



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

R-18

333 West Ocean Boulevard 6th Floor • Long Beach, CA 90802 • (562) 570-6465 • Fax (562) 570-5836

February 19, 2019

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Receive and file the Fiscal Year 2018 Year-End Budget Performance Report and increase appropriations in several funds across several departments for various purposes to reflect final expenditures and carryover clean-up. (Citywide)

DISCUSSION

This report reflects the City's Fiscal Year 2018 (FY 18) budget performance. The information provided is subject to change, as the books for FY 18 are not fully closed. However, it is anticipated that these numbers are unlikely to significantly change. While the financial report primarily discusses the General Fund, significant information for other funds is highlighted where applicable.

YEAR-END BUDGET PERFORMANCE REPORT

Summary

The City's total FY 18 Adjusted Budget of \$3.4 billion, including carryover, supports 23 departments, including the separately managed Water and Harbor Departments. The City has seven fund types divided into 38 funds that comprise the \$3.4 billion FY 18 Adjusted Budget. Most of these funds are restricted funds, such as the Harbor Fund, Gas Fund, and Tidelands Funds, designated for specific and limited activities. The majority of core community services provided by the City, such as police and fire services, libraries and parks, are largely supported by the General Fund, which comprises only 15 percent of the City's Adjusted Budget.

The City ended FY 18 within budget expectations. Year-end spending came in under budgeted appropriation for the General Fund and for all other funds after factoring in technical adjustments requested in this recommendation, which are further described later in this report. Please see Attachment A for a breakdown of citywide expenditures by fund. The remainder of this report summarizes the General Fund and notable performance for other selected funds. All numbers are unaudited and subject to change.

General Fund and Uplands Oil Fund Overview

The General Fund and Uplands Oil Fund ended the fiscal year with a funds available of approximately \$2.34 million and \$690,000, respectively. The FY 18 sources and uses of funds available are summarized in Table 1 below:

Table 1: FY 18 Performance - General Fund and Uplands		
	(in \$ millions)	
	General Fund	Uplands Fund
Ending Funds Available (9/30)	\$ 1.50	\$ 0.30
Sources		
Revenues	547.84	16.06
Other Sources: (Release for Reserves)	10.87	-
Total Sources	558.71	16.06
Uses		
Expenditures	(517.42)	(14.37)
Other Uses: (e.g. encumbrances, reserves for carryover, etc.)	(28.15)	(1.30)
Other Uses: Measure A Reserve/ For Future Use	(12.29)	-
Total Uses	(557.87)	(15.67)
Ending Funds Available (9/30)	\$ 2.34	\$ 0.69

FY 18 General Fund sources totaled \$558.71 million, comprised of \$547.84 million in revenue and \$10.87 million in “other sources” largely made up of the release of reserves for one-time expenditure purposes that were authorized (budgeted) in FY 18. FY 18 uses totaled \$557.87 million, comprised of \$517.42 million in expenditures; \$28.15 million in other uses, primarily encumbrances and carryover of unspent one-time funds and other liabilities, many of which the City Council has designated in previous actions; and, \$12.29 million in reservations of Measure A funds for future use (\$4.35 million of which was allocated as part of the FY 19 Adopted Budget and \$7.94 million recommended for allocation later in this report). Measure A funds are reviewed and appropriated separately from other General Fund monies. As a result, it is not included in the General Fund funds available calculation in the table above; instead, it is discussed in a separate Measure A section later in this report.

Overall, the General Fund was able to end the year with a positive funds available due to proactive management of the budget, revenues that were higher than previous projections, combined with the savings target instituted mid-year and additional departmental cost savings. Variances from budgeted revenues and expenditures are analyzed to determine the degree to which variances are one-time or ongoing in nature. Ongoing variances are considered in estimating the status of the FY 19 budget and developing FY 20 budget projections.

Additional information regarding General Fund and Uplands Oil Fund sources and uses are described in the following sections.

Recommendations for the Use of Funds Available in the General and Uplands Oil Funds

As previously noted, the FY 18 ending funds available is projected to be \$2.34 million for the General Fund and \$690,000 for the Uplands Oil Fund. The funds available in the General Fund is in addition to operating and emergency reserves for the Fund, which ended the year at 2.2 percent or \$10.3 million and 9.4 percent or \$45 million, respectively. While both reserves are within the City’s financial policy thresholds, the operating reserve was initially slightly below the policy minimum of 2 percent. Additional funding was set aside at year-end in FY 18 to bring the operating reserve above the minimum policy threshold. In addition, the Uplands Oil Fund has an operating reserve of \$500,000. The proposed uses for the funds available are shown in Table 2 below.

An explanation for each of the proposed year-end uses follows the table below.

Table 2: Recommended Uses of Funds Available for General Fund and Uplands Fund			
(in \$ millions)			
	General Fund	Uplands Fund	
Ending Funds Available (9/30)	\$ 2.34	\$	0.69
5% Unfunded Liability	(0.12)		(0.03)
Contingent Appropriations from FY 19 Adoption Night	(0.31)		-
City Council Offices Budget Savings Move to FY 19	(0.29)		-
City Auditor Budget Savings Move to FY 19	(0.05)		-
City Prosecutor Budget Savings Move to FY 19	(0.11)		-
Community Hospital & Armory Holding Costs	(1.00)		-
Library Sunday Hours (continuation)	(0.18)		-
Coyote Study (Phase III)	(0.07)		-
Emergency Maintenance Account	(0.20)		-
Police Department Mobile Technology MOU costs	-		(0.45)
Homelessness Program	-		(0.20)
Ending Funds Available (9/30) After Recommended Uses	0.01		0.01

The recommendations for uses of Funds Available include the following:

- Set aside 5 percent of funds available for unfunded liabilities to comply with the City Council’s adopted financial policy. This includes \$116,973 from the General Fund and \$34,542 from the Uplands Oil Fund.
- Per the FY 19 Budget Adoption City Council actions, \$305,000 of the first available additional FY 18 year-end General Fund surplus is now automatically appropriated for the following items (it was previously a contingent appropriation):

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- \$130,000 in supplemental funding for the elimination of the tree stump removal backlog (bringing the total for tree stump removal backlog in FY 19 to \$215,000)
- \$70,000 for a strategic plan for Parks, Recreation, and Marine Department
- \$25,000 for planning and outreach efforts for the African American Cultural Arts Center
- \$30,000 for STD outreach, testing, and mobile center
- \$50,000 for support for efforts around affordable housing and homelessness
- Carryover of \$291,982 in General Fund savings from the Legislative Department which, by practice, will be allocated to supplement each respective Council District's funds for District priorities, in accordance with the Procedures for Implementation document of November 9, 2015.
- Carryover for the City Auditor's Office savings to provide one-time support for one-time needs in FY 19. Savings of \$53,749 from the General Fund was requested by the City Auditor and submitted for approval by the City Council in a separate letter on February 12, 2019.
- Carryover for the City Prosecutor's Office savings to provide one-time support for one-time needs in FY 19. Savings of \$109,330 from the General Fund was requested by the City Prosecutor and approved for appropriation by the City Council in a separate letter on January 22, 2019.
- Enhancement for the Economic Development Department of \$1,000,000 to support operating and security costs at the Community Hospital and Armory sites.
- Enhancement for the Library Services Department of \$180,000 to support the continuation of Sunday library hours at Bay Shore, Burnett, El Dorado, and Michelle Obama through the remainder of FY 19.
- Enhancement for the Parks, Recreation, and Marine Department of \$70,000 to fund Phase III of the Coyote Study. The City Council approved this three-year study on December 20, 2016, and \$70,000 is needed for the third and final year of the study. This phase of the coyote study, conducted by the Loyola Marymount Center for Urban Resilience, will place GPS radio collars on several coyotes and provide for ongoing collection of photo and video tracking.
- Enhancement for an emergency maintenance account in the City Manager Department of \$200,000 to provide one-time funds for critical needs that may arise throughout the year and would otherwise go unfunded.
- Enhancement for the Police Department of \$450,000 from the Uplands Oil Fund to support mobile technology costs associated with the new legislative mandates

related to AB 953, a bill requiring police officers to record data on certain types of interactions with the community.

- Enhancement for the Health and Human Services Department of \$200,000 from the Uplands Oil Fund to support citywide clean-ups, homeless outreach, vouchers, and other support to address homelessness.

If approved, relevant items will be listed in the FY 19 First Budget Adjustment Report.

General Fund - Sources of Funds

Revenues

As of fiscal year-end, \$547.84 million of General Fund revenue was received, which is higher than what was anticipated during the year. Overall, positive revenue streams were able to mitigate the revenue sources that came in under budget and allowed the General Fund to end the year with a surplus.

Key revenue sources that came in under budget included telephone utility users tax, due to a continued decline in the number of land-lines and competitive prices, cannabis-related revenues, due primarily to cannabis businesses taking longer to start operations, and a shortfall from the utility revenue transfers of about \$6 million, which was worse than previously anticipated, due to the adverse impacts of the water and sewer utility transfer litigation. Pipeline franchise fee revenue also came in lower than expected due to lower natural gas prices and lower consumption.

Fortunately, there were several major revenue sources that came in better than budgeted, including property tax and transient occupancy tax. Another revenue that exceeded budgeted levels was revenue from the sale of oil. The FY 18 Adopted Budget oil projections assumed \$45 per barrel, but oil revenue received reflected revenue at an average of \$66 per barrel. Additionally, there was an additional \$2.2 million above budget in reimbursement for indirect costs related to Police Department charges for services such as Metro, Long Beach Transit, and Long Beach City College contracts. Revenues also included the one-time transfer of \$9.8 million from the Gas Fund as approved by the City Council on May 22, 2018, which will allow the City to fund strategic one-time investments in FY 19.

Most of these higher revenues were anticipated. The major revenue source that came in higher than expected was the Sales and Use Tax (non-Measure A) revenue, which came in \$6.2 million over budget. Some of this surplus is attributable to one-time use tax revenue from construction projects and a one-time benefit derived from the State changing its allocation schedule resulting in an extra remittance in FY 18 and is not anticipated to continue. Staff is evaluating the data to determine what portion of this revenue is associated with real revenue growth trends and will incorporate those factors into future projections. Staff is monitoring this carefully as sales tax was a challenge to track and evaluate during FY 18 due to data problems with a new State tax system. As mentioned in the memorandum released on October 11, 2018, the State implemented a

new sales tax system that resulted in significant delays and errors in processing State sales tax returns and associated City revenues. The delays and errors in filing that resulted made it impossible to accurately track or project sales tax revenue. While it appears that the State has fixed most of the issues, there is no certainty the City has all the information it needs to project sales tax or Measure A tax revenue. Full information to resolve questions on trend may not be available until well into FY 19.

As mentioned above, these issues along with the high-trending FY 18 revenue also impacted Measure A revenues, which came in even higher than the previously anticipated surplus. An additional unallocated one-time surplus in FY 18 of about \$7.9 million is available and the recommended uses of these funds are provided in the Measure A section below. It is important to note that FY 18 is the first full year of receiving Measure A funds and so it is challenging to project without historical data. Staff is currently evaluating what level of these Measure A funds should be expected to reoccur in future projections.

Attachment C provides a breakdown of the top 40 General Fund revenue performance by source, with significant variances identified in the footnotes.

Other Sources

Other sources of funds totaled \$10.87 million in FY 18. The majority of these other sources are comprised of the release of reserves of funds established in prior fiscal years, such as the reserves for the settlement payments related to the utilities pipeline fee and Utility Users Tax lawsuits. These other sources also include the release of reserves that were set aside in FY 17 for previously approved City Council items that were anticipated to occur in FY 18, such as the FY 17 encumbrances to be paid in FY 18 and carryover of one-time funds from FY 17 that were not completed. Lastly, the release of Measure A surplus funds from FY 17 for projects that were not completed in FY 17 and the funding was planned to be carried over into FY 18 for previously approved Measure A uses.

General Fund - Uses of Funds

Expenditures by Department

Actual General Fund spending totaled \$517.42 million, or 98 percent of the adjusted budget. The adjusted budget included savings associated with an initial vacancy savings factor, and a mid-year addition to that factor, to represent the natural turnover in filling of positions citywide and to address the City Council's direction to save as much money as practical without impacting jobs or programs. These overall savings were calculated at 1.3 percent of non-sworn personnel costs or 0.5 percent of a department's total structural budget and were incorporated into departments' budgets. All departments met these General Fund savings targets and came in within their adjusted budget appropriation levels.

In addition, some departments came in under budget, which was anticipated, such as the Police Department's planned savings of \$3.4 million resulting from sworn vacancies and

earmarked to fund Police Academy costs in the FY 19 budget. The Legislative Department, City Auditor's Office, and the City Prosecutor's Office also had savings; however, these savings are being requested by the respective departments as uses of funds available to fund FY 19 appropriation increases for the City Council District priorities and one-time support for the City Auditor and City Prosecutor's Office. Additionally, there were savings in departments as a result of some the City Council-approved FY 18 one-time funds that were not fully expended; these funds are reserved at the end of FY 18 and included as part of other uses described in the Other Uses section. These unspent departmental and one-time funds are included for re-appropriation in the FY 19 First Budget Adjustment Report.

Attachment B provides a breakdown of General Fund expenditure performance by department. Notable departmental variances are identified in the footnotes to this attachment.

Other Uses

Other Uses of funds, not-related to Measure A surplus totaled \$28.15 million in FY 18 and are comprised of assignments to reservations for future uses (carryover), including planned FY 19 one-time budget spending, FY 18 budgeted one-time funds that were unspent at year-end, and other City liabilities. Examples of these reservations include funding set aside for the FY 19 one-time strategic initiatives included as part of the FY 19 Adopted Budget; FY 18 one-times not fully expended that will be re-appropriated in the FY 19 First Budget Adjustment Report; reservations of asset forfeiture funds; reservations of FY 18 departmental encumbrances for costs incurred in FY 18 but will be expended in FY 19; reservations for the proceeds from sales of former-RDA land set aside per City Council policy; reservation of the Police Department's savings earmarked for the FY 19 Police recruit academies; and, reservation of 1 percent of Measure A and Measure MA funds for the Measure B Rainy Day Fund. Additionally, FY 18 year-end actuals included \$12.3 million in Measure A revenue above budgeted levels, of which \$4.4 million was anticipated and is incorporated in the FY 19 revised Measure A allocation plan. The remaining \$7.9 million in surplus Measure A funds is being reserved for allocation in FY 19, as recommended in the following section.

Measure A Revenues and Expenditures

Pursuant to the June 7, 2016 Measure A ballot initiative, on January 1, 2017, businesses in the City began to collect an additional 1 percent in transaction and use (sales) tax to be collected for six years before reducing to half a percent for four years. The City Council initially budgeted \$47.7 million in anticipated FY 18 Measure A revenues to fund priority public safety maintenance and restorations, capital improvement projects, and funds for the administration of the Measure A tax. As reflected in Attachment D, FY 18 year-end actuals for Measure A revenues were \$61.5 million. As mentioned earlier, issues with the State sales tax system made it difficult to accurately project Measure A revenue in FY 18. Between surplus revenue and expenditure actuals, excluding funds already obligated for one-time public safety and infrastructure purposes, there is \$7.9 million in surplus unallocated Measure A funds available at year-end FY 18.

It is recommended that these funds be reserved and appropriated in FY 19 to ensure that key Measure A and other infrastructure projects are not deferred from the original schedules and to move key projects up earlier in the Measure A allocation schedule. Many Measure A project budgets were based on preliminary engineering estimates. As detailed design has progressed, and economic conditions have driven construction costs up nationwide, there have been several projects that require additional funds to complete the project. Lastly, some of the surplus is attributable to savings in the Measure A administration budget and \$60,000 of these savings is recommended to be re-appropriated in FY 19 to fund projects such as the development and distribution of Measure A educational materials. Table 3 below summarizes the proposed uses for the Measure A surplus funds.

Table 3. Recommended Uses for Unallocated FY 18 Measure A Funds	
(in millions)	
FY 18 Measure A Surplus (Unallocated)	7.94
Recommended Uses:	
Mobility	1.05
Alley Program	0.30
Traffic Circle ¹	0.75
Public Facilities	0.75
Bayshore Library Improvements ²	0.75
Parks and Recreation	6.08
Drake Park Improvements	0.50
4th Street Senior Center	0.22
El Dorado Restroom Replacement #38 & #43 ²	0.11
Davenport Park Phase II	0.25
El Dorado Park Artificial Turf ²	0.85
Houghton Park	0.70
MacArthur Park Prefabricated Restroom	0.75
Recreation Park Playground ¹	1.00
El Dorado Golden Grove Playground ¹	0.40
El Dorado Golden Grove Event Area ¹	0.50
El Dorado Park Tennis Courts	0.05
Bixby Park Improvements ²	0.35
Cherry Park Playground ¹	0.40
Measure A Admin.	0.06
Administration carryover for educational materials	0.06
Total Recommended Uses	7.94
Ending Net Surplus³	0.00

Notes:

¹ Projects that were scheduled for later in the Measure A allocation plan and, due to the availability of funds, are recommended to begin in FY 19.

² Key infrastructure projects not on original Measure A project list and Measure A is recommended to cover estimated project shortfalls.

³ Any additional future funds available from advancing Measure A projects are recommended to be allocated to public safety radio upgrades.

These proposed recommendations for the uses of Measure A funds are contingent upon the confirmation by the Measure A Citizens Advisory Committee that the proposed uses are in conformance with the intent of Resolutions No. RES-16-0018 and RES-16-0017 prioritizing spending.

Attachment D also provides a summary of the FY 18 Measure A spending. Surplus Measure A revenues at year-end FY 17 and increased revenue projections mid-year in FY 18 provided an additional \$4.9 million to support Measure A infrastructure, administrative and public safety radio implementation costs bringing the total FY 18 Measure A adjusted budget to \$52.1 million. The breakdown of this budget and spending is provided in Attachment D, as well as the details on the progress of infrastructure spending. A total of \$30.5 million has been allocated to infrastructure in FY 18. As of September 30, 2018, \$16.1 million has been expended and \$6.1 million has been encumbered, or obligated, for infrastructure purposes. Due to the length of time necessary to complete some capital projects, \$8.2 million in approved projects, still in progress at the close of FY 18, will be carried over to be expended until the projects are complete.

Other Funds

General Services Fund

The General Services Fund is used for the deployment, operation, maintenance, and replacement of the City's information and communications systems. The fund includes the cost for hardware and software for these systems, as well as a variety of support services related to technology, including equipment installation, maintenance, help desk support, business information services, among many other responsibilities. The primary source of revenue for the General Services Fund is internal charges to City Departments and Funds, which comprise over 85 percent of its total revenues. The General Services Fund ended FY 18 under budget, mainly due to the timing of spending related to the City's critical technology infrastructure needs versus the timing of actual expenditures. The total costs for critical technology needs approved by the City Council were \$67 million, phased in over three years, of which \$49.7 million is being financed and \$17.2 million is being funded with cash. Of the \$67 million, approximately \$37 million was appropriated in FY 18 via standalone budget adjustments. The remaining \$29.6 million will be budgeted in FY 19 and future years.

Gas Fund

The Gas Fund provides full natural gas utility services to residential and business customers in Long Beach and Signal Hill. In 2018, the Gas Fund spent \$8.3 million on capital improvements, including \$8.1 million on the City's gas pipeline infrastructure. Over the past several years, the City has actively taken steps to reduce the historical transfer in the Gas Fund to create a stronger fund balance and fund reserve. Due to one-time high revenues from a cold winter, the Gas fund was able to transfer to the General Fund an additional one-time amount of \$9.8 million for a total transfer of \$19.2 million in FY 18.

Police and Fire Public Safety Oil Production Act (Proposition H)

On May 1, 2007, the voters approved Proposition H, a special tax of \$0.25, with an annual Consumer Price Index (CPI) increase on every barrel of oil produced and restricted to fund police and fire services. The tax assessed in FY 18 was \$0.30 per barrel of oil produced and will remain at that rate in FY 19. Revenues were \$3.4 million, and expenses were \$3.8 million for FY 18. To utilize the funds available generated in previous years and address public safety services, the City Council authorized appropriation in excess of budgeted revenue. Beginning in FY 19, appropriations were reduced to align with available funding. This fund will continue to be monitored closely in FY 19, since oil production is impacted by the price of oil and will impact Proposition H revenue.

Tidelands Operations Fund

The Tidelands Operations Fund is used to account for operations, programs, maintenance, and development of beaches and waterways, the Convention Center and capital projects in the Tidelands area. The primary sources of revenue are actual charges for services between public safety departments and the Harbor Department, the annual transfer from the Harbor Revenue Fund, and net revenue from oil operations in the Tidelands areas. The FY 18 Adopted Budget oil projections were based on \$45 per barrel. Actual oil prices averaged \$66 per barrel throughout FY 18 resulting in revenue significantly higher than the FY 18 Adopted Budget and illustrates the variable nature of this funding stream. Staff monitors Tidelands revenue and expenditure projections throughout the year to determine the impact of oil prices on both the operating budget and capital projects. Due to expenditures savings by departments, higher than projected revenues, and additional project carryover clean-up, there is \$7.0 million in FY 18 year-end Tidelands Operations Fund funds available. Staff has developed the following recommendations for the use of the funds available consistent with the reprioritization criteria established by the City Council in 2015:

Table 4. Recommended Capital Projects for Tidelands Funds	
List of Projects	Amount (in \$ millions)
Convention Center Improvements	1.00
Naples Seawalls Phase 2 Construction	2.50
Alamitos Concession (This is an 8 by 28 Olympics Project)	1.50
Granada Concession (This is an 8 by 28 Olympics Project)	0.70
Junipero Concession (This is an 8 by 28 Olympics Project)	0.90
Water Playground Bayshore	0.05
Water Playground Alamitos Beach	0.10
Trash Receptacles	0.05
Critical Facilities	0.20
Total Recommended Uses	7.0

If approved, these will be appropriated as part of the FY 19 First Budget Adjustment Report.

Refuse Fund

The Refuse Fund receives approximately 91 percent of its total revenues from refuse and recycling charges. The remaining funds come from State grants for various public outreach efforts (recycling, litter reduction, used motor oil collection, etc.), revenues from the sale of recyclables collected through the City's residential recycling program, fees paid by the City's licensed private refuse haulers for AB 939 compliance, and interest income. In FY 18, revenues in the Refuse Fund were \$43.3 million and expenditures were \$44.6 million. The Refuse Fund has relied on funds available to offset operating shortfalls over the past few years but has not increased fees to match increasing costs. Staff has completed a Cost of Service (COS) Study to ensure the City's refuse and residential recycling rates are equitable and appropriate. The study includes a comparative rate survey, recommendations for an updated rate structure, and a new rate model. The Refuse Fund proposed a rate increase in FY 19 based on the COS Study to offset these continuous shortfalls. These adjusted rates are intended to begin the process of balancing the fund, but costs to provide services may continue to exceed revenues. Staff will continue to monitor the fund and the impact of the rate increases through FY 19.

Towing Fund

The Towing Fund supports towing operations to clear vehicles involved in accidents, impound vehicles for code violations, operate a storage facility and a payment center, and facilitate the sale of unclaimed vehicles. In FY 18, revenues in the Towing Fund were \$5.15 million and expenditures were \$5.16 million, which included a \$500,000 transfer to the General Fund – less than the \$1 million budgeted transfer to maintain a minimum funds available in the fund. Total revenue in the Towing Fund dropped by 4 percent in FY 18 compared to FY 17, primarily due to law changes on vehicle storage and reduced demand for scrap metal. Specifically, revenue from vehicle sales was down 2 percent, storage fee revenue down 7 percent, while towing fee revenue remained consistent with FY 17 levels. To support ongoing operations and fund one-time costs to improve security at the towing site, many towing fees were increased from 6 to 13 percent in FY 19.

Uplands Oil Fund

The Uplands Oil Fund accounts for oil revenue outside the Tidelands area, and for all costs and revenues for the City's proprietary oil interests. Oil production costs and transfers to the General Fund make up the majority of expenditures in the fund. The Uplands Oil Fund began FY 18 with funds available of \$300,000. The total amount transferred in FY 18 was \$11.4 million, which included \$300,000 one-time transfer for one-time purposes in FY 18. The FY 18 Adopted Budget oil projections were based on \$45 per barrel. Actual oil prices averaged \$66 per barrel throughout FY 18. This increased the estimated transfer to the General Fund from \$8.9 million to \$11.1 million. As a result of the higher actual average oil prices, FY 18 expenses (the transfer to the General Fund) in the Uplands Oil Fund exceeded budget. An increase in appropriations is included as part of the recommendation to align budget to actuals.

Tidelands Oil Revenue Fund

The Tidelands Oil Revenue Fund (TORF) is used to account for the proceeds from oil operations within the Tidelands area. Oil production costs and transfers to the Tidelands Operations Fund as well as to the State of California account for a majority of the expenditures in the fund. Higher than initially projected oil prices resulted in a transfer to the Tidelands Operations Fund of \$17.5 million. As a result of the higher actual average oil prices, FY 18 expenses in TORF exceeded budget. An increase in appropriation is included as part of the recommendation to align budget to actuals.

TECHNICAL FY 18 YEAR-END APPROPRIATION ADJUSTMENTS

On September 11, 2017, the City Council adopted the Appropriations Ordinance governing the City's Adopted Budget for FY 18. 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 periodically to the City Council for consideration. The requested appropriation adjustments for FY 18 year-end are noted in the Fiscal Impact section.

This matter was reviewed by Deputy City Attorney Amy R. Webber on January 31, 2018.

TIMING CONSIDERATIONS

City Council action is required prior to the closing of the City's books for FY 18.

FISCAL IMPACT

To accurately reflect FY 18 year-end transactions, the following action is requested:

- Increase appropriations in the Tidelands Oil Revenue Fund (NX 420) in the Energy Resources Department (ER) by \$15,205,077 to align budget to actuals, offset by higher oil revenue.
- Increase appropriations in the Uplands Oil Fund (SR 134) in the Energy Resources Department (ER) by \$852,021 to align budget to actuals, partially offset by higher oil revenue.

FY 18 expenses in the Uplands Oil Fund and the Tidelands Oil Revenue Fund exceeded budget. Appropriation increases are requested in both funds to align budget to actuals. In the Uplands Oil Fund, higher than anticipated oil revenue lead to corresponding increases in the transfer amounts to the General Fund, as well as increased remittance payments to oil operators such as THUMS Long Beach. In the Tidelands Oil Revenue Fund, higher than anticipated prices led to increased remittance payments to the State of California for Tidelands Oil.

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SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

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ATTACHMENTS

APPROVED:



PATRICK H. WEST
CITY MANAGER

CITY OF LONG BEACH EXPENDITURES BY FUND
YEAR-END FY 2018

FUND	FY 18 New Budget Allocation	Estimated All-Years Carryover ¹	FY 18 Adopted Budget	Amendments	Year-End Adjustments	FY 18 Adjusted Budget	FY 18 Year to Date Expenditures as of 9/30/18
Funds With All-Years Carryover							
AIRPORT	\$ 43,834,017	\$ 36,947,584	\$ 80,781,601	\$ 35,346,502		\$ 116,128,103	\$ 66,600,251
BUSINESS ASSISTANCE	705,681	1,561,622	2,267,303	-		2,267,303	549,509
¹ CAPITAL PROJECTS	35,824,824	94,399,254	130,224,078	32,298,254		162,522,332	50,862,591
CIVIC CENTER	10,400,805	7,726,718	18,127,523	4,834,949		22,962,472	10,762,341
COMMUNITY DEVELOPMENT GRANTS	20,285,512	20,380,349	40,665,862	2,832,776		43,498,638	21,239,491
DEVELOPMENT SERVICES	23,208,857	1,763,908	24,972,764	4,395,405		29,368,169	25,377,987
FLEET SERVICES	59,165,983	2,073,437	61,239,421	2,977,457		64,216,878	37,819,971
GAS	131,688,645	7,479,004	139,167,649	11,405,076		150,572,725	115,795,304
GAS TAX STREET IMPROVEMENT	15,463,236	23,273,985	38,737,221	5,721,325		44,458,546	18,588,664
GENERAL GRANTS	7,962,939	18,222,682	26,185,621	20,389,283		46,574,904	20,165,983
GENERAL SERVICES	44,686,614	27,506,383	72,192,997	45,236,747		117,429,744	59,476,037
HEALTH	44,340,517	31,637,367	75,977,884	4,741,158		80,719,042	37,160,807
HOUSING AUTHORITY	77,111,051	509,812	77,620,863	-		77,620,863	75,287,566
HOUSING DEVELOPMENT	7,602,904	29,247,603	36,850,507	500,000		37,350,507	17,179,906
INSURANCE	42,951,726	945,419	43,897,145	11,949,383		55,846,528	54,893,717
REFUSE/RECYCLING	48,377,664	131,971	48,509,634	278,512		48,788,146	44,624,676
SUCCESSOR AGENCY	73,995,767	20,964,724	94,960,490	-		94,960,490	51,837,791
TIDELANDS	109,961,051	116,487,451	226,448,503	29,367,351		255,815,854	154,200,133
TRANSPORTATION	30,093,978	24,445,205	54,539,184	2,647,000		57,186,184	22,130,788
SUBTOTAL	\$ 827,661,772	\$ 465,704,478	\$ 1,293,366,249	\$ 202,355,957	\$ -	\$ 1,508,287,427	\$ 884,553,514
Funds Without All-Years Carryover							
BELMONT SHORE PKG METER	\$ 765,000		\$ 765,000	33,126		798,126	\$ 798,216
CUPA	1,946,734	-	1,946,734	37,874		1,984,608	1,977,236
DEBT SERVICE FUND	11,099,333		11,099,333	6,700,000		17,799,333	17,432,327
EMPLOYEE BENEFITS	289,328,050		289,328,050	1,334,822		290,662,872	277,300,245
GENERAL	500,964,361		500,964,361	27,669,985		528,634,346	517,421,822
HARBOR	731,374,877		731,374,877	358,252		731,733,129	580,612,413
POLICE & FIRE PUBLIC SAFETY OIL PROD ACT	3,840,486		3,840,486	-		3,840,486	3,763,526
SERRF	51,088,419		51,088,419	-		51,088,419	46,311,882
SERRF - JPA	10,990,570		10,990,570	-		10,990,570	10,705,589
SEWER	22,024,667		22,024,667	18,687		22,043,354	17,236,598
SPECIAL ADVERTISING & PROMOTION	11,441,532		11,441,532	844,318		12,285,851	11,554,993
² TIDELAND OIL REVENUE	63,937,982		63,937,982	37,107,365	15,205,077	116,250,424	116,246,264
TOWING	5,457,831		5,457,831	34,407		5,492,237	5,162,552
UPLANDS OIL	10,514,840		10,514,840	3,000,000	852,021	14,366,861	14,366,861
WATER	106,381,569		106,381,569	33,875		106,415,444	103,352,815
SUBTOTAL	\$ 1,821,156,250	\$ -	\$ 1,821,156,250	\$ 77,172,711	\$ 16,057,098	\$ 1,914,386,059	\$ 1,733,453,867
TOTAL - ALL FUNDS	\$ 2,648,818,022	\$ 465,704,478	\$ 3,114,522,500	\$ 279,528,668	\$ 16,057,098	\$ 3,422,673,486	\$ 2,618,007,381

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, resulting in a larger adjusted budget. Additionally, the adjusted budget includes \$31.3 million in mid-year amendments to the General Capital Projects Fund for projects.

2. In the Tideland Oil Revenue Fund, higher than anticipated prices led to increased remittance payments to the State of California for Tideland Oil, as well as an increased transfer to the Tideland Operating Fund. A year end appropriation increase is requested to align budget to actuals.

CITY OF LONG BEACH GENERAL FUND EXPENDITURES SUMMARY YEAR-END FY 2018

Department	FY 18 Adopted Budget	FY 18 Adjusted Budget	FY 18 Actual Expenditures, FY 18 Year-End	Percent of Adjusted FY 18 Budget Expended
¹ City Auditor	\$ 2,588,171	\$ 2,673,481	\$ 2,361,956	88%
² City Attorney	2,988,992	3,018,269	2,363,335	78%
³ City Clerk	5,382,642	5,355,168	4,335,265	81%
City Manager	3,892,658	4,042,005	4,016,268	99%
City Prosecutor	5,461,638	5,456,387	5,326,123	98%
Citywide Activities	38,633,455	55,365,785	53,457,498	97%
Civil Service	2,828,026	2,798,798	2,696,688	96%
⁴ Development Services	5,487,216	5,797,491	5,031,317	87%
Disaster Prep & Emergency	12,565,442	12,440,207	12,028,488	97%
Economic & Property Development	2,525,358	5,030,339	4,687,531	93%
⁵ Fire	86,573,619	90,640,431	90,632,629	100%
Financial Management	16,408,234	17,099,397	16,204,406	95%
⁶ Health and Human Services	3,020,051	3,333,962	2,958,020	89%
Legislative	5,592,357	5,650,619	5,361,229	95%
Library Services	13,893,258	13,787,787	13,783,787	100%
Police	222,203,115	223,436,681	220,059,964	98%
Parks, Recreation, and Marine	33,792,878	34,628,277	34,435,001	99%
Public Works	37,127,250	38,079,261	37,682,314	99%
TOTAL	\$ 500,964,361	\$ 528,634,346	\$ 517,421,822	98%

¹ While the City Auditor Department shows actuals under budget, the department has requested \$257,775 in encumbrances and \$53,779 to be rolled over for use in FY 19. The end result will be that the department will expend its entire budget in FY 18.

² The City Attorney Department came in under budget due to one-time appropriation budgeted for minimum wage enforcement that was never used, as well as savings from vacancies

³ The City Clerk Department's budget included one-time funds anticipated to be needed if all local elections in FY 18 resulted in run-offs. Only two run offs were necessary, resulting in budget savings in the Elections Bureau.

⁴ The Development Services Department came in under budget due to multiple vacancies in the Code Enforcement Bureau.

⁵ The Fire Department's actual expenditures equated to 99 percent of budget. The Department incurred significant non-personal expenditures beyond what was budgeted in the areas of personal protective equipment, facility maintenance and repairs, fire hose, and medical supplies since emergency call volumes and the need for facility maintenance and repairs have steadily increased.

⁶ The Health Department came in under budget largely due to unspent one time funds and delays in facility repairs. One time funds will be requested to carryover in FY 18.

CITY OF LONG BEACH GENERAL FUND REVENUE SUMMARY						
YEAR-END FY 2018						
Notes	Top 40	Revenues	FY 18 Adjusted Budget	FY 18 Actual Revenue as of 9/30/18	Estimates-to-Close	Percent of FY 18 Actuals Over/(Under) ETC
1	1	REAL PROPERTY TAX	\$ 112,177,742	\$ 109,402,451	\$ 114,137,628	-4%
2	2	SALES AND USE TAX	61,217,300	67,443,855	62,778,607	7%
	3	PROPERTY TAX IN-LIEU OF VLF	48,161,204	48,250,082	48,250,082	0%
3	4	TRANSACTION AND USE SALES TAX-MEASURE A	47,698,200	61,543,884	53,107,251	14%
4	5	TRANSFERS FROM OTHER FUNDS	37,075,247	57,699,339	42,504,498	26%
	6	ELECTRIC USERS TAX & PENALTIES	20,996,894	20,111,915	19,414,254	3%
	7	TRANSIENT OCCUPANCY TAX	20,197,273	20,856,409	21,186,727	-2%
	8	PARKING CITATIONS	13,953,200	14,580,696	14,161,562	3%
	9	BUSINESS LICENSE TAXES	12,457,000	12,479,307	12,200,000	2%
	10	EMERGENCY AMBULANCE FEES	12,022,590	11,306,500	11,578,248	-2%
5	11	CHARGES FOR SPECIAL SERVICES	11,714,479	14,313,991	11,208,727	22%
	12	TELEPHONE USERS TAX & PENALTIES	9,665,403	8,380,521	8,658,389	-3%
	13	ELECTRIC COMPANY FRANCHISES	6,496,660	7,166,122	7,247,027	-1%
6	14	PIPELINE FEE-WATER	6,238,932	2,670,712	3,137,848	-17%
	15	OTHER DEPT SVCS TO PROPRIETARY FUNDS	6,214,614	5,156,484	5,698,222	-11%
7	16	CANNABIS LICENSE APPLICATION FEES/TAXES	5,214,000	1,433,744	1,307,650	9%
6	17	PIPELINE FEE-SEWER	4,783,104	2,358,235	3,035,988	-29%
	18	LAND,BLDG,R/W,EASEMENT,APT RENTALS	5,611,044	5,266,143	4,469,483	15%
	19	AMERICAN GOLF LEASE	4,726,926	4,870,682	4,793,475	2%
	20	WATER USERS TAX & PENALTIES	4,242,758	4,148,763	4,285,045	-3%
	21	GAS USERS TAX & PENALTIES	4,015,560	4,069,924	3,987,094	2%
8	22	PIPELINE FRANCHISES	3,502,259	2,431,511	2,790,122	-15%
	23	MISC REFUNDS & REIMB	3,408,000	3,348,890	3,192,868	5%
	24	PIPELINE SAFETY FEES	2,676,000	2,889,651	2,893,054	0%
9	25	MISC REVENUE FROM OTHER AGENCIES	2,637,384	2,041,319	2,918,513	-43%
	26	HARBOR-POLICE	2,544,783	2,332,718	2,544,783	-9%
10	27	INTEREST-POOLED CASH	2,510,300	3,224,440	2,495,036	23%
	28	ASSET MANAGEMENT CHARGES	2,345,010	2,345,010	2,345,010	0%
	29	HAULER FEES	2,100,000	2,792,346	2,400,000	14%
	30	REAL PROPERTY TRANSFER TAX	2,074,120	2,462,095	2,291,497	7%
	31	OTHER DEPT CHGS TO GOVT'L FUNDS	2,071,955	2,207,365	2,010,627	9%
	32	FIRE INSPECTION FEES	1,523,976	1,183,427	1,282,476	-8%
11	33	OTHER GOVT FUND-PUBLIC SERVICE	1,487,850	2,074,435	1,764,042	15%
	34	METERED/OTHER PARKING	1,469,866	1,682,975	1,650,000	2%
	35	POLICE CHARGES FOR SPECIAL EVENTS	2,147,175	2,126,415	1,806,259	15%
	36	VEHICLE CODE FINES	1,300,000	1,058,515	973,326	8%
	37	OIL PRODUCTION TAX	1,272,395	1,673,806	1,676,096	0%
	38	CIP-ENGINEERING CHARGES	1,257,945	936,431	1,257,945	-34%
	39	SELF-SUSTAINING CLASSES-REC	1,101,705	1,080,888	1,051,000	3%
	40	EL DORADO PARK FEES	1,101,308	1,235,759	1,145,000	7%
		SUBTOTAL TOP 40 REVENUES	\$ 493,412,159	\$ 522,637,752	\$ 495,635,458	5%
		ALL OTHER REVENUES	21,564,365	25,200,405	21,158,490	16%
		TOTAL GENERAL FUND REVENUES	\$ 514,976,524	\$ 547,838,158	\$ 516,793,948	6%

¹ Property Tax revenue projections are based on the assessed valuation provided by the County of Los Angeles in fall 2017. This report consolidates all post-RDA dissolution property taxes and former tax increment pass-through revenues into one citywide property tax category. The decrease in actuals is funds to LAUSD from a lawsuit based on how the County allocated property tax revenue related to the Educational Revenue Augmentation Fund (ERAF).

² Sales and Use Tax, non-Measure A, experienced higher than anticipated actuals due to one-time construction and port activity, as well as better than across various categories. Higher than anticipated revenues may also attributable to a change in the State's sales tax system which may have imp payments.

- ³ Measure A receipts came in higher than expected. Staff is evaluating year-end actuals to verify the accuracy of payments to the City due to a change in the State's sales tax system.
- ⁴ Transfers from other funds include transfer from Uplands Oil anticipated higher than budget. FY 18 Adopted Budget assumed \$45 per barrel, revised estimate \$66 per barrel. Increase also due to higher than anticipated Successor Agency (SA 270) transfer. It also includes \$1,765,403 in transfers of District I Capital Projects Fund (CP) for Council approved projects and programs as well as the unallocated amount of District Priority funds. These funds are Priorities and are not available for any other purpose.
- ⁵ Charges for Services - Higher than budgeted revenue reflects additional reimbursement for indirect costs for the Police Department from external contracts, specifically Metro Security, LBCC and LB Transit.
- ⁶ Water and Sewer Pipeline fees revenues are lower than budget due to related litigation. Final revenue actuals include reductions due to the lawsuit settlement and the new calculation for the utility transfers after the implementation of Measure M.
- ⁷ Cannabis License Application Fees/Taxes are lower than budget due to businesses taking more time than anticipated to complete all the appropriate steps.
- ⁸ Pipeline Franchise - Natural gas prices averaged \$3.34 per million British thermal units (MMBtu) in 2018 down from \$3.59 per MMBtu in 2017, a nearly 7 percent year-over-year decrease. Lower than anticipated revenues are attributed to a combination of lower commodity prices and ongoing construction at the local power plants, which reduced the amount of natural gas consumed.
- ⁹ Misc. Revenue from Other Agencies includes revenue from various revenue sources, in various departments. In FY 18, revenue from the sales taxes Signal Hill was less than projected. It is possible that lower than projected levels may be related to timing of the revenue allocation and the issues with the conversion. Staff will be monitoring this revenue in FY 19 to ascertain if it was a one-time issue.
- ¹⁰ Due to rising interest rates in fiscal 2018, the market offered investment securities at higher interest rates. That contributed to increased earnings as the City continued investing in the pooled-investment portfolios.
- ¹¹ Other Government Funds - Public Service came in higher than budget due to higher than anticipated work orders performed for other Departments for retrofit of City Place, Fire Station #1 Apparatus Bay, Queensway Bridge light repairs, Sr. Center HVAC Repairs, LBG concessionaire area improvements, breaker replacement.

Measure A

Summary of FY 18 Revenue and Expenditures as of September 30, 2018

Total FY 18 Year-End Unallocated Surplus Calculation

	FY 18 Adopted	Actuals Allocated as of 09/30/18 ¹	Net Impact to Fund
Total Measure A Revenue ²	\$ 47,698,200	\$ 61,543,884	\$ 13,845,684
Planned Release of FY 17 surplus	\$ -	\$ 3,313,914	\$ 3,313,914
Total Measure A Expenditures	\$ (47,217,915)	\$ (51,947,359)	\$ (4,729,444)
Measure B Reservation ³	\$ (480,285)	\$ (615,439)	\$ (135,154)
Planned Reservation for Out-years		\$ (4,350,260)	\$ (4,350,260)
FY 18 Year-End Surplus	\$ -	\$ 7,944,739	\$ 7,944,739

Measure A Expenditure Detail

	FY 18 Adjusted Budget ⁴	Budget Allocation		Actuals as of 09/30/18	Encumbrances as of 9/30/18	Remaining as of 9/30/18
		Structural Uses	One-time Uses			
Total Uses of Measure A	\$ 52,080,832	\$ 14,856,178	\$ 37,224,654	\$ 37,306,236	\$ 6,145,859	\$ 8,628,736
Invest in Infrastructure	30,488,654	-	30,488,654	16,139,677	6,145,859	8,203,118
Enhance and Maintain Public Safety	21,238,721	14,647,721	6,591,000	20,946,575	-	292,145
Advanced, Maximized Police Academy	4,300,000	-	4,300,000	4,300,000	-	-
Neighborhood Safe Streets	1,000,000	-	1,000,000	1,000,000	-	-
Upgrade and New Camera Technology	750,000	-	750,000	457,855	-	292,145
Public Safety Handheld Radio (Technology implementation costs)	541,000	-	541,000	541,000	-	-
Reestablish Police's South Division	1,538,272	1,538,272	-	1,538,272	-	-
Restore Fire Engine 8	2,296,881	2,296,881	-	2,296,881	-	-
Restore Policy Academy Staffing	1,408,805	1,408,805	-	1,408,805	-	-
Restore Paramedic Rescue 12	1,110,176	1,110,176	-	1,110,176	-	-
Maintain Police Services	5,908,912	5,908,912	-	5,908,912	-	-
Maintain Fire Services	2,384,675	2,384,675	-	2,384,675	-	-
Administer Measure A Tax	353,458	208,458	145,000	219,984		133,474

¹ Actuals Allocated represent funding set aside for infrastructure projects even if projects are still in progress and not fully spent. This is used to determine the surplus funding available that has not yet been allocated as part of the Measure A plan.

² Net of State Board of Equalization Fees

³ Although Measure B is always projected and netted out as a use of structural Measure A revenue allocations it is not technically appropriated. It will show up as a reservation but not as an expense or budget.

⁴ FY 18 Adjusted Budget includes carryover revenue from FY 17 surplus of \$3.3 million and FY 18 mid-year enhancement of \$1.5 million from additional FY 18 revenue.

Summary of FY 18 Measure A Infrastructure Project Expenditures

Measure A Project List (FY 17 & FY 18)	FY 17 Adjusted	FY 18 Adjusted	Actuals as of 9/30/18 (all years)	Encumbrances as of 9/30/18
Mobility	\$ 16,520,000	\$ 16,333,239	\$ 21,162,475	\$ 1,799,122
Planned Release of FY 17 surplus	11,080,000	2,920,000	13,984,533	(286,400)
Arterial Street Improvements ²	4,840,000	7,652,739	2,215,483	2,092,745
Alley Improvements	300,000	1,800,000	1,468,365	9,350
Curbs & Sidewalks ¹	-	3,700,000	3,208,124	7,771
Naples Bridge	100,000	-	89,463	-
Smart Street Light Technology	150,000	210,500	137,820	(24,344)
Street Signage	50,000	50,000	58,687	-
Parks & Recreation	\$ 6,098,000	\$ 9,306,415	\$ 5,649,397	\$ 4,331,349
Admiral Kidd Field Turf Improvements	-	160,000	-	-
4th Street Senior Center Improvements ²	250,000	350,000	120,284	(24,124)
Bixby Park Community Center ²	200,000	250,000	454,021	(15,079)
Citywide Park Irrigation	350,000	357,500	46,413	-
Community Center Restrooms	170,000	-	166,066	-
Davenport Park Phase II	-	-	4,342	-
Drake Park Playground ³	700,000	239,000	369,636	8,369
Heartwell Field Turf	320,000	-	1,705	-
Houghton Park Community Center ²	-	4,500,000	169,186	3,966,564
Hudson Field Turf	-	160,000	-	-
Jackson Park Playground ²	50,000	100,000	96,038	-
Jenni Rivera Park Playground ²	-	250,000	15,994	61,573
Los Cerritos Park ³	700,000	300,000	894,299	29,035
MacArthur Park	56,000	-	95,837	(39,505)
Martin Luther King Jr. Park	42,000	-	41,581	(33,840)
Pan American Roof Replacement ²	100,000	60,000	144,367	(629)
Rancho Los Alamitos	500,000	500,000	1,016,388	-
Rancho Los Cerritos	500,000	500,000	95,848	-
Red Car Greenbelt (P.E. Right-of-Way) ²	150,000	150,000	248,817	(78,555)
Silverado Field Turf	160,000	-	52,306	(23,990)
Silverado Park Improvements	100,000	-	48,760	1,952
Stearns Park Community Center Roof Repair ²	-	800,915	46,138	58,652
Urban Forest Investment	350,000	-	350,000	(136)
Veterans Field Turf	-	160,000	-	-
Veterans Park Playground ³	700,000	263,000	630,610	171,232
Whaley Park Playground ³	700,000	206,000	540,760	249,829
Public Facilities	\$ 3,121,000	\$ 3,299,000	\$ 2,684,314	\$ (79,964)
Animal Care Facility	150,000	-	58,288	-
Bach Library	-	67,000	3,839	-
Brewitt Branch Library	62,000	-	47,961	(26,529)
Burnett Branch Library	172,000	-	65,475	(1,642)
City Place Parking Garage ²	1,200,000	250,000	746,773	75,574
Convention Center ¹	-	-	-	-
Dana Branch Library	103,000	-	38,409	(13,749)
Emergency Communications & Operations Center	-	290,000	-	-
Expo Building	200,000	-	198,921	(159,874)
Facility Condition Assessment	-	200,000	170,614	9,330
Fire Station 7	-	120,000	6,691	(130,818)
Fire Station 10	125,000	125,000	288,533	(21,261)
Fire Station 17	-	35,000	-	-
Fire Station Improvements	-	-	40,541	(176,140)
Fire Station Roofs	650,000	-	268,196	3,233
Fire Training Center	-	325,000	292,557	680
Harte Branch Library	62,000	40,000	68,184	(52,562)
Library Roof Improvements	-	250,000	10,363	-
Los Altos Library	47,000	-	58,113	(1,227)
Main Health Facilities Center	-	650,000	58,216	394,516
Mark Twain Library	-	47,000	4,304	-
PD Academy Building	-	900,000	27,438	18,110
Public Safety Building	350,000	-	230,899	2,397
Utilities	\$ -	\$ 1,550,000	\$ 187,569	\$ 95,352
Stormwater Protection (Pump Stations)	-	1,550,000	187,569	95,352
Grand Total	\$ 25,739,000	\$ 30,488,654	\$ 29,683,756	\$ 6,145,859

Notes:

¹ The first available additional FY 17 Year-End Tidelands Operations Fund surplus up to \$1,000,000 was automatically appropriated in the Public Works Department for one-time improvements to the Convention Center. The \$1,000,000 in Measure A Funds originally appropriated for Convention Center improvements was reallocated to Sidewalk Replacement, Repair, and Rapid Response to be used Citywide based on need.

² Surplus FY 17 Year-End Measure A funds were appropriated as part a Budget Adjustments approved by the City Council on March 13, 2018.

³ Additional Measure A funds projected mid-year in FY 18 were appropriated in the Budget Adjustments approved by City Council on May 22, 2018.