

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

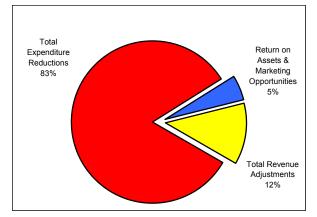
The City of Long Beach is facing a structural budget deficit, where ongoing expenses exceed revenues. The City has managed this structural gap for the past 15 years; however, resources used to bridge previous gaps can no longer support the growing deficit. The deficit has grown significantly in recent 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"<br>or<br>"Important"   | "Nice to<br>Have" or<br>"Not<br>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%<br>39.8%   | 60.2%  |
|  |  |  |
| City Website   | 39.8%  | 60.2%  |
| City Website<br>City support of parades/ special events  | 39.8%<br>32.8%   | 60.2%<br>67.2%   |
| City Website<br>City support of parades/ special events<br>Community information publications and advertising<br>Tourism/convention promotion  | 39.8%<br>32.8%<br>38.1%  | 60.2%<br>67.2%<br>61.9%  |
| City Website<br>City support of parades/ special events<br>Community information publications and advertising<br>Tourism/convention promotion  | 39.8%<br>32.8%<br>38.1%  | 60.2%<br>67.2%<br>61.9%  |
| City Website<br>City support of parades/ special events<br>Community information publications and advertising<br>Tourism/convention promotion<br>Facility Construction and Repair<br>Library construction and repair<br>Other City facilities construction and repair (Senior Center, health building,   | 39.8%<br>32.8%<br>38.1%<br>63.5%<br>75.0%  | 60.2%<br>67.2%<br>61.9%<br>36.5%<br>25.0%  |
| City Website<br>City support of parades/ special events<br>Community information publications and advertising<br>Tourism/convention promotion<br>Facility Construction and Repair<br>Library construction and repair<br>Other City facilities construction and repair (Senior Center, health building,<br>City Hall)   | 39.8%<br>32.8%<br>38.1%<br>63.5%<br>75.0%<br>71.4%   | 60.2%<br>67.2%<br>61.9%<br>36.5%<br>25.0%<br>28.6%   |
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| City Website<br>City support of parades/ special events<br>Community information publications and advertising<br>Tourism/convention promotion<br>Facility Construction and Repair<br>Library construction and repair<br>Other City facilities construction and repair (Senior Center, health building,<br>City Hall)<br>Park maintenance and development   | 39.8%<br>32.8%<br>38.1%<br>63.5%<br>75.0%<br>71.4%<br>78.2%  | 60.2%<br>67.2%<br>61.9%<br>36.5%<br>25.0%<br>28.6%<br>21.8%  |
| City Website<br>City support of parades/ special events<br>Community information publications and advertising<br>Tourism/convention promotion<br>Facility Construction and Repair<br>Library construction and repair<br>Other City facilities construction and repair (Senior Center, health building,<br>City Hall)<br>Park maintenance and development<br>Public safety buildings<br>Library Services  | 39.8%<br>32.8%<br>38.1%<br>63.5%<br>75.0%<br>71.4%<br>78.2%<br>75.0%                                     | 60.2%<br>67.2%<br>61.9%<br>36.5%<br>25.0%<br>28.6%<br>21.8%<br>25.0%                                     |
| City Website<br>City support of parades/ special events<br>Community information publications and advertising<br>Tourism/convention promotion<br>Facility Construction and Repair<br>Library construction and repair<br>Other City facilities construction and repair (Senior Center, health building,<br>City Hall)<br>Park maintenance and development<br>Public safety buildings<br>Library Services<br>Book/media lending  | 39.8%<br>32.8%<br>38.1%<br>63.5%<br>75.0%<br>71.4%<br>78.2%<br>75.0%<br>68.4%                            | 60.2%<br>67.2%<br>61.9%<br>36.5%<br>25.0%<br>28.6%<br>21.8%<br>25.0%<br>31.6%                            |
| City Website<br>City support of parades/ special events<br>Community information publications and advertising<br>Tourism/convention promotion<br>Facility Construction and Repair<br>Library construction and repair<br>Other City facilities construction and repair (Senior Center, health building,<br>City Hall)<br>Park maintenance and development<br>Public safety buildings<br>Library Services<br>Book/media lending<br>Books-by-mail program for the homebound   | 39.8%<br>32.8%<br>38.1%<br>63.5%<br>75.0%<br>71.4%<br>78.2%<br>75.0%<br>68.4%<br>53.9%                   | 60.2%<br>67.2%<br>61.9%<br>36.5%<br>25.0%<br>28.6%<br>21.8%<br>25.0%<br>31.6%<br>46.1%                   |
| City Website<br>City support of parades/ special events<br>Community information publications and advertising<br>Tourism/convention promotion<br>Facility Construction and Repair<br>Library construction and repair<br>Other City facilities construction and repair (Senior Center, health building,<br>City Hall)<br>Park maintenance and development<br>Public safety buildings<br>Library Services<br>Book/media lending<br>Books-by-mail program for the homebound<br>Homework Help program                          | 39.8%<br>32.8%<br>38.1%<br>63.5%<br>75.0%<br>71.4%<br>78.2%<br>75.0%<br>68.4%<br>53.9%<br>55.7%          | 60.2%<br>67.2%<br>61.9%<br>36.5%<br>25.0%<br>28.6%<br>21.8%<br>25.0%<br>31.6%<br>46.1%<br>44.3%          |
| City Website<br>City support of parades/ special events<br>Community information publications and advertising<br>Tourism/convention promotion<br>Facility Construction and Repair<br>Library construction and repair<br>Other City facilities construction and repair (Senior Center, health building,<br>City Hall)<br>Park maintenance and development<br>Public safety buildings<br>Library Services<br>Book/media lending<br>Books-by-mail program for the homebound<br>Homework Help program<br>Library teen programs | 39.8%<br>32.8%<br>38.1%<br>63.5%<br>75.0%<br>71.4%<br>78.2%<br>75.0%<br>68.4%<br>53.9%<br>55.7%<br>55.0% | 60.2%<br>67.2%<br>61.9%<br>36.5%<br>25.0%<br>28.6%<br>21.8%<br>25.0%<br>31.6%<br>46.1%<br>44.3%<br>45.0% |
| City Website<br>City support of parades/ special events<br>Community information publications and advertising<br>Tourism/convention promotion<br>Facility Construction and Repair<br>Library construction and repair<br>Other City facilities construction and repair (Senior Center, health building,<br>City Hall)<br>Park maintenance and development<br>Public safety buildings<br>Library Services<br>Book/media lending<br>Books-by-mail program for the homebound<br>Homework Help program                          | 39.8%<br>32.8%<br>38.1%<br>63.5%<br>75.0%<br>71.4%<br>78.2%<br>75.0%<br>68.4%<br>53.9%<br>55.7%          | 60.2%<br>67.2%<br>61.9%<br>36.5%<br>25.0%<br>28.6%<br>21.8%<br>25.0%<br>31.6%<br>46.1%<br>44.3%          |

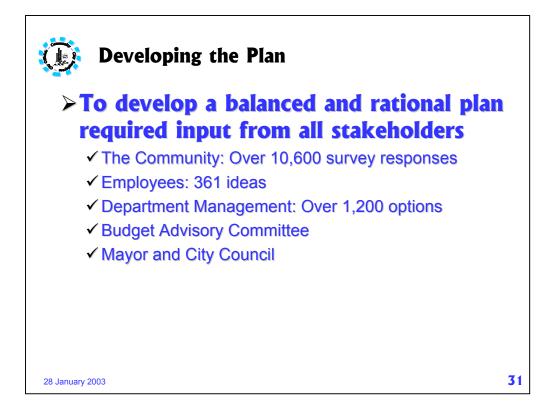
## "VOICE YOUR CHOICE" Final Survey Results

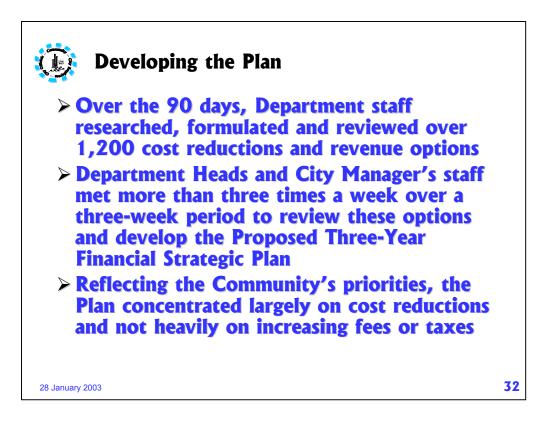
## Non-Emergency Public Safety

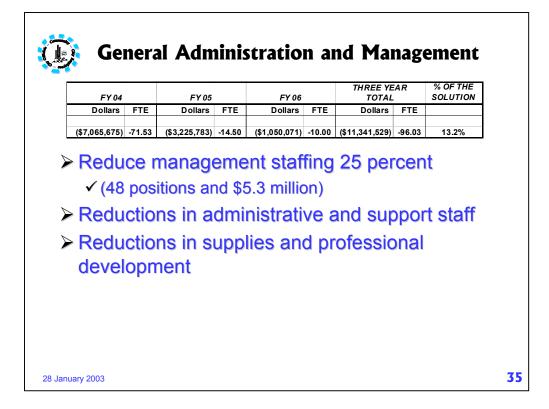
| Non-Emergency Public Safety  |        |                  |
|--|--------|------------------|
|  |        |                  |
| Community Emergency Response Training (CERT)                                 | 68.3%  | 31.7%            |
| Community safety education programs (Neighborhood Watch)                     | 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<br>"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%            |

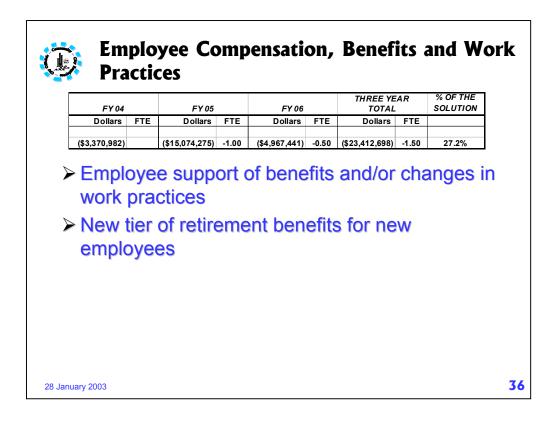
## Proposed Three-Year Financial Strategic Plan

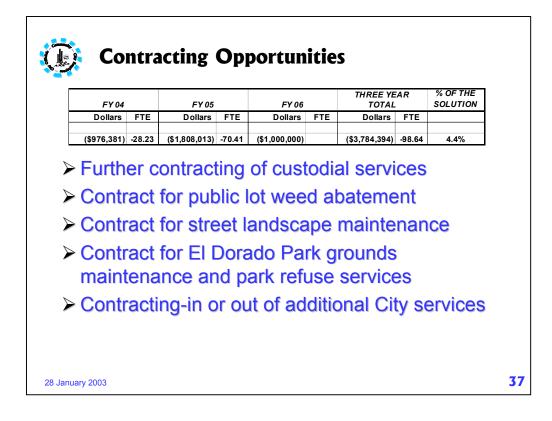
| Category  | FY 04          |      | FY 05          |      | FY 06          |     | Three Year Total                           |     | % of the<br>Solution |
|---|----------------|------|----------------|------|----------------|-----|--|-----|----------------------|
|   | Dollars        | FTE  | Dollars        | 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-<br>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    |     |  |     |                      |

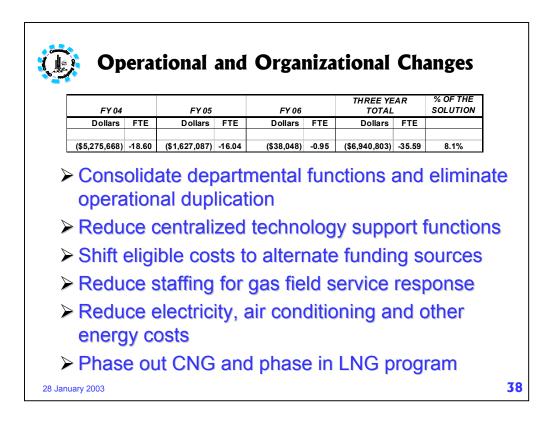


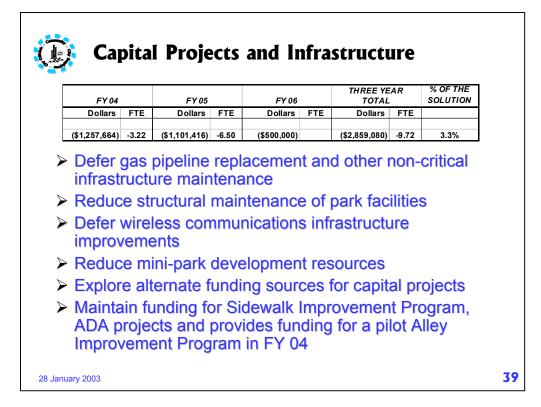


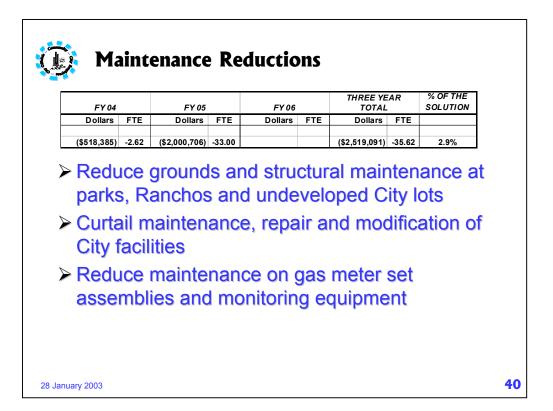


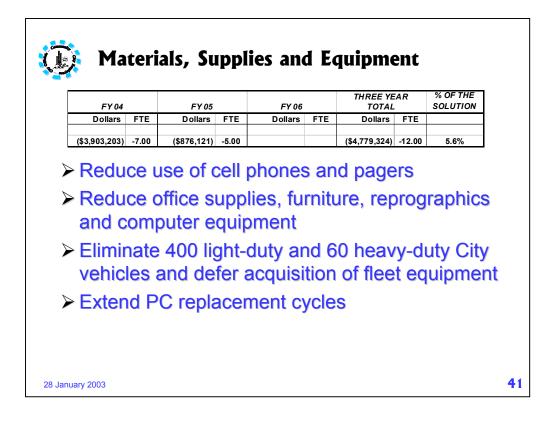




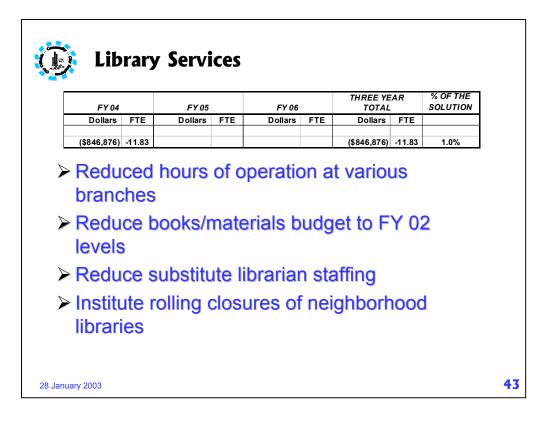


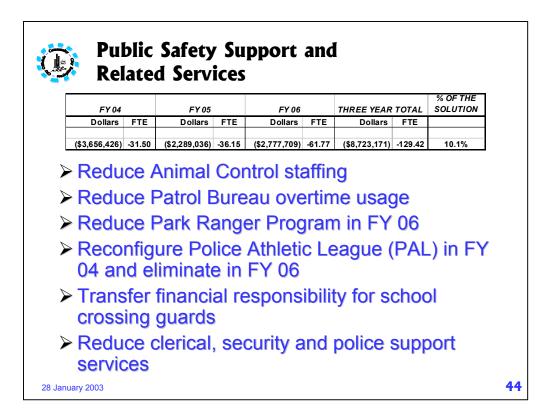


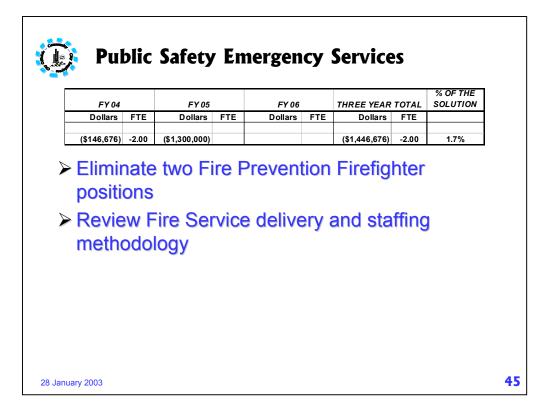


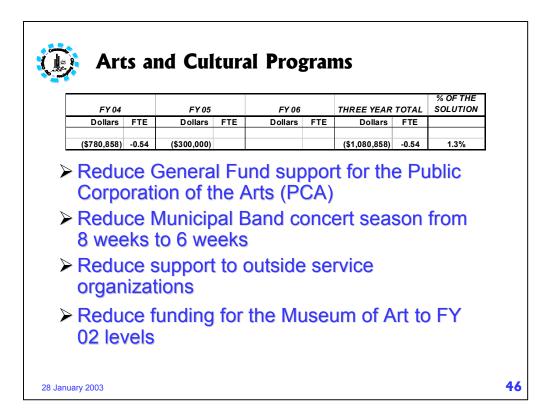


| FY 04       |       | FY 05         | FY 05  |            |       | THREE YEAR<br>TOTAL |        | % OF THE<br>SOLUTION |
|-------------|-------|---------------|--------|------------|-------|---------------------|--------|----------------------|
| Dollars     | FTE   | Dollars       | FTE    | Dollars    | 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<br>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

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