



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

BH-1

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September 8, 2015

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 2016 budget as listed in Attachment A of this letter. (Citywide)

DISCUSSION

On July 28, 2015, the City Manager's Proposed Budget for Fiscal Year 2016 (FY 16) was delivered by Mayor Garcia to the City Council and community with recommended amendments for consideration. Budget meetings were set for March 3, June 16, July 28, August 4, August 11, August 18, September 1, September 8, September 15, along with five Budget Oversight Committee (BOC) meetings, and nine community meetings at which the FY 16 Proposed Budget was discussed. We are pleased to report that through the scheduled hearings, BOC and community meetings, there have been 23 separate opportunities for public feedback, deliberation and input. In addition, this year, the City has solicited input through two informal survey mechanisms. The first is the Budget Challenge, which is an interactive simulation that provides citizens with the opportunity to balance the City's budget, while also deciding if funding levels should be changed. The second is the Budget Priority Survey to obtain input on what the City's General Fund priorities should be. These were both 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 hearings, 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 16 Proposed Budget, updated estimates of revenue and expense, which primarily address technical corrections, are listed by fund and department in Attachments B and C to this letter, respectively. The reasons are discussed at the end of this letter.

There are two Ordinances in Attachment A; one is an Ordinance approving Resolution No. WD-1341 (A-3), which establishes the rates and charges for the water and sewer service, and the other is the Appropriations Ordinance (A-16), which officially adopts the FY 16 budget and authorizes expenditures in conformance with the adopted budget. In order for these two Ordinances to become effective October 1, 2015, the City Council must first declare an emergency to exist before adopting each Ordinance (A-2 and A 15). Specific Resolutions provide for approval of the budgets for the Harbor, Water and

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Sewer funds, which are not in the Appropriations Ordinance and certain fee adjustments. There will also be motions that request approvals for the following: the Master Fee and Charges Schedule; the FY 16 Capital Improvement Program; the Mayor's Recommendations; the Budget Oversight Committee's Recommendations; the Departmental Organization Ordinance; and the Salary Resolution for the FY 16 Proposed Budget.

This matter was reviewed by City Attorney Charles Parkin on August 26, 2015.

TIMING CONSIDERATIONS

In accordance with the Long Beach City Charter, the FY 16 budget must be adopted by September 15, 2015. Should the City Council fail to adopt the budget by that date, the City Manager's FY 16 Proposed Budget will be deemed the budget for the 2016 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, 2015, 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 FY 16 budget for all departments and funds is \$3,123,674,238, which comprises \$2,673,694,658 in new appropriation and \$449,979,580, in estimated carry-over from FY 15 for multi-year grants and projects.

The Appropriations Ordinance, included as Attachment A-16 to this letter, totals \$2,168,945,541 for all funds except Harbor, Sewer, and Water, and \$2,174,310,315 for all departments except Harbor and Water. The \$5,364,774 difference between funds and departments in the Appropriations Ordinance 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 to this letter, respectively, and total \$954,973,379. The Board of Harbor Commissioners adopted the budget for the Harbor Department by minute order on May 27, 2015. The Board of Water Commissioners adopted the budget for the Water Department by Resolution on June 18, 2015.

User fees and charges in the Master Fee and Charges Schedule Attachment A-5 have been adjusted due to changes in service and other factors. For details regarding these proposed new fees, deletions and adjustments, please see the List of Proposed Fee Adjustments for FY 16 that has been incorporated as Exhibit C to the Master Fee and Charges Resolution.

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Other requested City Council actions include approval of the FY 16 One-Year Capital Improvement Program (CIP) budget, included in Attachment A-6, which is contained in the Appropriations Ordinance. The Planning Commission, at its meeting of August 20, 2015, approved the CIP for FY 16 for conformance with the General Plan.

The City Council is also requested to adopt the 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 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 guards against 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 42.17 percent of the 2015-2016 Appropriations Limit and, therefore, does not exceed the Limit. This calculation is reviewed by the City Auditor for conformance to the law.

A motion is also being requested to amend the Departmental Organization Ordinance, included as Attachment A-12. This amendment incorporates changes to departments, bureaus, and divisions for FY 16. These organizational changes are necessary to implement changes reflected in the Proposed FY 16 budget. (A redline version is also provided). A motion is also being requested to adopt the Salary Resolution, included as Attachment A-13.

After the City Manager delivered the FY 16 Proposed Budget to the Mayor, technical adjustments in nature were made to the budget. These changes are generally not substantive and are shown in Attachment B and C of this letter. Since the release of the FY 16 Proposed Budget, a few changes have occurred. The Civic Center rent allocation was revised to incorporate the addition of the Tidelands Capital Project Management group on the 5th Floor of City Hall. This addition resulted in a net increase of \$841 and \$51,354 to the Development Services Fund and Tidelands Operations Fund, respectively and a decrease of \$52,195 to the General Fund. The second item is a decrease of \$79,289 and an increase of \$1,666,194 to the Tidelands Operations Fund and the Tidelands Marina Fund, respectively, that relates to the Marina Fund debt service changes resulting from the issuance of the 2015 Marina Revenue Bonds, and the prepayment of previous State Department of Boating and Waterways loans. Additionally, the Capital Projects Fund was also decreased by \$230,000 due to timing of a project being completed earlier in FY 15 instead of FY 16. Also, a \$6,000 increase in the General Fund for an interdepartmental service charge related to parking validations for the Legislative Department was made to reflect actual charges. Revenue changes were made since the release of the budget and are reflected in Attachment D. Most of the changes were related to grants and a capital improvement project. A significant change included in Attachment D is the Department of Public Works postponing the proposed restructuring of the refuse rates. This has no impact on the Refuse operating budget, but will impact revenues for the Refuse Fund. The remaining changes were minor technical adjustments made to various funds and departments in order to align the budget with grants and/or revenues.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,

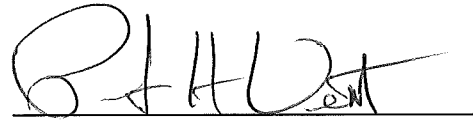


JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

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ATTACHMENTS

APPROVED:



PATRICK H. WEST
CITY MANAGER

List of Requested Fiscal Year 2016 Budget Adoption Actions

1. Adopt the Resolution approving the FY 16 budget for the Long Beach Harbor Department as adopted by the Board of Harbor Commissioners on May 27, 2015. (A-1)
2. Declare an emergency to exist. (A-2)
3. Declare the Ordinance approving the Resolution No. WD-1341 establishing the rates and charges for water and sewer service to all customers, as adopted by the Board of Water Commissioners on June 18, 2015, 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 16 budget of the Long Beach Water Department as adopted by the Board of Water Commissioners on June 18, 2015. (A-4)
5. Adopt the Resolution amending the Master Fee and Charges Schedule for specified City services for Citywide fees and charges for the City of Long Beach. (A-5)
6. Approve the FY 16 One-Year Capital Improvement Program. (A-6)
7. Adopt a motion approving the FY 16 budget for the Long Beach Community Investment Company (formerly known as the Long Beach Housing Development Company) in the amount of \$5,318,500. (A-7)
8. Adopt a motion approving the estimated transfer of \$17,737,000 from the Harbor Revenue Fund to the Tidelands Operating Fund. (A-8)
9. Adopt the Resolution establishing the "Gann Appropriations Limit" (Limit) for FY 16 pursuant to Article XIII (B) of the California Constitution. (A-9)
10. Adopt the Mayor's proposed budget recommendations, as amended, to the FY 16 Proposed Budget. (A-10)
11. Adopt the Budget Oversight Committee's proposed funding recommendations, as amended, to the FY 16 Proposed Budget. (A-11)
12. 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-12)
13. Adopt the amended Salary Resolution for FY 16. (A-13)
14. Adopt a motion amending the proposed FY 16 budget. (A-14)
15. Declare an emergency to exist. (A-15)
16. Declare the Appropriations Ordinance for FY 16, 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-16)

FISCAL YEAR 2016 APPROPRIATIONS ORDINANCE BY FUND
(Does not include Harbor, Water and Sewer Funds)

<u>FUND</u>	<u>FY 16 PROPOSED EXPENDITURES</u>	<u>CHANGES</u>	<u>FY 15 ESTIMATED CARRYOVER*</u>	<u>FY 16 APPROPRIATIONS</u>
GENERAL FUND	427,892,742	(46,195)	-	427,846,547
UPLAND OIL FUND	13,799,272	-	-	13,799,272
GENERAL GRANTS FUND	8,962,538	68,690	7,422,489	16,453,717
POLICE & FIRE PUBLIC SAFETY OIL PROD ACT FUND	3,232,643	-	-	3,232,643
HEALTH FUND	42,827,615	-	30,013,223	72,840,839
PARKING & BUSINESS AREA IMPROVEMENT FUND	7,968,757	-	-	7,968,757
SPECIAL ADVERTISING & PROMOTION FUND	7,821,689	-	-	7,821,689
HOUSING DEVELOPMENT FUND	6,944,495	-	19,393,340	26,337,836
BELMONT SHORE PARKING METER FUND	830,879	-	-	830,879
BUSINESS ASSISTANCE FUND	694,119	-	40,948	735,067
COMMUNITY DEVELOPMENT GRANTS FUND	20,653,503	6,000	1,253,640	21,913,142
GASOLINE TAX STREET IMPROVEMENT FUND	16,074,663	-	36,406	16,111,069
TRANSPORTATION FUND	20,576,303	-	26,891,072	47,467,375
CAPITAL PROJECTS FUND	7,756,280	(230,000)	63,672,787	71,199,067
CIVIC CENTER FUND	10,880,804	-	5,431,439	16,312,243
GENERAL SERVICES FUND	48,400,286	(114,400)	23,244,294	71,530,180
FLEET SERVICES FUND	45,115,791	-	875,000	45,990,791
INSURANCE FUND	42,402,722	-	139,683	42,542,405
EMPLOYEE BENEFITS FUND	248,910,324	-	-	248,910,324
TIDELANDS FUNDS	99,507,841	1,638,259	163,590,938	264,737,038
TIDELAND OIL REVENUE FUND	158,463,652	-	-	158,463,652
RESERVE FOR SUBSIDENCE	-	-	-	-
DEVELOPMENT SERVICES FUND	18,968,059	841	1,354,310	20,323,209
GAS FUND	105,680,210	-	30,063,817	135,744,027
GAS PREPAY FUND	39,128,641	-	-	39,128,641
AIRPORT FUND	42,608,676	-	28,907,613	71,516,288
REFUSE/RECYCLING FUND	45,102,765	-	73,381	45,176,147
SERRF FUND	51,145,981	-	-	51,145,981
SERRF JPA FUND	11,218,558	-	-	11,218,558
TOWING FUND	5,730,049	-	-	5,730,049
HOUSING AUTHORITY FUND	71,953,593	-	14,993,664	86,947,257
SUCCESSOR AGENCY	75,500,522	-	32,581,531	108,082,053
CUPA FUND	1,658,451	-	5	1,658,456
DEBT SERVICE FUND	9,230,342	-	-	9,230,342
TOTAL	1,717,642,766	1,323,195	449,979,580	2,168,945,541

*Carryover of multi-year grants and CIP funds.

FISCAL YEAR 2016 APPROPRIATIONS ORDINANCE BY DEPARTMENT
(Does not include Harbor and Water)

<u>DEPARTMENT</u>	<u>FY 16 PROPOSED EXPENDITURES</u>	<u>CHANGES</u>	<u>FY 15 ESTIMATED CARRYOVER*</u>	<u>FY 16 APPROPRIATIONS</u>
MAYOR AND COUNCIL	5,319,212	6,000	-	5,325,212
CITY ATTORNEY	9,981,695	-	-	9,981,695
CITY AUDITOR	3,046,904	-	-	3,046,904
CITY CLERK	4,795,431	-	-	4,795,431
CITY MANAGER	13,800,703	(40,635)	114,947,208	128,707,276
CITY PROSECUTOR	5,007,241	-	295,048	5,302,289
CIVIL SERVICE	2,427,489	-	-	2,427,489
AIRPORT	41,891,004	-	28,907,613	70,798,617
DISASTER PREPAREDNESS & EMERGENCY COMMUNICATIONS	11,874,348	-	105,830	11,980,178
DEVELOPMENT SERVICES	115,002,537	6,000	62,693,417	177,701,954
ECONOMIC & PROPERTY DEVELOPMENT	25,772,537	-	-	25,772,537
FINANCIAL MANAGEMENT**	470,653,976	1,586,905	2,032,859	474,273,741
FIRE	98,041,760	-	176,008	98,217,768
HEALTH AND HUMAN SERVICES	115,719,022	-	30,519,563	146,238,584
HUMAN RESOURCES	10,826,039	-	5,884,275	16,710,314
LIBRARY SERVICES	13,160,257	-	1,500,000	14,660,257
LONG BEACH GAS AND OIL	324,917,682	-	30,109,116	355,026,798
PARKS, RECREATION AND MARINE	55,354,629	109,325	30,708,176	86,172,131
POLICE	209,158,622	-	3,977,547	213,136,168
PUBLIC WORKS	139,782,391	(230,000)	114,878,625	254,431,016
TECHNOLOGY & INNOVATION	46,474,062	(114,400)	23,244,296	69,603,958
TOTAL	1,723,007,539	1,323,195	449,979,580	2,174,310,315

*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 2016 REVENUES BY FUND
(Does not include Harbor, Water and Sewer Funds)

<u>FUND</u>	<u>FY 16 PROPOSED REVENUES</u>	<u>CHANGES</u>	<u>FY 16 PROPOSED BUDGETED REVENUES</u>
GENERAL FUND	413,203,378	-	413,203,378
UPLAND OIL FUND	14,217,809	-	14,217,809
GENERAL GRANTS FUND	8,907,641	123,586	9,031,228
POLICE & FIRE PUBLIC SAFETY OIL PROD ACT FUND	2,914,420	-	2,914,420
HEALTH FUND	43,347,104	-	43,347,104
PARKING & BUSINESS AREA IMPROVEMENT FUND	7,968,757	-	7,968,757
SPECIAL ADVERTISING & PROMOTION FUND	7,596,000	-	7,596,000
HOUSING DEVELOPMENT FUND	11,598,238	-	11,598,238
BELMONT SHORE PARKING METER FUND	701,734	-	701,734
BUSINESS ASSISTANCE FUND	871,838	(194,000)	677,838
COMMUNITY DEVELOPMENT GRANTS FUND	20,523,305	-	20,523,305
GASOLINE TAX STREET IMPROVEMENT FUND	11,853,372	-	11,853,372
TRANSPORTATION FUND	20,367,912	-	20,367,912
CAPITAL PROJECTS FUND	7,642,049	160,000	7,802,049
CIVIC CENTER FUND	11,193,610	-	11,193,610
GENERAL SERVICES FUND	48,279,036	-	48,279,036
FLEET SERVICES FUND	35,797,973	-	35,797,973
INSURANCE FUND	49,283,048	-	49,283,048
EMPLOYEE BENEFITS FUND	247,348,843	-	247,348,843
TIDELANDS FUNDS	102,295,240	401,538	102,696,778
TIDELAND OIL REVENUE FUND	158,580,567	-	158,580,567
RESERVE FOR SUBSIDENCE	1,480,000	-	1,480,000
DEVELOPMENT SERVICES FUND	18,109,086	-	18,109,086
GAS FUND	106,764,572	-	106,764,572
GAS PREPAY FUND	41,475,391	-	41,475,391
AIRPORT FUND	42,209,669	-	42,209,669
REFUSE/RECYCLING FUND	45,318,927	(2,717,222)	42,601,705
SERRF FUND	47,819,036	-	47,819,036
SERRF JPA FUND	11,250,285	-	11,250,285
TOWING FUND	5,691,849	-	5,691,849
HOUSING AUTHORITY FUND	70,532,437	-	70,532,437
SUCCESSOR AGENCY	75,610,413	-	75,610,413
CUPA FUND	1,607,180	-	1,607,180
DEBT SERVICE FUND	9,230,342	-	9,230,342
TOTAL	1,701,591,062	(2,226,098)	1,699,364,964

FY 16 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 2016 (FY 16) 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 new funding for FY 16:

- Airport Projects
- Gas & Oil Projects
- Marinas, Beaches & Waterways Projects
- Parks and Recreation Projects
- Public Facilities Projects
- Storm Drains Projects
- Street Rehabilitation Projects
- Transportation Enhancements Projects
- Harbor Department Projects
- Water Department Projects

FY 16 Capital Improvement Program (CIP)

ALLOCATION PLAN

	FY 15	FY 16
Sources: ¹	Estimated	Proposed
Airport Fund	\$23,803,607	\$3,500,000
Civic Center Fund	\$832,150	\$500,000
Fleet Services Fund	\$1,035,000	\$0
Gas Fund	\$19,233,410	\$8,050,000
Gasoline Tax Street Improvement Fund	\$18,416,163	\$10,799,135
General Capital Projects Fund	\$33,698,279	\$7,108,195
General Capital Projects – Legislative Fund	\$3,053,300	\$0
Marina Fund	\$8,777,699	\$0
Queen Mary Fund	\$400,000	\$0
Special Assessment District Capital Projects	\$0	\$0
Special Revenue General Grants Fund	\$75,000	\$0
Tidelands Operations Fund ²	\$22,957,149	\$0
Transportation Fund	\$12,719,169	<u>\$13,194,000</u>
Subtotal	\$145,000,926	\$43,151,330
Harbor	\$490,735,000	\$556,675,500
Water Utility	\$12,500,620	\$13,447,614
Sewer	\$3,582,126	<u>\$3,774,126</u>
Subtotal	\$506,817,746	\$573,897,240
Grand Total	\$651,818,672	\$617,048,570
Uses:		
Airport	\$23,803,607	\$3,500,000
Gas & Oil	\$19,233,410	\$8,050,000
Marinas, Beaches & Waterways	\$30,839,155	\$0
Parks & Recreation	\$13,064,879	\$600,000
Public Facilities	\$16,019,293	\$2,490,000
Storm Drains	\$3,295,024	\$2,730,000
Street Rehabilitation	\$34,418,112	\$20,491,000
Transportation Enhancements	<u>\$4,327,446</u>	<u>\$5,290,330</u>
Subtotal	\$145,000,926	\$43,151,330
Harbor	\$490,735,000	\$556,675,500
Water Utility	\$12,500,620	\$13,447,614
Sewer	\$3,582,126	<u>\$3,774,126</u>
Subtotal	\$506,817,746	\$573,897,240
Grand Total	\$651,818,672	\$617,048,570

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 16 Capital Improvement Program (CIP)

Airport Projects

Long Beach Airport serves over 3 million passengers each year and offers a variety of services to airlines, commercial and general aviation users, as well as the general public, providing direct and indirect economic benefits to the region. Funding for Airport Capital Improvement Projects comes from several sources including Federal Aviation Administration (FAA), Airport Improvement Program grants (AIP), Passenger Facility Charges (PFC), Customer Facility Charges (CFC), and Airport fees, and bond sale proceeds. The basis for Airport capital projects is the safety and security of the general public, FAA and Transportation Security Administration (TSA) mandates and operational improvements. In FY 15, the Airport completed the first phase of an airfield geometry study that will lead to the realignment, reconstruction and re-designation of the airfield over the next several years for enhanced safety. Also, completed in FY 15, was the rehabilitation of Runway 7L-25R, improved access to Taxiway E & F, and the final phase of the air carrier ramp improvements.

Planned projects in FY 16 include rehabilitation of Runway 7R-25L, security system improvements, baggage claim area improvements, and a quick turnaround area for the rental car facilities.

Project Title	FY 16 Proposed
Airport Terminal Area Improvements	\$1,000,000
Airport Pavement Rehabilitation	1,000,000
Rental Car Facility	<u>1,500,000</u>
Total Airport Projects	\$3,500,000

Gas & Oil Projects

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 145,000 businesses and households. All operations are conducted in strict compliance with U.S. Department of Transportation's (DOT) pipeline regulations, CFR 49 part 190-199. LBGO is engaged in a long-term pipeline infrastructure replacement program focusing on upgrading pipe 60+ years old. During the past five years, over 92 miles of distribution pipeline and approximately 11,000 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. 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.

FY 16 Capital Improvement Program (CIP)

Project Title	FY 16 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 Gas & Oil Projects	\$8,050,000

Marinas, Beaches & Waterways Projects

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 15, the City completed the construction of two beach parking lots, the beach pedestrian path, a public restroom located at Rainbow Harbor, the Alamitos Beach stairway and the Bixby Park Bluff improvements. The Naples Seawalls Phase 1 Project and Appian Way low-flow diversion system are expected to be completed in FY 15 as well. Low flow diversions reroute dry weather urban runoff into the sanitary sewer system as opposed to Alamitos Bay. These new improvements are more efficient and environmentally friendly than the previous facilities.

The engineering design for the proposed Rainbow Harbor pump replacement has been completed. The design for the Colorado Lagoon Mitigation is also complete and both projects are ready for public bidding.

Due to the unexpected decline in oil revenue, City staff created a 5-Year Capital Plan for the use of Tidelands Funds. On June 16, 2015, the City Council received a report and approved the plan and prioritization of Tidelands projects. New project funding is not included in the FY 16 CIP Book but will be requested as part of FY 16 midyear budget process.

All Tidelands Capital Improvements Projects are subject to State Lands Commission approval.

Parks & Recreation Projects

Parks located throughout the City provide recreational amenities and open space to enhance the environment and provide recreational and educational opportunities to meet the needs and interests of residents. There is a constant effort to address aging park infrastructure throughout the city, as well as to address the lack of parks and open spaces in underserved neighborhoods.

In FY 15 the focus was on renovating and replacing park infrastructure citywide. The projects that will be completed include restroom rehabilitation at Cherry, Coolidge, Houghton, McBride, Pan American, Ramona, and Somerset Parks. Doors were replaced at Bixby, Chavez, Houghton, King, MacArthur, McBride, Pan American, Ramona, Silverado, and Somerset Parks. Fences were replaced at Cressa, El Dorado, and Scherer Parks, and sidewalks were repaired at Bixby, Channel View, Cherry, Coolidge, Drake, DeForest, El Dorado, Heartwell, Houghton, Recreation, and Somerset Parks. Roofing was replaced at Bixby, College Estates and Pan American Parks. Sports court resurfacing was conducted at Cherry, DeForest, Houghton, Ramona, Silverado, Somerset, Scherer, Veterans and Wardlow Parks.

FY 16 Capital Improvement Program (CIP)

New recreational amenities were added in to supplement existing park features. The Jackson Street Dog Park, Loma Vista Tot Lot and Craftsman Park and a community center at Orizaba were added. Lighting was installed at the Billie Jean King and El Dorado Park tennis courts. New playground equipment was installed at Somerset Park and a fitness park was added to 14th Street Park.

FY 16 new funding includes \$500,000 to complete the landfill closure at Davenport Park. Additional one-time funded projects continue to be designed and constructed, including Gumbiner Park, Chittick Field, Houghton Park Master Plan, upgrades to lakes and pond at El Dorado Park, and infrastructure improvements at Bixby Park and Recreation Park. One-time funds also provide support for design and construction for greenways, access to open space, and trail connections, including Drake/Chavez Greenbelt, DeForest Wetlands, Red Car Greenway, Willow Springs and Wrigley Greenbelt.

Project Title	FY 16 Proposed
Park Bike Path Replacement	\$100,000
Park Acquisition & Development	<u>500,000</u>
Total Parks & Recreation Projects	\$600,000

Public Facilities

Long deferred critical repairs are required to sustain the integrity of various health, library, fire, police, public works and other key facilities. The Civic Center FY 15 projects included the continuation of upgrading the security system. This upgrade replaced the aging security equipment, added more memory to the system for recording and enhanced surveillance. Enhancements included several high definition cameras strategically installed and located around the Civic Center for better video resolution and playback, as well as new computer hardware and software that will tie the system at the Civic Center to LBCOP (Long Beach Common Operating Picture) for surveillance by police if needed.

The Convention Center FY 15 projects included improvements in technology, aesthetics and facilities. Technology upgrades included Security Cameras/Measures and Card Reader Systems. Ongoing upgrades to Air Handlers and the Arena entryway further enhance the newly renovated Pacific Ballroom at the Long Beach Arena. Ongoing improvements include enhancements to the Center Theater entryway, reception areas, additional lighting and obtaining updated furniture and equipment for use throughout the facility.

FY15 one-time funds have been allocated for the construction of the North Branch Library, installation and upgrades at the Temple/Willow facility, City Council infrastructure projects and Schroeder Hall East Police Station improvements.

Repairs to city facilities located at the Fleet and Environmental Services Bureau included roofing, painting, and on-site water line repairs. Fleet Services Bureau will initiate the design and construction of a new liquefied natural gas filling station, tenant improvements will be completed at the Schroeder Hall East Division Police Station and construction will continue at the new North Branch Library. FY 16 includes \$1,600,000 to complete Fire Facilities Modernization, \$500,000 to address deferred maintenance in the Civic Center and \$390,000 for improvements to the Expo Building.

FY 16 Capital Improvement Program (CIP)

Project Title	FY 16 Proposed
Civic Center Complex Improvements	\$500,000
General City Building Refurbishment	390,000
Fire Department Facilities Modernization	<u>1,600,000</u>
Total Parks & Recreation Projects	\$2,490,000

Storm Drains Projects

The Storm Water Management Division (SWMD) is a division of Public Works that is responsible for all Storm Water related issues, CIP work and water quality regulations that affect the City. Responsibilities under the SWMD can be categorized in two areas: CIP Improvements and Water Quality Compliance.

The City's Storm Drain Pump Stations (SDPS) have been in service since the 1950's and 60's and are in need of repairs and upgrades. Assessments of the City's SDPS will be completed by September 2015. To date, the 90% Draft study has identified extensive work needed to upgrade the SDPS. FY 16 has an estimate of \$2.6 million requested for work on the highest priority SDPS. Assessment of the City's Municipal Separate Stormwater Sewer System (MS4) is still pending and is required and necessary to update the Storm Drain Master Plan in order to address the undersized and deficient MS4.

The City's Water Quality Compliance work is conducted through the implementation of its National Pollutant Discharge Elimination System (NPDES) permit. Recently the City was issued a new NPDES permit that was adopted by the Los Angeles Regional Water Quality Control Board on February 6, 2014 and became effective on March 28, 2014. Starting in March 2014, CIP projects will now have to conform to this new permit.

The City has embarked on a new project for the design and construction of an urban runoff and recycling facility. This facility will be known as the Long Beach Municipal Urban Stormwater Treatment Facility (LB MUST). LB MUST will help the City meet our State and Federal stormwater compliance requirements. The location for the facility is adjacent to the eastside of the Los Angeles River, south of the Shoemaker Bridge (south of Anaheim Street).

LB MUST would be designed to treat diverted runoff water that would otherwise discharge into the Los Angeles River. Stormwater that enters the Los Angeles River has historically carried pollutants containing trash, bacteria, metals and hydrocarbons that have contaminated our beaches and waterways. By diverting this stormwater before it enters recreational waters, LB MUST has the potential to improve Long Beach's recreational water quality.

Treated stormwater from this facility can be used to replace potable water for Long Beach parks and meet operational needs such as at the City's South East Resource Recovery Facility (SERRF). The treated water could potentially be used to meet other public and industrial uses. In summary, the LB MUST project helps bring Long Beach into compliance with the Clean Water Requirements for the Los Angeles River and offers the City an opportunity to reduce the use of potable water.

FY 16 Capital Improvement Program (CIP)

Project Title	FY 16 Proposed
Storm Drain Pump Station Repair & Certification	\$2,200,000
Storm Drain Refurbishment - Telemetry	200,000
Storm Drain System & Water Quality Improvements	<u>330,000</u>
Total Storm Drains Projects	\$2,730,000

Street Rehabilitation Projects

Preserving our neighborhoods is a key element in the Long Beach Strategic Plan. The Street Rehabilitation programs are designed to help meet that goal. The 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. In FY 15 Public Works completed a major update of the City's Pavement Management System prioritizing streets that needed 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.

Project Title	FY 16 Proposed
Proposition A Transit Related Improvements	\$450,000
Major and Secondary Highway Program	11,391,000
Bridge Rehabilitation & Seismic Retrofit	250,000
Citywide Residential Street Repair	4,900,000
Citywide Infrastructure Improvements (Sidewalks)	3,000,000
ADA Response Program	<u>500,000</u>
Total Street Rehabilitation Projects	\$20,491,000

Transportation Enhancements Projects

This section contains programs designed to meet increased needs for mobility resulting from economic growth utilizing a combination of funds. These funds include Proposition C, Gas Tax Street Improvement Capital, Transportation Improvement Fees, and Federal and County grants. The 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 16 Capital Improvement Program (CIP)

Project Title	FY 16 Proposed
Sustainable Transportation Improvements	\$1,446,330
Traffic Mitigation Program	750,000
Traffic & Pedestrian Signals	769,000
Light Rail Transit Related Improvements	525,000
I-710 Freeway Major Corridor Improvements	<u>1,800,000</u>
Total Transportation Enhancements Projects	\$5,290,330

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 16, the Port will be spending over \$266 million on the Gerald Desmond Bridge as construction is well underway, with all work scheduled to be completed in 2018. FY 16 will also see the Port invest over \$112 million in its Middle Harbor Redevelopment Project. When the project is complete, the Middle Harbor Terminal will 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 \$32 million in projects including \$26 million for fire station upgrades and the planned purchase of two fireboats.

Project Title	FY 16 Proposed
Major Projects	
Terminal Expansion and Development	
Pier D/E/F (Middle Harbor)	\$111,727,000
Other Construction	<u>2,407,000</u>
Total Terminals Expansion and Development	\$114,134,000
Streets, Bridges, and Railways	
Rail Projects	\$27,096,000
Gerald Desmond Bridge Replacement	<u>266,447,000</u>
Total Streets, Bridges, and Railways	\$293,543,000
Total Major Projects	\$407,677,000

FY 16 Capital Improvement Program (CIP)

Miscellaneous	
Environmental Projects/Shore to Ship Power	\$13,250,000
Security Projects	5,657,000
Eng Misc Projects/Port Infrastructure	102,089,500
Fire Station/Fire Boat Replacements	26,076,000
Furniture, Fixtures, and Equipment	<u>1,926,000</u>
Total Miscellaneous Projects	\$148,998,500
 Total Harbor Department Projects	 \$556,675,500

Water Department Projects

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. In addition, the Department is continuing with its well and water tank rehabilitation projects.

The Sewer CIP budget reflects a significantly increased investment in infrastructure, as the Department moves forward with a programmatic CIP based on an updated Sewer Master Plan.

Project Title	FY 16 Proposed
Potable Water	
Water CIP by In-House Workforce	\$3,275,000
Pipeline System Improvements	4,229,000
Reservoir/Treatment Plant Improvements	1,757,300
Water Supply Projects	2,598,100
Facility Improvements	<u>1,588,214</u>
Total Potable Water	\$13,447,614
 Total Water Fund	 \$13,447,614
Sewer	
Sewer Rehabilitation & Replacement	<u>\$3,774,126</u>
Total Sewer Fund	\$3,774,126
 Total Water Department Projects	 \$17,221,740