



Legislation Text

File #: 06-0059, **Version:** 1

Recommendation to approve the Fiscal Year 2006 first quarter budget departmental and fund appropriation adjustments in accordance with existing City Council policy.

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 for impacts to City funds, and Attachment 8 for recap of prior FY 06 General Fund budget adjustments.

This letter was reviewed by Chief Assistant City Attorney Heather A. Mahood on January 18, 2006.

The following requests for adjustments to FY 06 departmental and fund appropriations are necessary to reflect changes in operating conditions. Timely City Council action is requested to authorize the processing of related payments.

City Clerk

During the annual budget process, the expense for the City's Pension Obligation Bonds (POB) is calculated and allocated to each department as a budgeted expense. The amount allocated to the City Clerk Department was inadvertently understated. Therefore, in order to reconcile current year POB charges to budget, the following appropriation increase is requested.

. Increase appropriations in the General Fund (GP 100) in the City Clerk Department (CC) by \$53,086.

Civil Service

In the FY 06 Budget, the Civil Service Department appropriated funding for the Police Recruit examination in anticipation of a Police Academy to be conducted in June 2006. In addition, the FY 06 Budget also reflects appropriations to fund recruitment efforts that will commence in August 2006 for the regularly scheduled Police Academy to be conducted in June 2007.

The Civil Service Department requests a General Fund budget adjustment of \$241,040 in order to conduct further recruitment activities and provide an additional Police Recruit examination in the spring of 2006 at the request of the Police Department. The additional recruitment and subsequent examination is necessary to address both the staffing needs of the Police Department and increased competition among other agencies in Southern California for the same pool of candidates. This second academy would be conducted in January 2007.

. Increase appropriations in the General Fund (GP 100) and in the Civil Service Department (CS) by \$241,040.

Community Development

On September 13, 2005 the City Council approved the receipt of the new State of California Office of Traffic Safety grant of \$376,099. A budget adjustment is requested to increase appropriation in the Family Safety Initiative Grant (CDFSI). This grant will be used for a twoyear community-based education program that will provide education in driving-under-theinfluence prevention, car restraint and child passenger safety education Citywide.

. Increase appropriations in the Community Development Grants Fund (SR 150) and in the Department of Community Development (CD) by \$376,099.

Budget appropriations for FY 06 were overstated by \$546,591 in the HOME grant budget. Therefore, a budget adjustment is requested to align the budget with the grant award.

. Decrease appropriations in the Community Development Grants Fund (SR 150) and in the Department of Community Development (CD) by \$546,591.

On September 20, 2005, the City Council approved a list of proposed Redevelopment projects and programs funded with 2005 Redevelopment bond proceeds. All projects and programs were appropriated in Fiscal Years 2005 and 2006, except for a total of \$13,300,000 Central Long Beach projects and \$300,000 North Long Beach projects due to the need for clarification on specific projects. These projects were clarified and City Council approval given after the adoption of the FY 06 Budget; therefore, an appropriation increase of \$13.6 million is requested at this time.

. Increase appropriations in the Redevelopment Fund (RD) and in the Department of Community Development (CD) by \$13,600,000.

On June 15, 2005, the Board of Directors of the Long Beach Housing Development Company approved the funding of financial assistance to Menorah Housing Foundation, Inc. in the amount of \$2,800,000. The Disposition and Development Agreement (DDA) between the Redevelopment Agency (RDA) and the Developer was approved by the City Council on October 19, 2005, for the acquisition and development of the Menorah Housing Project for a total project cost of \$2,800,000. A budget adjustment is needed to appropriate the Redevelopment funds and initiate this project.

. Increase appropriations in the Redevelopment Fund (RD 228) and in the Department of Community Development (CD) by \$2,800,000.

On August 9, 2005, the City Council approved a contract with the Long Beach Tourism Business Improvement Area (LBTBIA) to be managed by the Long Beach Convention and Visitors Bureau (CVB), for the period of August 1,2005 through September 30,2006, funded using assessment revenue generated by hotels located in the LBTBIA. A budget adjustment is required to forward the assessments collected to the CVB.

. Increase appropriations in the Parking and Business Area Improvement Fund (SR 132) and in the Department of Community Development (CD) by \$3,500,000.

Fire

On January 17, 2006 the City Council adopted the Memorandum of Understanding (MOU) with the Long Beach Firefighters Association. An appropriation increase in the FY 06 Fire Department budget is necessary to support the additional costs. The FY 06 Adopted Budget for Financial Management Citywide Activities (FM-XC) included some funding for these activities in anticipation of negotiations with the Long Beach Firefighters Association, which will partially offset the Fire Department/General Fund appropriation increase. The balance of \$493,336 will draw from the General Fund fund balance.

. Decrease appropriations in the General Fund (GP) and in the Financial Management Citywide Activities (FM-XC) by \$1,396,413.

. Increase appropriations in the General Fund (GP) and in the Fire Department (FD) by \$1,889,749. .

. Increase appropriations in the CUPA Fund (SR 131) and in the Fire Department (FD) by \$1,195.

. Increase appropriations in the Tidelands Fund (TF) and in the Fire Department (FD) by \$15,307.

Health and Human Services

The Department of Health and Human Services requests the annual appropriation of funding for the Employee Assistance Program (EAP) in the amount of \$71,723, which was inadvertently left out of the FY 06 Budget Adoption process.

. Increase appropriations in the Insurance Fund (IS 390) and in the Department of Health and Human Services (HE) by \$71,723.

To support the year-round homeless shelter, an appropriation increase of \$82,000 is being requested. Expenditures will be offset by restricted interest revenue from the Naval Reuse Trust Account.

. Increase appropriations in the Health Fund (SR 130) and in the Department of Health and Human Services (HE) by \$82,000.

An appropriation increase of \$714,000 is requested for the Family Preservation Projects. Grant funds to support this effort were appropriated during the budget adoption process; however, Los Angeles County has since restructured this program and increased the funding amount available to Long Beach.

. Increase appropriations in the Health Fund (SR 130) and in the Department of Health and Human Services (HE) by \$714,000.

Under the Jail Medical Program, the Department of Health and Human Services (DHHS) coordinates medical care for jail inmates, including assessments, referrals and medical treatment. Beginning in FY 06, non-personal costs, such as contractual costs for emergency room services, in the amount of \$514,768 were appropriated in the Police Department (PD).

A budget adjustment is requested to reduce appropriations in the DHHS by \$514,769 to eliminate double budgeting for jail inmate emergency room services.

. Decrease appropriations in the General Fund (GP 100) and in the Department of Health and Human Services (HE) by \$514,769.

Library Services

The friends of the Long Beach Public Library, a nonprofit organization, has given the Library a \$46,250 donation for the purchase of books and material resources. In addition, the State Library has awarded the City federal Library Services and Technology Act (LSTA) funds in the amount of \$3,548 for tuition reimbursement for one employee enrolled in Library Science courses. An appropriation increase is necessary to allow for both the donation and the reimbursement to the employee for tuition expenses.

. Increase appropriations in the General Grants Fund (SR 120) and in the Department of Library Services (LS) by \$49,798.

Planning and Building

The Department of Planning and Building is requesting an appropriation increase of \$678,000 to be used for the department's Development Service Counter (DSC) and Fourth Floor workspace streamlining reconfiguration, and for the Planning Bureau's space consolidation on the Fifth and Seventh Floors of City Hall.

The DSC reconfiguration and upgrade will enhance functionality, streamline the service flow, and make the counter compliant with the Americans with Disabilities Act. The Fourth Floor reconfiguration will improve workflow, provide a sit-down public counter for a more customerfriendly setting, provide space for a Health Inspector and the additional staff needed to meet service demands and address work-area safety issues. The Planning Bureau's consolidation will result in more efficient and accessible customer service space, improve supervision, and improve coordination and workflow. To fund this activity, \$678,000 of restricted Planning and Building fee revenue will be used to cover the cost of this project to enhance Planning and Building's customer service.

. Increase appropriations in the General Fund (GP 100) and in the Department of Planning and Building (PB) by \$678,000.

Police

On August 2, 2005, the City Council approved the resolution authorizing the City Manager to execute a contract with GTSI Inc., to upgrade the Police Department's Mobile Computer System. The upgrade, as contemplated at that time, has been lease financed. An appropriation adjustment is required to cover the outlay of lease proceeds to the vendor and for lease payments. This expenditure is partially offset by lease financing proceeds.

. Increase appropriations in the General Fund (GP 100) and in the Police Department (PD) by \$3,792,975.

As part of the overall effort to eliminate double budgeting for interdepartmental expenses in the General Fund, Tidelands port security expenses will now be directly budgeted in the Tidelands Fund with reimbursement from the Port for their associated expenses.

Therefore, the Police Department requests the reallocation of \$1,829,256 of appropriation and related revenue from the General Fund to the Tidelands Fund.

. Decrease appropriations in the General Fund (GP 100) and in the Police Department (PD) by \$1,829,256.

. Increase appropriations in the Tidelands Fund (TF 401) and in the Police Department (PD) by \$1,829,256.

An increase in the Tidelands Fund appropriation of \$523,593 is required for four additional Police Officers and one Sergeant for the Port Security Unit, which will increase boat patrols for the Port of Long Beach to 24 hours a day, seven days a week. Per the FY 06 Memorandum of Understanding with the Port, this additional staff will be 100 percent funded by Port of Long Beach reimbursements.

. Increase appropriations in the Tidelands Fund (TF 401) and in the Police Department (PD) by \$523,593.

On October 20, 2005, the City of Long Beach received a \$709,269 grant from the State of California Citizen's Option for Public Safety program from the County of Los Angeles.

Supplemental Law Enforcement Services Fund (SLESF). Since FY 97, the City has used this funding for front-line law enforcement efforts, including police overtime hours.

An appropriation increase for this new grant in the amount of \$709,269 is required, which will be fully offset by grant revenue. There is no impact to the General Fund.

. Increase appropriations in the General Grants Fund (SR 120) and in the Police Department (PO) by \$709,269.

On January 17, 2006, the City Council adopted the ordinance for a one-year pilot program to standardize entertainment hours and establish tiered operating conditions in the newly formed Downtown Dining and Entertainment District. A budget adjustment is necessary to appropriate \$905,000 to support the deployment, on an overtime basis, of six additional police officers and one police sergeant, seven days a week, in the District. This appropriation will be offset by a portion of the \$1.3 million Redevelopment Agency Portrelated tax increment transfer to the General Fund (GP 100).

. Increase appropriations in the General Fund (GP 100) and in the Police Department (PO) by \$905,000.

Public Works

On December 20, 2005, the City Council approved the City Manager's recommendation to appropriate \$500,000 to fund additional one-time sidewalk repair work during FY 06 using FY 05 one-time excess year-end revenue in the General Fund. The Department of Public Works is thereby requesting an appropriation increase in the Capital Projects Fund, which will be fully offset by a transfer from the General Fund. This will result in enhanced sidewalk improvements of approximately \$100,000 per district in districts 3,4,5,7 and 8 during the current fiscal year.

. Increase appropriations in the General Fund (GP 100) and in the Department of Financial Management Citywide Activities (FM-XC) by \$500,000 for the transfer to the Capital Projects Funds

(CP).

. Increase appropriations in the Capital Projects Funds (CP) and in the Department of Public Works (PW) by \$500,000.

The Public Safety Building retrofit project included funding from a Federal Emergency Management Agency (FEMA) grant. After the close of the project, FEMA made reimbursements for administrative costs of \$41,850. An appropriation increase is necessary to recognize this reimbursement to offset final expenditures for the project.

. Increase appropriations in the Capital Projects Funds (CP) and in the Department of Public Works (PW) by \$41 ,580.

A budget adjustment of \$257,582 is necessary to appropriate interest earnings on several grants received for multi-year projects. Appropriating these funds will allow the department to allocate these resources toward allowable improvements on the Civic Center complex, Rotary Park Project, Family Health Education Center Project and the Capital Improvement Program.

. Increase appropriations in the Civic Center Fund (IS 380) and in the Department of Public Works (PW) by \$199,760.

. Increase appropriations in the Capital Projects Funds (CP) and in the Department of Public Works (PW) by \$57,822.

In FY 94, the City accepted a Federal Aviation Administration (FAA) Airport Improvement Program 12 grant award in the amount of \$678,154. In addition, the City Council authorized the City Manager to execute and accept a grant in FY 95 from the FAA's Airport Improvement Program 13 for which the initial grant award and subsequent increases have totaled \$1,914,575. These funds were used to help fund various rehabilitation projects at the airport. A final accounting has been completed on these grants and an appropriation decrease is necessary to reduce appropriations to the level of actual expenditures.

. Decrease appropriations in the Airport Fund (EF 320) and in the Department of Public Works (PW) by \$39,185.

The Main Library Auditorium maintenance project is scheduled to begin in January 2006. An appropriation increase of \$120,000 is necessary to expedite commencement of this project. There is no impact on the General Fund.

. Increase appropriations in the Capital Projects Funds (CP) and in the Department of Public Works (PW) by \$120,000.

On November 15, 2005, the City Council authorized extension of the current agreement with the Downtown Long Beach Associates (DLBA) for one year and increased budget appropriations by \$176,161 in the Civic Center Fund. This increase should have been \$24,265, resulting in an over appropriation of \$151,896. Therefore, an appropriation decrease of \$151,896 in the Civic Center Fund is necessary to align the budget with the actual DLBA MOU Amount.

. Decrease appropriations in the Civic Center Fund (IS 380) and in the Department of Public Works (PW) by \$151,896.

During the FY 05 budget process, the expenditure budget for one-time support of City-sponsored parades was deleted; however, the corresponding expenditure transfer budget was inadvertently left in place. Therefore, a technical correction is needed to increase appropriations by \$72,600.

. Increase appropriations in the General Fund (GP 100) and in the Department of Public Works (PW) by \$72,600.

Citywide

A budget adjustment is requested to make technical corrections to the citywide indirect cost allocation included in the FY 06 Budget, as actual allocation amounts are now available. The net impact to the General Fund is a savings of \$27,483.

. Decrease appropriations in the General Fund (GP 100) and in Financial Management Citywide Allocations (FM-XI) by \$1,490,917.

. Increase appropriations in the General Fund (GP 100) and in the Department of Planning and Building (PB) by \$62,221.

. Increase appropriations in the General Fund (GP 100) and in the Department of Public Works (PW) by \$1,401,213.

. Increase appropriations in the Business Assistance Fund (SR 149) and in Financial Management Citywide Allocations (FM-XI) by \$44,965.

. Increase appropriations in the Community Development Grants Fund (SR 150) and in Financial Management Citywide Allocations (FM-XI) by \$485,133.

. Increase appropriations in the Housing Authority Fund (SR 151) and in Financial Management Citywide Allocations (FM-XI) by \$244,069.

. Increase appropriations in the Housing Development Fund (SR 135) and in Financial Management Citywide Allocations (FM-XI) by \$176,214.

. Increase appropriations in the Redevelopment Fund (RD) and in Financial Management Citywide Allocations (FM-XI) by \$255,159.

Approve recommendation.

MICHAEL A. KILLEBREW
DIRECTOR OF FINANCIAL MANAGEMENT/CFO

APPROVED:

GERALD R. MILLER
CITY MANGER