



**Office of Mayor
Bob Foster**

**Mayor's Budget
Recommendations**

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Fiscal Year 2008

presented August 2, 2007



MAYOR BOB FOSTER
CITY OF LONG BEACH

August 2, 2007

Members of the City Council:

It is my pleasure to submit the FY 2008 Mayor's budget recommendations. City staff worked diligently to produce, in a very short period of time, a working draft of the Manager's budget under the new timelines for presentation to the Mayor set forth under Proposition A. In turn, I am transmitting my recommendations to the Council.

While the City's financial outlook has evolved from structural deficit, the challenge of delivering excellence with less has reached a near impossibility. Our City now lives paycheck-to-paycheck, unable to adequately maintain or invest in streets and sidewalks, civic facilities or our workforce.

We are either going to face this challenge in a different way in the very near-term or hobble through another decade of worsening street conditions, decaying public buildings, inadequate open space, and unacceptable public safety structures.

That is a fundamental question before us: Are we going to invest more to become a first-class city or continue in a slow, downward spiral where our assets decline to the point that they can't be repaired and replacement is beyond our ability to finance?

I believe the residents of Long Beach understand the magnitude of this choice. In the May special election, 70% of Long Beach voters saw fit to increase the oil production tax and in doing so, dedicate an estimated \$3.6 to \$4 million in new revenues for public safety needs annually. Their vote made a clear statement that they are willing to increase revenues to provide a better future.

The City Manager's budget message contemplates the need to challenge the status quo. With my budget recommendations I will ask the entire City – manager and non-manager departments, Council and employees – to re-examine the way each does business. Not for the sake of doing things differently, but to fulfill our collective obligation to the community; to make investments in the Long Beach of the future our top priority.

If we pull together as a team we can make the future we all desire – and just as I closed the 2007 State of the City address, I will continue to ask that we keep our eye on the ball.

Sincerely,

A handwritten signature in black ink that reads "Bob Foster".

Mayor Bob Foster

PUBLIC SAFETY

PROP H SPENDING

In May, the voters of Long Beach overwhelmingly supported increasing the fee charged to companies that pump oil from under Long Beach. As a result, the City will see an additional \$3.6 - \$4 million annually dedicated to public safety.

I propose the following:

- a.) **\$1.8 million (on-going) for 14 additional police officers**
- b.) **\$1.67 (on-going) to re-establish one fire service ladder truck company (12 FTE equivalent at Station 4 or 14)**
- c.) **Use \$700,000 (one-time) of FY 07 Prop H revenue to purchase ladder truck and avoid lease payment burden in future years**

CONTINUE RUNNING MULTIPLE ACADEMIES

In FY 07, for the first time, the City ran two academies with a net result of filling 51 long-standing vacancies and adding an additional 13 officers to the force.

Recommend continued funding for two academies in FY 08.

FURTHER INTEGRATION OF HOMELAND SECURITY/DISASTER MANAGEMENT EFFORTS

While I fully support the City Manager's request to elevate Disaster Management Division to a Bureau, **I will ask for a City-wide administrative review of duties before supporting the appropriation of funds to ensure there is no duplication of efforts.**

While we approach our disaster response as an integrated entity, the City of Long Beach has not fully blended its City Manager and non-City Manager Departments on the duties and continuing responsibilities being shifted to local governments related to Homeland Security and requisite funding efforts.

Building on the model that has engendered outstanding emergency response, I am requesting that the Fire, Police, and other city manager departments, in conjunction with Harbor and Water Commissions, develop an integrated model that best maximizes the very limited funding options. In particular, recent changes to federal spending rules for Urban Area Security Initiative (UASI) grants now permit up to 25% of the annual grant to be used to cover personnel costs.

Further, I will ask for the assistance of the Council, Harbor and Water Departments to join me in seeking relief from Sacramento and return a portion of the nearly \$14 million dollars deducted from the Los Angeles/Long Beach 2007 UASI grant to the City.

HOMELAND SECURITY/VITAL ASSET PROTECTION

Since Federal responsibilities continue to be shifted to local governments, I am recommending review of the ability to utilize Port funds to add an additional five specialized officers to the Police Department.

Recognizing that the continuing burdens homeland defense place on municipal public safety agencies, I am also recommending the Airport Fund encumber an additional three sworn positions maximizing savings from 10 vacant FTEs for security officers. As recently as last week, a bomb scare at the airport placed a tremendous strain on LBPD resources that are needed in our neighborhoods.

ADDRESS LONG TERM CRITICAL INFRASTRUCTURE NEEDS

The prognosis for “catching up” on repairs to our local streets and roads is very grim. The costs for other critical infrastructure needs are simply too profound for the city’s general fund to address:

Neighborhood Street, Sidewalks and Alleys	\$140 million
Storm Drains	\$40 million
Public Safety Infrastructure	\$225 million
Civic Facilities (parks, neighborhood libraries)	\$190 million
Civic Center/Main Library Retrofit	\$170 million

TOTAL CITYWIDE INFRASTRUCTURE NEED: \$765 million over 10 years.

Our infrastructure needs are at the tipping point. If we fail to fully address them in a timely manner we may reach a point where they cannot be repaired or replaced without drastic increases in revenue or financing beyond the City’s ability.

I will ask the City Manager to provide updated and detailed projections along with comprehensive funding recommendations for Council consideration no later than December of 2007. This review should include opportunities for public-private partnerships, sale of City assets and options for revenue enhancements.

NEIGHBORHOOD STREETS AND SIDEWALKS

- 1.) Support Manager’s proposal to maintain General Fund commitment for sidewalks at \$2.4 million along with \$600,000 of Community Development Block Grant funds in FY 08.**
- 2.) Recommend maintaining FY 07 Mayor’s Recommendation and Council approved commitment of an additional \$2 million in Management outlined one-times to local streets and roads.**

3.) Recommend augmentation utilizing up to \$8 million in one-time revenues.

In FY 07 the City budgeted an unprecedented \$22 million in local streets, roads and sidewalk repair programs from combined sources. I recommend we again make a sizeable commitment in FY 08 as one-time resources become available.

In addition to the estimated \$7.5 million in one-times listed in the City Manager's budget, Long Beach is anticipating two significant one-time payments to the General Fund that provide opportunities for investment:

- i.) Sempra settlement \$6 million
- ii.) Public Service Yard Sale \$8 million (net of relocation costs TBD)

4.) Recommend creation of Neighborhood Infrastructure Special Fund to accept and efficiently dispense the local streets, roads, alley and sidewalk funds. This will bring more transparency to the budgeting process and allow the Council to establish specific policies for dispensing the funds, similar to the other 15 special funds now in place.

GENERAL FUND ADJUSTMENTS

The General Fund continues to strain to support the dynamic needs of the City. Absent any significant additions to revenue for the next decade, we will continually need to deliver excellent services with less.

Recommend savings created through maximizing existing general fund sources remain available as a means to invest in the City's public safety and other workforce requirements.

MODERNIZE CIVIL SERVICE FUNCTIONS

The City of Long Beach must focus on eliminating unnecessary and duplicative functions between Civil Service (non-city manager department) and Human Resources (city manager department). As part of the May election, nearly 2/3 of the voters approved Proposition F to streamline a cumbersome piece of the civil service process by directing prosecutorial duties over to the City Attorney on civil cases.

The Charter-mandate of the Civil Service Commission would remain unchanged.

Estimated savings of approximately \$650,000 (net after transition costs) in first year

SEEK FULL COMPENSATION FOR SERVICE DELIVERY

Consistent with the financial policies of the City Council, I recommend discussion regarding full reimbursement to the general fund for services provided, including:

Estimated Long Beach Transit (indirect costs) \$260,000

Estimated Long Beach City College (indirect costs) \$825,000

PRESENT OPTIMIZATION STUDIES TO THE COUNCIL

Request that Management brings forward for Council review all of the optimization studies that have been conducted previously and as a matter of policy on any additional reports going forward:

311 Customer Request Management
Alternative Energy Solutions for City Facilities
Ambulance Billing
Arts Funding
Code Enforcement
Communications Plan Optimization
Custodial Services
Citywide Fee Services
Emergency Communications (Dispatch)
Employee Health Insurance Benefits
Fire Services
Fleet Parts Room
Fleet Services
Health and Human Services Financing
Information Technology
Marina Operations
Messenger/Mail Room
Parking Management
Recruitment, Hiring and Retention
Reprographics
Towing

POLICE DEPARTMENT AUDIT IMPLEMENTATION REPORT

In recent weeks, the Council has requested a report on implementation feasibility covering recommendations proposed by the City Auditor.

It is important to note that the Auditor's report suggested several ways to shift uniformed officers from administrative jobs back out to patrol. If all of these efforts were to be successful, the net gain would be 21 additional officers on patrol. It is not immediately clear, however, that all of the suggestions are achievable.

STREAMLINE EMERGENCY CALL CENTER FUNCTIONS IN ANTICIPATION OF CELLULAR 911

In the coming year, Long Beach's emergency call center will begin taking on the additional workload of cellular 911 calls for service. In anticipation of this migration, I recommend combining the functions of operators so both Police and Fire Departments use the same dispatchers. Given that cellular 911 is expected to increase call volumes by approximately 30%, this measure will improve service delivery and better respond to our community's emergency service needs while it is estimated to remain cost neutral.