

CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

BH-1

333 West Ocean Boulevard 6th Floor • Long Beach, CA 90802 • (562) 570-6425 • Fax (562) 570-5836

September 5, 2017

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Receive and discuss an overview of the Proposed Fiscal Year 2018 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 2018 budget as listed in Attachment A. (Citywide)

DISCUSSION

On July 31, 2017, the City Manager's Proposed Budget for Fiscal Year 2018 (FY 18) was delivered by Mayor Garcia to the City Council and community for consideration. Budget meetings were set for March 14, July 25, August 1, August 8, August 15, August 22, September 5, and September 12, along with six Budget Oversight Committee (BOC) meetings, and ten community meetings at which the FY 18 Proposed Budget was discussed. We are pleased to report that through the hearings, BOC and community meetings, there were 24 scheduled opportunities for public feedback, deliberation and input. In addition, this year, the City solicited input through the Long Beach 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 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 18 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 for the adjustments are discussed at the end of this letter.

There are three Ordinances in Attachment A. The first approves Resolution No. WD-1376 (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 18 budget and authorizes expenditures in conformance with the adopted budget. For these two Ordinances to become effective October 1, 2017, 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).

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-14). There are also motions that request approvals for the following: the FY 18 Capital Improvement Program (A-6); FY 18 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 18 Budget (A-15).

This matter was reviewed by Deputy City Attorney Richard F. Anthony on August 21, 2017.

TIMING CONSIDERATIONS

In accordance with the City Charter, the FY 18 budget must be adopted by September 15, 2017. Should the City Council fail to adopt the budget by that date, the City Manager's FY 18 Proposed Budget will be deemed the budget for the 2018 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, 2017, 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 18 budget for all departments and funds is \$3,071,784,105, which comprises \$2,647,704,022 in new appropriation and \$424,080,083 in estimated carry-over from FY 17 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 \$2,212,002,992 for all funds except Harbor, Sewer, and Water, and \$2,218,005,775 for all departments except Harbor and Water. The \$6,002,783 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 fund budgets are in separate City Council Resolutions included as Attachment A-1 and A-4, respectively, and total \$859,781,113. The Board of Harbor Commissioners adopted the budget for the Harbor Department by

minute order on June 26, 2017. The Board of Water Commissioners adopted the budget for the Water Department by Resolution on June 15, 2017.

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 18 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 18 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 17, 2017, approved the CIP for FY 18 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 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 39.75 percent of the 2017-2018 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 Budget Oversight Committee for consideration and review and now come to the full Council for deliberation. Among other changes, the Fund Balance Policy (Policy 7) is a preexisting financial policy that was previously separate from the other Financial Policies and is now incorporated into the main policy list. (A redline version of the changes is also provided.)
- Amending the Departmental Organization Ordinance, included as Attachment A-13. This amendment incorporates changes to departments, bureaus, and divisions for FY 18. These organizational changes are necessary to implement changes reflected in the Proposed FY 18 budget. (A redline version of the changes is also provided.)
- Adopting the Salary Resolution, included as Attachment A-14.

After the City Manager delivered the FY 18 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 of note include:

1. The Tidelands Operations Fund (TF 401) had an adjustment to increase the revenues by \$888,850 to reflect the anticipated updated FY 18 operating transfer from Harbor Revenue Fund (HR 430).
2. The Gasoline Tax Street Improvement Fund (SR 181) had an increase of \$794,943 in expense and \$430,336 in revenues due to revisions to estimated local return revenue anticipated from the Road Maintenance and Rehabilitation Account (SB-1). Per draft requirements currently under review from the California Transportation Commission, all SB-1 revenues must be programmed and adopted in the City's annual budget. The additional revenue has been programmed for residential street improvements.
3. The Transportation Fund (SR 182) had a technical adjustment to increase expense budget by \$400,000 to reflect an increase in Measure R revenues eligible for administrative expenses.
4. Expenses were reduced in the Gas Fund (EF 301) by \$500,000 to reflect a reduction in the annual transfer to the General Fund (GF).

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 2018 Budget Adoption Actions

1. Adopt the Resolution approving the FY 18 budget for the Long Beach Harbor Department as adopted by the Board of Harbor Commissioners on June 26, 2017. (A-1)
2. Declare an emergency to exist. (A-2)
3. Declare the Ordinance approving the Resolution No. WD-1376 establishing the rates and charges for water and sewer service to all customers, as adopted by the Board of Water Commissioners on June 15, 2017, 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 18 budget of the Long Beach Water Department as adopted by the Board of Water Commissioners on June 15, 2017. (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 18 One-Year Capital Improvement Program. (A-6)
7. Adopt a motion approving the FY 18 budget for the Long Beach Community Investment Company (formerly known as the Long Beach Housing Development Company) in the amount of \$3,324,867. (A-7)
8. Adopt a motion approving the estimated transfer of \$18,661,550 from the Harbor Revenue Fund to the Tidelands Operations Fund. (A-8)
9. Adopt the Resolution establishing the Gann Appropriations Limit (Limit) for FY 18 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 September 5, 2017. (A-10)
11. Adopt the Mayor's proposed budget recommendations to the FY 18 Proposed Budget. (A-11)
12. Adopt the Budget Oversight Committee's proposed funding recommendations, as amended, to the FY 18 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 18. (A-14)
15. Adopt a motion amending the proposed FY 18 budget. (A-15)
16. Declare an emergency to exist. (A-16)
17. Declare the Appropriations Ordinance for FY 18, 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 2018 APPROPRIATIONS ORDINANCE BY FUND
 (Does not include Harbor, Water and Sewer Funds)

<u>FUND</u>	<u>FY 18 PROPOSED EXPENDITURES</u>	<u>CHANGES*</u>	<u>FY 17 ESTIMATED CARRYOVER**</u>	<u>FY 18 APPROPRIATIONS</u>
GENERAL FUND	500,264,361	(0)	-	500,264,361
UPLAND OIL FUND	10,214,840	-	-	10,214,840
GENERAL GRANTS FUND	7,972,375	(9,436)	19,195,805	27,158,745
POLICE & FIRE PUBLIC SAFETY OIL PROD ACT FUND	3,840,486	-	-	3,840,486
HEALTH FUND	44,340,517	-	26,350,455	70,690,973
CUPA FUND	1,946,734	-	5	1,946,740
SPECIAL ADVERTISING & PROMOTION FUND	11,324,701	2,831	-	11,327,532
HOUSING DEVELOPMENT FUND	7,602,904	-	29,518,806	37,121,710
BELMONT SHORE PARKING METER FUND	765,000	-	-	765,000
BUSINESS ASSISTANCE FUND	705,681	-	1,288,783	1,994,464
COMMUNITY DEVELOPMENT GRANTS FUND	20,285,512	-	15,567,327	35,852,840
HOUSING AUTHORITY FUND	77,111,051	-	-	77,111,051
GASLINE TAX STREET IMPROVEMENT FUND	14,668,293	794,943	20,190,732	35,653,968
TRANSPORTATION FUND	29,693,978	400,000	19,181,963	49,275,942
CAPITAL PROJECTS FUND	35,824,824	-	90,696,430	126,521,254
SUCCESSOR AGENCY OPERATIONS	45,199,197	-	25,842,923	71,042,120
CIVIC CENTER FUND	10,400,805	-	7,328,337	17,729,142
GENERAL SERVICES FUND	44,686,614	-	25,927,962	70,614,576
FLEET SERVICES FUND	59,165,983	-	2,606,963	61,772,946
INSURANCE FUND	42,947,238	4,488	500,000	43,451,726
EMPLOYEE BENEFITS FUND	289,328,050	-	-	289,328,050
TIDELANDS OPERATIONS FUND	70,748,738	-	75,335,027	146,083,765
TIDELANDS AREA FUNDS	39,212,313	-	41,468,346	80,680,659
TIDELAND OIL REVENUE FUND	63,937,982	-	-	63,937,982
RESERVE FOR SUBSIDENCE	-	-	-	-
DEVELOPMENT SERVICES FUND	23,208,857	-	1,130,637	24,339,493
GAS FUND	92,110,822	(500,000)	1,062,786	92,673,609
GAS PREPAY FUND	40,077,822	-	-	40,077,822
AIRPORT FUND	43,834,017	-	20,787,519	64,621,536
REFUSE/RECYCLING FUND	48,377,664	-	99,277	48,476,940
SERRF FUND	51,088,419	-	-	51,088,419
SERRF JPA FUND	10,990,570	-	-	10,990,570
TOWING FUND	5,457,831	-	-	5,457,831
DEBT SERVICE FUND	11,099,333	-	-	11,099,333
SUCCESSOR AGENCY DEBT SERVICE	28,796,570	-	-	28,796,570
TOTAL	1,787,230,084	692,825	424,080,083	2,212,002,992

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

**Carryover of multi-year grants and CIP funds.

FISCAL YEAR 2018 APPROPRIATIONS ORDINANCE BY DEPARTMENT
(Does not include Harbor and Water)

<u>DEPARTMENT</u>	<u>FY 18 PROPOSED EXPENDITURES</u>	<u>CHANGES*</u>	<u>FY 17 ESTIMATED CARRYOVER**</u>	<u>FY 18 APPROPRIATIONS</u>
MAYOR AND COUNCIL	5,586,638	5,720	(0)	5,592,357
CITY ATTORNEY	11,010,604	7,238	-	11,017,843
CITY AUDITOR	3,229,417	5,386	-	3,234,803
CITY CLERK	2,790,642	-	25,577	2,816,219
CITY MANAGER	15,902,731	4,719	863,328	16,770,779
CITY PROSECUTOR	5,565,128	5,662	642,040	6,212,830
CIVIL SERVICE	2,904,443	-	-	2,904,443
AIRPORT	43,403,868	-	20,787,519	64,191,387
DISASTER PREPAREDNESS & EMERGENCY COMMUNICATIONS	12,565,442	-	1,799,982	14,365,425
DEVELOPMENT SERVICES	118,735,567	-	62,312,097	181,047,665
ECONOMIC DEVELOPMENT	19,133,593	46,000	10,913,695	30,093,288
FINANCIAL MANAGEMENT***	541,471,095	(76,842)	9,133,713	550,527,966
FIRE	116,968,063	-	2,322,348	119,290,411
HEALTH AND HUMAN SERVICES	123,673,001	-	27,230,130	150,903,131
HUMAN RESOURCES	11,932,782	-	-	11,932,782
LIBRARY SERVICES	14,238,458	-	1,292,148	15,530,606
LONG BEACH GAS AND OIL	214,126,660	(500,000)	1,476,359	215,103,019
PARKS, RECREATION AND MARINE	58,048,908	-	34,607,241	92,656,149
POLICE	241,838,594	-	9,323,081	251,161,675
PUBLIC WORKS	186,397,602	1,194,943	215,422,862	403,015,407
TECHNOLOGY & INNOVATION	43,709,629	-	25,927,962	69,637,590
TOTAL	1,793,232,866	692,826	424,080,083	2,218,005,775

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

**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.

FISCAL YEAR 2018 REVENUES BY FUND
(Does not include Harbor, Water and Sewer Funds)

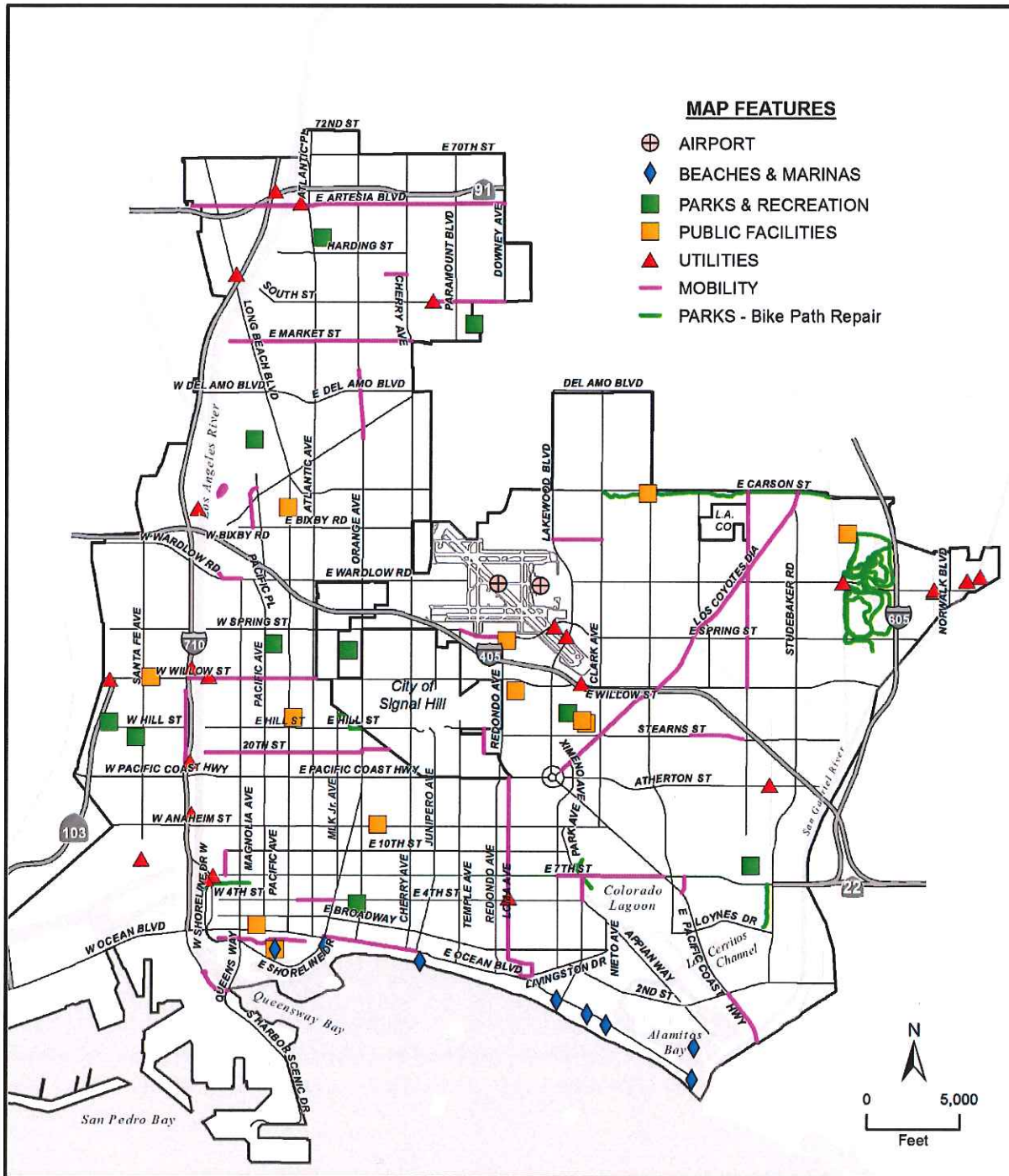
<u>FUND</u>	<u>FY 18 PROPOSED REVENUES</u>	<u>CHANGES*</u>	<u>FY 18 PROPOSED BUDGETED REVENUES</u>
GENERAL FUND	500,819,031	-	500,819,031
UPLAND OIL FUND	10,228,836	-	10,228,836
GENERAL GRANTS FUND	7,972,375	(9,436)	7,962,939
POLICE & FIRE PUBLIC SAFETY OIL PROD ACT FUND	3,315,912	-	3,315,912
HEALTH FUND	43,778,467	-	43,778,467
SPECIAL ADVERTISING & PROMOTION FUND	10,258,799	-	10,258,799
HOUSING DEVELOPMENT FUND	1,908,752	-	1,908,752
BELMONT SHORE PARKING METER FUND	765,000	-	765,000
BUSINESS ASSISTANCE FUND	677,838	-	677,838
COMMUNITY DEVELOPMENT GRANTS FUND	19,816,485	-	19,816,485
GASOLINE TAX STREET IMPROVEMENT FUND	14,917,969	430,336	15,348,305
TRANSPORTATION FUND	30,419,555	-	30,419,555
CAPITAL PROJECTS FUND	36,957,389	-	36,957,389
CIVIC CENTER FUND	10,519,671	-	10,519,671
GENERAL SERVICES FUND	45,090,474	-	45,090,474
FLEET SERVICES FUND	41,415,783	-	41,415,783
INSURANCE FUND	45,374,278	-	45,374,278
EMPLOYEE BENEFITS FUND	283,937,238	-	283,937,238
TIDELANDS OPERATIONS FUND	68,973,466	888,850	69,862,316
TIDELANDS AREA FUNDS	41,031,818	-	41,031,818
TIDELAND OIL REVENUE FUND	64,100,959	-	64,100,959
RESERVE FOR SUBSIDENCE	1,480,000	-	1,480,000
DEVELOPMENT SERVICES FUND	21,937,964	-	21,937,964
GAS FUND	92,835,220	-	92,835,220
GAS PREPAY FUND	41,475,391	-	41,475,391
AIRPORT FUND	48,103,182	-	48,103,182
REFUSE/RECYCLING FUND	46,934,439	-	46,934,439
SERRF FUND	51,263,986	-	51,263,986
SERRF JPA FUND	11,250,285	-	11,250,285
TOWING FUND	5,823,529	-	5,823,529
HOUSING AUTHORITY FUND	75,634,164	-	75,634,164
SUCCESSOR AGENCY OPERATIONS	45,448,372	-	45,448,372
CUPA FUND	1,755,060	-	1,755,060
DEBT SERVICE FUND	8,950,608	-	8,950,608
SUCCESSOR AGENCY DEBT SERVICE	30,162,041	-	30,162,041
TOTAL	1,765,334,335	1,309,750	1,766,644,084

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

Note: Proposed to Adopted changes to the FY 18 Capital Improvement Program include an increase of \$794,943 in expense and revenue allocations due to revisions to estimated local return revenue anticipated from the Road Maintenance and Rehabilitation Account (SB-1). Per draft requirements currently under review from the California Transportation Commission, all SB-1 revenues must be programmed and adopted in the City's annual budget. The additional revenue has been programmed for residential street improvements in the Mobility Program and will be reflected in the FY 18 Adopted Budget Capital Improvement Program.

FY 18 Capital Improvement Program (CIP)

Capital Program Overview



FY 18 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 2018 (FY 18) 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 18:

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

FY 18 Capital Improvement Program (CIP)

ALLOCATION PLAN

	FY 18 Proposed
Sources: ¹	
Airport Fund	\$2,000,000
Civic Center Fund	\$500,000
Gas Fund	\$8,050,000
Gasoline Tax Street Improvement Fund	\$6,970,000
General Capital Projects Fund	\$8,515,000
Measure A	\$26,311,739
Tidelands Operations Fund ²	\$1,500,000
Transportation Fund	\$21,671,000
Queen Mary Fund	\$2,589,000
Water Utility	\$13,416,279
Sewer	<u>\$4,046,000</u>
Subtotal	\$95,569,018
 Harbor	 \$458,092,700
 Grand Total	 \$553,661,718
 Uses:	
Airport	\$2,000,000
Beaches and Marinas	\$1,100,000
Parks & Recreation	\$6,835,500
Public Facilities	\$11,330,000
Mobility	\$46,941,239
Utilities	<u>\$27,362,279</u>
Subtotal	\$95,569,018
 Harbor	 \$458,092,700
 Grand Total	 \$553,661,718

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 18 Capital Improvement Program (CIP)

Airport Projects

Long Beach Airport (LGB) serves over 3 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.

In FY 17, LGB completed security improvements to the airfield perimeter. The improvements included the removal of several thousand feet of deteriorating and/or inadequate perimeter fence, installation of intrusion detection systems, access control systems, and security network infrastructure improvements. Also, completed in FY 17 were improvements to the Lot A parking structure. The Lot A project consisted of demolition of the existing single elevator and staircase tower; installation of a new two-cab elevator and outdoor staircase; new exit driveway; new attendant booth; new ramps, curbs and gutter, islands; and new LED lighting. FY 18 funds have been approved for miscellaneous Terminal Area Improvements and Airfield Pavement Rehabilitation.

Planned projects in FY 18 include selected priorities of the Terminal Area Improvements Phase II. The Terminal Improvements Phase II consists of a new ticketing lobby, TSA In-Line Checked Baggage Screening Facility, baggage claim, Rental Car Facility, and a Ground Transportation Center.

Project Title	FY 18 Proposed
Airport Terminal Area Improvements	\$1,000,000
Airport Pavement Rehabilitation	<u>\$1,000,000</u>
Total Airport Projects	\$2,000,000

Beaches and Marinas

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 17, the City completed 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 18, the City continues construction of the Seaside Pedestrian Bridge at the Convention Center, Phase 2b of the Colorado Lagoon Improvements which includes design for the Open Channel Project and engineering design for the Colorado Lagoon (Phase 2a) Open Channel Project was also started in and is anticipated for completion in FY 18 upon project approval from

FY 18 Capital Improvement Program (CIP)

State/Federal regulatory agencies. Construction is also anticipated to begin in FY 18 for the following projects: Leeway Sailing Center Pier Rebuild, Bayshore Lifeguard Facility Rebuild, and the Rainbow Harbor Commercial Sewage EVAC System Replacement.

The Beaches and Marinas budget includes a total of \$1.1 million in new funding for FY 18. This funding includes improvements to the Alamitos Bay Area, Beach Parking Lot Rehabilitation, and Tidelands Critical Facility Repairs.

Project Title	FY 18 Proposed
Beach Parking Lot Rehabilitation	\$500,000
Alamitos Bay Area Improvements	\$200,000
Tidelands Critical Facility Repairs	<u>\$400,000</u>
Total Marinas, Beaches & Waterways Projects	\$1,100,000

Parks & Recreation Projects

Long Beach's 170 parks and open spaces are fundamental to the fabric of the Long Beach community, and are a cornerstone of the City's livability initiatives. Long Beach Parks generate property value and tax revenue, increase community health 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. Many of Long Beach's 170 parks and open spaces face aging infrastructure, and there is a constant and significant effort to rehabilitate existing park assets. Long deferred critical repairs have resulted in necessary capital projects to rehabilitate various park sites. In FY 17, the first year of Measure A funding enabled the rehabilitation of five playgrounds at Drake, Jackson, Los Cerritos, Whaley and Veterans Parks; facility improvements at Bixby MacArthur, MLK, Silverado, and Pan American Parks and 4th Street Senior Center; irrigation improvements at Heartwell Park, as well as hand dryers in park facilities, and improvements to Animal Care Services, and historic sites Rancho Los Cerritos and Rancho Los Alamitos. Also in FY 17, newly-developed parks included Gumbiner Park, the Drake/ Chavez Greenbelt, and Molina Park. The 12-acre Willow Springs Wetlands project opened, providing access to the public to additional acres at the Park. Artificial turf fields were installed at Seaside and Admiral Kidd parks, Marina Vista Park saw the opening of a new sports court, El Dorado Nature Center received a new entryway and bridge, and a new plaza was installed at Houghton Park.

In FY 18, The Parks and Recreation Budget includes a total of \$6.8 million in funding. Measure A funds total \$6.1 million, of which \$4 million is for Houghton Park, \$500,000 for Rancho Los Alamitos, \$500,000 for Rancho Los Cerritos, \$250,000 for the 4th Street Senior Center, \$480,000 for Game Field Upgrades, and \$357,500 for irrigation upgrades. The remaining \$800,000 is for Willow Springs and Davenport Park improvements and park bike path replacement citywide.

FY 18 Capital Improvement Program (CIP)

Project Title	FY 18 Proposed
Park Acquisition and Development	\$4,648,000
Park Bike Path Replacement	\$100,000
Rancho Improvements	\$500,000
Rancho Los Cerritos	\$500,000
Game Field Upgrades	\$480,000
Irrigation System Replacement	\$357,500
Recreation Building Rehabilitation	<u>\$250,000</u>
Total Parks & Recreation Projects	\$6,835,500

Public Facilities

Long Beach owns hundreds of Public Facilities throughout the city. These facilities include Civic Center, fire, police, health, library, public works and other key amenities citywide. Long deferred critical repairs are required to sustain the integrity of the City's various facilities. All Civic Center Projects are on hold due to the construction of the new Civic Center. Civic Center repairs are addressed on an as-needed basis moving forward.

In FY 17, 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.

Additionally, repairs were completed at the Fleet Services and Environmental Services Bureau facilities included roofing, painting, and on-site water line and skylight repairs. Fleet Services Bureau has constructed a new liquefied natural gas filling station. Construction of the new Michelle Obama Library was completed along with roof repairs at four Health and Human Services Buildings, HVAC repairs at the Emergency Operations Center, and remodel and repair work at multiple Police Department, Fire Department, and Library locations.

In FY 18, \$11.3 million is approved for Public Facilities. Of that amount, \$4.3 million is proposed from Measure A funding for general building refurbishment, fire facilities modernization, convention center upgrades and to begin a facility condition assessment study. The remaining \$7.0 million is for Civic Center improvements to keep the facility running, Queen Mary and energy efficient upgrades at facilities Citywide.

FY 18 Capital Improvement Program (CIP)

Project Title	FY 18 Proposed
Civic Center Complex Improvements	\$500,000
General City Building Refurbishment	\$6,036,000
Convention Center Complex Refurbishments	\$1,400,000
Fire Facilities Modernization	\$605,000
Facilities Assessments	\$200,000
Queen Mary Projects	<u>\$2,589,000</u>
Total Public Facilities	\$11,330,000

Mobility

Preserving our neighborhoods is a key element in the Long Beach Strategic Plan. The Mobility section, which includes Street Rehabilitation and Transportation Enhancements, is designed to help meet that goal with programs designed to repair and improve the City's transportation infrastructure and meet the increased needs for mobility resulting from economic growth. Support for the City's mobility program comes from a combination of different funding sources. These funding sources include Long Beach Measure A, Los Angeles County "County" Propositions A and C, County Measure R, State Gas Tax Street Improvement Capital, Transportation Improvement Fees, and federal, state, county and local funds. In FY 18, the program will benefit from two new funding sources; County Measure M and the State Road Maintenance and Rehabilitation Act (SB-1) funds.

Street Rehabilitation

The Street Rehabilitation 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.

Transportation Enhancements

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.

FY 18 Capital Improvement Program (CIP)

The Mobility budget includes a total of \$46.9 million in new funding for FY 18. Measure A funds total \$14.3 million in this category. In addition to Measure A, Mobility is expected to receive federal, state and local funding totaling \$32.6 million for major and secondary street repair, sidewalks, bridge rehabilitation, bicycle and pedestrian upgrades, and related improvements provided in the FY 18 Capital Budget.

Project Title	FY 18 Proposed
Prop A Transit Related Improvements	\$1,371,000
Street Lighting Conversion-Lighting Control Program	\$210,500
Major/Secondary Highway Program	\$17,972,739
Bridge Rehabilitation and Seismic Retrofit Program	\$300,000
Citywide Residential Street Repair	\$11,867,000
Alleys	\$1,800,000
ADA Response Program	\$500,000
Sidewalk (Curb Cuts)	\$5,700,000
Sustainable Transportation	\$3,250,000
Slurry Seal Program	\$2,670,000
Neighborhood Traffic Mitigation	\$250,000
Traffic and Pedestrian Signals	<u>\$1,050,000</u>
Total Mobility Projects	\$46,941,239

Utilities

The new Utilities section comprises of three services to Long Beach residents. These are Long Beach Gas and Oil, Long Beach Water Department and Stormwater/Environmental Compliance.

Long Beach Gas and Oil

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 147,000 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 56 miles of distribution pipeline and approximately 5,500 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 and has installed or replaced twelve district regulator stations

FY 18 Capital Improvement Program (CIP)

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, LBGO will continue to work closely with the Public Works Department to coordinate gas projects with street improvement projects.

Project Title	FY 18 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 Long Beach Gas and Oil	\$8,050,000

Stormwater/Environmental Compliance

The Stormwater/Environmental Compliance Division is responsible for maintaining the City's 300 miles of storm drains and sewer pipeline, 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 \$30 million in repairs and upgrades.

In FY 18, \$1.85 million is proposed for Stormwater/Environmental Compliance. Of this amount, \$1.55 million is proposed from Measure A funding for storm drain repair and certification. The remaining \$300,000 is to address storm drain system issues Citywide.

Project Title	FY 18 Proposed
Storm Drain Pump Station Repair & Certification	\$1,550,000
Storm Drain System & Water Quality Improvements	<u>\$300,000</u>
Total Utilities	\$1,850,000

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.

FY 18 Capital Improvement Program (CIP)

Project Title	FY 18 Proposed
Potable Water	
Water CIP by In-House Workforce	\$2,850,000
Pipeline System Improvements	2,379,700
Reservoir/Treatment Plant Improvements	2,945,100
Water Supply Projects	3,305,600
Facility Improvements	1,135,879
Interest Expense Capitalized	800,000
Total Potable Water	\$13,416,279
Total Water Fund	\$13,416,279
Sewer	
Sewer Pipeline Improvements	\$2,422,800
Sewer Lift Stations	\$1,573,200
Interest Expense Capitalized	<u>\$50,000</u>
Total Sewer Fund	\$4,046,000

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 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 18, the Port is forecasting to spend \$215 million on the Gerald Desmond Bridge as construction is well underway, with all work scheduled to be completed in 2018. FY 18 will also see the Port invest approximately \$92 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 \$13 million in capital projects, including \$8 million for fire station upgrades and the construction of one new fire boat.

FY 18 Capital Improvement Program (CIP)

Project Title	FY 18 Proposed
Major Projects	
Terminal Development	
Pier D/E/F (Middle Harbor)	\$91,833,600
Total Terminals Expansion and Development	\$91,833,600
Port-Wide Security & Safety Projects	
New Fire Station / Fire Boats / Security Projects	\$13,221,000
Total Port-Wide Security & Safety Projects	\$13,221,000
Streets, Bridges, and Railways	
Gerald Desmond Bridge Replacement	\$214,987,000
Rail Projects	<u>\$13,034,200</u>
Total Streets, Bridges, and Railways	\$228,021,200
Miscellaneous Projects	
Environmental Projects	\$14,406,000
Eng. Misc. Projects	\$56,729,000
Port Infrastructure	\$48,164,000
Information Technology	\$4,165,000
Furniture, Fixtures, and Equipment	<u>\$1,553,000</u>
Total Miscellaneous Project	\$125,017,000
Total Harbor Department Expenditures	\$458,092,700