

R-28

December 13, 2022

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Approve the departmental and fund budget appropriation adjustments in accordance with existing City Council policy for labor Memorandums of Understanding (MOUs). (Citywide)

DISCUSSION

On September 6, 2022, the City Council adopted the Appropriations Ordinance governing the City of Long Beach's (City) Adopted Budget for Fiscal Year 2023 (FY 23). Periodically, changes in revenue or operating conditions require mid-year appropriation adjustments. For example, in certain cases, these adjustments enable departments to expend recently awarded grant revenue for which there is no existing appropriation. In addition, changes for multi-year grants/projects are necessary to bring appropriations in line with final grant/project award amounts. Other instances involve a department spending over the appropriation authority toward a contractual obligation or a City Council initiated project or general operations that require appropriation adjustments to be made. These adjustments are presented periodically throughout the year to the City Council for consideration. This recommendation is to implement budget adjustments in line with recently negotiated labor MOUs with the Firefighters Association (FFA), Long Beach Lifeguard Association (LGA), and Police Officers Association (POA). A Summary of Proposed Adjustments of impacted City funds is attached.

This matter was reviewed by Assistant City Attorney Gary J. Anderson on November 21, 2022 and Budget Manager Grace H. Yoon on November 8, 2022.

TIMING CONSIDERATIONS

The following requests for adjustments to FY 23 departmental and fund appropriations are necessary to reflect changes in operating conditions. City Council action is requested on December 13, 2022, to enable the timely processing of budget adjustments.

FISCAL IMPACT

FFA, LGA and POA MOUs

Increase appropriations in the relevant departments and funds by \$12,480,369, as shown in the table below, to implement the City Council-approved FFA, LGA, and POA MOUs. The General Fund Group cost for the FFA and POA MOUs is partially offset by funds previously set aside for this purpose and the remaining costs will be offset from a

combination of various funds' funds available, one-time surplus funds from FY 22 and/or one-time surplus funds to be generated in FY 23, and/or drawn down from reserves.

On October 18, 2022, the City Council approved the 2022-2025 MOU with the Long Beach FFA and the 2022-2025 MOU with the LGA. On November 1, 2022, the City Council approved the 2022-2025 MOU with the Long Beach POA. Due to the timing of these City Council approvals, the increased salaries were not incorporated into the FY 23 Adopted budgets of the affected departments and funds. Additionally, there are some salary adjustments for sworn managers' skill pays in the Fire and Police Departments, which are tied to the salary rates of Firefighters and Police Officers. As these are unbudgeted costs to departments, appropriation increases are requested to fund the ongoing labor costs. The table below lists the requested department and fund appropriation increases. The General Fund Group cost increases are partially offset by the planned set-aside in the General Fund Group that was included in the Adopted FY 23 Budget for potential negotiation related costs. The total requested net appropriation increase for all funds is \$12,480,369 of which \$11,434,869 is for the General Fund Group. The net appropriation increases will be funded from the relevant funds' available fund balances and may increase future interdepartmental and inter-fund charges. The General Fund Group net appropriation increase in FY 23 will need to be covered with one-time funds available in FY 22 or FY 23, which will be evaluated as part of FY 22 year-end close. Ongoing structural costs in FY 24 and beyond will be included as part of those respective budget development processes, with structural funding solutions that will need to be identified. In the table below, the negative number in the last row reflects the reallocation of \$7.8 million previously set aside in the Citywide Department of the General Fund before final MOU details were known, now being transferred to the Fire and Police Department budgets where the actual expenses will occur.


Department	Fund Group	Total
Fire	General Fund	\$5,716,556
Fire	Tidelands Area	\$83,571
Fire	Tidelands Operating	\$335,682
Police	General Fund	\$13,520,613
Police	Tidelands Area	\$30,166
Police	Tidelands Operating	\$596,081
Citywide	General Fund	-\$7,802,300
Total		\$12,480,369

This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



KEVIN RIPER
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:



THOMAS B. MODICA
CITY MANAGER

Attachment

**FY 23 Impact By Department and Fund
Memorandum of Understanding with Various Labor Groups**

DEPARTMENT, <i>Fund Group</i>	AMOUNT
FIRE	6,135,809
<i>GENERAL FUND GROUP</i>	5,716,556
<i>TIDELANDS AREA GROUP</i>	83,571
<i>TIDELANDS OPERATING GROUP</i>	335,682
POLICE	14,146,860
<i>GENERAL FUND GROUP</i>	13,520,613
<i>TIDELANDS AREA GROUP</i>	30,166
<i>TIDELANDS OPERATING GROUP</i>	596,081
CITYWIDE ACTIVITIES	(7,802,300)
<i>GENERAL FUND GROUP</i>	(7,802,300)
GRAND TOTAL	12,480,369

Note 1: General Fund Group total is \$11,434,869