



Legislation Text

File #: 14-0571, **Version:** 1

Recommendation to approve the Second Fiscal Year 2014 departmental and fund budget appropriation adjustments in accordance with existing City Council policy. (Citywide)

On September 3, 2013, the City Council adopted the Appropriations Ordinance governing the City's Adopted Budget for Fiscal Year 2014 (FY 14). Periodically, changes in revenue or operating conditions require 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 financial policies, these adjustments are presented periodically 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 14 General Fund Expenditure Budget Adjustments.

This matter was reviewed by Principal Deputy City Attorney Amy Webber on July 21, 2014.

The following requests for adjustments to FY 14 departmental and fund appropriations are necessary to reflect changes in operating conditions. City Council action is requested on August 5, 2014 to enable the timely processing of payments.

Library Services

The Long Beach Public Library (LBPL) has received revenue totaling \$924,705. These funds are from the following sources: JetBlue payments in lieu of fines in the amount of \$843,579 to enhance the collection purchases for the Main Library and eleven branch libraries; \$25,000 from the estate of John Crews to enhance the collection in the Main Library; \$10,000 and \$5,000 from the Gutenberg and Slaybaugh Endowments, respectively, to enhance the collections at the Main Library; \$22,500 from the LBPL Foundation to purchase large print and Braille books; and \$18,626 from the LBPL Foundation to fund staff hours to assist patrons with equipment to create three-dimensional models and robotic prototypes for both school projects and new business ideas. A budget adjustment is requested and is fully offset by a corresponding increase in revenue.

- Increase appropriations in the General Grants Fund (SR 120) in the Library Services Department (LS) by \$924,705 from donation revenue.

Long Beach Airport

On October 19, 2010, the City Council approved the sale of Airport Revenue Bonds Series 2010A/B to finance the new terminal concourse project. Bond proceeds were deposited in a construction fund for project costs. Due to interest and investment earnings, excess cost of issuance funds and Southern California Edison (SCE) incentive rebates, there is an additional \$330,639 on deposit for remaining project expenses from the modernization of the Long Beach Airport's passenger concourse. An appropriation increase of \$330,639 is needed for these unbudgeted funds.

- Increase appropriations in the Airport Fund (EF 320) in the Airport Department (AP) by \$330,639 from interest and investment earnings.

Parks, Recreation and Marine

On February 14, 2006, the City Council created the Cingular Trust, which indicates that lease payments for cell equipment placed on the roof of the Long Beach Senior Center must be used within the greater Alamitos Beach Neighborhood area. Parks, Recreation, and Marine Department (PRM) requests an appropriation increase to fund the building lease at Miracle Park in the amount of \$11,700. Revenue collected in the Cingular Trust will offset this expenditure.

- Increase appropriations in the General Fund (GP) in the Parks, Recreation and Marine Department (PR) by \$11,700 from the Cingular Trust.

On October 8, 2013, the City Council approved and adopted a resolution establishing the Uptown Property and Business Improvement District (UPBID), a benefit assessment district to improve uptown through services such as security, graffiti removal, maintenance, promotions, and economic development. The establishment of the UPBID is for an initial term of five years (January 1, 2014 through December 31, 2018). The City is a property owner (Houghton Park) in the UPBID and, therefore, is a participant in the assessment. In FY 14, the assessment charge is \$22,782 and is currently unbudgeted. PRM is requesting an appropriation increase for the unbudgeted cost. The FY 15 Proposed Budget builds this structurally into the budget.

- Increase appropriations in the General Fund (GP) in the Parks, Recreation and Marine Department (PR) by \$22,782 from funds available.

The Parks, Recreation and Marine Department has two tennis centers, Billie Jean King (BJK) and El Dorado Park. First Serve, Inc., has a permit for the operation and management of both tennis centers. All revenue derived from the tennis concession is deposited in the Tennis Trust Account. All expenditures from the Tennis Trust Account must be for the purchase, maintenance, operation or improvement of grounds, buildings, structures, equipment or facilities for public tennis. The El Dorado Tennis Center has significant lighting deficiencies and the total cost of this one-time improvement is \$135,000. PRM is requesting

that \$117,100 of the Tennis Trust Account be used to address these issues, with the remaining cost of \$17,900 funded from the Fifth Council District's one-time infrastructure funds for which no appropriation adjustment is needed. The project is being coordinated by the Public Works Department.

- Increase appropriations in the General Fund (GP) in the Parks, Recreation and Marine Department (PR) by \$117,100 from the Tennis Trust Account.
- Increase appropriations in the Capital Projects Fund (CP) in the Public Works Department (PW) by \$117,100 offset by revenue from the General Fund.

In 2006, PRM received approximately \$260,000 for improvements to the El Dorado Nature Center from the Center for Natural Land Management. The advance payment was maintained in a specifically identified account and has generated \$30,702 in interest earnings that must be expended for the same purpose as the grant award. Current improvements to the El Dorado Nature Center are funded in the Public Works Department. In 2008, \$36,500 was received from community groups for improvements to the Livingston Park Tot Lot, and has subsequently generated \$506 in interest earnings. An appropriation increase is needed for these unbudgeted funds in the El Dorado Nature Center and Livingston Park Tot Lot.

- Increase appropriations in the Capital Projects Fund (CP) in the Public Works Department (PW) by \$31,208 from interest earnings.

On April 2, 2013, the City Council authorized the execution of a lease with Verizon for the installation of a cell tower in the El Dorado Park Golf Course. The revenue received from the monthly collocation payments made by Verizon is used to offset costs of the Contract Management Insurance Clerk who is responsible for the coordination and collection of insurance documents. An appropriation increase in the amount of \$35,736 is needed for this unbudgeted expense and is fully offset by cell tower revenue. The FY 15 Proposed Budget builds this structurally into the budget.

- Increase appropriations in the General Fund (GP) in the Parks, Recreation and Marine Department (PR) in the amount of \$35,736 offset from cell tower revenue.

Police

In November 2011, the Department of Homeland Security approved the City of Long Beach's 2011 Urban Area Security Initiative (UASI 2011) grant proposals for \$3,406,141, which the City Council accepted during its meeting of July 24, 2012. Additional funding of \$295,240 was approved by City Council during its meeting of September 17, 2013, bringing the total award for UASI 2011 to \$3,701,381. Since that time, \$176,676 of existing funds have been made available to the Police Department due to a reallocation of existing funding from other City departments, including \$18,214 from the Fire Department, \$45,867 from the Health & Human Services Department and \$112,595 from the Harbor Department. The Police Department is

utilizing these additional funds for training activities and to support the purchase of public safety mobile computers. Appropriation adjustments are requested in various departments to align budgets to the grant award.

- Increase appropriations in the General Grants Fund (SR 120) in the Police Department (PD) by \$176,676 from grant reallocation.
- Decrease appropriations in the General Grants Fund (SR 120) in the Fire Department (FD) by \$18,214 from grant reallocation.
- Decrease appropriations in the General Grants Fund (SR 120) in the Health & Human Services by Department (HE) by \$45,867 from grant reallocation.

In October 2012, the Department of Homeland Security approved the City of Long Beach's 2012 Urban Area Security Initiative (UASI 2012) grant proposals for \$2,585,251, which the City Council accepted during its meeting of February 5, 2013. Since that time, \$342,796 of existing funds have been made available to the Police Department due to funds reallocated from City departments, as well as from other agencies, including \$288,597 from the Fire Department, \$14,199 from Health & Human Services Department and an additional \$40,000 from UASI partner jurisdictions. The Police Department will utilize these additional funds to support the purchase of public safety mobile computers, a mobile surveillance trailer, a camera system support vehicle and training activities. With the receipt of these additional funds, the total award to the City is increased to \$2,625,251. Appropriation adjustments are requested in various departments to align budgets to the grant award.

- Increase appropriations in the General Grants Fund (SR 120) in the Police Department (PD) by \$342,796 from grant reallocation.
- Decrease appropriations in the General Grants Fund (SR 120) in the Fire Department (FD) by \$288,597 from grant reallocation.
- Decrease appropriations in the General Grants Fund (SR 120) in the Health & Human Services Department (HE) by \$14,199 from grant reallocation.

Public Works

In August 2008, the City Council approved and adopted the formation of Community Facilities District 2007-2 (CFD 2007-2) in Belmont Shore. CFD 2007-2 replaced CFD 1 to allow for bond issuance, acquisition of property and to reflect revisions to district boundaries. In December 2009, the City issued bonds under CFD 2007-2. This bond was issued to pay for capital improvement projects in the Belmont Shore Parking and Business Improvement Area. During the FY 14 Budget process, the appropriation to fund the annual debt payment was inadvertently omitted. This appropriation request is offset with parking meter revenue from the Belmont Shore area. The FY 15 Proposed Budget builds this structurally into the budget.

- Increase appropriations in the Belmont Shore Parking Meter Revenue Fund (SR 136) in the Public Works Department (PW) by \$200,000 from parking meter revenue.

On October 8, 2013, the City Council approved and adopted a resolution establishing the Uptown Property and Business Improvement District (UPBID), a benefit assessment district to improve uptown through such services as security, graffiti removal, maintenance, promotions, and economic development. The establishment of the UPBID is for an initial term of five years (January 1, 2014 through December 31, 2018). An appropriation increase of \$199,769 is requested for a pass-thru payment to the UPBID for program expenditures, funded by the assessment revenues received from property owners.

- Increase appropriations in the Parking and Business Area Improvement Fund (SR 132) in the Public Works Department (PW) by \$199,769 offset by assessment revenue.

The Library Services Department will provide additional multiple public computer work stations and electrical upgrades for nine branch libraries. Upgrades include installation of a new 100 AMP electrical sub-panel including all hardware, circuit breakers, conduit, wiring and multiple duplex receptacle outlets to work station locations. Project costs will be supported by \$50,000 from FY 14 one-time funds currently appropriated in the General Fund in the Library Services Department and \$50,000 from the Public Works Department General Fund.

- Increase appropriations in the Capital Projects Fund (CP) in the Public Works Department (PW) by \$100,000 offset by revenue from the General Fund.

On March 12, 2013, the City Council authorized the application for the Clean Beaches Initiative (CBI) grant. The State Water Resources Control Board has awarded \$4,470,626 in Prop 84 CBI grant funds for the construction of three Low Flow Diversion Systems and two Vortex Separation System pre-filter devices for the reduction and elimination of bacteria as required by the Long Beach Beaches and Los Angeles River Estuary Bacteria Total Maximum Daily Load (TMDL). In order to proceed with the projects, an appropriation increase is requested and is offset by grant revenue. The required City match is \$496,736, of which \$250,000 is currently budgeted in the Tidelands Operations Fund (TF 401) capital improvement program in the Public Works Department and the remaining will be provided by in-kind staff services.

- Increase appropriations in the Capital Projects Fund (CP) in the Public Works Department (PW) by \$4,470,626 offset by grant revenue.

The Successor Agency (SA) will fund the design and construction of Atlantic Avenue median improvements with North RDA 2010 bond proceeds. Median improvements will include construction, repairs, landscaping, irrigation, stamped concrete, and ornamental design for beautification purposes. As the Public Works Department completes project design and construction, SA will support project costs on a reimbursement basis. An appropriation

increase is requested for the project, offset from SA.

- Increase appropriations in the Capital Projects Fund (CP) in the Public Works Department (PW) by \$1,191,315 offset by reimbursement from the Successor Agency Fund.

On November 15, 2011, the City Council authorized the application for the Rubberized Pavement Grant Program (TRPI) from the California Department of Resources, Recycling and Recovery (CalRecycle). Under the grant program, City resurfacing projects using rubberized asphalt and completed between February 2012 and April 2014, were eligible for reimbursement equal to the cost differential between conventional asphalt and asphalt made with recycled rubber tires. The City has received \$249,200 in reimbursement funds. An appropriation increase is requested to align the budget with actual expense and revenue.

- Increase appropriations in the Capital Projects Fund (CP) in the Public Works Department (PW) by \$249,200 from grant revenue.

Approve recommendation.

JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:

PATRICK H. WEST
CITY MANAGER