

May 20, 2025

Honorable Mayor and City Council
City of Long Beach
California

RECOMMENDATION:

Recommendation to approve the Fiscal Year 2025 second departmental and fund budget appropriation adjustments in accordance with existing City Council policy. (Citywide)

DISCUSSION

On September 10, 2024, the City Council adopted the Appropriations Ordinance governing the City of Long Beach's (City) Adopted Budget for Fiscal Year 2025 (FY 25). Periodically, changes in revenue or operating conditions require mid-year appropriation adjustments. For example, in certain cases, these adjustments enable departments to expend recently awarded grant revenue for which there is no existing appropriation. In addition, changes for multi-year grants/projects are necessary to bring appropriations in line with final grant/project award amounts. Other instances involve a contractual obligation or a City Council-initiated project or general operations that require appropriation adjustments to be made. In accordance with the City's practice, these adjustments are presented periodically throughout the year to the City Council for consideration.

On April 1, 2025, the City Council approved the first departmental and fund budget appropriation adjustments. This letter includes the second departmental and fund budget appropriation adjustments request for FY 25. The detailed descriptions of the proposed adjustments are provided in the Fiscal Impact section of this letter. See Attachment A for a Summary of Proposed Adjustments of impacted City funds.

This matter was reviewed by Deputy City Attorney Ashleigh Stone on May 2, 2025.

TIMING CONSIDERATIONS

The following requests for adjustments to FY 25 departmental and fund appropriations are necessary to reflect changes in operating conditions. City Council action is requested on May 20, 2025, to enable the timely processing of budget adjustments.

FISCAL IMPACT

Airport

1. *Increase appropriations in the Airport Fund Group in the Airport Department by \$50,000 for planning and design of the Wings of Fame Project at the Long Beach Airport, offset by Airport operating revenues.*

On January 23, 2024, the City Council formally requested a report regarding the feasibility of establishing an educational corridor at Long Beach Airport, aimed at commemorating the significant aviation milestones achieved over the past century. The Airport commissioned the Historical Society of Long Beach (HSLB) to explore the feasibility of the project. The HSLB conducted research on various historical initiatives, reviewed City of Long Beach's guidelines on naming recognition requirements and presented their findings to the Mayor and City Council on September 3, 2024. The report outlined a phased approach for the development of a "Wings of Fame" exhibit. Considering the project's creative nature and historical significance, the Airport intends to solicit design proposals for the Wings of Fame exhibit, which is proposed to be installed near Parking Structure B, as well as for the modernization of exhibits in the Historic Terminal. This process will enable us to refine concepts, budgets, proposed locations, staff resources and implementation strategies. Current estimates for this phase are approximately \$50,000 for FY 25 and is offset by Airport operating revenues.

2. *Increase appropriations in the Airport Fund Group in the Airport Department by \$29,000 for the purchase of a search widget for the Airport's website, offset by Airport operating revenues.*

The Airport Department is collaborating with Airport One, LLC, to integrate a proprietary "Search-to-Book" solution for the Airport's website. This collaboration will enhance marketing initiatives and increase local flight bookings. The solution features customizable destination landing pages, an uninterrupted path to purchase, and comprehensive return on investment analytics. These functionalities effectively address critical marketing challenges at the airport by offering branded and user-friendly experience that promotes local travel. An increase in appropriation of \$29,000 is requested to align with the cost of service and is offset by Airport operating revenues.

3. *Increase appropriation in the Airport Fund Group in the Airport Department by \$130,000 for advertising and promotional programs for the Long Beach Airport, offset by Airport operating revenues.*

The Airport Department is requesting an appropriation increase in the amount of \$130,000 for increased expenditures for advertising at key conferences and events as well as promotional programs for the Airport. As travel demand continues to increase across the nation, it is vital to increase efforts in promoting Long Beach Airport as a choice for traveling to and from the region. The increased efforts help expose the Airport's name and brand to travelers across the country as well as reinforcing the positive experience with travelers passing through the Airport. An increase in appropriation of \$130,000 is requested to align with expenditure increases for FY 25 and is offset by Airport operating revenues.

4. *Increase appropriations in the Airport Fund Group in the Airport Department by \$1,066,593 for public safety services, offset by Airport operating revenues.*

The Long Beach Airport contracts with the Police Department for public safety services provided at the Airport. Services are estimated to cost \$10,341,255 for FY 25. An appropriation increase of \$1,066,593 is needed to align with estimated costs of services and is offset by Airport operating revenues.

City Manager

5. *Increase appropriations in the General Fund Group in the City Manager Department by \$224,154 as a technical correction for Language Access Program Interpretation and Translation services, offset by funds available.*

In FY 24, the Equity Office in the City Manager Department received \$300,000 in General Fund one-time appropriation to support Citywide implementation of the Language Access Program including translation, live interpretation, and over-the-phone interpretation services. The Department had originally anticipated that these one-time expenditures would be fully expended by the end of FY 24 and that no carryover to FY 25 to pay for FY 24 services would be necessary. At the same time, the Department was completing a solicitation for new vendors to provide these services and encountered delays in negotiations, which impacted the Department's ability to encumber the remaining \$224,154 before the accrual deadline on the FY 24 Year End close schedule. Therefore, an appropriation increase is being requested as a technical correction to align the budget with the fiscal year in which outstanding invoices for services will be paid.

6. *Increase appropriations in the Special Advertising and Promotion Fund Group in the City Manager Department by \$90,000 for annual subscription and one-time set-up fees for the applicant permit software platform utilized by the Office of Special Events and Filming, offset by Special Advertising and Promotion funds available.*

The Office of Special Events and Filming (SEF) is requesting an appropriation increase of \$90,000, of which \$60,000 is for one-time setup fees and \$30,000 is for subscription fees in the current year, associated with the Apply-For special event permitting software platform. This platform improves the permit application, review, and issuance process for SEF and will result in greater administrative efficiency and record-keeping. Appropriation for the ongoing annual subscription fees will be requested through the FY 26 budget process.

7. *Increase appropriations in the General Fund Group by \$630,079 in the City Manager Department for the Percent for the Arts Program, offset funds transferred from the Public Works Capital Improvement Program.*

Per AR 9-1, which governs the City's Percent for the Arts Program, program allocations will be in an amount equal to 1 percent of the total original construction contract amount of all eligible funded new City-managed capital construction projects. The Percent for the Arts Program is tracked and accounted for in the Public Works Capital Improvement Program to fund public art groups and grants

with the Arts Council of Long Beach. At the end of each Fiscal Year, the Public Works Department calculates 1 percent of eligible construction costs and transfers the appropriate amount to the General Fund Group in the City Manager Department. In FY 24, more than 15 projects were subject to the 1 percent allocation totaling \$630,079, including Bay Shore Library Improvements, Fire Station 9 Rebuild, and Fire Station 14 Improvements. This funding will be transferred to the Arts Council for Long Beach (ACLB) to support the creation of new public art, arts grants programs, and ongoing maintenance of public art Citywide.

Economic Development

8. *Increase appropriations in the Tidelands Operating Fund Group in the Economic Development Department by \$1,000,000 to support the Queen Mary Amphitheater planning.*

Decrease appropriations in the Tidelands Operating Fund Group in the Public Works Department by \$1,000,000 to transfer the budget to the managing department.

The FY 24 Year-End Performance Report approved by City Council on March 4, 2025, identified recommended uses of Tidelands Operating Fund Group funds available in the amount of \$14.8 million, which included \$1,000,000 for the planning costs for the temporary Amphitheater. On April 1, 2025, City Council approved the FY 25 First Citywide Departmental and Fund appropriation adjustment letter which budgeted the \$14.8 million of Tideland Operating Funds Available to various priority projects in the Public Works Department. This request is to transfer the budget of \$1,000,000 set aside for the Amphitheater project to Economic Development Department as the department which incurred the cost for planning.

Library Services

9. *Increase appropriations in the General Grants Fund Group in the Library, Arts, and Culture Department by \$530,740 for materials purchases and programming support, offset by revenue from the Long Beach Public Library Foundation.*

The Library, Arts, and Culture Department received funds totaling \$530,740 from the Long Beach Public Library Foundation for materials purchases and programming support. An appropriation increase is requested in the General Grants Fund Group, to be distributed as follows: \$96,500 for the Family Learning Centers, \$50,000 for Apostle Youth, \$15,000 for Foundation Materials, \$30,000 for Cultural Programming, \$19,640 for Studio Programs, \$250,000 for system-wide library materials from remaining balance of Jet Blue noise violation fines, \$7,600 for Gutenberg Endowment purchases, \$37,000 for Dive Into Learning, and \$25,000 for Michelle Obama Library general expenses.

Police

10. *Increase appropriations in the General Fund Group in the Police Department by \$3,125,000 for one time negotiated payments to Police Office Association members as a retention bonus, offset by a release of reserves previously set aside for this purpose.*

City Council authorized a Memorandum of Understanding with the Police Officers Association (POA) on November 1, 2022, which included a negotiated one-time retention bonus of \$5,000 to members who remained in employment with the Police Department through the first full pay period of Fiscal Year 2025 (October 2024). The bonus was paid to 625 POA members and the appropriation increase of \$3,125,000 is offset by a release of Police Department General Fund savings set aside in prior years for this purpose.

11. *Increase appropriations in the General Fund Group in the Police Department by \$4,178,596 for the purchase of Body Worn Camera (BWC) equipment, TASER energy weapons, accessories, software, support, and digital evidence storage, offset by a release of reserves previously set aside for critical public safety needs.*

City Council adopted a resolution and authorized an agreement with Axon Enterprise, Inc. (Axon) on December 3, 2024, for the purchase of body worn camera equipment, TASER energy weapons, accessories, software, support, and digital evidence storage, in an amount of \$11,600,623 for the period of five years. All equipment will be provided by Axon in the first year of the contract, with maintenance and technical support or replacements provided upon request in the out years. The Police Department will pay Axon \$5.15 million in the first year of the contract and then \$1.6 million annually in years two through five. The Police Department has appropriation in the amount of \$971,000 to apply to the purchase agreement with Axon and is requesting an appropriation increase of \$4,178,596 for the remaining year-one payment, offset by a release of Police Department General Fund savings set aside in prior years for this purpose.

Public Works

12. *Increase appropriations in the Capital Projects Fund Group in the Public Works Department by \$429,547 for the Los Coyotes Diagonal Safety Improvement Project, offset by Federal Highway Safety Improvement Program (HSIP) funds from Caltrans (HSIPL-5108(190)); and,*

Increase appropriations in the Capital Projects Fund Group in the Public Works Department by \$429,547, offset by transfer of HSIP funds from the Capital Grant Fund.

On July 10, 2007, the City Council adopted Resolution RES-07-0097, authorizing all funding agreements required by Caltrans for State and federal funds. On December 30, 2013, City staff pursued funding from the Highway Safety Improvement Program (HSIP) Cycle 8 specifically for the Los Coyotes Diagonal Safety Improvement Project (Project). The total cost of the Project is \$2,089,854

which includes design, construction, construction management, inspection, labor compliance, and project oversight. The Project is currently funded by \$202,220 of Gas Tax, \$187,684 of General Capital, \$63,204 of ISTEA-2019 grant funding, \$807,200 of ISTEA-2021 grant funding, \$100,000 of Measure M and \$300,000 of Measure R. On November 21, 2016, California Department of Transportation (CalTrans) approved the City's HSIP application for this Project. On August 20, 2020, the City requested CalTrans' authorization for construction and construction engineering for the Project, which was approved by that State agency on December 16, 2020. Subsequently, the City requested CalTrans' authorization to increase the obligation amount by \$429,547, to complete the construction and engineering of the Project, which was approved on June 20, 2024. These grant funds have no match requirement.

13. *Increase Appropriation in the Capital Projects Fund Group in the Public Works Department by \$249,600 for the Beach Streets event, offset by grant reimbursement revenue received from Los Angeles County Metropolitan Transportation Authority (LACMTA); and,*

Increase appropriations in the Capital Projects Fund Group in the Public Works Department by \$249,600, offset by transfer of LACMTA funds from the Capital Grant Fund.

On October 11, 2016, the City Council adopted Resolution RES-16-0099 authorizing the City Manager to execute all Funding Agreements with Los Angeles County Metropolitan Transportation Authority (LACMTA). City staff pursued funding through the LACMTA Cycle Five Open Streets Grant Program, which provides LACMTA Proposition C (25 percent) funds for such events. On January 25, 2024, LACMTA awarded the City \$249,600 for the City's Beach Streets West Long Beach event. The Beach Streets West Long Beach event will be held on May 10, 2025. This event temporarily closed select streets to automotive traffic and opened 3.3 miles of roadway for residents and visitors to walk, bike, and shop. Funding supports all event planning and production activities, as well as covering any non-infrastructure costs of implementing the event. The grant has an in-kind funds match requirement of \$65,400 which is covered with \$100,000 of one-time allocation in the Special Advertising and Promotion Fund Group approved as part of the FY 25 budget.

14. *Increase appropriations in the Capital Projects Fund Group in the Public Works Department by \$1,115,448 for new electric vehicle chargers at the Airport Garage Lot A and B, offset by a transfer from the Airport Fund Group in the Airport Department.*

Increase appropriations in the Airport Fund Group in the Airport Department by \$1,115,448 to transfer to the Public Works Department to fund the Airport Electric Vehicle Chargers project.

The Public Works Department is managing and administering the construction of 158 new EV Chargers at the Airport Garage Lot A and B. The total project cost is

currently estimated at \$1,575,894, which includes design, construction, construction management, and project oversight. Of the total project cost, \$1,115,448 is funded with Airport operating revenues and the remaining \$460,446 is funded by AB32 funds which are currently appropriated in the Public Works Department.

15. *Increase appropriations in the Capital Projects Fund Group in the Public Works Department by \$482,000 to support suppression system at 2321 Stanely Avenue, offset by a transfer from the General Services Funds Group in the Technology and Innovation Department.*

The Technology and Innovation Department (TID) Suppression Project, located at 2321 Stanely Avenue, includes the installation of a new fire suppression system to protect TID equipment. The work includes sealing of openings in existing walls, installation of door sweeps and astragals to prevent the fire suppression materials from leaking into the storage areas. The total project cost estimate is \$482,000 inclusive of construction, construction management, labor compliance, and project oversight. The project will be fully funded by a transfer of General Services Funds from the Technology and Innovation Department.

16. *Increase appropriations in the Capital Projects Fund Group in the Public Works Department by \$420,292 for replacing the Police Department's North Station showers, offset by a transfer from the General Fund Group in the Police Department.*

The Police Department has requested emergency repairs at the Police Department North Station located at 4891 Atlantic Avenue. The Shower Project involves replacing all showers and bathroom fixtures due to mold remediation. The total project cost estimate is \$420,292 inclusive of construction, construction management, labor compliance, and project oversight. The project will be fully funded by a transfer of \$420,292 from salary savings in the General Fund Group in the Police Department.

17. *Increase appropriations in the Civic Center Fund Group in the Public Works Department by \$1,000,000 for the Public Safety Building renovations, offset by a transfer from the General Fund Group in the Police Department; and,*

Increase appropriations in the General Fund Group in the Police Department by \$1,000,000 to transfer to the Civic Center Fund Group, offset by a release of reserves set aside for this purpose.

With the reorganization included in the FY23 Police Department budget, new office spaces were necessary within the Public Safety Building to accommodate three new divisions. The resulting shifting of employee workstations to build new offices requires significant redesign and remodel of the PSB 5th floor, which is underway with a construction start date estimated for late 2025. The project cost will be funded by a release of Police Department General Fund savings set aside in prior years for this purpose.

18. *Increase appropriations in the Capital Projects Fund Group in the Public Works Department by \$672,387 for the Willow Springs Trailhead Project, offset by a transfer of \$250,000 of Park Impact Fees (PIF) funding and \$422,387 of Construction & Demolition (C&D) funding for the Willow Springs Trailhead Project.*

Increase appropriation in the Development Services Fund Group in the Community Development Department by \$422,387, offset by funds available, to support the transfer of C&D funds for the aforementioned C&D funding.

Increase appropriations in the Capital Projects Fund Group in the Public Works Department by \$250,000 as a technical request to double budget PIF funds, offset by a transfer of \$250,000 of PIF funding in the Parks, Recreation, and Marine Department.

Decrease appropriations in the Capital Projects Fund Group in the Parks, Recreation, and Marine Department by \$250,000, to transfer budget to the Public Works Department.

This request will align the Willow Springs Trailhead Project budget in the Capital Projects Fund Group in the Public Works Department which will manage the project, with prior approved funding sources totaling \$672,387, offset by \$250,000 of Park Impact Fees (PIF) funding and \$422,387 of Construction & Demolition (C&D) funding.

On October 9, 2018, the City Council authorized Park Impact Fees (PIF) for various Parks, Recreation and Marine projects, including the Willow Springs Trailhead Project, as approved in Fiscal Year 2018 during the Citywide third quarter budget adjustment. While Parks, Recreation, and Marine Department maintains the parks, capital improvement projects related to the City parks system are the responsibility of the Public Works Department. This request will appropriate \$250,000 of PIF funding to the Public Works Department in the Capital Projects Fund Group. Also, a second technical appropriation of \$250,000 is required to allow the transfer of PIF funds to the Project. This request includes a shift of the \$250,000 secondary appropriation from the Parks, Recreation, and Marine Department to the Public Works Department.

In Fiscal Year 2019, \$422,387 of C&D funding was available in legacy financial system for the Willow Springs Trailhead Project in Parks, Recreation and Marine Department and on April 15, 2019, the City went live with Phase 1 of the new Munis Financials system. The implementation included approximately 100,000 converted lines of the Fiscal Year 2019 Adopted and Adjusted Budget, utilizing the newly developed Chart of Accounts, as well as over 2,800 lines of Projects and Grants budget from the converted Project Ledger data and was not carried over into Munis Financial system. This adjustment is needed to properly budget the Willow Springs Trailhead Project in the correct fund according to the new Munis Project Ledger and accounting system and align the budget with the department responsible for project delivery. The C&D revenue is available as a reserve of previously forfeited

customer deposits in the Development Services Fund Group in the Community Development Department. The Community Development Department needs corresponding appropriation to offset the transfer to the CIP fund to support the accounting for this project.

19. *Increase appropriations in the Refuse and Recycling Fund Group in the Public Works Department by \$61,368 for the Used Oil Payment Program, offset by grant revenue received from the California Department of Resources Recycling and Recovery (CalRecycle) in FY 25.*

On May 9, 2023, the City Council approved a Resolution authorizing the City Manager, or designee, to apply, accept, and expend grant funding from the California Department of Resources Recycling and Recovery (CalRecycle). The CalRecycle Used Motor Oil Payment Program is used to promote a cleaner Long Beach by funding programs to prevent used motor oil from being improperly disposed. An appropriation increase in the amount of \$61,368 is requested in the Refuse & Recycling Fund Group in the Public Works Department, offset by grant revenue. Grant funding will be used to provide convenient methods of recycling used oil to residents, including an on-call curbside collection program for used motor oil and filters, Certified Collection Centers throughout the city, and free drop off events twice per month. As subsequent grant funding is awarded, the Department will return to the City Council with a request to appropriate funding for these efforts.

20. *Increase appropriations in the Refuse and Recycling Fund Group in the Public Works Department by \$114,746 for the CalRecycle Beverage Container Collection Program grant, offset by grant revenue received from CalRecycle.*

The CalRecycle Beverage Container Collection Program grant is used to promote a cleaner Long Beach by funding programs to clean up and recycle beverage containers in the City. Funding supports curbside collection of recycling, neighborhood cleanup efforts, and recycling education programs in the city. Per Resolution No. RES-160024, which authorizes the city to submit an application to Cal Recycle for any and all payment programs offered, the City submitted an application for the CalRecycle program and received \$114,746 in grant funding.

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May 20, 2025
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SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



Kevin Riper
Director
Financial Management

APPROVED:



THOMAS B. MODICA
CITY MANAGER

ATTACHMENT: A – SUMMARY OF PROPOSED BUDGET ADJUSTMENTS