



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

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December 19, 2018

TRANSACTIONS AND USE TAX CITIZENS' ADVISORY COMMITTEE MEMBERS

City of Long Beach
California

RECOMMENDATION:

Recommendation to confirm that the Measure A FY 19 Adopted Budget expenditures and the revised multi-year Measure A spending plan conform with the intent of Resolution No. RES-16-0018 prioritizing spending 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 transaction and use (sales) tax to be collected for six years before reducing to half a percent for four years. The tax is scheduled to sunset after the tenth year.

The FY 19 Adopted Budget demonstrates the City's commitment to program Measure A funds in a manner that prioritizes investments in public safety and infrastructure. For FY 19, the City Manager has appropriated a total of \$56.9 million in Measure A funded uses for public safety and infrastructure – funded by \$54.5 million in anticipated Measure A revenues and approximately \$2.4 million in anticipated Measure A surplus in FY 18. The FY 19 Adopted Budget allocates these Measure A funds to provide continued funding for previous public safety restorations and to maintain public safety services, which is approximately the equivalent of 108 sworn positions that otherwise may not have had funding. The FY 19 Adopted Budget also funds four new sworn positions to help address homelessness – two Quality of Life Police Officers and two Firefighters as part of an additional HEART team for the City. Measure A funds are also allocated for one-time investments to support second academies for both the Police and Fire Departments in FY 19, Police overtime funds to support the Neighborhood Safe Streets Initiative, the modernization and expansion of public safety network cameras, and continued work on the infrastructure investment plan. Additionally, funding has been allocated to fund the Measure B contribution and administration of the Measure A tax.

The table below summarizes, by category, the planned uses for Measure A in the FY 19 Adopted Budget.

Planned Use of Measure A

(\$ in millions)	FY 19 (Adopted)
Maintain Public Safety	19.3
Restore Public Safety	7.2
Enhance Public Safety (one-times)	5.6
Invest in Capital Infrastructure	24.0
Measure B "Rainy Day"/Administration	0.8
Total expenditures (equal to available revenue)	56.9

The charts in Attachment A on the following pages show the Adopted FY 19 revenue and expense budgets for Measure A and the FY 19 infrastructure project list.

Plan for Additional Funds Through FY 23

The FY 19 Adopted Budget included a multi-year plan for the use of all anticipated Measure A funds. From FY 17 through FY 23, the Measure A tax is one percent (FY 23 is a partial year) and the planned uses during that period include substantial one-time infrastructure and capital investments. In FY 23, when the tax is reduced to one-half percent, the plan is that the tax will only be used to continue to pay for the restoration of public safety services that have been added through FY 19 as well as the other public safety services that have been preserved and maintained through Measure A funds. The only remaining unallocated funding is anticipated in the final year of the tax (FY 27, a partial year). The planned use of those funds would be determined later. For reference, Attachment B includes a year-by-year detail of the entire Measure A plan, including the plan for the out-years. Attachment C provides details on Measure A funds allocated towards infrastructure improvements.

SUGGESTED ACTION:

Approve recommendation.

Summary of FY 19 Measure A Adopted Revenue and Expenditures

	Total	Structural Portion ¹	One-time Portion			
Measure A Revenue in FY 19 <i>Estimate Net of State Board of Equalization Fees</i>	\$ 54,500,897	\$ 27,250,449	\$ 27,250,449			
Prior Year Estimated Surplus Revenue	\$ 2,379,551	\$ -	\$ 2,379,551			
	Total	Structural Uses	One-time Uses	Sworn FTEs Maintained ²	Sworn FTE Added	Non-Sworn FTE Added
Total Uses of Measure A	\$ 56,880,448	\$ 27,250,449	\$ 29,630,000	108.00	39.00	3.00
Invest in Infrastructure (Attachment) <i>(See next page for details)</i>	24,000,000	-	24,000,000	-	-	-
Enhance and Maintain Public Safety						
Police Academy	2,100,000	-	2,100,000	-	-	-
Fire Academy	900,000	-	900,000	-	-	-
Neighborhood Safe Streets	1,900,000	-	1,900,000	-	-	-
Upgrade and New Camera Technology	600,000	-	600,000	-	-	-
Reestablish Police's South Division	1,538,272	1,538,272	-	-	8.00	2.00
Quality of Life Officers - Enhancement	371,917	371,917	-	-	2.00	-
HEART Team - Enhancement	565,232	435,232	130,000	-	2.00	-
Restore Fire Engine 8	2,296,881	2,296,881	-	-	12.00	-
Restore Policy Academy Staffing	1,408,805	1,408,805	-	-	9.00	-
Restore Paramedic Rescue 12	1,110,176	1,110,176	-	-	6.00	-
Maintain Police Services	13,776,059	13,776,059	-	77.00	-	-
Maintain Fire Services	5,559,640	5,559,640	-	31.00	-	-
Contribution to Rainy Day Fund <i>(Required by Measure B)</i>	545,010	545,010	-	-	-	-
Administration of Measure A	208,458	208,458	-	-	-	1.00

¹ Structural portion is available for either ongoing operations or one-time purposes. Structural means continuing from year-to-year.

² The FY 19 budget prioritizes the use of Measure A to maintain existing levels of Police and Fire services. "Sworn FTEs Maintained" represents the equivalent number of sworn FTEs retained through FY 19 that may have otherwise been reduced.

Summary of Adopted FY 19 Infrastructure Projects

Mobility	\$ 8,450,000
Residential Street Repair	2,500,000
Curbs & Sidewalks	4,000,000
Alley Improvements	1,800,000
Naples Bridges Improvements	150,000

Public Facilities	\$ 8,215,000
Citywide Facility Condition Assessment	1,750,000
Fire Station 1 Improvements	495,000
Fire Station 14 Improvements	295,000
Fire Training Center Improvements	200,000
Public Safety Building Improvements	650,000
West Police Station Building Improvements	500,000
Emergency Operations Center	540,000
Alamitos Branch Library Improvements	1,261,000
El Dorado Branch Library Improvements	1,374,000
Library Roof Improvements (various, as needed)	250,000
Animal Care Facility Improvements	300,000
Main Health Department Building Improvements	600,000

Parks & Recreation	\$ 5,396,500
Citywide Park Irrigation Improvements	357,500
Rehabilitate El Dorado Duck Pond	1,754,000
Davenport Park Phase II	1,500,000
Drake Park - Restroom Replacement	630,000
El Dorado Park - Restroom #41 Rehabilitation	180,000
El Dorado Park - Restroom #40 Rehabilitation	180,000
El Dorado Tennis Courts Improvement	100,000
Los Cerritos Park Sports Courts Improvement	100,000
Silverado Park Sports Courts Improvement	100,000
Urban Forest Investment (parks trimming/planting/irrigation)	495,000

Utilities	\$ 1,938,500
Stormwater Protection	1,938,500

Total \$ 24,000,000

FY 19 Adopted - Measure A Allocations (FY 17 - FY 27)

Summary Detail

\$ in Millions	FY 2017 Actuals	FY 2018 Adjusted	FY 2019 Adopted	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	TOTAL
Total Revenue	38.9	53.1	54.5	54.8	55.0	55.3	33.7	27.9	28.1	28.2	5.9	435.6
Total Uses	(35.6)	(52.1)	(56.9)	(52.0)	(47.4)	(55.6)	(45.8)	(27.9)	(28.1)	(28.2)	(0.1)	(429.6)
Surplus/(Shortfall)	3.3	1.0	(2.4)	2.8	7.6	(0.2)	(12.1)	0.0	0.0	-	5.9	6.0

Structural Portion	FY 2017 Actuals	FY 2018 Adjusted	FY 2019 Adopted	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	TOTAL
<i>Revenue</i>	23.8	26.6	27.3	27.4	27.5	27.7	27.8	27.9	28.1	28.2	-	272.2
<i>Uses</i>												
Public Safety Maintenance	(3.2)	(8.3)	(19.3)	(19.5)	(19.6)	(19.7)	(20.1)	(20.3)	(20.4)	(20.6)	-	(171.0)
Public Safety Restorations & Enhancements	(5.3)	(6.4)	(7.2)	(7.2)	(7.2)	(7.2)	(7.2)	(7.2)	(7.2)	(7.2)	-	(69.0)
<i>Fire Engine 8</i>	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	-	(23.0)
<i>Paramedic Rescue 12</i>	(0.7)	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)	-	(10.6)
<i>HEART Team</i>	-	-	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	-	(3.5)
<i>Police South Division</i>	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)	-	(15.4)
<i>Police Academy Staffing</i>	(0.9)	(1.4)	(1.4)	(1.4)	(1.4)	(1.4)	(1.4)	(1.4)	(1.4)	(1.4)	-	(13.5)
<i>Quality of Life Unit</i>	-	-	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	-	(3.0)
Measure B	(0.4)	(0.5)	(0.5)	(0.5)	(0.6)	(0.6)	(0.3)	(0.3)	(0.3)	(0.3)	(0.1)	(4.4)
Admin	(0.1)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)		(2.0)
One-Time Uses												-
<i>Infrastructure*</i>	(13.9)	(2.5)	-	-	-	-	-	-	-	-	-	(16.3)
<i>South Division One-Times</i>	(0.8)	-	-	-	-	-	-	-	-	-	-	(0.8)
<i>Police Academy</i>	-	(4.3)	-	-	-	-	-	-	-	-	-	(4.3)
<i>Network Camera Modernization</i>	-	(0.8)	-	-	-	-	-	-	-	-	-	(0.8)
<i>Police Overtime</i>	-	(1.0)	-	-	-	-	-	-	-	-	-	(1.0)
<i>Public Safety Handhelds</i>	-	-	-	-	-	-	-	-	-	-	-	-
<i>Subtotal One-Time Uses</i>	(14.7)	(8.5)	-	-	-	-	-	-	-	-	-	(23.2)
Total Uses	(23.7)	(23.9)	(27.3)	(27.4)	(27.5)	(27.7)	(27.8)	(27.9)	(28.1)	(28.2)	(0.1)	(269.6)
Structural Available / (Shortfall)	0.0	2.7	(0.0)	-	0.0	-	(0.0)	0.0	0.0	-	(0.1)	2.6

FY 19 Adopted - Measure A Allocations (FY 17 - FY 27)

Summary Detail

	FY 2017 Actuals	FY 2018 Adjusted	FY 2019 Adopted	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	TOTAL
One-Time												
Revenue	15.2	26.6	27.3	27.4	27.5	27.7	5.9	-	-	-	5.9	163.4
<i>Uses</i>												
Admin	-	(0.1)	-	-	-	-	-	-	-	-	-	(0.1)
Infrastructure*	(11.9)	(28.0)	(24.0)	(19.0)	(16.7)	(11.2)	(15.8)	-	-	-	-	(126.6)
Fire Academy	-	-	(0.9)	-	-	-	-	-	-	-	-	(0.9)
HEART Team Vehicle	-	-	(0.1)	-	-	-	-	-	-	-	-	(0.1)
Fire Communications Technology	-	-	-	-	-	(5.0)	-	-	-	-	-	(5.0)
Police Academy	-	-	(2.1)	(1.4)	-	-	-	-	-	-	-	(3.5)
Police Body-Worn Cameras	-	-	-	(2.0)	-	-	-	-	-	-	-	(2.0)
Police Overtime	-	-	(1.9)	(2.2)	(2.2)	(2.2)	(2.2)	-	-	-	-	(10.7)
Police Communications Technology	-	-	-	-	(1.0)	(9.5)	-	-	-	-	-	(10.5)
Network Camera Modernization	-	-	(0.6)	-	-	-	-	-	-	-	-	(0.6)
<i>Total Uses</i>	(11.9)	(28.2)	(29.6)	(24.6)	(19.9)	(27.9)	(18.0)	-	-	-	-	(160.1)
<i>One-time Available / (Shortfall)</i>	3.3	(1.6)	(2.4)	2.8	7.6	(0.2)	(12.1)	0.0	0.0	0.0	5.9	3.3
TOTAL AVAILABLE / (SHORTFALL)	3.3	1.0	(2.4)	2.8	7.6	(0.2)	(12.1)	0.0	0.0	0.0	5.9	6.0
CUMULATIVE		4.3	2.0	4.8	12.4	12.1	0.1	0.1	0.1	0.1	6.0	NA
*Total infrastructure <i>(From one-time and structural portion)</i>	(25.7)	(30.5)	(24.0)	(19.0)	(16.7)	(11.2)	(15.8)	-	-	-	-	(142.9)

FY 19 Adopted - Measure A Infrastructure Planned Uses (FY 17 -FY 23)
Summary Detail by CIP Category

Attachment C

Infrastructure Category (\$ in Millions)	FY 17 Adjusted	FY 18 Adjusted	FY 19 Adopted	FY 20 Planned	FY 21 Planned	FY22 Planned	FY 23 Planned	Total Planned
Beaches & Marinas	-	-	-	-	0.7	-	-	0.7
Mobility	16.5	16.3	8.5	10.2	12.9	2.6	-	67.1
Parks & Recreation	6.1	9.3	5.4	3.4	1.0	0.8	-	26.0
Public Facilities	3.1	3.3	8.2	3.9	2.1	7.8	15.8	44.2
<i>Police Academy Facility Rebuild</i>	-	-	-	0.5	0.5	7.0	7.0	15.0
<i>Fire Academy Facility Rebuild</i>	-	-	-	-	-	0.8	5.7	6.5
<i>Other Facilities / (Cost & Revenue Variances)</i>	-	-	-	3.4	1.6	-	3.1	8.1
Utilities (Stormwater Protection)	-	1.6	1.9	1.5	-	-	-	5.0
Grand Total (\$ in Millions)	25.7	30.5	24.0	19.0	16.7	11.2	15.8	142.9