

October 28, 2013

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach, California

SUBJECT: Fiscal Year 2014 Adopted Budget

This transmittal letter and the attachments describe the changes to the Proposed FY 14 budget made by the City Council and that are reflected in this Adopted Budget.

The FY 14 General Fund budget is the first budget in ten years with a projected surplus. The City Council, with the adoption of this budget, carried over the full \$3.5 million in estimated surplus to offset most of the projected structural deficits in FY 15 and FY 16. Through this single action of preserving the structural surplus in FY 14, along with the improving economy, the City Council has positioned the City within reach of avoiding budget reductions over the next three years – an outcome that has not occurred in a decade or more.

The City Council adopted the proposed FY 14 budget of \$3.1 billion with \$12.6 million in changes. All changes were to the one-time use of funds. Attachments 1 and 2 show the adopted General Fund one-time appropriations, and the changes in one-time appropriations between the proposed and adopted budgets (\$12.6 million), respectively. The City Council appropriated a total of \$48.5 million for General Fund one-time spending. This is \$3.5 million more than in the proposed budget as result of increased RDA-related property tax revenues of \$4.1 million and a decrease of \$0.6 million appropriated in FY13 for early start-up of the FY 14 fire academy. Both of these actions occurred after submittal of the proposed budget.

Most of the one-time changes made by the City Council, and shown in Attachment 2, relate to reallocation of funds to different capital projects and other one-time expenses. One reallocation shifted funding of \$3.8 million from the proposed Financial and Human Resources system replacement. The City Council provided an automatic, but conditional, appropriation that restored the full \$10 million in funding for the System Replacement from any unbudgeted General Fund or Uplands Oil fund surplus in FY 13.

Overall, the FY 14 budget sets several milestones for the City. The General Fund has a projected surplus for the first time in a long time, back-to-back Fire and Police academies will be held for the first time in several years, the City has set aside funds to begin to address its unfunded liabilities and fluctuations in pension contribution rates, and a major investment has been made in deteriorating facilities and infrastructure and obsolete business systems.

I want to express my appreciation to the Budget Oversight Committee, the Mayor and City Council for their work to review, modify and adopt this first budget with a surplus and to all the staff who acted diligently to support the Mayor and City Council in this effort.

Respectively submitted,

A handwritten signature in black ink that reads "Patrick H. West". The signature is written in a cursive style with a long horizontal line extending to the right.

PATRICK H. WEST
CITY MANAGER

Attachments

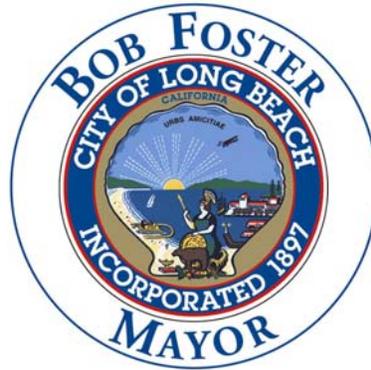
Adopted FY 14 One-Time Appropriations	
General Fund	
Title	Adopted
Critical Operating Systems Replacement	
Financial/HR Systems Replacement	\$ 6,227,500
Fuel Management System Software and Terminal Hardware Upgrade	\$ 170,600
Update Software application used to manage fleet maintenance activities (M4 to M5)	\$ 131,000
New Liability Claims System	\$ 350,000
Completion of Phone System Upgrade	\$ 356,000
Upgrade Parks and Recreation reservation and registration system technology (PRM)	\$ 150,000
Public Safety	
Police Academy/Overtime	\$ 2,200,000
LBCOP Cameras	\$ 500,000
FY13/FY 14 Gang Enforcement	\$ 600,000
Prohibited Possessors Program	\$ 250,000
Police Academy Recruitment	\$ 25,000
Fire Academy Recruitment	\$ 25,000
Two month restoration of Engine at Fire Station 8 and Rescue Unit at Fire Station 12	\$ 517,000
2nd Fire Recruit Academy (<i>Note: Excludes \$560,850 appropriated in FY13</i>)	\$ 789,150
FD Gender Accommodation / Fire Station Improvements	\$ 900,000
Parks, Playground & Library Infrastructure	
Houghton	\$ 3,000,000
Willow Springs	\$ 1,000,000
Drake	\$ 1,000,000
Chittick	\$ 1,000,000
Davenport	\$ 1,000,000
Nature Center	\$ 1,000,000
Bixby Park	\$ 1,000,000
EI Dorado Regional Park Infrastructure Repair	\$ 1,000,000
Recreation Park and Area Infrastructure	\$ 1,000,000
Furniture and Equipment for New North Library	\$ 1,200,000
Opening Day Collection for New North Library	\$ 400,000
Replace Library Public Computer Management System	\$ 50,000
Library Laptop Tables for 10 Branch Libraries	\$ 50,000
Public Works Infrastructure	
Citywide Pavement Mgmt Update	\$ 750,000
Asphalt Zipper	\$ 100,000
CityPlace Parking Garage Improvements	\$ 160,000
Repair and Replacement Contingency	\$ 1,000,000
Residential Street Repaving - 50% based on need, 50% distributed evenly among Council Districts	\$ 2,947,500
Increase Sidewalk Repair Budget - distributed evenly among Council Districts	\$ 983,000

Adopted FY 14 One-Time Appropriations	
General Fund	
Title	Adopted
Critical Public Facilities Upgrades	
Emergency Exit Doors at Park Facilities	\$ 25,000
Parks Roof Replacement	\$ 475,000
Replace Doors, Frames and Windows at Park Facilities	\$ 225,000
Community Center Repairs	\$ 100,000
Parks Bathroom Partition Replacement and Repair	\$ 150,000
Park Walkway Repairs	\$ 250,000
Upgrade and replace irrigation systems and reduce ongoing water consumption at parks	\$ 1,100,000
Renovate and Repair Athletic Fields / Artificial Turf	\$ 2,320,000
Animal Care Services Veterinarian Clinic	\$ 50,000
Rancho Los Cerritos - Foundation Setup & Transition Expenses	\$ 50,000
Rancho Los Alamitos / Seismic Retrofit - Architectural Drawings & Specs	\$ 50,000
Additional Library Materials & Refurbish Community Rooms (Carpet, Paint & Furniture)	\$ 400,000
Library Roof Replacement	\$ 500,000
Library Security Cameras and Security Improvements	\$ 76,000
West Facilities Center Roof Replacement	\$ 275,000
MSC Telecommunications Reconfiguration	\$ 150,000
Organizational Investments & FY 14 Elections	
FY14 Elections and possible run-offs	\$ 2,170,000
New Employee Orientation	\$ 40,000
Human Resources Academy	\$ 35,000
Graffiti Abatement - Additional One-Time Funding	\$ 150,000
Code Enforcement - Additional One-Time Funding	\$ 50,000
Technology & Civic Innovation Fund	\$ 200,000
5% One-Time Fund Set Aside for Unfunded Liabilities	\$ 2,455,000
Funds Allocated by Council District	
One-Time Infrastructure Funds - distributed evenly among Council Districts	\$ 3,157,000
Parks CIP Fund & Be Safe Program - distributed evenly among Council Districts	\$ 2,250,000
TOTAL ALL DEPARTMENTS	\$ 48,534,750
Conditional One-Time Funding	
Financial/HR System Replacement Conditional Appropriation - Any FY 13 year-end General Fund or Upland Oil Fund surplus not already used or designated, will be automatically appropriated for the replacement of the Financial Management and Human Resources system, up to \$3,772,500 for a maximum appropriation of \$10,000,000	\$ 3,772,500
Sidewalk Repair Conditional Appropriation - Any additional GEMT/AB678 revenue above \$1.25 million will be automatically appropriated to CP 201 to fund residential sidewalks up to \$517,000 to replace funding used for 2 months of Engine 8 and Rescue 12 originally taken from proposed one-time residential sidewalk funds	\$ 517,000
TOTAL CONDITIONAL FUNDING	\$ 4,289,000

Adopted Changes to FY 14 Proposed One-Time Appropriations		
General Fund		
Title	Proposed	Adopted
Critical Operating Systems Replacement		
Financial/HR Systems Replacement	\$ 10,000,000	\$ 6,227,500
Public Safety		
Prohibited Possessors Program	\$ -	\$ 250,000
Police Academy Recruitment	\$ -	\$ 25,000
Fire Academy Recruitment	\$ -	\$ 25,000
Two month restoration of Engine at Fire Station 8 and Rescue Unit at Fire Station 12	\$ -	\$ 517,000
Parks, Playground & Library Infrastructure		
Parks Playground Equipment Replacement	\$ 2,250,000	\$ -
Public Works Infrastructure		
Citywide Sidewalk Update	\$ 500,000	\$ -
Alley Projects	\$ 900,000	\$ -
Residential Street Repaving - 50% based on need, 50% distributed evenly among Council Districts	\$ -	\$ 2,947,500
Increase Sidewalk Repair Budget - distributed evenly among Council Districts	\$ -	\$ 983,000
Critical Public Facilities Upgrades		
Renovate and Repair Athletic Fields / Artificial Turf	\$ 100,000	\$ 2,320,000
Animal Care Services Veterinarian Clinic	\$ -	\$ 50,000
Rancho Los Cerritos - Foundation Setup & Transition Expenses	\$ -	\$ 50,000
Rancho Los Alamitos / Seismic Retrofit - Architectural Drawings & Specs	\$ -	\$ 50,000
Additional Library Materials & Refurbish Community Rooms (Carpet, Paint & Furniture)	\$ -	\$ 400,000
Organizational Investments & FY 14 Elections		
Establish an efficiency incentive revolving fund	\$ 1,000,000	\$ -
Graffiti Abatement - Additional One-Time Funding	\$ -	\$ 150,000
Code Enforcement - Additional One-Time Funding	\$ -	\$ 50,000
Technology & Civic Innovation Fund	\$ -	\$ 200,000
5% One-Time Fund Set Aside for Unfunded Liabilities	\$ -	\$ 2,455,000
Funds Allocated by Council District		
One-Time Infrastructure Funds - distributed evenly among Council Districts	\$ 3,257,000	\$ 3,157,000
Unallocated FY14 RDA one-time revenues	\$ 4,100,000	\$ -
Parks CIP Fund & Be Safe Program - distributed evenly among Council Districts	\$ -	\$ 2,250,000
TOTAL CHANGES TO PROPOSED BUDGET		\$ 12,622,500

Conditional One-Time Funding		
Financial/HR System Replacement Conditional Appropriation - Any FY 13 year-end General Fund or Upland Oil Fund surplus not already used or designated, will be automatically appropriated for the replacement of the Financial Management and Human Resources system, up to \$3,772,500 for a maximum appropriation of \$10,000,000	\$ -	\$ 3,772,500
Sidwalk Repair Conditional Appropriation - Any additional GEMT/AB678 revenue above \$1.25 million will be automatically appropriated to CP 201 to fund residential sidewalks up to \$517,000 to replace funding used for 2 months of Engine 8 and Rescue 12 originally taken from proposed one-time residential sidewalk funds	\$ -	\$ 517,000
TOTAL CONDITIONAL FUNDING	\$ -	\$ 4,289,500





Mayor's Budget Recommendations

Fiscal Year 2014

Presented August 1, 2013



August 1, 2013

Members of the City Council:

I hereby transmit to you the 2014 fiscal year budget, prepared by the City Manager with my recommendations attached. The Long Beach City Charter requires that the budget be delivered with the Mayor's recommendations by August 2nd and as usual we have fully complied with the Charter provisions.

The City management is to be commended for a job well done, not only on this year's budget but also during the past six years. We have weathered the largest financial crisis in nearly 75 years. Since 2007, we have reduced the City's General Fund by \$134 million, removed 786 positions, reorganized our structure to be more efficient, and instituted comprehensive pension reform for city employees.

We have achieved all this while still providing essential services and experiencing generational low crime levels. Indeed, we are now in a position to fund both a fire and police academy to replenish our public safety personnel. We have improved the environment at the Port, dramatically improved water quality on our beaches, helped introduce technical training in our schools, resurfaced or repaved 200 miles of streets, reformed our building permit process to be user friendly, understandable and less expensive, and added several parks to the City.

We have performed all of this without tax increases and by living within our means. Sound fiscal policies have been a large part of our success and will help us build even greater success in the future.

One very successful program that will not be available to us is Redevelopment. It has been responsible for vast improvement in our City. Indeed, much of the rebirth of parts of Long Beach is the result of Redevelopment. It produced over \$100 million a year for economic development and blight removal and, as you know, it has been terminated by the State. The testimony of Redevelopment's success is that the end of the program will bring additional ongoing property tax revenue to our city; revenue that only exists because Redevelopment increased property values and hence property tax. We will not have this tool for our future and will need to find another path to build areas of our City that need the incentive Redevelopment provided.

I'm proud to say that the budget I deliver to you is structurally balanced and, if my recommendations are followed, will be essentially balanced for the next three fiscal years. In addition, this year we will have \$57 million to spend on capital items, infrastructure like streets, parks, roads, and management systems that will improve our City in the future.

None of this capital spending would be possible without following our fiscal policies for one-time revenue and being prudent with oil revenues. Our policy has been to use one-time revenue, revenue that is unlikely to reoccur in future years, for discrete, one-time expenditures. Thus, we spend the windfall one-time revenue from Redevelopment dissolution, oil revenue and other sources on infrastructure, facilities, finance systems or other capital items that are purchased one-time and are unlikely to have to be replaced anytime in the near future.

Oil revenues are a little different in that they are likely to occur each year but are very volatile. In 2008 we saw oil drop from \$125 to around \$25 in less than six months, causing the City to make cuts to “make up” for the \$6 million “loss.” To hedge the volatility in oil, we select a price (\$70) and treat all revenue above that price as “one-time”; all revenue below the price is considered ongoing. This is a prudent and wise practice. We need to be conservative here because we don't want to be forced to cut programs mid-stream or create future deficits.

Every year, we debate this issue. There are those who want to treat more of our oil revenue as ongoing and therefore available to fund programs. Let us end this silly debate. We cannot treat oil like we treat property or utility users tax. Those revenue sources are far more stable and any volatility can be hedged with our reserves. In order for property tax revenue to be as volatile as oil revenue, it would have to move by a factor of more than 5. Property tax revenue moves slowly up or down. If property tax revenue were to move on an annualized basis like oil did in 2008, the \$82 million we receive from property tax would have to drop to \$16 million. Said another way, the assessed value of property would have to change by 500% to match the oil experience. Even in this very deep recession we only fell a few million dollars in property tax revenue. To compare this revenue source to oil is beyond reason.

We have been successful doing the right thing and we need to continue our policy to help assure a future without deficits and with opportunity for our young people.

While we have been successful in achieving structural fiscal balance, there are challenges ahead. The two major unknowns for the future are pensions and unfunded liabilities. We are the largest city in the California Public Employees Retirement System (CalPERS) and as such we are subject to its rules and demands for payment. CalPERS is changing the way it does business to make the system more sustainable by spreading gains and losses over 5 years instead of over 15 years. This will produce a more prudently funded system but the rates CalPERS charge the City each year will be more volatile. Thus, we will see much more change in our annual pension costs, both up and down, as CalPERS investment earnings change.

To “hedge” this risk, we will need to establish a reserve fund to meet these needs and manage it well. The fund will be necessary if we are to avoid future cuts to programs or deficits because of demands from CalPERS.

Unfunded liabilities are the second unknown for the future. The major items here are pensions, sick leave, retiree health, and worker's compensation. The figures illustrated in the Manager's budget are snap shots in time and these numbers will move up and down as a result of a variety of factors. However, much like pensions, we need to address these problems now to minimize their impact on future programs. We have made as start, but more needs to be done.

In closing, I want to make mention of the Harbor Department in two specific areas; first, they are in the process of unprecedented construction on key physical assets that enhance their business case and improve efficiency. I want to thank interim director Al Moro and his staff for their efforts to keep those projects on schedule despite complexities and cost issues that in some instances, were not easily predicted. The interim headquarters tenant improvement costs still hold some question for me; there are costs there that need to be better understood and I think the Council will rightly ask questions about during budget adoption process.

Secondly, there are items in their budget that I think deserve mention for the positive aspects both on operations and community impacts: this year marks the largest Tidelands transfer ever which is a mark of their commercial success this past year. They are also taking advantage of cheap money in the market right now in anticipation of the costs on the substantial capital projects I mentioned earlier coming due. Finally, they are hiring just about 50 additional people in the engineering bureau to support project management and operations. That is a substantial investment in human capital and one that I believe will pay dividends for years to come.

It is within this framework that I make the following recommendations to the Manager's budget.

1. Use the \$3.5 million surplus to offset future budget shortfalls in 2015 and 2016. We should not build this money into ongoing costs, but rather, stay within our budget and treat the \$3.5 million as one-time revenue reserved for expected future CalPERS costs due to temporary investment earnings changes. This will save future programs and keep us structurally balanced for three years.
2. Maintain the oil benchmark price at \$70 and continue to treat all revenue above that level as one-time and all revenue below that level as ongoing. It is financially risky and problematic to suggest otherwise.
3. There will be considerable one-time revenue available for capital spending; indeed, perhaps a once in a generation opportunity to invest in systems that increase productivity, support enhanced efficiency for City workers and allow for stronger controls on public funds. Our estimate is that an additional \$45 million will be available this year. There are many needs in our City and I know that there will be more need than revenue. It is the Council's job to

appropriate this money and select what should be done. I believe the Manager has done a very good job of recommending projects. Replacing our dangerously outdated and deficient financial and management systems now is also of critical importance. Replacement of these systems has been deferred so long, that without their replacement, day-to-day operations could be adversely affected. They are in danger of failing to meet our basic ability to control and manage the City and its finances.

4. In addition to the \$45 million discussed above, the Council took action in June to apportion \$12 million by council district to pay for streets, sidewalks and parks. As the City Council allocates funding for these projects, I will be particularly vigilant to ensure that projects are appropriate and efforts to shift these funds into other areas do not happen. We cannot allow things to be called infrastructure if they are not. I will be particularly vigilant on this issue.
5. In the past two years, my recommendations have included a review of various programs that might better be performed by the private sector as cost savings measures, items such as refuse, street sweeping and information technology among them. As part of this year's recommendation, those projects need to be brought to completion.



Budget Oversight Committee Recommendations

FY 14 One-Time Expenditures

September 3, 2013

New Additions

\$	400,000	Additional Library Materials & Refurbish Community Rooms - Carpet, Paint, Furniture
\$	250,000	Prohibited Possessors Program
\$	50,000	Fire & Police Academy Recruitment
\$	2,250,000	Move from Parks Playground Equipment Fund to Council Directed Parks CIP Fund and Be Safe Program
\$	50,000	Animal Care Services Vet Clinic - FOLBA will be raising an additional \$70,000
\$	50,000	Rancho Los Cerritos - Foundation Setup & Transition Expenses
\$	50,000	Rancho Los Alamitos / Seismic Retrofit - Architectural Drawings & Specs
\$	1,000,000	Increase Sidewalk Repair Budget from \$3M to \$4M, and Divide by 9
\$	500,000	Move Funds from Sidewalk Survey to Sidewalk Repair Fund, and Divide by 9
\$	3,147,500	Residential Street Repaving
\$	1,820,000	Renovate and Repair Athletic Fields - Additional Funding
\$	200,000	Graffiti Abatement and Code Enforcement
\$	300,000	Technology & Civic Innovation Fund
\$	2,455,000	5% One-Time Fund Set Aside for Unfunded Liabilities
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\$	12,522,500	Total

Where the Money is Coming From

\$	3,772,500	Fund Replacement of FM and HR Systems over 2 Years
\$	4,100,000	Additional Redevelopment Agency FY 14 Funds
\$	2,250,000	Move from Parks Playground Equip Fund to Council Directed Parks CIP Fund
\$	500,000	Move Funds from Sidewalk Survey to Sidewalk Repair Fund and Divide by 9
\$	900,000	Move from Alley Projects to Residential Street Repaving
\$	1,000,000	Move from Efficiency Incentive Fund to Council Directed Infrastructure Funds
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\$	12,522,500	Total



July 3, 2013

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

SUBJECT: Fiscal Year 2014 Proposed Budget

The proposed budget for the upcoming fiscal year represents a marked departure from past budgets in two very important respects. First, and foremost, this is the first in many years that we have not been confronted with a General Fund deficit that requires organization-wide budget cuts. Second, with an unprecedented level of one-time general-purpose funds, we have a unique opportunity to replace failing and obsolescent business systems, and to reinvest in aging and deteriorating facilities and infrastructure.

Moreover, this proposed budget puts us on track to eliminate perennial structural deficits, if we avoid the temptation to over commit General Fund resources. If the Mayor and City Council agree to preserve the temporary \$3.5 million surplus available in FY 14 by not using it for operations, projections show that we will be within reach of eliminating the structural deficits projected in FY 15 and FY 16, without any additional reductions in services.

Towards this end, this budget proposes to reserve the FY 14 surplus to address upcoming deficits. We are not doing this, however, at the expense of essential services; this budget makes investments in several key areas. In addition to the one-time expenditures that will equip City staff to provide better services, this budget structurally restores service cuts funded in FY 13 with one-time funds and makes a significant investment in public safety sworn staffing; specifically, funding for the first back-to-back police and fire academies in many years, and additional overtime funds to meet priority community safety needs.

How We Got Here

Economic uncertainty is a theme that applies equally to next fiscal year as it does this year. With that caveat, our current projections for FY 14 look good. For the first time in many years, we are projecting a surplus for FY 14, and we expect manageable structural deficits for FY 15 and FY 16, if the Mayor and City Council preserve the FY 14 surplus.

What has put us in this good fiscal light? First, the Mayor and City Council have been fiscally responsible. They have made the necessary reductions, however painful, over the last few years to address our structural deficit. Without that fiscal responsibility, there would not be a surplus in FY 14 and we would not possess the ability to wipe out

the projected deficits for FY 15 and FY 16. The word “surplus” would not have reentered our vocabulary without their fiscal resolve.

Second, last year the City was able to reach an agreement on pension reform with its single largest bargaining unit, the International Association of Machinists (IAM). The City had previously reached similar agreements with its other two large employee associations, the Police Officers Association and the Firefighters Association. The IAM agreement saved the General Fund \$3.7 million that helped further reduce the deficit.

Third, additional property tax revenue associated with the dissolution of the Redevelopment Agency is now part of our revenue base. As redevelopment projects are closed out, tax increment is returned to local jurisdictions as part of local property tax revenues. In FY 14, this will increase our General Fund revenues by almost \$11 million, a 22 percent share of countywide RDA-related property tax revenues. While welcome, this additional revenue comes at a loss of nearly \$100 million each and every year in Redevelopment funding that is no longer available to invest in our City’s infrastructure, crime hotspots, housing, and development.

Were it not for this \$11 million redistribution and IAM pension reform, nonetheless, we would have had an \$11 million structural deficit in FY 14. Moreover, had we not addressed pension reform with the Police Officers Association and the Firefighters Association in FY 12, and not proactively closed the General Fund budget gap in FY 13, our structural deficit in FY 14 would have been \$19 million.

Focus on Stability During Continued Uncertainty

With the addition of these new resources and savings, this budget is focused on restoring stability to City general-purpose finances. After ten years of General Fund reductions, this budget generates a modest General Fund surplus of \$3.5 million out of a \$438 million total General Fund budget. If we are to ensure continued stability and continue down the path toward fiscal sustainability, we must do everything possible to not spend the \$3.5 million structurally in FY 14 and apply that savings to the projected structural deficits in FY 15 and FY 16. If we do so, we will be within striking distance of eliminating the structural deficit in FY 16, as shown below. Alternatively, if we spend the surplus in FY 14, we still have nearly a \$5 million deficit by end of FY 16.

General Fund Surplus/(Deficit) Projections

	FY14 Budget	FY15 Projected	FY16 Projected	Culmulative
Proposed	\$3.5M	(\$2.5M)	(\$2.3M)	(\$1.3M)
Alternative	\$0	(\$2.5M)	(\$2.3M)	(\$4.8M)

Not reflected in these deficit projections is what happens beyond FY 16. Pension contribution rate structure change adopted recently by CalPERS will take effect in FY 16 and will increase the City’s employer contribution costs structurally in each of the four years that follow. The rate increase adopted by CalPERS will cost the General Fund an

estimated additional \$16 million per year in structural increases when fully phased in at the end of FY 20. If the CalPERS Board adopts the other two rate changes its chief actuary has recommended (mortality and discount rate assumptions), these rates increases could nearly double that CalPERS structural increase to \$31 million per year over that same period. The impact these changes will have on the budget's bottom line and whether the structural deficit continues to grow or is kept in check will depend on the two sides of the budget equation – revenues and spending.

Over the short term, the rate of revenue growth is largely out of our control; instead, it is largely subject to market and economic factors that extend well beyond the City's borders. Although there are signs that recovery has positively affected our revenues, as evidenced over this year with the reduction in delinquent property taxes and the jump in transit occupancy tax revenues, there are still reminders that revenue growth is tentative. Sales tax revenues have vacillated over the last two years as consumers have altered between buying and saving spurts, depending on short-term economic signs. The unknowns in the City's revenue future are too great to base projections on rosy assumptions.

Unlike revenues, spending is very much within our sphere of influence. That is best evidenced by the hard decisions this and previous Councils have made in cutting the General Fund budget by more than \$226 million over the last ten years. In addition, the City and its major employee groups have come to an agreement over pension reform that will save the City General Fund an estimated \$13 million annually. These cuts, pension reform and other actions give the City a demonstrated history of controlling spending. We will need to maintain that discipline and resolve if we are to contain costs and maintain structurally balanced budgets into the future. We have several challenges facing us, including:

- Left unaddressed, structural deficits total nearly \$5 million between FY 15 and FY 16;
- Potential CalPERS rate increases between FY 16 and FY 20 that will add a projected \$16 million per year when fully phased in FY 20 and could add as much as \$31 million per year in the General Fund;
- Expiring employee agreements, whose renewals are not reflected in projections for FY 16 and beyond;
- Workers' compensation and health care costs that continue to far outpace inflation and are equally unpredictable;
- Operating budgets that have not been adjusted in years for non-personnel cost increases; and,
- Unfunded liabilities of \$1 billion.

We have tools available to tackle these challenges; we need only to commit to their use in a planned and measured way to ensure their successful application. In addition to those tools already in existence, I have proposed a few new tools to ensure continued fiscal stability. Both existing and proposed approaches are described briefly below.

Proportionate Share. As in the past, this budget maintains proportionate share. Made easier because organization-wide reductions were not necessary this year, proportionate share ensures that Police and Fire receive most of the General Fund resources (68 percent), while preserving base level support for other core functions. Continued use of this tool will be vital as we continue to face tight budgets as well as potential deficits well into the future.

Surplus Carryover. I am proposing that the estimated \$3.5 million structural surplus in FY 14 be carried over to FY 15 and FY 16 to cover all or most of the structural deficits projected for those years. Without this carryover, we face the very real prospect of making more painful cuts over the next two years. The possibility of three years without program and service cuts is well within our reach if we exercise discipline.

CalPERS Fluctuation Reserve. Carryover of the FY 14 surplus creates a projected one-time surplus of \$3.5 million at the end of FY 14. I strongly urge the Mayor and City Council to support the creation of a CalPERS fluctuation reserve to reduce or eliminate the expected significant year-to-year variances in future CalPERS costs due to short-term deviations in CalPERS investment returns. These variances are expected to be quite significant due to the new rate formula used by CalPERS, effective in FY 16. Without such a reserve, the City may need to decrease services to cover CalPERS costs when they sharply increase due solely to a short-term decrease in interest rates.

MOU Agreements. Work has already begun on preparing for negotiations with employee groups over wages and benefits, which represent over 70 percent of General Fund costs. The MOUs with the three largest groups, IAM, and Police and Fire, expire at the end of FY 14, and FY 16, respectively. We must build upon the cooperation and collaboration that developed during pension reform discussions as we work together on upcoming agreements if we are to prevent future deficits and to begin to address our significant unfunded liabilities.

Compensation Savings. As part of the financial sustainability initiative approved by the Mayor and City Council, Management Partners analyzed the City's potential to realize cost savings by changing various compensation practices. Reflected in this budget are savings related to changes in the assignment of standby pay and the elimination of floor warden special pay where possible. If these changes were adopted organization-wide, a total savings of \$1.2 million would result.

Reserve for Unfunded Liabilities. As one way of addressing the City's current unfunded liability related to its employee benefit programs, I am proposing that the savings from the skill pay changes above be placed in a reserve for unfunded liabilities. The Mayor and City Council would have to direct the Water and Harbor boards to reduce its skill pays to realize the full projected savings of \$1.2 million. The Mayor and City Council could also decide to add to this reserve the approximately \$300,000 that it had earlier set aside for unfunded liabilities as part of the one-time appropriations it authorized in July. If added together, the City would establish this year \$1.5 million in savings to begin to address our unfunded liabilities.

Community and Organizational Reinvestment

This budget is more than just about maintaining the status quo and gaining ground on our General Fund deficit. It includes funding to make a significant reinvestment in the community at large and City operations as a whole. Hence, the proposed FY 14 budget marks a first in several respects.

Repair and Replacement of Critical Capital and Operating Infrastructure. The City has an unprecedented amount of one-time general-purpose funds available to spend on critical one-time needs in FY 14. What is normally \$10 to \$15 million available for one-time spending in any one year, in FY 14 it will reach \$45 million. That does not include the nearly \$12 million that the Mayor and City Council appropriated for City Council District infrastructure projects in FY 13. The size of this one-time funding is, in great part, due to the nearly \$30 million that has been allocated to the City by the State as result of the dissolution of the Redevelopment Agency.

For more than ten years, the City has had to defer investment in our facilities and business systems as we addressed sizeable structural deficits. This lack of investment not only creates substandard facilities for current residents, but impacts future generations as the need grows each year that maintenance and replacement is deferred. With this year's \$45 million in one-time dollars, we can begin to reverse this course.

In a memorandum dated June 5, 2013, and in a subsequent presentation to the City Council, I identified the specific projects for which we recommend one-time funding. Those projects are listed in the Executive Summary section of this budget. While the majority of funds are devoted to the repair of essential, but deteriorating City infrastructure and facilities, just over one-fourth of the \$45 million is proposed for replacement of outmoded and failing business operating systems, in particular, the City's financial and human resources systems. These systems are the cornerstone of any organization's business operations, whether in the public or private sector. Without the replacement of these systems, the City puts itself at risk for loss of funds, adverse audit findings, and inability to conduct day-to-day business. We cannot afford to delay their replacement any longer.

These investments will complement the nearly \$12 million in one-time spending that the Mayor and City Council approved for residential street repaving, slurry seal, sidewalk repairs, and parks maintenance projects. Included in the \$45 million proposed one-time spending in this budget is almost \$3.26 million available to City Council to allocate to other priorities.

New Police and Fire Academies. It goes without saying that public safety is Long Beach's highest priority. As such, the City devotes 68 percent of ongoing financial resources to that purpose. An important part of maintaining that commitment is to address the natural attrition that occurs among the sworn ranks. Last year, we renewed that commitment; this year, we are doubling it.

FY 13 marked the first year since FY 08 that our Police Department has been able to hold a recruit academy. As a result, the Department expects to add 40 new police officers to patrol this coming year. To keep up the momentum, this budget proposes another academy of 50 recruits to begin shortly after cadets graduate from the FY 13 academy. This will be the first back-to-back police academies in six years in what, hopefully, can become a regular occurrence if the budget discipline shown in the past is maintained.

This budget also marks the first time since FY 08 that Fire will be able to hold back-to-back academies (FY 12 and 14). Moreover, if the Mayor and City Council adopt the one-time funding proposed in this budget, this will be the very first time our Fire Department will be holding two academies within the same fiscal year. This will help the Fire Department maintain the department's staffing level and help control overtime costs.

Police Overtime. As part of the one-time funding recommendations, the proposed budget includes \$2.2 million for overtime that the Police Chief may allocate for the Police Academy, gang prevention efforts and other high priorities. This is in addition to the \$600,000 in supplemental appropriation for gang enforcement that will be appropriated in FY 13, and of which any unused portion can be carried forward into FY 14. This funding is on top of the nearly \$8 million in base funding for Police overtime included in the proposed budget.

Restoration of FY 13 Cuts Funded in FY 13 With One-Time Dollars. In the FY 13 budget, the City Council authorized one-time funding for some ongoing operations in Police, Parks and Recreation, and Neighborhood Services. Without action in this budget, those services would not be funded in FY 14 in adherence with our financial policies. Thus, in this budget, I am recommending the structural restoration of \$2.3 million for the following positions and programs:

- 4 FTE Special Services Officers in the Prisoner Transport Unit;
- 4 FTE Police Services Specialists in East Division, Vice and Sex Crimes and the Crime Lab;
- 3 FTE Neighborhood Service Specialists (formerly Police Services Specialists)
- After School Recreation and Youth Sports at 14 parks; and,
- Gym operations at Pan Am Park.

These restorations not only provide greater funding certainty for these important programs and services, but also reaffirm the City's commitment to its financial policy of only using one-time resources for one-time purposes. The positions that are not restored structurally, specifically the gang enforcement unit, have been addressed through a retooling of gang enforcement efforts, an increase in overtime funding and back-to-back Police Academies.

Government Reform Efforts. In addition to the benefits that continue to accrue from reform initiatives over the last few years (e.g., consolidation of inspection staff) and the compensation changes mentioned already, efforts continue to gain efficiencies among some of our community and organizational services; namely, Refuse Collection, Street Sweeping, Technology Services, Fleet Services, and Occupational Health and Employee Assistance programs. These initiatives are key to addressing future General Fund budget gaps. A discussion of those and other initiatives are described in the Government Reform section of this budget.

Targeted Reductions and Reorganizations. To gain further efficiencies and program effectiveness, and realign service levels with available funding, several targeted position and program cutbacks are proposed in this budget. A brief description of those changes is provided in the Executive Summary section. They include a modest reduction in Code Enforcement and Graffiti Abatement to align service levels with the funding reduced by the State Department of Finance as part of their review of Successor Agency funding requests. At the same time, they do include some additions such as the Registered Nurse position in a reorganized and reclassified Jail Medical program to achieve greater flexibility and coverage. In all cases, budget additions in General Fund programs have been achieved with a reallocation or establishment of program-supported resources.

Conclusion

The proposed FY 14 budget affords us one of those rare opportunities to make a major investment in City assets, while still being able to make a significant down payment on future deficits. The key to the City's financial future, nonetheless, is not to commit financial resources that have not yet materialized and to not ignore costs that will continue to grow – specifically, employee wages and benefits.

One concern is the potential for CalPERS increases, which could range from \$16 to \$31 million for the General Fund alone in a five-year phase-in period beginning in FY 16. Lest we forget, we also need to remind ourselves that health care and workers' compensation benefit costs continue to outpace inflation, and our last agreement with employee groups expires in FY 16. Any decisions that we make now to increase General Fund spending from the FY 14 surplus will mean less money available in FY 15 and FY 16 to pay for these and other cost increases, resulting in service reductions and layoffs. I encourage you to preserve this year's surplus so that we can reduce the cumulative deficit for FY 14 through FY 16 to a manageable level.

We have plenty to herald in this budget. This year we will make a significant investment in failing and obsolete business systems and aging and deteriorating facilities and infrastructure to the tune of \$45 million to begin to address the deferred maintenance and replacement that has accumulated over the years. We have structurally restored \$2.3 million in recreational and public safety programs funded with one-time funds in FY 13. We have added back-to-back Police and Fire academies for the first time in many years, added a second Fire academy in FY 14 to maintain constant staffing, and

provided Police with \$2.2 million in one-time funding for overtime and other high-priority needs on top of the \$8 million in base funding for Police overtime. We have begun to address the enormity of our unfunded liabilities with a small down payment, creation of an unfunded liabilities reserve and readiness for a CalPERS rate increase. Finally, we have established a new reserve to provide gap coverage when CalPERS contribution rates increase unexpectedly.

The Mayor and City Council have laid the foundation for fiscal sustainability in the difficult reforms and reductions made over the last several years. This job has been even more difficult by the contraction of resources that followed this nation's most severe recession since the Great Depression. We are starting to experience the effects of recovery, however slight, but we must remain vigilant and reserved in our approach in this and coming budgets if we are not to lose our financial footing.

I look forward to working with the Mayor and City Council as you consider this proposed budget and as we continue to address the fiscal challenges posed by an uncertain economy and looming cost increases. My appreciation to the management team for their creativity and prudent management during the more difficult years that have helped get us to this point, to all City employees who have continued to provide the best service possible with limited resources, and to all departments for all of their good work in developing this milestone budget. I would also like to thank the City Attorney, City Prosecutor, City Auditor, City Clerk, Civil Service Executive Director, Harbor Department Executive Director and Water Department General Manager for their continued cooperation and assistance.

Respectively submitted,

A handwritten signature in black ink, appearing to read "P. H. West". The signature is fluid and cursive, with a large initial "P" and "H" and a trailing "West".

Patrick H. West
City Manager

Executive Summary

EXECUTIVE SUMMARY

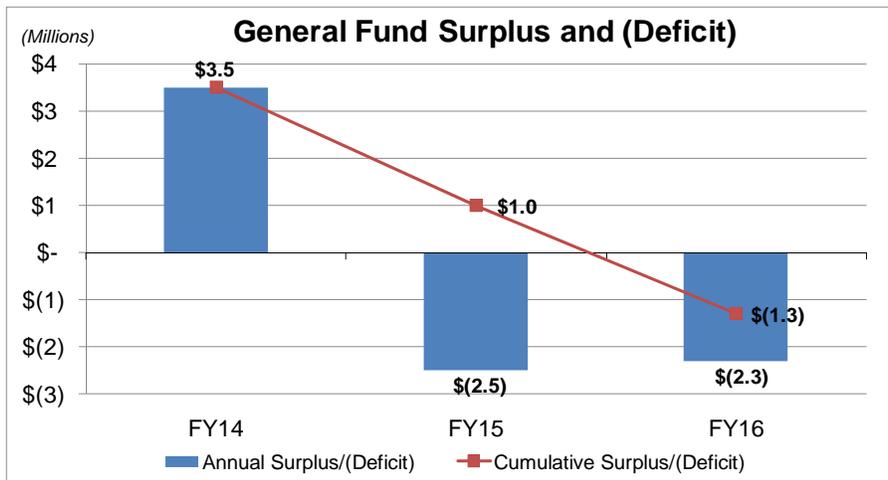
Fiscal Year 2014 (October 1, 2013 through September 30, 2014) All Funds Budget for the City of Long Beach totals \$3.1 billion, including \$882 million for the capital improvement plan. The table below shows the total proposed budget for the City's General Fund including one-time expenditures, enterprise funds (Gas, Refuse, Water, Airport, Development Services, etc.) and all other (Harbor, Successor Agency (Redevelopment fund), Debt Service, Internal Service, etc.) funds. Of the total budget, Harbor constitutes 33 percent, or approximately \$1 billion, of all proposed spending.

Total Budget (in millions)				
	FY13 Adopted	FY 14 Proposed	% of Total	% Change
General Fund	\$ 396.8	\$ 438.0	14%	10%
Enterprise Funds	434.8	438.7	14%	1%
All Others	2,156.6	2,250.4	72%	4%
Total	\$ 2,988.2	\$ 3,127.1	100%	16%

Nearly 70 percent of the 10 percent increase from the FY 13 Adopted Budget to FY 14 Proposed Budget in the General Fund is attributable to the increase in one-time revenues.

General Fund

The General Fund, which accounts for approximately 14 percent of the total budget, provides much of the resources for critical City services. This includes police patrol, fire response, parks, streets and sidewalks repair, and library services. Most other funds and resources are dedicated by law for other purposes and cannot be used to support these basic functions. Following nearly a decade of reductions and deficits, the General Fund is expected to experience a surplus of \$3.5 million in FY 14. Current projections indicate that the FY 14 surplus will be replaced by a \$2.5 million deficit in FY 15 and another \$2.3 million deficit in FY 16. However, if the surplus is not spent in the upcoming year and instead applied to the projected deficit in FY 15, the General Fund could again experience a small surplus in FY 15 and a much smaller deficit in FY 16, as represented in the cumulative line in the graph below.



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The total three-year deficit is a manageable \$1.3 million if the FY 14 surplus is not spent, largely helped by PERS pickup savings from prior years and increases in revenue. The most significant factor contributing to the surplus in FY 14 is the new, ongoing revenue of \$10.7 million from the dissolution of Redevelopment Agency. Revenue growth in FY 15 and FY 16 is increasing at a steady pace.

General Fund Surplus / (Deficit) Drivers				
(\$ In Millions)				
Changes	FY 14 Proposed	FY 15 Projected	FY 16 Projected	3-Year Total
Negotiated Compensation Increases	\$ 2.6	\$ 1.7	\$ 0.6	\$ 0.3
PERS Change	1.2	2.0	3.0	6.2
Other Health Benefit Related Increases	5.3	2.1	2.1	9.5
RDA Related	1.1	-	-	1.1
FY13 one-times to ongoing	2.3	-	-	2.3
Other Misc. Increases	0.2	2.8	1.2	4.2
Total Expense Impact	7.5	8.6	6.9	23.0
RDA Loan Repayments	\$ (1.5)	\$ -	\$ -	\$ (1.5)
RDA Increase in Property Tax	10.7	0.5	1.8	13.0
Other Increases	1.9	5.6	2.8	10.3
Total Revenue Impact	11.1	6.1	4.6	21.8
City Manager Budget Proposals - Net	(0.1)			(0.1)
PROJECTED ANNUAL STRUCTURAL SURPLUS / (DEFICIT)	\$ 3.5	\$ (2.5)	\$ (2.3)	\$ (1.3)

Growth in expenditures is expected to slow in FY 14. Negotiated compensation increases are more stable than in past years. Long Beach, in partnership with employee groups, has made great strides managing employee-related costs. Most recently, the International Association of Machinists (IAM) has followed the Police and Fire Associations in agreeing to increased employee retirement contributions. The IAM agreement will result in a \$3.7 million savings to the General Fund in FY 14. These agreements have helped create substantial cost savings and preserve valued community services. However, other associated employee benefits such as health care and workers' compensation are projected to increase by \$5.3 million in FY 14. The City must continue to adapt to provide services to the community in the most efficient way.

Proposed FY 14 Changes By Department

The table below summarizes the FY 14 proposed changes to departmental budgets along with the net impact of those changes on budgeted positions. As shown in the table, the FY 14 Proposed Budget maintains the relative priorities established by the Mayor and Council during previous budget cycles by funding departments at a level that matches their overall share of General Fund resources compared to prior years. Police and Fire will continue to receive 68 percent of the overall General Fund budget, with other Departments receiving the remaining share.

Significant changes in FY 14 include the increase of Ambulance Transport fees to fund the addition of 6 Firefighter positions, increasing the constant staffing to 110 daily Firefighter positions at 23 stations. This will allow for enhanced fire staffing at Station 17 with a 4-person

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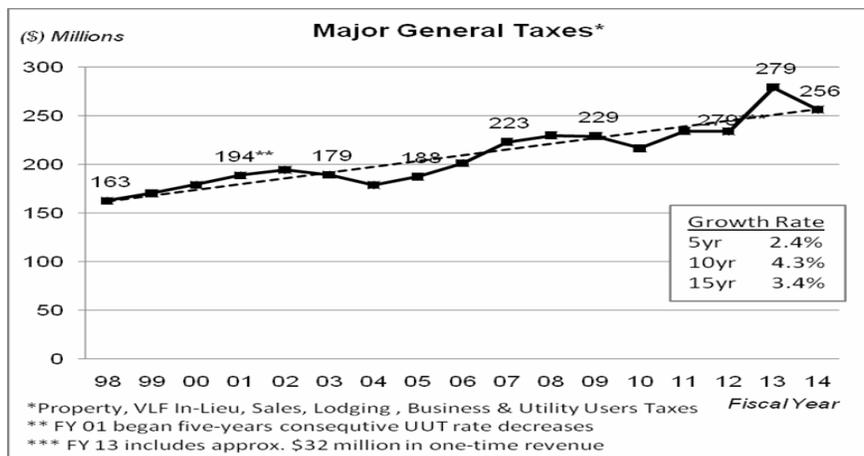
fire truck and Station 14 with a 4-person fire engine. The proposed changes also include the structural restoration of services that the Mayor and City Council identified as priorities in FY 13, but could only fund using one-time resources that year. In FY 14, the proposed budget will restore, on an ongoing basis, eight Police Department positions and three Neighborhood Service Specialists as well as After School Recreation and Youth Sports programs at 14 park sites. Other notable changes include the reduction of the Graffiti Abatement contract in Public Works and 2.5 FTE in Development Services Code Enforcement due to the California Department of Finance's disallowance of this Successor Agency activity, which had previously been funded by the Redevelopment Agency.

FY 14 General Fund Impacts by Department				
Departments	FY 14 Proposed Changes	Positions Impacted	FY 13 Prop. of GP	FY 14 Prop. of GP
Police	\$ 589,872	9.00	48.8%	49.0%
Fire	-	8.00	18.8%	18.4%
Disaster Preparedness and Emergency Communications ⁽¹⁾	-	-	0.0%	0.2%
Public Works	(229,082)	(0.18)	7.9%	7.7%
Parks, Recreation & Marine	1,456,341	32.62	7.5%	7.7%
Library Services	(59,128)	(1.30)	3.2%	3.1%
Elected & Appointed	-	(2.35)	4.8%	4.7%
All Others ⁽²⁾	326,492	3.47	9.0%	9.2%
TOTAL	\$ 2,084,495	49.26	100%	100%

(1) In FY 13, Disaster Preparedness was part of the Fire Department.
 (2) Includes City Manager, Citywide Activities, Development Services, Financial Management, Health & Human Services, and Human Resources.

Major General Fund Revenue Trends

The General Fund primarily relies on general tax revenue. These dollars are unrestricted in their use, providing funding for the most basic services of local government. Growth in major sources of general tax revenue has been fairly consistent over the long-term. The rate of revenue growth is similar over the periods of five, ten and fifteen years. While the long-term trends are stable, annual swings are influenced by the economic cycle or major changes in tax policy.



FY 13 was the first post-recession year where revenue growth exceeded historical averages. This was largely due to an unusual surge in one-time revenues. This included revenues from the State dissolution of RDAs, including the City's share of the State sweep of Housing and

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RDA fund balances, and the proceeds from a court settlement with Los Angeles County, which reclaimed past property tax administration fees. These and several other unique sources of one-time revenue in FY 13 could only be expected once and are unavailable to fund ongoing costs. Revenues for FY 14 are more in keeping with Long Beach's historical revenue growth, with the exception of \$14.2 million in one-time revenues and \$10.7 million in new ongoing post-RDA dissolution property tax.

Major General Fund Expense Trends

The City's persistent budget shortfalls are due to structural cost increases that have outpaced increases in revenue. Increases in the City's largest expenses, which include employee healthcare, retirement contributions and wages, grew faster than local sources of funds for many years. This difference between annual increases in revenues and costs is what constitutes the City's "structural deficit." Because the General Fund budget must be balanced, expenses were cut to bring spending in line with ongoing revenues, resulting in position reductions in six of the last seven years. Over this time period, Long Beach's budgeted workforce was reduced by 770 positions – a 24 percent reduction during this time frame.

FY 14 presents a temporary break in Long Beach's long-term cost escalation trends. Retirement concessions by the City's bargaining groups will mean FY 14 will be the first year in a decade where overall costs per employee in the General Fund will decline. City retirement contributions are expected to decline to \$16,900 per full time equivalent (FTE) position next year, after having reached a peak of an average of \$20,800 per FTE in FY 12. This is a savings of 22 percent or \$11.4 million dollars from FY 12.

It is important to note that these FY 14 reductions in City retirement contributions are not due to lowered benefit costs, but rather from employees paying a greater share of their total contribution costs. As the next section on CalPERS rate changes below will highlight, the employer contribution rates for pensions are expected to rise significantly in the out years beginning in FY 16.

CalPERS Rate Changes

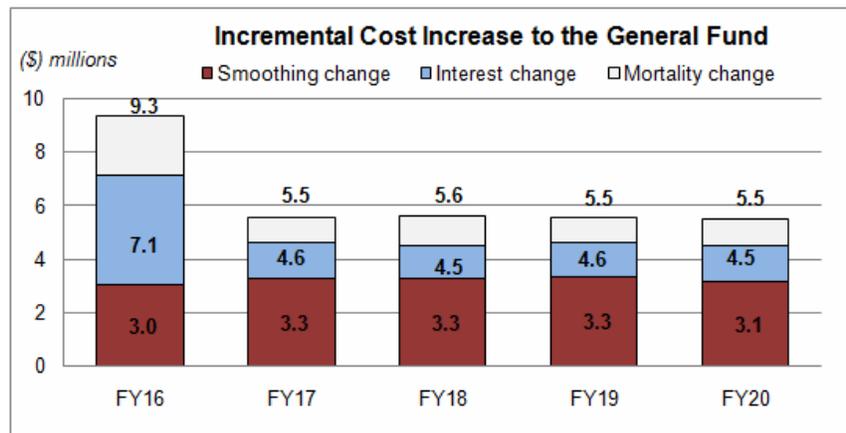
The FY 14 decreases in City retirement contributions may be a short reprieve from the longer-term employee retirement costs. In April 2013, the CalPERS Board approved changes to their amortization and smoothing methodology. These changes will put the City on a path towards paying down its current unfunded liabilities over 30 years. However, it will also mean that pension contribution rates are expected to increase substantially over several years, beginning in FY 16.

Previous amortization and smoothing policies spread investment gains or losses and paid for them over a 15-year smoothing and a rolling 30-year amortization period. This methodology helped local governments avoid large rate volatility in normal years and better plan ahead for changes in pension costs. However, it also largely shielded the City from realizing investment losses during the last recession and accumulated a large unfunded liability. The new amortization and smoothing policy will pay for all gains and losses over a fixed 30-year period with increases or decreases in the rate smoothed over only a five-year period. This new methodology does not change the City's unfunded liability or the cost of pensions, but it will significantly improve funding levels with the potential to eliminate the City's current unfunded liability in 30 years. The new methodology forces local governments to more quickly

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recapitalize pension funds left depleted after years with lower than expected returns. It will result in more year-to-year variability in contribution rates, with less likelihood that large unfunded liabilities will accumulate over time.

In addition to this new policy, two other potential changes are under consideration – a reduced expectation of investment returns and an increased life expectancy projection – both of which would increase the City’s employer contribution rates. Based on data provided by Bartel Associates, LLC, the graph below shows the estimated impact to the General Fund of the existing and proposed changes. The annual estimated increases are shown from FY 16 through FY 20, as these structural increases will be phased in over a period of five years, and could range from \$16 to \$31 million by end of the five-year period.



It is worth noting that the estimated impact of the smoothing methodology change is highly sensitive to short-term rates of return. Depending on whether market returns are higher or lower than the CalPERS assumed rate of return of 7.5 percent, the estimated increase to the General Fund could be much higher or conversely, have no negative impact at all.

Unfunded Liabilities

As the City assesses its fiscal outlook in future years, it must not forget its four major unfunded liabilities for employee benefits – pensions, retiree sick leave (to pay retiree health insurance premiums), retiree health insurance subsidies, and workers’ compensation. The City currently has \$1.13 billion in these unfunded liabilities and the amount is expected to continue to grow. The following chart summarizes these current unfunded liabilities.

Current Unfunded Liabilities		
(\$ in Millions)		
Pension	\$	692
Sick Leave		119
Retiree Health Subsidy		220
Workers Compensation		100
TOTAL	\$	1,131

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Unfunded liabilities are costs for services already delivered, but not paid for in full. When applied to employee benefits, which are the major components of service costs, the unfunded liability represents the unfunded portion of the costs of benefits that employees will accrue over their working careers with an employer.

The principal causes of unfunded liabilities for employee benefits generally are lower than expected investment earnings on system assets, benefit enhancements that are made retroactive, and under funding. Part of good financial management is to develop a plan to address the unfunded liability and adhere to that plan.

With the recent changes to the CalPERS amortization and smoothing policies, the City will be on track to potentially pay off the unfunded pension liability in approximately 30 years. For the others, however, the current annual funding for the associated employee benefits is not large enough to reduce the unfunded liabilities. The City is already expecting increases to contribution rates as a result of the policy changes in CalPERS. Increasing funding even more to pay down the other unfunded liabilities will be very costly and may have significant impact on the ability to provide current services. The City will need to explore a variety of alternatives in addition to increased funding, such as the possibility of reducing employee benefits. This budget takes a small step towards the reduction in unfunded liability with the creation of an unfunded liability reserve funded with savings from the elimination and reduction of selected skill pays and one-time funds proposed for this purpose in this budget.

Status of Other Funds

In addition to the General Fund, the City maintains 38 other funds. Many are narrowly focused and related to specific business activities. The funds highlighted below are those that have an organization-wide impact.

Insurance Fund

The Insurance Fund was created to finance and account for the City's General Liability and Workers' Compensation activities. The Fund is primarily supported through charges to City departments and Funds, with approximately 64 percent of its revenue derived from the General Fund. Although the number of Workers' Compensation claims has been reduced, the cost of claims has risen and is expected to increase in future years. This is due to the erosion in the SB899 reforms that will result in further cost increases, future medical care for life for accepted body parts (which is awarded on most claims), and the City's long-term workers' compensation liability currently valued at \$101 million. The City will be challenged to keep Workers' Compensation costs from increasing without reforms from the State. The Department of Financial Management works with the City Attorney's Office and the Department of Human Resources to identify cost saving opportunities in the Insurance Fund and to ensure the City meets its legal and workforce obligations. To this end, a citywide increase of \$5 million has been included in the FY 14 budget with smaller increases projected in the foreseeable future.

Employee Benefits Fund

The Employee Benefits Fund (EBF) is used to support employee benefits such as paid time off, Public Employees Retirement System (PERS) benefits, employee health care and pension obligation bond payments, among other costs. The EBF is primarily supported through charges to departments for their employees' estimated benefit costs. The City's outstanding unfunded

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liability for benefits, not only pensions, could be as high as \$200 million. The City is expected to develop an approach to addressing these unfunded liabilities in the next few years. As the City implements future department reductions, employee concessions and government reform proposals over the next several years, the City will need to reduce the liabilities carried in the EBF and make the Fund sustainable without overburdening those City operations that support the EBF.

SERRF Fund

The SERRF Fund is used to maintain the Waste to Energy Program and provide regional disposal services for residential and commercial refuse delivered by the City and various private haulers. Currently, SERRF does not pay for ash disposal at Puente Hills landfill, but once the landfill closes at the end of October 2013, the ash will need to be delivered to El Sobrante Landfill at which point SERRF will begin incurring ash disposal costs of approximately \$6.8 million annually. As it long anticipated, SERRF will begin to draw from its fund balance to cover the ash disposal costs as well as to partially cover other operating expenses. As provided for in its JPA (Joint Powers Authority) agreement, the SERRF Fund had purposely built up a fund balance over the years to cover its anticipated negative cash flow over the next few years as it nears the point in 2018 when its bonds are completely paid off and it potentially reaches the end of its useful life. Based on certain funding criteria in the JPA agreement, there is a fifty-fifty revenue sharing of Net Facility Revenue between the City's JPA partner, the Los Angeles County Sanitation Districts, and the City's General Fund. In FY 14, the General Fund is expected to receive \$1.2 million in Net Facility Revenue from SERRF.

Gas Fund

The Gas Fund finances the provision of reliable and cost-competitive natural gas service to customers in Long Beach and Signal Hill while ensuring continued pipeline infrastructure integrity. Ninety percent of the Gas Fund's revenues are received directly from gas ratepayers through metered gas sales. These sales are primarily affected by national gas commodity market prices and winter weather conditions. Improved extraction technologies have recently resulted in an abundance of additional gas supplies nationwide, causing continued downward pressure on natural gas commodity prices. These price benefits are passed directly through to gas customers.

To ensure the safe operation of the nation's natural gas pipeline system, federal regulators in the Office of Pipeline Safety have significantly increased on-site audits and regulatory reporting requirements of natural gas utilities. The City is now required to prepare a Distribution Integrity Management Plan (DIMP) that delineates potential threats to the safe operation of the Long Beach pipeline gas system and describes the City's high priority focus on replacing its gas pipelines that were installed between the years 1920 and 1950.

Continued monitoring of the Gas Fund's financial health is needed to ensure that customers are appropriately served, pipeline integrity is being maintained with an adequate level of repair and replacement, and a reasonable transfer to the General Fund is sustained.

Successor Agency Fund

In FY 12, the Successor Agency Fund was created in response to California statute AB1X26, which mandated the dissolution of the City's Redevelopment Agency (RDA). Effective

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February 1, 2012, the City Council adopted a resolution designating the City of Long Beach as the Successor Agency to the RDA and transferred all former RDA functions and assets to the City. The purpose of the Successor Agency is to dispose of the assets and discharge the obligation of the former Redevelopment Agency. Pursuant to AB1X26, the revenue source for the Successor Agency funds consists of bi-annual distributions from the Redevelopment Property Tax Trust Fund (RPTTF). These revenues are then used to make payments against the Successor Agency's Recognized Obligation Payment Schedules (ROPS). The ROPS are the obligations and commitments created by the City's former Redevelopment Agency.

Additionally, the Successor Agency Fund receives a bi-annual administrative allocation equal to 3 percent of its RPTTF distributions, which does not cover all of the Successor Agency administrative costs. As part of the FY 14 Proposed Budget, organizational and staffing changes have been made brings its administrative costs in line with State allowed costs. In FY 14, based on current approvals from the California Department of Finance (DOF), approximately \$34 million is projected to be remitted to the Successor Agency Fund. Over time, as the obligations of the former Redevelopment Agency are met and activity slows, funds remitted to the Successor Agency Fund will decrease. In FY 13, the DOF completed its review of the Successor Agency Due Diligence Review, which directed the Successor Agency to remit to the County its unencumbered funds of \$46 million. Included in the \$46 million are transfers in the amount of \$4.6M that the DOF deemed disallowed between the former RDA and the City from January 1, 2011 through January 31, 2012. Funds available at the end of FY 14 will be approximately \$3.8 million and will be needed to cover future costs for existing committed projects.

Tidelands Operating Funds

Tidelands Operating Funds are comprised of the Tidelands Operations, Marina, Queen Mary Repair Reserve and the Rainbow Harbor Area funds. Tidelands operations along the beaches and waterways remain heavily dependent on base oil revenue and an annual transfer from the Harbor Revenue Fund to support Aquarium debt payments, lifeguards, waterfront maintenance, and the Convention Center. Any surplus generated by marina operations is designated to support the phased rebuild of the Alamitos Bay Marina and related debt service. The Tidelands Operating Fund budget also includes \$13 million in capital expenditures from "Measure D" oil revenue. Beginning funds available are \$148.7 million, inclusive of a \$51.5 million reserve, which will be established in FY 14 to fund the new Belmont Plaza Pool construction. The estimated cost of the new Belmont Pool is \$67 million, of which \$15.5 million was appropriated in FY 13.

Summary of Changes

The lists that follow constitute summaries of reductions, enhancements and one-time spending in General Fund departments and other funds. Presented in these lists are the fiscal impact, as well as the position impact, for related activities within Departments or Funds.

GENERAL FUND	Impact on Deficit	Positions
CITY MANAGER		
Add Assistant Administrative Analyst I to provide support in the City Manager's Sustainability Office and fund through existing resources.	\$ -	1.00
Per City Council approval and no net cost increase, the new position of Director of Business and Property Development has been added in the City Manager's Office to assist businesses and help the City market publicly-owned properties.	\$ -	1.00
DEVELOPMENT SERVICES		
Implement various organizational, staffing, and materials budget changes to assist with operational management and oversight.	\$ 41,816	(0.03)
<i>(Base Budget Change)</i> Structural restoration of three Neighborhood Service Specialist positions for FY 14 (previously Police Service Specialists)	\$ 270,000	3.00
<i>(Base Budget Change)</i> Reduce 2.5 FTE in Code Enforcement due to California Department of Finance's disallowance of Successor Agency funding for this activity.	\$ (196,405)	(2.50)
FIRE		
Add 2.0 FTE Combination Building Inspector Aide II to augment residential inspections. (Expense includes one-time \$60,000 in Fleet acquisition costs.)	\$ -	2.00
Increase Ambulance Transport Rates to fund current staffing and service levels.	\$ (1,445,000)	-
The FY 13 Budget included a 6-person light force (4-person fire truck and 2-person fire engine) at Station 17. The proposed item would enhance fire staffing with a 4-person fire truck at Station 17 and a 4-person fire engine at Station 14, increasing the constant staffing to 110 daily firefighting positions at 23 fire stations. Additionally, 6 daily Firefighter positions will be upgraded to Firefighter/Paramedics, so that all fire engines are staffed with a Firefighter/Paramedic.	\$ 1,445,000	6.00
FINANCIAL MANAGEMENT		
Bring debt service reserve fund investment management in house resulting in fee savings.	\$ -	0.50
Implement various organizational, staffing, and materials budget changes to assist with operational management and oversight. No net impact to fund.	\$ -	0.50
Increase Accounting Bureau's budget to fund audit fees for UASI Single Audit	\$ 27,051	-
Increase Parking Citation revenue and Commercial Services Bureau expense to cover the increased cost of business related to postage rate increases, additional mailings, and new software/hardware costs for the replacement of the citation system.	\$ (246,423)	-
MAYOR AND CITY COUNCIL (LEGISLATIVE)		
Implement various organizational, staffing, and materials budget changes to assist with operational management and oversight. No net impact to fund.	\$ -	(2.35)
LIBRARY SERVICES		
Implement various organizational, staffing, and materials budget changes to assist with operational management and oversight. No net impact to fund.	\$ -	(0.30)
Provide funding for unbudgeted security services for branch Libraries.	\$ 50,000	-
Transfer a Systems Analyst II position to Technology Services Department (TS). TS will continue the same level of service, but will bill through the Citywide MOU.	\$ (109,128)	(1.00)
POLICE		
Conduct a Police Academy in FY 14.	\$ -	-
Transfer finance functions to new Financial Bureau to improve financial oversight at no net additional cost.	\$ -	-
Downgrade a Police Corporal position a Police Officer position.	\$ (24,199)	-
Reorganize and reclassify the Jail Medical program to allow greater flexibility and coverage of the jails.	\$ 104,285	1.00
Two leases for facilities will be ended and staff consolidated in other facilities. Lease savings will be reserved and used to pay for future Schroeder Hall maintenance.	\$ (228,210)	-
<i>(Base Budget Change)</i> Structurally restore 4.0 FTEs: Special Service Officer III's in the Prisoner Transport Unit, 4.0 FTEs: Police Services Specialist III's assigned to East Division (Crime Analyst), Detectives Division (Vice and Sex Crimes) and the Crime Lab and the balance of \$10,972 assigned to overtime.	\$ 737,996	8.00

GENERAL FUND	Impact on Deficit	Positions
PARKS, RECREATION & MARINE		
Enhancements for regulatory and permitting costs for new park grounds and facilities and for a Grant Management contract to assist in a grant management database, track existing grants, file requires reports, and closing grants properly. Offset by Advertising Revenue in the Recreation Connection publication.	\$ -	-
Implement various organizational, staffing, and materials budget changes to assist with operational management and oversight. No net impact to fund.	\$ -	-
Increase funding for operation and maintenance of new fields, landscaping, and utilities at Chittick Field.	\$ 164,492	-
Reorganize the Community Recreation Services Bureau by converting Recreation Assistants at Parks, Senior Center, Belmont Pool, and Youth Programs from part time to full time, offset by the elimination of 2.21 FTE's.	\$ -	0.28
<i>(Base Budget Change)</i> Structurally restore After School Recreation and Youth Sports at 14 park sites as well as gym operations at Pan Am Park.	\$ 1,291,849	32.34
PUBLIC WORKS		
Convert a vacant Parking Operations Officer to a Division Engineer/Assistant Traffic Engineer and align funding sources to reflect duties	\$ 81,899	0.60
Reallocate staff and/or funding to reflect the budget in the Department that is actually providing the work.	\$ (28,822)	(0.22)
Per City Council approval and at no net increase in cost, the new position of Director of Business and Property Development has been added in the City Manager's Office to assist businesses and help the City market publicly-owned properties.	\$ (148,543)	(0.56)
Implement various organizational, staffing, and materials budget changes to assist with operational management and oversight.	\$ 16,385	-
<i>(Base Budget Change)</i> Reduce Graffiti Abatement contract due to California Department of Finance's disallowance of this SA activity. This will reduce the number of available removal crews/trucks from 5 to 4.	\$ (150,000)	-
CITYWIDE		
Increase transfer amount from the General Services Fund as a result of increased cable franchise revenue.	\$ (120,000)	-
An increase in General Liability collection rates are necessary to offset increased cost of premiums and claims costs.	\$ 550,453	-

List of General Fund One-Times			
DEPT	TITLE	EST. COST	DESCRIPTION
CRITICAL OPERATING SYSTEMS REPLACEMENT			
FM	Financial/HR Systems Replacement	\$ 10,000,000	Outdated system is becoming more and more of a risk to the City. It is inefficient and there are problems with accounting, reporting, transparency and controls. The system has increasing risk of failure. The total cost of a new system is \$30 million, with an estimated \$10 million funded through General Fund.
FM	Fuel Management System Software and Terminal Hardware Upgrade	\$ 170,600	Upgrades to the fuel management system software and terminal hardware are needed to better manage the City's fueling operations and to meet additional demand for audit trails and security, increase fuel keys capacity, improve real-time communication with fuel terminals to resolve customer issues at the pump poll, and improve reporting by eliminating cumbersome data downloads.
FM	Update Software application used to manage fleet maintenance activities (M4 to M5)	\$ 131,000	Upgrade the current system used to manage maintenance activities of the City's 2100+ active fleet related assets. Upgrade will improve customer access to fleet data, provide access to other applications like the fuel management system, and improved maintenance response for refuse packers.
HR	New Liability Claims System	\$ 350,000	New system software will streamline claim/lawsuit handling, offer reports to help Risk Management analyze trends and manage City costs, and allow for departments to easily report patron accidents.
TS	Completion of Phone System Upgrade	\$ 356,000	This project will convert remaining Nortel phone systems and handsets to one common VoIP platform. The upgrade will continue to reduce ongoing telecommunications cost by eliminating carrier services and maintenance contracts. Sites remaining to be converted are North PD, ECOC, Fleet Services, PRM, Animal Control, and Senior Center.
PR	Upgrade Parks and Recreation reservation and registration system technology (PRM)	\$ 150,000	This recommendation addresses findings in the May 2012 Audit of PRM. Upgrading the CLASS registration and reservation system will improve accounting controls, reporting, customer service, and online capabilities; and purchase technology to standardize use at all cash collection sites in the Department.
PUBLIC SAFETY			
PD	Police Academy/Overtime	\$ 2,200,000	Recruit Academy and overtime funds as determined by the Police Chief. Any funds not needed for the Academy will be used by the Police Department at the Chief's discretion to address priority issues.
PD	FY13/FY 14 Gang Enforcement	\$ 600,000	A one-time amount is needed in FY 13 and FY 14 to supplement gang enforcement at the Police Chief's discretion.
PD	LBCOP Cameras	\$ 500,000	Additional cameras based on Police Department priority needs.
FD	2nd Fire Recruit Academy	\$ 1,350,000	Recruit class to fill vacancies in the Fire Department. The additional academy would provide employees who would reduce call-back staffing costs.
FD	FD Gender Accommodation / Fire Station Improvements	\$ 900,000	Complete fire station gender accommodation modifications. Remaining resources will be used to fund additional fire station improvements, including HVAC, roof, window and other repairs.
PARKS, PLAYGROUND & LIBRARY INFRASTRUCTURE			
PR	Houghton	\$ 3,000,000	Replacement of one of the oldest and most heavily-used community centers in the City. The current facility is dilapidated and in a deteriorated state. This would provide the first phase of funding for a project expected to cost between \$6 and \$8 million.

List of General Fund One-Times			
DEPT	TITLE	EST. COST	DESCRIPTION
PARKS, PLAYGROUND & LIBRARY INFRASTRUCTURE (cont.)			
PR	Willow Springs	\$ 1,000,000	Willow Springs is one the largest open spaces in the City that is land-banked for park development purposes, with a long history of efforts to improve this site. As Willow Springs is now a passive use park, park development is considerably less expensive and \$1 million can open up large parts of Willow Springs park to the public.
PR	Drake	\$ 1,000,000	The City has already invested significantly in purchasing land for Drake park to provide much needed park space to a park-starved area. The funds provided will help to develop this park and leverage grant dollars to bring park amenities such as soccer fields and landscaping to Drake park.
PR	Chittick	\$ 1,000,000	Chittick Field is one of the City's most dilapidated park areas that is quickly becoming a treasure. The City currently has a project to transition this storm retention basin into a community recreation facility and construction is underway. Chittick Field needs approximately \$1 million to fully achieve the desired outcome, including funding night lighting for the sports fields.
PR	Davenport	\$ 1,000,000	The City completed Phase 1 of Davenport Park in 2007. Phase 2 of the project would perform soil cleanup of an old landfill and connect the park to Paramount Blvd. The \$1 million will fund soil remediation and allow pursuit of grant applications to construct the park.
PR	Nature Center	\$ 1,000,000	The Nature Center is one of the jewels of Long Beach and one of only a handful in Southern California. Unfortunately, the current building is substandard and requires significant investment. The \$1 million will fund building enhancements at the Nature Center to upgrade that facility.
PR	Bixby Park	\$ 1,000,000	This funding would construct a new public restroom to support park events in a heavily used park on Ocean Blvd. Remaining resources will be used to fund additional facility and grounds maintenance work at Bixby Park.
PR	El Dorado Regional Park Infrastructure repair	\$ 1,000,000	Long Beach is unique in that it is one of only a handful of cities that has a Regional Park. El Dorado Park has several needs, and these funds will help repair park infrastructure. This \$1 million will assist with the repair of the Duck Pond walkway, parking lot asphalt repair and replacement, and Duck Pond pump replacement to reduce water costs and improve water quality, as well as other infrastructure repairs in El Dorado Park.
PR	Recreation Park and Area Infrastructure	\$ 1,000,000	Infrastructure repairs for Recreation Park and area infrastructure.
PR	Parks Playground Equipment Replacement	\$ 2,250,000	These funds would be distributed throughout the City to replace aging and outdated playground equipment. New equipment will be compliant with new ADA codes.
LS	Furniture and Equipment for New North Library	\$ 1,200,000	The new North Library will need furnishings including shelving, seating, tables, equipment, etc. Funding for those items are not included in construction of the new building.
LS	Opening Day Collection for New North Library	\$ 400,000	The new North Library will need a start-up collection purchased in preparation for opening day.
LS	Replace Library Public Computer Management System	\$ 50,000	The system manages the time allowed on a computer per session, print management, etc. The current system no longer has technical support available and must be replaced.

List of General Fund One-Times			
DEPT	TITLE	EST. COST	DESCRIPTION
PARKS, PLAYGROUND & LIBRARY INFRASTRUCTURE (cont.)			
LS	Library Laptop Tables for 10 Branch Libraries	\$ 50,000	10 branch libraries have an inadequate number of power outlets in public spaces to accommodate computers. Power outlets set into library tables will provide more space for computer users and create a safer environment.
PUBLIC WORKS INFRASTRUCTURE			
PW	Citywide Pavement Mgmt Update	\$ 750,000	The pavement management system provides for the systematic evaluation and replacement of the 815 miles of City roadways. The information is over 10 years old and becoming obsolete. An updated system would provide better accuracy in tracking and costing future repairs and prioritizing repaving, rebuilding and slurring. By properly identifying future infrastructure needs, repairs could be made before complete reconstruction would be required.
PW	Citywide Sidewalk Update	\$ 500,000	Staff currently relies upon a sidewalk survey conducted in 1999 to recommend target areas for the annual sidewalk replacement program. This survey is clearly obsolete. A new survey, coupled with an updated pavement management system, will allow the City to more effectively and accurately manage its capital improvement program.
PW	Asphalt Zipper	\$ 100,000	This machine allows for a 2-man crew to remove and replace sections of asphalt streets that suffer from tree root intrusion in a few hours. Currently, a 4 or 5 person crew requires 2 days of work to handle this type of work.
PW	CityPlace Parking Garage Improvements	\$ 160,000	The project is needed to improve access for the disabled, perform repairs to the ground floor asphalt and the parking machines, and to make improvements to the facade.
PW	Alley Projects	\$ 900,000	Typically no funding is allocated for alley improvements. These funds would be distributed throughout the City to address the most critical alleys.
CW	Repair and Replacement Contingency	\$ 1,000,000	Provide contingency funds that the City Manager may use to fund equipment or facility repairs that otherwise are not budgeted and cannot be delayed until the next budget.
CRITICAL PUBLIC FACILITIES UPGRADES			
PR	Emergency Exit Doors at Park Facilities	\$ 25,000	One-time upgrade to repair and replace 6 Emergency Exit doors to address safety issues.
PR	Parks Roof Replacement	\$ 475,000	One-time roof repair and replacement at multiple sites that are currently leading to ongoing maintenance costs, safety and aesthetic issues that are impacting use of the facilities.
PR	Replace Doors, Frames and Windows at Park Facilities	\$ 225,000	Replacement of chronic failing doors, frames, and windows at Park facilities and community centers.
PR	Community Center Repairs	\$ 100,000	One-time repair of current community centers (e.g. deferred painting, signage, plumbing, electrical), to address basic safety issues.
PR	Parks Bathroom Partition Replacement and Repair	\$ 150,000	One-time installation of new bathroom stall partitions in park freestanding restrooms (both men and women).
PR	Park Walkway Repairs	\$ 250,000	Multiple park sites have walkways that are in dire need of repair. These funds will repair and replace uneven walkways in parks throughout the City.

List of General Fund One-Times			
DEPT	TITLE	EST. COST	DESCRIPTION
CRITICAL PUBLIC FACILITIES UPGRADES (cont.)			
PR	Upgrade and replace irrigation systems and reduce ongoing water consumption at parks	\$ 1,100,000	One time upgrade and replacement of irrigation systems. Potential locations include: Drake, Peace, Seaside, City Hall/Civic Center, Carrol, Miracle, 4th Street Senior Center, Bixby, Bluff Area, Los Altos, Whaley, Recreation, Stearns, Heartwell, El Dorado West, Hudson, Veterans, MLK Jr., Cerritos, Orange, Houghton, DeForest parks. Will result in significant reduction of water usage.
PR	Renovate and Repair Athletic Fields	\$ 100,000	One-time upgrade to existing athletic fields currently used for rent by youth and adult leagues. Will help to reduce more expensive ongoing field renovation costs.
LS	Library Roof Replacement	\$ 500,000	The majority of branch library roofs have exceeded their useful life and there is potential for leaking and damaging the collection and equipment.
LS	Library Security Cameras and Security Improvements	\$ 76,000	Cameras, DVRs, and monitors for 12 libraries, to allow for monitoring of Library facilities and operations. Monitoring will provide increased security for patrons and staff, increased ability to prevent loss and theft, and allow the Library to provide video footage in the event of an incident. Additional fencing and outside lighting at 3 branch libraries where safety and security have been an issue (Bayshore, Harte and Twain).
HE	West Facilities Center Roof Replacement	\$ 275,000	The West Facilities Center roof has several leaks that damage the facility's fixtures and equipment during heavy rains and must be replaced. Replacement of the roof will also improve energy efficiency.
HE	MSC Telecommunications Reconfiguration	\$ 150,000	The Multi-Service Center for the Homeless (MSC) is undergoing a facility modernization funded by LA County. Floor plan changes require a reconfiguration of the facility's telephone/intranet/internet infrastructure including cabling and equipment in order to complete the project. There is no funding for this component of the project.
ORGANIZATIONAL INVESTMENTS & FY 14 ELECTIONS			
CC	FY14 Elections and possible run-offs	\$ 2,170,000	FY14 elections, assuming a full race in every office and no appointments, is estimated at \$2.9M. Estimated revenue for elections is \$649,000, which are reimbursements from LB Unified and City College.
FM	Establish an efficiency incentive revolving fund	\$ 1,000,000	This fund would be created to provide a revolving fund for projects that pay back the initial investment over a few years through the savings created. Money would be returned by a charge to the impacted department's operating budget.
HR	New Employee Orientation	\$ 40,000	Develop an on-line orientation with updated capabilities for new employees to more efficiently and expeditiously ensure that new employees receive necessary information as they begin their City careers.
HR	Human Resources Academy	\$ 35,000	Recently there have been several substantial changes in State and Federal law related to employee issues, including health care benefits, labor relations, pension reform, and other legal changes. In depth training is required to ensure the City's Human Resources are properly prepared and certified to implement these changes throughout the organization.
AVAILABLE FOR COUNCIL-DIRECTED POLICY DECISIONS			
CW	Funds Available for Council Policy Priorities	\$ 3,257,000	

Note: These proposed one-time expenditures are in addition to the \$12 million that Council already committed to infrastructure in FY 13.

ATTACHMENT C

Other Funds	Impact on Fund	Positions
GENERAL GRANTS FUND		
Reorganize the Community Recreation Services Bureau by converting Recreation Assistants at Parks, Senior Center, Belmont Pool, and Youth Programs from part time to full time, offset by the elimination of 2.21 FTEs. (Parks, Recreation & Marine)	\$ (16,669)	(0.71)
HEALTH FUND		
Create a Physicians Services Bureau under the City Health Officer and transfer the Public Health Laboratory Division and Preventative Health Services Divisions to this new bureau to consolidate these core public health services. (Health & Human Services)	\$ -	-
Implement various organizational, staffing, and materials budget changes to assist with operational management and oversight. (Health and Human Services)	\$ (32,464)	(4.20)
CUPA FUND		
CUPA staffing enhancement to handle the section's numerous clerical duties, including, file record maintenance, business outreach and computer entry. (Fire)	\$ 12,924	1.00
PARKING AND BUSINESS AREA IMPROVEMENT FUND		
Establish appropriation for Andy Street PBID. (Public Works)	\$ -	-
SPECIAL ADVERTISING & PROMOTION FUND		
Restore Long Beach Area Convention and Visitors Bureau's (CVB's) Contract to about FY 2010 levels. (City Manager)	\$ 300,000	-
HOUSING DEVELOPMENT FUND		
Eliminate 4.0 vacant FTEs in the Development Services Fund that are also partially grant funded. (Development Services)	\$ -	(1.56)
Eliminate 4.0 vacant FTEs in the Housing and Community Improvement Bureau. (Development Services)	\$ (273,666)	(3.00)
Eliminate Senior Accountant position budgeted primarily in Workforce grants that can no longer support this position. (Financial Management)	\$ (40,823)	(0.37)
Implement various organizational and staffing budget changes to assist with operational management and oversight. (Development Services)	\$ 37,073	0.92
COMMUNITY DEVELOPMENT GRANTS FUND		
Eliminate 4.0 vacant FTEs in the Development Services Fund that are also partially grant funded. (Development Services)	\$ -	(1.12)
Eliminate a Community Development Analyst I position due to the sequestration of Federal grant funds. (Development Services)	\$ (111,576)	(1.00)
Eliminate Senior Accountant position budgeted primarily in Workforce grants that can no longer support this position. (Financial Management)	\$ (69,510)	(0.63)
Implement various organizational and staffing budget changes to assist with operational management and oversight. (Development Services)	\$ (59,381)	2.73
TRANSPORTATION FUND		
Implement various organizational, staffing, and materials budget changes to assist with operational management and oversight. (Public Works)	\$ 64,653	0.50
CAPITAL PROJECTS FUND		
Reallocate Capital Projects Coordinator II and IV from Public Works to the City Manager Department. (Public Works)	\$ (288,409)	(2.00)
Implement various organizational and staffing budget changes to assist with operational management and oversight. (Public Works)	\$ (50,894)	(0.40)
SUCCESSOR AGENCY FUND		
Eliminate 4.0 vacant FTEs in the Housing and Community Improvement Bureau. (Development Services)	\$ (75,307)	(1.00)
Increase Program Income Revenue in the Successor Agency for royalty and lease payments. (Development Services)	\$ (581,652)	-

ATTACHMENT C

Other Funds	Impact on Fund	Positions
SUCCESSOR AGENCY FUND (cont.)		
Implement various organizational and staffing budget changes to assist with operational management and oversight. (Development Services)	\$ (371,367)	(6.33)
GAS FUND		
Increase budget for Non-Career Gas Field Service Reps I to address customer complaints related to prolonged wait times. (Gas & Oil)	\$ 128,282	3.22
Increase Commercial Services Bureau's budget to capture the increased cost of business related to postage rate increases and additional mailings, and software and hardware charges. (Financial Management)	\$ 16,770	-
Implement various organizational, staffing, and materials budget changes to assist with operational management and oversight. (Gas & Oil)	\$ (10,224)	-
AIRPORT FUND		
Add 5 Airport Operations Specialist I positions to improve operations, maintenance and safety dispatch. (Airport)	\$ 447,060	5.00
Airfield and Terminal Improvements As-Needed. (Airport)	\$ 1,500,000	-
Car Rental Facility Project offset by \$1.5 million in Customer Facility Charges (CFC) Revenue. (Airport)	\$ -	-
Passenger Experience Program Project funding for various capital improvements. (Airport)	\$ 500,000	-
Increase Airline Fee Revenues and reduce Indirect Airline Revenue from parking, car rentals, concessions and the ground transportation program. (Airport)	\$ (220,130)	-
Increase Finance and Administration for concourse utilities, internet, and other contractual facility services. (Airport)	\$ 215,800	-
Increase budget for Flight Information Display (FID) lease. (Airport)	\$ 159,900	-
TSA's Law Enforcement Officer (LEO) Reimbursement Program Agreement. (Airport)	\$ 65,266	-
One-Time Increases for Airfield Lighting Control Management System and Baggage Handling System. (Airport)	\$ 110,000	-
One-time purchase of vacuum sweeper/scrubber and scissor lift. (Airport)	\$ 40,000	-
Reduced Federal Subsidy due to Sequestration. (Airport)	\$ 61,430	-
Implement various organizational, staffing, and materials budget changes to assist with operational management and oversight. (Airport)	\$ (295,914)	-
REFUSE/RECYCLING FUND		
Eliminate vacant Community Information Specialist II (.75 FTE). (Public Works)	\$ (42,971)	(0.75)
Realign Refuse Operators underfilling higher grade positions to actual classifications. (Public Works)	\$ (205,084)	-
SERRF FUND		
Increased revenue from SERRF energy sales, tip fees and metals recycling. (Gas & Oil)	\$ (1,701,000)	-
Net facility revenue from SERRF operations is split between the General Fund and the LA County Sanitation. (Gas & Oil)	\$ 1,200,000	-
SERRF FUND		
Net facility revenue from SERRF operations is split between the General Fund and the LA County Sanitation. This will adjust the General Fund budget down to the appropriate level. (Gas & Oil)	\$ (800,000)	-
SERRF facility will incur new costs to dispose of their ash due to the closing of Puente Hills landfill in November 2013. (Gas & Oil)	\$ 6,395,000	-
DEVELOPMENT SERVICES FUND		
Add an Administrative Analyst III to provide administrative support to Planning to improve the long-range and discretionary planning process. (Development Services)	\$ 106,754	1.00

ATTACHMENT C

Other Funds	Impact on Fund	Positions
DEVELOPMENT SERVICES FUND (cont.)		
Eliminate 4.0 vacant FTEs in the Enterprise fund (Development Services Fund) that is also partially grant funded. (Development Services)	\$ -	(1.32)
One-time increases for training related to the triennial code development, Fee Comparison Study, preparation of the Southeast Area Development and Improvement Plan (SEADIP), Land-Use Element, updating the Zoning Code, Long Beach Boulevard Plan match, and unanticipated Planning Studies. (Development Services)	\$ 765,000	-
One-time increase for the purchase of new technology (e.g., Mobile Devices/Handhelds) to improve customer service delivery and efficiency. (Development Services)	\$ 412,000	-
Enhancement for ongoing maintenance for new technology: the Electronic Plan Review System, Electronic Plan Scanner/Plotter, and Mobile Devices/Handhelds. (Development Services)	\$ 19,000	-
Increase revenue for Plan Check & Construction Inspection. (Development Services)	\$ (700,000)	-
Implement various organizational and staffing budget changes to assist with operational management and oversight. (Development Services)	\$ 269,591	1.71
CIVIC CENTER FUND		
Implement various organizational, staffing, and materials budget changes to assist with operational management and oversight. (Public Works)	\$ (37,306)	(0.30)
GENERAL SERVICES FUND		
Add Business Systems Specialist IV to provide improved access and reporting of financial and operational data Citywide. Cost offset through charges to other funds. (Financial Management)	\$ -	1.00
CIS (Customer Information System) Maintenance and Support. These costs will be off-set by charges to user Departments. (Technology Services)	\$ -	-
Clean-up Organization Ordinance to eliminate Operations Support Bureau. (Technology Services)	\$ -	-
Cloud computing email maintenance and support. Increased costs are partially off-set by reductions to licensing and maintenance associated with the current system. These costs will be off-set by charges to user Departments. (Technology Services)	\$ -	(1.00)
Increase General Services transfer amount of \$120,000 to the General Fund from increase in cable franchise revenue. (Technology Services)	\$ -	-
One-time for implementation of Cloud computing to be offset by Technology Services' salary savings. (Technology Services)	\$ -	-
Transfer dedicated Systems Support FTE from the Library Department to the Technology Services Department. These costs will be off-set by charges to user departments. (Technology Services)	\$ -	1.00
FLEET SERVICES FUND		
One-time increase for fleet fueling and maintenance system upgrades to improve security, audit trails, data communications and management and reporting. (Financial Management)	\$ 145,643	-
INSURANCE FUND		
City's property insurance premium increase. (Human Resources)	\$ 193,720	-
EMPLOYEE BENEFITS FUND		
Add Personnel Analyst III-Confidential to the Personnel Services Bureau to improve support for meet and confer, federal and state law compliance, and leave management. (Human Resources)	\$ 113,491	1.00
TIDELANDS OPERATIONS FUND		
Add a Police Resource Officer in the Pike Entertainment area as a liaison to the business community. (Police)	\$ 142,300	1.00

ATTACHMENT C

Other Funds	Impact on Fund	Positions
TIDELANDS OPERATIONS FUND (cont.)		
Allocate planning, engineering and other contractual service costs to Tidelands Capital Project Management Division. (City Manager)	\$ 1,121,600	-
Continue participation in the Gateway Cities Council of Governments' MOA for the Coordinated Implementation Plan for the Los Angeles River Total Metals Daily Loads (TMDLs). (Public Works)	\$ 52,700	-
Add Tidelands capital project management staffing and contractual services. (City Manager)	\$ 739,155	6.00
Reallocate staff and/or funding to reflect the budget in the Department that is actually providing the work. (Public Works and Parks, Recreation & Marine)	\$ 27,097	-
Reallocate staff and/or funding to reflect the budget in the Department that is actually providing the work. (Parks, Recreation & Marine)	\$ 20,900	-
Per City Council approval at no net increase, the new position of Director of Business and Property Development has been added in the City Manager's Office to assist businesses and help the City market publicly-owned properties. (Public Works)	\$ (69,031)	(0.05)
Reallocate Administrative Analyst II from Public Works to the City Manager Department. (Public Works)	\$ (106,755)	(1.00)
Reorganize the Community Recreation Services Bureau by converting Recreation Assistants at Parks, Senior Center, Belmont Pool, and Youth Programs from part time to full time, offset by the elimination of 2.21 FTEs. (Parks, Recreation & Marine)	\$ -	(0.35)
Transfer parking contract revenue and expense from Parks, Recreation and Marine to Public Works. (Parks, Recreation & Marine & Public Works)	\$ -	-
MARINA FUND		
Increase funding for the Marina Refuse MOU between Parks and Public Works. (Parks, Recreation & Marine)	\$ 12,297	-
Increase slip fee revenue for concrete docks by 2.5% and wooden docks by 1%. (Parks, Recreation & Marine)	\$ (385,845)	-
Reduce Marina Fund revenue to reflect actuals. (Parks, Recreation & Marine)	\$ 225,603	-
RAINBOW HARBOR AREA FUND		
Reallocate staff and/or funding to reflect the budget in the Department that is actually providing the work. (Parks, Recreation & Marine & Public Works)	\$ 8,973	0.22
Enhancement for landscape maintenance of the Promenade Birdcage Park. (Parks, Recreation & Marine)	\$ 16,000	-
Transfer parking contract revenue and expense from Parks, Recreation and Marine to Public Works. (Parks, Recreation & Marine & Public Works)	\$ -	-
Implement various organizational, staffing, and materials budget changes to assist with operational management and oversight. (Public Works)	\$ (44,168)	(0.40)

OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

ORDINANCE NO. ORD-13-0015

1
2
3 AN ORDINANCE OF THE CITY COUNCIL OF THE
4 CITY OF LONG BEACH APPROVING AND ADOPTING THE
5 OFFICIAL BUDGET OF THE CITY OF LONG BEACH FOR
6 THE FISCAL YEAR 2013-2014, CREATING AND
7 ESTABLISHING THE FUNDS OF THE MUNICIPAL
8 GOVERNMENT OF THE CITY OF LONG BEACH AND
9 APPROPRIATING MONEY TO AND AUTHORIZING
10 EXPENDITURES FROM SAID FUNDS FOR SAID FISCAL
11 YEAR; DECLARING THE URGENCY THEREOF, AND
12 PROVIDING THAT THIS ORDINANCE SHALL TAKE
13 EFFECT AT 12:01 A.M. ON OCTOBER 1, 2013
14

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

16 Section 1. The City Manager's Recommended Budget which was
17 submitted to the City Council on August 1, 2013, by the Mayor, and which constitutes the
18 preliminary budget for the fiscal year beginning October 1, 2013, is hereby adopted as
19 the Official Budget of the City of Long Beach for fiscal year 2013-14.

20 Section 2. The amounts appropriated in Sections 3 and 4 shall govern
21 and control the expenditures for fiscal year 2013-14 of the several fund types, funds,
22 departments, offices and agencies stated therein. Said amounts conform to the adopted
23 budget of the City of Long Beach as set forth in Section 1. All detailed schedules and
24 other data set forth in the City Manager's Recommended Budget other than those
25 mentioned in this ordinance are provided for information purposes only and are not
26 intended to limit expenditures.

27 Section 3. The Funds specified in Exhibit "A" are hereby established,
28 those of such funds not otherwise created are hereby created, and the specified sums of

1 money set forth opposite the names of said funds are hereby appropriated and
2 authorized to be spent in 2013-14, all of which sums are based on the approved and
3 adopted budget.

4 Section 4. The specified sums of money set forth opposite the names of
5 the following departments, offices and agencies in Exhibit "B" are hereby appropriated
6 and authorized to be spent in fiscal year 2013-14, all of which sums are based upon the
7 approved and adopted budget.

8 Section 5. This is an emergency measure and is urgently required for the
9 reason that in order to carry on the affairs, functions and business of the City of Long
10 Beach during the fiscal year which begins on October 1, 2013, it is necessary to
11 authorize the expenditure of monies required for such purposes. Currently, no authority
12 exists to pay the salaries and wages of the officers and employees of said City or to
13 make the necessary purchases of supplies, equipment and services to carry on the
14 affairs, functions and business of said City in the forthcoming fiscal year. Commencing
15 on October 1, 2013, it will be necessary for the City of Long Beach to make certain
16 payments on the principal and interest of the bonded indebtedness of said City and to
17 meet the payrolls of the various departments of said City, including the Police, Fire and
18 Health Departments.

19 In order that said obligations may be met when due and payable and said
20 expenditures may be made, it is necessary that this ordinance be passed as an
21 emergency measure, to take effect at 12:01 a.m. on October 1, 2013.

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

OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

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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:

Ayes:	Councilmembers:	<u>Garcia, Lowenthal, DeLong,</u>
		<u>O'Donnell, Schipske, Andrews,</u>
		<u>Johnson, Austin, Neal.</u>

Noes:	Councilmembers:	<u>None.</u>

Absent:	Councilmembers:	<u>None.</u>

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 10, 2013, by the following vote:

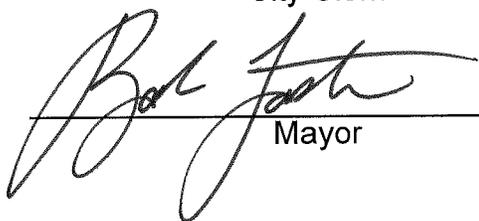
Ayes:	Councilmembers:	<u>Lowenthal, DeLong, O'Donnell,</u>
		<u>Schipske, Johnson, Austin, Neal.</u>

Noes:	Councilmembers:	<u>None.</u>

Absent:	Councilmembers:	<u>Garcia, Andrews.</u>



City Clerk



Mayor

Approved: 9-6-13
(Date)

Exhibit A

as of 2:57 PM

FISCAL YEAR 2014 APPROPRIATIONS ORDINANCE BY FUND

FUND	FY 14 NEW ALLOCATION	FY 13 ESTIMATED CARRYOVER*	FY 14 APPROPRIATION
GENERAL FUND**/***	441,534,914	-	441,534,914
GENERAL GRANTS FUND	6,741,136	20,047,376	26,788,513
POLICE & FIRE PUBLIC SAFETY OIL PROD ACT FUND	3,194,892	-	3,194,892
HEALTH FUND	37,646,108	29,288,235	66,934,343
PARKING & BUSINESS AREA IMPROVEMENT FUND	6,687,060	-	6,687,060
SPECIAL ADVERTISING & PROMOTION FUND	5,660,712	-	5,660,712
UPLAND OIL FUND**	37,100,863	-	37,100,863
HOUSING DEVELOPMENT FUND	1,656,186	46,496,689	48,152,875
BELMONT SHORE PARKING METER FUND	456,145	-	456,145
BUSINESS ASSISTANCE FUND	652,287	1,272,028	1,924,315
COMMUNITY DEVELOPMENT GRANTS FUND	20,914,908	18,207,841	39,122,750
PARK DEVELOPMENT FUND	-	-	-
GASOLINE TAX STREET IMPROVEMENT FUND	18,549,773	31,181,247	49,731,020
TRANSPORTATION FUND	20,935,887	18,351,504	39,287,391
CAPITAL PROJECTS FUND	33,425,698	106,425,380	139,851,078
DEBT SERVICE FUND	9,474,085	-	9,474,085
CIVIC CENTER FUND	11,314,628	938,143	12,252,771
GENERAL SERVICES FUND	40,714,213	4,350,132	45,064,345
FLEET SERVICES FUND	30,232,786	1,489,072	31,721,857
INSURANCE FUND	40,705,842	139,683	40,845,524
EMPLOYEE BENEFITS FUND	223,456,494	-	223,456,494
TIDELANDS FUNDS	134,237,973	97,312,769	231,550,741
TIDELAND OIL REVENUE FUND	421,846,188	-	421,846,188
RESERVE FOR SUBSIDENCE	-	-	-
DEVELOPMENT SERVICES FUND	15,682,866	447,638	16,130,504
GAS FUND	105,051,881	6,353,022	111,404,904
GAS PREPAY FUND	39,938,547	-	39,938,547
AIRPORT FUND	42,404,709	31,340,672	73,745,380
REFUSE/RECYCLING FUND	44,775,686	458,961	45,234,647
SERRF FUND	52,492,647	-	52,492,647
SERRF JPA FUND	11,225,140	-	11,225,140
TOWING FUND	6,870,623	-	6,870,623
PARKING AUTHORITY FUND	-	-	-
HOUSING AUTHORITY FUND	81,853,207	(455,475)	81,397,732
SUCCESSOR AGENCY	66,337,804	173,815,640	240,153,444
CUPA FUND	1,563,122	21,389	1,584,511
TOTAL	2,015,335,009	587,481,945	2,602,816,954

*Carryover of multi-year grants and CIP funds.

**Any FY 13 year-end General Fund or Upland Oil Fund surplus not already used or designated, will be automatically appropriated for the replacement of the Financial Management and Human Resources system, up to \$3,772,500 for a maximum appropriation of \$10,000,000.

*** Any additional GEMT/AB678 revenue, above \$1.25 million structural revenue will be automatically appropriated to CP 201 to fund residential sidewalks up to \$517,000 to replace funding used for 2 months of Engine 8 and Rescue 12 originally taken from one-time residential sidewalk funds.

Exhibit B

FISCAL YEAR 2014 APPROPRIATIONS ORDINANCE BY DEPARTMENT

DEPARTMENT	FY 14 NEW ALLOCATION	FY 13 ESTIMATED CARRYOVER*	FY 14 APPROPRIATION
MAYOR AND COUNCIL	10,036,090	11,522,175	21,558,265
CITY ATTORNEY	8,971,418	-	8,971,418
CITY AUDITOR	2,810,382	-	2,810,382
CITY CLERK	4,747,598	-	4,747,598
CITY MANAGER	24,529,184	69,684,549	94,213,734
CITY PROSECUTOR	4,701,396	35,000	4,736,396
CIVIL SERVICE	2,005,846	-	2,005,846
AIRPORT	41,974,235	29,377,301	71,351,537
DISASTER PREPAREDNESS & EMERGENCY COMMUNICATIONS	1,019,688	-	1,019,688
DEVELOPMENT SERVICES	97,391,065	260,801,993	358,193,058
FINANCIAL MANAGEMENT**	493,451,463	15,472,145	508,923,608
FIRE	95,678,405	3,185,150	98,863,554
HEALTH AND HUMAN SERVICES	120,055,125	29,391,110	149,446,235
HUMAN RESOURCES	21,447,670	3,654,787	25,102,457
LIBRARY SERVICES	14,802,334	-	14,802,334
LONG BEACH GAS AND OIL	606,867,721	6,164,245	613,031,967
PARKS, RECREATION AND MARINE	54,926,516	22,454,132	77,380,648
POLICE	206,834,384	13,222,086	220,056,470
PUBLIC WORKS	166,300,647	118,167,138	284,467,785
TECHNOLOGY SERVICES	38,924,393	4,350,133	43,274,526
TOTAL ***/****	2,017,475,560	587,481,945	2,604,957,505

*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.

***Any FY 13 year-end General Fund or Upland Oil Fund surplus not already used or designated, will be automatically appropriated for the replacement of the Financial Management and Human Resources system, up to \$3,772,500 for a maximum appropriation of \$10,000,000.

**** Any additional GEMT/AB678 revenue, above \$1.25 million structural revenue will be automatically appropriated to CP 201 to fund residential sidewalks up to \$517,000 to replace funding used for 2 months of Engine 8 and Rescue 12 originally taken from one-time residential sidewalk funds.

OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

RESOLUTION NO. RES-13-0075

A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF LONG BEACH ADOPTING AN APPROPRIATIONS
LIMIT FOR THE CITY OF LONG BEACH FOR THE 2013-
2014 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 fifteen (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 XIII(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 2013-2014 fiscal year, and has been available for public inspection in the office of the City Clerk since August 1, 2013;

OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

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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 2013-2014 shall be \$641,203,851.

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 3, 2013, by the following vote:

Ayes: Councilmembers: Garcia, Lowenthal, DeLong,
O'Donnell, Andrews, Johnson,
Austin, Neal.

Noes: Councilmembers: None.

Absent: Councilmembers: Schipske.


City Clerk

"EXHIBIT A"

CITY OF LONG BEACH

**I. DETERMINATION OF FISCAL YEAR 2013-2014
APPROPRIATIONS LIMIT
Based On Budgeted Revenues**

2012-2013 Appropriations Limit:	\$606,395,489
Adjustment Factor (See Below):	1.057402
2013-2014 Appropriations Limit:	\$641,203,851

II. DETERMINATION OF APPROPRIATIONS FACTOR

Price Factor:	1.051200
Change in Per Capita Income	
Department of Finance estimate pursuant	
to Revenue Tax Code, Sec. 2227 and 2228,	
California =	3.77%
Ratio = $(3.77+100)/100 =$	1.0377
Population Change:	0.005900
Department of Finance estimate pursuant	
to Revenue Tax Code, Sec. 2227 and 2228,	
California =	0.26%
Ratio = $(.26+100)/100 =$	1.0026
Adjustment Factor:	1.057402
1.0377×1.0026	
Factors were converted to ratios	
per State guidelines.	

**III. DETERMINATION OF FISCAL YEAR 2013-2014
CALCULABLE REVENUE PERCENTAGE
OF APPROPRIATIONS LIMIT**

Appropriated Tax Revenue:	290,343,631
Actual calculable revenue applied	
towards Appropriations Limit	
Exclusions From Taxable Proceeds	(\$27,850,958)
Revised Appropriated Tax Revenue	262,492,673
2013-2014 Appropriations Limit:	\$641,203,851
Variance Between Revenue And Limit	\$378,711,178
2013-2014 Percentage of Appropriations Limit:	40.94%

*Prepared July 24, 2013
Department of Financial Management
Budget and Performance Management Bureau*

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

1 RESOLUTION NO. RES-13-0072

2
3 A RESOLUTION OF THE CITY COUNCIL OF THE
4 CITY OF LONG BEACH APPROVING THE 2013-2014
5 BUDGET OF THE LONG BEACH HARBOR DEPARTMENT
6

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

10 WHEREAS, the annual budget of the Long Beach Harbor Department for
11 the 2014 fiscal year was adopted by the Board of Harbor Commissioners in its meeting of
12 June 17, 2013 by Resolution No. HD-2724; and

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

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

18 Section 1. The annual budget of the Long Beach Harbor Department for
19 the 2014 fiscal year adopted by the Board of Harbor Commissioners by Resolution No.
20 HD-2724, a copy of which is attached hereto and made a part hereof by reference, is
21 hereby approved pursuant to the provisions of Section 1210 of the Charter of the City of
22 Long Beach.

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

25 Section 3. The City Clerk shall certify to the passage of this resolution by
26 the City Council of the City of Long Beach, and it shall thereupon take effect.

27 //

28 //

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

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I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of September 3, 2013 by the following vote:

Ayes: Councilmembers: Garcia, Lowenthal, DeLong, O'Donnell,
Schipske, Johnson, Austin, Neal.

Noes: Councilmembers: None.

Absent: Councilmembers: Andrews.


City Clerk

DTH:rjr 08/15/13 #A13-01071
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RESOLUTION NO. HD- 2724

A RESOLUTION OF THE BOARD OF HARBOR COMMISSIONERS ADOPTING THE ANNUAL BUDGET FOR THE LONG BEACH HARBOR DEPARTMENT FOR THE FISCAL YEAR 2013-2014

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 2013-2014 is hereby adopted as follows:

Harbor Revenue Fund (in thousands of dollars)

Estimated Fund Balance 10/1/2013	\$1,630,881
Estimated Revenues	<u>879,862</u>
Total Estimated Resources	2,510,743
Estimated Expenditures	<u>1,023,417</u>
Estimated Fund Balance 9/30/2014	1,487,326

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.

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OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

1 I hereby certify that the foregoing resolution was adopted by the Board of
2 Harbor Commissioners of the City of Long Beach at its meeting of June 17, 2013 by the
3 following vote:

4 Ayes: Commissioners: Wise, Fields, Sramek, Dines, Drummond

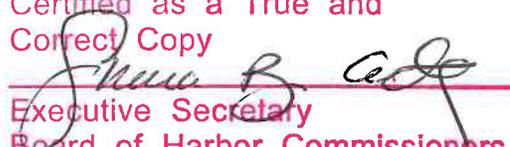
5 _____
6 Noes: Commissioners: _____

7 Absent: Commissioners: _____

8 Not Voting: Commissioners: _____
9 _____

10 
11 Secretary

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

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17 Certified as a True and
18 Correct Copy

19 Executive Secretary
20 Board of Harbor Commissioners
21 of the City of Long Beach, CA
22 Dated 7-31-13

OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

ORDINANCE NO. ORD-13-0013

1
2
3 AN ORDINANCE OF THE CITY COUNCIL OF THE
4 CITY OF LONG BEACH APPROVING RESOLUTION NO.
5 WD-1309, A RESOLUTION OF THE CITY OF LONG
6 BEACH BOARD OF WATER COMMISSIONERS
7 ESTABLISHING THE RATES AND CHARGES TO BE
8 CHARGED FOR WATER AND SEWER SERVICE AND
9 DECLARING THE URGENCY THEREOF, AND
10 PROVIDING THAT THIS ORDINANCE SHALL TAKE
11 EFFECT AT 12:01 A.M. ON OCTOBER 1, 2013

12
13 The City Council of the City of Long Beach ordains as follows:

14
15 Section 1. That Resolution No. WD-1309 of the Board of Water
16 Commissioners of the City of Long Beach, entitled "A RESOLUTION OF THE BOARD
17 OF WATER COMMISSIONERS AMENDING RESOLUTION NO. WD-1299 FIXING
18 RATES AND CHARGES FOR WATER AND SEWER SERVICE TO ALL CUSTOMERS,
19 SUBJECT TO THE APPROVAL OF THE CITY COUNCIL BY ORDINANCE," adopted by
20 said Board on June 20, 2013, and the rates fixed in the Resolution to be charged for
21 water and sewer service be and the same are hereby approved.

22 Section 2. This is an emergency measure and is urgently required for the
23 reason that in order to carry on the affairs, functions and business of Long Beach Water
24 Department during the fiscal year which begins on October 1, 2013, it is necessary to
25 authorize the rates and charges for water and sewer service and that this ordinance be
26 passed as an emergency measure, to take effect at 12:01 a.m. on October 1, 2013.

27 Section 3. If any section, subsection, subdivision, sentence, sum,
28 percentage, clause or phrase of this ordinance is for any reason held to be

OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

1 I further certify that thereafter, at the same meeting, upon a roll call and
2 vote on adoption of the ordinance, it was adopted by the City Council of the City of Long
3 Beach by the following vote:

4 Ayes: Councilmembers: Garcia, Lowenthal, DeLong, O'Donnell,
5 Schipske, Andrews, Johnson, Austin,
6 Neal.

7
8 Noes: Councilmembers: None.

9
10 Absent: Councilmembers: None.

11
12 I further certify that the foregoing ordinance was thereafter adopted on final
13 reading of the City Council of the City of Long Beach at its meeting of September 10,
14 2013, by the following vote:

15 Ayes: Councilmembers: Garcia, Lowenthal, DeLong, O'Donnell,
16 Schipske, Johnson, Austin, Neal.

17
18
19 Noes: Councilmembers: None.

20
21 Absent: Councilmembers: Andrews.

22
23
24 Larry Hene
City Clerk

25
26
27 Approved: 9/16/13
(Date)

28
Bob Jeter
Mayor

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

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RESOLUTION NO. WD-1309

A RESOLUTION OF THE CITY OF LONG BEACH
BOARD OF WATER COMMISSIONERS AMENDING
RESOLUTION NO. WD-1299 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 5, 2013.

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, 2013, the service charge shall be in accordance with the following table:

<u>Size of Service</u>	<u>Daily Service Charge</u>
5/8 or 3/4 inch	\$0.435
1 inch	\$0.655
1-1/2 inch	\$1.222
2 inch	\$1.812
3 inch	\$3.752

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<u>Size of Service</u>	<u>Daily Service Charge</u>
4 inch	\$5.936
6 inch	\$10.940
8 inch	\$17.171
10 inch	\$28.123
12 inch	\$34.370
16 inch	\$56.884

B. On October 1, 2013, 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:

Tier IA	First 5 Billing Units (or fraction thereof)	\$1.269
Tier II	Next 10 Billing Units (or fraction thereof)	\$2.537
Tier III	Over 15 Billing Units (or fraction thereof)	\$3.806

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

Tier IB	First 5 Billing Units (or fraction thereof)	\$2.283
Tier II	Next 10 Billing Units (or fraction thereof)	\$2.537
Tier III	Over 15 Billing Units (or fraction thereof)	\$3.806

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:

1 ///

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Tier IA	First 2.5 Billing Units (or fraction thereof per dwelling unit)	\$1.269
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Tier II	Next 10.5 Billing Units (or fraction thereof per dwelling unit)	\$2.537
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Tier III	Over 13 Billing Units (or fraction thereof per dwelling unit)	\$3.806
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4. For duplex residential customers of potable water who

10

have not been granted an exemption from the City's Utility Users Tax:

11

Tier IB	First 2.5 Billing Units (or fraction thereof per dwelling unit)	\$2.283
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Tier II	Next 10.5 Billing Units (or fraction thereof per dwelling unit)	\$2.537
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Tier III	Over 13 Billing Units (or fraction thereof per dwelling unit)	\$3.806
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18

5. For multi-family residential customers of potable water

19

who have been granted an exemption from the City's Utility Users Tax in

20

accordance with Chapter 3.68 of the Long Beach Municipal Code:

21

Tier IA	First 2.5 Billing Units (or fraction thereof per dwelling unit)	\$1.269
---------	---	---------

22

23

Tier II	Next 6.5 Billing Units (or fraction thereof per dwelling unit)	\$2.537
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Tier III	Over 9 Billing Units (or fraction thereof per dwelling unit)	\$3.806
----------	--	---------

26

27

6. For multi-family residential customers of potable water

28

1 who have not been granted an exemption from the City's Utility Users Tax:

2	Tier IB	First 2.5 Billing Units (or fraction thereof per dwelling unit)	\$2.283
3			
4	Tier II	Next 6.5 Billing Units (or fraction thereof per dwelling unit)	\$2.537
5			
6	Tier III	Over 9 Billing Units (or fraction thereof per dwelling unit)	\$3.806
7			

8

9 7. For commercial customers of potable water, \$2.537 per
10 billing unit, or fraction thereof.

11 8. For industrial customers of potable water, \$2.537 per
12 billing unit, or fraction thereof.

13 9. For irrigation customers of potable water, \$2.537 per
14 billing unit, or fraction thereof.

15 10. For City of Long Beach Departments using potable
16 water, \$2.537 per billing unit, or fraction thereof.

17 11. For reclaimed water users whose use is "peaking" as
18 defined herein, \$1.776 per billing unit, or fraction thereof.

19 12. For reclaimed water users whose use is "non-peaking"
20 as defined herein, \$1.269 per billing unit, or fraction thereof.

21 13. For reclaimed water users whose use is "interruptible" as
22 defined herein, \$1.269 per billing unit or fraction thereof.

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

25 15. There shall be no charge for water used through fire
26 hydrants for extinguishing fires.

27 Section 3. A. Unmetered water service may be
28 rendered to unoccupied or occupied property where it is not practical

1 to meter the water, and on October 1, 2013, the rate for unmetered
2 water service shall be:

<u>Size of Service</u>	<u>Daily Rate</u>
3 5/8 or 3/4 inch	\$2.121
4 1 inch	\$3.588
5 1-1/2 inch	\$8.838
6 2 inch	\$13.904

7
8
9 B. The rates for unmetered water service shall begin on the date
10 of use of water by the customer, as determined by the General Manager of
11 the Water Department ("General Manager").

12 Section 4. By Resolution the Board of Water

13 Commissioners has established a Water Conservation and Water Supply
14 Shortage Plan (the Plan). Pursuant to the Plan, the Board may declare that
15 a Stage 1, Stage 2 or Stage 3 Water Supply Shortage exists, in its sole
16 discretion. Upon such declaration, the Board may increase water rates, by
17 an amount necessary, as determined by the Board but not to exceed the
18 following percentages:

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

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

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

25 Section 5. Charges for water service through meters at
26 temporary service connections from fire hydrants or otherwise shall be at
27 the applicable quantitative charge plus the service charge, together with a
28 charge for installing, changing, and removing the meter and fittings in

1 accordance with the "Rules, Regulations and Charges Governing Potable
2 Water, Reclaimed Water, Sewer Service and the Emergency Water
3 Conservation Plan" of the Water Department.

4 Section 6. A. On October 1, 2013, the service
5 charge for private fire protection service shall be in accordance with
6 the following table:

<u>Size of Service</u>	<u>Daily Rate</u>
8 2 inch	\$0.907
9 3 inch	\$1.551
10 4 inch	\$2.291
11 6 inch	\$3.904
12 8 inch	\$5.723
13 10 inch	\$7.742
14 12 inch	\$9.758
15 16 inch	\$14.308

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

19 B. Whenever the Water Department finds that water through a
20 private fire protection service is being used for purposes other than fire
21 extinguishing or testing the fire line, the General Manager may make a
22 determination of the quantity of water used, the quantitative charges for that
23 water, and the service charges to be applied. His determination shall be
24 final. In addition, if water through a private fire protection service is used for
25 purposes other than fire extinguishing or testing the fire line, the Water
26 Department may discontinue the private fire protection service or may install
27 a domestic or fire flow meter, at either the customer's or its expense as the
28 General Manager may determine, and thereafter the service shall be

1 classified as regular service and billed at the rates applicable thereto.

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

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

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

<u>Size of Service</u>	<u>Daily Sewer Rate</u>
17 5/8 or 3/4 inch	\$0.250
18 1 inch	\$0.396
19 1-1/2 inch	\$0.721
20 2 inch	\$1.046
21 3 inch	\$2.164
22 4 inch	\$3.428
23 6 inch	\$6.315
24 8 inch	\$9.920
25 10 inch	\$16.229
26 12 inch	\$19.838
27 16 inch	\$32.462

28 C. The volumetric sewer rate shall be \$0.347 per 100 cubic feet

1 of water furnished where water service size is 5/8 inches or larger. The
2 volumetric sewer rate shall not be applicable to fire services.

3 D. For volumetric sewer rates, there are the following customer
4 classifications: single family residential; duplex residential; multi-family
5 residential; City Departments; commercial; and industrial.

6 Volumetric sewer rates for single family residential, duplex residential
7 and multi-family residential shall be computed based on the average of
8 actual potable water use during the winter billing periods. The winter billing
9 periods used will be determined by the meter reading schedule for the
10 account. The actual winter usage is divided by the number of winter days to
11 obtain an average volume. The average volume will be the base volume on
12 which the volumetric sewer rate is charged for the next twelve month period
13 beginning with May's billing periods. Each year, the average volume will be
14 recalculated for the succeeding twelve-month period. Exceptions to the
15 above calculation methodology will use the average volume for the water
16 service size in which the customer falls as the average volume or a
17 calculation using available usage information for the account. For those
18 residential customers with no previous history of use during the winter billing
19 periods, the average volume for the water service size in which the
20 customer falls will be used.

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

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F. The City shall collect from all developments and all developments shall be required to pay a capacity charge of Ninety-Three Dollars and Twenty Cents (\$93.20) 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 sewage system, as set forth in the Long Beach Municipal Code and the "Rules, Regulations and Charges Governing Potable Water, Reclaimed Water, Sewer Service and the Emergency Water Conservation Plan" of the Water Department.

G. Upon receipt of an application for sewer service, the City's Department of Development Services (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

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Sewer Fund and shall be used only for the operation, construction, reconstruction, acquisition, or maintenance of the City sewage 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 sewage 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 sewage 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

1 requirements, or any other aspect of the development of land or
2 construction of buildings which may be imposed by the City pursuant to the
3 Long Beach Municipal Code, Subdivision Regulations, or other state or local
4 laws, ordinances or regulations which shall be in effect with respect to all
5 developments.

6 M. The capacity charge is a charge on development that reflects
7 a development's proportionate share of the present depreciated value of the
8 existing City sewage system. As such the capacity charge is additional to
9 and not in substitution of the following: 1) on-site sewer facility
10 requirements imposed by the City pursuant to the Long Beach Municipal
11 Code, Subdivision Regulations, and other state or local laws, ordinances or
12 regulations; 2) sewer permit fees; 3) connection charges; 4) sewer rates;
13 and 5) other fees, rates, and charges including but not limited to sewer
14 standby or immediate availability charges and capital facilities charges for
15 services or facilities other than as a proportionate share of the present
16 depreciated value of the existing City sewer system. In no event shall an
17 applicant for sewer service be obligated to pay fees, rates, or charges in
18 excess of those calculated pursuant to applicable City ordinances, which
19 shall not individually or collectively exceed the reasonable cost of providing
20 sewer service to the development.

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

26 Section 10. A. Regular bills for water service and
27 sewer service shall be issued at intervals of approximately one month
28 (commonly called "monthly") except in those cases where the

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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. "Interruptible" refers to reclaimed water service that can be suspended at any time at the Board's discretion, without liability and dependent upon the Water Department's reclaimed water system needs for such service.

E. "Non-peaking" means total average daily demand occurring at

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

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a continuous, constant level over a twenty-four (24) hour period;

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

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

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 June 20, 2013, by the following vote:

Ayes:	Commissioners:	BLANCO; DALLMAN;
		SALTZGAVER; ALLEN

Noes:	Commissioners:	NONE

Absent:	Commissioners:	NONE

CERTIFIED AS A TRUE AND CORRECT COPY
.....
SECRETARY TO THE BOARD OF WATER COMMISSIONERS
CITY OF LONG BEACH, CALIFORNIA
BY: [Signature]
DATE: 6/20/2013

[Signature: Suzanne Dallman]
Secretary
Board of Water Commissioners

OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

RESOLUTION NO. RES-13-0073

A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF LONG BEACH APPROVING THE 2013-2014
BUDGET OF THE LONG BEACH WATER DEPARTMENT
AS ADOPTED

WHEREAS, the annual budget of the Long Beach Water Department for the
2013-2014 fiscal year was adopted by the Board of Water Commissioners, in its meeting
on June 20, 2013, by Resolution No. WD-1308; 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 2013-2014 fiscal year adopted by the Board of Water Commissioners at its
meeting on June 20, 2013 by Resolution No. WD-1308, 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.

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I hereby certify that this resolution was adopted by the City Council of the
City of Long Beach at its meeting of September 3, 2013, by the following vote:

Ayes: Councilmembers: Garcia, Lowenthal, DeLong, O'Donnell,
Schipske, Andrews, Johnson, Austin,
Neal.

Noes: Councilmembers: None.

Absent: Councilmembers: None.



City Clerk

OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

1 RESOLUTION NO. WD-1308

2
3 A RESOLUTION OF THE CITY OF LONG BEACH
4 BOARD OF WATER COMMISSIONERS ADOPTING THE
5 ANNUAL BUDGET FOR THE LONG BEACH WATER
6 DEPARTMENT FOR THE FISCAL YEAR 2013-2014

7
8 The Board of Water Commissioners of the City of Long Beach resolves as
9 follows:

10 Section 1. That the annual department budget of the Long Beach Water
11 Department for the fiscal year 2013-2014, as follows, be and the same is hereby
12 adopted:

13 WATER

14	Estimated Fund Balance 10-1-2013	\$31,837,456
15	Estimated Revenues	<u>\$91,192,548</u>
16	Total Estimated Resources	\$123,030,004
17	Estimated Expenditures	<u>\$101,602,248</u>
18	Estimated Fund Balance 9-30-2014	\$21,427,756

19
20 SEWER

21	Estimated Fund Balance 10-1-2013	\$5,392,666
22	Estimated Revenues	<u>\$19,701,133</u>
23	Total Estimated Resources	\$25,093,799
24	Estimated Expenditures	<u>\$18,146,269</u>
25	Estimated Fund Balance 9-30-2014	\$6,947,530

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

28 Section 2. The City's Fiscal Year 2013-014 budget development

1 calendar requires submission of proposed budgets to the Mayor by July 1, 2013. To
2 accommodate the City's schedule, the Water Department must accelerate the adoption of
3 its Fiscal Year 2013-2014 budget. This requires the Water Department to estimate
4 certain City budget components including employee fringe benefits and City support
5 charges. These charges are included in the above budget numbers as estimated
6 amounts.

7 The Water Department anticipates the final City amounts will be delivered
8 to the Water Department in July. After the Water Department receives the actual
9 amounts the Budget of the Long Beach Water Department will need to be revised to
10 reflect these actual amounts. Therefore, the Board of Water Commissioners authorizes
11 the General Manager of the Long Beach Water Department to adjust the adopted Water
12 Fund and Sewer Fund budgeted expenditures for employee fringe benefits and City
13 support charges by an amount not to exceed 5.0% of the total of such charges included
14 in the adopted budgets to reflect any increases in City charges above the estimated
15 amounts budgeted for fiscal year 2013-2014. The General Manager shall make the
16 necessary adjustments prior to submittal of the Long Beach Water Department budget to
17 the City.

18 Section 3. The Secretary of the Board of Water Commissioners shall
19 certify to the passage of this resolution, and cause copies of the same to be filed with the
20 City Council, the City Auditor and the City Manager.

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1 I hereby certify that the foregoing resolution was adopted by the Board of
2 Water Commissioners of the City of Long Beach, at its meeting of June 20, 2013, by the
3 following vote:

4 Ayes: Commissioners: BLANCO; DALLMAN;
5 SALTZGAVER; DALLMAN

6
7 Noes: Commissioners: NONE

8 Absent: Commissioners: NONE

9 CERTIFIED AS A TRUE AND CORRECT COPY

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

12 BY: Jason X. Fox

13 DATE: 6/20/2013

Suzanne Dallman

Secretary
Board of Water Commissioners

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

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