

CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

R-16

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

June 7, 2011

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Receive and file the Fiscal Year 2011 Second Quarter Budget Performance Report.
(Citywide)

DISCUSSION

This report reflects the City's Fiscal Year 2011 (FY 11) budget performance through March 31, 2011. The report includes financial information for all funds and departments. While this budget performance report primarily discusses the General Fund, exceptional performance (both positive and negative) in other funds is highlighted where applicable.

Summary

As of March 31, 2011, the City's Adjusted Budget for all funds was \$3.1 billion. With 50 percent of the fiscal year complete, expenditure performance in all funds is at 34.8 percent of budget, or \$1.1 billion. Year-to-date revenues for all departments and all funds were at \$1.2 billion, or 56.1 percent of the \$2.2 billion in budgeted revenue.

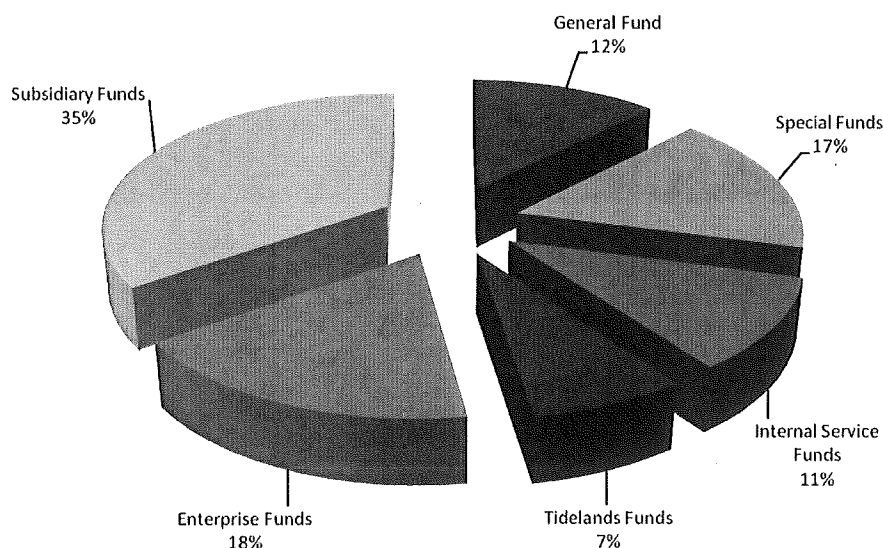
The total Adjusted General Fund Budget as of March 31, 2011 was \$385.6 million. With 50 percent of the fiscal year complete, expenditure performance in the General Fund spending reached 45.5 percent of budget, or \$175.4 million. Approximately \$198.3 million, or 51.7 percent, of anticipated General Fund revenue has been collected year-to-date. Staff is projecting a \$5.1 million revenue shortfall for FY 11, and recommendations are made later in the report to address this shortfall.

FY 11 Expenditures – All Funds

While it is not expected that department or fund expenditures will occur equally throughout the fiscal year, measuring fund performance in quarterly intervals allows for review of the revenue and expenditure trends, thus giving policymakers and administrators the ability to make the necessary changes to ensure a balanced budget.

The City's Adopted FY 11 Budget for all funds includes \$2.5 billion of annual funds, \$397.9 million of carryover (multi-year grants and capital project funds), prior year encumbrances (goods and services ordered in FY 10 but received in FY 11) and City Council-approved budget amendments, which combined as of March 31, 2011, bring the total Adjusted City Budget to \$3.1 billion. Please see Attachment A for a breakdown of Citywide expenditures by fund.

Exhibit 1 – All City Funds by Fund Type



As illustrated in Exhibit 1 above, the City's 37 funds are grouped into six fund types comprising the \$3.1 billion adjusted budget. Most of these funds are restricted, 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 12.4 percent of the entire Adjusted City Budget. For a discussion of notable fiscal performance in non-General Fund areas, please see the Other Funds section of this report.

FY 11 General Fund Revenue

While there is a tenuous economic recovery in the private sector, budgetary strains in the public sector are increasing as a result of lagging economic impacts and increases in employee-related costs. General Fund revenues are heavily dependent upon those parts of the economy hardest hit by the recession – the real estate market and consumer spending.

Secured property tax is the single largest General Fund revenue for the City. Adjusting revenue to account for the State property tax take-away in 2010 results in a 3 percent decline in secured property tax revenue. Recent data issued by the Los Angeles County Assessor's Office indicates that the assessed valuations for the City of Long Beach have declined further by 2.8 percent over the prior year and delinquencies continue to be at approximately 3 to 4

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percent. Declines in revenue from parking-related fees and citations demonstrate the changes over past years in consumer behavior to avoid parking fees and citation. Revenues related to parking-related fees have experienced year-over-year declines of approximately 10 percent.

One of the few revenues coming in above budget is Sales and Use Tax. Growth in Sales Tax revenue can be largely attributed to the increased sales tax generated by Edison Materials and Supply (EMS), the number one sales tax generating entity in Long Beach. EMS has experienced over 33 percent growth over the previous year. It is important to note that Long Beach does not keep all of the sales tax generated by EMS; per a location agreement with EMS, 75 percent of the sales tax revenue they generate over a base of \$3 million is rebated to EMS.

The Department of Financial Management continues to monitor revenue performance on a weekly basis and modifies forecasts based on evolving economic performance data. Current and projected revenue performance is based upon a variety of factors, and includes both structural and one-time revenues. It is important to note the risks inherent in projecting revenue, as the City has limited, if any, authority to affect certain revenue streams. The table below highlights performance through March 31, 2011 for selected General Fund revenues.

Revenue Source	FY 11 Adjusted Budget	FY 11 YTD Revenue	YTD Rev as % of Adjusted Budget	Notes
Secured Property Tax	\$67,612,269	\$38,367,599	56.75%	Mid-year estimates based on year-to-date revenue project ending year under budget. The third of seven Secured Property Tax payments, comprising over 50 percent of the County's estimate of the City's revenue, was received in February. The payment is net of administrative costs charged by the County.
Sales and Use Tax, combined with In Lieu Sales Tax, (Triple Flip)	\$55,348,244	\$29,544,785	53.38%	Mid-year estimates based on year-to-date revenue project ending the year over budget. Second quarter sales tax receipts, representing holiday sales activity, demonstrated a 12.4 percent increase over the same period in the previous year due to increases in the construction, service stations and transportation categories. In Lieu Sales Tax is the repayment of the ¼ cent of the previous year 1-cent sales tax collections. Payments are received biannually.
Motor Vehicle In-Lieu Tax (VLF), combined with Property Tax In Lieu of VLF	\$39,800,000	\$19,522,120	49.00%	Mid-year estimates based on year-to-date revenue project ending the year under budget. Payments for VLF are received monthly, while the Property Tax In-Lieu of VLF is received in January and May.

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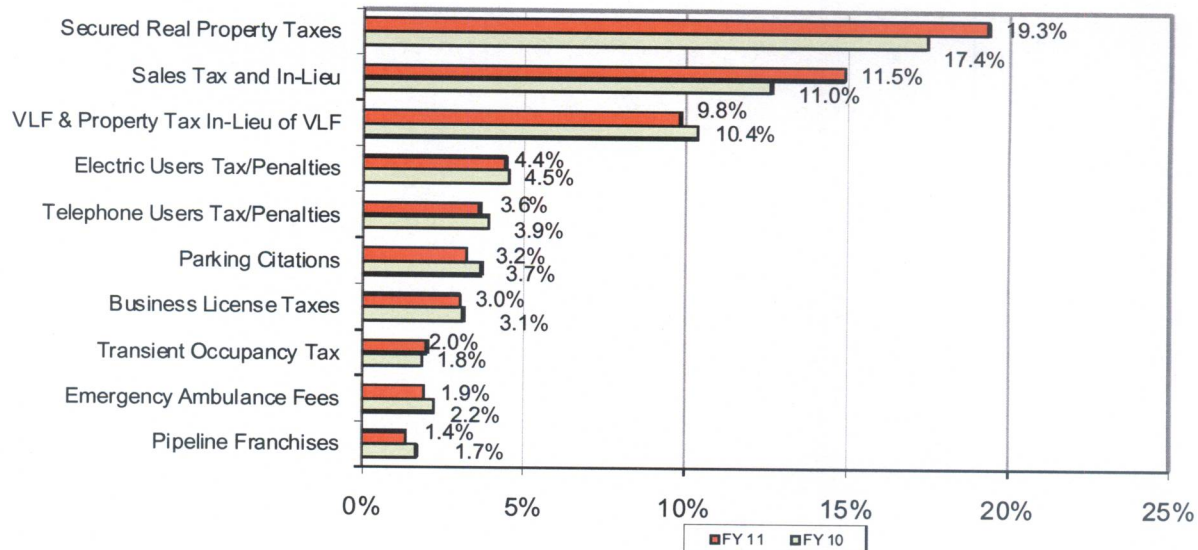
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Revenue Source	FY 11 Adjusted Budget	FY 11 YTD Revenue	YTD Rev as % of Adjusted Budget	Notes
Utility Users Tax (UUT)	\$39,300,000	\$20,037,182	51.00%	Mid-year estimates based on year-to-date revenue project ending the year at budget. Electric UUT collections are trending over budget. Telephone UUT collections are expected to come in at, or slightly under budget. Natural gas UUT collections are trending over budget due to an increase in overall gas commodity prices. Water UUT collections are trending at budget.
Parking Citations	\$14,100,000	\$6,387,821	45.30%	Mid-year estimates based on the number of citations issued and paid project ending the year under budget. Declines in revenue are attributed to residential parking improvement efforts and the public's unwillingness to incur citations in a down economy.
Uplands Oil Transfer	\$6,870,000	\$3,435,000	50.00%	Mid-year estimates based on the price of oil and barrels produced project year-end revenue above budget. Transfers to the General Fund will reflect higher than budgeted performance, to offset the adjustments to consistently underperforming General Fund revenue sources, as recommended by City management.
Business License Tax	\$11,897,000	\$6,003,535	50.50%	Mid-year estimates based on year-to-date revenue, business recovery efforts and the annual CPI adjustment project ending the year approaching budget.
Emergency Ambulance Fees	\$9,100,000	\$3,830,679	42.10%	Mid-year estimates based on Emergency Ambulance Fee reimbursements project ending the year under budget. Revenue declines are attributed to factors such as reductions in Medicare/MediCal payments and the changing payee mix.
Transient Occupancy Tax	\$7,200,000	\$3,967,543	55.10%	Mid-year estimates based on Transient Occupancy Tax receipts project ending the year above budget levels. Room rates are demonstrating growth over the same period in the previous year.
Pipeline Franchises	\$5,200,000	\$2,708,617	52.10%	Mid-year estimates based on pipeline franchise payments project ending the year under budget. The second quarter pipeline franchise payment reflected a 20% decrease in revenue over the previous year. This is attributed to both the cost of natural gas and the volume of gas transported.

A summary of the top 40 General Fund revenues is included in Attachment B. Exhibit 2 below shows the City's top 10 General Fund revenue sources in FY 11 as a percentage of total year-to-date General Fund revenue.

Exhibit 2 – Top 10 FY 11 General Fund Revenue Sources as a Percentage of the \$198.3 million Total Year-to-Date



FY 11 General Fund Revenue by Department

As of March 31, 2011, General Fund departments had generated \$198.3 million or 51.7 percent of budgeted revenues. Among the top revenue producers were the Financial Management Department with \$11.5 million, the Public Works Department with \$10.5 million, the Police Department with \$7.0 million, the Fire Department with \$5.9 million and Parks, Recreation & Marine Department with \$3.9 million. Attachment C provides a more detailed breakdown of General Fund revenue performance and variances by department. Many of the departmental variances are captured in the footnotes to this attachment.

General Fund revenue is currently projected to end the year at approximately \$5.1 million or 1.3 percent under-budget. Declines in revenue such as those we are experiencing this year are driven by factors largely external to the City’s control. At this time, five departments are estimating revenues to end the year between 2 and 8 percent under budgeted levels. Fire, Police and Parks, Recreation and Marine are projecting the largest revenue shortfalls. Part of the shortfall can be attributed to national economic factors within business and industry, such as the drastic declines in construction projects and the massive deficits affecting governmental entities with which the City has contracts for services. Additional underperforming revenues are within categories such as parking citations, meters and off-street parking, and recreation-related activities, which are rooted in changes in individual behaviors. Of these underperforming revenues, \$3.3 million have been consistently underperforming and need to be structurally corrected.

The table below highlights consistently underperforming revenue as of March 31, 2011 in the General Fund revenues.

Chronically Underperforming Revenue	
Revenue	Shortfall
Parking Citations	\$ (841,154)
Pipeline Franchise	(759,000)
American Golf Revenue	(562,760)
False Alarm	(489,410)
Off-Street Parking	(110,000)
Metered/Other Parking	(190,000)
Towing Fund Transfer	(300,000)
Total	\$ (3,252,324)

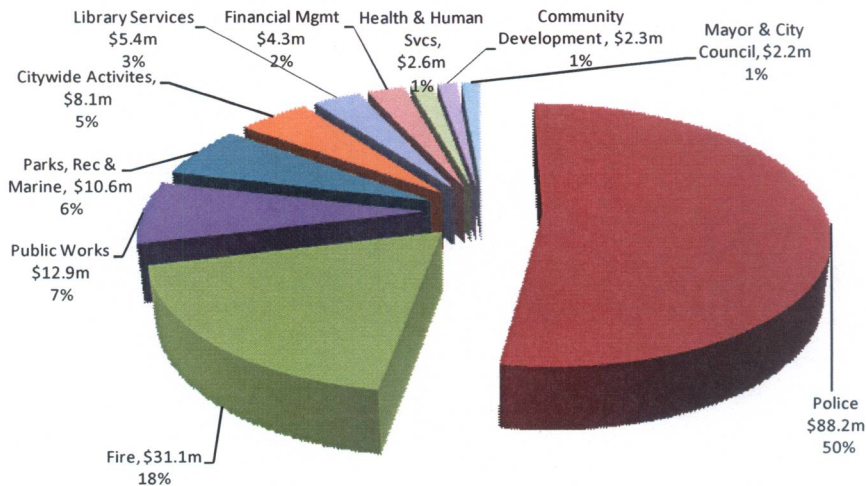
The Department of Financial Management will continue to monitor revenue performance on an on-going basis and work with departments to maximize revenue collection.

FY 11 General Fund Expenditures by Department

As of March 31, General Fund departments are estimating to end the fiscal year at \$389.2 million, or 0.92 percent over Adjusted Budget. The majority of Departments are estimating to end the year within their adjusted budgets and, to ensure the General Fund remains fiscally sound, the City Manager has issued a directive to Departments to end the fiscal year at their mid-year estimates-to-close. The remaining overage can be attributed to the Police and Public Works Departments. The Police Department was overstaffed in the beginning of FY 11 in sworn personnel, generating the majority of the overage. The Public Works Department will inherit the parking operations budget over the next few months from Development Services, which has been consistently under-funded. These two departments are managing their costs and are committed to ending the year at no more than their adjusted budgets. Financial Management will be working closely with these two departments over the next few months to guarantee there are no expense overages.

Exhibit 3 shows the City's Top 10 General Fund year-to-date expenditures in FY 11 by department as a percentage of total General Fund expenditures. Together, Police and Fire account for 68 percent of General Fund expenditures. The Police, Fire, Public Works, Parks, Recreation and Marine, and Library Services departments account for 85 percent of General Fund expenditures.

Exhibit 3 – Ten Largest FY 11 General Fund Expenditures Year-to-Date by Department, as a Percentage of the \$175.4 million Total Expenditures.



*Citywide Activities include debt payments, pass through transactions, old Police and Fire pension plan, General Fund CIP funding, etc.

FY 11: Addressing the Structural Shortfall in the General Fund

While all departments are taking measures to prevent expense overages, revenue shortfalls are driven by a combination of external factors including the down economy and behavioral changes within the community. To address the current year shortfall within certain consistently under-performing revenues, as well as other current revenue declines, and given the current strong oil revenue performance in the Upland Oil Fund, the City Manager is proposing to increase the structurally budgeted price per barrel of oil from \$45/bbl to \$55/bbl in the current fiscal year. This will increase the FY 11 budgeted revenue transfer from the Upland Fund to the General Fund by \$5.1 million. Given the historically high volatility of the oil commodity, it would be imprudent to structurally budget oil above \$55/bbl. In mid 2008, when the oil price was even much higher than today's prices, the City increased its structurally budgeted price of oil for the FY 09 from \$45/bbl to what was believed a conservative \$85/bbl. Within 6 months of that decision, the price dropped to a \$25/bbl, creating a large budget shortfall that necessitated mid-year budget reductions. Therefore, an increase, within reason, in the current structural budgeted price of oil is prudent and supportable.

The current year revenue shortfall is comprised of both structural and one-time revenue declines. The structural component consists of \$3.3 million in under-performing revenues, which have plagued the General Fund for several years. Staff proposes to use the \$5.1 million in additional oil revenue to solve the structural \$3.3 million problem. The remaining \$1.8 million shortfall is not currently considered a structural problem and can be addressed by the use of one-time oil revenue rather than requiring additional reductions in departments, which would result in negative service impacts.

In addition to the structural adjustment to the budgeted price of oil recommended above, staff anticipates additional oil revenue funds of approximately \$10.5 million at Fiscal Year End. In keeping with the current Council policy of using one-time money for one-time uses, staff proposes the additional revenue be used for the following to the extent possible:

- Underground tunnel connecting the Police Department jail to the new County courthouse for prisoner transport;
- Technology improvements to address automated Payroll Time Entry; and
- Unfunded infrastructure needs.

Both the underground tunnel and the automated payroll system would be one-time investments that would eliminate future ongoing General Fund costs.

Other Fund Highlights

Employee Benefits Fund (Restricted)

The Employee Benefits Fund (EBF) was created to finance and account for employee paid time off and fringe benefits, such as retirement, pension obligation bond, health insurance, dental insurance, Social Security and Medicare. Every City department and fund is charged a rate that is collected through payroll overhead charges and placed into the EBF. The goal of this rate is to ensure that the department allocations will fully cover the costs of the fringe benefits listed above.

Due to significant increases in the City's cost for health insurance claims, collections from departments through the payroll overhead charges are not enough to cover the full costs being incurred. Although the City did project an increase in health-related expense during the FY 11 budget process, the actual increases being realized are much higher than anticipated. The overhead rate has been increased to fund the higher costs, and departments have been charged approximately 10 percent more than budgeted. Most departments have been able to absorb the increases, but others are struggling to cover the increases and remain within budget.

Towing Fund (Restricted)

The Towing Fund supports towing responses to clear vehicle accidents, impound vehicles and facilitate the sale of unclaimed vehicles. The Towing Fund began FY 11 with a balance of \$612,471, which is a drop from the FY 10 beginning fund balance of \$1 million. Due to a decline in revenue resulting from fewer police initiated tows, Towing Fund revenue will not be sufficient to fulfill the budgeted \$3 million transfer to the General Fund and end the fiscal year with a positive fund balance. Financial Management continues to work with the Towing Fund to identify a solution to this problem. An update on this issue will be provided as part of the Fourth Quarter Performance Report.

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Conclusion

Mid-way through the fiscal year, the City is faced with numerous financial constraints resulting from the economy, departmental expenditure trends, revenue shortfalls beyond the control of the Departments, and increases in employee-related costs. Corrective steps have been taken to bring the General Fund within balance and, with the recommended use of oil revenue, FY 11 will end the year structurally balanced. As the remainder of FY 11 plays out, the Department of Financial Management will be closely monitoring the General Fund expense and revenue actuals.

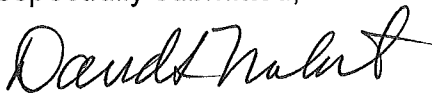
TIMING CONSIDERATIONS

City Council action on this matter is not time critical.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



DAVID NAKAMOTO
ACTING DIRECTOR OF FINANCIAL MANAGEMENT

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ATTACHMENTS

APPROVED:



PATRICK H. WEST
CITY MANAGER

March 2011
Expenditure Analysis by Fund
Fiscal Year 2011
(50% of Year Completed)

Attachment A

Fund	FY 11 New Allocation	Estimated All-Years Carryover ¹	FY 11 Adopted Appropriation	Amendments ²	Adjusted Budget	Year-to-Date Actuals	Estimates-to-Close	Remaining	% Spent	
Funds with All Years Carryover										
Airport	\$37,242,806	\$68,583,244	\$105,826,050	\$59,315,518	\$165,141,568	\$48,476,520	\$104,525,757	63.3%	\$116,665,048	29.4%
Business Assistance	828,305	477,863	1,306,168	-	1,306,168	150,663	221,835	17.0%	\$1,155,505	11.5%
Capital Projects	4,352,833	45,088,339	49,441,171	101,486,160	150,927,331	3,998,176	10,081,790	6.7%	\$146,929,155	2.6%
Civic Center	2,534,293	942,762	3,477,055	855	3,477,910	(335,549)	1,843,780	53.0%	\$3,813,459	-9.6%
Community Development Grants	35,073,417	44,613,046	79,686,463	423,310	80,109,773	17,717,485	48,766,663	60.9%	\$62,392,288	22.1%
Fleet Services	33,394,382	696,825	34,091,207	2,171,349	36,262,556	13,077,298	32,628,930	90.0%	\$23,185,258	36.1%
Gas	138,311,078	14,704,408	153,015,486	25,033	153,040,519	65,107,537	123,160,680	80.5%	\$87,932,982	42.5%
Gasoline Tax Street Improvement	10,110,732	19,419,291	29,530,023	2,136,216	31,666,239	7,747,058	15,829,022	50.0%	\$23,919,181	24.5%
General Grants	6,095,256	11,740,589	17,835,845	2,800,284	20,636,129	7,972,153	11,281,607	54.7%	\$12,663,977	38.6%
General Services	37,640,419	189,233	37,829,652	9,599	37,839,252	15,338,258	35,646,945	94.2%	\$22,500,993	40.5%
Harbor	717,200,614	-	717,200,614	-	717,200,614	145,146,857	719,442,800	100.3%	\$572,053,756	20.2%
Health	40,005,736	25,699,608	65,705,344	373,475	66,078,819	14,929,060	33,618,263	50.9%	\$51,149,759	22.6%
Housing Authority	72,954,528	796,504	73,751,032	-	73,751,032	36,331,968	74,177,173	100.6%	\$37,419,064	49.3%
Housing Development	27,126,131	64,077,094	91,203,225	16,536	91,219,761	10,332,274	43,009,437	47.1%	\$80,887,487	11.3%
Insurance	40,173,816	254,985	40,428,801	17,325	40,446,126	17,192,891	35,420,012	87.6%	\$23,253,234	42.5%
Police & Fire Public Safety Oil Production Act	3,193,883	-	3,193,883	-	3,193,883	1,374,014	3,027,179	94.8%	\$1,819,869	43.0%
Redevelopment	196,494,636	44,809,982	241,304,619	50,053,635	291,358,254	114,014,459	127,757,625	43.8%	\$177,343,795	39.1%
Refuse/Recycling	42,710,263	(217,205)	42,493,058	276,807	42,769,866	18,112,571	41,924,618	98.0%	\$24,657,295	42.3%
SERRF	53,896,378	-	53,896,378	-	53,896,378	27,078,946	53,896,378	100.0%	\$26,817,432	50.2%
Sewer	22,078,444	-	22,078,444	-	22,078,444	7,020,190	22,078,444	100.0%	\$15,058,254	31.8%
Tidelands	131,333,571	33,022,442	164,356,013	209,342	164,565,355	51,736,042	123,767,455	75.2%	\$112,829,312	31.4%
Transportation	13,684,500	22,849,890	36,534,390	11,973	36,546,363	5,681,749	15,371,458	42.1%	\$30,864,613	15.5%
Water	91,239,788	-	91,239,788	-	91,239,788	33,617,441	91,239,788	100.0%	\$57,622,347	36.8%
SUBTOTAL	\$ 1,757,675,809	\$ 397,748,900	\$ 2,155,424,709	\$219,327,418	\$2,374,752,127	\$ 661,818,062	1,768,717,638	74.5%	1,712,934,065	27.9%
Funds Without All Years Carryover										
General	\$ 380,406,912	\$ -	\$ 380,406,912	\$ 5,159,194	\$ 385,566,105	\$ 175,401,329	389,171,926	100.9%	\$ 210,164,776	45.5%
Belmont Shore Parking Meter	668,275	-	668,275	19,100	687,375	75,850	474,525	69.0%	611,525	11.0%
Certified Unified Program Agency (CUPA)	1,246,629	-	1,246,629	-	1,246,629	478,587	1,221,460	98.0%	768,042	38.4%
Employee Benefits	220,938,024	-	220,938,024	158	220,938,182	95,259,542	206,388,000	93.4%	125,678,639	43.1%
Development Services	11,347,848	106,379	11,454,227	2,701	11,456,928	5,200,553	10,997,517	96.0%	6,256,375	45.4%
Development Impact Fees	308,968	-	308,968	-	308,968	1,521	259,182	83.9%	307,446	0.5%
Parking & Business Area Improvement	6,155,960	-	6,155,960	-	6,155,960	1,821,127	6,037,228	98.1%	4,334,833	29.6%
SERRF JPA	11,295,285	-	11,295,285	-	11,295,285	9,312,880	11,295,285	100.0%	1,982,405	82.4%
Special Advertising & Promotion	5,283,022	-	5,283,022	-	5,283,022	2,418,511	5,220,035	98.8%	2,864,511	45.8%
Tideland Oil Revenue ³	70,337,716	-	70,337,716	17,000	70,354,716	123,402,503	352,949,035	501.7%	(53,047,787)	175.4%
Towing	8,874,169	-	8,874,169	192	8,874,361	3,243,379	8,525,046	96.1%	5,630,982	36.5%
Upland Oil	14,907,730	-	14,907,730	-	14,907,730	4,814,275	13,908,132	93.3%	10,093,455	32.3%
SUBTOTAL	\$ 731,770,536	\$ 106,379	\$ 731,876,915	\$ 5,198,345	\$ 737,075,260	\$ 421,430,057	\$ 1,006,447,371	136.5%	\$ 315,645,203	57.2%
TOTAL - All Funds	\$ 2,489,446,345	\$ 397,855,279	\$ 2,887,301,624	\$224,525,763	\$ 3,111,827,386	1,083,248,119	\$ 2,775,165,009	89.2%	\$ 2,028,579,268	34.8%

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 Actual Oil revenue for the first six months of the year has averaged \$88/barrel which has generated more revenue and expense than initially budgeted at \$45/barrel. An appropriation adjustment will be requested in the 2nd Qtr Budget Adjustment report to bring actuals in-line with budget.

March 2011
 General Fund Revenue (Top 40)
 Fiscal Year 2011
 (50.0% of Year Completed)

Attachment B

TOP 40 GENERAL FUND REVENUES	FY 10 Year End Actuals	FY 10 March YTD	FY 11 March YTD	FY 11 March YTD Over/(Under) FY 10 March YTD	% of FY 11 Adjusted Budget	FY 11 Adjusted Budget	FY 11 Estimate-to-Close
SECURED REAL PROPERTY TAXES ¹	\$ 58,688,898	\$ 33,324,512	\$ 38,367,599	\$ 5,043,088	56.75%	\$ 67,612,269	\$ 67,240,798
CITY SALES AND USE TAX & IN-LIEU SALES AND USE TAX ²	49,789,773	24,142,803	29,544,785	5,401,983	53.38%	55,348,244	55,348,244
VEHICLE LICENSE FEE & PROPERTY TAX IN-LIEU OF VLF ³	40,545,212	19,821,192	19,522,120	(299,072)	49.05%	39,800,000	39,500,000
ELECTRIC USERS TAX & PENALTIES	16,808,068	8,607,283	8,774,622	167,339	51.62%	17,000,000	17,304,364
TELEPHONE USERS TAX & PENALTIES	15,131,737	7,490,837	7,203,980	(286,857)	48.03%	15,000,000	14,739,225
WATER USERS TAX & PENALTIES	3,709,178	1,746,225	1,748,851	2,626	47.27%	3,700,000	3,700,000
GAS USERS TAX & PENALTIES	3,583,435	2,133,426	2,309,729	176,303	64.16%	3,600,000	4,100,000
PARKING CITATIONS ⁴	13,326,150	7,028,217	6,387,821	(640,397)	45.30%	14,100,000	13,358,846
GAS-IN-LIEU	11,923,176	5,550,884	5,961,588	410,704	50.00%	11,923,175	11,923,175
BUSINESS LICENSE TAXES	11,230,819	5,982,869	6,003,535	20,666	50.46%	11,897,000	11,877,000
EMERGENCY AMBULANCE FEES	8,928,002	4,295,744	3,830,679	(465,065)	42.10%	9,100,000	8,928,002
PIPE LINE FRANCHISES ⁵	5,531,293	3,234,210	2,708,617	(525,593)	52.09%	5,200,000	4,441,000
TRANSIENT OCCUPANCY TAX	7,637,304	3,532,963	3,967,543	434,581	55.10%	7,200,000	8,250,840
TRSFRR UPLAND OIL (SR134)	13,593,144	3,275,425	3,435,000	159,575	50.00%	6,870,000	6,870,000
ELECTRIC COMPANY FRANCHISES	6,095,525	3,349,018	3,406,111	57,093	56.77%	6,000,000	6,500,000
CHARGES FOR SPECIAL SERVICES ⁶	5,010,037	972,901	1,490,290	517,389	26.62%	5,599,400	4,611,315
PIPELINE FEE - WATER	5,567,820	2,783,910	2,775,583	(8,327)	48.32%	5,744,000	5,744,000
PRIOR YEAR SECURED REAL PROPERTY TAXES	3,371,144	2,617,290	2,243,787	(373,503)	66.56%	3,371,144	3,200,000
AMERICAN GOLF LEASE ⁷	4,549,502	2,260,046	2,076,236	(183,810)	40.71%	5,100,000	4,537,240
OTHER DEPT SVCS TO PROPRIETARY FUNDS ⁸	4,395,677	322,226	1,600,868	1,278,643	30.89%	5,182,337	4,805,477
PIPELINE FEE - SEWER	4,293,250	2,146,625	2,138,068	(8,557)	48.34%	4,423,000	4,423,000
MISC REFUNDS & REIMB	4,422,334	2,124,819	1,814,238	(310,580)	47.49%	3,819,938	3,567,790
VEHICLE CODE FINES	3,062,585	1,256,110	1,240,226	(15,884)	40.01%	3,100,000	3,022,567
LAND,BLDG,RWW,EASEMENT,APT RENTALS	3,390,698	1,485,506	1,656,231	170,724	47.18%	3,510,300	3,254,636
OIL PRODUCTION TAX	1,964,633	962,171	941,140	(21,031)	51.01%	1,844,920	1,844,920
CIP-ENGINEERING CHARGES	3,518,054	436,657	674,134	237,477	35.48%	1,900,000	2,189,976
PIPELINE SAFETY FEES	2,419,880	2,459,231	2,355,579	(103,652)	90.49%	2,603,000	2,355,600
INTEREST-POOLED CASH	862,976	359,621	420,366	60,746	50.04%	840,000	850,360
REDEV. REIMB.-NORTH LB ⁹	2,328,082	1,164,041	1,664,041	500,000	50.00%	3,328,082	2,520,010
CITY/MISC/BOND REFI ADVANCES	2,300,000	2,224,738	2,300,000	75,262	100.00%	2,300,000	2,300,000
UNSECURED PERSONAL PROPERTY TAXES	1,679,925	836,726	798,984	(37,742)	56.59%	1,412,000	1,325,000
FIRE PLAN CHECK FEES ¹⁰	2,296,435	1,292,896	803,817	(489,079)	33.69%	2,386,000	1,730,000
MISC REV	451,314	70,947	134,383	63,436	17.54%	766,020	805,054
ASSET MANAGEMENT CHARGES	1,269,324	619,008	677,217	58,209	56.53%	1,198,075	1,225,075
METERED/OTHER PARKING	1,062,616	516,568	502,293	(14,276)	40.41%	1,243,136	970,000
FIRE INSPECTION FEES	1,151,685	636,836	608,212	(28,623)	46.26%	1,314,780	1,220,200
REFUSE HAULER FRANCHISE FEE	1,195,973	224,234	746,392	522,158	61.18%	1,220,000	1,427,000
OFF-STREET PARKING	601,092	204,488	368,850	164,362	56.75%	650,000	535,000
POLICE CHARGES FOR SPECIAL EVENTS	1,592,150	826,407	770,857	(55,549)	55.06%	1,400,000	1,547,058
TRANSFERS FROM OTHER FUNDS ¹¹	28,897,053	17,106,832	9,754,909	(7,351,923)	58.73%	16,609,896	15,975,038
SUBTOTAL TOP 40 GENERAL FUND REVENUES	358,175,953	179,426,441	183,729,285	4,302,844	51.72%	355,216,717	350,067,809
SUBTOTAL ALL OTHER REVENUES	29,029,560	11,647,864	14,576,541	2,928,677	50.97%	28,598,850	28,647,383
TOTAL	\$ 387,205,513	\$ 191,074,305	\$ 198,305,826	\$ 7,231,521	51.67%	\$ 383,815,566	\$ 378,715,192

March 2011
General Fund Revenue (Top 40)
Fiscal Year 2011
(50.0% of Year Completed)

Attachment B

Notes:

¹ Assessed valuations in the City of Long Beach has declined by 2.8 percent and delinquencies are at approximately 3 to 4 percent. The total year-to-date payment is net of administrative costs charged to the City.

² During the first quarter of the State fiscal year, sales tax receipts experienced increases of 1.9 percent statewide, over the same quarter a year ago. During the first quarter of FY 10, City of Long Beach sales increased by 12.4 percent. These increases are largely attributed to the large volume of sales tax generated by Edison Materials and Supply.

³ Monthly Vehicle License Fee payments are trending slightly lower than budget due to declines in State auto sales. Property Tax In-Lieu payments posted in January, with the second to post in May.

⁴ Parking citation revenue is not expected to meet budgeted levels due to residential parking improvement efforts and the public's determination to avoid citations in a down economy.

⁵ Collections are anticipated to come in lower than budget due to decreases in both gas commodity prices and consumption.

⁶ Contracts for services with outside agencies, including LA County, LBCC and LBUSD were smaller than originally anticipated. Additionally, \$250,000 in revenue from contracting in Fire dispatch services was never realized.

⁷ American Golf receipts are coming in lower than expected at this time of the year due to rainy weather and overall reduced play.

⁸ Services and therefore reimbursements for intra-agency agreements for services, including Airport and Civic Center Security are less than originally anticipated.

⁹ As a result of a lawsuit by the LAUSD regarding the calculation of property tax revenue allocations, pass-through payments from the Long Beach Redevelopment Agency to the General Fund are being recalculated. The new calculation is anticipated to result in a structural reduction in General Fund revenue.

¹⁰ Current year-to-date performance is lower than in the previous year due to variations in the timing and size of development projects.

¹¹ The Operating Transfer from the Towing Fund is being reduced to assist the Towing Fund in creating a fund balance that will ensure continued operations and transfers to the General Fund. Additionally, year-over-year revenues appear low as a result of \$10.8 million from the Subsidence Fund to back-fill the State take-away of property tax revenues in FY 2010.

March 2011
Revenue Analysis by Department
General Fund - Fiscal Year 2011
(50.0% of Year Completed)

Attachment C

Department	FY 11 Adopted Budget	Amendments ¹	Adjusted Budget	Year-to-Date Actuals	Remaining	Estimates-to-Close	
Mayor and City Council	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
City Attorney	250	-	250	297	(47)	500	200%
City Auditor	-	-	-	771	(771)	771	0%
City Clerk	146,816	-	146,816	122,321	24,495	208,918	142%
City Manager	-	-	-	-	-	37	0%
City Prosecutor	-	-	-	18,455	(18,455)	18,455	0%
Civil Service	-	-	-	15	(15)	0	0%
Community Development ²	5,099,009	12,000	5,111,009	2,698,354	2,412,655	4,721,051	92%
Citywide Activities	284,459,606	3,135,612	287,595,218	154,882,249	132,712,969	287,442,417	100%
Development Services	776,169	-	776,169	427,317	348,852	833,391	107%
Financial Management	20,418,507	-	20,418,507	11,486,087	8,932,420	19,660,358	96%
Fire ³	14,356,150	-	14,356,150	5,894,048	8,462,102	13,151,312	92%
Health and Human Services	2,279,841	-	2,279,841	919,528	1,360,314	2,308,503	101%
Library Services ⁴	548,741	-	548,741	417,963	130,778	564,221	103%
Parks, Recreation & Marine ⁵	9,573,267	-	9,573,267	3,930,626	5,642,641	8,851,470	92%
Police ⁶	19,074,410	106,262	19,180,672	7,033,782	12,146,889	17,655,957	92%
Public Works ⁷	23,828,927	-	23,828,927	10,474,010	13,354,916	23,297,831	98%
TOTAL	\$ 380,561,692	\$ 3,253,874	\$ 383,815,566	\$ 198,305,826	\$ 185,509,741	\$ 378,715,192	99%

Notes:

¹ Amendments reflect budget adjustments during the fiscal year.

² Ground lease revenue and percentage of sale at the Long Beach Towne Centre has trended below budget. However, with the slight up tick in recent sales, performance, revenue should stabilize by year-end.

³ Current year-to-date performance is lower than in the previous year due to variations in the timing and size of development projects and reimbursements from ambulance fees.

⁴ Miscellaneous charges for services and facility rental fees have come in slightly higher than budget.

⁵ American Golf revenue is lower than anticipated as a result of the unseasonably cold and wet weather this past winter and revenue are unlikely to materialize. Budgeted concession and permit revenue for Blair Field will not be realized.

⁶ Payments/reimbursements for MOU-related services are delayed or under-budget as a result of lower than anticipated service utilization.

⁷ Estimates-to-close reflect lower than budgeted parking citation, metered parking and pipeline safety revenue.

March 2011
Expenditure Analysis by Department
General Fund - Fiscal Year 2011
(50.0% of Year Completed)

Attachment D

Department	FY 11 Adopted Budget	Amendments ¹	Adjusted Budget	Year-to-Date Actuals	Remaining	% Spent	Estimates-to-Close	
Mayor and City Council	\$ 4,874,602	\$ 19,256	\$ 4,893,857	\$ 2,195,840	\$ 2,698,017	44.9%	\$ 4,893,857	100.0%
City Attorney	1,264,451	-	1,264,451	848,328	416,123	67.1%	1,264,438	100.0%
City Auditor	2,200,432	21,910	2,222,342	1,141,397	1,080,945	51.4%	2,158,844	97.1%
City Clerk	3,269,240	81,838	3,351,078	1,198,262	2,152,816	35.8%	3,231,871	96.4%
City Manager	2,554,791	1,248	2,556,040	1,096,411	1,459,629	42.9%	2,505,799	98.0%
City Prosecutor	4,666,207	-	4,666,207	2,006,969	2,659,239	43.0%	4,666,207	100.0%
Civil Service	1,948,021	6,181	1,954,202	846,902	1,107,300	43.3%	1,924,012	98.5%
Community Development	4,897,129	22,467	4,919,597	2,250,209	2,669,388	45.7%	4,374,753	88.9%
Citywide Activities ²	15,098,170	1,436	15,099,606	8,138,247	6,961,359	53.9%	18,103,266	119.9%
Development Services ³	1,039,832	221	1,040,053	545,322	494,730	52.4%	1,550,297	149.1%
Financial Management	9,967,982	7,280	9,975,262	4,274,017	5,701,245	42.8%	9,948,547	99.7%
Fire	72,638,035	1,015,960	73,653,995	31,121,416	42,532,579	42.3%	73,068,734	99.2%
Health & Human Services	5,299,024	5	5,299,029	2,568,233	2,730,795	48.5%	5,297,381	100.0%
Library Services	12,259,268	3,015	12,262,283	5,399,204	6,863,078	44.0%	12,262,170	100.0%
Parks, Recreation & Marine	24,503,798	144,563	24,648,361	10,630,604	14,017,757	43.1%	24,637,864	100.0%
Police ⁴	185,814,282	3,778,541	189,592,822	88,246,649	101,346,174	46.5%	190,782,539	100.6%
Public Works ⁵	28,111,647	55,273	28,166,921	12,893,318	15,273,602	45.8%	28,501,347	101.2%
TOTAL	\$ 380,406,912	\$ 5,159,194	\$ 385,566,105	175,401,329	\$ 210,164,776	45.5%	\$ 389,171,926	100.9%

Notes:

¹ Amendments reflect budget adjustments approved by the City Council during the fiscal year, but are primarily due to prior-year encumbrances (purchase orders).

² Citywide Activities (XC) include debt service payments, as well as interdepartmental transfers, including transfers to the Capital Improvement Fund. A budget enhancement, offset by increases in revenue, has been requested as part of the Q2 Budget Adjustment report to offset the increase in expenditures.

³ Parking operations within Development Services is not realizing the anticipated expense savings associated with the automatization program.

⁴ The overage in the Police Department is largely due to overstaffing during the first half of the fiscal year.

⁵ Twelve trade positions were cut during the FY 11 budget. A Prop L study is currently being evaluated but the positions are still incurring unbudgeted expenses. Public Works will be requesting a Q2 Budget adjustment that will adjust their budget to match ETCs.