

17.1

September 10, 2024

Honorable Mayor and City Council
City of Long Beach
California

RECOMMENDATION:

Recommendation to receive supporting documentation into the record, conclude the public hearing, and take the actions necessary to adopt the Fiscal Year 2025 budget as listed in Attachment A. (Citywide)

DISCUSSION

On August 1, 2024, the City Manager's Proposed Budget for Fiscal Year 2025 (FY 25) was delivered by Mayor Richardson to the City Council and the community for consideration. The City Council budget hearings were held on January 16, March 19, August 6, August 13, August 27, September 3, and September 10, 2024. Additionally, Budget Oversight Committee (BOC) meetings were held on August 6, August 13, August 20, August 27, September 3, and September 10, and citywide community meetings were also held in the months of January and August 2024, at which the Proposed FY 25 Budget was discussed. As a result of these meetings, there were 23 scheduled opportunities for public feedback, deliberation, and input. Additionally, input was solicited through the Long Beach Budget Priority Survey in January and the Digital Budget Comment Card in August to obtain feedback on desired City priorities and input on the FY 25 Proposed Budget. Both the Budget Priority Survey and the Digital Comment Card were promoted on the City's website, Go Long Beach Newsletter, X, Instagram and Threads, Facebook, Reddit, Nextdoor, and at community meetings. In addition, physical copies of the Digital Comment Card were available in multiple languages at City Parks and in the City Council Chambers during Budget Oversight Committee meetings, Budget Hearings, and City Council meetings until Friday, August 23, 2024, and were available at any local library branch.

At the conclusion of the hearing on September 10, 2024, the City Council will amend the Proposed FY 25 Budget as deemed appropriate and adopt the proposed budget as amended.

As part of the FY 25 Budget Adoption, there are two Ordinances to be considered for approval in Attachment A. The first Ordinance amends the Departmental Organization of the City (A-6). The second is the Appropriations Ordinance (A-15), which officially appropriates the funding for the Adopted Budget (approved in A-3) and authorizes expenditures in conformance with the Adopted Budget. For the second Ordinance to become effective on October 1, 2024, the City Council must first declare an emergency to exist before adopting the Ordinance (A-14).

There are also six Resolutions to approve the Master Fees and Charges Schedule (A-4); amend the Salary Resolution (A-7); approve the budget for the Long Beach Harbor Department (A-8); fixing rates and charges for Water, Sewer, and Gas Services to all customers (A-9); approve the

budget for the Public Utilities Department (A-10); and establish the Gann Appropriations Limit (A-13). There are also the following motions: approve the Mayor's Recommendations (A-1); approve the BOC Proposed Funding Recommendations (A-2); amend the Proposed FY 25 Budget (A-3); approve the FY 25 One-Year Capital Improvement Program (A-5); approve the FY 25 Budget for the Long Beach Community Investment Company (A-11); and approve the Harbor Fund Group transfer (A-12).

This matter was reviewed by Deputy City Attorney Ashleigh Stone on August 22, 2024, and by Budget Manager Rebecca Bernstorff on August 13, 2024.

TIMING CONSIDERATIONS

In accordance with the City Charter, the Proposed FY 25 Budget must be adopted by September 15, 2024. Should the City Council fail to adopt the budget by that date, the City Manager's Proposed FY 25 Budget will be deemed the budget for the 2025 Fiscal Year. The Mayor has five calendar days from the City Council adoption of the budget to use his veto authority. The City Council would then have until September 30, 2024, to override the veto action by the Mayor with a two-thirds supermajority vote (six Councilmembers).

FISCAL IMPACT

The City Charter requires that the Appropriations Ordinance govern and control the expenditure and commitment amounts stated therein relating to City departments, offices, and agencies during each fiscal year. The total Proposed FY 25 Budget for all departments and fund groups is \$4,746,872,363, which comprises of \$3,624,525,401 in new appropriation and \$1,122,346,962 in estimated carryover from FY 24 for multi-year grants and projects. Attachments B, C, and D provide the financial overview by Fund Group and Department, and Citywide revenue by Fund Group, respectively.

The Appropriations Ordinance, included as Attachment A-15, totals \$3,608,877,692 for all Fund Groups except Harbor, Sewer, Water, and Gas Fund Groups, and \$3,614,685,724 for all departments except Harbor and Public Utilities Departments. The \$5,808,032 difference between Fund Groups and Departments is due to general City indirect costs budgeted in the Financial Management Department but charged to the Harbor, Water, Sewer, and Gas Fund Groups, which are not included in the Appropriations Ordinance by Fund Group.

The proposed Harbor, Water, Sewer, and Gas Fund Group budgets are in separate City Council Resolutions included as Attachment A-8 and A-10, respectively, and total \$1,137,994,671. This total figure reflects what is in the budget system, which may vary from the figures included in the resolutions, which allow for adjustments to be made to the adopted budget in an amount not exceeding 5 percent. The final budgets are \$761,058,651 for the Harbor Fund Group, \$180,028,243 for the Water Fund Group, \$32,947,356 for the Sewer Fund Group, and \$163,960,422 for the Gas Fund Group. The Board of Harbor Commissioners adopted the budget for the Harbor Department by minute order on June 10, 2024. The Board of Public Utilities Commissioners adopted the budget for the Public Utilities Department by Resolution on June 6, 2024.

User fees and charges in the Master Fees and Charges Schedule, included as Attachment A-4, have been adjusted due to changes in service and other factors. For details regarding these proposed new fees and adjustments, please see the List of Proposed Fees Adjustments for FY 25 that has been incorporated as Exhibits B and C to the Master Fees and Charges Resolution.

Other requested City Council actions include:

- Approving the FY 25 One-Year Capital Improvement Program (CIP) budget, included as Attachment A-5, which is contained in the Appropriations Ordinance.
- Amending the Departmental Organization Ordinance included as Attachment A-6. This amendment incorporates changes to departments, bureaus, and divisions for FY 25. These organizational changes are necessary to implement changes reflected in the Proposed FY 25 Budget. A redline version of the changes is also provided.
- Adopting the amended Salary Resolution for FY 25, which creates and establishes positions of employment while fixing and prescribing the compensation for officers and employees, is included as Attachment A-7. Historically, the Salary Schedule has been included alongside the Salary Resolution, for review by Council. Starting in FY 23, the Department of Human Resources will return to City Council at a later date for approval of the Salary Schedule to ensure accuracy and inclusion of new/updated classifications.
- Adopting the FY 25 Long Beach Community Investment Company (LBCIC) budget, included as Attachment A-11. The LBCIC budget is prepared annually for City Council approval and is a subset of the Housing Development Fund. The LBCIC oversees the delivery of housing and neighborhood revitalization services. The LBCIC approved its FY 25 Budget on May 15, 2024.
- Adopting a Resolution, included as Attachment A-13, establishing the Gann Appropriations Limit (Limit) for general purpose expenditures. In November 1979, the voters of the State of California (State) approved Proposition 4, also known as the Gann Initiative (Initiative). The Initiative places certain limits on the amount of tax revenue that can be appropriated each fiscal year. The Limit is based on actual appropriations during FY 79 and prevents overspending proceeds of taxes. Only those revenues that are considered as "proceeds of taxes" are subject to the Limit. The Limit is recalculated each fiscal year based on certain inflation and population factors provided by the State. The Proposed Budget includes tax revenue estimates that are at 49.71 percent of the 2024-2025 Appropriations Limit and, therefore, do not exceed the Limit. The City Auditor reviews this calculation for conformance to the law.

After the City Manager delivered the Proposed FY 25 Budget to the Mayor, minor technical adjustments were made to various funds and departments resulting in no bottom line changes at the fund level.

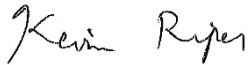
A new classification, Police Recruit Non-Career (PR-NC), is being requested to be created for use as needed with no budgetary impacts. The position will bolster Police Department's

recruitment and retention strategies by hiring and compensating police recruit applicants in advance of the next Police Academy session. This initiative addresses competition from local law enforcement agencies and aims to secure top candidates early, minimizing the risk of losing them to other agencies. PR-NC recruits will undergo pre-academy training and gain familiarity with department operations through administrative duties at the front desk, records management, and investigative support. This exposure, coupled with pre-academy training, will enhance the preparedness of police recruits for success in the Police Academy.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



Kevin Riper
Director
Financial Management

APPROVED:



THOMAS B. MODICA
CITY MANAGER

ATTACHMENTS

List of Requested Fiscal Year 2025 Budget Adoption Actions

1. Adopt the Mayor's proposed budget recommendations, as amended, to the Proposed FY 25 Budget. (A-1)
2. Adopt the Budget Oversight Committee's proposed funding recommendations, as amended, to the Proposed FY 25 Budget. (A-2)
3. Adopt the expenditures and revenues as identified in the Proposed FY 25 Budget, as amended. (A-3)
4. Adopt the Resolution amending the Master Fees and Charges Schedule for specified City services for Citywide fees and charges for the City of Long Beach. (A-4)
5. Approve the FY 25 One-Year Capital Improvement Program. (A-5)
6. Declare the Ordinance amending the Departmental Organization Ordinance read the first time and laid over to the next regular meeting of the City Council for final reading. (A-6)
7. Adopt the amended Salary Resolution for FY 25. (A-7)
8. Adopt the Resolution approving the FY 25 budget for the Long Beach Harbor Department as adopted by the Board of Harbor Commissioners on June 10, 2024. (A-8)
9. Adopt resolution approving Resolution UT-1518, a resolution of the City of Long Beach Public Utilities Commissioners Amending Resolution No. UT-1482 fixing rates and charges for water, sewer, and gas services to all customers. (A-9)
10. Adopt the Resolution approving the FY 25 budget of the Long Beach Public Utilities Department as adopted by the Board of Public Utilities Commissioners on June 6, 2024. (A-10)
11. Adopt a motion approving the FY 25 budget for the Long Beach Community Investment Company in the amount of \$5,725,142. (A-11)
12. Adopt a motion approving the estimated transfer of \$25,758,181 from the Harbor Fund Group to the Tidelands Operations Fund Group. (A-12)
13. Adopt the Resolution establishing the Gann Appropriations Limit for FY 25 pursuant to Article XIII (B) of the California Constitution. (A-13)
14. Declare an emergency to exist pursuant to City Charter Section 211 for the Appropriations Ordinance for FY 25, creating and establishing the fund groups of the Municipal Government and appropriating money to and authorizing expenditures from said funds and for said fiscal year. (A-14)
15. Declare the Appropriations Ordinance for FY 25, creating and establishing the fund groups of the Municipal Government and appropriating money to and authorizing expenditures from said funds and for said fiscal year as an Emergency Ordinance, read, and adopted as read and laid over to the next regular meeting of the City Council for final reading. (A-15)

FISCAL YEAR 2025 APPROPRIATIONS ORDINANCE BY FUND GROUP
(Does not include Harbor, Water, Sewer, and Gas Fund Groups)

<u>FUND GROUP</u>	<u>FY 25 PROPOSED EXPENDITURES</u>	<u>CHANGES</u>	<u>FY 24 ESTIMATED CARRYOVER*</u>	<u>FY 25 APPROPRIATIONS**</u>
GENERAL FUND	752,915,603	-	-	752,915,603
UPLAND OIL FUND	5,636,609	-	-	5,636,609
GENERAL GRANTS FUND	11,218,746	-	28,537,290	39,756,036
POLICE & FIRE PUBLIC SAFETY OIL PROD ACT FUND	2,238,619	-	-	2,238,619
HEALTH FUND	67,147,153	-	61,821,372	128,968,525
CUPA FUND	3,239,286	-	6,051	3,245,338
SPECIAL ADVERTISING & PROMOTION FUND	13,715,173	-	-	13,715,173
HOUSING DEVELOPMENT FUND	7,722,951	-	20,459,901	28,182,852
BELMONT SHORE PARKING METER FUND	849,990	-	-	849,990
BUSINESS ASSISTANCE FUND	773,229	-	5,011,075	5,784,304
COMMUNITY DEVELOPMENT GRANTS FUND	16,551,271	-	26,269,475	42,820,746
HOUSING AUTHORITY FUND	120,067,600	-	4,609,887	124,677,487
GASOLINE TAX STREET IMPROVEMENT FUND	12,939,365	-	16,482,234	29,421,600
CAPITAL PROJECTS FUND	207,482,326	-	723,384,908	930,867,234
SUCCESSOR AGENCY OPERATIONS	4,278,680	-	31,183,976	35,462,656
CIVIC CENTER FUND	24,652,920	-	2,091,446	26,744,366
GENERAL SERVICES FUND	93,655,943	-	18,243,984	111,899,926
FLEET SERVICES FUND	59,391,472	-	6,585,880	65,977,352
INSURANCE FUND	77,520,817	-	(630,841)	76,889,976
EMPLOYEE BENEFITS FUND	477,615,490	-	-	477,615,490
TIDELANDS OPERATIONS FUND	108,718,331	-	108,523,221	217,241,552
TIDELANDS AREA FUNDS	36,256,464	-	18,819,063	55,075,527
TIDELANDS OIL REVENUE FUND	87,748,865	-	-	87,748,865
RESERVE FOR SUBSIDENCE	-	-	-	-
DEVELOPMENT SERVICES FUND	40,349,217	-	(890,099)	39,459,119
GAS PREPAY	46,131,723	-	-	46,131,723
AIRPORT FUND	64,119,728	-	50,425,274	114,545,002
REFUSE/RECYCLING FUND	101,537,256	-	1,412,864	102,950,121
SERRF FUND	8,347,731	-	-	8,347,731
SERRF JPA FUND	-	-	-	-
TOWING FUND	8,093,427	-	-	8,093,427
DEBT SERVICE FUND	12,568,546	-	-	12,568,546
SUCCESSOR AGENCY - DEBT SERVICE	13,046,198	-	-	13,046,198
TOTAL	2,486,530,730	-	1,122,346,962	3,608,877,692

*Reflects estimated carryover for accounts with projects and grants as of 5/31/24.

**The total appropriations for all fund groups is \$4,746,872,363. This is derived from the total FY 25 Appropriations amount above, plus \$1,137,994,671 for the Harbor, Water, Sewer, and Gas Fund Groups not listed above. Note: figure may not account for rounding.

FISCAL YEAR 2025 APPROPRIATIONS ORDINANCE BY DEPARTMENT
(Does not include Harbor and Utilities Departments)

<u>DEPARTMENT</u>	<u>FY 25 PROPOSED EXPENDITURES</u>	<u>CHANGES</u>	<u>FY 24 ESTIMATED CARRYOVER*</u>	<u>FY 25 APPROPRIATIONS***</u>
MAYOR AND COUNCIL	8,934,809	-	(468)	8,934,341
CITY ATTORNEY	11,022,356	-	(3,900)	11,018,456
CITY AUDITOR	3,842,386	-	-	3,842,386
CITY CLERK	5,070,251	-	-	5,070,251
CITY MANAGER	24,974,397	-	6,769,132	31,743,529
CITY PROSECUTOR	8,006,936	-	953,593	8,960,530
CIVIL SERVICE	4,352,226	-	-	4,352,226
AIRPORT	63,186,317	-	50,078,690	113,265,007
DISASTER PREPAREDNESS & EMERGENCY COMMUNICATIONS	16,617,089	-	1,843,633	18,460,722
COMMUNITY DEVELOPMENT	77,170,619	-	74,126,239	151,296,857
ECONOMIC DEVELOPMENT	29,016,680	-	5,715,436	34,732,116
FINANCIAL MANAGEMENT**	786,483,029	-	156,852,199	943,335,228
FIRE	189,714,013	-	5,184,490	194,898,502
HEALTH AND HUMAN SERVICES	201,166,285	-	66,950,753	268,117,038
HUMAN RESOURCES	44,521,277	-	(680,530)	43,840,747
LIBRARY, ARTS, AND CULTURE	21,612,015	-	5,375,615	26,987,631
ENERGY RESOURCES	101,242,956	-	(7,785)	101,235,171
PARKS, RECREATION AND MARINE	85,334,857	-	36,598,787	121,933,644
POLICE	338,075,131	-	11,981,388	350,056,518
POLICE OVERSIGHT	1,798,512	-	-	1,798,512
PUBLIC WORKS	382,408,015	-	681,039,021	1,063,447,035
TECHNOLOGY & INNOVATION	87,788,608	-	19,570,669	107,359,278
TOTAL	2,492,338,763	-	1,122,346,962	3,614,685,724

*Reflects estimated carryover for accounts with projects and grants as of 5/31/24.

**Department of Financial Management includes internal service charges that are contained in the resolutions of the Harbor, Water, Sewer, and Gas Fund Groups for accounting, budgeting and treasury functions, and other citywide activities such as debt service.

***The total appropriations for all fund groups is \$4,746,872,363. This is derived from the total FY 25 Appropriations amount above, plus \$1,132,186,639 for the Harbor and Utilities Departments not listed above. Note: figure may not account for rounding.

FISCAL YEAR 2025 REVENUES BY FUND GROUP
(Does not include Harbor, Water, Sewer, and Gas Fund Groups)

<u>FUND GROUP</u>	<u>FY 25 PROPOSED REVENUES</u>	<u>CHANGES</u>	<u>FY 25 PROPOSED BUDGETED REVENUES</u>
GENERAL FUND	723,223,326	-	723,223,326
UPLAND OIL FUND	9,898,351	-	9,898,351
GENERAL GRANTS FUND	10,757,006	-	10,757,006
POLICE & FIRE PUBLIC SAFETY OIL PROD ACT FUND	2,265,348	-	2,265,348
HEALTH FUND	62,764,763	-	62,764,763
SPECIAL ADVERTISING & PROMOTION FUND	13,717,197	-	13,717,197
HOUSING DEVELOPMENT FUND	4,486,609	-	4,486,609
BELMONT SHORE PARKING METER FUND	893,794	-	893,794
BUSINESS ASSISTANCE FUND	728,199	-	728,199
COMMUNITY DEVELOPMENT GRANTS FUND	9,071,230	-	9,071,230
GASOLINE TAX STREET IMPROVEMENT FUND	12,628,624	-	12,628,624
CAPITAL PROJECTS FUND	209,008,929	-	209,008,929
CIVIC CENTER FUND	25,671,529	-	25,671,529
GENERAL SERVICES FUND	94,283,784	-	94,283,784
FLEET SERVICES FUND	78,268,670	-	78,268,670
INSURANCE FUND	85,388,496	-	85,388,496
EMPLOYEE BENEFITS FUND	478,273,017	-	478,273,017
TIDELANDS OPERATIONS FUND	105,398,036	-	105,398,036
TIDELANDS AREA FUNDS	32,764,952	-	32,764,952
TIDELANDS OIL REVENUE FUND	96,873,865	-	96,873,865
RESERVE FOR SUBSIDENCE	5,286,979	-	5,286,979
DEVELOPMENT SERVICES FUND	38,970,203	-	38,970,203
GAS PREPAY FUND	-	-	-
AIRPORT FUND	73,660,268	-	73,660,268
REFUSE/RECYCLING FUND	74,516,115	-	74,516,115
SERRF FUND	150,000	-	150,000
SERRF JPA FUND	-	-	-
TOWING FUND	7,323,379	-	7,323,379
HOUSING AUTHORITY FUND	125,902,164	-	125,902,164
SUCCESSOR AGENCY OPERATIONS	4,219,567	-	4,219,567
CUPA FUND	1,864,161	-	1,864,161
DEBT SERVICE FUND	10,974,916	-	10,974,916
SUCCESSOR AGENCY DEBT SERVICE	30,162,041	-	30,162,041
TOTAL	2,429,395,519	-	2,429,395,519

The C.O.R.E. Four Budget

Mayor Rex Richardson
FY 25 Budget Recommendations





Mayor's Budget Recommendations

As Long Beach's 29th Mayor, it is an honor to present the Proposed Fiscal Year 2025 (FY 25) budget in partnership with City Manager Tom Modica.

The City of Long Beach is at an important inflection point, and the way that we fund our core city services is changing. For decades, Long Beach has provided critical services like police officers, firefighters, and youth programs using revenues generated from local oil production activities. With a shifting legislative landscape at the state level, and our city's commitment to climate action over the next decade, these oil production activities will gradually come to an end. Additionally, with the end of federal recovery dollars this year and the city's projected budget shortfalls in years ahead, there is greater urgency behind our efforts to diversify the city's revenue base and transition to more reliable, alternative revenue sources.

The need to reimagine our city's revenue streams requires us to place a real focus on economic growth to continue delivering the core services our residents depend on. As a forward-thinking city that plans ahead to address our biggest challenges, what you will see throughout the FY 25 budget is a series of strategic and intentional investments designed to grow our economy in new and more sustainable directions, reduce our reliance on oil revenues, improve city services, and build a stronger financial future for our city.

In FY 24, we made notable progress on reducing homelessness for the first time in nearly a decade, breaking records on affordable housing production, and welcoming new companies to Long Beach that are bringing good-paying jobs and economic vibrancy with them. The FY 25 budget will accelerate this forward momentum by focusing on our **C.O.R.E. four priorities** for building a more prosperous future for Long Beach residents, neighborhoods, and businesses:

- I. **City Services**
- II. **Optimizing Growth**
- III. **Reconnecting Residents to Opportunity**
- IV. **Environmental Stewardship**

I. CITY SERVICES

When we meet with residents and neighborhood groups all around the City, we often hear about the need to place an increased focus on keeping our sidewalks clean, our streets in good condition, and our neighborhoods safe. We've heard our residents loud and clear, and as a part of the FY 25 budget, we've placed a deeper focus on improving the quality, visibility, and responsiveness of core city services so that every resident and neighborhood has access to the everyday resources they need to live with dignity and peace of mind.

Protecting Vital Public Safety Services

Public safety remains a top priority in the FY 25 budget, which invests more than **\$4.8 million in fire safety measures** including fire station enhancements, increasing arson investigations, and improving ambulance response times during periods of high call volume; **\$1.3 million for a Long Beach Police Department (LBPD) crime prevention unit** focused on proactively addressing crime trends citywide by taking illegal guns off our streets, apprehending known suspects, and enhancing overall safety through community engagement; and supporting expanded safety measures at Long Beach public libraries. The city's **new Police Training Academy campus** will also open its doors in 2025, and this state-of-the-art facility will allow the city to accommodate larger officer recruit classes to meet the police department's staffing needs.

Mayor's Investment & Policy Recommendations

- \$400,000 (\$150,000 in the General Fund and \$250,000 offset by an increase of \$250,000 in Construction and Demolition Recycling Program (C&D) revenue to expand **Crime Prevention Through Environmental Design (CPTED)** initiatives in impacted neighborhoods across the city to prevent crime and improve visibility through overgrown vegetation mitigation and tree trimming, landscaping and street furniture, sustainable neighborhood lighting, and other environmental design measures.
- \$100,000 in the General Fund to expand and pursue strategic policies, partnerships, **programmatic interventions year-round to reduce gun violence** and improve community safety in alignment with the S.T.R.O.N.G. Beach initiative and the Advancing Peace Neighborhood Activation program.
- \$50,000 in the General Fund to support public education resources, training, and curriculum for Long Beach residents and organizations regarding **hate speech and hate crime awareness, prevention, and response**, led by experienced community-based training providers.
- Recommend that the city negotiate a contract extension and a transition plan with LA Metro to redeploy the unit of LBPD officers currently assigned to policing LA Metro system locations to better support local public safety needs including patrol operations, safety enforcement efforts at the end of the Metro A Line platforms in downtown Long Beach, neighborhood bike safety teams, and quality of life officers.

Addressing Homelessness and Affordable Housing Needs

To build on the city's progress around addressing homelessness, the FY 25 budget will establish Long Beach's first **Office of Homeless Strategy and Partnerships** to lead the development of the city's new homelessness long-term strategic plan and continue expanding the capacity and coordination of shelter and outreach services. These coordinated efforts will help relocate more unhoused individuals off of neighborhood streets and parks, and into safe and stable housing. This budget also provides ongoing support to continue the **Tenant Right to Counsel Program** to protect tenants facing eviction and prevent families from falling into homelessness.

Mayor's Investment & Policy Recommendations

- Recommend that the Port of Long Beach explore its authority to expend funds on affordable housing opportunities that promote public health and economic resilience in port adjacent communities. Such opportunities may include first-time homebuyer assistance, shallow subsidies, the city's affordable ADU pilot program, community land trusts, and other programs designed to meet the interrelated housing and health needs of seniors, people with disabilities, youth, and low to moderate-income working families.

Ensuring Clean and Vibrant Neighborhoods for Families

In order to improve the conditions of our neighborhood streets and walkways for residents, children, and families, this budget will significantly **expand the capacity of the city's in-house Concrete Program and Slurry Seal Program** to accelerate concrete work production, increase sidewalk, curb, gutter and street repavement jobs, and address the backlog of needed street repairs. The Public Works Department will also invest **\$14.7 million to launch the city's organic waste collection program**, which will serve 10,000 residential accounts, and for future Citywide implementation serving over 112,000 residential accounts, securing residential organic carts and blue recycling bins for residents.



2024 LCPD Academy Class #98 Graduation Ceremony

Mayor's Investment & Policy Recommendations

- \$313,000 (\$163,000 in the General Fund and \$150,000 offset by an increase of \$150,000 C&D revenue) to bring the total funding for the **Youth Fund to \$1.15 million** to support the city's youth participatory budgeting process and direct investments into programs serving Long Beach youth.
- \$50,000 in the Special Advertising and Promotions (SAP) Fund for programming to support a **citywide youth visual arts contest** and matching grants for arts marketing projects, arts sustainability, expanded efforts for **arts equity in underserved communities**, and arts education in partnership with the Arts Council for Long Beach.
- \$25,000 in the General Fund for programming to support the **veteran outreach and education** efforts of the Veteran Affairs Commission.

Elevate '28 Investments in Improving City Services

Last year we unveiled the Elevate '28 Capital Improvements Plan, placing a historic focus over the next 5 years on investing in the city's public infrastructure, including complete streets and sidewalks, parks and open space, public art, and cultural centers all across Long Beach in preparation for the Olympics. In FY 25 more than **\$44 million** will be invested in the city's critical **transportation and mobility infrastructure** that supports the health of our local neighborhoods. This includes pedestrian, ADA curb ramp, bikeway, and traffic safety enhancements across all city neighborhoods; improvements to major street corridors, bridges, and alleys; upgrades to the Long Beach Convention Center; mural and public art restoration; and new citywide wayfinding signage.

2024 Grow Long Beach Announcement

Ford Motor Company EV Campus Coming to Long Beach



MAYOR
REX RICHARDS



II. OPTIMIZING GROWTH

In 2023, we launched the **Grow Long Beach Initiative** – a comprehensive economic development strategy focused on unlocking the potential of Long Beach’s fastest growing business sectors, and pursuing new revenue strategies to secure the city’s financial future and advance our transition from oil revenue dependence. As one of the largest venue cities for the upcoming LA28 Olympic and Paralympic Games, Long Beach is pursuing an ambitious set of strategies and investments to optimize the city’s potential for continued economic growth in the years leading up to the 2028 Olympics and beyond.

As we plan to proactively address anticipated budget shortfalls in the years ahead and protect the city against future financial uncertainty, we will identify and support policy opportunities at the city and county levels that expand resources for housing production and city services, and bolster the city’s economic resilience.

Accelerating Long Beach’s Economic Growth

In 2025, the City of Long Beach will launch a new **Signature Projects Division** within the Community Development department, a **Revenue Innovation, Strategy, and Enhancement Division (RISE)** in the Economic Development department, and an **Office of Protocols** to support foreign relations and diplomacy efforts in preparation for the 2028 Olympics – three cutting-edge organizational reforms that will strategically position Long Beach for future economic growth.

Mayor’s Investment & Policy Recommendations

- \$1,105,000 in the Development Services Fund to establish a new **Signature Projects Division** in the Community Development Department to support five dedicated city planners who will help streamline major city development projects such as the redevelopment of Queen Mary Island and Pier H, the Long Beach Convention Center and Elephant Lot, Shoreline Drive, and Alamitos Bay, among others.
- \$1,040,876 in the Tidelands Area Fund to establish a new **Revenue Innovation, Strategy, and Enhancement (RISE) Division** in the Economic Development department to expand the department’s capacity to manage city assets such as the Queen Mary, the Convention Center, Catalina Landing, Shoreline Marina, Alamitos Bay, the beach boardwalk, and other public properties in the Tidelands area, and leverage these assets to pursue new revenue generating and business development opportunities for the city.
- \$300,000 in the SAP Fund to **expand the city’s marketing, tourism, and advertising efforts** to raise the city’s national and international profile, and attract new business investment and jobs to locate to Long Beach.
- \$210,000 in the SAP Fund to structurally add an Assistant to the City Manager within the City Manager’s Department to head a new Office of Protocols responsible for supporting international diplomacy efforts between the City, the Port of Long Beach, and Visit LB, including sister city initiatives, dignitary visits, port related international engagements, foreign relations in preparation for the 2028 Olympics, and other international partnership efforts that will **raise Long Beach’s profile as a global city** and advance economic development opportunities.
- \$150,000 (\$75,000 in the SAP Fund and \$75,000 in the Tidelands Operating Fund) to develop an **Entertainment Strategic Plan** that coordinates planning, design, capital improvement, and marketing strategies for the anticipated public amphitheater, the Long Beach Terrace Theater, and other key music and performing arts venues to expand the city’s capacity for hosting large-scale cultural and entertainment events.
- \$100,000 in the General Fund towards programming efforts through the Long Beach Historical Society to document and archive the City of Long Beach’s important role in preparing for, and hosting, the 2028 Olympics.

- Recommend the City Manager work to identify and set aside the resources necessary to advance the development of Long Beach's **signature public amphitheater** facility.

Supporting Small Businesses

- The FY 25 budget also includes substantial investments to support the continued success of Long Beach's thriving business community by continuing the **Visual Improvement Grants program**, maintaining the staffing capacity of the BizCare program to provide ongoing technical assistance to small businesses, and broadening the city's collaboration with the Long Beach Economic Partnership to promote and attract emerging industries, tech start-ups, and private investment to Long Beach.

Mayor's Investment & Policy Recommendations

- \$250,000 in the General Fund to support the city's **Business Improvement Districts**, which could include programs for enhanced clean and safety activations, green space and environmental streetscape enhancements such as tree watering and maintenance, and business support and development.
- \$250,000 in the General Fund to support the continuation of the **Level Up LB: Extreme Small Business Makeover Program**, which provides intensive support to local small and diverse businesses including coaching around marketing, planning, financing, earning city contracts, and micro-grant to invest in their growth.

Elevate '28 Investments in Long Beach's Public Infrastructure

In FY 25 Long Beach residents will see more than **\$38 million in public infrastructure enhancements** including facility improvements to libraries, health centers, and community centers throughout the city; **\$3.5 million in senior center improvements**; planning for the development of a **Downtown Advertisement District**; cultural landmarks such as the **Cambodia Town Grand Entrance**, and resources to support the development of the **Latino, African American, and LGBTQ+ Cultural Centers**.

III. RECONNECTING RESIDENTS TO OPPORTUNITY

As the city continues to make progress in growing our economy, creating new jobs, and building more affordable housing over the coming years, we must ensure that our residents, businesses, and neighborhoods feel included in this progress and have meaningful access to the transformative opportunities this growth brings. After all, creating new opportunities has little value if local Long Beach residents do not get to participate in, or directly benefit from them.

Streamlining Pathways to Workforce Opportunities

In FY 25, we will champion innovative policy initiatives to better connect our communities to the resources and opportunities they need to thrive. By **revamping the organization and mandate of the Pacific Gateway Workforce Innovation Network**, the city's workforce development board, Long Beach will develop more streamlined pathways to prepare and connect residents to the jobs of the future in the city's fastest growing industries, such as aerospace and aviation, goods movement, and the renewable energy sector.

The City of Long Beach is also taking steps to **modernize our hiring and civil service systems and establish new hiring preferences** for jobs within the city government. These improvements will reduce the time it takes to fill vacancies, create a pipeline of diverse workers who come from local schools, universities, and apprenticeship programs, and ensure residents have access to good-paying union jobs that offer healthcare, a secure retirement, and economic stability. The city will also continue its second year of hosting the **Long Beach Public Service Corps**, a paid fellowship program that provides local college students hands-on experience working in city departments and places them on a path toward full-time employment with the City.

Mayor's Investment & Policy Recommendations

- Recommend to modernize the Pacific Gateway Workforce Innovation Network (PGWIN) as the “**Long Beach Workforce Innovation Network**” (LBWIN), and restructure the workforce development board’s leadership and composition to better align the agency’s mission and programs with the city’s Grow Long Beach Initiative, and better connect local residents to employment opportunities in Long Beach’s growth industries and the city’s public sector workforce.
- Request the City Manager to partner with the Governor’s California Jobs First Council and the Los Angeles Economic Development Corporation to help inform and develop **LA County’s regional Job’s First Strategy**, which will direct millions in state economic and workforce development investments to create more high-paying and family-supporting union jobs for local residents in growth industries.
- \$100,000 in the General Fund towards programming efforts through the Long Beach Center for Economic Inclusion to lead the development of an **Economic Inclusion Action Plan** and support workforce development strategies aligned with the City’s Grow Long Beach Initiative to connect residents to opportunities in the new economy.

Promoting Economic Mobility for Long Beach Residents

As the state and federal Long Beach Recovery Act (LBRA) dollars gradually come to an end this year, the FY 25 budget prioritizes resources to continue LBRA funded programs focused on connecting our most economically vulnerable residents and families to opportunities that provide lasting stability and security, including the **First-Time Homebuyer Program** offering down payment assistance, the Long Beach **Immigrant Justice Fund**, the Citywide Language Access Program, the city’s Employees-Youth Mentoring Program.



North Long Beach Higher Education Center
Mural by Guillermo Avalos

Mayor's Investment & Policy Recommendations

- \$250,000 in the General Fund to **stabilize the early care and education sector**, ensure universal access to quality childcare through tuition assistance, provide targeted outreach and enrollment support in partnership with LBWIN to reduce barriers for mothers and families seeking to reenter the workforce, partner with the Mayor's Fund and the Chamber of Commerce to encourage private companies to establish childcare tuition accounts as a workforce incentive, and leverage the city's investment as a local match to pursue federal dollars to further expand childcare opportunities.
 - \$250,000 in the Employee Benefit Fund to develop and launch a two-year **Public Service Student Debt Relief Pilot Program** to support the recruitment and retention of city employees by providing financial assistance and reducing the burden of student loan debt.
 - \$40,000 in the General Fund as a local match to secure two full-time fellows through the nationally recognized **FUSE Executive Fellowship Program** who will provide technical expertise and lead strategic projects to expand homeownership supports and financial assistance programs.
 - Request the City Manager to look at opportunities to partner with the Fund for Guaranteed Income and United Way of Los Angeles to develop the **Long Beach Housing Pledge** - a groundbreaking pilot program that will extend the city's commitment to guaranteed income, utilize direct cash payments to improve the Housing Choice Voucher program, and reduce the length of time it takes to find an apartment so that low-income families and renters have access to higher quality housing options.
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IV. ENVIRONMENTAL STEWARDSHIP

All Long Beach residents and families deserve clean air, clean water, and access to well-maintained parks and open space that promote community activation, recreation, and reduce the impacts of extreme heat. In this year's budget, Long Beach is leading the way on investing in green spaces, particularly in neighborhoods most burdened by poor air quality and environmental health challenges, and expanding its green infrastructure to reduce greenhouse gas emissions, improve air quality, and advance the city's climate action goals.

Maintaining our Beaches, Waterways, Parks, and Urban Canopy

The FY 25 budget includes staffing support for the **citywide tree planting and habitat restoration program**, prioritizes resources to structurally fund a 7-year tree trimming cycle in our parks to ensure proper maintenance of our urban canopy, and funds **expanded beach-clean up** and trash collection operations to maintain our coastline. The budget also directs \$1 million for the **Willow Springs Trailhead Project**, in line with the city's commitment to develop new open space, improve stormwater capture, and reduce the urban heat island effect especially in communities most vulnerable to the impacts of climate change.

Mayor's Investment & Policy Recommendations

- \$2,000,000 offset by an increase in the C&D revenue to support facility energy efficiency upgrades and various climate and sustainability enhancements at **Hamilton Loop** (\$300,000), **51st Street Greenbelt** (\$1,000,000), and **MLK Park** (\$700,000).
- \$1,800,000 offset by an increase in the C&D revenue to support the procurement and installation of a **Trash Interceptor Barge in the Los Angeles River** to improve water quality throughout Alamitos Bay and the Long Beach coastline.
- \$1,000,000 offset by an increase in the C&D revenue as grant match to advance project design and CEQA review for the **Green Terminal Island Freeway project** to create more park space in West Long Beach.
- \$900,000 offset by an increase in the C&D revenue to support greening initiatives on **Santa Fe Boulevard**.
- \$85,000 offset by an increase in C&D revenue to improve the City's operational and technical capacity to **expand Long Beach's urban canopy to reach 100,000 trees by 2026**, with a focus on increasing tree density in climate impacted communities.

Advancing Climate Action to Reduce Emissions

The FY 25 budget includes staffing capacity for the city's **Advanced Clean Fleets project** to continue Long Beach's nationally recognized leadership in electric vehicle transition efforts. This budget invests **\$4.8 million** in a variety of **greenhouse gas emission reduction actions** including residential energy efficiency rebates, direct install energy efficiency programs, electric vehicle charging stations, electric vehicle replacements, park energy efficiency lighting upgrades, and cool roof and HVAC replacements at libraries and police stations. Additionally, the FY 25 budget will establish an **in-house Bikeshare program** to manage and operate over 1,400 e-bikes spread across 100 bike share hubs to encourage more Long Beach residents to use bicycling as an alternative to driving, and reduce vehicle traffic and emissions.


Mayor's Investment & Policy Recommendations

- \$1,000,000 offset by an increase in the C&D revenue to **extend the current Long Beach Circuit** contract for another service period and evaluate the feasibility of implementation of a third service zone to expand mobility options and reduce vehicle traffic.
- Recommend that the Gas Fund Group transfer be maintained at \$13,797,641, instead of the decreased Gas Fund Transfer of \$13,000,000 that was received following the finalization of the FY 25 General Fund projected outlook and balancing strategy.

Elevate '28 Investments in Open Space and Climate Resilience

In FY 25, the Elevate '28 plan makes substantial investments in enhancing the quality of parks and open space in every part of Long Beach including Silverado Park, Bixby Park, Cesar Chavez Park, Heartwell Park, and Houghton Park, among others, with more than **\$13 million dedicated to park improvements** for playgrounds, park fields, greenbelt walking paths, and community gardens. This budget will also include nearly **\$3 million for water quality enhancements** at Alamitos Bay, open channel restoration at Colorado Lagoon, and citywide storm drain improvements to better manage stormwater.

The total \$1,478,000 recommendations made on a one-time basis in the General Fund Group will be funded by reallocating \$488,280 funds from the proposed one-time funding for critical projects to be identified by the City Manager, by reallocating \$900,000 funds appropriated for unexpected labor and critical needs, and by reallocating \$90,000 of the \$150,000 General Fund one-time support for the Innovation funds leaving a balance of \$60,000 to support exploring emerging technology solutions. Recommendations funded by C&D revenue will be appropriated in the Development Services Fund Group, fully offset by C&D revenue. Recommendations from all other funding sources will be funded by funds available within each respective fund.



El Dorado Duck Pond Restoration Project

For more information on the budget visit: longbeach.gov/finance



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To request this information in an alternative format or to request a reasonable accommodation, please contact Financial Management at 562.570.6225. A minimum of three (3) business days is requested to ensure availability. Reasonable attempts will be made to accommodate request made within less than three (3) business days.