

CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

R-37

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

September 19, 2006

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Approve the Fiscal Year 2006 fourth quarter departmental and fund budget appropriation adjustments in accordance with existing City Council policy. (Citywide)

DISCUSSION

On September 13, 2005, the City Council adopted the Appropriations Ordinance governing City expenditures for Fiscal Year 2006 (FY 06). From time to time, changes in revenue or operating conditions call for appropriation adjustments. For example, in some cases these adjustments enable departments to expend newly received grant revenue for which there is no existing appropriation. In addition, changes for multi-year grants/projects are necessary to bring appropriations in line with final grant/project award amounts. In accordance with the City's practice, these adjustments are presented quarterly to the City Council for consideration. Please see **Attachment A** for a Fund Balance Analysis of impacted City funds and **Attachment B** for a recap of FY 06 General Fund Budget Adjustments.

This letter was reviewed by Assistant City Attorney Heather A. Mahood on September 11, 2006.

TIMING CONSIDERATIONS

The following requests for adjustments to FY 06 departmental and fund appropriations are necessary to reflect changes in operating conditions. City Council action is requested on September 19, 2006 to authorize the timely processing of payments.

FISCAL IMPACT

City Clerk

The City Clerk Department is requesting to increase appropriations in the General Fund in order to pay an invoice for the Los Angeles County Registrar Recorder for the Primary Nominating Elections in April 2006. This amount is included in the department's FY 06 estimates to close.

- Increase appropriations in the General Fund (GP 100) in the City Clerk's Office (CC) by \$203,000.

Community Development

The Redevelopment Agency is requesting to increase appropriations to cover property purchases on behalf of the Long Beach Housing Development Company (LBHDC). LBHDC has funded the acquisition of these sites, and revenues and appropriations have been allocated accordingly. All properties fall within the Central Project Area and the LBHDC Board approved these acquisitions on June 21, 2006.

- Increase appropriations in the Redevelopment Fund (RD 228) in the Department of Community Development (CD) by \$7,017,700.

Fire

On November 16, 2004, the City Council authorized receipt of the Urban Area Security Initiative (UASI) II Grant from the Department of Homeland Security (DHS) to enhance security at the Airport, upgrade security at the Port of Long Beach, and to augment the Fire and Police Departments' Homeland Security response capabilities. Due to changes in the type of equipment to be procured, DHS approved a revision to the spending plan. However, the current allocations in the various departments and funds are not reflective of the new spending plan. Reallocating funds to the Fire Department enabled the procurement of 23 Mobile Data Terminals (MDTs), which will be utilized to upgrade the technology and existing capabilities and improve interoperability. The Fire Department requests to realign current appropriations to the departments/funds as listed below. All expenditures are offset by grant revenue. There is no net impact to the UASI budget or the General Fund.

- Increase appropriations in the General Grants Fund (SR 120) in the Fire Department (FD) by \$376,950.
- Decrease appropriations in the General Grants Fund (SR 120) in the Police Department (PD) by \$371,310.
- Decrease appropriations in the Airport Fund (EF 320) in the Public Works Department (PW) by \$1,868.
- Decrease appropriations in the General Services Fund (IS 385) in the Technology Services Department (TS) by \$3,772.

Gas and Oil

The Department was previously approved for additional appropriations of \$70.3 million when oil prices averaged \$45.21 per barrel.

Although still volatile, oil prices have been hovering at \$60 per barrel. Assuming that oil prices will remain at an average of \$60 per barrel for the month of September, it is estimated that oil operations will need additional appropriations in the amount of \$106.7 million.

HONORABLE MAYOR AND CITY COUNCIL

September 19, 2006

Page 3

| (in millions) | TORF | Upland Oil Fund |
|--|------------------|-----------------|
| Increase Payment to the State | \$96.3 m | |
| Increase Transfer to TOF | 5.4 m | |
| Increase Transfer to General Fund | | \$3.5 m |
| Increase in Transfer to Capital Projects-Sports Park | | 0.3 m |
| Interest on Abandonment Fund Paid to the State | 1.4 m | |
| Decrease in Personal Services | (0.4 m) | |
| Increase in Unit Expenses | | 0.2 m |
| Totals | \$102.7 m | \$4.0 m |

The Department is requesting additional appropriations in the amount of \$102,661,103 in the Tideland Oil Revenue Fund (TORF) and \$4,000,357 in the Upland Oil Fund. These will be offset by increases in oil revenues in TORF and Upland Oil Fund.

The final transfer to the Tidelands Operating Fund is expected to be \$16.6 million, or \$5.4 million more than currently budgeted. The final transfer to the General Fund is expected to be \$13.7 million, or \$3.5 million more than currently budgeted. Both transfers were included in the estimates to close for the fiscal year.

- Increase appropriations in the Tideland Oil Revenue Fund (NX 420) in the Department of Gas & Oil (OP) by \$102,661,103.
- Increase appropriations in the Upland Oil Fund (SR 134) in the Department of Gas & Oil (OP) by \$4,000,357.

Parks, Recreation and Marine

During the fiscal year, the Office of Special Events and Filming (OSEF) provided support for several unbudgeted activities with the understanding that additional revenues would be generated to offset the cost. These activities included the Queen Mary II visit, Smithsonian Week, Long Beach Reads One Book, Misty May Volleyball Clinic, and free speech activities. OSEF was successful in generating additional funding to support these activities; therefore, the requested adjustment is fully offset by additional revenues in the Special Advertising and Promotion Fund. There will be no impact to the General Fund.

- Increase appropriations in the Special Advertising and Promotion Fund (SR 133) in the Department of Parks, Recreation and Marine (PR) by \$120,700.

Planning and Building

In response to higher demand for service, in addition to implementing process improvements identified in the Development Services Optimization Review, the department incurred one-time costs related to: increased professional temporary staffing and customer service training (\$20,000); three vehicles for new Combination Building Inspectors (\$84,000);

HONORABLE MAYOR AND CITY COUNCIL

September 19, 2006

Page 4

reconfiguration of the 4th floor Development Services Center (\$146,000); and technology infrastructure upgrades in preparation for implementation of the new Hansen Land Management System (\$140,000). These amounts were included in the department's estimates to close. Planning and Building revenues are coming in \$1 million over budgeted levels and can fully support the increase in expenditures.

- Increase appropriation in the General Fund (GP 100) in the Department of Planning and Building (PB) by \$390,000.

Police

The Long Beach Police Department has implemented a city-wide gang task force from August through September 2006, which has been staffed using overtime. The total cost is estimated at \$300,000. Of this, \$150,000 is funded from Local Law Enforcement Block Grant 9 and the Earmark 05 Grant. These amounts were included in the department's estimates to close.

- Increase appropriations in the General Fund (GP 100) in the Police Department (PD) by \$150,000.

LLEBG 9 Grant

On July 13, 2004, the City Council authorized the City Manager to execute documents necessary to apply for, accept, and expend all Department of Justice, Bureau of Justice Assistance, Local Law Enforcement Block Grant (LLEBG 9) program funds for the ninth round of grant funding. When the funds were appropriated, interest earnings were not included in the appropriation. As of July 31, 2006, interest earnings totaled \$12,162, and an estimated \$1,890 will be earned by the grant end date of November 4, 2006. To ensure that all LLEBG funds and the grant's realized interest earnings are expended, a budget adjustment is necessary to increase expenditure appropriations.

- Increase appropriations in the General Grants Fund (SR 120) in the Police Department (PD) by \$14,052.

State COPS 04 Grant

On July 22, 2003, the City Council authorized the City Manager to accept FY 04 appropriation of State of California Citizens Option for Public Safety Program funding from the County of Los Angeles Supplemental Law Enforcement Services Fund (State COPS 04). When the funds were appropriated, interest earnings were not included in the appropriation. As of July 31, 2006, interest earnings totaled \$27,246. To ensure that all State COPS 04 funds and the grant's realized interest earnings are expended, a budget adjustment is necessary to increase expenditure appropriations.

- Increase appropriations in the General Grants Fund (SR 120) in the Police Department (PD) by \$27,246.

State COPS 05 Grant

On October 25, 2004, the City Council authorized the acceptance of the State of California Citizens Option for Public Safety Program funding from the County of Los Angeles Supplemental Law Enforcement Services Fund (State COPS 05). When the funds were appropriated, interest earnings were not included in the appropriation. As of July 31, 2006, interest earnings totaled \$38,095. To ensure that all State COPS 05 funds and the grant's realized interest earnings are expended, a budget adjustment is necessary to increase expenditure appropriations.

- Increase appropriations in the General Grants Fund (SR 120) in the Police Department (PD) by \$38,095.

State COPS 06 Grant

On October 20, 2005, the City Council authorized acceptance of the State of California Citizens Option for Public Safety Program funding from the County of Los Angeles Supplemental Law Enforcement Services Fund (State COPS 06). When the funds were appropriated, interest earnings were not included in the appropriation. As of July 31, 2006, interest earnings totaled \$18,260. To ensure that all State COPS 06 funds and the grant's realized interest earnings are expended, a budget adjustment is necessary to increase expenditure appropriations.

- Increase appropriations in the General Grants Fund (SR 120) in the Police Department (PD) by \$18,260.

PDLEEP 02 Grant

On February 18, 2003, the City Council authorized appropriation of the City's State Technology Grant (PDLEEP 02) from the State Controller's Office in the amount of \$93,370. On September 16, 2003, the City Council authorized appropriations increase for interest earnings totaling \$1,710. As of July 31, 2006, additional interest earnings totaled \$2,478. To ensure that all PDLEEP 02 funds and the grant's realized interest earnings are expended, a budget adjustment is necessary to increase expenditure appropriations.

- Increase appropriations in the General Grants Fund (SR 120) in the Police Department (PD) by \$2,478.

Public Works

During a severe storm in the winter of 2005, a large tree fell on the bandshell in Bixby Park, rendering it unsafe and unusable. A portion of the repair cost was originally budgeted in Public Works and includes \$44,600 from a State grant under Proposition 12 and \$57,400 of General Capital Projects funding. Since the Bixby Park project is being managed and is currently funded in the Department of Parks, Recreation and Marine, a budget adjustment is requested to transfer the funding from Public Works. There will be no impact on the General Fund.

- Decrease appropriations in the Capital Projects Fund (CP 201) in the Department of Public Works (PW) by \$102,000.

An appropriation increase of \$4,276 is necessary to recognize interest earned on grant reimbursement from the Center for Natural Land Management grant to the El Dorado Park Rehab project to offset expenditures in the project.

- Increase appropriations in the Capital Projects Fund (CP 201) in the Department of Public Works (PW) by \$4,276.

The Fleet Services Bureau, Fleet Operations Division, is responsible for providing fuel for the City's approximately 1,900 vehicles and light and heavy equipment. Fleet dispenses over 5,500 gallons per day of unleaded, diesel, liquefied natural gas (LNG), propane, and aviation fuel. Due to the rise in gasoline prices to over \$3.20 per gallon for unleaded, and over \$1.50 per gallon for LNG, an appropriation increase is necessary to cover the cost increases. This appropriation is offset by recuperation of costs through Fleet's monthly billing to City Departments for their use of fuel.

- Increase appropriations in the Fleet Fund (IS 386) in the Department of Public Works (PW) by \$1,000,000

California State University, Long Beach (CSULB), completed a new parking structure at the corner of Palo Verde Ave. and Rendina St. The EIR for this project recommended that a traffic signal be installed at this intersection. CSULB entered into an agreement to reimburse the City for the cost of design, engineering and installation of the traffic signal on the public right-of-way. Reimbursement in the amount of \$185,000 was received from CSULB, therefore an appropriation increase is necessary to recognize this payment and to offset the expenditures for the project.

- Increase appropriations in the Gasoline Tax Street Improvement Fund (SR 181) in the Department of Public Works (PW) by \$185,000

Citywide

The Towing and Stockroom Optimization studies were completed and approved by the City Manager. Recommended investments and efficiency measures have created a structural balance in the Towing Fund, leaving \$1.5 million in fund balance available for a one-time transfer to the General Fund to cover current FY 06 liabilities. In order to effect transfers anticipated to finish FY 06, a budget adjustment from the Towing Fund of \$1.5 million is necessary.

- Increase appropriations in the Towing Fund (EF 340) in the Department of Public Works (PW) by \$1,500,000.

A parking surcharge is collected at the Convention Center, which is restricted for use in the Tidelands area. These funds were historically deposited into the Promotions Fund but limited to Tidelands use. Effective FY 06, the funds were budgeted in the Tidelands Fund, but continued to be deposited in the Promotions Fund. A \$983,953 adjustment is needed to facilitate the transfer of these funds to the Tidelands Fund. As part of this transfer, the

HONORABLE MAYOR AND CITY COUNCIL

September 19, 2006

Page 7

annual budget for Convention Center improvements which was previously made from the Promotions Fund will now be made by the Tidelands Fund. An appropriation increase is necessary for this payment.

- Increase appropriations in the Promotions Fund (SR 133) in the Citywide Activities (XC) by \$983,953.
- Increase appropriations in the Tidelands Fund (TF 401) in the City Manager Department (CM) by \$125,000.
- Decrease appropriations in the Promotions Fund (SR 133) in the City Manager Department (CM) by \$125,000.

The City provides liability and property insurance for the City-owned golf courses. The winter storms of 2004-2005 caused extensive damage to the Heartwell Golf Course driving range poles and netting. The City filed insurance claims for the damages; however, in the interim, the American Golf Corporation (AGC) replaced the driving range poles and netting at a total cost of \$326,174. AGC has committed \$50,000 to the project and requested reimbursement from the City of \$276,174.

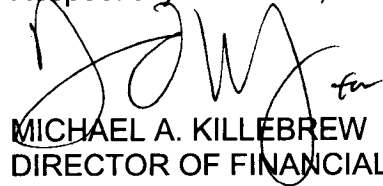
The first partial payment from the City's property insurance administrator, in the amount of \$44,848, was received and appropriated in FY 05 and reimbursed to AGC leaving \$231,326 outstanding, which will be paid by the Insurance Fund. The City is now in receipt of a second partial property insurance payment totaling \$48,878, bringing the total insurance proceeds to \$93,726.

- Increase appropriations in the Insurance Fund (IS 390) in the Citywide Activities (XC) by \$231,326.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,




MICHAEL A. KILLEBREW
DIRECTOR OF FINANCIAL MANAGEMENT

MAK:DW:GS
K:\BUDGET\FY 06\BUDGET ADJUSTMENTS\Q4 BUDGET ADJUSTMENTS\Q4 FY06.DOC

ATTACHMENTS

APPROVED:



GERALD R. MILLER
CITY MANAGER

Effect of 4th Quarter Budget Adjustments on Fund Balance

| | <u>Budgeted Expenditure</u> | <u>Budgeted Revenue</u> | <u>Budgeted Fund Balance</u> |
|---|---------------------------------|-----------------------------|----------------------------------|
| <u>General Fund (GP)</u> | | | |
| Beginning Fund Balance (Per Adopted Budget)* | | | \$ 6,347,429 |
| * Does not include the \$36.1 million Emergency Fund Balance Reserve) | | | |
| Unreserving/(Reserving) of Restricted Fund Balance | | | 29,589 |
| FY 06 Adopted Budget | 362,086,405 | 358,238,805 | (3,847,600) |
| Prior Year Adjustment to Actuals | | | 1,021,033 |
| City Council Approved Adjustments to Date (521/522 and 511) | 6,090,367 | 3,709,083 | (2,381,284) |
| Proposed 4th Quarter Adjustments: | | | |
| Planning & Bldg. Fleet, Temps, Technology & Reconfiguration | 390,000 | - | (390,000) |
| Citywide Gang Task Force | 150,000 | - | (150,000) |
| Primary Nominating Elections | 203,000 | - | (203,000) |
| Adjusted Budget Including 4th Quarter Adjustments | \$ 368,919,772 | \$ 361,947,888 | \$ 426,167 |
| <u>Airport Fund (EF 320)</u> | | | |
| Beginning Fund Balance (Per Adopted Budget) | | | \$ 9,826,335 |
| Unreserving/(Reserving) of Restricted Fund Balance | | | (36,928) |
| FY 06 Adopted Budget | 24,076,324 | 23,967,952 | (108,372) |
| Prior Year Adjustment to Actuals | | | 3,096,808 |
| Estimated All-years Carryover Budget | 14,536,652 | 10,243,595 | (4,293,057) |
| All-Years Carryover Budget Adjustments | 13,740,426 | 9,305,128 | (4,435,298) |
| City Council Approved Adjustments to Date (521/522 and 511) | 14,558,259 | 13,519,928 | (1,038,331) |
| Proposed 4th Quarter Adjustments: | | | |
| UASI Grant, Public Works Dept decrease appropriations | (1,868) | (1,868) | - |
| Adjusted Budget Including 4th Quarter Adjustments | \$ 66,909,793 | \$ 57,034,735 | \$ 3,011,158 |
| <u>Towing Fund (EF 340)</u> | | | |
| Beginning Fund Balance (Per Adopted Budget) | | | \$ 2,447,409 |
| Unreserving/(Reserving) of Restricted Fund Balance | | | - |
| FY 06 Adopted Budget | 8,821,526 | 8,394,433 | (427,093) |
| Prior Year Adjustment to Actuals | | | 4,543 |
| Estimated All-years Carryover Budget | - | - | - |
| All-Years Carryover Budget Adjustments | - | - | - |
| City Council Approved Adjustments to Date (521/522 and 511) | 4,543 | - | (4,543) |
| Proposed 4th Quarter Adjustments: | | | |
| Excess fund balance | 1,500,000 | | (1,500,000) |
| Adjusted Budget Including 4th Quarter Adjustments | 10,326,069 | 8,394,433 | 520,316 |

Effect of 4th Quarter Budget Adjustments on Fund Balance

| | <u>Budgeted Expenditure</u> | <u>Budgeted Revenue</u> | <u>Budgeted Fund Balance</u> |
|---|---------------------------------|-----------------------------|----------------------------------|
| <u>Capital Projects (CP)</u> | | | |
| Beginning Fund Balance (Per Adopted Budget) | | | \$ 21,663,451 |
| Unreserving/(Reserving) of Restricted Fund Balance | | | (1,527,442) |
| FY 06 Adopted Budget | 11,317,059 | 8,617,425 | (2,699,634) |
| Prior Year Adjustment to Actuals | | | (9,517,465) |
| Estimated All-years Carryover Budget | 57,798,840 | 43,086,317 | (14,712,523) |
| All-Years Carryover Budget Adjustments | 10,571,989 | 429,264 | (10,142,725) |
| City Council Approved Adjustments to Date (521/522 and 511) | 8,152,952 | 8,639,372 | 486,420 |
| Proposed 4th Quarter Adjustments: | | | |
| Interest on grant from Center for Natural Land Mgmt | 4,276 | 4,276 | - |
| Bixby Park Bandshell | (102,000) | (44,600) | 57,400 |
| Adjusted Budget Including 4th Quarter Adjustments (1) | \$ 87,743,116 | \$ 60,732,054 | \$ (16,392,519) |
| <u>General Grants (SR 120)</u> | | | |
| Beginning Fund Balance (Per Adopted Budget) | | | \$ 15,941 |
| Unreserving/(Reserving) of Restricted Fund Balance | | | - |
| FY 06 Adopted Budget | 8,457,352 | 8,455,648 | (1,704) |
| Prior Year Adjustment to Actuals | | | - |
| Estimated All-years Carryover Budget | 13,777,275 | 13,809,844 | 32,569 |
| All-Years Carryover Budget Adjustments | 10,373,134 | 10,341,226 | (31,908) |
| City Council Approved Adjustments to Date (521/522 and 511) | 3,908,628 | 3,907,174 | (1,454) |
| Proposed 4th Quarter Adjustments: | | | |
| UASI Grant, Fire Dept. to acquire MDTs | 376,951 | 376,951 | - |
| UASI Grant, Police Dept decrease appropriations | (371,310) | (371,310) | - |
| Interest earned for Local Law Enforcement Block Grant | 14,052 | 14,052 | - |
| Interest earned for State COPS 04 Grant | 27,246 | 27,246 | - |
| Interest earned for State COPS 05 Grant | 38,095 | 38,095 | - |
| Interest earned for State COPS 06 Grant | 18,260 | 18,260 | - |
| Interest Earned for State Technology Grant | 2,478 | 2,478 | - |
| Adjusted Budget Including 4th Quarter Adjustments | \$ 36,622,161 | \$ 36,619,664 | \$ 13,444 |
| <u>Fleet Services (IS 386)</u> | | | |
| Beginning Fund Balance (Per Adopted Budget) | | | \$ 13,472,554 |
| Unreserving/(Reserving) of Restricted Fund Balance | | | (6,192) |
| FY 06 Adopted Budget | 29,737,511 | 25,889,427 | (3,848,084) |
| Prior Year Adjustment to Actuals | | | 1,116,868 |
| Estimated All-years Carryover Budget | 1,609,460 | 2,085,257 | 475,797 |
| All-Years Carryover Budget Adjustments | 5,841,545 | - | (5,841,545) |
| City Council Approved Adjustments to Date (521/522 and 511) | 1,426,989 | - | (1,426,989) |
| Proposed 4th Quarter Adjustments: | | | |
| Uncontrollable Fuel Costs | 1,000,000 | 1,000,000 | - |
| Adjusted Budget Including 4th Quarter Adjustments (1) | \$ 39,615,505 | \$ 28,974,684 | \$ 3,942,409 |

(1) As a matter of practice, the City does not adjust its budget during the fiscal year to make the budget match actual operating experience.

Effect of 4th Quarter Budget Adjustments on Fund Balance

| | <u>Budgeted Expenditure</u> | <u>Budgeted Revenue</u> | <u>Budgeted Fund Balance</u> |
|---|---------------------------------|-----------------------------|----------------------------------|
| Gasoline Tax Street Improvement (SR 181) | | | |
| Beginning Fund Balance (Per Adopted Budget) | | | \$ 10,282,940 |
| Unreserving/(Reserving) of Restricted Fund Balance | | | 110,423 |
| FY 06 Adopted Budget | 11,999,973 | 11,999,973 | - |
| Prior Year Adjustment to Actuals | | | (10,629,631) |
| Estimated All-years Carryover Budget | 15,814,282 | 9,423,359 | (6,390,923) |
| All-Years Carryover Budget Adjustments | (1,403,548) | (1,215,955) | 187,593 |
| City Council Approved Adjustments to Date (521/522 and 511) | 121,971 | 121,971 | - |
| Proposed 4th Quarter Adjustments: | | | |
| Installation of traffic signal | 185,000 | 185,000 | - |
| Adjusted Budget Including 4th Quarter Adjustments (1) | \$ 26,717,678 | \$ 20,514,348 | \$ (6,439,597) |
| General Services (IS 385) | | | |
| Beginning Fund Balance (Per Adopted Budget) | | | \$ 4,457,227 |
| Unreserving/(Reserving) of Restricted Fund Balance | | | (766,140) |
| FY 06 Adopted Budget | 33,393,360 | 30,445,085 | \$ (2,948,275) |
| Prior Year Adjustment to Actuals | | | 135,606 |
| Estimated All-years Carryover Budget | 371,655 | 377,048 | 5,393 |
| All-Years Carryover Budget Adjustments | 288,145 | (377,048) | (665,193) |
| City Council Approved Adjustments to Date (521/522 and 511) | 131,004 | - | (131,004) |
| Proposed 4th Quarter Adjustments: | | | |
| UASI Grant, Technology Dept decrease appropriations | (3,772) | (3,772) | - |
| Adjusted Budget Including 4th Quarter Adjustments | \$ 34,180,392 | \$ 30,441,313 | \$ 87,614 |
| Insurance Fund (IS 390) | | | |
| Beginning Fund Balance (Per Adopted Budget) | | | \$ 3,592,741 |
| Unreserving/(Reserving) of Restricted Fund Balance | | | - |
| FY 06 Adopted Budget | 36,327,122 | 35,844,801 | (482,321) |
| Prior Year Adjustment to Actuals | | | (1,118,205) |
| Estimated All-years Carryover Budget | - | - | - |
| All-Years Carryover Budget Adjustments | (30,584) | 159 | 30,743 |
| City Council Approved Adjustments to Date (521/522 and 511) | 20,773,770 | 435,606 | (20,338,164) |
| Proposed 4th Quarter Adjustments: | | | |
| Winter storm damage to Heartwell Golf Course | 231,326 | 231,326 | - |
| Adjusted Budget Including 4th Quarter Adjustments (1) | \$ 57,301,634 | \$ 36,511,892 | \$ (18,315,207) |

(1) As a matter of practice, the City does not adjust its budget during the fiscal year to make the budget match actual operating experience.

Effect of 4th Quarter Budget Adjustments on Fund Balance

| | <u>Budgeted Expenditure</u> | <u>Budgeted Revenue</u> | <u>Budgeted Fund Balance</u> |
|--|---------------------------------|-----------------------------|----------------------------------|
| <u>Special Advertising and Promotion (SR 133)</u> | | | |
| Beginning Fund Balance (Per Adopted Budget) | | | \$ 1,980,526 |
| Unreserving/(Reserving) of Restricted Fund Balance | | | - |
| FY 06 Adopted Budget | 5,066,720 | 5,119,737 | 53,017 |
| Prior Year Adjustment to Actuals | | | 9,935 |
| Estimated All-years Carryover Budget | - | - | - |
| City Council Approved Adjustments to Date (521/522 and 511) | 266,184 | (264,500) | (530,684) |
| Proposed 4th Quarter Adjustments: | | | |
| Long Beach Convention Ctr parking surcharge transfer to TF 401 | 983,953 | - | (983,953) |
| Transfer of Convention Center Improv. Budget to Tidelands Fund | (125,000) | - | 125,000 |
| Additional Special Events w/ Revenue Offset | 120,700 | 172,500 | 51,800 |
| | | | - |
| Adjusted Budget Including 4th Quarter Adjustments (1) | \$ 6,312,557 | \$ 5,027,737 | \$ 705,640 |
| <u>Redevelopment Agency</u> | | | |
| Beginning Fund Balance (Per Adopted Budget) | | | \$ 218,429,722 |
| Unreserving/(Reserving) of Restricted Fund Balance | | | 57,195,929 |
| FY 06 Adopted Budget | 165,370,449 | 63,248,021 | (102,122,428) |
| Prior Year Adjustment to Actuals | | | (191,875,670) |
| Estimated All-years Carryover Budget | 12,750,757 | (43,004,879) | (55,755,636) |
| All-Years Carryover Budget Adjustments | 52,288,817 | 39,852,368 | (12,436,449) |
| City Council Approved Adjustments to Date (521/522 and 511) | 30,011,376 | 40,299,840 | 10,288,465 |
| Proposed 4th Quarter Adjustments: | | | |
| Property acquisitions on behalf of LBHDC | 7,017,700 | - | (7,017,700) |
| Adjusted Budget Including 4th Quarter Adjustments (1) | \$ 267,439,099 | \$ 100,395,350 | \$ (83,293,768) |
| <u>Tideland Oil Revenue (NX 420)</u> | | | |
| Beginning Fund Balance (Per Adopted Budget) | | | \$ 88,233,522 |
| Unreserving/(Reserving) of Restricted Fund Balance | | | - |
| FY 06 Adopted Budget | 113,063,021 | 114,654,185 | 1,591,164 |
| Prior Year Encumbrance/Adjustment to Actuals | | | (30,425,871) |
| Estimated All-years Carryover Budget | - | - | - |
| City Council Approved Adjustments to Date (521/522 and 511) | 160,505,103 | 160,278,860 | - |
| Proposed 4th Quarter Adjustments: | | | |
| Additional Appropriation Due to Oil Price Increase | 102,661,103 | 101,343,330 | (1,317,773) |
| Adjusted Budget Including 4th Quarter Adjustments | 376,229,227 | 376,276,375 | 58,081,042 |

(1) As a matter of practice, the City does not adjust its budget during the fiscal year to make the budget match actual operating experience.

Effect of 4th Quarter Budget Adjustments on Fund Balance

| | <u>Budgeted Expenditure</u> | <u>Budgeted Revenue</u> | <u>Budgeted Fund Balance</u> |
|---|---------------------------------|-----------------------------|----------------------------------|
| <u>Tidelands Fund (TF)</u> | | | |
| Beginning Fund Balance (Per Adopted Budget) | | | \$ 5,712,528 |
| Unreserving/(Reserving) of Restricted Fund Balance | | | 8,738,121 |
| FY 06 Adopted Budget | 100,348,886 | 103,887,547 | 3,538,661 |
| Prior Year Adjustment to Actuals | | | (1,262,338) |
| Estimated All-Years Carryover Budget | 23,362,331 | 17,768,183 | (5,594,148) |
| All-Years Carryover Budget Adjustments | 1,746,773 | 85,059 | (1,661,714) |
| City Council Approved Adjustments to Date (521/522 and 511) | 24,021,160 | 24,237,077 | 215,917 |
| Proposed 4th Quarter Adjustments: | | | |
| CVB Payment | 125,000 | - | (125,000) |
| Adjusted Budget Including 4th Quarter Adjustments | \$ 149,604,150 | \$ 145,977,866 | \$ 9,687,027 |
| <u>Upland Oil Fund Summary (SR 134)</u> | | | |
| Beginning Fund Balance (Per Adopted Budget) | | | \$ 2,363,794 |
| Unreserving/(Reserving) of Restricted Fund Balance | | | (223,045) |
| FY 06 Adopted Budget | 15,975,016 | 16,296,276 | 321,260 |
| Prior Year Encumbrance/Adjustment to Actuals | | | - |
| Estimated All-years Carryover Budget | - | - | - |
| City Council Approved Adjustments to Date (521/522 and 511) | 6,152,792 | 5,547,667 | 321,260 |
| Proposed 4th Quarter Adjustments: | | | |
| Additional Appropriation Due to Oil Price Increase | 4,000,357 | 4,002,778 | 2,421 |
| Adjusted Budget Including 4th Quarter Adjustments | \$ 26,128,165 | \$ 25,846,721 | \$ 2,785,690 |

**General Fund
FY 06 Budget Adjustment Recap**

| | <u>Budgeted Expenditure</u> | <u>Budgeted Revenue</u> | <u>Net Impact</u> |
|--|---------------------------------|-----------------------------|-----------------------|
| <u>Previous City Council Actions</u> | | | |
| Carryover of Prior Year Encumbrances (Beginning Fund Balance is Net of this Amount) | 1,714,554 | | (1,714,554) |
| Engineering Assessment for the Toledo Utility Undergrounding Area | 25,000 | - | (25,000) |
| Increased revenue due to Oil transfer performed during Q2 | | 1,951,791 | 1,951,791 |
| Interest earned on reserved subsidence | | 60,548 | 60,548 |
| Subtotal - Ad Hoc Council Action | 1,739,554 | 2,012,339 | 272,785 |
| <u>Non-City Council Actions</u> | | | |
| Remove Revenue Commitment from Library Services | - | (376,000) | (376,000) |
| Subtotal - Non-Council Action | - | (376,000) | (376,000) |
| <u>1st Quarter Approved Budget Adjustments</u> | | | |
| Reconcile POB allocation expense (CC) | 53,086 | - | (53,086) |
| Additional Police Recruit examination (CS) | 241,040 | - | (241,040) |
| Infrastructure Repair and Maintenance - Sidewalk (FM-XC) | 500,000 | - | (500,000) |
| Firefighter Labor Negotiations Adjustment (FM-XC) | (1,396,413) | - | 1,396,413 |
| Firefighter Labor Negotiations Adjustment (FD) | 1,889,749 | - | (1,889,749) |
| Budget Correction - Jail Medical Program (HE) | (514,769) | - | 514,769 |
| Planning and Building Customer Service Physical Improvements (PB) | 678,000 | - | (678,000) |
| Tough Book MDT for Police Vehicles (PD) | 3,792,975 | 2,902,000 | (890,975) |
| Transfer PD Harbor Patrol from GP to TF (PD) | (1,829,256) | (1,829,256) | - |
| Additional police services for downtown entertainment district (PD) | 905,000 | 1,300,000 | 395,000 |
| Correct expense transfer for City-sponsored parades (PW) | 72,600 | - | (72,600) |
| Citywide Indirect Cost Allocation Adjustment (FM-XI) | (1,490,917) | - | 1,490,917 |
| Citywide Indirect Cost Allocation Adjustment (PB) | 62,221 | - | (62,221) |
| Citywide Indirect Cost Allocation Adjustment (PW) | 1,401,213 | - | (1,401,213) |
| Subtotal - 1st Quarter | 4,364,530 | 2,372,744 | (1,991,786) |
| <u>2nd Quarter Approved Budget Adjustments</u> | | | |
| Library E-rate Program Grant (LS) | 60,000 | 60,000 | - |
| Municipal Band Program (PR) | (273,717) | (360,000) | (86,283) |
| Subtotal - 2nd Quarter | (213,717) | (300,000) | (86,283) |
| <u>3rd Quarter Approved Budget Adjustments</u> | | | |
| Appropriation of Infrastructure Reserve for Street Repairs (PW) | 200,000 | - | (200,000) |
| Subtotal - 3rd Quarter | 200,000 | - | (200,000) |
| <u>4th Quarter Approved Budget Adjustments</u> | | | |
| Fleet, Temps, Technology & Reconfiguration (PB) | 390,000 | - | (390,000) |
| Citywide Gang Task Force (PD) | 150,000 | - | (150,000) |
| Primary Nominating Elections (CC) | 203,000 | - | (203,000) |
| Subtotal - 4th Quarter | 743,000 | - | (743,000) |
| Total FY 06 Budget Adjustments to Date | 6,833,367 | 3,709,083 | (3,124,284) |