



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

333 West Ocean Boulevard 6th Floor • Long Beach, CA 90802

February 5, 2013

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Receive and file the Fiscal Year 2012 Year-End Budget Performance Report, and increase appropriations in various funds across many departments for various purposes to reflect final expenditures. (Citywide)

DISCUSSION

This report reflects the City's Fiscal Year 2012 (FY 12) budget performance and technical adjustments. The information provided is preliminary. The books for FY 12 are not fully closed and the audit for FY 12 will not be completed until approximately the end of March 2013. The report includes financial information for all funds and departments. While the financial report primarily discusses the General Fund, significant variances in other funds are highlighted where applicable.

The technical FY 12 year-end appropriation adjustments are included in the second part of this report to correct any funds that surpassed their appropriation limits.

YEAR-END PERFORMANCE REPORT

All Funds

The FY 12 Adopted Budget totals \$2.8 billion and covered 21 departments, including the separately managed Water and Harbor Departments. After a poor start in terms of revenues, FY 12 ended better than expected from a revenue perspective. The information that follows is based on a preliminary close of the City's financial books.

The City's FY 12 Adopted Budget for all funds includes \$2.8 billion of annual funds, \$652.5 million of carryover (multi-year grants and capital project funds) and prior year encumbrances (goods and services ordered in FY 11 but received in FY 12), and \$7.2 million of City Council-approved budget amendments, bringing the total Adjusted City Budget to \$4.2 billion. Please see Attachment A for a breakdown of Citywide expenditures by fund.

The City has seven fund types divided into 39 funds that comprise the \$4.2 billion adjusted budget. Most of these funds are restricted funds, such as the Harbor Fund, Gas Fund and Tidelands Funds that are designated for specific and limited activities. The majority of core community services provided in the City, such as police and fire services, libraries and parks are largely supported by the General Fund, which comprises only 9.7 percent of the entire Adjusted City budget. For a discussion of notable fiscal performance in non-General Fund funds, please see the Other Funds section of this report.

General Fund

The General Fund ended the fiscal year with a small funds available balance of approximately \$500,000. Due mainly to revenues improving the latter half of the year over original projections, the General Fund was able to set aside approximately \$3.6 million for liabilities in FY 13 for potential State disallowed RDA expenditures.

General Fund Revenues were \$397.4 million, including \$5.2 million intended for reservations for specific purposes (CalPERS/ Furlough protection per POA contract, Police Department repayment to Asset Forfeiture Fund and the emergency reserve increase from Uplands Oil), and not for normal ongoing operations. Expenditures totaled \$386.6 million at fiscal year-end, plus \$1.5 million in carry over expenses (i.e., City Council approved one-times related to Uplands Oil), significantly less than the adjusted budget.

The steps taken by the City in FY 12 to manage the budget through a weak economy were successful. All Departments managed their individual budgets well and revenues showed signs of stabilization.

General Fund Revenue

As of fiscal year-end, \$397.4 million of General Fund revenue was received, including one-time revenue. General Fund revenue net of one-times was \$380.7 million. A General Fund mid-year revenue shortfall was projected as a result of economically impacted revenue sources such as Utility Users Tax, Pipeline Franchise Fees, Towing and SERRF Fund transfers, among others. One-time revenues deferred from FY 11 were planned to mitigate the under-performing revenues. As a result of better performance in departmental revenues, changes to accounting for revenue accruals, which resulted in one-times revenue growth in FY 12 and the continued rebound in Citywide revenues such as property tax and sales tax, the General Fund ended FY 12 with more revenue than projected at mid-year.

The three largest General Fund revenues, Secured Property Tax, Sales and Use Tax, Property Tax In-lieu of VLF/Motor Vehicle In-Lieu, ended the fiscal year between 1.1 percent and 2.7 percent above projected levels. While a portion of the variance in Motor Vehicle In-Lieu was the result of a prior-year correction by the State, the other revenue increases were a result of better than expected revenue growth.

The combination of the mid-year revenue adjustments, improved revenue performance in some areas and unanticipated one-time revenues eliminated the need for supplemental

revenue action to balance the budget. As a result, the \$5 million in deferred FY 11 transfers from other funds, authorized by the City Council for transfer in FY 12, was not needed and remains in the respective financial funds.

Attachment C provides a breakdown of General Fund revenue performance by department. Many of the departmental variances are identified in the footnotes to this attachment.

General Fund Expenditures by Department

Actual General Fund spending for FY 12 at the department level came in at \$386.6 million, or at 96.3 percent of the adjusted budget, as shown in Attachment D. All departments ended the fiscal year with General Fund expenditures within adjusted budget limits. In response to a projected revenue shortfall at mid-year, the City Manager initiated a 1 percent savings target for departments to come in under budget by 1 percent to ensure that the General Fund was not overspent. Actions taken by Departments to curtail spending not only met the 1 percent savings target, but exceeded it.

In the Legislative Department, the District Offices and Mayor's Office operate and manage their own individual budgets. Seven of the nine District Offices and the Mayor's Office ended the year within budget. Those District Offices with surpluses in excess of \$500 will be requesting the reallocation of those funds to Departments for projects within their districts as part of the FY 13 First Quarter Budget Adjustments. The other two Council Districts exceeded their FY 12 budgets; one has requested a reallocation of their funds in this report to cover their overage, while the other District's overage will be covered by fund balance in the General Fund.

RDA Impact to the General Fund

The Successor Agency to the Redevelopment Agency of the City of Long Beach was created as a result of State legislation AB 1X 26 (dissolution of redevelopment agencies as of February 1, 2012). One of the main functions of the Successor Agency is to oversee current projects until completion with approval from the State of California Department of Finance (DOF). After clarifications and decisions from the DOF on allowable contracts and expenses, there have been impacts to the General Fund as certain expenses were, at least temporarily, rejected by the State. In FY 12, the disallowed expenses include \$3.6 million in debt repayments.

In addition, the Due Diligence Review (DDR) report for the Housing Fund was completed and reviewed by the DOF with no disallowed costs found. As of this writing, a report for the Successor Agency has been completed and submitted for review to the DOF. The DDR report for the Successor Agency disallowed approximately \$68,000 in transfers. Other transactions may be impacted at a later date when the State finalizes reimbursements and appeals. An update will be provided to the Mayor and City Council during the Budget kickoff presentation in the spring.

Other Funds

Towing

The Towing Fund supports towing operations to clear vehicles involved in accidents, impound vehicles, and also supports the City's fleet. In FY 12, there was a 3.8 percent decline in completed tows, down from 13,681 in FY 11 to 13,250 in FY 12. As a result, towing fee vehicle storage fees and lien sales revenue experienced declines, resulting in year-over-year revenue declines of \$706,611. Personnel costs and other discretionary expenses were reduced by \$250,721 for a net decline of \$455,888.

Police & Fire Public Safety Oil Production Act (Proposition H)

On May 1, 2007, the voters approved the Police and Fire Public Safety Oil Production Tax (Proposition H), a special tax of 25 cents, with an annual CPI increase on every barrel of oil produced, restricted to fund police and fire services. The tax assessed in FY 12 was \$0.27/barrel of oil produced. The Fund began FY12 with a balance of \$637,789 and ended with \$959,748. The FY 13 Adopted Budget includes appropriation authority for both the Police and Fire departments to spend a combined \$800,000 of the excess FY 12 ending fund balance. The remaining balance will be addressed in future budgets.

Uplands Oil

The Uplands Oil Fund supports the oil operations outside the Tidelands area and accounts for all costs and revenues for the City's proprietary oil interests and for the accumulation of reserves to pay for the City's portion of well abandonment and site-clearance liabilities. Revenues and expenditures fluctuate significantly throughout the year due to changes in the price of oil. Oil production costs and transfers to the General Fund make up the majority of expenditures.

On October 4, 2011, the City Council authorized the expenditure of \$18.4 million in one-time oil revenue for one-time public safety, infrastructure and technology projects. Attachment E summarizes the expenditures associated with those one-time funds. The total transfer in FY 12 was \$31.3 million, including \$12.9 million of reliable base oil revenue budgeted at \$55 per barrel for ongoing operations. As of fiscal year-end, the Uplands Oil Fund has an ending available fund balance of \$4.4 million, which will be included in the FY 14 Proposed Budget.

TECHNICAL FY 12 YEAR-END APPROPRIATION ADJUSTMENTS

On September 6, 2011, the City Council adopted the Appropriations Ordinance governing the City's Adopted Budget for FY 12. Periodically, changes in revenue or operating conditions require 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. In accordance with the City's practice, these adjustments are presented quarterly to the City Council for consideration.

Uplands Oil Fund

On May 22, 2012, the City Council approved an increase to the Long Beach Gas and Oil Department's appropriations for its oil operations budget based on an estimated annual average price of \$100 per barrel. Oil prices, and thus its associated expenses, were higher than expected. Therefore, an additional appropriation increase of \$1.2 million is required to account for the higher production and operating costs. Oil revenues offset this appropriation increase. This appropriation is for oil production costs and has no relation to the use of net oil revenue for General Fund operations or one-time costs.

- Increase appropriations in the Upland Oil Fund (SR 134) in the Long Beach Gas & Oil Department (GO) by \$1,200,000 offset by oil revenues.

Municipal Band

The Department of Parks, Recreation and Marine (PR) is requesting an appropriation increase in the amount of \$91,000 to pay for activities associated with the 2012 Municipal Band Summer Concert Season. Revenues generated from sponsorship and private donations offset this appropriation increase.

- Increase appropriations in the Tidelands Operations Fund (TF 401) in the Department of Parks, Recreation and Marine (PR) by \$50,000.
- Increase appropriations in the Special Advertising and Promotions Fund (SR 133) in the Department of Parks, Recreation and Marine (PR) by \$41,000.

Half Percent Sales Tax

The Police Department receives the Half Percent Sales Tax (Proposition 172) from the State of California, to be used for public safety activities. In FY 12, the amount received exceeded budget authority and an appropriation increase is requested.

- Increase appropriations in the General Grants Fund (SR 120) in the Police Department (PD) by \$488,534 offset by revenues.

Successor Agency AB 1484

Pursuant to AB 1484, the Successor Agency contracted with an independent auditor to complete a Due Diligence Review (DDR) to establish the amount of unencumbered Low-Moderate Income Housing Funds available for the transfer to the County Auditor-Controller for distribution to the taxing entities. The DDR report identified an unencumbered balance of \$30,940,972. In compliance with AB 1484, the funds are required to be remitted to the County Auditor-Controller by the Successor Agency. This budget adjustment accounts for the transfer from the Housing Successor Fund to the Successor Agency Fund in preparation for disbursement to the State Controller.

- Increase appropriations in the Housing Successor Fund (SR 135) in the Department of Development Services (DV) by \$30,940,972.

Successor Agency Debt Service Fund

The Successor Agency Debt Service Fund was established in February 2012 to account for payments of the former Redevelopment Agency's bond debt, pursuant to the dissolution of the Redevelopment Agency. The schedule used to budget the debt service was short \$1,212,854 and an appropriation increase is requested to fully fund debt service costs.

- Increase appropriations in the Successor Agency-Redevelopment Obligation Retirement Debt Service Fund (SA 277) in the Department of Development Services (DV) by \$1,212,854.

Harbor – Police MOU

The Police Department has exceeded appropriations in the Tidelands Operating Fund for the Port Security Unit. An appropriation increase is requested to account for services provided to the Port of Long Beach, offset by revenues from the Port.

- Increase appropriations in the Tidelands Operating Fund (TF 401) in the Police Department (PD) by \$114,098 offset by revenues.

Community Facilities District Debt Payment

During the transition of Asset Management Bureau to Public Works, the appropriation for servicing the annual debt payment for the CFD 2007-2 Belmont Shore 2009 SPCL TX BD was inadvertently omitted. This bond was issued to pay for capital improvement projects in the Belmont Shore Parking and Business Improvement Area. Dedicated parking meter revenue in Belmont Shore is used to pay this debt service.

- Increase appropriation in the Belmont Shore Parking Meter Fund (SR 136) in the Department of Public Works (PW) by \$160,470.

Council District Overage

The Eighth Council District was allocated \$500,000 in the Capital Projects Fund (CP) for District infrastructure repairs and projects, from the \$18.4 million in one-time FY 11 oil revenues. The Eighth Council District came in \$15,966 over their District Office budget, for costs incurred by the prior Councilmember. An appropriation increase is requested to move unspent one-time Uplands Oil funds from CP to the General Fund to cover the personnel overages.

- Increase appropriations in the General Fund (GP) in the Legislative Department (LD) by \$15,966.
- Decrease appropriations in the Capital Projects Fund (CP) in the Department of Public Works (PW) by \$15,966.

TIMING CONSIDERATIONS

City Council action on this matter is required prior to the closing of the City's books for FY 12 at the end of January.

FISCAL IMPACT

To accurately reflect FY 12 year-end transactions the following actions are requested:

- Increase appropriations in the Upland Oil Fund (SR 134) in the Long Beach Gas & Oil Department (GO) by \$1,200,000 offset by oil revenues.
- Increase appropriations in the Tidelands Operations Fund (TF 401) in the Department of Parks, Recreation and Marine (PR) by \$50,000 offset by revenues.
- Increase appropriations in the Special Advertising and Promotions Fund (SR 133) in the Department of Parks, Recreation and Marine (PR) by \$41,000 offset by revenues.
- Increase appropriations in the General Grants Fund (SR 120) in the Police Department (PD) by \$488,534 offset by revenues.
- Increase appropriations in the Housing Successor Fund (SR 135) in the Department of Development Services (DV) by \$30,940,972.
- Increase appropriations in the Successor Agency-Redevelopment Obligation Retirement Debt Service Fund (SA 277) in the Department of Development Services (DV) by \$1,212,854.
- Increase appropriations in the Tidelands Operating Fund (TF 401) in the Police Department (PD) by \$114,098 offset by revenues.
- Increase appropriations in the Belmont Shore Parking Meter Fund (SR 136) in the Department of Public Works (PW) by \$160,470.
- Increase appropriations in the General Fund (GP) in the Legislative Department (LD) by \$15,966.
- Decrease appropriations in the Capital Projects Fund (CP 201) in the Department of Public Works (PW) by \$15,966.

HONORABLE MAYOR AND CITY COUNCIL
February 5, 2013
Page 8

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

JG:JIM:RAG
K:\Budget\FY 12\Quarterly Budget Reports\Year End\FY 12 Year End Quarter Budget Performance Report.doc

ATTACHMENTS

APPROVED:



PATRICK H. WEST
CITY MANAGER

Year-End 2012
Expenditure Analysis by Fund - Fiscal Year 2012

Fund	FY 12 New Allocation	Estimated All-Years Carryover ¹	FY 12 Adopted Appropriation	Amendments ²	Year-End Adjustments ³	Adjusted Budget	Year-to-Date Actuals	Remaining	% Spent
Funds with All Years Carryover									
Airport	40,009,253	64,837,870	104,847,123	7,821,418		112,668,540	64,309,081	\$48,359,459	57.1%
Business Assistance	723,288	1,340,574	2,063,862	467,101		2,530,963	286,882	\$2,244,081	11.3%
Capital Projects	4,880,009	159,084,775	163,964,784	(5,127,332)	(15,966)	108,837,452	17,758,623	\$91,078,830	16.3%
Civic Center ⁴	1,309,512	724,955	2,034,467	77,557		2,112,024	694,373	\$1,417,651	32.9%
Community Development									
Grants	28,160,185	29,985,248	58,145,432	(3,597)		58,141,835	27,475,022	\$30,666,814	47.3%
Fleet Services	31,301,278	(577,111)	30,724,167	4,810,526		35,534,693	26,781,300	\$8,753,393	75.4%
Gas	123,543,074	12,564,139	136,107,213	5,028,041		141,135,254	114,662,261	\$26,472,993	81.2%
Gas Tax Street Improvement	16,653,929	21,805,942	38,459,871	2,276,207		40,736,077	12,309,447	\$28,426,631	30.2%
General Grants	6,368,921	11,051,337	17,420,258	22,707,494	488,534	40,127,751	19,130,067	\$20,997,685	47.7%
General Services	38,857,906	189,233	39,047,139	15,210,294		54,257,433	41,728,525	\$12,528,908	76.9%
Health	39,156,197	27,986,943	67,142,740	1,038,106		68,180,847	34,889,866	\$33,290,980	51.2%
Housing Authority	73,268,134	658,353	73,926,487	6,155,723		80,082,210	78,697,763	\$1,384,447	98.3%
Housing Successor	28,177,360	55,104,629	83,281,989	10,876,722	30,940,972	94,158,711	51,890,318	\$42,268,394	55.1%
Insurance	38,864,900	295,483	39,160,383	(113,928)		39,046,455	34,752,982	\$4,293,473	89.0%
Redevelopment Funds	170,977,877	188,160,508	359,138,385	(8,275,572)		350,862,813	106,555,114	\$244,307,699	30.4%
Refuse/Recycling	43,690,702	122,138	43,812,840	1,852,540		45,665,379	43,165,039	\$2,500,341	94.5%
Successor Agency				252,997,483	1,212,854	252,937,483	121,922,611	\$132,227,726	48.2%
Tidelands	131,779,936	60,733,543	192,513,479	151,501,851	164,098	344,015,330	235,931,392	\$108,083,937	68.6%
Transportation	15,879,532	18,448,967	34,328,498	2,311,622		36,640,121	18,949,014	\$17,691,106	51.7%
SUBTOTAL	\$833,601,993	\$652,517,124	\$1,486,119,116	421,552,256	32,790,492	\$1,907,671,372	\$1,051,889,678	\$856,994,548	55.1%
Funds without All Years Carryover									
Belmont Shore Pkg Meter	461,872	-	461,872	-	160,470	461,872	622,341	(160,469)	134.7%
CJPA	1,241,978	-	1,241,978	89,264		1,331,243	1,303,456	27,787	97.9%
Debt Service Fund	10,813,439	-	10,813,439	58,400		10,871,839	9,163,552	1,708,286	84.3%
Development Impact Fees									
Fund ⁵							250,000	(250,000)	-
Development Services	11,899,047	-	11,899,047	375,885		12,274,931	11,416,012	858,920	93.0%
Employee Benefits	234,238,194	-	234,238,194	21		234,238,214	208,561,761	25,676,453	89.0%
General Fund	392,004,602	-	392,004,602	9,657,576	15,966	401,662,177	386,622,162	15,040,016	96.3%
Harbor Funds	829,937,985	-	829,937,985	-		829,937,985	609,286,109	220,651,876	73.4%
Parking And Business Area Improvement	6,231,869	-	6,231,869	13,053		6,244,922	6,071,351	173,571	97.2%
Police & Fire Public Safety Oil Prod Act	3,135,304	-	3,135,304	-		3,135,304	3,072,940	62,365	98.0%
SERRF	47,995,289	-	47,995,289	101,663		48,096,952	44,028,213	4,068,740	91.5%
SERRF - JPA	11,369,810	-	11,369,810	-		11,369,810	11,062,919	306,891	97.3%
Sewer	21,298,167	-	21,298,167	-		23,124,695	21,738,121	1,386,574	94.0%
Special Advertising & Promotion	5,348,243	-	5,348,243	50,525	41,000	5,398,768	5,253,849	144,918	97.3%
Tideland Oil Revenue	242,069,969	-	242,069,969	274,258,396		516,328,365	449,179,727	67,148,638	87.0%
Towing	8,295,917	-	8,295,917	226		8,296,143	6,702,312	1,593,831	80.8%
Upland Oil	19,650,857	-	19,650,857	19,857,225	1,200,000	39,508,082	40,582,626	(1,074,544)	102.7%
Water	100,136,513	-	100,136,513	-		100,136,513	90,499,769	9,636,744	90.4%
SUBTOTAL	\$1,946,129,054	-	\$1,946,129,054	304,462,233	1,256,966	\$2,252,417,815	\$1,905,417,220	\$347,000,595	84.6%
TOTAL - All Funds	\$2,779,731,046	\$652,517,124	\$3,432,248,170	726,014,489	34,047,458	\$4,160,089,187	\$2,957,306,897	\$1,203,995,144	71.1%

Notes:

- ¹ Estimated All-Years Carryover is composed of multi-year grants and Capital Improvement Program (CIP) funds; unspent amounts are carried over to future years.
- ² Amendments reflect budget adjustments approved by the City Council during the fiscal year including All-Years Carryover Budget Adjustments.
- ³ These year-end adjustments will correct any appropriation issues that occurred after the 3rd Quarter Budget Adjustment letter.
- ⁴ A project to upgrade the boilers and burners at City Hall and Public Safety Building was deferred to FY 13 as a result of pending specifications and AQMD permit. This project delay resulted in much lower spending than originally projected.
- ⁵ This fund was eliminated in FY 11. The \$250,000 charge was to move the remaining fund balance to the Capital Projects Fund.

Year-End 2012
General Fund Revenue (Top 40)
Fiscal Year 2012

TOP 40 GENERAL FUND REVENUES	FY 11 Year End Actuals	FY 12 Year End Actuals	FY 12 YE Over/(Under) FY 11 YE	FY 12 Adjusted Budget	%YoY FY 12/FY11	% of FY 12 Actuals Over/(Under) Budget	Notes:
SECURED REAL PROPERTY TAXES	\$ 68,587,857	\$ 69,699,903	\$ 1,112,045	\$ 67,879,673	1.6%	2.7%	
CITY SALES AND USE TAX & IN-LIEU SALES AND USE TAX	57,440,021	58,329,082	889,061	56,856,014	1.5%	2.6%	
VEHICLE LICENSE FEE & PROPERTY TAX IN- LIEU OF VLF	40,339,114	38,561,531	(1,777,584)	38,150,000	-4.4%	1.1%	
ELECTRIC USERS TAX & PENALTIES	17,222,559	16,433,452	(789,106)	17,490,000	-4.6%	-6.0%	FY 12 EUUT revenue is 4.6% below prior year-end actuals. A rate increase was anticipated for FY 12 but a decision by the PUC has been delayed.
TELEPHONE USERS TAX & PENALTIES	13,901,954	13,335,726	(566,228)	15,000,000	-4.1%	-11.1%	This represents a two-year downward trend in TUUT revenue. It is the City's understanding that the trend towards fewer land lines and continual declines in prices for cellular services are negatively impacting UUT revenue.
WATER USERS TAX & PENALTIES	3,715,227	3,709,959	(5,268)	3,800,000	-0.1%	-2.4%	
GAS USERS TAX & PENALTIES	4,082,076	3,709,337	(372,739)	3,870,000	-9.1%	-4.2%	
PARKING CITATIONS	12,744,119	14,786,393	2,042,274	13,258,846	16.0%	11.5%	Additional parking citations revenue is a largely attributed to a newly implemented non-cash basis accounting methodology, which accrued more revenue in FY 12 than in past years. In addition, a \$400,000 increase in citation related revenue was also realized.
TRSF FR UPLAND OIL (SR134)	11,650,850	12,900,000	1,249,150	12,900,000	10.7%	0.0%	
GAS-IN-LIEU (TRSF FR GAS FUND)	10,123,175	11,923,176	1,800,001	11,923,175	17.8%	0.0%	
BUSINESS LICENSE TAXES	11,367,173	11,249,777	(117,396)	11,697,000	-1.0%	-3.8%	
ONE TIME TRSF FR UPLAND OIL (SR134)	-	11,665,000	11,665,000	11,665,000	-	-	Represents the General Fund share of the \$18.4 million in one-time Upland Oil transfer appropriated by the City Council. Per Council action \$2 million was moved to General Fund reserves and \$1 million reserved per the POA contract.
EMERGENCY AMBULANCE FEES	10,228,722	9,589,023	(639,699)	9,100,000	-6.3%	5.4%	Emergency Ambulance revenue was higher than budgeted but below FY 11 year end, which saw unusually high revenue.
TRANSIENT OCCUPANCY TAX	8,848,638	11,593,241	2,746,603	8,360,000	31.0%	38.7%	Increases in average revenue per room and industry responses to the changes in customer booking behaviors continues to positively impact TOT revenue. Additionally, TOT from Redevelopment project areas, which was formerly considered a transfer to the General Fund is now shown as a General Fund revenue. This is not net additional or new revenue to the General Fund.
ELECTRIC COMPANY FRANCHISES	6,227,275	5,929,878	(297,397)	6,200,000	-4.8%	-4.4%	

Year-End 2012
General Fund Revenue (Top 40)
Fiscal Year 2012

TOP 40 GENERAL FUND REVENUES	FY 11 Year End Actuals	FY 12 Year End Actuals	FY 12 YE Over/(Under) FY 11 YE	FY 12 Adjusted Budget	%YoY FY 12/FY11	% of FY 12 Actuals Over/(Under) Budget	Notes:
PIPELINE FEE-WATER	5,551,165	5,548,886	(2,279)	5,744,000	0.0%	-3.4%	
OTHER DEPT SVCS TO PROPRIETARY FUNDS	5,011,539	5,639,408	627,869	5,696,331	12.5%	-1.0%	
CHARGES FOR SPECIAL SERVICES	4,988,147	5,548,772	560,625	5,398,983	11.2%	2.8%	
PIPELINE FRANCHISES	4,816,572	3,109,206	(1,707,366)	4,618,744	-35.4%	-32.7%	FY 12 pipeline franchise revenue, from SoCal Gas, is at a 10 year low due to low demand, high production, and high storage levels.
AMERICAN GOLF LEASE	4,459,881	4,152,389	(307,492)	4,537,240	-6.9%	-8.5%	
PIPELINE FEE-SEWER	4,276,136	4,273,047	(3,089)	4,423,000	-0.1%	-3.4%	
MISC REFUNDS & REIMB.	3,753,423	4,457,802	704,379	4,267,524	18.8%	4.5%	
PRIOR YEAR SECURED REAL PROPERTY TAXES	3,313,125	2,539,014	(774,111)	3,405,960	-23.4%	-25.5%	This revenue is derived from prior year taxes and is significantly impacted by property tax appeals. Supplemental property taxes are significantly lower than budgeted and the rate of successful prior year appeals has risen, decreasing revenues. These revenues are related to the apportionment of revenue received on a countywide basis and are not directly related to the values reported in the City and are therefore almost impossible to project.
LAND, BLDG, RW, EASEMENT, APT RENTALS	3,524,151	3,772,406	248,255	3,335,300	7.0%	13.1%	A one-time transfer of \$248,961 was received from the Water Department for the cell tower lease for land used for Pump Station SD-6. This revenue represents revenue that was collected by the Water Department from FY 04-FY 12.
VEHICLE CODE FINES	2,916,165	2,483,987	(432,178)	3,100,000	-14.8%	-19.9%	Vehicle code fines did not meet budgeted levels apparently due to fewer violations.
PIPELINE SAFETY FEES	2,355,579	2,441,818	86,240	2,428,000	3.7%	0.6%	
REDEV. REIMB.-NORTH LB	1,844,323	2,008,242	163,919	2,328,082	8.9%	-13.7%	As a result of a lawsuit regarding the calculation of property tax revenue allocations, pass-through payments from the Redevelopment project areas to the General Fund were recalculated. The new calculation results in a structural reduction in General Fund revenue.
CITY/MISC/BOND REFI ADVANCES	1,362,749	-	(1,362,749)	2,300,000	-100.0%	-100.0%	As a result of the RDA dissolution, an anticipated final loan repayment from Central RDA project area to the General Fund was not received in FY 12.
FIRE PLAN CHECK FEES	1,787,198	2,397,059	609,861	2,290,476	34.1%	4.7%	
CIP-ENGINEERING CHARGES	3,893,125	3,360,294	(532,830)	2,145,941	-13.7%	56.6%	Additional overhead revenue was collected as a result of increased project expenditures in the last quarter of the year. Overhead rates have been reduced for FY 13.
OIL PRODUCTION TAX	1,899,671	1,863,960	(35,712)	2,000,000	-1.9%	-6.8%	

Year-End 2012
General Fund Revenue (Top 40)
Fiscal Year 2012

TOP 40 GENERAL FUND REVENUES	FY 11 Year End Actuals	FY 12 Year End Actuals	FY 12 YE Over/(Under) FY 11 YE	FY 12 Adjusted Budget	%YoY FY 12/FY11	% of FY 12 Actuals Over/(Under) Budget	Notes:
PRIVATE HAULER FEE	1,385,768	1,840,380	454,612	1,670,000	32.8%	10.2%	Gross receipts for private refuse hauler exceeded budgeted projections.
UNSECURED PERSONAL PROPERTY TAXES	1,566,837	1,664,109	97,272	1,412,000	6.2%	17.9%	Unsecured property tax is a tax on real personal property. The County's methodology for apportioning property tax is not based on the City's actual assessment but on a Countywide proportion. Thus the City's projections done before August of any given year will always be as precise for specific categories.
POLICE CHARGES FOR SPECIAL EVENTS	1,513,082	1,343,378	(169,704)	1,400,000	-11.2%	-4.0%	
FIRE INSPECTION FEES	1,109,209	1,108,335	(873)	1,314,780	-0.1%	-15.7%	Fire inspection related activity was lower than anticipated in FY 12.
ASSET MANAGEMENT CHARGES	1,301,261	1,361,171	59,910	1,314,075	4.6%	3.6%	
HARBOR-POLICE	1,493,367	1,338,112	(155,255)	1,297,931	-10.4%	3.1%	
OTHER DEPT CHGS TO GOVTL FUNDS	1,046,010	1,059,883	13,873	1,078,087	1.3%	-1.7%	
DOG LICENSES & PENALTIES	1,014,029	992,616	(21,413)	1,070,122	-2.1%	-7.2%	As a result of a series of resignations in the License Canvassing Program, dog license revenue ended the year below budget. A recruitment for new inspectors has recently been completed to address this issue.
TRANSFERS FROM OTHER FUNDS	14,851,283	12,865,862	(1,985,421)	20,099,220	-13.4%	-36.0%	As a result of the creation of the Debt Service Fund, transfers to the General Fund for debt service payments did not need to be made in FY 12. Payments were made directly to the Debt Service Fund. \$2.3M in TOT revenue from properties in former RDA areas is no longer shown as a transfer from RDA but as General Fund TOT. Both the TOT and the Debt Service changes in reported resulted in a net zero impact to the General Fund. The FY 12 budgeted transfer from the SERRF Fund was \$2 million higher than the amount allowable for the fund to meet the SERRF JPA agreement for fund balance. Therefore, while the maximum amount was transferred it was less than what was budgeted.
SUBTOTAL TOP 40 GENERAL FUND REVENUES	\$ 357,510,552	\$ 370,585,611	\$ 13,075,059	\$ 376,825,505	3.7%	-1.7%	
SUBTOTAL ALL OTHER REVENUES	\$ 29,798,053	\$ 26,825,235	\$ (2,972,818)	\$ 27,736,627	-10.0%	-3.3%	
TOTAL	\$ 387,308,604	\$ 397,410,845	\$ 10,102,241	\$ 404,562,131	2.6%	-1.8%	

Year-End 2012
Revenue Analysis by Department
General Fund - Fiscal Year 2012

Department	FY 12 Adopted Budget	Adjustments ¹	Adjusted Budget	Year-to-Date Actuals (unaudited)	
Mayor and City Council	\$ -	\$ -	\$ -	\$ -	0.0%
City Attorney	250	-	250	859	343.4%
City Auditor	-	-	-	1,611	0.0%
City Clerk	747,876	-	747,876	713,934	95.5%
City Manager	-	-	-	654	0.0%
City Prosecutor	30,000	-	30,000	25,335	84.5%
Civil Service	-	-	-	2,089	0.0%
Citywide Activities ²	298,380,413	10,665,000	309,045,413	297,920,253	96.4%
Development Services	953,837	-	953,837	833,282	87.4%
Financial Management	20,121,878	-	20,121,878	21,225,760	105.5%
Fire	14,349,787	-	14,349,787	14,050,336	97.9%
Health and Human Services	164,249	29,500	193,749	183,120	94.5%
Human Resources	348,405	-	348,405	303,110	87.0%
Library Services ³	572,443	2,511	574,954	375,585	65.3%
Parks, Recreation & Marine	11,108,356	601,549	11,709,906	11,808,201	100.8%
Police ⁴	18,555,927	532,087	19,088,014	21,074,997	110.4%
Public Works ⁵	26,671,181	726,883	27,398,064	28,891,720	105.5%
TOTAL	\$ 392,004,602	\$ 12,557,530	\$ 404,562,131	\$ 397,410,845	98.2%

Notes:

¹ Amendments reflect budget adjustments during the fiscal year, including the Uplands Oil Fund transfer to General Fund.

² Year-end actuals do not reflect \$10.9 million reserved to fund various activities, including reimbursing the Asset Forfeiture Fund and reservation for dissalowed RDA obligations, employee contractual obligations and for one-time reappropriation into FY 13.

³ Lower actuals due to the elimination of State funding for the Public Library Fund (PLF) to libraries from the budgeted amount of \$186,000.

⁴ Inter-agency contracts with the Police Department and Asset Seizure revenues exceeded budgeted levels.

⁵ Additional revenue was collected in parking citations and private refuse hauler fees. Parking Citations revenue is largely attributed to one-time recent changes to the revenue accrual methodology implemented by the City Controller.

Year-End 2012
Expenditure Analysis by Department
General Fund - Fiscal Year 2012

Department	FY 12 Adopted Budget	Amendments ¹	Year-End Adjustments	Adjusted Budget	Year-to-Date Actuals (unaudited)	
Mayor and City Council	\$ 4,818,974	\$ 5,423	\$ 15,966	\$ 4,824,397	\$ 4,722,348	97.9%
City Attorney	\$ 1,674,802	-		1,674,802	1,653,407	98.7%
City Auditor	\$ 2,258,256	4,232		2,262,489	2,049,089	90.6%
City Clerk ²	\$ 4,870,191	4,226		4,874,418	3,173,974	65.1%
City Manager	\$ 2,617,969	368		2,618,336	2,534,071	96.8%
City Prosecutor	\$ 4,779,552	587		4,780,139	4,530,122	94.8%
Civil Service	\$ 2,103,455	2,372		2,105,827	2,105,826	100.0%
Citywide Activities ²	\$ 24,964,215	108,400		25,072,615	20,691,959	82.5%
Development Services	\$ 4,362,320	150,699		4,513,019	3,536,631	78.4%
Fire	\$ 72,631,459	1,144,349		73,775,808	71,347,509	96.7%
Financial Management	\$ 10,167,889	32,866		10,200,755	9,644,718	94.5%
Health & Human Services	\$ 1,379,915	29,500		1,409,415	1,396,861	99.1%
Human Resources	\$ 445,132	-		445,132	440,663	99.0%
Library Services	\$ 12,399,419	554,953		12,954,372	12,763,290	98.5%
Police	\$ 185,779,379	5,229,069		191,008,448	188,464,425	98.7%
Parks, Recreation & Marine	\$ 28,708,896	1,045,048		29,753,944	29,518,480	99.2%
Public Works	\$ 28,042,778	1,345,484		29,388,262	28,048,789	95.4%
TOTAL	\$ 392,004,602	\$ 9,657,576	\$ 15,966	\$ 401,662,177	\$ 386,622,162	96.3%

Notes:

¹ Amendments reflect budget adjustments during the fiscal year, including Uplands Oil Fund transfer to General Fund.

² The budget reflected holding elections for all eligible districts, but only 1 district had a runoff election.

³ Citywide Activities include a \$5.2 million estimate to account for adjustments to the fund balance for Asset Seizure funds and one time Uplands Oil approved by Council October 4, 2011 to be placed in General Fund reserves.

One-Time Uplands Oil Funds - FY 2012 Project Status

Project	Budget	Estimate as of		Unspent	Status Reported by Departments
		Budget	Sept. 2012		
Neighborhood Services Mini Projects:	200,000	105,221	94,779		
Council District 1	16,667	16,667	-		Traffic signal utility box art, median work, fencing
Council District 2	16,667	-	16,667		
Council District 3	16,667	8,045	8,622		Broadway Median landscaping, tree plantings, special events permits and insurance, traffic study for Preferential Parking district.
Council District 4	16,667	16,667	-		Street parking signs, event flyer printing, business façade improvements, Art in the Park, NPP match, holiday tree lighting
Council District 5	16,667	16,325	342		Summer concerts in parks, Rosie the Riveter event, Reel/Monofilament Recycling Program, Solar Grand Prix, Vial of Life, signs, printing, plants.
Council District 6	16,667	-	16,667		
Council District 7	16,667	14,850	1,817		Business sign repair and façade improvements, banners on Santa Fe Ave
Council District 8	16,667	16,000	667		Mural at 5144 Long Beach Blvd.
Council District 9	16,667	16,667	-		Concerts/Movies in the Park, community assembly, neighborhood entry signs, business start-up grant.
Council District 9 Business Improvement Dist (Now listed under Infrastructure)	50,000	-	50,000		This budget has been transferred to Public Works, Asset Management
Infrastructure Repairs:					
Council District 1	500,000	93,389	406,611		
Street Trees	74,289	70,257	4,032		Completed
Pine Avenue Sign	210,000	6,899	203,101		Under design
Local Streets	134,203	11,467	122,736		Under construction
Dog Parklet on Elm St.	20,000	-	20,000		
Signs, Lighting, Landscaping	21,143	4,766	16,377		
Banners, Traffic Signal Utility Box Art	15,253	-	15,253		
Unallocated Balance	25,112		25,112		

One-Time Uplands Oil Funds - FY 2012 Project Status

Project	Budget	Estimate as of Sept. 2012	Unspent	Status Reported by Departments
Infrastructure Repairs:				
Council District 2	<u>500,000</u>	<u>5,000</u>	<u>495,000</u>	
Speed Feedback Sign	5,000	5,000	-	Sign is installed on Orange Ave
Cross Gutter at Hermosa & Cherry	10,000	-	10,000	
Bixby Park Improvements - Fountain	17,500	-	17,500	Obtaining bids for improvement in collaboration with Council District 3
Unallocated Balance	467,500		467,500	
Council District 3	<u>500,000</u>	<u>9,586</u>	<u>490,414</u>	
Sidewalks	105,000	-	105,000	
Bench for Channel View Park	500	498	2	Replacement for a damaged bench
Local Streets	18,654	9,088	9,566	Broadway Streetscape and median irrigation
Bixby Park Improvements - Fountain	17,500	-	17,500	Obtaining bids for improvement in collaboration with Council District 2
Unallocated Balance	358,346		358,346	
Council District 4	<u>500,000</u>	<u>452,353</u>	<u>47,647</u>	
Local Streets	444,000	444,000	-	Completed
Stearns Park Ballfield Fencing	6,700	6,387	313	Purchase Order in process
Orizaba Park Interpretive Panels	15,000	241	14,759	Under design
El Dorado Dog Park	31,300	140	31,160	The Council office has put this project on hold; \$34,226 was also programmed from the District's discretionary infrastructure budget.
French Drain on McNab Ave	1,585	1,585	-	Completed
Unallocated Balance	1,415		1,415	
Council District 5	<u>500,000</u>	<u>13,949</u>	<u>486,051</u>	
Local Streets	496,500	13,949	482,551	Under construction
Unallocated Balance	3,500		3,500	
Council District 6	<u>500,000</u>	<u>-</u>	<u>500,000</u>	
Property Based Improvement District (PBID)	225,000	-	225,000	\$75,000 each for three Districts
Cameras for King, MacArthur, Veterans parks	81,300	-	81,300	Purchase Orders in process
Banners for Streetscape Program	15,000	-	15,000	Martin Luther King Jr Ave and Gundry Ave
Pull Box at Gundry & PCH	750	-	750	To facilitate private development
Unallocated Balance	177,950		177,950	

One-Time Uplands Oil Funds - FY 2012 Project Status

Project	Budget	Estimate as of Sept. 2012	Unspent	Status Reported by Departments
Infrastructure Repairs:				
Council District 7	500,000	256,773	243,227	
Sidewalks	300,000	247,418	52,582	Initial scope completed, adding additional locations
Local Streets	93,000	3,855	89,145	Under construction
Tree Trimming	10,000		10,000	
Lamp Posts	24,500	-	24,500	Purchase Order in process
Business Sign Repair	5,500	5,500	-	
Unallocated Balance	67,000		67,000	
Council District 8	500,000	170,387	329,613	
Scherer Park Improvements	107,520	91,918	15,602	Under design/construction
Scherer Park Sidewalks	76,717	65,412	11,305	Completed
Railroad Murals	66,093	-	66,093	Purchase Order in process
Park Painting	13,230	11,184	2,046	Completed
Banner Replacement	1,873	1,873	-	Completed
Unallocated Balance	234,567		234,567	
Council District 9	500,000	23,251	476,749	
Business Improvement District	50,000	11,090	38,910	Consultant in process
Local Streets	241,437	116	241,321	Under construction
Ramona Park Basketball/Volleyball Court Resurfacing	12,150	12,045	105	
Fitness Park in SCE right-of-way	100,000	-	100,000	Under design, waiting for SCE comments
Unallocated Balance	96,413		96,413	
Sidewalk Repairs	1,000,000	893,535	106,465	
City Prosecutor to go paperless	35,000	-	35,000	The \$35,000 is part of a total estimated cost of \$150,000 for a multi-step conversion plan. \$65,000 carried forward from FY 2011 will increase the project funding to \$100,000.
Fire - Help maintain 4-man crew staffing in FY 12	925,000	925,000	-	
Fire Dept Automatic Vehicle Locator	150,000	93,634	56,366	Installation of 4G modems to enable automated vehicle location will be completed by the end of October.
Police one-time associated with the POA agreement	1,575,000	1,575,000	-	This one-time amount was provided to help offset the cost of advancing the pay increase.

One-Time Uplands Oil Funds - FY 2012 Project Status

Project	Budget	Estimate as of Sept. 2012	Unspent	Status Reported by Departments
Police technology upgrades for patrol cars and security cameras	650,000	645,343	4,657	Replacement modems and related equipment for the mobile data computers in police vehicles. Upgrade to virtual computer technology and 4G modems is expected to be completed in September.
Police - Shotspotter gunshot detection system	350,000	-	350,000	City Council approved the \$350,000 to be reappropriated for overtime in the FY 13 Police Dept budget.
Police Overtime	2,200,000	2,200,000	-	
Library Services:	550,000	438,361	111,639	
Partially restore Branch staffing for Family Learning Centers	300,000	299,554	446	
Install Wi-Fi	217,000	105,361	111,639	Contractor will begin network cabling of libraries in early September. Completion of Wi-Fi deployment is expected by the end of October.
Tablet computers, Books and materials	33,000	33,446	(446)	
Parks Projects:	500,000	499,369	631	
Tree Trimming	380,000	384,719	(4,719)	
Park Maintenance	120,000	114,651	5,349	
Public Works Projects:	1,665,000	1,607,029	57,971	
Street Tree Trimming	565,000	565,000	-	9,500 trees have been trimmed
Courthouse Tunnel start-up costs	1,000,000	942,416	57,584	Design completed
Replace two septic tanks at the POA Park	100,000	99,613	387	Under construction. The Police Dept has provided an additional \$25,000 in funding from Asset Forfeiture proceeds.
Technology Services - Web Content Management System upgrade	150,000	-	150,000	The selection committee completed the vendor evaluation process and identified a recommended firm. Technology Services will finalize the scope of work and cost by end of November.
Close \$1 million deficit in the FY 12 Budget	1,000,000	1,000,000		Transferred to the General Fund
POA Reserve - Pension/Lay off Protection per POA	1,000,000	1,000,000		Being held for the intended purpose
Increase the General Fund Emergency Reserve	2,000,000	2,000,000		Transferred to the General Fund Emergency Reserve
Total One-Time Funding	\$18,400,000	\$14,007,180	\$4,392,820	