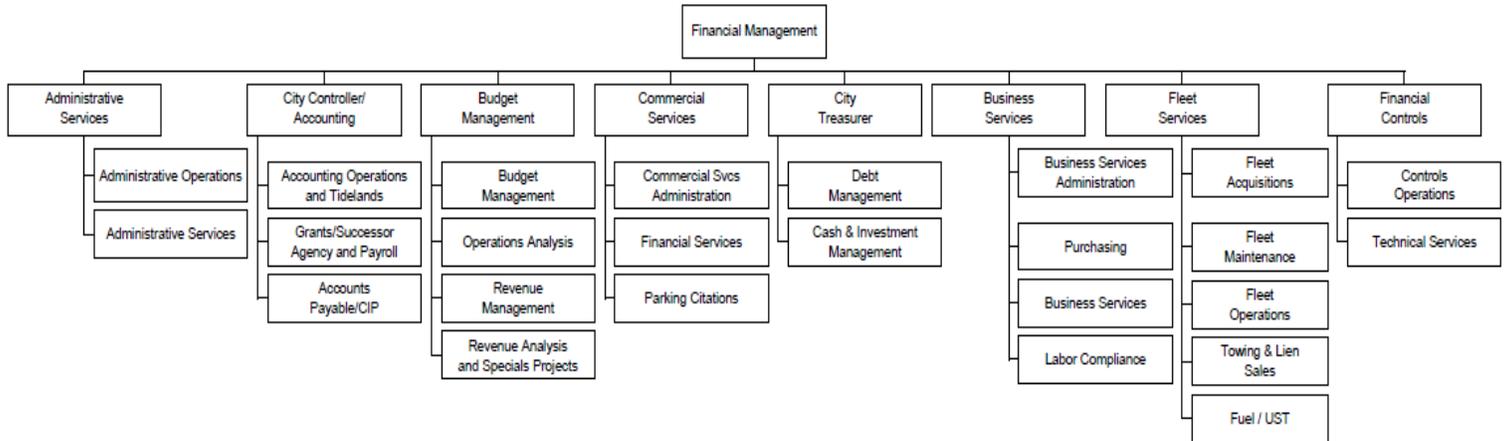


Financial Management



John Gross, Director of Financial Management

Lea Eriksen, Assistant Finance Director, Budget Management Bureau

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:

The mission of the Financial Management Department is to serve the people of Long Beach by keeping the City financially sound. This is achieved by: Managing City financial operations; providing financial policy advice and direction that keeps the City financially strong; providing transparent financial reporting; providing a sound budget process, enabling budgetary decisions that serve the best interests of the City; providing collection and business services in a manner that well serves City goals; providing an efficient and effective City vehicle fleet system; and providing 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
- Payroll operations
- 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
- Labor compliance
- Management of outstanding debt
- Debt issuance as needed
- Fleet acquisition
- Fleet management
- Fuel and fuel storage management
- Towing, dispatch and impound services

FY 17 Focus:

The Financial Management Department 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 efficiency, control, and reporting improvements. The new system is expected to have better reliability, efficiencies, controls, reporting, and improved transparency capabilities. In addition to this primary focus, the Department will also continue to emphasize strong fiscal and budget policy.

With the passage of Measure A, Financial Management will be providing support for Measure A administration, tracking and reporting. Additionally, the Department will focus on other smaller initiatives, including: improvements in training for Commercial Services staff, purchasing and labor compliance, refunding bonds at a lower cost to the City, improvements to the business licensing system to provide real-time information and data entry to business license inspectors out in the field, continuing to “green” the City’s fleet with the conversion to CNG fuel, and implementation of a new fuel management system that will provide much new data that can be analyzed and used to lower fuel use through-out the City.

Department Performance Measures

Key Measure	FY 15 Actual	FY 16 Target	FY 16 Estimate	FY 17 Projection
Purchasing - Percentage of dollars spent with Long Beach businesses	29%	31%	33%	35%

The City of Long Beach, through its Purchasing Division, sends weekly updates to 22 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 17 projection assumes a sustained level of bids awarded to local vendors as compared to FY 15. The Purchasing Division is continuing its commitment to outreach to local vendors in order to maintain or increase dollars spent with Long Beach businesses.

Key Measures	FY 15 Actual	FY 16 Target	FY 16 Estimate	FY 17 Projection
Fleet Services - Number of preventative maintenance services completed on City vehicles	8,354	8,356	7,900	8,300
Fleet Services - Percentage of alternative fueled vehicles in the Fleet	22.4%	25.0%	26.8%	30.6%

The Fleet Services Bureau strives to perform services consistent with industry standards and best practices. 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 30% of the total units replaced in FY 17. Compliance with State mandated regulations to reduce emissions have been, and will continue to be, met or exceeded.

Key Measure	FY 15 Actual	FY 16 Target	FY 16 Estimate	FY 17 Projection
Commercial Services - Percentage of ambulance fees collected within the first eighteen months	52%	56%	54%	54%

In FY 15, the Commercial Services Bureau collected an average of 52 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 2013 and early 2014. 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 continues to significantly improve through activities including filing small claims court actions, intercepting state income tax refunds, and credit reporting by the collection agency. The City's collections' rate is comparable to other agencies that have similar demographics and it is based on the type of insurance coverage from its patients.

FY 16 Accomplishments

Accounting Bureau

- Completed FY 15 Comprehensive Annual Financial Report (CAFR), dated March 25, 2016, with an unmodified opinion.
- Received the Government Finance Officers' Association's Certificate of Achievement for Excellence in Financial Reporting for the City's FY 14 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 tenth consecutive year, in an effort to achieve fiscal sustainability for the City.
- Enhanced citizen engagement of the City's budget through the use of an online budget challenge and budget priority survey.
- Enhanced citizen understanding of the City's budget through the use of OpenGov budget transparency software which allowed citizens to view the proposed budget visually.
- Finalized a location agreement with a local business to consolidate their statewide purchasing to Long Beach and share new sales tax revenue with the City, resulting in additional revenue to the General Fund.
- Provided financial analysis, budgeting assistance and reporting in support of the Exclusive Negotiation Agreement (ENA) and pre-construction phases of the Long Beach Civic Center Project.

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 267 Small Claims Court actions in the first eight months of FY 16. The majority of the cases were delinquent utility bills, business licenses, and ambulance transports.
- The Bureau expanded its Ambulance Services webpage; added additional payment option information to ambulance invoices; created a new Ambulance Services email address; and streamlined policies and procedures.
- Streamlined the Preferential Parking Permit process by offering the public the option to manage their account online, including the ability to print temporary guest parking permits.

Treasury Bureau

- Refunded \$184.2 million of Tax Allocation Bonds via the County of Los Angeles Redevelopment Refunding Authority. Refunding resulted in \$20 million, or 10.80 percent, in present value savings.
- Issued \$13.2 million of Lease Revenue Bonds. The bond proceeds were used to finance the courthouse demolition and facilitate the City's Civic Center Project.
- Refunded \$106 million of the 2005 A & B Harbor Revenue Bonds. Refunding resulted in \$13.8 million, or 13.11 percent, in present value savings.
- Increased year-over-year investment income to \$6.5 million from \$3.1 million, May 2016 from May 2015.
- Coordinated with the State Board of Equalization to establish the City's ability to receive the newly established Mobile Telephony Services Surcharge.

Business Services Bureau

- Increased businesses registered in the City's Online Bidder's database, PlanetBids, by 9.75 percent from the previous year, to 18,213 registered businesses.
- As of June 2016, issued 2,695 new Business Licenses, 2 new Entertainment Permits, 153 One Time Permits and 776 Alarm Permits.

FY 16 Accomplishments

- Continued the implementation of the Small Business Enterprise Program. As of June 2016, there are 4,333, an increase of 633, or 17 percent, from FY 15 in 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.
- Completed the first Project Labor Agreement (PLA) Project following the execution of the Citywide PLA and implemented monitoring on subsequent subject projects. Executed contract with PLA Administrator to monitor and report progress towards local hire goals.
- Finalized development and released Open Counter to the Business Improvement Districts (BID's) for Beta testing. Launched the Alpha version of Bizport to the public that was developed by the Code for America with assistance from the i-Team.
- Continued Business License Incentive program through outreach efforts to city vendors to relocate or expand their business in Long Beach.
- Created video, "How to Become a Registered Vendor" and published on city webpage, in combination with City's i-Team and has been viewed nearly 400 times.
- Implemented Labor Compliance and Small/Disadvantage Business Software (to track documents that contractors are required to submit), which improve compliance in future audits.

Fleet Services Bureau

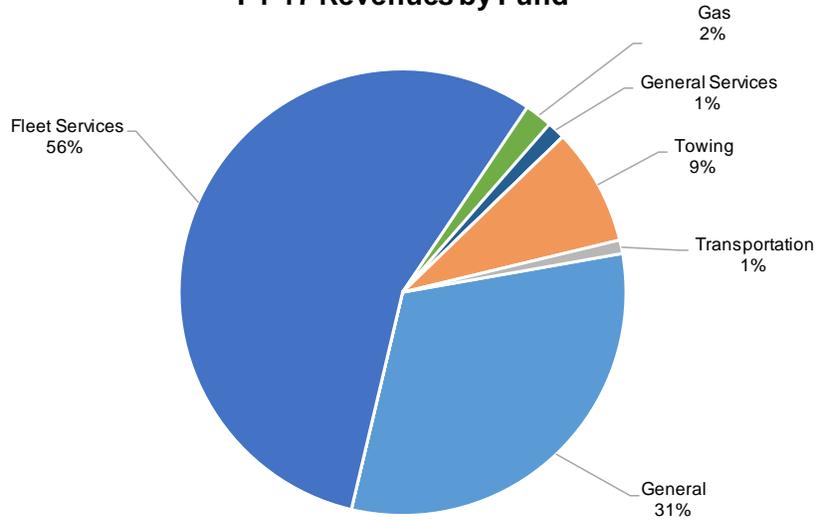
- The City of Long Beach Fleet Services was recognized as the 12th best Fleet in North America under the Leading Fleets program, for 2016.
- Recertified by the National Institute for Automotive Service Excellence (ASE) as a certified Blue Seal Repair Shop.
- Started construction of a state of the art time-fill CNG fueling station at the Temple-Willow yard for use with the City's incoming new fleet of CNG-powered refuse trucks and street sweepers.
- First Southern California government fleet agency to add a hydrogen fuel cell vehicle (Toyota Mirai) to its fleet.
- Secured \$1.4 million of Mobile Source Air Pollution Reduction Review Committee (MSRC) Local Government Match and Natural Gas Vehicle Incentive Program funds to enable purchase of alternative fuel vehicles and partially fund the Temple-Willow CNG fueling station.
- Upgraded the fleet's information management system to enable a paperless shop, customer access to fleet data, enhanced reporting, and performance measures. System enables data-based decision making and significant efficiencies in scheduling and maintenance of the fleet.

Financial Controls Bureau

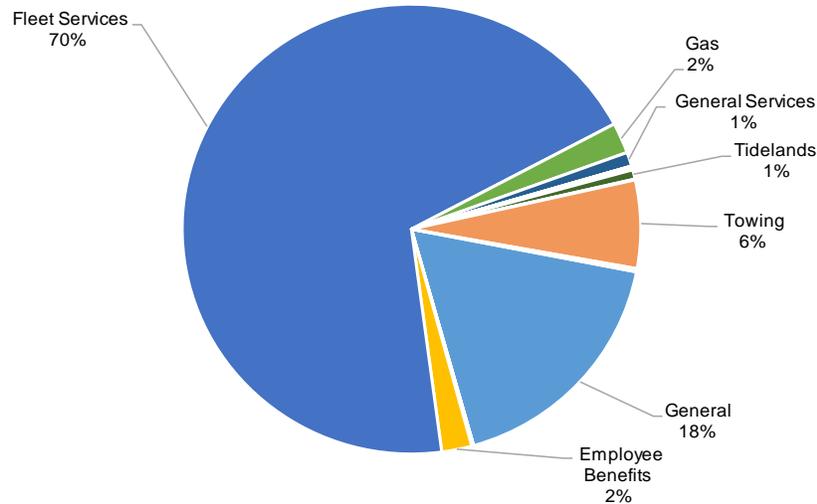
- Developed an ordinance that amended City of Long Beach Municipal Code to establish purchasing authority and procedures for use in an emergency to allow the City to move quickly to secure scarce resources and help ensure maximum federal cost reimbursement.
- Increased City-wide awareness and dialogue regarding disaster cost recovery challenges through a two-day seminar led by an expert in the field, and initiated process to obtain consulting services to guide further preparation efforts.
- Implemented continuous improvements to access and quality of financial information to support transparency, efficiency, and improved decision-making.
- Evaluated the City's accounts receivable and delinquent collections process to find opportunities for standardization and improvement and prepare for ERP implementation.
- Provided support to the City's ERP replacement project, including assistance with specification development, gap/fit analysis, scope of work development, and chart of account and project budget analysis.

FY 17 Budget

FY 17 Revenues by Fund



FY 17 Expenditures by Fund



Fund Impact

Fund	Revenues	Expenditures	Fund Impact
General	21,063,949	14,789,290	6,274,660
Capital Projects	-	8,903	(8,903)
Community Development Grants	-	109,856	(109,856)
Employee Benefits	-	1,780,522	(1,780,522)
Fleet Services	37,330,841	58,400,967	(21,070,126)
Gas	1,333,464	1,859,368	(525,905)
General Services	878,994	846,143	32,851
Health	-	10,470	(10,470)
Housing Authority	-	14,193	(14,193)
Housing Development	-	39,374	(39,374)
Insurance	-	170,337	(170,337)
Tidelands	-	560,075	(560,075)
Successor Agency	-	56,735	(56,735)
Towing	5,691,849	5,326,040	365,809
Transportation	653,500	200,000	453,500
Total	66,952,597	84,172,273	(17,219,676)

Summary of Proposed Changes*

GENERAL FUND	Impact	Positions
Add Special Projects Officer to oversee various communications projects, including the Small Business Incentive program, Budget outreach, Minimum Wage and Measure A.	\$ 161,001	1.00
Add an Administrative Analyst IV and budget for printing, materials, and supplies to support Measure A administration and Citizens' Advisory Committee oversight.	\$ 206,942	1.00
Add a Labor Compliance Officer to oversee citywide contract labor compliance including Section 3, Project Labor Agreements (PLA) and Minimum Wage.	\$ 161,001	1.00
Add a Customer Service Representative-Non Career to Commercial Services utility functions to manage the utility billing system, offset through the Commercial Services MOU.	\$ -	0.73
Increased revenue from improved collection of Business License taxes.	\$ (324,000)	-
Downgrade an Accountant III to an Accounting Technician in order to create efficiencies and realign staffing costs across multiple funds to reflect current operations and provide additional support to the Enterprise Resource Planning (ERP) project.	\$ (110,997)	0.20

FLEET FUND	Impact	Positions
Add a Buyer I for Fleet Acquisitions and Maintenance, a Mechanical Stock Clerk II in the Vehicle Maintenance Stockroom, an Administrative Intern-Non Career, and move a Fleet Services Supervisor and a Maintenance Assistant II from Towing to Fleet Services to align with current operations.	\$ 367,929	4.50

TOWING FUND	Impact	Positions
Add a Garage Service Attendant III for Towing supervision and move a Fleet Services Supervisor and a Maintenance Assistant II from Towing to Fleet Services to align with current operations.	\$ (111,320)	(1.00)

GAS FUND	Impact	Positions
Add Customer Service Representative-Non Career to Commercial Services utility functions to manage utility billing system.	\$ 16,520	-

CAPITAL PROJECTS FUND	Impact	Positions
Add two Buyer IIs and one Assistant Administrative Analyst I to support estimated capital projects activities.	\$ -	3.00

Summary of Proposed Changes*

SUCCESSOR AGENCY FUND	Impact	Positions
Downgrade an Accountant III to an Accounting Technician in order to create efficiencies and realign staffing costs across multiple funds to reflect current operations and provide additional support to the Enterprise Resource Planning (ERP) project.	\$ 56,002	0.48

COMMUNITY DEVELOPMENT GRANTS FUND	Impact	Positions
Downgrade an Accountant III to an Accounting Technician in order to create efficiencies and realign staffing costs across multiple funds to reflect current operations and provide additional support to the Enterprise Resource Planning (ERP) project.	\$ (56,786)	(0.57)

*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:

- | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>1. Employee Hiring</p> <ul style="list-style-type: none"> • Development of job descriptions • Position control and reporting • Hiring plan development and approval • Recruitment and selection support • Employee processing and orientation <p>2. Employee Administration</p> <ul style="list-style-type: none"> • Compensation/benefit management • Disability/leave coordination • Performance and conduct management • Training opportunities • Supervisor guidance • Workplace investigations <p>3. Safety and Disaster Management</p> <ul style="list-style-type: none"> • Ergonomic coordination • Worker's Compensation management • Safety inspections and compliance • Emergency/disaster planning and response | <p>4. Budget Development and Management</p> <ul style="list-style-type: none"> • Resource analysis • Budget proposal development • Monitoring of actual expense/revenue <p>5. Office Management and Communications</p> <ul style="list-style-type: none"> • Council letters • Quality control of major documents • Public Records Act and subpoena coordination • Interdepartmental communications • Clerical supervision <p>6. Leadership & Special Analysis</p> <ul style="list-style-type: none"> • Project management • Policy and procedure development • Executive management requests • Department direction |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

FY 17 Funding Source: General Fund 100%

Administration	Actuals FY 15	Adjusted* FY 16	Proposed* FY 17
Revenues	811	-	-
Expenditures	64,372	-	-
FTEs	5.00	5.50	6.50

*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. The budget for this operation is charged to the other Bureaus in Financial Management.

For FY 17, the Administration Bureau will add a Special Projects Officer to oversee various communications projects, such as the Small Business Incentive program, Budget Outreach, Minimum Wage and Measure A.

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
- Single and Program Audits

5. Payroll

- 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 17 Funding Sources: General Fund 53%, Employee Benefits Fund 28%, Tidelands Operations Fund 6%, Community Development Grants Fund 2%, 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 15	Adjusted* FY 16	Proposed* FY 17
Revenues	750,030	2,100	2,100
Expenditures	4,804,072	4,451,052	4,458,342
FTEs	34.00	29.45	29.49

*Amounts exclude all-years carryover.

Narrative:

The City Controller’s Office/Accounting Bureau continues to provide service levels to the City’s 23 distinct departments and their subsidiaries across 37 funds (reported as 40 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. Preparation for a successful ERP implementation will be the primary area of focus for FY 17.

The FY 17 budget reflects reduced personnel costs resulting from the downgrade of an Accountant position due to increased efficiency and partial reassignment of a position to improve dedicated support to the ERP project.

Budget Management Bureau

Key Services:

1. Current Year Budget Management

- Budget adjustments
- Quarterly performance reports
- Debt allocation
- Preparation of year-end estimates
- Department monitoring

2. Budget Development

- 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

3. Departmental Budget Assistance

- Review of personnel requisitions
- Training and assistance for department budget staff
- Council letter review

4. Long Range Financial Forecasting and Planning

- Long-term forecasting
- Economic analysis
- Financial plan development
- Fiscal capacity analysis
- Financial policy monitoring

5. Special Analyses

- Exec management projects and reports
- Council requests
- Public records requests
- Labor negotiation analysis

6. Revenue Maintenance and Maximization

- Contract administration
- Sales tax monitoring
- Rebates processing
- Shared revenue agreement administration
- Fee updates and management

FY 17 Funding Sources: General Fund 75%, Employee Benefits Fund 22%, Tidelands Operations Fund 4%

Budget Management	Actuals FY 15	Adjusted* FY 16	Proposed* FY 17
Revenues	-	-	-
Expenditures	2,051,537	2,166,154	2,524,003
FTEs	12.00	12.00	13.00

*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 17 will be to manage the reporting and tracking of the new Measure A tax revenue, as well as staff the newly formed Citizen Advisory Committee. The Bureau will also 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
- 4. Billing Services for Other City Departments**
 - Issue and monitor payment plans
 - 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 17 Funding Sources: General Fund 71%, Gas Fund 29%

Commercial Services	Actuals FY 15	Adjusted* FY 16	Proposed* FY 17
Revenues	10,667,704	6,873,928	6,951,829
Expenditures	11,251,316	5,935,493	6,515,463
FTEs	50.59	40.79	41.52

*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 services, 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 services charges, business license fees, parking citation fees, etc.

The Bureau’s budget reflects additional staffing to handle increased billing functions as a result of the new First Responder Fee for emergency medical responses provided by City paramedics. By charging those who use the emergency services a First Responder Fee, the City is able to partially offset the remaining costs for paramedic services. The First Responder Fee is intended to close the gap in funding while allowing the City to maintain its low taxes and services fees.

The focus in FY 17 include: Implementing mobile technology service for utility customers to obtain account information and automate bill paying features; expanding existing Parking Citation customer portal to offer additional information that will increase the capability for customers to complete transactions automatically via phone or online at their convenience; implementing a new centralized collections system whereby outstanding citywide accounts can be housed in a single system improving efficiency and collection efforts, and exploring the opportunities to improve City collection efforts. The FY 17 budget includes the addition of a part-time position to strengthen the operation’s support of the City’s utility billing system.

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 17 Funding Source: General Fund 100%

City Treasurer	Actuals FY 15	Adjusted* FY 16	Proposed* FY 17
Revenues	1,712,703	1,681,517	2,319,509
Expenditures	1,540,110	1,676,517	2,314,509
FTEs	8.00	8.00	8.00

*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 \$2.3 billion as of FY 15 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 is rated "AAf" by Standard & Poor's. As an issuer of debt, the City of Long Beach received affirmation of "Aa2" and "AA" from Moody's and Fitch Ratings, respectively.

The FY 17 budget includes improved disclosure monitoring to address new regulations and risks, the ability to direct pay fees for banking related services for higher interest earnings, and reallocation of staffing to charges to reflect changing workloads.

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
- Manage department allocations for citywide contracts
- Purchasing card administration
- Online bidding system management
- Citywide training for Contract Management
- Customer service

2. Labor Compliance

- Minimum Wage education & outreach
- Prevailing wage determination & verification
- HUD Section 3
- Disadvantage Business Enterprise (DBE)
- Small Business Enterprise (SBE)
- Equal Benefits Ordinance (EBO)
- Project Labor Agreement (PLA) administration
- Customer service

3. Transient Occupancy Tax (TOT) Administration

- Receive and confirm accurate payment from hotels

- Process payment to LB Tourism Improvement Agency (TIA)

4. Business License Issuance

- Application review and processing
- Conditional licenses
- Entertainment permits
- Smoking lounge and other miscellaneous permits
- Customer service

5. Permit Issuance

- Alarm permits
- Special events permits
- Garage sale permits
- Customer service

6. Business License Compliance Enforcement

- Complaints/citizen inquiries
- Business License
- Revocations/application denials
- Field inspection
- Customer service

7. Special Projects

- Web support
- Partnering with i-Team on related projects
- Citymart – alternative RFP for business development
- Code for America development and support for BizPort

FY 17 Funding Source: General Fund 100%

Business Services	Actuals FY 15	Adjusted* FY 16	Proposed* FY 17
Revenues	13,445,160	12,296,738	13,123,975
Expenditures	2,365,531	2,745,765	2,937,207
FTEs	18.00	18.00	22.00

*Amounts exclude all-years carryover.

Narrative:

The Purchasing Division has conducted competitive bids for significant citywide services during FY 16, including tree trimming, recycling, street repairs, storm drain repairs, park improvements, and lagoon restorations. The Bureau provides on-going contract compliance for related construction contracts requiring Section 3 compliance, and administers the Equal Benefits Ordinance, which requires contractors on City contracts to provide benefits to their employees with domestic partners equivalent to

Business Services Bureau

those provided to their employees with spouses. The Bureau supported the Project Labor Agreement (PLA) implementation and provided oversight and monitoring on projects under the PLA. The Bureau also oversees the online bid management system that is available via the City's website. The system provides online registration for bidders, maximizing participation in the City's procurement process resulting in the most competitive pricing of goods and best value for services. The system allows for certification of Small Business Enterprises (SBE), Very Small Business Enterprises (VSBE), and Long Beach Small Business Enterprises (LSBE). The Bureau is responsible for determining if local preference applies. Local preference is intended 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 procurement opportunity. The number of local registered vendors has increased from 1,831 as of June 2015 to 1,965 as of June 2016.

The Bureau also administers business licenses, Alarm, Special Event, Yard Sale, Carnival, Entertainment Permits, and Transient Occupancy Tax (TOT) collection. In addition, the Bureau manages the bi-monthly payments to the Business Improvement Districts (BID's) as well as the monthly payments to Convention and Visitor's Bureau (CVB).

In FY 17, a License Inspector will continue to work Saturdays to primarily focus on illegal yard sales and business license complaints. Inspectors will also investigate and monitor businesses for LBMC compliance, respond to citizen complaints, work special events for vendor compliance and provide collections on outstanding accounts.

The FY 17 budget includes additional positions to support increased fleet acquisitions and capital projects activities, and to strengthen the oversight of Federal and State labor compliance activities.

Fleet Services Bureau

Key Services:

1. Fleet Acquisition

- Replacement Fund management
- Selection of replacement vehicles
- Vehicle outfitting
- Vehicle disposal
- Fleet sustainability

2. Fleet Maintenance and Repair

- Preventative Maintenance
- Unscheduled Maintenance
- Autobody Repair
- Contract management

3. Inventory Storage and Management

- Supplies and Equipment management
- Hazardous materials handling

4. Fleet Operations and Management

- Budget management
- Vehicle assignments

- Fleet performance analysis

5. Fuel and Fuel Storage Management

- Underground storage facility monitoring
- Construction/upgrade of fueling system
- Fuel purchase
- Fuel site remediation
- Regulatory compliance and reporting

6. Towing, Dispatch, and Impound Services

- Vehicle towing
- Dispatch of tow / maintenance service
- Roadside service calls / assistance
- Contract management
- Vehicle and property auctions
- Counter, phone and payment services
- Lot service – customer escort, jump starts, Police assistance

FY 17 Funding Sources: Fleet Fund 91%, Towing Fund 8%, Transportation Fund <1%

Fleet Services	Actuals FY 15	Adjusted* FY 16	Proposed* FY 17
Revenues	43,184,906	42,483,722	43,676,190
Expenditures	35,105,111	59,767,027	63,927,007
FTEs	110.30	114.30	117.80

*Amounts exclude all-years carryover.

Narrative:

In FY 17, the Bureau will continue improvements in the management of the fleet and support to City departments. The aged, outdated fuel dispensing system for City vehicles will be replaced at 11 fuel stations across the City with a state of the art RFID-based system that improves accuracy, strengthens control over fuel, and reduces labor. All vehicles in the fleet will be equipped with telematics devices that wirelessly provide fuel, maintenance, location, safety, and efficiency data. The telematics metadata collected will be provided to departments and used to generate operational savings, improve safety, and reduce fuel use and fleet emissions.

The Bureau will continue its aggressive effort to recapitalize the fleet by working with customer departments to specify new and sustainable vehicle technologies. The use of alternative fuels such as compressed natural gas, renewables, electric vehicles, and the City's first hydrogen fuel cell vehicle will be further deployed through the fleet to minimize the environmental footprint of City services.

The Bureau's budget also reflects realignment of budgeted classifications to better reflect staffing needs, and the addition of personnel to increase operating efficiencies in Towing, replacement vehicle procurement and new vehicle warranty claims.

Financial Controls Bureau

Key Services:

- | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>1. Improve Financial Controls and Processes</p> <ul style="list-style-type: none"> • 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 <p>2. Citywide Financial Policy/Procedures Trainings</p> <ul style="list-style-type: none"> • Assess training needs • Develop materials and training implementation plan | <p>3. Review, Evaluate, and Implement Audit Findings</p> <ul style="list-style-type: none"> • Track audit findings and recommendations • Support department implementation <p>4. Financial Systems</p> <ul style="list-style-type: none"> • 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 17 Funding Sources: General Fund 44%, General Services Fund 56%

Financial Controls	Actuals FY 15	Adjusted* FY 16	Proposed* FY 17
Revenues	-	736,043	878,994
Expenditures	239,497	1,553,950	1,495,741
FTEs	3.00	8.05	8.01

*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 16 that will be continued in FY 17. Focus areas include implementation of new financial systems, processes and controls for the new systems, policy and process improvements to mitigate the City’s financial risk as a result of a major disaster, improved grant management, operational controls advisement, and tracking implementation of management responses to internal and external audit findings.

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 Financial Management Department's operating budget.

	Actual FY 15	Adopted* FY 16	Adjusted* FY 16	Proposed* FY 17
Revenues:				
Property Taxes	151,111,146	148,876,392	148,876,392	154,670,616
Other Taxes	122,560,498	119,979,703	120,542,269	161,278,905
Franchise Fees	21,199,550	22,742,863	22,742,863	22,133,657
Licenses and Permits	-	-	-	-
Fines and Forfeitures	-	-	-	-
Use of Money & Property	20,253,270	18,536,125	18,536,125	19,863,588
Revenue from Other Agencies	30,398,002	27,059,645	26,304,815	27,177,934
Charges for Services	18,238,763	42,451,391	42,451,391	42,968,391
Other Revenues	4,696,329	1,711,128	1,711,128	1,622,141
Interfund Services - Charges	264,616,794	304,515,213	304,515,213	301,714,481
Intrafund Services - General Fund Charges	383,020	1,300,000	1,300,000	842,729
Harbor & Water P/R Rev Trsfs	-	-	-	-
Other Financing Sources	72,110,774	-	-	-
Operating Transfers	101,415,698	71,380,092	71,780,092	64,205,094
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Total Revenues	806,983,844	758,552,552	758,760,288	796,477,536
Expenditures:				
Salaries, Wages and Benefits	202,489,624	240,308,392	240,308,392	239,930,279
Overtime	34,563	-	-	-
Materials, Supplies and Services	2,578,267	38,384,127	38,384,127	42,080,831
Internal Support	10,209,256	10,189,223	10,189,223	8,487,006
Capital Purchases	-	-	-	-
Debt Service	144,316,804	82,603,432	83,003,432	86,222,355
Transfers to Other Funds	58,057,152	32,301,742	56,280,381	45,289,842
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Total Expenditures	417,685,667	403,786,916	428,165,555	422,010,313
Personnel (Full-time Equivalents)	0.00	0.00	0.00	0.00

* Amounts exclude all-years carryover.

Financial Summary by Category

	Actual FY 15	Adopted* FY 16	Adjusted* FY 16	Proposed* FY 17
Revenues:				
Property Taxes	-	-	-	-
Other Taxes	12,953,133	11,800,163	11,800,163	12,596,163
Franchise Fees	-	-	-	-
Licenses and Permits	481,747	403,986	403,986	385,000
Fines and Forfeitures	1,138,412	345,000	345,000	-
Use of Money & Property	1,008,038	1,451,979	1,451,979	1,454,479
Revenue from Other Agencies	577,260	453,500	1,398,900	653,500
Charges for Services	6,916,383	7,363,568	7,363,568	8,069,340
Other Revenues	5,067,832	3,792,802	3,792,802	3,816,502
Interfund Services - Charges	37,323,334	36,275,515	35,775,515	37,977,419
Intrafund Services - General Fund Charges	908,963	1,742,134	1,742,134	2,000,193
Harbor & Water P/R Rev Trsfs	-	-	-	-
Other Financing Sources	-	-	-	-
Operating Transfers	3,386,210	-	-	-
Total Revenues	69,761,313	63,628,648	64,074,048	66,952,597
Expenditures:				
Salaries, Wages and Benefits	22,363,673	25,501,619	25,501,619	27,122,505
Overtime	705,065	340,242	340,242	340,242
Materials, Supplies and Services	20,359,283	16,045,582	14,545,107	16,012,466
Internal Support	5,953,511	4,227,925	4,227,925	4,401,428
Capital Purchases	4,036,171	19,634,699	29,695,167	33,137,202
Debt Service	1,448,344	1,564,077	1,564,077	937,707
Transfers to Other Funds	2,555,499	2,421,821	2,421,821	2,220,723
Total Expenditures	57,421,546	69,735,965	78,295,958	84,172,273
Personnel (Full-time Equivalent)	240.89	236.09	236.09	246.32

* Amounts exclude all-years carryover.

Personnel Summary

Classification	FY 15 Adopt FTE	FY 16 Adopt FTE	FY 17 Prop FTE	FY 16 Adopted Budget	FY 17 Proposed Budget
Director of Financial Management	1.00	1.00	1.00	212,460	212,460
Accountant III	10.00	10.00	9.00	805,737	723,674
Accounting Clerk II	1.00	1.00	1.00	47,389	46,910
Accounting Clerk III	2.00	2.00	2.00	92,454	101,953
Accounting Operations Officer	1.00	1.00	1.00	109,568	109,568
Accounting Technician	8.00	8.00	9.00	418,844	486,044
Administrative Analyst II	3.00	3.00	3.00	223,046	239,116
Administrative Analyst III	5.00	4.00	4.00	360,277	354,937
Administrative Analyst IV	-	-	1.00	-	80,035
Administrative Intern - NC	-	-	0.50	-	20,877
Administrative Officer	-	-	1.00	-	114,000
Administrative Services Officer	1.00	1.00	-	79,542	-
Assistant City Controller	2.00	2.00	2.00	251,266	251,266
Assistant Administrative Analyst I	1.00	1.00	2.00	50,979	100,651
Assistant Administrative Analyst II	2.00	3.00	3.00	185,999	187,916
Assistant Director of Financial Management	-	-	1.00	-	166,468
Budget Analysis Officer	2.00	2.00	1.00	216,375	108,044
Budget Management Officer	1.00	1.00	2.00	119,507	245,140
Business Systems Specialist III	1.00	1.00	1.00	70,547	86,399
Business Systems Specialist IV	1.00	1.00	1.00	78,073	78,073
Business Services Officer	1.00	1.00	1.00	84,422	90,331
Buyer I	2.00	2.00	3.00	134,865	197,325
Buyer II	2.00	2.00	4.00	173,843	299,099
City Controller	1.00	1.00	1.00	147,732	147,732
City Treasurer	1.00	1.00	1.00	156,136	156,136
Clerk Typist III	5.00	6.00	6.00	272,128	265,082
Controls Operations Officer	1.00	1.00	1.00	107,640	119,049
Cust Service Representative II	10.76	10.76	10.76	490,162	471,154
Cust Service Representative III	31.00	27.00	27.00	1,367,287	1,362,998
Cust Service Representative II-NC	1.83	1.03	1.76	44,598	72,741
Customer Services Supervisor III	1.00	-	-	-	-
Customer Services Supervisor I	3.00	3.00	3.00	189,267	189,267
Customer Services Supervisor II	4.00	2.00	2.00	137,244	137,244
Equipment Mechanic I	21.00	17.00	17.00	1,031,721	1,030,270
Equipment Mechanic II	23.00	21.00	21.00	1,371,085	1,345,959
Financial Systems Integration Officer	1.00	1.00	-	129,116	-
Financial Controls Analyst	1.00	1.00	1.00	90,644	90,939
Financial Management Analyst I	1.00	1.00	1.00	74,285	74,285
Financial Management Analyst II	6.00	6.00	6.00	583,840	577,016
Financial Services Officer	2.00	2.00	1.00	213,321	104,143
Fleet Finance Officer	1.00	1.00	1.00	123,227	123,227
Fleet Services Supervisor I	8.00	6.00	6.00	450,841	437,281
Fleet Services Supervisor II	3.00	3.00	3.00	270,026	253,775
Garage Services Attendant I	10.00	15.00	15.00	625,176	634,656
Garage Services Attendant II	9.00	13.00	13.00	600,920	591,741
Garage Services Attendant III	3.00	3.00	4.00	172,685	221,994

Personnel Summary

Classification	FY 15 Adopt FTE	FY 16 Adopt FTE	FY 17 Prop FTE	FY 16 Adopted Budget	FY 17 Proposed Budget
Garage Services Attendant II - Towing	1.00	1.00	1.00	52,248	52,248
General Superintendent-Fleet Services	1.00	1.00	-	106,248	-
Helicopter Mechanic	1.00	1.00	1.00	86,069	86,069
Labor Compliance Officer	-	-	1.00	-	110,000
License Inspector I	3.00	3.00	3.00	173,143	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	169,930
Maintenance Assistant III	1.00	1.00	1.00	46,157	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	4.00	161,702	206,456
Manager of Budget Management	1.00	1.00	-	166,468	-
Manager of Business Relations	1.00	1.00	1.00	143,581	143,581
Manager of Commercial Services	1.00	1.00	1.00	142,811	142,811
Manager of Financial Controls	1.00	1.00	1.00	140,894	143,318
Manager of Fleet Services	1.00	1.00	1.00	142,539	142,539
Payroll/Personnel Assistant III	1.00	1.00	1.00	54,568	54,568
Payroll Specialist I	2.00	2.00	2.00	108,836	118,419
Payroll Specialist II	1.00	1.00	1.00	65,494	65,494
Purchasing Agent	1.00	1.00	1.00	116,519	116,519
Revenue Management Officer	1.00	1.00	1.00	108,188	113,598
Secretary	4.00	4.00	4.00	197,346	202,369
Secretary-Conf	1.00	1.00	1.00	45,972	48,451
Special Services Officer I-NC	1.30	1.30	1.30	52,133	52,135
Special Services Officer II	2.00	1.00	1.00	54,413	54,413
Special Projects Officer	-	1.00	3.00	102,000	288,039
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	97,011	97,011
Superintendent - Fleet Acquisition	-	1.00	1.00	85,000	106,248
Fleet Maintenance Supervisor	-	-	1.00	-	106,248
Supervisor - Stores & Property	1.00	1.00	1.00	52,258	52,258
Technical Services Officer	-	-	1.00	-	129,116
Treasury Operations Officer	2.00	2.00	2.00	279,216	279,216
Welder	1.00	1.00	1.00	63,809	63,809
Subtotal Salaries	----- 240.89	----- 236.09	----- 246.32	----- 15,935,213	----- 16,635,105
Overtime	-	-	-	340,242	340,242
Fringe Benefits	-	-	-	9,152,710	10,007,597
Administrative Overhead	-	-	-	303,324	342,858
Attrition/Salary Savings	-	-	-	-	-
Expenditure Transfer	-	-	-	110,372	136,944
Total	----- 240.89	----- 236.09	----- 246.32	----- 25,841,861	----- 27,462,747

