



Date: February 20, 2015

To: Patrick H. West, City Manager *T.H.W.*

From: John Gross, Director of Financial Management *J.G.*

For: Mayor and Members of the City Council

Subject: **Summary of February 10, 2015 Budget Adjustment Actions**

On February 10, 2015, the City Council authorized FY15 departmental and fund budget adjustments with the following changes related to the allocation of FY 14 Year-End Surplus in the General Fund and Uplands Oil Fund. A brief summary of the changes is provided below.

1. Decreased appropriations from \$2,000,000 to \$600,000 for the Innovation & Efficiency Initiatives Revolving Fund.
2. Reduced the remaining ending funds available from \$500,000 to \$200,000.
3. Increased appropriations by \$1,400,000 for City Council non-recurring "Divide by Nine" projects for infrastructure purposes.

These Divide by Nine funds will be allocated equally to each of the Council Districts, solely for infrastructure repair or replacement. Any exceptions must be approved by the City Council on a case-by-case basis. In order to ensure Charter compliance as to the role of individual Councilmembers, use of Divide by Nine funds should be consistent with the City Attorney's recommendations per the attached memo dated August 30, 2013.

4. Increased appropriations by \$300,000 for the Fire Department CERT Program.

If you have any questions, please contact Budget Manager Lea Eriksen at 8-6533.

ATTACHMENT

JG:LE:VB
K:\BUDGET\FY15\BUDGET ADJUSTMENTS\FY 15 Q1\TFF INFRASTRUCTURE DIVIDE BY 9 .DOCX

CC: TOM MODICA, ASSISTANT CITY MANAGER
ARTURO SANCHEZ, DEPUTY CITY MANAGER
JYL MARDEN, ASSISTANT TO THE CITY MANAGER
CHARLES PARKIN, CITY ATTORNEY
LAURA DOUD, CITY AUDITOR
LEA ERIKSEN, BUDGET MANAGER
ALL DEPARTMENT HEADS



City of Long Beach
Working Together to Serve

Memorandum

Date: August 30, 2013
To: Mayor and Members of the City Council
From: Charles Parkin, City Attorney and Patrick H. West, City Manager *PH West*
Subject: Considerations for a "Divide by Nine" Appropriation

Should the City Council approve a "Divide by Nine" appropriation, we recommend the following be considered with the approval consideration:

➤ Procedures for Allocation of City Council Discretionary Items Will Ensure Charter Compliance

Procedures for any "Divide by Nine" allocation must continue to comply with City Charter requirements in a manner similar to what City Council did with earlier appropriations. If a "Divide by Nine" appropriation is made by City Council as part of their decisions, there are three key recommendations to avoid City Charter issues. The intent of the recommended procedures is to help ensure that there is not inadvertent non-compliance with the City Charter by either a Councilmember or the City Administration. In essence, the process seeks to avoid creating the impression that a single Councilmember may be giving expenditure direction to staff or making expenditure decisions or that staff is taking that direction. The key recommendations that should be implicitly or explicitly incorporated in any City Council motion are:

- All expenditures for capital or infrastructure maintenance items are to be for recommendations originated by City staff consistent with normal capital and maintenance programming and decisions for the respective district. If staff provides multiple options, Councilmembers may choose from them.
- Any operations expenditures are to be for programs originated and recommended by staff that already exist and are consistent with the needs of the City and respective district. If staff provides multiple options, Councilmembers may choose from them.
- "Divide by Nine" funds may be used for any other capital, infrastructure maintenance or operational items not originally recommend by staff, as long as the items are for a public purpose and individually approved by motion of the City Council.

Should you have any questions, we are available at your convenience.

Cc: Suzanne Frick, Assistant City Manager
John Gross, Director of Financial Management