



## Legislation Text

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**File #:** 17-0096, **Version:** 1

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Recommendation to approve the Fiscal Year 2017 first 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 January 27, 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 February 14, 2017, to enable the timely processing of budget adjustments.

### FY 17 Appropriation Adjustments

#### City Prosecutor

1. Increase appropriations in the General Fund (GF) in the City Prosecutor Department (CP) by \$200, for the City Prosecutor's Promising Adults, Tomorrow's Hope (P.A. T.H.) program, offset by FY 16 department year-end savings.

On December 6, 2016, the City Council approved the City Prosecutor Department to carry over its FY 16 year-end savings of \$76,932 to support the City Prosecutor's P.A.T.H. program, as well as other diversion, prevention and rehabilitation initiatives. This action is to correct a technical typo in the Recommendation that noted \$76,732, which was \$200 short of the full intended \$76,932 in the General Fund to be transferred to the General Grants Fund in the City Prosecutor Department.

#### Development Services

2. Increase appropriations in the Development Services Fund (EF 337) in the Development

Services Department (DV) by \$320,000, for the purchase and annual maintenance of eight new vehicles, offset by funds available.

During the FY 17 budget process, the City Council approved additional positions in the Inspection Division of the Building and Safety Bureau. These positions require City vehicles to complete work in the field, inspecting residential and commercial construction. These funds will allow the purchase and maintenance of eight new vehicles and will be offset by funds available.

#### Disaster Preparedness and Emergency Communications

3. Increase appropriations in the General Grants Fund (SR 120) in the Fire Department (FD) by \$535, 577, to implement training and equipment, offset by additional Homeland Security grant funds.

Increase appropriations in the General Grants Fund (SR 120) in the Police Department (PD) by \$20,000, to implement training and conferences, offset by Health and Human Services Department (HE) grant funding savings.

Decrease appropriations in the General Grants Fund (SR 120) in the Health and Human Services Department (HE) by \$20,000, to offset the Police Department's grant expenditures.

In March 2015, the City Council approved the City's federal 2015 Urban Area Security Initiative (UASI 2015) grant award for \$5,377,994. In October 2016, the City Council authorized \$7,003,348 of additional funding approved by the granting agency. Subsequently, additional funds in the amount of \$535,577 have been made available to the Fire Department for training and equipment from the region for grant eligible programs and equipment, for a total award of \$12,916,919. The additional funds also authorize the City to fund various training and conferences for the Police Department. Therefore, appropriation adjustments are requested for Fire, Police and Health and Human Services Departments to offset grant eligible expenditures within the grant performance period.

#### Economic and Property Development

4. Increase appropriations in the Belmont Shore Parking Meter Fund (SR 136) in the Economic and Property Development Department (EP) by \$100,000, for a transfer to the Capital Projects Fund (CP) in the Public Works Department (PW), offset from funds available from previously received Belmont Shore Parking Meter revenue.

Increase appropriations in the Capital Projects Fund (CP) in the Public Works Department (PW) by \$100,000, to complete the design phase for the Belmont Shore Median Landscape Project.

On December 15, 2016, the Belmont Shore Parking and Business Improvement Area

Advisory Commission (Commission) approved using \$100,000 in Belmont Shore Parking Meter revenues to design the Belmont Shore Median Landscape Project. The project will upgrade the median island along Second Street from Livingston Drive to Bay Shore Avenue with new irrigation and landscaping, among other potential improvements. The total cost of the project will be determined based on the outcome of the design phase, which will then go out to advertise and bid. Funding for subsequent phases will be requested once the City and the Commission agree on a final construction budget.

5. Increase appropriations in the Business Assistance Fund (SR 149) in the Economic and Property Development Department (EP) by \$1,363,722, for the reallocation of carryover budget from the Development Services Department (DV).

Decrease appropriations in the Business Assistance Fund (SR 149) in the Development Services Department (DV) by \$1,363, 722, to transfer the budget to the Economic and Property Development Department (EP).

The FY 17 budget transfers responsibility of the Business Assistance Fund from the Development Services Department (DV) to the Economic and Property Development Department (EP). Approval is requested to transfer existing carryover budget from DV to EP. This transaction moves appropriation from one department to another with no net change in total appropriation by fund.

## Financial Management

6. Increase appropriations in the Fleet Services Fund (IS 386) in the Financial Management Department (FM) by \$546,003, for the purchase of helicopter engine overhaul services, offset by funds available.

On November 1, 2016, the City Council approved a contract with Hell-One American Support for the overhaul of two helicopter engines for the Police Department. To fund one of the helicopter engine overhauls, revenue was transferred from FY 16 year-end General Fund surplus in the Citywide Department to the Fleet Services Fund in the Financial Management Department. An increase in appropriations in the Fleet Services Fund is necessary to accommodate the costs of the overhaul services.

## Human Resources

7. Increase appropriations in the Employee Benefits Fund (IS 391) in the Human Resources Department (HR) by \$200,000, for legal services related to labor contract bargaining, offset by the release of funds set aside for this purpose.

The City Attorney Department issued an agreement with the legal firm of Atkinson, Andelson, Loya, Ruud & Romo in the amount of \$200,000 to represent the City's interests in ongoing labor negotiations. The appropriation increase of \$200,000 will be offset by funds set aside in

the Employee Benefits Fund for efforts related to labor negotiations.

## Legislative Department

8. Increase appropriations in the General Fund (GF) in the Citywide Activities Department (XC) by \$460,950 for a transfer to the Capital Projects Fund (CP), offset by various Council District offices FY 16 year-end savings as listed below.

Increase appropriations in the Capital Projects Fund (CP) in the Public Works Department (PW) by \$460,950 for Council District infrastructure projects and programs.

### City Council District Budget Surplus

District 1	\$ 60,369
District 2	\$ 13,253
District 3	\$ 25,212
District 4	\$ 177,530
District 5	\$ 30,423
District 7	\$ 84,990
District 9	\$ 69,173

FY 2016 Budget Surplus Carryover \$ 460,950 Individual Council District office budget surpluses are allocated in the following fiscal year to supplement each respective Council District's Divide by Nine funding for infrastructure projects and existing City programs. Budget adjustments are necessary to appropriate the FY 16 Council District office budget surpluses to supplement FY 17 Divide by Nine funding in the Public Works Department, for infrastructure projects and existing City programs. At the end of FY 16, the Eighth Council District did not have an office budget surplus.

9. Decrease appropriations in the General Fund (GF) in the Legislative Department (LD) by \$1,930 to offset the Sixth Council District's overage in FY 16.

At the end of FY 16, the Sixth Council District exceeded its operating budget by \$1,930, which will be offset in the following fiscal year's operating budget. A budget adjustment will reduce the Sixth Council District's FY 17 budget by the overage amount of \$1,930. No other Council District's carryover will be impacted.

## Police Department

10. Increase appropriations in the General Grants Fund (SR 120) in the Police Department (PO) by \$356, 514 for, front-line enforcement efforts, offset by State COPS 16 grant revenue.

On February 16, 2016, the City Council approved the State of California Citizens Option for Public Safety Program funding from the County of Los Angeles Supplemental Law Enforcement Services Fund (State COPS), in the amount of \$39,521 for the grant year 2016.

On September 13, 2016, the City Council approved an additional \$559,667 for the grant year 2016 from State COPS funds. Subsequently, the Police Department received an additional \$356,514 for the grant year 2016 from State COPS funds that will be used for overtime hours, support for a Deputy Probation Officer assigned by the County of Los Angeles, and equipment for front-line law enforcement efforts.

11. Increase appropriations in the General Grants Fund (SR 120) in the Police Department (PO) by \$18,857, for front-line enforcement efforts, offset by State COPS 17 grant revenue.

The Police Department received \$18,857 for grant year 2017 from the State of California Citizens Option for Public Safety Program funding from the County of Los Angeles Supplemental Law Enforcement Services Fund (State COPS). These State COPS funds will be used for front-line law enforcement efforts.

12. Increase appropriations in the General Fund (GF) in the Police Department (PO) by \$148,253, for the purchase of technology and facility needs, offset by Asset Forfeiture funds.

The Chief of Police is authorizing the use of \$148,253 in State and Federal Asset Forfeiture funds for the purchase of unbudgeted software for training records management, technology to use for criminal investigations, investigative training, miscellaneous equipment for front-line patrol operations, and facility repair at the Public Safety Building and police substations.

## Public Works

13. Increase appropriations in the General Fund (GF) in the Public Works Department (PW,) by \$56, 100 for a tree inventory and other projects, offset by a transfer from the General Grants Fund (SR 120).

In 2010, the Public Works Department completed a grant-funded Urban Forest Inventory Project. The project was funded by State grants and matching funds from various City agencies and the former Long Beach Redevelopment Agency (RDA). Of the RDA funding, \$56,100 remains unspent in the General Grants Fund (SR 120) and is available for a new tree inventory project and projects within the former RDA areas.

14. Increase appropriations in the Tidelands Operations Fund (TF) in the Public Works Department (PW) by \$117,971,212, for current Tidelands capital programs and ongoing projects.

Decrease appropriations in the Tidelands Operations Fund (TF) in the City Manager Department (CM) by \$117,971,212, to transfer the Tidelands budget to PW.

During the FY 17 budget process, the Tidelands Project Division transferred from the City Manager Department to the Public Works Department to better coordinate capital projects delivery with the coastal and Tidelands area. This transaction moves carryover appropriation

from one department to another with no net change in total appropriation.

15. Increase appropriations in the Development Services Fund (EF 337) in the Development Services Department (DV) by \$98,000, for a transfer to the Capital Projects Fund in the Public Works Department (PW), offset by fee revenue.

Increase appropriations in the Capital Projects Fund (CP) in the Public Works Department (PW) by \$98,000 to administer an engineering study.

The Public Works Department is managing an engineering study to determine the Base Flood Elevation (BFE) in Flood Zone A areas of the City for building permit, design, and insurance of development within the area. The study will be funded by fee revenue that will be transferred from the Development Services Department.

16. Increase appropriations in the Capital Projects Fund (CP) in the Public Works Department (PW) by \$38,161, for parking-related improvement projects in the downtown area, offset by a transfer from the General Fund (GF).

The Downtown Long Beach Business Association (DLBA) participates in a revenue sharing agreement with the City and receives half of the net revenue generated by downtown area parking meters. On December 2, 2014, the City Council approved the purchase and installation of new smart parking meters throughout the City, including the downtown area. Included in this action was a recommendation from the DLBA that new net revenue collected during the first two years of smart meter operations be dedicated to downtown area parking-related improvements.

#### IAM Memorandum of Understanding (MOU) and Citywide Healthcare Savings

17. Decrease appropriations by \$643, 247 in the relevant departments and funds as shown on Attachment C.

On October 4, 2016, the City Council approved a new MOU with the International Association of Machinists and Aerospace Workers (IAM). The FY 17 provisions include a 2 percent salary adjustment and elimination of the Floor Warden skill pay. As described in the August 23, 2016, City Council letter on healthcare contracts, there will be healthcare cost savings in FY 17. These healthcare cost savings will be used to offset the IAM contract costs and future negotiations with bargaining groups, where applicable.

#### Employee Benefits Corrections

18. Increase appropriations in the Health Fund (SR 130) in the Health and Human Services Department (HE) by \$47,955, to correct missing benefits in budgeted personnel records, offset by funds available.

Increase appropriations in the Housing Authority Fund (SR 151) in the Health and Human Services Department (HE) by \$28,464, to correct missing benefits in budgeted personnel records, offset by funds available.

Increase appropriations in the Tidelands Operations Fund (TF 401) by \$9,375 in the Parks, Recreation and Marine Department (PR), to correct missing benefits in budgeted personnel records, offset by funds available.

Increase appropriations in the Capital Projects Fund (CP) in the Public Works Department (PW) by \$31,623, to correct missing benefits in budgeted personnel records, offset by funds available.

Increase appropriations in General Fund (GF) in the Public Works Department (PW) by \$53,780, to correct missing benefits in budgeted personnel records, offset by General Fund funds available.

The Adopted FY 17 Budget erroneously did not include fringe benefits for a few people. This is a technical correction to fix this problem. It will be funded by funds available within each fund and department.

#### Appropriations Using FY 16 Year-End Surplus

In FY 16, the General Fund and Uplands Oil Fund ended the fiscal year with ending funds available of approximately \$3.1 million and \$0.8 million, respectively. The following appropriations implement a portion of the proposals recommended in the FY 16 Year End Performance Report funded from the Year-End Surplus in the General Fund, Uplands Oil Fund, and Special Advertising and Promotion Fund.

19. Increase appropriations in the General Fund (GF) in the Citywide Activities Department (XC) by \$154,490, to implement the City Council's policy to reserve 5 percent for unfunded liability, offset by General Fund FY 16 Year-End surplus.

20. Increase appropriations in the Uplands Oil Fund (SR 134) in the Long Beach Gas and Oil Department (GO) by \$37,967, to implement the City Council's policy to reserve 5 percent for unfunded liability, offset by Uplands Oil Fund FY 16 Year-End savings.

21. Increase appropriations in the General Fund (GF) in the Parks, Recreation and Marine Department (PR) by \$67,000, to conduct a human and coyote conflict study, offset by General Fund FY 16 Year-End surplus.

22. Increase appropriations in the Uplands Oil Fund (SR 134) in the Long Beach Gas and Oil Department (GO) by \$690,000, for a transfer to the General Fund (GF) in the Citywide Activities Department (XC), offset by Uplands Oil Fund FY 16 Year-End savings.

Increase appropriations in the General Fund (GF) in the Citywide Activities Department (XC) by \$690,000, for medical marijuana implementation.

23. Increase appropriations in the General Fund (GF) in the Citywide Activities Department (XC) by \$710,000, for medical marijuana implementation, offset by General Fund FY 16 Year-End surplus.

24. Increase appropriations in the Special Advertising and Promotion Fund (SR 133) in the City Manager Department (CM) by \$200,000, to partially cover security costs for various community events, offset by Special Advertising and Promotion Fund FY 16 Year-End surplus.

25. Increase appropriations in the Special Advertising and Promotion Fund (SR 133) in the City Manager Department (CM) by \$200,000, for the Museum of Art collection appraisal, offset by Special Advertising and Promotion Fund FY 16 Year-End surplus.

26. Increase appropriations in the Special Advertising and Promotion Fund (SR 133) in the City Manager Department (CM) by \$50,000, for POW! WOW! Long Beach, offset by Special Advertising and Promotion Fund FY 16 Year-End surplus.

27. Increase appropriations in the Special Advertising and Promotion Fund (SR 133) in the City Manager Department (CM) by \$200,000, for a street race Request for Proposals (RFP), offset by Special Advertising and Promotion Fund FY 16 Year-End surplus.

#### FY 14. FY 15 and FY 16 One-Time Funds to be Reappropriated

In FY 14, FY 15 and FY 16, the City Council authorized the allocation of one-time funds to be used for specific department projects. The following appropriations are needed to carry over the funds to FY 17 to complete these projects. These unspent one-time funds have been reserved for this purpose.

28. Increase appropriations in the Refuse Fund (EF 330) in the Public Works Department (PW) by \$95,000, for a transfer to the Fleet Services Fund (IS 386) in the Financial Management Department (FM), offset by funds available.

Increase appropriations in the Fleet Services Fund (IS 386) in the Financial Management Department (FM) by \$95,000, for Clean Team capital expenditures.

29. Increase appropriations in the Development Services Fund (EF 337) in the Development Services Department (DV) by \$15,000, for a plotter/scanner to scan/digitize planning records, offset by unspent FY 16 one-time funds.

30. Increase appropriations in the Development Services Fund (EF 337) in the Development Services Department (DV) by \$53,827, for a vendor to digitize microfilm/microfiche records,



offset by unspent FY 16 one-time funds.

31. Increase appropriations in the General Fund (GF) in the Development Services Department (DV) by \$10,000, for the Neighborhood Partners Program Grant Match Funds, offset by unspent FY 16 Sixth District Divide by Nine funds.

32. Increase appropriations in the General Fund (GF) in the Financial Management Department (FM) by \$84,000, for the Small Business Incentive program, offset by unspent FY 16 one-time funds.

33. Increase appropriations in the General Fund (GF) in the Health and Human Services Department (HE) by \$110,565, for Central, Multi-Service Center (MSC) and North Health Facility repairs, offset by unspent FY 15 one-time funds.

34. Increase appropriations in the Health Fund (SR 130) in the Health and Human Services Department (HE) by \$108,460, for Main Health Facility repairs, offset by unspent FY 15 one-time funds.

35. Increase appropriations in the General Fund (GF) in the Health and Human Services Department (HE) by \$17,976, for the LA River Cleanup, offset by unspent FY 15 onetime funds.

36. Increase appropriations in the General Fund (GF) in the Police Department (PO) by \$32,162, for the body camera pilot project, offset by unspent FY 15 one-time funds.

37. Increase appropriations in the General Fund (GF) in the Police Department (PO) by \$98,314, for crime analysis resources, offset by unspent FY 16 one-time funds.

38. Increase appropriations in the General Fund (GF) in the Police Department (PO) by \$121,660, for sensitivity training, offset by unspent FY 16 one-time funds.

39. Increase appropriations in the General Fund (GF) in the Public Works Department (PW) by \$6,500, for the Joan VanBlum sign for the PCH Bridge, offset by unspent FY 16 Third District Divide by Nine funds.

40. Increase appropriations in the General Fund (GF) in the Public Works Department (PW) by \$4,600, for weekend graffiti abatement, offset by unspent FY 16 one-time funds.

41. Increase appropriations in the General Fund (GF) in the Citywide Department (XC) by \$369,000, for a transfer to the Capital Projects Fund (CP) in the Parks, Recreation and Marine Department (PR), offset by unspent FY 16 one-time funds.

Increase appropriations in the Capital Projects Fund (CP) in the Parks, Recreation and Marine Department (PR) by \$369,000, for parks water conservation capital projects.

42. 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 FY 16 Sixth District Divide by Nine funds.

43. Increase appropriations in the General Fund (GF) in the Parks, Recreation and Marine Department (PR) by \$5, 000, for Veterans Parade support, offset by unspent FY 16 Ninth District Divide by Nine funds.

44. Increase appropriations in the General Fund (GF) in the Parks, Recreation and Marine Department (PR) by \$25, 000, for Houghton Park Vii/age Fest expenditures, offset by unspent FY 16 Ninth District Divide by Nine funds.

45. Increase appropriations in the General Services Fund (IS 385) in the Technology and Innovation Department (TI) by \$53,248, to initiate a single phone number service, offset by unspent FY 16 one-time funds.

46. Increase appropriations in the General Services Fund (IS 385) in the Technology and Innovation Department (TI) by \$96,472, for the Document Imaging Project, offset by unspent FY 16 one-time funds.

47. 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 FY 16 one-time funds.

48. Increase appropriations in the Fleet Services Fund (IS 386) in the Financial Management Department (FM) by \$409,900, for the Fueling System Upgrade, offset by FY 16 one-time funds.

49. Increase appropriations in the Fleet Services Fund (IS 386) in the Financial Management Department (FM) by \$221,057, for the Fueling System Upgrade, offset by unspent FY 14 one-time funds.

50. Increase appropriations in the Fleet Services Fund (IS 386) in the Financial Management Department (FM) by \$101,330, for the M5 Upgrade, offset by unspent FY 14 one-time funds.

51. Increase appropriations in the Special Advertising and Promotion Fund (SR 133) in the Citywide Department (XC) by \$400, 000, for a transfer to the Capital Projects Fund (CP) in the Citywide Department (XC) for Gateway Signs, offset by unspent FY 16 one-time funds.

Approve recommendation.

JOHN GROSS  
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:

PATRICK H. WEST  
CITY MANAGER