



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

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February 28, 2018

TRANSACTIONS AND USE TAX CITIZENS' ADVISORY COMMITTEE MEMBERS

City of Long Beach
California

RECOMMENDATION:

Receive and file an update on Fiscal Year 2017 Measure A expenditures and revenues, and confirm that the actual Measure A FY 17 expenditures conform with the intent of Resolution No. RES-16-0018 prioritizing spending on public safety and infrastructure and with the language contained in the ballot measure expressed in Resolution No. RES-16-0017.

DISCUSSION

Summary

Pursuant to the June 7, 2016 Measure A ballot initiative, on January 1, 2017, businesses in the City began to collect an additional one percent in sales tax on all tangible personal property sold at retail in Long Beach. The City Council committed \$35.6 million in anticipated FY 17 Measure A revenues to fund priority public safety maintenance and restorations, as well as capital improvement projects to help rebuild Long Beach's infrastructure and the administration of the Measure A tax. Additionally, on February 14, 2017, the City Council approved funding for the restoration of Paramedic Rescue 12 and the reinstatement of Police Academy operations and reallocated \$500,000 to time sensitive Fire Station roof repair projects through the deferral of \$2.0 million in residential street repair until FY 18. The Citizens' Advisory Committee (CAC) reviewed the original and adjusted Measure A spending plan at previous meetings. This report provides details of actual revenue received and expenditures incurred as of September 30, 2017.

FY 17 Performance

As of September 30, 2017, \$23.9 million of Measure A funds have been expended and \$1.8 million have been encumbered, or obligated, for ongoing and one-time, public safety and infrastructure purposes. Due to the length of time necessary to complete some capital projects, \$9.9 million in approved projects, still in progress at the close of FY 17, will be carried over to be expended until complete. Personnel costs were charged to Measure A at budgeted levels. Personnel costs, which are primarily public safety maintenance and restorations, are budgeted in the respective departments.

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As of September 30, 2017, actuals for Measure A revenues, including the accrual for revenues earned in FY 17 but not yet received, are \$38.9 million. These figures are above previous revenue estimates for the ramp up period of Measure A collection. Measure A revenue is being closely monitored to determine how much of the positive variance is ongoing. Between surplus revenue and expenditure savings from Measure A administration, there is \$3.3 million in funds above the budgeted amount, which were reserved for appropriation in FY 18. Table 1 shows the Measure A revenues and uses for FY 17.

Table 1. Summary of FY 17 Measure A Revenue and Expenditures as of September 30, 2017							
	FY 17 Adjusted Budget	Structural Portion ¹	One-time Portion	Actuals as of 09/30/17	Encumbrances as of 09/30/17	Unspent as of 9/30/17	Unallocated as of 9/30/17 Surplus / (Overage)
Total Measure A Revenue in FY 17 <i>Estimate Net of State Board of Equalization</i>	\$ 35,640,000	\$ 23,760,000	\$ 11,880,000	\$ 38,923,081	\$ -	\$ 3,283,081	\$ 3,283,081
	FY 17 Adjusted Budget	Structural Budget	One-time Budget	Actuals as of 09/30/17	Encumbrances as of 09/30/17	Unspent as of 9/30/17	Unallocated as of 9/30/17 Surplus / (Overage)
Total Uses of Measure A	\$ 35,640,000	\$ 9,067,959	\$ 26,573,557	\$ 23,872,435	\$ 1,837,089	\$ 9,930,475	\$ 30,834
Invest in Infrastructure <i>(See next chart for details)</i>	\$ 25,739,000	\$ -	\$ 25,739,000	\$ 14,002,268	\$ 1,837,089	\$ 9,899,642	\$ -
Enhance and Maintain Public Safety	\$ 9,334,059	\$ 8,499,502	\$ 834,557	\$ 9,334,059	\$ -	\$ -	\$ -
Reestablish Police's South Division	2,372,829	1,538,272	834,557	2,372,829	-	-	-
Restore Fire Engine 8	2,296,881	2,296,881	-	2,296,881	-	-	-
Restore Policy Academy Staffing	850,000	850,000	-	850,000	-	-	-
Restore Paramedic Rescue 12	650,000	650,000	-	650,000	-	-	-
Maintain Police Services	2,254,496	2,254,496	-	2,254,496	-	-	-
Maintain Fire Services	909,853	909,853	-	909,853	-	-	-
Contribute to Rainy Day Fund (Measure B)	\$ 360,000	\$ 360,000	\$ -	\$ 389,231	\$ -	\$ (29,231)	\$ (29,231)
Administer Measure A Tax	\$ 206,942	\$ 208,458	\$ -	\$ 146,878	\$ -	\$ 60,064	\$ 60,064
Total Unallocated Surplus / (Overage)							\$ 3,313,915

¹Structural portion is available for either ongoing operations or one-time purposes.

Table 2 shows the FY 17 adjusted infrastructure list. Since the CAC last met, there have been a few changes to the scope of some of the projects. These will be discussed as part of the project update presentation. Please note some pre-spending for future year projects was necessary, where indicated.

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Table 2. Summary of FY 17 Measure A Infrastructure Project Expenditures as of September 30, 2017				
Measure A - Funding				
Year One - Infrastructure Project List				
PROGRAM	FY 17 Adjusted Budget	Actuals as of 9/30/17	Encumbrances as of 9/30/17	Unspent as of 9/30/17
Street Rehabilitation	\$ 17,520,000	\$ 11,949,126	\$ 702,430	\$ 4,868,444
Arterial Street Improvements	4,840,000	253,900	250,417	4,335,683
Residential Street Repair (Slurry)	11,080,000	11,494,867	286,400	(701,267)
Alley Management Plan	300,000	1,465	13,400	285,135
Naples Bridge Improvements	100,000	98,931	-	1,069
Parking Garage Improvements	1,200,000	99,963	152,213	947,824
Public Facilities	\$ 2,071,000	\$ 468,681	\$ 827,549	\$ 774,770
Fire Station 9	125,000	-	125,000	-
Fire Station Roofs	650,000	258,503	319,778	71,718
Police Crime Lab	200,000	-	94,408	105,592
Public Safety Building	150,000	8,623	1,400	139,977
Expo Building Improvements	200,000	5,673	161,374	32,954
Brewit Branch Library Improvements	62,000	4,289	29,896	27,815
Los Altos Branch Library Improvements	47,000	9,841	1,227	35,932
Harte Branch Library Improvements	62,000	3,125	53,002	5,872
Dana Branch Library Improvements	103,000	4,900	14,903	83,197
Burnett Branch Improvements	172,000	11,773	1,836	158,391
Animal Care Improvements	150,000	23,524	208	126,268
Smart Street Light Technology	150,000	121,998	24,344	3,658
Police Academy Space Plan	-	16,431	173	(16,604)
Parks & Recreation	\$ 6,098,000	\$ 1,583,930	\$ 307,111	\$ 4,206,959
Rancho Los Alamitos Ranch House Upgrades	500,000	2,929	-	497,071
Rancho Los Cerritos Improvements	500,000	2,890	-	497,110
Bixby Park Community Center	200,000	48,754	22,573	128,673
MacArthur Park Roof Repair	56,000	10,060	41,205	4,735
MLK Community Center Roof Repair	42,000	6,187	33,840	1,973
Jackson Park Improvements	50,000	36,631	-	13,369
PE Right of Way Park Improvements	150,000	91,221	62,645	(3,866)
Pan American Park Improvements	100,000	8,800	2,000	89,200
Silverado Park Improvements	100,000	1,935	-	98,065
Silverado Field Turf Improvements	160,000	24,132	34,700	101,168
Heartwell Field Turf Improvements	320,000	1,498	-	318,502
Urban Forestry - Tree Trimming Parks	350,000	346,345	136	3,519
Drake Park Playground	700,000	153,337	14,761	531,902
Los Cerritos Park Playground	700,000	224,755	21,261	453,984
Veterans Park Playground	700,000	263,813	21,161	415,026
Whaley Park Playground	700,000	251,615	21,261	427,124
Citywide Park Irrigation Upgrades	350,000	34,976	-	315,024
Community Center Restroom Upgrades	170,000	1,342	-	168,658
Senior Center Improvements	250,000	72,708	31,568	145,724
Transportation Improvements	\$ 50,000	\$ -	\$ -	\$ 50,000
Citywide Street Signage Program	50,000	-	-	50,000

SUGGESTED ACTION:

Approve recommendation.