



# Fiscal Year 2011 Proposed Budget

July 27, 2010



# Fiscal Challenges

- \$18.5M General Fund deficit for FY 11

Employee Costs	\$11.3M
Revenue Decline	\$4.2M
Health Benefit Costs	\$1.8M
PERS Cost Increase	\$1.0M
Other Cost Increases	\$0.2M

- Governments are in a long-term crisis
- City is projecting future General Fund structural deficits in FY 12, FY 13, and FY 14



# Making Tough Decisions

- Over the past seven years, Long Beach has adopted \$163 million in deficit solutions
  - 650 positions eliminated
  - Increased cost recovery through fees and charges
  - Consolidated bureaus and divisions
  - Employees contributed more to health and retirement costs
  - Reduced service levels throughout the organization
- Without this level of sustained fiscal discipline, Long Beach would be facing unimaginable cuts this year
- The City's financial health is stronger than many other cities



## Other Cities' Experiences

- Oakland
- Los Angeles
- San Jose
- San Diego



# Celebrating Our Successes

- Sustained decline in crime
- Secured \$120 million in Stimulus funds (one-time)
- New Police and Fire stations
- Largest amount of street improvement work in decades
- Maintained a \$9 million Budget Stabilization Fund
- Leading California and the nation in mobility infrastructure
- Significant progress in cleaning up the LA River



# Celebrating Our Successes

- New Airport Parking Structure and pending Airport Terminal improvements
- New Long Beach Courthouse
- Long Beach Breakwater / Ecosystem Restoration Study
- Workforce Development success
- Wetlands and Colorado Lagoon
- Graffiti and pothole response
- New parks

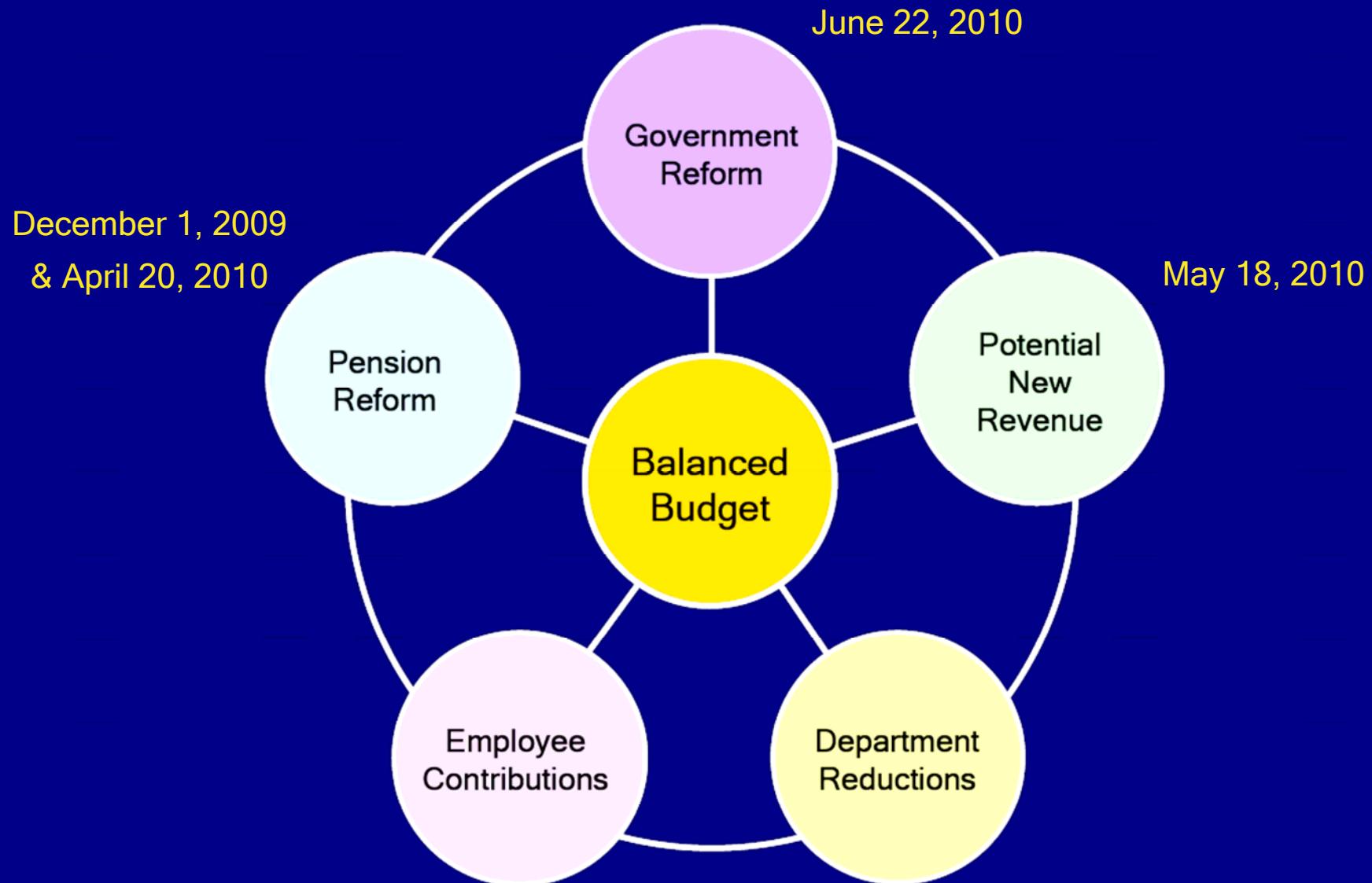


# Path to Fiscal Sustainability

- Maintain core services and priority programs
- Preserve services that provide for a healthy, safer community, including libraries, parks, and public works
- Structurally balance the budget using a multi-pronged approach for FY 11 and beyond
- Maintain each department's proportional share of the General Fund



# Five-Pronged Approach



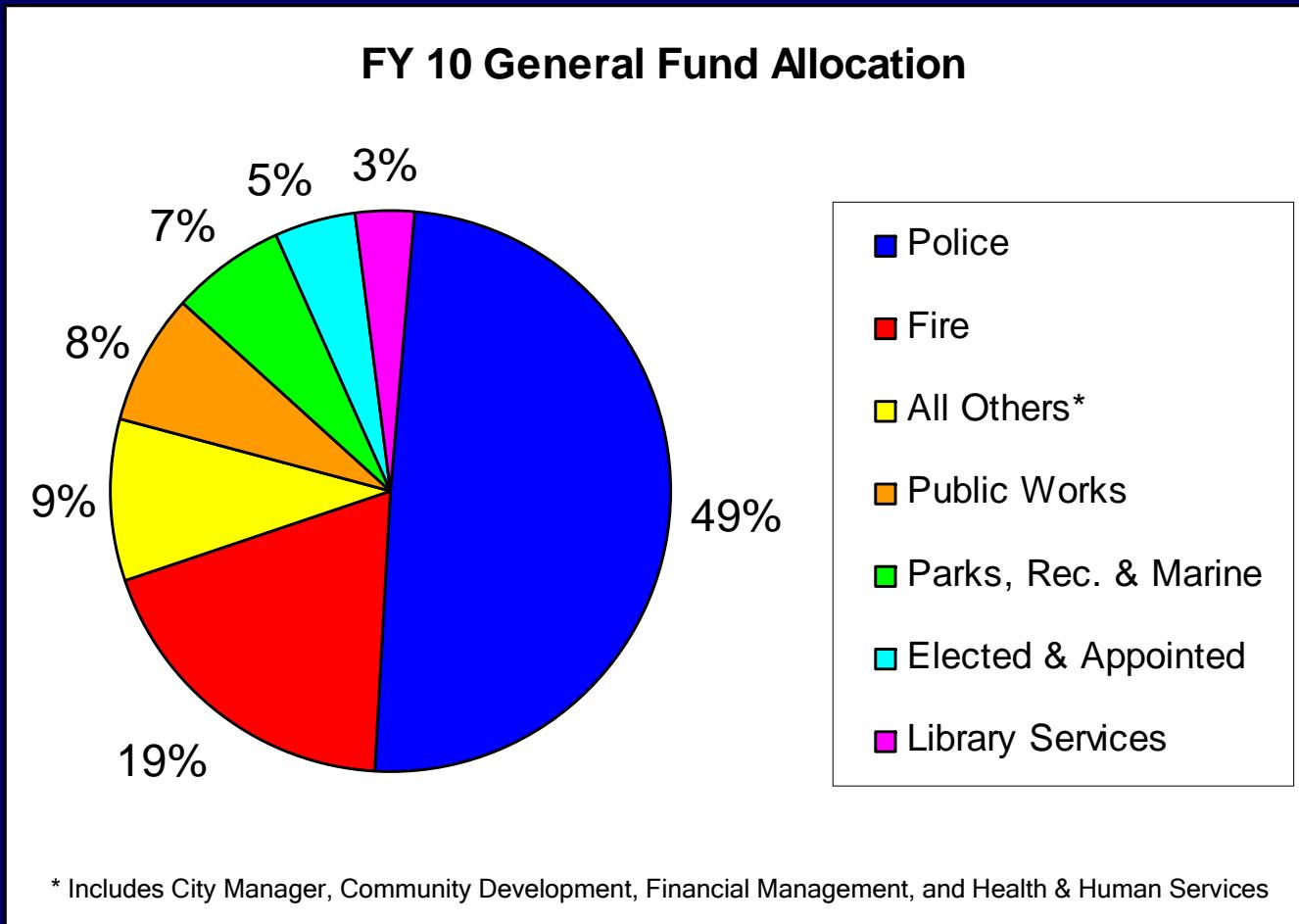


## Maintain Proportionate Share

- Maintaining core public safety and quality of life services is essential to a healthy and productive city and community
- In FY 10, it became evident we could not continue to reallocate public resources from crime prevention to crime suppression
- Wholesale exemptions for Police and Fire sworn staffing cannot be recommended
- FY 11 reduction targets maintain the proportional allocation of the General Fund that each department enjoyed in FY 10



# Maintain Proportionate Share



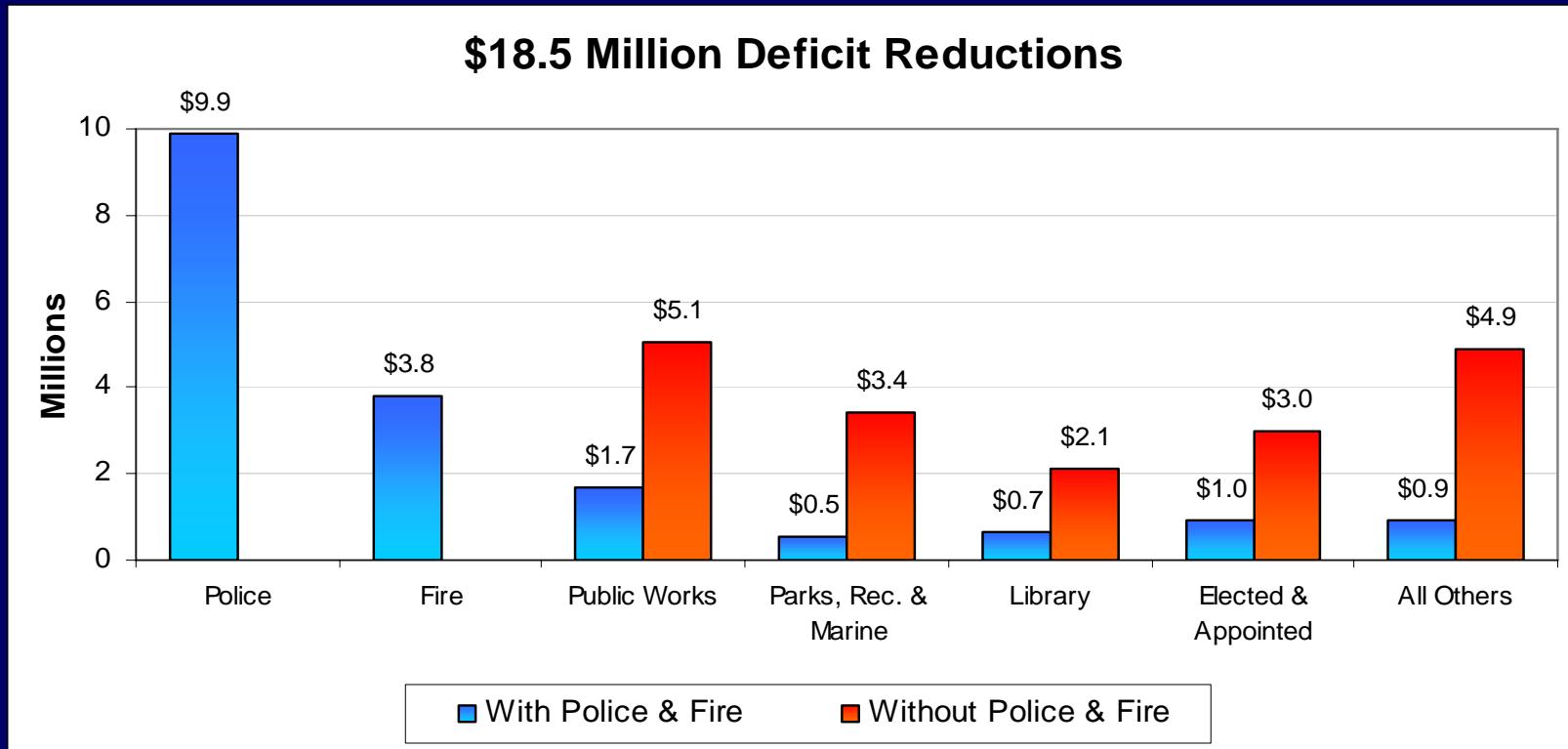


## Maintain Proportionate Share

- Without a proportionate share model, quality of life service reductions will increase dramatically, causing an enormous imbalance
- Quality of life programs and crime prevention programs will be impacted, fueling crime rather than preventing it
- Where cost growth occurs, that department must be a part of the solution to curb that growth



# Maintain Proportionate Share





# Department Reductions

## Plan A

- \$7.2 million in General Fund reductions to departments

130 positions (FTEs) eliminated:

71 positions eliminated

24 positions transferred to the Gas Fund

19 sworn Police positions eliminated

4 sworn Police positions civilianized

12 sworn Fire positions eliminated



# Department Reductions - Plan A

## Quality of Life Service Impacts Include:

- Reduced translator and interpreter services for Council meetings
- Reduced availability of Family Learning Centers at libraries
- Less hours at community swimming pools
- Reduced funding for printed materials, supplies, training, and contractual services
- Contracting-out for maintenance trades of painting, locksmithing, and carpentry (Public Works)
- Reduced resources for elected and appointed departments



## Department Reductions - Plan A

### Police & Fire Service Impacts Include:

- Changes in staffing at Station 1 and Station 14
- Contracting-out for crossing guard services and City Hall security
- Civilianization of 4 Police Officer positions assigned to City Hall and Internal Affairs
- Reduced size of some specialized Police units
- Elimination of four 4 vacant motorcycle officers dedicated to traffic enforcement (Prop H)
- Reduced Police overtime



# Employee Participation

- Of the \$18.5 million deficit for next year, \$11.3 million is attributable to increases in negotiated labor contracts
- Discussion with labor organizations are underway
- Without negotiated agreements, additional employee layoffs and significant service reductions must be implemented
- “Plan B” reductions are not recommended, but are necessary to balance the budget without employee assistance



# Department Reductions

## Plan B

- \$11.3 million in additional General Fund reductions to departments

85 positions (FTEs) eliminated:

- 30 positions eliminated
- 49 sworn Police positions eliminated
- 6 sworn Fire positions eliminated



## Department Reductions - Plan B

### Quality of Life Service Impacts Include:

- Reduced library hours and print materials
- Significantly reduced staffing for parks and teen centers
- Significantly reduced pothole repair services
- Elimination of Health Department's program to promote and coordinate quality, affordable, and accessible childcare
- Reduced resources for Code Enforcement and Property Services
- Further reduced resources for elected and appointed departments



## Department Reductions - Plan B

### Police & Fire Service Impacts Include:

- Eliminate 44 Patrol Officers and vehicles
- Eliminate 5 Sergeants and vehicles
- Reduce staffing at Station 12 (6 positions)
- Fire Department “Rolling Brownouts”



## Other Funds

- Several of the City's other funds are experiencing difficulties:
  - Development Services Fund
  - Employee Benefits Fund
  - Fleet Services Fund
  - General Services Fund
  - Health Services Fund
  - Insurance Fund
  - Public Safety (Prop H) Fund
  - Special Advertising & Promotions Fund
  - Tidelands Operating Fund
  - Towing Fund
- Action must be taken to bring available resources in line with planned expenses



# Special Advertising & Promotion Fund

## Service Impacts Include:

- Less funding for the Arts Council and the Long Beach Convention & Visitors Bureau
- Restructuring of summer concerts (Municipal Band) to maintain music events in the park under a more cost-effective model
- Elimination of City neighborhood block party traffic control
- Elimination of City funding for parades, including Daisy Lane, Martin Luther King, Jr., and Veterans Day parades
- Elimination of City funding for special events



# Tidelands Operating Fund

## Service Impacts Include:

- Reduction in Fire Marine Safety officers on the waterways
- Reduction weekday lifeguard staffing for West and East beach response units and Colorado Lagoon
- Elimination of Fourth of July fireworks in Queensway Bay
- Elimination of City support for the Naples Boat Parade, Belmont Shore Christmas Parade, and Parade of a Thousand Lights
- Reduction in Police overtime in Tidelands area



# Summary

- Proposed FY 11 Budget continues Long Beach along the path to financial stability
- A five-pronged balanced approach ensures we are meeting the needs of our community
- Restructuring of government is an important component that we will begin to implement next year
- Assistance of our employees is critical if we are to avoid significant reductions in service and prevent further layoffs
- Tough financial times are still ahead



# Budget Process

- Many different opportunities for the public and the City Council to consider the Proposed Budget

Budget Hearings

Budget Oversight Committee Meetings

Community Budget Meetings

- The “Community Budget Book” and an up-to-date meeting schedule can be found at:

[www.longbeach.gov](http://www.longbeach.gov)



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