



## Legislation Details (With Text)

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<b>Title:</b>	Recommendation to approve the Fiscal Year 2015 first departmental and fund budget appropriation adjustments in accordance with existing City Council policy. (Citywide)				
<b>Sponsors:</b>	Financial Management				
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Date	Ver.	Action By	Action	Result
2/10/2015	1	City Council	approve recommendation	Pass

### Recommendation to approve the Fiscal Year 2015 first departmental and fund budget appropriation adjustments in accordance with existing City Council policy. (Citywide)

On September 2, 2014, the City Council adopted the Appropriations Ordinance governing the City's Adopted Budget for Fiscal Year 2015 (FY 15). 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 throughout the year to the City Council for consideration. Please see Attachment A for a Summary of Proposed Adjustments of impacted City funds and Attachment B for a recap of FY 15 General Fund Expenditure Budget Adjustments.

This matter was reviewed by Deputy City Attorney Amy R. Webber on January 27, 2015.

The following requests for adjustments to FY 15 departmental and fund appropriations are necessary to reflect changes in operating conditions. City Council action is requested on February 10, 2015 to enable the timely processing of payments.

### FY 15 Appropriation Adjustments

#### City Prosecutor

*Increase appropriations by \$37,500 in the General Fund (GF) and in the City Prosecutor Department (CP) from FY 14 year-end savings for the Truancy Intervention Program, which targets truant students in grades K - 8.*

On September 2, 2014, the City Council adopted the FY15 budget which allowed the City Prosecutor Department's FY 14 General Fund year-end surplus to be appropriated in FY 15 and used for the Truancy Intervention Program and for high speed copying and scanning equipment. The high speed copying and scanning equipment was ordered at the end of FY 14 and the funds were encumbered, which means a new appropriation is no longer needed. The Department's General Fund FY 14 year-end surplus is sufficient to allow for the appropriation of funds for the unbudgeted Truancy Intervention Program. Funding will support case management and research for the City Prosecutor's intervention programs targeting truant students in grades K - 8.

## Development Services

*Increase appropriations in the General Fund (GF) in the Development Services Department (DV) by \$45,184 from the First Council District's FY 14 budget savings for new neighborhood/street banners and neighborhood/community events.*

These funds must be spent in FY 15; any amount not spent in FY 15 will become part of General Fund surplus and will no longer be available for this purpose.

*Increase appropriations in the General Fund (GF) in the Development Services Department (DV) by \$2,034 from the Second Council District's FY 14 budget savings for neighborhood and community events.*

These funds must be spent in FY 15; any amount not spent in FY 15 will become part of General Fund surplus and will no longer be available for this purpose.

*Increase appropriations in the General Fund (GF) in the Development Services Department (DV) by \$4,000 from the Third Council District's FY 14 budget savings for neighborhood and community events.*

These funds must be spent in FY 15; any amount not spent in FY 15 will become part of General Fund surplus and will no longer be available for this purpose.

## Library

*Increase appropriations in the General Fund (GF) in the Library Services Department (LS) by \$30,000 from City Council non-recurring funds for a pilot program for Sunday hours at the Bay Shore Library.*

The Bay Shore Neighborhood Library will conduct a six-month pilot program to determine the demand for library services on Sundays. The library will open to the public on Sundays from 12:00 p.m to 4:00 p.m. The program will start in February using funds from the Third Council District's City Council non-recurring funds. This allocation is part of the \$50,000 programming cap on City Council non-recurring funds.

## Parks, Recreation and Marine

*Increase appropriations in the General Fund (GF) in the Department of Parks, Recreation and Marine (PR) by \$2,229 from the Second Council District's FY 14 budget savings to support a Heritage Picnic in Bixby Park.*

These funds must be spent in FY 15; any amount not spent in FY 15 will become part of General Fund surplus and will no longer be available for this purpose.

*Increase appropriations in the General Fund (GF) in the Department of Parks, Recreation and Marine (PR) by \$4,167 from the Third Council District's FY 14 budget savings for Tree Planting and other Park Improvements.*

These funds must be spent in FY 15; any amount not spent in FY 15 will become part of General Fund surplus and will no longer be available for this purpose

*Increase appropriations in the General Fund (GF) in the Department of Parks, Recreation and Marine (PR) by \$4,363 from the Sixth Council District's FY 14 budget savings for expenses related to the Martin Luther King, Jr. Peace & Unity Parade Celebration.*

These funds must be spent in FY 15; any amount not spent in FY 15 will become part of General Fund surplus and will no longer be available for this purpose

*Increase appropriations in the General Fund (GF) in the Department of Parks, Recreation and Marine (PR) by \$27,996 from the Eighth Council District's FY 14 budget savings for the Be SAFE Program at Scherer Park and the P.E.A.C.E. Basketball League in the Eight District.*

These funds must be spent in FY 15; any amount not spent in FY 15 will become part of General Fund surplus and will no longer be available for this purpose.

## Police

*Increase appropriations in the Debt Service Fund (DS) in the Police Department (PD) by \$109,544 from a Police Department General Fund budget for the lease financing of taser equipment.*

On August 12, 2014, the City Council authorized the lease financing of taser equipment for the Police Department. The purchase of tasers is a debt service transaction. The annual debt service payment of \$109,544 is currently unbudgeted in the Debt Service Fund (DS). The increased appropriation in DS will be offset by revenue from the existing General Fund taser budget in the Police Department.

*Increase appropriations in the General Grants Fund (SR 120) in the Police Department (PD) by \$214,252 from the State COPS grant for a Deputy Probation Officer and DNA Criminalist.*

The Police Department received a total of \$804,253 for grant year 2014 from the State of California Citizens Option for Public Safety Program funding from the County of Los Angeles Supplemental Law Enforcement Services Fund (State COPS). \$590,001 was previously appropriated. The remaining \$214,252 will be used for funding of a specially trained and selected Deputy Probation Officer (DPO) assigned by the County of Los Angeles, from their Specialized Enforcement Operations division, to provide enhanced probation services to Long Beach and a full-time DNA trained Senior Criminalist (DNA Criminalist) provided by the County of Los Angeles Sheriff's Department (LASD) to complete the LBPD's DNA cases, with all relevant work performed in the LASD's Scientific Services Bureau Crime Laboratory.

*Increase appropriations in the General Grants Fund (SR 120) in the Police Department (PD) by \$595,566 offset by funds from the City of Gardena for Realignment on local probationers.*

For FY 15, the Police Department received \$595,566 from the City of Gardena [serving as the fiduciary agent on behalf of the State of California Board of State and Community Corrections (BSCC)] to fund activities related to Assembly Bill (AB) 109 and AB 117 commonly known as "Realignment". Funding is to be used to assist with the impacts of Realignment. Funds received will be used for straight time and overtime, investigative work and training to identify and prioritize compliance checks on local probationers.

## Public Works

*Increase appropriations in the Gas Tax Street Improvement Fund (SR 181) in the Public Works Department (PW) by \$1,400,000 from funds available for Federal grant match requirements and emergency repairs.*

The City receives gasoline tax funds apportioned under the State Streets and Highways codes for street rehabilitation and improvements. During the annual budget process, the City appropriates eligible capital projects based on estimates provided by the State. In past years, the City's gas tax revenues have exceeded estimates. The increased appropriation of \$1,400,000 is needed to expend the additional revenues previously received.

*Increase appropriations in the Capital Projects Fund (CP) in the Public Works Department (PW) by \$165,000 from 6<sup>th</sup> and Pine Development, LLC contribution revenue for Pine Avenue off-site improvements.*

The Public Works Department received a contribution of \$165,000 from 6th and Pine Development, LLC to fund additional Pine Avenue off-site improvements along the north side of 6th Street, east side of Pine Avenue, and south side of 7th Street adjacent to the Meeker-Baker Building. This will also include a full sidewalk removal and replacement along Pine Avenue and 6<sup>th</sup> Street.

*Increase appropriations in the General Fund (GF) in the Public Works Department (PW) by \$100,000 from City Council non-recurring funds to support early action community services related to the Uptown Property and Business Improvement District (UPBID) in the Ninth Council District.*

This is a necessary re-appropriation of these funds in FY 15 to complete the previously authorized project.

*Increase appropriations in the Capital Projects Fund (CP) in the Public Works Department (PW) by \$100,000 from funds available to complete electrical system upgrades at branch libraries.*

This appropriation completes the funding necessary for the electrical systems upgrade at nine branch libraries to provide

laptop tables for the public's use. Upgrades will ensure that systems are able sustain additional electrical loads and that power is supplied to areas where patrons need it most. Funds are available in the Capital Projects Fund for this purpose.

*Increase appropriations in the Capital Projects Fund (CP) in the Public Works Department (PW) by \$90,000 from funds available for additional branch upgrades, including the removal of exterior walls at Dana and Brewitt Libraries.*

This appropriation completes the funding necessary for upgrades such as the removal of exterior walls to increase visibility from the street and deter illegal activities during closed hours. Funds are available in the Capital Projects Fund for this purpose.

*Increase appropriations in the General Fund (GF) in the Citywide Activities Department (XC) by \$2,000 from the Third Council District's FY 14 budget savings for a transfer to the Capital Projects Fund in the Public Works Department; and increase appropriations in the Capital Projects Fund (CP) in the Public Works Department (PW) by \$2,000 offset by revenue from the General Fund for Peninsula Street Calming.*

These funds must be spent in FY 15; any amount not spent in FY 15 will revert back to General Fund surplus and will no longer be available for this purpose.

*Increase appropriations in the General Fund (GF) in the Citywide Activities Department (XC) by \$47,801 from the Fourth Council District's FY 14 budget savings for a transfer to the Capital Projects Fund in the Public Works Department; and increase appropriations in the Capital Projects Fund (CP) in the Public Works Department (PW) by \$47,801 offset by revenue from the General Fund for various parks and infrastructure improvement projects, including Eyes on Anaheim, Orizaba Park cameras, and improvements to Whaley and Stearns Parks Baseball Fields.*

These funds must be spent in FY 15; any amount not spent in FY 15 will revert back to General Fund surplus and will no longer be available for this purpose.

*Increase appropriations in the General Fund (GF) in the Citywide Activities Department (XC) by \$56,831 from the Fifth Council District's FY 14 budget savings to transfer to the Capital Projects Fund in the Public Works Department; and increase appropriations in the Capital Projects Fund (CP) in the Public Works Department (PW) by \$56,831 offset by revenue from the General Fund for sidewalk repair.*

These funds must be spent in FY 15; any amount not spent in FY 15 will revert back to General Fund surplus and will no longer be available for this purpose.

*Increase appropriations in the Capital Projects Fund (CP) in the Public Works Department (PW) by \$300,000 from funds available to upgrade the HVAC system in the Emergency Communications & Operations Center (ECOC).*

This \$300,000 will upgrade the HVAC system for the technology equipment room in the Emergency Communications & Operations Center (ECOC) which houses the CAD/RMS system, video surveillance, phone system, and email server, in addition to backup for City Hall's Data Center. An upgrade will extend the system's useful life, and ensure that equipment housed at the ECOC is properly cooled in order to prevent premature failure and data loss. Funds are available in the Capital Projects Fund for this purpose.

*Increase appropriations in the Capital Projects Fund (CP) in the Public Works (PW) by \$400,000 from funds available for parking lot repairs at the Main Health facility to prepare the site for solar panel installation.*

This \$400,000 will improve the parking lot at the Main Health facility, which is in poor condition and needs to be improved before solar panels can be installed above the parking lot. Funds are available in the Capital Projects Fund for this purpose.

## **Citywide Activities**

### Indirect Cost Plan Adjustment

*Decrease appropriations in the General Fund (GF) in the Citywide Activities Department (XC) by \$350,885; and increase appropriations in the General Fund (GF) in the Public Works Department (PW) by \$350,885 from the Citywide Activities Department to properly reflect the indirect cost plan allocation.*

The City's indirect cost plan is designed to recapture General Fund costs for citywide activities such as legislative, central accounting, auditor's office and budgetary functions from all funds which are supported by these functions.

#### CalPERS Stabilization Fund

*Increase appropriations in the General Fund (GF) in the Citywide Activities Department (XC) by \$3,455,350 from funds set aside in FY 14 General Fund for the CalPERS Stabilization Fund.*

In FY 14, the CalPERS Stabilization Fund was established to address potential unexpected fluctuations in CalPERS costs due to market earnings and other factors. This innovative Fund will smooth contributions and, therefore, help mitigate potential service reductions that might otherwise result. The FY 14 Budget earmarked \$3,455,350 for this Fund. An increase in appropriation for the \$3,455,350 is needed in order to transfer the funds to the CalPERS Stabilization Fund. Additionally, the FY 15 Adopted Budget included a contingent appropriation for the first \$2.0 million of any additional General Fund FY 14 year-end surplus, not already used or designated. These actions will bring the total in the fund to \$5.4 million. An additional \$3.1 million which is earmarked to be added at the end of FY 15 will bring the total to \$8.5 million.

#### City Attorney and City Prosecutor MOU Adjustment

*Increase appropriations in the General Fund (GF) in the City Attorney Department (LW) by \$54,695 and in the City Prosecutor Department (CP) by \$70,863; and decrease appropriations in the General Fund (GF) in the Citywide Activities Department (XC) by \$125,558.*

*Increase appropriations in the Insurance Fund (IS 390) in the City Attorney Department (LW) by \$103,132; and decrease appropriations in the Insurance Fund (IS 390) in the Citywide Allocations Department (XI) by \$103,132.*

*Increase appropriations in the Employee Benefits Fund (IS 391) in the City Attorney Department (LW) by \$12,020; and decrease appropriations in the Employee Benefits Fund (IS 391) in the Citywide Allocations Department (XI) by \$12,020.*

On September 9, 2014, the City Council approved Amendments to the 2007-2012 Memorandum of Understanding with the Long Beach City Attorneys Association and Long Beach City Prosecutors Association. The provisions of the Amendments provide a 4 percent salary increase for represented classifications. The increased labor costs were included in the budget in a citywide account but were not budgeted in either the City Attorney nor the City Prosecutor departments. The increases in the two departments will be fully offset by appropriation decreases in the Citywide (XC and XI) departments.

#### Appropriations Using FY 14 Year-End Surplus

In FY 14, the General Fund and Uplands Oil Fund ended the fiscal year with an ending funds available of approximately \$3.2 million and \$3.5 million, respectively. The following appropriations implement the proposals recommended in the FY 14 Year-End Performance Report funded from the Year-End Surplus in the General Fund and Uplands Oil Fund.

*Increase appropriations for the special election for the Fourth Council District by \$200,000 in the General Fund (GF) in the City Clerk Department (CC) from Uplands FY 14 Year End Surplus.*

*Increase appropriations for the Election Systems License in the General Fund (GF) in the City Clerk Department (CC) by \$100,000 from Uplands FY 14 Year-End Surplus.*

*Increase appropriations for a Citizen Police Complaint Commission (CPCC) Investigator Enhancement in the General Fund (GF) in the City Manager Department (CM) by \$125,000 from Uplands FY 14 Year-End Surplus.*

*Increase appropriations for the Innovation Team Grant Match in the General Fund (GF) in the City Manager Department (CM) by \$400,000 from Uplands FY 14 Year-End Surplus.*

*Increase appropriations for staffing needs related to recruitment and testing in the General Fund (GF) in the Civil Service Department (CS) by \$220,000 from Uplands FY 14 Year-End Surplus.*

*Increase appropriations for Police Academy recruitment and testing in the General Fund (GF) in the Civil Service*

*Department (CS) by \$83,000 from Uplands FY 14 Year-End Surplus.*

*Increase appropriations for Homeless Services Augmentation in the General Fund (GF) in the Health and Human Services Department (HE) by \$100,000 from Uplands FY 14 Year-End Surplus.*

*Increase appropriations for overtime in the General Fund (GF) in the Police Department (PD) by \$275,000 from Police Department General Fund FY 14 Year-End Savings.*

*Increase appropriations in the General Fund (GF) in the Citywide Activities Department (XC) by \$1,000,000 from Uplands FY 14 Year-End Surplus for a transfer to the Capital Projects Fund in the Public Works Department; and increase appropriations for Pavement Management Plan Implementation (street work) in the Capital Projects Fund (CP) in the Public Works Department (PW) by \$1,000,000 offset by revenue from the General Fund.*

*Increase appropriations related to City Council's policy to reserve 5 percent to unfunded liability in the General Fund (GF) in the Citywide Activities Department (XC) by \$158,581 from General Fund FY 14 Year-End Surplus.*

*Increase appropriations for legal costs related to labor negotiations in the General Fund (GF) in the Citywide Activities Department (XC) by \$200,000 from Uplands FY 14 Year-End Surplus.*

*Increase appropriations for Innovation & Efficiency Initiatives in the General Fund (GF) in the Citywide Activities Department (XC) by \$2,000,000 from Department FY 14 Year-End savings.*

*Increase appropriations to fund the non-recurring expenses discussed in this section in the amount of \$2,428,000 and 5 percent to unfunded liability in the amount of \$174,217 in the Uplands Oil Fund (SR 134) in the Long Beach Gas and Oil Department (GO) by \$2,602,217 from Uplands Oil Fund FY 14 Year-End savings.*

#### **FY 14 Non-Recurring Funds to be Reappropriated**

In FY 14, the City Council authorized the allocation of non-recurring funds to be used for specific department projects. The following appropriations are needed to carry over the funds to complete these projects in FY 15.

*Increase appropriations for the M4 to M5 Upgrade in the Fleet Services Fund (IS 386) in the Financial Management Department (FM) by \$147,782 from unspent FY 14 non-recurring funds.*

*Increase appropriations for the Fueling System Upgrade in the Fleet Services Fund (IS 386) in the Financial Management Department (FM) by \$294,125 from unspent FY 14 non-recurring funds.*

*Increase appropriations to upgrade the reservation and registration system technology in the General Fund (GF) in the Parks, Recreation and Marine Department (PRM) by \$66,607 from unspent FY 14 non-recurring funds.*

*Increase appropriations for the Animal Care Services Veterinary Clinic in the General Fund (GF) in the Parks, Recreation and Marine Department (PRM) by \$50,000 from unspent FY 14 non-recurring funds.*

*Increase appropriations to replace the Library Public Computer Management System in the General Fund (GF) in the Library Services Department (LS) by \$50,000 from unspent FY 14 non-recurring funds.*

*Increase appropriations for Library materials and refurbish community rooms in the General Fund (GF) in the Library Services Department (LS) by \$4,422 from unspent FY 14 non-recurring funds.*

*Increase appropriations for Library Security Cameras and Security Improvements in the General Fund (GF) in the Library Services Department (LS) by \$32,936 from FY 14 non-recurring funds.*

*Increase appropriations to reconfigure the Multi-Service Center's telephone, intranet, and internet infrastructure in the General Fund (GF) in the Health and Human Services Department (HE) by \$47,688 from FY 14 non-recurring funds.*

Approve recommendation.

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JOHN GROSS  
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:

PATRICK H. WEST  
CITY MANAGER