



Legislation Details (With Text)

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Title: Recommendation to receive supporting documentation into the record; conclude the public hearing; and take the actions necessary to adopt the Fiscal Year 2006 budget. (Citywide)
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Date	Ver.	Action By	Action	Result
9/13/2005	1	City Council	approve recommendation	Pass

Recommendation to receive supporting documentation into the record; conclude the public hearing; and take the actions necessary to adopt the Fiscal Year 2006 budget. (Citywide)

On August 12, 2005, the City Manager's Proposed Budget for Fiscal Year 2006 (FY 06) was delivered by the Mayor to the City Council and community with recommended amendments for consideration. Workshops and hearings were set for August 16, 2005, August 23, 2005, September 6, 2005 and September 13, 2005. During the scheduled workshops and hearings, presentations have been made by departments, and the City Council and community were provided multiple opportunities for input.

At the conclusion of the hearings, the City Council will be asked to amend the proposed budget as it deems appropriate, and to adopt the proposed budget as amended. Since the publication of the FY 06 Proposed Budget, updated estimates of the revenue and expense addressing technical corrections are listed by department and fund in Attachments B and C of this letter.

The Appropriations Ordinance officially adopts the FY 06 budget and authorizes expenditures in conformance with the adopted budget. To become effective October 1, 2005 this Ordinance must include a finding of emergency. Specific resolutions provide for approval of the budgets for the Harbor, Sewer and Water funds; certain fee adjustments; FY 06 Capital Improvement Program budget; approval of Redevelopment Agency projects for FY 06; endorsement of the updated Financial Strategic Plan; and, approval of the Mayor's and Budget Oversight Committee's recommended amendments to the FY 06 Proposed Budget .

This letter was reviewed by Assistant City Attorney Heather A. Mahood on September 6, 2005.

In accordance with the Long Beach City Charter, the FY 06 budget must be adopted by September 30, 2005, following at least one public hearing. Should the City Council fail to adopt the budget on or by that date, the City Manager's FY 06 Proposed Budget shall be deemed the budget for the 2006

fiscal year.

The Appropriations Ordinance totals \$1,814,045,431 for all funds except Harbor, Water and Sewer funds and \$1,816,596,063 for all departments except for Harbor and Water. The proposed Harbor and Water Department budgets are included in separate City Council ordinances attached to this letter. The Appropriations Ordinance totals include funding of \$245,442,045 carried over from FY 05 for multi-year grants and projects. Detailed summaries of appropriations by fund and by department are included in Attachments B and C of this letter.

The \$2,550,632 difference between the Appropriations Ordinance by Fund and the Appropriations Ordinance by Department of is the result of general City indirect costs charged directly to the Harbor, Water and Sewer funds through the non-operating budget of the Department of Financial Management. Again, the Harbor, Water and Sewer Fund budgets are included in separate ordinances and are not included in the Appropriations Ordinance by Fund. The general City indirect cost charges to those funds are in the Department of Financial Management budget in the Appropriations Ordinance by Department.

The FY 06 proposed budget for the Harbor Department is \$411,147,000 and the proposed budget for the Water Department is \$88,584,532. As noted above, the Harbor Department budget differs from the Harbor Fund budget, and the Water Department budget differs from the Water and Sewer Funds budgets due to the general City indirect cost charges to those fund directly through the non-operating budget of the Department of Financial Management.

The budget for the Harbor Department was adopted by the Board of Harbor Commissioners by minute order on August 1, 2005. The budget for the Water Department was adopted by the Board of Water Commissioners by resolution on July 28, 2005.

The recommendations in this letter include various fee adjustments that are included in the attached Resolutions. The fee changes are necessary to better cover program costs and are summarized in Attachment D to this letter. All other fees listed in the Resolutions remain unchanged from FY 05.

Other requested City Council actions include approval of the FY 06 One-Year Capital Improvement Program (CIP) budget, which is contained in the Appropriations Ordinance. The Planning Commission, at its meeting of September 1, 2005, determined that the CIP for FY 06 is in conformance with the General Plan.

Further, a motion approving the budgets of the Redevelopment Agency's (RDA) Project Area Committees (PACs) for the Central Long Beach, the West Long Beach Industrial and the North Long Beach Project Areas is requested. A list of projects funded through 2005 redevelopment bond proceeds was included in the Redevelopment Agency's board-approved budget for FY 06. This list is included for your consideration and a motion approving the list is requested. A motion approving the 2005 series bond funded projects on the budget of the Housing Development Company (HDC) is also requested. The PAC budgets and the budget of the HDC are included in the budget of the Community Development Department.

The City Council is also requested to adopt the Resolution establishing the "Gann Appropriations Limit" (Limit) for general purpose expenditures. In November 1979, the voters of the State of California approved Proposition 4, also known as the "Gann Initiative." The Initiative places certain

limits on the amount of tax revenue which can be appropriated each fiscal year. The Limit is based on actual appropriations during FY 79. Only those revenues which are considered as "proceeds of taxes" are subject to the Limit. The Limit is recalculated each fiscal year based on certain inflation and population factors provided by the State. The proposed budget includes tax revenue estimates that are at 38.87 percent of the 2004-2005 Appropriations Limit, and, therefore, does not exceed the Limit. This calculation is reviewed by the City Auditor for conformance to the law.

Approve recommendation.

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[Respectfully Submitted,]