Legislation Details (With Text)

File #:	05-2951	**Version:** 1	**Name:**	Reso. - transfer of funds from Harbor to Tidelands
Type:	Resolution		**Status:**	Adopted
File created:	7/13/2005		**In control:**	City Council
On agenda:	7/19/2005		**Final action:**	7/19/2005

Title: Recommendation to adopt resolution requesting the Board of Harbor Commissioners to approve the transfer of $9,499,689 from the Harbor Revenue Fund (HR) to the Tidelands Operating Fund (TF) as of
October 1, 2005; and

Request the Board of Harbor Commissioners to make said transfer in equal quarterly installments on October 1, 2005, January 1, 2006,
April 1, 2006, and July 1, 2006.

Sponsors: Financial Management

Indexes:

Code sections:

Attachments: 1. R-24sr.pdf, 2. R-24att.pdf, 3. RES-05-0057

Date	Ver.	Action By	Action	Result
7/19/2005	1	City Council	approve recommendation	Pass

Recommendation to adopt resolution requesting the Board of Harbor Commissioners to approve the transfer of $9,499,689 from the Harbor Revenue Fund (HR) to the Tidelands Operating Fund (TF) as of
October 1, 2005; and

Request the Board of Harbor Commissioners to make said transfer in equal quarterly installments on October 1, 2005, January 1, 2006,
April 1, 2006, and July 1, 2006.

At the beginning of each fiscal year, City Charter Section 1209(c)(4) provides for the transfer of 10 percent of the Harbor Department's net income, as shown by the most recent available independently audited financial statements, to the Tidelands Operating Fund. Since Fiscal Year 2005 (FY 05) has not yet ended, the FY 04 audited financial statements are the basis for the FY 06 transfer. The requested transfer of $9,499,689 represents 10 percent of the Harbor Department's $94,996,890 net income, as shown on the audited financial statement (Attachment A) for the fiscal year ended September 30, 2004. The Harbor Department would retain a significant net income of $85,497,201 after the 10 percent contribution to the Tidelands Operating Fund.

Staff has determined that without the requested transfer for FY 06, the Tidelands Operating Fund would close the fiscal year with a deficit, which would necessitate the closing of beaches and elimination of safety services in the Tidelands areas.

Authority to transfer the funds must be expressed by Resolution (attached). The transfer cannot occur until the Resolution is approved by a two-thirds majority of the entire City Council (Le., at least

six votes) and a separate Resolution is approved by a majority of all members of the Board of Harbor Commissioners (Le., at least three votes). Since the adoption of the FY 06 budget is dependent upon this transfer, the City Council and Board of Harbor Commissioners must adopt these Resolutions prior to the Council's adoption of the Proposed Budget, which includes the budget of the Harbor Department.

This matter was reviewed by Assistant City Attorney Heather A. Mahood and Budget Management Officer David Wodynski on July 5, 2005.

City Council approval is requested on July 19, 2005, as the Harbor Commission will be considering the Harbor Department's FY 06 proposed budget on July 25, 2005.

The 10 percent net income transfer from the Harbor Revenue Fund (HR) to the Tidelands Operating Fund (TF) is included in the FY 06 Proposed Budget of the Harbor Department (HA). In addition, the annual transfer amount was utilized to balance the FY 05 budgets of the various departments that provide services in the Tidelands. Continuity of services in the Tidelands area, such as beach maintenance, lifeguards, fire and police is contingent on the Port transfer.

Approve recommendation.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH MAKING CERTAIN FINDINGS AND DETERMINATIONS AND REQUESTING THE BOARD OF HARBOR COMMISSIONERS OF THE CITY OF LONG BEACH TO APPROVE A TRANSFER OF $9,499,689 FROM THE HARBOR REVENUE FUND TO THE TIDELAND OPERATING FUND PURSUANT TO THE PROVISIONS OF CITY CHARTER SECTION 1209(C)(4)

[Respectfully Submitted,]