



R-14

CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

333 West Ocean Boulevard 6th Floor • Long Beach, CA 90802

February 9, 2010

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Approve the Fiscal Year 2010 first quarter departmental and fund budget appropriation adjustments in accordance with existing City Council policy. (Citywide)

DISCUSSION

On September 15, 2009, the City Council adopted the Appropriations Ordinance governing the City's Adopted Budget for Fiscal Year 2010 (FY 10). Periodically, changes in revenue or operating conditions require appropriation adjustments. For example, in certain cases these adjustments enable departments to expend recently awarded grant revenue for which there is no existing appropriation. In addition, changes for multi-year grants/projects are necessary to bring appropriations in line with final grant/project award amounts. In accordance with the City's practice, these adjustments are presented quarterly to the City Council for consideration. Please see Attachment A for a Fund Balance Analysis of impacted City funds, Attachment B for a recap of FY 10 General Fund Expenditure Budget Adjustments, and Attachment C for departmental budget adjustments to account for the salary freezes.

This letter was reviewed by Assistant City Attorney Heather A. Mahood on January 19, 2009.

TIMING CONSIDERATIONS

The following requests for adjustments to FY 10 departmental and fund appropriations are necessary to reflect changes in operating conditions. City Council action is requested on February 9, 2010 to enable the timely processing of payments.

FISCAL IMPACT

City Attorney

During the FY 10 Budget Adoption process, a Deputy City Attorney was budgeted in the Employee Benefits Fund (IS 391) rather than the Insurance Fund (IS 390). To accurately reflect the correct distribution of staff and appropriately fund the position, it is necessary to move the budget into the appropriate fund. Sufficient funds are available in the Insurance Fund to support this appropriation increase.

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- Decrease appropriations in the Employee Benefits Fund (IS 391) in the City Attorney Department (LW) by \$169,101.
- Increase appropriations in the Insurance Fund (IS 390) in the City Attorney Department (LW) by \$169,101.

City Manager

During the FY 10 Budget Adoption process, appropriation to fund the contractual obligations between the City and the Convention and Visitors Bureau (CVB) was under-budgeted by \$70,000. To fund the contract with the CVB at approved levels, it is necessary to increase appropriation in the amount of \$70,000. This appropriation is offset by fund balance in the Special Advertising and Promotions Fund.

- Increase appropriations in the Special Advertising and Promotions Fund (SR 133) in the City Manager Department (CM) by \$70,000.

City Prosecutor

The City Prosecutor Department (CP) has reserved grant funds to be used for the purpose of preparing and obtaining civil gang injunctions in order to promote public safety in the City of Long Beach. The increase in appropriation will be supported in full by the reserved grant funds and will have no impact on the General Fund fund balance.

- Increase appropriations in the General Fund (GP) in the City Prosecutor Department (CP) by \$24,792.

Community Development

The Department of Community Development was designated \$16,012 in additional funds for FY 10 from the First Council District's FY 09 budget savings. The desired use of these funds are for Neighborhood Services to plant trees in the First District. The increase in appropriation is offset by the associated General Fund fund balance.

- Increase appropriations in the General Fund (GP) in the Department of Community Development (CD) by \$16,012.

Financial Management

On November 3, 2009, the City Council authorized the City Manager to execute a contract with Corix Utilities Inc. (Corix) to provide manual meter reading services for the City. The cost of this contract in FY 10 is \$717,973 and an appropriation increase of \$387,705 was approved in the Gas Fund (EF 301) for the Department of Long Beach Gas and Oil's (EN) portion of the contract cost. However, since the entire payment to Corix will be made by Financial Management (FM), a technical adjustment is requested to transfer the appropriation increase that was given to the Gas Fund in EN to the Gas Fund in FM and to increase appropriations to the full authorized contract amount.

- Decrease appropriations in the Gas Fund (EF 301) in the Department of Long Beach Gas and Oil (EN) by \$387,705.
- Increase appropriations in the Gas Fund (EF 301) in the Department of Financial Management (FM) by \$717,973.

Fire Department

In November 1999, the City of Long Beach entered into a Joint Powers Agreement with the City of Avalon and the City of Signal Hill, known as the Los Angeles County Disaster Management Area F (Area F), for the purpose of coordinating disaster management preparedness with the County of Los Angeles. In November 2009, the City received \$43,504 in Emergency Management Program Grant (EMPG) funds for grant year 2008 from the Los Angeles County Office of Emergency Management. These funds will be utilized for the purpose of disaster management efforts in Area F including planning, training and equipment as approved by the Area F Governing Board. As the 2008 grant amount of \$43,504 is currently unbudgeted, an appropriation increase is necessary. In addition, an increase of \$20,891 is requested to appropriate net interest earnings to date. There is no impact to the General Fund.

- Increase appropriations in the General Grants Fund (SR 120) in the Fire Department (FD) by \$64,395.

Library Services

The Long Beach Public Library was designated \$10,000 in additional funds for FY 10 from the Seventh Council District's FY 09 budget savings. Funds were designated to the Dana and Bret Harte libraries at \$5,000 each to supplement their materials and supplies allocations. The increase in appropriation is offset by the associated General Fund fund balance.

- Increase appropriations in the General Fund (GP) in the Department of Library Services (LS) by \$10,000.

Long Beach Gas and Oil

In 2007, the City entered into a 30-year gas prepay agreement with Merrill Lynch for its supply of natural gas. This resulted in annual savings to the Gas Fund of \$7.2 million for ongoing funding of the Long Beach Gas and Oil Department's (EN) long-term infrastructure and pipeline replacement projects. An appropriation increase of \$17,725,327 is being requested to repay outstanding debt (Commercial Paper), the Oil Properties building relocation and other LBGO capital projects, including the Huntington Beach pipeline relocation project. This appropriation is necessary to effectuate the transfer to the Gas Fund to support these projects

- Increase appropriations in the Gas Prepay Fund (EF 303) in the Department of Citywide Activities (XC) by \$17,725,327.

Parks, Recreation and Marine

The Department of Parks, Recreation and Marine (PR) was designated additional funds from various Council Districts' FY 09 budget savings, which currently reside in the General Fund's FY 10 fund balance. These additional funds include the following: \$10,000 from the Seventh Council District to be designated for park facilities improvements; \$6,750 from the Fourth Council District for the cost of snow at a Snow Day scheduled for February 20, 2010 at Whaley Park; and \$1,042 from the Sixth Council District to be designated for McBride Park. The increase in appropriations is offset by the associated General Fund fund balance.

- Increase appropriations in the General Fund (GP) in the Department of Parks, Recreation and Marine (PR) by \$17,792.

On September 23, 2008, the City Council authorized the creation of a \$20,000 reserve in the General Fund for PR, utilizing savings from the Sixth Council District's FY 08 operating budget. The reserve was earmarked for the future purchase of a mobile stage for use at multiple City events. A budget adjustment to expend this reserve is now being requested to utilize these reserved funds; however, the desired use is for City expenses related to the prior year Cambodian Day Parade costs. The requested budget increase will be fully offset by the release of reserved funds.

- Increase appropriations in the General Fund (GP) in the Department of Parks, Recreation and Marine (PR) by \$20,000.

In February 1989, the City Council established the Park Impact Fee (PIF) imposed on new residential development to mitigate the impact of increased population on parks and park facilities. Based on expected PIF revenue, appropriation for several capital projects was created. Due to industry declines in new residential development, Park Impact Fee revenue has also declined. In addition, \$243,085 of Park Impact Fee revenue is pledged to the annual Open Space bond payment obligation. In order to cover the 2010 payment obligation, discretionary dollars remaining from completed projects such as Scherer Park Community Building Design, Silverado Pool, and MLK Pool will be used.

- Decrease appropriations in the Capital Projects Fund (CP) in the Department of Parks, Recreation and Marine (PR) by \$89,159.
- Decrease appropriations in the Capital Projects Fund (CP) in the Department of Public Works (PW) by \$153,926.

Police

The Marina Pacifica Reserve was established in 1999 as part of a legal requirement of the loan agreement associated with the issuance of the Marina Pacifica Bond for the purchase of residential land at Marina Pacifica. The Marina Pacifica Homeowners Association (Association) entered an agreement with the City to purchase the bond and, in return, the Association would pay the City \$25,000 annually as long as the bonds were outstanding. These payments were reserved to pay for expenses related to public safety or other municipal purposes. The remaining balance of the Marina

Pacifica Reserve is \$50,105. The Police Department requests use of the funding for overtime to conduct the Spanish Language Community Police Academy (\$2,000); roof replacement of the Long Beach Search and Rescue Explorer Unit's facility located at the Long Beach Fire Academy (\$8,375); Neighborhood Watch signs for installation throughout the City (\$10,000); and for the cost of shipping for 200 excess property military rifles (\$13,465). With the exception of the shipping cost, the Department of the Army is distributing the surplus rifles to local jurisdictions at no charge.

- Increase appropriations in the General Grants Fund (SR 120) in the Police Department (PD) by \$33,840.

In the new Memorandum of Understanding with the Long Beach Police Officers' Association for the period October 1, 2009 to September 30, 2014, it was agreed in Article Six Section VIII that, "All permanent police officers on payroll as of October 1, 2009 shall receive five hundred dollars (\$500) on the first pay check of December 2009 for providing their own firearm. Future police officers shall receive five hundred dollars (\$500) for providing their own firearm upon successful completion of their initial probation period." A total of 917 permanent police officers were reimbursed for their firearms. Funding for this reimbursement will come from the release of reserved Asset Forfeiture Funds.

- Increase appropriations in the General Fund (GP) in the Police Department (PD) by \$458,500.

The City of Los Angeles, the administrator of the Urban Area Security Initiative (UASI) 2006 Grant, will be awarding the City of Long Beach an additional \$211,940 in remaining UASI 06 funds which must be expended no later than March 31, 2010. The Police Department will purchase approximately 52 vehicle radios with these funds. By using the existing Technology Services Department's contract with Motorola, this purchase can be executed within the time constraints of the UASI 06 grant.

- Increase appropriations in the Special Revenue Fund (SR 120) and in the Police Department (PD) by \$ 211,940.

The Chief of Police approved the use of Asset Forfeiture Funds to upgrade the Police Crime Lab from film photography to digital photography. The Lab's film development equipment is over ten years old and at the end of its useful life; in addition, photography film has become more expensive. This upgrade includes new digital imaging software that will be used to process digital photographs and to ensure the integrity of the photographs so they will be legally admissible as evidence in court. The Medio Systems software cost is \$94,790 and will be offset by the release of reserved Asset Forfeiture funds.

- Increase appropriations in the General Fund (GP) and in the Police Department (PD) by \$ 94,790.

Public Works

On September 22, 2009, the City Council approved a request to set aside \$10,000 in additional funds for the Department of Public Works (PW) FY 10 Budget from the Seventh Council District's FY 09 General Fund savings. These funds will be used for tree planting and community gardens support in the Seventh Council District. The increase in appropriation is offset by the associated General Fund fund balance.

- Increase appropriations in the General Fund (GP) in the Department of Public Works (PW) by \$10,000.

The Adopt-A-Waterway grant is an agreement with EcoMedia, LLC, that provides revenue for Storm Water-related functions. The current expenditure budget exceeds anticipated funds to be realized through this fiscal year. This action brings the allocated amount in line with the anticipated funds.

- Decrease appropriations in the General Grants Fund (SR 120) in the Department of Public Works (PW) by \$275,000.

On February 20, 2007, the City Council accepted and authorized an increase in appropriation for two grants from the State of California in the Sixth Cycle of the State Safe Routes to Schools Program in the amount of \$618,300. These State Caltrans funds were subsequently exchanged by the State for federal highway funds.

- Decrease appropriations in the Capital Projects Fund (CP) in the Department of Public Works (PW) by \$618,300.
- Increase appropriations in the Gas Tax Street Improvement Fund (SR 181) in the Department of Public Works (PW) by \$618,300.

As a condition of development for the North Long Beach Target Store located at 6750 Cherry Avenue, the developer was required to provide \$80,000 in neighborhood traffic mitigation measures to address project related traffic impacts in the general vicinity of the new Target store. These funds will be administered by the City Traffic Engineer for future projects, with project completion expected in late Spring 2010.

- Increase appropriations in the Capital Projects Fund (CP) in the Department of Public Works (PW) by \$80,000.

The City received and is requesting appropriation for \$620,000 in American Recovery and Reinvestment Act of 2009 (ARRA) Community Development Block Grant-Recovery (CDBG-R) Funds. These funds will be used for FY 10 Sidewalk Improvement Program, to backfill the CDBG funds that were shifted from the Sidewalk Improvement Program to the 14th St. Skate Park project. Also, an additional \$100,000 in new CDBG Funds is being allocated for, and appropriated in, the Skate Park project.

- Increase appropriations in the Capital Projects Fund (CP) in the Department of Public Works (PW) by \$720,000.

The Termino Avenue Drain Project was appropriated as a result of a City-County Cooperative Financial Agreement. In the agreement, the County agreed to provide \$60,000 for the landscape restoration along the former Pacific Electric Railroad right-of-way. However, the project was put on hold and a revised agreement was executed on March 3, 2009. The revised agreement supercedes the original and does not include funding for landscape restoration.

- Decrease appropriations in the Capital Projects Fund (CP) in the Department of Public Works (PW) by \$60,000.

The Department of Public Works was designated \$22,301 in additional funds for FY 10 from the Third Council District's FY 09 budget savings. The funds will be used for curb, gutter and sidewalk improvements in the Third District. The increase in appropriation is offset by the associated General Fund fund balance.

- Increase appropriations in the General Fund (GP) in the Department of Citywide Activities (XC) by \$22,301.
- Increase appropriations in the Capital Projects Fund (CP) in the Department of Public Works (PW) by \$22,301.

Transportation Development Act (TDA) grant funds need to be adjusted to finance projects in the Parks, Recreation and Marine and Public Works Departments. There is no change in the overall appropriation.

- Increase appropriations in the Capital Projects Fund (CP) in the Department of Parks, Recreation and Marine (PR) by \$65,053.
- Decrease appropriations in the Capital Projects Fund (CP) in the Department of Public Works (PW) by \$65,053.

On December 15, 2009, City Council approved construction of a visitor education center and restoration of the arroyo at Rancho Los Cerritos. FY 09 General Fund budget savings of \$50,000 achieved by the Department of Parks, Recreation and Marine was reserved for parking lot upgrades related to the construction. In addition, \$16,087 remains from the estate of Helen L. Stearns, whose 1993 bequest to the City was earmarked for improvements at Rancho Los Cerritos. A budget increase is necessary to proceed with these improvements, and will be fully offset by the release of reserved funds.

- Increase appropriations in the General Fund (GP) in the Department of Citywide Activities (XC) by \$66,087.

- Increase appropriations in the Capital Projects Fund (CP) in the Department of Public Works (PW) by \$66,087.

Technology Services

On July 20, 2006, the Department of Technology Services (TS) received \$115,000 from the Fire Department for the Ambulance Billing system and placed the revenue into a reserve. It has been determined that these funds should be used in part to pay annual debt service costs of \$34,858, with the balance to be spent for other ambulance billing system related charges. An appropriation increase is requested to pay the debt service. The increase is fully offset with revenue previously reserved. There is no impact on the General Fund.

- Increase appropriations in the General Services Fund (IS 385) in the Department of Technology Services (TS) by \$34,858.

Pursuant to the City Manager's direction to consolidate the City's multi-departmental Web Support Services into TS, a Community Information Specialist II position in the Police Department was transferred to TS retroactive to October 1, 2009. Since loaded position costs of \$67,797 are currently unbudgeted, an appropriation increase is necessary to support this activity. The increase is offset by an appropriation decrease in an equivalent amount in the General Fund (GP) in the Police Department.

- Increase appropriations in the General Services Fund (IS 385) in the Department of Technology Services (TS) by \$67,797.
- Decrease appropriations in the General Fund (GP) in the Police Department (PD) by \$67,797.

Citywide

On July 19, 2008, the City Council approved a 10-year agreement with Portside Partners, LLC, for the development of the Residence Inn, an eleven-story 178-room hotel at 600 Queensway Drive. As part of the contract, the City agreed to annually rebate to Portside Partners, 25 percent of the Transient Occupancy Tax (TOT) generated by the hotel's operations or \$150,000 plus interest, whichever is less. TOT revenue for this project is split evenly between the General Fund and the Special Advertising and Promotions Fund. An appropriation increase in each fund is needed to support the rebate payment due for FY 10. The first rebate due to Portside Partners under this agreement is \$48,540.

- Increase appropriations in the General Fund (GP) in the Department of Citywide Activities (XC) by \$24,270.
- Increase appropriations in the Special Advertising and Promotions Fund (SR 133) in the Department of the City Manager (CM) by \$24,270.

On November 8, 2009, the City Council awarded a contract to Manson Construction Company to provide dredging services at the Catalina Landing Marina in order to ensure the safe passage of vessels. An appropriation increase is needed in order to expend an existing Tidelands Fund reserve that set aside funds to pay for the dredging work.

- Increase appropriations in the Tidelands Fund (TF) in the Department of Citywide Activities (XC) by \$1,024,655.

Negotiated Salary Freezes

In preparation for the FY 10 Budget, City management representatives held negotiations with all of the City's labor organizations to generate an estimated \$18 million in General Fund wage and/or benefit reductions to balance the budget. The City was successful in achieving savings for FY 10 from negotiations with the Police Officers Association; however, the FY 10 Budget was adopted on September 15, 2009, before agreements had been reached with all of the City's remaining labor organizations. As negotiations were not concluded with the remaining unions at that time, an estimated 14 days of furlough savings, with the reduction of \$6.7 million in the General Fund and \$13.1 million in all funds, was included in the Adopted FY 10 Budget to offset the cost of the FY 10 negotiated increases for the International Association of Machinists and Aerospace Workers (IAM), the Long Beach Firefighters Association (LBFFA), the Long Beach City Attorneys Association (LBCAA), and the Long Beach Prosecutors Association (LBCPA).

Since then, the City has reached agreements with these labor organizations, who have agreed to defer their FY 10 general salary increases in light of the fiscal challenges facing the City. As a result, the FY 10 Adopted Budget must be adjusted to remove the previously negotiated salary increases, the offsetting furlough savings and adjust budgeted salary levels to reflect the new agreements with the labor organizations.

Given the nature of the negotiated increases, department budgets included the 2 percent general salary increases for the IAM, with the 2 percent equity adjustment set-aside in the Citywide Activities Department for future allocation based on the final results of the pending Classification and Compensation Study. The required furlough savings for the entire 4 percent increases, however, were budgeted in the operating departments. Therefore, the requested adjustments reflect increases in the operating department budgets and decreases in the Citywide Activities Department budget for a net neutral effect at the fund level. The attached adjustment (Attachment C), by department and fund, will align budgets with the new labor agreements.

No adjustments are requested for the Legislative Department budget, as the FY 10 Adopted Budget for this department anticipated a salary freeze and did not include furlough savings. City Council district budgets will remain at the equalized \$413,975 levels. Additionally, no appropriation adjustments are requested for the Water and Harbor Departments as furlough savings were not budgeted to offset negotiated compensation increases.

Revised FY 10 General Fund Revenue

The FY 10 Adopted Budget included myriad solutions to address the projected \$38.3 million General Fund structural deficit created by the global financial downturn, the collapse of the national economy and negotiated compensation increases. While the economic outlook shows early signs the recession may be abating somewhat, the economy still remains weak and the much-awaited economic recovery will be slow and arduous. General Fund revenues are heavily dependant upon those sectors of the economy hardest hit by the recession - the real estate market and consumer spending. With respect to Property Tax revenue alone, a three to four percent reduction in receipts is anticipated from FY 09 levels largely due to the most recent data issued by the Los Angeles County Assessor's Office indicating that the Assessed Valuations for the City have declined by 2.9 percent. In addition, \$10,799,560 of the City's FY 10 property tax revenue is being "borrowed" by the state to help reduce their budget deficit. The first property tax take-away occurred on December 18, 2009, for a total of \$5,399,780. Fortunately, the City was able to negotiate a solution to this take-away that will allow us to borrow up to 3 years of Subsidence Fund interest to make the City whole.

Similarly, Sales and Use Tax is projected to decrease by 4 percent from FY 09 actual revenues based on recent performance. The State has also informed us that they will be withholding \$1,757,755 of In-Lieu Sales Tax in FY 10 to recoup an overpayment of In-Lieu Sales tax to the City in FY 09 due to worse than expected sales tax performance in FY 09. In addition, the hotel industry has also been impacted by the economic downturn with lower occupancy rates than last year as well as reduced hotel room rates. Year-over-Year Transient Occupancy Tax revenue (December 2008 versus December 2009) is down 20 percent, with little relief in sight.

Based on these trends, an adjustment to the FY 10 General Fund Revenue Budget is recommended to more accurately reflect current revenue performance. In sum, General Fund revenue is currently projected to come in approximately \$6 million under budget. However, on a positive note, the current price per barrel of oil is \$68/bbl. The budgeted price of oil per barrel is \$40/bbl. An increase in the Upland Oil transfer to the General Fund will provide much needed revenue to balance the budget without cutting departmental programs and services to the public. If necessary, an increase in the budgeted Upland Oil transfer to the General Fund will be requested in the second quarter departmental and fund budget appropriation adjustments City Council letter.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



LORI ANN FARRELL
DIRECTOR OF FINANCIAL MANAGEMENT/CFO

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ATTACHMENTS

APPROVED:



PATRICK H. WEST
CITY MANAGER

Effect of 1st Quarter Budget Adjustments on Fund Balance

	<u>Budgeted</u> <u>Expenditure</u>	<u>Budgeted</u> <u>Revenue</u>	<u>Budgeted</u> <u>Fund Balance</u>
General Fund (GP)			
Beginning Fund Balance			\$ 351,510
<i>Does not include the \$36.6 million Emergency Fund Balance Reserve</i>			
Unreserving/(Reserving) of Restricted Fund Balance			213,974
FY 10 Adopted Budget	384,333,509	385,334,914	1,001,405
Carryover Appropriations/Encumbrances	315,404	-	(315,404)
Proposed 1st Quarter Adjustments:			
City Prosecutor Civil Gang Injunctions	24,792	24,792	-
First Council District FY 09 Savings for CD	16,012	-	(16,012)
Seventh Council District FY 09 Savings for Library	10,000	-	(10,000)
Council Districts' FY 09 Savings for Parks, Rec and Marine	17,792	-	(17,792)
Sixth Council District FY 08 Savings for Parade	20,000	-	(20,000)
Reimbursement for Police Firearms	458,500	458,500	-
Crime Lab Digital Imaging System	94,790	94,790	-
Seventh Council District FY 09 Savings for Public Works	10,000	-	(10,000)
Third Council FY 09 Savings for Infrastructure Improvements	22,301	-	(22,301)
Rancho Los Cerritos Parking Lot	66,087	66,087	-
Consolidation of Web Support Services in Tech Services	(67,797)	-	67,797
Rebate to Portside Partners of TOT Revenue	24,270	-	(24,270)
Adjusted Budget Including 1st Quarter Adjustments	\$ 385,345,660	\$ 385,979,082	\$ 1,198,906
Gas Fund (EF 301)			
Beginning Fund Balance			\$ (267,005)
Unreserving/(Reserving) of Restricted Fund Balance			(437,248)
FY 10 Adopted Budget	109,009,905	113,048,729	4,038,824
Estimated All-years Carryover Budget	1,208,457	(1,832,098)	(3,040,555)
All-Years Carryover Budget Adjustments	-	-	-
City Council Approved Adjustments to Date	489,385	-	(489,385)
Proposed 1st Quarter Adjustments:			
Corix Utilities Contract	330,268	330,268	\$ -
Gas Prepay Agreement with Merrill Lynch	-	17,725,327	17,725,327
Adjusted Budget Including 1st Quarter Adjustments	\$ 111,038,015	\$ 129,272,226	\$ 17,529,958
Gas Prepay Fund (EF 303)			
Beginning Fund Balance			\$ 70,971,406
Unreserving/(Reserving) of Restricted Fund Balance			-
FY 10 Adopted Budget	(12,251,936)	-	\$ 12,251,936
Estimated All-years Carryover Budget	-	-	\$ -
All-Years Carryover Budget Adjustments	-	-	-
City Council Approved Adjustments to Date	-	-	\$ -
Proposed 1st Quarter Adjustments:			
Gas Prepay Agreement with Merrill Lynch	17,725,327	-	(17,725,326.69)
Adjusted Budget Including 1st Quarter Adjustments	\$ 5,473,391	\$ -	\$ 65,498,015

Effect of 1st Quarter Budget Adjustments on Fund Balance

	<u>Budgeted</u> <u>Expenditure</u>	<u>Budgeted</u> <u>Revenue</u>	<u>Budgeted</u> <u>Fund Balance</u>
<u>Capital Projects (CP)</u>			
Beginning Fund Balance			\$ 25,878,603
Unreserving/(Reserving) of Restricted Fund Balance			964,307
FY 10 Adopted Budget	5,019,201	6,161,767	1,142,566
Estimated All-years Carryover Budget	49,500,270	30,442,162	(19,058,108)
All-Years Carryover Budget Adjustments	-	-	-
City Council Approved Adjustments to Date	-	-	-
Proposed 1st Quarter Adjustments:			
Park Impact Fee Project Reduction	(243,085)	(243,085)	-
State Caltrans Funds Exchanged for Federal Highway Funds	(618,300)	(618,300)	-
Target Store Traffic Mitigation Measures	80,000	80,000	-
Skate Park and Citywide Sidewalk Program	720,000	720,000	-
Termino Avenue Drain Project	(60,000)	(60,000)	-
Third Council FY 09 Savings for Infrastructure Improvements	22,301	22,301	-
Transportation Development Act Grant Funds	-	-	-
Rancho Los Cerritos Parking Lot	66,087	66,087	-
Adjusted Budget Including 1st Quarter Adjustments	\$ 54,486,473	\$ 36,570,931	\$ 8,927,368
<u>General Grants (SR 120)</u>			
Beginning Fund Balance			\$ 82,287
Unreserving/(Reserving) of Restricted Fund Balance			-
FY 10 Adopted Budget	6,293,947	6,341,769	47,822
Estimated All-years Carryover Budget	11,009,980	11,009,980	-
All-Years Carryover Budget Adjustments	-	-	-
City Council Approved Adjustments to Date	3,889,555	3,889,555	-
Proposed 1st Quarter Adjustments:			
Emergency Management Program Grant - Area F	64,395	64,395	-
Marina Pacifica Fund Projects	33,840	33,840	-
UASI 2006 Grant for PD Vehicle Radios	211,940	211,940	-
Adopt-A-Waterway Grant	(275,000)	(275,000)	-
Adjusted Budget Including 1st Quarter Adjustments	\$ 21,228,657	\$ 21,276,479	\$ 130,110
<u>Special Advertising and Promotions (SR 133)</u>			
Beginning Fund Balance			\$ 387,639
Unreserving/(Reserving) of Restricted Fund Balance			11,605.00
FY 10 Adopted Budget	6,086,957	6,258,741	\$ 171,784
Estimated All-years Carryover Budget	-	-	\$ -
City Council Approved Adjustments to Date	11,605	-	\$ (11,605)
Proposed 1st Quarter Adjustments:			
Convention and Visitors Bureau Contract	70,000	-	(70,000.00)
Rebate to Portside Partners of TOT Revenue	24,270	-	(24,270.00)
Adjusted Budget Including 1st Quarter Adjustments	6,192,832	6,258,741	465,153

Effect of 1st Quarter Budget Adjustments on Fund Balance

	<u>Budgeted Expenditure</u>	<u>Budgeted Revenue</u>	<u>Budgeted Fund Balance</u>
<u>Gas Tax Street Improvement Fund (SR 181)</u>			
Beginning Fund Balance			\$ 5,849,159
Unreserving/(Reserving) of Restricted Fund Balance			-
FY 10 Adopted Budget	7,808,973	9,483,861	\$ 1,674,888
Estimated All-years Carryover Budget	21,926,803	21,926,803	\$ -
All-Years Carryover Budget Adjustments	-	-	-
City Council Approved Adjustments to Date	4,418,759	4,418,759.00	\$ -
Proposed 1st Quarter Adjustments:			
State Caltrans Funds Exchanged for Federal Highway Funds	618,300	618,300	-
Adjusted Budget Including 1st Quarter Adjustments	34,772,835	36,447,723	7,524,047
<u>General Services (IS 385)</u>			
Beginning Fund Balance			\$ 3,392,247
Unreserving/(Reserving) of Restricted Fund Balance			2,888,541
FY 10 Adopted Budget	38,166,555	37,229,995	(936,560)
Estimated All-years Carryover Budget	189,233	1,291,219	1,101,986
All-Years Carryover Budget Adjustments	-	-	-
City Council Approved Adjustments to Date	202,685	-	(202,685)
Proposed 1st Quarter Adjustments:			
Ambulance Billing System Debt Service	34,858	34,858	-
Consolidation of Web Support Services in Tech Services	67,797	-	(67,797)
Adjusted Budget Including 1st Quarter Adjustments	\$ 38,661,128	\$ 38,556,072	\$ 6,175,732
<u>Insurance Fund (IS 390)</u>			
Beginning Fund Balance (Per Adopted Budget)			\$ 1,548,824
Unreserving/(Reserving) of Restricted Fund Balance			(16,618)
FY 10 Adopted Budget	39,627,348	39,883,776	256,428
Estimated All-years Carryover Budget	-	-	-
All-Years Carryover Budget Adjustments	-	-	-
City Council Approved Adjustments to Date	3,202	-	(3,202)
Proposed 1st Quarter Adjustments:			
Deputy City Attorney Funding Source Correction	169,101	-	(169,101)
Adjusted Budget Including 1st Quarter Adjustments	\$ 39,799,651	\$ 39,883,776	\$ 1,616,331
<u>Employee Benefits Fund (IS 391)</u>			
Beginning Fund Balance			\$ 3,712,890
Unreserving/(Reserving) of Restricted Fund Balance			(123,471)
FY 10 Adopted Budget	220,797,435	220,965,499	168,064
Estimated All-years Carryover Budget	-	-	-
City Council Approved Adjustments to Date	11,322	-	(11,322)
Proposed 1st Quarter Adjustments:			
Deputy City Attorney Funding Source Correction	(169,101)	-	169,101
Adjusted Budget Including 1st Quarter Adjustments	\$ 220,639,656	\$ 220,965,499	\$ 3,915,262

Effect of 1st Quarter Budget Adjustments on Fund Balance

	<u>Budgeted Expenditure</u>	<u>Budgeted Revenue</u>	<u>Budgeted Fund Balance</u>
<u>Tidelands Fund (TF)</u>			
Beginning Fund Balance			\$ 34,691,182
Unreserving/(Reserving) of Restricted Fund Balance			15,232,167
FY 10 Adopted Budget	112,431,361	116,766,426	4,335,066
Estimated All-Years Carryover Budget	20,660,890	11,256,185	(9,404,705)
All-Years Carryover Budget Adjustments	-	-	-
City Council Approved Adjustments to Date	79,601	-	(79,601)
Proposed 1st Quarter Adjustments:			
Catalina Landing Dredging Reserve	1,024,655	1,024,655	-
Adjusted Budget Including 1st Quarter Adjustments	\$ 134,196,507	\$ 129,047,266	\$ 44,774,109

**General Fund
FY 10 Budget Adjustment Recap**

	<u>Budgeted Expenditure</u>	<u>Budgeted Revenue</u>	<u>Net Impact</u>
<u>Previous City Council Actions</u>			
Carryover of Prior Year Encumbrances (Beginning Fund Balance is Net of this Amount)	315,404	-	(315,404)
Revenue Adjustments	-	-	-
Subtotal - Ad Hoc Council Action	315,404	-	(315,404)
<u>1st Quarter Approved Budget Adjustments (Pending)</u>			
City Prosecutor Civil Gang Injunctions	24,792	24,792	-
First Council District FY 09 Savings for CD	16,012	-	(16,012)
Seventh Council District FY 09 Savings for Library	10,000	-	(10,000)
Council Districts' FY 09 Savings for Parks, Rec and Marine	17,792	-	(17,792)
Sixth Council District FY 08 Savings for Parade	20,000	-	(20,000)
Reimbursement for Police Firearms	458,500	458,500	-
Crime Lab Digital Imaging System	94,790	94,790	-
Seventh Council District FY 09 Savings for Public Works	10,000	-	(10,000)
Third Council FY 09 Savings for Infrastructure Improvements	22,301	-	-
Rancho Los Cerritos Parking Lot	66,087	66,087	-
Consolidation of Web Support Services in Tech Services	(67,797)	-	67,797
Rebate to Portside Partners of TOT Revenue	24,270	-	(24,270)
Subtotal - 1st Quarter	696,746	644,168	(52,578)
Total FY 10 Budget Adjustments to Date	1,012,150	644,168	(367,982)
General Fund Adjusted Budget	\$ 385,345,660	\$ 385,979,082	\$ 633,422

FY 10 BUDGET ADJUSTMENT - FURLOUGH REMOVAL

Attachment C

Department	FundType	Fund	Fund Title	FY 10 Adopted Budget	FY 10 Adj Budget w/ Furlough Removed	Adjustment Amount
AP	CP	201	CAPITAL PROJECTS	-	0	0
AP	EF	320	AIRPORT	36,804,570	37,022,505	217,935
AP Total				36,804,570	37,022,505	217,935
AU	GP	100	GENERAL	2,152,102	2,241,490	89,388
AU	IS	391	EMPLOYEE BENEFITS	120,549	125,494	4,945
AU	NX	420	TIDELAND OIL REVENUE	175,015	175,015	-
AU	TF	401	TIDELANDS OPERATING	231,159	240,417	9,258
AU	TF		TIDELANDS	231,159	240,417	9,258
AU Total				2,678,826	2,782,417	103,591
CC	GP	100	GENERAL	5,784,826	5,837,305	52,479
CC Total				5,784,826	5,837,305	52,479
CD	GP	100	GENERAL	4,601,846	4,750,514	148,668
CD	IS	380	CIVIC CENTER	125,964	126,097	134
CD	RD		REDEVELOPMENT	1,188,637	1,217,735	29,097
CD	SR	130	HEALTH	549,370	563,420	14,050
CD	SR	132	PARKING AND BUSINESS AREA IMPROVEMENT	7,319,800	7,319,800	-
CD	SR	135	HOUSING DEVELOPMENT	20,936,989	21,009,828	72,839
CD	SR	136	BELMONT SHORE PKG METER	668,275	668,275	-
CD	SR	149	BUSINESS ASSISTANCE	221,632	225,384	3,752
CD	SR	150	COMMUNITY DEVELOPMENT GRANTS	30,607,734	30,800,101	192,367
CD	SR	151	HOUSING AUTHORITY	69,187,165	69,275,888	88,723
CD	TF		TIDELANDS	6,787,296	6,800,478	13,182
CD Total				142,194,706	142,757,519	562,813
CM	GP	100	GENERAL	2,539,561	2,595,355	55,794
CM	SR	133	SPECIAL ADVERTISING & PROMOTION	4,197,383	4,199,157	1,774
CM	TF		TIDELANDS	524,502	528,187	3,685
CM Total				7,261,446	7,322,698	61,252
CP	GP	100	GENERAL	4,660,730	4,813,795	153,065
CP	SR	120	GENERAL GRANTS	24,000	24,000	-
CP Total				4,684,730	4,837,795	153,065
CS	GP	100	GENERAL	1,911,452	1,955,934	44,482
CS	IS	390	INSURANCE	34,649	35,648	999
CS Total				1,946,101	1,991,583	45,481
DV	GP	100	GENERAL	1,058,245	1,066,552	8,307
DV	IS	380	CIVIC CENTER	545,554	547,927	2,373
DV	RD		REDEVELOPMENT	151,377,251	151,472,621	95,370
DV	SR	137	DEVELOPMENT SERVICES	11,513,597	11,783,376	269,780
DV	SR	149	BUSINESS ASSISTANCE	400,000	400,000	-
DV	TF		TIDELANDS	6,381,704	6,384,416	2,713
DV Total				171,276,351	171,654,893	378,543
EN	EF	301	GAS	99,421,960	99,798,787	376,828
EN	EF	331	SERRF	51,490,752	51,506,990	16,239
EN Total				150,912,711	151,305,778	393,066
FD	GP	100	GENERAL	72,173,522	72,250,344	76,822
FD	SR	121	POLICE & FIRE PUBLIC SAFETY OIL PROD ACT	2,134,886	2,155,532	20,646
FD	SR	131	CUPA	647,457	664,206	16,749
FD	TF		TIDELANDS	19,285,361	19,409,169	123,807
FD Total				94,241,226	94,479,250	238,024

FY 10 BUDGET ADJUSTMENT - FURLOUGH REMOVAL

Department	FundType	Fund	Fund Title	FY 10 Adopted Budget	FY 10 Adj Budget w/ Furlough Removed	Adjustment Amount
FM	CP	201	CAPITAL PROJECTS	210,000	33,301	(176,699)
FM	EF	301	GAS	9,587,945	9,211,118	(376,827)
FM	EF	303	GAS PREPAY	(12,251,936)	(12,251,936)	-
FM	EF	320	AIRPORT	399,691	181,756	(217,935)
FM	EF	330	REFUSE/RECYCLING	579,671	384,743	(194,928)
FM	EF	331	SERRF	80,028	63,789	(16,239)
FM	EF	339	SERRF - JPA	11,295,285	11,295,285	-
FM	EF	340	TOWING	144,121	111,933	(32,188)
FM	GP	100	GENERAL	22,040,496	19,734,805	(2,305,692)
FM	GP	103	LIBRARY	1,760,315	1,760,315	-
FM	GP	105	PARKS AND RECREATION	525,086	525,086	-
FM	IS	380	CIVIC CENTER	(7,604,127)	(7,642,768)	(38,641)
FM	IS	385	GENERAL SERVICES	2,712,665	2,366,725	(345,940)
FM	IS	386	FLEET SERVICES	587,050	483,360	(103,690)
FM	IS	390	INSURANCE	26,803,808	26,642,825	(160,983)
FM	IS	391	EMPLOYEE BENEFITS	217,432,474	217,349,323	(83,151)
FM	NX	420	TIDELAND OIL REVENUE	528,264	404,188	(124,076)
FM	RD		REDEVELOPMENT	1,209,481	1,085,014	(124,467)
FM	SR	120	GENERAL GRANTS	400	(2,235)	(2,635)
FM	SR	121	POLICE & FIRE PUBLIC SAFETY OIL PROD ACT	-	(20,646)	(20,646)
FM	SR	130	HEALTH	1,600,439	1,195,782	(404,657)
FM	SR	131	CUPA	4,858	(21,568)	(26,426)
FM	SR	133	SPECIAL ADVERTISING & PROMOTION	85,000	73,058	(11,942)
FM	SR	135	HOUSING DEVELOPMENT	449,919	377,080	(72,839)
FM	SR	137	DEVELOPMENT SERVICES	1,543,834	1,274,054	(269,780)
FM	SR	149	BUSINESS ASSISTANCE	54,364	50,612	(3,752)
FM	SR	150	COMMUNITY DEVELOPMENT GRANTS	899,009	706,641	(192,368)
FM	SR	151	HOUSING AUTHORITY	226,194	137,471	(88,723)
FM	SR	180	DEVELOPMENT IMPACT FEES FUND	248,085	246,182	(1,903)
FM	SR	182	TRANSPORTATION	5,458,555	5,437,982	(20,573)
FM	TF		TIDELANDS	50,592,430	50,204,043	(388,386)
FM and Citywide Department Total				61,886,965	60,255,093	(1,631,872)
HE	GP	100	GENERAL	4,764,418	4,810,843	46,425
HE	IS	390	INSURANCE	1,622,658	1,652,337	29,679
HE	SR	130	HEALTH	39,577,768	39,968,376	390,608
HE	SR	131	CUPA	584,001	593,678	9,677
HE	SR	151	HOUSING AUTHORITY	14	14	-
HE Total				46,548,859	47,025,248	476,389
HR	IS	390	INSURANCE	5,150,951	5,186,807	35,857
HR	IS	391	EMPLOYEE BENEFITS	2,706,656	2,767,108	60,453
HR Total				7,857,606	7,953,916	96,310
LD	GP	100	GENERAL	4,857,270	4,857,270	-
LD Total				4,857,270	4,857,270	-
LS	GP	103	LIBRARY	12,673,618	12,805,605	131,987
LS	IS	380	CIVIC CENTER	160,340	163,157	2,816
LS	SR	120	GENERAL GRANTS	227,134	227,134	-
LS Total				13,061,092	13,195,895	134,803
LW	GP	100	GENERAL	1,225,945	1,374,765	148,820
LW	IS	390	INSURANCE	5,854,995	5,945,110	90,116
LW	IS	391	EMPLOYEE BENEFITS	537,756	555,509	17,753
LW Total				7,618,695	7,875,384	256,689

FY 10 BUDGET ADJUSTMENT - FURLOUGH REMOVAL

Attachment C

Department	FundType	Fund	Fund Title	FY 10 Adopted Budget	FY 10 Adj Budget w/ Furlough Removed	Adjustment Amount
OP	NX	420	TIDELAND OIL REVENUE	70,032,255	70,156,331	124,076
OP	SR	134	UPLAND OIL	14,907,730	14,907,730	-
OP Total				84,939,985	85,064,061	124,076
PD	GP	100	GENERAL	187,207,293	187,975,255	767,962
PD	SR	120	GENERAL GRANTS	3,996,380	3,996,380	-
PD	SR	121	POLICE & FIRE PUBLIC SAFETY OIL PROD ACT	1,752,084	1,752,084	-
PD	TF		TIDELANDS	7,447,496	7,478,049	30,554
PD Total				200,403,252	201,201,768	798,516
PR	CP	201	CAPITAL PROJECTS	3,534	1,391	(2,143)
PR	GP	105	PARKS AND RECREATION	25,170,607	25,332,667	162,060
PR	IS	380	CIVIC CENTER	102,390	102,390	-
PR	IS	390	INSURANCE	160,287	164,619	4,332
PR	SR	120	GENERAL GRANTS	2,046,033	2,048,668	2,635
PR	SR	133	SPECIAL ADVERTISING & PROMOTION	1,641,164	1,651,332	10,168
PR	SR	180	DEVELOPMENT IMPACT FEES FUND	59,008	60,911	1,903
PR	SR	182	TRANSPORTATION	33,674	34,251	577
PR	TF		TIDELANDS	20,082,857	20,281,362	198,505
PR Total				49,299,554	49,677,591	378,037
PW	CP	201	CAPITAL PROJECTS	4,805,667	4,984,509	178,842
PW	EF	330	REFUSE/RECYCLING	45,048,832	45,243,760	194,929
PW	EF	340	TOWING	9,321,602	9,353,790	32,188
PW	GP	100	GENERAL	29,226,178	29,645,610	419,432
PW	IS	380	CIVIC CENTER	9,071,346	9,104,663	33,318
PW	IS	386	FLEET SERVICES	33,364,800	33,468,490	103,689
PW	SR	181	GAS TAX STREET IMPROVEMENT	7,808,973	7,808,973	-
PW	SR	182	TRANSPORTATION	9,971,264	9,991,260	19,997
PW	TF		TIDELANDS	1,098,556	1,105,238	6,682
PW Total				149,717,218	150,706,295	989,077
TS	IS	385	GENERAL SERVICES	35,453,890	35,799,831	345,941
TS	SR	133	SPECIAL ADVERTISING & PROMOTION	163,410	163,410	-
TS Total				35,617,300	35,963,241	345,941
Grand Total				1,554,909,731	1,554,909,731	(0)