



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

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February 20, 2018

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

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

DISCUSSION

On September 5, 2017, the City Council adopted the Appropriations Ordinance governing the City's Adopted Budget for Fiscal Year 2018 (FY 18). Periodically, changes in revenue or operating conditions require mid-year appropriation adjustments. For example, in certain cases, these adjustments enable departments to expend recently awarded grant revenue for which there is no existing appropriation. In addition, changes for multi-year grants/projects are necessary to bring appropriations in line with final grant/project award amounts. In accordance with the City's practice, these adjustments are presented periodically throughout the year to the City Council for consideration. Please see Attachment A for a Summary of Proposed Adjustments of impacted City funds, Attachment B for a recap of FY 18 General Fund Expenditure Budget Adjustments and Attachment C for a Summary of the 2018 Budget Saving Targets by Department and Fund.

This matter was reviewed by Deputy City Attorney Amy R. Webber on February 5, 2018.

TIMING CONSIDERATIONS

The following requests for adjustments to FY 18 departmental and fund appropriations are necessary to reflect changes in operating conditions. City Council action is requested on February 20, 2018, to enable the timely processing of budget adjustments.

FISCAL IMPACT

FY 18 Appropriation Adjustments

City Manager

1. *Increase appropriations in the Special Advertising and Promotion Fund (SR 133) in the City Manager Department (CM) by \$40,000 for Dia de los Muertos and Jazz Festival, offset by appropriation in the Parks, Recreation and Marine Department (PR);*

Decrease appropriations in the Special Advertising and Promotion Fund (SR 133) in the Parks, Recreation and Marine Department (PR) by \$40,000 to appropriate the FY 18 one-time funds in the City Manager Department.

On September 5, 2017, as part of the FY 18 Budget adoption, the City Council appropriated \$40,000 in one-time funds in the Special Advertising and Promotion Fund in the Parks, Recreation and Marine Department to leverage matching funds for Dia de los Muertos and Jazz Festival. As the programs are managed and administered by the Office of Special Events and Filming in City Manager Department, this request is to transfer the appropriation from the Parks, Recreation and Marine Department to the City Manager Department.

Development Services

- 2. Increase appropriations in the Development Services Fund (EF 337) in the Development Services Department (DV) by \$51,295 for consulting services, offset by building permit and plan check fee revenues.*

The Building and Safety Bureau is responsible for plan review and inspection of the Water Quality Management Plan (WQMP) and National Pollutant Discharge Elimination System (NPDES) requirements as promulgated by the City's Stormwater Management Plan during construction of projects that may affect the watershed. Consulting services are needed to train staff, prepare manuals and guidelines, and conduct public outreach to promote an understanding of the construction activities that can pollute stormwater. The cost for these services will be offset by building permit and plan check fee revenues.

- 3. Increase appropriations in the Development Services Fund (EF 337) in the Development Services Department (DV) by \$354,000 for consulting services to prepare Environmental Impact Reviews (EIRs), offset by environmental fee revenues.*

The Development Services Department uses consultant services to prepare EIRs and needs an appropriation increase for these services to meet the current need. The cost for these services will be offset by environmental fee revenues.

- 4. Increase appropriations in the Housing Development Fund (SR 135) in the Development Services Department (DV) by \$500,000 to allow the Long Beach Community Investment Company to assist individual households with reducing greenhouse gas emissions, offset by a transfer from the Long Beach Gas and Oil Department;*

Increase appropriations in the Gas Fund (EF 301) in the Long Beach Gas and Oil Department (GO) by \$500,000 to transfer to the Development Services Department, offset by funds available.

The Long Beach Gas and Oil Department (LBGO) has received funds from recent auctions under the State Cap-and-Trade Program (Senate Bill 535). As part of the program, certain percentages of funds must be spent in two designated areas: disadvantaged communities, as defined under SB 535, and "low-income communities" as defined under Assembly Bill 1550. LBGO will provide the Long Beach Community Investment Company with \$250,000 for each designated area to assist individual households with reducing their greenhouse gas emissions.

Economic Development

5. *Increase appropriations in the Tidelands Queen Mary Fund (TF 410) in the Public Works Department (PW) by \$11,603,237 for the Queen Mary project, offset by revenues received from the Tidelands Revenue Bonds, Series 2017B for the Queen Mary Improvements;*

Increase appropriation in the Tidelands Queen Mary Fund (TF 410) in the Economic Development Department (ED) by \$315,955 for bond issuance costs, offset by revenues received from Tidelands Revenue Bonds, Series 2017B for the Queen Mary Improvements;

Increase appropriation in the Tidelands Queen Mary Fund (TF 410) in the Economic Development Department (ED) by \$411,378 for the new debt service interest payments, offset by funds available.

On November 1, 2016, the City Council approved a 66-year lease agreement with Urban Commons for the operations, management, and preservation of the Queen Mary. To reimburse Urban Commons for urgent repair needs during the first two years of the agreement, the City committed to provide up to \$23 million, offset by \$5.8 million of Queen Mary reserves and from a bond issuance estimated at \$17.2 million.

In recognition of the need to begin repair work before the bonds could be issued, \$14,933,142 of appropriation was budgeted for the Queen Mary project as of the FY 18 Adopted Budget. Of this amount, \$7,651,552 was appropriated by the City Council on May 23, 2017, that was partially funded from a temporary release of Tidelands Operations Fund reserves in the amount of \$3,536,379 to be replenished when bond issue proceeds became available.

The City has since executed and funded the Tidelands Revenue Bonds, Series 2017B (Queen Mary Improvements), that generated \$17.7 million or \$257,303 more than what was originally anticipated net of the amount needed for bond issuance costs. An appropriation increase of \$11,603,237 is requested. Of this amount, \$8,066,858 is needed to bring the project budget to the full \$23 million and \$3,536,379 is needed to reimburse the Tidelands Operations Fund reserves for the temporary bridge loan.

Additionally, appropriation increases are requested in the Economic Development Department (ED) to appropriate the payment of bond issuance costs and for the new debt service interest payments.

Health and Human Services

6. *Increase appropriations in the Health Fund (SR 130) in the Health and Human Services Department (HE) by \$707,827 for the Tobacco Education Program for the period of July 2018 to June 2019, offset by revenue from California State Proposition 56.*

Funding from California State Proposition 56 (Prop 56) augments existing California State Proposition 99 funds to support the City's Tobacco Education Program. Prop 56 is administered by the California Tobacco Control Program which has allocated additional funding to the City in the amount of \$707,827 for the period of July 2018 to June 2019. An appropriation increase is requested for the Tobacco Education Program, offset by Prop 56 revenue.

Legislative Department

7. *Increase appropriations in the General Fund (GF) in the Citywide Activities Department (XC) by \$287,095 for a transfer to the Capital Projects Fund (CP), offset by various Council District offices' FY 17 year-end savings as listed below.*

City Council District	Budget Surplus
District 1	\$ 3,860
District 2	N/A
District 3	\$ 20,365
District 4	\$ 232,410
District 5	\$ 2,110
District 6	\$ 5,782
District 7	\$ 33,044
District 8	N/A
District 9	\$ 7,524
FY 2017 Budget Surplus Carryover	\$ 305,095
District 3 funds for Neighborhood Impact Prosecutor Pilot Program <i>(approved on 12/05/2017).</i>	(18,000)
Amount to be Appropriated	\$ 287,095

Individual Council District office budget surpluses are allocated in the following fiscal year to supplement each Council District Priorities funding for infrastructure projects and existing City programs. Budget adjustments are necessary to appropriate the FY 17 Council District office budget surpluses to supplement FY 18 Council District Priorities Funding in the Citywide Activities Department. The Third Council District had an office budget surplus of \$20,365. On December 5, 2017, the City Council approved \$18,000 of the Third Council District's FY 17 office budget surplus to be allocated to the City Prosecutor Department to fund a Neighborhood Impact Prosecutor for one year. The remaining amount of \$2,365 will be reappropriated to supplement the Third Council District's Priorities Funding for infrastructure projects and existing City programs.

Police

8. *Increase appropriations in the Capital Projects Fund (CP) in the Police Department (PD) by \$485,000 for the restoration of the South Division and security fencing at the property warehouse, offset by Police Impact Fees fund balance.*

The Police Department is requesting use of development impact fees to offset two projects: the remaining construction costs of \$445,000 for the restoration of the South Division in FY 18 and security fencing at the Property Warehouse for \$40,000. The Police Department receives a portion of development impact fees that offset costs required to support needed police facilities and related costs. An appropriation increase is requested to allow for the utilization of these funds.

Public Works

9. *Increase appropriations in the Tidelands Operations Fund (TF 401) in the Public Works Department (PW) by \$401,557 for storm water damages at the Belmont Pier, offset by a transfer from the Insurance Fund (IS 390);*

Increase appropriations in the Insurance Fund (IS 390) in the Human Resources Department (HR) by \$401,557 to transfer appropriation to the Tidelands Operations Fund (TF 401), offset by property insurance reimbursement.

On February 17, 2017, the Belmont Pier suffered significant storm damage. The damage was covered under the City's property insurance policy, and a claim payment was received in the amount of \$401,557 in the Insurance Fund in the Human Resources Department. This request will increase appropriations in the Insurance Fund to allow for the transfer of funds to the Tidelands Operations Fund in the Public Works Department, who will be repairing the Belmont Pier damage.

10. *Decrease appropriations in the Transportation Fund (SR 182) in the Public Works Department (PW) by \$4,621,101 to transfer appropriation to the Capital Projects Fund (CP);*

Increase appropriations in the Capital Projects Fund (CP) in the Public Works Department (PW) by \$4,621,101 for the Daisy-Myrtle Bicycle Boulevard Project, offset by grant reimbursement revenue.

On October 17, 2017, the City Council authorized an appropriation increase in the amount of \$4,621,101 for the Daisy-Myrtle Bicycle Boulevard Project, offset by grant reimbursement revenue from the Federal Transportation Earmark Exchange and the Local Transportation Fund grant funding. This is a technical correction so the appropriation is in the correct fund where the funds will be expended, which will be the Capital Projects Fund and not the Transportation Fund.

11. Increase appropriations in the Civic Center Fund (IS 380) in the Public Works Department (PW) by \$1,191,030 for construction and City-directed design changes, offset by revenue from departments' Fiscal Year 16 year-end savings.

Increase appropriations in the Civic Center Fund (IS 380) in the Public Works Department (PW) by \$274,613 for relief event and remediation cost, offset by revenue from the Development Services Department (DV).

On December 15, 2015, the City Council approved Project Agreement No. 34242 for the design, build, finance, operation, and maintenance (DBFOM) of the new Civic Center project. This Public-Private Partnership (P3) includes privately placed equity and taxable debt borrowed by Plenary Edgemoor Civic Partners, LLC (PECP), City land sales, and City cash contributions including one-time funding. The P3 project structure provides for construction and City-directed design changes. City departments initiated requests for additional design requirements and agreed to fund those requests with department savings and other funding. These savings from FY 16 year-end have been transferred to the Civic Center Fund and available to support the additional design requirement costs.

Article 15.2(J) of Project Agreement No. 34242 provides for additional work to the project site and Lincoln garage to regulate site conditions, known as "relief events." The City is authorized under the Project Agreement Articles 4.10(d) and 15.2(J) to compensate PECP for additional work related to regulated site conditions. The City approved the relief events for site remediation work under contract administration memorandums. The Development Services Department agreed to partially offset the relief events and remediation costs and has transferred funds to the Civic Center Fund (IS 380) in the Public Works Department (PW) from the Development Services Fund (EF 337) in the Development Services Department (DV) in the amount of \$274,613.

12. Increase appropriations in the Capital Projects Fund (CP) in the Public Works Department (PW) by \$6,000 for an enhanced fence for the Bixby Dog Park, offset by revenue from the Friends of Bixby Park.

The Second and Third Council Districts provided funding for the Bixby Park Dog Park improvement project that was completed on January 23, 2018. The Friends of Bixby Park (FOBP) organization also committed funding to cover the cost of an enhanced fence. The original proposal was for a chain link fence that has now been upgraded to wrought iron. This request will appropriate project funds in the Capital Projects Fund (CP) in the Public Works Department (PW), offset by revenue from FOBP.

13. Increase appropriations in the Capital Projects Fund (CP) in the Public Works Department (PW) by \$123,405 for future parking-related improvement projects in the downtown area, offset by a transfer of parking meter revenue from the General Fund (GF).

The Downtown Long Beach Business Alliance (DLBA) participates in a revenue-sharing agreement with the City and receives half of the net revenue generated by downtown area parking meters. On December 2, 2014, the City Council approved the purchase and

installation of new smart parking meters throughout the City, including the downtown area. Included in this action was a recommendation from the DLBA that new net revenue collected during the first two years of smart meter operations be dedicated to downtown area parking-related improvements. A total of \$123,405 in smart parking meter revenue has been transferred from the General Fund (GF) to the Capital Projects Fund (CP) to fund future downtown parking improvement projects. As these funds are unbudgeted, an appropriation increase in the amount of \$123,405 is requested in the Capital Projects Fund (GP) in the Public Works Department (PW).

Technology and Innovation

14. *Increase appropriations in the General Services Fund (IS 385) in the Technology and Innovation Department (TI) by \$3,145,697, for the managed services agreement with Utility Solutions Partners, LLC (USP), offset by charges to departments utilizing the utility billing system.*

On September 5, 2017, the City Council approved a contract with USP, to start in FY 18, for the purchase of managed services to provide maintenance and integration support related to the City's key Utility Systems, including the Customer Care and Billing System (CC&B) and Mobile Workforce Management (MWM). These systems support the utility billing processes for the City. This contract replaced a prior agreement with Ernst & Young, LLP (EY). The total FY 18 cost is \$4,320,701, which includes the two-month transition from EY to USP, the USP agreement, and a one-time stabilization task force that will resolve nearly 80 backlogged service requests. Of the \$4,320,701, \$1,175,004 of appropriation exists for the current system and will instead be utilized towards this contract. As the remaining \$3,145,697 is unbudgeted, an appropriation increase is being requested. The total cost will be allocated to the four operations utilizing the City's utility billing function (Gas, Water, Sewer, Refuse). The allocation is equal to each department's proportionate usage of the system. The participating departments are aware of the increase in costs and will request appropriation increases, if needed, to cover these additional costs.

Citywide Activities

15. *Increase appropriations in the General Fund (GF) in the Citywide Activities Department (XC) by \$3,000,000 to return a portion of the water and sewer utility fund transfers made to the General Fund in the past, offset by funds set aside for this purpose.*

In 2016, a lawsuit alleged that the water and sewer utility fund transfers, implemented as City pipeline permit fees, violated Proposition 218. This case was recently settled. Per the settlement agreement, the City will return \$12 million from the General Fund to the Water Department in four equal annual payments. The first payment of \$3 million was made on January 23, 2018 from funds set aside for this purpose.

16. Increase appropriations in the Tidelands Operations Fund (TF 401) in the Citywide Activities Department (XC) by \$10,190,000 for the Pacific Visions Project, offset by revenues received from Tidelands Revenue Bonds, Series 2017A for the Aquarium of the Pacific Project;

Increase appropriations in the Tidelands Operations Fund (TF 401) in the Citywide Activities Department (XC) by \$178,132 for the new debt service interest payments, offset by funds available.

On May 9, 2017, the City Council approved up to a \$10.5 million, ten-year loan to the Aquarium of the Pacific Corporation for the construction of the Phase II of the Pacific Visions Project of the Aquarium Campus Master Plan. The ten-year loan from the Tidelands Fund will be replenished by a Tidelands bond issued on November 15, 2017. The bond issue is part of a larger Tidelands bond issue that includes funding for the previously approved Queen Mary improvements. The Aquarium loan is intended to be paid back by donations. The City has since executed and funded the Tidelands Revenue Bonds, Series 2017A (Aquarium of the Pacific Project) revenue bond at \$10,190,000 that includes \$190,000 for the cost of issuance. Appropriation to allow the City to make the disbursements of the bond funds to the Aquarium is needed. Additionally, an appropriation increase of \$178,132 is requested to appropriate the payment of the new debt service interest payments.

FY 18 Budget Savings Target

17. Decrease total appropriations by \$1,060,921 in the relevant departments and funds as shown on Attachment C to implement FY 18 Budget Saving Targets, a portion of which was a vacancy savings factor previously appropriated in the Citywide Allocations Department (XI).

On September 5, 2017, the City Council approved the FY 18 Budget, which included a vacancy savings factor from the natural turnover in filling of positions citywide – calculated at 1.25 percent of non-sworn personnel costs for each fund and temporarily budgeted in the Citywide Allocations Department. These vacancy savings were required to balance the FY 18 Budget. In addition, the City Council approved a motion directing the City Manager to implement mandatory General Fund budget saving targets for FY 18 for all departments at the maximum level possible without eliminating jobs or programs.

To implement the budgeted vacancy savings factor and achieve the intent of the City Council motion, all City Manager departments, including the elected and appointed departments, will receive targets. The General Fund targets will be 1.3 percent of non-sworn personnel costs or 0.5 percent of a department's total structural budget, whichever is greater. For other funds, the targets will be 1.25 percent of non-sworn personnel costs. This request removes the salary savings factor that was budgeted in the Citywide Allocations Department and appropriates the FY 18 salary savings target in departments. FY 18 Saving Targets are anticipated to save \$2,909,902 in the General Fund and \$4,055,055 for All Funds. Of these amounts, the vacancy savings of \$1,844,727 in the General Fund and \$2,994,134 in All Funds was included in the FY 18 Adopted Budget.

FY 17 One-Time Funds to be Reappropriated

For projects with start dates between FY 14 and FY 17, the City Council authorized the allocation of one-time funds for specific department projects. The following appropriations are needed to carryover the funds to FY 18 to complete these projects. These unspent one-time funds were reserved at the end of FY 17 for this purpose and the reserves will be released with the appropriation.

18. *Increase appropriations in the Special Advertising and Promotion Fund (SR 133) in the City Managers Department (CM) by \$86,830 for a national advertisement campaign highlighting Long Beach development opportunities, offset by unspent one-time funds.*
19. *Increase appropriations in the Special Advertising and Promotion Fund (SR 133) in the City Managers Department (CM) by \$150,000 for Museum of Art collection appraisal, offset by unspent one-time funds.*
20. *Increase appropriations in the Special Advertising and Promotion Fund (SR 133) in the City Managers Department (CM) by \$50,000 for Long Beach Grand Prix Request for Proposals (RFP), offset by unspent one-time funds.*
21. *Increase appropriations in the Special Advertising and Promotion Fund (SR 133) in the City Manager Department (CM) by \$84,461 to partially cover security costs for various community events, offset by unspent one-time funds.*
22. *Increase appropriations in the Special Advertising and Promotion Fund (SR 133) in the City Manager Department (CM) by \$149,265 to conduct two Beach Street events, offset by unspent one-time funds.*
23. *Increase appropriations in the General Fund (GF) in the Development Services Department (DV) by \$5,000 for Neighborhood Partners Program Grant Match Funds, offset by unspent Second District Priorities Funding.*
24. *Increase appropriations in the General Fund (GF) in the Development Services Department (DV) by \$1,404 for Neighborhood Partners Program Grant Match Funds, offset by unspent Fourth District Priorities Funding.*
25. *Increase appropriations in the General Fund (GF) in the Development Services Department (DV) by \$30,000 for business façade improvements, offset by unspent Sixth District Priorities Funding.*
26. *Increase appropriations in the Development Services Fund (EF 337) in the Development Services Department (DV) by \$87,018 for a benchmarking study on the development process, offset by unspent one-time funds.*

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27. *Increase appropriations in the Development Services Fund (EF 337) in the Development Services Department (DV) by \$189,727 for a downtown parking study, offset by unspent one-time funds.*
28. *Increase appropriations in the Development Services Fund (EF 337) in the Development Services Department (DV) by \$41,372 for a vendor to digitize microfilm/microfiche records, offset by unspent one-time funds.*
29. *Increase appropriations in the Development Services Fund (EF 337) in the Development Services Department (DV) by \$42,654 for Phase II of the Electronic Plan Check (EPC), offset by unspent one-time funds.*
30. *Increase appropriations in the Development Services Fund (EF 337) in the Development Services Department (DV) by \$27,063 for the Southern California Edison (SCE) Grant Energy Efficiency Partnership Program, offset by unspent one-time funds.*
31. *Increase appropriations in the General Fund (GF) in the Economic Development Department (ED) by \$77,766 for the Killings Field Memorial Center, offset by unspent Sixth District Priorities Funding.*
32. *Increase appropriations in the General Fund (GF) in the Economic Development Department (ED) by \$30,000 for the World Famous VIP Records sign, offset by unspent Sixth District Priorities Funding.*
33. *Increase appropriations in the General Fund (GF) in the Economic Development Department (ED) by \$45,000 for the Pacific Avenue Property and Business Improvement District (PBID), offset by unspent Sixth District Priorities Funding.*
34. *Increase appropriations in the General Fund (GF) in the Economic Development Department (ED) by \$59,940 for community improvement and engagement, offset by unspent Sixth District Priorities Funding.*
35. *Increase appropriations in the General Fund (GF) in the Economic Development Department (ED) by \$88,568 for the summer youth employment program, offset by unspent one-time funds.*
36. *Increase appropriations in the General Fund (GF) in the Financial Management Department (FM) by \$78,808 for the Small Business Incentive program, offset by unspent one-time funds.*
37. *Increase appropriations in the General Fund (GF) in the Financial Management Department (FM) by \$595,000 for wage theft education program, offset by unspent one-time funds.*

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38. *Increase appropriations in the Fleet Services Fund (IS 386) in the Financial Management Department (FM) by \$101,221 for the M5 Upgrade, offset by unspent one-time funds.*
39. *Increase appropriations in the Fleet Services Fund (IS 386) in the Financial Management Department (FM) by \$328,893 for the Fueling System Upgrade, offset by one-time funds.*
40. *Increase appropriations in the General Fund (GF) in the Health and Human Services Department (HE) by \$36,792 for the North Health Facility repairs, offset by unspent one-time funds.*
41. *Increase appropriations in the General Fund (GF) in the Health and Human Services Department (HE) by \$63,053 for the Multi-Service Center (MSC) Health Facility repairs, offset by unspent one-time funds.*
42. *Increase appropriations in the General Fund (GF) in the Health and Human Services Department (HE) by \$82,064 for the Medical Marijuana (MMJ) Public Health and Safety Education Program, offset by unspent one-time funds.*
43. *Increase appropriations in the General Fund (GF) in the Health and Human Services Department (HE) by \$72,986 for homeless rapid response, offset by unspent one-time funds.*
44. *Increase appropriations in the General Fund (GF) in the Health and Human Services Department (HE) by \$8,188 for the Language Access Plan (LAP) implementation, offset by unspent one-time funds.*
45. *Increase appropriations in the Health Fund (SR 130) in the Health and Human Services Department (HE) by \$104,469 for the Main Health Facility repairs, offset by unspent one-time funds.*
46. *Increase appropriations in the General Fund (GF) in the Legislative Department (LD) by \$9,319 for community meetings, events and public outreach, offset by unspent First District Priorities Funding.*
47. *Increase appropriations in the General Fund (GF) in the Legislative Department (LD) by \$47,068 for community events, public outreach and beautification projects, offset by unspent Ninth District Priorities Funding.*
48. *Increase appropriations in the General Fund (GF) in the Library Services Department (LS) by \$4,000 for hearing loop, offset by unspent Third District Priorities Funding.*
49. *Increase appropriations in the General Fund (GF) in the Police Department (PD) by \$97,436 for sensitivity training, offset by unspent one-time funds.*

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50. *Increase appropriations in the General Fund (GF) in the Police Department (PD) by \$15,928 for the body worn camera pilot project, offset by unspent one-time funds.*
51. *Increase appropriations in the General Fund (GF) in the Parks, Recreation and Marine Department (PR) by \$50,000 to conduct a human and coyote conflict study, offset by General Fund Year-End surplus.*
52. *Increase appropriations in the General Fund (GF) in the Parks, Recreation and Marine Department (PR) by \$10,000 to transition to multi-year pet licenses, offset by General Fund Year-End surplus.*
53. *Increase appropriations in the General Fund (GF) in the Parks, Recreation and Marine Department (PR) by \$64,602 for programming at downtown parks, offset by General Fund Year-End surplus.*
54. *Increase appropriations in the General Fund (GF) in the Parks, Recreation and Marine Department (PR) by \$10,000 for the MacArthur Park Community Garden, offset by unspent Sixth District Priorities Funding.*
55. *Increase appropriations in the General Fund (GF) in the Parks, Recreation and Marine Department (PR) by \$10,000 for the Peace Park mural, offset by unspent First District Priorities Fundng.*
56. *Increase appropriations in the General Fund (GF) in the Public Works Department (PW) by \$42,082 for required storm water compliance, offset by unspent one-time funds.*
57. *Increase appropriations in the General Services Fund (IS 385) in the Technology and Innovation Department (TI) by \$40,000 for the Identity Management Software, offset by unspent one-time funds.*
58. *Increase appropriations in the General Fund (GF) in the Citywide Department (XC) by \$50,000 to support training for City employees related to audit processes, offset by unspent one-time funds.*

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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

**First Budget Adjustment for FY 18
(not including saving targets)**

	USES:		SOURCES:
	<u>Budgeted</u>		<u>Budgeted</u>
	<u>Expenditure</u>		<u>Revenue</u>
			<u>Other</u>
			<u>Sources</u>
<u>General Fund (GF)</u>			
Proposed 1st FY 18 Adjustments:			
Council District Priorities Funding from District Year-End Surplus	287,095		287,095
Transition to Multi-year Pet License	10,000	-	10,000
Sixth District: Community Improvement and Engagement	59,940	-	59,940
First District: Community Meetings, Events and Public Outreach	9,319	-	9,319
Ninth District: Community Events and Beautification Projects	47,068	-	47,068
Programming at Downtown Parks	64,602	-	64,602
Storm Water Compliance	42,082	-	42,082
Homeless Rapid Response	72,986	-	72,986
Language Access Plan Implementation	8,188	-	8,188
Multi-service Center Health Facility Repairs	63,053	-	63,053
North Health Facility Repairs	36,792	-	36,792
First District: Peace Park Mural	10,000	-	10,000
Third District: Hearing Loop	4,000	-	4,000
Support Training for City Employees Related to Audit Processes	50,000	-	50,000
Sixth District: World Famous VIP Records Sign	30,000	-	30,000
Sixth District: Pacific Ave. Property & Bus. Improvement District (PBID)	45,000	-	45,000
Summer Youth Employment Program	88,568	-	88,568
Sixth District: Killings Field Memorial Center	77,766	-	77,766
Wage Theft Education Program	595,000	-	595,000
Sixth District: Business Façade Improvements	30,000	-	30,000
Small Business Incentive Program	78,808	-	78,808
Police Body Camera Pilot	15,928	-	15,928
Sensitivity Training for Police Department	97,436	-	97,436
Second District: Neighborhood Partners Program Grant Match Funds	5,000	-	5,000
Fourth District: Neighborhood Partners Program Grant Match Funds	1,404	-	1,404
Sixth District: MacArthur Park Community Garden	10,000	-	10,000
MMJ Public Health and Safety Education Program	82,064	-	82,064
First Payment to Water Department for Pipeline Lawsuit Settlement	3,000,000	-	3,000,000
Human and Coyote Conflict Study	50,000	-	50,000
Total Adjustments - General Fund	\$ 4,972,099	\$ -	\$ 4,972,099
<u>Gas Fund (EF 301)</u>			
Proposed 1st FY 18 Adjustments:			
State Cap-and-Trade Program Funds to Transfer to LBCIC	500,000	-	500,000
Total Adjustments - Gas Fund	\$ 500,000	\$ -	\$ 500,000
<u>Development Services Fund (EF 337)</u>			
Proposed 1st FY 18 Adjustments:			
Consulting Services for WQMP and NPDES Requirements	51,295	-	51,295
Consulting Services to Prepare Environmental Impact Reviews	354,000	-	354,000
Benchmarking Study on the Development Process	87,018	-	87,018
Downtown Parking Study	189,727	-	189,727
Vendor to Digitize Microfilm/Microfiche Records	41,372	-	41,372

**First Budget Adjustment for FY 18
(not including saving targets)**

	<u>Budgeted</u> <u>Expenditure</u>	<u>Budgeted</u> <u>Revenue</u>	<u>Other</u> <u>Sources</u>
Phase II of the Electronic Plan Check (EPC)	42,654	-	42,654
SCE Grant Energy Efficiency Partnership Program	27,063	-	27,063
Total Adjustments - Development Services Fund	\$ 793,129	\$ -	\$ 793,129
<u>Capital Projects Fund (CP 201)</u>			
Proposed 1st FY 18 Adjustments:			
South Division Upgrades and Security Fence at Property Warehouse	485,000	485,000	
Technical Correction for Daisy-Myrtle Blvd Project	4,621,101	4,621,101	-
Enhanced Fence for the Bixby Dog Park	6,000	6,000	-
DLBA Parking Related Improvements in the Downtown Area	123,405	123,405	-
Total Adjustments - Capital Projects Fund	\$ 5,235,506	\$ 5,235,506	\$ -
<u>Civic Center Fund (IS 380)</u>			
Proposed 1st FY 18 Adjustments:			
Additional Design Requirements for New Civic Center	1,191,030	-	1,191,030
Relief Event and Remediation Cost Related to the New Civic Center	274,613	274,613	-
Total Adjustments - Civic Center Fund	\$ 1,465,643	\$ 274,613	\$ 1,191,030
<u>General Services Fund (IS 385)</u>			
Proposed 1st FY 18 Adjustments:			
Utility Services Partners, LLC Agreement for Utility Systems	3,145,697	3,145,697	-
Identity Management Software	40,000	-	40,000
Total Adjustments - General Services Fund	\$ 3,185,697	\$ 3,145,697	\$ 40,000
<u>Fleet Services Fund (IS 386)</u>			
Proposed 1st FY 18 Adjustments:			
M5 Upgrade	101,221	-	101,221
Fueling System Upgrade	328,893	-	328,893
Total Adjustments - Fleet Services Fund	\$ 430,114	\$ -	\$ 430,114
<u>Insurance Fund (IS 390)</u>			
Proposed 1st FY 18 Adjustments:			
Transfer to TF 401 for Storm Water Damages	401,557	401,557	-
Total Adjustments - Insurance Fund	\$ 401,557	\$ 401,557	\$ -
<u>Health Fund (SR 130)</u>			
Proposed 1st FY 18 Adjustments:			
Tobacco Education Program for Grant Period 2018-2019	707,827	707,827	-
Main Health Facility Repairs	104,469	-	104,469
Total Adjustments - Health Fund	\$ 812,296	\$ 707,827	\$ 104,469
<u>Special Advertising & Promotion Fund (SR 133)</u>			
Proposed 1st FY 18 Adjustments:			
Dia de los Muertos and the Jazz Festival Events Transfer	-	-	-
National Advertisement Campaign	86,830	-	86,830
Museum of Art Collection Appraisal	150,000	-	150,000
Long Beach Grand Prix Request for Proposals	50,000	-	50,000

**First Budget Adjustment for FY 18
(not including saving targets)**

	<u>Budgeted</u> <u>Expenditure</u>	<u>Budgeted</u> <u>Revenue</u>	<u>Other</u> <u>Sources</u>
Two Beach Street Events	149,265	-	149,265
Security Costs at Various Community Events	84,461	-	84,461
Total Adjustments - Special Advertising & Promotion Fund	\$ 520,556	\$ -	\$ 520,556
<u>Housing Development Fund (SR 135)</u>			
Proposed 1st FY 18 Adjustments:			
LBCIC - Reducing Greenhouse Gas Emissions	500,000	500,000	-
Total Adjustments - Housing Development Fund	\$ 500,000	\$ 500,000	\$ -
<u>Transportation Fund (SR 182)</u>			
Proposed 1st FY 18 Adjustments:			
Technical Correction for Daisy-Myrtle Blvd Project	(4,621,101)	(4,621,101)	-
Total Adjustments - Transportation Fund	\$ (4,621,101)	\$ (4,621,101)	\$ -
<u>Tidelands Operations Fund (TF 401)</u>			
Proposed 1st FY 18 Adjustments:			
Insurance Reimbursement for Storm Water Damages at Belmont Pier	401,557	401,557	-
New Debt Service Interest Payments	178,132	-	178,132
Tidelands Revenue Bonds for Aquarium of the Pacific Project	10,190,000	10,190,000	-
Total Adjustments - Tidelands Operations Fund	\$ 10,769,689	\$ 10,591,557	\$ -
<u>Tidelands Queen Mary Fund (TF 410)</u>			
Proposed 1st FY 18 Adjustments:			
Tidelands Revenue Bonds for Queen Mary Improvements	11,603,237	11,603,237	-
Tidelands Revenue Bonds cost of issuance	315,955	315,955	-
New Debt Service Interest Payments	411,378	-	411,378
Total Adjustments - Tidelands Queen Mary Fund	\$ 12,330,570	\$ 11,919,192	\$ 411,378

**General Fund
FY 18 Budget Adjustment Recap**

	USES:	SOURCES:	
	Budgeted Expenditure	Budgeted Revenue	Other Sources
<u>Previous City Council Actions</u>			
FY 18 Adopted Budget	500,964,361	501,519,031	-
Support hiring of a new, temporary part-time staff member	25,000	25,000	-
Everyone In Listening Tour	40,000	40,000	-
Law enforcement services	222,244	222,244	-
Subtotal - Previous City Council Actions	287,244	287,244	-
<u>First FY 18 Budget Adjustments</u>			
Council District Priorities Funding from District Year-End Surplus	287,095		287,095
Transition to Multi-year Pet License	10,000	-	10,000
Sixth District: Community Improvement and Engagement	59,940	-	59,940
First District: Community Meetings, Events and Public Outreach	9,319	-	9,319
Ninth District: Community Events and Beautification Projects	47,068	-	47,068
Programming at Downtown Parks	64,602	-	64,602
Storm Water Compliance	42,082	-	42,082
Homeless Rapid Response	72,986	-	72,986
Language Access Plan Implementation	8,188	-	8,188
Multi-service Center Health Facility Repairs	63,053	-	63,053
North Health Facility Repairs	36,792	-	36,792
First District: Peace Park Mural	10,000	-	10,000
Third District: Hearing Loop	4,000	-	4,000
Support Training for City Employees Related to Audit Processes	50,000	-	50,000
Sixth District: World Famous VIP Records Sign	30,000	-	30,000
Sixth District: Pacific Ave. Property & Bus. Improvement District (PBID)	45,000	-	45,000
Summer Youth Employment Program	88,568	-	88,568
Sixth District: Killings Field Memorial Center	77,766	-	77,766
Wage Theft Education Program	595,000	-	595,000
Sixth District: Business Façade Improvements	30,000	-	30,000
Small Business Incentive Program	78,808	-	78,808
Police Body Camera Pilot	15,928	-	15,928
Sensitivity Training for Police Department	97,436	-	97,436
Second District: Neighborhood Partners Program Grant Match Funds	5,000	-	5,000
Fourth District: Neighborhood Partners Program Grant Match Funds	1,404	-	1,404
Sixth District: MacArthur Park Community Garden	10,000	-	10,000
MMJ Public Health and Safety Education Program	82,064	-	82,064
First Payment to Water Department for Pipeline Lawsuit Settlement	3,000,000	-	3,000,000
Human and Coyote Conflict Study	50,000	-	50,000
Subtotal - First Budget Adjustments Letter	4,972,099	-	4,972,099
Total FY 18 Budget Adjustments to Date	5,259,343	287,244	4,972,099
General Fund FY 18 Adjusted Budget	506,223,704	501,806,275	4,972,099

FIRST BUDGET ADJUSTMENT FOR FY 18 SAVING TARGETS			
DEPARTMENT, Fund	AMOUNT	DEPARTMENT, Fund	AMOUNT
AIRPORT	\$ (156,568)	HEALTH AND HUMAN SERVICES	(29,928)
EF320	(156,568)	GP100	(21,372)
		SR131	(8,556)
CITY ATTORNEY	(141,883)		
GP100	(54,309)	HUMAN RESOURCES	(78,353)
IS390	(82,907)	IS390	(34,216)
IS391	(4,667)	IS391	(44,137)
CITY AUDITOR	(42,723)	LEGISLATIVE	(59,025)
GP100	(34,715)	GP100	(59,025)
IS391	(1,820)		
TF401	(6,188)	LIBRARY SERVICES	(132,226)
CITY CLERK	(27,474)	GP103	(130,296)
GP100	(27,474)	IS380	(1,930)
CITY MANAGER	(71,411)	POLICE	(1,109,486)
GP100	(44,067)	GP100	(1,080,016)
SR133	(26,803)	TF401	(1,037)
TF411	(541)	TF403	(28,433)
CITY PROSECUTOR	(66,229)	PARK, RECREATION AND MARINE	(381,899)
GP100	(66,229)	GP105	(230,830)
CIVIL SERVICE	(29,627)	SR133	(474)
GP100	(29,228)	TF401	(63,625)
IS391	(399)	TF403	(76,089)
DISASTER PREPAREDNESS & EMERGENCY COMMUNICATIONS	(136,649)	TF411	(10,881)
GP100	(136,649)	PUBLIC WORKS	(509,471)
DEVELOPMENT SERVICES	(254,918)	GP100	(313,335)
GP100	(47,960)	EF330	(159,089)
SR135	(18,108)	IS380	(16,216)
EF337	(188,850)	TF401	(16,670)
ECONOMIC DEVELOPMENT	(32,582)	TF411	(4,161)
GP100	(25,772)	CITYWIDE ACTIVITIES	2,994,134
TF401	(4,928)	EF320	156,568
TF403	(1,300)	EF330	159,089
TF411	(582)	EF337	188,850
FIRE	(443,788)	EF340	31,097
GP100	(431,898)	GP100	1,844,727
SR131	(10,313)	IS380	18,146
TF401	(1,577)	IS385	8,821
FINANCIAL MANAGEMENT	(350,815)	IS386	113,896
GP100	(176,727)	IS390	114,863
EF340	(31,097)	IS391	64,267
IS385	(8,821)	SR131	18,869
IS386	(113,896)	SR133	26,341
IS390	(774)	SR135	18,369
IS391	(13,244)	TF401	105,538
TF401	(4,163)	TF403	107,685
TF403	(989)	TF411	17,008
TF411	(843)		
SR135	(261)		
NET TOTAL			\$ (1,060,921)