



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

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R-12

May 22, 2018

HONORABLE MAYOR AND CITY COUNCIL

City of Long Beach

California

RECOMMENDATION:

Approve the Fiscal Year 2018 second departmental and fund budget appropriation adjustments in accordance with existing City Council policy. (Citywide)

DISCUSSION

On September 5, 2017, the City Council adopted the Appropriations Ordinance governing the City's Adopted Budget for Fiscal Year 2018 (FY 18). 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. In accordance with the City's practice, these adjustments are presented periodically throughout the year to the City Council for consideration. Please see Attachment A for a Summary of Proposed Adjustments of impacted City funds, Attachment B for a recap of FY 18 General Fund Expenditure Budget Adjustments and Attachment C and D for summaries of negotiated agreements with various labor associations.

This matter was reviewed by Deputy City Attorney Amy R. Webber on May 7, 2018.

TIMING CONSIDERATIONS

The following requests for adjustments to FY 18 departmental and fund appropriations are necessary to reflect changes in operating conditions. City Council action is requested on May 22, 2018, to enable the timely processing of budget adjustments.

FISCAL IMPACT

FY 18 Appropriation Adjustments

Airport

1. *Increase appropriations in the Airport Fund (EF 320) in the Airport Department (AP) by \$251,192, for increases in operating expenses for janitorial supplies and landscaping services, offset by Airport operating revenues.*

The Long Beach Airport is experiencing increased passenger activity and is requesting an appropriation increase of \$100,000 in janitorial supplies due to increased use of supplies to maintain the facilities. Additionally, due to the recent award of a new landscape contract, and necessary enhancements to the landscape adjacent to newly completed facility improvements, an appropriation increase of \$151,192 for landscape services is requested. These increases in operating expenses are offset by increases in Airport operating revenues.

2. *Increase appropriations in the Airport Fund (EF 320) in the Airport Department (AP) by \$162,890, for Project Portfolio Management Application, offset by Airport operating revenues.*

On October 17, 2017, the City Council awarded a contract to Arcadis U.S., Inc., for the purchase of a Project Portfolio Management Application with an annual cost of \$651,561. The system will allow the Airport, Energy Resources, Public Works, and Water Departments to better manage their capital projects and provides a web-based workflow. Each of the four departments are sharing the costs evenly. The Airport's share of procuring and implementing this system is \$162,890 and is offset by Airport operating revenues.

3. *Increase appropriations in the Airport Fund (EF 320) in the Airport Department (AP) by \$318,800, for rent payments of office space and furnishings, offset by Airport operating revenues.*

On April 11, 2017, City Council authorized the execution of a sublease for office space located at 4401 Donald Douglas Drive. Airport staff began occupying the space in October 2017, and an appropriation increase of \$153,036 is requested for the scheduled rent payments to be incurred in FY 2018. The furnishings for this office space were purchased in 2017 through a contract authorized by the City Council on December 13, 2016. Additional purchases to furnish other office space used by Airport staff will be made in FY 18 and will not exceed \$165,764. These rent costs and furnishings will be offset by Airport operating revenues.

City Manager

4. *Increase appropriations in the Special Advertising and Promotions Fund (SR 133) in the City Manager Department (CM) by \$163,000, to make the first-year payment for the Percent for the Arts Program to the Arts Council for Long Beach, offset by funds available.*

On December 20, 2016, the City Council approved recommendations to establish a Citywide Percent for the Arts Program (Program). The Program will fund public art installations, small grants, and support for local arts groups paid for by a percentage of costs on eligible City-managed capital construction projects. Eligible Program fees will be assessed on all capital construction projects that are using General Fund and other eligible funding sources. Fees are calculated using one percent of direct actual costs of capital construction projects from the previous fiscal year that are over \$100,000, paid for, in part or whole, by eligible funding sources. A lump sum payment of Program fees will be dispersed to the Arts Council for Long Beach (ACLB) each year to implement Program goals in the community. The fees for the first full year of the Program, based on FY 17 actual direct construction costs of eligible capital projects, is \$163,000, and will be paid out of the Special Advertising and Promotions Fund just for the first year, so that there are no adverse impacts to projects that were already planned and under construction. Going forward, the 1 percent will be incorporated as part of the total cost of the project.

Development Services

5. *Increase appropriations in the Development Services Fund (EF 337) in the Development Services Department (DV) by \$70,321, for staff training, offset by revenue from a State-imposed surcharge on business license fees.*

On January 1, 2013, the City began collecting an additional \$1 on all business licenses as required by Senate Bill 1186. Per state law, the City retains 70 percent of the fees to fund Certified Access Specialist (CASP) training and certification of Building and Safety Plan Check and Inspection staff. The retained fees may also be used to facilitate compliance by the public with construction-related accessibility requirements. Assembly Bill 1379 increased the amount from \$1 to \$4 as of January 1, 2018, which will remain in effect through December 31, 2023. During this period, the City retains 90 percent of the fees to be used for the same purposes. An appropriation increase is requested to increase staff trainings, offset by the revenue from the state-imposed change.

6. *Increase appropriations in the Development Services Fund (EF 337) in the Development Services Department (DV) by \$110,000, for additional costs associated with public outreach and community participation in the first quarter of FY 18, offset by funds available.*

During the first quarter of FY 18, the Development Services Department incurred higher than anticipated costs related to public outreach and community participation. The costs for the facilities, advertising, reprographics, interpretation, and consulting was approximately \$110,000 higher than expected. These additional costs will be offset by funds available.

7. *Increase appropriations in the Development Services Fund (EF 337) in the Development Services Department (DV) by \$85,000, for consulting services to conduct plan review and create guidelines for review of sites with unique geotechnical characteristics, offset by developer fees and funds available.*

Several project sites have required specialized plan reviews due to their geotechnical characteristics. The Building and Safety Bureau is using the services of a consultant to assist with plan reviews for these sites. The consultant will also prepare standards and guidelines for the Building and Safety Bureau's review of other projects with similar characteristics in the future. The estimated cost of the consultant is \$85,000 and will be offset by developer fees and funds available.

8. *Increase appropriations in the Community Development Grants Fund (SR 150) in the Development Services Department (DV) by \$5,768 for the Neighborhood Leadership Program, offset by grant revenues.*

Long Beach Cares, a local nonprofit, has been serving as a fiscal agent for the Department's Neighborhood Leadership Program. The organization supported grant applications and funding requests from grantors that required a fiscal agent. Long Beach Cares is in the process of dissolving its organization and has provided the City with \$5,768, the balance of grant award funds from the Neighborhood Leadership Program's account. The funds will be used for Neighborhood Leadership Program activities, which may include classes, retreats, supplies, and graduation ceremonies.

Economic Development

9. *Increase appropriations in the General Fund (GP) in the Economic Development Department (ED) by \$26,059 for security camera network improvements in the East Anaheim business corridor, offset by a transfer of funds from the Capital Projects Fund (CP).*

On November 18, 2014, the City Council approved the use of the Fourth Council District one-time infrastructure funds for various park and infrastructure improvement projects. A total of \$85,000 was committed for the "Eyes on Anaheim" project to invest in the safety of the East Anaheim business corridor of which \$26,059 remains. The Zaferia Business Association is the owner of 16 security cameras along the corridor that are currently out of service due to a malfunctioning motherboard on the security camera server. The Fourth Council District and the Zaferia Business Association have requested the support of the City to find a solution for the security camera network. The Economic Development Department will use these funds to repair the security camera system motherboard, re-establish internet connection to the server and contract with a private security agency to monitor the surveillance cameras.

Energy Resources

10. *Increase appropriations in the Uplands Oil Fund (SR 134) in the Energy Resources Department (ER) by \$3,000,000 to align budget to actuals, offset by higher than expected oil revenue; and*

Increase appropriations in the Tidelands Oil Revenue Fund (NX 420) in Energy Resources Department (ER) by \$37,000,000 for an increased payment to the State, offset by higher than expected oil revenue

Estimated expenses in the Uplands Oil Fund and the Tidelands Oil Revenue Fund are anticipated to exceed budget. The FY 18 Adopted Budget oil projections were based on \$45 per barrel; however, updated oil price estimates are trending at an average of \$65 per barrel for the remainder of the year. The revised projections for oil prices have led to an increase in both Uplands and Tidelands revenues and, therefore, corresponding increases in payments to the State of California Lands Commission and to the transfer amount to the Tidelands Operations Fund.

11. Increase appropriations in the Gas Fund (EF 301) in the Energy Resources Department (ER) by \$9,800,000 to transfer funds to the General Fund to offset past reductions in transfers, offset by funds available.

Over the past several years, the City has actively taken steps to reduce the historical transfer in the Gas Fund in order to create a stronger fund balance, fund reserves, and invest in additional capital projects. As a result of those actions, strong fiscal management by the Department of Energy Resources, and above average performance, the Gas Fund is currently very healthy and in a position to resume the support that was previously held back intentionally. The City Charter specifically authorizes these transfers under situations where the status of the fund is healthy. This year, the Gas Fund is able to support an additional transfer in the amount of \$9,800,000.

Financial Management

12. Increase appropriations in the Fleet Fund (IS 386) in the Financial Management Department (FM) by \$338,068, for facility repairs, maintenance, and equipment, offset by funds available from prior year MOU revenue.

Fleet Services will incur costs for facility repairs, maintenance, and equipment upgrades that are scheduled for completion in FY 18, including the purchase of the Snap-On industrial work stations. The cost of these facility improvements is \$338,068, offset by funds available.

Library

13. Increase appropriations in the General Grants Fund (SR 120) in the Library Services Department (LS) by \$124,317, for summer reading and literacy program material, supplies, and staff expenses, offset by grant revenue.

The Long Beach Public Library (LBPL) has received revenue totaling \$124,317 from the Long Beach Public Library Foundation for the following items: \$97,737 for summer reading and literacy program materials and supplies; \$10,000 for Mobile Studio program supplies, and \$16,580 for staff expenses at the Michelle Obama Family Learning Center during the first quarter of FY 18.

Parks, Recreation & Marine

- 14. Increase appropriations in the Capital Projects Fund (CP) in the Parks, Recreation and Marine Department (PR) by \$200,000, for the 14th Street Park Expansion, offset by a transfer from the Public Works Department (PW).*

Decrease appropriations in the Capital Projects Fund (CP) in the Public Works Department (PW) by \$200,000.

In 2017, the City purchased the final parcel to complete 14th Street Park located at 1365 Long Beach Boulevard. The parcel has an existing restaurant building on it that needs to be removed to make way for the gateway into 14th Street Park from Long Beach Blvd. The City Manager has tasked the Parks, Recreation and Marine Department (PR) to manage this project and take the lead on the improvements to 14th Street Park; therefore a budget adjustment moving funds from PW to PR in the amount of \$200,000 is requested. The project cost includes the demolition of the restaurant building; vacating Palmer Court; and installing basic site improvements (landscaping, irrigation, signage) at 1365 Long Beach Boulevard.

- 15. Increase appropriations in the Capital Projects Fund (CP 201) in the Public Works Department (PW) by \$717,580, for the Deforest Wetlands Project Cleanup, offset by a transfer from the Parks, Recreation and Marine Department (PR).*

Decrease appropriations in the Capital Projects Fund (CP 201) in the Parks, Recreation and Marine Department (PR) by \$717,580.

The DeForest Wetlands Project (Project) originally began in 2001 with portions of the Project historically budgeted in either the Public Works Department (PW) or the Parks, Recreation, and Marine Department (PR), depending on the work being completed and the stage of the Project. As the Project nears completion, project budget in PR totaling \$717,580 needs to be moved to PW to close out the remainder of the project.

- 16. Increase appropriations in the General Fund (GF) in the Parks, Recreation and Marine Department (PR) by \$24,996, to reimburse First Serve, Inc for improvements to the El Dorado Tennis Center, offset by trust revenue.*

The Parks, Recreation and Marine Department has two Tennis Centers, Billie Jean King (BJK) and El Dorado Park. First Serve, Inc. has a permit for the operation and management of both tennis centers. All revenue derived from the tennis concession is deposited into the City of Long Beach Tennis Trust Account. All expenditures from this Trust must be expended for the purchase, maintenance, operation or improvement of grounds, buildings, structures, equipment or facilities for public tennis. Pursuant to Trust requirements, the El Dorado Tennis Center has made the improvements of replacing the awning in the back-patio area and adding shade coverings at a cost of \$24,996. A budget adjustment in the amount of \$24,996 is requested to reimburse First Serve, Inc. for the improvements, offset by funds from the Trust.

- 17. Increase appropriations in the General Fund (GF) in the Parks, Recreation and Marine Department (PR) by \$250,000, for the Urban Forestry Plan, offset by a transfer from Development Services Department (DV).*

As part of the City's sustainability effort, the Development Services Department will be providing the Parks, Recreation and Marine Department with funding in the amount of \$250,000 to support the City's urban forest through the maintenance and replacement of trees throughout the City. The funds will be used to address trees affected by the long-term drought and damage caused by various insect infestations in California.

Police

- 18. Increase appropriations in the General Grants Fund (SR 120) in the Police Department (PD) by \$294,386, for front-line enforcement, offset by State COPS 17 grant revenue.*

The Long Beach Police Department received an additional \$294,386 for grant year 2017 from the State of California Citizens Option for Public Safety Program funding from the County of Los Angeles Supplemental Law Enforcement Services Account (State COPS). These State COPS funds will be used for front-line law enforcement efforts, including overtime hours, and to support a Deputy Probation Officer assigned by the County of Los Angeles.

- 19. Increase appropriations in the General Grants Fund (SR 120) in the Police Department (PD) by \$332,371, for front-line enforcement, offset by State COPS 18 grant revenue.*

The Long Beach Police Department received a grant award of \$332,371 for grant year 2018 from the State of California Citizens Option for Public Safety Program funding from the County of Los Angeles Supplemental Law Enforcement Services Account (State COPS). These State COPS funds will be used for front-line law enforcement efforts.

Public Works

- 20. Increase appropriations in the Capital Projects Fund (CP) in the Public Works Department (PW) by \$457,972, for the Harvey Milk Park improvement project, offset by transfers from the City Manager Department (CM) and the Development Services Department (DV);*

Increase appropriations in the Special Advertising and Promotions Fund (SR 133) in the City Manager Department (CM) by \$100,793, offset by funds available for a transfer to the Public Works Department (PW); and

Increase appropriations in the Development Services Fund (EF 337) in the Development Services Department (DV) by \$184,000, offset by Construction and

Demolition Recycling Program Funds for a transfer to the Public Works Department (PW).

The Harvey Milk Park improvement project will include new hardscape, water-efficient landscaping, a stage, honor wall and mural of Harvey Milk. This project will be funded with \$100,793 from the Special Advertising and Promotions Fund that will be transferred from the City Manager Department for the construction phase for art and promotional enhancements to the design, and with \$184,000 of Construction and Demolition (C&D) Recycling Program funds in the Development Services Fund that will be transferred from the Development Services Department for water efficient landscaping and water conservation efforts. In addition, grant funds from the John S. and James L. Knight Foundation in the amount of \$173,179, currently budgeted in the General Grants Fund (SR 120) will be transferred from the City Manager Department to Public Works Department, of which \$40,000 is authorized as a grant match to implement an "Outdoor Office."

- 21. Increase appropriations in the Capital Projects Fund (CP) in the Public Works Department (PW) by \$1,008,000 to fully fund playgrounds at Drake, Los Cerritos, Veterans and Whaley Parks, which are part of the FY 18 Measure A infrastructure spending plan, offset by a transfer from the General Fund (GF); and*

Increase appropriations in the General Fund (GF) in the Citywide Activities Department (XC) by \$1,008,000, for a transfer to the Capital Projects Fund (CP), offset by FY 18 Measure A surplus.

On June 7, 2016, Long Beach voters approved the Measure A ballot initiative, which added a transactions and use tax for a period of ten years on the sale and/or use of all tangible personal property sold throughout the City. Measure A has since funded necessary improvements to public infrastructure and the maintenance of critical Public Safety services. As a part of the Measure A initiative, Drake Park, Los Cerritos Park, Veterans Park and Whaley Park will undergo playground improvements. At the time of the creation of the Measure A plan, the City utilized 2016 estimates and had not yet completed a design for each project. Current construction estimates are higher than anticipated due to the recent rise in construction costs nationwide, which has resulted in a budget shortfalls in each project totaling \$1,008,000. This request will provide the necessary additional funds for these projects, offset by FY 18 Measure A surplus.

Technology and Innovation

- 22. Increase appropriations in the General Services Fund (IS 385) in the Technology and Innovation Department (TI) by \$600,000, to transition existing legacy billing and collections systems to the Infor/Hansen land management system, offset by the release of internal designations set aside for technology purposes.*

Technology and Innovation Department will use as-needed professional and technical services to transition the remaining billing and collections systems that are not being moved to the Tyler Munis system (LB COAST project) to the Infor/Hansen land

management system. The cost of the transition is \$600,000, offset by the release of funds set aside for technology purposes in the General Services Fund.

- 23. Increase appropriations in the Capital Projects Fund (CP 201) in the Public Works Department (PW) by \$400,000, for the installation of fiber optic cable as part of the City's Dig Once policy, offset by a transfer from the General Services Fund (IS 385).*

Increase appropriations in the General Services Fund (IS 385) in the Technology and Innovation Department (TI) by \$400,000, to make the transfer to the Capital Projects Fund (CP 201), offset by the release of internal designations set aside for technology purposes.

The Public Works Department installs fiber optic cable as part of the City's Dig Once policy. The fiber installations for the Belmont Shore Median Landscape on 2nd street and Broadway Corridor Improvements projects will be funded by a transfer from the Technology and Innovation Department.

- 24. Increase appropriations in the General Services Fund (IS 385) in the Technology and Innovation Department (TI) by \$500,000, for cyber security risk assessment, offset by the release of internal designations set aside for technology purposes.*

The Technology and Innovation Department will hire a consultant to conduct a comprehensive cyber risk assessment, provide a five-year roadmap with detailed recommendations, and to provide cyber security training and software for ongoing monitoring of risks. The cost is \$500,000 and will be funded by the release of funds set aside for technology purposes in the General Services Fund, which is consistent with the funding plan detailed in the critical technology infrastructure needs presented to the City Council on December 5, 2017.

- 25. Increase appropriations in the General Services Fund (IS 385) in the Technology and Innovation Department (TI) by \$200,000, to conduct a Payment Card Industry (PCI) compliance study, offset by the release of internal designations set aside for technology purposes.*

The Technology and Innovation Department will conduct a Payment Card Industry compliance study. The City must comply with PCI standards as the City accepts credit card payments. These standards ensure that all cardholder data is stored, processed, and transmitted securely and require that an assessment is conducted regularly. The cost is \$200,000, and will be funded by the release of funds set aside for technology purposes in the General Services Fund, which is consistent with the funding plan detailed in the December 5, 2017 critical technology infrastructure needs presentation to City Council.

- 26. Increase appropriations in the General Services Fund (IS 385) in the Technology and Innovation Department (TI) by \$70,000, for an asset management consultant, offset by the release of internal designations set aside for technology purposes.*

The Technology and Innovation Department will hire an asset management consultant to redesign the City's policies and procedures for tracking the City's technology assets, completion of monthly inventories, intake of equipment, release of equipment, and implementation of the asset management database. The cost is \$70,000 and will be funded by the release of funds set aside for technology purposes in the General Services Fund.

27. Increase appropriations in the General Services Fund (IS 385) in the Technology and Innovation Department (TI) by \$50,000, for ServiceNow implementation and associated training, offset by the release of internal designations set aside for technology purposes.

The Technology and Innovation Department is in the process of implementing ServiceNow, a service management platform that will replace the current ticketing (work order) system, which is more than 10 years old. There are additional implementation costs related to integrations with existing systems and configuration of additional modules. Staff will also be trained on the re-engineered processes of ServiceNow for improved customer service and responsiveness using information technology service management practices from the Information Technology Infrastructure Library. The cost is \$50,000 and will be funded by the release of funds set aside for technology purposes in the General Services Fund.

28. Increase appropriations in the General Services Fund (IS 385) in the Technology and Innovation Department (TI) by \$7,050,000 for Civic Center technology infrastructure with Plenary Properties Long Beach LLC, offset by proceeds from capital lease financing.

On March 20, 2018, City Council authorized the amendment of Contract No. 34242 with Plenary Properties Long Beach LLC for Civic Center technology infrastructure, in an amount not to exceed \$7,050,000. Equipment being purchased for the new Civic Center includes the data center, cellular communications, cameras, broadcast systems, and audio/video equipment. An appropriations increase in the General Services Fund in the Technology and Innovation Department by \$7,050,000 is needed for the purchase and installation of Civic Center technology. The costs are funded by proceeds from capital lease financing, which is consistent with the City's critical technology infrastructure needs presented to City Council on December 5, 2017.

29. Increase appropriations in the General Services Fund (IS 385) in the Technology and Innovation Department (TI) by \$2,232,921, for LB COAST project implementation costs, offset by a transfer from the Harbor Department.

Since FY 14, the Financial Management Department initiated annual operating transfers from the Citywide Allocations Department to the General Services Fund in the Technology and Innovation Department to cover the cost of implementing the LB COAST project. The cost allocation by fund was based on the indirect cost allocation plan for accounting operations and on revenue generated by each fund. With the exception of this remaining

transfer, all transfers have been completed. The remaining transfer from the Harbor Department in the amount of \$2,232,921 was scheduled to be appropriated in FY 18.

Citywide Activities

Marina Revenue Bonds Debt Service

- 30. Increase appropriations in the Marina Fund (TF 403) in the Citywide Activities Department (XC) by \$1,250,000, to pay the principal debt service payment, offset by funds available.*

The Marina Revenue Bonds were issued in 2015 and debt service payments are made annually. A technical correction is needed to appropriate the principal payment for the Marina Revenue Bonds in FY 18, as it was inadvertently left out of the Adopted Budget.

Citywide Lawsuits

- 31. Increase appropriations in the Insurance Fund (IS 390) in the Citywide Activities Department (XC) by \$7,300,000, to fund City settlements of prior lawsuits, offset by funds available.*

On July 11, 2017, October 10, 2017, December 5, 2017 and March 6, 2018, the City Council authorized the City Attorney to pay the full settlements of the lawsuits entitled Miguel Contreras v. City of Long Beach, et al., Hector Ochoa v. City of Long Beach, et al., Khanly Saycon & Anna Luz Saycon v. City of Long Beach, et al., and Elizabeth Cheng v. City of Long Beach, et al., respectively.

Open Space Bond

- 32. Increase appropriations in the Debt Service Fund (DS 600) in the Citywide Activities Department (XC) by \$6,700,000, to call and payoff a portion of the Open Space Bonds, offset by internally designated funds.*

On October 18, 2006, the City issued the Lease Revenue Bonds, Series 2006B (Parks/Open Space Financing Project) in a principal amount of \$24,320,000. The Series 2006B Bonds were issued to finance the acquisition of land and construction of parks in the City. An appropriation of \$6,700,000 is requested to call and pay-off a portion of the outstanding Series 2006B Bonds.

ALBE, LBAEE, LBCAA and LBLGA Memorandum of Understandings (MOUs)

- 33. Increase appropriations by \$3,350,597 in the relevant departments and funds as shown on Attachments C and D to implement the City Council approved MOUs, which are partially offset by revenues and available funds.*

HONORABLE MAYOR AND CITY COUNCIL

May 22, 2018

Page 12

On October 3, 2017, the City Council approved MOUs with the Long Beach Association of Engineering Employees (LBAEE), Long Beach City Attorney's Association (LBCAA), and a new Terms and Conditions of Employment with the Association of Long Beach Employees (ALBE). FY 18 provisions include: a 2 percent salary adjustment on October 1, 2017 for all three groups; a 2 percent salary adjustment on July 1, 2018 for LBAEE, and one-time lump sum payments for LBAEE and LBCAA.

On February 20, 2018, the City Council approved a new MOU with the Long Beach Lifeguard Association (LBLGA). Provisions impacting FY 18 include two 3 percent salary adjustments effective January 1, 2017 and October 1, 2018. Additionally there are various skill pay additions and adjustments.

The FY 18 structural cost of these agreements is \$784,095 in the General Fund and \$4,848,490 All Funds, including Harbor and Water. The requested budget adjustments for the General Fund is a net \$105,152, after removing an estimated placeholder of \$678,943 that was included in the FY 18 General Fund budget and temporarily placed in the Citywide Activities Department to fund these negotiated costs. The All Funds budget adjustment request that excludes the Harbor and Water Departments is \$2,517,539.

Additionally, the one-time costs associated with the one-time lump sum payment is \$222,511 in the General Fund and \$833,058 All Funds. A General Fund internal designation totaling \$237,683 that was set aside to cover these one-time costs in the General Fund will be released to cover the General Fund one-time costs. The costs in other funds will be funded from available funds in each of the impacted funds.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

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ATTACHMENTS

APPROVED:


PATRICK H. WEST
CITY MANAGER

Second Budget Adjustment for FY 18

Attachment A

	USES:		SOURCES:	
	Budgeted Expenditure	Budgeted Revenue	Other Sources	
<u>General Fund (GF)</u>				
Proposed 2nd FY 18 Adjustments:				
Improvement to the El Dorado Tennis Center	24,996	24,996	-	
Urban Forestry Plan	250,000	250,000	-	
Security Camera Network Improvements	26,059	26,059	-	
Transfer to Capital Projects Fund for Measure A Playground Projects	1,008,000	-	1,008,000	
Total Adjustments - General Fund	\$ 1,309,055	\$ 301,055	\$ 1,008,000	
<u>Debt Service Fund (DS 600)</u>				
Proposed 2nd FY 18 Adjustments:				
Call and Payoff the Open Space Bonds	\$ 6,700,000	\$ -	\$ 6,700,000	
Total Adjustments - Debt Service Fund	\$ 6,700,000	\$ -	\$ 6,700,000	
<u>Gas Fund (EF 301)</u>				
Proposed 2nd FY 18 Adjustments:				
Restore Funds Previously Not Paid to General Fund	9,800,000	-	9,800,000	
Total Adjustments - Gas Fund	\$ 9,800,000	\$ -	\$ 9,800,000	
<u>Airport Fund (EF 320)</u>				
Proposed 2nd FY 18 Adjustments:				
Airport Operating Expenses	251,192	251,192	-	
Project Portfolio Management Application	162,890	162,890	-	
Rent Payments and Office Furnishings	318,800	318,800	-	
Total Adjustments - Airport Fund	\$ 732,882	\$ 732,882	\$ -	
<u>Development Services Fund (EF 337)</u>				
Proposed 2nd FY 18 Adjustments:				
Certified Access Specialist Training for Staff	70,321	70,321	-	
Increased Costs for Public Outreach and Community Participation	110,000	-	110,000	
Consulting Services to Conduct Plan Review	85,000	-	85,000	
Transfer to PW for Harvey Milk Park Improvement Project	184,000	184,000	-	
Total Adjustments - Development Services Fund	\$ 449,321	\$ 254,321	\$ 195,000	
<u>Capital Projects Fund (CP 201)</u>				
Proposed 2nd FY 18 Adjustments:				
14th Street Park Expansion Transfer from PW to PR	-	-	-	
Deforest Wetlands Project Budget Cleanup Transfer from PR to PW	-	-	-	
Harvey Milk Park Improvement Project	457,972	457,972	-	
Installation of Fiber	400,000	400,000	-	
Measure A Park Playgrounds	1,008,000	1,008,000	-	
Total Adjustments - Capital Projects Fund	\$ 1,865,972	\$ 1,865,972	\$ -	
<u>General Services Fund (IS 385)</u>				
Proposed 2nd FY 18 Adjustments:				
Infor/Hansen Land Management System	600,000	-	600,000	
Transfer to Capital Projects Fund for Fiber Installation	400,000	-	400,000	
Cyber Security Risk Assessment	500,000	-	500,000	
Payment Card Industry Compliance Study	200,000	-	200,000	
Asset Management Consultant	70,000	-	70,000	
ServiceNow Implementation and Associated Training	50,000	-	50,000	
Civic Center Technology Infrastructure with Plenary Properties	7,050,000	7,050,000	-	
LB Coast Project Implementation Costs	2,232,921	2,232,921	-	
Total Adjustments - General Services Fund	\$ 11,102,921	\$ 9,282,921	\$ 1,820,000	

Second Budget Adjustment for FY 18

Attachment A

	<u>Budgeted Expenditure</u>	<u>Budgeted Revenue</u>	<u>Other Sources</u>
<u>Fleet Services Fund (IS 386)</u>			
Proposed 2nd FY 18 Adjustments:			
Facility Repairs, Maintenance, and Equipment	338,068	-	338,068
Total Adjustments - Fleet Services Fund	\$ 338,068	\$ -	\$ 338,068
<u>Insurance Fund (IS 390)</u>			
Proposed 2nd FY 18 Adjustments:			
City Settlements of Prior Lawsuits	7,300,000	-	7,300,000
Total Adjustments - Insurance Fund	\$ 7,300,000	\$ -	\$ 7,300,000
<u>General Grants Fund (SR 120)</u>			
Proposed 2nd FY 18 Adjustments:			
Summer Reading, Library Programming and Staff Expenses	124,317	124,317	-
State COPS 2017 Grant	294,386	294,386	-
State COPS 2018 Grant	332,371	332,371	-
Total Adjustments - General Grants Fund	\$ 751,074	\$ 751,074	\$ -
<u>Special Advertising & Promotion Fund (SR 133)</u>			
Proposed 2nd FY 18 Adjustments:			
Percent for the Arts Program - Year One	163,000	-	163,000
Harvey Milk Park Improvement Project - Fund Construction Phase	100,793	-	100,793
Total Adjustments - Special Advertising & Promotion Fund	\$ 263,793	\$ -	\$ 263,793
<u>Upland Oil Fund (SR 134)</u>			
Proposed 2nd FY 18 Adjustments:			
Increase Oil Revenue/Expense Projections	3,000,000	3,000,000	-
Total Adjustments - Uplands Oil Fund	\$ 3,000,000	\$ 3,000,000	\$ -
<u>Community Development Grants Fund (SR 150)</u>			
Proposed 2nd FY 18 Adjustments:			
Neighborhood Leadership Program Activities	5,768	5,768	-
Total Adjustments - Community Development Grants Fund	\$ 5,768	\$ 5,768	\$ -
<u>Tidelands Oil Revenue Fund (NX 420)</u>			
Proposed 2nd FY 18 Adjustments:			
Increase Oil Revenue/Expense Projections	37,000,000	37,000,000	-
Total Adjustments - Tidelands Oil Revenue Fund	\$ 37,000,000	\$ 37,000,000	\$ -
<u>Marina Fund (TF 403)</u>			
Proposed 2nd FY 18 Adjustments:			
Payment of Principal Debt Service Payment	1,250,000	-	1,250,000
Total Adjustments - Marina Fund	\$ 1,250,000	\$ -	\$ 1,250,000

General Fund FY 18 Budget Adjustment Recap

	USES: Budgeted Expenditure	SOURCES: Budgeted Revenue	Other Sources
<u>Previous City Council Actions</u>			
FY 18 Adopted Budget	500,964,361	501,519,031	-
Support hiring of a new, temporary part-time staff member	25,000	25,000	-
Everyone In Listening Tour	40,000	40,000	-
Law enforcement services	222,244	222,244	-
Capital Infrastructure or Existing City Programming	750,000	-	750,000
City Auditor Department Budget Savings from FY 17	58,000	-	58,000
Neighborhood Impact Prosecutor	18,000	18,000	-
Police Department Contract with ThirdWave Corporation	216,000	216,000	-
Homeless Services	15,000	15,000	-
Dodgers RBI Program	5,356	5,356	5,356
Winter Homeless Center	15,000	-	15,000
Violence Prevention	40,000	-	40,000
Assess the Seismic Condition of the Community Hospital	150,000	-	150,000
Promising Adults, Tomorrow's Hope	24,978	-	24,978
Subtotal - Previous City Council Actions	1,579,578	541,600	1,043,334
<u>First FY 18 Budget Adjustments</u>			
Council District Priorities Funding from District Year-End Surplus	287,095	-	287,095
Transition to Multi-year Pet License	10,000	-	10,000
Sixth District: Community Improvement and Engagement	59,940	-	59,940
First District: Community Meetings, Events and Public Outreach	9,319	-	9,319
Ninth District: Community Events and Beautification Projects	47,068	-	47,068
Programming at Downtown Parks	64,602	-	64,602
Storm Water Compliance	42,082	-	42,082
Homeless Rapid Response	72,986	-	72,986
Language Access Plan Implementation	8,188	-	8,188
Multi-service Center Health Facility Repairs	63,053	-	63,053
North Health Facility Repairs	36,792	-	36,792
First District: Peace Park Mural	10,000	-	10,000
Third District: Hearing Loop	4,000	-	4,000
Support Training for City Employees Related to Audit Processess	50,000	-	50,000
Sixth District: World Famous VIP Records Sign	30,000	-	30,000
Sixth District: Pacific Ave. Property & Bus. Improvement District (PBID)	45,000	-	45,000
Summer Youth Employment Program	88,568	-	88,568
Sixth District: Killings Field Memorial Center	77,766	-	77,766
Wage Theft Education Program	595,000	-	595,000
Sixth District: Business Façade Improvements	30,000	-	30,000
Small Business Incentive Program	78,808	-	78,808
Police Body Camera Pilot	15,928	-	15,928
Sensitivity Training for Police Department	97,436	-	97,436
Second District: Neighborhood Partners Program Grant Match Funds	5,000	-	5,000
Fourth District: Neighborhood Partners Program Grant Match Funds	1,404	-	1,404
Sixth District: MacArthur Park Community Garden	10,000	-	10,000
MMJ Public Health and Safety Education Program	82,064	-	82,064
First Payment to Water Department for Pipeline Lawsuit Settlement	3,000,000	-	3,000,000

**General Fund
FY 18 Budget Adjustment Recap**

	Budgeted Expenditure	Budgeted Revenue	Other Sources
Human and Coyote Conflict Study	50,000	-	50,000
Subtotal - First Budget Adjustments Letter	4,972,099	-	4,972,099
<u>Second FY 18 Budget Adjustments</u>			
Improvement to the El Dorado Tennis Center	24,996	24,996	-
Urban Forestry Plan	250,000	250,000	-
Security Camera Network Improvements	26,059	26,059	-
Transfer to Capital Projects Fund for Measure A Playground Projects	1,008,000	-	1,008,000
Subtotal - Second Budget Adjustments Letter	1,309,055	301,055	1,008,000
Total FY 18 Budget Adjustments to Date	7,860,732	842,655	7,023,433
General Fund FY 18 Adjusted Budget	508,825,093	502,361,686	7,023,433

Long Beach Association of Engineering Employees (LBAEE),
Long Beach City Attorneys Association (LBCAA), Association of Long Beach Employees (ALBE),
Long Beach Lifeguard Association (LBLGA)
Negotiated Agreements
FY 18 Appropriations by Department and Fund

DEPARTMENT, <i>Fund</i>	AMOUNT	DEPARTMENT, <i>Fund</i>	AMOUNT
AIRPORT	\$ 106,466	HEALTH & HUMAN SVCS	\$ 17,329
CP201	33,459	SR130	17,329
EF320	73,007		
		LIBRARY SERVICES	8,010
CITY ATTORNEY	205,746	GP103	8,010
GP100	83,108		
IS390	117,939	POLICE	27,478
IS391	4,699	GP100	27,478
DEVELOPMENT SERVICES	454,929	PARKS, RECREATION & MARINE	260,028
EF337	318,716	GP105	98,047
GP100	92,831	TF401	59,887
SR150	43,382	TF403	89,842
		TF411	12,252
FINANCIAL MANAGEMENT	220,908	PUBLIC WORKS	900,793
EF340	34,407	CP201	164,109
IS386	186,501	EF330	278,509
		GP100	430,472
FIRE	477,405	IS380	23,268
GP100	44,148	TF401	4,436
SR131	19,264		
TF401	319,937	TECHNOLOGY & INNOVATION	9,572
TF403	94,057	IS385	9,572
GAS & OIL	507,815	CITYWIDE ACTIVITIES	(678,943)
EF301	416,404	GP100	(678,943)
NX420	91,411		
GRAND TOTAL (does not include Harbor or Water Departments)			\$ 2,517,539

Note 1: All funds total (including Harbor and Water Departments) is \$4,170,547

Note 2: General Fund (GP 100, GP 105) total is \$105,152

One-Time Lump Sum Payment of 3 Percent
FY 18 Net Appropriation By Department and Fund:
 Long Beach Association of Engineering Employees (LBAEE)
 Long Beach City Attorneys Association (LBCAA)

DEPARTMENT, Fund		Total Expense Change
XI		\$ 833,058
	<i>EF301</i>	36,349
	<i>EF310</i>	33,875
	<i>EF311</i>	18,687
	<i>EF320</i>	8,259
	<i>EF337</i>	107,437
	<i>GP100</i>	222,511
	<i>HR430</i>	358,252
	<i>IS390</i>	31,733
	<i>NX420</i>	15,955
GRAND TOTAL		\$ 833,058