Fiscal Year 2009
Adopted Budget

Many unique neighborhoods,
One great city

Presented by
Patrick H. West
City Manager
This information is available in an alternate format by request to the Budget and Performance Management Bureau at (562) 570-6425.
City Council’s Stated Priorities

It is the mission of the City Council to continually improve the quality of life in our neighborhoods by ensuring public safety, supporting programs that encourage the public’s health and well being; promoting quality housing developments, thereby improving home ownership opportunities for Long Beach residents; and ensuring that the city grows “Green” by creating appropriate environmental policies.

Essential to our success as a city is to ensure that City policy creation is done in a transparent manner with extensive community involvement.

City Council’s Stated Priorities:

- Adopt an annual budget that is structurally balanced
- Improve the City’s infrastructure, including streets, sidewalks, curbs, alleys and city facilities
- Enhance neighborhood economic development efforts, particularly on the commercial corridors
- Promote workforce and business development efforts to create new jobs; ensure Long Beach becomes more business friendly
- Improve the transportation system to efficiently and effectively move goods and people through the city without negatively impacting the neighborhoods

As amended on October 9, 2007
Elected Officials City of Long Beach

Mayor
Bob Foster

City Council
Bonnie Lowenthal, District 1
Suja Lowenthal, District 2
Gary DeLong, District 3
Patrick O’Donnell, District 4
Gerrie Schipske, District 5
Dee Andrews, District 6
Tonia Reyes Uranga, District 7
Rae Gabelich, District 8
Val Lerch, Vice-Mayor, District 9

City Attorney
Robert E. Shannon

City Auditor
Laura Doud

City Prosecutor
Thomas M. Reeves

City Organizational Chart
City of Long Beach Financial Policies

1) Structurally Balanced Budget

The annual budgets for all City funds will be structurally balanced throughout the budget process. Recurring revenue will equal or exceed recurring expenditures in both the Proposed and Adopted Budgets. If a structural imbalance occurs, a plan will be developed and implemented to bring the budget back into structural balance.

2) Report on How the Budget is Balanced

The City Manager will include in the narrative transmitting the Proposed Budget a concise discussion on how the proposed budget is balanced. If the structural balance changes between the Proposed and Adopted Budgets, the City Manager will clearly delineate the changes and the resulting structural balance in the Adopted Budget.

3) General Fund Reserves

The City shall maintain an Emergency Reserve equivalent to 10 percent of General Fund recurring expenditures and an Operating Reserve equivalent to 10 percent of General Fund recurring expenditures. Once the General Fund budget is brought into structural balance, a minimum of 5 percent of all new (ongoing) discretionary revenue will be devoted to the operating fund reserve. If these reserves are used, a plan will be developed and implemented to replenish the funds used.

4) Use of One-Time Resources

Once the General Fund budget is brought into structural balance, one-time resources such as proceeds from asset sales, debt refinancing, one-time grants, revenue spikes, budget savings and similar nonrecurring revenue shall not be used for current or new ongoing operating expenses. Appropriate uses of one-time resources include establishing and rebuilding the Emergency Reserve and the Operating Reserve, early retirement of debt, capital expenditures and other nonrecurring expenditures.

5) Use of New Discretionary Revenue

Once the General Fund budget is brought into structural balance, a minimum of 10 percent of all new (ongoing) discretionary revenue will be devoted to capital projects including deferred maintenance and infrastructure needs.

6) Accounting and Financial Reporting

The City will conform to Generally Accepted Accounting Principles as promulgated by the Governmental Accounting Standards Board (GASB). Reporting will include the following:

- Interim Financial Reports: staff will prepare monthly reports for the City Council that analyze and evaluate financial performance.
Red Flag Exceptions: The City Manager shall advise the City Council of troubling and/or positive financial information including an assessment of the impact on the City budget and financial condition. Thresholds for this reporting include:

- Whenever a major expenditure exception occurs that will impact a fund’s expenditure budget by one percent or totals over $500,000; or
- Whenever a major revenue exception occurs that will impact a fund’s revenue budget by one percent or totals over $500,000.

7) User Fees and Charges

The City of Long Beach is empowered to recapture, through fees, up to the full cost of providing specific services. Regular and consistent review of all fees is necessary to ensure that the costs associated with delivery of individual services have been appropriately identified, and that the City is fully recovering those costs. It is the City’s policy to set user fees at full cost recovery levels, except where a greater public benefit is demonstrated to the satisfaction of the City Council, or when it is not cost effective to do so.

8) Grants

City staff will seek out, apply for and effectively administer federal, state and other grants that address the City’s priorities and policy objectives and provide a positive benefit to the City. Before any grant is pursued, staff shall provide a detailed pro-forma that addresses the immediate and long-term costs and benefits to the City.

9) Long-Term Financial Plan

Each year, staff shall develop a Long-Term Financial Plan that forecasts operating expenditures and revenue for the next three to five years and capital expenditures and revenue for the next seven years. The Long-Term Financial Plan will be updated prior to the start of the annual budget process. As part of the budget message, the City Manager will advise the City Council of potential long-term positive and adverse trends along with his or her analysis of the trends. The Long-Term Financial Plan will include, but not be limited to, an analysis of such factors as:

- Economic Growth Rates
- Retail Sales Activity
- State of California Revenue and Expenditure Impacts
- Census Data
- Residential Development Activity
- Industrial Activity
- Demographic Changes
- Legal and Regulatory Changes
The costs that are deferred or postponed until the future

- The full ongoing impacts of grants
- The future costs of PERS
- The accumulation of benefit liabilities
- The costs of new programs that are not fully funded
- The difference between ongoing and one-time expenses and revenue
- The operating costs associated with capital improvement projects
- The impact of demographic and economic changes on services, revenue and program costs
- Analyze financial trends
- Assess problems and opportunities facing Long Beach
- Identify alternative strategies needed to address the issues
- Develop long-term forecasts and revenue and expenditures using alternative economic, planning and policy assumptions

10) Debt Issuance

General Fund long-term debt payments shall not exceed 10 percent of operating expenditures. In addition, the City shall not issue long-term (over 1-year) General Fund debt to support operating costs. All General Fund debt issuances shall identify the method of repayment (or have a dedicated revenue source).

11) Budget Requests During the Fiscal Year

All elected officials and departments requesting new programs, services or staff requests during the fiscal year that are unbudgeted must propose a spending offset at the time of the request (if costs are known) or before final approval, so that the request has a net zero effect on the budget. Individual and/or collective requests from elected officials and departments made during a City Council meeting or separately must be approved by a majority of the City Council if there is a potential fiscal or service impact.
## Non-City Manager Proposed Budgets

<table>
<thead>
<tr>
<th>Description</th>
<th>Fund</th>
<th>FTE Change</th>
<th>Reduction Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>City Auditor</strong>&lt;sup&gt;*&lt;/sup&gt;</td>
<td>Total</td>
<td>($181,518)</td>
<td>&lt;br&gt;• Reallocate TOT audit services, Technology Services charges, 0.4 FTE Audit Analyst position costs and 0.5 FTE Audit Manager costs to Redevelopment, Special Advertising and Promotions, Employee Benefits and Tidelands Funds</td>
</tr>
<tr>
<td><strong>City Attorney</strong>&lt;sup&gt;**&lt;/sup&gt;</td>
<td>Total</td>
<td>($964,067)</td>
<td>&lt;br&gt;• Maintain 7 FTEs vacant: 5 Deputy City Attorneys, 1 Legal Records Specialist, 1 Legal Office Assistant</td>
</tr>
<tr>
<td><strong>City Clerk</strong>&lt;sup&gt;*&lt;/sup&gt;</td>
<td>Total</td>
<td>($227,330)</td>
<td>&lt;br&gt;• Reduce printing costs, equipment/ furniture purchases, advertising, training and rental costs</td>
</tr>
<tr>
<td><strong>City Prosecutor</strong></td>
<td>TBD</td>
<td></td>
<td>&lt;br&gt;• TBD</td>
</tr>
<tr>
<td><strong>Mayor and City Council</strong></td>
<td>Total</td>
<td>($446,583)</td>
<td>&lt;br&gt;• Mayor - Defund 1 Administrative Analyst I</td>
</tr>
</tbody>
</table>

<sup>*</sup> Proposed savings have been budgeted; however, actual changes are not included in department budgets.<br>** The City Attorney's FY 09 Base Budget already includes $442,167 in carry-over salary savings, for a total of $964,067.

### Notes:

Additional General Fund savings of $622,669 has been budgeted in the Citywide Financing Department in anticipation of additional specific reductions. Total budgeted savings from these departments equals $2 million in the FY 09 Proposed Budget.

The Civil Service Department is not included in the requested 10 percent budget reduction for FY 09. However, in an effort to achieve the FY 08 budget reduction of $650,000, the department is proposing the following structural changes for a total reduction of $731,906: reduce 7 FTEs (1 Recruitment Officer, 3 Personnel Analyst I - Confidential, 2 Clerk Typist III, 1 Clerk Typist IV); reduce advertising, office supplies, travel and rental costs; and reduce parking, postage and reprographics expenses.
The City of Long Beach utilizes two messages from the City Manager to provide a complete record of the Proposed Budget and the final Adopted Budget approved by the Mayor and City Council.

The attached letter dated July 1, 2008 transmits the City Manager's original message that accompanied the Proposed Budget for Fiscal Year 2009 (FY 09) to the Mayor and City Council. In that message, the City Manager highlights major changes in the condition of the General and other City funds, along with strategies to adhere to the Financial Strategic Plan (Plan).

The attached transmittal letter dated January 30, 2009, in accordance with the City Council’s financial policies, documents how the FY 09 Adopted Budget was balanced, highlights changes made to the City Manager’s Proposed Budget by the City Council based upon recommendations made by the Mayor through his official Budget Recommendations or the City Council’s Budget Oversight Committee (BOC), as the City looks to the challenges and opportunities in FY 09 and beyond.

Together these two messages provide the background and environment within which the FY 09 Budget was developed and adopted.
December 1, 2008

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

SUBJECT: Fiscal Year 2009 Adopted Budget

Transmitted herewith is the City of Long Beach’s Fiscal Year 2009 (FY 09) Adopted Budget. The Mayor and City Council adopted the FY 09 budget on September 9, 2008, as provided under Section 1704 of the City Charter. The FY 08 Adopted Budget totals $3.1 billion for all City funds. Of the total amount, $404 million supports the General Fund, which provides resources for the majority of core municipal services such as public safety, public works, recreation, library services, legislative and administrative support.

While the FY 09 General Fund budget was structurally balanced upon adoption, which required solutions to overcome a projected $16.9 million structural deficit, the unforeseen economic freefall at the beginning of the fiscal year has posed significant challenges for the City. As of January 2009, it is projected that the General Fund’s revenue will perform $19.2 million under budgeted estimates, about half of the loss caused by the steep drop in the price of oil. This economic turmoil has required serious and immediate fiscal strategies to ensure that the FY 09 budget for the General Fund, along with several other funds, ends the year balanced. These included 2 percent – 6 percent spending reductions for City Manager-led departments, a 40-hour furlough of City employees or an equivalent savings, a hard hiring freeze, and the elimination of planned one-time expenditures.

This national and global crisis should not obscure the extraordinary effort that went into the development of an FY 09 adopted budget that provides essential City services through 22 departments and 38 separate funds. As a City, every effort has been made to provide effective public safety, economic development, recreation, utility and infrastructure support to enhance the quality of life of our diverse neighborhoods with the resources available. A key element to this was the direct input of the Mayor and City Council, which for the first time included the voluntary reduction of their own budgets to help balance the General Fund. Please see Attachment A for a complete set of the Mayor’s recommendations and Attachment B for the Budget Oversight Committee’s proposed recommendations.

As your City Manager, I will continue to work closely with the Mayor and City Council to overcome the unprecedented economic challenges we are facing, not just in FY 09, but over the next several years. The choices we make now, including continued budget reductions to maintain a structurally balanced General Fund and a healthier fiscal condition citywide, will shape the city for many years to come, setting the stage for a recovery and the fulfillment of our shared aspirations for success and prosperity.

Respectfully submitted,

PATRICK H. WEST
CITY MANAGER

Attachments
Office of Mayor
Bob Foster

Mayor’s Budget Recommendations

Fiscal Year 2009

presented August 1, 2008
August 1, 2008

Members of the City Council:

Pursuant to the City Charter, I am pleased to transmit the Mayor’s recommendations to the City Manager’s structurally balanced FY 2009 budget.

This budget recognizes the fiscal realities we face. It emphasizes core services, eliminates duplicative functions and provides managerial efficiencies. Most importantly, it challenges the status quo and takes a fresh look at how our City provides its core services.

For example, despite a smaller workforce and stagnant funding levels, graffiti removal, pothole repair and sidewalk repair are now completed in record time. The City continues to fund after school programs for 177,000 students at 12 school sites and just last week, re-opened the Youth Opportunity Center for the first time in three years.

The Manager’s recommendation to shutter the Main Library will allow us to enhance services at all 11 neighborhood branches to 7 days a week and expand hours of operation to levels greater than before the 2004 service cuts. The computer and homework center services of Main will be temporarily re-located in Downtown to meet the most pressing needs of the community. In sum, this measure saves $1.86 million annually by not sinking overhead operations costs into an outdated and broken facility - and removes a $10 million anticipated burden from the general fund to replace a leaking roof and damaged plumbing systems.

While FY 09 undoubtedly presents its share of fiscal challenges, I am unabashedly bullish on the future for Long Beach. The City continues to fully fund its Charter-mandated reserve account. Our enterprise funds, those restricted funds that make up nearly 87% of the City’s $3.1 billion budget, are performing well despite national economic trends. Our City’s $404 million general fund, which bears the burden of funding public safety and daily operations of the City, still strains under those demands. Since 2004, this City has cut nearly $90 million from its general fund and eliminated 520 positions, nearly 10% of the workforce.

The City has begun addressing many of the challenges I outlined in the FY 08 budget message, collectively answering the question we contemplated last year: are we willing to invest in the things we need to make this a first-class city?

The Council took the first step in those investments earlier this year, approving employee contracts that are stable and bring our employee to the average salary levels of other
cities and make great strides in retaining our skilled workforce. I want to commend IAM for stepping up to the plate in this year’s negotiations with a creative and forward looking pension framework that looks to roll back pension rates for new employees and “gainsharing” agreements that incentivize employees to find new ways to cut costs and save taxpayer dollars.

The next step in this investment plan comes in November, when the voters of Long Beach will have the opportunity to re-build our City’s aging infrastructure and invest $571 million in our streets, roads, public safety facilities and civic structures.

While the Manager’s budget this year continues the policy of spending $3 million for sidewalks, that amount is woefully inadequate to meet our needs. In the context of the City’s general fund budget, our demonstrated need to catch up on our streets, sidewalks and public safety facilities is an additional $58 million annually over the next 10 years. To put it into perspective, that would mean eliminating the entire Department of Parks and Recreation, all of our libraries and library services, and effectively eliminating the Public Works. I don’t believe that is a vision for the Long Beach of the future that is acceptable.

Should the voters of Long Beach agree to embark on such a rebuilding plan, the City must make its top priority never again to fall behind on our physical infrastructure. I will continue to recommend the Council adopt strict fiscal policies on the use of one-time funds to make sure we are adequately funding on-going maintenance.

Further, I applaud the creation of a budget stabilization fund that treats oil revenues in excess of $85 per barrel as one-time revenues. We must resist the temptation to institutionalize wild speculation into our baseline budget assumptions.

In last year’s message, the City Manager spoke about the need to fulfill our commitment to the community to invest in the Long Beach of the future. I believe this year’s budget does just that. I look forward to working with the Council over the next several weeks as they consider these proposals in greater detail.

This year’s budget process began in October of 2007. I want to thank Council Budget Oversight Chair DeLong, City Manager West and Assistant Manager Frick, the Financial Management staff and all the Department Heads for your willingness to re-examine how we do business with an eye to becoming the Long Beach we all want to be.

**Additional Recommendations**

1.) **Elected Official 10% budget reductions**

The elected officials budgets have largely been immune to the reductions imposed on the City Manager departments over the past 4 years. While service demands increase, I believe it is appropriate to request each elected department to do their part and cut their budgets by 10% - consistent with the FY 09 directive to the City Manager departments.
Citywide, this will account for $2.5 million in savings this fiscal year, avoiding cuts in other critical service areas.

2.) **Convention Center Expansion Debt Relief**
Request the Harbor Department begin the process to forgive the City’s $27 million debt from the Convention Center expansion.

This will result in a net gain to the general fund of $4.0 million for FY ’09.

3.) **Continue to Maximize City partnerships**
Our City partners continue to embrace the concept that Long Beach is “One City,” finding common financial interest and uniting around a single mission to make Long Beach the best it can be.

Long Beach Transit has agreed to pay full costs for police services and I will ask them to provide “beach bus” service in the coming year. The Redevelopment Agency continues to play a large part in building the Long Beach of tomorrow and will again this year increase its support of our core missions, by increasing graffiti removal spending.

In addition to launching the most ambitious clean air program in the world, the Harbor Commission and staff continue to look for opportunities to partner with the community on such programs as midnight basketball and portions of the Municipal Band season.

Further, I will recommend that the Water Department takes a leadership role in funding the repair of our leaky irrigation lines to further promote our shared goal of increasing water conservation.

Additionally, there has been significant progress made in working with the Long Beach Unified School District and Long Beach City College to resolve full cost recovery.

4.) **Infrastructure Maintenance Fund / Neighborhood Streets and Roads Account**
I am again recommending the Council adopt the fiscal policy of using one-time revenue to pay for infrastructure and again ask Management to create a dedicated special fund to handle on-going maintenance costs so, should we be able to “catch up” on our needs through the passage of the Infrastructure Bond, the City will not fall so far behind again.

5.) **Insurance Fund**
Over the past few years, the City has undertaken significant reforms in managing its workers' compensation and other general liabilities,
garnering millions of dollars in either direct savings or cost avoidance. The Workers’ Compensation optimization was a collective effort between the City Manager’s Office, Human Resources and the City Attorney's Office, along with every department focusing more proactively on workplace and work practice safety, early reporting of injuries and more professional medical care for our injured employees. However, as we have seen recent large legal settlements or judgments against the City, and workers' compensation costs beginning to trend upwards again, the City's ability to support excessive costs in this area has been strained. Our ability to keep these costs under control is directly related to our ability to keep our General Fund balanced, as the Insurance Fund that supports these costs is funded approximately 60% by the General Fund. In addition, beginning in FY 09, $1 million of General Fund monies are budgeted each year to rebuild the Insurance Fund balance that has been depleted by judgments against the City.

Therefore, I recommend that in FY 09, all City departments redouble their efforts on workers' compensation management. Also, all departments must engage in proactive and accountable work place and work practice safety efforts, especially in our higher risk public safety departments, to improve employee safety and decrease the number of avoidable accidents and claims against the City. Through these efforts, I believe that beginning in FY 10 the General Fund could save $1 million per year by the elimination of the additional transfer to the Insurance Fund.

6.) Prop. H

Prop. H revenues continue to fund 14 police officers and 12 firefighters to staff a new ladder truck for the Fire Department. FY 09 will be the first year where the community will see the full result of these funds at work in the community, as officers and firefighters complete their academy training and are deployed into full time service.

7.) Police Overtime and Academy Class

For the first time in 6 years, the budget fully funds the Police Department’s request for overtime resources, ending the need to maintain vacancies to cover costs. While our work here is not yet done, this was a significant managerial and budgetary challenge over the past several months and a great deal of credit goes to Chief Batts and his command staff for their efforts. Continued efforts to closely manage overtime expenses will still be required to maintain a balanced budget.

In this year’s Manager’s budget, an additional 6 sworn officers will be re-directed into patrol by the elimination of PAL. Over the past two years, through hiring and administrative direction, 86 more officers will be on the streets than 2 years ago.
Further, I am recommending that LBPD maximize the October academy and “super-sizes” its number of recruits from 34 to 50.

8.) **Prepare for reductions in State funding**

While it is unclear when the State Legislature will adopt its FY 09 State Budget, it is becoming increasingly clear they will take money from local governments.

The long-anticipated $6 million Sempra settlement is expected to materialize in early FY 09. I am recommending that the Council does not appropriate these funds until later in the fiscal year to fully protect the General Fund against borrowing by the State.

Respectfully submitted,

Mayor Bob Foster
## FISCAL YEAR 2009 PROPOSED BUDGET CHANGES

### CITY COUNCIL-RECOMMENDED CHANGES

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<th>RESTORATIONS</th>
<th>AMOUNT</th>
<th>OFFSETS</th>
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<td>Senior Center Café</td>
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<td>New Senior Center Revenue</td>
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<td>Midnight Basketball</td>
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<td>One-time Union Pacific Sponsorship</td>
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<td>Nuisance Abatement Officer</td>
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<td>CDBG and Refuse Fund support, General Fund</td>
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<td>Operating Savings</td>
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### BUDGET OVERSIGHT COMMITTEE-RECOMMENDED CHANGES

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<td>Shift CDBG funding from City Prosecutor, Parks, Recreation</td>
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<td></td>
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<td>and Marine Operating Savings</td>
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<td>Community Police Centers</td>
<td>$24,865</td>
<td>CDBG support</td>
<td>$24,865</td>
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<td>City Prosecutor's Budget</td>
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<td>City Clerk Vacant Positions</td>
<td>$177,000</td>
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<td>Main Library Operations</td>
<td>$258,000</td>
<td>Reduced Design/Reprographics Operations in Parks, Recreation</td>
<td>$75,000</td>
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<tr>
<td></td>
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<td>and Marine</td>
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<td>Gym Hours</td>
<td>$50,000</td>
<td>Community Hospital Lease Payment</td>
<td>$80,000</td>
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<td>City Clerk Interpreters</td>
<td>$37,000</td>
<td>PD Reduction of 2 SSO FTE in Jail</td>
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<td>$580,725</td>
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ORDINANCE NO. ORD-08-0024

AN ORDINANCE OF THE CITY COUNCIL OF THE
CITY OF LONG BEACH APPROVING AND ADOPTING THE
OFFICIAL BUDGET OF THE CITY OF LONG BEACH FOR
THE FISCAL YEAR 2008-09, CREATING AND
ESTABLISHING THE FUNDS OF THE MUNICIPAL
GOVERNMENT OF THE CITY OF LONG BEACH AND
APPROPRIATING MONEY TO AND AUTHORIZING
EXPENDITURES FROM SAID FUNDS FOR SAID FISCAL
YEAR; DECLARING THE URGENCY THEREOF, AND
PROVIDING THAT THIS ORDINANCE SHALL TAKE
EFFECT AT 12:01 A.M. ON OCTOBER 1, 2008

The City Council of the City of Long Beach ordains as follows:

Section 1. The City Manager’s Recommended Budget which was
submitted to the City Council on August 1, 2008, by the Mayor, and which constitutes the
preliminary budget for the fiscal year beginning October 1, 2008, as amended, is hereby
adopted as the Official Budget of the City of Long Beach for fiscal year 2008-09.

Section 2. The amounts appropriated in Sections 3 and 4 shall govern
and control the expenditures for fiscal year 2008-09 of the several fund types, funds,
departments, offices and agencies stated therein. Said amounts conform to the adopted
budget of the City of Long Beach as set forth in Section 1. All detailed schedules and
other data set forth in the City Manager’s Recommended Budget other than those
mentioned in this ordinance are provided for information purposes only and are not
intended to limit expenditures.

Section 3. The Funds specified in Exhibit “A” are hereby established,
those of such funds not otherwise created are hereby created, and the specified sums of
Money set forth opposite the names of said funds are hereby appropriated and authorized to be spent in 2008-09, all of which sums are based on the approved and adopted budget.

Section 4. The specified sums of money set forth opposite the names of the following departments, offices and agencies in Exhibit “B” are hereby appropriated and authorized to be spent in fiscal year 2008-09, all of which sums are based upon the approved and adopted budget.

Section 5. This is an emergency measure and is urgently required for the reason that in order to carry on the affairs, functions and business of the City of Long Beach during the fiscal year which begins on October 1, 2008, it is necessary to authorize the expenditure of monies required for such purposes. Currently, no authority exists to pay the salaries and wages of the officers and employees of said City or to make the necessary purchases of supplies, equipment and services to carry on the affairs, functions and business of said City in the forthcoming fiscal year. Commencing on October 1, 2008 it will be necessary for the City of Long Beach to make certain payments on the principal and interest of the bonded indebtedness of said City and to meet the payrolls of the various departments of said City, including the Police, Fire and Health Departments.

In order that said obligations may be met when due and payable and said expenditures may be made, it is necessary that this ordinance be passed as an emergency measure, to take effect at 12:01 a.m. on October 1, 2008.

Section 6. If any section, subsection, subdivision, sentence, sum, percentage, clause or phrase of this ordinance is for any reason held to be unconstitutional, invalid or void, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have passed this ordinance, and every section, subsection, subdivision, sentence, sum, percentage, clause and phrase thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, sums, percentages, clauses or phrases thereof is
declared unconstitutional, invalid or void.

Section 7. This ordinance is an emergency ordinance duly adopted by the City Council by a vote of five of its members and shall take effect immediately. The City Clerk shall certify to a separate roll call and vote on the question of the emergency of this ordinance and to its passage by the vote of five members of the City Council of the City of Long Beach, and cause the same to be posted in three conspicuous places in the City of Long Beach, and it shall thereupon take effect and shall be operative on and after 12:01 a.m. on October 1, 2008.

I hereby certify that on a separate roll call and vote which was taken by the City Council of the City of Long Beach upon the questions of the emergency of this ordinance at its meeting of September 9, 2008, the ordinance was declared to be an emergency by the following vote:


Noes: Councilmembers: None.

Absent: Councilmembers: None.
I further certify that thereafter, at the same meeting, upon a roll call and vote on adoption of the ordinance, it was adopted by the City Council of the City of Long Beach by the following vote:


Noes: Councilmembers: None.

Absent: Councilmembers: None.

I further certify that the foregoing ordinance was thereafter adopted on final reading of the City Council of the City of Long Beach at its meeting of September 16, 2008, by the following vote:


Noes: Councilmembers: None.

Absent: Councilmembers: None.

Approved: 9/11/08 (Date)

City Clerk

Mayor
## Exhibit A

### Fiscal Year 2009 Appropriations Ordinance by Fund

<table>
<thead>
<tr>
<th>Fund</th>
<th>FY 09 New Allocation</th>
<th>FY 09 Estimated Appropriation</th>
<th>FY 09 Appropriation</th>
</tr>
</thead>
<tbody>
<tr>
<td>GENERAL FUND</td>
<td>403,978,750</td>
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<td>403,978,750</td>
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<td>GENERAL GRANTS FUND</td>
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<td>POLICE &amp; FIRE PUBLIC SAFETY OIL PROD ACT FUND</td>
<td>4,756,444</td>
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<td>HEALTH FUND</td>
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<td>81,199,516</td>
</tr>
<tr>
<td>PARKING &amp; BUSINESS AREA IMPROVEMENT FUND</td>
<td>7,031,068</td>
<td>-</td>
<td>7,031,068</td>
</tr>
<tr>
<td>SPECIAL ADVERTISING &amp; PROMOTION FUND</td>
<td>6,938,269</td>
<td>-</td>
<td>6,938,269</td>
</tr>
<tr>
<td>UPLAND OIL FUND</td>
<td>28,650,709</td>
<td>-</td>
<td>28,650,709</td>
</tr>
<tr>
<td>HOUSING DEVELOPMENT FUND</td>
<td>26,704,716</td>
<td>66,657,962</td>
<td>93,362,677</td>
</tr>
<tr>
<td>BELMONT SHORE PARKING METER FUND</td>
<td>609,532</td>
<td>-</td>
<td>609,532</td>
</tr>
<tr>
<td>DEVELOPMENT SERVICES FUND</td>
<td>13,899,827</td>
<td>-</td>
<td>13,899,827</td>
</tr>
<tr>
<td>BUSINESS ASSISTANCE FUND</td>
<td>1,214,532</td>
<td>(48,155)</td>
<td>1,166,377</td>
</tr>
<tr>
<td>COMMUNITY DEVELOPMENT GRANTS FUND</td>
<td>26,749,523</td>
<td>32,256,190</td>
<td>59,005,714</td>
</tr>
<tr>
<td>PARK DEVELOPMENT FUND</td>
<td>1,057,653</td>
<td>-</td>
<td>1,057,653</td>
</tr>
<tr>
<td>GASOLINE TAX STREET IMPROVEMENT FUND</td>
<td>17,354,032</td>
<td>16,292,095</td>
<td>33,646,127</td>
</tr>
<tr>
<td>TRANSPORTATION FUND</td>
<td>16,922,674</td>
<td>17,318,712</td>
<td>34,241,387</td>
</tr>
<tr>
<td>CAPITAL PROJECTS FUND</td>
<td>10,790,141</td>
<td>53,652,719</td>
<td>64,442,860</td>
</tr>
<tr>
<td>CIVIC CENTER FUND</td>
<td>1,644,545</td>
<td>2,138,513</td>
<td>39,015,315</td>
</tr>
<tr>
<td>GENERAL SERVICES FUND</td>
<td>36,876,801</td>
<td>2,138,513</td>
<td>39,015,315</td>
</tr>
<tr>
<td>FLEET SERVICES FUND</td>
<td>36,339,357</td>
<td>359,703</td>
<td>36,699,059</td>
</tr>
<tr>
<td>INSURANCE FUND</td>
<td>36,371,584</td>
<td>-</td>
<td>36,371,584</td>
</tr>
<tr>
<td>EMPLOYEE BENEFITS FUND</td>
<td>227,098,045</td>
<td>-</td>
<td>227,098,045</td>
</tr>
<tr>
<td>TIDELANDS FUNDS</td>
<td>134,673,877</td>
<td>19,860,396</td>
<td>154,524,273</td>
</tr>
<tr>
<td>TIDELAND OIL REVENUE FUND</td>
<td>363,188,961</td>
<td>-</td>
<td>363,188,961</td>
</tr>
<tr>
<td>RESERVE FOR SUBSIDENCE</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>GAS FUND</td>
<td>144,834,502</td>
<td>3,736,684</td>
<td>148,571,186</td>
</tr>
<tr>
<td>AIRPORT FUND</td>
<td>34,918,852</td>
<td>48,127,843</td>
<td>83,046,295</td>
</tr>
<tr>
<td>REFUSE/RECYCLING FUND</td>
<td>49,584,535</td>
<td>(127,537)</td>
<td>49,456,998</td>
</tr>
<tr>
<td>SERRF FUND</td>
<td>55,212,970</td>
<td>-</td>
<td>55,212,970</td>
</tr>
<tr>
<td>SERRF JPA FUND</td>
<td>11,394,998</td>
<td>-</td>
<td>11,394,998</td>
</tr>
<tr>
<td>TOWING FUND</td>
<td>9,825,615</td>
<td>-</td>
<td>9,825,615</td>
</tr>
<tr>
<td>PARKING AUTHORITY FUND</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>HOUSING AUTHORITY FUND</td>
<td>67,457,618</td>
<td>782,913</td>
<td>68,240,531</td>
</tr>
<tr>
<td>REDEVELOPMENT FUND</td>
<td>142,465,986</td>
<td>61,506,361</td>
<td>203,972,347</td>
</tr>
<tr>
<td>CUPA FUND</td>
<td>1,294,779</td>
<td>-</td>
<td>1,294,779</td>
</tr>
</tbody>
</table>

**Total**

| | 1,971,416,541 | 372,637,263 | 2,344,053,804 |

* Carryover of multi-year grants and CIP funds.
## Exhibit B

### FISCAL YEAR 2009 APPROPRIATIONS ORDINANCE BY DEPARTMENT

<table>
<thead>
<tr>
<th>DEPARTMENT</th>
<th>FY 08 NEW ALLOCATION</th>
<th>FY 08 ESTIMATED CARRYOVER*</th>
<th>FY 09 APPROPRIATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>MAYOR AND COUNCIL</td>
<td>5,032,840</td>
<td>-</td>
<td>5,032,840</td>
</tr>
<tr>
<td>CITY ATTORNEY</td>
<td>9,708,745</td>
<td>-</td>
<td>9,708,745</td>
</tr>
<tr>
<td>CITY AUDITOR</td>
<td>2,820,050</td>
<td>-</td>
<td>2,820,050</td>
</tr>
<tr>
<td>CITY CLERK</td>
<td>3,713,740</td>
<td>-</td>
<td>3,713,740</td>
</tr>
<tr>
<td>CITY MANAGER</td>
<td>8,121,430</td>
<td>-</td>
<td>8,121,430</td>
</tr>
<tr>
<td>CITY PROSECUTOR</td>
<td>5,176,542</td>
<td>(16,989)</td>
<td>5,159,553</td>
</tr>
<tr>
<td>CIVIL SERVICE</td>
<td>2,224,505</td>
<td>-</td>
<td>2,224,505</td>
</tr>
<tr>
<td>AIRPORT</td>
<td>34,334,040</td>
<td>3,384,161</td>
<td>37,718,201</td>
</tr>
<tr>
<td>COMMUNITY DEVELOPMENT</td>
<td>151,005,283</td>
<td>98,559,410</td>
<td>249,564,693</td>
</tr>
<tr>
<td>PLANNING AND BUILDING</td>
<td>160,426,404</td>
<td>63,039,954</td>
<td>223,466,358</td>
</tr>
<tr>
<td>FINANCIAL MANAGEMENT**</td>
<td>368,373,311</td>
<td>(1,752,019)</td>
<td>366,621,293</td>
</tr>
<tr>
<td>FIRE</td>
<td>93,907,538</td>
<td>3,174,090</td>
<td>97,081,628</td>
</tr>
<tr>
<td>HEALTH AND HUMAN SERVICES</td>
<td>51,074,966</td>
<td>38,853,555</td>
<td>89,928,522</td>
</tr>
<tr>
<td>HUMAN RESOURCES</td>
<td>8,161,199</td>
<td>-</td>
<td>8,161,199</td>
</tr>
<tr>
<td>LIBRARY SERVICES</td>
<td>13,559,707</td>
<td>-</td>
<td>13,559,707</td>
</tr>
<tr>
<td>LONG BEACH GAS AND OIL</td>
<td>581,203,654</td>
<td>3,736,684</td>
<td>584,940,339</td>
</tr>
<tr>
<td>PARKS, RECREATION AND MARINE</td>
<td>58,072,842</td>
<td>19,437,940</td>
<td>77,510,782</td>
</tr>
<tr>
<td>POLICE</td>
<td>206,865,258</td>
<td>5,098,889</td>
<td>211,964,147</td>
</tr>
<tr>
<td>PUBLIC WORKS</td>
<td>175,930,316</td>
<td>137,183,074</td>
<td>313,113,390</td>
</tr>
<tr>
<td>TECHNOLOGY SERVICES</td>
<td>35,862,398</td>
<td>1,838,513</td>
<td>37,800,911</td>
</tr>
</tbody>
</table>

** TOTAL **

|                                       | 1,975,574,769         | 372,637,263                 | 2,348,212,032       |

* Carryover of multi-year grants and CIP funds.

** Department of Financial Management includes internal service charges that are contained in the resolutions of the Water, Sewer and Harbor funds for accounting, budgeting and treasury functions, and other citywide activities such as debt service.
RESOLUTION NO.  RES-08-0108

A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF LONG BEACH ADOPTING AN APPROPRIATIONS
LIMIT FOR THE CITY OF LONG BEACH FOR THE 2008-
2009 FISCAL YEAR PURSUANT TO ARTICLE XIII(B) OF
THE CALIFORNIA CONSTITUTION

WHEREAS, Article XIII(B) of the California Constitution provides for an
annual appropriations limit for state and local governments beginning with the 1980-81
fiscal year, based on 1978-79 appropriations, as adjusted for specified annual changes in
population and inflation; and

WHEREAS, Section 7910 of the Government Code also provides that 15
days prior to such meeting, documentation used in the determination of the
appropriations limit shall be available to the public; and that each year the City Council
shall, by resolution, establish the appropriations limit for the City of Long Beach for the
following fiscal year; and

WHEREAS, Proposition 111 subsequently amended Article III(B) of the
California Constitution to provide for certain revisions in the population and inflation
factors used in the calculation of the appropriations limit and to provide for a recalculation
of the appropriation limit date for the years 1987-88 through 1990-91; and

WHEREAS, Proposition 111 provided that one factor that may be used in
the calculation of the appropriations limit is the increase in local non-residential assessed
value due to new construction; and

WHEREAS, the documentation which is attached hereto and made a part
hereof as Exhibit “A” was used in the determination of the appropriations limit for the
2008-2009 fiscal year, and has been available for public inspection in the office of the
City Clerk since August 19, 2008;
NOW, THEREFORE, the City Council of the City of Long Beach resolves as follows:

Section 1. The appropriations limit for the City of Long Beach for fiscal year 2008-2009 shall be $570,399,588.

Section 2. This resolution shall take effect immediately upon its adoption by the City Council, and the City Clerk shall certify the vote adopting this resolution.

I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of September 9, 2008, by the following vote:


Noes: Councilmembers: None.

Absent: Councilmembers: None.

City Clerk
CITY OF LONG BEACH

I. DETERMINATION OF FISCAL YEAR 2008-2009
APPROPRIATIONS LIMIT
Based On Budgeted Revenues

2007-2008 Appropriations Limit: $544,214,929
Adjustment Factor (See Below): 1.048115
2008-2009 Appropriations Limit: $570,399,558

II. DETERMINATION OF APPROPRIATIONS FACTOR

Price Factor: 1.042900
   Change in Per Capita Income
   Department of Finance estimate pursuant to Revenue Tax Code, Sec. 2227 and 2228, California = 4.29%
   Ratio = (4.29+100)/100 = 1.0429

Population Change: 1.005000
   Department of Finance estimate pursuant to Revenue Tax Code, Sec. 2227 and 2228, California = 0.50%
   Ratio = (.50+100)/100 = 1.0050

Adjustment Factor: 1.048115
   1.042900 x 1.005000
   Factors were converted to ratios per State guidelines.
RESOLUTION NO.  RES-08-0109

A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF LONG BEACH APPROVING THE 2009 BUDGET
OF THE LONG BEACH HARBOR DEPARTMENT

WHEREAS, Ordinance No. C-7300 of the City Council establishes the fiscal
year of the City as beginning on October 1 and ending on September 30 of the following
year; and

WHEREAS, the annual budget of the Long Beach Harbor Department for
the 2009 fiscal year was adopted by the Board of Harbor Commissioners in its meeting of
June 16, 2008 by Resolution No. HD-2441; and

WHEREAS, said annual budget has been filed with the City Clerk for
presentation to the City Council and with the City Auditor pursuant to the provisions of
Section 1210 of the Charter of the City of Long Beach;

NOW, THEREFORE, the City Council of the City of Long Beach resolves as
follows:

Section 1. The annual budget of the Long Beach Harbor Department for
the 2009 fiscal year adopted by the Board of Harbor Commissioners in its meeting of
June 16, 2008 by Resolution No. HD-2441, a copy of which is attached hereto and made
a part hereof by reference, is hereby approved pursuant to the provisions of Section 1210
of the Charter of the City of Long Beach.

Sec. 2. The City Clerk shall file a certified copy of said budget, as
approved, with the Board of Harbor Commissioners and the City Auditor.

Sec. 3. The City Clerk shall certify to the passage of this Resolution by the
City Council of the City of Long Beach, and it shall thereupon take effect.

//
//
I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of September 9, 2008 by the following vote:


Noes: Councilmembers: None.

Absent Councilmembers: None.

City Clerk
RESOLUTION NO. HD-2441


The Board of Harbor Commissioners of the City of Long Beach resolves as follows:

Section 1. That the annual department budget of the Long Beach Harbor Department for the fiscal year 2008-2009 is hereby adopted as follows:

Harbor Revenue Fund (in thousands of dollars)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated Fund Balance 10/1/2008</td>
<td>$500,616</td>
</tr>
<tr>
<td>Estimated Revenues</td>
<td>$795,733</td>
</tr>
<tr>
<td>Total Estimated Resources</td>
<td>$1,296,349</td>
</tr>
<tr>
<td>Estimated Expenditures</td>
<td>$1,019,667</td>
</tr>
<tr>
<td>Estimated Fund Balance 9-30-2009</td>
<td>$276,682</td>
</tr>
</tbody>
</table>

Detailed schedules and other data which accompany the budget are provided for information purposes only and are not intended to limit expenditures.

Sec. 2. This resolution shall take effect immediately upon its adoption by the Board of Harbor Commissioners, and the Secretary of the Board shall certify to the vote adopting this resolution and shall cause a certified copy of this resolution to be filed forthwith with the City Clerk. The City Clerk shall post the resolution in three conspicuous places in the City of Long Beach.
I hereby certify that the foregoing resolution was adopted by the Board of Harbor Commissioners of the City of Long Beach at its meeting of June 16, 2008 by the following vote:

Ayes: Commissioners: Hankla, Sramek, Walter, Topsy-Elvord, Cordero

Noes: Commissioners:  

Absent Commissioners:  

Not Voting: Commissioners:  

Doris Topsy-Elvord  
Secretary
ORDINANCE NO. ORD-08-0023

AN ORDINANCE OF THE CITY COUNCIL OF THE
CITY OF LONG BEACH APPROVING RESOLUTION NO.
WD-1245, A RESOLUTION OF THE BOARD OF WATER
COMMISSIONERS OF THE CITY ESTABLISHING THE
RATES AND CHARGES TO BE CHARGED FOR WATER
AND SEWER SERVICE AND DECLARING THE URGENCY
THEREOF, AND PROVIDING THAT THIS ORDINANCE
SHALL TAKE EFFECT AT 12:01 A.M. ON OCTOBER 1,
2008

The City Council of the City of Long Beach ordains as follows:

Section 1. That Resolution No. WD-1245 of the Board of Water
Commissioners of the City of Long Beach, entitled “A RESOLUTION OF THE BOARD
OF WATER COMMISSIONERS FIXING RATES AND CHARGES FOR WATER AND
SEWER SERVICE TO ALL CUSTOMERS, SUBJECT TO THE APPROVAL OF THE
RATEPAYERS AND OF THE CITY COUNCIL BY ORDINANCE,” adopted by said Board
on July 24, 2008, and the rates fixed in the Resolution to be charged for water and sewer
service be and the same are hereby approved subject to a public hearing to be held on
September 18, 2008 to consider any public protest of the proposed increases to the
City’s water and sewer rates for Fiscal Year 2009.

Section 2. This is an emergency measure and is urgently required for the
reason that in order to carry on the affairs, functions and business of Long Beach Water
Department during the fiscal year which begins on October 1, 2008, it is necessary to
authorize the rates and charges for water and sewer service and that this ordinance be
passed as an emergency measure, to take effect at 12:01 a.m. on October 1, 2008.

Section 3. If any section, subsection, subdivision, sentence, sum,
percentage, clause or phrase of this ordinance is for any reason held to be unconstitutional, invalid or void, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have passed this ordinance, and every section, subsection, subdivision, sentence, sum, percentage, clause and phrase thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, sums, percentages, clauses or phrases thereof is declared unconstitutional, invalid or void.

Section 4. This ordinance is an emergency ordinance duly adopted by the City Council by a vote of five of its members and shall take effect immediately. The City Clerk shall certify to a separate roll call and vote on the question of the emergency of this ordinance and to its passage by the vote of five members of the City Council of the City of Long Beach, and cause the same to be posted in three conspicuous places in the City of Long Beach, and it shall thereupon take effect and shall be operative on and after 12:01 a.m. on October 1, 2008.

I hereby certify that on a separate roll call and vote which was taken by the City Council of the City of Long Beach upon the questions of the emergency of this ordinance at its meeting of September 9, 2008, the ordinance was declared to be an emergency by the following vote:
<table>
<thead>
<tr>
<th></th>
<th>Ayes:</th>
<th>Councilmembers:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td>B. Lowenthal, S. Lowenthal, DeLong,</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>O'Donnell, Schipske, Andrews,</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Reyes Uranga, Gabelich, Lerch.</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td></td>
<td>Noes: Councilmembers: None.</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td></td>
<td>Absent: Councilmembers: None.</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td></td>
<td>I further certify that thereafter, at the same meeting, upon a roll call and vote on adoption of the ordinance, it was adopted by the City Council of the City of Long Beach by the following vote:</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16</td>
<td></td>
<td>Noes: Councilmembers: None.</td>
<td></td>
</tr>
<tr>
<td>17</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18</td>
<td></td>
<td>Absent: Councilmembers: None.</td>
<td></td>
</tr>
<tr>
<td>19</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20</td>
<td></td>
<td>I further certify that the foregoing ordinance was thereafter adopted on final reading of the City Council of the City of Long Beach at its meeting of September 16, 2008, by the following vote:</td>
<td></td>
</tr>
<tr>
<td>21</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>23</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>24</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>25</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>26</td>
<td></td>
<td>Noes: Councilmembers: None.</td>
<td></td>
</tr>
<tr>
<td>27</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>28</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Absent: Councilmembers: None.

City Clerk

Approved: 9/18/08 (Date)

Mayor
RESOLUTION NO. WD-1245

A RESOLUTION OF THE BOARD OF WATER COMMISSIONERS AMENDING RESOLUTION NO. WD-1230 FIXING RATES AND CHARGES FOR WATER AND SEWER SERVICE TO ALL CUSTOMERS, SUBJECT TO THE APPROVAL OF THE CITY COUNCIL BY ORDINANCE

The Board of Water Commissioners of the City of Long Beach resolves as follows:

Section 1. That the following rates and charges for potable and reclaimed water service and for sewer service are hereby established, and the Long Beach Water Department ("Water Department") of the City of Long Beach ("City") is hereby authorized and directed to charge and collect the same in accordance with the provisions of this resolution, subject to a Public Hearing on September 18, 2008.

Section 2. For all metered services the charge for potable and reclaimed water shall consist of both a service charge based on the size of the service and a quantitative charge for water delivered.

A. On October 1, 2008, the service charge shall be in accordance with the following table:

<table>
<thead>
<tr>
<th>Size of Service</th>
<th>Daily Service Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8 or 3/4 inch</td>
<td>$0.360</td>
</tr>
<tr>
<td>1 inch</td>
<td>$0.543</td>
</tr>
<tr>
<td>1-1/2 inch</td>
<td>$1.013</td>
</tr>
<tr>
<td>2 inch</td>
<td>$1.502</td>
</tr>
<tr>
<td>3 inch</td>
<td>$3.110</td>
</tr>
<tr>
<td>4 inch</td>
<td>$4.921</td>
</tr>
<tr>
<td>6 inch</td>
<td>$9.068</td>
</tr>
</tbody>
</table>
B. On October 1, 2008, the quantitative charge for all water delivered shall be as follows, based on monthly meter readings:

1. For single family residential customers of potable water who have been granted an exemption from the City’s Utility Users Tax in accordance with Chapter 3.68 of the Long Beach Municipal Code:

<table>
<thead>
<tr>
<th>Size of Service</th>
<th>Daily Service Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>8 inch</td>
<td>$14.234</td>
</tr>
<tr>
<td>10 inch</td>
<td>$23.311</td>
</tr>
<tr>
<td>12 inch</td>
<td>$28.490</td>
</tr>
<tr>
<td>16 inch</td>
<td>$47.152</td>
</tr>
</tbody>
</table>

Tier IA  
First 5 Billing Units  
(or fraction thereof)  
$1.052

Tier II  
Next 10 Billing Units  
(or fraction thereof)  
$2.103

Tier III  
Over 15 Billing Units  
(or fraction thereof)  
$3.155

2. For single family residential customers of potable water who have not been granted an exemption from the City’s Utility Users Tax:

<table>
<thead>
<tr>
<th>Size of Service</th>
<th>Daily Service Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>8 inch</td>
<td>$14.234</td>
</tr>
<tr>
<td>10 inch</td>
<td>$23.311</td>
</tr>
<tr>
<td>12 inch</td>
<td>$28.490</td>
</tr>
<tr>
<td>16 inch</td>
<td>$47.152</td>
</tr>
</tbody>
</table>

Tier IB  
First 5 Billing Units  
(or fraction thereof)  
$1.893

Tier II  
Next 10 Billing Units  
(or fraction thereof)  
$2.103

Tier III  
Over 15 Billing Units  
(or fraction thereof)  
$3.155

3. For duplex residential customers of potable water who have been granted an exemption from the City’s Utility Users Tax in accordance with Chapter 3.68 of the Long Beach Municipal Code:

<table>
<thead>
<tr>
<th>Size of Service</th>
<th>Daily Service Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>8 inch</td>
<td>$14.234</td>
</tr>
<tr>
<td>10 inch</td>
<td>$23.311</td>
</tr>
<tr>
<td>12 inch</td>
<td>$28.490</td>
</tr>
<tr>
<td>16 inch</td>
<td>$47.152</td>
</tr>
</tbody>
</table>

Tier IA  
First 2.5 Billing Units  
(or fraction thereof per dwelling unit)  
$1.052
<table>
<thead>
<tr>
<th>Tier</th>
<th>Billing Units Description</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier II</td>
<td>Next 10.5 Billing Units (or fraction thereof per dwelling unit)</td>
<td>$2.103</td>
</tr>
<tr>
<td>Tier III</td>
<td>Over 13 Billing Units (or fraction thereof per dwelling unit)</td>
<td>$3.155</td>
</tr>
</tbody>
</table>

4. For duplex residential customers of potable water who have not been granted an exemption from the City's Utility Users Tax:

<table>
<thead>
<tr>
<th>Tier IB</th>
<th>First 2.5 Billing Units (or fraction thereof per dwelling unit)</th>
<th>$1.893</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier II</td>
<td>Next 10.5 Billing Units (or fraction thereof per dwelling unit)</td>
<td>$2.103</td>
</tr>
<tr>
<td>Tier III</td>
<td>Over 13 Billing Units (or fraction thereof per dwelling unit)</td>
<td>$3.155</td>
</tr>
</tbody>
</table>

5. For multi-family residential customers of potable water who have been granted an exemption from the City's Utility Users Tax in accordance with Chapter 3.68 of the Long Beach Municipal Code:

<table>
<thead>
<tr>
<th>Tier IA</th>
<th>First 2.5 Billing Units (or fraction thereof per dwelling unit)</th>
<th>$1.052</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier II</td>
<td>Next 6.5 Billing Units (or fraction thereof per dwelling unit)</td>
<td>$2.103</td>
</tr>
<tr>
<td>Tier III</td>
<td>Over 9 Billing Units (or fraction thereof per dwelling unit)</td>
<td>$3.155</td>
</tr>
</tbody>
</table>

6. For multi-family residential customers of potable water who have not been granted an exemption from the City's Utility Users Tax:

| Tier IB| First 2.5 Billing Units (or fraction thereof per dwelling unit)                           | $1.893|
Tier II
Next 6.5 Billing Units (or fraction thereof per dwelling unit) $2.103

Tier III
Over 9 Billing Units (or fraction thereof per dwelling unit) $3.155

7. For commercial customers of potable water, $2.103 per billing unit, or fraction thereof.

8. For industrial customers of potable water, $2.103 per billing unit, or fraction thereof.

9. For irrigation customers of potable water, $2.103 per billing unit, or fraction thereof.

10. For City of Long Beach Departments using potable water, $2.103 per billing unit, or fraction thereof.

11. For reclaimed water users whose use is “peaking” as defined herein, $1.472 per billing unit, or fraction thereof.

12. For reclaimed water users whose use is “non-peaking” as defined herein, $1.052 per billing unit, or fraction thereof.

13. These quantitative charges shall be subject to adjustment as provided in Subsection C of this Section.

14. There shall be no charge for water used through fire hydrants for extinguishing fires.

C. The quantitative charges for Tier IB were adjusted on October 1, 1999 to reflect the action of the Board approving incremental increases to Tier IB.

Section 3. A. Unmetered water service may be rendered to unoccupied or occupied property where it is not practical to meter the water, and on October 1, 2008, the rate for unmetered water service shall be:

///
Size of Service | Daily Rate
---|---
5/8 or 3/4 inch | $1.758
1 inch | $2.974
1-1/2 inch | $7.326
2 inch | $11.525

The rates for unmetered water service shall begin on the date of use of water by the customer, as determined by the General Manager.

B. The rates for unmetered water service shall begin on the date of use of water by the customer, as determined by the General Manager of the Water Department ("General Manager").

Section 4. By Resolution WD-1209 the Board of Water Commissioners established a Water Conservation and Water Supply Shortage Plan (the Plan). As stipulated in the Plan, the Board may declare that a Stage 1, Stage 2 or Stage 3 Water Supply Shortage exists, in its sole discretion. Upon such declaration, the Board may increase water rates, other than Tier 1 or life-line rates and reclaimed water rates, by an amount necessary, as determined by the Board but not to exceed the following percentages:

**Stage 1 Water Supply Shortage Rate.** Water rates may be increased by an amount not to exceed 10% above the pre-shortage rate.

**Stage 2 Water Supply Shortage Rate.** Water rates may be increased by an amount not to exceed 25% above the pre-shortage rate.

**Stage 3 Water Supply Shortage Rate.** Water rates may be increased by an amount not to exceed 50% above the pre-shortage rate.

Section 5. Charges for water service through meters at temporary service connections from fire hydrants or otherwise shall be at the applicable quantitative charge plus the service charge, together with a charge for installing, changing, and removing the meter and fittings in accordance with the "Rules, Regulations and Charges Governing Potable Water, Reclaimed Water, Sewer Service and the Emergency Water
Conservation Plan of the Water Department.

Section 6. A. On October 1, 2008, the service charge for private fire protection service shall be in accordance with the following table:

<table>
<thead>
<tr>
<th>Size of Service</th>
<th>Daily Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 inch</td>
<td>$0.752</td>
</tr>
<tr>
<td>3 inch</td>
<td>$1.285</td>
</tr>
<tr>
<td>4 inch</td>
<td>$1.899</td>
</tr>
<tr>
<td>6 inch</td>
<td>$3.236</td>
</tr>
<tr>
<td>8 inch</td>
<td>$4.744</td>
</tr>
<tr>
<td>10 inch</td>
<td>$6.417</td>
</tr>
<tr>
<td>12 inch</td>
<td>$8.089</td>
</tr>
<tr>
<td>16 inch</td>
<td>$11.860</td>
</tr>
</tbody>
</table>

The service charges in this Section shall only include water used for fire extinguishing purposes and a reasonable amount of water used for testing the fire line.

B. Whenever the Water Department finds that water through a private fire protection service is being used for purposes other than fire extinguishing or testing the fire line, the General Manager may make a determination of the quantity of water used, the quantitative charges for that water, and the service charges to be applied. His determination shall be final. In addition, if water through a private fire protection service is used for purposes other than fire extinguishing or testing the fire line, the Water Department may discontinue the private fire protection service or may install a domestic or fire flow meter, at either the customer's or its expense as the General Manager may determine, and thereafter the service shall be classified as regular service and billed at the rates applicable thereto.

Section 7. The primary purpose of fire hydrants is extinguishing fires and they shall be opened and used only by the Water Department or the Long Beach Fire Department.
Department, or such other persons as may be authorized to do so by the General Manager or the Chief of the Fire Department. Where fire hydrants are installed and maintained by the Water Department, there shall be no standby charge made to the Fire Department.

Section 8. A. For all sewer service where the sewer lateral connects to a main line maintained by the Water Department, or the sewer lateral is located in the public right-of-way, the charge for sewer service shall consist of both a daily sewer rate and a volumetric sewer rate.

B. The daily sewer rate shall be in accordance with the following table:

<table>
<thead>
<tr>
<th>Size of Service</th>
<th>Daily Sewer Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8 or 3/4 inch</td>
<td>$0.179</td>
</tr>
<tr>
<td>1 inch</td>
<td>$0.284</td>
</tr>
<tr>
<td>1-1/2 inch</td>
<td>$0.516</td>
</tr>
<tr>
<td>2 inch</td>
<td>$0.749</td>
</tr>
<tr>
<td>3 inch</td>
<td>$1.550</td>
</tr>
<tr>
<td>4 inch</td>
<td>$2.455</td>
</tr>
<tr>
<td>6 inch</td>
<td>$4.522</td>
</tr>
<tr>
<td>8 inch</td>
<td>$7.105</td>
</tr>
<tr>
<td>10 inch</td>
<td>$11.623</td>
</tr>
<tr>
<td>12 inch</td>
<td>$14.207</td>
</tr>
<tr>
<td>16 inch</td>
<td>$23.248</td>
</tr>
</tbody>
</table>

C. The volumetric sewer rate shall be $0.248 per 100 cubic feet of water furnished where water service size is 5/8 inches or larger. The volumetric sewer rate shall not be applicable to fire services.

D. For volumetric sewer rates, there are the following customer classifications: single family residential; duplex residential; multi-family residential; City Departments; commercial; and industrial.
Volumetric sewer rates for single family residential, duplex residential and multi-family residential shall be computed based on the average of actual potable water use for two winter billing periods. The winter billing periods used will be determined by the meter reading schedule for the account. The actual winter usage is divided by the number of winter days to obtain an average volume. The average volume will be the base volume on which the volumetric sewer rate is charged for the next twelve month period beginning with May's billing periods. Each year, the average volume will be recalculated for the succeeding twelve-month period. Exceptions to the above calculation methodology will use the average volume for the classification in which the customer falls as the average volume or a calculation using available usage information for the account. For those residential customers with no previous history of use for two winter billing periods, the average volume for the classification in which the customer falls will be used.

E. For all users of the sewer system that do not receive a water bill from the City but where the user's sewer lateral connects to a main line maintained by the Water Department, or where the sewer lateral is located in the public right-of-way, the charge for sewer service shall consist of both a daily sewer rate and a volumetric sewer rate. The daily sewer rate shall be as provided in Subsection 8(B) of this Resolution. For these customers, the volumetric sewer rate shall be based on the average volume for the customer's classification.

F. The City shall collect from all developments and all developments shall be required to pay a capacity charge of Eighty Dollars and Thirty-Seven Cents ($80.37) per equivalent fixture unit at the time application for sewer service is made, but in no event later than the time that the City issues a sewer permit for connection to the City sewerage system,

G. Upon receipt of an application for sewer service, the City's Department of Planning and Building (through the Plan Checker for Plumbing) shall calculate the amount of the capacity charge by: 1) determining if this resolution applies to the development; and 2) if this resolution does not apply, indicating same on the application for sewer service and the reason this resolution does not apply, and processing the application in accordance with ordinances, resolutions, and regulations; or 3) if this resolution does apply, determining the number of equivalent fixture units in the development and multiplying that number by the capacity charge per equivalent fixture unit.

H. The sewer capacity charge shall be subject to annual adjustment, effective October 1 of each year, to reflect the increase of the Construction Cost Index ("CCI") for Los Angeles as published in the "Engineering News-Record". The increase shall be calculated each September by dividing the CCI published in August of the current calendar year by the CCI published in August of the preceding calendar year; that figure multiplied by the sewer capacity charge in effect in October shall be the new sewer capacity charge. No adjustment shall be made to reflect a decrease in the CCI.

I. Funds derived from capacity charges shall be placed in the Sewer Fund and shall be used only for the operation, construction, reconstruction, acquisition, or maintenance of the City sewerage system.

J. Anyone who has paid a capacity charge may apply for a full or partial refund if within one year after payment: 1) the applicant has not been permitted to connect to the City sewerage system; or 2) the development on
which the capacity charge was calculated has been modified pursuant to applicable City ordinances, resolutions, or regulations, resulting from a reduction in the number of equivalent fixture units. Refund applications shall be made on forms provided by the City and shall contain a declaration under oath of those facts, along with relevant documentary evidence, which qualify the applicant for the refund. In no event shall a refund exceed ninety percent (90%) of the amount of the capacity charge actually paid.

K. Anyone subject to a capacity charge who constructs, deposits money into escrow with the City for the construction of, participates in an assessment district for the construction of, or otherwise contributes money or improvements to the City for the operation, construction, reconstruction, acquisition, or maintenance of the City sewerage system shall be eligible for a credit for such contribution against the capacity charge otherwise due. The amount of the credit shall be the value of the contribution as determined by the City provided, however, that the credit shall not exceed ninety percent (90%) of the amount of the capacity charge. Applications for said credit shall be made on forms provided by the City and shall be submitted at or before the time of application for sewer service. The application shall contain a declaration under oath of those facts, along with relevant documentary evidence, which qualify the applicant for the credit.

L. The capacity charge and requirements pertaining thereto shall not affect in any way the permissible use of property, density of development, design and improvement standards, public improvement requirements, or any other aspect of the development of land or construction of buildings which may be imposed by the City pursuant to the Long Beach Municipal Code, Subdivision Regulations, or other state or local laws, ordinances or regulations which shall be in effect with respect to all developments.
M. The capacity charge is a charge on development that reflects a development's proportionate share of the present depreciated value of the existing City sewerage system. As such the capacity charge is additional to and not in substitution of the following: 1) on-site sewer facility requirements imposed by the City pursuant to the Long Beach Municipal Code, Subdivision Regulations, and other state or local laws, ordinances or regulations; 2) sewer permit fees; 3) connection charges; 4) sewer rates; and 5) other fees, rates, and charges including but not limited to sewer standby or immediate availability charges and capital facilities charges for services or facilities other than as a proportionate share of the present depreciated value of the existing City sewer system. In no event shall an applicant for sewer service be obligated to pay fees, rates, or charges in excess of those calculated pursuant to applicable City ordinances, which shall not individually or collectively exceed the reasonable cost of providing sewer service to the development.

Section 9. Any term not defined herein which is defined in the Long Beach Municipal Code or in the “Rules, Regulations and Charges Governing Potable Water, Reclaimed Water, Sewer Service, and the Emergency Water Conservation Plan” of the Water Department shall have the meaning stated therein.

Section 10. A. Regular bills for water service and sewer service shall be issued at intervals of approximately one month (commonly called “monthly”) except in those cases where the General Manager or the Board of Water Commissioners shall prescribe another billing interval. Insofar as practical, meters shall be read at regular intervals for the preparation of regular bills, and meters shall be read as required for the preparation of opening, closing, and special bills.

B. Every water customer and every sewer customer shall be liable for payment of bills for water service and sewer service. Charges for
water service and sewer service shall be included in municipal utility bills.

C. Anyone who has been granted an exemption under Chapter 3.68 of the Long Beach Municipal Code as of the date of this resolution does not need to file a separate application for exemption hereunder.

Section 11. Whenever the correctness of any bill for water or sewer service is questioned by a customer, the procedures established in the "Rules, Regulations and Charges Governing Potable Water, Reclaimed Water, Sewer Service, and the Emergency Water Conservation Plan" of the Water Department shall be followed.

Section 12. The following words shall have the meanings defined as follows:

A. "Billing unit" means one hundred (100) cubic feet of water and equals 748 gallons;

B. "Commercial" refers to activities devoted primarily to business, property management, or a profession;

C. "Industrial" refers to activities devoted primarily to manufacturing or processing;

D. "Non-peaking" means total average daily demand occurring at a continuous, constant level over a twenty-four (24) hour period;

E. "Peaking" means total average daily demand occurring between the hours of 9:00 p.m. and 6:00 a.m.

F. "Winter billing period" means the time period used for sewer volumetric calculation purposes, which includes bills with a bill prepared date in December, January, and/or February.

Section 13. All other resolutions of the Board of Water Commissioners, or provisions thereof, which conflict with this resolution are hereby rescinded. The charges, conditions, and provisions established in this Resolution shall supersede all others previously established.

Section 14. The Secretary of the Board of Water Commissioners shall
certify to the passage of this resolution and it shall take effect by operation of law following its approval by the City Council by ordinance.

I hereby certify that the foregoing resolution was adopted by the Board of Water Commissioners of the City of Long Beach at its meeting held on July 24, 2008, by the following vote:

Ayes: Commissioners: ALLEN; CONLEY; CLARKE; TOWNSEND

Noes: Commissioners: NONE

Absent: Commissioners: BLANCO

Secretary Board of Water Commissioners

CERTIFIED AS A TRUE AND CORRECT COPY

SECRETARY TO THE BOARD OF WATER COMMISSIONERS
CITY OF LONG BEACH, CALIFORNIA

DATE 7/24/2008
RESOLUTION NO. RES-08-0106


WHEREAS, the annual budget of the Long Beach Water Department for the 2008-2009 fiscal year was adopted by the Board of Water Commissioners, in its meeting on July 10, 2008, by Resolution No. WD-1246; and

WHEREAS, it appears advisable to approve the budget, pursuant to the provisions of Section 1405 of the Charter of the City of Long Beach;

NOW, THEREFORE, the City Council of the City of Long Beach resolves, as follows:

Section 1. That the annual budget of the Long Beach Water Department for the 2008-2009 fiscal year adopted by the Board of Water Commissioners at its meeting on July 10, 2008 by Resolution No. WD-1246, is hereby approved pursuant to the provisions of Section 1405 of the Charter of the City of Long Beach.

Section 2. The City Clerk shall file a certified copy of the budget, as approved, with the Board of Water Commissioners and the City Auditor.

Section 3. This resolution shall take effect immediately on its adoption by the City Council, and the City Clerk shall certify the vote adopting this resolution.
I hereby certify that this resolution was adopted by the City Council of the City of Long Beach at its meeting of September 9, 2008, by the following vote:


Noes: Councilmembers:  None.

Absent: Councilmembers:  None.

City Clerk
RESOLUTION NO. WD-1246

A RESOLUTION OF THE BOARD OF WATER
COMMISSIONERS ADOPTING THE ANNUAL BUDGET FOR
THE LONG BEACH WATER DEPARTMENT FOR THE
FISCAL YEAR 2008-2009

The Board of Water Commissioners of the City of Long Beach resolves as
follows:

Section 1. That the annual department budget of the Long Beach Water
Department for the fiscal year 2008-2009, as follows, be and the same is hereby
adopted:

WATER
Estimated Contingency Fund Balance 10-1-2008 $4,124,428
Estimated Revenues 85,556,867
Total Estimated Resources 89,681,295
Estimated Expenditures 87,511,765
Estimated Contingency Fund Balance 9-30-2009 $2,169,530

SEWER
Estimated Contingency Fund Balance 10-1-2008 $2,980,897
Estimated Revenues 18,012,400
Total Estimated Resources 20,993,297
Estimated Expenditures 17,884,891

Detailed schedules and other data which accompany the budget are
provided for information purposes only and are not intended to limit expenditures.

Section 2. The City's Fiscal Year 2008-2009 budget development calendar
requires submission of proposed budgets to the Mayor by July 1, 2008. To
acquire the City's schedule, the Water Department must accelerate the adoption of
its Fiscal Year 2008-2009 budget. This requires the Water Department to estimate
certain City budget components including employee fringe benefits and City support
charges. These charges are included in the above budget numbers as estimated
amounts.

The Water Department anticipates the final City amounts will be delivered
to the Water Department in July. After the Water Department receives the actual
amounts the Budget of the Long Beach Water Department will need to be revised to
reflect these actual amounts. Therefore, the Board of Water Commissioners authorizes
the General Manager of the Long Beach Water Department to adjust the adopted Water
Fund and Sewer Fund budgeted expenditures for employee fringe benefits and City
support charges by an amount not to exceed 5.0% of the total of such charges included
in the adopted budgets to reflect any increases in City charges above the estimated
amounts budgeted for fiscal year 2008-2009. The General Manager shall make the
necessary adjustments prior to submittal of the Long Beach Water Department budget to
the City.

Section 3. The Secretary of the Board of Water Commissioners shall certify
to the passage of this resolution, and cause copies of the same to be filed with the City
Council, the City Auditor and the City Manager.
I hereby certify that the foregoing resolution was adopted by the Board of Water Commissioners of the City of Long Beach, at its meeting of July 10, 2008, by the following vote:

Ayes: Commissioners: ALLEN; BLANCO; CONLEY;
      CLARKE; TOWNSEND

Noes: Commissioners:  NONE

Absent: Commissioners:  NONE

Secretary
BOARD OF WATER COMMISSIONERS

CERTIFIED AS A TRUE AND CORRECT COPY
SECRETARY TO THE BOARD OF WATER COMMISSIONERS
CITY OF LONG BEACH, CALIFORNIA

7/10/2008