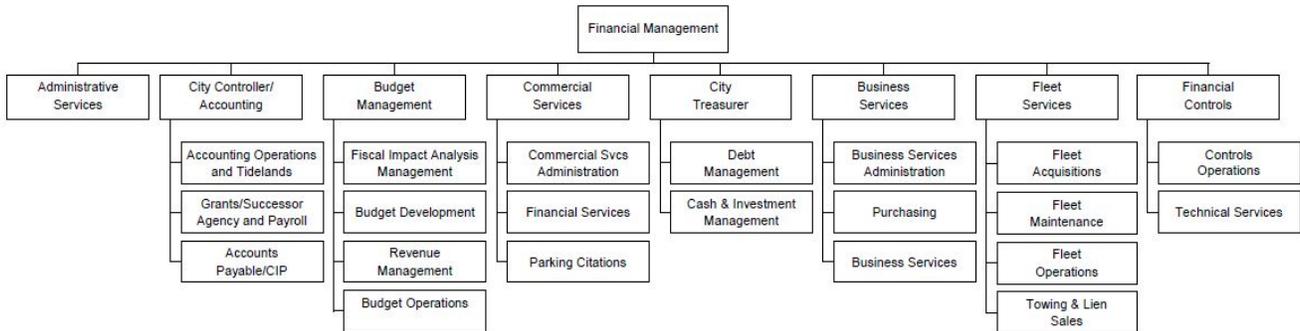


Financial Management



John Gross, Director of Financial Management

Lea Eriksen, Assistant Director of Financial Management

Stephen Hannah, City Controller

David Nakamoto, City Treasurer

Pamela Horgan, Manager, Commercial Services Bureau

Jason MacDonald, Manager, Business Services Bureau

Dan Berlenbach, Manager, Fleet Services Bureau

Elizabeth Haynes, Manager, Financial Controls Bureau

Department Overview

Mission:

To manage City financial operations, to provide financial policy advice and direction that keeps the City financially strong, to provide transparent financial reporting, to provide a sound budget process enabling budgetary decisions that serve the best interest of the City, to provide collection and business services in a manner that well serves City goals, and to provide friendly and respectful customer service intended to minimize customer effort, whether for internal customers, residents or businesses.

Core Services:

- Accounting and financial reporting
- Accounts payable
- Budget development and budget decision processes
- Investment of funds in a prudent and safe manner
- Financial controls
- Development of financial and budgetary policies
- Provision of financial policy advice
- Promote long-term fiscal strength and sustainability
- Purchasing management
- Business licensing
- Management of outstanding debt
- Debt issuance as needed
- Fleet acquisition
- Fleet management
- Fuel and fuel storage management

FY 16 Focus:

The Department of Financial Management will focus the implementation of a new ERP (financial/human resources system) over the next three years. The implementation of this system will result in strong efficiency, control, and reporting improvements. In addition to this primary focus, the Department will also address the need for strong fiscal and budget policy in the years ahead.

Department Performance Measures

Key Measure	FY 14 Actual	FY 15 Target	FY 15 Estimate	FY 16 Projection
Purchasing - Percentage of dollars spent with Long Beach businesses	31%	31%	28%	31%

The City of Long Beach, through its Purchasing Division, sends weekly updates to 30 local, minority and women-owned business groups to communicate open bid opportunities. In an effort to increase dollars spent with local businesses, Long Beach business are encouraged to submit bids for City contracts. The Purchasing Division assists businesses to register on the City's electronic bidder's database to download bid specifications. The percentage of dollars spent with Long Beach businesses continues to be steady despite a downward trend in total City expenditures for goods and services. The FY 16 projection assumes a sustained level of bids awarded to local vendors as compared to FY 14. The Purchasing Division is committed to continuing its outreach to local vendors in order to maintain or increase dollars spent with Long Beach businesses.

Key Measures	FY 14 Actual	FY 15 Target	FY 15 Estimate	FY 16 Projection
Fleet Services - Number of preventative maintenance services completed on City vehicles	7,850	8,113	8,390	8,356
Fleet Services - Percentage of alternative fueled vehicles in the Fleet	23.0%	24.0%	25.0%	25.0%

The Fleet Services Bureau strives to perform services consistent with industry standards. As part of the City's continuing effort to improve air quality for its residents and businesses, the Fleet Services Bureau performs regular maintenance and replaces older vehicles and equipment with cleaner, alternative fuel units. Compressed Natural Gas (CNG) fueled vehicles will account for 25% of the total units replaced in FY14/FY15. Compliance with State mandated regulations to reduce emissions have been, and will continue to be, met.

Key Measure	FY 14 Actual	FY 15 Target	FY 15 Estimate	FY 16 Projection
Commercial Services - Percentage of ambulance fees collected within the first eighteen months	55%	58%	56%	56%

In FY 14, the Commercial Services Bureau collected an average of 55 percent of Advanced Life Support (ALS) and Basic Life Support (BLS) ambulance transport fees within the first eighteen months from dates of service in early 2012 and early 2013. Collection rates for ambulance bills are relatively low throughout the industry; however, the rate has improved since collections were brought in-house. While the majority of the revenue is collected within the first eighteen months after date of ambulance service, debts continue to be pursued and collected for up to three years and as many as ten years with a small claims judgment. The City's final collection rate is significantly improved by activities including filing small claims court actions, intercepting state income tax refunds, and credit reporting by the collection agency.

FY 15 Accomplishments

Accounting Bureau

- Completed FY 14 Comprehensive Annual Financial Report (CAFR), dated March 27, 2014, with an unmodified opinion.
- Received the Government Finance Officers' Association's Certificate of Achievement for Excellence in Financial Reporting for the City's FY 13 Comprehensive Annual Financial Report (CAFR).
- Received unmodified opinions in all audited grants in the Federal Single Audit.
- Successfully monitored capital improvement projects for maximum funding from external sources.

Budget Management Bureau

- Delivered a structurally balanced General Fund proposed budget for the ninth consecutive year, in an effort to achieve fiscal sustainability for the City.
- Finalized the agreement and implementation of a tax revenue sharing agreement which keeps a long term business in Long Beach and will generate additional sales tax revenue.
- Established and developed mechanisms for use of the CalPERS Stabilization Fund
- Implemented FinanceLB which is a budget visualization tool to increase transparency.

Commercial Services Bureau

- Used the State Franchise Tax Board Intercept Program to recover unpaid utility bills, ambulance transport charges, parking citations, business license fees, and other bad debts from State income tax refunds.
- Filed 281 Small Claims Court actions in the first eight months of FY 15. The majority of the cases were delinquent utility bills, business licenses, and ambulance transports.
- Utilized our image capture processor to implement a paperless process for utility customers to enroll into the Automatic Pay Program to pay their utility bill.
- Streamlined the parking citation dispute process by offering the public the option to contest a parking citation as well as schedule an administrative hearing online.
- Improved business processes by scanning and attaching documents related to a parking citation record. The City now has immediate viewing capability of all records associated with a citation which saves time and space.

Treasury Bureau

- Utilized a unique bond structure to finance the completion of the Alamitos Bay Marina, and supported the Port's issuance of refunded and new project bonds.
- The pooled investment portfolio of the City continues to meet or exceed all benchmark targets. Earnings will be over \$4 million.

Business Services Bureau

- Increased businesses registered in the City's Online Bidder's database PlanetBids by 10 percent from the previous year, to 16,612 registered businesses.
- As of June 2015, issued 2,325 new Business Licenses, 4 new Entertainment Permits, and 30 Occasional Event Permits for FY 15 (Occasional Event Permits were moved to the officer of Special Events and Filming in Jan. 2015).

FY 15 Accomplishments

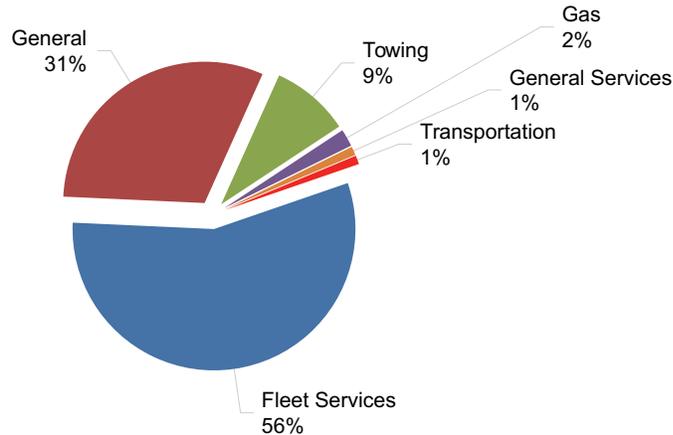
- Continued the implementation of the Small Business Enterprise Program. As of June 2015, there are 3,700 City of Long Beach certified Small Business Enterprises. This is an increase of 344, or 10 percent, from FY 14 certified Small Business Enterprises.
- Continued monitoring and compliance for projects that are subject to the Department of Housing and Urban Development (HUD) Section 3 policy.
- Supported negotiations and execution of Citywide PLA and implementation and monitoring on subject projects.
- Finalized development and implementation of Infor/Hansen system to fully integrate Business License software system with departments performing reviews intending to improve processing times and customer service in issuing business license.
- Developed Taxi Modernization Pilot Program in cooperation with city's exclusive taxi service provider to provide best service for city residents and visitors.
- Implemented Business License Incentive program to encourage out of city vendors to relocate or expand their business in Long Beach.

Fleet Services Bureau

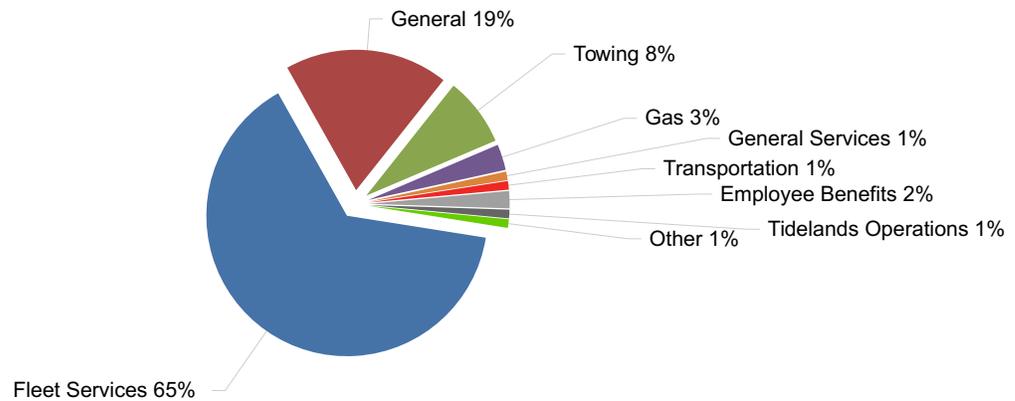
- The City of Long Beach Fleet Services was recognized as a Leading Fleet in North America by Government Fleet Magazine, for 2015.
- Recertified by the National Institute for Automotive Service Excellence (ASE) as a certified Blue Seal Repair Shop.
- Adopted a new, total lifecycle management method for calculating vehicle replacement cycles. When fully implemented, will improve vehicle availability and save significant funding.
- Responded to 89% of all towing requests within 25 minutes or less, with 87% of all light tows handled by City staff as of September 2014.
- Completed replacement of the fuel storage tank at the Alamitos Bay site in the Marina at an investment of \$1.6 million, and initiated the replacement of two additional fuel storage tanks at an investment of \$1.1 million.
- Updated the City's Motor Pool with plug-in hybrid vehicles.
- Secured \$1.3 million of AB2766 grant dollars to enable purchase of alternative fuel vehicles.

FY 16 Budget

FY 16 Revenues by Fund



FY 16 Expenditures by Fund



Fund Impact			
Fund	Revenues	Expenditures	Fund Impact
Fleet Services	35,892,973	45,210,791	(9,317,818)
General	19,576,455	13,102,477	6,473,978
Towing	5,691,849	5,592,068	99,781
Gas	1,277,828	1,764,037	(486,209)
General Services	736,043	800,638	(64,595)
Transportation	453,500	600,000	(146,500)
Employee Benefits	—	1,717,030	(1,717,030)
Tidlands Operations	—	382,028	(382,028)
Insurance	—	166,476	(166,476)
Grants	—	169,799	(169,799)
Marina	—	92,102	(92,102)
Rainbow Harbor Area	—	73,933	(73,933)
Housing Development	—	41,098	(41,098)
Housing Authority	—	13,233	(13,233)
Health	—	10,255	(10,255)
Total	63,628,648	69,735,965	(6,107,317)

Summary of Adopted Changes*

GENERAL FUND

	Impact on Fund**	Positions
Add a Clerk Typist III to assist with payroll and safety compliance issues in the Administrative and Accounting Bureaus, which is fully offset by savings in Financial Management and other departments generated by the position reductions in the Commercial services Bureau.	\$ 38,114	0.50
Increase budget for First Responder Fee billing and collection support, including staff, materials and software licensing expenses. All costs recouped through the Commercial Services Bureau MOU.	\$ —	2.00
Move utility billing and meter reading to the Long Beach Gas and Oil Department, where the utility call center resides, to support operational efficiencies.	\$ —	(9.80)
Reduce administrative costs for billing, collection, payment processing, and customer assistance in the Commercial Services Bureau, including the elimination of two vacant positions, which fully offsets the General Fund Costs of the new Clerk Typist III.	\$ (24,011)	(2.00)
Non-recurring funds to continue the Small Business Incentive pilot program to support local businesses.	\$ 100,000	—
Subtotal: General Fund	\$ 114,103	(9.30)

FLEET FUND

	Impact on Fund	Positions
Reclassify Fleet Maintenance Division job classifications to maintenance positions with lower costs and add a fully offset Clerk Typist III.	\$ (152,290)	1.00
Add an Acquisition Superintendent to improve vehicle acquisition management.	\$ 124,357	1.00
Increase Acquisitions Capital budget to begin elimination of 600 vehicle replacement backlog, which is supported by funds already provided by user departments.	\$ 8,533,899	—
Fund UST programs at a relative constant, annual level (fully funded); accelerate closing of former UST sites to save on future monitoring costs, and budget for existing annual ground water monitoring services.	\$ (319,000)	—
Add two Garage Service Attendants to reflect higher Fire equipment, Marine Vessel and emergency vehicle maintenance needs.	\$ 135,959	2.00
Add an Assistant Administrative Analyst II position to support alternative fuel fleet analysis.	\$ 88,226	1.00
Non-recurring funds to implement the Clean Team by purchasing two Clean Team trucks that will be used to pick up dumped items and trash, clear weeds and clean up neighborhoods.	\$ 95,000	—
Subtotal: Fleet Fund	\$ 8,506,151	5.00

Summary of Adopted Changes*

TOWING FUND

	Impact on Fund	Positions
Decrease budgeted revenues in the Towing Fund to better reflect actual revenues from towing fees, lien sales, and vehicle storage fees.	\$ 713,442	—
Eliminate vacant positions in Towing to right-size staffing with workload.	\$ (169,699)	(2.00)
Reduce budget in the Towing Fund to recognize lower costs of the Temple-Willow facility lease.	\$ (530,085)	—
Subtotal: Towing Fund	\$ 13,658	(2.00)

GAS FUND

	Impact on Fund	Positions
Reduce administrative costs for billing, collection, payment processing, and customer assistance in the Commercial Services Bureau, including the elimination of two vacant positions.	\$ (39,808)	—
Move utility billing and meter reading to the Long Beach Gas and Oil Department, where the utility call center resides, to support operational efficiencies.	\$(2,536,585)	—
Subtotal: Gas Fund	\$(2,576,393)	—

EMPLOYEE BENEFITS FUND

	Impact on Fund	Positions
Add a Clerk Typist III to assist with clerical and safety and facility issues in the	\$ 38,114	0.50
Subtotal: Employee Benefits Fund	\$ 38,114	0.50

TRANSPORTATION FUND

	Impact on Fund	Positions
Non-recurring Motor Vehicle Subvention Program (AB 2766) funds for purchase of alternative fuel vehicles, which will reduce fuel costs.	\$ 600,000	—
Subtotal: Transportation Fund	\$ 600,000	—

*For ease of review, reallocations of resources within departments, offsets, adjustments, and minor changes have not been included.

**As figures reflect the net impact to a fund, an increase in expense is shown as a positive number (cost/hit to fund) and a decrease in expense is shown as a negative number (savings/benefit to fund). Accordingly, a decrease in revenue is shown as a positive number (cost/hit to fund), and an increase in revenue is shown as a negative number (savings/benefit to fund).

Administration Bureau

Key Services:

1. Employee Hiring

- Development of job descriptions
- Position control and reporting
- Hiring plan development and approval
- Recruitment and selection support
- Employee processing and orientation

2. Employee Administration

- Compensation/benefit management
- Disability/leave coordination
- Performance and conduct management
- Training opportunities
- Supervisor guidance
- Workplace investigations

3. Safety and Disaster Management

- Ergonomic coordination
- Worker's Compensation management
- Safety inspections and compliance
- Emergency/disaster planning and response

4. Budget Development and Management

- Resource analysis
- Budget proposal development
- Monitoring of actual expense/revenue

5. Office Management and Communications

- Council letters
- Quality control of major documents
- Public Records Act and subpoena coordination
- Interdepartmental communications
- Clerical supervision

6. Leadership & Special Analysis

- Project management
- Policy and procedure development
- Executive management requests
- Department direction

FY 16 Funding Source: General Fund 100%

Administration	Actuals FY 14	Adjusted* FY 15	Adopted** FY 16
Revenues	1,029	—	—
Expenditures	1,768	700	—
FTEs	5.00	5.00	5.50

* Amounts as published in the FY 16 Proposed Budget released July 2, 2015.

** Amounts exclude all-years carryover.

Narrative:

The Administration Bureau provides support and coordination for the other seven Bureaus within Financial Management. The Bureau provides extensive financial reporting, processing, reporting and forecasting support within the Department. It plays a key role in departmental strategic planning, research efforts and in exploring new methods for maximizing efficiencies and reducing ongoing costs. In FY 16, the Department's budget includes a reallocation of staffing resources to increase support for compliance efforts, including employee safety. The Bureau will continue its focus on central financial and budget policies as well as improving the strength of the Department while striving to increase efficiency. The budget for this operation is charged to the other Bureaus in Financial Management.

Accounting Bureau

Key Services:

1. **Financial Accounting**
 - Review financial records/transactions
 - Annual audits management, response and reporting
 - Procedural/system control enhancement
2. **Internal and external financial reporting**
 - CAFR report preparation and other State and on-demand regulatory reports
3. **Citywide accounting standard interpretation and consultation**
 - GASB and other authoritative standard interpretation and implementation
 - General Citywide training and department audit consulting
 - FM Accounting staff development
4. **Special Accounting**
 - Grants and CIP accounting and billings
 - Oil and Oil Production
 - Indirect Cost Plan
 - Tidelands and Successor Agency
5. **Payroll**
 - Single and Program Audits
 - Payroll processing
 - Implementation of regulatory changes
 - System updates and maintenance
 - CalPers/Federal/State reporting
 - Benefits rate monitoring/development
 - Employee withholding processing
6. **Accounts Payable**
 - 1099 generation and reporting
 - Payment processing review
 - Sales and use tax reporting
 - Document management
 - W9 verification and tracking
7. **Special Projects**
 - Public Records Act requests
 - Financial analysis and projections
 - Emergency management accounting

FY 16 Funding Sources: General Fund 54%, Employee Benefits Fund 27%, Tidelands Operations Fund 6%, Community Development Grants Fund 4%, Insurance Fund 4%, Marina Fund 2%, Rainbow Harbor Area Fund 2%, Housing Development Fund 1%, Housing Authority < 1%, Health Fund < 1%, General Services Fund < 1%

Accounting	Actuals FY 14	Adjusted* FY 15	Adopted** FY 16
Revenues	1,014,460	738,143	2,100
Expenditures	4,908,755	5,206,079	4,397,692
FTEs	34.00	34.00	29.45

* Amounts as published in the FY 16 Proposed Budget released July 2, 2015.

** Amounts exclude all-years carryover.

Narrative:

The City Controller's Office/Accounting Bureau continues to provide service levels to the City's 22 distinct departments and its subsidiaries across 37 funds (reported as 39 funds for CAFR purposes). The Bureau's main focus is to (a) ensure compliance with statutes, regulations, Generally Accepted Accounting Principles (GAAP), Governmental Accounting Standards Board (GASB) pronouncements and governmental auditing standards and (b) provide guidance and support to departments citywide. The ongoing receipt of the GFOA Certificate for Excellence in Financial Reporting is an indication of the quality of the reports produced.

The FY 16 budget reflects transfer of the Financial Systems division from the Accounting Bureau to the Financial Controls Bureau, as well as a reallocation of staffing resources to increase support of the central payroll operation.

Budget Management Bureau

Key Services:

- | | |
|--|---|
| <p>1. Current Year Budget Management</p> <ul style="list-style-type: none"> • Budget adjustments • Quarterly performance reports • Debt allocation • Preparation of year-end estimates • Department monitoring <p>2. Budget Development</p> <ul style="list-style-type: none"> • Base budget preparation • Review of department proposals • Publication of community and budget books • Forecasting of revenues • Target and guidelines development • Management of budget timeline/process • Budget meetings <p>3. Departmental Budget Assistance</p> <ul style="list-style-type: none"> • Review of personnel requisitions • Training and assistance for department budget staff • Council letter review | <p>4. Long Range Financial Forecasting and Planning</p> <ul style="list-style-type: none"> • Long-term forecasting • Economic analysis • Financial plan development • Fiscal capacity analysis • Financial policy monitoring <p>5. Special Analyses</p> <ul style="list-style-type: none"> • Exec management projects and reports • Council requests • Public records requests • Labor negotiation analysis <p>6. Revenue Maintenance and Maximization</p> <ul style="list-style-type: none"> • Contract administration • Sales tax monitoring • Rebates processing • Shared revenue agreement administration • Fee updates and management |
|--|---|

FY 16 Funding Sources: General Fund 70%, Employee Benefits Fund 25%, Tidelands Operations Fund 5%

Budget Management	Actuals FY 14	Adjusted* FY 15	Adopted** FY 16
Revenues	—	—	—
Expenditures	1,884,935	2,100,691	2,128,114
FTEs	12.00	12.00	12.00

* Amounts as published in the FY 16 Proposed Budget released July 2, 2015.

** Amounts exclude all-years carryover.

Narrative:

The Budget Office is responsible for developing the key annual policy document the City produces, the City Manager’s proposed budget, and for monitoring the adopted budget. The Budget Office also provides long-term financial projections and recommendations for achieving long-term fiscal health and strength. As part of the Bureau’s responsibility for Citywide budget development and monitoring, it provides a full menu of services citywide, including: developing the process for and then building a proposed budget in conformance with the direction of the City Manager; providing relevant, accurate and timely budgetary information; supporting the City Manager, City Council, the Budget Oversight Committee; providing community outreach on the City’s budget and support; and providing oversight of departmental budgetary actions.

The focus in FY 16 will be to continue to actively explore and develop opportunities to increase revenue for the City, including cost recovery through fees and sales tax and other revenue-sharing agreements with the private sector. The Bureau will also continue to emphasize streamlining and simplifying budgetary policies and procedures, implementing the budget module for the ERP project, and enhancing the City’s long-range financial forecasting capabilities to better assess financial risks and opportunities.

Commercial Services Bureau

Key Services:

1. **Utility Customer Service**
 - In-person customer service
 - Bill dispute resolution
 - Payment and refund processing
 - Collection of unpaid City debts
 - Process bankruptcy billings
2. **Parking Citations**
 - Receive/process citations from field staff
 - Research necessary billing information
 - In-person customer service
 - Disputed citation review and resolution
 - Payment and refund processing
 - Collection of unpaid City debts
 - Remit revenues to issuing agencies
 - Preferential Parking administration
3. **Ambulance Billing**
 - Collect and research billing information
 - Bill generation, quality control, and dispute resolution
 - Payment and refund processing
 - Collection of unpaid City debts
 - Issue and monitor payment plans
4. **Billing Services for Other City Departments**
 - Process bankruptcy cases
 - In-person customer service
 - Centralized bill generation, quality control, and dispute resolution
 - Customer service
 - Payment and refund processing
 - Collection of unpaid City debts
5. **Additional Cashiering Services**
 - Process mail and perform research
 - Accept and verify deposits from City departments
 - Secure money
 - Maintain equipment and systems
 - Reconcile with City financial systems
 - Administer/monitor credit card processor and remote pay station contracts
 - Enforce State/Federal regulations
 - Public Records Act requests

FY 16 Funding Sources: General Fund 70%, Gas Fund 30%

Commercial Services	Actuals FY 14	Adjusted* FY 15	Adopted** FY 16
Revenues	9,934,032	9,405,507	6,873,928
Expenditures	11,455,433	12,065,262	5,935,493
FTEs	49.59	50.59	40.79

* Amounts as published in the FY 16 Proposed Budget released July 2, 2015.

** Amounts exclude all-years carryover.

Narrative:

The Commercial Services Bureau provides a range of customer and financial services to the City and its residents, including billing, collections, payment processing, and customer service. The Bureau provides collection activities for ambulance transports, permits, business licensing, parking citations, marina slip fees, utility services, and various other City services. For instance, the Bureau currently works with the State to recover funds from income tax returns for small claims court judgments on delinquent accounts for utility bills, ambulance transport charges, business license fees, parking citation fees, etc.

The Bureau's budget reflects a reorganization that moves utility billing and meter reading functions out of the Commercial Services Bureau and into the Long Beach Gas and Oil Department where the utility call center resides. Consolidation of these operations supports expanded capacity for cross-training and other operational efficiencies. The Commercial Services Bureau will continue to provide utility -related services including direct in-person customer contact, service connections, payment processing, and in-house collection activity for the City's gas, water, trash, recycling and sewer utilities. The budget also includes staffing for billing of the First Responder Fee should City Council approve it.

City Treasurer Bureau

Key Services:

1. **Cash Management**
 - Liquidity management and assurance
 - Invest City pooled funds and segregated bond proceeds
 - Distribute manual checks, payroll checks, and vouchers
 - Credit card payment receipt
 - Claim dormant unclaimed funds for City
 - Manage investment advisor relationship
 - Manage Investment Advisory Committee
2. **Debt Management (Bonds, Commercial Paper, Leases)**
 - Debt issuance, liquidity facilities
 - Legal compliance monitoring, reporting
 - Manage debt service payments
 - Manage bond draws
 - Manage assess districts, consultant, and district reporting
 - Manage conduit debt and reporting
3. **Utility Users Tax (UUT)**
 - Process UUT revenue receipts from utilities
 - Manage UUT waiver requests (single metered accounts)
 - UUT Senior/Disabled Refund Program (shared meter accounts)
4. **Performance Bond Safekeeping**
 - Inventory, secured storage, and return
5. **Deferred Compensation Administration**
 - Administer 457 Plan (deferred compensation plan)
 - Administer PARS Plan (part-time employee plan)
6. **Rating Agency and Investor Communication Management**
 - Rating agency communications
 - Investor communications
 - Investor relations (website, disclosures, and financial information)

FY 16 Funding Sources: General Fund 100%

City Treasurer	Actuals FY 14	Adjusted* FY 15	Adopted** FY 16
Revenues	1,548,281	1,632,940	1,681,517
Expenditures	1,465,065	1,627,940	1,676,517
FTEs	8.00	8.00	8.00

* Amounts as published in the FY 16 Proposed Budget released July 2, 2015.

** Amounts exclude all-years carryover.

Narrative:

The Treasury Bureau manages an estimated \$1.5 billion investment portfolio while also managing outstanding City debt obligations totaling more than \$2.5 billion as of FY 14 year end.

The Bureau is responsible for managing the City's investments, cash, and debt, as well as ensuring compliance with internal and external policies and regulations. Additional duties included providing optimal solutions to ensure safety and liquidity in support of the City and enterprise fund cash requirements, assistance in financing instruments for City and enterprise fund infrastructure, and capital and leasing programs. The Treasury Bureau also provides administrative services to two deferred compensation programs, two assessment districts, a utility district, and seven community facility districts.

The City's investment portfolio rating was revised by Standard & Poor's to "AA" from "AAA" due to their downgrade of the United States Treasuries to "AA+". As an issuer of debt, the City of Long Beach received affirmation of "Aa2" and "AA" from Moody's and Fitch Ratings, respectively. In addition, Standard and Poor's issued an implied rating of "AA-".

Business Services Bureau

Key Services:

1. **Purchasing**
 - Review requests, determine procurement method
 - Develop and post bid package
 - Review and prepare procurement-related council letters
 - Bidder communication and validation
 - Create or renew purchase orders
 - Purchasing card administration
 - Online bidding system management
 - Citywide training
 - Customer service
2. **Program/Contract Compliance**
 - HUD Section 3
 - Disadvantage Business Enterprise
 - Small Business Enterprise
 - Equal Benefits Ordinance
 - Project Labor Agreement administration
 - Construction Employee Compensation compliance
 - Customer service
3. **Transient Occupancy Tax Administration**
 - Receive and confirm accurate payment from hotels
4. **Business License Issuance**
 - Process payment to LB Tourism improvement agency (TIA)
 - Application review and processing
 - Conditional licenses
 - Entertainment permits
 - Smoking lounge permits
 - Customer service
5. **Permit Issuance**
 - Alarm permits
 - Special events permits
 - Garage sale permits
 - Customer service
6. **Business License Compliance Enforcement**
 - Complaints/council inquiries
 - Revocations/denials
 - Field inspection
 - Customer service
7. **Special Projects**
 - Public Records Act requests
 - Web support

FY 16 Funding Sources: General Fund 100%

Business Services	Actuals FY 14	Adjusted* FY 15	Adopted** FY 16
Revenues	12,654,957	12,370,190	12,296,738
Expenditures	3,246,165	2,481,388	2,745,765
FTEs	20.00	18.00	18.00

* Amounts as published in the FY 16 Proposed Budget released July 2, 2015.

** Amounts exclude all-years carryover.

Narrative:

The Purchasing Division has conducted competitive bids for significant citywide services during FY 15, including planning, engineering, architectural, transmission, janitorial services, tree trimming, and concrete saw cutting services. The Bureau provides on-going contract compliance for HUD Section 3 related construction contracts, and administers the Equal Benefits Ordinance, which requires contractors on City contracts to provide benefits to their employees with domestic partners equivalent to those provided to their employees with spouses. The Bureau supported the Project Labor Agreement negotiations and worked to implement oversight and monitoring on projects under the PLA. The Bureau also oversees the electronic bidder management system that is available via the City's website. The system increases the number of available bidders, maximizing competition for the City's businesses and resulting in better pricing of goods and best value for services. The system allows for certification of Small Business Enterprises (SBE), Very

Business Services Bureau

Small Business Enterprises (VSBE), and Long Beach Small Business Enterprises (LSBE). The Bureau is responsible for the local preference program whose purpose is to stimulate local job growth, increase sales tax revenue, and keep revenue in the City. The Purchasing Division provides local outreach by contacting Long Beach businesses for every applicable purchasing bid. The number of local registered vendors has increased from 1,676 as of June 2014 to 1,831 as of June 2015.

The Bureau also administers business licenses and permits. In FY 16, a License Inspector will continue to work Saturdays to investigate illegal yard sales and business complaints. Inspectors will also investigate and monitor businesses for compliance, respond to complaints, and provide collections of City revenue on outstanding accounts.

Fleet Services Bureau

Key Services:

1. **Fleet Acquisition and Disposal**
 - Identification of replacement vehicles
 - Department communications
 - Vehicle cost/funding source analysis
 - Vehicle outfitting
 - Vehicle decommissioning
 - Vehicle disposal
2. **Fleet Maintenance**
 - Preventative Maintenance
 - Unscheduled Maintenance
 - Preventative Maint-Heavy
 - Unscheduled Maint-Heavy
 - Autobody Repair
3. **Inventory Storage and Management**
 - Supplies and Equipment management
 - Hazardous materials handling
4. **Fuel and Fuel Storage Management**
 - Underground storage facility monitoring
 - Construction/upgrade of fueling system
 - Fuel purchase
 - Fuel site remediation
 - Regulatory reporting
5. **Towing and Dispatch**
 - Contract management
 - Roadside service calls / assistance
 - Towing
 - Dispatch
6. **Impounded Vehicle Lot Management**
 - Vehicle and property auctions
 - Counter, phone and payment services
 - Evidence preservation
 - Lot service - customer escort, jump starts, Police assistance

FY 16 Funding Sources: Fleet Fund 88%, Towing Fund 11%, Transportation Fund 1%

Fleet Services	Actuals FY 14	Adjusted* FY 15	Adopted** FY 16
Revenues	37,828,947	41,334,169	42,038,322
Expenditures	26,646,395	44,037,867	51,402,859
FTEs	108.30	110.30	114.30

* Amounts as published in the FY 16 Proposed Budget released July 2, 2015.

** Amounts exclude all-years carryover.

Narrative:

In FY 16, the Bureau will continue the upgrade of the computer system used to manage all aspects of the City's fleet. The upgrade will improve fleet maintenance efficiency, enhance ad hoc reporting capabilities for performance tracking, and increase transparency through new departmental access to fleet data via web based browsers. Systems used to manage the City's fueling stations and Towing Operations are also scheduled for upgrade in FY 16 to improve efficiency and better manage these operations.

The Underground Storage Tank (UST) Compliance Program will replace aging infrastructure at several fuel sites in FY 16 to improve reliability and minimize environmental risk. Infrastructure improvements for an on-site CNG fueling station capable of fueling up to 100 vehicles simultaneously are scheduled to begin in FY 16.

The Bureau's budget also reflects realignment of budgeted classifications to reflect appropriate skill levels needed for the current workload.

Financial Controls Bureau

Key Services:

- 1. **Improve Financial Controls and Processes**
 - Review and evaluate process and control weaknesses
 - Facilitate department meetings
 - Facilitate development and implementation of solutions
 - Reports, presentations on findings/ recommendations
 - Apply technology solutions to improve business processes
- 2. **Citywide Financial Policy/Procedures Trainings**
 - Assess training needs
 - Develop materials and training implementation plan
- 3. **Review, Evaluate, and Implement Audit Findings**
 - Track audit findings and recommendations
 - Facilitate department implementation
- 4. **Financial Systems**
 - Management of financial systems and interfaces with ancillary systems
 - System security, validation, troubleshooting, training and help desk
 - Technology integration and ancillary systems data reporting enhancements
 - New system evaluation, integration and project consultation

FY 16 Funding Source: General Fund 45%, General Services Fund 55%

Financial Controls	Actuals FY 14	Adjusted* FY 15	Adopted** FY 16
Revenues	—	—	736,043
Expenditures	758,090	631,705	1,449,526
FTEs	3.00	3.00	8.05

* Amounts as published in the FY 16 Proposed Budget released July 2, 2015.

** Amounts exclude all-years carryover.

Narrative:

The Financial Controls Bureau is a small operation that focuses on improving financial controls and management throughout the City. The Bureau was established as a proactive measure to address control issues that can otherwise result in higher than normal rates of errors, fraud, financial, or operational problems. The Bureau supports the development and maintenance of a culture throughout the City that places greater emphasis on controls and financial management. The Bureau has several initiatives underway in FY 15 that will be continued in FY 16. Focus areas include processes and controls for the new financial systems, emergency purchasing, improved grant management, operational controls advisement, and facilitating implementation of management responses to internal and external audit findings. For FY 16, the focus will be on implementation of new systems and controls/processes in emergencies.

The FY 16 budget reflects transfer of the Financial Systems division from the Accounting Bureau to the Financial Controls Bureau. This change will support the nexus between technological and operational controls.

Financial Summary by Category

Citywide activities are managed by the Financial Management Department. This summary includes the following activities: "XC" Citywide contains certain citywide revenues, transfers and expenditures that are not linked to a specific operating department. Citywide receipt of property taxes and citywide payments for Pension Obligation Bonds are examples. "XI" contains interfund transfers for the indirect cost allocation plan that provides additional revenue to the General Fund for citywide overhead charged to non-General Fund sources. "XJ" Joint Powers Authority contains expenditures for City-involved joint power activities.

The second Financial Summary by Category page strictly includes the Department of Financial Management's operating budget.

	Actual FY 14	Adopted* FY 15	Adjusted** FY 15	Adopted* FY 16
Revenues:				
Property Taxes	141,897,853	139,091,026	139,091,026	148,876,392
Other Taxes	116,266,788	116,878,385	116,878,385	119,979,703
Franchise Fees	21,642,083	21,115,024	21,115,024	22,742,863
Licenses and Permits	—	—	—	—
Fines and Forfeitures	—	—	—	—
Use of Money & Property	18,072,360	18,271,296	18,271,296	18,536,125
Revenue from Other Agencies	30,461,528	28,081,976	29,629,294	27,059,645
Charges for Services	23,817,811	42,451,391	42,451,391	42,451,391
Other Revenues	4,446,705	1,066,710	939,518	1,711,128
Interfund Services - Charges	255,804,530	287,392,579	296,239,227	304,515,213
Intrafund Services - General Fund Charges	—	1,300,000	1,300,000	1,300,000
Harbor & Water P/R Rev Trsfs	—	—	—	—
Other Financing Sources	(700,000)	—	—	—
Operating Transfers	136,585,381	108,455,478	92,306,214	71,380,092
Total Revenues	748,295,037	764,103,864	758,221,374	758,552,552
Expenditures:				
Salaries, Wages and Benefits	193,845,096	224,591,683	224,350,973	240,308,392
Overtime	(143,853)	64,742	64,742	—
Materials, Supplies and Services	19,118,091	38,423,151	37,165,015	38,384,127
Internal Support	10,230,941	10,628,487	10,628,487	10,189,223
Capital Purchases	—	—	—	—
Debt Service	84,509,440	83,298,442	83,298,442	82,603,432
Transfers to Other Funds	76,738,168	43,037,409	52,348,552	32,301,742
Total Expenditures	384,297,883	400,043,913	407,856,211	403,786,916
Personnel (Full-time Equivalent)	—	—	—	—

* Amounts exclude all-years carryover. See budget ordinance in the back of this document.

** Amounts as published in the FY 16 Proposed Budget released July 2, 2015.

Financial Summary by Category

	Actual FY 14	Adopted* FY 15	Adjusted** FY 15	Adopted* FY 16
Revenues:				
Property Taxes	—	—	—	—
Other Taxes	11,863,352	11,861,100	11,861,100	11,800,163
Franchise Fees	—	—	—	—
Licenses and Permits	615,904	413,501	413,501	403,986
Fines and Forfeitures	324,238	345,000	345,000	345,000
Use of Money & Property	913,744	1,439,779	1,439,779	1,451,979
Revenue from Other Agencies	870	453,500	453,500	453,500
Charges for Services	7,061,156	8,517,533	8,517,533	7,363,568
Other Revenues	3,953,485	3,398,630	3,398,630	3,792,802
Interfund Services - Charges	37,014,607	38,088,834	38,088,834	36,275,515
Intrafund Services - General Fund Charges	1,208,752	963,072	963,072	1,742,134
Harbor & Water P/R Rev Trsfs	—	—	—	—
Other Financing Sources	—	—	—	—
Operating Transfers	25,600	—	—	—
	-----	-----	-----	-----
Total Revenues	62,981,707	65,480,949	65,480,949	63,628,648
Expenditures:				
Salaries, Wages and Benefits	21,865,064	25,342,028	25,342,028	25,501,619
Overtime	459,467	340,242	340,242	340,242
Materials, Supplies and Services	16,430,821	18,004,412	18,107,717	16,045,582
Internal Support	5,939,604	6,421,079	6,421,079	4,227,925
Capital Purchases	1,369,807	11,005,800	13,544,100	19,634,699
Debt Service	1,565,484	1,564,077	1,564,077	1,564,077
Transfers to Other Funds	2,736,359	2,832,389	2,832,389	2,421,821
	-----	-----	-----	-----
Total Expenditures	50,366,604	65,510,027	68,151,633	69,735,965
Personnel (Full-time Equivalents)	239.89	240.89	240.89	236.09

* Amounts exclude all-years carryover. See budget ordinance in the back of this document.

** Amounts as published in the FY 16 Proposed Budget released July 2, 2015.

Personnel Summary

Classification	FY 14 Adopt FTE	FY 15 Adopt FTE	FY 16 Adopt FTE	FY 15 Adopted Budget	FY 16 Adopted Budget
Accountant III	10.00	10.00	10.00	820,626	805,737
Accounting Clerk II	1.00	1.00	1.00	47,389	47,389
Accounting Clerk III	1.00	2.00	2.00	92,454	92,454
Accounting Operations Officer	1.00	1.00	1.00	109,568	109,568
Accounting Technician	8.00	8.00	8.00	419,889	418,844
Administrative Analyst II	2.00	3.00	3.00	220,114	223,046
Administrative Analyst III	6.00	5.00	4.00	450,171	360,277
Administrative Services Officer	1.00	1.00	1.00	79,543	79,542
Assistant City Controller	2.00	2.00	2.00	251,267	251,266
Assistant Administrative Analyst I	1.00	1.00	1.00	60,698	50,979
Assistant Administrative Analyst II	2.00	2.00	3.00	136,064	185,999
Assistant Director-Financial Management	1.00	—	—	—	—
Budget Analysis Officer	2.00	2.00	2.00	216,375	216,375
Budget Management Officer	1.00	1.00	1.00	119,507	119,507
Business Systems Specialist III	1.00	1.00	1.00	70,547	70,547
Business Systems Specialist IV	1.00	1.00	1.00	78,073	78,073
Business Services Officer	1.00	1.00	1.00	84,387	84,422
Buyer I	2.00	2.00	2.00	144,703	134,865
Buyer II	2.00	2.00	2.00	173,843	173,843
City Controller	1.00	1.00	1.00	147,733	147,732
City Treasurer	1.00	1.00	1.00	156,137	156,136
Citywide Budget Analyst I - Conf	2.00	—	—	—	—
Citywide Budget Analyst II - Conf	4.00	—	—	—	—
Clerk III	1.00	—	—	—	—
Clerk Typist III	5.00	5.00	6.00	226,426	272,128
Controls Operations Officer	1.00	1.00	1.00	107,640	107,640
Cust Service Representative II	11.76	10.76	10.76	486,615	490,162
Cust Service Representative II-NC	1.83	1.83	1.03	83,868	44,598
Cust Service Representative III	32.00	31.00	27.00	1,591,144	1,367,287
Customer Services Supervisor I	3.00	3.00	3.00	189,267	189,267
Customer Services Supervisor II	4.00	4.00	2.00	273,027	137,244
Customer Services Supervisor III	—	1.00	—	82,063	—
Director of Financial Management	1.00	1.00	1.00	212,459	212,460
Equipment Mechanic I	21.00	21.00	17.00	1,229,965	1,031,721
Equipment Mechanic II	23.00	23.00	21.00	1,510,645	1,371,085
Financial Systems Integration Officer	1.00	1.00	1.00	129,116	129,116
Financial Controls Analyst	1.00	1.00	1.00	90,643	90,644
Financial Management Analyst I	—	1.00	1.00	74,285	74,285
Financial Management Analyst II	—	6.00	6.00	575,914	583,840
Financial Services Officer	2.00	2.00	2.00	213,321	213,321
Fleet Finance Officer	—	1.00	1.00	123,227	123,227
Fleet Services Supervisor I	8.00	8.00	6.00	568,231	450,841
Fleet Services Supervisor II	3.00	3.00	3.00	267,550	270,026
Garage Services Attendent I	9.00	10.00	15.00	415,534	625,176
Garage Services Attendent II	9.00	9.00	13.00	420,362	600,920

Personnel Summary

Classification	FY 14 Adopt FTE	FY 15 Adopt FTE	FY 16 Adopt FTE	FY 15 Adopted Budget	FY 16 Adopted Budget
Garage Services Attendent II - Towing	1.00	1.00	1.00	52,248	52,248
Garage Services Attendent III	3.00	3.00	3.00	169,466	172,685
General Superintendent-Fleet Services	1.00	1.00	1.00	106,248	106,248
Helicopter Mechanic	1.00	1.00	1.00	86,069	86,069
License Inspector I	3.00	3.00	3.00	170,936	173,143
License Inspector II	1.00	1.00	1.00	60,698	60,698
Maintenance Assistant II	4.00	4.00	4.00	162,353	162,353
Maintenance Assistant III	1.00	1.00	1.00	43,568	46,157
Mechanical Equipment Stock Clerk I	1.00	1.00	1.00	48,573	48,573
Mechanical Equipment Stock Clerk II	3.00	3.00	3.00	154,206	161,702
Manager of Budget Management	1.00	1.00	1.00	166,400	166,468
Manager of Business Relations	—	1.00	1.00	141,440	143,581
Manager of Commercial Services	1.00	1.00	1.00	142,810	142,811
Manager of Financial Controls	1.00	1.00	1.00	140,895	140,894
Manager of Fleet Services	—	1.00	1.00	141,440	142,539
Payroll/Personnel Assistant III	1.00	1.00	1.00	53,524	54,568
Payroll Specialist I	2.00	2.00	2.00	108,836	108,836
Payroll Specialist II	1.00	1.00	1.00	65,494	65,494
Purchasing Agent	1.00	1.00	1.00	113,931	116,519
Revenue Management Officer	1.00	1.00	1.00	108,187	108,188
Secretary	3.00	4.00	4.00	183,779	197,346
Secretary-Conf	1.00	1.00	1.00	53,710	45,972
Special Services Officer I-NC	1.30	1.30	1.30	50,292	52,133
Special Services Officer II	3.00	2.00	1.00	100,878	54,413
Fuel/UST Officer	—	—	1.00	—	102,000
Senior Accountant	4.00	4.00	4.00	363,755	363,755
Senior Accountant-Conf	1.00	1.00	1.00	90,939	90,939
Superintendent - Towing & Lien Sales	1.00	1.00	1.00	97,010	97,011
Superintendent - Fleet Acquisition	—	—	1.00	—	85,000
Superintendent - Fleet Operations	1.00	—	—	—	—
Supervisor - Stores & Property	1.00	1.00	1.00	52,258	52,258
Treasury Operations Officer	2.00	2.00	2.00	281,131	279,216
Welder	2.00	1.00	1.00	63,809	63,809
Subtotal Salaries	----- 239.89	----- 240.89	----- 236.09	----- 16,325,271	----- 15,935,213
Overtime	—	—	—	340,242	340,242
Fringe Benefits	—	—	—	8,584,979	9,152,710
Administrative Overhead	—	—	—	315,256	303,324
Attrition/Salary Savings	—	—	—	—	—
Expenditure Transfer	—	—	—	116,523	110,372
Total	----- 239.89	----- 240.89	----- 236.09	----- 25,682,270	----- 25,841,861

