



Legislation Details (With Text)

File #:	05-2452	Version:	1	Name:	Approve the Fiscal Year 2005 first quarter budget departmental.
Type:	Agenda Item	Status:		Status:	Approved
File created:	2/23/2005	In control:		In control:	City Council
On agenda:	3/1/2005	Final action:		Final action:	3/1/2005
Title:	Recommendation to approve the Fiscal Year 2005 first quarter budget departmental and fund appropriation adjustments in accordance with existing City Council policy.				
Sponsors:	Financial Management				
Indexes:	Budget				
Code sections:					
Attachments:	1. 030105-R-35sr.pdf, 2. 030105-R-35att.pdf				

Date	Ver.	Action By	Action	Result
3/1/2005	1	City Council	approve recommendation	Pass

Recommendation to approve the Fiscal Year 2005 first quarter budget departmental and fund appropriation adjustments in accordance with existing City Council policy.

On September 7, 2004, the City Council adopted the Appropriations Ordinance governing City expenditures for Fiscal Year 2005 (FY 05). From time to time, changes in revenue or operating conditions call for appropriation adjustments. For example, in some cases these adjustments enable departments to expend newly received 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 for impacts to City funds.

This letter was reviewed by Chief Assistant City Attorney Heather A. Mahood on February 1, 2005. .

The following requests for adjustments to FY 05 departmental and fund appropriations are necessary to reflect changes in operating conditions. Timely City Council action is requested to authorize the processing of payments.

Community Development

The Fayade Improvement Program (FIP) allows Long Beach businesses to improve the aesthetics of their facilities through subsidized fayade design and construction services.

There are currently two FIPs offered through the Department of Community Development; the first being funded through Community Development Block Grant (CDBG) funds and focuses on improvements to entire commercial blocks. The second FIP is funded by the Redevelopment Fund (RDA) with a transfer to the Business Assistance Fund (SR 149) and focuses on improvements to individual businesses.

Prior to FY 05, program oversight for both FIPs was provided primarily through the Economic Development Bureau, with one staff position supported equally with RDA and CDBG funds. Beginning in FY 05, to improve accountability, the Department is requesting to shift responsibility for the RDA FIP and the CDBG FIP to the Redevelopment Bureau and the Neighborhood Services Bureau, respectively. This action will have two main budgetary impacts:

The budgeted FIP position will be transferred to the Neighborhood Services Bureau to support the CDBG FIP, while the RDA FIP will be supported using existing Redevelopment Bureau staff. This shift will eliminate RDA support of the FIP position, freeing up RDA resources for direct project expenses. The portion of costs for the position previously funded by RDA, however, will shift to CDBG and the Neighborhood Services Bureau, which is reflected in the requested appropriation increase below.

. Increase appropriations in the Community Development Grants Fund (SR 150) in the Department of Community Development (CD) by \$52,528.

Since responsibility for, and expenses related to, the RDA FIP will remain in the Redevelopment Bureau, there is no longer a need to transfer funds from the RDA to the Business Assistance Fund. Therefore, an appropriation decrease is requested below.

. Decrease appropriations in the Business Assistance Fund (SR 149) in the Department of Community Development (CD) by \$1,500,000.

Fire

On July 11, 2000, the City Council authorized an appropriation increase of \$600,000 in the Fire Department for the Metropolitan Medical Response System (MMRS) grant that provides funds to respond to and mitigate acts of terrorism. Through FY 04, \$357,352 of this grant had been expended. The remaining \$242,648 needs to be appropriated in the General Grants Fund to allow for continued purchase of basic medical supplies for the Emergency Medical Services cache, safety equipment and personal protective equipment. All expenditures will be offset by grant revenue.

. Increase appropriations in the General Grants Fund (SR 120) and in the Fire Department (FD) by \$242,648.

Health and Human Services

On April 1, 2003, the City Council approved expending \$154,000 of the Mayor's Fund for the Homeless to provide critical services including the operation of the Multi-Services Center and printing of the Social Services Guide for homeless clients and nonprofit agencies serving the homeless in Long Beach. These services are being delivered over a three-year period (FY 04 - FY 07), based upon the recommendation of the Homeless Services Advisory Committee (HSAC). The current balance in the account is \$152,248. This budget adjustment represents the estimated required expenditures for FY 05. This appropriation has no impact on the General Fund, as expenditures will be offset by revenue from the Mayor's Fund trust account.

. Increase appropriations in the General Fund (GP 100) and in the Health and Human Services Department (HE) by \$74,000.

Library Services

In August 2004 the State Library awarded the Department of Library Services a series of Federal Library Services and Technology Act (LSTA) grants to fund wireless Internet Hot Zones at the Main Library and four neighborhood libraries, tuition reimbursement for an employee attending Library Science courses and to purchase Spanish Language materials.

. Increase appropriations in the General Grants Fund (SR 120) and in the Library Services Department (LS) by \$107,805.

To correct a data entry keying error in the financial system, a budget adjustment is required to decrease General Fund appropriations to the Library Services Department.

. Decrease appropriations in the General Fund (GP 103) and in the Library Services Department (LS) by \$662,587.

As a result of two significant donations to the Department of Library Services during the first quarter of the fiscal year, an appropriation increase is required. On November 8, 2004, the Friends of the Long Beach Public Library made a \$20,000 donation to the Department of Library Services to purchase additional library materials and resources. On December 7, 2004, Occidental Petroleum made a \$35,000 donation to the Department of Library Services to purchase additional library materials and resources. There will be no impact on the General Fund.

. Increase appropriations in the General Grants Fund (SR 120) and in the Library Services Department (LS) by \$55,000.

Mayor and City Council

In an effort to address the City's structural deficit, the 6th District City Council Office reduced its staffing level during FY 05 budget deliberations. Unfortunately, due to the unexpected transition amongst remaining staff, an adjustment is being requested to add \$35,718 to the FY 05 Budget to provide much needed replacement support.

. Increase appropriations in the General Fund (GP) and in the Legislative Department (LD) by \$35,718.

Police

On July 13, 2004, the City Council authorized the City Manager to execute documents necessary to apply for, accept, and expend all Department of Justice (DOJ), Bureau of Justice Assistance (BJA), Local Law Enforcement Block Grant (LLEBG) program funds. The ninth round of grant funding (LLEBG 2004) has been allocated to the City of Long Beach in the amount of \$257,534, and requires a City match of \$28,615 for a total program budget of

\$286,149. The City match will come from existing General Fund appropriation in the Police Department. Accrued interest earnings on the grant funds will be appropriated through a future quarterly budget adjustment.

The funding is authorized for a two-year period from November 5, 2004 to November 4, 2006. The Police Department proposes to expend the grant award to purchase law enforcement equipment and provide probation services for the Gang Crime Suppression Program.

. Increase appropriations in the General Grants Fund (SR 120) and in the Police Department (PD) by \$257,534.

On September 25, 2001, the City Council authorized the City Manager to accept and expend approximately \$992,000 in funding from SB 739 Supplemental Law Enforcement Services Fund (SLESF). An appropriation adjustment is necessary to transfer the balance of this existing grant in the amount of \$54,030 from the General Fund (GP) to the General Grants Fund (SR 120). As this appropriation was grant offset, there is no impact on the General Fund.

. Decrease appropriations in the General Fund (GP) and in the Police Department (PD) by \$54,030.

. Increase appropriations in the General Grants Fund (SR 120) and in the Police Department (PD) by \$54,030.

On October 25, 2004, the City of Long Beach received a \$715,191 grant from the State of California Citizen's Option for Public Safety Program from the County of Los Angeles Supplemental Law Enforcement Services Fund (SLESF). Since FY 97, the City has used this funding for front-line law enforcement efforts, including police overtime hours.

An appropriation increase for this new grant in the amount of \$715,191 is required, which will be fully offset by grant revenue. There is no impact to the General Fund.

. Increase appropriations in the General Grants Fund (SR 120) and in the Police Department (PD) by \$715,191.

On December 17, 2002, the City Council authorized the City Manager to accept a grant award from the State of California Office of Traffic Safety to implement a Driving Under the Influence Impact Program. Appropriations need to be increased in the General Grants Fund and in the Police Department by \$27,295 to allow for these funds to be expended. There is no impact to the General Fund.

. Increase appropriations in the General Grants Fund (SR 120) and in the Police Department (PD) by \$27,295.

On September 15, 2004, the City of Long Beach received a \$98,948 grant from the U.S. Department of Justice, Community Oriented Policing Services Law Enforcement Technology Grant to assist in the upgrade of the Tiburon Records Management System currently used

by the Long Beach Police Department. To utilize these funds, an appropriation increase is necessary. There is no impact to the General Fund.

. Increase appropriations in the General Grants Fund (SR 120) and in the Police Department (PD) by \$98,948.

On June 11, 2002, the City Council authorized the City Manager to apply for and accept \$781,000 from the U.S. Department of Justice, Community Oriented Policing Services (COPS) for the 2002

Technology Grant. This grant is being utilized to support overtime expense incurred for a document imaging project. On September 29, 2004, the COPS Office granted a six-month extension to the grant. An appropriation increase of \$103,358 is required to expend the balance of these funds. There is no impact to the General Fund.

. Increase appropriations in the General Grants Fund (SR 120) and in the Police Department (PD) by \$103,358.

In August 1999, the City assisted the Marina Pacifica Homeowners Association in obtaining bonds to purchase Marina Pacifica land. In return, the Association agreed to pay the City \$25,000 annually as long as the bonds are outstanding. The legal requirements of the agreement specified that the funds received must be used for expenses related to public safety or other municipal purposes. The Police Department proposes to expend the funds available in FY 05 to secure equipment and resources to help reduce crime and improve public safety. There is no impact to the General Fund.

. Increase appropriations in the General Grants Fund (SR 120) and in the Police Department (PD) by \$25,000.

Public Works

On November 16, 2004, the City Council authorized the City Manager to receive and expend \$11,943,854 in Urban Area Security Initiative II (UASI) grant funds from the U.S. Department of Homeland Security and \$905,966 of Office of Domestic Preparedness (ODP) grant funds. Both grant funds were appropriated in the Police and Fire Departments at that time.

An appropriation increase is required in the Fleet Fund to execute the purchase of vehicles authorized by these grants. The expense appropriation will be fully offset by a transfer of grant funds from the Police and Fire Departments. There is no impact to the General Fund.

. Increase appropriations in the Fleet Fund (IS 386) in the Department of Public Works (PW) by \$2,335,668.

On October 21, 2003, the City Council authorized the City Manager to accept funding from the Centers for Disease Control (CDC) in the amount of \$332,587 for modifications to the Public Health Laboratory to provide space for increased biohazard testing and training services. An appropriation increase in the Health Fund was made at that time. An appropriation increase in the Capital Projects Fund is needed to expend the portion of the restricted funds that have already been received for the lab remodel for construction. There is no impact to the General Fund.

. Increase appropriations in the Capital Projects Fund (CP 201) in the Department of Public Works (PW) by \$255,340.

Interdepartmental Transfers

As a result of the organization's efforts to streamline and optimize its service delivery structures and mechanisms, several consolidations or transfers of program responsibilities between departments have occurred. These transfers occurred subsequent to the adoption of the FY 05 budget, requiring the following appropriation adjustments to align resources with operational needs.

Pollution Reduction Program Consolidation and Fundina

In order to consolidate pollution reduction programming efforts into one department, the Directors of Public Works and Technology Services agreed to transfer responsibility for the Mobile Source Emission Reduction, Ride Share Program, Rule 2202 Compliance and Liquefied Natural Gas Programs from the Department of Technology Services to the Department of Public Works effective October 1, 2004.

To execute this transition, the Department of Technology Services requests that its FY 05 adopted appropriation of \$490,000 for AS 2766 Mobile Source Air Pollution Reduction funds and \$35,000 for SCAQMD Rule 2202 Compliance be moved to the Department of Public Works. The Department of Technology Services also requests that primary funding for personal services and associated departmental overhead in the amount of \$51,851 be reallocated within the department to Pike Parking operations in the Rainbow Harbor Area Fund (TF 411).

In addition, in FY 04, the City was awarded \$500,000 from the South Coast Air Quality Management District (SCAQMD) toward the construction of a \$1.1 million refueling station.

This amount was appropriated in FY 04. The project was not started during the fiscal year, and the \$600,000 in Transportation Fund (SR 182) monies were not appropriated for use in FY 05. To complete the Liquefied Natural Gas refueling station in FY 05, however, these funds need to be re-appropriated at this time. The requested appropriation increase will be funded with FY 04 AS 2766 fund balance and will not impact existing projects.

- . Decrease appropriations in the Transportation Fund (SR 182) and in the Department of Technology Services (TS) by \$502,826.

- . Increase appropriations in the Transportation Fund (SR 182) and in the Department of Public Works (PW) by \$1,090,000.

- . Decrease appropriations in the Civic Center Fund (IS 380) and in the Department of Technology Services (TS) by \$74,025.

- . Increase appropriations in the Civic Center Fund (IS 380) and in the Department of Public Works (PW) by \$35,000.

- . Increase appropriations in the Rainbow Harbor Area Fund (TF 411) and in the Department of Technology Services (TS) by \$51,851.

Code Enforcement Consolidation

As part of the City's optimization study on Code Enforcement, the consolidation of inspection and enforcement efforts under the Department of Community Development was recommended. The study's recommendations, which were presented to the City Council on May 11, 2004, were aimed at improving communication, coordination and compliance associated with the City's myriad code enforcement efforts. Due to the timing of implementation activities, the FY 05 Adopted Budget reflects appropriations prior to program consolidation. The consolidation effort was initiated at the beginning of October 2004, by combining staff into one team under Community Development's leadership. To continue the consolidation process, City Council approval is requested to transfer appropriations related to Code Enforcement functions from the Departments of Planning and Building and Health and Human Services, to the Department of Community Development. In addition to the transfer, the

requested adjustment also includes a nominal increase in the Health and General Fund appropriations, offset by existing Health Fund revenue and additional General Fund revenue anticipated through realigned Code Enforcement activities.

. Increase appropriations in the General Fund (GP) in the Department of Community Development (CD) by \$2,457,777.

. Decrease appropriations in the General Fund (GP) in the Department of Planning and Building (PB) by \$2,403,358.

. Increase appropriations in the Health Fund (SR 130) in the Department of Community Development (CD) by \$523,472.

. Decrease appropriations in the Health Fund (SR 130) in the Department of Health and Human Services (HE) by \$466,699.

Tidelands Fund Structural Savinas

A shortfall of \$1.41 million was anticipated in the Tidelands Fund for FY 05. Accordingly, reductions in this amount were made in the Fire, Police and Parks, Recreation and Marine Departments' FY 05 Adopted Budgets to achieve a balanced budget for the fiscal year.

The Fire, Police and Parks, Recreation and Marine Departments included the following reductions to meet the necessary savings target:

. Reduce fleet maintenance charges for rescue boats . Transfer sale proceeds and replacement funds set aside in the Fleet Fund for one rescue boat (which is expected to be lease-financed) . Enhance revenue opportunities for Belmont Plaza Pool programs, Roller Hockey Program advertising and Aquatic Youth Camps

. Optimize the operations of the Belmont Pool and Roller Hockey Programs to reduce program costs . Reduce budget associated with Tidelands ground maintenance optimization . Reduce structural maintenance services at beach facilities . Reduce expenditures for non-routine maintenance and repair . Eliminate a vacant Marine Patrol Security Officer position

With the aid of increased oil revenue at year-end, however, it was determined that only \$828,147 in reductions was required in the Tidelands Fund. This following budget adjustment restores appropriation to the affected departments to reflect the increased revenue from oil production.

. Increase appropriations in the Tidelands Fund (TF) and in the Fire Department (FD) by \$175,021.

. Increase appropriations in the Tidelands Fund (TF) and in the Department of Parks, Recreation and Marine (PR) by \$720,237.

. Increase appropriations in the Tidelands Fund (TF) and in the Police Department (PO) by \$55,229.

Approve recommendation.

[Enter Body Here]

[Respectfully Submitted,]