



Legislation Text

File #: 17-0832, **Version:** 1

Recommendation to approve the Fiscal Year 2017 third departmental and fund budget appropriation adjustments in accordance with existing City Council policy. (Citywide)

On September 13, 2016, the City Council adopted the Appropriations Ordinance governing the City's Adopted Budget for Fiscal Year 2017 (FY 17). 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 and Attachment B for a recap of FY 17 General Fund Expenditure Budget Adjustments.

This matter was reviewed by Deputy City Attorney Amy R. Webber on August 31, 2017.

The following requests for adjustments to FY 17 departmental and fund appropriations are necessary to reflect changes in operating conditions. City Council action is requested on September 19, 2017, to enable the timely processing of payments.

FY 17 Appropriation Adjustments

Airport

1. *Increase appropriations in the Airport Fund (EF 320) in the Airport Department (AP) by \$242,957 for airport police services, offset by Long Beach Airport operating revenues.*

Under a renewed Memorandum of Understanding (MOU) with the Long Beach Police Department signed June 15, 2017, the Long Beach Airport fully funds 2 Police Sergeants and 12 Police Officers assigned to support the safety and security of Airport operations. The use of overtime by police officers assigned to the Airport has increased recently due to the increase in passenger activity and vehicle traffic at the Airport. In addition, newly negotiated terms of the labor agreement with the Police Officers Association has increased the cost of police officers for the Airport. The appropriation increase of \$242,957 is covered by Airport operating revenues and enables the Airport to fund the increases in police cost to maintain the safety and security of the Airport.

2. *Increase appropriations in the Airport Fund (EF 320) in the Airport Department (AP) by \$2,422,594 for the Improvements to Runway 7R-25L project, offset by Federal Aviation Administration (FAA) grant revenues.*

On August 8, 2017, the City Council authorized the City Manager to submit an updated application for the Airport Improvement Program Grant for Fiscal Year 2017 from the FAA for funding of the Runway 7R-25L Improvements Project. The FAA has approved the requested additional grant funds for a new amount not to exceed total of \$15,304,473 for this project. Grant funds in the amount of \$12,881,879 are already appropriated in the Airport Fund (EF 320) in the Airport Department (AP).

City Manager

3. *Increase appropriations in the Special Advertising and Promotion Fund (SR 133) in the City Manager Department (CM) by \$100,000, for a national advertisement campaign highlighting Long Beach development opportunities, offset by Special Advertising and Promotion Fund FY 16 Year-End surplus.*

To attract national interest in development opportunities across Long Beach, City staff will engage in a nationwide advertisement campaign targeting real estate developers. The project will involve graphic design and placement of advertisements in print magazines, newspapers and online publications for national coverage. This project calls attention to the City, its natural advantages, resources, enterprises, and facilities.

Health and Human Services

4. *Increase appropriations in the General Fund (GF) in the Health and Human Services Department (HE) by \$22,000, for additional security patrol at the Multi-Service Center, offset by funds available.*

The Health and Human Services Department is requesting an additional security guard to provide enhanced security at the park area near the Multi-Service Center (MSC) that is currently not monitored. A guard is critical to ensuring a safe atmosphere for all who access the park. Current staff cannot adequately meet the security needs for the park area, as it is not easily accessible from current security posts. Adequate staffing is necessary inside and outside the MSC. FY 18 funding for additional security patrol has been included as part of the FY 18 Proposed Budget.

Human Resources

5. *Increase appropriations in the Insurance Fund (IS 390) in the Human Resources Department (HR) by \$352,180 to transfer to Capital Projects Fund (CP 201) for future upgrades of Willow Springs Park that were previously approved by the City Council, offset by claim reimbursement revenue.*

On May 23, 2017, the City Council approved \$352,180 in the Capital Projects Fund in the Public Works Department for future upgrades to the Willow Springs Park, offset by claim reimbursement revenue in the Insurance Fund in the Human Resources Department. This request will increase appropriations in the Insurance Fund to allow for the transfer of funds to the Capital Projects Fund.

Long Beach Gas and Oil

6. *Increase appropriations in the Uplands Oil Fund (SR 134) in the Long Beach Gas and Oil Department (GO) by \$3,000,000 to align budget to actuals, offset by higher than expected oil revenue.*

Increase appropriations in the Tidelands Oil Revenue Fund (NX 420) in the Long Beach Gas and Oil Department (GO) by \$8,600,000 to align budget to actuals, offset by higher than expected oil revenue.

Estimated expenses in the Uplands Oil Fund and the Tidelands Oil Revenue Fund are anticipated to exceed budget. The FY 17 Adopted Budget oil projections were based on \$35 per barrel; however, updated oil price estimates are trending at an average of \$45 per barrel for the remainder of the year. The revised projections for oil prices have led to an increase in both Uplands and Tidelands revenues and, therefore, corresponding increases to the transfer amounts to the General Fund and the Tidelands Operations Fund. The Uplands Oil and Tidelands Oil Revenue Funds do not have the higher transfer amounts budgeted and will need to be adjusted to reflect updated projections for the increased remittance payments to the State for Tidelands Oil and oil operators for Uplands oil. These appropriation adjustments will align budget to expense in both funds, offset by oil revenues. The transfer amounts are consistent with FY 17 and FY 18 oil projections already reflected in the General and Tidelands Operations Funds.

Library

7. *Increase appropriations in the General Grants Fund (SR 120) in the Library Services Department (LS) by \$504,375, offset by donation revenue.*

The Long Beach Public Library (LBPL) has received revenue totaling \$473,953 from the following sources: JetBlue payments in lieu of fines in the amount of \$462,000 in FY 17 for book purchases to benefit all branches equally; \$3,778 and \$1,691 from the Slaybaugh and Burcham endowments, respectively, to purchase children's and preschool books; \$6,484 from the Gutenberg Endowment for general book purchases; and, \$30,422 from the Patricia Andrews Estate for special programs and initiatives that benefit the Senior Service Program, which provides large print material for our circulating collection.

Parks, Recreation, and Marine

8. *Increase appropriations in the General Fund (GF) in the Parks, Recreation and Marine Department (PR) by \$15,000, for sports field lighting, offset by light usage fee revenue.*

The Parks, Recreation and Marine Department collects light usage fees for youth and adult sports programming that occurs at night on lighted fields. The \$15,000 appropriations increase aligns budget to actual expenses incurred for lighting the fields and is offset by the light usage fee revenue.

9. *Increase appropriations in the General Fund (GF) in the Parks, Recreation and Marine Department (PR) by \$12,544, to fund the building lease at Miracle Park, offset by revenue from the Cingular Trust.*

On February 14, 2006, the City Council approved the Cingular Trust, which requires all funds to be used within the greater Alamitos Beach Neighborhood area, where Miracle Park is located. An appropriation increase is needed in the amount of \$12,544 to fund the building lease at Miracle Park, offset by revenues collected from the Cingular Trust. The building is leased from the Openden Family for the purposes of providing indoor space for recreational programming. This request covers the rental payment period of October 2016 through September 2017.

10. *Increase appropriations in the General Fund (GF) in the Parks, Recreation and Marine Department (PR) by \$34,200, for Movies in the Park, offset by sponsorship from Signal Hill Petroleum.*

Since 2005, Signal Hill Petroleum has sponsored Movies in the Park, and is providing Partner of Parks with \$38,000 for movies shown at various park sites in the City. Partners of Parks retains 10 percent of the sponsorship as an operational fee. The remaining amount of \$34,200 has been deposited in the General Fund in support of program staffing.

11. *Increase appropriations in the Capital Projects Fund (CP 201) in the Parks, Recreation and Marine Department (PR) by \$199,380, for gap-funding for the 14th Street Park Expansion, offset by park impact fees.*

Decrease appropriations in the Capital Projects Fund (CP 201) in the Public Works Department (PW) by \$199,380.

In February 1989, the City Council established the Parks and Recreation Facilities Fee (PRFF) imposed on new residential development to mitigate the impact of increased population on parks and park facilities. Funds derived from park impact fees are used solely and exclusively for the purpose of funding park land acquisition and recreation improvements or to reimburse the City for expenditures, advances or indebtedness incurred for the acquisition of park land or construction of recreation improvements. The City is required to commit and/or expend collected park fees within five years from the date of deposit, which is accomplished through the City's annual budget with reporting provided to the City Council each spring. This budget adjustment is a clean-up item that reallocates funds budgeted in closed projects to eligible current projects in need of gap-funding.

12. *Increase appropriations in the General Fund (GF) in the Parks, Recreation and Marine Department (PR) by \$28,000, for Movies in the Park at Be S.A.F.E. and Senior Center sites, offset by sponsorship from the Port of Long Beach.*

The Port of Long Beach (POLB) has partnered with the Parks, Recreation and Marine Department to expand the Movies in the Park Program to Be S.A.F.E. and Senior Center program sites for the summer of 2017. POLB's sponsorship provides Movies in the Park at 11 Be S.A.F.E. sites and at 6 Senior Center sites.

13. *Increase appropriations in the General Fund (GF) in the Parks, Recreation and Marine Department (PR) by \$75,510, for unbudgeted FY 2017 program expenses, offset by program participation fees and a Partners of Parks donation.*

The Parks, Recreation and Marine Department (PR) incurs expenses related to Youth Recreational and Sports programming including field trips, t-shirts and participation trophies, and various classes held at the Nature Center including Bird Identification, Butterfly Walks, Astronomy, and Gardening classes. The Department has received various reimbursement revenues to offset these expenses.

14. *Increase appropriations in the General Fund (GF) in the Parks, Recreation and Marine Department (PR) by \$22,000 to fund Animal Care Services' spay and neuter voucher program, offset by revenues from the Dr. Eslinger Memorial*

Trust and Teresa Trust Fund for Cats.

Animal Care Services (ACS) issues vouchers to the public to reduce the cost of a spay/neuter procedure at participating veterinary clinics. The ACS spay/neuter voucher program, is funded by the Dr. Eslinger Memorial Trust and Teresa Trust Fund for Cats.

15. *Increase appropriations in the General Fund (GF) in the Parks, Recreation and Marine Department (PR) by \$92,800 to purchase medical supplies and veterinary care, offset by revenues from the Medication/Veterinary Care Trust.*

The Parks, Recreation and Marine Department (PR) maintains the Medication/Veterinary Care Trust, which was established specifically for the purchase of medical supplies and veterinary care for animals. In provision with the trust requirements, Animal Care Services purchased medical supplies and other contractual services in the amount of \$92,800.

16. *Decrease appropriation in the Capital Projects Fund (CP 201) in the Parks, Recreation and Marine Department (PR) by \$169,741 as a technical adjustment to correctly align personnel costs to project budgets.*

A technical adjustment is needed decreasing appropriation in the Capital Projects Fund to correctly align the transfer of staff expenditures related to the management and oversight of capital projects to the appropriate project budgets. This adjustment is a technical correction to the budget and has no impact on individual project budgets or departmental operations.

Police

17. *Increase appropriations in the General Grants Fund (SR 120) in the Police Department (PD) by \$604,827 for front-line enforcement, offset by State COPS 17 grant revenue.*

The Police Department received an additional \$604,827 for grant year 2017 from the State of California Citizens Option for Public Safety (State COPS) Program funding from the County of Los Angeles Supplemental Law Enforcement Services Account. These State COPS funds will be used for front-line law enforcement efforts, including overtime hours to support a Deputy Probation Officer assigned to the County of Los Angeles and equipment purchases.

18. *Increase appropriations in the General Fund (GF) in the Police Department (PD) by \$314,485 for investigations, equipment and facility needs, offset by Asset Forfeiture funds.*

The Chief of Police is authorizing the use of \$314,485 in State and federal Asset Forfeiture funds for the purchase of the unbudgeted investigations training, investigative technology, law enforcement equipment, and miscellaneous facility repair.

19. *Increase appropriations in the General Fund (GF) in the Police Department (PD) by \$38,250, for various at-risk youth programs and overtime for a Youth Explorer Advisor, offset by Asset Forfeiture funds.*

The Chief of Police is authorizing the use of the \$38,250 in State Asset Forfeiture funds for youth intervention/prevention programs for at-risk youth, which include National Association for the Advancement of Colored People's (NAACP) Stay in School Program, Long Beach Bar Foundation's Short Stop Program, Long Beach Unified School District's Harmony Project, the Youth Leadership Academy, and the Operation Jump Start Program. Additional appropriations will fund overtime for the Youth Explorer Advisor who coordinates the Youth Explorer Program for youth interested in a law enforcement career.

20. *Increase appropriations in the General Fund (GF) in the Police Department (PD) by \$2,060 for prisoner welfare expenses, offset by the Prisoner Welfare Trust account.*

The Chief of Police is authorizing the use of Prisoner Welfare Trust funds to cover \$2,060 in various expenses, including newspaper subscriptions related to the prisoner welfare in the Police Department jail. An appropriations increase for these expenses will be offset by the Prisoner Welfare Fund.

Public Works

21. *Increase appropriations in the Tidelands Operations Fund (TF 401) in the Public Works Department (PW) by \$119,339 for current Tidelands capital programs and ongoing projects.*

Decrease appropriations in the Tidelands Operations Fund (TF 401) in the City Manager Department (CM) by \$119,339, to transfer the Tidelands budget to Public Works Department (PW).

During the FY 17 budget process, the Tidelands Capital Budget was transferred from the City Manager Department to the Public Works Department in a strategic realignment that has helped to better coordinate capital projects citywide. This transaction moves the remaining carryover appropriation from the City Manager Department to the Public Works Department with no net change in total appropriation or impact to projects.

22. *Increase appropriations in the Capital Projects Fund (CP 201) in the Public Works Department (PW) by \$77,000, offset by a transfer from the Special Advertising and Promotions Fund (SR 133) for the final design, construction and installation of the Pine Avenue Archway Sign.*

Increase appropriations in the Special Advertising and Promotions Fund (SR 133) in the City Manager Department (CM) by \$77,000, offset by funds available, to make the transfer to the Capital Projects Fund (CP 201).

The Pine Avenue Archway Sign was developed to show a contemporary theme that reflects the forms and proportions compatible with the architecture on Pine Avenue. The total cost of the sign is \$401,509 and includes costs for design, fabrication/construction, and installation. The sign is funded by multiple funding sources currently budgeted in the Public Works Department, including: \$30,509 in General Capital Project funds, \$210,000 in Uplands Oil Capital Project funds, and \$84,000 in First Council District Divide by Nine FY 15 one time funds. The remaining \$77,000 will be provided by a transfer of Special Advertising and Promotion Fund (SAP) funding from the City Manager Department. The SAP funds are not currently budgeted. Accordingly, an appropriations increase is needed in an amount of \$77,000 to fully fund the project.

23. *Increase appropriations in the Capital Projects Fund (CP 201) in the Public Works Department (PW) by \$600,000 for the construction and installation of artificial turf sports field, offset by reimbursement funds from the California Department of Parks and Recreation.*

The California Youth Soccer and Recreation Development Grant Program (Program), funded by the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002 (Proposition 40), is administered by the California Department of Parks and Recreation, Office of Grants and Local Services (OGALS). On January 17, 2017, City Council adopted a resolution authorizing the City Manager to submit a grant application for \$600,000 in grant funds for the Seaside Park Project and accept the grant if awarded. The Seaside Park Project is located at the northeast corner of West 14th Street and Chestnut Avenue and entails the conversion of 0.4 acres of the existing unsafe dirt sports field into an artificial turf sports field. The City was subsequently awarded a Program grant in an amount of \$600,000 for the project from OGALS. An appropriations increase is needed to implement the Seaside Park project, offset by grant reimbursement revenue.

24. *Increase appropriations in the Capital Projects Fund (CP 201) in the Public Works Department (PW) by \$25,655 for playground replacement at Martin Luther King Jr. Park, offset by a transfer of one-time funds from the General Fund (GF) in the Parks, Recreation and Marine Department (PR).*

On August 22, 2017, the City Council authorized the reallocation of one-time General Fund funds in the Parks, Recreation, and Marine Department (PR) designated for park programming to support a full playground replacement at Martin Luther King, Jr., Park. An appropriation increase in the Capital Projects Fund in the Public Works Department is a technical correction as the Public Works Department will be managing the project on behalf of the Parks, Recreation and Marine Department.

Citywide Activities

25. *Increase appropriations in the General Fund (GF) in the Citywide Activities Department (XC) by \$1,636,985, to be available for debt service payments on the Open Space Bonds, offset by State-approved loan repayments.*

In 2006, the City sold bonds secured by the General Fund for the development of open space in the City's underserved areas. Alternative, short-term funding sources were identified to pay the debt for the first ten years of the Open Space Bond debt service. Originally, in the 11th year following the expiration of the Downtown Redevelopment Plan, debt repayments from the former Downtown Redevelopment Project Area to the City were to be used to make the bi-annual bond payments. While the dissolution of redevelopment agencies statewide put an end to the original plan, debt repayments from the Successor Agency to the City under certain circumstances, allowed by amendments to the

Redevelopment Dissolution Act, now allow other redevelopment loan repayments to the City to be used for debt service on the Open Space Bonds. The first repayment was made and appropriated in 2016. For FY 17, an appropriation increase of \$1,636,985 is needed to transfer funds to the Debt Service Fund, to make scheduled repayments of the Open Space Bonds debt service, as approved by the California Department of Finance.

Approve recommendation.

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JOHN GROSS
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APPROVED:

PATRICK H. WEST
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