



Legislation Details (With Text)

File #: 07-0637 **Version:** 1 **Name:** FM - Transfer Harbor Revenue Fund to Tidelands Operating Fund

Type: Resolution **Status:** Adopted

File created: 5/30/2007 **In control:** City Council

On agenda: 6/5/2007 **Final action:** 6/5/2007

Title: Recommendation to adopt resolution requesting the Board of Harbor Commissioners to approve the transfer of \$15,399,535 from the Harbor Revenue Fund (HR) to the Tidelands Operating Fund (TF) as of October 1, 2007; and

Request the Board of Harbor Commissioners to make said transfer in equal quarterly installments on October 1, 2007, January 1, 2008, April 1, 2008 and July 1, 2008. (Citywide)

Sponsors: Financial Management

Indexes:

Code sections:

Attachments: 1. 060507-R-35sr&att.pdf, 2. RES-07-0077.pdf

Date	Ver.	Action By	Action	Result
6/5/2007	1	City Council	approve recommendation and adopt	Pass

Recommendation to adopt resolution requesting the Board of Harbor Commissioners to approve the transfer of \$15,399,535 from the Harbor Revenue Fund (HR) to the Tidelands Operating Fund (TF) as of October 1, 2007; and

Request the Board of Harbor Commissioners to make said transfer in equal quarterly installments on October 1, 2007, January 1, 2008, April 1, 2008 and July 1, 2008. (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 2007 (FY 07) has not yet ended, the FY 06 audited financial statements are the basis for the FY 08 transfer. The requested transfer of \$15,399,535 represents 10 percent of the Harbor Department's \$153,995,350 net income, as shown on the audited financial statement (Attachment A) for the fiscal year ended September 30, 2006. The Harbor Department would retain a significant net income of \$138,595,815 after the 10 percent contribution to the Tidelands Operating Fund.

Staff has determined that without the requested transfer for FY 08, the Tidelands Operating Fund would not be fiscally able to fund necessary capital asset maintenance and replacement without closing beaches and eliminating 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 07 budget is dependent upon this transfer, the City Council and Board of Harbor Commissioners must adopt these Resolutions prior to the Council's adoption of the Proposed Budget, which includes the budget of the Harbor Department.

Assistant City Attorney Heather A. Mahood and Budget and Performance Management Bureau Manager David Wodynski reviewed this letter on May 22, 2007.

City Council approval is requested on June 5, 2007, prior to adoption of the FY 08 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 08 Proposed Budget of the Harbor Department (HA). In addition, the annual transfer amount was utilized to balance the FY 07 budgets of the various departments that provide services in the Tidelands. Continuity of services in the Tidelands area, such as capital replacement, beach maintenance, lifeguards, fire and police is contingent on the Port transfer.

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 \$15,399,535 FROM THE HARBOR REVENUE FUND TO THE TIDELAND OPERATING FUND PURSUANT TO THE PROVISIONS OF CITY CHARTER SECTION 1209(C)(4)

Approve recommendation.

MICHAEL A. KILLEBREW
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:

GERALD R. MILLER
CITY MANAGER