

BH-15

September 1, 2020

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 2021 budget as listed in Attachment A. (Citywide)

DISCUSSION

On August 2, 2020, the City Manager's Proposed Budget for Fiscal Year 2021 (FY 21) was delivered by Mayor Garcia to the City Council and community for consideration. City Council budget meetings were held on December 17, 2019, and on May 19, August 4, August 11, August 18, and September 1, 2020. Additionally, Budget Oversight Committee (BOC) meetings and citywide community town hall meetings were also held throughout the month of August at which the Proposed FY 21 Budget was discussed. As a result of these meetings, there were 17 scheduled opportunities for public feedback, deliberation, and input. Additionally, input was solicited through the Long Beach Budget Priority Survey to obtain feedback on what the City's priorities should be. The survey was promoted on the City's website, along with OpenLB, which shows the budget visually, through Twitter and Facebook, and at the community meetings.

At the conclusion of the hearing, the City Council will amend the Proposed FY 21 Budget as it deems appropriate, and adopt the proposed budget as amended. As a result of the shortened timeframe for the budget process due to the COVID-19 pandemic, the numbers presented in the Proposed FY 21 Budget Book were estimates and did not yet include interdepartmental charges updates, grant and carryover clean-up, and other technical budget items. These figures have now been updated and are listed by fund group and department in Attachments B, C, and D, and are further described at the end of this letter. These updates have resulted in the total All Funds budget being revised from \$2.6 billion to \$2.8 billion. These changes do not reflect any substantive changes to the City Manager proposals but are rather technical and system updates, including updating the budget for grants and interdepartmental charges as described above.

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. WD-1429 (A-10), which establishes the rates and charges for the water and sewer service. The third is the Appropriations Ordinance (A-17), 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, 2020, the City Council must first declare an emergency to exist before adopting each Ordinance (A-9 and A-16).

There are also six Resolutions that provide for approval for the Master Fees and Charges Schedule (A-4), amend the Salary Resolution (A-7), approve the budget for the Harbor Department (A-8), approve the budget for the Water Department (A-11), establish the Gann Appropriations Limit (A-14), and declare a fiscal hardship for FY 20 and FY 21 under Measure B, authorizing the use of up to 50 percent Measure B reserves (A-15). There are also the following motions: approve the Mayor's Recommendations (A-1); approve the BOC Recommendations (A-2); amend the Proposed FY 21 Budget (A-3); approve the FY 21 One-Year Capital Improvement Program (A-5); approve the FY 21 Budget for the Long Beach Community Investment Company (A-12); and, approve the Harbor Revenue Fund Group transfer (A-13).

This matter was reviewed by Deputy City Attorney Amy R. Webber on August 26, 2020 and by Budget Management Officer Rhutu Amin Gharib on August 25, 2020.

TIMING CONSIDERATIONS

In accordance with the City Charter, the Proposed FY 21 Budget must be adopted by September 15, 2020. Should the City Council fail to adopt the budget by that date, the City Manager's Proposed FY 21 Budget will be deemed the budget for the 2021 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, 2020, 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 21 Budget for all departments and fund groups is \$3,321,189,591, which comprises of \$2,781,088,305 in new appropriation and \$540,101,286 in estimated carryover from FY 20 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-17, totals \$2,511,084,276 for all fund groups except Harbor, Sewer, and Water, and \$2,514,659,888 for all departments except Harbor and Water. The \$3,575,612 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, and Sewer Funds, which are not included in the Appropriations Ordinance by fund groups.

The proposed Harbor, Water, and Sewer Fund Group budgets are in separate City Council Resolutions included as Attachment A-8 and A-11, respectively, and total \$810,105,315. The Board of Harbor Commissioners adopted the budget for the Harbor Department by minute order on May 27, 2020. The Board of Water Commissioners adopted the budget for the Water Department by Resolution on June 18, 2020.

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 21 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 21 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 21. These organizational changes are necessary to implement changes reflected in the Proposed FY 21 Budget. A redline version of the changes is also provided.
- Adopting the amended Salary Resolution, which creates and establishes positions of employment while fixing and prescribing the compensation for officers and employees, is included as Attachment A-7. Due to the delayed and compressed budget process this year, additional changes to classifications will be presented to the City Council in early FY 21.
- Adopting the FY 21 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 21 Budget on May 20, 2020.
- 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 44.42 percent of the 2020-2021 Appropriations Limit and, therefore, do not exceed the Limit. This calculation is reviewed by the City Auditor for conformance to the law.
- A Resolution declaring a state of fiscal hardship due to the COVID-19 pandemic for FY 20 and FY 21 is included as Attachment A-15. This Resolution allows Measure B reserves to be used in FY 20 and FY 21 in accordance with Measure B and at the direction of the City Council. The Proposed FY 21 Budget proposes the use of reserves to temporarily maintain services while the significant level of uncertainty in the economy's response to events in the short- and long-term remains.

After the City Manager delivered the Proposed FY 21 Budget to the Mayor, technical adjustments were made to complete the budget. These changes, totaling \$135,033,449 across all funds and \$134,469,588 across departments, are normally included in the Proposed Budget in July, but due to the compressed timeframe of the budget development process this year, the number of changes is larger than normal.

While these changes are larger than normal, they do not change the status of the budget as reported in the Proposed FY 21 Budget. A number of these changes were factored into the overall budget process and the General Fund Group is still balanced for FY 21, as shown in these attachments. The amounts for the changes are shown in Attachments B, C, and D. The items listed below identify some of the key changes but are not meant to explain all the changes shown in the Attachments.

1. Inclusion of Citywide interdepartmental charges such as Technology and Innovation MOU, the Fleet MOU, and other grants that impact the reported budget for any department and fund that receives those services. The amounts budgeted vary and are spread across various departments and funds.
2. The Capital Projects Fund Group increased by \$90 million due to the budgeting of the Capital Improvement Plan (CIP) after the Proposed Budget was released in July. Capital Project Funds are budgeted in both the fund providing the revenue offset and, in the fund, expending the project costs; therefore, the amount shown in the Changes column is larger than the actual capital program activity.
3. Budgeting the Measure A transfer from the General Fund Group for \$18.5 million to the Capital Projects Fund Group
4. Budgeting the various personnel benefits in the Employee Benefits Fund Group to allow the payments to be made for healthcare, pensions, and other miscellaneous benefits in the amount of \$16.9 million.

SUGGESTED ACTION:

Approve recommendation

Respectfully submitted,



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:



THOMAS B. MODICA
CITY MANAGER

ATTACHMENTS

List of Requested Fiscal Year 2021 Budget Adoption Actions

1. Adopt the Mayor's proposed budget recommendations, as amended, to the Proposed FY 21 Budget. (A-1)
2. Adopt the Budget Oversight Committee's proposed funding recommendations, as amended, to the Proposed FY 21 Budget. (A-2)
3. Adopt the expenditures and revenues as identified in the Proposed FY 21 Budget Book, 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 21 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 21. (A-7)
8. Adopt the Resolution approving the FY 21 budget for the Long Beach Harbor Department as adopted by the Board of Harbor Commissioners on May 27, 2020. (A-8)
9. Declare an emergency to exist. (A-9)
10. Declare the Ordinance approving the Resolution No. WD-1429 establishing the rates and charges for water and sewer service to all customers, as adopted by the Board of Water Commissioners on June 18, 2020, 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 21 budget of the Long Beach Water Department as adopted by the Board of Water Commissioners on June 18, 2020. (A-11)
12. Adopt a motion approving the FY 21 budget for the Long Beach Community Investment Company in the amount of \$1,176,000. (A-12)
13. Adopt a motion approving the estimated transfer of \$18,809,414 from the Harbor Revenue Fund Group to the Tidelands Operations Fund Group. (A-13)
14. Adopt the Resolution establishing the Gann Appropriations Limit (Limit) for FY 21 pursuant to Article XIII (B) of the California Constitution. (A-14)
15. Adopt a Resolution declaring fiscal hardship for FY 20 and FY 21 under Measure B, authorizing the use of up to 50 percent of Measure B reserves. (A-15)
16. Declare an emergency to exist. (A-16)

List of Requested Fiscal Year 2021 Budget Adoption Actions

17. Declare the Appropriations Ordinance for FY 21, 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-17)

FISCAL YEAR 2021 APPROPRIATIONS ORDINANCE BY FUND GROUP
(Does not include Harbor, Water and Sewer Fund Groups)

<u>FUND GROUP</u>	<u>FY 21 PROPOSED EXPENDITURES</u>	<u>CHANGES*</u>	<u>FY 20 ESTIMATED CARRYOVER**</u>	<u>FY 21 APPROPRIATIONS</u>
GENERAL FUND	543,642,704	13,644,268	-	557,286,971
UPLAND OIL FUND	8,004,016	25,745	-	8,029,761
GENERAL GRANTS FUND	8,016,482	51,808	4,385,445	12,453,735
POLICE & FIRE PUBLIC SAFETY OIL PROD ACT FUND	3,318,387	-	-	3,318,387
HEALTH FUND	58,646,052	53,972	52,180,280	110,880,305
CUPA FUND	2,328,712	82,075	-	2,410,787
SPECIAL ADVERTISING & PROMOTION FUND	10,909,568	81,804	-	10,991,372
HOUSING DEVELOPMENT FUND	3,595,489	132,116	8,636,610	12,364,215
BELMONT SHORE PARKING METER FUND	783,243	4,257	-	787,500
BUSINESS ASSISTANCE FUND	728,323	3,524	-	731,848
COMMUNITY DEVELOPMENT GRANTS FUND	18,834,384	427,929	35,492,350	54,754,662
HOUSING AUTHORITY FUND	93,964,457	(59,462)	11,203,872	105,108,868
GASOLINE TAX STREET IMPROVEMENT FUND	10,139,365	(500,000)	12,271,223	21,910,588
CAPITAL PROJECTS FUND	18,246,466	90,030,976	153,735,063	262,012,505
SUCCESSOR AGENCY OPERATIONS	4,191,032	31,188	7,001,615	11,223,835
CIVIC CENTER FUND	21,807,741	914,358	9,122,695	31,844,794
GENERAL SERVICES FUND	60,861,109	1,734,037	19,030,102	81,625,248
FLEET SERVICES FUND	45,134,873	(274,385)	1,949,278	46,809,766
INSURANCE FUND	48,947,146	8,514,598	(217,655)	57,244,089
EMPLOYEE BENEFITS FUND	327,442,075	10,998,681	-	338,440,755
TIDELANDS OPERATIONS FUND	88,211,792	1,086,884	126,605,621	215,904,297
TIDELANDS AREA FUNDS	25,370,842	1,406,308	50,035,831	76,812,982
TIDELANDS OIL REVENUE FUND	82,908,124	3,271,954	-	86,180,079
RESERVE FOR SUBSIDENCE	-	-	-	-
DEVELOPMENT SERVICES FUND	26,779,295	807,449	1,402,130	28,988,873
GAS FUND	141,239,545	1,064,546	9,577,420	151,881,511
AIRPORT FUND	45,006,926	594,886	37,657,143	83,258,955
REFUSE/RECYCLING FUND	52,692,087	1,592,169	32,265	54,316,521
SERRF FUND	42,928,625	(752,455)	-	42,176,170
SERRF JPA FUND	-	-	-	-
TOWING FUND	6,741,928	64,218	-	6,806,146
DEBT SERVICE FUND	8,159,695	-	-	8,159,695
SUCCESSOR AGENCY - DEBT SERVICE	26,369,058	-	-	26,369,058
TOTAL	1,835,949,541	135,033,449	540,101,286	2,511,084,276

*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 7/31/20.

FISCAL YEAR 2021 APPROPRIATIONS ORDINANCE BY DEPARTMENT
(Does not include Harbor and Water Departments)

<u>DEPARTMENT</u>	<u>FY 21 PROPOSED EXPENDITURES</u>	<u>CHANGES*</u>	<u>FY 20 ESTIMATED CARRYOVER**</u>	<u>FY 21 APPROPRIATIONS</u>
MAYOR AND COUNCIL	5,769,177	(60,663)	-	5,708,514
CITY ATTORNEY	11,883,085	(260,324)	(6,423)	11,616,338
CITY AUDITOR	3,217,015	(2,658)	(39,365)	3,174,992
CITY CLERK	5,118,065	(3,271)	-	5,114,794
CITY MANAGER	16,094,062	114,058	7,825,233	24,033,352
CITY PROSECUTOR	6,030,813	31,756	762,711	6,825,280
CIVIL SERVICE	2,989,278	7,022	-	2,996,300
AIRPORT	44,278,868	663,576	37,206,951	82,149,395
DISASTER PREPAREDNESS & EMERGENCY COMMUNICATIONS	12,388,439	207,791	1,280,589	13,876,818
DEVELOPMENT SERVICES	73,862,020	812,887	37,912,460	112,587,367
ECONOMIC DEVELOPMENT	19,586,357	791,611	14,296,259	34,674,228
FINANCIAL MANAGEMENT***	573,895,005	32,238,994	4,428,345	610,562,345
FIRE	133,049,633	6,987,304	(156,889)	139,880,048
HEALTH AND HUMAN SERVICES	157,332,435	169,643	63,346,631	220,848,708
HUMAN RESOURCES	12,553,673	2,672,528	(207,528)	15,018,673
LIBRARY SERVICES	15,143,847	76,228	(3,740)	15,216,336
ENERGY RESOURCES	230,448,703	3,321,225	9,577,420	243,347,348
PARKS, RECREATION AND MARINE	60,857,103	618,898	56,986,630	118,462,631
POLICE	260,581,342	8,575,607	(5,311,396)	263,845,553
PUBLIC WORKS	136,548,280	75,875,005	292,513,370	504,936,655
TECHNOLOGY & INNOVATION	58,461,814	1,632,371	19,690,029	79,784,213
TOTAL	1,840,089,015	134,469,588	540,101,286	2,514,659,888

*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 7/31/20.

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

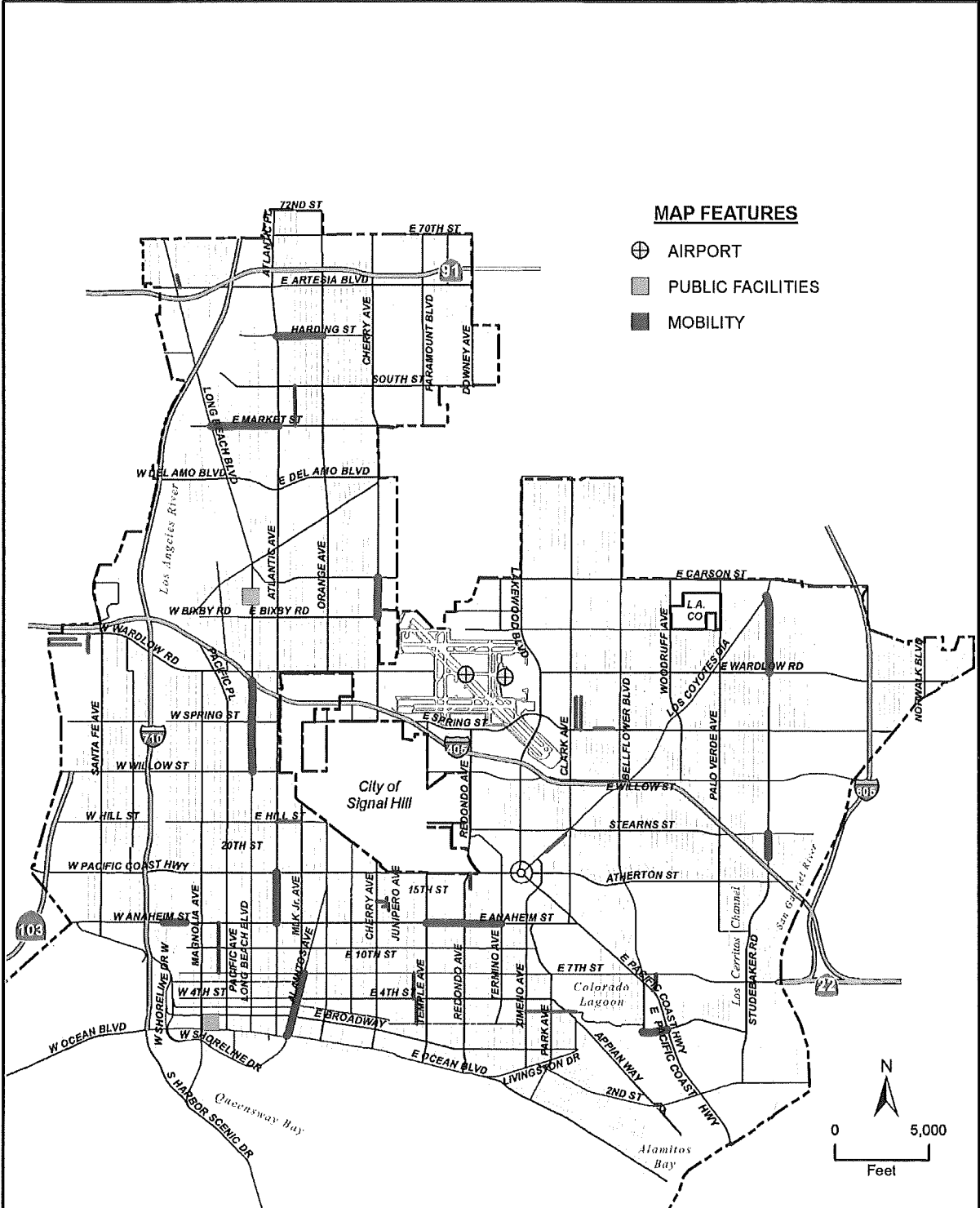
FISCAL YEAR 2021 REVENUES BY FUND GROUP
(Does not include Harbor, Water and Sewer Fund Groups)

<u>FUND GROUP</u>	<u>FY 21 PROPOSED REVENUES</u>	<u>CHANGES*</u>	<u>FY 21 PROPOSED BUDGETED REVENUES</u>
GENERAL FUND	561,996,775	874,540	562,871,315
UPLAND OIL FUND	12,239,561	(4,209,557)	8,030,005
GENERAL GRANTS FUND	7,803,829	105,391	7,909,220
POLICE & FIRE PUBLIC SAFETY OIL PROD ACT FUND	3,318,387	-	3,318,387
HEALTH FUND	58,157,614	1,824,132	59,981,745
SPECIAL ADVERTISING & PROMOTION FUND	8,071,102	-	8,071,102
HOUSING DEVELOPMENT FUND	3,436,465	-	3,436,465
BELMONT SHORE PARKING METER FUND	783,243	-	783,243
BUSINESS ASSISTANCE FUND	728,199	-	728,199
COMMUNITY DEVELOPMENT GRANTS FUND	17,419,627	1,203,447	18,623,074
GASOLINE TAX STREET IMPROVEMENT FUND	12,406,345	(1,817,686)	10,588,659
CAPITAL PROJECTS FUND	40,360,917	68,904,980	109,265,897
CIVIC CENTER FUND	22,076,894	958,673	23,035,567
GENERAL SERVICES FUND	56,153,750	5,827,499	61,981,249
FLEET SERVICES FUND	45,514,112	2,429,236	47,943,347
INSURANCE FUND	49,527,973	10,666,881	60,194,854
EMPLOYEE BENEFITS FUND	328,470,018	10,385,558	338,855,575
TIDELANDS OPERATIONS FUND	85,504,285	2,043,555	87,547,840
TIDELANDS AREA FUNDS	27,280,625	-	27,280,625
TIDELANDS OIL REVENUE FUND	89,209,421	-	89,209,421
RESERVE FOR SUBSIDENCE	1,480,000	-	1,480,000
DEVELOPMENT SERVICES FUND	24,763,271	-	24,763,271
GAS FUND	146,608,226	(10,450,597)	136,157,629
GAS PREPAY FUND	-	5,898,597	5,898,597
AIRPORT FUND	47,228,407	856	47,229,263
REFUSE/RECYCLING FUND	49,984,236	343	49,984,579
SERRF FUND	35,950,000	4,552,000	40,502,000
SERRF JPA FUND	-	-	-
TOWING FUND	6,414,000	431,982	6,845,982
HOUSING AUTHORITY FUND	92,215,718	-	92,215,718
SUCCESSOR AGENCY OPERATIONS	4,219,567	-	4,219,567
CUPA FUND	1,865,221	795	1,866,016
DEBT SERVICE FUND	6,900,861	-	6,900,861
SUCCESSOR AGENCY DEBT SERVICE	30,162,041	-	30,162,041
TOTAL	1,878,250,691	99,630,622	1,977,881,313

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

FY 21 Capital Improvement Program (CIP)

Capital Program Overview



FY 21 Capital Improvement Program (CIP)

BACKGROUND

Though our community and organization are challenged by the impacts of COVID-19, the City's work to plan for the future and maintain public infrastructure continues. The Capital Improvement Program (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. The size, age and diverse infrastructure of the City requires significant consideration to determine the best investments to make now, 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.

BUDGET PROCESS

Public Works serves as the lead Department for developing the FY 21 Proposed (FY 21) CIP Budget. During this challenging time, 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; and
- The extent to which the project will secure future funds through program planning or grant eligibility.

The CIP identifies current expenditures along with providing and outline proposed funding. The strategic capital investment in the City's infrastructure includes major enhancements and repairs to critical public assets, ranging from the infrastructure that is integrated into daily life such as parks, marinas and beaches, buildings, streets, traffic signals, storm drains, sidewalks, bus stops, bridges, water and sewer facilities, the Harbor, upgrades to the Americans with Disabilities Act (ADA), and to airport facilities to meet the long-term travel needs of our residents and businesses.

BUDGET HIGHLIGHTS

In response to the current economic situation the City is facing due to the pandemic, the FY 21 Proposed CIP focuses on continuing to provide investments into the community to improve the economic vitality and quality of life in the throughout the City. 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 funding for FY 21:

- Airport
- Mobility
- Public Facilities
- Utilities
- Harbor

FY 21 Capital Improvement Program (CIP)

ALLOCATION PLAN

	FY 21 Proposed
Sources¹:	
Airport Fund	\$1,000,000
Civic Center Fund	\$100,000
Gas Fund	\$11,050,000
Gasoline Tax Street Improvement Fund	\$11,500,000
General Capital Projects Fund	\$10,139,965
Measure A	\$18,514,645
Transportation Fund	\$23,400,000
Water Utility	\$24,815,834
Sewer	<u>\$7,087,094</u>
Subtotal	\$107,607,538
 Harbor	 \$383,008,000
 Grand Total	 \$490,615,538
 Uses:	
Airport	\$1,000,000
Mobility	\$55,199,000
Public Facilities	\$5,455,610
Utilities	<u>\$45,952,928</u>
Subtotal	\$107,607,538
 Harbor	 \$383,008,000
 Grand Total	 \$490,615,538

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.

FY 21 Capital Improvement Program (CIP)

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 20, the Airport completed, four months ahead of schedule, the \$23M construction of Taxiway C, consistent with the Airfield Geometry Study recommendations to increase safety and efficiency of the airfield operations. Also completed in FY 20 was the installation of 15 new electric Ground Service Equipment (GSE) chargers. The new GSE chargers will aide in the effort to lower pollutant emissions through conversion to electric ground support equipment. In addition to being faster and more efficient than previous chargers, they recognize each specific battery type and charge accordingly to prolong the life of individual batteries.

The Terminal Area Improvements Program Phase II continues in FY 20, with the first two facilities (Checked Baggage Inspection System (CBIS) and new Ticketing Building) being prioritized. Foundation work for the CBIS building is now complete, with steel erection and roofing underway. The Ticketing Building's electrical infrastructure is anticipated to be completed soon which will allow the Airport complete site demolition and prepare for foundation construction.

Other projects on the airfield include the \$6M rehabilitation of Taxiway D that is currently underway and will be completed before the end of the year, at which time the Airport anticipates beginning the \$7M construction of Taxiway B in FY 21.

Project Title	FY 21 Proposed
Airport Terminal Area Improvements	\$500,000
Airport Pavement Rehabilitation	<u>\$500,000</u>
Total Airport Projects	\$1,000,000

Mobility

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

Mobility improvements include street repair, street and intersection improvements, traffic signal system expansion and upgrades, transit improvements, replacement parking and traffic lane

FY 21 Capital Improvement Program (CIP)

striping, neighborhood traffic management and mobility enhancements in the right-of-way. This section also includes programs that evaluate traffic congestion throughout the City and respond with projects to relieve congestion or enhance traffic safety. When designing arterial and local streets, each location is addressed using the complete streets design framework. This means that conditions for people who walk, bicycle and take transit are considered when designing a roadway.

The program delivers 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 the bridge inspection reports.

The paving program is guided by the City's Infrastructure Investment Plan (IIP) and Pavement Management Program (PMP), which is typically updated biannually. The Public Works team plans projects in coordination with Development projects along with projects from other departments and agencies. The program is developed to make best use of the City's limited funds. This means it is not a "worst first" methodology. It is a balance between maintaining our "good" streets in good condition, while also spending funding to eliminate 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 surface conditions, utility work (pipeline construction), cost effectiveness, 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 degrades down to a "poor" condition, which significantly increases the costs of repairs.

The proposed Mobility budget includes \$55.2 million of new funding in FY 21, of which \$37.4 million has been budgeted for street rehabilitation and arterial corridor enhancements throughout the City. Measure A funds totaling \$15.2 million, of which \$7.5 million is for Arterial Street Improvements, \$6.5 million for ADA Curb Ramp Improvements and \$1.2 million for Citywide Alley Improvements.

In addition to Measure A funding, Mobility also receives local, state and federal funding. This includes improvements to arterial corridors, bikeways, bridges, bus stops, light rail transit, citywide striping and signage, and traffic signals.

Project Title	FY 21 Proposed
ADA Rapid Response	\$500,000
Alley Improvements	\$1,200,000
Arterial Corridor Enhancements	\$13,803,100
Arterial Street Rehabilitation	\$12,700,000
Bikeway and Pedestrian Improvements	\$2,390,000
Bridge Improvements	\$1,000,000
Bus Stop Improvements	\$210,000
ADA Curb Ramp Improvements	\$9,500,000

FY 21 Capital Improvement Program (CIP)

Light Rail Transit Improvements	\$256,000
Residential Street Improvements	\$10,899,000
Citywide Sinkholes	\$250,000
Citywide Striping & Signage Program	\$250,000
Traffic Signal Improvements	\$550,000
CIP Administration	<u>\$1,690,900</u>
Total Mobility Projects	\$55,199,000

Public Facilities

The City of Long Beach owns over 350 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.

In FY 20, construction for Civic Center phase II work continues which includes access to Lincoln Garage and demolition of the old Main Library Branch. This fiscal year the Project Management Bureau completed three Library Branch circulation desks, numerous roof repairs, and the Police Department (PD) West Station roof restoration and HVAC upgrade projects. This year, the Public Safety Garage project construction was started and is on scheduled to be completed in FY 21.

The Public Works Department continues the Citywide Facility Condition Assessment (FCA) which began in FY 18 to determine the overall condition of all our facilities. To-date, 258 buildings have been assessed, it is anticipated that the FCA will be completed in 2020.

The FY 21 budget for Public Facilities includes \$5.4 million of which \$3.3 million is from Measure A, \$2 million from AB-32 funds, and \$100,000 of Civic Center funds. In total, \$5.3 million has been budgeted for facility improvements, energy efficiency and solar projects, improvements to the new Fire Station 9, and \$100,000 for improvements to the Civic Center.

Project Title	FY 21 Proposed
Facility Improvements	<u>\$5,455,610</u>
Total Public Facilities	\$5,455,610

Utilities

The Utilities section is comprised of three different services provided to Long Beach residents. These services are provided by the Long Beach Energy Resources Department, Long Beach Water Department and the Public Works Department 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.

FY 21 Capital Improvement Program (CIP)

Long Beach Energy Resources Department

Long Beach Energy Resources (LBER) Department oversees approximately 1,900 miles of natural gas pipelines. The Department's objective is to safely deliver natural gas to over 150,000 businesses and households in the most cost-efficient manner. All operations are conducted in strict compliance with U.S. Department of Transportation's (DOT) pipeline safety regulations, CFR 49 part 190-199. LBER is engaged in a long-term pipeline infrastructure replacement program focusing on pipelines identified in its Distribution Integrity Management Plan (DIMP). In the past five years, over 50 miles of distribution main and service pipelines have been installed or replaced, improving system integrity.

The CIP takes a system-wide approach and replaces pipelines targeting the worst risk pipes 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 regulator stations, valves, and other gas facilities, and funds critically mandated programs such as cross bore inspections, meter replacement, gas facility surveys, etc. LBER will continue to work closely with the Public Works Department to coordinate gas projects with street improvement projects.

In FY 21, a total of \$11.05 million is proposed for LBER projects including main and service pipeline replacement, gas meter replacement, facility work, gas control, and cathodic protection.

Project Title	FY 21 Proposed
Facility Work	\$500,000
Gas Control/Cathodic Protection	\$250,000
Gas Meters Replacement	\$25,000
Main Pipeline Replacement	\$8,500,000
Service Pipeline Replacement	<u>\$1,775,000</u>
Total LBER	\$11,050,000

Stormwater/Environmental Compliance

The Stormwater/Environmental Compliance 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. In 2016, an assessment of the City's 23 pump stations was completed and identified over \$35 million in necessary repairs and upgrades.

In FY 21, \$3 million of Measure W funding is proposed for the implementation of the Watershed Management Program, the LBMUST stormwater treatment facility, low flow devices, trash capture devices, and other projects to keep Long Beach in compliance with its' NPDES permit.

FY 21 Capital Improvement Program (CIP)

Project Title	FY 21 Proposed
Storm Drain System & Water Quality Improvements	<u>\$3,000,000</u>
Total Stormwater	\$3,000,000

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 its useful life, including, but not limited to, water pipelines, valves and meters. The Department coordinates 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. In FY 21, the Water Department is proposing \$29.9 million in Capital Projects. Of this amount, \$22.8 million is in the Water Fund and \$7.1 million is in the Sewer Fund.

Project Title	FY 21 Proposed
Potable Water	
In-House Water Main Replacement	\$2,500,000
Meter Replacement Program	\$50,000
Water Pipeline Improvement	\$2,520,000
Water Pipeline Replace/Install	\$4,680,973
Alamitos Reservoir Improvements	\$2,116,880
Water SCADA Improvements	\$295,351
Treatment Plant Improvements	\$819,682
New Well Development/Equipment	\$6,931,833
Water Supply Improvements	\$650,900
Well Rehabilitation	\$1,280,000
Recycled Water Improvements	\$207,400
Water Facility Improvements	\$1,962,815
Water Miscellaneous	<u>\$800,000</u>
Total Water Fund	\$24,815,834
Sewer	
Sewer Pipeline Rehab	\$2,150,000
Sewer Operations	\$1,850,000
Sewer Pipeline Replacement/Install	\$300,000
Sewer Lift Stations	\$2,637,094

FY 21 Capital Improvement Program (CIP)

Sewer Miscellaneous	<u>\$150,000</u>
Total Sewer Fund	\$7,087,094

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 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 \$1.7 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 21, the Port is forecasting to spend \$382 million on capital projects, with \$84.5 million for the continued construction of the Gerald Desmond Bridge Replacement, and \$88.5 for the Middle Harbor Redevelopment Project. Port Security continues to be a high priority, with the Department investing nearly \$29.6 million in capital projects.

Project Title	FY 21 Proposed
Major Projects	
Terminal Development	
Pier D/E/F (Middle Harbor)	<u>\$85,519,000</u>
Total Terminals Expansion and Development	\$85,519,000
Port-Wide Security & Safety	
New Fire Station / Fire Boats / Security	<u>\$29,597,000</u>
Total Port-Wide Security & Safety Projects	\$29,597,000
 Streets, Bridges, and Railways	
Gerald Desmond Bridge Replacement	\$84,538,000
Rail Projects	<u>\$79,583,000</u>
Total Streets, Bridges, and Railways	\$164,121,000
 Miscellaneous Projects	
Port Headquarters / Civic Center	\$1,293,000
Environmental Projects	\$32,647,000
Eng. Misc. Projects / Port Infrastructure	\$21,435,000

FY 21 Capital Improvement Program (CIP)

Port Infrastructure (Streets, Water, Storm Water, Sewer)	\$33,076,000
Information Technology Projects	\$12,035,000
Furniture, Fixtures, and Equipment	<u>\$2,285,000</u>
Total Miscellaneous Project	\$102,771,000
Total Harbor Department	\$382,008,000