



R-23

CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

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August 21, 2018

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Receive and file the Fiscal Year 2018 Second Budget Performance Report. (Citywide)

DISCUSSION

This report includes information on the City's Fiscal Year 2018 (FY 18) budget performance through May 31, 2018, for all funds.

Summary

As of May 31, 2018, no significant concerns have been identified with the City's General Fund or other funds. Any funds that are showing year-end estimates that exceed budgeted appropriations will be resolved with proposed budget adjustments that will be presented to the City Council later in FY 18.

This report summarizes the General Fund performance, and provides additional details on the status of other funds. Please see Attachment A for a breakdown of citywide expenditures by fund.

General Fund and Uplands Oil Fund Overview

Based on current estimates as of May 31, 2018, it is anticipated that the General Fund will end the year in balance with an estimated \$515,790 in funds available and Uplands Oil Fund with an estimated \$20,758. The estimated FY 18 sources and uses are summarized in the table below and described in further detail in the subsequent sections.

General Fund and Uplands Oil Fund Estimates for FY 18 Performance as of May 31, 2018		
	(\$ in millions)	
	General	Uplands
Beginning Funds Available (10/1)	\$ 1.5	\$ 0.3
Sources		
Revenues	516.8	15.5
Other Sources (Release of funds includes release from Operating Reserve)	10.0	-
Total Sources	526.8	15.5
Uses		
Expenditures	(510.1)	(14.5)
Other Uses (i.e. carry-over, reservations)	(17.6)	(1.3)
Total Uses	(527.7)	(15.8)
Ending Funds Available (9/30)	\$ 0.52	\$ 0.02

General Fund - Sources of Funds

Revenues

As of May 31, 2018, the overall General Fund revenues are projected to be higher than previously expected. This is largely because of an additional \$9.8 million one-time transfer from the Gas Fund, as approved by the City Council as part of the Second Budget Adjustments on May 22, 2018. Over the past several years, the City has actively taken steps to reduce the historical transfer in the Gas Fund in order to create a stronger fund balance, fund reserves, and in additional capital projects. As a result of those actions, strong fiscal management by the Department of Energy Resources, and above average performance, the Gas Fund is currently very healthy and in a position to resume the support that was previously held back intentionally. The City Charter specifically authorizes these transfers under situations where the status of the fund is healthy. This one-time transfer will allow the City to fund strategic one-time investments in FY 19, as recommended in the FY 19 Proposed Budget, and has been set aside for that purpose as described in the Other Uses section.

Other revenue sources combined are projected to end the year generally as expected to cover expenses. Some key revenue sources are projecting to be less than anticipated. This includes the Utility Users Tax and Franchise Fees. Cannabis-related revenues are also coming in much lower than projected because cannabis businesses are taking longer to start operations than originally planned. Additionally, there is a shortfall of approximately \$4.8 million of utility revenue transfers due to the adverse impacts of water and sewer utility transfer litigation. However, other key revenues such as Sales Tax (non-Measure A) and Property Tax are anticipated to perform better than budgeted levels. The price of oil is currently higher than budgeted in FY 18. The FY 18 Adopted Budget oil projections assumed \$45 per barrel, yet updated estimates include oil revenue that has been received to date with anticipated revenue at around \$70 per barrel for the remainder of the year. While increased oil-related costs,

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including higher oil well abandonment costs, will lower the net oil revenues available at year-end, this revenue stream will help offset under-performing revenues. Oil revenue to the City may change as there continues to be volatility in the oil market and other factors impacting net oil revenues such as production levels, exploration, and production costs. Overall, well-performing revenues are expected to offset projected shortfalls in other revenue areas.

Attachment B provides a breakdown of the top 40 General Fund revenue performance by source.

Other Sources

A key source of funds for the FY 18 Adopted Budget was revenue received in FY 17 and carried over to be a "release of reserves" in FY 18. These sources were from various revenues above projected levels in FY 17. The FY 17 year-end surplus was reserved and programmed by the City Council as part of the First Budget Adjustments on February 20, 2018, and as part of the FY 17 Year-End Surplus on March 13, 2018. These set-aside funds were released, as needed, in FY 18 for previously City Council-approved purposes, which include implementing the City Council's policy to reserve 5 percent for unfunded liabilities for FY 17; medical marijuana implementation costs; and, carryover of FY 17 one-time investments that were not completed such as funding for Multi-Service Center Facility repairs and homeless rapid response, and various Council Districts' Priority Funding.

General Fund - Uses of Funds

Expenditures by Department

As of May 31, 2018, the General Fund expenditure estimates, collectively, are projecting to end the year slightly under the FY 18 Adjusted Budget. The FY 18 Adopted Budget included \$1.8 million of department savings targets to account for the natural turnover in filling positions citywide and was calculated at 1.25 percent of non-sworn personnel costs for each fund. These targets were increased mid-year for the General Fund to 1.3 percent of non-sworn personnel costs or 0.5 percent of a department's total structural budget, to address the City Council's direction to save as much money as practical without impacting jobs or programs. These targets were incorporated into departments' budgets, and all General Fund Departments are expected to meet the targets and end the year within budget.

Currently, a few departments, Citywide Activities, Fire, and Legislative, are showing year-end estimates that could be over budget, but solutions have been tentatively identified. All Departments are expected to come in within budget after anticipated budget adjustments are made. The Citywide Activities Department is showing year-end estimates higher than the FY 18 Adjusted Budget, but will end under budget pending an upcoming budget adjustment to appropriate a transfer of funds to the Debt Service Fund, a technical correction. Per the agreement with the State, the City will receive Redevelopment Property Tax Trust Fund (RPTTF) funds to make debt-service payments for the Open Space Lease Revenue Bond, which will be transferred to the Debt Service Fund. The Fire Department's projected \$2 million overage is due to expenses related to overtime fighting the wildland fires, which will be

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reimbursed by the State, overtime staffing special events, and the early start of the next fire academy. The Legislative Department' projected overage will be remedied with two previously approved budget adjustments that have not yet posted to the accounting system. All departments and funds will continue to be monitored.

The Police Department is estimating to end the year under budget by a planned \$3.4 million. These savings were anticipated and planned. They will be carried forward as part of the funding for one of two police academies in FY 19. These funds will be reserved at the end of FY 18 and appropriated in a mid-year budget adjustment in FY 19.

The City's cannabis business program has been making progress since voters approved Measure MA and MM last year. Revenues from cannabis businesses have not been as expected due to the slower than anticipated pace at which businesses are opening and operating. The actual cost of the cannabis business program implementation has also been lower than what was budgeted. Both the revenues and costs will continue to be closely monitored for the remainder of the year. Attachment C provides a breakdown of General Fund expenditure performance by department, with notable variances identified in the footnotes.

Other Uses

The Other Uses category represents assignments of funds available for future specific purposes. In FY 18, the Other Uses include setting aside funds for the Measure B budget stabilization Rainy Day Fund from Measure A tax and Cannabis revenues, savings in the Police Department that will be carried over to FY 19 to support a police academy, the Successor Agency's sale of property proceeds and funds from the additional transfer of revenue from the Gas Fund that will be used to fund strategic investments and other one-times as part of the FY 19 Proposed Budget.

Measure A Revenues and Expenditures

Pursuant to the June 7, 2016 Measure A ballot initiative, on January 1, 2017, businesses in the City began to collect an additional 1 percent in transaction and use tax (similar to a sales tax) on all tangible personal property sold at retail in Long Beach. The City Council committed \$47.7 million in FY 18 Measure A revenues to fund priority public safety maintenance and restorations, as well as capital improvement projects to help rebuild Long Beach's infrastructure projects, and the administration of the Measure A tax. As of May 31, 2018, Measure A revenues for the year were \$39.1 million, and it is anticipated that revenues at year end will be \$53.3 million, or \$5.6 million more than originally budgeted. Measure A revenue is challenging to project due to the timing of revenue receipts and, as it is a relatively new revenue source, without an established history or pattern.

On May 22, 2018, the City Council approved funding use of \$1 million of the higher than anticipated Measure A revenue for parks projects in FY 18. The recommended uses of the remaining anticipated surplus, along with other unallocated Measure A revenue through FY 23, has been included in the FY 19 Proposed Budget for one-time public safety and infrastructure purposes.

As reflected in Attachment D, Summary of FY 18 Measure A Revenue and Expenditures, as of May 31, 2018, \$9 million has been expended or moved to the Measure A subfund and \$8.3 million has been encumbered, or obligated, for ongoing and one-time public safety and infrastructure purposes. To facilitate reporting on Measure A revenue and expense, Measure A is budgeted and tracked in a unique subfund of the General Fund. Personnel costs, which are primarily public safety maintenance and restorations, are budgeted in the General Fund operating budgets of the respective departments. At year-end, expenditures and personnel costs for public safety maintenance and restorations will reflect the budgeted levels.

FY 18 Revenues – All Other Funds

Uplands Fund and Tidelands Operations Fund

The City's oil revenues continue to be impacted by oil price fluctuations. The FY 18 Adopted Budget oil projections were based on \$45 per barrel. Updated oil price estimates are for an average of \$70 per barrel for the rest of the year. The revised revenue estimates project an additional estimated \$2.1 million transfer amount from the Uplands Fund to the General Fund, which covers General Fund operations and one-time investments. In the Tidelands Operations Fund, FY 18 oil revenue is projected to be an estimated \$3.1 million above the budgeted amount, and is used to fund both operations and capital investment in the Tidelands area. Overall, the Tidelands Operations Fund is projected to end FY 18 with a \$4.1 million surplus. A list of projects being proposed that utilize this surplus is included in the FY 19 Proposed Capital Improvement Program budget. Due to the volatility in various factors impacting oil prices, staff continues to closely monitor these funds and will update revenues at year-end.

There are no other revenue concerns related to all other funds to report at this time.

FY 18 Expenditures – All Other Funds

Refuse and Recycling

The Refuse and Recycling Fund receives the majority of its revenue from refuse and recycling charges. Other revenue sources include grant money from the State for various outreach efforts, revenues from the sale of recyclables collected through the City's residential recycling program, and fees paid by the City's licensed private refuse haulers for AB 939 compliance. There have been operating shortfalls over the last few years and funds available have been used to offset these shortfalls. After many years of implementing various efficiency measures, the fund continues to operate at a structural imbalance. To address the structural imbalance, the City retained an outside consultant to complete a comprehensive cost of service review and develop a rate model. The study will recommend a rate increase sometime in FY 19 to better reflect the cost of service to the ratepayer. While the City has adjusted the rates in the past for general CPI increases, there has not been a general refuse rate increase since 2003.

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Gas Fund

On June 3, 2018, a 25-year pipeline lease agreement between the City and Southern California Gas (SCG) expired and the lease will not be renewed. FY 18 revenue from the lease is estimated to be only \$3.4 million, a \$1.35 million reduction from the previous year. The lease revenue will be eliminated in FY 19 for a total reduction of \$3.4 million from the FY 18 budget. This reduction is offset by the continued increase in revenues from above-average Gas Fund performance and the reduction of expenditures for meter reading. Meter reading is no longer needed because of the completion of the Automated Metering Infrastructure project. Above-average performance experienced in FY 18 and the City's intentional reductions to historical Gas Fund transfers have led to a strong and healthy Gas Fund available funds. Staff will continue to monitor the Gas Fund's financial health to ensure that customers are appropriately served and pipeline integrity is being maintained with an adequate level of repair and replacement.

This matter was reviewed by Deputy City Attorney Amy R. Webber on August 7, 2018.

TIMING CONSIDERATIONS

City Council action is requested on August 21, 2018.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

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- ATTACHMENTS: A – EXPENDITURES BY FUND
B – GENERAL FUND TOP 40 REVENUE
C – GENERAL FUND EXPENDITURES BY DEPARTMENT
D – MEASURE A SUMMARY OF REVENUE AND EXPENDITURES AND INFRASTRUCTURE PROJECT LIST

APPROVED:



PATRICK H. WEST
CITY MANAGER

CITY OF LONG BEACH EXPENDITURES BY FUND
THROUGH MAY 31, 2018

FUND	FY 18 New Allocation	Estimated All-Years Carryover ¹	FY 18 Adopted Budget	Amendments	FY 18 Adjusted Budget	FY 18 Year to Date Expenditures as of 5/31/18	Estimates-to-Close
Funds With All-Years Carryover							
AIRPORT	\$ 43,834,017	\$ 36,947,584	\$ 80,781,601	\$ 34,097,124	\$ 114,878,725	\$ 31,195,483	\$ 67,541,291
BUSINESS ASSISTANCE	705,681	1,561,622	2,267,303	-	2,267,303	496,604	705,681
CAPITAL PROJECTS	35,824,824	94,399,254	130,224,078	14,255,678	144,479,756	20,020,346	48,680,557
CIVIC CENTER	10,400,805	7,726,718	18,127,523	1,606,353	19,733,876	6,689,750	11,360,817
COMMUNITY DEVELOPMENT GRANTS	20,285,512	20,380,349	40,665,862	1,372,143	42,038,005	11,202,878	21,673,922
CUPA	1,946,734	-	1,946,734	19,264	1,965,998	1,069,709	1,962,043
DEVELOPMENT SERVICES	23,208,857	1,763,908	24,972,764	3,545,605	28,518,369	14,252,910	23,148,495
FLEET SERVICES	59,165,983	2,073,437	61,239,421	2,355,237	63,594,658	23,748,926	47,469,414
GAS	131,688,645	7,479,004	139,167,649	11,242,186	150,409,834	11,242,186	143,211,439
GAS TAX STREET IMPROVEMENT	15,463,236	23,273,985	38,737,221	221,325	38,958,546	10,294,574	17,129,176
GENERAL GRANTS	7,962,939	18,222,682	26,185,621	3,826,393	30,012,014	8,372,916	11,663,788
GENERAL SERVICES	44,686,614	27,506,383	72,192,997	15,071,600	87,264,597	28,579,311	72,412,335
HEALTH	44,340,517	31,637,367	75,977,884	2,141,579	78,119,463	20,686,953	38,522,461
HOUSING AUTHORITY	77,111,051	509,812	77,620,863	-	77,620,863	48,222,135	74,787,229
HOUSING DEVELOPMENT	7,602,904	29,247,603	36,850,507	500,000	37,350,507	15,785,892	16,520,723
INSURANCE	42,951,726	945,419	43,897,145	7,848,673	51,745,818	34,255,748	50,297,230
REFUSE/RECYCLING	48,377,664	131,971	48,509,634	278,512	48,788,146	25,040,574	46,706,676
SUCCESSOR AGENCY	73,995,767	20,964,724	94,960,490	-	94,960,490	25,072,190	54,076,208
TIDELANDS	109,961,051	116,487,451	226,448,503	28,597,172	255,045,675	86,909,385	135,603,828
TRANSPORTATION	30,093,978	24,445,205	54,539,184	647,000	55,186,184	8,806,403	23,692,877
SUBTOTAL	\$ 829,608,506	\$ 465,312,984	\$ 1,295,312,984	\$ 127,625,843	\$ 1,422,938,826	\$ 502,697,405	\$ 907,166,192
Funds Without All-Years Carryover							
BELMONT SHORE PARKING METER	\$ 765,000		\$ 765,000	-	765,000	\$ 498,624	\$ 728,341
DEBT SERVICE FUND	11,099,333		11,099,333	-	11,099,333	5,023,229	11,099,333
EMPLOYEE BENEFITS	289,328,050		289,328,050	4,699	289,332,749	126,737,335	282,122,416
GENERAL	500,964,361		500,964,361	9,943,592	510,907,953	297,583,904	510,132,858
HARBOR	731,374,877		731,374,877	358,252	731,733,129	311,225,449	731,733,129
POLICE & FIRE PUBLIC SAFETY OIL PROD ACT	3,840,486		3,840,486	-	3,840,486	1,245,948	3,840,486
SERRF	51,088,419		51,088,419	-	51,088,419	31,537,138	49,518,596
SERRF JPA	10,990,570		10,990,570	-	10,990,570	10,886,803	10,990,570
SEWER	22,024,667		22,024,667	18,687	22,043,354	8,374,688	21,049,060
SPECIAL ADVERTISING & PROMOTION	11,441,532		11,441,532	828,413	12,269,945	6,280,679	11,868,958
TIDELANDS OIL REVENUE	63,937,982		63,937,982	37,107,365	101,045,347	48,038,067	96,340,154
TOWING	5,457,831		5,457,831	34,407	5,492,237	3,162,343	5,453,551
² UPLANDS OIL	10,514,840		10,514,840	3,000,000	13,514,840	6,415,841	14,179,111
³ WATER	106,381,569		106,381,569	33,875	106,415,444	60,956,904	108,712,569
SUBTOTAL	\$ 1,819,209,516	\$ -	\$ 1,819,209,516	\$ 51,329,289	\$ 1,870,538,805	\$ 917,966,952	\$ 1,857,769,131
TOTAL - ALL FUNDS	\$ 2,648,818,022	\$ 465,704,478	\$ 3,114,522,500	\$ 178,955,132	\$ 3,293,477,631	\$ 1,420,664,357	\$ 2,764,935,322

- Estimated All-Years Carryover is composed of multi-year grants and Capital Improvement Program (CIP) funds; unspent amounts are carried over to future years, resulting in a larger adjusted budget. These carryover estimates are based on the FY 18 Adopted Budget; Financial Management is currently conducting a review to update these figures.
- Estimated expenses anticipated to exceed budget due to increased payment to the State and transfer to the General Fund, both of which are related to higher than anticipated oil revenues. The Energy Resources Department requested an appropriation increase in the second budget adjustment to align budget to actuals, offset by increased oil revenues.
- The Long Beach Water Department purchases water to be provided to the Seawater Barrier Project and is 100% reimbursed for these purchases. LBWD will be requesting an appropriation increase in the Water Fund to bring the Department's spending under budget.

CITY OF LONG BEACH GENERAL FUND REVENUE SUMMARY
THROUGH MAY 31, 2018

Notes	Top 40	Revenues	FY 17 Adjusted Budget	FY 17 Actual Revenue as of 05/31/2017	FY 18 Adjusted Budget	FY 18 Actual Revenue as of 5/31/2018	Estimates-to-Close	Percentage of Adjusted received as of 5/31/18
1	1	REAL PROPERTY TAX	\$ 108,798,216	\$ 93,388,124	\$ 112,177,742	\$ 91,950,902	\$ 114,137,628	82%
2	2	CITY SALES AND USE TAX	\$ 58,848,000	\$ 39,777,417	\$ 61,217,300	\$ 45,153,617	\$ 62,778,607	74%
3	3	TRANSACTION AND USE SALES TAX-MEASURE A	\$ 35,640,000	\$ 7,413,500	\$ 47,698,200	\$ 39,070,573	\$ 53,107,251	82%
4	4	PROPERTY TAX IN-LIEU OF VLF	\$ 45,872,400	\$ 46,135,841	\$ 48,161,204	\$ 48,250,082	\$ 48,250,082	100%
5	5	TRANSFERS FROM OTHER FUNDS	\$ 22,498,488	\$ 5,894,299	\$ 30,698,067	\$ 29,949,589	\$ 42,504,498	98%
6	6	TRANSIENT OCCUPANCY TAX	\$ 19,261,000	\$ 11,291,146	\$ 20,197,273	\$ 12,143,325	\$ 21,186,727	60%
6	7	ELECTRIC USERS TAX & PENALTIES	\$ 21,935,000	\$ 11,665,675	\$ 20,996,894	\$ 12,971,936	\$ 19,414,254	62%
8	8	PARKING CITATIONS	\$ 13,282,118	\$ 8,707,095	\$ 13,953,200	\$ 9,020,912	\$ 14,161,562	65%
9	9	BUSINESS LICENSE TAXES	\$ 12,357,000	\$ 8,196,903	\$ 12,457,000	\$ 8,431,842	\$ 12,200,000	68%
7	10	EMERGENCY AMBULANCE FEES	\$ 10,900,000	\$ 7,133,243	\$ 11,622,590	\$ 5,423,540	\$ 10,300,000	47%
11	11	CHARGES FOR SPECIAL SERVICES	\$ 5,518,748	\$ 2,240,706	\$ 11,088,358	\$ 6,025,816	\$ 11,208,727	54%
8	12	TELEPHONE USERS TAX & PENALTIES	\$ 11,770,000	\$ 6,702,027	\$ 9,665,403	\$ 5,738,882	\$ 8,658,389	59%
13	13	ELECTRIC COMPANY FRANCHISES	\$ 7,970,000	\$ 5,055,000	\$ 6,496,660	\$ 5,554,102	\$ 7,247,027	85%
14	14	OTHER DEPT SVCS TO PROPRIETARY FUNDS	\$ 5,594,699	\$ 524,314	\$ 6,126,614	\$ 3,196,999	\$ 5,698,222	52%
15	15	AMERICAN GOLF LEASE	\$ 4,667,337	\$ 2,936,872	\$ 4,726,926	\$ 2,979,270	\$ 4,793,475	63%
16	16	LAND,BLDG,R/W,EASEMENT,APT RENTALS	\$ 4,552,986	\$ 2,396,375	\$ 4,771,847	\$ 3,550,109	\$ 4,469,483	74%
17	17	WATER USERS TAX & PENALTIES	\$ 4,029,000	\$ 2,567,056	\$ 4,242,758	\$ 2,682,974	\$ 4,285,045	63%
18	18	GAS USERS TAX & PENALTIES	\$ 2,958,608	\$ 2,838,756	\$ 4,015,560	\$ 2,855,639	\$ 3,987,094	71%
19	19	MISC REFUNDS & REIMB	\$ 3,025,200	\$ 2,065,055	\$ 3,395,185	\$ 2,014,675	\$ 3,192,868	59%
9	20	PIPELINE FEE-WATER	\$ 6,146,731	\$ 3,080,353	\$ 6,238,932	\$ 1,613,159	\$ 3,137,848	26%
10	21	PIPELINE FEE-SEWER	\$ 4,712,418	\$ 2,365,434	\$ 4,783,104	\$ 1,239,875	\$ 3,035,988	26%
22	22	MISC REVENUE FROM OTHER AGENCIES	\$ 2,433,962	\$ 1,071,163	\$ 2,596,550	\$ 953,058	\$ 2,918,513	37%
23	23	PIPELINE SAFETY FEES	\$ 2,600,000	\$ 2,771,581	\$ 2,676,000	\$ 2,892,759	\$ 2,893,054	108%
24	24	PIPELINE FRANCHISES	\$ 3,304,508	\$ 2,491,502	\$ 3,502,259	\$ 2,277,730	\$ 2,790,122	65%
25	25	HARBOR-POLICE	\$ 2,400,000	\$ 625,138	\$ 2,544,783	\$ 1,060,326	\$ 2,544,783	42%
26	26	INTEREST-POOLED CASH	\$ 1,286,900	\$ 1,440,701	\$ 2,510,300	\$ 1,769,664	\$ 2,495,036	70%
11	27	HAULER FEES	\$ 2,000,000	\$ 1,441,231	\$ 2,100,000	\$ 1,693,386	\$ 2,400,000	81%
28	28	ASSET MANAGEMENT CHARGES	\$ 2,314,509	\$ 1,529,676	\$ 2,345,010	\$ 1,545,202	\$ 2,345,010	66%
29	29	REAL PROPERTY TRANSFER TAX	\$ 2,139,060	\$ 1,359,179	\$ 2,074,120	\$ 1,541,737	\$ 2,291,497	74%
30	30	OTHER DEPT CHGS TO GOVT'L FUNDS	\$ 2,084,533	\$ 1,365,306	\$ 2,071,955	\$ 1,272,672	\$ 2,010,627	61%
31	31	POLICE CHARGES FOR SPECIAL EVENTS	\$ 1,300,000	\$ 970,100	\$ 1,410,000	\$ 1,269,805	\$ 1,806,259	90%
32	32	OTHER GOVT FUND-PUBLIC SERVICE	\$ 1,458,258	\$ 842,089	\$ 1,487,850	\$ 1,269,540	\$ 1,764,042	85%
33	33	FIRST RESPONDER FEE	\$ 1,652,298	\$ 1,536,718	\$ 1,700,000	\$ 1,135,456	\$ 1,700,000	67%
12	34	OIL PRODUCTION TAX	\$ 1,647,442	\$ 876,764	\$ 1,272,395	\$ 838,048	\$ 1,676,096	66%
35	35	METERED/OTHER PARKING	\$ 1,446,710	\$ 1,016,855	\$ 1,469,866	\$ 1,110,962	\$ 1,650,000	76%
13	36	REIMB OF STATE MANDATED COSTS	\$ 425,000	\$ 117,617	\$ 425,000	\$ 1,486,637	\$ 1,421,280	350%
14	37	MARIJUANA COLLECTV APPLICATION FEE	\$ -	\$ 4,640	\$ 5,214,000	\$ 639,409	\$ 1,307,650	12%
38	38	FIRE INSPECTION FEES	\$ 1,523,976	\$ 762,369	\$ 1,523,976	\$ 845,668	\$ 1,282,476	55%
39	39	CIP-ENGINEERING CHARGES	\$ 1,257,945	\$ 204,006	\$ 1,257,945	\$ 291,557	\$ 1,257,945	23%
15	40	MEDI-CAL GEMT SUPPLEMENTAL REIMB PRGRM	\$ 400,000	\$ 658,614	\$ 400,000	\$ 1,278,247	\$ 1,278,248	320%
		SUBTOTAL TOP 40 REVENUES	\$ 442,013,050	\$ 293,460,441	\$ 483,312,825	\$ 364,989,680	\$ 495,587,412	76%
		ALL OTHER REVENUES	\$ 18,510,485	\$ 13,633,185	\$ 19,118,061	\$ 24,671,118	\$ 21,206,536	129%
		TOTAL GENERAL FUND REVENUES	\$ 460,523,535	\$ 307,093,626	\$ 502,430,886	\$ 389,660,798	\$ 516,793,948	78%

Notes:

- ¹ Property Tax revenue projections are based on the assessed valuation provided by the County of Los Angeles in fall 2017. This report consolidates all property tax, including post-RDA dissolution property taxes and former tax increment pass-through revenues into one citywide property tax category.
- ² Sales and Use Tax and In-Lieu Sales Tax, non-Measure A, experiencing higher than anticipated actuals due one-time construction and port activity, as well as better than expected performance across various categories.
- ³ Measure A is anticipated to come in higher than budget based on performance indicated through actual receipts. Year-to-date Measure A revenues total \$\$43.3M, including a true-up payment for First Quarter 2018 (January - March). By year end, it is anticipated that Measure A revenues will reach \$53.3 million.
- ⁴ Property Tax In-Lieu of VLF are calculated based on the change in cities assessed valuation. FY 18 actuals and estimates-to-close reflect increases in assessed valuation.
- ⁵ Transfers from other funds include transfer from Uplands Oil anticipated higher than budget. FY 18 Adopted Budget assumed \$45 per barrel, revised estimates include price at \$70 per barrel.
- ⁶ Electric Utility Users Tax estimated below budget based on actual performance. Reduced actuals attributed to the continued issuance of California Climate Credit program with commercial credits issued retroactively for prior years.
- ⁷ Emergency Ambulance Fees actuals and estimates includes one time revenue reduction related to Citywide escheat process for prior year fees, in addition to estimated billing backlogs due to current staff resources dedicated to the implementation of the City's new Electronic Patient Care Reporting system.
- ⁸ Telephone Utility Users Tax estimated below budget due to limited numbers of new subscribers and a highly competitive price environment.
- ⁹⁻¹⁰ Water and Sewer Pipeline fees subject to litigation in FY18. Estimated revenue includes transfer amounts effective prior to litigation. Revenue estimates will be updated to reflect Measure M effective date.
- ¹¹ Hauler Fee projections anticipate higher than budgeted actuals due to an increase in the amount of refuse disposed and diverted from private haulers.
- ¹² Oil Production Tax revenue is remitted to the City on a quarterly basis and reflects production. Oil Production Tax revenues are above budget due to higher than anticipated production from increased drilling activities in the Wilmington Oil Field.
- ¹³ Reimbursement of State Mandated Costs are higher than estimated due to reimbursement for Fire services staff related to statewide mutual aid deployments.

**CITY OF LONG BEACH
GENERAL FUND EXPENDITURES SUMMARY
THROUGH MAY 31, 2018**

Department	FY 18 Adopted Budget	FY 18 Adjusted Budget	FY 18 Actual Expenditures, as of 5/31/18	Estimates-to- Close
City Auditor	\$ 2,588,171	\$ 2,673,481	\$ 1,286,860	\$ 2,619,302
City Attorney	2,988,992	3,018,269	1,761,068	2,814,567
City Clerk	5,382,642	5,355,168	2,489,734	5,355,168
City Manager	3,892,658	3,848,591	2,423,704	3,779,058
City Prosecutor	5,461,638	5,438,387	3,224,736	5,404,102
¹ Citywide Activities	38,633,455	47,277,760	21,552,568	49,478,423
Civil Service	2,828,026	2,798,798	1,539,900	2,798,798
Development Services	5,487,216	5,568,491	3,434,350	5,378,769
Disaster Prep & Emerg Comm	12,565,442	12,440,207	7,234,707	12,392,783
Economic Development	2,525,358	3,041,920	2,524,919	2,922,604
² Fire	86,573,619	86,186,114	54,578,603	88,198,416
Financial Management	16,408,234	17,099,397	8,879,867	16,976,252
Health and Human Services	3,020,051	3,333,762	1,171,119	3,331,311
³ Legislative	5,592,357	5,590,619	3,144,439	5,650,619
Library Services	13,893,258	13,774,972	8,460,663	13,763,917
⁴ Police	222,203,115	221,985,385	134,984,274	218,545,428
Parks, Recreation, and Marine	33,792,878	34,173,841	19,132,784	33,950,206
Public Works	37,127,250	37,302,790	19,759,609	36,773,132
TOTAL	\$ 500,964,361	\$ 510,907,953	\$ 297,583,904	\$ 510,132,858

- ¹ The Citywide Activities Department is estimating a budget adjustment to appropriate the transfer of funds to the Debt Service Fund, per the agreement with the State where the City receives RPTTF funds for Open Space Debt.
- ² The Fire Department is currently estimating unbudgeted expenses of \$2.0 million for wildland fires overtime, special event overtime, and the early start of the next fire academy. Increases to appropriation to address these unbudgeted costs will be adjusted by the close of the fiscal year.
- ³ Budget adjustments for the Legislative Department have been approved for Council District Priorities in the amounts of \$10,000 and \$50,000, increasing adjusted budget to accommodate the Estimates-to-Close.
- ⁴ The Police Department is estimated to end the year with savings, which are programmed to help fund the Police Academies in FY 19.

Measure A
Summary of FY 18 Revenue and Expenditures
as of May 31, 2018

	FY 18 Adopted	Structural Portion ¹	One-time Portion	Actuals as of 05/31/18	ETC as of 05/31/18	Outstanding as of 05/31/18
Total Measure A Revenue Estimate Net of State Board of Equalization Fees	\$ 47,698,200	\$ 23,849,100	\$ 23,849,100	\$ 39,070,573	\$ 53,107,251	\$ 14,036,678
	FY 18 Adjusted ²	Structural Uses	One-time Uses	Actuals as of 05/31/18	Encumbrances as of 5/31/18	Remaining as of 5/31/18
Total Uses of Measure A	\$ 52,020,114	\$ 15,336,460	\$ 36,683,654	\$ 9,038,062	\$ 8,389,476	\$ 34,592,576
Invest in Infrastructure	30,488,654	-	30,488,654	5,207,983	8,310,430	16,970,241
Enhance and Maintain Public Safety	20,697,721	14,647,721	6,050,000	3,769,950	66,926	16,860,844
Advanced, Maximized Police Academy	4,300,000	-	4,300,000	-	-	4,300,000
Neighborhood Safe Streets	1,000,000	-	1,000,000	-	-	1,000,000
Upgrade and New Camera Technology	750,000	-	750,000	391,440	66,926	358,560
Reestablish Police's South Division	1,538,272	1,538,272	-	-	-	1,538,272
Restore Fire Engine 8	2,296,881	2,296,881	-	1,221,775	-	1,075,106
Restore Policy Academy Staffing	1,408,805	1,408,805	-	-	-	1,408,805
Restore Paramedic Rescue 12	1,110,176	1,110,176	-	647,603	-	462,573
Maintain Police Services	5,908,912	5,908,912	-	-	-	5,908,912
Maintain Fire Services	2,384,675	2,384,675	-	1,509,132	-	875,543
Contribute to Rainy Day Fund (Measure B)	480,282	480,282	-	-	-	480,282
Administer Measure A Tax	353,458	208,458	145,000	60,128	12,120	281,210

¹ Structural portion is available for either ongoing operations or one-time purposes.

² FY 18 Adjusted Budget includes carryover revenue from FY 17 surplus of \$3.3 million and FY 18 mid-year enhancement of \$1.0 million from additional FY 18 revenue.