

Highlights from the <u>Proposed Three-Year Financial Strategic Plan</u> and the <u>"Voice Your Choice: Community Survey on City Services</u>"

Your input counts! Your feedback will help to inform the City Council's decisions in March and April. Join the discussion in a series of community workshops, at the following times and locations:

Thursday, February 6, 6:30 p.m.— 8:00 p.m. California Recreation Center, 1550 Martin Luther King, Jr. Avenue

Monday, February 10, 6:30 p.m. — 8:00 p.m. Veterans Park Social Hall, 101 E. 28th Street

Thursday February 13, 6:30 p.m.— 8:00 p.m. Recreation Park, Bruin's Den, 4900 E. Seventh Street

Wednesday, February 19, 6:30 p.m.— 8:00 p.m. Houghton Park, Child Care Room, 6301 Myrtle Avenue

Thursday, February 20, 6:30 p.m.— 8:00 p.m. El Dorado Library Meeting Room, 2900 Studebaker Road

> Monday, February 24, 6:30 p.m.— 8:00 p.m. Main Library Auditorium, 101 Pacific Avenue

> **Citywide Town Hall Meeting** Saturday, March 1, 10:00 a.m.— 12:00 p.m. Long Beach Energy, 2400 E. Spring Street

In addition, on Tuesday, February 18, the City Council will hold a budget workshop to discuss the Plan at the City Hall Council Chambers from 2:00 p.m.— 4:00 p.m.

The complete text of <u>survey results</u>, the <u>Three-Year Financial Strategic Plan</u> and <u>Budget Advisory</u> <u>Committee recommendations</u> are available at <u>www.longbeach.gov</u> and over 20 City facilities, including the Neighborhood Resource Center, City Hall, police stations, all libraries and the Facility Centers.

#### City of Long Beach Proposed Three-Year Financial Strategic Plan Summary

#### The City's Structural Deficit

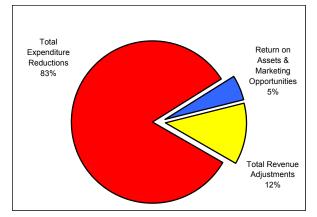
The City of Long Beach is facing a structural budget deficit, where ongoing expenses exceed revenues. The City has managed this structural gap for the past 15 years; however, resources used to bridge previous gaps can no longer support the growing deficit. The deficit has grown significantly in recent years due to an increase in the number and costs of programs, new capital projects, inflation, wage and benefit cost increases, and the loss of revenue due to the voter-approved Utility Users Tax (UUT) cut.

#### Voice Your Choice

The City sought the assistance of the community through the <u>Voice Your Choice: Community</u> <u>Survey on City Services</u>. The survey helped to prioritize community services, and defined opportunities to reduce spending and develop ways to increase revenues. Over 10,600 community surveys were returned, and further input was received through the Community Meeting on City Services held on November 26, 2002 at the Convention Center.

#### **Proposed Three-Year Financial Plan**

The Acting City Manager used data collected from the community and employees to develop a <u>Proposed Three-Year Financial Strategic Plan</u> (the Plan) for the City Council's consideration. This Plan proposed cost reductions and revenue enhancements to address the estimated \$90 million structural deficit over the next three years. The Plan is based primarily on cost reductions.



#### Major Components of Structural Deficit Reduction

## Recommended Cost Reductions and Revenue Enhancements

The following is a summary of the recommended cost reductions and revenue adjustments in the Plan, by category with dollar value and percentage of the overall solution:

Cost Reductions	Dollar Value	%
General Admin. & Management	11.3 million	$1\frac{70}{3.2}$
Employee Compensation & Benefits	23.4 million	27.2
Contracting Opportunities	3.8 million	4.4
Operational & Org. Changes	6.9 million	8.1
Capital Projects & Infrastructure	2.9 million	3.3
Maintenance Reductions	2.5 million	2.9
Materials, Supplies & Equipment	4.8 million	5.6
Recreation Services	1.9 million	2.2
Library Services	846,876	1.0
Public Safety Support Services	8.7 million	10.1
Public Safety Emergency Services	1.4 million	1.7
Arts & Cultural Programs	1.1 million	1.3
Communication & Promotions	411,149	0.5
Business Services & Attraction	312,215	0.4
Code Enforcement	692,333	0.8
Revenue Enhancements		
Return on Assets/Marketing	4.5 million	5.3
New Fees & Taxes	4.6 million	5.4
Existing Fees or Taxes	5.8 million	6.7

#### **Next Steps**

Continued dialogue and deliberation are critical next steps in this Budget Evaluation Process. Clear and timely feedback regarding the proposed Plan is essential to encourage the input needed for informed decision-making. Therefore, the following outreach will be performed:

- The complete text of survey results, the Plan and Budaet Advisorv Committee recommendations are available at www.longbeach.gov and over 20 City facilities. including the Neighborhood Resource Center, City Hall, police stations, all libraries and the Facility Centers.
- A series of six community meetings and another Budget Workshop will be held to discuss the Plan, culminating in a Citywide Town Hall meeting to share the collective feedback (please refer to the preceding page for a complete schedule of events.)

It is anticipated that the City Council will endorse a Plan by March/April 2003, which will allow staff to initiate the formal FY 04 budget process.

The City appreciates your cooperation, and looks forward to continued collaboration with the community toward a healthier future.

## "VOICE YOUR CHOICE" Final Survey Results

Category	"Essential" or "Important"	"Nice to Have" or "Not Important
Arts and Cultural Programs		
Community Arts	43.9%	56.1%
Historic Ranchos and museums	50.7%	49.3%
Municipal Band	30.2%	69.8%
Theater arts	42.2%	57.8%
Business Services		
Business Attraction and retention	76.6%	23.4%
Business Watch (crime prevention)	82.2%	17.8%
Community planning and zoning assistance	73.0%	27.0%
Code Enforcement		
Animal Control	80.3%	19.7%
Health Code enforcement	88.6%	11.4%
Historic preservation of homes/buildings	49.7%	50.3%
Noise code enforcement	70.2%	29.8%
Property/building inspections	80.5%	19.5%
Communication, Promotions and Special Events		
City cable television programs/Channel 21	20.4%	79.6%
City Website	20.4% 39.8%	60.2%
City Website	39.8%	60.2%
City Website City support of parades/ special events	39.8% 32.8%	60.2% 67.2%
City Website City support of parades/ special events Community information publications and advertising Tourism/convention promotion	39.8% 32.8% 38.1%	60.2% 67.2% 61.9%
City Website City support of parades/ special events Community information publications and advertising Tourism/convention promotion	39.8% 32.8% 38.1%	60.2% 67.2% 61.9%
City Website City support of parades/ special events Community information publications and advertising Tourism/convention promotion Facility Construction and Repair Library construction and repair Other City facilities construction and repair (Senior Center, health building,	39.8% 32.8% 38.1% 63.5% 75.0%	60.2% 67.2% 61.9% 36.5% 25.0%
City Website City support of parades/ special events Community information publications and advertising Tourism/convention promotion Facility Construction and Repair Library construction and repair Other City facilities construction and repair (Senior Center, health building, City Hall)	39.8% 32.8% 38.1% 63.5% 75.0% 71.4%	60.2% 67.2% 61.9% 36.5% 25.0% 28.6%
City Website City support of parades/ special events Community information publications and advertising Tourism/convention promotion Facility Construction and Repair Library construction and repair Other City facilities construction and repair (Senior Center, health building,	39.8% 32.8% 38.1% 63.5% 75.0%	60.2% 67.2% 61.9% 36.5% 25.0%
City Website City support of parades/ special events Community information publications and advertising Tourism/convention promotion Facility Construction and Repair Library construction and repair Other City facilities construction and repair (Senior Center, health building, City Hall) Park maintenance and development	39.8% 32.8% 38.1% 63.5% 75.0% 71.4% 78.2%	60.2% 67.2% 61.9% 36.5% 25.0% 28.6% 21.8%
City Website City support of parades/ special events Community information publications and advertising Tourism/convention promotion Facility Construction and Repair Library construction and repair Other City facilities construction and repair (Senior Center, health building, City Hall) Park maintenance and development Public safety buildings Library Services	39.8% 32.8% 38.1% 63.5% 75.0% 71.4% 78.2% 75.0%	60.2% 67.2% 61.9% 36.5% 25.0% 28.6% 21.8% 25.0%
City Website City support of parades/ special events Community information publications and advertising Tourism/convention promotion Facility Construction and Repair Library construction and repair Other City facilities construction and repair (Senior Center, health building, City Hall) Park maintenance and development Public safety buildings Library Services Book/media lending	39.8% 32.8% 38.1% 63.5% 75.0% 71.4% 78.2% 75.0% 68.4%	60.2% 67.2% 61.9% 36.5% 25.0% 28.6% 21.8% 25.0% 31.6%
City Website City support of parades/ special events Community information publications and advertising Tourism/convention promotion Facility Construction and Repair Library construction and repair Other City facilities construction and repair (Senior Center, health building, City Hall) Park maintenance and development Public safety buildings Library Services Book/media lending Books-by-mail program for the homebound	39.8% 32.8% 38.1% 63.5% 75.0% 71.4% 78.2% 75.0% 68.4% 53.9%	60.2% 67.2% 61.9% 36.5% 25.0% 28.6% 21.8% 25.0% 31.6% 46.1%
City Website City support of parades/ special events Community information publications and advertising Tourism/convention promotion Facility Construction and Repair Library construction and repair Other City facilities construction and repair (Senior Center, health building, City Hall) Park maintenance and development Public safety buildings Library Services Book/media lending Books-by-mail program for the homebound Homework Help program	39.8% 32.8% 38.1% 63.5% 75.0% 71.4% 78.2% 75.0% 68.4% 53.9% 55.7%	60.2% 67.2% 61.9% 36.5% 25.0% 28.6% 21.8% 25.0% 31.6% 46.1% 44.3%
City Website City support of parades/ special events Community information publications and advertising Tourism/convention promotion Facility Construction and Repair Library construction and repair Other City facilities construction and repair (Senior Center, health building, City Hall) Park maintenance and development Public safety buildings Library Services Book/media lending Books-by-mail program for the homebound Homework Help program Library teen programs	39.8% 32.8% 38.1% 63.5% 75.0% 71.4% 78.2% 75.0% 68.4% 53.9% 55.7% 55.0%	60.2% 67.2% 61.9% 36.5% 25.0% 28.6% 21.8% 25.0% 31.6% 46.1% 44.3% 45.0%
City Website City support of parades/ special events Community information publications and advertising Tourism/convention promotion Facility Construction and Repair Library construction and repair Other City facilities construction and repair (Senior Center, health building, City Hall) Park maintenance and development Public safety buildings Library Services Book/media lending Books-by-mail program for the homebound Homework Help program	39.8% 32.8% 38.1% 63.5% 75.0% 71.4% 78.2% 75.0% 68.4% 53.9% 55.7%	60.2% 67.2% 61.9% 36.5% 25.0% 28.6% 21.8% 25.0% 31.6% 46.1% 44.3%

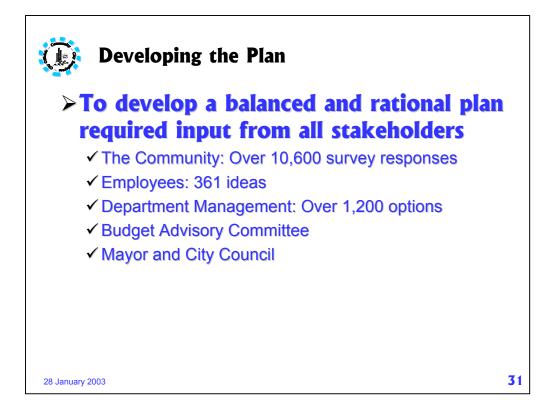
## "VOICE YOUR CHOICE" Final Survey Results

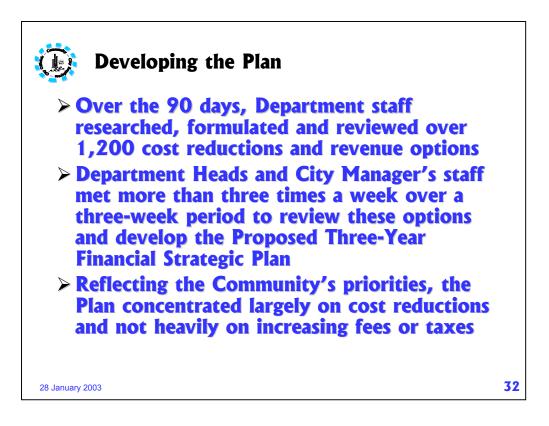
## Non-Emergency Public Safety

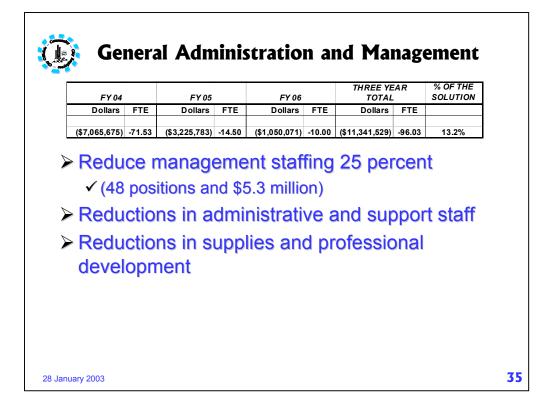
Non-Emergency Public Safety		
Community Emergency Response Training (CERT)	68.3%	31.7%
Community safety education programs (Neighborhood Watch)	65.3%	34.7%
DARE Program (Student drug awareness)	61.1%	38.9%
Fire safety education (at schools)	61.1%	38.9%
Gang Prevention	86.7%	13.3%
Neighborhood Police centers	78.7%	21.3%
Park Rangers	63.7%	36.3%
Police Athletic League (PAL)	36.7%	63.3%
Public Safety Fairs	33.2%	66.8%
School Crossing guards	80.7%	19.3%
Recreation		
Adult Sports	31.1%	68.9%
Child care and summer camps	60.4%	39.6%
Free youth sports	57.1%	42.9%
Mobile recreation trailers and portable skate parks	27.6%	72.4%
Nature center programs	44.6%	55.4%
Senior programs and services	65.7%	34.3%
Supervised playgrounds (schools and parks)	69.1%	30.9%
Swimming pools	49.1%	50.9%
Teen centers	59.8%	40.2%
Streets and Sidewalks		
	70.00/	22.00/
Free graffiti removal	78.0%	22.0%
Pothole/street repair	93.7%	6.3%
Sidewalks, curb and gutter repair	90.2%	9.8%
Street Landscaping	66.0%	34.0%
Weekly street sweeping	72.8%	27.2%
Revenues		Percent "Yes"
Increase in the Hotel Bed Tax (Transient Occupancy Tax)		39.8%
Increase in fees for select City programs (sports programs, animal control		
fees, ambulance fees)		35.5%
Increase in fines for parking/traffic tickets		36.9%
Support an admissions tax on arts and entertainment to fund arts programming		36.6%
Support a bond measure for parks, recreation and library facilities		35.1%
Support a bond measure for public safety facilities		30.2%
Support a bond measure for streets, sidewalks and alley improvement		36.7%
I would not support any revenue increases		15.6%

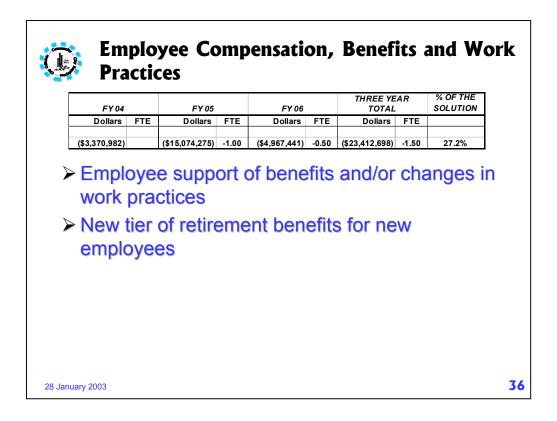
## Proposed Three-Year Financial Strategic Plan

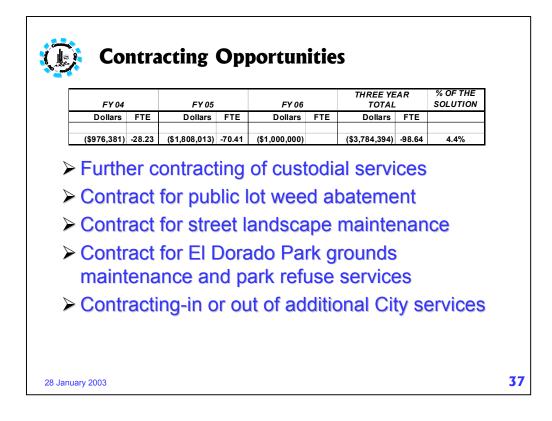
Category	FY 04		FY 05		FY 06		Three Year Total		% of the Solution
	Dollars	FTE	Dollars	FTE	Dollars	FTE	Dollars	FTE	
Estimated Structural Budget Gap	\$52,000,000		\$30,000,000		\$8,000,000		\$90,000,000		
Structural Deficit Remaining from Prior Year			\$11,676,014		\$6,401,213				
Total New Structural Gap	\$52,000,000		\$41,676,014		\$14,401,213				
Carry-over from Previous Year	(\$11,703,428)		(\$2,652,414)		(\$176,201)				
Current Year Budget Gap	\$40,296,572		\$39,023,600		\$14,225,012				
General Administration and Management	(\$7,065,675)		(\$3,225,783)		(\$1,050,071)		(\$11,341,529)		13.2%
Employee Compensation, Benefits & Work Practices	(\$3,370,982)		(\$15,074,275)		(\$4,967,441)		(\$23,412,698)		27.2%
Contracting Opportunities	(\$976,381)		(\$1,808,013)		(\$1,000,000)		(\$3,784,394)		4.4%
Operational and Organizational Changes	(\$5,275,668)		(\$1,627,087)		(\$38,048)		(\$6,940,803)		8.1%
Capital Projects and Infrastructure	(\$1,257,664)		(\$1,101,416)		(\$500,000)		(\$2,859,080)		3.3%
Maintenance Reductions	(\$518,385)		(\$2,000,706)				(\$2,519,091)		2.9%
Materials, Supplies and Equipment	(\$3,903,203)		(\$876,121)				(\$4,779,324)		5.6%
Recreation Services	(\$751,135)		(\$1,120,725)		(\$42,430)		(\$1,914,290)		2.2%
Library Services	(\$846,876)						(\$846,876)		1.0%
Public Safety Support and Related Services	(\$3,656,426)		(\$2,289,036)		(\$2,777,709)		(\$8,723,171)		10.1%
Public Safety Emergency Services	(\$146,676)		(\$1,300,000)				(\$1,446,676)		1.7%
Arts and Cultural Programs	(\$780,858)		(\$300,000)				(\$1,080,858)		1.3%
Communication, Promotions and Special Events	(\$197,441)		(\$213,708)				(\$411,149)		0.5%
Business Services and Attraction	(\$312,215)						(\$312,215)		0.4%
Code Enforcement	(\$184,402)		(\$507,931)				(\$692,333)		0.8%
TOTAL EXPENDITURE REDUCTIONS	(\$29,243,986)	-193	(\$31,444,801)	-220	(\$10,375,699)	-74	(\$71,064,486) -	487	82.7%
Return on Assets & Marketing Opportunities	(\$4,520,000)						(\$4,520,000)		5.3%
New Fees or Taxes	(\$790,000)		(\$3,830,000)				(\$4,620,000)		5.4%
Existing Fees or Taxes	(\$5,770,000)						(\$5,770,000)		6.7%
TOTAL REVENUE ADJUSTMENTS	(\$6,560,000)		(\$3,830,000)				(\$10,390,000)		12.1%
Impact to Structural Deficit	(\$40,323,986)		(\$35,274,801)		(\$10,375,699)		(\$85,974,486)		100.00%
One-time Revenues/Transfers	(\$2,625,000)		(\$3,925,000)		(\$3,925,000)		(\$10,475,000)		
							<u>,                                  </u>		
Total Cost/Revenue Adjustments (including one- time)	(\$42,948,986)		(\$39,199,801)		(\$14,300,699)		(\$96,449,486)		
Carry-over Fund Balance	(\$2,652,414)		(\$176,201)		(\$75,687)				
STRUCTURAL DEFICIT REMAINING	\$11,676,014		\$6,401,213		\$4,025,514				

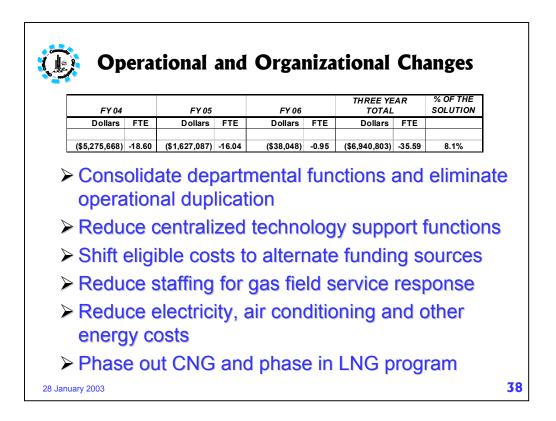


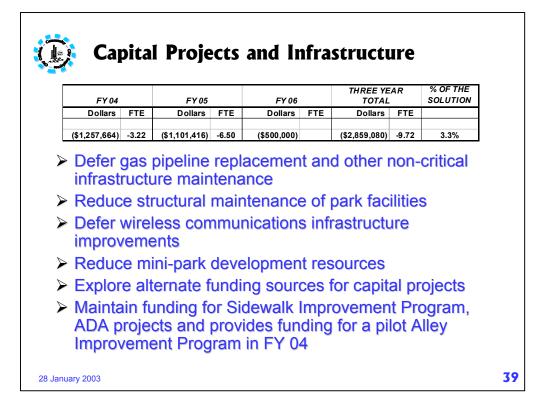


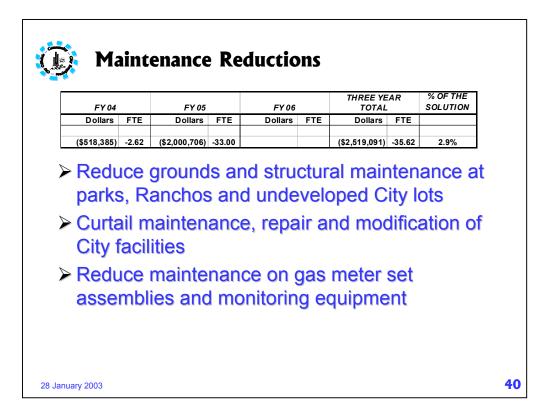


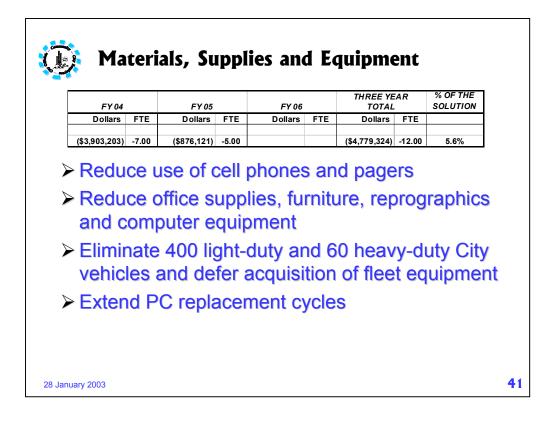




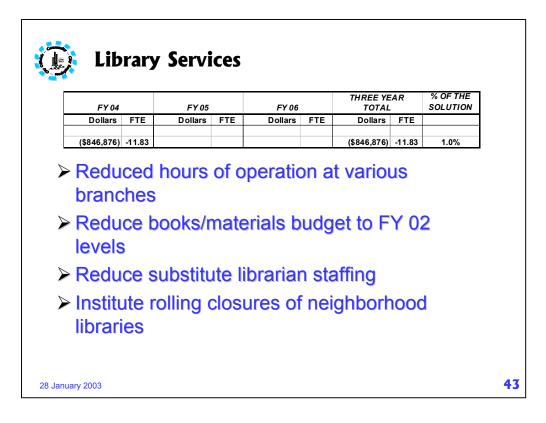


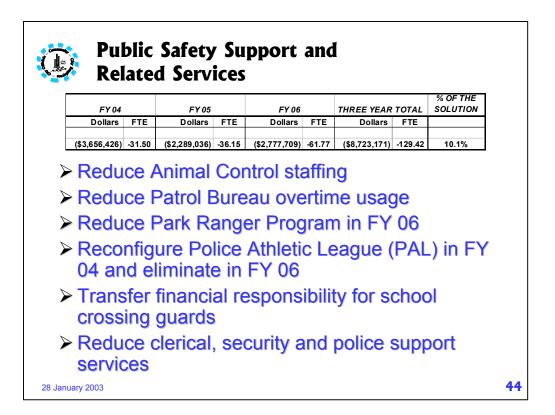


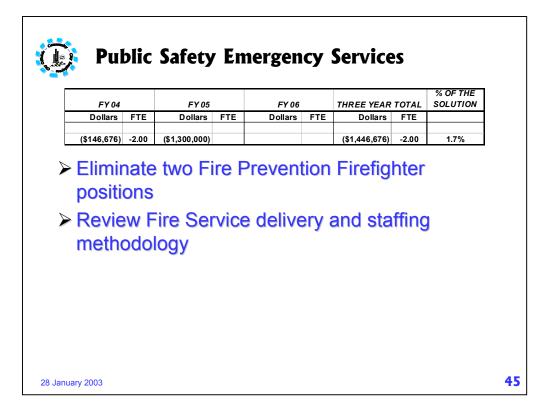


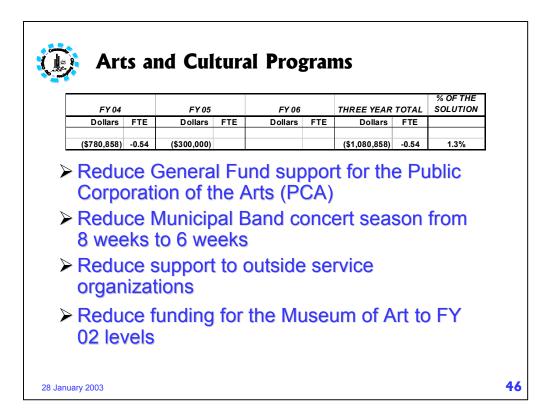


FY 04		FY 05	FY 05			THREE YEAR TOTAL		% OF THE SOLUTION
Dollars	FTE	Dollars	FTE	Dollars	FTE	Dollars	FTE	
(\$751,135)	-5.20	(\$1,120,725)	-29.66	(\$42,430)	-0.88	(\$1,914,290)	-35.74	2.2%
Reduc	e er	vironme	ental	educati	onal	l prograr	ns	
		staffing a					me	
Reduc	e pr	ogram a	nd s	ervice s	upp	ort to the	e Ra	inchos
		-						
	ictur	e volunt						
Restru		e volunt		•				











28 January 2003

# Communication, Promotions and Special Events

FY 04	FY 04			FY 06		THREE YEAR TOTAL		% OF THE SOLUTION
Dollars	FTE	Dollars	FTE	Dollars	FTE	Dollars	FTE	
(\$197,441)	-1.00	(\$213,708)	-2.00			(\$411,149)	-3.00	0.5%

Reduce size and number of City publications
Consolidate public information efforts

47

