



Legislation Text

File #: 19-0139, **Version:** 1

Recommendation to approve the Fiscal Year 2019 first departmental and fund budget appropriation adjustments in accordance with existing City Council policy. (Citywide)

On September 4, 2018, the City Council adopted the Appropriations Ordinance governing the City's Adopted Budget for Fiscal Year 2019 (FY 19). 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 19 General Fund Expenditure Budget Adjustments and Attachment C for Citywide Healthcare Savings by Department and Fund.

This matter was reviewed by Deputy City Attorney Amy R. Webber on February 4, 2019.

The following requests for adjustments to FY 19 departmental and fund appropriations are necessary to reflect changes in operating conditions. City Council action is requested on February 19, 2019, to enable the timely processing of budget adjustments.

FY 19 Appropriation Adjustments

Airport

- 1. Increase appropriations in the Airport Fund (EF 320) in the Airport Department (AP) by \$785,730 for replacement of historic terminal's heating, ventilation and air conditioning (HVAC) system, offset by funds available.*

The replacement of the HVAC system in the Airport's historic terminal includes the replacement of an air handling unit, condensing unit, and associated ductwork and piping. The new unit is much more efficient in terms of Seasonal Energy Efficiency Ratio (SEER) measurements and is equipped with state of the art electronic controls for optimized energy savings. The replacement will be performed under the City's Job Order Contract (JOC) and is estimated to be completed early in calendar year 2019. The new system will have a positive impact to employees, tenants and travelers, especially during the cold winter months or the hot summer season, and is another step towards a greener Airport. The cost of the replacement, including construction, inspection and project oversight, and is estimated at

\$785,730 and funded by funds available.

City Manager

2. *Increase appropriations in the General Fund (GF) in the City Manager Department (CM) by \$25,000 for upgrades to electrical ballasts (for LED lighting) at four City Facilities, offset by a transfer from the General Grants Fund (SR 120) in the Development Services Department (DV).*

To reduce energy costs and greenhouse gas emissions within the City of Long Beach, the Office of Sustainability will participate in Southern California Edison's Direct Install Program and receive funding to support lighting upgrades at four City facilities: the Senior Center, North Division Police Station, Burnett Neighborhood Library and the Bay Shore Library. The labor and installation of the special LED lights is funded through the Direct Install Program. The ballasts are necessary for the lighting upgrades and are estimated to cost \$25,000, and will be offset by a transfer from the General Grants Fund (SR 120) in the Development Services Department from revenue received from Southern California Edison. The lighting retrofits are estimated to save over \$27,000 and 180,000 kWh annually. The project will demonstrate the City's commitment to climate action and energy efficiency.

3. *Increase appropriations in the Special Advertising and Promotion Fund (SR 133) in the City Manager Department (CM) by \$80,000 for preliminary work in developing a Citywide Communications Plan, offset by funds available.*

As a communications leader among government agencies in public information, the City of Long Beach strives to remain at the forefront of emerging trends and innovative communications strategies. The development of a Neighborhood Engagement and Community Communications Plan (Plan) is a major multi-departmental effort involving a variety of internal and external stakeholders. The development of a Plan involves extensive research and analysis by City communications staff in cooperation with other City departments and community members. An appropriation increase is requested to retain consulting services to conduct research on our community's perception of and desires for communications from the City.

4. *Increase appropriations in the Special Advertising and Promotion Fund (SR 133) in the City Manager Department (CM) by \$25,000 to conduct visioning, supported by community outreach, for an African American Cultural Arts Center, offset by funds available.*

To ensure the Visioning Process for the African American Cultural Arts Center is inclusive of all stakeholders in Long Beach, the City Manager's Department is engaging two consultants, each costing \$25,000, to focus on community engagement and cultural planning respectively. The Community Engagement consultant will conduct a robust community outreach strategy, involving marketing and facilitating community meetings, conducting stakeholder interviews, soliciting input through other mediums, and synthesizing findings into a comprehensive

report. The strategy will also function to promote a future African American Cultural Arts Center and increase visibility and access to the visioning process. An additional \$25,000 for the project will be funded by FY 18 year-end surplus in the General Fund (GF) as approved during the adoption of the FY 19 Budget as part of contingent funding. Those funds will be for the Cultural Planning consultant who will provide education on the requirements to construct, maintain, and program an African American Cultural Arts Center, and will facilitate the development of an operating vision with the Community Advisory Committee.

Civil Service

5. Increase appropriations in the Employee Benefits Fund (IS 391) in the Civil Service Department (CS) by \$200,000 for consulting services to revamp Civil Service testing processes, offset by funds available.

The City Manager's Department is working with the Civil Service Department to acquire one-time consultation services to revamp the Civil Service testing process for an estimated cost of \$200,000. The Civil Service Department will conduct a comprehensive review of the employment testing system to enhance the candidate/applicant experience, improve cycle-time for hiring; streamline processes, increase the quality of the candidate pools/eligible lists, and to advance equity and diversity within the City of Long Beach. The Civil Service Department is interested in transitioning, where appropriate, to a broad-based online employment testing system to improve efficiency and anticipates this transition will also result in reduced costs and verifiably improved metrics for the reliability and validity of its selection processes.

Development Services

6. Increase appropriations in the Community Development Grants Fund (SR 150) in the Development Services Department (DV) by \$29,000 to support the 2019 Neighborhood Leadership Program, offset by grant revenue.

The Neighborhood Leadership Program (NLP) is a nationally recognized program to train residents working to improve their neighborhoods. The Port of Long Beach and the Andeavor Foundation have pledged \$4,000 and \$25,000, respectively, to the NLP in support of the NLP Class of 2019. These funds will help 30 participants develop grassroots leadership and organizing skills, teach participants how to leverage resources to improve quality of life in their neighborhoods and help fund four class project events.

7. Increase appropriations in the Development Services Fund (EF 337) in the Development Services Department (DV) by \$50,000 to fund a FUSE Fellow, mobilizing local efforts to maximize participation in the U.S. Census 2020, offset by funds available.

On August 7, 2018, the City Council authorized the City Manager to enter into an agreement with FUSE Corps, a non-profit corporation of San Francisco, CA, to participate in the FUSE

Corps Fellowship Program. The City Manager proposed four new FUSE Fellow projects for Fiscal Year 2019. The Development Services Department is contributing \$50,000, offset by funds available to fund one of the four projects: mobilizing local efforts to maximize participation in the U.S. Census 2020.

Disaster Preparedness and Emergency Communications

8. *Increase appropriations in the General Grants Fund (SR 120) in the Health and Human Services Department (HE) by \$69,847 for heavy equipment, offset by a reallocation of Homeland Security grant funding.*

Increase appropriations in the General Grants Fund (SR 120) in the Parks, Recreation, and Marine Department (PR) by \$29,000 for emergency equipment, offset by a reallocation of Homeland Security grant funding.

Increase appropriations in the General Grants Fund (SR 120) in the Disaster Preparedness and Emergency Communications Department (DC) by \$17,367 to partially offset other Departments' grant expenditures.

Decrease appropriations in the General Grants Fund (SR 120) in the Fire Department (FD) by \$35,814 to partially offset other Departments' grant expenditures.

Decrease appropriations in the General Grants Fund (SR 120) in the Police Department (PD) by \$80,400 to partially offset other Departments' grant expenditures.

In April 4, 2017, the City Council approved the City's Federal 2016 Urban Area Security Initiative (UASI 2016) grant award for \$6,216,170. Current reallocation of funds due to cost savings to grant-eligible programs and equipment is being requested to support grant eligible expenditures made by participating departments within the grant performance period of January 31, 2019. These additional funds authorize the Health and Human Services Department to purchase a forklift, Chevy Volt vehicle, and autoclaves. Additionally, these funds authorize the Parks, Recreation and Marine Department to purchase emergency equipment. Appropriation adjustments are requested for the Health and Human Services, Parks, Recreation and Marine, Fire, Disaster Preparedness and Emergency Communications and Police Departments to offset eligible expenditures within the grant performance period.

9. *Increase appropriations in the General Grants Fund (SR 120) in the Disaster Preparedness and Emergency Communications Department (DC) by \$96,667 for equipment and training, offset by grant revenue.*

In July 10, 2018, the City Council approved the City's Federal 2017 Urban Area Security Initiative (UASI 2017) grant award for \$825,000. Subsequently, additional funds in the amount of \$96,667 have been made available to the Disaster Preparedness and Emergency Communications Department for equipment and planning from the region for grant eligible

programs and equipment, for a total award of \$921,667.

Energy Resources

10. Increase appropriations in the Gas Fund (EF 301) in the Energy Resources Department (ER) by \$3,000,000 for approved AB 32 projects, offset by funds available.

Annually, the Energy Resources Department budgets AB 32 (Cap and Trade Program) funds for eligible projects. As part of the FY 19 Adopted Budget, AB 32 funds were budgeted in the Capital Projects Fund for eligible renovations at the North Health Facility. An appropriation increase is needed to transfer AB 32 funds from the Gas Fund, where the funds are generated, to the Capital Projects Fund for the approved project.

Health and Human Services

11. Increase appropriations in the Health Fund (SR 130) in the Health and Human Services Department (HE) by \$213,000 for the purchase of prescription medication at a reduced cost through participation in the 340B program, offset by reimbursement revenue from patients' insurance or Pharmacy Benefits Manager.

On September 4, 2018, the City Council authorized the City Manager to execute an agreement with Wellpartner, LLC to serve as an Administrator of a 340B Pharmacy Program on behalf of the Health and Human Services Department, to provide reduced pricing for eligible prescription drugs, for the period of October 1, 2018 through September 30, 2020. The City's annual cost is estimated at \$213,000 for prescription medications at the reduced 340B cost, offset by an estimated \$388,000 in annual gross revenue generated by the reimbursement of drugs at the full market price of the drug by the patients' insurance or Pharmacy Benefits Manager.

12. Increase appropriation in the Health Fund (SR 130) in the Health and Human Services Department (HE) by \$85,000 for oversight of cannabis business Community Reinvestment Plans, offset by a transfer from the Fire Department (FD).

On July 10, 2018, the City Council adopted the Cannabis Social Equity Program (Equity Program). The goal of the Equity Program is to support equal opportunity in the cannabis industry. As part of the Equity Program, adult-use cannabis businesses will be required to submit a Community Reinvestment Plan (Plan) to the City, describing how they intend to support adjacent neighborhoods and communities within eligible social equity program census tracts. The Plans will be reviewed and monitored by the Equity Office in the Health and Human Services Department (HE). On-going costs related to the review of the Plans in the Equity Program will be offset by fee revenues charged to adult-use cannabis businesses, collected in the Financial Management Department (FM). However, there is currently a shortfall in fee revenues due to the slow pace of adult-use cannabis business openings. As a result, to fund the review of Plans in FY 19, a one-time transfer of \$85,000 from the General

Fund (GF) in the Fire Department (FD) will be made to HE. FD currently has salary savings from a vacant position related to the cannabis regulatory program. FD will not be filling this vacancy in FY 19 and is able to transfer the appropriation to help fund the Plan review.

13. *Increase appropriations in the General Fund (GF) in the Health and Human Services Department (HE) by \$200,000 for development of the Youth Strategic Plan, offset by appropriation from the City Manager Department (CM).*

Decrease appropriations in the General Fund (GF) in the City Manager Department (CM) by \$200,000, to appropriate one-times funds in the Health and Human Services Department (HE).

As part of the FY 19 Adopted budget, \$200,000 in one-time funds was allocated to fund a Youth and Children Strategic Plan, and the City Manager has designated the Health and Human Services Department (HE) to coordinate the effort. In an effort to enhance community initiatives for youth, the HE will hire a consultant to conduct a youth development strategic planning process that is inclusive of all youth across the City. The planning process will involve the Commission on Youth and Families, Invest in Youth Coalition, other relevant community organizations, HE, the Parks, Recreation and Marine Department, and any other department identified by the City Manager. If there are funds remaining after the strategic planning process, those funds will be applied towards the implementation of the plan.

Legislative Department

14. *Increase appropriations in the General Fund (GF) in the Citywide Activities Department (XC) by \$286,791, offset by various City Council District Offices' FY 18 year-end savings as listed below.*

Individual City Council District Office budget surpluses are allocated in the following fiscal year to supplement each respective Council Office's District Priority funding (also known as Divide-by-Nine funding) for infrastructure projects and existing City programs. Budget adjustments are necessary to appropriate the FY 18 Council District office budget surpluses to supplement FY 19 District Priority funding in the Citywide Activities Department. The Third Council District had an office budget surplus of \$5,191. On December 4, 2018, the City Council approved \$5,191 of the Third Council District's FY 18 office budget surplus to be allocated to support community meetings, event and public outreach efforts.

15. *Decrease appropriations in the General Fund (GF) in the Legislative Department (LD) by \$16,583 to offset the Ninth Council District's overage in FY 18.*

At the end of FY 18, the Ninth Council District exceeded its operating budget by \$16,583, which will be offset in the following fiscal year's operating budget. A budget adjustment will reduce the Ninth Council District's FY 19 budget by the overage amount of \$16,583. No other Council District's carryover will be impacted.

Library

16. *Increase appropriations in the General Grants Fund (SR 120) in the Library Services Department (LS) by \$718,075 for literacy programming, Mobile Studio program support and book purchases, offset by grant revenue.*

The Long Beach Public Library (LBPL) has received revenues totaling \$183,075 from the Long Beach Public Library Foundation for the following items: \$48,075 for literacy programming and \$135,000 for Mobile Studio program support. In addition, the LBPL has received revenue from JetBlue in lieu of fines for noise violations since 2007 for \$535,000 which supplement the library's book purchases.

Parks, Recreation, and Marine

17. *Increase appropriations in the Capital Projects Fund (CP) in the Parks, Recreation and Marine Department (PR) by \$2,264,000 for Citywide Irrigation Projects, offset by appropriation from the Public Works Department (PW).*

Decrease appropriations in the Capital Projects Fund (CP) in the Public Works Department (PW) by \$2,264,000, to appropriate the project funds to the Parks, Recreation and Marine Department (PR).

The Parks, Recreation, and Marine Department (PR) is requesting an appropriation increase in the amount of \$2,264,000 in the Capital Projects Fund (CP) for Citywide Irrigation Projects. Project implementation, project management, and construction inspections for citywide park irrigation projects has been moved from the Public Works Department (PW) to PR. Funding for these projects include various sources such as Measure A, Los Angeles County Regional Park and Open Space District Excess Funds Grant Program, General Fund One-Time allocation, and a rebate program. These projects will replace decades-old, antiquated irrigation controllers with a new centrally managed system throughout park locations in Long Beach. These projects will automate watering controls which will enhance staff and water efficiency and help ensure the health of park landscape and trees to support green space, habitat and safe playing fields for the Long Beach community.

18. *Increase appropriations in the General Fund (GF) in the Parks, Recreation and Marine Department (PR) by \$48,823 for programing activities, offset by a transfer of District Priority Funds from the Capital Projects Fund (CP) in the Public Works Department (PW) as listed below.*

Various City Council Districts have allocated one-time District Priority Funds for the Parks, Recreation, and Marine Department programing activities. This is a technical clean-up to move the appropriation to the department that will be managing the activities. The appropriation increase in the General Fund (GF) in the Parks, Recreation and Marine

Department (PR) is offset by a transfer of one-time District Priority Funds from the Capital Projects Fund (CP) in the Public Works Department (PW).

Police

19. *Increase appropriations in the Tidelands Operations Fund (TF 401) in the Police Department (PD) by \$25,000 for police overtime in the East Division, offset by funds available.*

Decrease appropriations in the Marina Fund (TF 403) in the Police Department (PD) by \$25,000 to place this appropriation in the correct fund, Tidelands Operations Fund.

As part of the FY 19 Adopted Budget process, City Council approved the use of \$25,000 in Tidelands Operations Fund (TF 401) to fund overtime in all Tidelands areas. This request is a technical correction to allocate the budget in the proper fund.

20. *Increase appropriations in the General Fund (GF) in the Police Department (PD) by \$31,528 for K-9 related purchases, offset by a transfer from the Insurance Fund (IS 390) in the Human Resources Department (HR).*

Increase appropriations in the Insurance Fund (IS 390) in the Human Resources Department (HR) by \$31,528 for the transfer to the Police Department (PD), offset by insurance claims revenue in funds available.

The City received insurance payments in the amount of \$31,528 related to the death of Credo, a Police Department canine who was killed in the line of duty. The funds were deposited into the Insurance Fund (IS 390) in FY 18. The Police Department is requesting use of these funds in FY 19 for K-9 related purchases.

Public Works

21. *Increase appropriations in the General Fund (GF) in the Public Works Department (PW) by \$73,984 for tree trimming, offset by a transfer from the Capital Projects Fund (CP).*

The Seventh Council District provided one-time District Priority Funds for tree trimming in the public right-of-way. This is a technical clean-up to move the appropriation to the correct fund.

22. *Increase appropriations in the General Fund (GF) in the Public Works Department (PW) by \$1,162,309, offset by a transfer from the Parks, Recreation and Marine Department (PR);*

Decrease in appropriations in the General Fund (GF) in the Parks, Recreation and Marine Department (PR) by \$1,162,309, to offset a transfer to the Public Works Department (PW);

Increase appropriations in the Tidelands Operations Fund (TF 401) in the Public Works Department (PW) by \$39,925, offset by a transfer from the Parks, Recreation and Marine Department (PR).

Decrease appropriations in the Tidelands Operations Fund (TF 401) in the Parks, Recreation and Marine Department (PR) by \$39,925, to offset a transfer to the Public Works Department (PW).

Increase appropriations in the Tidelands Area Funds (TF) in the Public Works Department (PW) by \$79,717, offset by a transfer from the Parks, Recreation and Marine Department (PR).

Decrease appropriations in the Tidelands Area Funds (TF) in the Parks, Recreation and Marine Department (PR) by \$79,717, to offset a transfer to the Public Works Department (PW).

As part of the FY 19 Adopted Budget, the City Council directed the Public Works (PW) and Parks, Recreation and Marine (PR) Departments to work together to transfer all street median responsibilities, including MTA Blue Line, parking lots, and marina contract areas, from PR to PW. After this transfer, PW will be responsible for maintaining all street medians within Long Beach. The total amount being transferred to PW is \$1.28 million, including \$1,162,309 in the General Fund (GF), \$39,925 in the Tidelands Operations Fund (TF 401) and \$79,717 in the Tidelands Area Funds (TF). These funds are for utilities and contractual maintenance costs, and do not include any budgeted positions. FTEs in PR that managed these operations are part of managing other overall operations and are not available for transfer to PW. The 24 FTEs that were transferred to PR in FY 04 have been eliminated in previous budget reductions. It is expected that PW will need additional FTEs in order to manage the work and will likely be requested as part of the FY 20 Budget development process.

23. Increase appropriations in the Capital Projects Fund (CP) in the Public Works Department (PW) by \$500,000 for citywide wayfinding signage, offset by a transfer from the City Manager Department (CM).

The implementation of citywide signage and wayfinding, per the adopted Signage Master Plan, will include gateway locations, monuments, directional wayfinding, pedestrian wayfinding, and coastal access wayfinding. As part of the FY 19 Adopted Budget, \$500,000 in one-time funds were approved for wayfinding signage in the Special Advertising and Promotions Fund (SR 133) in the City Manager Department (CM). These funds will be transferred to the Public Works Department for the implementation of the wayfinding and signage project.

24. Increase appropriations in the Capital Projects Fund (CP) in the Public Works Department (PW) by \$123,000 to fully fund needed repairs to the rooftop tower at Fire Station

7, offset by a transfer from the Fire Department (FD).

The rooftop tower at Fire Station 7, located at 2295 23rd Street, is in need of repairs which as a result of deterioration consistent with time, use, and conditions. Inspections and evaluations of the tower by Fire and Public Works Department staff estimated the cost to replace existing siding, repair window trims and repair of the tower dome to be \$123,000. The estimated cost of this project will be offset by a transfer from the General Fund (GF) in the Fire Department (FD) from salary savings.

25. Increase appropriations in the Capital Projects Fund (CP) in the Public Works Departments (PW) by \$150,000 for sidewalk and street resurfacing improvements to the Carson Street Corridor, offset by a transfer from the General Fund (GF) in the Economic Development Department (ED).

The Public Works Department (PW) has performed street improvements to Norse Way between Lakewood Blvd and Carson Street. These improvements include, but are not limited to, cold milling and resurfacing asphalt, root pruning, curb and gutter, cross gutter, and concrete sidewalk repairs. These improvements are funded by a transfer of FY 18 one-time funds in the General Fund in the Economic Development Department to PW.

26. Increase appropriations in the Capital Projects Fund (CP) in the Public Works Department (PW) by \$1,920,197 for the Santa Fe Avenue Synchronization Enhancement Project, offset by a grant award from the Los Angeles County Metropolitan Transportation Authority.

On January 8, 2013, the City Council authorized grant applications to the Los Angeles County Metropolitan Transportation Authority (LA Metro). The City Council also authorized the City Manager to execute all documents to accept and expend the grant funds. On December 5, 2018 the City Attorney's Office executed a funding agreement with LA Metro for the Santa Fe Avenue Synchronization Enhancement Project, that will make various upgrades and improvements to traffic signals, signal controllers and other equipment along the Santa Fe corridor, in the amount of \$1,920,197. The total project cost is estimated at \$3,324,797, which includes a local match of \$1,280,131 and additional project administrative costs of \$124,469. The match funds and administrative costs are currently budgeted in the Public Works Department (PW) in the Capital Projects Fund (CP) in the amount of \$257,000, Gas Tax Street Improvement Fund (SR 181) in the amount of \$922,600, and Transportation Fund (SR 182) in the amount of \$225,000.

27. Increase appropriations in the Capital Projects Fund (CP) in the Public Works Department (PW) by \$100,000 for the Deforest Park Wetlands Project, offset by grant funding from the LA County Regional Park and Open Space District Funding.

Decrease appropriations in the Capital Projects Fund (CP) in the Parks, Recreation and Marine Department (PR) by \$100,000.

Increase appropriations in the Capital Projects Fund (CP) in the Parks, Recreation and Marine Department (PR) by \$26,249, offset by a decrease in appropriation in the Public Works Department.

Decrease appropriations in the Capital Projects Fund (CP) in the Public Works Department (PW) by \$26,249.

On May 3, 2011, the City Council authorized funding from the Los Angeles County Regional Park and Open Space District for the Sleepy Hollow Greenbelt Project (Project) in the amount of \$100,000. The Project has been cancelled because the City was unable to obtain approval from adjacent landowners to construct the project. Upon the cancellation of the Project, design and planning expenditures totaling \$26,249 were deemed no longer eligible for grant reimbursement. On November 28, 2018, the Los Angeles County Regional Park and Open Space District agreed to defund the Project grant and amend the Deforest Wetlands Development Project Grant by \$100,000. The Public Works Department (PW) and Parks, Recreation and Marine Department (PR) have agreed to exchange funding to cover the expenses incurred by PR for the Sleepy Hollow Greenbelt project and to complete the budget for the Deforest Park project, which is to be managed by PW.

28. Increase appropriations in the Civic Center Fund (IS 380) in the Public Works Department (PW) by \$500,000 for design and construction of a Civic Center Public Safety Memorial, offset by a transfer from the Special Advertising and Promotion Fund (SR 133) in the City Manager Department (CM).

Increase appropriations in the Special Advertising and Promotion Fund (SR 133) in the City Manager Department (CM) by \$500,000 to transfer to the Civic Center Fund (IS 380), offset by funds available.

To appropriately commemorate and memorialize our City's public safety personnel who have lost their lives while serving in the line of duty, the City Manager Department is proposing the installation of an artistic Public Safety Memorial on the campus of the new Civic Center. Associated costs will go towards the design and construction of the memorial, which will be prominently featured in the new Civic Center as both a solemn memorial and an artistic addition to the campus. An appropriation increase in the Civic Center Fund in the Public Works Department is necessary for the design and construction of the memorial and will be offset by a transfer from the Special Advertising and Promotion Fund in the City Manager Department.

29. Increase appropriations in the Belmont Shore Parking Meter Fund (SR 136) in the Public Works Department (PW) by \$761,324, offset by a decrease of appropriation in the Economic Development Department.

Decrease appropriations in the Belmont Shore Parking Meter Fund (SR 136) in the Economic

Development Department (ED) by \$761,324.

Beginning in FY 19, the Public Works Department (PW) will resume oversight of the Belmont Shore Parking Meters Fund which is currently budgeted in the Economic Development Department (ED). Appropriation adjustments are necessary to move funds from ED to PW.

30. Increase appropriations in the Civic Center Fund (IS 380) in the Public Works Department (PW) by \$363,484, offset by a transfer from the General Fund (GF) in the Library Services Department (LS).

Increase appropriations in the General Fund (GF) in the Library Services Department (LS) by \$363,484 for a transfer to the Civic Center Fund, offset by FY 18 savings set aside for this purpose.

During the new Civic Center design-build period, the new Main Library has had some design requirement changes. The Library Services Department has requested additional design modifications such as new furniture, equipment, mechanical upgrades, and signage throughout the building. The requests for these additional design requirements were anticipated to be funded with FY 18 departmental savings, which were set aside for this purpose and will offset the transfer from the General Fund in the Library Services Department to the Civic Center Fund in the Public Works Department .

31. Increase appropriations in the Civic Center Fund (IS 380) in the Public Works Department (PW) by \$17,595,000 offset by reimbursement revenue to be received by fiscal year end.

Prior to moving into the new Civic Center, an appropriation increase is requested to prepay the remaining capital lease of the existing City Hall in the amount of \$17,595,000. The lease terminates on the existing City Hall once the move is completed. Paying off the lease in April provides a previously anticipated budgetary savings of \$189,146 in the Civic Center Fund. Per the Civic Center Project Agreement, the Project Company will reimburse the City for the \$17,595,000 prepayment by September 26, 2019.

FY 19 Citywide Healthcare Savings

32. Decrease total appropriations by \$435,419 in the relevant departments and funds, as shown on Attachment C, to implement FY 19 Healthcare Savings, a portion of which was a negative amount previously appropriated in the Citywide Activities Department (XC).

On September 4, 2018, the City Council adopted the FY 19 Budget, which included a placeholder of \$630,000 for anticipated General Fund (GF) savings due to reduced health care costs. As described in the September 11, 2018 City Council letter on healthcare contracts, there will be healthcare savings in FY 19. The FY 19 Budget included higher health care costs in all Departments' budgets. To accurately reflect Departments' budgets and

to remove the General Fund savings placeholder, the appropriation changes in Attachment C are required. The net reduction to Departments' budgets (excluding Citywide Activities Department) is \$1,065,419.

FY 18 One-Time Funds to be Reappropriated

For projects with start dates between FY 14 and FY 18, the City Council authorized the allocation of one-time funds for specific department projects or operations. The following appropriations are needed to carryover the funds to FY 19 to complete these projects or activities. These unspent one-time funds were reserved at the end of FY 18 for this purpose and the reserves will be released with the appropriation.

33. *Increase appropriations in the General Fund (GF) in the City Manager Department (CM) by \$5,000 for the Veterans Parade and Festival, offset by unspent one-time funds.*

34. *Increase appropriations in the General Fund (GF) in the City Manager Department (CM) by \$50,000 for the Arts Initiative in the Seventh Council District, offset by unspent Seventh District Priority Funds.*

35. *Increase appropriations in the Special Advertising and Promotion Fund (SR 133) in the City Manager Department (CM) by \$50,000 for the last payment for the Museum of Art appraisal, offset by unspent one-time funds.*

36. *Increase appropriations in the Special Advertising and Promotion Fund (SR 133) in the City Manager Department (CM) by \$100,000 for Percent for the Arts nexus study, offset by unspent one-time funds.*

37. *Increase appropriations in the Special Advertising and Promotion Fund (SR 133) in the City Manager Department (CM) by \$233,821 for security costs for various community events, offset by unspent one-time funds.*

38. *Increase appropriations in the General Fund (GF) in the City Prosecutor Department (CP) by \$2,934 for a Neighborhood Impact Prosecutor, offset by unspent Third District Priority Funds.*

39. *Increase appropriations in the General Fund (GF) in the City Prosecutor Department (CP) by \$18,000 for a Neighborhood Impact Prosecutor, offset by unspent Fourth District Priority Funds.*

40. *Increase appropriations in the General Fund (GF) in the Development Services Department (DV) by \$3,500 for Neighborhood Partners Program Grant Match Funds, offset by unspent Second District Priority Funds.*

41. *Increase appropriations in the General Fund (GF) in the Development Services*

Department (DV) by \$1,154 for Neighborhood Partners Program Grant Match Funds, offset by unspent Fourth District Priorities Funding.

42. 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 Priority Funds.

43. Increase appropriations in the General Fund (GF) in the Development Services Department (DV) by \$15,909 for work related to the Feasibility Study for Community Hospital, offset by unspent Fourth District Priority Funds.

44. Increase appropriations in the Development Services Fund (EF 337) in the Development Services Department (DV) by \$19,110 for Phase II of the Electronic Plan Check Project, offset by unspent one-time funds.

45. Increase appropriations in the Development Services Fund (EF 337) in the Development Services Department (DV) by \$400,000 for on-call consultants to complete the environmental review and finalize the Land Use and Urban Design Elements of the General Plans, offset by unspent one-time funds.

46. Increase appropriations in the Development Services Fund (EF 337) in the Development Services Department (DV) by \$668,522 for technology improvements for the Development Services Permit Center, offset by unspent one-time funds.

47. Increase appropriations in the Development Services Fund (EF 337) in the Development Services Department (DV) by \$13,880 for Short Term Rental ordinance preparation, offset by unspent one-time funds.

48. 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 Priority Funds.

49. Increase appropriations in the General Fund (GF) in the Economic Development Department (ED) by \$55,000 for the Summer Youth Employment Program, offset by unspent one-time funds.

50. Increase appropriations in the General Fund (GF) in the Economic Development Department (ED) by \$150,000 for the Anaheim Street Business Improvement District (BID), offset by unspent one-time funds.

51. Increase appropriations in the General Fund (GF) in the Economic Development Department (ED) by \$150,000 for the Pacific Avenue Business Improvement District (BID), offset by unspent one-time funds.

52. Increase appropriations in the General Fund (GF) in the Financial Management Department (FM) by \$74,106 for the Small Business Incentive program, offset by unspent one-time funds.

53. Increase appropriations in the General Fund (GF) in the Financial Management Department (FM) by \$595,000 for wage theft education programs, offset by unspent one-time funds.

54. Increase appropriations in the Fleet Services Fund (IS 386) in the Financial Management Department (FM) by \$85,671 for Fleet M5 Management Information System updates, offset by unspent one-time funds.

55. Increase appropriations in the Fleet Services Fund (IS 386) in the Financial Management Department (FM) by \$262,742 for fueling system upgrades, offset by unspent one-time funds.

56. Increase appropriations in the Fleet Services Fund (IS 386) in the Financial Management Department (FM) by \$72,449 for remediation of former underground storage tank site at Fleet, offset by unspent one-time funds.

57. Increase appropriations in the General Fund (GF) in the Health and Human Services Department (HE) by \$64,203 for the Cannabis Public Health and Safety Education Program, offset by unspent one-time funds.

58. Increase appropriations in the General Fund (GF) in the Health and Human Services Department (HE) by \$68,392 for temporary staff in the Office of Aging, offset by unspent one-time funds.

59. Increase appropriations in the General Fund (GF) in the Health and Human Services Department (HE) by \$83,310 for leveraging the Sexually Transmitted Disease program grants, offset by unspent one-time funds.

60. Increase appropriations in the General Fund (GF) in the Health and Human Services Department (HE) by \$62,078 for the My Brother's Keeper program, offset by unspent one-time funds.

61. Increase appropriations in the General Fund (GF) in the Health and Human Services Department (HE) by \$8,170 for Homeless Services Advisory Committee (HSAC) Program funding for Urban Community Outreach for relocation assistance, offset by unspent one-time funds.

62. Increase appropriations in the Health Fund (SR 130) in the Health and Human Services Department (HE) by \$104,469 for repairs to the Main Health Facility, offset by unspent one-time funds.

63. *Increase appropriations in the General Fund (GF) in the Legislative Department (LD) by \$2,143 for community events and sponsorship, offset by unspent First District Priority Funds.*
64. *Increase appropriations in the General Fund (GF) in the Legislative Department (LD) by \$10,000 for the Cambodia Town Festival, offset by unspent Sixth District Priority Funds.*
65. *Increase appropriations in the General Fund (GF) in the Legislative Department (LD) by \$685 for the community events and concert sponsorships, offset by unspent Eighth District Priority Funds.*
66. *Increase appropriations in the General Fund (GF) in the Legislative Department (LD) by \$214 for the Banner and Creative Corridor Challenge Programs, offset by unspent Ninth District Priority Funds.*
67. *Increase appropriations in the General Fund (GF) in the Library Services Department (LS) by \$4,000 for installation of a hearing loop, offset by unspent one-time funds.*
68. *Increase appropriations in the General Fund (GF) in the Police Department (PD) by \$14,853 for equipment costs for the Body Worn Camera Pilot Program, offset by unspent one-time funds.*
69. *Increase appropriations in the General Fund (GF) in the Police Department (PD) by \$16,416 to provide sensitivity training for Police Officers, offset by unspent one-time funds.*
70. *Increase appropriations in the General Fund (GF) in the Parks, Recreation and Marine Department (PR) by \$46,898 for programming at downtown parks, offset by unspent one-time funds.*
71. *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 Priority Funds.*
72. *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 unspent one-time funds.*
73. *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 Priority Funds.*
74. *Increase appropriations in the General Fund (GF) in the Parks, Recreation and Marine Department (PR) by \$50,000 for consultants to develop a strategic plan specific to Animal*

Care Services, offset by unspent one-time funds.

75. Increase appropriations in the General Fund (GF) in the Parks, Recreation and Marine Department (PR) by \$5,000 for Sixth District Summer Concert Park Utilization, offset by Sixth District Priority Funds.

76. Increase appropriations in the Tidelands Operations Fund (TF 401) in the Parks, Recreation and Marine Department (PR) by \$106,404 for the Beach Sand Renourishment Hydraulic Pump Pilot Program, offset by unspent one-time funds.

77. Increase appropriations in the General Fund (GF) in Public Works Department (PW) by \$512 for Bruin Way Signs, offset by unspent Third District Priority Funds.

78. Increase appropriations in the General Fund (GF) in Public Works Department (PW) by \$7,920 for Painting of Utility Boxes on sidewalks, offset by unspent Seventh District Priority Funds.

79. Increase appropriations in the Refuse Recycling Fund (EF 330) in the Public Works Department (PW) by \$282,273 for Clean Team Expansion vehicle acquisition costs, offset by unspent one-time funds.

80. Increase appropriations in the General Services Fund (IS 385) in the Technology and Innovation Department (TI) by 40,000 for Identity Management Software, offset by unspent one-time funds.

81. Increase appropriations in the General Services Fund (IS 385) in the Technology and Innovation Department (TI) by \$100,000 for a GeoDatabase upgrade, offset by unspent one-time funds.

82. Increase appropriations in the General Services Fund (IS 385) in the Technology and Innovation Department (TI) by \$146,847 for 2nd Street and Broadway fiber installations, offset by unspent one-time funds.

83. Increase appropriations in the General Services Fund (IS 385) in the Technology and Innovation Department (TI) by \$390,480 for the Billings and Collections Project, offset by unspent one-time funds.

84. Increase appropriations in the General Services Fund (IS 385) in the Technology and Innovation Department (TI) by \$450,875 for cyber security risk assessment, offset by unspent one-time funds.

85. Increase appropriations in the General Services Fund (IS 385) in the Technology and Innovation Department (TI) by \$113,410 for professional consulting services related to the development of Information Technology Strategic Plans with the Police Department, offset by

unspent one-time funds.

86. Increase appropriations in the General Services Fund (IS 385) in the Technology and Innovation Department (TI) by \$65,850 for a Payment Card Industry (PCI) compliance study, offset by unspent one-time funds.

Appropriations Using FY 18 Year-End Surplus

The FY 18 Year-End Performance Report identified recommended uses of funds available in the General Fund (GF), which included Measure A-related surplus funds, the Uplands Oil Fund (SR 134), and the Tidelands Operations Fund (TF 401). The following appropriations are requested funded from the FY 18 year-end surplus as recommended in the FY 18 Year-End Performance Report.

Appropriations Using General Fund FY 18 Year-End Funds Available

87. Increase appropriations in the General Fund (GF) in the Citywide Activities Department (XC) by \$116,973, to implement the City Council's policy to reserve 5 percent of unfunded liability, offset by FY 18 year-end funds available.

88. Increase appropriations in the General Fund (GF) in the Economic Development Department (ED) by \$1,000,000 to support operating and security costs at the Community Hospital and Armory sites, offset by FY 18 year-end funds available.

89. Increase appropriations in the General Fund (GF) in the Library Services Department (LS) by \$180,000 to support Sunday library hours at Bay Shore, Burnett, El Dorado, and Michelle Obama through the remainder of FY 19, offset by FY 18 year-end funds available.

90. Increase appropriations in the General Fund (GF) in the Parks, Recreation, and Marine Department (PR) by \$70,000 to fund Phase III of the Coyote Study to provide ongoing collection of photo and video tracking and the placement of GPS radio collars on several coyotes consucted by Loyola Marymount Center for Urban Resilience (CUREs).

91. Increase appropriations in the General Fund (GF) in the City Manager Department (CM) by \$200,000 to fund one-time critical needs that may arise in FY 19 that would otherwise go unfunded, offset by FY 18 year-end funds available.

Appropriations Using FY 18 Year-End Uplands Oil Fund Surplus

92. Increase appropriations in the Uplands Oil Fund (SR 134) in the Energy Resources Department (ER) by \$34,542 to implement the City Council's policy to reserve 5 percent of unfunded liability, offset by FY 18 year-end surplus.

93. Increase appropriations in the Uplands Oil Fund (SR 134) in the Energy Resources

Department (ER) by \$650,000 to transfer funds to the Police Department (PD) for mobile technology and the Health Department (HE) for homelessness efforts, offset by FY 18 year-end surplus.

94. Increase appropriations in the General Fund (GF) in the Police Department (PD) by \$450,000 to support mobile technology costs associated with the new unfunded State mandate related to AB953, offset by a transfer from Uplands Oil Fund (SR 134) in the Energy Resources Department (ER).

95. Increase appropriations in the General Fund (GF) in the Health and Human Services Department (HE) of \$200,000 to support general clean-ups, outreach, vouchers, and other support for citywide efforts to address the City's homelessness issue, offset by a transfer from the Uplands Oil Fund (SR 134) in the Energy Resources Department (ER).

Contingent Appropriations Using FY 18 Year-End Measure A Surplus

There was \$7,884,739 in unallocated Measure A surplus funds at FY 18 year-end. The following contingent appropriation adjustments implement the recommended uses of the Measure A surplus as proposed and detailed in the FY 18 Year-End Budget Performance Report. These proposed recommendations for the uses of Measure A funds are contingent upon the confirmation by the Measure A Citizens Advisory Committee that the proposed uses are in conformance with the intent of Resolutions No. RES-16-0018 and RES-16-0017 prioritizing spending.

96. Increase appropriations in the General Fund (GF) in the Citywide Activities Department (XC) by \$7,884,739 to transfer to the Capital Projects Fund (CP), offset by FY 18 year-end surplus.

97. Increase appropriations in the Capital Projects Fund (CP) in the Public Works Department (PW) by \$704,739 for Alley Program, offset by FY 18 Measure A year-end surplus.

98. Increase appropriations in the Capital Projects Fund (CP) in the Public Works Department (PW) by \$750,000 for Traffic Circle improvements, offset by FY 18 Measure A year-end surplus.

99. Increase appropriations in the Capital Projects Fund (CP) in the Public Works Department (PW) by \$750,000 for Bayshore Library improvements offset by FY 18 General Fund Measure A year-end surplus.

100. Increase appropriations in the Capital Projects Fund (CP) in the Public Works Department (PW) by \$500,000 for Drake Park improvements, offset by FY 18 Measure A year-end surplus.

101. Increase appropriations in the Capital Projects Fund (CP) in the Public Works Department (PW) by \$220,000 for the 4th Street Senior Center improvements, offset by FY 18 Measure A year-end surplus.

102. Increase appropriations in the Capital Projects Fund (CP) in the Public Works Department (PW) by \$110,000 for El Dorado Restroom Replacements (#38 & #43), offset by FY 18 Measure A year-end surplus.

103. Increase appropriations in the Capital Projects Fund (CP) in the Public Works Department (PW) by \$250,000 for the Davenport Park Phase II, offset by FY 18 Measure A year-end surplus.

104. Increase appropriations in the Capital Projects Fund (CP) in the Public Works Department (PW) by \$850,000 for the El Dorado Park artificial turf, offset by FY 18 Measure A year-end surplus.

105. Increase appropriations in the Capital Projects Fund (CP) in the Public Works Department (PW) by \$700,000 for the Houghton Park Community Center, offset by FY 18 Measure A year-end surplus.

106. Increase appropriations in the Capital Projects Fund (CP) in the Public Works Department (PW) by \$750,000 for the MacArthur Park Prefabricated Restroom, offset by FY 18 Measure A year-end surplus.

107. Increase appropriations in the Capital Projects Fund (CP) in the Public Works Department (PW) by \$1,000,000 for the Recreation Park playground, offset by FY 18 Measure A year-end surplus.

108. Increase appropriations in the Capital Projects Fund (CP) in the Public Works Department (PW) by \$400,000 for the El Dorado Golden Grove playground, offset by FY 18 Measure A year-end surplus.

109. Increase appropriations in the Capital Projects Fund (CP) in the Public Works Department (PW) by \$500,000 for the El Dorado Golden Grove Event Area, offset by FY 18 Measure A year-end surplus.

110. Increase appropriations in the Capital Projects Fund (CP) in the Public Works Department (PW) by \$400,000 for the Cherry Park playground, offset by FY 18 Measure A year-end surplus.

111. Increase appropriations in the General Fund (GF) in the Financial Management Department (FM) by \$60,000 for Measure A program administration carryover for educational materials, offset by FY 18 Measure A year-end expenditure savings.

Appropriations Using FY 18 Year-End Tidelands Operations Fund Surplus

In FY 18, The Tidelands Operations Fund ended the fiscal year with a total of \$5.2 million in FY 18 year-end surplus and \$1.8 million in funds available from completed projects. The following appropriation adjustments implement the recommended uses of the Tidelands Operations Fund surplus as proposed in the FY 18 Year-End Budget Performance Report.

112. Increase appropriations in the Tidelands Operations Fund (TF 401) in the Public Works Department (PW) by \$1,000,000 for Convention Center improvements, offset by FY 18 year-end surplus and funds available from completed projects.

113. Increase appropriations in the Tidelands Operations Fund (TF 401) in the Public Works Department (PW) by \$2,500,000 for Naples Seawalls Phase 2 construction, offset by FY 18 year-end surplus and funds available from completed projects.

114. Increase appropriations in the Tidelands Operations Fund (TF 401) in the Public Works Department (PW) by \$1,500,000 for the Alamitos Concessions construction, offset by FY 18 year-end surplus and funds available from completed projects.

115. Increase appropriations in the Tidelands Operations Fund (TF 401) in the Public Works Department (PW) by \$700,000 for the Granada Concessions construction, offset by FY 18 year-end surplus and funds available from completed projects.

116. Increase appropriations in the Tidelands Operations Fund (TF 401) in the Public Works Department (PW) by \$900,000 for the Junipero Concessions construction, offset by FY 18 year-end surplus and funds available from completed projects.

117. Increase appropriations in the Tidelands Operations Fund (TF 401) in the Public Works Department (PW) by \$50,000 for the Water Playground - Bayshore, offset by FY 18 year-end surplus and funds available from completed projects.

118. Increase appropriations in the Tidelands Operations Fund (TF 401) in the Public Works Department (PW) by \$100,000 for the Water Playground - Alamitos Beach, offset by FY 18 year-end surplus and funds available from completed projects.

119. Increase appropriations in the Tidelands Operations Fund (TF 401) in the Public Works Department (PW) by \$50,000 for Trash Receptacles throughout the Tidelands area, offset by FY 18 year-end surplus and funds available from completed projects.

120. Increase appropriations in the Tidelands Operations Fund (TF 401) in the Public Works Department (PW) by \$200,000 for critical facilities, offset by FY 18 year-end surplus and funds available from completed projects.

Approve recommendation.

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JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:

PATRICK H. WEST
CITY MANAGER