



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

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February 14, 2017

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Receive and file the Fiscal Year 2016 Year-End Budget Performance Report, and increase appropriations in several funds across several departments for various purposes to reflect final expenditures and carryover clean-up. (Citywide)

DISCUSSION

This report reflects the City's Fiscal Year 2016 (FY 16) budget performance. The information provided is subject to change, as the books for FY 16 are not fully closed. However, it is anticipated that these numbers are close to final and few, if any, will change. While the financial report primarily discusses the General Fund, significant information for other funds is highlighted where applicable.

YEAR-END BUDGET PERFORMANCE REPORT

Summary

The City's total FY 16 Adjusted Budget of \$3.4 billion, including carryover, supports 22 departments, including the separately managed Water and Harbor Departments. The City has seven fund types divided into 37 funds that comprise the \$3.4 billion FY 16 Adjusted Budget (Attachment A). 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 14 percent of the City's Adjusted Budget.

The City ended FY 16 within budget expectations. Year-end spending came in under budgeted appropriation for the General Fund and for all other funds after factoring in technical adjustments requested, which are further described later in this report. Please see Attachment A for a breakdown of citywide expenditures by fund. The remainder of this report summarizes the General Fund and notable performance for other selected funds.

General Fund and Uplands Oil Fund Overview

The General Fund and Uplands Oil Fund ended the fiscal year with a funds available of approximately \$3.1 million and \$0.8 million, respectively. The FY 16 sources and uses of funds available are summarized in Table 1 below:

Table 1: FY 16 Performance - General & Uplands Oil Funds		
	(\$ in millions)	
	General	Uplands
Beginning Funds Available (10/1)	\$ 3.5	\$ 0.9
Sources		
Revenues	\$ 454.1	\$ 10.9
Other Sources (Release for FY 16 one-times, FY 15 one-time carryover)	\$ 19.6	
Total Sources	\$ 473.7	\$ 10.9
Uses		
Expenditures	\$ (456.2)	\$ (10.8)
Other Uses (i.e. encumbrances, reserves for carry-over, Council approved one-time expenses and other liabilities)	\$ (17.9)	\$ (0.3)
Total Uses	\$ (474.1)	\$ (11.0)
Ending Funds Available (9/30)	3.1	\$ 0.8

FY 16 General Fund sources totaled \$473.7 million, comprised of \$454.1 million in revenue and \$19.6 million in "other sources" largely made up of the release to funds available for one-times that were authorized (budgeted) for expenditure in FY 16. FY 16 uses totaled \$474.1 million, comprised of \$456.2 million in expenditures, and also \$17.9 million in other uses. The "other uses" are assignments to reservations for future uses, including planned FY 17 budget spending ("carry-over"), City Council-approved one-time expenses for FY 17, and for other City liabilities. The City Council budgeted or designated many of these funds in previous City Council actions.

In general, revenues for the year were better than budgeted and expenditures were lower than budgeted. Variances from budgeted revenues and expenditures are continually analyzed to determine the degree to which variances are one-time or on-going. On-going variances are taken into account in estimating the status of the FY 17 budget and developing the FY 18 proposed budget projections.

Additional information regarding General Fund and Uplands Oil Fund sources and uses are described in the following sections.

Recommendations for the Use of Funds Available in the General and Uplands Oil Funds

The FY 16 ending funds available is projected to be \$3.1 million for the General Fund and \$0.8 million for the Uplands Oil Fund. The General Fund funds available is in addition to operating and emergency reserves for the Fund, which ended the year at 2.5 percent or \$10.5 million and 10.6 percent or \$43.9 million, respectively. Both are within the City's financial policy for reserves. The proposed uses for the funds available are shown in Table 2 below. Similar to what was recommended as funds available in FY 15, it is recommended to leave minimum funds available in the General Fund. For FY 16 we are recommending \$0.14 million ending funds available in the General Fund, and to use essentially all the funds available in the Uplands Oil Fund. A low or zero funds available in the Uplands Oil Fund is acceptable because the fund has an operating reserve of \$500,000.

An explanation for each of the proposed year-end uses follows the table below.

Table 2: Proposed Uses of the General and Uplands Oil Funds Available		
	(\$ in Millions)	
	General Fund	Uplands
Ending Funds Available (9/30)	3.09	0.76
Draw down of funds available for FY 17 one-times from Adoption Night	(0.60)	
Contingent approp for Divide by 9	(0.50)	
Contingent approp parks programming in Central/DT	(0.26)	
Contingent approp for Addl. Thursday hour at Main Library	(0.02)	
5% policy for Unfunded Liability	(0.15)	(0.04)
Legislative Department Budget Savings	(0.46)	
City Prosecutor's Savings	(0.08)	
City Auditor's Savings	(0.10)	
PRM Savings for Coyote Study	(0.07)	
Medical Marijuana Implementation	(0.71)	(0.69)
Remaining Ending Funds Available (9/30)	0.14	0.03

The recommendations for uses of Funds Available include the following:

- Per FY 17 Budget Adoption night, City Council approved the use of \$600,000 of funds available for FY 17 one-times.
- Per FY 17 Budget Adoption night Council actions, \$784,000 of the first available additional FY 16 year-end General Fund surplus is to be automatically appropriated for the following:
 - \$500,000 for capital infrastructure, economic development or existing City programming, to be divided by the nine City Council Districts;
 - \$260,000 in the Parks, Recreation and Marine Department for weekend programming in the Downtown and Central Long Beach;

- \$24,000 in the Library Services Department for extended hours at the Main Library;
- There are sufficient funds available to meet these contingent appropriations and they therefore automatically are included as uses of funds available.
- Set-aside 5 percent of funds available for unfunded liabilities to comply with the City Council's adopted financial policy. This includes \$133,908 from the General Fund and \$37,967 from the Uplands Oil Fund.
- Carry-over for the Legislative Department savings, which will be automatically allocated to supplement each respective Council District's Divide by Nine funds, in accordance with the Procedures for Implementation of Divide by Nine document of November 9, 2015. There is \$460,950 in General Fund savings from the Legislative Department.
- Carry-over for the City Prosecutor's Office savings to provide one-time support for one-time needs into FY 17. Savings of \$76,932 from the General Fund was requested by the City Prosecutor and appropriated by the City Council on December 6, 2016.
- Carry-over for the City Auditor's Office savings to provide one-time support for one-time needs into FY 17. Savings of \$98,000 from the General Fund was requested by the City Auditor and appropriated by the City Council on November 15, 2016.
- Enhancement for the Parks, Recreation and Marine Department of \$67,000 to conduct a human and coyote conflict study as approved by the City Council on December 20, 2016.
- Funding for a portion of the Medical Marijuana Implementation FY 17 costs, which includes \$690,000 from Uplands Oil Fund and \$710,000 from General Fund. It is anticipated that the FY 17 costs will exceed \$3.5 million. The remaining \$2.1 million in anticipated costs will be tracked and will be covered first by medical marijuana revenue, if any. The remaining net costs will need to be addressed in the FY 17 budget year-end close process and could require use of the reserves if revenues or budget savings are not available as offsets.

Where applicable, the appropriations for these proposed uses of the surplus are included in the FY 17 First Budget Adjustment Report.

General Fund - Sources of Funds

Revenues

As of fiscal year-end, \$454.1 million of General Fund revenue was received, which included one-time revenues such as the \$14.2 million in bond revenue for the new Civic Center project and demolition of the Los Angeles County Courthouse, \$8 million in proceeds from the sale of land to the Port of Long Beach for their new headquarters building, \$3.56 million of City - Redevelopment Agency loan repayment revenue that the State Department of Finance approved for use in repayment of the City's Open Space Bonds debt service, and \$2 million in sales tax revenue that was due from the State as part of the final payment of the Triple Flip Plan that withheld \$0.25 of City sales tax

revenue and repaid it with prior year property tax from the State. Additional one-time revenues included \$936,000 in proceeds from the sale of former RDA properties, \$333,000 in reimbursement from Southern California Edison as a result of the power outage in the summer of 2015, and \$1.3 million in reimbursement for statewide Fire deployments.

Aside from these one-time funds, the General Fund experienced growth in several other revenue sources, including transient occupancy tax, the new first responder fee, interest income, and revenue from parking operations, among others. Analysis is on-going to determine what, if any, portion of the changes in revenue should be considered structural and anticipated to impact the FY 17 estimates-to-close and the FY 18 budget process.

Attachment C provides a breakdown of the top 40 General Fund revenue performance by source. Significant variances are identified in the footnotes to this attachment.

Other Sources

Other sources of funds totaled \$19.6 million in FY 16. These other sources are comprised of the release of reservations established in prior fiscal years, a significant portion of which was budgeted to be released in FY 16 as part of the FY 16 Adopted Budget. In addition, during the course of FY 16, via City Council action, several reservation releases were requested including funds for FY 15 encumbrances to be paid in FY 16, carry-over of one-times from FY 15, and \$1.4 million to cover a projected shortfall during the July 2016 through June 2017 Recognized Obligation Payment Schedule (ROPS) period, these funds were originally set aside for Successor Agency transition expenses.

General Fund - Uses of Funds

Expenditures by Department

Actual General Fund spending totaled \$456.2 million, or 98 percent of the adjusted budget. Collectively, the City Manager's request for departments to save 0.5 percent of their budgeted appropriation was met. Factors contributing to the budget versus actual expenditure variance included savings from all departments, including the Police Department, which ended the year \$4.3 million under budget. The Police Department's year-end savings was planned in the FY 17 Budget to cover the two academy classes that were held in calendar year 2016. The Legislative Department, City Auditor's Office and the City Prosecutor's Department also had savings; however, these savings are being recommended by their respective departments as uses of funds available to fund FY 17 appropriation increases for Council District's Divide by Nine projects, one-time support for the City Auditor's Office and City Prosecutor's Promising Adults, Tomorrow's Hope (P.A.T.H.) program. Other factors impacting the budget variance included unspent appropriation in the City Clerk Department because not all even numbered Council Districts had runoff elections in June, and some FY 15 and FY 16 budgeted one-times were unspent at year-end. The City Council approved, but unspent, FY 16 one-time funds were reserved at the end of FY 16 and are part of other uses described in the Other Uses section. These unspent departmental and one-time funds are included for re-appropriation in the FY 17 First Budget Adjustment Report.

Attachment B provides a breakdown of General Fund expenditure performance by department. Notable departmental variances are identified in the footnotes to this attachment.

Other Uses

Other Uses of funds totaled \$17.5 million in FY 16, and are assignments to reservations for future uses (carry-over), including planned FY 17 one-time budget spending, some FY 15 and FY 16 budgeted one-time funds that were unspent at year-end, and other City liabilities. Examples of these reservations include the \$5.7 million intended for one-time strategic initiatives included in the FY 17 Adopted Budget, \$4.0 million to cover the FY 17 portion of the increased costs of conducting two police academies in FY 16, and \$510,000 to cover the November election costs related to Measures MA and MM. In addition, a portion of departments' year-end savings are being set aside to cover additional department needs in the new Civic Center.

Other Funds

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

On May 1, 2007, the voters approved Proposition H, a special tax of 25 cents, with an annual Consumer Price Index (CPI) increase on every barrel of oil produced, and restricted to fund police and fire services. The tax assessed in FY 16 was \$0.29 per barrel of oil produced. Revenues were \$3.7 million and expenses were \$3.2 million for FY 16. Market fluctuations impact the production of oil, which impact Proposition H revenues. Declines in production in FY 16 did not materialize at the pace expected, as a result revenue decreased only 5 percent from the previous year. It was projected that at the end of FY 16, there would be \$1.4 million in funds available. To address the combination of lower than anticipated declines in production and the larger than necessary reduction in the budgeted revenue, Proposition H revenues were revised upward during FY 16. To utilize the growing funds available and the need for targeted public safety services, the City Council authorized the use of \$500,000 in funds available for Homelessness Rapid Response in the Police and Fire Departments. Each department was budgeted an additional \$250,000 for this homeless initiative.

Gas Tax Street Improvement Fund

The Gas Tax Street Improvement Fund is used to account for the receipt and expenditure of gasoline tax funds apportioned under the State Streets and Highways code, as well as other sources dedicated to street improvements. In FY 16, the City received \$10 million in gasoline tax revenue, a decline of \$3.1 million compared to FY 15. This decline is largely attributed to the increased use of fuel efficient and alternative fuel vehicles. The City's gasoline tax apportionment is expected to continue to decline for the foreseeable future. Staff will continue to closely monitor this fund in FY 17 and beyond. The decline in FY 16 gasoline tax revenue was backfilled by increased federal grant funding through the Moving Ahead in the 21st Century (MAP-21) program intended to improve and maintain surface transportation infrastructure. Moving forward, revenues from the

recently passed Los Angeles County Measure M, which becomes effective July 1, 2017, may also be used to mitigate future declines in gasoline tax revenue and provide a means of continued support for gasoline tax-funded programs.

Tidelands Funds

The Tidelands Fund supports operations along the beaches and waterways. The primary source of Tidelands Fund revenue is the annual transfer from the Harbor Revenue Fund and net revenue from oil operations in the Tidelands areas. For FY 16, total revenue in the Tidelands Fund was \$64.2 million. Oil revenue declined by \$8.3 million in FY 16, which reflects a 46 percent drop from FY 15, and illustrates the variable nature of this funding stream. On the positive end, staff had anticipated oil revenue declines would result in \$1.2 million less than budgeted projections, but actual performance ended the year approximately \$297,500 above budget. Expenditures also closed the fiscal year within budget appropriations. For the Convention Center, SMG spent \$136,716 for the purchase, installation and decoration of the Christmas tree. This expense is reflected in Tidelands expenditures in the Economic and Property Development Department (EP). However, no appropriation increase is needed in EP as the Department's year-end actuals for All Funds are within appropriation limits. Staff is closely monitoring Tidelands revenue projections throughout FY 17 to determine continued impact of oil prices on both the operating budget and capital project implementation. Additionally, at the request of the City Council, staff is reviewing the status of projects in the Tidelands Fund in an effort to identify \$1.5 million in available funds that can be used on public safety and lighting related projects. Once this evaluation is complete staff will report its findings.

Health Fund

The Health Fund accounts for revenues and expenditures associated with Federal, State and local grants, health permits, and other fees. Challenges facing the fund include: growing capital and infrastructure needs; increased restrictions placed on grants; and anticipated return of funds to the state due to these policy changes, all of which are funded with either the same or a declining level of resources. Staff is closely monitoring the fund, reviewing cash flow and identifying strategies to address these ongoing needs to ensure levels of services are maintained.

Refuse Fund

The Refuse Fund receives approximately 93 percent of its total revenues from refuse and recycling charges. The remaining funds come from the State grants for various public outreach efforts (recycling, litter reduction, used motor oil collection, etc.), revenues from the sale of recyclables collected through the City's residential recycling program, fees paid by the City's licensed private refuse haulers for AB 939 compliance, and interest income. The Fund has relied on funds available to offset operating shortfalls over the past few years, yet has not increased fees to match increasing costs. Staff is currently engaged in a study of the current rate structure to ensure that the City's refuse and residential recycling rates are equitable and appropriate. The study includes a comparative rate survey, recommendations for an updated rate structure, and a new rate

model. Results of the study will be presented to the City Council along with any recommendations for change.

Uplands Oil Fund

The Uplands Oil Fund accounts for oil revenue outside the Tidelands area, and for all costs and revenues for the City's proprietary oil interests. Oil production costs and transfers to the General Fund make up the majority of expenditures in the fund. The Uplands Oil Fund began FY 16 with funds available of \$891,000. The total amount transferred in FY 16 was \$8.4 million, which included \$800,000 that had been committed for the FY 16 Police Academies. FY 16 Adopted Budget oil projections were based on \$55 per barrel, actual oil prices averaged \$36.88 per barrel in FY 16, thus reducing the initial estimated transfer to the General Fund from \$11.5 million to \$7.4 million. Staff continues to closely monitor this fund to ensure estimated revenue in future years.

Special Advertising and Promotions Fund

The Special Advertising and Promotions (SAP) Fund receives revenue from multiple funding sources such as Transient Occupancy Tax, studio filming permits, and special events licenses, permits and fees. The SAP Fund may be used for advertising, promotional and public relations projects for the City. The SAP Fund ended FY 16 with additional funds available generated during the year, which is recommended to be used for the following community focused initiatives.

The first initiative is to designate up to \$200,000 in funds to the Police Department to be used to offset increasing security costs of events that are unpredictable since more security is required than in previous years. This helps major events in the City avoid impacts to events due to sudden cost increases and provides the Police Department the ability to fund enhanced security measures where they feel is appropriate. Another initiative is \$200,000 to fund the appraisal efforts of the City's art collection, and \$50,000 to support the third annual Long Beach Pow! Wow!. Finally, \$200,000 is needed to support the technical financial and feasibility analysis of a street race Request for Proposals in Long Beach. These proposed uses will be included in the FY 17 First Budget Adjustment Report.

Sewer Fund

In addition to its normal expenditures, the Long Beach Water Department (LBWD) had additional costs due to the issuance of Sewer Revenue Refunding Bonds, Series 2016A. Bonds were issued to refinance \$11,250,000 in outstanding principal balance under the Sewer Revolving Line of Credit. LBWD's objective in refinancing said debt was to secure low fixed bond yield rates and provide the Department with certainty in future debt service payment requirements.

On February 14, 2017, LBWD will request the City Council for an appropriation increase of \$11,250,000, bringing the Department's FY 16 expenditures under budget. The adjustment that is being requested is included in the financial data provided in Attachment A.

This matter was reviewed by Deputy City Attorney Amy R. Webber on January 27, 2017.

TIMING CONSIDERATIONS

City Council action on this matter is required prior to the closing of the City's books for FY 16.


FISCAL IMPACT

None.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

JG:LE;GY;JJ;RAG
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ATTACHMENT

APPROVED:


PATRICK H. WEST
CITY MANAGER

CITY OF LONG BEACH EXPENDITURES BY FUND
YEAR-END FY 2016

	FUND	FY 16 New Allocation	Estimated All-Years Carryover ¹	FY 16 Adopted Budget	Amendments	Year-End Adjustments	FY 16 Adjusted Budget	FY 16 Year to Date Expenditures as of 9/30/16
Funds With All-Years Carryover								
	AIRPORT	\$ 42,608,676	\$ 33,330,126	\$ 75,938,802	\$ 9,053,437		\$ 84,992,238	\$ 50,473,326
	BUSINESS ASSISTANCE	694,119	1,220,474	1,914,593	-		1,914,593	450,872
1	CAPITAL PROJECTS	15,348,280	73,738,629	89,086,909	44,989,528		134,076,437	40,099,279
	CIVIC CENTER	10,880,804	2,865,699	13,746,503	40,643,327		54,389,830	39,304,632
	COMMUNITY DEVELOPMENT GRANTS	20,659,503	19,913,178	40,572,681	10,461,646		51,034,327	27,542,520
	CUPA	1,658,451	-	1,658,451	-		1,658,451	1,458,044
	DEVELOPMENT SERVICES	18,968,900	1,867,601	20,836,501	3,578,418		24,414,919	23,402,530
	FLEET SERVICES	45,210,791	1,640,848	46,851,639	13,251,993		60,103,633	40,945,706
	GAS	144,808,851	28,044,324	172,853,175	353,870		173,207,044	100,293,426
	GAS TAX STREET IMPROVEMENT	16,074,663	30,600,795	46,675,458	450,000		47,125,458	20,670,556
	GENERAL GRANTS	9,031,228	14,230,644	23,261,872	18,312,298		41,574,170	19,341,636
	GENERAL SERVICES	48,585,886	24,693,268	73,279,154	2,251,643		75,530,797	41,484,772
	HEALTH	42,827,615	18,322,879	61,150,494	4,954,386		66,104,880	35,253,114
	HOUSING AUTHORITY	71,953,593	93,318	72,046,911	-		72,046,911	65,310,580
2	HOUSING DEVELOPMENT	6,944,495	17,665,584	24,610,080	756,000		25,366,080	2,220,381
	INSURANCE	42,402,722	-	42,402,722	3,912,869		46,315,592	45,763,538
	REFUSE/RECYCLING	45,197,765	106,836	45,304,601	19,071		45,323,673	42,804,132
	SUCCESSOR AGENCY	75,500,522	30,341,624	105,842,146	1,417,753		107,259,899	51,092,088
	TIDELANDS	101,146,101	177,864,992	279,011,093	32,161,800		311,172,892	154,119,194
	TRANSPORTATION	20,576,303	17,020,921	37,597,224	260,936		37,858,160	16,774,906
	SUBTOTAL	\$ 781,079,268	\$ 493,561,740	\$ 1,274,641,008	\$ 186,828,976	\$ -	\$ 1,461,469,983	\$ 818,805,232
Funds Without All-Years Carryover								
	BELMONT SHORE PKG METER	\$ 830,879		\$ 830,879	102,188		933,067	769,859
	DEBT SERVICE FUND	9,230,342		9,230,342	400,000		9,630,342	8,992,000
	EMPLOYEE BENEFITS	248,910,324		248,910,324	472,475		249,382,799	217,689,512
	GENERAL	429,842,547		429,842,547	37,281,116		467,123,663	456,162,288
	HARBOR	829,130,000		829,130,000	-		829,130,000	568,069,658
	PARKING AND BUSINESS AREA IMPROVEMENT	7,968,757		7,968,757	568,645		8,537,402	8,108,188
	POLICE & FIRE PUBLIC SAFETY OIL PROD ACT	3,232,643		3,232,643	308,604		3,541,247	3,527,319
	SERRF	51,145,981		51,145,981	-		51,145,981	45,286,230
	SERRF - JPA	11,218,558		11,218,558	-		11,218,558	11,014,027
3	SEWER	19,328,068	4,034,329	23,362,397	-	11,250,000	34,612,397	30,394,296
	SPECIAL ADVERTISING & PROMOTION	7,871,689		7,871,689	2,042,730		9,914,418	9,113,196
	TIDELAND OIL REVENUE	158,463,652		158,463,652	-		158,463,652	50,714,730
	TOWING	5,730,049		5,730,049	-		5,730,049	5,608,282
	UPLANDS OIL	13,999,272		13,999,272	844,593		14,843,865	10,759,823
	WATER	106,270,629		106,270,629	-		106,270,629	102,371,965
	SUBTOTAL	\$ 1,903,173,391	\$ 4,034,329	\$ 1,907,207,720	\$ 42,020,350	\$ 11,250,000	\$ 1,960,478,070	\$ 1,528,581,374
	TOTAL - ALL FUNDS	\$ 2,684,252,658	\$ 497,596,069	\$ 3,181,848,727	\$ 228,849,326	\$ 11,250,000	\$ 3,421,948,053	\$ 2,347,386,605

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, resulting in a larger adjusted budget. Additionally, the adjusted budget includes \$44 million in mid-year amendments to the General Capital Projects Fund for projects. The majority of funding for these projects comes from various grant awards, including, \$28 million for the LB-MUST project, \$742K for the Redondo & Anaheim Street Intersection Improvement Project, \$623K for the DeForest Wetlands Project, and \$365,000 for the citywide turf reduction program.

2. FY 16 spending in the Housing Development Fund was lower than FY 15, because housing projects in FY 16 were completed using HOME funds in the Community Development Grant Fund.

3. The Water Department issued Sewer Revenue Refunding Bonds in 2016, to refinance \$11,250,000 in outstanding principal balance. LBWD will be requesting an appropriation increase in the Sewer Fund of \$11,250,000 to bring the Departments spending under budget.

CITY OF LONG BEACH
GENERAL FUND EXPENDITURES SUMMARY
YEAR-END FY 2016

Department	FY 16 Adopted Budget	FY 16 Adjusted Budget	FY 16 Actual Expenditures, FY 16 Year-End	Percentage of Adjusted FY 16 Budget Expended
City Auditor	\$ 2,434,557	\$ 2,558,458	\$ 2,381,212	93%
¹ City Attorney	2,266,909	2,266,909	1,903,592	84%
² City Clerk	4,795,431	4,797,426	3,658,586	76%
City Manager	3,121,290	3,371,290	2,979,911	88%
City Prosecutor	4,957,241	4,957,241	4,855,524	98%
Citywide Activities	28,918,535	55,588,289	55,091,610	99%
Civil Service	2,356,434	2,416,434	2,390,106	99%
Development Services	5,363,275	5,433,929	5,233,497	96%
Disaster Prep & Emergency	11,874,348	12,041,136	11,590,661	96%
Economic & Property Development	1,329,335	2,001,026	1,772,504	89%
³ Fire	72,340,644	74,735,706	74,455,614	99.6%
Financial Management	13,102,477	13,298,301	12,351,995	93%
Health and Human Services	1,287,975	1,542,225	1,373,183	89%
Legislative	5,325,212	5,534,390	5,045,111	91%
⁴ Library Services	12,779,561	12,824,397	12,794,788	100%
Police	190,766,769	195,077,773	190,811,050	98%
Parks, Recreation, and Marine	31,582,385	31,925,480	31,696,335	99%
Public Works	35,240,169	36,753,251	35,777,009	97%
TOTAL	\$ 429,842,547	\$ 467,123,663	\$ 456,162,288	98%

¹ The City Attorney Department came in under budget due to staffing changes and vacancies.

² Significant savings were realized during the General Municipal Election due to fewer-than-anticipated run-off elections. Departmental position vacancies also contributed to overall budgetary savings.

³ The Fire Department's actual expenditures equated to 99.6% of budget. The Department incurred significant non-personal expenditures beyond what was budgeted in the areas of personal protective equipment, facility maintenance and repairs, fire hose, and medical supplies since emergency call volumes and the need for facility maintenance and repairs have steadily increased. In addition, the Department had increased costs related to the end of Rapid Medical Deployment that were not entirely covered by First Responder Fee revenue in FY 16.

⁴ Additional expenses related to the opening of the new Michelle Obama Library, were unanticipated, preventing the Library Services Department from meeting their total .5% savings target.

CITY OF LONG BEACH GENERAL FUND REVENUE SUMMARY
YEAR-END FY 2016

Notes	Revenues	FY 16 Adjusted Budget	FY 16 Actual Revenue as of 9/30/16	Estimates-to-Close	Percentage of FY 16 Actuals Over/(Under) ETC
1	REAL PROPERTY TAXES	\$ 103,690,492	\$ 106,349,579	\$ 106,249,828	0%
2	SALES AND USE TAX & IN-LIEU	58,500,000	62,946,208	60,805,645	4%
	PROPERTY TAX IN-LIEU OF VLF	45,185,899	44,605,601	44,605,601	0%
	ELECTRIC USERS TAX & PENALTIES	20,675,000	19,277,925	19,400,000	-1%
3	TRANSIENT OCCUPANCY TAX	16,000,000	18,315,514	18,350,000	0%
	PARKING CITATIONS	13,650,918	14,701,750	14,261,854	3%
	PROCEEDS FROM LONG TERM DEBT	13,150,000	13,150,000	13,150,000	0%
	BUSINESS LICENSE TAXES	11,561,000	12,093,128	12,400,000	-2%
	EMERGENCY AMBULANCE FEES	11,300,000	11,495,795	11,476,469	0%
	TELEPHONE USERS TAX & PENALTIES	11,612,958	10,701,259	10,800,000	-1%
4	ELECTRIC COMPANY FRANCHISES	7,700,000	6,781,511	7,720,000	-12%
	PIPELINE FEE-WATER	5,967,700	5,967,700	5,967,700	0%
	OTHER DEPT SVCS TO PROPRIETARY FUNDS	5,181,790	5,637,768	5,751,732	-2%
	CHARGES FOR SPECIAL SERVICES	5,014,225	5,493,878	5,431,255	1%
	AMERICAN GOLF LEASE	4,667,337	4,739,752	4,655,000	2%
	LAND,BLDG,R/W,EASEMENT,APT RENTALS	3,650,900	4,727,291	4,840,851	-2%
	PIPELINE FEE-SEWER	4,575,163	4,575,163	4,575,163	0%
	WATER USERS TAX & PENALTIES	3,934,893	3,961,103	3,930,000	1%
	MISC REFUNDS & REIMB	3,630,000	3,616,568	3,551,348	2%
	GAS USERS TAX & PENALTIES	3,200,000	3,225,661	3,150,000	2%
5	PIPELINE FRANCHISES	4,500,000	2,681,833	2,765,000	-3%
	PIPELINE SAFETY FEES	2,500,000	2,673,303	2,669,648	0%
	HARBOR-POLICE	2,400,781	2,509,350	2,509,350	0%
	MISC REVENUE FROM OTHER AGENCIES	2,454,560	2,389,168	2,411,972	-1%
	HAULER FEES	1,810,000	2,231,204	2,187,210	2%
6	REAL PROPERTY TRANSFER TAX	1,672,239	2,070,860	1,980,490	5%
7	INTEREST-POOLED CASH	712,160	2,064,682	1,516,981	36%
8	OTHER DEPT CHGS TO GOV'TL FUNDS	1,796,834	1,951,977	1,810,961	8%
	OIL PRODUCTION TAX	1,561,190	1,900,336	1,915,235	-1%
	POLICE CHARGES FOR SPECIAL EVENTS	1,300,000	1,654,537	1,612,979	3%
	ASSET MANAGEMENT CHARGES	1,676,517	1,610,904	1,676,517	-4%
9	METERED/OTHER PARKING	1,426,844	1,552,988	1,435,166	8%
10	REIMB OF STATE MANDATED COSTS	1,490,021	1,550,984	774,295	100%
	OTHER GOVT FUND-PUBLIC SERVICE	1,081,500	1,543,455	1,556,025	-1%
11	VEHICLE CODE FINES	1,750,000	1,265,894	1,205,716	5%
12	PARKING REVENUES FROM OPERATIONS	676,714	1,252,218	1,121,900	12%
13	EL DORADO PARK FEES	1,076,308	1,197,348	1,076,308	11%
14	MISC REV	1,034,008	1,146,253	423,077	171%
	SELF-SUSTAINING CLASSES-REC	1,048,520	1,060,286	988,626	7%
	TRNSFRS FRM OTHER FUNDS	40,931,272	36,770,587	36,562,828	1%
	SUBTOTAL TOP 40 REVENUES	\$ 425,747,744	\$ 433,441,317	\$ 429,272,729	1%
15	ALL OTHER REVENUES	\$ 18,376,527	\$ 20,635,381	\$ 19,772,774	4%
	TOTAL GENERAL FUND REVENUES	\$ 444,124,271	\$ 454,076,698	\$ 449,045,503	1%

General Fund Revenue Notes:

- ¹ Property Tax revenue projections are based on the assessed valuation provided by the County of Los Angeles in fall 2015 and assumes decreases in possessory interest taxes due to the material declines in oil-related property taxes. This report consolidates all property tax, including post-RDA dissolution property taxes and former tax increment pass-through revenues into one citywide property tax category.
- ² Sales and Use Tax and In Lieu Sales Tax ended the year above budget as a result of the unwinding and final payment of the sales and use tax triple flip, created by the passage of Proposition 57, which withheld a portion of cities sales and use tax for later repayment.
- ³ Transient Occupancy Tax projections reflect higher than budgeted actuals. Industry reports indicate a 7.3 percent increase in Average Daily Rate and a 9.0 percent increase in Revenue Per Available Room (REVPAR) in Long Beach, for the period January to October 2016 over the same time in the previous year.
- ⁴ Electric Company Franchise is based on a percentage of the gross quarterly revenue from all electricity sold within the City of Long Beach. Between FY 15 and FY 16 gross gross receipts revenue reported to the City declined by 5 percent. With the knowledge that rates were increasing and the recent revenue trends were up, projections had not anticipated this decline in electric company revenues.
- ⁵ Pipeline Franchise revenue is based on both the price of natural gas sold in Long Beach and the value of the gas transported through Long Beach. The commodity price of natural gas has been very volatile for a number of years fluctuating from a high of \$3.32 MMBtu to a low of \$1.35 MMBtu in FY 16.
- ⁶ Real Property Transfer Tax is directly tied to the value of properties sold in Long Beach. This revenue fluctuation is reflective of changes in sale price and/or increases or decreases in the number of properties sold.
- ⁷ Interest pooled cash higher than anticipated due to increase in interest rates.
- ⁸ Other Govt Funds- Public Service revenues have increased due to a combination of both an increase in the number of smaller work order requests and some new projects, including lighting upgrades to City Place garages and beach lots, updating all street sweeping signage, and HVAC/plumbing and elevator repairs at several City facilities. Financial Management revenues increased due to higher than budgeted charges attributed to the implementation of the first responder fee.
- ⁹ Revenue from metered parking is higher than budgeted in FY '16 due to the reduction in availability of offstreet parking and smart meter deployment. The ability to pay with a credit card at the smart meters has a tendency to increase the average value of a parking meter transaction.
- ¹⁰ Reimbursement of State Mandated Costs is primarily comprised of claims for reimbursement for costs for mandated programs such as the Open Meetings Act and for reimbursements for fire deployments. The FY 16 revenue exceeded budget projections as a result of reimbursements made in the latter part of the year.
- ¹¹ Vehicle Code Fines actual revenues have been declining in recent years.
- ¹² Parking revenue from operations revenues have increased due to increased parking activity and increased monthly parking at the City Place parking garages. This includes increased use by Molina Healthcare and the addition of 150-200 monthly customers dislocated by the sale of numerous City-owned lots in the Downtown area.
- ¹³ El Dorado Park Fees revenue exceeded projections due to increased staffing at park entrances resulting in collection of fees previously unrealized and good weather over major holidays, which otherwise can heavily impact revenue.
- ¹⁴ City Clerk received approximately \$657,000 more in revenue from LBUSD and LBCC as reimbursements for 2016 election expenses than projected.
- ¹⁵ All Other Revenue exceeded budget in various categories in different departments.