



Legislation Text

File #: 09-0923, **Version:** 1

Recommendation to receive supporting documentation into the record, conclude the public hearing and take the actions necessary to adopt the Fiscal Year 2010 budget as listed in Attachment A of the letter. (Citywide)

On July 30, 2009, the City Manager's Proposed Budget for Fiscal Year 2010 (FY 10) was delivered by the Mayor to the City Council and community with recommended amendments for consideration. Subsequent workshops and hearings were set for August 4, August 11, August 18, August 25, August 31, September 1, and September 8, along with approximately three Budget Oversight Committee (BOC) meetings and 14 community meetings at which the FY 10 Proposed Budget was discussed. We are pleased to report that through the scheduled workshops, hearings, BOC and community meetings, presentations have been made by multiple City departments resulting in 23 separate opportunities for public feedback, deliberation and input.

At the conclusion of the hearings, the City Council will be asked to amend the proposed budget as it deems appropriate, and to adopt the proposed budget as amended. Since the publication of the FY 10 Proposed Budget, updated estimates of revenue and expense, which address technical corrections as well as decisions made by elected offices, are listed by fund and department in Attachments Band C to this letter, respectively.

The Appropriations Ordinance officially adopts the FY 10 budget and authorizes expenditures in conformance with the adopted budget. To become effective October 1, 2009, this Ordinance must include a finding of emergency. Specific resolutions provide for approval of the budgets for the Harbor, Sewer and Water funds; and certain fee adjustments. Requests for approval include the FY 10 Capital Improvement Program;
- the Mayor's Recommendations; and the Budget Oversight Committee's Recommendations to the FY 10 Proposed Budget.

This letter was reviewed by Assistant City Attorney Heather A. Mahood on August 24, 2009.

In accordance with the Long Beach City Charter, the FY 10 budget must be adopted by September 15, 2009, following at least one public hearing. Should the City Council fail to adopt the budget on or by that date, the City Manager's FY 10 Proposed Budget shall be deemed the budget for the 2010 fiscal year. The Mayor then has five calendar days from City Council adoption of the budget to use his veto authority. The City Council would then have until September 30, 2009, to override veto action by the Mayor with a two-thirds. supermajority vote.

The City Charter requires that the Appropriations Ordinance shall govern and control the expenditure and commitment amounts stated therein relating to the City's departments, offices and agencies during each fiscal year. The total FY 10 budget for all departments and funds is \$2,890,216,712, which comprises \$2,544,519,957 in new appropriation and \$349,696,755 in estimated carry-over from FY 09 for multi-year grants and projects.

The Appropriations Ordinance, included as Attachment A-17 to this letter, totals \$1,549,226,942 for all funds except Harbor, Water and Sewer, and \$1,552,390,329 for all departments except Harbor and Water. The \$3,163,387 difference between funds and departments in the Appropriations Ordinance is due to general City indirect costs budgeted in the Department of Financial Management but charged to the Harbor, Water and Sewer funds, which are not included in the Appropriation Ordinance by fund.

The proposed Harbor, Water and Sewer Fund budgets are in separate City Council ordinances included as Attachment A-1 and A-4 to this letter, respectively, and total \$995,293,015. The budget for the Harbor Department was adopted by the Board of Harbor Commissioners by minute order on May 18, 2009. The budget for the Water Department was adopted by the Board of Water Commissioners by resolution on July 10, 2009. .

All user fees and charges in the attached Master Fee and Charges Schedule (A-5) have been increased by the City Cost Index, a calculation of the projected increase in the City's cost from FY 09 to FY 10, except for those fees that are set using other criteria. In addition to the CCI-based fee changes, some fees have been added or adjusted due to a change in service or other bases. For details regarding these proposed new fees and non-CCI fee adjustments, please see the List of Proposed Fee Adjustments for FY 10 that has been incorporated as Exhibit C to the Master Fee and Charges Resolution.

Other requested City Council actions include approval of the FY 10 One-Year Capital Improvement Program (CIP) budget, which is contained in the Appropriations Ordinance. The Planning Commission, at its meeting of August 20, 2009, approved the CIP for FY 10 for conformance with the General Plan. Any projects that are not in conformance with the Plan will be highlighted by Development Services staff and steps to secure conformance will be outlined.

Further, motions approving the budgets of the Redevelopment Agency's (RDA) Project Area Committees (PACs) for the Central Long Beach, the West Long Beach Industrial and the North Long Beach Project Areas and the Long Beach Housing Development Company (HDC) are requested. The PAC budgets are included in the budget of the Development Services Department, while the budget of the HDC is included in the budget of the Community Development Department. In addition, a motion finding the use of North Redevelopment Project Funds on behalf of the Central Redevelopment Project's low-and-moderate-housing efforts will benefit the North Redevelopment Project area.

The City Council is also requested to adopt the Resolution establishing the "Gann Appropriations Limit" (Limit) for general purpose expenditures. In November 1979, the voters of the State of California approved Proposition 4, also known as the "Gann Initiative." The Initiative places certain limits on the amount of tax revenue that can be appropriated each fiscal year. The Limit is based on actual appropriations during FY 79 and guards against overspending proceeds of taxes. Only those revenues which are considered as "proceeds of taxes" are subject to the Limit. The Limit is recalculated each fiscal year based on certain inflation and population factors provided by the State. The proposed budget includes tax revenue estimates that are at 40.86 percent of the 2009-2010 Appropriations Limit and, therefore, does not exceed the Limit. This calculation is reviewed by the City Auditor for conformance to the law.

Approve recommendation.

LORI ANN FARRELL
DIRECTOR OF FINANCIAL MANAGEMENT/CFO

APPROVED:

PATRICK H. WEST
CITY MANAGER