

CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

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333 West Ocean Boulevard 6th Floor • Long Beach, CA 90802

June 21, 2005

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Approve the Fiscal Year 2005 third quarter departmental and fund budget appropriation adjustments in accordance with existing City Council policy.

DISCUSSION

On September 17, 2004, the City Council adopted the Appropriations Ordinance governing City expenditures for Fiscal Year 2005 (FY 05). From time-to-time, changes in revenue or operating conditions call for appropriation adjustments. In some cases, these changes enable departments to expend newly received 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, various adjustments are presented quarterly to the City Council for consideration. The third quarter appropriation adjustment requests for FY 05 are listed below alphabetically by department. Please see **Attachment A** for a Fund Balance Analysis of impacted City funds.

This letter was reviewed by Assistant City Attorney Heather A. Mahood on June 13, 2005.

TIMING CONSIDERATIONS

The following requests for adjustments to FY 05 departmental and fund appropriations are necessary to reflect changes in operating conditions. City Council action is requested on June 21, 2005 to authorize the timely processing of payments.

FISCAL IMPACT

Financial Management

On February 8, 2005 the City Council approved the refinancing of the Health Facilities Financing Authority 1989 Tax-Exempt Variable Rate Loan/Lease. The budget adjustment is necessary to record the payment to the California Health Facilities Financing Authority to pay off the lease.

- Increase appropriations in the Health Fund (SR 130) and in the Citywide Department (XC) by \$3,586,779.

Library Services

The Friends of the Long Beach Public Library have given the Library a \$20,000 donation for the purchase of book and material resources.

- Increase appropriations in the General Grants Fund (SR 120) in the Department of Library Services (LS) by \$20,000.

Parks, Recreation and Marine

The Department of Parks, Recreation and Marine has submitted an application to the State of California for execution of a non-competitive Proposition 40 Per Capita Grant for \$250,000 to fund remaining expenses related to the rebuilding of the Skylinks Golf Course. Due to delays in the execution of the grant agreement, there are outstanding invoices for work already completed at Skylinks. In order to pay these invoices in a timely manner, a budget adjustment is requested to use park acquisition and development funds, which are derived from park development projects, for the Skylinks Rebuild. Once State grant funds are received, the park acquisition and development funds will be reimbursed. There will be no impact on the General Fund as a result of this request.

- Decrease appropriations in the Capital Projects Fund (CP) in the Department of Public Works (PW) by \$250,000.
- Increase appropriations in the Capital Projects Fund (CP) in the Department of Parks, Recreation and Marine (PR) by \$250,000.

Public Works

The Fleet Services Bureau, Towing and Lien Sales Division receives approximately 26,000 Citywide tow service requests for motor vehicle, parking enforcement, special enforcement and abatement violations annually. The division also stores, processes and auctions up to 8,700 unrecovered vehicles on site. Due to a 5.4 percent increase in tow requests and a 16.4 percent increase in lien sales revenues in FY 05, an appropriation increase is necessary to fund payments to the Department of Motor Vehicles (DMV) associated with lien sales, increased costs of supplemental contract tow services and fuel costs. Additional towing fees and lien sales revenues offset this appropriation increase.

- Increase appropriations in the Towing Fund (EF 340) and in the Department of Public Works (PW) by \$430,000.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,

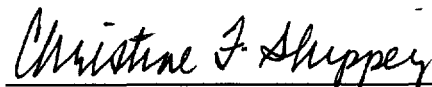


MICHAEL A. KILLEBREW
DIRECTOR OF FINANCIAL MANAGEMENT

Attachments

MK:DW:lp

APPROVED:



GERALD R. MILLER
CITY MANAGER

for