



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

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August 29, 2018

TRANSACTIONS AND USE TAX CITIZENS' ADVISORY COMMITTEE MEMBERS

City of Long Beach
California

RECOMMENDATION:

Receive and file an update on Fiscal Year 2018 Measure A expenditures and revenues, and confirm that the actual Measure A FY 18 expenditures conform with the intent of Resolution No. RES-16-0018 prioritizing spending on public safety and infrastructure and with the language contained in the ballot measure expressed in Resolution No. RES-16-0017.

DISCUSSION

Pursuant to the June 7, 2016 Measure A ballot initiative, on January 1, 2017, businesses in the City of Long Beach began to collect an additional one percent in sales tax on all tangible personal property sold at retail in the City. As part of the FY 18 Adopted Budget, the City Council committed \$47,698,200 in anticipated FY 18 Measure A revenues to fund priority public safety maintenance and restorations, as well as capital improvement projects to help rebuild Long Beach's infrastructure projects, and to fund the Measure B contribution and administration of the Measure A tax. The FY 18 budget was adjusted on March 13, 2018 by \$3.1 million to mitigate cost over runs in previously approved projects, offset by surplus Measure A revenue from FY 17. The FY 18 budget was adjusted again on May 22, 2018 by 1.0 million for additional parks projects, offset by higher than projected Measure A revenues in FY 18. Projects receiving funding through budget adjustments are denoted in Attachment A. The Citizens' Advisory Committee (CAC) reviewed the original and adjusted Measure A spending plan at previous meetings. This report provides details of actual revenue received and expenditures incurred as of May 31, 2017.

As of May 31, 2018, Measure A revenues for the year were \$39.1 million, and it is anticipated that revenues at year end will be \$53.1 million, or \$5.4 million more than originally budgeted. Of the \$5.4 million surplus, \$1.0 million was budgeted on May 22, 2018 for parks projects. The recommended uses of the remaining anticipated surplus, along with other unallocated Measure A revenue through FY 23, has been included in the FY 19 Proposed Budget for one-time public safety and infrastructure purposes from FY 19 through FY 23. Approximately \$2.4 million of this surplus has been allocated for FY 19 uses with the remainder planned for FY 20 and beyond. Staff continues to monitor Measure A revenues as it is challenging to project due to the timing of revenue receipts and, as it is a relatively new revenue source, without an established history or pattern.

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The charts show the current Measure A revenues and uses for FY 18, as revised by City Council action in March and May 2018. As of May 31, 2018, \$9.0 million has been expended or moved to the Measure A subfund and \$8.3 million has been encumbered, or obligated, for ongoing and one-time public safety and infrastructure purposes. To facilitate reporting on Measure A revenue and expense, Measure A is budgeted and tracked in a unique subfund of the General Fund. Personnel costs, which are primarily public safety maintenance and restorations, are budgeted in the General Fund operating budgets of the respective departments. At year-end, expenditures and personnel costs for public safety maintenance and restorations will reflect the budgeted levels.

**Summary of FY 18 Measure A Revenue and Expenditures
As of May 31, 2018**

	FY 18 Adopted	Structural Portion ¹	One-time Portion	Actuals as of 05/31/18	ETC as of 05/31/18	Outstanding as of 05/31/18
Total Measure A Revenue <i>Estimate Net of State Board of Equalization Fees</i>	\$ 47,698,200	\$ 23,849,100	\$ 23,849,100	\$ 39,070,573	\$ 53,107,251	\$ 14,036,678
	FY 18 Adjusted²	Structural Uses	One-time Uses	Actuals as of 05/31/18	Encumbrances as of 5/31/18	Remaining as of 5/31/18
Total Uses of Measure A	\$ 52,070,904	\$ 15,387,250	\$ 36,683,654	\$ 9,038,062	\$ 8,389,476	\$ 34,643,366
<i>Invest in Infrastructure</i>	<i>30,488,654</i>	<i>-</i>	<i>30,488,654</i>	<i>5,207,983</i>	<i>8,310,430</i>	<i>16,970,241</i>
<i>Enhance and Maintain Public Safety</i>	<i>20,697,721</i>	<i>14,647,721</i>	<i>6,050,000</i>	<i>3,769,950</i>	<i>66,926</i>	<i>16,860,844</i>
Advanced, Maximized Police Academy	4,300,000	-	4,300,000	-	-	4,300,000
Neighborhood Safe Streets	1,000,000	-	1,000,000			1,000,000
Upgrade and New Camera Technology	750,000	-	750,000	391,440	66,926	358,560
Reestablish Police's South Division	1,538,272	1,538,272	-			1,538,272
Restore Fire Engine 8	2,296,881	2,296,881	-	1,221,775	-	1,075,106
Restore Policy Academy Staffing	1,408,805	1,408,805	-	-	-	1,408,805
Restore Paramedic Rescue 12	1,110,176	1,110,176	-	647,603	-	462,573
Maintain Police Services	5,908,912	5,908,912	-	-	-	5,908,912
Maintain Fire Services	2,384,675	2,384,675	-	1,509,132	-	875,543
<i>Contribute to Rainy Day Fund (Measure B)</i>	<i>531,073</i>	<i>531,073</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>531,073</i>
<i>Administer Measure A Tax</i>	<i>353,458</i>	<i>208,458</i>	<i>145,000</i>	<i>60,128</i>	<i>12,120</i>	<i>281,210</i>

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

² FY 18 Adjusted Budget includes carryover revenue from FY 17 surplus of \$3.3 million and FY 18 mid-year enhancement of \$1.0 million from additional FY 18 revenue.

Attachment A provides an overview of the status of Measure A funds spent on projects in FY 18. As capital projects may extend beyond one fiscal year, the list of FY 17 Measure A projects is also included along with any funds spent or encumbered on those projects in FY 18. Additionally, since the CAC last met, there have been a few changes to the scope of some of the projects, which are included in Attachment B.

SUGGESTED ACTION:

Approve recommendation.

Summary of FY 18 Measure A Infrastructure Project Expenditures

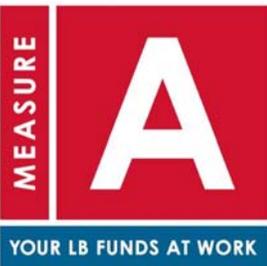
Measure A Project List (FY 17 & FY 18)	FY 17 Adjusted	FY 18 Adjusted	FY 18 Actuals as of 5/31/18	Encumbrances as of 5/31/18
Mobility	\$ 16,520,000	\$ 16,333,239	\$ 2,353,535	\$ 4,481,022
Residential Street Repair (Slurry) ²	11,080,000	2,920,000	315,375	(177,952)
Arterial Street Improvements ²	4,840,000	7,652,739	249,652	3,471,890
Alley Improvements	300,000	1,800,000	113,453	1,082,088
Curbs & Sidewalks ¹	-	3,700,000	1,618,007	95,694
Naples Bridge	100,000	-	(9,468)	-
Smart Street Light Technology	150,000	210,500	8,933	(5,245)
Street Signage	50,000	50,000	57,582	14,547
Parks & Recreation	\$ 6,098,000	\$ 9,306,415	\$ 1,602,666	\$ 4,038,900
Admiral Kidd Field Turf Improvements	-	160,000		
4th Street Senior Center Improvements ²	250,000	350,000	23,896	(8,824)
Bixby Park Community Center ²	200,000	250,000	165,029	136,648
Citywide Park Irrigation	350,000	357,500	10,717	-
Community Center Restrooms	170,000	-	113,756	69,808
Drake Park Playground ³	700,000	239,000	183,870	1,888
Heartwell Field Turf	320,000	-	206	-
Houghton Park Community Center ²	-	4,500,000	10,774	3,913,140
Hudson Field Turf	-	160,000		
Jackson Park Playground ²	50,000	100,000	54,642	1,429
Jenni Rivera Park Playground ²	-	250,000	4,800	11,400
Los Cerritos Park ³	700,000	300,000	94,264	11,683
MacArthur Park	56,000	-	43,551	(41,205)
Martin Luther King Jr. Park	42,000	-	33,914	(31,875)
Pan American Roof Replacement ²	100,000	60,000	131,813	1,061
Rancho Los Alamitos	500,000	500,000	592,902	-
Rancho Los Cerritos	500,000	500,000	(4)	-
Red Car Greenbelt (P.E. Right-of-Way) ²	150,000	150,000	54,742	(48,055)
Silverado Field Turf	160,000	-	11,391	(8,122)
Silverado Park Improvements	100,000	-	43,973	1,952
Stearns Park Community Center Roof Repair ²	-	800,915	-	24,334
Urban Forest Investment	350,000	-	(478)	(136)
Veterans Field Turf	-	160,000	13,816	1,888
Veterans Park Playground ³	700,000	263,000		
Whaley Park Playground ³	700,000	206,000	15,092	1,888
Public Facilities	\$ 3,121,000	\$ 3,299,000	\$ 1,252,149	\$ (209,493)
Animal Care Facility	150,000	-	(32)	-
Bach Library	-	67,000	1,018	-
Brewitt Branch Library	62,000	-	39,376	(23,634)
Burnett Branch Library	172,000	-	8,766	32,774
City Place Parking Garage ²	1,200,000	250,000	448,198	(73,940)
Convention Center ¹	-	-		
Dana Branch Library	103,000	-	28,150	(12,792)
Emergency Communications & Operations Center	-	290,000		
Expo Building	200,000	-	179,818	(150,034)
Facility Condition Assessment	-	200,000	16,417	155,000
Fire Station 7	-	120,000	98,623	-
Fire Station 10	125,000	125,000	695	-
Fire Station 17	-	35,000		
Fire Station Roofs	650,000	-	73,663	(198,694)
Fire Training Center	-	325,000	267,039	21,822
Harte Branch Library	62,000	40,000	58,335	(47,483)
Library Roof Improvements	-	250,000	2,970	-
Los Altos Library	47,000	-	4,964	30,586
Main Health Facilities Center	-	650,000		
Mark Twain Library	-	47,000	991	-
PD Academy Building	-	900,000	8,310	18,110
Public Safety Building	350,000	-	14,850	38,792
Utilities	\$ -	\$ 1,550,000	\$ -	\$ -
Stormwater Protection (Pump Stations)	-	1,550,000		
Grand Total	\$ 25,739,000	\$ 30,488,654	5,208,349	8,310,430

Notes:

¹ The first available additional FY 17 Year-End Tidelands Operations Fund surplus up to \$1,000,000 was automatically appropriated in the Public Works Department for one-time improvements to the Convention Center. The \$1,000,000 in Measure A Funds originally appropriated for Convention Center improvements was reallocated to Sidewalk Replacement, Repair, and Rapid Response to be used Citywide based on need..

² Surplus FY 17 Year-End Measure A funds were appropriated as part a Budget Adjustments approved by the City Council on March 13, 2018.

³ Additional Measure A funds projected mid-year in FY 18 were appropriated in the Budget Adjustments approved by City Council on May 22, 2018.



Project Adjustments

August 29, 2018

PROJECT	ADJUSTMENT	EXPLANATION
City Place Garage	Scope Change: Added improvements to stair access to Harvey Milk Park	By eliminating "nooks" behind stairs, construction of a new staircase to Harvey Milk Park is necessary and was not included in previous scope.
Ruth Bach Library	Scope Change: Removal of HVAC improvements and hand dryers	The estimates for construction were higher than anticipated, therefore HVAC improvements and hand dryers are no longer feasible.
Arterial Streets	Budget Adjustment: \$750,000	Funds for FY 17 surplus were previously reported on the Year 1/FY 17 project sheet. However, as these were approved in FY 18, adjustment has been made to report the additional \$750,000 with the Year 2/ FY 18 project sheet.
Fire Training Center	Scope Change: Removal of perimeter fence and gate at parking entrances	The estimates for construction were higher than anticipated, therefore a perimeter fence and gate at parking entrances are no longer feasible.
4th Street Senior Center	Scope Change: Removal of hallway painting and ceiling tile replacement	The estimates for construction were higher than anticipated, therefore painting the hallway and replacing the ceiling tiles are no longer feasible.