



# CITY OF LONG BEACH

# R-16

DEPARTMENT OF FINANCIAL MANAGEMENT

333 West Ocean Boulevard 6<sup>th</sup> Floor • Long Beach, CA 90802

March 17, 2009

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

## RECOMMENDATION:

Receive and File the Fiscal Year 2009 First Quarter Budget Performance Report.  
(Citywide)

## DISCUSSION

This report provides an update on the City's Fiscal Year 2009 (FY 09) budget and operational performance through December 31, 2008. 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, 2008 was \$3.51 billion. With 25 percent of the year complete, expenditure performance in all funds is at approximately 15.1 percent year-to-date. The total adjusted General Fund expenditure budget was \$404.7 million, with budgeted revenue of \$405.1 million. After the first three months of the fiscal year, based on current appropriation authority, overall expenditures are on target, but revenues will fall well short of budgeted expectations. With 25 percent of the fiscal year complete, approximately 22.1 percent of anticipated General Fund revenue has been collected.

## **FY 09 General Fund Revenue**

Given large quarterly payments and proceeds from the annual TRAN issued by the City, received early in the fiscal year, year-to-date General Fund revenue appears close to the expected performance after the first quarter of the year at \$89.6 million, or approximately 22.1 percent of total budget. However, it is expected that Sales & Use Tax, Vehicle License Fees, Business License Taxes, Transient Occupancy Tax, Interest-Pooled Cash, Real Property Transfer Tax, Upland's Oil and other economically sensitive revenues will come in well below budget due to the impact of the current recession. Foreclosures, delinquent payments, and property reassessments due to the decline in the real estate market are expected to negatively impact Secured Property Tax payments growth over the previous

year, hence collections are expected to come in slightly under budget. Current assessments of year-to-date Secured Property Tax collections reveal that the FY 09 budget, with its conservative growth projection over FY 08 performance, may have compensated for the large part of the impact of the initial declines in the real estate market for this fiscal year, with the increased impacts likely to be experienced later in the fiscal year or in FY 10.

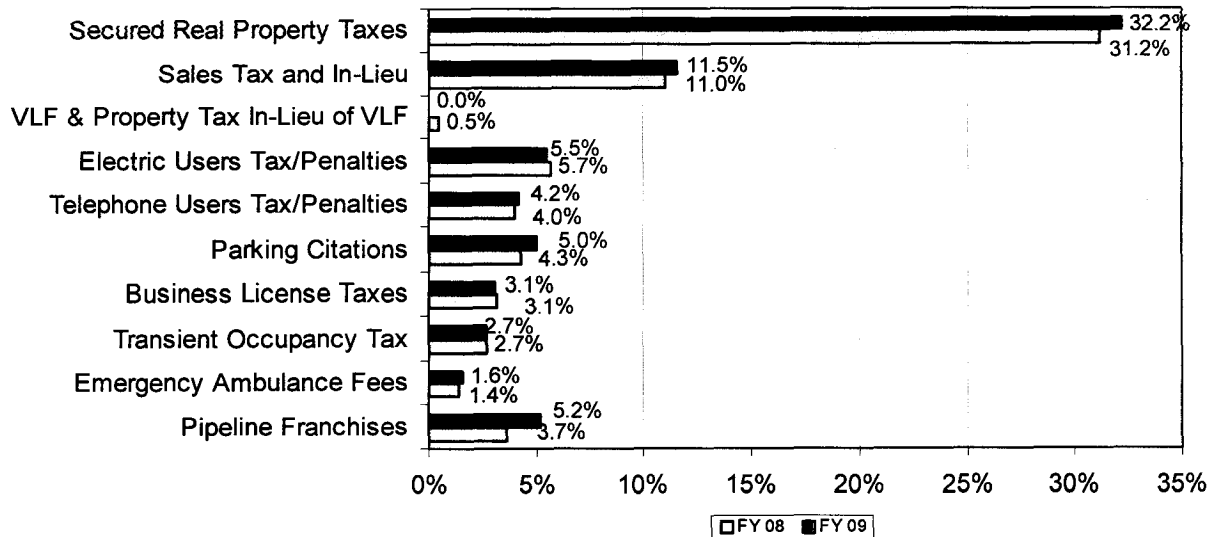
Staff is vigilantly monitoring revenue performance on a weekly basis and modifying forecasts based on evolving economic performance data. Current and projected revenue performance is based upon a variety of factors, and includes both structural and one-time revenues. It's important to note the risks 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, 2008 for selected General Fund revenues.

Revenue Source	FY 09 Adopted Budget	FY 09 YTD Revenue	YTD Rev as % of Adjusted Budget	Notes
Secured Property Tax	\$67,600,000	\$28,228,064	41.8%	The first of seven secured property tax payments from the County was received in December 2008. The payment comprised 40 percent of the County's estimate of the City's annual payment, net of administrative costs charged to the City. Although the payment demonstrated growth over the previous year at this time, foreclosure activities, delinquent payments, and reassessment appeals are expected to impact receipts later in the fiscal year.
Real Property Transfer Tax	\$1,600,000	\$167,577	10.5%	Real Property Tax collections will come in less than in FY 08 and below budget projections due to a reduction in real estate prices. Actual sales activity increased over the same period last year as buyers are taking advantage of price declines.
Sales and Use Tax, (includes the Triple Flip)	\$55,198,211	\$10,095,094	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 4.9 percent growth over the previous year due to payment adjustments and corrections related to prior periods. Actual business activity only reflected 1.3 percent growth. It is anticipated that the year over year growth in future receipts will decline due to the impact of the recession. The first half of the \$15.1 million triple flip backfill payment will post in January, with the second to post in May.
Uplands Oil Transfer	\$18,857,471	\$0	0.0%	Budgeted FY 09 revenue is based on an \$85/bbl oil price assumption. At the end of the first quarter, Wilmington Crude oil priced at \$26.45/bbl, for a YTD average of \$44.69/bbl much lower than budgeted expectations. The first Upland's Oil transfer to the General Fund will take place in the second quarter, with additional transfers to continue on a quarterly basis thereafter. Due to the decline of oil prices, the Upland's Oil Transfer will be approximately \$9.7 million below budget.
Motor Vehicle In-Lieu Tax (VLF), combined with Property Tax In Lieu of VLF	\$40,444,000	\$40,041	0.1%	Payments for VLF are received monthly, while the Property Tax In-Lieu of VLF is received in January and May. Monthly VLF payments are trending much lower than budget due to a sharp decline in State auto sales, and as a result the monthly payments from the State were suspended in November and December. In-Lieu VLF payments may slightly exceed budget because they are based on property assessed valuation growth rather than auto sales.

Revenue Source	FY 09 Adopted Budget	FY 09 YTD Revenue	YTD Rev as % of Adjusted Budget	Notes
Utility Users Tax	\$43,985,757	\$10,593,629	24.9%	Electric UUT collections are trending below budget. A pending Edison rate case with the Public Utilities Commission will most likely not result in the budgeted 6.2 percent rate increase in the second quarter. Telephone UUT collections are expected to come in at budget. The voter-approved telecommunications measure may safeguard collections against year over year declines from price deflation. Natural gas UUT collections are anticipated to come in less than budget due to a decrease in consumption and gas commodity prices. Water UUT collections are trending below budget due to the impact of successful water conservation efforts.
Parking Citations	\$16,654,482	\$4,386,822	26.3%	Parking citation revenue is not expected to meet budgeted expectations. Estimated increases in citation activity from past resource investments were overly optimistic; however, since the consolidation of enforcement services into Public Works, efficacy of enforcement has improved.
Business License Tax	\$11,337,589	\$2,704,335	23.9%	With Long Beach business closures due to the recession, Business Licenses collections are trending under budget.
Emergency Ambulance Fees	\$8,620,000	\$1,404,130	16.3%	Emergency Ambulance Fee collections are currently trending at budget, and above FY 08, due to a fee increase.
Transient Occupancy Tax	\$9,180,000	\$2,348,676	25.6%	The recession has had a negative impact on Long Beach tourism, which has led to declines in room prices and occupancy rates in Long Beach hotels.
Pipeline Franchises	\$8,000,000	\$4,564,812	57.1%	The first quarter franchise payment reflected a significant increase in the cost of transported natural gas, although the volume of gas declined. Pipeline Franchises are expected to perform either at or above 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 09 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 \$89.6 million Total Year-to-Date**



### **FY 09 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 \$6.6 million, followed by the Police Department at \$3.5 million and the Department of Public Works at \$2.5 million. As noted earlier, despite 22 percent of revenue collected, due mostly to payments received during the first quarter, actual revenues are trailing well below budget.

### **FY 09 General Fund Expenditures**

The Adopted General Fund budget for FY 09 was \$403.9 million. As of December 31, 2008, the total adjusted General Fund budget was \$404.7 million, due to carry-over for prior year encumbrances. The overall year-to-date General Fund spending is \$92.8 million, or 22.9 percent of budget, with 25 percent of the Fiscal Year complete. This represents an on-going trend from FY 08 as a result of cost savings measures implemented by the City Manager early in fiscal year 2008. On December 9, 2008, the City Manager issued department-specific savings targets, instituted a hard hiring freeze, reduced limits on Department contracting authority and deferred State-funded Capital projects to ensure the City ends the year in balance.

### **FY 09 General Fund Expenditures by Department**

Though there were few expenditure performance exceptions at the department level, those worth noting include:

- The Police Department is at 22.4 percent of budget. The department has made a concerted effort to limit overtime expenses and has currently spent 30.2 percent or \$2.6 million of its overtime budget, reflecting higher salaries. This same time last year, the department had spent 40.8 percent or \$2.3 million of its budgeted overtime. For FY 09, the Police Department overtime budget was increased by \$3.1 million to more appropriately reflect the level of resources required.

**Exhibit 2 – Largest FY 09 General Fund Expenditures Year-to-Date by Department, as a Percentage of the \$92.8 million Total Expenditures.**

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

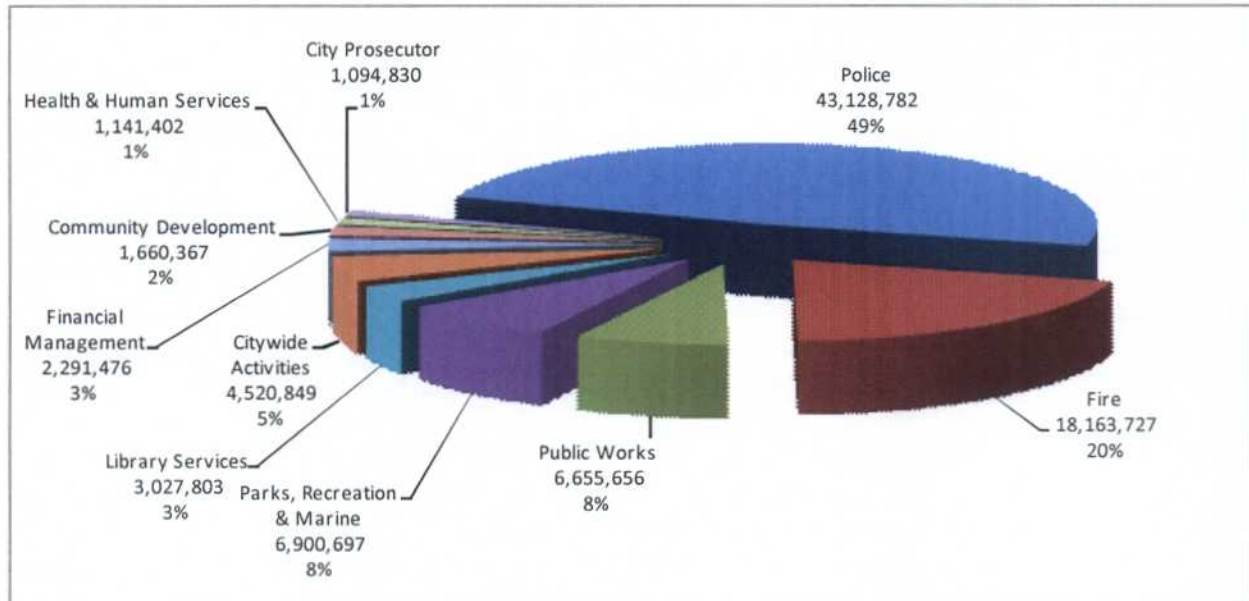


Exhibit 2 shows the City's top 10 General Fund year-to-date expenditures by department. In aggregate, the Top 10 represents \$88.6 million or 95.5 percent of General Fund expenditures. The majority of General Fund expenditures comprise public safety services. Of the \$92.8 million expended to date, the Police Department (49 percent) and Fire Department (20 percent) comprise 69 percent of the total General Fund year-to-date expenditures, compared to 66 percent of the budget at the same time last year. Attachment C provides a listing of all departments' year-to-date General Fund expenditure performance.

**FY 09 Expenditure Performance – All Funds**

The City's Adopted FY 09 Budget for all funds includes \$3.1 billion of annual funds, carryover (multi-year grants and capital projects funds) of \$386.4 million, prior year encumbrances (goods and services ordered in FY 08 but received in FY 09), and City Council approved budget amendments. Combined, the total Adjusted City Budget as of December 31, 2008 was \$3.51 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 15.1 percent year-to-date. This includes the Harbor and Redevelopment Funds currently performing at 8.2 percent and 17.3 percent, respectively.

## **Other Significant Issues**

### State Budget Impacts

Long Beach's financial outlook is influenced by multiple factors, including national and local economic trends. The State of California is in the midst of addressing its serious cashflow and budgetary issues which have already affected funding intended for local government. The previous modest growth experienced in personal income just a year ago has been replaced with unemployment reaching 10.1 percent in the state largely due to a loss in jobs in the housing and financial sectors. During the remainder of FY 09, California may continue to experience declines in home sales and new construction and an increase in the number of foreclosures resulting from the national and regional housing slump related to the subprime mortgage crisis.

Despite the protections that local governments were afforded in the Proposition 1A constitutional amendment, the State still has the ability to borrow property tax, gasoline tax and State grant funds, which will impact Long Beach's key General Fund and grant revenues in FY 09 and beyond. Not only has the State stated it will delay gasoline tax payments, and other AB 55 Loan Disbursements Funds, but it may still borrow gasoline tax funds and repay the City over three years. While these revenue sources can only be borrowed twice in ten years and must be paid back with interest within three years, even the temporary loss of these revenue streams would significantly impact the City's ability to provide core services. Redevelopment funds are not protected by Proposition 1A provisions and \$6 million was shifted to the State in FY 09, thereby directing yet another revenue source away from the City. The Department of Financial Management is closely monitoring the implementation of the State budget, as several proposals requiring voter approval are necessary to balance the budget.

### Proposition H Funding

On May 1, 2007, the voters approved a special tax of 25 cents on every barrel of oil produced to be used specifically for police officers and firefighters known as the Police and Fire Public Safety Oil Production Tax (Prop H). In FY 09, \$3.8 million in expected revenue supported an equal amount of new appropriation in the Adopted Budget. Given the precipitous decline in the price of oil during the first quarter of the fiscal year, the operators of Long Beach's oil fields have implemented plans to scale back their oil production activities.

While the first quarter production exceeded expectations, production declines are expected starting in the second quarter, decreasing Prop H funding by \$191,000 in FY 09. 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.

### FY 09 General Fund Savings Targets

In light of the economic challenges and State budget issues, the City has implemented tighter fiscal controls to manage department budgets and ensure that the General Fund remains in balance. On December 9, 2008, the City Manager transmitted FY 09 General

Fund operational Savings Targets to departments including some related funds, ranging from 1-3 percent, to generate \$6 million in savings for FY 09. This is in addition to the 2.25 percent Attrition Savings built into each department's adopted budget. Realization of these savings is essential to maintaining fiscal balance and mitigating the possible impacts of the State's fiscal emergency described above, among other factors.

Since those targets were assigned, the General Fund revenue outlook has worsened. Current estimates to close indicate a \$19.2 million loss of General Fund revenue for FY 09. Given the worsening fiscal condition, and the negative budgetary outlook for FY 10 and beyond, the City Manager has begun a more aggressive budget balancing approach, as discussed with the City Council at the March 3, 2009 Special Meeting on the budget.

The new approach increased the department savings targets to 2-6 percent, or \$12 million. The program and service reductions made to achieve this target must be structural in nature. While one-time savings are also welcome, it is important that the City begin to address its multi-year budgetary shortfalls. With only seven months of the fiscal year remaining at the time of this writing, it is expected that approximately \$9 million will be saved in FY 09. In addition, the \$12 million in structural budget reductions will apply to the FY 10/FY 11 budget reductions required to adopt a structurally balanced budget.

#### Employee Furlough or Alternate Savings

Another critical budget balancing strategy is to work with employee unions to reduce the cost of employee compensation and benefits. The City Manager has the authority to implement an employee furlough; however, he has chosen to engage in a dialogue with each union to determine if savings equaling a 5-day (40-hour) furlough can be generated in FY 09 through alternate approaches. The City Manager expects all employee unions and employees to participate, generating \$4 million in General Fund savings for FY 09. The Director of Human Resources will conclude meetings with the unions in the short-term. The City Council will be kept informed of the options and implementation.

#### Other FY 09 Budget Balancing Strategies

As approved by the City Council, all unbudgeted one-time monies will be deposited into a Budget Stabilization Fund (BSF). To date, the \$6 million Sempra settlement and \$3 million of FY 08 ending fund balance have been deposited into the BSF. The BSF will be maintained to the greatest extent possible to address contingencies that may arise during the fiscal year.

On December 9, 2008 the City Manager instituted a hard hiring freeze. Departments are asked to limit their hiring to essential personnel for core services, ensuring that delivery of life and safety services are not impacted. The City has also begun to limit the number of new, outside hires, as appropriate, to maximize existing employees as the organization prepares for budget reductions.

In addition to the enhanced oversight of City purchases, departmental authority to issue contracts without City Manager approval has been lowered by 50 percent. City Manager approval is now required for purchases above \$25,000 where \$50,000 was the previous threshold.

### **Conclusion**

Numerous financial constraints continue to challenge the City's ability to end the fiscal year in balance, especially in the General Fund. These include revenues impacted by the slowing national and regional economy, forthcoming solutions to the State's current year budget deficit, and certain departmental expenditure trends that will exceed the adopted budget. These challenges make it imperative that we maintain a firm position of fiscal restraint. Realigning resources to provide core services will take much sacrifice on the part of the community and workforce, as substantial current year and future service reductions will have a direct impact on City employees as well as the community members accustomed to a certain level of public services from the City.

### 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

APPROVED:

  
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PATRICK H. WEST  
CITY MANAGER



**December 2008**  
**General Fund Revenue (Top 40)**  
**Fiscal Year 2009**  
**(25.0% of Year Completed)**

Attachment A

TOP 40 GENERAL FUND REVENUES	FY 08 Year End Actuals	FY 08 December YTD	FY 09 December YTD	FY 09 December YTD Over/(Under) FY 08 December YTD	% of FY 09 Adj Budget	FY 09 Adjusted Budget
SECURED REAL PROPERTY TAXES <sup>1</sup>	\$ 65,417,653	\$ 27,330,299	\$ 28,228,064	\$ 897,765	41.8%	\$ 67,600,000
CITY SALES AND USE TAX & IN-LIEU SALES AND USE TAX <sup>2</sup>	52,792,453	9,624,595	10,095,094	470,499	18.3%	55,198,211
VEHICLE LICENSE FEE & PROPERTY TAX IN-LIEU OF VLF <sup>3</sup>	39,393,475	425,444	40,041	(385,403)	0.1%	40,444,000
ELECTRIC USERS TAX & PENALTIES	17,663,613	4,982,593	4,819,156	(163,437)	26.1%	18,479,500
PARKING CITATIONS	14,086,162	3,751,012	4,386,822	635,810	26.3%	16,654,482
TELEPHONE USERS TAX & PENALTIES	14,633,115	3,542,409	3,684,198	141,789	24.7%	14,943,000
PIPELINE FEES	11,411,785	2,260,965	2,386,398	125,433	19.9%	12,013,564
BUSINESS LICENSE TAXES <sup>4</sup>	11,300,759	2,747,240	2,704,335	(42,905)	23.9%	11,337,589
TRANSIENT OCCUPANCY TAX <sup>5</sup>	9,108,780	2,370,963	2,348,676	(22,287)	25.6%	9,180,000
EMERGENCY AMBULANCE FEES <sup>6</sup>	8,348,777	1,196,561	1,404,130	207,568	16.3%	8,620,000
PIPELINE FRANCHISES <sup>7</sup>	11,901,157	3,216,888	4,564,812	1,347,924	57.1%	8,000,000
ELECTRIC COMPANY FRANCHISES	6,202,407	1,959,890	1,903,560	(56,331)	27.6%	6,897,000
PRIOR YEAR SECURED REAL PROPERTY TAXES <sup>8</sup>	6,037,846	1,640,293	1,527,382	(112,911)	26.3%	5,814,000
GAS USERS TAX & PENALTIES	5,777,714	1,163,127	1,243,875	80,748	22.2%	5,604,450
CHARGES FOR SPECIAL SERVICES <sup>9</sup>	4,298,330	112,001	89,727	(22,274)	1.7%	5,292,840
INTEREST-POOLED CASH <sup>10</sup>	5,830,484	1,307,502	760,073	(547,428)	15.5%	4,888,000
AMERICAN GOLF LEASE <sup>11</sup>	4,729,547	1,074,601	882,136	(192,465)	19.4%	4,550,000
VEHICLE CODE FINES <sup>12</sup>	3,087,569	544,877	676,503	131,627	15.5%	4,367,891
OTHER DEPT SVCS TO PROPRIETARY FUNDS	3,668,847	306,419	494,105	187,685	12.0%	4,124,278
WATER USERS TAX & PENALTIES	3,048,960	771,349	846,400	75,051	23.7%	3,565,000
MISC REFUNDS & REIMB	9,226,607	600,317	876,912	276,596	26.0%	3,377,959
LAND,BLDG,R/W,EASEMENT,APT RENTALS	3,543,440	713,740	607,138	(106,603)	18.3%	3,310,000
CIP-ENGINEERING CHARGES <sup>9</sup>	2,717,491	(17,380)	118,944	136,324	3.8%	3,150,000
REDEV. REIMB.-NORTH LB <sup>9</sup>	2,231,926	-	-	-	0.0%	2,533,870
CITY/MISC/BOND REFI ADVANCES <sup>13</sup>	1,295,424	104,763	1,914,631	1,809,868	83.2%	2,300,000
OIL PRODUCTION TAX <sup>14</sup>	2,151,968	518,360	497,349	(21,011)	22.1%	2,250,000
MISC REVENUE FROM OTHER AGENCIES <sup>9</sup>	811,674	32,227	10,056	(22,172)	0.6%	1,709,082
REAL PROPERTY TRANSFER TAX <sup>15</sup>	1,196,023	193,296	167,577	(25,719)	10.5%	1,600,000
OFF-STREET PARKING <sup>16</sup>	1,141,686	314,294	91,563	(222,731)	6.6%	1,394,128
ASSET MANAGEMENT CHARGES	1,210,152	302,538	327,993	25,455	26.6%	1,232,350
METERED/OTHER PARKING	1,128,409	267,234	277,923	10,689	21.6%	1,289,000
FIRE INSPECTION FEES	1,087,692	287,847	346,326	58,480	29.9%	1,157,000
OTHER DEPT CHGS TO GOVT'L FUNDS	1,096,208	219,132	276,527	57,395	24.7%	1,121,616
FACILITY RENTAL	782,703	174,736	245,269	70,533	24.1%	1,016,207
FIRE PLAN CHECK FEES <sup>17</sup>	1,297,269	315,493	460,265	144,772	45.7%	1,008,000
INTANGIBLE PERSONAL PROPERTY TAXES	1,202,842	385,808	219,114	(166,694)	21.9%	1,000,000
HARBOR-POLICE <sup>9</sup>	631,155	-	-	-	0.0%	991,596
FALSE ALARM REVENUE	582,111	109,799	207,374	97,574	21.2%	978,762
REDEV. REIMB.-CENTRAL <sup>9</sup>	1,003,494	-	-	-	0.0%	959,018
TRANSFERS FROM OTHER FUNDS <sup>18</sup>	42,837,676	9,477,668	4,702,297	(4,775,371)	10.3%	45,671,822
SUBTOTAL TOP 40 GENERAL FUND REVENUES	375,915,385	84,328,902	84,432,747	103,845	21.9%	385,624,215
SUBTOTAL ALL OTHER REVENUES	24,340,001	3,219,454	5,128,277	1,908,824	26.4%	19,444,897
TOTAL	\$ 400,255,385	\$ 87,548,355	\$ 89,561,025	\$ 2,012,669	22.1%	\$ 405,069,112

Notes:  
See next page

**December 2008**  
**General Fund Revenue (Top 40)**  
**Fiscal Year 2009**  
**(25.0% of Year Completed)**

Attachment A

**Notes:**

<sup>1</sup> The City received its first property tax distribution from the County in December. The payment comprised 40 percent of the County's estimate of the City's annual payment, net of administrative costs charged to the City. Although the payment demonstrated growth over the previous year at this time, foreclosure activities, delinquent payments, and reassessment appeals are expected to negatively impact receipts later in the fiscal year.

<sup>2</sup> First quarter sales tax receipts, representing summer sales activity, demonstrated 4.9 percent growth over the previous year due to payment adjustments and corrections related to prior periods. Actual business activity only reflected 1.3 percent growth. It is anticipated that the year over year growth in future receipts will decline due to the impact of the recession. The first half of the \$15.1 million triple flip backfill payment will post in January, with the second to post in May.

<sup>3</sup> Monthly Vehicle License Fee payments are trending much lower than budget due to a sharp decline in State auto sales. Monthly payments from the State were suspended in November and December due to a significant decline in State auto sales. Property Tax In-Lieu payments will still post in January and May.

<sup>4</sup> With Long Beach business closures due to the recession, Business Licenses collections will decline below budget.

<sup>5</sup> The recession has negatively impacted Long Beach tourism, which has led to declines in room prices and occupancy rates at Long Beach hotels.

<sup>6</sup> The notable increase in revenue over the previous year is due to a fee increase.

<sup>7</sup> The first quarter franchise payment reflected a significant increase in the cost of transported natural gas, although the volume of gas declined. Pipeline Franchises are expected to perform either at or above budget, depending on fluctuations in gas costs and the volume of the demand from Long Beach electric generation plants.

<sup>8</sup> Although delinquent property tax payments will increase, supplemental property tax payments related to transfers of ownership and new construction will decline substantially leading to below budget performance.

<sup>9</sup> Revenues to be received in future installments.

<sup>10</sup> Interest earnings from pooled cash will come in below budget due to interest rate declines in the financial market.

<sup>11</sup> American Golf receipts are coming in lower than expected at this time of the year due to rainy weather and overall reduced play.

<sup>12</sup> Though current year-to-date revenue performance is above that in FY 08, pending accounting adjustments will reduce receipts.

<sup>13</sup> A \$1.9 million principal payment toward the Central Long Beach Project Area debt obligation to the the General Fund posted in December.

<sup>14</sup> As oil field operators reduce expenses and investments, and thus production, in order to maintain positive cash flow in an energy market with lower oil prices, the Oil Production Tax will continue to demonstrate year over year declines.

<sup>15</sup> Real Property Tax collections will come in less than in FY 08 and below budget due to a reduction in real estate prices. Actual sales activity increased over the same period last year as buyers are taking advantage of price declines.

<sup>16</sup> Parking revenues from City Place garages has declined due to venue closures.

<sup>17</sup> Current year-to-date performance is greater than in the previous year due to variations in the timing and size of development projects.

<sup>18</sup> The first installments of the quarterly transfers into the General Fund will not take place until the second quarter.

**December 2008**  
**Revenue Analysis by Department**  
**General Fund - Fiscal Year 2009**  
**(25.0% of Year Completed)**

Attachment B

Department	FY 09 Adopted Budget	Amendments <sup>1</sup>	Adjusted Budget	Year-to-Date Actuals	Remaining	% Received
Mayor and City Council	\$ -	\$ -	\$ -	\$ -	\$ -	-
City Attorney	250	-	250	-	250	-
City Auditor	-	-	-	225	(225)	-
City Clerk	126,743	-	126,743	6,775	119,968	5.3%
City Manager	-	-	-	240	(240)	-
City Prosecutor	-	-	-	3,526	(3,526)	-
Civil Service	-	-	-	-	-	-
Community Development <sup>2</sup>	6,209,256	(75,000)	6,134,256	744,434	5,389,822	12.1%
Citywide Activities	311,331,098	-	311,331,098	71,533,187	239,797,911	23.0%
Development Services	1,023,556	-	1,023,556	229,997	793,559	22.5%
Financial Management <sup>3</sup>	20,451,380	-	20,451,380	6,652,863	13,798,517	32.5%
Fire <sup>4</sup>	11,562,900	-	11,562,900	2,398,321	9,164,579	20.7%
Health and Human Services <sup>5</sup>	1,741,193	-	1,741,193	231,203	1,509,990	13.3%
Human Resources	-	-	-	-	-	-
Library Services	581,617	-	581,617	84,174	497,443	14.5%
Parks, Recreation & Marine	9,163,158	-	9,163,158	1,724,743	7,438,415	18.8%
Police <sup>6</sup>	17,657,934	-	17,657,934	3,464,147	14,193,787	19.6%
Public Works <sup>7</sup>	25,220,027	75,000	25,295,027	2,487,189	22,807,838	9.8%
<b>TOTAL</b>	<b>\$ 405,069,112</b>	<b>\$ -</b>	<b>\$ 405,069,112</b>	<b>\$ 89,561,025</b>	<b>\$ 315,508,087</b>	<b>22.1%</b>

**Notes:**

<sup>1</sup> Amendments reflect budget adjustments during the fiscal year.

<sup>2</sup> Revenues for Off-Street Parking have not posted to date.

<sup>3</sup> The Parking Citation revenue is overstated because only partial allocation to the departments has posted.

<sup>4</sup> Reimbursements from Long Beach City College and Wildland Fires will be realized later in the year.

<sup>5</sup> Revenue related to the Animal Care Bureau is received later in the year.

<sup>6</sup> Revenue for contracts with the Airport, LBCC, Harbor, LB Transit, etc. have not been transferred.

<sup>7</sup> Revenue for CIP Engineering charges and work order charges will be received later in the year.

**December 2008**  
**Expenditure Analysis by Department**  
**General Fund - Fiscal Year 2009**  
**(25.0% of Year Completed)**

Attachment C

Department	FY 09 Adopted Budget	Amendments <sup>1</sup>	Adjusted Budget	Year-to-Date Actuals <sup>2</sup>	Remaining	% Spent
Mayor and City Council	\$ 5,032,840	\$ 33,024	\$ 5,065,864	\$ 1,069,233	\$ 3,996,631	21.1%
City Attorney	2,989,841	4,818	2,994,659	749,730	2,244,929	25.0%
City Auditor	2,289,732	38,556	2,328,287	438,311	1,889,976	18.8%
City Clerk	3,713,740	72,528	3,786,267	596,230	3,190,037	15.7%
City Manager	3,031,422	18,617	3,050,039	666,964	2,383,075	21.9%
City Prosecutor	5,058,303	-	5,058,303	1,094,830	3,963,473	21.6%
Civil Service	2,188,600	419	2,189,019	436,885	1,752,133	20.0%
Community Development <sup>3</sup>	5,589,855	215	5,590,070	1,660,367	3,929,703	29.7%
Citywide Activities	20,264,581	23,307	20,287,889	4,520,849	15,767,039	22.3%
Development Services <sup>4</sup>	1,895,586	-	1,895,586	302,185	1,593,401	15.9%
Financial Management	10,696,938	134,817	10,831,755	2,291,476	8,540,279	21.2%
Fire	73,187,088	75,271	73,262,359	18,163,727	55,098,632	24.8%
Health and Human Services	5,317,374	4,972	5,322,346	1,141,402	4,180,944	21.4%
Library Services	12,999,778	66,124	13,065,902	3,027,803	10,038,099	23.2%
Parks, Recreation & Marine <sup>5</sup>	25,673,507	223,542	25,897,048	6,900,697	18,996,352	26.6%
Police	192,805,368	-	192,805,368	43,128,782	149,676,586	22.4%
Public Works	31,244,197	44,382	31,288,579	6,655,656	24,632,922	21.3%
<b>TOTAL</b>	<b>\$ 403,978,750</b>	<b>\$ 740,590</b>	<b>\$ 404,719,339</b>	<b>\$ 92,845,128</b>	<b>\$311,874,211</b>	<b>22.9%</b>

**Notes:**

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

<sup>2</sup> As of December 31, 2008, 22.22 percent of payrolls are posted with 25.0 percent of the year complete.

<sup>3</sup> Citywide Activities include debt service payments, as well as interdepartmental transfers made at the beginning of the fiscal year, including transfers to the Capital Improvement Fund for sidewalk repairs and departmental capital projects.

<sup>4</sup> Starting in FY 09 the Redevelopment Bureau moved from Community Development to Development Services. The CityPlace Parking garage, within the Redevelopment Bureau transferred prior year invoices to Community Development bringing down the YTD actuals.

<sup>5</sup> Expenditures are higher to date than in FY 08 due to annual contract related payments made earlier in the year.

December 2008  
Expenditure Analysis by Fund  
Fiscal Year 2009  
(25.0% of Year Completed)

Attachment D

Fund	FY 09 New Allocation	Estimated All-Years Carryover <sup>1</sup>	FY 09 Adopted Appropriation	Amendments <sup>2</sup>	Adjusted Budget	Year-to-date Actuals	Remaining	% Spent
<b>Funds with All Years Carryover</b>								
Airport	\$34,918,652	\$49,936,534	\$84,855,186	\$0	\$84,855,186	\$6,241,360	\$78,613,825	7.4%
Business Assistance	1,214,532	(290,410)	924,122	-	924,122	145,187	778,935	15.7%
Capital Projects	10,790,141	56,052,020	66,842,161	4,000,000	70,842,161	2,748,329	68,093,832	3.9%
Civic Center	1,644,585	3,334,304	4,978,889	961	4,979,850	(58,691)	5,038,541	-1.2%
Community Development Grants	26,749,523	38,729,370	65,478,894	5,070,310	70,549,204	5,623,995	64,925,209	8.0%
Fleet Services	36,339,357	354,351	36,693,707	2,674,468	39,368,175	7,370,542	31,997,634	18.7%
Gas	144,834,502	2,953,060	147,787,562	79,869	147,867,431	25,643,935	122,223,496	17.3%
Gasoline Tax Street Improvement	17,354,032	16,093,345	33,447,377	-	33,447,377	1,871,877	31,575,500	5.6%
General Grants	6,657,583	13,550,650	20,208,234	521,720	20,729,954	2,315,467	18,414,487	11.2%
General Services	36,876,801	840,016	37,716,817	99,278	37,816,096	7,218,142	30,597,953	19.1%
Harbor	1,020,678,713	-	1,020,678,713	-	1,020,678,713	84,149,829	936,528,884	8.2%
Health	44,918,181	37,616,987	82,535,167	13,792	82,548,959	7,607,951	74,941,008	9.2%
Housing Authority	67,457,618	752,172	68,209,790	-	68,209,790	16,868,385	51,341,405	24.7%
Housing Development	26,704,716	74,353,480	101,058,195	21,196	101,079,391	3,259,093	97,820,299	3.2%
Insurance	36,371,584	-	36,371,584	27,193	36,398,777	7,431,030	28,967,748	20.4%
Police & Fire Public Safety Oil Production Act	4,756,444	-	4,756,444	-	4,756,444	392,585	4,363,859	8.3%
Redevelopment	142,465,986	39,656,683	182,122,669	265	182,122,934	31,561,869	150,561,065	17.3%
Refuse/Recycling	49,584,535	71,870	49,656,405	67,035	49,723,440	7,760,037	41,963,403	15.6%
SERRF	55,212,970	-	55,212,970	456	55,213,426	18,413,211	36,800,215	33.3%
Sewer	17,941,697	-	17,941,697	-	17,941,697	3,065,600	14,876,096	17.1%
Tidelands Operating	134,673,877	23,645,911	158,319,788	374,972	158,694,759	24,494,646	134,200,114	15.4%
Transportation	16,922,674	28,712,124	45,634,798	7,478,092	53,112,890	3,776,874	49,336,016	7.1%
Water	87,495,696	-	87,495,696	-	87,495,696	17,172,942	70,322,754	19.6%
<b>SUBTOTAL</b>	<b>\$ 2,022,564,398</b>	<b>\$ 386,362,466</b>	<b>\$ 2,408,926,865</b>	<b>\$ 20,429,607</b>	<b>\$ 2,429,356,471</b>	<b>\$ 285,074,194</b>	<b>\$ 2,144,282,277</b>	<b>11.7%</b>
<b>Funds Without All Years Carryover</b>								
General	\$ 403,978,750	\$ -	\$ 403,978,750	\$ 740,590	\$ 404,719,339	\$ 92,845,128	\$ 311,874,211	22.9%
Belmont Shore Parking Meter	669,532	-	669,532	-	669,532	74,895	594,637	11.2%
Certified Unified Program Agency (CUPA)	1,294,779	-	1,294,779	-	1,294,779	264,252	1,030,527	20.4%
Employee Benefits	227,098,045	-	227,098,045	33,526	227,131,571	46,855,456	180,276,116	20.6%
Development Services	13,839,827	-	13,839,827	31,889	13,871,716	3,171,526	10,700,190	22.9%
Park Development	1,057,653	-	1,057,653	-	1,057,653	11,379	1,046,274	1.1%
Parking & Business Area Improvement	7,031,088	-	7,031,088	1,144	7,032,232	800,820	6,231,412	11.4%
SERRF JPA	11,394,998	-	11,394,998	-	11,394,998	-	11,394,998	-
Special Advertising & Promotion	6,938,289	-	6,938,289	58,919	6,997,209	2,684,295	4,312,914	38.4%
Tideland Oil Revenue	363,188,961	-	363,188,961	34,096	363,223,057	96,130,998	267,092,059	26.5%
Towing	9,825,615	-	9,825,615	670	9,826,285	1,393,683	8,432,602	14.2%
Upland Oil	28,650,709	-	28,650,709	-	28,650,709	1,465,293	27,185,416	5.1%
<b>SUBTOTAL</b>	<b>\$ 1,074,968,248</b>	<b>\$ -</b>	<b>\$ 1,074,968,248</b>	<b>\$ 900,833</b>	<b>\$ 1,075,869,081</b>	<b>\$ 245,697,725</b>	<b>\$ 830,171,356</b>	<b>22.8%</b>
<b>TOTAL - All Funds</b>	<b>\$ 3,097,532,646</b>	<b>\$ 386,362,466</b>	<b>\$ 3,483,895,113</b>	<b>\$ 21,330,440</b>	<b>\$ 3,505,225,553</b>	<b>\$ 530,771,919</b>	<b>\$ 2,974,453,634</b>	<b>15.1%</b>

**Notes:**

<sup>1</sup> Estimated All-Years Carryover is composed of multi-year grants and Capital Improvement Program (CIP) funds; unspent amounts are carried over to future years.

<sup>2</sup> Amendments reflect budget adjustments approved by the City Council during the fiscal year including All-Years Carryover Budget Adjustments.