



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

R-9

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

January 24, 2012

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Receive and file the Fiscal Year 2011 Year-End Budget Performance Report; and

Increase appropriation in the Housing Authority Fund (SR 151) by \$1.2 million and increase/decrease appropriations in the General Fund in multiple departments for various purposes to reflect final expenditures. (Citywide)

DISCUSSION

This report reflects the City's Fiscal Year 2011 (FY 11) budget performance. The information provided is preliminary. The books for FY 11 are not fully closed and the audit for FY 11 will not be completed until approximately the end of March 2012.

The report includes financial information for all funds and departments. While the financial report primarily discusses the General Fund, unusual results (both positive and negative) in other funds are highlighted where applicable.

Summary

The FY 11 Adopted Budget totaled \$3.0 billion for the City's 21 departments, and was later amended to \$3.8 billion during the fiscal year by the City Council. Of that amount, \$380.4 million comprised the General Fund budget, which was subsequently increased by the City Council to \$398.8 million during the fiscal year (appropriation of \$1.2 million is included in the proposed recommendation).

As of fiscal year-end, actual expenditures for all departments and all funds were \$2.9 billion. Revenues for all departments and all funds were \$2.8 billion. Unspent grant and capital project funds will be carried forward into subsequent fiscal years to support multi-year projects or grant-funded activities. All other unspent appropriation authorizations lapse (end), per City budgetary policy.

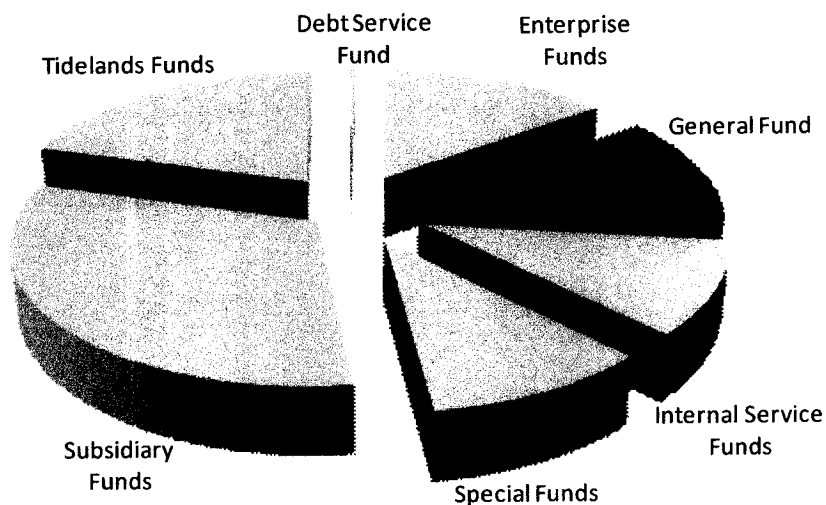
For the General Fund, actual expenditures for all departments were \$396.8 million, about \$2 million under the Adjusted Budget of \$398.8 million. Actual General Fund revenues for all departments totaled \$387.3 million. In addition, supporting the expenditures was an \$11 million release of reserves approved by City Council for such things as police helicopters and

ambulances. One-time revenue, included in the \$387.3 million totaling \$6.4 million was received in FY 11 and was comprised of: 1) \$1.8 million from additional Upland Oil transferred to the General Fund as one-time to adjust historic revenue shortfalls¹, 2) \$1.9 million in deferred revenue from FY 10; 3) \$1 million in motor-vehicle in Lieu Tax revenue from the State that had been erroneously withheld in a prior year, 4) \$1 million in accelerated loan repayment from the Redevelopment Agency; and 5) \$634,342 in Asset Forfeiture funds received by the Police Department for restricted public safety purposes only.

FY 11 Expenditure Performance – All Funds

The City's Adopted FY 11 Budget for all funds includes \$2.5 billion of annual funds, \$463.6 million of carryover (multi-year grants and capital project funds) and prior year encumbrances (goods and services ordered in FY 10 but received in FY 11), and \$806.3 million of City Council-approved budget amendments, bringing the total Adjusted City Budget to \$3.8 billion. Please see Attachment A for a breakdown of Citywide expenditures by fund.

Exhibit 1 – All City Funds by Fund Type



As illustrated in Exhibit 1 above, the City has seven fund types divided into 34 funds that comprise the \$3.8 billion adjusted budget. Most of these funds are restricted funds (gray color), such as the Harbor Fund, Gas Fund and Tideland 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 10.6 percent of the entire Adjusted City budget. For a discussion of notable fiscal performance in non-General Fund funds, please see the Other Funds section of this report.

¹ As part of the Second Quarter FY 11 Budget Adjustment, the City Council approved a structural increase in the Upland Oil Fund transfer to the General Fund from the budgeted \$45/bbl to \$55/bbl. At the time, this increase was estimated to generate \$5.1 million in additional revenue. \$3.3 million of that increase was designated to offset historically underperforming revenues while the remaining \$1.8 million was designated as one-time or short-term revenue.

General Fund

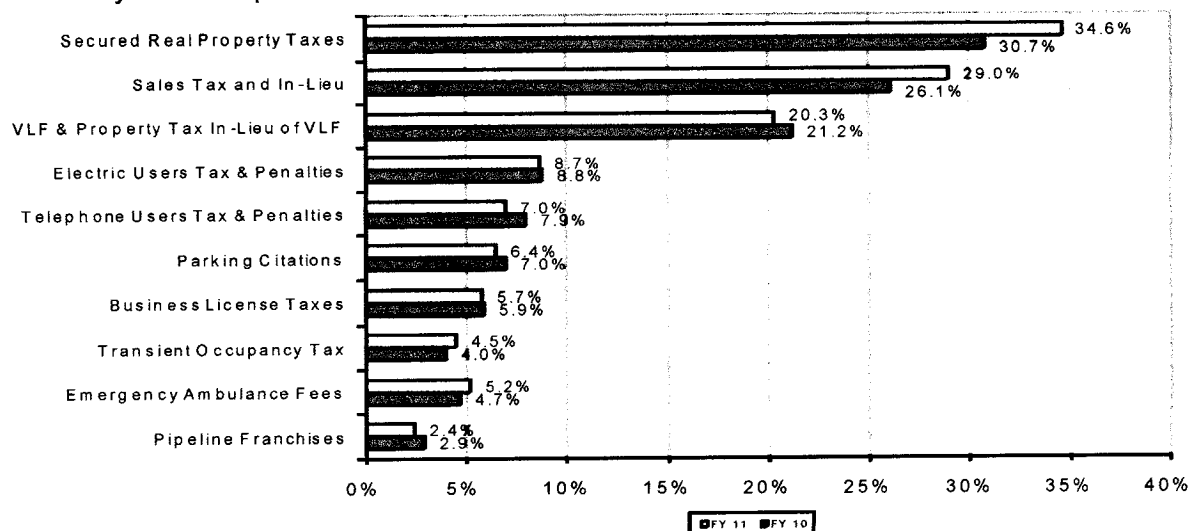
FY 11 Revenue

As of fiscal year-end, \$387.3 million of General Fund revenue was received, including one-time revenue. General Fund revenue net of one-times was \$380.9 million. A General Fund mid-year revenue shortfall was projected as a result of economically impacted revenue sources such as Parking Citations, American Golf revenue, Utility Users Tax, and Pipeline Franchise Fees, among others. Improving revenues in other areas and a structural change in the transfer from the Uplands Oil Fund were used to mitigate the under-performing revenues.

The four largest General Fund revenues ended FY 11 above projected levels. Secured Property Tax, Sales and Use Tax, Property Tax In-lieu of VLF and Motor Vehicle In-Lieu ended the fiscal year between 1.3 percent and 1.6 percent above projected levels. While the variance in Property Tax In-lieu of VLF and Motor Vehicle In-Lieu was the result of a prior-year correction on the part of the State, the other revenue increases were a result of moderate economic growth and conservative revenue projections. In addition to these revenues, Sales Tax has seen significant growth in FY 11, ending the year \$7.6 million above FY 10, driven in large part by Edison Material and Supply (EMS). This growth in EMS revenue was largely offset by the rebate agreement to EMS. For sales tax revenue received in FY 11, the City rebated over \$7 million to EMS. Another revenue source that saw significant growth in FY 11 was the Transient Occupancy Tax (TOT). TOT year-end actuals were \$546,638 over budget and \$1.2 million above FY 10 year-end actuals. An increase in lodging demand, coupled with increases in occupancy rates and decreases in average daily room rates, led to an overall increase in TOT revenue. Between January 2011 and September 2011, average revenue per available room in Long Beach increased by over 11 percent over the same period the previous year.

The culmination of the mid-year revenue adjustments, improving revenue performance in some areas and unanticipated one-time revenues allowed the General Fund to end FY 11 with higher than (the mid-year) projected revenue. To allow for greater flexibility in handling potential revenue shortfalls in the future, \$5 million in FY 11 fund balance has been reserved for future action as needed and as determined by City Council.

A summary of the top 40 General Fund revenues is included in Attachment B.



FY 11 Revenue by Department

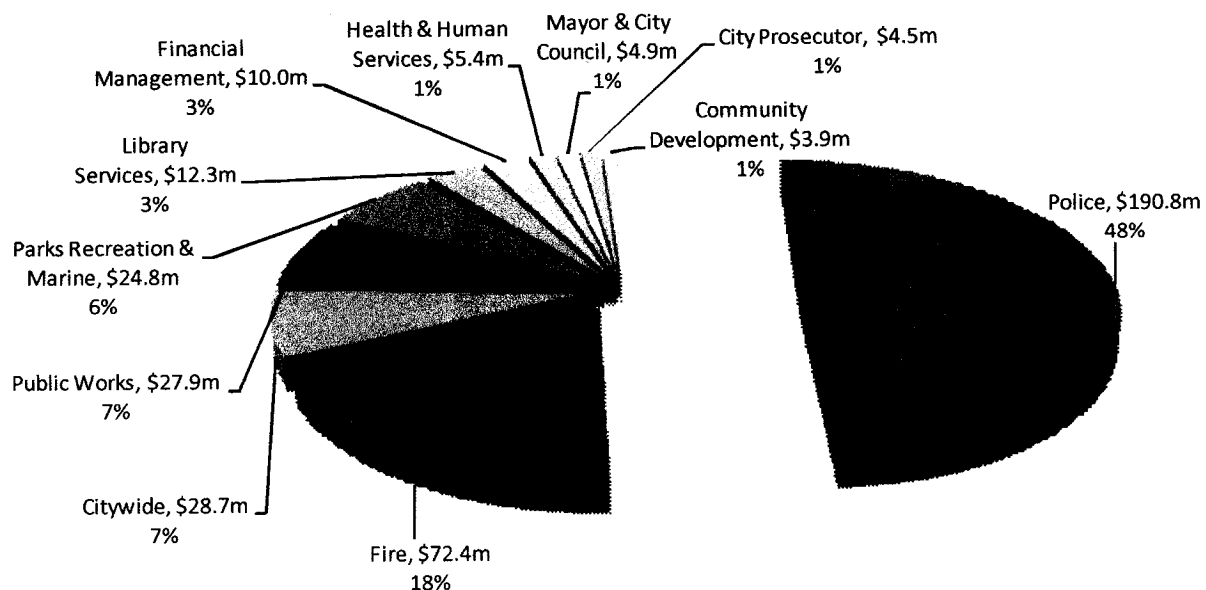
Attachment C provides a breakdown of General Fund revenue performance by department. Many of the departmental variances are captured in the footnotes to this attachment. Public Works realized the highest level of General Fund revenue of all operating departments at \$24.9 million, followed by Financial Management at \$20.2 million and the Police Department at \$19.2 million.

FY 11 Expenditures by Department

Actual General Fund spending for FY 11 at the department level came in at \$396.8 million, or at 99.5 percent of the adjusted budget, as shown in Attachment D. All departments ended the year with General Fund expenditures within adjusted budget limits, with the exception of Citywide Activities - XC, Civil Service, Health and Human Services, and Police. Citywide Activities exceeded the budget as a result of the added requirement to accrue the Edison Material Supply (EMS) rebate expense for revenues received in August and September of 2011, which are paid out in FY 12. An FY 10 payment for the Online Applicant Tracking System was charged to FY 11 for the Civil Service Department. An increase in the number of animal licenses and notifications of renewals, delinquencies, and citations issued by Animal Care Services led to greater expenditures in reprographics and postage for the Health and Human Services Department. The Police Department surpassed its budget due to personnel costs and fleet charges.

Exhibit 3 below shows the City's top 10 General Fund expenditures by department in FY 11 as a percentage of total General Fund expenditures. In aggregate, the Top 10 represents \$381.8 million, or 96.2 percent, of General Fund expenditures. Together, Police and Fire account for 66.3 percent of General Fund expenditures. The Police, Fire, Public Works, Parks, Recreation and Marine, and Library Services departments account for 82.7 percent of General Fund expenditures.

Exhibit 3 – Largest FY 11 Year End General Fund Expenditures by Department, as a Percentage of the \$396.8 million Total Expenditures.



*Citywide Activities include debt payments, pass through transactions, old Police/Fire pension plan, General Fund CIP funding, etc.

Other Funds

Airport

The Airport Fund is used to provide customer service, safety and security at the Long Beach Airport, as well as provide fair operating costs to the Airport's business partners. Its revenues generally consist of non-airline, indirect airline and airline revenue, and its expenditures are generally for managing airport operations and capital improvements. The Airport Fund began FY 11 with a fund balance of \$27.9 million.

In FY 11, the Airport opened its new 2,224 space parking structure providing close and convenient parking for airline passengers and guests. The construction of the new parking structure was financed through the issuance of the Senior Airport Revenue Bonds Series 2009 A, B, and C, authorized by City Council on November 3, 2009 and paid from Airport Operations. Also, in FY 11, the Airport broke ground on the first phase of its Terminal Area Improvements project that will include the construction of hold rooms, associated restrooms and circulation areas, post security concessions, and a consolidated passenger screening area. This first phase is anticipated to be completed in FY 13, and is being financed by the issuance of Airport Senior Revenue Bonds Series 2010 A and B authorized by the City Council on October 19, 2010 paid primarily from Passenger Facility Fee revenues. Debt service payments for both the 2009 and 2010 bonds are included in the Airport's budget and are projected to continue until 2039 and 2040, respectively.

Towing

The Towing Fund supports towing operations to clear vehicles involved in accidents, impound vehicles, and also supports the City's fleet. In addition, the Towing Fund supports the operations at the Towing Yard, including the sale of unclaimed vehicles. The Towing Fund began FY 11 with a balance of \$612,471 after making a \$3.5 million transfer to the General Fund in FY 10.

In FY 11, the Towing Division continued to pursue greater efficiencies to lower operational costs. Over the past few years, the Division has worked to monitor staff schedules to keep the cost of contract tows down. This has resulted in a 51 percent cost reduction from approximately \$441,000 in FY 08 to \$215,000 in FY 11. Despite managing expenses, however, the Towing Operations have been significantly impacted by the sluggish economy and a steady decline in the number of tow requests over the past few years. In FY 11, there was a 14.2 percent decline in tow requests from 18,361 in FY 10 to 15,752 in FY 11. Revenues have declined by approximately the same percentage, with \$8.5 million collected in FY 10 compared to \$7.3 million in FY 11.

Fleet

The Fleet Fund supports the purchase and maintenance of the City's vehicle fleet, including fire engines, heavy-duty trucks, street sweepers, police cars and code enforcement sedans, among many others. The Fleet Fund began FY 11 with a balance of \$13.7 million, comprised of vehicle replacement funds accumulated from departments over several years. Up until FY

09, the Fleet Fund had struggled with a persistent structural imbalance. However, for the past several years, fleet management has been working with its client departments to revise the criteria for vehicle replacement based on age, mileage and condition, keeping the Fleet Fund in balance. In FY 11, the Fleet Fund again ended the year with a positive balance. Furthermore, in FY 12, a new methodology for developing the budget for fleet acquisitions was implemented, targeting only critical replacements to further economize the benefits of the extended vehicle life cycles.

Health Fund (Restricted)

The Health Fund supports disease prevention and treatment services, health education, and bio-terrorism response services for Long Beach. The Health Fund began FY 11 with a fund balance of \$373,882. The Health Department's proactive efforts to build a more structurally balanced budget has resulted in the Fund's ability to pay down its cash loan from the General Fund by \$300,000; thus, the new balance of the cash loan from the General Fund is \$2,808,343. It is anticipated that the Health Fund will continue to pay down this loan until paid off. The Department started FY 12 with \$7.9 million in accounts receivables from federal and State grants, and a starting Health Fund balance of \$669,753. In past fiscal years, the department experienced cash-flow problems due to persistent state budget delays, however, it has made great strides in FY 11 by maintaining a positive cash balance. The Department continues to develop new grant-funded programs to address local public health issues in Long Beach.

Redevelopment

During the preparation of the FY 12 budget, the Governor and Legislature sought to balance the State's budget by passing two companion bills: one that eliminates redevelopment agencies, and the other that allows redevelopment agencies to make a voluntary contribution to continue operations. The members of the California Redevelopment Association, including the Agency, filed a lawsuit in California Supreme Court challenging the constitutionality of the bills. At the end of the year, a key law, AB1x27, was invalidated and the issues arising from this decision are being evaluated and will be addressed in FY 12.

Capital Projects Fund (Restricted)

The Capital Projects Fund began FY 11 with a balance of \$21.8 million, consisting of General Fund support, various State and Federal grants, and revenue from special assessment districts, transportation improvement fees and park impact fees – most of which is for restricted purposes. During the fiscal year, \$16.5 million was spent on park facility upgrades including greenbelts, bike paths, game courts, significant entryways, a visitor center, arroyo and parking lot improvements at Rancho Los Cerritos, construction of the McBride Park (California Recreation) Teen Center, various facility energy efficiency enhancements, citywide street repairs, traffic management enhancements, citywide sidewalk replacements, and storm drain water quality improvements.

Technical Year-End Appropriation Adjustments

Housing Authority

The Housing Authority provides housing rental assistance to residents of Long Beach via contractual arrangements with local property owners and landlords. The Housing Authority received additional funds for housing assistance payments from the Housing and Urban Development (HUD) for the Veteran's Affairs Supportive Housing (VASH) Program. The Health Department (HE) Housing Authority Bureau requests an appropriation increase for FY11 in the amount of \$1.2 million to cover the costs for housing assistance payments incurred in the Housing Authority Fund (SR 151). The appropriation increase is fully offset by grant revenues.

IAM 1 Percent Retroactive Salary Adjustment

A component of the current Memorandum of Understanding between the City and the International Association of Machinists and Aerospace Workers (IAM) is a 2 percent general salary increase in FY 11 plus the value of 2 percent of salaries and skill pays for IAM bargaining unit members being set aside for classification and compensation study equity adjustments. The agreement articulates that, in the event that the equity 2 percent is not allocated by September 30, 2011, 1 percent will be carried forward to FY 12 classification and compensation study adjustments and a 1 percent general increase, retroactive to October 1, 2010 will be implemented.

The value of these contract provisions has been recorded in departments' FY 11 expenses. All General Fund departments will also be receiving an equivalent budget adjustment. The budget adjustment in each department will be transferred from the City-wide department where the original budget for this cost was held. There is no overall increase to the appropriation for the General Fund. Please see Attachment D for department detail.

Conclusion

In FY 11, the City continued to feel the impact of the aftermath of the worst recession since the Great Depression and the slow, uncertain recovery afterward. At the end of the fiscal year, unemployment within the City reached 13.4 percent, compared to the national average of 8.8 percent. Declines in core General Fund revenue (e.g. property tax, oil production tax, parking citation and UUT revenue, among others) in the first half of FY 11 led the City to hold department budgets at their mid-year estimates-to-close (ETCs). In general, departments were able to manage their budgets within those guidelines and total revenue for FY 11 ended up exceeding expectations, allowing the FY 11 General Fund to be balanced.

The discipline shown by the City Council in adopting the budget, and a mid-year adjustment along with steps taken by Management, resulted in a good ending to the FY 11 year for the General Fund. This progress and discipline in recent years will serve as an excellent foundation for what may be even more difficult decisions needed for the future.

TIMING CONSIDERATIONS

City Council action on this matter is required prior to the closing of the City's books for FY 11 at the end of January.

FISCAL IMPACT

Increase FY 11 appropriation in the Housing Authority Fund (SR 151) by \$1.2 million to cover the costs for housing assistance payments incurred as a result of the Veteran's Affairs Supportive Housing (VASH) Grant Program and increase/decrease appropriations in the General Fund in multiple departments to reflect actual year-end performance for a net zero change in the General Fund.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

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ATTACHMENTS

APPROVED:



PATRICK H. WEST
CITY MANAGER

2011 Year-End
Expenditure Analysis by Fund
Fiscal Year 2011
(100% of Year Completed)

Attachment A

Fund	FY 11 New Allocation	Estimated All-Years Carryover ¹	FY 11 Adopted Appropriation	Amendments ²	Year-End Adjustments	Adjusted Budget	Year-to-Date Actuals	Remaining	% Spent
Funds with All Years Carryover									
Airport	\$37,242,806	48,477,073	\$85,719,879	\$78,270,527		\$163,990,406	\$81,056,397	\$82,934,009	49.4%
Business Assistance	828,305	1,151,900	1,980,205	-		1,980,205	296,649	\$1,683,557	15.0%
Capital Projects	4,352,833	55,437,084	59,789,916	113,177,936		172,967,852	102,131,233	\$70,836,619	59.0%
Civic Center	2,534,293	709,395	3,243,688	855		3,244,543	1,359,351	\$1,885,192	41.9%
Community Development Grants	35,073,417	41,454,495	76,527,912	3,212,677		79,740,589	40,370,211	\$39,370,378	50.6%
Fleet Services	33,394,382	(426,975)	32,967,407	2,231,349		35,198,756	31,878,573	\$3,320,183	90.6%
Gas	138,311,078	15,789,965	154,101,043	25,033		154,126,076	125,006,529	\$29,119,547	81.1%
Gasoline Tax Street Improvement	10,110,732	28,805,895	38,916,627	2,296,588		41,213,215	14,999,265	\$26,213,950	36.4%
General Grants	6,095,256	16,671,034	22,766,290	16,647,521		39,413,812	17,478,443	\$21,935,369	44.3%
General Services	37,640,419	189,233	37,829,652	15,471,109		53,300,762	34,782,414	\$18,518,348	65.3%
Harbor	717,200,614	-	717,200,614	-		717,200,614	598,599,472	\$118,601,142	83.5%
Health	40,005,736	23,893,465	63,899,201	767,741		64,666,942	36,479,020	\$28,187,923	56.4%
Housing Authority	72,954,528	780,945	73,735,473	-	1,200,000	74,935,473	74,049,298	\$886,175	98.8%
Housing Development	27,126,131	63,685,857	90,811,988	9,324,536		100,136,524	32,628,353	\$67,508,170	32.6%
Insurance	40,173,816	295,482	40,469,298	17,325		40,486,623	37,860,740	\$2,625,883	93.5%
Police & Fire Public Safety									
Oil Production Act	3,193,883	-	3,193,883	-		3,193,883	2,988,357	\$205,527	93.6%
Redevelopment	196,494,636	111,551,321	308,045,958	50,953,635		358,999,593	208,973,818	\$150,025,775	58.2%
Refuse/Recycling	42,710,263	(177,852)	42,532,411	599,392		43,131,804	41,421,719	\$1,710,084	96.0%
SERRF	53,896,378	-	53,896,378	-		53,896,378	47,687,150	\$6,209,228	88.5%
Sewer	22,078,444	-	22,078,444	-		22,078,444	18,853,234	\$3,225,210	85.4%
Tidelands	131,333,571	34,080,141	165,413,712	32,598,121		198,011,833	130,431,175	\$67,580,657	65.9%
Transportation	13,684,500	21,265,568	34,950,068	11,973		34,962,041	15,212,125	\$19,749,916	43.5%
Water	91,239,788	-	91,239,788	-		91,239,788	84,977,285	\$6,262,503	93.1%
SUBTOTAL	\$ 1,757,675,809	\$ 463,634,026	\$ 2,221,309,835	\$325,606,320	\$1,200,000	\$2,548,116,154	\$ 1,779,520,810	768,595,344	69.8%
Funds Without All Years Carryover									
General ³	\$ 380,406,912	\$ -	\$ 380,406,912	\$ 18,395,051		\$ 398,801,963	\$ 396,764,585	\$ 2,037,378	99.5%
Belmont Shore Parking Meter	668,275	-	668,275	19,100		687,375	333,551	353,824	48.5%
Certified Unified Program Agency (CUPA)	1,246,629	-	1,246,629	-		1,246,629	1,105,248	141,381	88.7%
Debt Service	-	-	-	11,553,874		11,553,874	9,929,833	1,624,041	85.9%
Employee Benefits	220,938,024	-	220,938,024	158		220,938,182	207,261,394	13,676,788	93.8%
Development Services	11,347,848	-	11,347,848	2,701		11,350,549	11,325,813	24,736	99.8%
Development Impact Fees	308,968	-	308,968	615,000		923,968	692,669	231,299	75.0%
Parking & Business Area Improvement	6,155,960	-	6,155,960	-		6,155,960	5,789,569	366,391	94.0%
SERRF JPA	11,295,285	-	11,295,285	-		11,295,285	11,073,900	221,385	98.0%
Special Advertising & Promotion	5,283,022	-	5,283,022	-		5,283,022	5,121,610	161,412	96.9%
Tideland Oil Revenue	70,337,716	-	70,337,716	433,956,887		504,294,602	451,810,183	52,484,420	89.6%
Towing	8,874,169	-	8,874,169	192		8,874,361	6,553,034	2,321,327	73.8%
Upland Oil	14,907,730	-	14,907,730	14,949,150		29,856,880	18,828,598	11,028,282	63.1%
SUBTOTAL	\$ 731,770,536	\$ -	\$ 731,770,536	\$ 479,492,113	\$ -	\$ 1,211,262,649	\$ 1,126,589,988	\$ 84,672,661	93.0%
TOTAL - All Funds	\$ 2,489,446,345	\$ 463,634,026	\$ 2,953,080,371	\$805,098,433	\$1,200,000	\$3,759,378,803	2,906,110,798	\$ 853,268,005	77.3%

Notes:
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.
² Amendments reflect budget adjustments approved by the City Council during the fiscal year including All-Years Carryover Budget Adjustments.
³ Adjusted Budget for the General Fund includes the potential retroactive raise for IAM employees

Year End 2011
General Fund Revenue (Top 40)
Fiscal Year 2011
(100% of Year Completed)
Unaudited

TOP 40 GENERAL FUND REVENUES	FY 10 Year End Actuals	FY 11 Year-End Actuals (unaudited)	FY 11 Sept. YTD Over/(Under) FY 10 Sept. YTD	FY 11 Adjusted Budget	% of FY 11 Actuals Over/(Under) Budget	Notes:
SECURED REAL PROPERTY TAXES ¹	\$ 58,688,898	\$ 68,587,857	\$ 9,898,959	\$ 67,612,269	1.44%	FY 11 actuals are slightly over-budget as a result of conservative projections and increased revenue as a result of a slowly improving real estate market. Additionally, FY 10 Year-End Actuals reflect the State's Prop 1A borrowing of \$10.8 million in secured property tax revenue.
CITY SALES AND USE TAX & IN-LIEU SALES AND USE TAX ²	49,789,773	57,440,021	7,650,248	56,522,046	1.62%	Overall sales activity reflects an increase of 3 percent over the previous year. Increases in sales tax revenue can be attributed to the higher price of gasoline during much of the year, some rebound in general retail and a \$2 million increase in sales tax generated by Edison Material and Supply.
VEHICLE LICENSE FEE & PROPERTY TAX IN-LIEU OF VLF	40,545,212	40,339,114	(206,098)	39,800,000	1.35%	
ELECTRIC USERS TAX & PENALTIES - (EUUT)	16,808,068	17,222,559	414,490	17,000,000	1.31%	TUUT revenue is below projection as a result of the continued decrease in the use of land lines by residents. Additionally, \$500,000 was set aside in anticipation of a possible payment related to an AT&T class action lawsuit in which the City is named.
TELEPHONE USERS TAX & PENALTIES - (TUUT)	15,131,737	13,901,954	(1,229,783)	15,000,000	-7.32%	
WATER USERS TAX & PENALTIES - (WUUT)	3,709,178	3,715,227	6,049	3,700,000	0.41%	Gas Users Tax & Penalties revenue is significantly lower than FY 10 actuals due to low gas commodity prices and low consumption.
GAS USERS TAX & PENALTIES - (GUUT)	3,583,435	4,082,076	498,641	3,600,000	13.35%	Parking citation revenue did not meet budgeted levels due to the public's determination to avoid citations in a down economy. Citations issued decreased by 9 percent in FY 11.
PARKING CITATIONS	13,326,150	12,744,119	(582,030)	13,258,846	-3.88%	The General Fund ended FY 11 with more revenue than initially projected. To provide flexibility in dealing with any financial challenges in FY 12, the additional revenue has been reserved.
GAS-IN-LIEU	11,923,176	10,123,175	(1,800,001)	11,923,175	-15.10%	
BUSINESS LICENSE TAXES	11,230,819	11,367,173	136,354	11,897,000	-4.45%	Between FY10 and FY 11 the City experienced a 3 percent decrease in business license permits paid. Additionally, the projected CPI increase for the Business License Tax was higher than the actual CPI calculated after the adoption of the FY 11 budget. As a result, of the reduction in permits issued and the lower than projected CPI actual revenue realized was under budget.
TRSFRR UPLAND OIL (SR134)	13,593,144	11,650,850	(1,942,294)	11,631,366	0.17%	FY 11 actuals reflect a structural increase in oil price from \$45/bbl to \$55/bbl and a corresponding \$6 million increase in the Upland Oil Transfer to bridge a mid-year revenue shortfall in the General Fund.
EMERGENCY AMBULANCE FEES	8,928,002	10,228,722	1,300,721	9,100,000	12.40%	Ambulance revenue is significantly higher than budget. This is attributed to a combination of factors including bringing all billing in-house under the Department of Financial Management and different criteria for billing.
TRANSIENT OCCUPANCY TAX	7,637,304	8,846,638	1,209,334	8,300,000	6.59%	An increase in lodging demand coupled with increases in occupancy rates and decreases in average daily room rates led to an overall increase in TOT revenue. Between January 2011 and Sept. 2011 revenue per available room in Long Beach increased by over 11 percent over the same period the previous year.
ELECTRIC COMPANY FRANCHISES	6,095,525	6,227,275	131,750	6,000,000	3.79%	
PIPELINE FEE-WATER	5,567,820	5,551,165	(16,655)	5,744,000	-3.36%	Contracts for services with outside agencies, including LA County, LBCC and LBUSD were smaller than originally anticipated. Additionally, \$250,000 in revenue from contracting in Fire dispatch services which was budgeted in FY10 was never realized.
CHARGES FOR SPECIAL SERVICES	5,010,037	4,988,147	(21,890)	5,599,400	-10.92%	
OTHER DEPT SVCS TO PROPRIETARY FUNDS	4,395,677	5,011,539	615,862	5,182,337	-3.30%	
AMERICAN GOLF LEASE	4,549,502	4,459,881	(89,621)	4,537,240	-1.70%	
PIPELINE FRANCHISES	5,531,293	4,815,572	(714,722)	4,441,000	8.46%	Collections came in lower than slightly higher than budget due to moderate increases in the gas commodity prices. Pipeline Franchise revenue still significantly lag prior year revenue collection.
PIPELINE FEE-SEWER	4,293,250	4,276,136	(17,114)	4,423,000	-3.32%	
MISC REFUNDS & REIMB	4,422,334	3,753,423	(668,911)	3,867,893	-2.96%	
LAND,BLDG,R/W/EASEMENT,APT RENTALS	3,390,698	3,524,151	133,452	3,510,300	0.39%	

Year End 2011
 General Fund Revenue (Top 40)
 Fiscal Year 2011
 (100% of Year Completed)
 Unaudited

TOP 40 GENERAL FUND REVENUES	FY 10 Year End Actuals	FY 11 Year-End Actuals (unaudited)	FY 11 Sept. YTD Over/(Under) FY 10 Sept. YTD	FY 11 Adjusted Budget	% of FY 11 Actuals Over/(Under) Budget	Notes:
PRIOR YEAR SECURED REAL PROPERTY TAXES	3,371,144	3,313,125	(58,019)	3,371,144	-1.72%	
REDEV. REIMB.-NORTH LB	2,328,082	1,844,323	(483,759)	3,328,082	-44.58%	As a result of a lawsuit by the LAUSD regarding the calculation of property tax revenue allocations, pass-through payments from the Long Beach Redevelopment Agency to the General Fund are being recalculated. The new calculation is anticipated to result in a structural reduction in General Fund revenue. In addition, a one-time accelerated payment of \$1M was included in the FY 11 North project area budget which was repaid to the General Fund via a different RDA project area.
VEHICLE CODE FINES	3,062,595	2,916,165	(146,420)	3,100,000	-5.93%	Vehicle code fines did not meet budgeted levels due to the public's determination to avoid fines in a down economy.
PIPELINE SAFETY FEES	2,419,880	2,355,579	(64,301)	2,603,000	-9.51%	The projected CPI increase for the Pipeline Safety Fee was higher than the actual CPI calculated after the adoption of the FY 11 budget. As a result, the revenue realized was under budget.
FIRE PLAN CHECK FEES	2,296,435	1,787,198	(509,237)	2,386,000	-25.10%	FY 11 performance is lower than in the previous year due to variations in the timing and size of development projects.
CITY/MISC/BOND REFI ADVANCES	2,300,000	1,362,749	(937,251)	2,300,000	-40.75%	Timing of the final two payments to the General Fund for the debt payment of a Health facility building were slightly altered in FY 11 resulting in a reduced payment to GP. Final payment will be made in full in FY 12.
CIP-ENGINEERING CHARGES	3,518,054	3,893,125	375,071	1,900,000	104.90%	Additional revenue in FY 11 is attributed to a mid-year change in methodology in the calculation of the CIP Engineering overhead charge. It is anticipated that this increase will not be structural in nature.
OIL PRODUCTION TAX	1,964,633	1,899,671	(64,961)	1,844,920	2.97%	
UNSECURED PERSONAL PROPERTY TAXES	1,679,925	1,566,837	(113,088)	1,412,000	10.97%	The percentage of property tax received from the County for unsecured property was higher than projected. The County's methodology for apportioning property tax is not based on the City's actual assessment, thus projections done before August of a any given year will always be slightly off.
POLICE CHARGES FOR SPECIAL EVENTS	1,592,150	1,513,082	(79,068)	1,400,000	8.08%	
FIRE INSPECTION FEES	1,151,685	1,109,208	(42,476)	1,314,780	-15.64%	The FY 11 projected increase for the Fire Inspection Fees was higher actual inspections could support. As a result, the revenue realized was under budget.
PRIVATE HAULER FRANCHISE FEE	1,195,973	1,385,768	189,795	1,220,000	13.59%	FY 11 was the first full year of collection of the Refuse Hauler Franchise Fee. As a result of additional participation by haulers revenue has exceeded budgeted expectations.
ASSET MANAGEMENT CHARGES	1,269,324	1,301,261	31,937	1,198,075	8.61%	For FY 11, the Treasurer's Office exceeded the Investment Policy benchmark targets for safety, liquidity and returns, resulting in higher earnings for the General Fund.
METERED/OTHER PARKING	1,062,616	1,026,730	(35,885)	1,053,136	-2.51%	
OTHER DEPT CHGS TO GOVTL FUNDS	1,044,377	1,046,010	1,632	1,012,705	3.29%	
DOG LICENSES & PENALTIES	948,161	1,014,029	65,868	1,002,623	1.14%	
INTEREST-POOLED CASH	862,976	1,032,377	169,401	840,000	22.90%	For FY 11, the Treasurer's Office exceeded the Investment Policy benchmark targets for safety, liquidity and returns, resulting in higher earnings for the General Fund.
TRANSFERS FROM OTHER FUNDS ²⁰	28,897,053	14,553,357	(14,343,697)	16,309,696	-10.77%	The General Fund ended FY 11 with more revenue than initially projected. To provide flexibility in dealing with any financial challenges in FY 12, the additional revenue has been reserved.
SUBTOTAL TOP 40 GENERAL FUND REVENUES	359,116,084	357,778,366	(1,337,719)	360,246,234	-0.69%	
SUBTOTAL ALL OTHER REVENUES	29,176,988	29,530,238	353,250	27,657,565	6.77%	
TOTAL	\$ 386,293,073	\$ 387,308,604	\$ (984,469)	\$ 387,903,799	-0.15%	

Year End 2011
Revenue Analysis by Department
General Fund - Fiscal Year 2011
(100.0 % of Year Completed)
Unaudited

Department	FY 11 Adopted Budget	Amendments ¹	Adjusted Budget	Year-to-Date Actuals (unaudited)	
Mayor and City Council	\$ -	\$ -	\$ -	\$ 35	-
City Attorney ²	250	-	250	343	137.2%
City Auditor	-	-	-	2,585	-
City Clerk ³	146,816	-	146,816	166,584	113.5%
City Manager	-	-	-	388	-
City Prosecutor	-	-	-	32,125	0.0%
Civil Service	-	-	-	15	-
Community Development ⁴	5,099,009	6,213	5,105,222	5,243,845	102.7%
Citywide Activities	284,459,606	9,111,780	293,571,386	291,291,514	99.2%
Development Services ⁵	776,169	(720,543)	55,626	94,432	169.8%
Financial Management	20,418,507	(18,832)	20,399,675	20,205,107	99.0%
Fire ⁶	14,356,150	-	14,356,150	14,323,571	99.8%
Health and Human Services ⁷	2,279,841	65,000	2,344,841	2,312,983	98.6%
Library Services ⁸	548,741	-	548,741	474,576	86.5%
Parks, Recreation & Marine ⁹	9,573,267	(489,018)	9,084,249	9,075,272	99.9%
Police	19,074,410	(400,574)	18,673,836	19,172,272	102.7%
Public Works ¹⁰	23,828,927	(211,919)	23,617,008	24,912,956	105.5%
TOTAL	\$ 380,561,692	\$ 7,342,107	\$ 387,903,799	\$ 387,308,604	99.8%

Notes:

¹ Amendments reflect budget adjustments during the fiscal year.

² A majority of revenue received was one-time in nature and was not anticipated, such as a rebate for printer purchases and a refund from LA County Sherriff for auction sale of City Property.

³ The City Clerk's Office was reimbursed for elections conducted for LBUSD and LBCC.

⁴ A low number of people are paying citations related to Code Enforcement in Community Development.

⁵ Parking revenue is under budget due to delays in the automation program, which were not completed until the end of the fiscal year.

⁶ Fire plan check fees coming in over budget due to a boost in the Port's construction activity and the receipt of funds to purchase five ambulances.

⁷ Revenue projections based on the receipt of grant funds and projected increase in licensing revenue.

⁸ Revenue for fines and charges did not meet budget.

⁹ The majority of this decreased revenue is attributable to a loss of expected Blair Field concession and permit fees and lower than expected golf revenue.

¹⁰ Additional revenue in FY 11 is largely attributed to a mid-year change in methodology in the calculation of the CIP Engineering overhead charge. It is anticipated that this increase will not be structural in nature.

Year End 2011
Expenditure Analysis by Department
General Fund - Fiscal Year 2011
(100.0% of Year Completed)
Unaudited

Department	FY 11 Adopted Budget	Amendments ¹	Year-End Adjustments ²	Adjusted Budget	Year-End Actuals (unaudited)	
Mayor and City Council	\$ 4,874,602	\$ 19,256	\$ 20,386	\$ 4,914,243	\$ 4,884,853	99.4%
City Attorney	1,264,451	(0)	11,778	1,276,229	1,252,344	98.1%
City Auditor	2,200,432	21,910	-	2,222,342	2,211,677	99.5%
City Clerk	3,269,240	(142,851)	10,575	3,136,964	2,831,871	90.3%
City Manager	2,554,791	1,248	4,435	2,560,475	2,546,885	99.5%
City Prosecutor	4,666,207	(0)	14,587	4,680,794	4,523,491	96.6%
Civil Service ³	1,948,021	6,180	3,267	1,957,469	1,973,992	100.8%
Community Development	4,897,129	(277,533)	-	4,619,597	3,937,728	85.2%
Citywide Activities ⁴	15,098,170	14,464,000	(962,944)	28,599,226	28,743,353	100.5%
Development Services	1,039,832	(804,550)	9,327	244,609	207,782	84.9%
Financial Management	9,967,982	(41,182)	55,657	9,982,457	9,958,874	99.8%
Fire	72,638,035	835,041	51,388	73,524,463	72,441,741	98.5%
Health and Human Services ⁵	5,299,024	65,005	17,074	5,381,103	5,438,002	101.1%
Library Services	12,259,268	3,015	76,253	12,338,536	12,337,843	100.0%
Parks, Recreation & Marine	24,503,798	226,305	222,048	24,952,151	24,760,438	99.2%
Police ⁶	185,814,282	4,314,073	284,376	190,412,730	190,795,712	100.2%
Public Works	28,111,647	(294,866)	181,793	27,998,574	27,917,999	99.7%
TOTAL	\$ 380,406,912	\$ 18,395,051	\$ -	\$ 398,801,963	\$ 396,764,585	99.5%

Notes:

¹ Amendments reflect budget adjustments approved by the City Council during the fiscal year, but are primarily due to prior-year encumbrances (purchase orders).

² Year-End Amendments reflect appropriations for the potential 1% retroactive raise for IAM employees.

³ A FY 10 payment for the Online Applicant Tracking System was charged to FY 11.

⁴ Citywide Activities (XC) include debt service payments, as well as interdepartmental transfers, including transfers to the Capital Improvement Fund. XC exceeded budget due to the need to accrue a portion of the the sales tax rebate to Edison Material Supply (EMS) and higher than anticipated PERS prepay.

⁵ An increase in the number of animal licenses and notifications of renewals, delinquencies, and citations issued by Animal Care Services led to greater expenditures in reprographics and postage. Additionally, the number of vouchers for spay and neuter operations exceeded the amount that was budgeted for the Health Department in FY 11.

⁶ Personnel and fleet charges were higher than budgeted