



Legislation Details (With Text)

File #: 08-0493 **Version:** 1 **Name:** FM-Transfer of Harbor Revenue Funds to Tidelands Operating Fund

Type: Resolution **Status:** Adopted

File created: 5/5/2008 **In control:** City Council

On agenda: 5/20/2008 **Final action:** 5/20/2008

Title: Recommendation to adopt resolution requesting the Board of Harbor Commissioners to approve the transfer of \$16,059,464 from the Harbor Revenue Fund (HR) to the Tidelands Operating Fund (TF) as of October 1, 2008; and

Request Board of Harbor Commissioners to make said transfer in equal quarterly installments on October 1, 2008, January 1, 2009, April 1, 2009, and July 1, 2009. (Citywide)

Sponsors: Financial Management

Indexes:

Code sections:

Attachments: 1. 052008-R-26sr&att.pdf, 2. RES-08-0065.pdf

Date	Ver.	Action By	Action	Result
5/20/2008	1	City Council	approve recommendation and adopt	Pass

Recommendation to adopt resolution requesting the Board of Harbor Commissioners to approve the transfer of \$16,059,464 from the Harbor Revenue Fund (HR) to the Tidelands Operating Fund (TF) as of October 1, 2008; and

Request Board of Harbor Commissioners to make said transfer in equal quarterly installments on October 1, 2008, January 1, 2009, April 1, 2009, and July 1, 2009. (Citywide)

At the beginning of each fiscal year, City Charter Section 1209(c)(4) provides for the transfer of 10 percent of the Harbor Department's net income, as shown by the most recent available independently audited financial statements, to the Tidelands Operating Fund. Since Fiscal Year 2008 (FY 08) has not yet ended, the FY 07 audited financial statements are the basis for the FY 09 transfer. The requested transfer of \$16,059,464 represents 10 percent of the Harbor Department's \$160,594,640 net income, as shown on the audited financial statement (Attachment A) for the fiscal year ended September 30, 2007. The Harbor Department would retain a significant net income of \$144,535,176 after the 10 percent contribution to the Tidelands Operating Fund.

Staff has determined that without the requested transfer for FY 09, the Tidelands Operating Fund would close the fiscal year with a deficit, which would necessitate the closing of beaches and elimination of safety services in the Tidelands areas.

Authority to transfer the funds must be expressed by Resolution (attached). The transfer cannot occur until the Resolution is approved by a two-thirds majority of the entire City Council and a

separate Resolution is approved by a majority of all members of the Board of Harbor Commissioners. Since the adoption of the FY 09 budget is dependent upon this transfer, the City Council and Board of Harbor Commissioners must adopt these Resolutions prior to the City Council's adoption of the FY 09 Proposed Budget, which includes the budget of the Harbor Department.

This matter was reviewed by Assistant City Attorney Heather A. Mahood on April 18, 2008 and Budget Management Officer Victoria Bell on April 30, 2008.

City Council approval is requested on May 20, 2008, prior to adoption of the FY 09 budget.

The 10 percent net income transfer from the Harbor Revenue Fund (HR) to the Tidelands Operating Fund (TF) will be included in the FY 09 Proposed Budget of the Harbor Department (HA). In addition, the annual transfer amount was utilized to balance the FY 08 budgets of the various departments that provide services in the Tidelands. Continuity of services in the Tidelands area, such as beach maintenance, lifeguards, fire and police is contingent on the Port transfer.

Approve recommendation.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH MAKING CERTAIN FINDINGS AND DETERMINATIONS AND REQUESTING THE BOARD OF HARBOR COMMISSIONERS OF THE CITY OF LONG BEACH TO APPROVE A TRANSFER OF \$16,059,464 FROM THE HARBOR REVENUE FUND TO THE TIDELAND OPERATING FUND PURSUANT TO THE PROVISIONS OF CITY CHARTER SECTION 1209(C)(4)

Lori Ann Farrell
Director of Financial Management/CFO

NAME
TITLE

APPROVED:

PATRICK H. WEST
CITY MANAGER