



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

~~R-30~~²

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August 11, 2015

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Receive and file the Second Budget Performance Report for Fiscal Year 2015.
(Citywide)

DISCUSSION

This report includes information on the City's Fiscal Year 2015 (FY 15) budget performance through May 31, 2015, for all funds.

Summary

As of May 31, 2015, no significant concerns have been identified with any City fund, and any funds that are showing year-end estimates that exceed budgeted appropriations will be resolved with planned budget adjustments that will be presented to the City Council later in FY 15. The General Fund is also on track to end the year with the adopted surplus of \$3.1 million that will be reserved, as previously directed by the City Council, for the CalPERS Stabilization Fund. The balance of the report summarizes the General Fund performance and provides additional details on the status of other funds.

General Fund and Uplands Oil Fund Overview

Based on current estimates as of May 31, 2015, it is anticipated that the General Fund and Uplands Oil Fund will end FY 15 with an ending funds available of approximately \$0.6 million and \$0.2 million, respectively. This is consistent with the information presented in the Proposed FY 16 Budget for FY 15 projected actuals and reflects the recommended balances needed to start FY 16 year. The estimated FY 15 sources and uses are summarized in the table below and described in further detail in the subsequent sections.

General and Uplands Oil Funds Estimated FY 15 Performance As of May 31, 2015		
	(\$ in millions)	
	General	Uplands
Beginning Funds Available (10/1)	3.3	0.1
Sources		
Estimated Revenue	430.2	14.9
Estimated Other Sources (i.e. release of funds)	16.6	14.7
Total Sources	446.8	29.6
Uses		
Estimated Expenditures	(432.1)	(29.5)
Estimated Other Uses (i.e. carry-over, reservations)	(17.4)	-
Total Uses	(449.5)	(29.5)
Ending Funds Available (9/30)	\$ 0.6	\$ 0.2

General Fund - Sources of Funds

Revenues

As of May 31, 2015, the overall trend in General Fund revenue actuals has been higher than expected growth. In particular, the City is experiencing growth in property tax, electricity-related revenues, such as utility users' tax, and franchise fees and transient occupancy tax. Property tax, which declined during the economic downturn, is still experiencing a rebound. Additionally, property taxes related to the dissolution of the Redevelopment Agency (RDA) will continue to experience fluctuations as the methodologies for distribution of funds and allocation to various City obligations are made. While many of the major revenues are stable or experiencing growth, others, such as telephone utility users' tax (TUUT) and emergency ambulance revenue, natural gas utility users' tax and business license fees, have not experienced a turnaround. In addition, since the beginning of the fiscal year, oil-related revenue sources have been significantly impacted by the worldwide decline in the price of oil. The higher than expected revenue in FY 15 has been preliminarily allocated for strategic investments in the FY 16 Proposed Budget, further described below in the section on Other Uses. Additionally, wherever prudent, FY 15 actual revenue performance was used to inform the structural revenue assumptions in the FY 16 Proposed Budget. While growth in citywide revenues has been able to mitigate the Uplands Oil revenue shortfall and provide for one-time revenue in the FY 16 Proposed Budget, it is difficult to say when or if underperforming revenues will rebound, or for how much longer strong revenue performance for some revenues will continue.

Other Sources

A key source of funds for the FY 15 Adopted Budget was revenue received in FY 14 and carried over to be a "release of reserves" in FY 15. These sources were from the Uplands Oil revenue over \$70/bbl and revenues above projected levels in FY 14. In addition to these over \$70/bbl Uplands revenue recognized in the FY 15 Adopted Budget for one-time uses, FY 14 year-end surplus was also reserved and programmed by the City Council as part of the Budget Adjustments on February 10, 2015. The total of these two actions comprises the Other Sources category. These previously set-aside funds will be released in FY 15 and used for their previously approved purposes, which includes funds for the FY 15 Police Academy, replacement Fire engines, the CalPERS Stabilization Fund, the General Fund portion of the 2009 furlough pay-out and Chittick Field costs, among others.

General Fund - Uses of Funds

Expenditures by Department

Citywide estimates are currently projecting the General Fund to come in under the FY 15 Adjusted Budget by \$985,123, mainly due to planned savings in the Police Department.

The Police Department is currently estimating to come in under budget by \$2.9 million. A portion of this savings was anticipated when the FY 15 Budget was adopted to fund the Police Academy costs that cross over into FY 16. The anticipated costs of the Academy incurring in FY 16 of \$1.5 million has been reserved and will be appropriated as part of the FY 16 Adopted Budget. The other \$1.4 million in savings is attributable to vacancy savings and costs being transferred out to grants. These funds will be reserved for Police Department obligations such as the Body Camera Pilot Project. While it is possible these funds will be

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expended by FY 15 year-end, PD may need to return to Council to reappropriate them in FY 16.

All other Departments are estimating to end the year within their General Fund FY 15 Adjusted Budget, with the exception of the Fire and Public Works Departments. The Fire Department's projected overage is attributable to a larger than budgeted Fire Academy class, additional training requirements, as well as sending current Firefighters to Paramedic school to fill current and future Paramedic vacancies. The Department will continue to monitor its spending levels to minimize the overage by the end of the fiscal year. For the Public Works Department, overages are due to higher than expected maintenance and repair costs for the Department's street sweeper fleet. The Department will be receiving new street sweepers in FY 16, which will result in lower maintenance and repair costs moving forward. Currently, the Citywide Activities Department is showing year-end estimates higher than the FY 15 adjusted budget, but will be under appropriation at year-end with a pending budget adjustment to cover the increased costs for the 2009 furlough litigation in FY 15. The Citywide Activities Department's year-end estimates also include a \$2.0 million transfer for the new Civic Center project, offset by lower than projected contractual obligations in other programs.

Other Uses

The Other Uses category represents assignments of funds available to be reserved. In FY 15, the sources of Other Uses is revenue above budgeted levels that are being reserved for appropriation as one-time strategic investments in the FY 16 Budget. These proposed expenditures include the FY 16 Police overtime costs, the FY16 City election, the State courthouse demolition, sidewalk and street repair, sidewalk plan and its implementation, fire facility modernization, and signage costs for the citywide rerouting of street sweeping. Also, as mentioned in the section above, funds have been reserved for Police Academy costs and various policing needs.

FY 15 Revenues – All Other Funds

Uplands and Tidelands Operating Funds

The City's oil revenues continue to be impacted by both price declines. The current price and production drop has led to a dramatic reduction in both Uplands revenue, which covers General Fund operations and one-time investments, and in Tidelands revenue, which funds both operations and capital investment in the Tidelands area. The Uplands Oil transfer to the General Fund is projected to be under budget by \$3.6 million and Tidelands oil revenue is projected to be \$14.6 million under budget. Current projections do not include any additional one-times for FY 16. Depending on oil prices and related technical factors, some one-time funds may be available at FY 15 year-end.

Airport Fund

Airport Fund revenues are directly impacted by the number of enplanements at the Long Beach Airport. Declining enplanement numbers over the past few years have negatively impacted revenues. In response, the Airport increased fees charged to airlines, pursued options to increase revenues from parking operations, and aggressively implemented cost containment strategies. As a result, the Airport minimized the impact from lower enplanement levels and continues to maintain a healthy reserve. The Airport will continue to improve operations through innovations and efficiencies and stay competitive in the market.

There are no other revenue concerns related to all other funds to report at this time.

FY 15 Expenditures – All Other Funds

Overall, there are no funds where significant issues are projected. The Water Fund is showing year-end estimates that are over the appropriation limit. The majority of the Water Fund's projected overage is due to unbudgeted costs for water purchases for the Seawater Barrier and water purchases in-lieu of pumping from the aquifer. These costs are fully offset by reduced pumping-related costs and reimbursement revenue from the Water Replenishment District.

Tidelands Operating Fund

Tidelands Operating Fund revenues are dependent to a significant degree on oil operations in the Tidelands area. Over the past six months, the price of Wilmington oil has fluctuated around \$40 to \$60 per barrel. On June 16, 2015, City Council approved a new list of Tidelands capital projects to fund projects as new resources become available. For the current oil situation, this strategy represents a substantial improvement over standard budget practices in the Tidelands Operating Fund due to its ability to take into account the current extraordinary uncertainty of oil funding. Tidelands Operating Fund revenue projections and projects will be reviewed and updated during each annual budget process, or more often as appropriate. The City expects to use all of the oil revenue for operations. Depending on oil prices and related technical factors, some one-time funds may be available at FY 15 year-end.

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

This fund continues to be closely monitored in FY 15 since oil production is impacted by the price of oil and will, therefore, impact Proposition H revenue. While estimated revenue is below budget, expenditure savings are expected to offset the reduced revenue.

Attachments

Please see the following Attachments for summaries of expenditures by fund and General Fund expense and revenue trends. Notable comments are identified in the footnotes to this attachment.

Attachment A – Expenditures by Fund

Attachment B – General Fund Expenditures by Department

Attachment C – General Fund Top 40 Revenue

This matter was reviewed by Deputy City Attorney Amy R. Webber on July 27, 2015.

TIMING CONSIDERATIONS

City Council action on this matter is requested on August 11, 2015.

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SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

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ATTACHMENTS

APPROVED:



PATRICK H. WEST
CITY MANAGER

CITY OF LONG BEACH EXPENDITURES BY FUND
THROUGH MAY 31, 2015

FUND	FY 15 New Allocation	Estimated All-Years Carryover ¹	FY 15 Adopted Budget	Amendments	FY 15 Adjusted Budget	FY 15 Year to Date Expenditures as of 5/31/15	Estimates-to-Close	Percentage Spent
Funds With All-Years Carryover								
AIRPORT	\$ 43,017,760	\$ 22,092,203	\$ 65,109,963	\$ 19,364,487	\$ 84,474,450	\$ 28,175,020	\$ 59,508,249	33%
BUSINESS ASSISTANCE	650,119	1,609,518	2,259,637	-	2,259,637	258,185	651,626	11%
CAPITAL PROJECTS	14,228,624	51,229,329	65,457,953	14,382,499	79,840,451	13,176,871	37,141,227	17%
CIVIC CENTER	10,195,588	1,454,735	11,650,323	4,665,277	16,315,600	6,989,273	10,898,019	43%
COMMUNITY DEVELOPMENT GRANTS	21,051,815	18,617,913	39,669,728	4,530,000	44,199,728	14,039,299	30,845,504	32%
CUPA	1,692,365	7,822	1,700,187	-	1,700,187	780,871	1,455,722	46%
DEVELOPMENT SERVICES	18,153,507	1,323,586	19,477,093	216,698	19,693,791	10,051,997	18,188,466	51%
FLEET SERVICES	34,483,667	1,931,667	36,415,334	5,133,924	41,549,258	18,906,371	38,963,039	46%
GAS	145,497,189	8,692,923	154,190,112	1,745,233	155,935,345	60,177,964	134,980,867	39%
GAS TAX STREET IMPROVEMENT	15,605,973	29,736,462	45,342,435	2,358,321	47,700,756	9,107,431	25,399,136	19%
GENERAL GRANTS	8,799,023	8,759,078	17,558,101	10,797,623	28,355,724	9,988,057	20,254,352	35%
GENERAL SERVICES	51,018,524	13,401,723	64,420,247	464,450	64,884,698	22,979,238	42,020,202	35%
HEALTH	39,482,210	30,266,730	69,748,940	638,583	70,387,523	18,788,131	36,860,995	27%
HOUSING DEVELOPMENT	10,713,202	9,717,315	20,430,517	-	20,430,517	1,477,664	7,528,214	7%
INSURANCE	42,042,245	139,683	42,181,928	52,665	42,234,593	20,638,002	41,508,602	49%
REFUSE/RECYCLING	45,361,815	494,261	45,856,076	-	45,856,076	23,961,832	44,047,369	52%
SUCCESSOR AGENCY	75,610,411	28,891,812	104,502,223	-	104,502,223	44,718,095	74,242,415	43%
TIDELANDS	148,672,627	76,380,468	225,053,095	99,800,781	324,853,876	88,557,238	129,400,610	27%
TRANSPORTATION	20,851,962	10,856,163	31,708,125	61,049,983	92,758,108	9,601,893	17,898,455	10%
SUBTOTAL	\$ 747,128,625	\$ 315,603,391	\$ 1,062,732,016	\$ 78,049,107	\$ 1,140,781,123	\$ 402,373,431	\$ 771,793,067	35%
Funds Without All-Years Carryover								
BELMONT SHORE PKG METER	\$ 656,145		\$ 656,145	405,476	1,061,621	\$ 322,681	\$ 857,032	30%
DEBT SERVICE FUND	9,962,233		9,962,233	109,544	10,071,777	3,676,187	9,962,233	36%
EMPLOYEE BENEFITS	232,706,625		232,706,625	25,628	232,732,253	130,055,339	207,793,300	56%
GENERAL	419,084,757		419,084,757	13,985,696	433,070,452	254,011,466	432,085,329	59%
HARBOR	857,564,000		857,564,000	-	857,564,000	314,593,487	812,658,838	37%
HOUSING AUTHORITY	77,074,605		77,074,605	-	77,074,605	42,595,131	68,700,387	55%
PARKING AND BUSINESS AREA IMPROVEMENT	7,142,408		7,142,408	-	7,142,408	4,467,781	7,050,603	63%
POLICE & FIRE PUBLIC SAFETY OIL PROD ACT	4,433,161		4,433,161	-	4,433,161	3,172,161	3,971,589	72%
SERRF	51,224,403		51,224,403	20,163	51,244,567	27,289,711	47,487,880	53%
² SERRF - JPA	11,218,558		11,218,558	-	11,218,558	9,283,892	11,218,558	83%
SEWER	19,563,387		19,563,387	-	19,563,387	10,355,327	18,827,267	53%
SPECIAL ADVERTISING & PROMOTION	6,112,804		6,112,804	750,000	6,862,804	4,083,488	6,108,341	60%
TIDELAND OIL REVENUE	417,816,112		417,816,112	-	417,816,112	49,975,385	155,392,235	12%
TOWING	7,160,349		7,160,349	-	7,160,349	3,239,611	5,489,954	45%
UPLANDS OIL	36,179,876		36,179,876	2,602,217	38,782,093	20,911,673	29,508,000	54%
³ WATER	104,738,067		104,738,067	-	104,738,067	72,327,699	117,527,223	69%
SUBTOTAL	\$ 2,262,637,491	\$ -	\$ 2,262,637,491	\$ 16,816,334	\$ 2,279,453,825	\$ 950,361,019	\$ 1,934,638,769	42%
TOTAL - ALL FUNDS	\$ 3,009,766,116	\$ 315,603,391	\$ 3,325,369,507	\$ 94,865,441	\$ 3,420,234,948	\$ 1,352,734,450	\$ 2,706,431,836	40%

1. Estimated All-Years Carryover is composed of multi-year grants and Capital Improvement Program (CIP) funds; unspent amounts are carried over to future years, resulting in a larger adjusted budget. These carryover estimates are based on the FY 15 Adopted Budget; Financial Management is currently conducting a review to update these figures.

2. Expenses in SERRF JPA are for obligated debt service payments for the SERRF facility and are estimated at 100%.

3. The majority of the Water Fund's projected overage is due to unbudgeted costs for water purchases for the Seawater Barrier and water purchases in-lieu of pumping from the aquifer. These costs are fully offset by reduced pumping related costs and reimbursement revenue from the Water Replenishment District.

CITY OF LONG BEACH GENERAL FUND EXPENDITURES SUMMARY THROUGH MAY 31, 2015

Department	FY 15 Adopted Budget	FY 15 Adjusted Budget	FY 15 Actual Expenditures as of 5/31/15	Estimates-to-Close	Percentage of Adjusted Budget expended as of 5/31/14	Percentage of Adjusted Budget expended as of 5/31/15	Over/Under Last Year's Percentage
City Auditor	\$ 2,370,048	\$ 2,433,767	\$ 1,105,400	\$ 2,433,581	49%	45%	-4%
City Attorney	2,069,032	2,123,727	1,295,809	1,967,570	77%	61%	-16%
City Clerk	2,620,378	2,920,378	1,592,839	2,804,811	55%	55%	0%
City Manager	2,772,435	3,297,435	1,833,860	3,286,013	64%	56%	-8%
City Prosecutor	4,729,147	4,861,754	2,863,027	4,806,221	59%	59%	-1%
¹ Citywide Activities	36,900,102	44,906,830	21,801,800	47,163,713	75%	49%	-27%
Civil Service	2,101,523	2,404,523	1,299,761	2,289,180	70%	54%	-16%
Development Services	5,149,220	5,200,404	2,862,832	4,979,177	49%	55%	7%
Disaster Prep & Emergency	1,489,814	1,498,165	814,931	1,494,124	57%	54%	-2%
² Fire Department	71,385,325	72,195,686	45,850,196	72,688,281	62%	64%	1%
Financial Management	12,610,210	12,617,368	6,798,348	12,594,400	51%	54%	2%
Health and Human Services	1,008,489	1,195,177	530,066	1,195,177	46%	44%	-2%
³ Human Resources	238,253	238,253	127,908	121,827	76%	54%	-23%
Legislative	4,747,735	4,748,675	2,810,105	4,748,675	59%	59%	0%
Library Services	12,595,279	12,712,636	6,971,977	12,571,877	62%	55%	-7%
⁴ Police Department	193,576,936	194,861,936	116,000,936	191,933,173	61%	60%	-2%
Parks, Recreation, and Marine	30,046,343	30,201,709	17,299,185	30,197,134	60%	57%	-3%
⁵ Public Works	32,674,488	34,652,029	22,152,480	34,810,396	63%	64%	1%
TOTAL	\$ 419,084,757	\$ 433,070,452	\$ 254,011,460	\$ 432,085,329	63%	59%	-4%

¹ A budget adjustment will be requested at year-end to cover the increased costs for the 2009 furlough litigation and bring the Department under appropriation.

² The Fire Department's projected overage is attributable to a larger than budgeted Fire Academy class, additional training requirements, as well as sending current Firefighters to Paramedic school to fill current and future Paramedic vacancies. The Department will continue to monitor its spending levels to minimize the overage by the end of the fiscal year.

³ ETCs are lower than actuals due to community beautification costs in the Workforce Development Bureau in the Department of Human Resources. These costs will be transferred to the Refuse Fund in the Department of Public Works by the end of the Fiscal Year.

⁴ The Police Department is currently estimating to come in under budget by \$2.9 million. A portion of this savings was anticipated when the FY 15 Budget was adopted to fund the Police Academy costs that cross over into FY 16. The anticipated costs of the Academy incurring in FY 16 of \$1.5 million has been reserved and will be appropriated as part of the FY 16 Adopted Budget. The other \$1.4 million in savings is attributable to vacancy savings and costs being transferred out to grants. These funds will be reserved for Police Department obligations such as Schroeder Hall facility needs and equipment costs.

⁵ For the Public Works Department, overages are due to higher than expected maintenance and repair costs for the Department's street sweeper fleet. The Department will be receiving new street sweepers in FY 16 which result in lower maintenance and repair costs moving forward.

CITY OF LONG BEACH GENERAL FUND REVENUE SUMMARY
THROUGH MAY 31, 2015

Notes	Revenues	FY 15 Adopted Budget	FY 15 Adjusted Budget	FY 15 Actual Revenue as of 5/31/15	Estimates-to-Close	Percentage of Adjusted received as of 5/31/15	Percentage of Adjusted received as of 5/31/14
1	REAL PROPERTY TAXES	\$ 95,658,702	\$ 95,658,702	\$ 90,110,324	\$ 106,548,146	94%	94%
2	SALES AND USE TAX & IN-LIEU	58,387,227	58,387,227	42,995,351	57,015,728	74%	71%
	PROPERTY TAX IN-LIEU OF VLF	43,432,324	43,432,324	43,540,083	43,540,084	100%	100%
3	ELECTRIC USERS TAX & PENALTIES	17,988,802	17,988,802	13,586,384	20,675,000	76%	68%
4	TRANSIENT OCCUPANCY TAX	13,900,000	13,900,000	9,901,598	16,000,000	71%	64%
	PARKING CITATIONS	13,077,331	13,077,331	9,492,139	13,148,294	73%	73%
	TELEPHONE USERS TAX & PENALTIES	11,851,572	11,851,572	7,723,684	11,679,000	65%	63%
	BUSINESS LICENSE TAXES	11,561,000	11,561,000	8,140,097	11,101,149	70%	68%
5	EMERGENCY AMBULANCE FEES	11,342,000	11,342,000	7,490,340	10,939,433	66%	75%
6	ELECTRIC COMPANY FRANCHISES	6,655,139	6,655,139	4,270,150	7,680,000	64%	60%
	PIPELINE FEE-WATER	5,693,779	5,693,779	2,897,035	5,693,779	51%	50%
	CHARGES FOR SPECIAL SERVICES	5,616,901	5,616,901	2,329,455	5,213,212	41%	40%
	OTHER DEPT SVCS TO PROPRIETARY FUNDS	5,188,537	5,188,537	2,657,791	5,474,267	51%	45%
7	AMERICAN GOLF LEASE	4,537,240	4,537,240	2,516,861	4,537,240	55%	63%
	PIPELINE FRANCHISES	4,385,260	4,385,260	3,270,586	4,500,000	75%	88%
	PIPELINE FEE-SEWER	4,380,846	4,380,846	2,224,375	4,380,846	51%	50%
	WATER USERS TAX & PENALTIES	3,992,051	3,992,051	2,511,806	4,000,000	63%	62%
8	GAS USERS TAX & PENALTIES	3,664,200	3,664,200	2,221,873	3,000,000	61%	65%
	LAND,BLDG,R/W,EASEMENT,APT RENTALS	3,480,709	3,480,709	2,708,727	3,912,990	78%	81%
	MISC REFUNDS & REIMB	2,636,078	2,636,078	2,484,758	3,733,046	94%	86%
	HARBOR-POLICE	2,492,527	2,492,527	1,045,563	2,500,000	42%	41%
	PIPELINE SAFETY FEES	2,450,000	2,450,000	2,601,307	2,561,019	106%	104%
9	VEHICLE CODE FINES	2,200,000	2,200,000	1,003,072	1,950,000	46%	35%
10	OIL PRODUCTION TAX	1,929,550	1,929,550	832,126	1,774,079	43%	54%
	HAULER FEES	1,700,000	1,700,000	1,207,571	2,023,442	71%	75%
11	REAL PROPERTY TRANSFER TAX	1,666,008	1,666,008	902,198	1,832,000	54%	104%
	ASSET MANAGEMENT CHARGES	1,627,940	1,627,940	1,044,104	1,627,940	64%	72%
12	MISC REVENUE FROM OTHER AGENCIES	1,447,053	1,447,053	2,207,781	2,338,810	153%	5%
13	POLICE CHARGES FOR SPECIAL EVENTS	1,400,000	1,400,000	736,149	1,300,400	53%	43%
	CIP-ENGINEERING CHARGES	1,300,000	1,300,000	4,043	1,299,833	0%	14%
14	DOG LICENSES & PENALTIES	1,100,000	1,100,000	608,469	864,415	55%	56%
	FIRE INSPECTION FEES	1,080,734	1,080,734	764,500	1,060,000	71%	67%
	OTHER DEPT CHGS TO GOVT'L FUNDS	1,052,772	1,052,772	567,179	999,038	54%	48%
15	SELF-SUSTAINING CLASSES-REC	1,048,520	1,048,520	611,361	1,075,470	58%	67%
16	ACTIVITY CHARGES-REC	1,030,547	1,030,547	431,288	993,900	42%	37%
17	OTHER GOVT FUND-PUBLIC SERVICE	1,017,241	1,017,241	975,945	1,256,208	96%	104%
	METERED/OTHER PARKING	1,000,000	1,348,134	700,885	1,311,864	52%	69%
	EL DORADO PARK FEES	969,588	969,588	670,739	1,000,000	69%	66%
18	FACILITY RENTAL	827,226	827,226	588,657	787,711	71%	51%
19	TRNSFRS FRM OTHER FUNDS	46,529,301	49,037,301	27,098,794	44,872,945	55%	66%
	SUBTOTAL TOP 40 REVENUES	\$ 401,298,704	\$ 404,154,838	\$ 307,675,149	\$ 416,201,288	76%	131%
20	ALL OTHER REVENUES	\$ 11,270,655	\$ 11,969,655	\$ 8,654,928	\$ 13,977,545	72%	88%
	TOTAL GENERAL FUND REVENUES	\$ 412,569,358	\$ 416,124,492	\$ 316,330,078	\$ 430,178,833	76%	76%

Notes:

- ¹ Property Tax revenue projections are based on the apportionment factor provided by the County of Los Angeles in fall 2015 and assumes a three percent increase above FY 14 actuals. Additionally, this report consolidates all property tax, including post-RDA dissolution property taxes and former tax increment pass-through revenues into one citywide property tax category. The post-RDA dissolution increase is primarily due to one-time reasons.
- ² Sales and Use Tax and In Lieu Sales Tax is anticipated to end the year slightly below FY 14 levels due to a deallocation by the State Board of Equalization for the return and refunding on a large purchase by a Long Beach company.
- ^{3 & 6} Electric UUT and Electric Franchise revenue are experiencing significant growth due to the rise in the cost of electricity. The State Public Utilities Commission approved the rate increase for Southern California Edison, which is expected to average 8 percent for all customers. The changes are part of a restructuring of electric rates by Southern California Edison to maintain profits in the face of the growth of rooftop solar, and to make improvement of aging infrastructure.
- ⁴ Transient Occupancy Tax projections reflect higher than budgeted actuals. Additionally, industry reports available as of March 2015 reflect a 10.7 percent increase in Average Daily Room Rates and an 11.8 percent increase in Revenue Per Available Room (REVPAR) in Long Beach, as compared to the January to March 2014 period.
- ⁵ FY 14 Actuals for Emergency Ambulance Revenue included non-recurring, retroactive Ground Emergency Medical Transportation revenue of \$2.3 million from State Fiscal Years 2011 and 2012. Excluding the retroactive revenue, FY 15 Emergency Ambulance Fees actual revenue is approximately \$0.55 million higher than those in May 2014.
- ⁶ See footnote #3.
- ⁷ The decrease in FY 15 American Golf Lease revenues as of May 2015 compared to the same period last year is due to a change in the timing of lease revenue recognition. However by year end, estimates-to-close are projected to be in line with budgeted revenues.
- ⁸ U.S. Energy Information Administration expects natural gas spot price to average \$3.97/MMBtu in 2015 compared with \$4.53/MMBtu in 2014. Price of natural gas has started to decline due to abundant supply of natural gas due in part to shale production. Current year projections reflect both lower expected heating demand and significantly higher natural gas production in winter months.
- ⁹ Vehicle Code Fines actual revenues have been declining in recent years.
- ¹⁰ Oil Production Tax revenue is remitted to the City on a quarterly basis and reflects production. Current projections reflect an anticipated year-end decrease of 8 percent from budgeted levels.
- ¹¹ Real Property Transfer Tax is directly tied to the value of properties sold in Long Beach. This revenue fluctuation is reflective of changes in sale price and/or increases or decreases in the number of properties sold.
- ¹² Miscellaneous Revenue from Other Agencies includes the recent implementation of a tax sharing agreement with the City of Signal Hill.
- ¹³ FY 15 actuals for Police Charges for Special Events are above prior year actuals due to the timing of payments.
- ¹⁴ The decrease in Dog License fee revenues compared to the same period last year is due to the application of more altered dog licenses, which is charged at a much lower rate than unaltered dog licenses.
- ¹⁵ The Department of Parks, Recreation and Marine has seen a reduction in Contract Class revenues for courses offered at parks and community centers. The Department will continue to monitor these revenues throughout the FY 15 summer class schedule to determine if there are any ongoing trends in Self-Sustaining Class participation.
- ¹⁶ The increase in Activity Charge revenues can be attributed to early Day Camp Registration moving online.
- ¹⁷ Other Govt Funds- Public Service: FY 15 revenues have increased due to a combination of both an increase in the number of smaller work order requests and some new projects, including rehabilitating the Multi-Service Center, repairs to CityPlace garage, ECOC project and Airport's many HVAC and plumbing issues.
- ²⁸ Facility Rental revenues are higher than the same period in FY 14 due to more Adult Sport Permits issued through the Department of Parks, Recreation & Marine, which has added a new Adult Soccer League.
- ¹⁹ Transfers from Other Funds revenue is lower than during the same period in FY 14 due to non-recurring transfers, including the net revenue from the SERRF Fund and a smaller one-time transfer from the Uplands Oil Fund. Additionally, the ongoing transfer from the Uplands Oil Fund will be lower in FY 15 due to the international decline in the price of oil.
- ²⁰ All Other Revenue is projected to exceed budget in various categories in different departments. The increase in revenue is varied, but includes one-time occurrences such as the new Parks and Recreation registration system and settlement revenue from the Office Depot and Samsung lawsuits.