



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

R-23

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

March 23, 2010

HONORABLE MAYOR AND CITY COUNCIL

City of Long Beach
California

RECOMMENDATION:

Receive and File the Fiscal Year 2010 First Quarter Budget Performance Report.
(Citywide)

DISCUSSION

This report provides an update on the City's Fiscal Year 2010 (FY 10) budget and operational performance through December 31, 2009. The report covers a broad spectrum of financial information for all funds and departments with multi-year comparisons, charts and graphs to provide a clear picture of the City's financial situation. While the focus of the financial report is the General Fund, exceptional performance (both positive and negative) in other funds is highlighted where applicable.

Summary

The total Adjusted City Budget for all funds as of December 31, 2009 is \$2.9 billion. With 25 percent of the year complete, expenditure performance in all funds is at approximately 16.8 percent year-to-date. The total adjusted General Fund expenditure budget is \$384.6 million, with budgeted revenue of \$385.3 million. After the first three months of the fiscal year, based on current estimates, overall expenditures are on target but revenues are expected to fall short of budgeted expectations. With 25 percent of the fiscal year complete, approximately 22.3 percent of anticipated General Fund revenue has been collected.

FY 10 General Fund Revenue

While it appears that the economy bottomed out in 2009, the economy still remains weak and the much-awaited financial recovery will be slow and arduous. General Fund revenues are heavily dependent upon those parts of the economy hardest hit by the recession – the real estate market and consumer spending. With respect to Property Tax revenue alone, a three to four percent reduction in receipts is anticipated from FY 09 levels. This is largely attributable to the most recent data issued by the Los Angeles County Assessor's Office indicating that the Assessed Valuations for the City of Long Beach have declined by 2.9 percent. In addition, \$10.8 million of the City's property tax revenue is being "borrowed" by the state to address their budget deficit. The first property tax take-away in the amount of \$5.4 million occurred on December 18, 2009. Fortunately, the City was able to negotiate a

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solution to negate the impacts of this raid that will allow us to borrow up to three years of Subsidence Fund interest from the State to make the City whole. The first transfer from the Subsidence Fund, in the amount of \$5.4 million has been made to the General Fund. Similarly, based on recent performance, Sales and Use Tax is projected to end 5.7 percent below FY 10 adopted revenues. The hotel industry continues to be impacted by the economic downturn with lower occupancy rates than last year, as well as reduced hotel room rates. In addition, the State has informed us that they will be withholding \$1.8 million of anticipated In-Lieu Sales Tax (i.e. Triple Flip) in FY 10 to recoup an overpayment of In-Lieu Sales tax to the City in FY 09.

Based on these trends, General Fund revenue is currently projected to come in approximately \$6 million under budget. An adjustment to the FY 10 General Fund Revenue Budget has been conducted to more accurately reflect recent revenue performance. On a positive note, however, the current price of oil per barrel is \$74/bbl. The budgeted price per barrel of oil is \$40/bbl. An increase to the Uplands Oil Transfer of an equal amount can provide much needed revenue to balance the General Fund budget without the need for mid-year reductions in programs and services to the public or the eliminating positions. However, if oil prices decline, mid-year reductions in spending will likely become necessary.

The Department of Financial Management is vigilantly monitoring revenue performance on a weekly basis and modifying forecasts based on evolving economic performance data. Current and projected revenue performance is based upon a variety of factors, and includes both structural and one-time revenues. It is important to note the risks inherent in projecting revenue, as the City has limited, if any, authority to affect certain revenue streams. The table below highlights performance through December 31, 2009 for selected General Fund revenues.

Revenue Source	FY 10 Adopted Budget	FY 10 YTD Revenue	YTD Rev as % of Adopted Budget	Notes
Secured Property Tax	\$66,100,000	\$22,406,212	33.9 %	The first of seven secured property tax payments from the County was received in December 2009. The payment comprised 40 percent of the County's estimate of the City's annual payment, net of administrative costs totaling \$1,744,760 charged to the City. The property tax payment demonstrates a significant decrease from the previous year at this time, which is a result of foreclosure activities, delinquent payments, reassessment appeals and the \$5.4 million take-away by the State.
Real Property Transfer Tax	\$900,000	\$180,372	20.0%	Real Property Transfer Tax collections will come in less than in FY 09 and below budget projections due to a sharp reduction in home values. Actual sales activity increased over the same period last year as buyers are taking advantage of lower prices.

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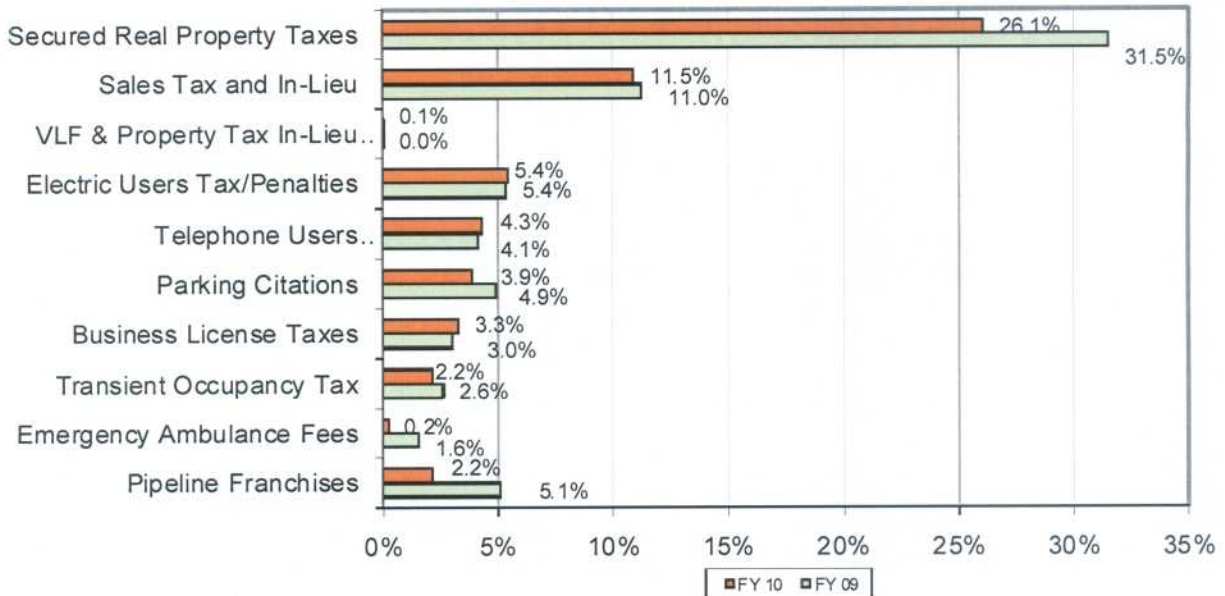
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Revenue Source	FY 10 Adopted Budget	FY 10 YTD Revenue	YTD Rev as % of Adopted Budget	Notes
Sales and Use Tax	\$39,160,000	\$9,373,703	18.3%	The Sales and Use Tax payments were reduced by 25 percent for the State Triple Flip and are offset by the bi-annual Property Tax In-Lieu of Sales Tax payment from the State. First quarter sales tax receipts, representing summer sales activity, demonstrated a 7 percent decline over the previous year due to declines in the business-to-business, construction, and service stations categories. It is anticipated that sales tax revenue will come in under budget due to the continuing impact of the recession.
In Lieu Sales Tax, (Triple Flip)	\$12,100,000	-	-	In Lieu Sales Tax (Triple Flip) is the repayment of the ¼ cent of the previous year 1-cent sales tax collections. The State has advised the City that \$1.8 million of In-Lieu Sales Tax Will be withheld to recoup an overpayment in FY 09.
Motor Vehicle In-Lieu Tax (VLF), combined with Property Tax In Lieu of VLF	\$40,300,000	\$50,380	.13%	Payments for VLF are received monthly, while the Property Tax In-Lieu of VLF is received in January and May. Monthly VLF payments and In-Lieu VLF payments are expected to come in at or slightly above budget.
Utility Users Tax	\$41,860,000	\$10,205,326	24.4%	Electric UUT collections are trending below budget. Telephone UUT collections are expected to come in at or slightly above budget. Natural gas UUT collections are anticipated to come in less than budget due to a decrease in overall consumption and gas commodity prices. Water UUT collections are trending above budget due to the recent rate increases.
Parking Citations	\$15,588,828	\$3,312,560	21.2%	Parking citation revenue is not expected to meet budgeted levels due to residential parking improvement efforts, reduced street sweeping during the recent storms and the public's unwillingness to incur citations in a down economy.
Business License Tax	\$11,550,000	\$2,817,417	24.4%	Business Licenses collections are trending close to budget.
Emergency Ambulance Fees	\$9,114,000	\$204,103	2.2%	Emergency Ambulance Fee collections are expected to end the year under budget by about \$500,000.
Transient Occupancy Tax	\$11,720,000	\$1,878,836	16%	The recession has led to declines in room prices and occupancy rates in Long Beach hotels.
Pipeline Franchises	\$8,270,955	\$1,870,975	22.6%	The first quarter franchise payment reflected a significant decrease in the cost of natural gas, and the volume of gas transported. Pipeline Franchises are expected to perform at or slightly below budget depending on fluctuations in gas costs and the volume of the demand from Long Beach electric generation plants.

A summary of the top 40 General Fund revenues is included in Attachment A. Exhibit 1 below shows the City's top 10 General Fund revenue sources in FY 10 as a percentage of total year-to-date General Fund revenue.

Exhibit 1 – Top 10 FY 09 General Fund Revenue Sources as a Percentage of the \$86 million Total Year-to-Date



FY 10 Revenue by Department

Attachment B provides a breakdown of General Fund revenue performance by department. Many of the departmental variances are captured in the footnotes to this attachment. The Financial Management Department realized the highest level of General Fund revenue to date of all operating departments at \$5.8 million, followed by the Public Works Department at \$3.0 million and the Department of Parks, Recreation and Marine at \$2.2 million. As noted earlier, with 25 percent of the year complete and 22.3 percent of revenue collected, actual revenues are trailing below budget.

FY 10 General Fund Expenditures

The Adopted General Fund budget for FY 10 was \$384.3 million. As of December 31, 2009, the total adjusted General Fund budget was \$384.6 million, due to carry-over for prior year encumbrances. The overall year-to-date General Fund spending is \$87.0 million, or 22.6 percent of budget, with 25 percent of the Fiscal Year complete.

FY 10 General Fund Expenditures by Department

Though there were few expenditure performance exceptions at the department level, worth noting was the Police Department at 23.7 percent of budget. The Department has made a concerted effort to limit overtime expenses and has currently spent 26.8 percent or \$2.4 million of its overtime budget, primarily due to higher salaries. The Department is currently

estimating to end the year with \$9.8 million in actual overtime spending, which reflects only a 1 percent growth over last year. The Department of Financial Management is working closely with the Police Department to ensure the Department ends the year in balance.

FY 10 Expenditure Performance – All Funds

The City's Adopted FY 10 Budget for all funds includes \$2.5 billion of annual funds, carryover (multi-year grants and capital projects funds) of \$349.7 million, prior year encumbrances (goods and services ordered in FY 09 but received in FY 10), and City Council approved budget amendments. Combined, the total Adjusted City Budget as of December 31, 2009 was \$2.9 billion. Please see Attachment D for a breakdown of Citywide expenditures by fund.

While it is not expected that department or fund expenditures will occur equally throughout the fiscal year, or be fully expended in the current fiscal year due to the inclusion of multi-year projects, monitoring the rate of expenditure is a helpful indicator of resource management. With 25 percent of the year complete, expenditure performance in all funds is at approximately 16.8 percent year-to-date. This includes the Harbor and Redevelopment Funds currently performing at 11.5 percent and 13.6 percent, respectively.

Other Fund Highlights

Proposition H Funding

On May 1, 2007, the voters approved the Police and Fire Public Safety Oil Production Tax (Prop H), a special tax of 25 cents (with an annual CPI, currently yielding 27 cents per barrel) on every barrel of oil produced, to be used specifically for police officers, firefighters and related costs including, but not limited to, equipment, facilities and training. In FY 10, Prop H started the fiscal year with a slight fund balance of \$121,511 and by the end of December the estimate to close (ETC) indicates a revenue projection of \$3.4 million. The revenue of \$3.4 million will not fully support the projected expenses of \$3.95 million. If revenue trends do not improve, the fund will likely experience a negative year-end fund balance or deficit of almost \$400,000. Since the first quarter production of 3,258,260 barrels in FY 10 was at its lowest in five years, it is unlikely that budgeted revenue projections will be met in FY 10. Therefore, the City Manager is working with the Police and Fire Departments to assess the operational impacts of this revenue decline and develop options to keep the fund in balance.

Special Advertising and Promotions Fund

As of FY 09, the Special Advertising and Promotions (SAP) Fund had \$420,812 in fund balance at year-end.

While TOT revenue is budgeted at \$4.86 million in FY 10, given actual occupancy rates and average room rates through the first quarter of the fiscal year, it is likely that TOT revenue will fall short of budgeted levels due to a slow economic recovery.

With a beginning fund balance of only \$420,812, the continued poor performance of TOT revenue and the dependence on fund balance to support FY 10 budgeted expense, it is likely that mid-year budget reductions and/or revenue enhancements will be necessary for the SAP Fund to end the year with a positive fund balance.

Development Services Fund

The Development Services Fund was established in FY 07 to segregate development fees paid for permits, plan checks and other regulatory services required by the development community. Since its establishment, the Fund has been challenged by the gradual, but eventually significant decline in development activities due to the real estate crisis.

As a result, revenues have consistently fallen short of budgeted expectations, with FY 09 year-end actual revenue of \$12.4 million compared to \$15.2 million in the adopted budget. The Department has taken gradual steps to bring its expenditures in line with its revenues; however, due to the FY 09 shortfall, a General Fund budgeted operating transfer of \$500,000 and a loan of \$250,000 was required to ensure the Fund ended the year in balance.

There is no General Fund financial support budgeted for the Development Services Fund in FY 10; hence, additional steps will be taken in FY 10 to bring expenses in line with revenue. The Development Services Department, along with the Department of Financial Management, is reviewing options to ensure that expenses do not exceed revenue in FY 10.

Health Fund

The Health Fund supports vital disease prevention, prenatal care, healthcare services to the City's residents, and bio-terrorism prevention that would otherwise be provided by the County at a decreased service level. Since the Health Fund relies primarily on revenues from State sources, the fund has experienced significant revenue declines in recent years. Since 2008, the Health Department has been making significant cost-saving reductions to offset these revenue declines. The Department made \$4.1 million in mid-year expenditure reductions to programs and staffing in FY 09 and an additional \$3.9 million for the FY 10 Adopted Budget.

In January 2010, the Health Department initiated additional annualized cost saving reductions of \$2.5 million, including 30 FTE shifts and deletion of 14 FTEs (5 filled). With the cumulative effect of these reductions, the Health Fund has improved its status significantly and current ETCs project the fund to end FY 10 in balance. Cash flow challenges from the State continue, although they have improved in recent months. Concerns of State cash flow problems will persist until the State resolves its budget deficit.

Towing Fund

The Towing Fund supports towing responses to clear vehicle accidents, impound vehicles and support the City's fleet. In addition, the Towing Fund supports the operations at the Towing Yard as well as the sale of unclaimed vehicles. The Towing Fund began FY 10 with a fund balance of \$1.0 million. This positive beginning fund balance was due in part to a lower General Fund transfer of \$1.4 million in FY 09, as the Towing Fund's revenue was not sufficient to support the budgeted \$3 million transfer.

The FY 10 Adopted Budget reflects a slightly higher \$3.4 million transfer to the General Fund. Currently, revenue is trending lower as towing activity has been down approximately 8 percent for FY 10. Towing Fund costs are also expected to be lower than budgeted by approximately \$619,542 due to estimated reductions in overtime and reductions in the use of contract tows. The Department of Financial Management will continue working closely with the Towing Operations Division to monitor revenues to ensure the Towing Fund's ability to meet its budgeted transfer in FY 10.

Conclusion

Numerous financial constraints continue to challenge the City's ability to end the fiscal year in balance in the General Fund, Proposition H, Special Advertising and Promotions, Towing, and Development Services funds. These include revenues impacted by the stagnant national and regional economies, forthcoming solutions to the State's budget deficits, and departmental revenues that will be lower than the adopted budget. These challenges make it imperative that we maintain a firm position of fiscal restraint. Looking to the future, we must not lose sight of the fact that the City must also address its existing retiree health care commitments and critical infrastructure needs. The Department of Financial Management will continue working closely with departments to implement viable solutions to address these anticipated revenue shortfalls.

TIMING CONSIDERATIONS

City Council action on this matter is not time critical.

FISCAL IMPACT

There is no fiscal impact associated with the recommended action.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



LORI ANN FARRELL
DIRECTOR OF FINANCIAL MANAGEMENT/CFO

LAF:DW:VB:SM
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ATTACHMENTS

APPROVED:



PATRICK H. WEST
CITY MANAGER

December 2009
General Fund Revenue (Top 40)
Fiscal Year 2010
(25.0% of Year Completed)

Attachment A

TOP 40 GENERAL FUND REVENUES	FY 09 Year End Actuals	FY 09 December YTD	FY 10 December YTD	FY 10 December YTD Over/(Under) FY 09 December YTD	% of FY 10 Adopted Budget	FY 10 Adopted Budget	FY 10 Estimate-to-Close
SECURED REAL PROPERTY TAXES ¹	\$ 69,988,469	\$ 28,228,064	\$ 22,406,212	\$ (5,821,853)	33.9%	\$ 66,100,000	\$ 66,100,000
CITY SALES AND USE TAX & IN-LIEU SALES AND USE TAX ²	50,389,104	10,095,094	9,373,703	(721,391)	18.3%	51,260,000	48,342,948
VEHICLE LICENSE FEE & PROPERTY TAX IN-LIEU OF VLF ³	41,672,148	40,041	50,380	10,339	0.1%	40,300,000	40,300,000
ELECTRIC USERS TAX & PENALTIES	17,149,861	4,819,156	4,662,474	(156,682)	26.4%	17,630,000	17,630,000
TELEPHONE USERS TAX & PENALTIES	15,145,983	3,684,198	3,732,608	48,410	24.6%	15,200,000	15,200,000
WATER USERS TAX & PENALTIES	3,373,689	846,400	919,249	72,850	24.0%	3,830,000	3,830,000
GAS USERS TAX & PENALTIES	4,321,945	1,243,875	890,995	(352,881)	17.1%	5,200,000	5,200,000
PARKING CITATIONS ⁴	15,419,075	4,386,822	3,312,560	(1,074,262)	21.2%	15,588,828	13,563,758
PIPELINE FEES ⁵	11,421,293	2,386,398	2,556,498	170,100	20.5%	12,470,040	12,470,040
GAS-IN-LIEU ⁶	11,101,767	-	2,775,442	2,775,442	23.3%	11,923,175	11,923,175
TRANSIENT OCCUPANCY TAX ⁷	7,368,691	2,348,676	1,878,836	(469,840)	16.0%	11,720,000	11,720,000
BUSINESS LICENSE TAXES	11,260,222	2,704,335	2,817,417	113,082	24.4%	11,550,000	11,550,000
EMERGENCY AMBULANCE FEES	8,903,605	1,404,130	204,103	(1,200,027)	2.2%	9,114,000	9,114,000
PIPE LINE FRANCHISES ⁸	8,112,635	4,564,812	1,870,975	(2,693,838)	22.6%	8,270,955	8,270,955
TRSFRR FR UPLAND OIL (SR134)	12,571,195	-	1,636,756	1,636,756	25.0%	6,547,022	6,547,022
ELECTRIC COMPANY FRANCHISES	6,115,507	1,903,560	1,868,680	(34,880)	29.7%	6,300,000	6,300,000
PRIOR YEAR SECURED REAL PROPERTY TAXES	4,892,810	1,527,382	1,656,519	129,137	33.1%	5,000,000	5,000,000
CHARGES FOR SPECIAL SERVICES	5,103,659	89,727	137,827	48,100	2.4%	5,697,427	4,768,826
AMERICAN GOLF LEASE	4,806,942	882,136	1,246,271	364,135	26.0%	4,800,000	4,724,000
OTHER DEPT SVCS TO PROPRIETARY FUNDS	4,477,883	494,105	107,409	(386,695)	2.3%	4,743,975	4,587,254
MISC REFUNDS & REIMB	3,948,888	876,912	966,205	89,293	23.6%	4,088,382	4,497,956
LAND,BLDG,R/W,EASEMENT,APT RENTALS	3,379,372	607,138	363,900	(243,237)	10.4%	3,510,300	3,510,300
VEHICLE CODE FINES ⁹	3,402,440	676,503	536,946	(139,557)	14.4%	3,740,000	3,403,032
OIL PRODUCTION TAX	2,012,246	497,349	482,791	(14,558)	15.6%	3,090,000	3,090,000
INTEREST-POOLED CASH ¹⁰	2,008,712	760,073	154,230	(605,844)	6.2%	2,506,950	2,506,950
REDEV. REIMB.-NORTH LB	2,874,814	-	582,021	582,021	25.0%	2,328,082	2,328,082
CITY/MISC/BOND REFI ADVANCES	2,300,000	1,914,631	-	(1,914,631)	0.0%	2,300,000	2,300,000
FIRE PLAN CHECK FEES	1,374,260	460,265	963,204	502,938	73.9%	1,302,950	1,861,000
UNSECURED PERSONAL PROPERTY TAXES	1,662,800	466,257	397,852	(68,405)	27.1%	1,470,000	1,470,000
POLICE CHARGES FOR SPECIAL EVENTS	1,314,246	554,764	398,264	(156,500)	36.2%	1,100,000	1,400,000
FIRE INSPECTION FEES	1,186,124	346,326	336,824	(9,502)	27.8%	1,210,000	1,289,000
ASSET MANAGEMENT CHARGES	1,311,972	327,993	293,850	(34,143)	23.2%	1,269,321	1,269,321
METERED/OTHER PARKING	1,086,939	277,923	278,733	810	23.0%	1,214,000	1,214,000
OTHER INVESTMENT INCOME	571,830	571,830	1,087,560	515,730	271.9%	400,000	1,087,560
OFF-STREET PARKING	742,728	91,563	73,683	(17,880)	6.4%	1,143,585	1,033,013
ACTIVITY CHARGES-REC	819,171	114,798	175,976	61,178	20.2%	872,695	1,020,991
HARBOR-POLICE	790,155	-	-	-	0.0%	1,031,260	1,000,000
INTANGIBLE PERSONAL PROPERTY TAXES	1,046,643	219,114	141,989	(77,126)	14.2%	1,000,000	1,000,000
PRIVATE REFUSE HAULER FEE	-	-	-	-	0.0%	1,191,667	991,667
TRANSFERS FROM OTHER FUNDS	16,710,731	4,702,297	10,474,602	5,772,305	96.5%	10,854,597	10,854,597
SUBTOTAL TOP 40 GENERAL FUND REVENUES	362,140,555	85,114,649	81,813,545	(3,301,104)	22.8%	358,869,211	354,269,446
SUBTOTAL ALL OTHER REVENUES	30,996,836	4,446,376	4,192,658	(253,718)	15.8%	26,465,702	25,586,115
TOTAL	\$ 393,137,390	\$ 89,561,025	\$ 86,006,203	\$ (3,554,822)	22.3%	\$ 385,334,914	\$ 379,855,561

Notes:
See next page

**December 2009
General Fund Revenue (Top 40)
Fiscal Year 2010
(25.0% of Year Completed)**

Attachment A

Notes:
¹ The City received its first secured property tax distribution in December. The total year-to-date payment is net of administrative costs charged to the City and half of the anticipated \$10.8 million State takeaway.
² During the first quarter of the State fiscal year, sales tax receipts experienced declines of 14.8 percent, statewide, over the same quarter a year ago. During the first quarter of FY 10, City of Long Beach sales declined by 7 percent. Annual Sales and Use Tax revenue is projected to decrease by 5.7 percent from FY 10 Adopted Budget revenues.
³ Monthly Vehicle License Fee payments are trending at budget. An increase in Statewide auto sales during the summer months was attributed the the federal "Cash For Clunkers" stimulus program . The first Property Tax In-Lieu payment is expected in January.
⁴ Parking citation revenue will likely not meet budgeted expectations.
⁵ The first installment of quarterly Water and Sewer Pipeline Fee payments are expected to post in January .
⁶ Collections are anticipated to come in lower than budget due to a decrease in gas commodity prices and consumption.
⁷ The recession has led to a decline in room prices and occupancy rates at Long Beach hotels. FY 10 Budget includes a \$4 million transfer for Downtown Transient Occupancy Tax.
⁸ The Southern California Gas annual franchise permit payment is expected to post in January.
⁹ Vehicle Code Fines are trending well under budget.
¹⁰ Interest earnings from pooled cash will come in below budget due to interest rate declines in the financial market.

December 2009
Revenue Analysis by Department
General Fund - Fiscal Year 2010
(25.0 % of Year Completed)

Attachment B

Department	FY 10 Adopted Budget	Amendments ¹	Adjusted Budget	Year-to-Date Actuals	Remaining	Estimates-to-Close	
Mayor and City Council	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
City Attorney	250	-	250	-	250	250	100.0%
City Auditor	-	-	-	(303)	303	-	-
City Clerk	893,521	-	893,521	17,146	876,375	993,347	111.2%
City Manager	-	-	-	-	-	-	-
City Prosecutor	-	-	-	3,660	(3,660)	3,660	-
Civil Service	-	-	-	-	-	-	-
Community Development ²	5,091,808	-	5,091,808	554,276	4,537,532	4,741,338	93.1%
Citywide Activities	288,524,968	-	288,524,968	70,326,110	218,198,858	288,292,906	99.9%
Development Services	1,249,049	-	1,249,049	180,534	1,068,515	1,244,843	99.7%
Financial Management ³	19,597,456	-	19,597,456	5,793,934	13,803,522	18,224,337	93.0%
Fire	13,039,950	-	13,039,950	1,669,965	11,369,985	13,284,646	101.9%
Health and Human Services ⁴	1,824,412	-	1,824,412	349,122	1,475,290	1,682,890	92.2%
Library Services ⁵	551,741	-	551,741	78,897	472,844	506,393	91.8%
Parks, Recreation & Marine ⁶	9,776,820	-	9,776,820	2,186,578	7,590,242	9,152,589	93.6%
Police	18,220,299	-	18,220,299	1,797,946	16,422,353	17,643,174	96.8%
Public Works ⁷	26,564,640	-	26,564,640	3,048,338	23,516,302	24,085,189	90.7%
TOTAL	\$ 385,334,914	\$ -	\$ 385,334,914	\$ 86,006,203	\$ 299,328,711	\$ 379,855,561	98.6%

Notes:

¹ Amendments reflect budget adjustments during the fiscal year.

² A lower number of people are paying citations related to Code Enforcement in Community Development.

³ The Department is re-examining their revenue estimates and will have a more accurate estimate at the next quarterly report.

⁴ Animal Care Services has seen a decline for Dog License Revenue in the first quarter of FY 10 due to a combination of events, including: transition to a new information management system; delayed monthly license renewals; the loss of Non-Career Animal License Inspectors due to resignation and transition to new employment; and economic decline.

⁵ The Department is currently estimating that fines and charges are coming in under budget.

⁶ The majority of this decreased revenue is attributable to a 2% decrease in golf from last fiscal year and a loss of Blair Field concession and permit fees.

⁷ Parking citation revenue is expected to be less than budgeted this fiscal year.

December 2009
 Expenditure Analysis by Department
 General Fund - Fiscal Year 2010
 (25.0% of Year Completed)

Attachment C

Department	FY 10 Adopted Budget	Amendments ¹	Adjusted Budget	Year-to-Date Actuals ²	Remaining
Mayor and City Council	\$ 4,857,270	\$ 6,752	\$ 4,864,022	\$ 1,030,392	\$ 3,833,630
City Attorney	1,225,945	-	1,225,945	618,311	607,633
City Auditor	2,152,102	20,012	2,172,114	482,318	1,689,795
City Clerk	5,784,826	30,931	5,815,757	731,397	5,084,360
City Manager	2,539,561	17,185	2,556,746	559,203	1,997,544
City Prosecutor	4,660,730	-	4,660,730	1,022,142	3,638,588
Civil Service	1,911,452	21,620	1,933,072	425,203	1,507,869
Community Development	4,601,846	2,302	4,604,148	1,037,491	3,566,657
Citywide Activities ³	14,343,497	5,500	14,348,997	3,891,944	10,457,053
Development Services	1,058,245	1,235	1,059,481	236,945	822,536
Financial Management	9,982,400	14,895	9,997,295	2,178,783	7,818,512
Fire	72,173,522	28,436	72,201,957	15,098,874	57,103,083
Health and Human Services	4,764,418	2,882	4,767,300	1,191,312	3,575,987
Library Services	12,673,618	38,146	12,711,764	2,960,888	9,750,876
Parks, Recreation & Marine	25,170,607	64,678	25,235,285	5,122,434	20,112,851
Police	187,207,293	35,302	187,242,595	44,320,191	142,922,403
Public Works	29,226,178	25,528	29,251,706	6,082,371	23,169,335
TOTAL	\$ 384,333,509	\$ 315,404	\$ 384,648,913	\$ 86,990,200	\$ 297,658,713

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 As of December 31, 2009, 21.84 percent of payrolls are posted with 25 percent of the year complete.

³ Citywide Activities include debt service payments, as well as interdepartmental transfers, including transfers to the Capital Improvement Fund.

December 2009
Expenditure Analysis by Fund
Fiscal Year 2010
(25.0% of Year Completed)

Attachment D

Fund	FY 10 New Allocation	Estimated All-Years Carryover ¹	FY 10 Adopted Appropriation	Amendments ²	Adjusted Budget	Year-to-date Actuals	Estimates-to-close	Remaining	% Spent	
Funds with All Years Carryover										
Airport	\$37,204,261	\$30,129,568	\$67,333,829	\$39,049,638	\$106,383,467	\$7,251,534	73,782,686	69.4%	\$99,131,933	6.8%
Business Assistance ³	675,996	(234,209)	441,787	-	441,787	80,415	590,628	133.7%	361,372	18.2%
Capital Projects	5,019,201	49,500,270	54,519,471	-	54,519,471	3,015,525	5,019,201	9.2%	51,503,946	5.5%
Civic Center	2,401,467	2,207,705	4,609,172	5,060	4,614,233	(147,305)	2,308,642	50.0%	4,781,538	-3.2%
Community Development Grants	31,506,742	35,312,476	66,819,218	-	66,819,218	7,002,867	41,336,793	61.9%	59,816,351	10.5%
Fleet Services	33,951,850	840,510	34,792,360	6,562,384	41,354,744	5,307,841	38,102,158	92.1%	36,046,904	12.8%
Gas	96,757,969	1,208,457	97,966,426	489,385	98,455,811	36,833,555	89,251,784	90.7%	61,622,256	37.4%
Gasoline Tax Street Improvement	7,808,973	21,926,803	29,735,776	4,418,759	34,154,535	1,994,779	12,227,732	35.8%	32,159,755	5.8%
General Grants	6,293,947	11,009,980	17,303,927	3,889,555	21,193,482	1,164,519	11,099,664	52.4%	20,028,963	5.5%
General Services	38,166,555	189,233	38,355,788	202,685	38,558,473	8,167,638	37,571,273	97.4%	30,390,835	21.2%
Harbor	879,711,617	-	879,711,617	(64,514)	879,647,103	101,052,104	1,579,694	0.2%	778,594,999	11.5%
Health	41,727,578	29,575,921	71,303,499	1,917,501	73,221,000	6,769,419	34,512,259	47.1%	66,451,581	9.2%
Housing Authority	69,413,372	764,004	70,177,376	-	70,177,376	17,641,140	70,002,199	99.8%	52,536,236	25.1%
Housing Development	21,386,907	67,423,986	88,810,893	102	88,810,995	12,572,418	42,198,838	47.5%	76,238,577	14.2%
Insurance	39,627,348	-	39,627,348	3,202	39,630,550	7,539,713	35,515,534	89.6%	32,090,837	19.0%
Police & Fire Public Safety Oil Production Act	3,886,970	-	3,886,970	-	3,886,970	906,034	3,789,672	97.5%	2,980,936	23.3%
Redevelopment	153,775,370	55,218,212	208,993,582	48,162	209,041,744	28,339,856	159,670,781	76.4%	180,701,889	13.6%
Refuse/Recycling	45,628,503	90,213	45,718,716	32,132	45,750,848	8,210,335	45,014,829	98.4%	37,540,513	17.9%
SERRF	51,570,779	-	51,570,779	-	51,570,779	16,485,612	51,551,201	100.0%	35,085,167	32.0%
Sewer	21,597,406	-	21,597,406	-	21,597,406	2,432,078	21,554,667	99.8%	19,165,328	11.3%
Tidelands Operating	112,431,361	20,660,890	133,092,251	2,495,732	135,587,983	21,969,849	114,333,732	84.3%	113,618,133	16.2%
Transportation	15,463,493	23,872,736	39,336,229	17,475	39,353,704	2,963,927	15,540,238	39.5%	36,389,777	7.5%
Water	92,494,894	-	92,494,894	-	92,494,894	19,659,192	92,257,808	99.7%	72,835,702	21.3%
SUBTOTAL	\$ 1,808,502,561	\$ 349,696,755	\$ 2,158,199,316	\$ 59,067,259	\$ 2,217,266,574	\$ 317,213,046	998,812,013	45.0%	\$ 1,900,053,529	14.3%
Funds Without All Years Carryover										
General	\$ 384,333,509	\$ -	\$ 384,333,509	\$ 315,404	\$ 384,648,913	\$ 86,990,200	386,875,116	100.6%	\$ 297,658,713	22.6%
Belmont Shore Parking Meter	668,275	-	668,275	19,088	687,363	375,036	668,275	97.2%	312,327	54.6%
Certified Unified Program Agency (CUPA)	1,236,316	-	1,236,316	-	1,236,316	263,097	1,188,124	96.1%	973,219	21.3%
Employee Benefits	220,797,435	-	220,797,435	11,322	220,808,757	47,916,505	218,751,359	99.1%	172,892,252	21.7%
Development Services	13,057,431	-	13,057,431	6,055	13,063,486	2,750,507	11,984,754	91.7%	10,312,980	21.1%
Park Development	307,093	-	307,093	-	307,093	11,869	307,093	100.0%	295,224	3.9%
Parking & Business Area Improvement	7,319,800	-	7,319,800	-	7,319,800	200,098	6,672,232	91.2%	7,119,702	2.7%
SERRF JPA	11,295,285	-	11,295,285	-	11,295,285	-	11,295,285	100.0%	11,295,285	-
Special Advertising & Promotion	6,086,957	-	6,086,957	11,605	6,098,562	2,274,417	6,075,661	99.6%	3,824,145	37.3%
Tideland Oil Revenue	70,735,534	-	70,735,534	29,708	70,765,242	35,519,195	70,729,923	100.0%	35,246,047	50.2%
Towing	9,465,723	-	9,465,723	2,009	9,467,732	2,120,108	8,834,445	93.3%	7,347,624	22.4%
Upland Oil	14,907,730	-	14,907,730	-	14,907,730	2,735,004	14,907,730	100.0%	12,172,726	18.3%
SUBTOTAL	\$ 740,211,087	\$ -	\$ 740,211,087	\$ 395,192	\$ 740,606,279	\$ 181,156,036	738,289,997	99.7%	\$ 559,450,244	24.5%
TOTAL - All Funds	\$ 2,548,713,648	\$ 349,696,755	\$ 2,898,410,403	\$ 59,462,451	\$ 2,957,872,854	\$ 498,369,082	1,737,102,009	58.7%	\$ 2,459,503,772	16.8%

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 The negative expense carryover balance in SR 149 is offset by the overages in revenue carryover balances.