



## Legislation Text

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**File #:** 18-016TU, **Version:** 1

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Recommendation to 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.

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.

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<sup>1</sup>

#### 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

Estimate Net of State Board of Equalization

#### Fees

\$ 47,698,200 \$ 23,849,100 \$ 23,849,100 \$ 39,070,573 \$ 53,107,251 \$ 14,036,678

#### FY 18 Adjusted<sup>2</sup> 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

Invest in Infrastructure 30,488,654 - 30,488,654 5,207,983 8,310,430 16,970,241

Enhance and Maintain Public

Safety

20,697,721 14,647,721 6,050,000 3,769,950 66,926 16,860,844

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

Contribute to Rainy Day Fund

(Measure B)

531,073 531,073 - - 531,073

Administer Measure A Tax 353,458 208,458 145,000 60,128 12,120 281,210

<sup>1</sup> Structural portion is available for either ongoing operations or one-time purposes.

<sup>2</sup> 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.

Approve recommendation.