



# CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

## NB-45

333 West Ocean Boulevard 6<sup>th</sup> Floor • Long Beach, CA 90802

September 21, 2010

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

### RECOMMENDATION:

Approve the Fiscal Year 2010 fourth quarter departmental and fund budget appropriation adjustments in accordance with existing City Council policy.  
(Citywide)

### DISCUSSION

On September 15, 2009, the City Council adopted the Appropriations Ordinance governing the City's Adopted Budget for Fiscal Year 2010 (FY 10). 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 quarterly to the City Council for consideration. Please see Attachment A for a Fund Balance Analysis of impacted City funds and Attachment B for a recap of FY 10 General Fund Expenditure Budget Adjustments.

This matter was reviewed by Assistant City Attorney Heather A. Mahood on September 2, 2010.

### TIMING CONSIDERATIONS

The following requests for adjustments to FY 10 departmental and fund appropriations are necessary to reflect changes in operating conditions. City Council action is requested on September 21, 2010 to enable the timely processing of payments and to help ensure the Citywide budget is balanced in an All Funds basis.

FISCAL IMPACT

**Development Services**

On April 20, 2010, the City Council authorized the Redevelopment Agency of the City of Long Beach (Agency) to issue tax allocation bonds for the Agency's North Project Area in the amount of \$32,980,000. The anticipated uses of the bond proceeds include reserves, cost of issuance, and net proceeds of \$30 million for various projects within or of benefit to the Project Area. The Agency will be solely responsible for debt service payments on the bonds, and an appropriation increase is necessary to expend the bond proceeds.

- Increase appropriations in the Redevelopment Fund (RD 230) in the Department of Development Services (DV) by \$30,380,052.

A Residential Energy Efficiency Rebate program (Program) has been successfully implemented utilizing grant funding in the amount of \$559,027 from the American Recovery and Reinvestment Act (ARRA) Energy Efficiency Community Block Grant (EECBG) Program as approved by City Council on February 16, 2010. The Program includes rebates for energy efficient devices/systems and rebates on building permits. This increase in expenditures is offset by a corresponding increase in grant revenue in the Special Revenue Fund.

- Increase appropriations in the General Grants Fund (SR 120) in the Department of Development Services (DV) by \$559,027.

On April 20, 2010, the Department of Development Services received \$108,025 in grant funds from the South Coast Air Quality Management District (AQMD) to implement the Tree Planting Partnership Program. The funds were appropriated in the incorrect fund and a technical adjustment is necessary to correctly account for the grant funding.

- Decrease appropriations in the Development Services Fund (SR 137) in the Department of Development Services (DV) by \$108,025.
- Increase appropriation in the General Grants Fund (SR 120) in the Department of Development Services (DV) by \$108,025.

**Fire**

In November 2006, the City received advanced funding for the Metropolitan Medical Response System grant. Since that time, interest has been earned on the advance funds, and an appropriation increase is necessary to expend the interest earnings. These additional funds will be spent on furthering the original mission of the grant, which is to prepare the City for an emergency response.

- Increase appropriations in the General Grants Fund (SR 120) in the Fire Department (FD) by \$6,606.

HONORABLE MAYOR AND CITY COUNCIL

September 21, 2010

Page 3

The Fire Department has received additional revenue to reimburse the unbudgeted staffing costs for television and movie production and other special events. An appropriation increase is requested to adequately budget the staffing costs, which will be fully offset by revenue derived from fees charged to television and movie producers as well as event promoters. There is no net impact to the Tidelands Fund.

- Increase appropriations in the Tidelands Fund (TF) in the Fire Department (FD) by \$33,800.

The Fire Department provided staffing assistance for California wild land fire events during July and August of 2010. As the overtime expense for backfilling the employees who left fire stations to provide staffing at the wild land fires is unbudgeted an appropriation increase is necessary. The appropriation increase will be offset by reimbursement revenue from the State of California. There is no net impact to the General Fund.

- Increase appropriations in the General Fund (GP) in the Fire Department (FD) by \$135,000.

The United States Department of Justice, Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) reimburses the Fire Department for overtime expenses incurred in arson task force investigations. As this overtime expense is unbudgeted, an appropriation increase is necessary. The appropriation increase will be offset by reimbursement revenue from ATF. There is no net impact to the General Fund.

- Increase appropriations in the General Fund (GP) in the Fire Department (FD) by \$15,579.

On July 8, 2008, the City Council authorized the City Manager to receive and expend Department of Homeland Security grant funding for the 2007 Urban Area Security Initiative (UASI) grant at an amount not to exceed \$6,671,216. The City of Long Beach has been notified that it will receive a supplemental award of \$2,586,343 bringing the total grant to \$9,257,559. In addition, adjustments to departments' current allocations are necessary to align each department's share of the modified grant allocation. These additional funds will primarily be used for Port of Long Beach security enhancements and interoperable radio equipment. As these additional funds are not budgeted, an appropriation increase is necessary and will be offset by grant revenue.

- Increase appropriations in the General Grants Fund (SR 120) in the Fire Department (FD) by \$2,099,343.
- Increase appropriations in the General Grants Fund (SR 120) in the Technology Services Department (TS) by \$500,000.
- Decrease appropriations in the General Grants Fund (SR 120) in the Health and Human Services Department (HE) by \$13,000.

### **Library**

A payment totaling \$60,000 has been received from Jet Blue in-lieu-of City fines and, per Jet Blue's agreement with the City Prosecutor, these fines are designated for purchase of Library materials. In addition, \$25,000 has been received from the John Crews Estate. This funding will also be used to purchase Library materials. A budget adjustment is required in order to expend the additional funding, and is offset by a corresponding increase in revenue in the Special Revenue Fund.

- Increase appropriations in the Special Revenue Fund (SR 120) in the Department of Library Services (LS) by \$85,000.

### **Long Beach Gas & Oil**

In May 2010, Long Beach Gas and Oil requested a budget adjustment to reflect increasing oil prices. At the time, staff estimated the average price for a barrel of oil would close the fiscal year at \$70; however, since that time oil prices have trended slightly higher, resulting in the ability to transfer an additional \$1.2 million to the General Fund. The additional revenue will help offset the budget shortfall in the General Fund. The requested appropriation increase is fully offset by net oil revenue.

- Increase appropriations in the Upland Oil Fund (SR 134) in the Long Beach Gas and Oil Department (GO) by \$1,200,000.

The Southeast Resource Recovery Facility (SERRF) is owned and operated in partnership by the City of Long Beach and The County Sanitation Districts of Los Angeles. The facility processes approximately 1,380 tons of solid waste daily, generating up to 36 megawatts of electricity. The two primary revenue sources are fees charged to dispose waste, called "tip fees," and electricity sold to service providers. Tip fees are established by The County Sanitation District and can fluctuate depending on demand. If tip fees are collected by Long Beach operations in excess of disposal costs, the differential is rebated back to the Refuse Fund.

In addition to generating revenue for the City's General Fund, SERRF also helps reduce costs for refuse operations. Long Beach refuse trucks use SERRF to dispose of waste, saving significant transportation costs that would otherwise result from driving to the nearest landfill in Puente Hills. This savings keeps rates for Long Beach customers lower than surrounding areas.

For fiscal year 2010, SERRF will transfer \$3 million to the General Fund as the City's share of profit. In addition, it is estimated there is a 10 percent variance between tip fees collected and disposal costs, making about \$2.3 million available for return to the City. The Tip Fee rebate to the City is considered by SERRF as an expense and is not calculated as profit. In reviewing the Joint Powers Authority agreement related to the operation of SERRF, this rebate can be refunded to the City's General Fund and not necessarily to the Refuse Fund as has been the past practice. This action would increase the SERRF contribution to the General Fund by \$2.3 million and reduce the transfer to the Refuse Fund by an equal amount to help end the current year in balance. The FY 11 Adopted General Fund Budget assumes a similar transfer will happen next year.

As the FY 11 Adopted Budget already included a transfer to the Refuse Fund of \$2.3 million from the SERRF Fund, an appropriation increase is not needed. However, City Council approval is requested to redirect the transfer from the Refuse Fund to the General Fund on an ongoing basis.

#### **Health and Human Services**

The Health Department's Animal Care Services Bureau anticipates that it will exceed appropriations by \$281,000. An appropriation increase is requested to cover expenditures due to one-time costs associated with the purchase and implementation of the Bureau's new licensing, dispatch, and kennel management system (Chameleon); shelter improvements; and one-time payments for shared operating costs associated with the spcaLA facility agreement. Revenues from the new administrative citations process, spcaLA reimbursements, and a one-time transfer of donated grant funds from the Animal Care Trust will offset the requested increase in appropriations.

- Increase appropriations in the General Fund (GP) in the Health and Human Services Department (HE) by \$281,000.

#### **Parks, Recreation and Marine**

The Rancho Los Cerritos Foundation, a not-for-profit entity, has contributed \$49,900 to offset a portion of the City's operating costs for the Rancho Los Cerritos historic site. A budget adjustment is required to expend the donation.

- Increase appropriations in the General Fund (GP) in the Department of Parks, Recreation and Marine (PR) by \$49,900.

The Douglas Park Community Facilities District (CFD) is responsible for the irrigation and maintenance of the property and street medians along Lakewood Boulevard from Spring Street to Carson Street. Based on an agreement between the City and Boeing, the unbudgeted expense for reclaimed irrigation water may be reimbursed from assessment funds designated for the maintenance of the CFD infrastructure improvements. The appropriations increase represents unbudgeted expense reported for FY 10, and will be offset by the reimbursement from the CFD.

- Increase appropriations in the General Fund (GP) in the Department of Parks, Recreation and Marine (PR) by \$26,434.

First Serve, Inc., has a permit for the operation and management of the two Tennis Centers, Billie Jean King (BJK) and El Dorado Park. All revenue from the tennis center concessions is deposited in a Tennis Trust Account and all expenditures from this Trust Account must be expended towards the facilities for public tennis. As of July 2010, the Tennis Trust Account had a balance of \$229,571.

The BJK facility was originally constructed in the late 1960's and, in the last decade, has had chronic maintenance issues including inferior roofing. A refurbishment project has been underway to mitigate all structural, plumbing, electrical and operational issues at the facility. As of July 2010, \$177,902 of unbudgeted expense had been incurred for these one-time improvements, and a budget adjustment is necessary to utilize the funding in the Tennis Trust Account to offset the expense.

- Increase appropriations in the General Fund (GP) in the Department of Parks, Recreation and Marine (PR) by \$177,902.

### **Police**

The Chief of Police authorizes the use of the State Asset Forfeiture Fund - Youth Intervention/Prevention to fund a Police Department Cadet Program. By law, these funds can only be used for youth programs. This program was created to provide hands-on experience and training for up to eight college students to prepare them for a law enforcement career with the Police Department. The estimated FY 10 cost is \$141,910, which includes Cadet salaries and Police Officer overtime for supervising the program. The amount requested includes a \$3,000 contribution to the NAACP's Afro-Academic, Cultural, Technological and Scientific Olympics (ACT-SO). This program targets at-risk youth by challenging youth to excel in academic and artistic activities. The requested increase in appropriation will be fully offset by Asset Forfeiture Funds.

- Increase appropriations in the General Fund (GP) in the Police Department (PD) by \$144,910.

The Chief of Police authorized the use of Asset Forfeiture funds to cover the \$148,060 uninsured portion of the repair and required maintenance costs for the damage done to helicopter #1908 by the foam accident at the heliport in 2009. The costs for the repairs and regularly scheduled maintenance performed while the helicopter was out of service were \$452,661. Insurance covered \$304,601 of the costs, with a remaining unbudgeted cost of \$148,060.

The Chief of Police authorized the use of Asset Forfeiture funds for the following uses: forensic video investigative costs of \$25,492; the upgrade of software for instruments in the Narcotics Lab of \$4,629; and the acquisition of a new server for the Crime Lab's digital imaging system of \$56,963. All requested increases in appropriation will be fully offset by Asset Forfeiture Funds.

- Increase appropriations in the General Fund (GP) in the Police Department (PD) by \$235,144.

The Chief of Police has authorized the use of Prisoner Welfare Funds to cover \$21,756 in costs related to prisoner welfare in the Police Department Jail. The expenses include bedding, smoke hoods for evacuation during a fire, inmate clothing and hygiene supplies, broken window repair and upgraded guard system software to record rounds made by the jailers. The requested increase in appropriation will be fully offset by the Prisoner Welfare Fund.

- Increase appropriations in the General Fund (GP) in the Police Department (PD) by \$21,756.

The operating budget for the North Long Beach PAL facility at 2311 South Street was reduced in FY 09 in anticipation that the City would find a sub-lessee for the remaining lease obligation. While a long-term sub-lessee was not found, in its stead, Workforce

HONORABLE MAYOR AND CITY COUNCIL

September 21, 2010

Page 7

Development and Parks, Recreation and Marine are temporarily subleasing portions of the facility, while only covering their proportionate share of utilities. Revenue reserved from bus shelter advertising that was originally pledged to support the operating expense for the North PAL facility will offset a portion of the remaining unbudgeted lease expense.

- Increase appropriations in the General Fund (GP) in the Police Department (PD) by \$213,491.

On June 23, 2009, the City Council authorized the City Manager to execute all necessary documents to receive and expend grant funding from the Edward Byrne Memorial Justice Assistance Grant Program FY 09 in the amount of \$367,351. The grant funds cover salaries and administrative overtime costs. The Police Department has been notified of an increase of \$4,793 for a total award amount of \$372,144. To utilize these funds, an appropriation increase is necessary. There is no impact to the General Fund.

- Increase appropriations in the General Grants Fund (SR 120) in the Police Department (PD) by \$4,793.

On July 20, 2010, the City of Long Beach received the last of four installments of a \$495,553 grant from the State of California Citizens Option for Public Safety Program from the County of Los Angeles Supplemental Law Enforcement Services Fund (State COPS 10). Due to an over-payment of \$97,616 in FY 09, the net total funding for State COPS 10 is \$397,937. Since FY 97, the City has received and utilized State COPS funding for front-line law enforcement efforts, including police overtime hours and equipment purchases. To utilize these funds, an appropriation increase is necessary.

- Increase appropriations in the General Grants Fund (SR 120) in the Police Department (PD) by \$397,937.

### **Public Works**

The Department of Public Works (PW) was designated \$29,080 additional funds from the Fourth Council District's FY 09 budget savings, which currently reside in the General Fund FY 10 fund balance. The requested use of these additional funds include: \$24,080 for street repairs and \$5,000 for tree trimming. In addition, \$25,000 has been designated from the Third Council District's projected FY 10 budget savings to be used for infrastructure repairs in the Third District. The increase in appropriations is offset by the associated General Fund balance.

- Increase appropriations in the General Fund (GP) in the Department of Public Works (PW) by \$5,000.
- Increase appropriations in the Capital Projects Fund (CP) in the Department of Public Works (PW) by \$49,080.

On April 20, 2010, City Council awarded a contract to Sully-Miller Contracting company for the rehabilitation of Wardlow Road between Clark Avenue and Palo Verde Avenue in the amount of \$1,518,320. An additional amount of \$227,748 was authorized for project support for a total project budget of \$1,746,068.

Then on August 3, 2010, City Council awarded a new contract for the work to All American Asphalt in the amount of \$1,433,633. An additional amount of \$215,045 was authorized for project support (not part of the contract award) for a total project budget of \$1,648,678. It is therefore necessary to reduce the initial appropriation approved for the previous contract.

- Decrease appropriations in the Gas Tax Street Improvement Fund (SR 181) in the Department of Public Works by \$1,746,068.

The City receives Proposition 42 funds from the State of California for street and roadway maintenance and reconstruction. The City normally appropriates funding annually for the upcoming fiscal year based on estimates provided by the State. However, due to the uncertainty associated with the State's fiscal problems, no new Proposition 42 appropriations were added at the beginning of FY 10. Funds have now been received by the City for FY 10 and, based on the existing funds available and current appropriations, an increase in Proposition 42 appropriations is necessary.

- Increase appropriations in the Gas Tax Street Improvement Fund (SR 181) in the Department of Public Works (PW) by \$3,502,078.

As previously reported, due to the ongoing economic crisis and the resulting \$12 million revenue shortfall in the current year, the Department of Financial Management has identified several strategies to ensure the General Fund ends the year in balance. One of the strategies was to identify available alternative funding sources for General Fund supported programs. Infrastructure improvements are currently funded through the Capital Projects Fund which receives an annual transfer from the General Fund. Due to a recent County-wide ballot measure, the City receives Measure R transportation funds from the Los Angeles County Metropolitan Transportation Authority (MTA). Measure R is funded with a half-cent sales tax and 15 percent of the tax is designated for Local Return to cities and counties based on population. The use of Measure R funds for the infrastructure improvement program was approved by the MTA per the Approved Projects Notification effective August 3, 2010. It is recommended that available and unexpended Measure R funds totaling \$990,000 be utilized to support the Infrastructure Improvement Program, thereby reducing expenses in the Capital Improvements Fund and General Fund, for a net neutral effect.

- Increase appropriations in the Transportation Fund (SR 182) in the Department of Public Works (PW) by \$990,000.
- Decrease appropriations in the Capital Projects Fund (CP 201) in Department of Public Works (PW) by \$990,000.



### **Citywide Disasters Department**

Between January 17 and February 6, 2010, the City experienced a series of severe winter storms resulting in flooding, debris, and mudflows. Departments citywide have been working closely with FEMA and CalEMA to request reimbursement for the costs associated with the City's response to the storms as well as post storm clean up. The process to identify, request and gain preliminary approval for reimbursement of these costs has been completed resulting in projected reimbursements from FEMA of \$762,070 and CalEMA of \$190,600.

- Increase appropriations in the Insurance Fund (IS 390) in the Citywide Disasters Department (XD) by \$952,670.

### **Citywide Activities**

On August 10, 2010, the City Council authorized the refunding of the outstanding \$33,400,000 of Long Beach Bond Finance Authority Lease Revenue and Refunding Bonds (Civic Center) 1997 Series A. The refinancing will reduce future annual interest expense for the Civic Center Fund by approximately \$89,000 through the remaining 18-year life of the financing. The following budget adjustment is requested to record the receipt of the Series 2010A Refunding Bond proceeds, retirement of the Series 1997A Refunding bonds, and the cost of issuing the Series 2010A bonds.

- Increase appropriations in the Civic Center Fund (IS 380) in the Citywide Activities Department (XC) by \$34,310,647.

The Office of Sustainability participates in a Southern California Edison (SCE) incentive and rebate program and uses this funding for ongoing citywide energy efficiency projects. To date, the City has been awarded \$127,192 and needs the necessary appropriation to fund these ongoing citywide projects.

- Increase appropriations in the Special Revenue Fund (SR 120) in Citywide Activities (XC) by \$127,192.

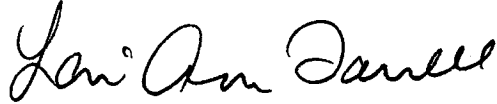
To meet the State of California's projected \$24.3 billion deficit for FY 10, the State borrowed nearly \$2 billion from local governments. Among the State revenue take-aways in FY 10, was the borrowing of \$10,799,560 of property tax from the City's General Fund. To mitigate the devastating impacts local government borrowing would have on Long Beach, the City proposed and secured passage of State legislation to allow the City to utilize interest earned on the Subsidence Fund to fully offset the State's take-away for a net neutral impact. The Subsidence Fund will be made whole, including interest, by the City once the State of California reimburses back local governments for this property tax borrowing.

- Increase appropriations in the Tideland Reserve for Subsidence Fund (NX 421) in Citywide Activities (XC) by \$10,799,560.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



LORI ANN FARRELL  
DIRECTOR OF FINANCIAL MANAGEMENT/CFO

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ATTACHMENTS

APPROVED:



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PATRICK H. WEST  
CITY MANAGER

## Effect of 4th Quarter Budget Adjustments on Fund Balance

	<u>Budgeted Expenditure</u>	<u>Budgeted Revenue</u>	<u>Budgeted Fund Balance</u>
<b><u>General Fund (GP)</u></b>			
Beginning Fund Balance			\$ 351,510
<i>Does not include the \$37.1 million Emergency Fund Balance Reserve</i>			
Unreserving/(Reserving) of Restricted Fund Balance			1,171,136
FY 10 Adopted Budget	384,333,509	385,334,914	1,001,404
Carryover Appropriations/Encumbrances	1,962,097	784,482	(1,177,615)
Proposed 4th Quarter Adjustments:			
Asset Forfeiture Funds for Cadet Pgm and NAACP ACT-SO	144,910	144,910	-
Asset Forfeiture Funds for Helicopter Repairs	148,060	148,060	-
Asset Forfeiture Funds for Misc. Expenses	87,084	87,084	-
Prisoner Welfare Funds for Supplies and Materials	21,756	21,756	-
North PAL Lease Offset by Bus Shelter Revenue	213,491	213,491	-
Animal Care Licensing System	281,000	281,000	-
Fourth Council District FY 09 Savings for Tree Trimming	5,000	-	(5,000)
Rancho Los Cerritos	49,900	49,900	-
Douglas Park Irrigation and Maintenance	26,434	26,434	-
Tennis Center Refurbishment	177,902	177,902	-
Fire Overtime Reimbursement for Wild Land Fires	135,000	135,000	-
ATF Reimbursement for Fire Overtime	15,579	15,579	-
<b>Adjusted Budget Including 4th Quarter Adjustments</b>	<b>\$ 387,601,723</b>	<b>\$ 387,420,512</b>	<b>\$ 1,341,435</b>
<b><u>Capital Projects (CP)</u></b>			
Beginning Fund Balance			\$ 25,878,603
Unreserving/(Reserving) of Restricted Fund Balance			3,302,871
FY 10 Adopted Budget	5,019,201	6,161,767	1,142,566
Estimated All-years Carryover Budget	49,500,000	30,442,162	(19,057,838)
All-Years Carryover Budget Adjustments	(68,591,027)	26,792,379	95,383,406
City Council Approved Adjustments to Date	7,187,070	7,187,069	(0)
Proposed 4th Quarter Adjustments:			
Infrastructure Improvement Program	(990,000)	(990,000)	-
Infrastructure Repairs for Third and Fourth Council Districts	49,080	49,080	-
<b>Adjusted Budget Including 4th Quarter Adjustments</b>	<b>\$ (7,825,676)</b>	<b>\$ 69,642,457</b>	<b>\$ 106,649,607</b>
<b><u>Civic Center Fund (IS 380)</u></b>			
Beginning Fund Balance			\$ 5,092,016
Unreserving/(Reserving) of Restricted Fund Balance			488,011
FY 10 Adopted Budget	1,412,576	1,232,394	(180,182)
Estimated All-years Carryover Budget	2,207,705	-	(2,207,705)
All-Years Carryover Budget Adjustments	(2,652,459)	(895)	2,651,565
City Council Approved Adjustments to Date	5,060	-	(5,060)
Proposed 4th Quarter Adjustments:			
Civic Center Bond Refinancing	34,310,647	34,310,647	-
<b>Adjusted Budget Including 4th Quarter Adjustments</b>	<b>\$ 35,283,528</b>	<b>\$ 35,542,146</b>	<b>\$ 5,838,645</b>

## Effect of 4th Quarter Budget Adjustments on Fund Balance

	<u>Budgeted Expenditure</u>	<u>Budgeted Revenue</u>	<u>Budgeted Fund Balance</u>
<b><u>Insurance Fund (IS 390)</u></b>			
Beginning Fund Balance (Per Adopted Budget)			\$ 1,548,824
Unreserving/(Reserving) of Restricted Fund Balance			(895,103)
FY 10 Adopted Budget	39,627,348	39,883,776	256,428
Estimated All-years Carryover Budget	-	-	-
All-Years Carryover Budget Adjustments	(254,985)	(34,192)	220,793
City Council Approved Adjustments to Date	172,303	-	(172,303)
Proposed 4th Quarter Adjustments:			
FEMA & CalEMA Reimbursements for Winter Storms	952,670	952,670	-
<b>Adjusted Budget Including 4th Quarter Adjustments</b>	<b>\$ 40,497,336</b>	<b>\$ 40,802,254</b>	<b>\$ 958,639</b>
<b><u>Gasoline Tax Street Improvement (SR 181)</u></b>			
Beginning Fund Balance			\$ 5,849,159
Unreserving/(Reserving) of Restricted Fund Balance			(62,320)
FY 10 Adopted Budget	16,218,563	16,960,667	742,104
Estimated All-years Carryover Budget	21,926,803	21,926,803	-
All-Years Carryover Budget Adjustments	(22,695,432)	15,439,621	38,135,053
City Council Approved Adjustments to Date	15,008,210	15,008,210	-
Proposed 4th Quarter Adjustments:			
Previous Contract for Rehabilitation of Wardlow and Clark	(1,746,068)	(1,746,068)	-
Prop 42 Funding for Roadway Repairs	3,502,078	3,502,078	-
<b>Adjusted Budget Including 4th Quarter Adjustments</b>	<b>\$ 28,712,076</b>	<b>\$ 67,589,233</b>	<b>\$ 44,663,996</b>
<b><u>General Grants (SR 120)</u></b>			
Beginning Fund Balance			\$ 82,287
Unreserving/(Reserving) of Restricted Fund Balance			0
FY 10 Adopted Budget	6,293,947	6,341,769	47,822
Estimated All-years Carryover Budget	11,009,980	11,009,980	-
All-Years Carryover Budget Adjustments	(14,403,222)	14,299,618	28,702,840
City Council Approved Adjustments to Date	4,929,674	4,929,675	1
Proposed 4th Quarter Adjustments:			
Socal Edison Incentive and Rebate program	127,192	127,192	\$ -
Energy Efficiency Rebate - ARRA Funding	559,027	559,027	-
Additional Edward Byrne Memorial Grant monies	4,793	4,793	-
State COPS final installment for FY 10	397,937	397,937	-
Urban Area Security Initiative - Fire	2,099,343	2,099,343	-
Urban Area Security Initiative - Health and Human Svcs	(13,000)	(13,000)	-
Urban Area Security Initiative - Technology Svcs	500,000	500,000	-
Library Materials	85,000	85,000	-
South Coast AQMD Grant for Tree Planting	108,025	108,025	-
Interest Earnings on Fire MMRS Grant	6,606	6,606	-
<b>Adjusted Budget Including 4th Quarter Adjustments</b>	<b>\$ 11,705,302</b>	<b>\$ 40,455,965</b>	<b>\$ 28,832,950</b>

## Effect of 4th Quarter Budget Adjustments on Fund Balance

	<u>Budgeted Expenditure</u>	<u>Budgeted Revenue</u>	<u>Budgeted Fund Balance</u>
<b><u>Development Services Fund (SR 137)</u></b>			
Beginning Fund Balance			\$ 9,611
Unreserving/(Reserving) of Restricted Fund Balance			26,143
FY 10 Adopted Budget	13,057,431	13,717,862	\$ 660,431
Estimated All-years Carryover Budget	-	-	\$ -
All-Years Carryover Budget Adjustments	-	-	-
City Council Approved Adjustments to Date	114,080	108,025.00	\$ (6,055)
Proposed 4th Quarter Adjustments:			
South Coast AQMD Grant for Tree Planting	(108,025)	(108,025)	-
Adjusted Budget Including 4th Quarter Adjustments	13,063,486	13,717,862	690,130
<b><u>Transportation (SR 182)</u></b>			
Beginning Fund Balance			\$ 22,382,073
Unreserving/(Reserving) of Restricted Fund Balance			(38,943)
FY 10 Adopted Budget	15,463,493	17,143,898	\$ 1,680,405
Estimated All-years Carryover Budget	23,872,736	15,401,179	\$ (8,471,557)
All-Years Carryover Budget Adjustments	(27,143,761)	9,721,624	36,865,386
City Council Approved Adjustments to Date	17,475	-	\$ (17,475)
Proposed 4th Quarter Adjustments:			
Infrastructure Improvement Program	990,000	990,000	-
Adjusted Budget Including 4th Quarter Adjustments	13,199,943	43,256,701	52,399,888
<b><u>Redevelopment Agency</u></b>			
Beginning Fund Balance			\$ 24,341,290
Unreserving/(Reserving) of Restricted Fund Balance			78,900,202
FY 10 Adopted Budget	153,775,370	106,686,615	(47,088,755)
Estimated All-years Carryover Budget	55,218,212	55,218,212	-
All-Years Carryover Budget Adjustments	(73,629,757)	(42,693,044)	30,936,712
City Council Approved Adjustments to Date	48,162	-	(48,162)
Proposed 4th Quarter Adjustments:			
North Project Area Tax Allocation Bonds	30,380,052	32,980,000	2,599,948
Adjusted Budget Including 4th Quarter Adjustments	\$ 165,792,039	\$ 152,191,782	\$ 89,641,235

## Effect of 4th Quarter Budget Adjustments on Fund Balance

	<u>Budgeted Expenditure</u>	<u>Budgeted Revenue</u>	<u>Budgeted Fund Balance</u>
<b><u>Tideland Reserve for Subsidence (NX 421)</u></b>			
Beginning Fund Balance (Per Adopted Budget)			\$ 166,575,103
Unreserving/(Reserving) of Restricted Fund Balance			(0)
FY 10 Adopted Budget	-	5,200,000	5,200,000
Estimated All-years Carryover Budget	1	-	(1)
All-Years Carryover Budget Adjustments	-	-	-
City Council Approved Adjustments to Date	-	-	-
Proposed 4th Quarter Adjustments:			
Utilize Interest Earned on Subsidence Fund	10,799,560	-	(10,799,560)
<b>Adjusted Budget Including 4th Quarter Adjustments</b>	<b>10,799,561</b>	<b>5,200,000</b>	<b>160,975,542</b>
<b><u>Upland Oil Fund Summary (SR 134)</u></b>			
Beginning Fund Balance (Per Adopted Budget)			\$ 4,225,505
Unreserving/(Reserving) of Restricted Fund Balance			(219,127)
FY 10 Adopted Budget	14,907,730	15,111,851	204,121
Estimated All-years Carryover Budget	-	-	-
All-Years Carryover Budget Adjustments	-	-	-
City Council Approved Adjustments to Date	7,174,385	7,242,582	68,197
Proposed 4th Quarter Adjustments:			
Increase Appropriations in Upland Oil	1,200,000	1,200,000	-
<b>Adjusted Budget Including 4th Quarter Adjustments</b>	<b>\$ 23,282,115</b>	<b>\$ 23,554,433</b>	<b>\$ 4,278,696</b>
<b><u>Tidelands Fund (TF)</u></b>			
Beginning Fund Balance			\$ 34,691,182
Unreserving/(Reserving) of Restricted Fund Balance			8,728,015
FY 10 Adopted Budget	112,431,361	116,766,426	4,335,066
Estimated All-Years Carryover Budget	31,112,133	10,874,721	(20,237,412)
All-Years Carryover Budget Adjustments	(24,745,363)	12,600,856	37,346,219
City Council Approved Adjustments to Date	17,179,190	11,124,934	(6,054,256)
Proposed 4th Quarter Adjustments:			
Fire Overtime Reimbursement for Special Events	33,800	33,800	-
<b>Adjusted Budget Including 4th Quarter Adjustments</b>	<b>\$ 136,011,120</b>	<b>\$ 151,400,738</b>	<b>\$ 58,808,815</b>

## General Fund FY 10 Budget Adjustment Recap

	Budgeted Expenditure	Budgeted Revenue	Net Impact
<b><u>Previous City Council Actions</u></b>			
Carryover of Prior Year Encumbrances (Beginning Fund Balance is Net of this Amount)	315,404	-	(315,404)
Fund Balance Adjustment	1,741,400	-	(1,741,400)
Revenue Adjustments	-	11,400	11,400
<b>Subtotal - Ad Hoc Council Action</b>	<b>2,056,805</b>	<b>11,400</b>	<b>(2,045,404)</b>
<b><u>1st Quarter Approved Budget Adjustments</u></b>			
City Prosecutor Civil Gang Injunctions	24,792	24,792	-
First Council District FY 09 Savings for CD	16,012	-	(16,012)
Seventh Council District FY 09 Savings for Library	10,000	-	(10,000)
Council Districts' FY 09 Savings for Parks, Rec and Marine	17,792	-	(17,792)
Sixth Council District FY 08 Savings for Parade	20,000	-	(20,000)
Reimbursement for Police Firearms	458,500	458,500	-
Crime Lab Digital Imaging System	94,790	94,790	-
Seventh Council District FY 09 Savings for Public Works	10,000	-	(10,000)
Third Council FY 09 Savings for Infrastructure Improvements	22,301	-	(22,301)
Rancho Los Cerritos Parking Lot	66,087	-	(66,087)
Consolidation of Web Support Services in Tech Services	(67,797)	-	67,797
Rebate to Portside Partners of TOT Revenue	24,270	-	(24,270)
<b>Subtotal - 1st Quarter</b>	<b>696,746</b>	<b>578,082</b>	<b>(118,665)</b>
<b><u>2nd Quarter Proposed Budget Adjustments</u></b>			
Legal & Contract Mgmt Costs with McDonnell Douglas Corp	25,000	25,000	-
Fourth Council Districts' FY 09 Savings for Parks Dept	25,667	-	(25,667)
City Prosecutor Reduction of TSD MOU	(30,151)	-	30,151
General Petroleum Sales Tax Rebate	336,505	-	(336,505)
DLBA payment for sharing of Parking Meter revenue	375,000	-	(375,000)
Underground Storage Tank payment booked in FY 09	(1,700,000)	-	1,700,000
<b>Subtotal - 2nd Quarter</b>	<b>(967,979)</b>	<b>25,000</b>	<b>992,979</b>
<b><u>3rd Quarter Approved Budget Adjustments</u></b>			
Enterprise Zone Program vouchers	100,000	100,000	-
Mayor's Fund for the Homeless	70,000	70,000	-
Fourth Council District Website Redesign	6,525	-	(6,525)
Special Events Bgt for Gospel Fest from Sixth District	-	-	-
<b>Subtotal - 3rd Quarter</b>	<b>176,525</b>	<b>170,000</b>	<b>(6,525)</b>
<b><u>4th Quarter Approved Budget Adjustments</u></b>			
Asset Forfeiture Funds for Cadet Pgm and NAACP ACT-SO	144,910	144,910	-
Asset Forfeiture Funds for Helicopter Repairs	148,060	148,060	-
Asset Forfeiture Funds for Misc. Expenses	87,084	87,084	-
Prisoner Welfare Funds for Supplies and Materials	21,756	21,756	-
North PAL Lease Offset by Bus Shelter Revenue	213,491	213,491	-
Animal Care Licensing System	281,000	281,000	-
Fourth Council District FY 09 Savings for Tree Trimming	5,000	-	(5,000)
Rancho Los Cerritos	49,900	49,900	-
Douglas Park Irrigation and Maintenance	26,434	26,434	-
Tennis Center Refurbishment	177,902	177,902	-
Fire Overtime Reimbursement for Wild Land Fires	135,000	135,000	-
ATF Reimbursment for Fire Overtime	15,579	15,579	-
<b>Subtotal - 4th Quarter</b>	<b>1,306,117</b>	<b>1,301,117</b>	<b>(5,000)</b>
<b>Total FY 10 Budget Adjustments to Date</b>	<b>1,211,409</b>	<b>2,074,198</b>	<b>862,789</b>
<b>General Fund Adjusted Budget</b>	<b>\$ 387,601,723</b>	<b>\$ 387,420,512</b>	<b>\$ (181,210)</b>



**City of Long Beach Memorandum**  
*Working Together to Serve*

## REQUEST TO ADD AGENDA ITEM

**Date:** 9/21/2010  
**To:** Larry Herrera, City Clerk  
**From:** Patrick H. West, City Manager  
**Subject:** Request to Add Agenda Item to Council Agenda of September 21, 2010

Pursuant to Municipal Code Section 2.03.070 [B], the City Councilmembers signing below request that the attached agenda item (due in the City Clerk Department by Friday, 12:00 Noon) be placed on the City Council agenda under New Business via the supplemental agenda.

The agenda title/recommendation for this item reads as follows:

**Recommendation to approve the Fiscal Year 2010 fourth quarter departmental and fund budget appropriation adjustments in accordance with existing City Council policy. (Citywide)**

Council District	Authorizing Councilmember	Signed by
3	GARY DeLONG	Ann Cramer
2	Sija Louenthal	Heather Beddins
4	Patrick O'Donnell	

Attachment: Staff Report dated September 21, 2010

CC: Office of the Mayor