



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

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March 19, 2019

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Approve the Energy Resources Department's budget appropriation adjustment for FY 18 year-end; and,

Increase the FY 18 appropriations in the Gas Fund (EF 301) in the Energy Resources Department (ER) by \$2,348,423, to align the budget to actual expenditures associated with higher gas commodity revenues and expenditures. (Citywide)

DISCUSSION

In FY 18, the Energy Resources Department purchased significantly more natural gas than was budgeted due to cooler winter weather that created a higher demand for gas. Revenues from the sale of natural gas were also greater than budgeted, which helped offset the higher expenses in FY 18. This increase in revenue was a result of natural gas sales from November 2017 through February 2018, and is not associated with the higher cost of gas due to supply issues in FY 19 (December 2018). A budget adjustment in the Gas Fund is needed to align the associated budget to expenditure actuals in FY 18.

This matter was reviewed by Deputy City Attorney Amy R. Webber and by Budget Manager Grace H. Yoon on March 6, 2019.

TIMING CONSIDERATIONS

City Council action is needed on March 19, 2019, to appropriately close the City's financial records for FY 18.

FISCAL IMPACT

An appropriation increase in the amount \$2,348,423 in the Gas Fund (EF 301) in the Energy Resources Department (ER) is requested to align the FY 18 year-end budget to expenditure actuals. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

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SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



**JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT**

JG:GY:JJ
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APPROVED:



**PATRICK H. WEST
CITY MANAGER**