



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

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REVISED

August 9, 2017

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

Pursuant to the June 7, 2016 Measure A ballot initiative, on January 1, 2017, businesses in the City of Long Beach began to collect an additional one percent in sales tax on all tangible personal property sold at retail in the City. As part of the FY 17 Adopted Budget, the City Council committed \$35,640,000 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 projects, and to fund the Measure B contribution and administration of the Measure A tax. On February 14, 2017, the City Council approved \$1.5M in funding for the restoration of Paramedic Rescue 12 and the reinstatement of Police Academy Operations and reallocated \$500,000 in 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 June 30, 2017.

As of June 30, 2017, \$11,234,719 of the Measure A budget has been expended and \$8,457,003 has been encumbered, or obligated, for ongoing and one-time, public safety and infrastructure purposes as allocated in the adjusted budget. Personnel costs are anticipated to end the year at budgeted levels.

The FY 17 adjusted budget includes \$35,640,000 in projected Measure A revenues, of which \$15,201,381 had been received as of June 30, 2017. This revenue represents the State's estimates of Measure A revenue through April 2017. Sales tax revenue is remitted to the State on a monthly basis, but State disbursements to cities are estimated based on prior year data with true-ups to actual provided at the end of every quarter. The City will do an accounts receivable for year-end based on the estimated revenue through September 2017. While actuals receipts are currently consistent with revenue estimates for the ramp up period of revenue collection, this is a new revenue source and so it is

being closely watched. If Measure A revenues do not come in as anticipated, certain Measure A one-time expenditures may need to be deferred until FY 18.

The charts show the current Measure A revenues and uses for FY 17, as revised in February 2017 and 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, which are included in the attachment. Please note some pre-spending for future year projects was necessary as indicated.

Summary of FY 17 Measure A Revenue and Expenditures As of June 30, 2017

	FY 17 Adjusted	Structural Portion ¹	One-time Portion	Actuals as of 6/30/17	ETC as of 6/30/17	Outstanding as of 6/30/17
Total Measure A Revenue in FY 17 <i>Estimate Net of State Board of Equalization Fees</i>	\$ 35,640,000	\$ 23,760,000	\$ 11,880,000	\$ 15,201,381	\$ 35,640,000	\$ 20,438,619
	FY 17 Adjusted	Structural Uses	One-time Uses	Actuals as of 6/30/17	Encumbrances as of 6/30/17	Remaining as of 6/30/17
Total Uses of Measure A	\$ 35,640,000	\$ 9,066,443	\$ 26,573,557	\$ 11,234,719	\$ 8,457,003	\$ 15,948,277
Invest in Infrastructure <i>(See next chart for details)</i>	25,739,000	-	25,739,000	6,516,005	8,457,003	10,765,992
Enhance and Maintain Public Safety	9,334,059	8,499,502	834,557	4,718,714	-	4,615,344
Reestablish Police's South Division	2,372,829	1,538,272	834,557	1,186,415	-	1,186,415
Restore Fire Engine 8	2,296,881	2,296,881	-	1,722,661	-	1,722,661
Restore Policy Academy Staffing	850,000	850,000	-	-	-	-
Restore Paramedic Rescue 12	650,000	650,000	-	-	-	-
Maintain Police Services	2,254,496	2,254,496	-	1,127,249	-	1,127,249
Maintain Fire Services	909,853	909,853	-	682,390	-	682,390
Contribute to Rainy Day Fund <i>(Measure B)</i>	360,000	360,000	-	-	-	360,000
Administer Measure A Tax	206,942	206,942	-	-	-	206,942

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

**Summary of FY 17 Measure A Infrastructure Project Expenditures
As of June 30, 2017**

PROGRAM	FY 17 Adjusted	Actuals as of 6/30/17	Encumbrances as of 6/30/17	Remaining as of 6/30/17
Street Rehabilitation	\$ 17,520,000	\$ 5,842,899	\$ 6,831,547	\$ 4,845,554
Arterial Street Improvements	4,840,000	88,049	386,080	4,365,871
Residential Street Repair (Slurry)	11,080,000	5,727,091	6,307,114	(954,205)
Alley Management Plan	300,000	1,012	13,400	285,588
Naples Bridge Improvements	100,000	-	-	100,000
Parking Garage Improvements	1,200,000	26,746	124,953	1,048,301

Public Facilities	\$ 2,071,000	\$ 46,486	\$ 716,611	\$ 1,307,903
Fire Station 10	125,000	-	-	125,000
Fire Station Roofs	650,000	5,229	604,834	39,936
Public Safety Building	350,000	-	94,408	255,592
Expo Building Improvements	200,000	768	700	198,532
Brewit Branch Library Improvements	62,000	645	-	61,355
Los Altos Branch Library Improvements	47,000	4,685	4,670	37,645
Harte Branch Library Improvements	62,000	728	-	61,272
Dana Branch Library Improvements	103,000	648	-	102,352
Burnett Branch Improvements	172,000	3,692	5,335	162,973
Animal Care Improvements	150,000	19,341	1,234	129,425
Smart Street Light Technology	150,000	-	-	150,000
Police Academy Space Plan	-	10,749	5,430	(16,179)

Parks & Recreation	\$ 6,098,000	\$ 626,621	\$ 828,492	\$ 4,642,887
Rancho Los Alamitos Ranch House Upgrades	500,000	2,923	-	497,077
Rancho Los Cerritos Improvements	500,000	2,883	-	497,117
Bixby Park Community Center	200,000	5,256	15,500	179,244
MacArthur Park Roof Repair	56,000	4,539	700	50,761
MLK Community Center Roof Repair	42,000	1,589	700	39,711
Jackson Park Improvements	50,000	31,360	-	18,640
PE Right of Way Park Improvements	150,000	300	-	149,700
Pan American Park Improvements	100,000	4,432	-	95,568
Silverado Park Improvements	100,000	-	-	100,000
Silverado Field Turf Improvements	160,000	-	58,100	101,900
Heartwell Field Turf Improvements	320,000	435	15,000	304,565
Urban Forestry - Tree Trimming Parks	350,000	129,036	213,374	7,590
Drake Park Playground	700,000	108,013	53,391	538,597
Los Cerritos Park Playground	700,000	101,759	156,822	441,419
Veterans Park Playground	700,000	107,294	54,891	537,815
Whaley Park Playground	700,000	106,845	159,775	433,380
Citywide Park Irrigation Upgrades	350,000	6,246	14,300	329,454
Community Center Restroom Upgrades	170,000	994	-	169,006
Senior Center Improvements	250,000	12,717	85,940	151,343

Transportation Improvements	\$ 50,000	\$ -	\$ -	\$ 50,000
Citywide Street Signage Program	50,000	-	-	50,000

Total \$ 25,739,000 \$ 6,516,005 \$ 8,376,650 \$ 10,846,344

SUGGESTED ACTION:

Approve recommendation.



(ATTACHMENT)

Project Adjustments

August 9, 2017

PROJECT	ADJUSTMENT	EXPLANATION
Police Crime Lab to Public Safety Building (PSB) Improvements	Budget Transfer: \$200,000	Crime lab improvements were no longer needed due to an expiring lease. The funds have been reallocated to reconstruct the sidewalk at the PSB.
Rancho Los Alamitos	Scope Change: Added improvements to the Foreman's Cottage	The Rancho Los Alamitos Foundation has utilized fundraising dollars to perform a majority of the seismic improvements. Remaining Measure A funds will be used toward interior improvements and reroofing the Foreman's Cottage.
Fire Station 9 to Fire Station 10	Budget Transfer: \$125,000	During the Workforce Privacy Renovation, it was discovered that the roof in FS 10 needed immediate repair.
Harte Branch Library	Scope Change: Remove circulation desk	Correction to scope description.
Citywide Irrigation Controller	Scope Change: Reduction in Controllers	Funds reallocated to purchase new master valves and flow meters reducing the available budget for controllers.
Jackson Park	Scope Change: Removal of Shade Structure	The estimates for construction were higher than anticipated, therefore a stand alone shade structure is no longer feasible. Other scope language has been adjusted for clarity.
Heartwell Turf Improvements	Scope Change: Added efficiency pumps & valves	To improve efficiency and extend non-Measure A funds, this project was combined with improvements being made to the central section of Heartwell Park.
Red Car Greenway (PE Right-of-Way)	Scope Change: 1.81 acres to 3.66 acres	Correction to scope description.