



# CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

333 West Ocean Boulevard 6<sup>th</sup> Floor • Long Beach, CA 90802

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January 4, 2005

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

SUBJECT: Fiscal Year 2004 Year-end Budget Performance Report (Citywide)

## DISCUSSION

One of the City's goals is to provide timely reporting of expenditures and revenue to the City Council and community. The information provided is unaudited since audited financial statements for Fiscal Year 04 (FY 04) will not be available until March 2005, due to the City's complex accounting activities.

The following report provides a thorough review of the City's budget performance, as well as the internal and external factors that shaped the fiscal environment in FY 04. The report covers a broad spectrum of financial information for all funds and departments with multi-year comparisons, charts and graphs to provide a clearer picture of the City's financial situation. While the focus of this report is the General Fund, exceptional performance (both positive and negative) in other funds is highlighted where deemed significant. Analysis also provides for other key budgetary concerns, including an outlook for FY 05.

## **Summary**

On September 16, 2003, the City Council adopted an annual expenditure budget for FY 04 that totaled \$1.93 billion for the City's 22 departments. Of the total amount, a \$360.6 million General Fund budget was adopted to provide core municipal services such as public safety, public works, recreation and library services.

During the year, in response to the City's growing structural deficit, the City Council and City Manager imposed cost saving policies, including a hiring freeze and a purchasing curtailment, to instill fiscal discipline and generate savings to allow for a progressive resolution to the deficit situation. Through these measures, all departments generated savings in FY 04. Despite \$8.6 million revenue take-aways from the State of California, these savings as well as better than expected revenue performance in certain related funds, created a year end General Fund balance of \$10.9 million, as anticipated in the Three-Year Financial Strategic Plan (Plan).

## FY 04 REVENUE PERFORMANCE – ALL FUNDS

The City's estimated revenue for FY 04 for all funds was \$1.55 billion. Combined with multi-year carryover funding (multi-year funding for long-term projects and grants) and amendments made during the fiscal year by the City Council, the final adjusted estimate was \$1.90 billion. Citywide year-end revenue actually finished at \$1.85 billion, approximately 2.5 percent under projected levels. This variance is attributed mostly to the inclusion of the All Years Carryover, which are revenue estimates for multi-year projects that are not completed within the fiscal year, and are accounted for in a separate "All Years" fund. Unused "All Years" resources will carry forward into FY 05 to complete projects.

Please see **Attachment A** for a breakdown of citywide revenue performance by fund, and **Attachment B** for citywide revenue performance by department. Some variances of note at the department-level include:

- City Clerk received reimbursements for a total of \$313,000 for election services to the Long Beach Unified School District and Long Beach Community College District;
- Human Resources realized additional interest income and miscellaneous refunds/reimbursements in the amount of \$398,000 due to a reimbursement to the Insurance Fund for a RDA loan in FY 2000 to demolish the Chestnut Garage; and
- Long Beach Energy received a \$4.6 million settlement from El Paso Corporation (the majority of which was used to provide credits to rate payers), as well as additional parking citation and refuse and recycling fee revenue, for a total net additional revenue amount of \$5.9 million.

Please note that **Attachment B** does not include All Years Carryover revenue by department, as the current accounting system does not track All Years Carryover revenue other than at the fund level. Also, following the recommended format, neither **Attachment A** nor **Attachment B** document beginning fund balances, thus they do not reflect total available resources or ending fund balances. This information is available in the forthcoming annual adopted budget book.

Listed below are funds that require further detail than the attachments include. A specific discussion of General Fund revenue performance can be found in the next section of this report. FY 04 non-General Fund revenue performance of note includes the following four funds: Southeast Resource Recovery Facility (SERRF) Fund, Tidelands Oil Fund, Uplands Oil Fund, and the Redevelopment Fund.

SERRF Fund – This fund maintains the Solid Waste Program as an Enterprise Operation, provides disposal services at the Southeast Resource Recovery Facility (SERRF) for residential and commercial refuse delivered by the City and various surrounding communities, and implements waste reduction and recycling activities. The two main sources of revenue for the SERRF Enterprise Fund are electrical sales to Southern California Edison (SCE), which accounts for approximately 60 percent of the total revenue, and customer disposal fees, which represents approximately 40 percent of total revenue.

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Revenues from electrical sales to SCE are expected to remain unchanged for the next several years per the contract with SCE. Revenues from disposal fees of private haulers without current contracts are expected to increase annually by an amount equal to increases in the Consumer Price Index (CPI), plus any disposal fee increases above CPI imposed at Puente Hills Landfill (the facility at which the output from SERRF is disposed). Long Beach and Lakewood disposal fees are expected to increase by CPI only, since their price has been contractually established. From these revenue sources, the SERRF facility is able to make an annual profit transfer to the General Fund of \$2.5 million. In FY 04, however, the SERRF operation realized an additional \$2.2 million profit transfer due to better than expected refuse and electric performance. Since this cannot be relied on from year-to-year, the FY 05 estimated General Fund transfer remains at \$2.5 million. Furthermore, due to the scheduled maintenance of several SERRF turbines in FY 05, the base profit transfer of \$2.5 million will not be available to the General Fund in the following year (FY 06). This loss of revenue is anticipated to be a one-time occurrence and has been accounted for in the Plan.

Tidelands Oil Revenue Fund – The Tidelands Oil Revenue Fund (TORF) is used to account for the proceeds from oil operations within the Tidelands area and for accumulating reserves held in Trust for the State of California to pay for well abandonment and site clearance liabilities. The major source of revenue for the TORF is generated from oil operations in the Tidelands area, which is dependent upon the price of oil. It is important to note that the price of crude oil fluctuates on a daily basis depending on a variety of factors, including, but not limited to, refinery closures, pipeline repairs and natural disasters. The Department of Oil Properties feels it is prudent to project revenues based on a more conservative price considering the volatility of the oil market. Due to unusually high prices for oil during FY 04 (averaging \$31 per barrel), TORF realized an additional \$6.0 million in revenue available for the Tidelands Operating Fund over budgeted estimates, which were based on \$20 per barrel. This one-time spike in revenue allowed the City to mitigate the tenuous condition in the Tidelands Fund. The one-time resources were used to finish the year with a healthier fund balance, which will give the City some time to make operational adjustments needed to permanently resolve the structural budget deficit in the Tidelands Fund. Please see the Tidelands Fund section on Page 5 for a discussion of the Fund's structural deficit.

Upland Oil Fund – The Upland Oil Fund is used to account for all costs and revenues for the City's proprietary oil interests and for accumulating reserves to pay for the City's portion of well abandonment and site-clearance liabilities. The sources of revenue for the Upland Oil Fund are revenues from the City's participation in proprietary oil operations and overhead fees received by the City as Unit Operator for the Tidelands Oil Operations. The projected revenues for FY 04 were based on a \$20 per barrel price for crude oil. During the past year, Oil Properties experienced a higher than usual cost per barrel, which allowed the Department of Oil Properties to increase their Upland Oil Fund transfer to the General Fund by an additional \$3.7 million, for a total of \$7.6 million. This additional one-time revenue was used to help the General Fund absorb one-time revenue losses created by the State triple flip and Vehicle License Fee (VLF) take-aways. For FY 05, the budgeted rate per barrel was increased to \$25 to project revenues. This new rate is still lower than the current average but, as mentioned above, the cost per barrel is particularly volatile and therefore, warrants a conservative projection.

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Redevelopment Fund – Redevelopment activities are funded by property tax growth in Redevelopment areas in excess of amounts received in the year the Redevelopment area was founded (base year). This growth is called Tax Increment (TI). In FY 04, the net Tax Increment (TI) revenues in the Redevelopment Funds increased by almost 52 percent, or \$14,243,271 over FY 03, with the largest increases reflected in the North and Central Project Areas. The increases in TI are due mainly to significantly higher property values and new developments, including growth at the Port of Long Beach (North Redevelopment Area).

The statutory pass-through payments (the amount the North and Central project areas of Long Beach Redevelopment Agency contribute to the City's General Fund to compensate, in part, for lost property tax revenue) for FY 04 totaled \$1,716,016. While these payments provide a benefit to the General Fund, such revenue has not kept pace with the demand for general municipal services associated with commercial and residential growth in these areas.

**FY 04 EXPENDITURE PERFORMANCE – ALL FUNDS**

The City established a clear goal of cost reduction and streamlined service delivery at the outset of FY 04, to begin addressing its structural deficit in the General Fund. The optimization and downsizing of the organization citywide, while impacting the General Fund, has a positive impact on all City funds. With the fiscal year complete, the unaudited results appear to be positive.

Performance By Fund

The City's Adopted FY 04 expenditure budget for all funds was \$1.66 billion. Combined with multi-year carryover funding for citywide capital projects and amendments made during the fiscal year by the City Council, the total Adjusted City Budget was \$2.16 billion. Citywide actual expenses came in at \$1.73 billion, down \$436 million (or 20.1 percent) from the adjusted budget. This decrease, as with the revenue above, can be attributed in large part to multi-year projects not completed within the fiscal year, which are accounted for in separate "All Years" subfunds.

Please see **Attachment C** for a breakdown of citywide expenditures by fund, and **Attachment D** for a breakdown of citywide expenditures by department. Listed below are funds that require further detail than the attachments include. A specific discussion of General Fund expenditure performance can be found in the next section of this report.

Housing Authority – The fund balance for the Housing Authority Fund at the end of FY 04 indicates expenditures exceeded revenues by approximately \$1.7 million. This is mainly due to the increased cost of housing in Long Beach, which has outpaced statutory reimbursement levels for the federally funded Section 8 program. To address the shortfall, the Housing Authority reduced administrative costs, curtailed the number of vouchers issues and entered into a long-term loan with the City for \$2.9 million. The source of funding for the loan was program income from an affordable housing grant from the U.S. Department of Housing and Urban Development (HUD), known as the Rental Rehabilitation Program. While it is unknown at this time what congressional funding will be allocated in FY 05 for the Section 8 Housing Assistance Program, or what the impacts will be on Long Beach, the City continues to advocate with HUD for appropriate funding and reimbursement policies, and will continue to take operational steps to bring the Section 8 program and support in-line with available resources.

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Tidelands – Despite strong performance within the oil operations, ongoing revenue sources are not adequate to keep pace with ongoing expenses in the Tidelands areas. The cost of the operations to maintain the Tidelands area, including beach cleaning and maintenance, lifeguards, police, fire service, lease management, and other support functions are dependent on the revenues generated in the Tidelands Area, primarily consisting of Marina slip fees, property lease and waterfront concession revenue. This revenue has not been sufficient to fund the rising costs in the area. This ongoing shortfall has contributed to the continued fiscal strain experienced in the Tidelands Fund since the State take-away of oil revenue through Chapter 138, Statutes of 1964.

These factors have had a significant impact, such that the Tidelands Fund faced a \$1.41 million deficit going into the FY 05 Budget Adoption. With the aid of increased oil revenue at year-end, departments operating within the Tidelands areas came together to identify cost reductions and revenue enhancements totaling \$828,147 to bring the Fund into balance for FY 05. The additional oil revenue allowed departments to avoid deeper cuts in their operating budgets that would have required impacting positions that are currently filled, and would run counter to the directive of the City Council. Details regarding these deficit reduction measures will be brought to the City Council for their approval as first quarter budget adjustments. Additional structural solutions will be devised during the year to ensure solvency of the Fund in FY 06 and beyond.

Insurance – The Insurance Fund supports the City's property, general liability and workers' compensation programs. Over the past several years, escalating costs in both general liability and workers' compensation have exhausted the Fund's balance to minimum operating levels. During FY 04, internal changes for insurance services were set at pay-as-you-go levels, to both cover the true cost of these services as well as to save money for departments when possible. Combining these internal financial arrangements with cost reductions identified through a business process review of workers' compensation practices, the Fund saw the beginning of a much-needed fiscal improvement with increased attention being paid to how the City manages City workers' compensation operations. Also during FY 04, a major outside review of workers' compensation and safety practices was undertaken, which resulted in a comprehensive set of recommendations. Once fully implemented, these process improvements, along with legislative changes, are expected to save in excess of \$5 million over the next four years. Due to continued cost increases for General Liability insurance and recent legal judgments against the City, savings in the Workers Compensation have been largely offset.

## **FY 04 GENERAL FUND PERFORMANCE**

### **General Fund Revenue**

The FY 04 adopted General Fund revenue estimate was \$350.8 million. Through the acceptance of various grants as well as better than expected performance in key revenue sources, the FY 04 adjusted revenue estimate was \$366.7 million. Better than expected performance included additional revenue of \$1.1 million in Real Property Tax, \$900,000 in Pipeline Franchise Fee, \$230,000 in Oil Production Tax and penalties, \$993,000 from lease-finance proceeds for the purchase of Fire Department ambulances, and \$200,000 in Transient Occupancy Tax.

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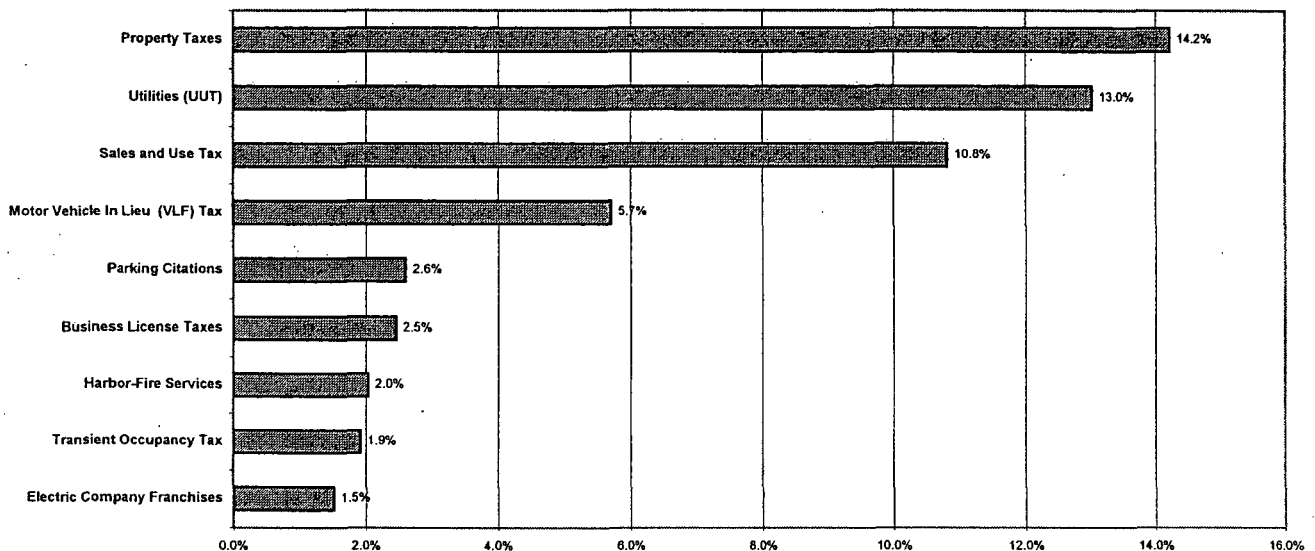
Of the total adjusted budget, one-time revenue sources totaling \$20.6 million were used to support FY 04 operations, mitigate State take-aways, and generate \$10.9 million ending fund balance. The Plan anticipated the use of \$19.6 million in one-time revenues in FY 04, but due to better than expected revenues sources, such as the Upland Oil Revenue Fund transfer discussed above, the availability of one-time revenues was \$1.0 million higher than the original planned amount. FY 04 one-time revenues included:

- General Services Fund Transfer (\$4,242,469)
- Employee Benefits Fund Transfer (\$1,900,000)
- Airport Repayment to General Fund (\$500,000)
- SERRF Refinancing (\$5,000,000)
- SERRF Transfer (2,201,735)
- Towing Transfer (\$750,000)
- Advanced Airport Repayment (\$500,000)
- RDA Promissory Note Repayment (\$1,159,000)
- Upland Oil Revenue Fund Transfer (\$3,575,558)
- Fleet Fund Transfer (\$743,000)

Year-end Actuals also include several major revenue losses, including the \$6.7 million deferral of Vehicle License Fee (VLF) payments by the State, \$1.8 million loss of Sales Tax due to the implementation of the Triple Flip, \$1.0 million loss of Electric UUT due to the State Power Rebate, and \$1.0 million shortfall in projected marketing revenue. With the exception of these uncontrollable revenue losses, ongoing base revenues exhibited slight growth (2.9 percent) over budget.

**Exhibit 1** below shows the City's Top 10 General Fund revenue sources in FY 04 as a percentage of total General Fund Revenue.

*Exhibit 1 – Top 10 FY 04 General Fund Revenue Sources as a Percentage of Total General Fund Revenue*



A summary of all General Fund revenue can be found in **Exhibit 2** below; a breakdown of FY 04 General Fund revenue by department can be found in **Attachment E** and a chart showing the Top 40 FY 04 General Fund revenues is included as **Attachment F**.

*Exhibit 2 – Summary of All General Fund FY 04 Revenue*

FY 03 Year-end Actuals	FY 04 Final Adjusted Estimate	Unaudited FY 04 Year-end Actuals
\$366,850,248	\$366,720,705	\$366,980,703

Other General Fund performances of note, at the department-level, are as follows:

- Library Services came in \$204,364 (or 26 percent) under projected revenue due to unrealized revenue from the Public Library Foundation. These funds will be received in FY 05 and an Accounts Receivable has been set up in the FY 05 Budget.
- Technology Services came in nearly \$500,000 (or 50 percent) under projected revenue from unfulfilled CityPlace parking garage fees.
- Public Works came in \$1.2 million over its projected revenue due to increased CIP billings associated with staff project work.

**General Fund Expenditures**

The Adopted General Fund expenditure budget for FY 04 was \$360.6 million. The City Council approved amendments to accommodate mid-year revenue and expenses such as grants and the purchase of Fire Department ambulances, which increased the budget by \$17.7 million, for a total adjusted budget of \$378.3 million. Under the guidelines of the City Council's adopted Financial Policies, through strict adherence to the City Manager's hiring freeze and purchasing curtailment measures, all departments generated savings in their General Fund budgets during FY 04. In line with the Plan, the citywide General Fund savings rate was 3.1 percent, creating a carry-over fund balance of approximately \$10.9 million used to help balance the FY 05 budget. This balance was contemplated when the City Council adopted the budget and is being carried-over into FY 05 to help balance that budget. Please see **Attachment G** for the Fund Balance Analysis for the General Fund, which details the reserved and unreserved aspects of the ending fund balance.

**Performance by Department**

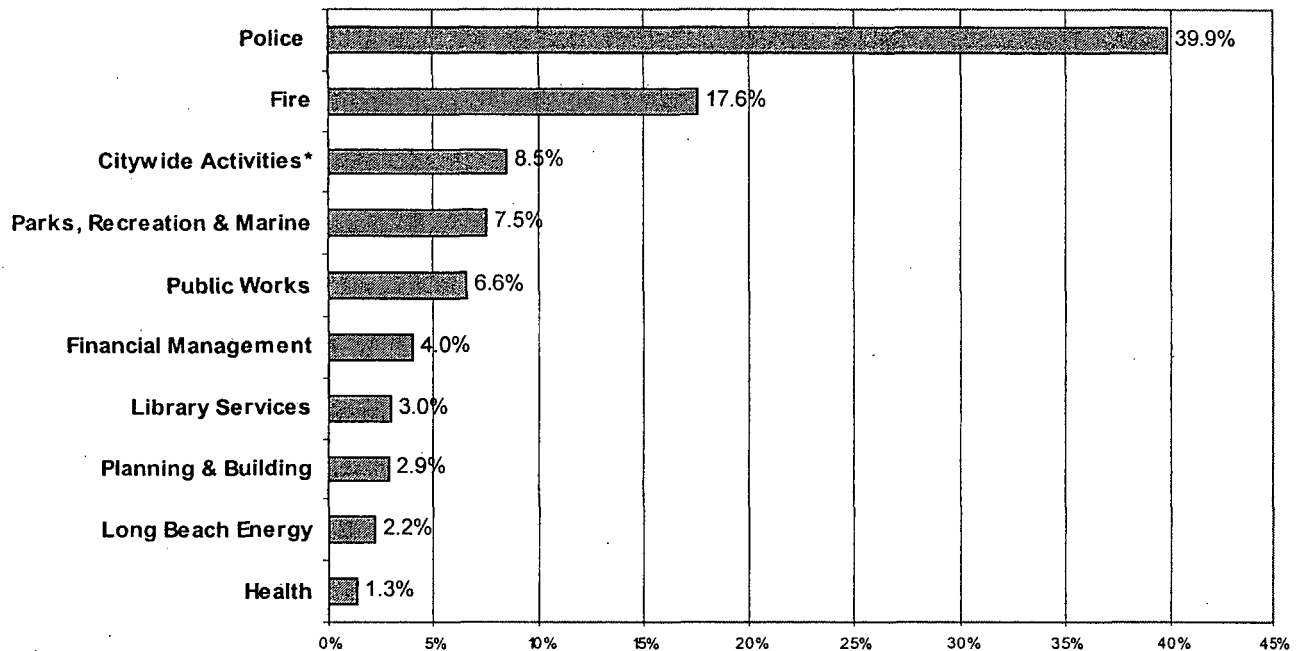
Reflecting the City Council and community's stated priorities, the majority of General Fund expenditures support public safety activities. The Police Department (39.9 percent) and Fire Department (17.6 percent) expenditures comprised 57.5 percent of the total General Fund actual expenditures in FY 04. Other public safety expenses, such as costs related to the City's prior (pre-PERS) pension plan and the City Prosecutor's office, brought the cost of public safety to approximately 60 percent. Parks, Recreation and Marine (7.5 percent) and Public Works (6.6 percent) had the next two largest portions of General Fund expenditures during FY 04. **Exhibit 3** below shows the Top 10 department expenditures in the General Fund for FY 04, as a percentage of the whole. Please see **Attachment H** for a breakdown of FY 04 General Fund expenditure performance by department.

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Exhibit 3 – Top 10 FY 04 General Fund Expenditures by Department, as a Percentage of Total Expenditures



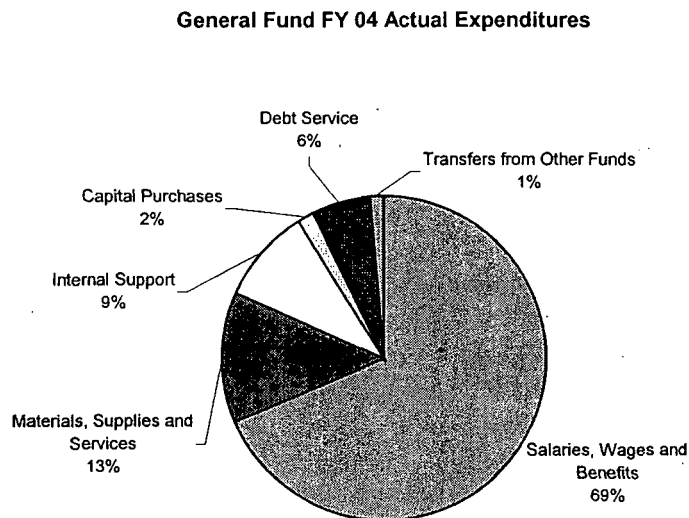
\* Citywide Activities includes debt payments, pass through transactions, Police and Fire pension plans, etc.

Performance by Category of Expenses

Salaries, Wages and Benefits continued to be the largest portion of actual expense in the General Fund. In FY 04, 69 percent of the General Fund was expended for employee compensation, benefits and overtime compared to 67 percent in FY 03. This increase occurred due to an inflationary cost environment, including escalating health care and workers' compensation costs compared to FY 03. Materials, Supplies and Services was the second largest category of expense, totaling 13 percent of FY 04 General Fund expenditures. Typical expenditures in this area include utilities, contracts, office supplies, etc. All remaining expense categories, including Internal Support (9 percent), Capital Purchases (2 percent), Debt Service (6 percent), and Transfers from Other Funds (1 percent) totaled 18 percent of the General Fund expenses. **Exhibit 4** provides a graphic representation of General Fund expenditures by category of expense.



*Exhibit 4 – FY 04 General Fund Expenditures by Category of Expense*



Year One of Three-Year Financial Strategic Plan

FY 04 represents the first year of the Plan, devised to gradually address the City's growing structural budget deficit in the General Fund (estimated to be \$102 million between FY 04 and FY 06). In FY 04, the City reduced the structural deficit by \$41 million, with \$28 million in expenditure reductions and \$13 million in additional revenue. In accordance with the City Council's financial policies, the City also decreased its reliance on one-time resources from \$43 million in FY 03 to \$20.6 million in FY 04. The City successfully negotiated \$3.4 million in General Fund savings with the public safety unions and eliminated over 170 positions (including 28 management positions), while transferring impacted employees into available vacancies to avoid layoffs. Other examples from the myriad of expenditure reductions to the organization included eliminating over 225 vehicles in the City's fleet, and hundreds of thousands of dollars worth of cell phones, pagers and other equipment. The City implemented a rolling closure model for libraries, where each branch library strategically reduced one day of service on the day that other libraries in the area would be open. This model saved significant dollars while mitigating the impact to the community by providing an opportunity for library patrons to utilize other libraries in the area. The Library also eliminated Sunday service at the Bay Shore and Main Libraries.

Furthermore, as recommended in the Plan, the FY 04 Budget included reductions in non-core City services. The City reduced recreation spending to outside agencies such as the Forklorico youth dance program, Pools of Hope swimming program, and the Long Beach Unified School District's summer recreational playground program. Other recreation reductions included the staffing at the Nature Center, Senior Olympics and OlympiKid programs. The City also began reductions in spending for the arts, with \$530,000 in total reductions to the Public Corporation for the Arts, the Long Beach Museum of Art, the Municipal Band and other related arts support costs.

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Higher fees were imposed for certain services to improve cost recovery and to avoid increasing taxes on the community. Revenue targets were determined for marketing and sponsorship opportunities, which staff began developing over the last year. Finally, increases in parking citations and fees to match those of comparable cities generated additional revenue for the City.

To generate General Fund operational savings and additional revenue for the future, four outside optimization studies of key services were conducted. The studies explored Fire Services, Emergency Communications and Dispatch, Code Enforcement/Nuisance Abatement, and Workers' Compensation/Occupational Health. While immediate savings were realized in the areas of Workers' Compensation and Code Enforcement, a comprehensive set of recommendations from Dispatch and Fire Services are yet to be determined.

### **FY 05 BUDGET CHALLENGES**

#### Increased Costs

In FY 05, increased pension costs are estimated to cost over \$33 million in the General Fund alone and \$50 million citywide. The City will continue to face challenges with increasing costs for general liability insurance as well as health care, though recent changes in Health Insurance programs should help to control these costs. The City and its employees are taking direct action to define measures to mitigate this trend, notably through the citywide Optimization Study of the City's health care benefit system. It is envisioned that through the gradual downsizing of the City's workforce, employee participation in the cost of their benefits and through increased preventive health measures, and improved coordination and management, the City will do all it can to mitigate cost growth in this area.

#### State Impacts for FY 05

The State's FY 05 budget again failed to fully address its own revenue and expenditure challenges. As expected, there were no tax increases, and budget reductions to State programs were not significant. As in the past, the budget was once again balanced by shifting money away from local governments. There are currently two main mechanisms by which the State tapped into local government coffers: the sales tax "Triple Flip" and the Vehicle License Fee (VLF) in Lieu payments. The "Triple Flip" was authorized through the voter-approved Proposition 57 and went into effect on July 1, 2004, while the VLF in Lieu payments went into effect with the adoption of the FY 05 budget.

In an effort to keep the State from making similar raids in the future, local government leaders throughout California negotiated a compromise with Governor Schwarzenegger (Proposition 1A) where local governments would help the State one last time in exchange for long-term constitutional protection from future revenue raids by the State. One key element of the compromise is a two-year contribution to the State's General Fund from local governments starting in FY 05, totaling \$10 million (\$5 million annually) for the City of Long Beach. Proposition 1A was made official via a constitutional amendment approved by voters during the November 2004 election. The compromise will have significant financial impact in the short-term in exchange for long-term fiscal stability.

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Factoring in these losses and commencement of State in-lieu payments, the combined effects of the VLF in Lieu payments, the "Triple Flip" and the contribution to the State's General Fund are expected to cost the General Fund a net of approximately \$4.1 million in FY 05. The Governor has also agreed to provide local governments significant flexibility as they make these payments. As such, the City has arranged for a \$4 million interest-free loan from its Subsidence Fund (a restricted fund for the mitigation of subsidence from oil operations, to be paid back in \$500,000 annual payments starting in FY 08), as well as a project contribution from the Redevelopment Agency, freeing up General Fund resources to offset this loss.

### **CONCLUSION**

Overall, FY 04 was a very positive year. Despite significant budget reductions, as recommended by the Plan, service impacts to the community were minimized. This performance can be directly attributed to the significant effort put forth by all employees. Every department and all employees worked together to optimize service delivery to generate savings that contributed to a \$10.9 million ending Fund Balance, which is a critical resource for the gradual elimination of the structural budget deficit. The fiscal health of other funds, including the Insurance Fund, Tidelands Fund and Housing Authority Fund is being proactively addressed, ensuring the delivery of services to employees and the community in FY 05. With years two and three of the Plan ahead, the City is well placed to continue its creative and collaborative transition into a high performance organization, aligning the community's resources and services to ensure the City can make the necessary investments and provide essential services to ensure a continued quality of life for all Long Beach residents.

### **TIMING CONSIDERATIONS**

Council action on this matter is not time critical.

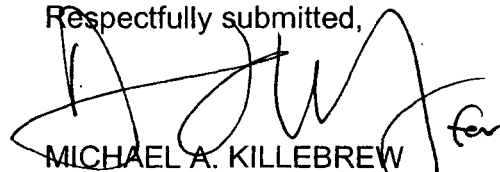
### **FISCAL IMPACT**

There is no fiscal impact associated with the recommended action.

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Refer this report to the Budget Oversight Committee.

Respectfully submitted,



MICHAEL A. KILBREW  
ACTING DIRECTOR OF FINANCIAL MANAGEMENT

MK:DW

Attachments

APPROVED:

  
  
GERALD R. MILLER  
CITY MANAGER

**Unaudited Year End Revenue Analysis by Fund  
All Funds - Fiscal Year 2004**

Fund	FY 04 New Allocation	Estimated All-Years Carryover <sup>1</sup>	FY 04 Adopted Appropriation	Amendments <sup>2</sup>	Adjusted Budget	Year End Actuals <sup>3</sup>	Difference	% Received
<b>Funds with All Years Carryover</b>								
Airport (A)	39,300,659	14,676,272	53,976,931	17,310,877	71,287,808	43,109,613	(28,178,195)	60.5%
Capital Projects (B)	15,221,580	48,398,849	63,620,429	(1,477,293)	62,143,136	25,294,448	(36,848,688)	40.7%
Civic Center (C)	1,254,636	-	1,254,636	1,066,868	2,321,504	1,673,793	(647,711)	72.1%
Community Development Grants (D)	24,744,308	39,621,145	64,365,453	(3,541,882)	60,823,571	29,638,239	(31,185,332)	48.7%
Fleet Services	26,201,157	995,739	27,196,896	1,089,518	28,286,414	25,408,742	(2,877,672)	89.8%
Gas	92,404,358	(551,232)	91,853,126	(6,017,907)	85,835,219	89,665,499	3,830,280	104.5%
Gasoline Tax Street Improvement (E)	10,748,972	10,973,461	21,722,433	(2,126,337)	19,596,096	12,027,775	(7,568,321)	61.4%
General Grants (F)	-	-	-	10,444,800	10,444,800	3,670,544	(6,774,256)	35.1%
Harbor (G)	308,900,000	-	308,900,000	-	308,900,000	474,650,303	165,750,303	153.7%
Health (H)	37,100,996	23,843,541	60,944,537	(472,032)	60,472,505	38,238,273	(22,234,232)	63.2%
Housing Authority	49,723,895	572,072	50,295,967	16,225,289	66,521,256	64,825,677	(1,695,579)	97.5%
Housing Development (I)	12,756,096	5,372,098	18,128,194	1,018,481	19,146,675	16,739,889	(2,406,786)	87.4%
Insurance	34,246,330	-	34,246,330	159	34,246,489	34,456,500	210,011	100.6%
Parking Authority	577,758	-	577,758	-	577,758	579,524	1,766	100.3%
Redevelopment (J)	45,107,760	24,664,718	69,772,478	21,899,505	91,671,983	60,883,623	(30,788,360)	66.4%
Sewer	9,793,900	-	9,793,900	-	9,793,900	9,469,709	(324,191)	96.7%
Tidelands Operating (K)	74,054,022	21,815,206	95,869,228	8,858,423	104,727,651	86,908,081	(17,819,570)	83.0%
Transportation	13,374,612	5,483,212	18,857,824	(4,701,823)	14,156,001	14,489,847	333,846	102.4%
Water	73,171,000	-	73,171,000	-	73,171,000	67,572,004	(5,598,996)	92.3%
<b>SUBTOTAL</b>	<b>\$ 868,682,039</b>	<b>\$ 195,865,081</b>	<b>\$ 1,064,547,120</b>	<b>\$ 59,576,646</b>	<b>\$ 1,124,123,766</b>	<b>\$ 1,099,302,083</b>	<b>\$ (24,821,683)</b>	<b>97.8%</b>
<b>Funds Without All Years Carryover</b>								
General	350,820,529	-	350,820,529	15,900,176	366,720,705	366,980,703	259,998	100.1%
Belmont Shore Parking Meter	430,500	-	430,500	-	430,500	466,857	36,357	108.4%
Business Assistance (L)	2,625,000	-	2,625,000	-	2,625,000	2,088,405	(536,595)	79.6%
Certified Unified Program Agency (CUPA)	917,387	-	917,387	-	917,387	785,348	(132,039)	85.6%
Employee Benefits (M)	126,639,002	-	126,639,002	-	126,639,002	111,945,135	(14,693,867)	88.4%
Energy Services	-	-	-	-	-	-	-	0.0%
General Services	34,252,386	-	34,252,386	-	34,252,386	34,150,863	(101,523)	99.7%
Park Development	765,000	-	765,000	-	765,000	378,323	(386,677)	49.5%
Parking & Business Area Improvement	2,482,517	-	2,482,517	-	2,482,517	1,898,659	(583,858)	76.5%
Refuse/Recycling	30,919,432	-	30,919,432	-	30,919,432	32,749,959	1,830,527	105.9%
SERRF	42,755,671	-	42,755,671	-	42,755,671	43,432,860	677,189	101.6%
SERRF JPA (N)	11,365,083	-	11,365,083	-	11,365,083	9,841,344	(1,523,739)	86.6%
Special Advertising & Promotion	5,015,637	-	5,015,637	-	5,015,637	4,906,327	(109,310)	97.8%
Tideland Oil Revenue	55,442,002	-	55,442,002	72,784,838	128,226,840	117,987,035	(10,239,805)	92.0%
Tidelands - Reserve for Subsidence	3,505,280	-	3,505,280	-	3,505,280	3,875,177	369,897	110.6%
Towing (O)	5,677,870	-	5,677,870	-	5,677,870	6,824,734	1,146,864	120.2%
Upland Oil	8,866,921	-	8,866,921	3,659,499	12,526,420	13,274,234	747,814	106.0%
<b>SUBTOTAL</b>	<b>682,480,217</b>	<b>-</b>	<b>682,480,217</b>	<b>92,344,513</b>	<b>774,824,730</b>	<b>751,585,963</b>	<b>(23,238,767)</b>	<b>97.0%</b>
<b>TOTAL - All Funds</b>	<b>\$ 1,551,162,256</b>	<b>\$ 195,865,081</b>	<b>\$ 1,747,027,337</b>	<b>\$ 151,921,159</b>	<b>\$ 1,898,948,496</b>	<b>\$ 1,850,888,046</b>	<b>\$ (48,060,450)</b>	<b>97.5%</b>

**Notes:**

<sup>1</sup>All-Years Carryover is composed of multi-year grants and Capital Improvement Program (CIP) funds; unspent amounts are carried over to future years.

<sup>2</sup>Amendments reflect budget adjustments approved by the City Council during the fiscal year including All-Years Carryover Budget Adjustments.

<sup>3</sup>Actuals for Fiscal Year 2004 are unaudited.

(A, B, C, D, E, and F) - These funds are associated with multi-year projects and/or grants. Appropriation is budgeted in the year it was received, however, any appropriations not spent is carried forward to the following fiscal year until the project is completed or the grant is expired.

(G) Harbor - A number of Capital Projects were postponed to FY 05.

(H and I) - These funds are associated with multi-year projects and/or grants. Appropriation is budgeted in the year it was received, however, any appropriations not spent is carried forward to the following fiscal year until the project is completed or the grant is expired.

(J and K) - Detailed explanations of these funds are included in the narrative.

(L) Business Assistance - Programs paid for through this fund are reimbursed at the project completion. The timing of projects resulted in the delay of payment but the money will be carried over into FY 05.

(M) Employee Benefits - Variance is due largely to vacancies, as actual Fund expenditures is based on cost incurred for filled positions.

(N) - SERRF JPA - This fund is equal to the SERRF bond payments in the SERRF fund. The SERRF bonds are variable rate and have benefited from lower interest rates.

(O) - Towing - Fees and lien sales were higher than anticipated by \$445,000 and \$670,000 respectively.

## Unaudited Year End Revenue Analysis by Department All Funds - Fiscal Year 2004

Department	FY 04 New Allocation	Amendments <sup>1</sup>	Adjusted Budget	Estimates-to-Close		Year End Actuals <sup>2</sup>	% Received
Mayor and City Council	\$ -	\$ -	\$ -	\$ -		\$ 1,250	-
City Attorney	147,500	-	147,500	161,500	109.5%	169,865	115.2%
City Auditor	-	-	-	250		250	-
City Clerk (A)	171,552	275,000	446,552	796,965	178.5%	808,640	181.1%
City Manager	4,751,500	-	4,751,500	4,551,365	95.8%	4,479,843	94.3%
City Prosecutor (B)	66,608	21,709	88,317	88,351	100.0%	77,557	87.8%
Civil Service	-	-	-	-		-	-
Community Development	147,313,848	43,971,258	191,285,106	193,592,779	101.2%	185,376,631	96.9%
Financial Management	24,124,496	16,437	24,140,933	24,297,260	100.6%	24,693,219	102.3%
Citywide Activities <sup>3</sup>	492,101,594	11,595,000	503,696,594	490,815,745	97.4%	491,062,593	97.5%
Fire (C)	18,243,091	8,008,995	26,252,086	22,775,372	86.8%	22,732,625	86.6%
Harbor (D)	308,900,000	-	308,900,000	324,453,000	105.0%	474,539,121	153.6%
Health	39,011,406	2,733,204	41,744,610	40,676,577	97.4%	40,288,984	96.5%
Human Resources (E)	2,219,388	-	2,219,388	2,616,074	117.9%	2,617,586	117.9%
Library Services (F)	1,114,122	42,364	1,156,486	1,063,426	92.0%	858,129	74.2%
Long Beach Energy	203,676,235	(1,978,582)	201,697,653	209,932,210	104.1%	207,336,219	102.8%
Oil Properties (G)	64,308,923	76,444,337	140,753,260	140,190,823	99.6%	131,261,269	93.3%
Parks, Recreation & Marine (H)	29,784,271	10,076,620	39,860,891	30,248,106	75.9%	31,062,496	77.9%
Planning & Building (I)	8,648,882	239,170	8,888,052	11,028,699	124.1%	11,304,330	127.2%
Police	21,670,352	2,299,500	23,969,852	21,831,292	91.1%	21,545,268	89.9%
Public Works (J)	63,924,597	27,898,240	91,822,837	74,576,870	81.2%	84,874,636	92.4%
Technology Services (K)	38,018,991	440,454	38,459,445	37,838,654	98.4%	38,755,820	100.8%
Water (L)	82,964,900	-	82,964,900	82,026,028	98.9%	77,041,713	92.9%
<b>TOTAL</b>	<b>\$1,551,162,256</b>	<b>\$ 182,083,707</b>	<b>\$1,733,245,962</b>	<b>\$ 1,713,561,346</b>	<b>98.9%</b>	<b>\$ 1,850,888,044</b>	<b>106.8%</b>

**Notes:**

<sup>1</sup>Amendments reflect Council approved adjustments made during the fiscal year.

<sup>2</sup>Actuals for Fiscal Year 2004 are unaudited.

<sup>3</sup>Citywide Activities include tax revenues, pass through transactions, etc.

(A) City Clerk - Received reimbursements for a total of \$313,000 for election services for the Long Beach Unified School District and Long Beach Community College District

(B) City Prosecutor - Due to different budget cycles by the State and the City, a portion of revenue from a state grant was received during FY 03.

(C) Fire - Grant related revenue was lower than previously anticipated.

(D) Harbor - Actual revenues exceeded budget due to a bond issue.

(E) Human Resources - Realized additional interest income and miscellaneous refunds/reimbursements in the amount of \$398,000 due to a reimbursement to the Insurance Fund for FY 00 RDA loan to demolish the Chestnut Garage.

(F) Library Services - Came in \$298,124 (or 26 percent) under projected revenue due to unrealized revenue from the Public Library Foundation. These funds will be received in FY 05 and an Accounts Receivable has been set up in the FY 05 Budget.

(G) Oil Properties - Current shortfall due to pending payment for Article 9-associated oil revaluation adjustments for the Long Beach Unit.

(H) Parks, Recreation & Marine - Additional All-Years project (Downtown Marina) started in FY 04.

(I) Planning & Building - Licenses and permits revenue exceeded budget due to a high level of building activity in the City.

(J) Public Works came in \$1.2 million over its projected revenue due to increased CIP billings associated with staff project work.

(K) Technology Services - CityPlace parking revenues was lower than anticipated due to slower than anticipated leasing.

(L) Water - Other agency revenue lower than anticipated.

**Unaudited Year End Expenditure Analysis by Fund  
All Funds - Fiscal Year 2004**

Attachment C

Fund	FY 04 New Allocation	Estimated All-Years Carryover <sup>1</sup>	FY 04 Adopted Appropriation	Amendments <sup>2</sup>	Adjusted Budget	Year End Actuals <sup>3</sup>	Remaining	% Spent
<b>Funds with All Years Carryover</b>								
Airport (A)	36,938,880	16,989,494	53,928,374	20,730,238	74,658,612	52,465,572	22,193,040	70.3%
Capital Projects (B)	15,817,121	71,810,776	87,627,897	6,146,513	93,774,410	70,255,890	23,518,520	74.9%
Civic Center (C)	846,282	12,406,624	13,252,906	(681,379)	12,571,527	(643,874)	13,215,401	-5.1%
Community Development Grants (D)	24,703,049	40,016,551	64,719,600	(973,658)	63,745,942	30,359,461	33,386,481	47.6%
Fleet Services	24,377,379	161,445	24,538,824	6,865,233	31,404,057	27,965,589	3,438,468	89.1%
Gas	84,725,707	7,198,075	91,923,782	1,121,287	93,045,069	89,609,106	3,435,963	96.3%
Gasoline Tax Street Improvement (E)	10,748,973	15,832,769	26,581,742	(4,826,380)	21,755,362	12,606,022	9,149,340	57.9%
General Grants (F)	-	-	-	10,444,800	10,444,800	3,931,797	6,513,003	37.6%
Harbor (G)	402,488,513	-	402,488,513	0	402,488,513	310,210,934	92,277,579	77.1%
Health (F)	37,561,016	22,057,832	59,618,848	1,662,035	61,280,883	36,741,237	24,539,646	60.0%
Housing Authority	49,599,237	1,066,046	50,665,283	16,420,149	67,085,432	65,101,572	1,983,860	97.0%
Housing Development (I)	12,019,350	5,119,721	17,139,071	8,191,960	25,331,031	15,644,771	9,686,260	61.8%
Insurance	37,393,207	-	37,393,207	2,209,605	39,602,812	37,701,443	1,901,369	95.2%
Parking Authority	507,437	-	507,437	-	507,437	522,520	(15,083)	103.0%
Redevelopment (J)	59,063,988	26,860,603	85,924,591	38,923,587	124,848,178	60,229,456	64,618,722	48.2%
Sewer (K)	10,831,707	-	10,831,707	-	10,831,707	7,880,586	2,951,121	72.8%
Tidelands Operating (L)	78,864,362	30,197,311	109,061,673	12,927,060	121,988,733	87,840,737	34,147,996	72.0%
Transportation (M)	15,485,060	16,027,372	31,512,432	(740,549)	30,771,883	14,091,661	16,680,222	45.8%
Water	73,608,520	-	73,608,520	-	73,608,520	68,163,963	5,444,557	92.6%
<b>SUBTOTAL</b>	<b>975,579,787</b>	<b>265,744,619</b>	<b>1,241,324,406</b>	<b>118,420,502</b>	<b>1,359,744,908</b>	<b>990,678,443</b>	<b>369,066,465</b>	<b>72.9%</b>
<b>Funds Without All Years Carryover</b>								
General	\$ 360,561,514	\$ -	\$ 360,561,514	\$ 17,700,958	378,262,472	\$ 370,095,059	\$ 8,167,413	97.8%
Belmont Shore Parking Meter	574,137	-	574,137	8	574,145	397,046	177,099	69.2%
Business Assistance (N)	2,739,431	-	2,739,431	2,575	2,742,006	1,794,343	947,663	65.4%
Certified Unified Program Agency (CUPA)	864,756	-	864,756	-	864,756	742,988	121,768	85.9%
Employee Benefits (O)	133,698,147	-	133,698,147	127,143	133,825,290	118,129,402	15,695,888	88.3%
General Services	36,513,893	-	36,513,893	137,867	36,651,760	35,294,836	1,356,924	96.3%
Park Development	1,245,907	-	1,245,907	-	1,245,907	1,243,098	2,809	99.8%
Parking & Business Area Improvement	2,445,000	-	2,445,000	-	2,445,000	1,881,260	563,740	76.9%
Refuse/Recycling	30,792,557	-	30,792,557	25,962	30,818,519	28,133,052	2,685,467	91.3%
SERRF	46,348,060	-	46,348,060	4,403,820	50,751,880	46,681,555	4,070,325	92.0%
SERRF JPA (P)	10,927,492	-	10,927,492	-	10,927,492	7,990,998	2,936,494	73.1%
Special Advertising & Promotion	5,056,349	-	5,056,349	21,745	5,078,094	4,653,614	424,480	91.6%
Tidelands Oil Revenue (Q)	36,731,429	-	36,731,429	89,056,839	125,788,268	98,187,125	27,601,143	78.1%
Tidelands-Reserve for Subsidence (R)	2,089,473	-	2,089,473	-	2,089,473	441,005	1,648,468	21.1%
Towing	5,970,173	-	5,970,173	794,066	6,764,239	6,774,642	(10,403)	100.2%
Upland Oil	8,681,527	-	8,681,527	4,526,422	13,207,949	13,082,558	125,391	99.1%
<b>SUBTOTAL</b>	<b>685,239,845</b>	<b>-</b>	<b>685,239,845</b>	<b>116,797,405</b>	<b>802,037,250</b>	<b>735,522,581</b>	<b>66,514,669</b>	<b>91.7%</b>
<b>TOTAL - All Funds</b>	<b>\$ 1,660,819,632</b>	<b>\$ 265,744,619</b>	<b>\$ 1,926,564,251</b>	<b>\$ 235,217,907</b>	<b>\$2,161,782,158</b>	<b>\$ 1,726,201,024</b>	<b>\$ 435,581,134</b>	<b>79.9%</b>

**Notes:**

<sup>1</sup> Carryover of multi-year grants and CIP funds.

<sup>2</sup> Amendments reflect budget adjustments approved by the City Council during the fiscal year including All-Years Carryover Budget Adjustments.

<sup>3</sup> Actuals for Fiscal Year 2004 are unaudited.

(A, B, C, D, E, and F) - These funds are associated with multi-year projects and/or grants. Appropriation is budgeted in the year it was received, however, any appropriation not spent is carried forward to the following fiscal year until the project is completed or the grant is expired.

(G) Harbor - A number of multi-year projects were started in FY 04.

(H and I) - These funds are associated with multi-year projects and/or grants. Appropriation is budgeted in the year it was received, however, any appropriations not spent is carried forward to the following fiscal year until the project is completed or the grant is expired.

(J) Redevelopment - A detailed explanation of this fund is included in the narrative.

(K) Sewer - This fund is associated with multi-year projects and/or grants. Appropriation is budgeted in the year it was received, however, any appropriations not spent is carried forward to the following fiscal year until the project is completed or the grant is expired.

(L) Tidelands Operating - A detailed explanation of this fund is included in the narrative.

(M) Transportation - This fund is associated with multi-year projects and/or grants. Appropriation is budgeted in the year it was received, however, any appropriations not spent is carried forward to the following fiscal year until the project is completed or the grant is expired.

(N) Business Assistance - Programs paid for through this fund are reimbursed at the project completion. The timing of projects resulted in the delay of payment but the money will be carried over into FY 05.

(O) Employee Benefits - Variance is due largely to vacancies, as actual Fund expenditures are based on cost incurred for filled positions.

(P) - SERRF JPA - This fund is equal to the SERRF bond payments in the SERRF fund. The SERRF bonds are variable rate and have benefited from lower interest rates.

(Q) Tidelands Oil Revenue - A detailed explanation of this fund is included in the narrative.

(R) Tidelands - Reserve for Subsidence - Charges against Tidelands Oil Revenue Fund (TORF) are now approximately \$400,000 to \$500,000 annually.

**Unaudited Year End Expenditure Analysis by Department  
All Funds - Fiscal Year 2004**

Department	FY 04 New Allocation	Estimated All-Years Carryover <sup>1</sup>	FY 04 Adopted Appropriation	Amendments <sup>2</sup>	Adjusted Budget	Estimates-to Close		Year End Actuals <sup>3</sup>	% Spent
Mayor and City Council	\$ 4,045,433	\$ -	\$ 4,045,433	\$ 7,933	4,053,366	\$ 4,053,365	100.0%	\$ 3,905,000	96.3%
City Attorney	8,272,640	-	8,272,640	4,790	8,277,430	7,331,422	88.6%	7,925,120	95.7%
City Auditor (A)	2,301,493	-	2,301,493	69,615	2,371,108	2,176,465	91.8%	2,041,613	86.1%
City Clerk (B)	3,092,043	-	3,092,043	275,000	3,367,043	3,025,911	89.9%	2,997,787	89.0%
City Manager (C)	8,176,309	-	8,176,309	112,280	8,288,589	7,846,896	94.7%	7,536,377	90.9%
City Prosecutor	3,886,247	-	3,886,247	36,228	3,922,475	3,798,362	96.8%	3,749,539	95.6%
Civil Service	2,451,545	-	2,451,545	34,491	2,486,036	2,266,835	91.2%	2,393,445	96.3%
Community Development (D)	160,759,751	73,035,328	233,795,079	62,617,298	296,412,377	219,192,394	98.1%	184,023,102	62.1%
Financial Management	18,295,168	582,628	18,877,796	279,008	19,156,804	18,075,847	97.3%	17,528,135	91.5%
Citywide Activities <sup>4</sup>	244,474,654	-	244,474,654	13,933,092	258,407,746	245,631,683	95.1%	240,329,523	93.0%
Fire (E)	69,441,643	-	69,441,643	8,042,880	77,484,523	72,212,058	93.2%	72,308,650	93.3%
Harbor (F)	400,268,283	-	400,268,283	-	400,268,283	349,174,485	87.2%	307,990,699	76.9%
Health (G)	43,414,177	22,057,832	65,472,009	2,059,190	67,531,199	44,224,218	97.3%	42,789,256	63.4%
Human Resources (H)	7,389,904	-	7,389,904	138,090	7,527,994	6,751,099	89.7%	6,681,225	88.8%
Library Services	11,428,849	-	11,428,849	227,849	11,656,698	11,413,627	97.9%	11,478,669	98.5%
Long Beach Energy	196,188,361	7,198,075	203,386,436	15,655,131	219,041,567	204,626,916	96.6%	205,306,332	93.7%
Oil Properties (I)	44,937,572	-	44,937,572	93,583,261	138,520,833	138,518,674	100.0%	110,969,300	80.1%
Parks, Recreation & Marine (J)	46,308,226	-	46,308,226	17,500,946	63,809,172	50,485,399	79.1%	53,343,296	83.6%
Planning & Building (K)	11,477,117	-	11,477,117	512,003	11,989,120	10,962,575	91.4%	10,802,691	90.1%
Police	150,259,965	-	150,259,965	2,563,836	152,823,801	148,770,439	97.3%	151,343,916	99.0%
Public Works (L)	105,573,936	162,870,756	268,444,692	16,450,239	284,894,931	145,754,767	119.4%	173,511,658	60.9%
Technology Services	34,800,697	-	34,800,697	1,114,744	35,915,441	33,365,943	92.9%	32,065,745	89.3%
Water (M)	83,575,623	-	83,575,623	-	83,575,623	83,252,821	99.6%	75,179,943	90.0%
<b>TOTAL</b>	<b>\$1,660,819,634</b>	<b>\$ 265,744,619</b>	<b>\$ 1,926,564,255</b>	<b>\$ 235,217,905</b>	<b>\$2,161,782,158</b>	<b>\$ 1,812,912,201</b>	<b>95.6%</b>	<b>\$ 1,726,201,024</b>	<b>79.9%</b>

**Notes:**

<sup>1</sup>All-Years Carryover is composed of multi-year grants and Capital Improvement Program (CIP) funds; unspent amounts are carried over to future years.

<sup>2</sup>Amendments reflect budget adjustments approved by the City Council during the fiscal year including All-Years Carryover Budget Adjustments.

<sup>3</sup>Actuals for Fiscal Year 2004 are unaudited.

<sup>4</sup>Citywide Activities include debt service payments.

(A) City Auditor - Savings due mostly from salary savings and strict purchasing curtailment practices.

(B) City Clerk - Assistant City Clerk position kept vacant to support Daystar, coupled with contractual savings related to elections. (Assistant City Clerk position was eliminated in FY 05.)

(C) City Manager - Savings are from vacancies and lower than anticipated system implementation internal support services.

(D) Community Development - Many CD budgets are associated with multi-year projects. The funding is budgeted in the year it is received, and any appropriation not spent is carried over to subsequent fiscal years.

(E) Fire - Savings are from vacancies.

(F) Harbor - A number of multi-year projects were started in FY 04.

(G) Health - Many HE budgets are associated with multi-year projects. The funding is budgeted in the year it is received, and any appropriation not spent is carried over to subsequent fiscal years.

(H) Human Resources - Savings due to lower than anticipated liability, property and workers' comp premium costs; additionally, several liability policies not renewed.

(I) Oil Properties - Savings are from \$27.9 million in Payments to the State that had not been anticipated when the budget was amended mid-year.

(J) Parks, Recreation & Marine - The lower than anticipated spending pattern can be attributed to vacant positions and the use of part-time/seasonal staff to fill full-time positions.

(K) Planning & Building - The lower than anticipated spending pattern can be attributed to vacant positions and the use of part-time/seasonal staff to fill full-time positions.

(L) Public Works - Many PW budgets are associated with multi-year projects. The funding is budgeted in the year it is received, and any appropriation not spent is carried over to subsequent fiscal years.

(M) Water - Multi-year projects and/or grants were budgeted in FY 04, however, appropriations were not spent and will be carried forward into FY 05.

## Unaudited Year End Revenue Analysis by Department General Fund - Fiscal Year 2004

Department	FY 04 New Allocation	Amendments <sup>1</sup>	Adjusted Budget	Estimates-to-Close		Year End Actuals <sup>2</sup>	% Received
Mayor and City Council	\$ -	\$ -	\$ -	\$ -		1,250	-
City Attorney	5,000	-	5,000	8,000	160.0%	5,478	109.6%
City Auditor	-	-	-	250		250	-
City Clerk (A)	171,552	275,000	446,552	796,965	178.5%	808,640	181.1%
City Manager	-	-	-	5,865		5,493	-
City Prosecutor (B)	66,608	(43,557)	23,051	23,084	100.1%	15,296	66.4%
Civil Service	-	-	-	-		-	-
Community Development (C)	5,708,819	-	5,708,819	5,005,897	87.7%	5,286,827	92.6%
Financial Management	23,725,724	16,437	23,742,161	23,898,488	100.7%	24,294,447	102.3%
Citywide Activities <sup>3</sup>	248,137,440	11,595,000	259,732,440	262,889,695	101.2%	255,713,074	98.5%
Fire	17,435,352	1,549,882	18,985,234	20,138,475	106.1%	20,211,861	106.5%
Harbor	-	-	-	-		-	0.0%
Health (D)	1,880,623	-	1,880,623	2,080,343	110.6%	2,241,779	119.2%
Human Resources	-	-	-	1,010		1,060	0.0%
Library Services (E)	1,113,822	38,206	1,152,028	1,059,268	91.9%	854,904	74.2%
Long Beach Energy	5,717,747	2,921,418	8,639,165	9,078,317	105.1%	9,254,426	107.1%
Oil Properties	-	-	-	-		-	-
Parks, Recreation & Marine	8,463,956	(44,369)	8,419,587	8,232,010	97.8%	8,176,524	97.1%
Planning & Building (F)	8,648,882	239,170	8,888,052	11,028,699	124.1%	11,304,330	127.2%
Police	21,670,352	(647,011)	21,023,341	19,488,828	92.7%	20,016,790	95.2%
Public Works (G)	7,074,652	-	7,074,652	7,434,020	105.1%	8,249,760	116.6%
Technology Services (H)	1,000,000	-	1,000,000	501,110	50.1%	538,515	53.9%
Water	-	-	-	-		-	-
<b>TOTAL</b>	<b>\$ 350,820,529</b>	<b>\$ 15,900,177</b>	<b>\$ 366,720,706</b>	<b>\$371,670,324</b>	<b>101.3%</b>	<b>\$366,980,704</b>	<b>100.1%</b>

**Notes:**

<sup>1</sup>Amendments reflect Council approved adjustments made during the fiscal year.

<sup>2</sup>Actuals for Fiscal Year 2004 are unaudited.

<sup>3</sup>Citywide Activities include tax revenues, pass through transactions, etc.

(A) City Clerk - Microfilm revenue has decreased since the Police and Planning and Building Departments are scanning permit records instead of using microfilm.

(B) City Prosecutor - Due to different State and the City budget cycles, a portion of revenue from a state grant was received in FY 03.

(C) Community Development - Lower than expected revenues in the City's marketing program.

(D) Health - The Jail Medical Program as well as unbudgeted lease agreements resulted in higher than anticipated revenue.

(E) Library Services - Came in \$298,124 (or 26 percent) under projected revenue due to unrealized revenue from the Public Library Foundation. These funds will be received in FY 05 and an Accounts Receivable has been set up in the FY 05 Budget.

(F) Planning & Building - Licenses and permits revenue exceeded budget due to a high level of building activity in the City.

(G) Public Works came in \$1.2 million over its projected revenue due to increased CIP billings associated with staff project work.

(H) Technology Services - CityPlace parking revenues were lower than anticipated.



**CITY OF LONG BEACH**  
**GENERAL FUND REVENUES - UNAUDITED**  
as of September 30, 2004  
(100.0% of fiscal year)

Attachment F

TOP 40 GENERAL FUND REVENUES	(Cash Basis)			(Accrual Basis)			% of FY 04 Adj Budget	FY 04 Adjusted Budget	FY 04 Aug/Sept ETC*	Variance Current ETC/ Adj Budget	
	FY 03 Year-End Actuals	FY 03 September YTD	FY 04 September YTD	FY 04 Sept YTD Over/(Under) FY 03 Sept YTD	FY 04 Budgeted Growth/(Loss)	FY 04 YTD Growth/(Loss)					FY 04 YTD Actuals
SECURED REAL PROPERTY TAXES	48,642,542	48,642,542	52,254,309	\$ 3,611,767	7.0%	7.4%	52,254,309	100.4%	52,043,000	52,254,310	\$ 211,310
CITY SALES AND USE TAX	42,345,525	42,345,525	39,784,896	(2,560,629)	-2.5%	-6.0%	39,784,896	96.4%	41,287,000	39,785,000	(1,502,000)
MOTOR VEHICLE IN LIEU TAX	22,487,884	22,487,884	20,963,264	(1,524,619)	-25.6%	-6.8%	20,963,264	74.2%	28,249,000	21,111,000	(7,138,000)
TELEPHONE USERS TAX & PENALTIES	18,412,302	18,412,302	18,121,146	(291,155)	0.8%	-1.6%	18,121,146	97.6%	18,562,000	18,518,000	(44,000)
ELECTRIC USERS TAX & PENALTIES	23,426,752	23,426,752	18,574,083	(4,852,669)	-22.0%	-20.7%	18,574,083	101.7%	18,272,000	18,631,000	359,000
PROCEEDS FROM LONG TERM DEBT	3,642,506	3,642,506	15,909,691	12,267,185	333.3%	336.8%	15,909,691	100.8%	15,784,591	15,909,691	125,100
PARKING CITATIONS	7,650,522	7,650,522	9,565,616	1,915,094	11.1%	25.0%	9,565,616	112.6%	8,496,487	9,519,300	1,022,813
BUSINESS LICENSE TAXES/SURCHARGE	8,158,748	8,158,748	9,028,473	869,725	9.1%	10.7%	9,028,473	101.4%	8,899,600	8,980,000	80,400
HARBOR-FIRE	6,906,130	6,906,130	7,483,792	577,662	8.4%	8.4%	7,483,792	100.0%	7,483,792	7,483,792	-
TRANSIENT OCCUPANCY TAX	6,566,720	6,566,720	7,044,122	477,402	4.0%	7.3%	7,044,122	103.2%	6,829,000	7,083,000	254,000
GAS TAX-MAINTENANCE CHARGES	6,308,973	6,308,973	6,308,973	-	0.0%	0.0%	6,308,973	100.0%	6,308,973	6,308,973	-
ELECTRIC COMPANY FRANCHISES	6,271,788	6,271,788	5,569,740	(702,048)	-4.4%	-11.2%	5,569,740	92.9%	5,997,000	5,786,000	(211,000)
PIPE LINE FRANCHISES	7,091,421	7,091,421	6,389,949	(701,472)	-22.4%	-9.9%	6,389,949	116.2%	5,500,000	6,250,000	750,000
GAS USERS TAX & PENALTIES	5,540,557	5,540,557	5,360,400	(180,157)	-17.3%	-3.3%	5,360,400	117.0%	4,580,000	5,275,000	695,000
EMERGENCY AMBULANCE FEES	4,027,071	4,027,071	4,354,236	327,165	8.0%	8.1%	4,354,236	100.1%	4,350,000	4,500,000	150,000
CHARGES FOR SPECIAL SERVICES	1,641,034	1,641,034	2,834,020	1,192,986	146.8%	72.7%	2,834,020	70.0%	4,049,603	2,760,477	(1,289,126)
GAS-BILLING & COLLECTION SERVICES	3,891,241	3,891,241	3,945,157	53,916	1.4%	1.4%	3,945,157	100.0%	3,945,157	3,945,157	-
INTEREST-POOLED CASH	4,552,127	4,552,127	3,387,228	(1,164,899)	-17.4%	-25.6%	3,387,228	90.1%	3,759,316	3,573,267	(186,049)
PROP 172 FUNDS (SB509)	3,567,270	3,567,270	3,873,447	306,176	1.5%	8.6%	3,873,447	107.0%	3,619,000	3,900,000	281,000
VEHICLE CODE FINES	3,010,748	3,010,748	3,663,079	652,331	16.3%	21.7%	3,663,079	104.7%	3,500,000	3,650,000	150,000
AIRPORT-FIRE	2,640,783	2,640,783	3,331,826	691,043	26.2%	26.2%	3,331,826	100.0%	3,331,826	3,331,826	-
WATER USERS TAX & PENALTIES	3,583,054	3,583,054	3,358,451	(224,603)	-10.8%	-6.3%	3,358,451	105.1%	3,197,000	3,373,000	176,000
LAND, BLDG, R/W, EASEMENT, APT RENTALS	3,761,019	3,761,019	3,527,760	(233,259)	-16.3%	-6.2%	3,527,760	112.1%	3,148,097	3,310,288	162,191
AMERICAN GOLF LEASE	3,683,520	3,683,520	2,942,627	(740,894)	-16.0%	-20.1%	2,942,627	95.1%	3,094,465	3,130,117	35,652
CIP-ENGINEERING CHARGES	3,689,635	3,689,635	3,368,016	(321,619)	-17.4%	-8.7%	3,368,016	110.5%	3,047,416	3,075,173	27,757
UNSECURED PERSONAL PROPERTY TAXES	2,540,349	2,540,349	2,428,310	(112,039)	10.6%	-4.4%	2,428,310	86.4%	2,809,000	2,428,310	(380,690)
OTHER DEPT SVCS TO PROPRIETARY FUNDS	2,482,701	2,482,701	2,271,391	(211,310)	7.0%	-8.5%	2,271,391	85.5%	2,655,893	2,087,716	(568,177)
PIPELINE FEE - WATER	-	-	2,499,184	2,499,184	0.0%	0.0%	2,499,184	100.0%	2,499,184	2,499,184	-
MISC REVENUE FROM OTHER AGENCIES	2,154,456	2,154,456	1,210,329	(944,127)	13.5%	-43.8%	1,210,329	49.5%	2,444,422	1,314,455	(1,129,967)
WATER-BILLING & COLLECTION	2,389,795	2,389,795	2,423,128	33,333	1.4%	1.4%	2,423,128	100.0%	2,423,128	2,423,128	-
OTHER DEPT CHGS TO GOV'L FUNDS	2,339,459	2,339,459	2,136,529	(202,930)	-5.8%	-8.7%	2,136,529	97.0%	2,202,737	1,967,355	(235,383)
OIL PRODUCTION TAX	2,243,394	2,243,394	2,247,267	3,872	-7.4%	0.2%	2,247,267	108.2%	2,077,000	2,367,000	290,000
PIPELINE SAFETY FEES	1,883,572	1,883,572	1,961,994	78,422	-9.6%	4.2%	1,961,994	115.2%	1,703,000	1,961,994	258,994
MISC REFUNDS & REIMB	1,564,797	1,564,797	1,953,254	388,457	6.0%	24.8%	1,953,254	117.7%	1,659,302	2,070,611	411,309
REFUSE-BILLING & COLLECTION SERVICES	1,616,925	1,616,925	1,648,534	31,609	2.0%	2.0%	1,648,534	100.0%	1,648,534	1,648,534	-
MISC GRANTS FEDERAL	5,156,928	5,156,928	707,017	(4,449,911)	-68.2%	-86.3%	707,017	43.1%	1,639,886	687,694	(952,191)
BUILDING PLAN CHECK FEES	1,818,191	1,818,191	2,089,003	270,812	-12.0%	14.9%	2,089,003	130.6%	1,600,000	2,025,000	425,000
BUILDING PERMITS	2,076,091	2,076,091	1,441,111	(634,980)	-27.7%	-30.6%	1,441,111	96.1%	1,500,000	1,400,000	(100,000)
ASSET MANAGEMENT CHARGES	1,411,198	1,411,198	1,874,400	463,202	5.8%	32.8%	1,874,400	125.5%	1,493,372	1,493,372	-
EDA/TITLE IX ADVANCES	-	-	1,159,000	1,159,000	0.0%	0.0%	1,159,000	77.8%	1,490,035	1,159,000	(331,035)
TRANSFERS FROM OTHER FUNDS	44,653,291	44,653,291	41,017,599	(3,635,692)	-12.5%	-8.1%	41,017,599	105.0%	39,069,031	47,216,393	8,147,362
<b>SUBTOTAL TO 40 GENERAL FUND REVENUES</b>	<b>325,831,016</b>	<b>325,831,016</b>	<b>330,012,351</b>	<b>4,181,335</b>	<b>3.2%</b>	<b>1.3%</b>	<b>\$ 330,012,351</b>	<b>98.1%</b>	<b>\$ 336,248,847</b>	<b>\$ 336,194,116</b>	<b>\$ (54,731)</b>
<b>SUBTOTAL ALL OTHER REVENUES</b>	<b>\$ 41,019,232</b>	<b>\$ 41,019,232</b>	<b>\$ 36,968,353</b>	<b>\$ (4,050,879)</b>	<b>-25.7%</b>	<b>-9.9%</b>	<b>\$ 36,968,353</b>	<b>121.3%</b>	<b>\$ 30,471,858</b>	<b>\$ 35,476,208</b>	<b>\$ 5,004,350</b>
<b>TOTAL REVENUES</b>	<b>\$ 366,850,248</b>	<b>\$ 366,850,248</b>	<b>\$ 366,980,703</b>	<b>\$ 130,455</b>	<b>0.0%</b>	<b>0.0%</b>	<b>\$ 366,980,703</b>	<b>100.1%</b>	<b>\$ 366,720,705</b>	<b>\$ 371,670,324</b>	<b>\$ 4,949,620</b>

**City of Long Beach  
Fund Balance Analysis  
FY 04 - General Fund**

	Adopted Budget	Amendments <sup>1</sup>	Adjusted Budget	Year End Actuals <sup>2</sup>	Difference	% Change
<b>Beginning Fund Balance</b>	\$ 60,088,872	\$ 1,274,927	\$ 61,363,798	\$ 61,363,798	\$ -	0.0%
- Reserved	50,613,593	-	50,613,593	50,613,593	-	0.0%
- Unreserved	-	-	-	-	-	0.0%
- Carry-over Funds	9,475,279	1,274,927	10,750,206	10,750,206	-	0.0%
<b>Resources</b>	<b>350,820,529</b>	<b>15,900,176</b>	<b>366,720,705</b>	<b>366,980,703</b>	<b>259,998</b>	<b>0.1%</b>
- Revenue	311,751,498	15,900,176	327,651,674	325,963,104	(1,688,570)	-0.5%
- Transfers In	39,069,031	-	39,069,031	41,017,599	1,948,568	5.0%
<b>Total Resources</b>	<b>410,909,401</b>	<b>17,175,103</b>	<b>428,084,503</b>	<b>428,344,502</b>	<b>259,998</b>	<b>0.1%</b>
<b>Requirements</b>						
- Operating Expenditures	345,907,821	946,227	346,854,047	337,157,186	(9,696,862)	-2.8%
- Transfers Out <sup>3</sup>	2,655,280	(97,040)	2,558,240	5,267,493	2,709,252	105.9%
- Capital Outlay	1,642,990	4,490,685	6,133,674	6,786,054	652,379	10.6%
- Debt Service	10,355,423	12,361,087	22,716,510	20,884,327	(1,832,183)	-8.1%
<b>Total Requirements</b>	<b>360,561,514</b>	<b>17,700,959</b>	<b>378,262,472</b>	<b>370,095,059</b>	<b>(8,167,414)</b>	<b>-2.2%</b>
<b>Ending Fund Balance</b>	<b>50,347,887</b>		<b>49,822,031</b>	<b>58,249,443</b>	<b>8,427,412</b>	<b>16.9%</b>
- Reserved	50,347,887		49,822,031	47,311,521	(2,510,511)	
- Unreserved	\$ -		\$ -	\$ 10,937,922	\$ 10,937,922	

## Notes:

Reserved Fund Balance is composed of Designated and Restricted Reserves. Refer to next page of attachment for further information on these reserves.

<sup>1</sup>Amendments include prior year encumbrances and Council-approved adjustments made during the fiscal year.

<sup>2</sup>Actuals for Fiscal Year 2004 are unaudited and include encumbrances. Beginning and Ending Fund Balances do not include other non-current receivables due from Airport and RDA.

<sup>3</sup>Transfers out are General Fund monies that are transferred to other funds. An example is the annual transfer to the Capital Projects Fund.

**City of Long Beach  
Fund Balance Analysis**

**FY 04 - General Fund**

**Ending Fund Balance Components**

	Actuals
<b>Unrestricted Ending Fund Balance (1)</b>	<b>\$ 10,937,922</b>
<b>Reserved:</b>	
<b><u>Designated (2)</u></b>	
Council Designated Emergency (3)	33,756,151
GP Reserve Account (3)	2,500,000
Police Helicopter Sale Proceeds (4)	342,597
Sports Park Project	947,619
Subtotal Designated	<b>37,546,367</b>
<b><u>Restricted (5)</u></b>	
Cash Basis Account (6)	1,486,141
Asset Forfeiture (7)	2,607,009
2001 Parking Plaza Bond Reserve	859,933
2002 Public Safety Facility Bonds	3,509,865
LB Museum of Art Bonds	128,897
Town Center Interest	3,443
2003 Skylinks Golf Bond	1,169,865
Subtotal Restricted	<b>9,765,153</b>
<b>Total Reserves</b>	<b>47,311,521</b>
<b>Total FY 04 Ending Fund Balance (8)</b>	<b>\$ 58,249,443</b>

**Notes:**

- 1) Unrestricted Fund Balance is amount projected to be available for appropriation or reserving next fiscal year, FY 05.
- 2) Designated Reserves are earmarked by Council action, but are not legally restricted.
- 3) Emergency Reserves include Council Designated Emergency and GP Reserve Account Reserves .
- 4) To be utilized for increased Helicopter insurance costs.
- 5) Restricted Reserves are legally restricted to the purpose specified.
- 6) Per Sec. 1716. of the Charter - The City Council may create a separate account in the General Purpose Fund to be known as "Cash Basis Account". Such account shall be a continuing account and not subject to transfer or included in the General Purpose Fund Unreserved balance at the close of the fiscal year. The City Manager shall have the power to transfer monies from the Cash Basis Account to other funds for the purpose of placing such fund or funds on a cash basis. It shall be the duty of the City Manager to provide that all money so transferred from the Cash Basis Account be returned thereto before the end of the fiscal year. All funds presently remaining in the existing Cash Basis Fund shall be transferred to the Cash Basis Account. The City Council may from time to time transfer or appropriate monies to the Cash Basis Account. Interest received on funds invested shall be paid to the General Purpose Fund.
- 7) Restricted to drug interdiction/law enforcement.
- 8) Total Fund Balance includes Unrestricted Fund Balance, Designated and Restricted Reserves.

## Unaudited Year End Expenditure Analysis by Department General Fund - Fiscal Year 2004

Department	FY 04 New Allocation	Amendments <sup>1</sup>	Adjusted Budget	Estimates-to Close		Year End Actuals <sup>2</sup>	% Spent
Mayor and City Council	\$ 4,045,433	\$ 7,933	\$ 4,053,366	\$ 4,053,365	100.0%	\$ 3,905,000	96.3%
City Attorney	2,943,657	947	2,944,604	2,380,845	80.9%	2,802,565	95.2%
City Auditor (A)	2,066,908	69,615	2,136,523	2,116,453	99.1%	1,993,986	93.3%
City Clerk (B)	3,092,043	275,000	3,367,043	3,025,911	89.9%	2,997,787	89.0%
City Manager (C)	3,853,356	70,018	3,923,374	3,667,346	93.5%	3,650,991	93.1%
City Prosecutor	3,886,247	(29,038)	3,857,209	3,733,096	96.8%	3,687,278	95.6%
Civil Service	2,431,069	34,491	2,465,560	2,258,663	91.6%	2,387,019	96.8%
Community Development (D)	3,081,234	7,945	3,089,179	2,356,311	76.3%	2,222,907	72.0%
Financial Management	15,327,145	168,312	15,495,457	15,198,909	98.1%	14,803,435	95.5%
Citywide Activities <sup>3</sup>	16,587,242	12,098,132	28,685,374	31,997,497	111.5%	31,169,439	108.7%
Fire	63,930,087	1,582,447	65,512,534	64,886,392	99.0%	64,924,743	99.1%
Harbor	-	-	-	-	-	-	0.0%
Health	4,833,704	8,247	4,841,951	4,683,819	96.7%	4,761,531	98.3%
Human Resources (E)	338,145	40,135	378,280	291,239	77.0%	280,730	74.2%
Library Services	11,262,950	223,690	11,486,640	11,280,794	98.2%	11,343,244	98.8%
Long Beach Energy (F)	5,711,817	2,924,039	8,635,856	8,069,492	93.4%	7,988,394	92.5%
Oil Properties	-	-	-	-	-	-	0.0%
Parks, Recreation & Marine	28,792,037	(54,215)	28,737,822	27,819,983	96.8%	28,001,797	97.4%
Planning & Building (G)	11,477,117	512,003	11,989,120	10,962,575	91.4%	10,802,691	90.1%
Police	147,350,467	(382,675)	146,967,792	143,810,660	97.9%	147,014,708	100.0%
Public Works (H)	28,548,221	143,823	28,692,044	24,648,294	85.9%	24,368,352	84.9%
Technology Services	1,002,636	109	1,002,745	1,012,626	101.0%	984,214	98.2%
Water	-	-	-	-	-	-	0.0%
<b>TOTAL</b>	<b>\$ 360,561,514</b>	<b>\$ 17,700,959</b>	<b>\$ 378,262,472</b>	<b>\$ 368,254,270</b>	<b>97.4%</b>	<b>\$ 370,090,809</b>	<b>97.8%</b>

**Notes:**

<sup>1</sup>Amendments reflect Council approved adjustments made during the fiscal year.

<sup>2</sup>Actuals for Fiscal Year 2004 are unaudited.

<sup>3</sup>Citywide Activities include debt service payments.

(A) City Auditor - Savings due mostly from salary savings and strict purchasing curtailment practices.

(B) City Clerk - Savings are due to a vacant Assistant City Clerk position and contractual savings related to elections.

(C) City Manager - Savings are from vacancies and lower than anticipated internal support services.

(D) Community Development - The delay of a \$455,000 loan with Loft Development and salary savings, including the Marketing Development Officer position was never filled.

(E) Human Resources - Savings are due to vacancies.

(F) Long Beach Energy - Majority of savings are the result of vacancies and lower than anticipated machinery/equipment cost.

(G) Planning & Building - Savings can be attributed to vacant positions and the use of part-time/seasonal staff to fill full-time positions.

(H) Public Works - Savings can be attributed to vacant positions and the use of part-time/seasonal staff to fill full-time positions.