



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

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R-13

February 16, 2016

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Receive and file the Fiscal Year 2015 Year-End Budget Performance Report, and increase appropriations in several funds across several departments for various purposes to reflect final expenditures and carryover clean-up. (Citywide)

DISCUSSION

This report reflects the City's Fiscal Year 2015 (FY 15) budget performance. The information provided is subject to change, as the books for FY 15 are not fully closed. However, it is anticipated that these numbers are close to final. While the financial report primarily discusses the General Fund, significant information for other funds is highlighted where applicable.

YEAR-END BUDGET PERFORMANCE REPORT

Summary

The City's total FY 15 Adjusted Budget of \$3.8 billion, including carryover, supports 22 departments, including the separately managed Water and Harbor Departments. The City has seven fund types divided into 37 funds that comprise the \$3.8 billion FY 15 Adjusted Budget (Attachment A). Most of these funds are restricted funds, such as the Harbor Fund, Gas Fund, and Tidelands Funds, that are designated for specific and limited activities. The majority of core community services provided in the City, such as police and fire services, libraries and parks, are largely supported by the General Fund, which comprises only 12 percent of the City's Adjusted Budget.

The City ended FY 15 mostly consistent with program and budget expectations. Year-end spending came in under budgeted appropriation for the General Fund and for all other funds after factoring in technical adjustments requested, which are further described later in this report. Please see Attachment A for a breakdown of citywide expenditures by fund. The remainder of this report summarizes the General Fund and notable performance for selected other funds.

General Fund and Uplands Oil Fund Overview

The General Fund and Uplands Oil Fund ended the fiscal year with an ending funds available of approximately \$4.2 million and \$0.9 million, respectively. The FY 15 sources and uses of funds available are summarized in Table 1 below:

Table 1: General and Uplands Oil Funds FY 15 Performance			
	(\$ in millions)		
	General	Uplands	
Beginning Funds Available (10/1)	3.3	0.1	
Sources			
Revenues	444.3	19.4	
Other Sources (i.e. release of funds available and reserves)	19.1	14.6	
Total Sources	463.4	34.0	
Uses			
Expenditures	(436.3)	(31.9)	
Other Uses (i.e. encumbrances, reserves for carry-over, Council approved non-recurring expenses and other liabilities)	(26.2)	(1.3)	
Total Uses	(462.5)	(33.3)	
Ending Funds Available (9/30)	\$ 4.2	\$ 0.9	

FY 15 General Fund sources totaled \$463.4 million, comprised of \$444.3 million in revenue and \$19.1 million in "other sources" largely made up of the release to funds available of previously assigned reserves that were authorized (budgeted) for expenditure in FY 15. FY 15 uses totaled \$462.5 million, comprised of \$436.3 million in expenditures, and also \$26.2 million in other uses. The "other uses" are assignments to reservations for future uses, including planned FY 16 budget spending ("carry-over"), City Council-approved non-recurring expenses for FY 16, and for other City liabilities. The City Council budgeted or designated many of these funds in previous City Council actions.

In general, revenues for the year were better than budgeted and expenditures were lower than budgeted. Variances from budgeted revenues and expenditures are being analyzed to determine the degree to which variances in FY 15 are one-time or on-going. On-going variances will be taken into account in analyzing the status of FY 16 and the FY 17 proposed budget projections.

Additional information on the General Fund and Uplands Oil Fund sources and uses are described in the next sections.

Recommendations for the Use of Funds Available in the General and Uplands Oil Funds

The FY 15 ending funds available is projected to be \$4.2 million for the General Fund and \$0.9 million for the Uplands Oil Fund. The General Fund funds available is in addition to

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operating and emergency reserves for the Fund, which ended the year at 2.4 percent or \$10.5 million and 10 percent or \$43.5 million, respectively, and is in line with the City's financial policy for reserves. The proposed uses for the funds available are shown in Table 2 below. Similar to what was recommended as funds available in FY 15, it is recommended to leave a minimum funds available in the General Fund of \$0.5 million, and to use essentially all the funds available in the Uplands Oil Fund. A zero funds available in the Uplands Oil Fund is acceptable because the fund has an operating reserve of \$500,000.

Currently, the remaining ending funds available for the General Fund after the recommended uses below is approximately \$1 million, which is higher than the recommended minimum funds available of \$0.5 million. This higher funds available provides the ability to cover the election cost of any potential citywide revenue measure that may be put on a ballot, as discussed during the January 26, 2016 City Council meeting. The cost to place a revenue measure on the ballot is estimated to be \$565,000 for the June Statewide Primary Election, and \$433,000 for the November Statewide General Election. If no funds are needed for a ballot measure, it is recommended that the excess funds available above \$0.5 million go towards offsetting the cost of the second Police Academy, which is currently not fully funded.

An explanation for each of the proposed year-end uses follows the table below.

Table 2: Proposed Uses of the General and Uplands Oil Funds Available			
(\$ in millions)			
	General Fund		Uplands
Ending Funds Available (9/30)	\$	4.2	\$ 0.9
Recommendations for Uses of Funds Available			
Council Policy 5% to Unfunded Liability Reserve	\$	(0.21)	\$ (0.04)
Legislative Department Budget Carry-Over	\$	(0.23)	
City Auditor Office Budget Carry-Over	\$	(0.05)	
Police - Two Academies in 2016 (total est. \$3.9m)	\$	(2.50)	\$ (0.80)
Police Helicopter - Extra Hours	\$	(0.20)	
Potential Election Expense		TBD	
Remaining Ending Funds Available (9/30)	\$	1.02	\$ 0.05

The recommendations for uses of Funds Available include the following:

- Set-aside 5 percent of funds available for unfunded liabilities to comply with the City Council's adopted financial policy. This includes \$210,251 from the General Fund and \$44,593 from the Uplands Oil Fund.
- Carry-over for the Legislative Department savings, which will be automatically allocated to supplement each respective Council District's Divide by Nine funds, in accordance with the Procedures for Implementation of Divide by Nine document of November 9, 2015. There is \$230,599 in General Fund savings from the Legislative Department.

- Carry-over for the City Auditor's Office savings to provide one-time support for one-time needs into FY 16. Savings of \$45,000 from the General Fund was requested by the City Auditor and appropriated by the City Council on December 1, 2015.
- Enhancement for the Police Department's budget of \$3.3 million to help fund the two academies currently planned to take place in calendar year 2016 in order to mitigate sworn vacancies. There is currently a funding shortfall of \$3.9 million to cover both of these academies. \$2.5 million from the General Fund and \$800,000 from the Uplands Oil Fund will offset a large portion of the funding needs for the academies. As discussed later in this report, \$308,604 in FY 15 savings in the Police Department Proposition H budget will be requested in the FY 16 First Budget Adjustment Report to support the academy. Additional appropriation will be requested once the remaining funds are identified.
- Enhancement for the Police Department's budget of \$200,000 for additional helicopter flight hours. The Police Department has observed an increase in violent crime occurrences in FY 15 compared to FY 14. Helicopters can help respond to and potentially mitigate these violent crimes by providing visual air support and aid in directing police resources on the ground. The funds will be used to fund a three-month pilot program of increased flight hours.

Where applicable, the appropriations for these proposed uses of the surplus are included in the FY 16 First Budget Adjustment Report.

General Fund - Sources of Funds

Revenues

As of fiscal year-end, \$444.3 million of General Fund revenue was received, including approximately \$20 million in one-time revenue, a portion of which was previously included in the FY 15 budget per City Council action. One-time revenues included \$14.1 million from Uplands Oil Fund from FY 14 oil revenue over \$70/bbl, \$1.2 million from the realignment of funds from the ground lease on the land swap in the Pike, \$1.6 million from the State for reimbursement and interest for mandate-related costs incurred prior to 2004, and \$1.6 million in reimbursement for wild land Fire deployments.

Aside from these one-time funds, the General Fund experienced growth in several other revenue sources, including property tax, transient occupancy tax, electricity-related revenues, and business license tax among others. Analysis of these revenue sources during FY 15 found structural growth, which was incorporated into the FY 16 Adopted Budget. Revised FY 16 revenues were presented to the City Council on November 17, 2015, along with preliminary revenue impacts on FY 17 and beyond. Further analysis is on-going to determine what, if any, portion of the revenue growth should be considered structural in the FY 17 budget process to help mitigate the anticipated deficit.

Attachment B provides a breakdown of the top 40 General Fund revenue performance by source. Significant variances are identified in the footnotes to this attachment.

Other Sources

Other sources of funds totaled \$19.1 million in FY 15. These other sources are comprised of the release of reservations established in prior fiscal years, a significant portion of which was budgeted to be released in FY 15 as part of the FY 15 Adopted Budget. In addition, during the course of FY 15, via City Council action, several reservation releases were requested including \$2.9 million for required payment of the International Association of Machinists and Aerospace Workers (IAM) employee furlough back payment, and \$0.6 million for former employee settlements. Other sources also includes releases of reserves for the City Prosecutor's Office, the Uptown BID in Council District Nine and other one-times, which were approved as part of the FY 14 Year-End Report, but took place in FY 15.

General Fund - Uses of Funds

Expenditures by Department

Actual General Fund spending totaled \$436.3 million, or 99 percent of the adjusted budget. Factors contributing to the budget versus actual expenditure variance included savings from most departments, including the Police Department, which ended the year \$1.5 million under budget. The Police Department's year-end savings was anticipated and included in the FY 16 budget to cover a portion of the academy class scheduled to begin in April 2016. The Legislative Department and City Auditor's Office also had savings; however, these savings are being recommended as uses of funds available to fund FY 16 appropriation increases for Council District's Divide by Nine and one-time support for the City Auditor's Office. Other factors impacting the budget variance included declines in expenditures associated with the payment of sales tax rebates, and some FY 14 and FY 15 budgeted one-times that were unspent at year-end due to the timing of projects being extended. The City Council approved, but unspent FY 15 non-recurring funds were reserved at the end of FY 15 and are part of other uses described further in the Other Uses section. These funds are included for re-appropriation in the FY 16 First Budget Adjustment Report. Also, the City Prosecutor's Office spending includes a transfer of \$236,235 to the General Grants Fund (SR 120), in accordance with City Council approval on September 15, 2015, to allow the City Prosecutor Department's FY 15 General Fund year-end savings to be used for the PATH Program and other City Prosecutor programs, up to \$250,000.

All departments ended the fiscal year within their General Fund adjusted budget limits with the exception of the Health and Human Services and Fire Departments. The Health and Human Services Department went over its General Fund budget due to multiple unbudgeted infrastructure repairs needed at its Central, Multi-Service Center (MSC), and North Health facilities. The Fire Department also came in over budget in the General Fund due to sending a large number of Firefighters to Paramedic school, which was necessary to fill current and future Paramedic vacancies, and higher than anticipated spending on equipment for first responders and medical supplies. Neither Department will need a budget adjustment, as year-end actuals for All Funds are within appropriation limits.

Attachment C provides a breakdown of General Fund expenditure performance by department. Notable departmental variances are identified in the footnotes to this attachment.

Other Uses

Other Uses of funds totaled \$26.2 million in FY 15, and are assignments to reservations for future uses, including planned FY 16 non-recurring budget spending ("carry-over"), some FY 14 and FY 15 budgeted non-recurring funds that were unspent at year-end, and other City liabilities. One of the reservations is \$1.4 million to cover the increased costs of the Fire Department for Rapid Medic Deployment (RMD) Termination, which will be needed in the case the Fire Department's adjustments to minimize this FY 16 budget impact and the First Responder Fee revenue is not sufficient to cover the increased cost. If this reserve is not needed for this purpose, it is the staff's recommendation that these funds be made available to cover a portion of the remaining costs to conduct two Police academies in calendar year 2016, and/or to help mitigate the impact of declining oil prices in the FY 16 budget. If either of these actions is needed, staff will bring the matter to the City Council for consideration.

Other Funds

Gas Fund

The Gas Fund provides full natural gas utility services to residential and business customers in Long Beach and Signal Hill. In 2015, the Gas Fund spent \$12.4 million on capital improvements, including \$10.0 million on the City's gas pipeline infrastructure and \$2.4 million on the initial phase of the Advanced Metering Infrastructure (AMI) project which, once fully implemented, will result in the replacement of over 150,000 customer meters. In addition, the Gas Fund contributed a \$10.7 million budgeted transfer to the General Fund. Revenue from gas operations is down 5.5 percent compared to FY 14. This decline is attributed to decreased usage due to warmer than usual weather. Staff is closely monitoring this fund in FY 16.

Police and Fire Public Safety Oil Production Act (Proposition H)

On May 1, 2007, the voters approved the Police and Fire Public Safety Oil Production Tax (Proposition H), a special tax of 25 cents, with an annual CPI increase on every barrel of oil produced, and restricted to fund police and fire services. The tax assessed in FY 15 was \$0.28/barrel of oil produced. Revenues were \$3.8 million and expenses were \$3.7 million for FY 15. Market fluctuations impact the production of oil, which impact Proposition H revenues. Declines in production in FY 15 did not materialize at the pace expected, but production declines are anticipated to be realized in FY 16. At the end of FY 15, there was \$1.2 million funds available of which \$400,000 came from one-times appropriated, but not spent for the Fire Department in FY 15. These funds will help to mitigate an anticipated Proposition H structural shortfall of \$380,000 in the Fire Department in FY 16. Additionally, \$308,604 of the ending funds available came from Police Department savings and will be appropriated to the Police Department in the FY 16 First Budget Adjustment Report to augment the cost of conducting two police

academies in calendar year 2016. Staff is closely monitoring this fund in FY 16, since oil production is anticipated to be impacted by the price of oil and will, therefore, impact Proposition H revenue. For instance, in any month the average price per barrel of oil falls below \$20, per the City Charter, the City will suspend collecting the Proposition H funds for that month.

Gas Tax Street Improvement Fund

The Gas Tax Street Improvement Fund is used to account for the receipt and expenditure of gasoline tax funds apportioned under the State Streets and Highways code, as well as other sources dedicated to street improvements. In FY 15, the City received \$13.1 million in gasoline tax revenue, a decline of \$1.6 million compared to FY 14. This decline is attributed to decreased gas prices and the increased use of fuel efficient and alternative fuel vehicles. This loss was offset by an increase in grant funding through the Moving Ahead in the 21st Century (MAP-21) program. However, the City's gasoline tax apportionment is expected to continue to decline for the foreseeable future. Staff is closely monitoring this fund in FY 16.

Tidelands Funds

The primary funding sources to support operations along the beaches and waterways are the annual transfer from the Harbor Revenue Fund and net revenue from oil operations in the Tidelands areas. Oil revenue declined by \$24.6 million in FY 15, which reflects a 57 percent drop from FY 14, and illustrates the variable nature of this funding stream. Expenditures closed the fiscal year within budget appropriations. Staff is closely monitoring Tidelands revenue projections throughout FY 16 to determine the impact of the recent drop in oil prices on the operating budget.

On June 16, 2015, in response to the decline in oil revenue, the City Council approved the prioritization of Tidelands capital projects. Originally, the Aquarium of the Pacific FY 15 capital improvement campaign in the amount of \$1.5 million was not funded in the prioritization. On the floor of City Council, there was a motion to restore \$1.3 million of the original \$1.5 million amount by reallocating \$1.3 million from Tidelands capital projects to provide City matching funds for the Aquarium of the Pacific FY 15 capital improvement campaign. The projects to be reallocated included \$250,000 from Critical Infrastructure Funding, \$400,000 from the Marina Vista Special Events Bathroom, and \$400,000 from the Cherry Beach Playground capital funds, as well as \$250,000 from closed out projects at year-end (which did occur). However, since the Aquarium funds were already appropriated in the FY 15 operating budget at \$1.5 million, the practical impact of this reallocation was to reduce the operating budget funding from \$1.5 million to \$1.3 million with no reallocation of capital funding to the Aquarium being required. The projects listed above were instead allocated to other prioritized capital projects. The motion also indicated that the non-closed out projects needed to be repaid. This will need to occur in the future when funds are available. The fiscal impact section clarifies the net impact of the City Council action in June 2015.

Health Fund

The Health Fund accounts for revenues and expenditures associated with federal, State and local grants, health permits, and other fees. Due to unforeseen repayment of funds to the State and multiple capital and infrastructure repair costs, the fund experienced budget challenges in FY 15. Other challenges facing the fund include: growing capital and infrastructure needs; increased restrictions placed on grants; anticipated return of funds to the State due to these policy changes; and a repayment of a General Fund loan, all of which are funded with either the same or a declining level of resources. Staff is closely monitoring the fund, reviewing cash flow and identifying strategies to address these ongoing needs, to ensure levels of services are maintained.

Towing Fund

The Towing Fund supports towing operations to clear vehicles involved in accidents, impound vehicles, operate a storage facility and a payment center, and facilitate the sale of unclaimed vehicles. In FY 15, revenues in the Towing Fund were \$5.3 million and expenditures were \$5.6 million, which included a \$1.0 million transfer to the General Fund, \$675,000 less than the original budget of \$1.7 million. Revenues in the Towing Fund dropped by \$0.39 million in FY 15 compared to FY 14. Although tow volume increased by 4.3 percent in FY 15, revenues generated from the sale of unclaimed vehicles and storage fees declined due in part to reduced scrap metal pricing, used vehicles resale values, and the length of on-site vehicle storage. Staff is closely monitoring this fund in FY 16 to determine if additional reductions to the General Fund transfer are needed.

Refuse Fund

The Refuse Fund receives approximately 93 percent of its total revenues from refuse and recycling charges. The remaining funds come from the State grants for various public outreach efforts (recycling, litter reduction, used motor oil collection, etc), revenues from the sale of recyclables collected through the City's residential recycling program, fees paid by the City's licensed private refuse haulers for AB 939 compliance, and interest income. The Fund has relied on funds available to offset operating shortfalls over the past few years, yet has not increased fees to match increasing costs. Staff will continue to evaluate strategies to address the structural deficit in this fund in the FY 17 budget process as the funds available appear to be reaching undesirable levels.

Uplands Oil Fund

The Uplands Oil Fund accounts for oil revenue outside the Tidelands area, and for all costs and revenues for the City's proprietary oil interests. Oil production costs and transfers to the General Fund make up the majority of expenditures in the fund. The Uplands Oil Fund began FY 15 with funds available of \$0.1 million. The total amount transferred in FY 15 was \$28.4 million and it was comprised of \$14.1 million in one-time oil revenue from FY 14 revenue over \$70/bbl transferred to the General Fund; \$13.9 million of "reliable" base oil revenue budgeted at \$70/bbl for ongoing operations, also transferred to the General Fund; \$0.2 million to the General Services Fund for its share

of the Enterprise Resource Planning (ERP) system; and, \$0.2 million to the Employee Benefits Fund for unfunded liabilities. As of this date, oil prices and production have declined sharply from the FY 16 budgeted level of \$55 dollars a barrel. Staff is closely monitoring this fund and will review the revenue projection for the Uplands Oil Fund throughout FY 16 to determine the impact of the recent drop in oil prices on the operating budget.

Water Fund

In addition to its normal expenditures, the Long Beach Water Department (LBWD) had additional Seawater Barrier operations costs in FY 15 that were 100 percent offset by revenue. Seawater Barrier Operations, operated by Los Angeles County Department of Public Works, involve injecting fresh water into the ground to provide a barrier between sea water and the aquifer using water supplied by LBWD pipes. LBWD buys this water from the Metropolitan Water District (MWD) and is reimbursed by the Water Replenishment District of Southern California (WRD). LBWD is essentially a pass-through agency between MWD and WRD and the volume used in FY 15 was larger than budgeted.

LBWD also entered into an in-lieu replenishment agreement with the WRD to purchase additional imported water instead of pumping and treating our full groundwater allocation. The benefit of the agreement is that the groundwater basin is replenished by reduced pumping. As imported water is more expensive than groundwater, WRD agreed to reimburse the additional cost incurred by LBWD and, therefore, these additional costs are a 100 percent revenue offset.

LBWD will be separately requesting an appropriation increase of \$6,500,000, bringing their FY 15 spending under budget. The adjustment that is being requested is included in the financial data provided in Attachment A.

TECHNICAL FY 15 YEAR-END APPROPRIATION ADJUSTMENTS

On September 2, 2014, the City Council adopted the Appropriations Ordinance governing the City's Adopted Budget for FY 15. 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 practice, these adjustments are presented periodically to the City Council for consideration. The requested appropriation adjustments for FY 15 year-end are noted in the Fiscal Impact section.

This matter was reviewed by Deputy City Attorney Amy. R. Webber on January 28, 2016.

TIMING CONSIDERATIONS

City Council action on this matter is required prior to the closing of the City's books for FY 15.

FISCAL IMPACT

To accurately reflect FY 15 year-end transactions, the following actions are requested:

- Increase FY 15 appropriations in the Parking and Business Area Improvement Fund (SR 132) in the Public Works Department (PW) by \$650,990, offset by assessment revenue received by the City for payments to the City's Business Improvement Districts (BIDs).
- Increase FY 15 appropriations in the Community Development Grants Fund (SR 150) in the Development Services Department (DV) by \$19,225 as a technical correction to align budget with actual revenue, including a fix to a negative entry made when the Community Development Department was transferred to DV.
- Increase FY 15 appropriations in the Community Development Grants Fund (SR 150) in the Development Services Department (DV) by \$7,246, offset by a decrease of appropriations in the Community Development Grants Fund (SR 150) in the Financial Management Department (FM) by \$7,246 to align budget with actuals.
- Decrease the FY 15 budget for the Aquarium of the Pacific from \$1,500,000 to \$1,300,000 in accordance with June 16, 2015 action of the City Council for Tidelands capital projects.

Additionally, in an effort to align carry-over revenue budgets with actual revenue received, budgeted revenue amounts will be increased in the Successor Agency (SA 270), Civic Center (IS 380), and Housing Development (SR 150) Funds.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:



PATRICK H. WEST
CITY MANAGER

CITY OF LONG BEACH BUDGET AND EXPENDITURES BY FUND

Year-End FY 2015

FUND	FY 15 New Appropriation	Estimated All- Years Carryover ¹	FY 15 Adopted Budget	Amendments	Year-End Adjustments	FY 15 Adjusted Budget	FY 15 Year to Date Expenditures as of 9/30/15
Funds With All Years Carryover							
AIRPORT	\$ 43,017,760	\$ 22,092,203	\$ 65,109,963	\$ 19,384,487		\$ 84,474,450	\$ 53,178,345
BUSINESS ASSISTANCE	650,119	1,809,518	2,259,637			2,259,637	384,551
CAPITAL PROJECTS	14,228,624	51,229,329	65,457,953	14,358,777		79,816,729	27,815,215
CIVIC CENTER	10,195,588	1,454,735	11,650,323	5,263,277		16,913,600	14,087,265
² COMMUNITY DEVELOPMENT GRANTS	21,051,815	18,817,913	39,869,728	4,530,000	19,225	44,218,953	23,482,530
CUPA	1,692,365	7,822	1,700,187	-		1,700,187	1,546,308
DEVELOPMENT SERVICES	18,153,507	1,323,586	19,477,093	249,750		19,726,843	18,048,764
FLEET SERVICES	34,483,667	1,931,667	36,415,334	5,133,924		41,549,258	30,334,584
GAS	145,497,189	8,692,923	154,190,112	10,644,772		164,834,884	98,430,054
GAS TAX STREET IMPROVEMENT	15,605,973	29,736,462	45,342,435	4,690,321		50,032,756	18,707,835
GENERAL GRANTS	8,799,023	8,759,078	17,558,101	14,118,240		31,676,340	16,211,365
GENERAL SERVICES	51,018,524	13,401,723	64,420,247	2,075,740		66,495,987	39,661,271
HEALTH	39,482,210	30,266,730	69,748,940	788,583		70,537,523	34,463,836
HOUSING DEVELOPMENT	10,713,202	9,717,315	20,430,517	-		20,430,517	10,901,569
INSURANCE	42,042,245	139,693	42,181,928	52,665		42,234,593	35,775,371
REFUSE/RECYCLING	45,361,815	494,261	45,856,076	-		45,856,076	43,541,251
SUCCESSOR AGENCY	75,610,411	28,891,812	104,502,223	191,082,462		295,584,686	251,073,333
TIDELANDS	148,672,627	76,380,468	225,053,095	132,193,077		357,246,172	212,000,983
TRANSPORTATION	20,851,962	10,856,163	31,708,125	-		31,708,125	17,249,337
SUBTOTAL	\$ 747,128,625	\$ 315,603,391	\$ 1,062,732,016	\$ 404,646,075	\$ 19,225	\$ 1,467,278,091	\$ 946,893,767
Funds Without All Years Carryover							
BELMONT SHORE PKG METER	\$ 656,145		\$ 656,145	\$ 405,476		\$ 1,061,621	\$ 706,606
DEBT SERVICE FUND	9,962,233		9,962,233	1,809,544		11,771,777	10,589,301
EMPLOYEE BENEFITS	232,706,625		232,706,625	25,628		232,732,253	206,780,327
GENERAL	419,084,757		419,084,757	21,702,603		440,787,359	436,270,741
HARBOR	857,564,000		857,564,000	-		857,564,000	557,411,722
HOUSING AUTHORITY	77,074,605		77,074,605	-		77,074,605	63,586,821
³ PARKING AND BUSINESS AREA IMPROVEMENT	7,142,408		7,142,408	-	650,890	7,793,398	7,793,398
POLICE & FIRE PUBLIC SAFETY OIL PROD ACT	4,433,161		4,433,161	-		4,433,161	3,724,902
SERRF	51,224,403		51,224,403	20,163		51,244,567	45,420,176
SERRF - JPA	11,218,558		11,218,558	-		11,218,558	11,018,558
SEWER	19,563,387		19,563,387	-		19,563,387	17,003,224
SPECIAL ADVERTISING & PROMOTION	6,112,804		6,112,804	780,915		6,893,719	6,708,054
TIDELAND OIL REVENUE	417,816,112		417,816,112	-		417,816,112	97,059,689
TOWING	7,160,349		7,160,349	-		7,160,349	5,563,890
UPLANDS OIL	36,179,876		36,179,876	2,602,217		38,782,093	31,930,051
⁴ WATER	104,738,087		104,738,087	-	6,500,000	111,238,087	111,055,712
SUBTOTAL	\$ 2,262,637,491	\$ -	\$ 2,262,637,491	\$ 27,346,645	\$ 7,150,890	\$ 2,289,984,036	\$ 1,612,623,172
TOTAL - ALL FUNDS	\$ 3,009,766,116	\$ 315,603,391	\$ 3,325,369,507	\$ 431,892,620	\$ 7,170,215	\$ 3,757,262,127	\$ 2,559,516,939

¹ 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 15 Adopted Budget; Financial Management is currently conducting a review to update these figures.

² Year-end adjustment is requested as a technical correction to fix a negative entry when the Community Development Department transferred to the Development Services Department.

³ Assessment revenue is collected by the City on behalf of the business improvement districts (BID). Overage due to pass through payments to BIDs and is fully offset by additional assessment revenue.

⁴ Year-end adjustment for additional expenses for Seawater Barrier operations that are 100 percent revenue offset and will be brought forth by the Water Department in a separate Council item.

CITY OF LONG BEACH GENERAL FUND REVENUE SUMMARY

FISCAL YEAR 2015 YEAR-END

Notes	Top 40	Revenues	FY 14 Year End Actuals	FY 15 Adjusted Budget	FY 15 ETC	FY 15 Year End Actuals	Percent FY 15 Actuals Over/(Under) ETC
	1	REAL PROPERTY TAXES	\$ 79,254,795	\$ 79,157,340	\$ 81,644,757	\$ 81,798,149	0%
	2	SALES AND USE TAX & IN-LIEU	55,429,165	58,387,227	57,015,728	59,442,069	4%
	3	PROPERTY TAX IN-LIEU OF VLF	41,810,092	43,432,324	43,540,084	43,540,083	0%
	4	ELECTRIC USERS TAX & PENALTIES	19,444,144	17,988,802	20,675,000	20,297,506	-2%
	5	TRSFRR FR UPLAND OIL (SR134)	17,350,182	17,514,356	13,900,000	13,900,000	0%
	6	TRANSIENT OCCUPANCY TAX	15,046,114	13,900,000	16,000,000	17,158,800	7%
	7	PARKING CITATIONS	13,973,308	13,077,331	13,148,294	14,014,449	7%
	8	TELEPHONE USERS TAX & PENALTIES	11,662,985	11,851,572	11,679,000	11,387,297	-2%
1	9	BUSINESS LICENSE TAXES	11,625,525	11,561,000	11,101,149	12,668,843	14%
	10	PROPERTY TAX RESIDUAL ABX1 26	14,349,997	10,806,382	16,607,334	17,505,049	5%
	11	EMERGENCY AMBULANCE FEES	10,411,404	10,942,000	10,300,000	11,094,164	8%
	12	ELECTRIC COMPANY FRANCHISES	7,202,115	6,655,139	7,680,000	7,582,029	-1%
	13	PIPELINE FEE-WATER	5,693,779	5,693,779	5,693,779	5,794,070	2%
	14	CHARGES FOR SPECIAL SERVICES	5,241,626	5,616,901	5,213,212	5,419,615	4%
	15	OTHER DEPT SVCS TO PROPRIETARY FUNDS	5,745,499	5,188,537	5,474,267	5,280,074	-4%
	16	AMERICAN GOLF LEASE	4,949,811	4,537,240	4,537,240	4,606,286	2%
2	17	PIPELINE FRANCHISES	4,365,342	4,385,260	4,500,000	3,374,702	-25%
	18	PIPELINE FEE-SEWER	4,380,846	4,380,846	4,380,846	4,448,749	2%
	19	WATER USERS TAX & PENALTIES	4,051,401	3,992,051	4,000,000	3,799,972	-5%
	20	GAS USERS TAX & PENALTIES	3,625,463	3,664,200	3,000,000	3,021,454	1%
3	21	LAND,BLDG,R/W,EASEMENT,APT RENTALS	3,809,284	3,480,709	3,912,990	4,484,141	15%
	22	PROPERTY TAX STATUTORY PASS THROUGH	2,508,126	3,322,200	4,004,120	4,004,120	0%
4	23	MISC REFUNDS & REIMB	3,611,821	2,636,078	3,733,046	5,947,513	59%
	24	HARBOR-POLICE	2,492,527	2,492,527	2,500,000	2,509,350	0%
	25	PIPELINE SAFETY FEES	2,548,965	2,450,000	2,561,019	2,620,332	2%
5	26	VEHICLE CODE FINES	1,818,852	2,200,000	1,950,000	1,639,956	-16%
6	27	OIL PRODUCTION TAX	1,971,199	1,929,550	1,774,079	1,999,202	13%
	28	PRIOR YEAR SECURED REAL PROPERTY TAXES	3,288,299	1,872,780	3,588,299	3,511,883	-2%
	29	HAULER FEES	1,983,767	1,700,000	2,023,442	2,095,369	4%
	30	REAL PROPERTY TRANSFER TAX	1,447,384	1,666,008	1,832,000	1,753,444	-4%
	31	ASSET MANAGEMENT CHARGES	1,540,622	1,627,940	1,627,940	1,566,156	-4%
	32	MISC REVENUE FROM OTHER AGENCIES	1,378,804	1,469,454	2,338,810	2,414,044	3%
	33	POLICE CHARGES FOR SPECIAL EVENTS	1,209,639	1,400,000	1,300,400	1,433,887	10%
7	34	CIP-ENGINEERING CHARGES	956,089	1,300,000	1,299,833	382,323	-71%
	35	DOG LICENSES & PENALTIES	999,148	1,100,000	864,415	943,272	9%
	36	FIRE INSPECTION FEES	1,047,150	1,080,734	1,060,000	1,049,491	-1%
	37	OTHER DEPT CHGS TO GOVT'L FUNDS	1,072,352	1,052,772	999,038	963,806	-4%
	38	SELF-SUSTAINING CLASSES-REC	1,128,593	1,080,520	1,075,470	1,150,564	7%
	39	ACTIVITY CHARGES-REC	913,996	1,057,432	993,900	1,087,699	9%
	40	XFRS FRM OTHER FUNDS	33,004,231	31,578,945	30,972,945	32,072,718	4%
		SUBTOTAL TOP 40 REVENUES	\$ 404,344,440	\$ 399,229,935	\$ 410,502,435	\$ 419,762,632	2%
8		ALL OTHER REVENUES	\$ 25,256,551	\$ 19,014,722	\$ 19,676,398	\$ 24,510,723	25%
		TOTAL GENERAL FUND REVENUES	\$ 429,600,991	\$ 418,244,657	\$ 430,178,833	\$ 444,273,355	3%

Notes:

- ¹ Business license revenue increased due to the implementation of a new system which allowed for one-time collection of old balances and more efficient collections.
- ² Natural Gas Franchise fee revenue is tied to production and the price of natural gas, which dropped 32 percent over the past year.
- ³ DDR lease revenue from the Pike land swap now accrues to the General Fund.
- ⁴ Increased revenue was received due to the maturation of the 2005 AD90-3 Earthquake Bond Series B. These funds have been internally designated and pending final determination of where they will be credited.
- ⁵ Reductions in staffing due to seasonal and natural attrition as well as the increased focus on violent crime suppression efforts in FY 15 contributed to a decline in citations issued.
- ⁶ Oil Production Tax revenue is remitted to the City on a quarterly basis and reflects production. FY 15 ETCs anticipated a more severe reduction in production due to falling oil prices. However, production remained steady as year-end revenue remained flat from FY 14.
- ⁷ CIP Engineering charges are designed to recapture funds from capital funding sources, on a per project basis, for General Fund administrative services provided to Citywide Capital Improvement Programs. In FY 15, the number of projects available to recapture General Fund costs declined due to factors such as project eligibility and CIP charge exemptions.
- ⁸ The City received one-time reimbursements from the State for prior years Mandated Reimbursement program expenses, reimbursement for fire deployments to assist with wildland fires, federal asset forfeiture funds for the Police Department, and settlement for various lawsuits.

CITY OF LONG BEACH GENERAL FUND DEPARTMENT EXPENDITURES

YEAR-END FY 2015

Department	FY 15 Adopted Budget	Amendments	FY 15 Adjusted Budget	FY 15 Actual Expenditures, FY 15 Year-End	Percentage of Adjusted FY 15 Budget Expended
City Auditor	\$ 2,370,048	\$ 63,719	\$ 2,433,767	\$ 2,309,005	95%
¹ City Attorney	2,069,032	54,695	2,123,727	1,711,704	81%
² City Clerk	2,620,378	300,000	2,920,378	2,567,346	88%
City Manager	2,772,435	525,000	3,297,435	3,294,149	100%
³ City Prosecutor	4,729,147	132,606	4,861,754	4,861,754	100%
Citywide Activities	36,900,102	12,188,209	49,088,311	48,709,909	99%
Civil Service	2,101,523	303,000	2,404,523	2,196,674	91%
Development Services	5,149,220	108,184	5,257,404	4,785,528	91%
Disaster Prep & Emergency	1,489,814	8,350	1,498,165	1,455,935	97%
⁴ Fire Department	71,385,325	3,365,488	74,750,813	75,230,770	101%
Financial Management	12,610,210	7,159	12,617,368	12,059,118	96%
⁵ Health and Human Services	1,008,489	223,730	1,232,220	1,250,903	102%
⁶ Human Resources	238,253	56,000	294,253	180,588	61%
Legislative	4,747,735	940	4,748,675	4,511,163	95%
Library Services	12,595,279	126,751	12,722,029	12,640,675	99%
Police Department	193,576,936	1,569,676	195,146,612	193,648,528	99%
Parks, Recreation, and Marine	30,046,343	614,037	30,660,379	30,633,221	100%
Public Works	32,674,488	2,055,059	34,729,547	34,223,771	99%
TOTAL	\$ 419,084,757	\$ 21,702,603	\$ 440,787,359	\$ 436,270,741	99%

¹ The City Attorney Department came in under budget primarily due to vacancies in the Principal Deputy City Attorney and Paralegal positions.

² The City Clerk Department came in under budget primarily due to vacancies in the City Clerk and other positions.

³ The City Prosecutor saved \$236,235 which shows up as an expense since it was transferred to the General Grants Fund (SR 120) in accordance with the City Council approval to allow the savings to be used for the PATH program and other City Prosecutor programs up to \$250,000.

⁴ The Fire Department overage is attributable to sending a large number of Firefighters to Paramedic school, necessary to fill current and future Paramedic vacancies, as well as costs in excess of budget for equipment for first responders and medical supplies.

⁵ The Health and Human Services Department spent over appropriation due to multiple infrastructure repairs needed at Central, MSC and North Health facilities.

⁶ The Human Resources Department came in under budget due to unspent FY 15 non-recurring funds relating to community improvement efforts in the Sixth Council District. The balance of \$40,378 of the \$56,000 budgeted will be reappropriated as part of the 1st Quarter FY 16 Budget Adjustment in the Economic and Property Development Department. In addition, workforce grants were able to cover a larger level of contractual services during FY 15, therefore less actuals were incurred in the General Fund than originally planned.