

Date: September 28, 2010

To: Mayor and Members of the City Council

From: Councilmember Rae Gabelich, Eighth District *RG*
Councilmember Patrick O'Donnell, Fourth District *PO*
Councilmember Gerrie Schipske, Fifth District *GS*
Councilmember Steven Neal, Ninth District *SN*

Subject: Mayor's Fiscal Year 2011 Veto Message

RECOMMENDED ACTION:

Consider and discuss the Mayor's Fiscal Year 2011 Veto Message, dated September 19, 2010, pursuant to Section 1704 of the Long Beach City Charter.

BACKGROUND:

On Tuesday, September 14, the City Council adopted a balanced budget that included \$18.5 million in reductions to the General Fund.

The cuts already approved by the City Council will result in 64 fewer police officer positions, 18 fewer firefighter positions and potential rolling brownouts of fire engine staffing throughout the city, a reduction of hours at all libraries to five days a week, reduced staffing at after-school parks programs and the reduction or elimination of recreational programming at several sites, and the elimination of a pothole truck, meaning 12,000 fewer potholes will be filled.

On, Sunday, September 19, the Mayor issued a veto of \$2.7 million in General Fund expenditures and a veto of \$60.432 million in the Harbor Department's capital outlay budget.

The City Council deliberated for nearly two months over the budget that was presented by the Mayor and City Manager to the Council, and the Council approved a budget that made cuts in the amount recommended in the Mayor's and City Manager's budget.

At no time during the budget discussions by the full Council or the Budget Oversight Committee did the Mayor express any opposition to the Council approving appropriations in the amount of his proposed budget. Moreover, city management has indicated to councilmembers that from the time the balanced budget was approved by the City Council, until the Mayor issued his veto five days later, no additional financial figures have been issued indicating that the FY 2011 budget needed to be reduced further.

The Council and the public need a complete review of why the additional cuts are being made and how the cuts will impact services and jobs.

For the discussion at the September 28 Council meeting, we request the Mayor and/or the City Manager provide the City Council with specific information on what additional cuts in programs, services and/or positions will be required as a result of the veto.

Among the most impacted departments, the Mayor's veto will result in the following additional budget cuts:

Police Department	\$1,260,710
(\$650,671 in non-sworn expenditures and \$610,039 in overtime, a 7% additional reduction in the department's overtime budget)	
Fire Department	\$ 392,617
(\$54,928 in non-sworn expenditures and \$337,689 in overtime, a 16% reduction in the department's non-callback overtime budget)	
Public Works	\$ 283,956
Parks, Recreation and Marine	\$ 247,513
Library Services	\$ 123,830
Financial Management	\$ 100,686
Health and Human Services	\$ 53,525

In regards to the veto of the \$60.432 million in the capital outlay budget for the Harbor Department, the Mayor states in his veto message that the veto is "related to construction of the new administration building."

However, in the Harbor Department's budget presentation to the City Council on August 24, 2010, the \$60.432 million is specifically identified in the capital improvements as allocated for the Maintenance Yard Relocation. In addition, Port representatives have testified to the City Council that the \$60.432 million does not even cover all of the project costs for the Maintenance Yard Relocation.

The Mayor has stated that he supports the relocation of the Harbor Department's maintenance yard. However, he has vetoed the entire amount allocated for this project in the budget based on the assumption that a significant portion of the money is for the administration building, which is contrary to the information that was provided to the City Council in the Harbor Department's budget.



MAYOR BOB FOSTER

CITY OF LONG BEACH

FISCAL YEAR 2011 VETO MESSAGE

September 19, 2010

Pursuant to section 1704 of the Long Beach City Charter, I am hereby transmitting my line item veto on the following items:

- \$2.7 million of general fund spending achieved through a 1% reduction in general fund expenses of each department, including elected officials and modified for the Police and Fire Departments.

Within the Police Department and Fire Department budgets, the reduction will be 1% of the non-sworn and overtime costs (\$650,671 and \$54,928 respectively) and a .5% reduction in each department's budgeted overtime costs (\$610,039 and 337,689 respectively). This action will formalize the City Manager's direction to "manage to 99%" of budget in light of the uncertainties in revenue in the general fund.

- \$60.432 million in the Harbor Department's capital outlay budget related to construction of the new administration building. Not only has the Harbor Department committed to seek out less costly office space for their staff but these funds can now be utilized in delivery of the core mission of the Harbor Department. Any costs for the maintenance yard re-location related to the Desmond Bridge rebuild can be appropriated through a first quarter budget adjustment reflecting the modified amount brought to the Council.

I also want to thank the Harbor Department for its continued support of its mission as a Trustee for the State Tidelands, specifically the acceleration of the tidelands fund transfer and the Aquarium debt repayment.

Mayor Bob Foster



City of Long Beach Memorandum
Working Together to Serve

REQUEST TO ADD AGENDA ITEM

Date: September 24, 2010

To: Larry Herrera, City Clerk

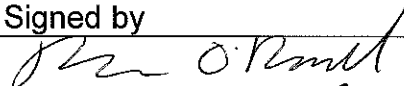
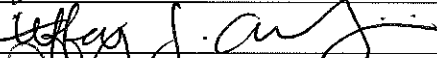

From: Councilmember Rae Gabelich, Eighth District
Councilmember Patrick O'Donnell, Fourth District
Councilmember Gerrie Schipske, Fifth District

Subject: Request to Add Agenda Item to Council Agenda of September 28

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:

Consider and discuss the Mayor's Fiscal Year 2011 Veto Message, dated September 19, 2010, pursuant to Section 1704 of the Long Beach City Charter.

Council District	Authorizing Councilmember	Signed by
4	Patrick O'Donnell	
5	Gerrie Schipske	
8	Rae Gabelich	

Attachment: Staff Report dated September 28, 2010

CC: Office of the Mayor