

March 19, 2024

Honorable Mayor and City Council  
City of Long Beach  
California

**RECOMMENDATION:**

Recommendation to approve the Fiscal Year 2024 first departmental and fund budget appropriation adjustments in accordance with existing City Council policy. (Citywide)

**DISCUSSION**

On September 5, 2023, the City Council adopted the Appropriations Ordinance governing the City of Long Beach's (City) Adopted Budget for Fiscal Year 2024 (FY 24). 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.

The Fiscal Year 2024 first departmental and fund budget appropriation adjustments primarily cover items previously approved by City Council including technical adjustments to the Adopted FY 24 Budget and a carryover of one-time funds approved in prior years to complete projects or activities. This report also includes appropriation adjustments for recommended critical and priority one-time uses as disclosed in the FY 23 Year-End Budget Performance Report. Finally, this letter includes appropriation increases to implement the City Council approved Memorandums of Understanding (MOUs) with the City's bargaining units after the FY 24 Budget was adopted. The detailed descriptions of these and other proposed adjustments are provided in the Fiscal Impact section of this letter. See Attachments A, B, and C for a Summary of Proposed Adjustments by the impacted City fund groups.

This matter was reviewed by Deputy City Attorney Atoy H. Wilson on March 4, 2024.

**TIMING CONSIDERATIONS**

The requested appropriation adjustment to FY 24 departmental and fund appropriations are necessary to reflect changes in operating conditions. City Council action is requested on March 19, 2024, to enable the timely processing of budget adjustments.

FISCAL IMPACT

**City Manager**

1. *Increase appropriations in the Tidelands Operating Fund Group in the City Manager Department by \$1,500,000 for the installation of a Parking Access Control System at the Long Beach Convention & Entertainment Center, offset by funds available in the Convention Center Parking Surcharge Fund.*

A share of Convention Center parking revenues is collected in the Convention Center Parking Surcharge Fund within the Tidelands Operating Fund Group. Revenues generated by a \$1 surcharge are intended for Convention Center programming and upgrades. The Convention Center Operator, ASM Global, is requesting funding from the Convention Center Parking Surcharge Fund in the amount of \$1,500,000 to install a Parking Access Revenue Control System (PARCS) in all Convention Center parking areas which includes approximately 4,300 parking spaces divided among three parking structures and a large surface lot. PARCS equipment will support the growing demands of technology that serves attendees, residents, visitors, and Convention Center employees through various functions including “real time” parking occupancy information, hourly rates options, and expanding cashless pay options. Further, it is anticipated that PARCS will also improve revenue collection and audit capabilities. The total estimated project cost is \$1,500,000 and includes equipment, installation, software, configuration, and training. As the work moves forward, ASM Global will request reimbursement from the City for project expenditures. An appropriation increase of \$1,500,000 is requested to support this project, offset by funds available in the Tidelands Operating Fund Group from Convention Center Parking Surcharge Fund revenue.

**Technical Adjustments to the Adopted FY 24 Budget to Transfer Appropriations to the Departments Responsible for Implementation**

2. *Decrease appropriations in the General Fund Group in the City Manager Department by \$100,000 to transfer appropriation to the Community Development Department; and,*

*Increase appropriations in the General Fund Group in the Community Development Department by \$100,000 to support neighborhood clean-up and improvement programs.*

On September 5, 2023, the City Council approved the Adopted FY 24 Budget which included \$100,000 in the General Fund Group in the City Manager Department to support neighborhood clean-up efforts led by neighborhood associations and community groups across the City. This technical adjustment will transfer appropriation to the department responsible for implementation. These funds will be managed by the Community Development Department, which works with neighborhood associations and community groups to facilitate clean-up events, leveraging volunteer efforts to remove debris from City streets and neighborhoods. These funds will also be utilized for microgrants to directly support

neighborhood associations with various improvement programs including landscaping, graffiti removal, murals, and cleanups.

3. *Decrease appropriations in the General Fund Group in the City Manager Department by \$1,000,000 to transfer appropriation to the Community Development Department; and,*

*Increase appropriations in the General Fund Group in the Community Development Department by \$1,000,000 for the Tenant Right to Counsel Program.*

On September 5, 2023, the City Council approved the Adopted FY 24 Budget which included \$1,000,000 in the General Fund Group in the City Manager Department for the Tenant Right to Counsel Program. This technical adjustment will transfer appropriation to the department responsible for implementation. The Community Development Department partners with the County of Los Angeles and the nonprofit organization, Stay Housed LA, to provide funding for the Tenant Right to Counsel Program. The Community Development Department will manage and expend this funding to continue working with the County of Los Angeles and Stay Housed LA to refine the program's implementation plan which will return to City Council in early 2024 with a progress update.

4. *Decrease appropriations in the General Fund Group in the Citywide Activities Department by \$280,000 to transfer appropriation to the Community Development Department; and,*

*Increase appropriations in the General Fund Group in the Community Development Department by \$280,000 for a West Side Promise Zone Strategic Coordinator.*

On September 5, 2023, the City Council approved the Adopted FY 24 Budget which included \$280,000 in the General Fund Group in the Citywide Activities Department to support two years of funding for a West Side Promise Zone Strategic Coordinator. This technical adjustment will transfer appropriation to the department responsible for implementation. Funding will add staffing capacity in the Community Development Department to implement West Side Promise Zone programs and assist with identifying grants to potentially fund the position on an ongoing basis.

### **City Council District Priority Funds**

5. *Increase appropriations in the General Fund Group in the Citywide Activities Department by \$2,172,144 for Council District Priority Funds, offset by FY 23 year-end funds set aside for this purpose; and,*

*Increase appropriations in the Special Advertising and Promotion Fund Group in the Citywide Activities Department by \$32,830 for Council District Priority Funds, offset by FY 23 year-end funds set aside for this purpose.*

Council District Priority Funds are budgeted in the Citywide Activities Department in both the General Fund Group and the Special Advertising and Promotions Fund

Group until they are approved for specific allocation by the City Council. Each year an appropriation increase is required to carry over the prior year's unallocated funds into the current fiscal year. This request is to appropriate budget for Council District Priority Funds (also known as Divide-by-Nine funding) for each fund group FY 24. As of FY 23 year-end close, the remaining unallocated amount in the General Fund Group was \$1,400,477 (Table A) and \$32,830 for the Special Advertising and Promotion Fund Group (Table B).

Lastly, in accordance with the normal budgetary practice that provides for utilization of year-end Council District operating savings for future District Priority Funds, FY 23 Council District Office savings in the amount of \$771,667 was set-aside for reappropriation in FY 24 (Table A). Reappropriation of these funds will supplement each respective Council District's one-time District Priority Funds for infrastructure projects and existing City program which are budgeted in the Citywide Activities Department.

**Table A: Appropriation Increase for General Fund District Priority Funds**

<b>General Fund (GF) District Priority Funds</b>			
<b>City Council District</b>	<b>Unallocated District Priority Funds</b>	<b>Council Districts' Operating Budget Savings*</b>	<b>Total FY 24 District Priority Funds</b>
District 1	\$44,797	\$48,081	<b>\$92,878</b>
District 2	237,594	25,146	<b>262,740</b>
District 3	83,133	60,738	<b>143,871</b>
District 4	407,146	194,176	<b>601,322</b>
District 5	124,059	70,931	<b>194,990</b>
District 6	139,680	45,300	<b>184,980</b>
District 7	227,163	141,511	<b>368,674</b>
District 8	127,482	89,273	<b>216,755</b>
District 9	9,423	96,511	<b>105,934</b>
<b>Total GF District Priority Funds Carryover</b>	<b>\$1,400,477</b>	<b>\$771,667</b>	<b>\$2,172,144</b>

*\*As disclosed in the FY 23 Year-End Budget Performance Report to City Council on February 13, 2024.*

**Table B: Appropriation Increase for Special Advertising and Promotion Funds District Priority Funds**

<b>Special Advertising and Promotion Fund (SAP) District Priority Funds</b>	
<b>City Council District</b>	<b>Total FY 24 District Priority Funds</b>
District 1	\$9,310
District 2	971
District 3	441
District 4	-
District 5	1,111
District 6	-
District 7	19,386
District 8	1,111
District 9	500
<b>Total SAP District Priority Funds Carryover</b>	<b>\$32,830</b>

6. *Increase appropriations in the General Fund Group in the Citywide Activities Department by \$38,362 to reimburse unspent Sixth Council District One-time District Priority Funds, offset by funds available.*

On October 12, 2021, the Sixth Council District appropriated \$59,000 of one-time District Priority Funds to support the Martin Luther King Jr. celebration. The City incurred \$20,638 in expenditures; however, this event was cancelled. The unspent balance of \$38,362 was inadvertently not returned to the Sixth Council District. This appropriation adjustment is a technical correction, offset by funds available, which will return the unspent balance to the Sixth Council District's One-time District Priority Funds.

#### **FY 23 One-Time Funds to be Reappropriated**

For projects with start dates prior to FY 24, the City Council authorized the allocation of one-time funds for specific department projects or operations. The following appropriations are needed to carryover these funds from the prior year to complete these projects or activities in FY 24. The unspent one-time funds identified below were reserved at the end of FY 23 for the following purposes and the reserves will be released to offset the requested appropriation adjustments. As such, there is no impact to the fund groups associated with these adjustments.

7. *Increase appropriations in the General Fund Group in the City Manager Department by \$100,000 to continue racial reconciliation consulting, capacity building, and training, offset by unspent one-time funds.*

8. *Increase appropriations in the General Fund Group in the City Manager's Department by \$50,000 to support the Cambodian American Cultural Center, offset by unspent one-time funds.*
9. *Increase appropriations in the General Fund Group in the City Manager Department by \$6,692 to continue support for the City's racial equity and reconciliation goals, offset by unspent one-time funds.*
10. *Increase appropriations in the General Fund Group in the City Manager Department by \$20,000 to hire an Administrative Intern to support the Office of Equity, offset by unspent one-time funds.*
11. *Increase appropriations in the General Fund Group in the City Manager Department by \$200,000 for Olympics consultant support, offset by unspent one-time funds.*
12. *Increase appropriations in the General Fund Group in the City Manager Department by \$29,918 for the Youth Climate Ambassador Program, offset by a transfer of unspent AB 32 funds.*
13. *Increase appropriations in the General Fund Group in the City Manager Department by \$165,000 for the African American Cultural Center (AACC) to establish a Hip-Hop museum and cultural exhibit and the restoration of the VIP Records sign, offset by unspent one-time funds.*
14. *Increase appropriations in the General Fund Group in the City Manager Department by \$30,538 for the LGBTQ+ Cultural Center and Museum, offset by unspent one-time funds.*
15. *Increase appropriations in the General Fund Group in the City Manager Department by \$54,928 for Ethics Commission needs and improved response to Public Records Act (PRA) requests, offset by unspent one-time funds.*
16. *Increase appropriations in the General Fund Group in the City Manager Department by \$48,545 for the Tree Planting Program in the Office of Sustainability, offset by a transfer of unspent AB 32 funds.*
17. *Increase appropriations in the General Fund Group in the City Manager Department by \$27,307 for Homelessness Response and Clean Up Efforts, offset by unspent one-time funds.*
18. *Increase appropriations in the General Fund Group in the City Manager Department by \$75,000 for a technology solution to support the Cannabis Social Equity Program, offset by unspent one-time funds.*
19. *Increase appropriations in the General Fund Group in the City Manager Department by \$35,000 to support the development of a comprehensive communications plan to support the efforts across all City Departments that are working to address homelessness-related matters, offset by unspent one-time funds.*

20. *Increase appropriations in the General Fund Group in the City Manager Department by \$100,000 to support urgent COVID-19 response and critical needs, offset by unspent one-time funds.*
21. *Increase appropriations in the General Fund Group in the City Manager Department by \$18,000 for Community Based Organization (CBO) grants to support farms, community, and teaching gardens and tools, offset by unspent Measure US one-time funds.*
22. *Increase appropriations in the General Fund Group in the City Manager Department by \$25,000 to develop an Electrical Lawn Equipment Program, offset by Measure US unspent one-time funds.*
23. *Increase appropriations in the General Fund Group in the City Manager Department by \$302,991 for homelessness response efforts, offset by unspent Homeless Emergency one-time funds.*
24. *Increase appropriations in the General Fund Group in the City Manager Department by \$67,854 to support Citywide neighborhood block parties. The funds were originally adopted to support summer neighborhood block parties. However, due to year-round needs, funding may be used throughout the year (including summer) to cover Special Event and Filming Block Party Permit fees and, as funding allows, on a first-come, first-served basis, may cover the costs of additional City services and street closure equipment rentals, offset by unspent one-time funds.*
25. *Increase appropriations in the General Fund Group in the City Prosecutor Department by \$19,170 for the City Prosecutor's Internship Program, offset by unspent one-time funds.*
26. *Increase appropriations in the General Fund Group in the City Prosecutor Department by \$42,440 for the City Prosecutor's Digital Paperless Project, offset by unspent one-time funds.*
27. *Increase appropriations in the General Fund Group in the City Prosecutor Department by \$95,063 for the Gang Prevention Strategy Program, offset by unspent one-time funds.*
28. *Increase appropriations in the General Fund Group in the City Prosecutor Department by \$221,573 for the Priority Access Diversion Program, offset by unspent one-time funds.*
29. *Increase appropriations in the General Fund Group in the Community Development Department by \$30,000 to streamline the Accessory Dwelling Unit (ADU) permitting process, offset by unspent one-time funds.*
30. *Increase appropriations in the General Fund Group in the Community Development Department by \$82,288 for neighborhood association microgrants, offset by unspent one-time funds.*

31. *Increase appropriations in the General Fund Group in the Economic Development Department by \$167,250 for the Public Service Pathways Pilot Program. These funds were budgeted in the Mayor's Office in FY 23. Carryforward budget will be programmed in the Economic Development Department, which will implement the program, offset by unspent one-time funds.*
32. *Increase appropriations in the General Fund Group in the Economic Development Department by \$149,262 for the Long Beach Economic Partnership for business attraction and citywide marketing activities, second and final year of program, offset by unspent one-time funds.*
33. *Increase appropriations in the General Fund Group in the Economic Development Department by \$44,000 for Pacific Avenue Property and Business Improvement District (PBID), offset by unspent one-time funds.*
34. *Increase appropriations in the General Fund Group in the Economic Development Department by \$55,213 for Anaheim Street Business Corridor Improvements, offset by unspent one-time funds.*
35. *Increase appropriations in the General Fund Group in the Economic Development Department by \$120,119 for Pacific Avenue Business Corridor Improvements, including lighting and banners, offset by unspent one-time funds.*
36. *Increase appropriations in the General Fund Group in the Economic Development Department by \$396,500 for the acquisition of property known as Virginia Village at 5301 Long Beach Boulevard Corridor activation that takes into consideration prior activators and successes including investment such as event signage, offset by unspent one-time funds.*
37. *Increase appropriations in the General Fund Group in the Economic Development Department by \$1,200,000 for homelessness response efforts, offset by unspent Homeless Emergency one-time funds.*
38. *Increase appropriations in the General Fund Group in the Health and Human Services Department by \$2,604,237 for homelessness response efforts, offset by unspent Homeless Emergency one-time funds.*
39. *Increase appropriations in the General Fund Group in the Health and Human Services Department by \$120,000 to support youth substance use and mental health, offset by unspent one-time funds.*
40. *Increase appropriations in the General Fund Group in the Library Services Department by \$1,200,000 to support Library Services materials budget, offset by unspent one-time funds.*
41. *Increase appropriations in the General Fund Group in the Police Department by \$634,177 for upgrades to the Police Department Records Management System to comply with the*



*Department of Justice's mandate to implement the new national incident-based crime reporting systems, offset by unspent one-time funds.*

- 42. Increase appropriations in the General Fund Group in the Parks Recreation and Marine Department by \$29,740 for senior programming, offset by unspent one-time funds.*
- 43. Increase appropriations in the General Fund Group in the Parks Recreation and Marine Department by \$100,000 for exterior electrical switch gears, offset by unspent one-time funds.*
- 44. Increase appropriations in the General Fund Group in the Public Works Department by \$200,000 for homelessness response efforts, offset by unspent Homeless Emergency one-time funds.*
- 45. Increase appropriations in the General Fund Group in the Public Works Department by \$100,000 to support the acquisition cost for four new Street Sweepers, offset by unspent one-time funds.*
- 46. Increase appropriations in the General Fund Group in the Public Works Department by \$121,888 to install new security cameras at the City Place A Parking Garage, offset by unspent one-time funds.*
- 47. Increase appropriations in the General Fund Group in the Public Works Department by \$4,175 to support the Sidewalk Vendor Ordinance, offset by unspent one-time funds.*
- 48. Increase appropriations in the General Fund Group in the Public Works Department by \$100,000 for speed mitigation efforts in residential streets, offset by unspent one-time funds.*
- 49. Increase appropriations in the Airport Fund Group in the Airport Department by \$100,000 for the purchase of a Paint Striper Truck, offset by unspent one-time funds.*
- 50. Increase appropriations in the Airport Fund Group in the Airport Department by \$25,000 for upgrades to the Airport's voice print system, offset by unspent one-time funds.*
- 51. Increase appropriations in the Airport Fund Group in the Airport Department by \$200,000 for the Airports Council International conference event, offset by unspent one-time funds.*
- 52. Increase appropriations in the Employees Benefits Fund Group in the Civil Service Department by \$102,858 to conduct a department wide study of the department's onboarding process, offset by unspent one-time funds.*
- 53. Increase appropriations in the Fleet Services Fund Group in the Financial Management Department by \$294,491 to support the capital shortfall and/or incremental cost increase for the replacement of 15 medium and heavy-duty City Fleet vehicles to new zero emission battery electric versions required for eligibility in electric charging capital infrastructure projects, offset by a transfer of unspent AB 32 funds.*

54. *Increase appropriations in the General Services Fund Group in the Technology and Innovation Department by \$445,027 to support the transition of the City's in-house mainframe systems to a cloud-hosted mainframe environment rather than acquiring new mainframe hardware system, offset by unspent one-time funds.*
55. *Increase appropriations in the Refuse/Recycling Fund Group in the Public Works Department by \$47,900 for the purchase of a vehicle for staff to complete field audits, transport material for public education events, offset by unspent one-time funds.*
56. *Increase appropriations in the Refuse/Recycling Fund Group in the Public Works Department by \$164,962 for the purchase of two trucks for Refuse Field Investigators to perform compliance and enforcement of new State-mandated commercial organics collection, offset by unspent one-time funds.*
57. *Increase appropriations in the Special Advertising and Promotion Fund Group in the City Manager Department by \$100,000 for advertising and media consulting services to promote the City of Long Beach, offset by unspent one-time funds.*
58. *Increase appropriations in the Tidelands Operating Fund Group in the City Manager Department by \$50,845 for continued Homeless Response Program services, offset by unspent one-time funds.*
59. *Increase appropriations in the Tidelands Operating Fund Group in the City Manager Department by \$135,732 to aid Rapid Response to homeless issues along the beachfront, offset by unspent one-time funds.*
60. *Increase appropriations in the Tidelands Operating Fund Group in the Community Development Department by \$20,991 for a visioning effort for the Downtown Shoreline Planned Development (PD-6) zoning district, offset by unspent one-time funds.*
61. *Increase appropriations in the Tidelands Operating Fund Group in the Parks Recreation and Marine Department by \$50,000 to support Marine Bureau - Backflow Theft Prevention, offset by unspent one-time funds.*
62. *Increase appropriations in the Tidelands Operating Fund Group in the Public Works Department by \$260,000 to install new security cameras at the Pike Parking Garage, offset by unspent one-time funds.*
63. *Increase appropriation in the Tidelands Operating Fund Group by \$162,800 and \$37,200 in the General Fund Group in the Citywide Activities Department for oil abandonment amortization consultant review, offset by unspent one-time funds.*

### **FY 23 One-time Measure A Funds to be Reappropriated**

The City Council authorized the allocation of one-time funds for specific department projects or operations funded by Measure A. The following appropriations are needed to carry over these funds to FY 24 to complete these projects or activities. The unspent Measure A one-time funds identified below were reserved at the end of FY 23 for the following purposes and the reserves will be released to offset the requested appropriation adjustments. As such, there is no impact to the fund group associated with these adjustments.

- 64. Increase appropriations in the General Fund Group in the Parks Recreation and Marine Department by \$185,117 to support the Maintenance Operations Bureau, Grounds Division Tree Removal, offset by unspent one-time Measure A funds.*
- 65. Increase appropriations in the General Fund Group in the Parks Recreation and Marine Department by \$600,000 for hardware/installation and maintenance of parks restroom doors, offset by unspent one-time Measure A funds.*
- 66. Increase appropriations in the General Fund Group in the Police Department by \$1,545,872 for the second of a two-year outreach and clean up initiative to support outreach and clean-up efforts along the river beds. These one-time funds support overtime costs for four Police Officers and one Sergeant in the Quality-of-Life team to participate with the interdepartmental team (Clean Team in Public Works, Quality of Life in the Police Department, and Outreach workers in the Health Department) to conduct ongoing outreach, engagement, and clean-up activities in areas most impacted by homelessness, offset by unspent one-time Measure A funds.*
- 67. Increase appropriations in the General Fund Group in the Public Works Department by \$534,171 for vehicle rentals needed for the Crack Seal and Slurry programs, offset by unspent one-time Measure A funds.*

### **Appropriations Using FY 23 Year-End General Fund Surplus**

The FY 23 Year-End Budget Performance Report was presented to City Council on February 13, 2024. The report identified recommended uses of General Fund year-end surplus totaling \$4.6 million for critical and priority needs. Of this amount, one-time uses totaling \$3.5 million are listed below and requested for appropriation. This appropriation increase includes one-time enhancements for the Tenant Right to Counsel program and spay and neuter services as identified by the City Council during the adoption of the FY 24 Budget on September 5, 2023.

The items listed below exclude two one-time appropriation requests for the City Prosecutor and Mayor's Office where funding from operating savings was set aside as part of the FY 23 Year-End Budget Performance Report. Appropriation increases for these items were recently approved by City Council as separate action items and so are not included in this report: (1) \$42,000 for the City Prosecutor's 3P Neighborhood Program and the Restorative Justice Diversion Program approved by City Council on January 23, 2024; and (2) \$242,800 for the Mayor's Office for operational and administrative support including the Public Service Corps

approved by City Council on February 6, 2024. Finally, appropriations in the amount of \$771,667 from operating Council District savings is requested as part of item #5 earlier in this report.

- 68. Increase appropriations in the General Fund Group in the Community Development Department by \$500,000 to increase funding for the Tenant Right to Counsel Program to a total of \$1,500,000 million in FY 24, offset by FY 23 year-end funds available.*
- 69. Increase appropriations in the General Fund Group in the Parks, Recreation and Marine Department by \$250,000 to increase funding for spay and neuter services to a total of \$800,000 in FY 24, offset by FY 23 year-end funds available.*
- 70. Increase appropriations in the General Fund Group in the Citywide Activities Department by \$228,661, to implement the City Council's policy to reserve five percent of one-time revenue to fund unfunded liabilities, offset by FY 23 year-end funds available.*
- 71. Increase appropriations in the General Fund Group in the City Manager Department by \$10,000 to support the Bring Your Child to Work Day for City employees anticipated in summer of 2024, offset by FY 23 year-end funds available.*
- 72. Increase appropriations in the General Fund Group in the City Manager Department by \$300,211 for critical priority projects, critical response needs, and funding gaps for budgeted projects experiencing cost increases to be identified by the City Manager, offset by FY 23 year-end funds available.*
- 73. Increase appropriations in the General Fund Group in the City Manager Department by \$69,888 for additional support for the Justice Fund to ensure ongoing access to legal representation for immigrant residents at risk of deportation and family separation, offset by FY 23 year-end funds available.*
- 74. Increase appropriations in the General Fund Group in the City Manager Department by \$11,000 to fully fund the anticipated needs for the City's Ethics Helpline and support promotion efforts, offset by FY 23 year-end funds available.*
- 75. Increase appropriations in the General Fund Group in the City Manager Department by \$40,000 for consultant support to complete final upgrades needed to the City's new Tree App which will allow comprehensive citywide tracking of tree planting and tree removal which has been a City Council priority, offset by FY 23 year-end funds available.*
- 76. Increase appropriations in the General Fund Group in the Fire Department by \$244,000 to support the Arson Unit's personnel overtime costs for a six-month period to address the backlog of cases, offset by FY 23 year-end funds available.*
- 77. Increase appropriations in the General Fund Group in the Parks, Recreation, and Marine Department by \$250,000 to support the construction of the Willow Springs Park Trailhead project, offset by FY 23 year-end funds available; and,*

*Increase appropriations in the Capital Projects Fund Group in the Parks, Recreation, and Marine Department by \$250,000 to support the construction of the Willow Springs Park Trailhead project, offset by a transfer from the General Fund Group.*

78. *Increase appropriations in the General Fund Group in the Citywide Activities Department by \$790,000 to transfer to the Capital Projects Fund Group to support the Project Homekey Luxury Inn project increased facility renovation costs, offset by FY 23 year-end funds available; and,*

*Increase appropriations in the Capital Projects Fund Group in the Public Works Department by \$790,000 to support the Project Homekey Luxury Inn project increased facility renovation costs, offset by a transfer from the General Fund Group.*

79. *Increase appropriations in the General Fund Group in the Citywide Activities Department by \$100,000, to transfer to the General Services Fund Group to support the development of the Climate Action Plan (CAP) dashboard, offset by FY 23 year-end funds available; and,*

*Increase appropriations in the General Services Fund Group in the Technology and Innovation Department by \$100,000 to support the development of the Climate Action Plan (CAP) dashboard, offset by a transfer from the General Fund Group.*

80. *Increase appropriations in the General Fund Group in the Citywide Activities Department by \$723,000 to transfer to the Civic Center Fund Group for the design and construction of terrace improvement at the Billie Jean King Main Library, offset by FY 23 year-end funds available; and,*

*Increase appropriations in the Civic Center Fund Group in the Public Works Department by \$723,000 for the design and construction of terrace improvement at the Billie Jean King Main Library, offset by a transfer from the General Fund Group.*

### **Long Beach Recovery Act**

81. *Increase appropriations in General Fund Group in the various departments as shown in Table C below, offset by funds made available through the Long Beach Recovery Act; and, approve the revised program allocations of the Long Beach Recovery Act as shown in Attachment B.*

The Long Beach Recovery Act (LB Recovery Act) was initially approved by the City Council on March 16, 2021, and each revision to the plan has been approved by the City Council in subsequent reports. Total LB Recovery Act funding has grown to \$296.9 million since the latest revised plan and is funded by various sources, including the General Fund, as a result of the City's approach in using federal American Rescue Plan Act (ARPA) funds. The U.S. Department of Treasury's Final Rule allows ARPA funding to be used to provide and maintain current government services (e.g., provision of police, parks, and recreation services) up to the amount of the City's calculated revenue loss due to the pandemic. In compliance with the Final Rule, the City has used the majority of ARPA

funds to maintain existing, eligible City services (specifically, parks and recreation and police services) for FY 21, FY 22, and FY 23. This spending approach, consistent with the Final Rule, does not result in any increased budgetary allocations or levels of service for the Parks, Recreation and Marine or Police Departments. This portion of ARPA funding allocated to the City makes available General Fund monies, which are then used to enable the delivery of City Council-approved LB Recovery Act programs. As the LB Recovery Act programs made possible by ARPA were budgeted in the General Fund Group in FY 23, unspent funds need to be re-appropriated in FY 24. Table C below details the appropriation increase requests by Department in the General Fund Group.

**Table C: Reappropriation of Unspent LB Recovery Act Funding**

<b>Department</b>	<b>Appropriation Increase in General Fund Group</b>
City Manager	\$1,290,757
Community Development	3,826,921
Economic Development	8,190,420
Financial Management	308,000
Health and Human Services	9,614,111
Library Services	737,451
Parks, Recreation and Marine	488,215
Public Works	2,762,122
Technology and Innovation	35,624
<b>General Fund Group Total</b>	<b>\$27,253,621</b>

The remaining portion of ARPA funds will be used to provide direct relief grants to those impacted most by the pandemic. Utilizing ARPA funds for these direct relief grant payments makes them tax-exempt for the beneficiaries (if paid from the General Fund, these payments would be taxable to the recipients). By utilizing ARPA funds, the City alleviates the additional burden of beneficiaries being taxed on these direct relief grants. Table D below details the current LB Recovery Act funding sources.

**Table D: Long Beach Recovery Act Funding Sources (in millions)**

<b>Funding Source</b>	<b>Total Program Allocation<sup>°</sup></b>
General Fund*	\$125.8
General Fund**	4.4
American Rescue Plan Act (ARPA) Direct Relief Grants**	10.0
Airport Rescue Grants <sup>^</sup>	15.1
Centers for Disease Control and Prevention (CDC) Public Health Workforce Development Grant	2.8
ELC Schools Re-Opening Safety Grant	1.1
Emergency Rental Assistance Program (ERAP) – Round 1	30.2
ERAP – Round 2	34.1
ERAP – Reallocation Funds	17.0
Epidemiology and Laboratory Capacity (ELC) Grant	26.8
Health Disparities Grant	7.7
HOME American Rescue Plan Program (HOME-ARP) ( <i>addressing homelessness</i> )	10.2
Long Beach Community Foundation – Ballmer Group Grant	0.1
Long Beach Community Foundation – Knight Donor Grant	0.2
Vaccination Grant	5.1
Youth Workforce Development Grant	6.3
<b>Total Funding Sources</b>	<b>\$296.9</b>

\* Funds made available due to funding from ARPA covering existing City services.

\*\* Funds made available due to funding from CARES covering existing City services, Police Department savings, and other sources.

++ This represents the portion of LB Recovery Act programs funded directly by ARPA. The remaining portion of ARPA funding will be used to support existing City services.

<sup>^</sup> Airport Grants are funded by ARPA as a direct allocation to the Airport Department. This is separate from the City's direct allocation of ARPA funds.

<sup>°</sup> Amounts rounded to the nearest tenths. Total amounts received will vary depending on actual funding received.

The Long Beach Recovery Act programs fall under three categories: Economic Recovery, Healthy and Safe Community, and Securing our City's Future. Table E summarizes the total funding by Program Category.

**Table E: Long Beach Recovery Act Program Categories (in millions\*)**

	<b>Updated Allocations</b>	<b>FY 21 Actuals</b>	<b>FY 22 Actuals</b>	<b>FY 23 Actuals</b>	<b>Balance Remaining</b>
Economic Recovery*	\$71.2	\$2.7	\$34.5	\$15.6	\$18.3
Healthy and Safe Community*	150.0	21.1	69.0	30.5	29.5
Securing Our City's Future	75.7	33.7	22.2	0.0	19.7
<b>Total LB Recovery Act</b>	<b>\$296.9</b>	<b>\$57.6</b>	<b>\$125.7</b>	<b>\$46.1</b>	<b>\$67.5</b>

\*Amounts rounded to the nearest tenths.

LB Recovery Act programs continue to evolve as additional funding sources and recovery needs are identified. Attachment B details the revised LB Recovery Act programs, sub-programs, and the associated allocation amounts. Staff will continue to report to the City Council any new recovery-related funding sources secured by the City through the bi-annual reports. Past reports are available on the City's Long Beach Recovery Act website at [www.longbeach.gov/recovery](http://www.longbeach.gov/recovery).

### **Appropriation Adjustments to Implement City Council-approved Memorandums of Understanding (MOUs)**

82. Increase appropriations by \$30,213,398 in the relevant departments and fund groups as shown on Attachment C to implement the Memorandums of Understanding (MOUs) approved by City Council as follows:

- On October 10, 2023, the City Council approved an MOU with the International Brotherhood of Electrical Workers (IBEW).
- On October 24, 2023, the City Council approved an MOU with the Long Beach City Attorneys Association (CAA).
- On November 14, 2024, the City Council approved an MOU with the International Association of Machinists and Aerospace Workers (IAM) and approved terms and conditions for Unrepresented Non-Management Employees.
- On December 5, 2023, the City Council approved an MOU with the Association of Engineering Employees (AEE).
- On December 19, 2023 the City Council approved an MOU with the Long Beach City Prosecutors Association (CPA), the Long Beach Association of Confidential



Employees (ACE), and the Long Beach Management Association (LBMA). Terms in the LBMA MOU are extended to unrepresented management employees.

- On February 6, 2024, the City Council approved an MOU with the Service Employees International Union (SEIU), Local 721 and a Letter of Agreement to the 2023-2026 MOU with the IBEW.

The MOUs listed above were implemented after FY 24 was underway. As such, the Adopted FY 24 Budget did not include the approved salary adjustments for the affected departments and funds. Instead, estimates for salary increases were factored into the calculation of the overall General Fund Group shortfall amount and budgetarily offset using both one-time solutions and General Fund reserves. Additionally, this appropriation adjustment includes a technical correction to increase appropriations for equity adjustments approved for the Lifeguard Association and was inadvertently excluded from the Adopted FY 24 Budget. Attachment C lists the requested department and fund appropriation increases.

Appropriation increases are requested to align FY 24 budget to the increased labor costs within departments and fund groups. The net total appropriation increase for all funds is \$30,213,398, of which \$11,170,275 is for the General Fund Group. The General Fund Group cost increases are partially offset by the planned set-aside of \$4,825,461 that was planned in the Adopted FY 24 Budget for potential negotiation-related costs. The availability of additional offsets to the remaining cost will be evaluated as part of FY 24 Mid-year review. Appropriation increases in non-General Fund Groups are offset by funds available in each relevant fund group. No appropriation adjustments are requested in the Capital Projects and Community Developments Grants Fund Groups as labor charges are budgeted and limited by currently budgeted projects and grant funds. Any costs that cannot be funded within current budgeted resources and limited by external funding limits will be closely reviewed during the year. Finally, this request excludes MOU impacts to the Harbor Department (totaling \$9,191,445) and the Utilities Department (totaling \$7,736,152). If needed, those two departments will return to City Council with a separate request for appropriation.

**SUGGESTED ACTION:**

Approve recommendation.

Respectfully submitted,



Kevin Riper  
Financial Management

APPROVED:



THOMAS B. MODICA  
CITY MANAGER

ATTACHMENTS:    A – SUMMARY OF PROPOSED BUDGET ADJUSTMENTS  
                          B – LONG BEACH RECOVERY ACT PROGRAM ALLOCATIONS  
                          C – SUMMARY OF PROPOSED ADJUSTMENTS FROM MOU WITH VARIOUS LABOR GROUPS