Appropriations Ordinance by Fund Group.

The proposed Harbor, Water, Sewer, and Gas Fund Group budgets are in separate City Council Resolutions included as Attachment A-8 and A-11, respectively, and total \$925,179,581. This total figure reflects what is in the budget system, which may vary from the figures included in the resolutions, which allow for adjustments to be made to the adopted budget in an amount not exceeding five (5) percent. The final budgets are \$608,416,908 for the Harbor Fund Budget, \$162,465,645 for the Water Fund, \$23,564,028 for the Sewer Fund, and \$130,733,000 for the Gas Fund. The Board of Harbor Commissioners adopted the budget for the Harbor Department by minute order on June 12, 2023. The Board of Utilities Commissioners adopted the budget for the Utilities Department by Resolution on June 26, 2023.

User fees and charges in the Master Fees and Charges Schedule, included as Attachment A-4, have been adjusted due to changes in service and other factors. For details regarding these

proposed new fees and adjustments, please see the List of Proposed Fees Adjustments for FY 24 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 24 One-Year Capital Improvement Program (CIP) budget, included as Attachment A-5, which is contained in the Appropriations Ordinance.
- Amending the Departmental Organization Ordinance included as Attachment A-6. This amendment incorporates changes to departments, bureaus, and divisions for FY 24. These organizational changes are necessary to implement changes reflected in the Proposed FY 24 Budget. A redline version of the changes is also provided.
- Adopting the amended Salary Resolution for FY 24, which creates and establishes positions of employment while fixing and prescribing the compensation for officers and employees, is included as Attachment A-7. Historically, the Salary Schedule has been included alongside the Salary Resolution, for review by Council. Starting in FY 23, the Department of Human Resources will return to City Council at a later date for approval of the Salary Schedule to ensure accuracy and inclusion of new/updated classifications.
- Adopting the FY 24 Long Beach Community Investment Company (LBCIC) budget, included as Attachment A-12. 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 24 Budget on May 17, 2023.
- Adopting a Resolution, included as Attachment A-14, 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 47.95 percent of the 2023-2024 Appropriations Limit and, therefore, do not exceed the Limit. The City Auditor reviews this calculation for conformance to the law.

After the City Manager delivered the Proposed FY 24 Budget to the Mayor, technical adjustments were made to complete the budget. These changes are shown in Attachments B, C, and D. Changes include the following:

1. An expense and revenue decrease of \$16,195 in the Public Works Department in the Capital Projects Fund Group as a correction to align with CDBG FY 24 Action Plan 24.
2. An expense decrease in the Airport Department in the Capital Projects Fund Group of \$52,449 as a technical correction to align personnel budgeting to project budgeting.

3. An expense increase in the Health and Human Services Department in the Health Fund Group of \$23,890 as a technical correction for the sidewalk vending program fleet vehicle purchase expenditure in FY 24.

The remaining changes were minor, technical adjustments made to various funds and departments resulting in no bottom line changes at the fund level.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



KEVIN RIPER
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:



THOMAS B. MODICA
CITY MANAGER

ATTACHMENTS

List of Requested Fiscal Year 2024 Budget Adoption Actions

1. Adopt the Mayor's proposed budget recommendations, as amended, to the Proposed FY 24 Budget. (A-1)
2. Adopt the Budget Oversight Committee's proposed funding recommendations, as amended, to the Proposed FY 24 Budget. (A-2)
3. Adopt the expenditures and revenues as identified in the Proposed FY 24 Budget, as amended. (A-3)
4. 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-4)
5. Approve the FY 24 One-Year Capital Improvement Program. (A-5)
6. 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-6)
7. Adopt the amended Salary Resolution for FY 24. (A-7)
8. Adopt the Resolution approving the FY 24 budget for the Long Beach Harbor Department as adopted by the Board of Harbor Commissioners on June 12, 2023. (A-8)
9. Declare an emergency to exist pursuant to City Charter Section 221 for the Ordinance approving the Resolution No. UT-1482 establishing the rates and charges for Water, Sewer, and Gas services to all customers, as adopted by the Board of Utilities Commissioners on June 26, 2023. (A-9)
10. Declare the Ordinance approving the Resolution No. UT-1482 establishing the rates and charges for Water, Sewer, and Gas services to all customers, as adopted by the Board of Utilities Commissioners on June 26, 2023, 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-10)
11. Adopt the Resolution approving the FY 24 budget of the Long Beach Utilities Department as adopted by the Board of Utilities Commissioners on June 26, 2023. (A-11)
12. Adopt a motion approving the FY 24 budget for the Long Beach Community Investment Company in the amount of \$10,675,142. (A-12)
13. Adopt a motion approving the estimated transfer of \$24,122,500 from the Harbor Fund Group to the Tidelands Operations Fund Group. (A-13)
14. Adopt the Resolution establishing the Gann Appropriations Limit for FY 24 pursuant to Article XIII (B) of the California Constitution. (A-14)
15. Declare an emergency to exist pursuant to City Charter Section 221 for the Appropriations Ordinance for FY 24, creating and establishing the fund groups of the Municipal Government and appropriating money to and authorizing expenditures from said funds and for said fiscal year. (A-15)

List of Requested Fiscal Year 2024 Budget Adoption Actions

16. Declare the Appropriations Ordinance for FY 24, creating and establishing the fund groups 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 2024 APPROPRIATIONS ORDINANCE BY FUND GROUP
(Does not include Harbor, Water, Sewer, and Gas Fund Groups)

<u>FUND GROUP</u>	<u>FY 24 PROPOSED EXPENDITURES</u>	<u>CHANGES*</u>	<u>FY 23 ESTIMATED CARRYOVER**</u>	<u>FY 24 APPROPRIATIONS***</u>
GENERAL FUND	719,137,012	-	-	719,137,012
UPLAND OIL FUND	10,314,080	-	-	10,314,080
GENERAL GRANTS FUND	11,598,781	-	27,185,298	38,784,078
POLICE & FIRE PUBLIC SAFETY OIL PROD ACT FUND	2,871,145	-	-	2,871,145
HEALTH FUND	64,077,201	23,890	41,504,528	105,605,619
CUPA FUND	2,935,653	-	-	2,935,653
SPECIAL ADVERTISING & PROMOTION FUND	11,599,628	-	-	11,599,628
HOUSING DEVELOPMENT FUND	12,463,329	-	18,219,282	30,682,611
BELMONT SHORE PARKING METER FUND	844,382	-	-	844,382
BUSINESS ASSISTANCE FUND	757,019	-	4,246,567	5,003,586
COMMUNITY DEVELOPMENT GRANTS FUND	18,319,604	-	25,491,614	43,811,218
HOUSING AUTHORITY FUND	109,722,688	-	5,737,141	115,459,829
GASOLINE TAX STREET IMPROVEMENT FUND	11,889,365	-	14,044,644	25,934,008
CAPITAL PROJECTS FUND	184,852,036	(68,644)	663,205,342	847,988,734
SUCCESSOR AGENCY OPERATIONS	4,233,281	-	29,466,722	33,700,003
CIVIC CENTER FUND	24,819,094	-	480,371	25,299,465
GENERAL SERVICES FUND	78,420,346	-	20,707,380	99,127,726
FLEET SERVICES FUND	51,911,234	-	3,482,863	55,394,097
INSURANCE FUND	74,815,760	-	-	74,815,760
EMPLOYEE BENEFITS FUND	416,869,196	-	-	416,869,196
TIDELANDS OPERATIONS FUND	107,900,479	-	95,545,309	203,445,788
TIDELANDS AREA FUNDS	38,084,601	-	18,073,198	56,157,799
TIDELANDS OIL REVENUE FUND	91,961,960	-	-	91,961,960
RESERVE FOR SUBSIDENCE	-	-	-	-
DEVELOPMENT SERVICES FUND	35,350,578	-	(2,056,422)	33,294,157
GAS PREPAY	46,131,723	-	-	46,131,723
AIRPORT FUND	60,627,755	-	57,420,340	118,048,095
REFUSE/RECYCLING FUND	72,340,343	-	2,170,576	74,510,919
SERRF FUND	7,093,001	-	-	7,093,001
SERRF JPA FUND	-	-	-	-
TOWING FUND	7,327,677	-	-	7,327,677
DEBT SERVICE FUND	11,593,856	-	-	11,593,856
SUCCESSOR AGENCY - DEBT SERVICE	23,991,962	-	-	23,991,962
TOTAL	2,314,854,768	(44,754)	1,024,924,753	3,339,734,767

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

**Reflects estimated carryover for accounts with projects and grants as of 5/31/23.

***The total appropriations for all fund groups is \$4,264,914,347. This is derived from the total FY 24 Appropriations amount above, plus \$925,179,581 for the Harbor, Water, Sewer, and Gas Fund Groups not listed above. Note: figure may not account for rounding.

FISCAL YEAR 2024 APPROPRIATIONS ORDINANCE BY DEPARTMENT
(Does not include Harbor and Utilities Departments)

<u>DEPARTMENT</u>	<u>FY 24 PROPOSED EXPENDITURES</u>	<u>CHANGES*</u>	<u>FY 23 ESTIMATED CARRYOVER**</u>	<u>FY 24 APPROPRIATIONS****</u>
MAYOR AND COUNCIL	8,050,573	-	(1,081)	8,049,492
CITY ATTORNEY	10,617,544	-	(3,900)	10,613,644
CITY AUDITOR	3,507,601	-	-	3,507,601
CITY CLERK	5,281,467	-	-	5,281,467
CITY MANAGER	27,188,045	-	7,282,576	34,470,621
CITY PROSECUTOR	7,138,407	-	1,674,586	8,812,993
CIVIL SERVICE	3,895,471	-	-	3,895,471
AIRPORT	59,725,492	(52,449)	57,230,336	116,903,379
DISASTER PREPAREDNESS & EMERGENCY COMMUNICATIONS	14,395,629	-	1,561,976	15,957,605
DEVELOPMENT SERVICES	88,275,826	-	71,224,979	159,500,804
ECONOMIC DEVELOPMENT	32,677,659	-	98,767	32,776,426
FINANCIAL MANAGEMENT***	754,073,266	-	112,562,598	866,635,864
FIRE	166,301,404	-	3,545,615	169,847,019
HEALTH AND HUMAN SERVICES	187,127,193	23,890	47,180,253	234,331,336
HUMAN RESOURCES	38,587,031	-	(686,811)	37,900,220
LIBRARY SERVICES	19,653,165	-	5,118,904	24,772,068
ENERGY RESOURCES	109,001,976	-	-	109,001,976
PARKS, RECREATION AND MARINE	78,528,151	-	31,107,645	109,635,795
POLICE	314,615,694	-	11,173,594	325,789,289
POLICE OVERSIGHT	1,499,453	-	-	1,499,453
PUBLIC WORKS	316,580,874	(16,195)	653,806,601	970,371,280
TECHNOLOGY & INNOVATION	72,962,731	-	22,048,117	95,010,848
TOTAL	2,319,684,651	(44,754)	1,024,924,753	3,344,564,651

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

**Reflects estimated carryover for accounts with projects and grants as of 5/31/23.

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

****The total appropriations for all fund groups is \$4,264,914,347. This is derived from the total FY 24 Appropriations amount above, plus \$920,349,696 for the Harbor and Utilities Departments not listed above. Note: figure may not account for rounding.

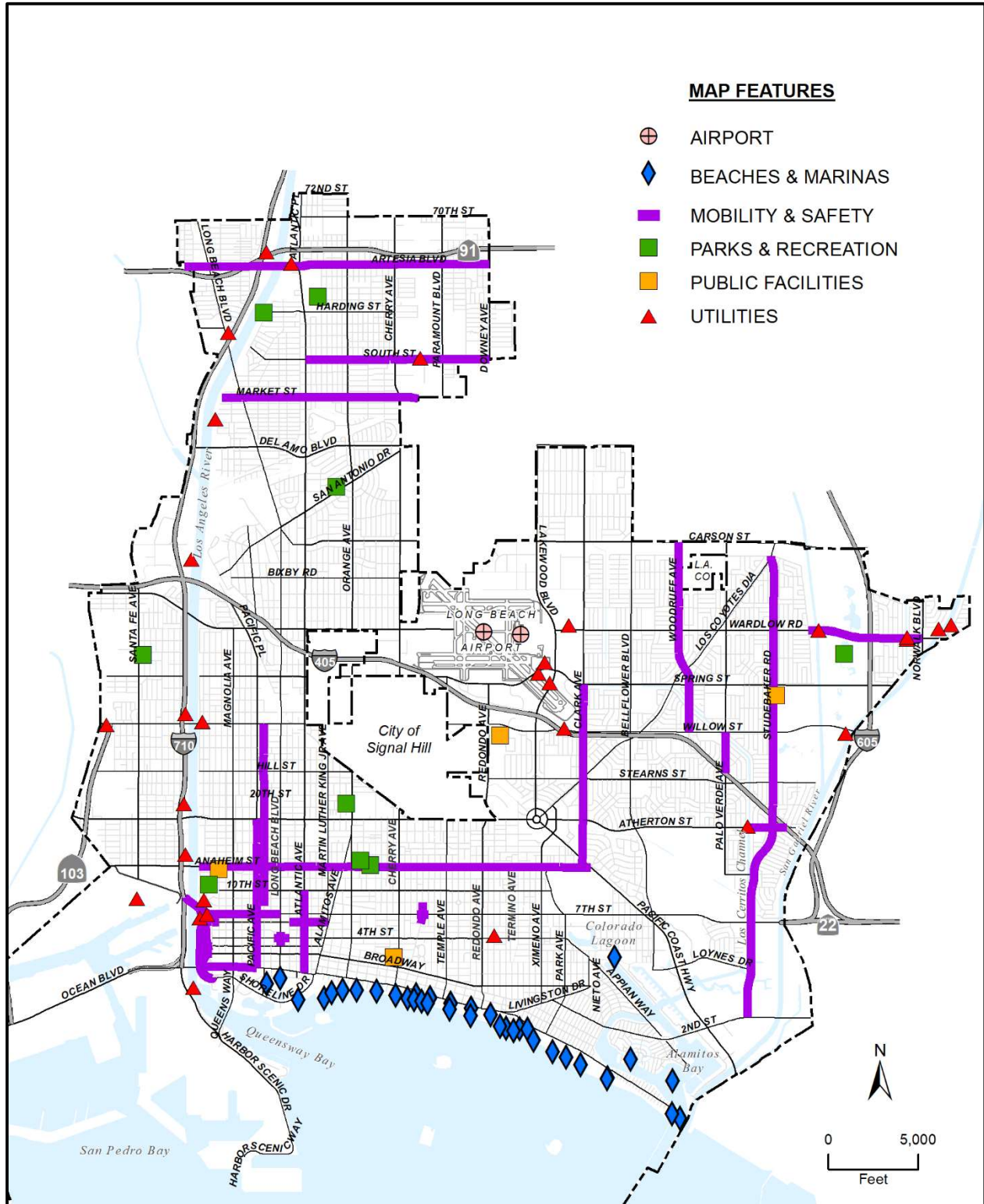
FISCAL YEAR 2024 REVENUES BY FUND GROUP
(Does not include Harbor, Water, Sewer, and Gas Fund Groups)

<u>FUND GROUP</u>	<u>FY 24 PROPOSED REVENUES</u>	<u>CHANGES*</u>	<u>FY 24 PROPOSED BUDGETED REVENUES</u>
GENERAL FUND	676,790,001	-	676,790,001
UPLAND OIL FUND	11,811,475	-	11,811,475
GENERAL GRANTS FUND	11,147,287	-	11,147,287
POLICE & FIRE PUBLIC SAFETY OIL PROD ACT FUND	2,897,874	-	2,897,874
HEALTH FUND	63,475,465	-	63,475,465
SPECIAL ADVERTISING & PROMOTION FUND	12,008,333	-	12,008,333
HOUSING DEVELOPMENT FUND	12,735,212	-	12,735,212
BELMONT SHORE PARKING METER FUND	893,794	-	893,794
BUSINESS ASSISTANCE FUND	728,199	-	728,199
COMMUNITY DEVELOPMENT GRANTS FUND	9,778,871	-	9,778,871
GASOLINE TAX STREET IMPROVEMENT FUND	13,096,064	-	13,096,064
CAPITAL PROJECTS FUND	173,206,602	(16,195)	173,190,407
CIVIC CENTER FUND	24,361,028	-	24,361,028
GENERAL SERVICES FUND	78,547,435	-	78,547,435
FLEET SERVICES FUND	67,916,587	-	67,916,587
INSURANCE FUND	84,593,625	-	84,593,625
EMPLOYEE BENEFITS FUND	416,498,796	-	416,498,796
TIDELANDS OPERATIONS FUND	112,569,406	-	112,569,406
TIDELANDS AREA FUNDS	34,619,590	-	34,619,590
TIDELANDS OIL REVENUE FUND	98,787,714	-	98,787,714
RESERVE FOR SUBSIDENCE	5,286,979	-	5,286,979
DEVELOPMENT SERVICES FUND	36,905,203	-	36,905,203
GAS PREPAY FUND	-	-	-
AIRPORT FUND	65,877,118	-	65,877,118
REFUSE/RECYCLING FUND	73,516,115	-	73,516,115
SERRF FUND	4,150,000	-	4,150,000
SERRF JPA FUND	-	-	-
TOWING FUND	7,328,360	-	7,328,360
HOUSING AUTHORITY FUND	105,713,883	-	105,713,883
SUCCESSOR AGENCY OPERATIONS	4,219,567	-	4,219,567
CUPA FUND	1,864,161	-	1,864,161
DEBT SERVICE FUND	10,000,690	-	10,000,690
SUCCESSOR AGENCY DEBT SERVICE	30,162,041	-	30,162,041
TOTAL	2,251,487,476	(16,195)	2,251,471,281

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

FY 24 Capital Improvement Program (CIP)

Capital Program Overview



FY 24 Capital Improvement Program (CIP)

BACKGROUND

Development of the annual Capital Improvement Program (CIP) is an intensive process, involving a comprehensive review of the goals and direction of the City's future infrastructure needs. The CIP continues 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 over the next fiscal year. To determine the best investments to make now, the size, age, and diverse infrastructure of the City requires significant consideration, to realize the most cost-effective returns in the future. The CIP also serves as a financial tool, which identifies funds for the wide variety of mid and longer-term capital projects, as well as a planning tool to ensure capital projects are consistent with the City's General plan.

The Proposed Fiscal Year 2024 (FY 24) CIP was developed with input incorporated from public workshops and presentations to community groups and local elected officials. The purpose of this collaboration is to determine specific priorities to enable the City to effectively concentrate its capital investment. Any capital plan must take into consideration the financial impact to its citizens, balancing the ever-changing needs of the City with the capacity to finance those improvements and the maintenance that comes with them.

BUDGET PROCESS

Public Works serves as the lead Department for developing the Proposed FY 24 CIP Budget. Public Works, in conjunction with other Departments, reviewed the City's capital needs and prioritized project submittals based on established criteria outlined below. Departments are requested to submit projects for funding consideration with a priority ranking, and the Public Works Department, Financial Management Department, and City Manager review and evaluate submittals. Project submittals are also evaluated within the context of available funding limits to ensure that the limited resources available fund priority projects, while at the same time, maintain the City's existing infrastructure and minimize future replacement costs.

- 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; and
- The extent to which the project will secure future funds through program planning or grant eligibility.

The CIP identifies the upcoming Fiscal Year's proposed infrastructure expenditures along with providing an outline of proposed funding for future years, based upon an analysis of available funding sources. The City's CIP needs outweigh available resources; therefore, the Proposed Budget is constrained by funding availability.

BUDGET HIGHLIGHTS

The Proposed Capital Budget and CIP presented in this document will guide the City in the planning, scheduling, and budgeting of capital improvement projects over the next year. This overview highlights the major capital investments within each of the seven capital programs listed below. The strategic capital investment in the City's infrastructure includes major enhancements and repairs to critical public assets and the CIP focuses on the renovation, renewal, and expansion of City infrastructure that is critical to serve the day-to-day needs of our community,

FY 24 Capital Improvement Program (CIP)

such as parks, marinas and beaches, City-owned facilities, streets, traffic signals, storm drains, sidewalks, bus stops, bridges, water and sewer facilities, the Harbor, upgrades to meet the Americans with Disabilities Act (ADA) regulations, and improvements to airport facilities to meet the long-term travel needs of our residents and businesses. In particular, the next five years are expected to see a surge of infrastructure activity as a number of new projects have been funded with Measure A Bond proceeds approved by City Council in May of 2023.

The following pages provide a summary of each section with a dollar amount that represents proposed funding for FY 24:

- Airport
- Beaches
- Mobility
- Parks
- Public Facilities
- Utilities
- Harbor

ALLOCATION PLAN

	FY 24 Proposed
Sources¹:	
Airport Fund	\$2,000,000
Tidelands Fund	\$11,000,000
Gas Fund	\$12,050,000
Gasoline Tax Street Improvement Fund	\$16,750,000
General Capital Projects Fund	\$21,029,000
Measure A	\$15,140,000
Transportation Fund	\$44,605,401
Water Utility	\$42,208,000
Sewer	<u>\$5,379,400</u>
Subtotal	\$170,161,801
 Harbor	 \$255,424,000
 Grand Total	 \$425,585,801
 Uses:	
Airport	\$2,000,000
Beaches	\$10,000,000
Mobility & Safety	\$75,384,401
Parks	\$8,950,000
Public Facilities	\$5,990,000
Utilities	<u>\$67,837,400</u>
Subtotal	\$170,161,801
 Harbor	 \$255,424,000
 Grand Total	 \$425,585,801

FY 24 Capital Improvement Program (CIP)

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.

Airport

Long Beach Airport (LGB) 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), Transportation Security Administration (TSA) grants, Passenger Facility Charges (PFC), Customer Facility Charges (CFC), Airport fees, and operating revenues. 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 TSA.

In FY 23, the Airport completed a \$464,000 emergency pavement repair to Taxiway K (at 12-30 East Hold Bar, K3 & K2), which included crack preparation and crack fill of fractured asphalt and slurry seal placement over K2; Taxiway K at 12-30 East Hold Bar & K3 grind/overlay; and restriping of the areas.

The Terminal Area Improvements Program (Phase II) continues to progress, with the third project component, Baggage Claim, completed in April 2023. The Meeter and Greeter Plaza hardscape areas and the remaining restrooms, concession space, and baggage service offices are currently in progress. Also in progress is the Historic Terminal Renovations which includes the Rental Car Customer Service Counters.

The upcoming Terminal Roadway Improvements project, estimated at \$18M, will consist primarily of construction of two new crosswalks, roadway, and pedestrian island between the Terminal and (future) Ground Transportation Center, widening of Donald Douglas Drive adjacent to the Terminal building, modifications to the intersection of Barbara London Drive and Donald Douglas Drive, vehicle wayfinding signage, asphalt and concrete pavement, roadway striping, and various landscape improvements. Mobilization is estimated to begin Fall of 2023, with construction anticipated for early 2024.

Other projects on the airfield include the ongoing Rehabilitation of Runway 12-30 Lighting project and the upcoming Taxilane K Reconstruction and Construct of Taxilane U projects. The \$9.5 million Rehabilitate Runway 12-30 Lighting project is estimated to be completed in August 2023. The \$4.4 million Taxilane K Reconstruction project includes the reconstruction of approximately 71,500 sq. ft. of pavement, rehabilitation of approximately 67,650 sq. ft. of pavement, and improvements to pavement markings, striping, and drainage systems. The \$7.3 million Construct Taxilane U Project repurposes an area that includes portions of decommissioned Runway 16R-34L south of Taxiway F to provide improved access to the airfield. Approximately 42,900 sq. ft. of pavement will be constructed, including pavement markings, lighting, signage, and drainage systems. Mobilization is anticipated for September 2023, and construction is scheduled for early 2024.

Project Title	FY 24 Proposed
Airport Terminal Area Improvements	\$1,000,000
Airport Pavement Rehabilitation	<u>\$1,000,000</u>

FY 24 Capital Improvement Program (CIP)

Total Airport Projects

\$2,000,000

Beaches

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 23, the City completed the Belmont Pier Plaza Improvements, which improved lighting, landscaping, and wayfinding in the popular Pier area. In addition, the City completed the Junior Lifeguard Facility, which seeks to provide a modernized facility to support the growing junior guard summer program, and completed critical repairs to the Queen Mary to allow for its re-opening, including Bilge Pump System Upgrade, Lifeboat Removal, Shore Power Project, Ship Power Distribution and Fire Alarm System, Queen Mary parking lot repairs, and various maintenance tasks to restore the ship.

The City is continuing to invest in and enhance its coastal and natural resources through the Colorado Lagoon Open Channel project, which broke ground in November 2022. Work began on the Bayshore Concession Access Lift project that will retrofit the existing concession stand and provide an ADA-access lift to the upper level of the facility.

In FY 23, design and permitting were completed for the Davies Boat Launch Ramp, Parking Lot, and Restroom Improvement project. Construction is expected to begin in FY 24 which will improve public access and the visitor experience. Finally, in an effort to continue investments to the City's entertainment and tourism areas, the City initiated the Rainbow Lagoon Curb and Pathways Project, Convention Center Improvements, Rainbow Harbor Bridge and Promenade Repairs, and Marina Green Parking Lot Improvements.

In FY 24, detailed design efforts and permits are expected to be completed for the Junipero Beach Sports Courts and Skating Area, as well as the Pride Tower node project.

Project Title	FY 24 Proposed
Beach Amenity Improvements	\$200,000
Beach Facility Improvements	\$5,000,000
Beach Parking Lot Rehabilitation	\$500,000
Beach Stairway Replacement	\$600,000
Pier Improvements	\$1,000,000
Seawall Improvements	\$500,000
Lagoon and Wetlands Improvements	\$500,000
Dredging and Nourishment Improvements	\$600,000
Tidelands Roadway Improvements	<u>\$1,100,000</u>
Total Beach Projects	\$10,000,000

Mobility & Safety

FY 24 Capital Improvement Program (CIP)

The Mobility & Safety section contains programs designed to meet the increased needs for mobility resulting from economic growth, utilizing a combination of different funding sources. Funding sources include the City of Long Beach Measure A, Los Angeles County Proposition A and C, Gas Tax Street Improvement Capital, Transportation Improvement Fees, Los Angeles County Measure M and R, AB 2766, State Road Maintenance and Rehabilitation Act, along with Federal, State, and County grants.

Mobility improvements include roadway rehabilitation, complete streets and corridor improvements, traffic signal system and intersection upgrades, transit improvements, replacement parking and traffic lane striping, neighborhood traffic management, and mobility enhancements in the right-of-way. This section also includes programs that evaluate traffic impacts throughout the City while responding with projects to reduce vehicle miles traveled (VMT), provide balanced transportation options, and enhance traffic safety.

When designing arterial and local streets, each location is addressed using the complete streets design framework. When designing a roadway, several factors are considered such as the conditions for people who walk, bicycle, and use public transportation. The program delivers various 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 bridge inspection reports.

The paving program is guided by the City's Infrastructure Investment Plan (IIP) and Pavement Management Program (PMP), which is updated biannually. Staff also plan projects to coordinate with Development Services, the Utilities Department, and projects from other departments and agencies. The program is developed to make the best use of limited funds. This is not a "worst first" methodology, as the City uses a balanced approach between maintaining "good" streets in good condition, while also allocating funding to eliminate the backlog of streets in "poor" condition. There are several factors that are taken into consideration when the City evaluates the selection of streets, such as the Safe Streets Long Beach Plan, surface conditions, utility work (pipeline construction), future developments in the area, and potential conflicts with other projects. The goal 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.

The following Complete Street Projects started their design process in FY 22 and are anticipated to have their designs completed in early 2024: Studebaker Road Improvements between 2nd St to Carson Ave, Shoreline Drive Realignment, and the Mid-City Traffic Signal Improvements – area bordered by Alamitos/7th/Redondo/Ocean.

The following Complete Streets projects will move into the design phase by late FY 23: Pacific Ave Cycle Track, between Ocean Blvd to Anaheim St; Pine Ave Bike Blvd, North of 11th St; and the Downtown Walkable Street Corners Project. Also notable is the Shoemaker Bridge Improvement Project that will continue its design phase into FY 24. The bridge project has a tentative construction end date in 2028. Traffic Engineering is also designing pedestrian medians and bulb-outs at all 20 pedestrian/bicycle priority intersections on the High Injury Network identified in the Safe Streets Long Beach Plan.

The Anaheim Street Improvements between LA River and PCH, Complete Street Project, will start construction in FY 23.

FY 24 Capital Improvement Program (CIP)

In FY 24, the following Complete Street Projects will have completed their construction phase: Market St Improvements between LA River and Cherry Ave. and the Artesia Great Boulevard project.

Project Title	FY 24 Proposed
CIP Administration	\$7,115,301
Residential Street Improvements	\$13,800,000
Pothole Repairs	\$629,000
Arterial Street Rehabilitation	\$15,200,000
Arterial Corridor Enhancements	\$19,000,000
Bus Stop Improvements	\$800,000
ADA Curb Ramp Improvements	\$10,250,000
Crack/Slurry Seal Program	\$1,500,000
Alley Improvements	\$200,000
Bridge Improvements	\$500,000
Citywide Sinkholes Repairs	\$250,000
Bikeway and Pedestrian Improvements	\$3,390,100
Citywide Striping and Signage Program	\$250,000
Median and Parkway Improvements	\$700,000
Traffic Signal Improvements	<u>\$1,800,000</u>
Total Mobility Projects	\$75,384,401

Parks

Long Beach has over 170 parks and over 3,000 acres of open space that are used daily by residents and visitors. Parks contribute greatly to the livability of Long Beach, host festivals, concerts and athletic events that draw thousands of visitors, bringing tourism revenue to local restaurants, hotels, and stores, all while boosting the local economy.

Many of Long Beach's parks and open spaces face aging infrastructure and there is a significant effort to rehabilitate existing park assets and infrastructure. Deferred critical repairs have resulted in necessary capital projects to rehabilitate various park sites, while providing an opportunity to upgrade to more energy and water efficient systems. Through intentional planning and design, new parks, playgrounds, and open spaces provide public benefits including access to nature, promoting healthy and active lifestyles, and providing spaces and places for children to learn, socialize, and play.

In FY 23, the City completed construction of the Wardlow Park ADA Restrooms, Phase 1 of the El Dorado Sports Fields Improvements, Wrigley Greenbelt Project, and the Gas Treatment Facility at Davenport Park. In addition, the City began construction on the Admiral Kidd Park Playground project and initiated several new projects including the El Dorado Entryway and Paving Improvements and Houghton Park Playground projects.

FY 24 Capital Improvement Program (CIP)

Other significant milestones in FY 23 include the award of a construction contract for the Davenport Park Expansion Phase II project which is expected to break ground fall 2023. Other notable achievements include the completion of design plans for MacArthur Park Renovation and Bixby Park Bandshell Improvements. In FY 24, several projects are expected to complete their designs and begin construction, including Ramona Park Playground, Silverado Park Playground, and El Dorado Sports Fields Phase II projects.

Project Title	FY 24 Proposed
Park Open Space Development	\$4,850,000
Park Amenity Improvements	\$900,000
Park Facility Improvements	<u>\$3,200,000</u>
Total Parks Projects	\$8,950,000

Public Facilities

The City of Long Beach owns over 250 facilities throughout the City that continue to provide residents with public services, recreational opportunities, places to learn, and public safety. These facilities include but are not limited to the following: Libraries, Health Facilities, Fire Stations, and Police Stations.

The Department of Public Works has added additional facilities to the Citywide Facility Condition Assessment (FCA) bringing the total number of facilities evaluated to 253. City-owned buildings have been assessed and final FCA reports have been completed. The assessments form the basis of capital improvement programming and identify early action items for facility maintenance. The FCA will allow staff to identify and prioritize items in need of repair based on resources available at the time.

In FY 23, the following projects were completed: Central Health Interior Renovations, California Recreation Center Roof Replacement at McBride Park, Fire Station 1 Roof Replacement, and various improvement projects at the Police Department Headquarters. Design is underway for the downtown Senior Center, Police Department Crime Lab, Fire Department Training Center, West Health Department Child Care Facility, North Police Station Roof and HVAC replacement, and the West Police Station Fire Alarm System Upgrades. Projects currently under construction are the Fire Station 14 Workforce Privacy Improvements, Police Department Training Academy, Multi-Service Center Roof Replacement and HVAC Energy Upgrades, Mark Twain Library HVAC Energy Upgrades, Burnett Library Roof Replacement and HVAC Energy Upgrades, and the Bayshore Library Improvements.

As part of the declared Homeless Emergency, the City acquired and is currently renovating the Best Western Hotel and Luxury Inn properties for interim housing, created the Safe Parking site, and developed an RV Dump Station. At the Multi-Service Center, construction will be underway for the city's first tiny home community consisting of modular homes. In addition, the Navigation Center that serves homeless teens will be under construction.

In FY 24, Main Health and other Health Department locations, Libraries, and Fire Department facilities are anticipated to begin design work and/or construction related improvements.

Project Title	FY 24 Proposed
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FY 24 Capital Improvement Program (CIP)

Facility Improvements	<u>\$5,990,000</u>
Total Public Facilities	\$5,990,000

Utilities

The Utilities section is comprised of three services to Long Beach residents. These critical services are provided by the Long Beach Utilities Department and the Public Works Stormwater/Environmental Compliance Division. In addition, these departments work closely to coordinate water, gas, and street improvement projects in the right-of-way, adhering to the City's "Dig Once" policy preventing any newly paved or slurried street from being torn up. In FY 24, the Utilities budget includes a proposed total of \$67.8 million of new funding.

Long Beach Utilities Department

Natural Gas

In November of 2022 voters approved Measure BB amending the city charter to merge existing natural gas and water utilities into one publicly operated entity, the Long Beach Utilities Department. The Gas operation under the new Utilities Department oversees approximately 1,900 miles of natural gas pipelines. The Department's objective is to provide safe and reliable natural gas service to over 150,000 businesses and households in the most cost-efficient manner. All operations are conducted in strict compliance with the U.S. Department of Transportation (DOT) pipeline safety regulations - 49 CFR Part 190-199, and local government codes. The Department is engaged in a long-term pipeline infrastructure replacement program focusing on pipelines and facilities identified in its Distribution Integrity Management Plan (DIMP) and gas facilities master plan. To date, over 70 miles of distribution main and service pipelines have been installed or replaced to improve overall system integrity.

The Capital Improvement Program (CIP) takes a system-wide approach to find patterns and targets pipeline replacement in areas of high risk or consequence within the system. There are numerous factors that affect which pipes are selected for replacement including age, material type, leakage history, etc. In addition to pipeline replacement, the CIP addresses capital needs to maintain and operate regulator stations, valves, rectifiers, and other gas facilities. The CIP funds mandated critical programs such as cross bore inspections, meter replacement, gas facility surveys, cathodic protection, and equipment inspections. The Department will continue to work closely with the Public Works Department to coordinate gas pipeline projects with street improvement projects.

Project Title	FY 24 Proposed
Gas Meters Replacement	\$300,000
Gas Pipeline/Facility Replacement	\$8,365,000
Sewer Lateral Inspections (Crossbores)	\$2,250,000
Facility Work	\$200,000
Gas Control/Cathodic Protection	\$500,000

FY 24 Capital Improvement Program (CIP)

Pipeline Work	\$435,000
Total Natural Gas	\$12,050,000

Water

Planned capital improvements to the City’s water and sewer system encompass a wide range of projects. The Utilities Department will continue replacing aging infrastructure that is approaching the end of its useful life, including, but not limited to, water pipelines, valves, and meters. The Department continues to coordinate pipeline projects with Public Works’ Street Rehabilitation projects. The Department also established a \$60,000,000 Water Fund Line of Credit to facilitate an increased, multi-year, investment in its water infrastructure. Planned capital improvements include drilling new local water wells, refurbishing existing wells, and rehabilitating existing storage tanks.

These investments will improve production, conveyance, treatment, storage, and distribution of water to its customers. 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 24 Proposed
Potable Water	
In-House Water Main Replacement	\$500,000
Meter Replacement Program	\$50,000
Large Valve Replacement	\$4,270,600
Water Pipeline Improvement	\$4,276,200
Water Pipeline Replace/Install	\$7,841,000
Alamitos Reservoir Improvements	\$1,956,000
Treatment Plant Improvements	\$9,884,000
New Well Development/Equipment	\$5,386,000
Well Rehabilitation	\$4,409,000
Recycled Water Improvements	\$408,900
Recycled Developer Projects	\$331,200
Water Facility Improvements	\$186,800
Water Miscellaneous	<u>\$2,708,300</u>
Total Water Fund	\$42,208,000

Sewer

Sewer Pipeline Rehab	\$4,065,191
Sewer Operations	\$941,800
Sewer Lift Stations	\$259,410

FY 24 Capital Improvement Program (CIP)

Sewer Miscellaneous	<u>\$112,999</u>
Total Sewer Fund	\$5,379,400

Stormwater/Environmental Compliance

The Stormwater Management Division is responsible for maintaining the City's 300 miles of storm drain pipeline, pump stations and monitoring stormwater quality within Long Beach. Water quality compliance is handled through the City's National Pollutant Discharge Elimination System (NPDES) permit. The City continues to invest Measure W funding to implement the Watershed Management Program, construct the Long Beach Municipal Urban Stormwater Treatment (LBMUST) Facility, low flow devices, trash capture devices, and other projects to keep Long Beach in compliance with its NPDES permit.

Additional Stormwater projects being funded in FY 24 include: Citywide Trash Capture Device Installations, Los Cerritos Channel Sub-basin 4 Stormwater Capture Facility, LFD Systems, Deforest Wetlands Trash Mitigation, El Dorado Park Water Treatment System, Skylinks Golf Course Stormwater Capture System, installation of a Trash Interceptor Barge, update to the Stormwater/Storm Drain Master Plan, and Phase 2 of the Long Beach Municipal Urban Stormwater Treatment (LBMUST) project.

Project Title	FY 24 Proposed
Storm Drain System & Water Quality Improvements	<u>\$8,200,000</u>
Total Stormwater	\$8,200,000

Harbor Department

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 an 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 forecasts investing \$2.2 billion in capital projects over the next decade to increase cargo-handling efficiency and enhance competitiveness. This investment will also stimulate the economy by creating thousands of direct construction jobs along with indirect service and commercial opportunities.

In FY 2024, the Port is forecasting to spend \$250.1 (excluding furniture, fixtures, and equipment) million on capital projects. Most notable is a \$135.5 million investment to enhance rail infrastructure, with the centerpiece being the Pier B On-Dock Rail Support Facility Program budgeted at \$119.1 million, which alone represents nearly half of the entire capital budget. Other significant projects involve enhancing port-wide safety and security, critical infrastructure upgrades to sewer, street, water and storm water assets, and the demolition of the former Gerald Desmond Bridge, which will make way for larger ships to be able to access the inner Harbor.

FY 24 Capital Improvement Program (CIP)

Project Title	FY 24 Proposed
Terminal Projects	
Pier G Wharf Improvements Project	\$428,000
Middle Harbor (Piers D/E/F)	\$1,023,000
Pier S Paving & Storm Drain Improvements	\$1,526,000
Other Terminal Projects	<u>\$1,000,000</u>
Total Terminals Projects	\$3,977,000
Port-wide Security & Safety Projects	
Fireboat Station 20	\$772,000
Other Port-wide Security & Safety Projects	<u>\$12,243,000</u>
Total Fire Station/Port-Wide Security & Safety Projects	\$13,015,000
Bridges & Railways	
Pier B On-Dock Rail Support Facility	\$119,106,000
Fourth Track at Ocean Boulevard	\$678,000
Terminal Island Track Realignment	\$15,699,000
Gerald Desmond Bridge Demolition	<u>\$11,265,000</u>
Total Bridges & Railways	\$146,748,000
Other Capital Projects	
Port Infrastructure (Sewer, Street, Water, and Stormwater)	\$11,028,000
Information Technology Projects	\$20,480,000
Port Administration Building Improvements	\$9,985,000
Berth D48-50 Transit Shed Abatement & Renovation	\$12,214,000
Pier G Metro Shiploader 2 Replacement	\$7,400,000
Engineering Miscellaneous Projects	\$14,459,000
Environmental Projects	\$10,802,000
Furniture, Fixtures, and Equipment	<u>\$5,316,000</u>
Total Miscellaneous Project	\$91,684,000
Total Harbor Department	\$255,424,000