FISCAL YEAR 2010 ADOPTED BUDGET

MANY UNIQUE NEIGHBORHOODS,
ONE GREAT CITY

PRESENTED BY

PATRICK H. WEST
CITY MANAGER

City Council's Stated Priorities

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

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

City Council's Stated Priorities:

- *Adopt an annual budget that is structurally balanced*

- *Improve the City's infrastructure, including streets, sidewalks, curbs, alleys and city facilities*

- *Enhance neighborhood economic development efforts, particularly on the commercial corridors*

- *Promote workforce and business development efforts to create new jobs; ensure Long Beach becomes more business friendly*

- *Improve the transportation system to efficiently and effectively move goods and people through the city without negatively impacting the neighborhoods*

As amended on October 9, 2007

Elected Officials City of Long Beach

Mayor
Bob Foster

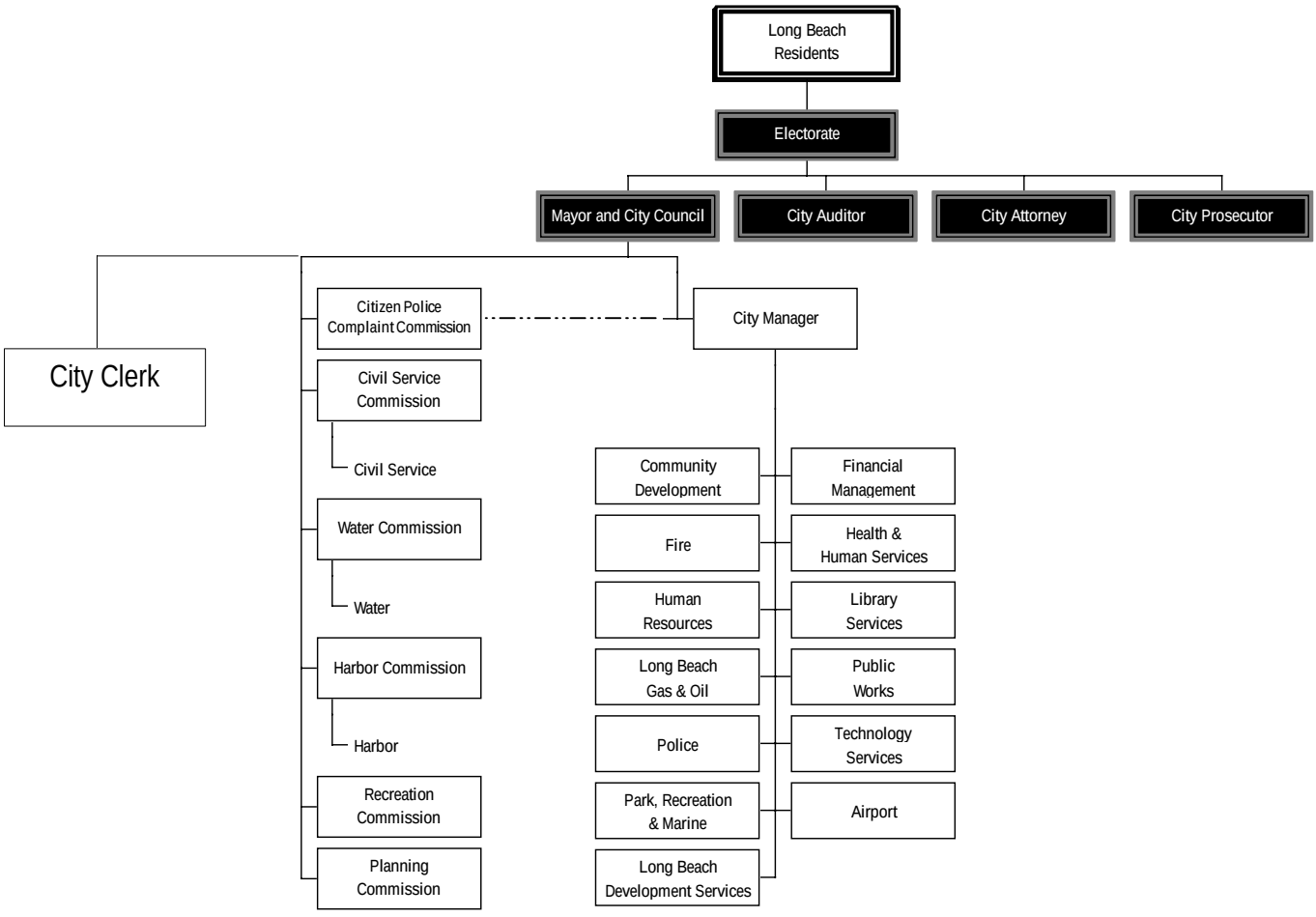
City Council
Robert Garcia, District 1
Suja Lowenthal, District 2
Gary DeLong, District 3
Patrick O'Donnell, District 4
Gerrie Schipske, District 5
Dee Andrews, District 6
Tonia Reyes Uranga, District 7
Rae Gabelich, District 8
Val Lerch, District 9

City Attorney
Robert E. Shannon

City Auditor
Laura Doud

City Prosecutor
Thomas M. Reeves

City Organizational Chart



City of Long Beach Financial Policies

1) Structurally Balanced Budget

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

2) Report on How the Budget is Balanced

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

3) General Fund Reserves

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

4) Use of One-Time Resources

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

5) Use of New Discretionary Revenue

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

6) Accounting and Financial Reporting

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

- Interim Financial Reports: staff will prepare monthly reports for the City Council that analyze and evaluate financial performance.

- Red Flag Exceptions: The City Manager shall advise the City Council of troubling and/or positive financial information including an assessment of the impact on the City budget and financial condition. Thresholds for this reporting include:

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

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

7) User Fees and Charges

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

8) Grants

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

9) Long-Term Financial Plan

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

- Economic Growth Rates

- Retail Sales Activity

- State of California Revenue and Expenditure Impacts

- Census Data

- Residential Development Activity

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

10) Debt Issuance

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

11) Budget Requests During the Fiscal Year

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

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City Manager's Budget Messages

The City of Long Beach utilizes two messages from the City Manager to provide a complete record of the Proposed Budget and the final Adopted Budget approved by the Mayor and City Council.

The attached letter dated July 1, 2009 is the City Manager's original message transmitted with the Fiscal Year 2010 (FY 10) Proposed Budget to the Mayor and City Council. In that message, the City Manager highlights major changes in the condition of the General and other City funds, along with strategies to adhere to the Financial Strategic Plan.

The attached transmittal letter dated December 1, 2009, in accordance with the City Council's financial policies, documents how the FY 10 Adopted Budget was balanced, highlights changes made to the City Manager's Proposed Budget by the City Council based upon suggestions from the Mayor's Budget Recommendations and the City Council's Budget Oversight Committee (BOC), as the City looks to the challenges and opportunities in FY 10 and beyond.

Together these two messages provide the background and environment within which the FY 10 Budget was developed and adopted.

December 1, 2009

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

SUBJECT: Fiscal Year 2010 Adopted Budget

Transmitted herewith is the City of Long Beach's Fiscal Year 2010 (FY 10) Adopted Budget. The Mayor and City Council adopted the FY 10 budget on September 15, 2009, as provided under Section 1704 of the City Charter. The FY 10 Adopted Budget totals $2.5 billion for all City funds. Of the total amount, $384.3 million supports the General Fund, which provides resources for the majority of core municipal services such as public safety, public works, recreation, library services, legislative and administrative support.

The FY 10 Budget was passed in an extremely volatile economic climate, as all levels of government and the private sector suffered from one of the largest recessions since the Great Depression. FY 09 General Fund revenue performed $18.9 million under budgeted estimates, requiring mid-year budget reductions, employee furloughs and new revenue sources to end FY 09 in balance. A team effort from the entire workforce and all departments was required to endure the economic impacts without decimating services.

The national and global crisis should not overshadow the remarkable effort that went into the development of an FY 10 adopted budget that provides essential City services through 22 departments and 38 separate funds. Despite the significant challenges of the previous fiscal year and an additional projected $38.3 million deficit for FY 10, the City Council adopted a structurally-balanced $384.3 million General Fund budget, utilizing a deliberative approach that preserved core public safety services while reinforcing fiscal discipline. A key element to this success was the unprecedented cooperation of all employees, who voluntarily agreed to reduce or defer compensation increases for FY 10. Further, all elected officials made difficult budget reductions, including the City Council, which for the first time equalized their own budgets to help balance the General Fund. Please see Attachment A for a complete set of the Mayor's Budget Recommendations, and Attachment B for the Budget Oversight Committee's recommendations and other General Fund amendments adopted by the City Council.

As your City Manager, I will continue to work closely with the Mayor and City Council to overcome the unprecedented economic challenges we are facing, not just in FY 10, but over the next several years. The FY 10 adopted budget is a strong step toward this goal, as it preserves our tradition of fiscal responsibility reinforced by the Mayor and City Council—making difficult decisions when they are needed, proactively addressing long-term and structural budget issues, avoiding accounting gimmicks to give the appearance of financial security and partnering broadly and openly with all stakeholders to find solutions. By keeping salary expenses in check, innovatively reducing the cost of services, civilianizing non-frontline public safety functions and increasing General Fund revenue sources, the City has taken a bold step toward securing a more sustainable fiscal future for the long-term.

Respectfully submitted,

PATRICK H. WEST
CITY MANAGER

Attachments

Attachment A

Office of Mayor
Bob Foster

Mayor's Budget Recommendations

Fiscal Year 2010

presented July 30, 2009

July 30, 2009

Members of the City Council:

Pursuant to the Long Beach City Charter, I am transmitting the Mayor's recommendations to the City Manager's structurally balanced FY 2010 budget.

The fiscal tectonic plates have shifted globally and are affecting all levels of government like at no time before in our lives. We should not expect this situation to turn around and "normalize" quickly. The combination of increasing wages, unsustainable pension commitments, increasing service demands, and the broadening and layering of programs have created a situation where the public sector has outstripped the capacity of the private sector to support it.

Until policy makers at all levels understand that a significant readjustment is needed, where wages, pensions, and programs are brought into line with fiscal reality, we will continue to see State budgets with "smoke and mirrors" and "kick the can down the road" provisions, while local governments become more hampered in trying to provide the basic services that nearly every citizen relies on their daily lives.

The State has borrowed from emergency funds and depleted them to the point that we are ill-prepared - whether by an act of mother nature or further dramatic economic decline. It has used these techniques for years, with same result: more deficits. It now is "borrowing" from local government with little or no capacity to pay back the debt, despite overwhelming voter direction to do so.

We are running out of smoke to mask and cans to kick.

Our fiscal condition is not temporary and will never be stable until we face the above issue and address it squarely. In fact, the State Department of Finance already predicts a $7 - $8 billion deficit next fiscal year with "larger shortfalls projected in the out-years."

Every level of government needs to bring spending, however defined, into line with actual revenues. While spending needs to be realistic, there is also need for reform of our state and local finance structure that is now at the breaking point.

One bright spot in the State budget adoption last week was the last-minute removal of the proposal to take away Gas Tax revenues that would have decimated public works programs in cities across the state. The impact on Long Beach would have been nearly -$8 million, out of which $6.3m directly supports operations in the general fund. Further, Long Beach was successful in getting state approval to backfill Prop 1A take-aways with interest from the state-mandated subsidence fund, effectively keeping the general fund whole while maintaining long-term solvency of our subsidence fund.

The Redevelopment Agency, however, faces a sizeable challenge. While staff continues to assess the complete impacts of the State Budget, an estimated $36 m in state takeaways for FY '10 and FY ' 11 will impact nearly every part of the City and strain operations like graffiti removal, street repairs and long-term incentives for development.

It is also important to keep in mind that the Legislature may return from their summer recess to find that State revenues have dipped further or the recovery is less robust, and will be asked to take additional action to stem the tide. That would put local governments squarely in the cross-hairs again before the end of calendar year 2009.

One other word of note; the City continues to aggressively pursue American Reinvestment and Recovery Act (ARRA) funding. It should be clearly noted, however, that use of these funds for on-going expenses when allowed would be irresponsible and contrary to previous stated Council priorities. For example, additional police officers funded through one-time increases to COPS grant funding levels would burden the City for all associated costs to carry those positions in the out years.

Taken in sum, these dynamics have made this year's budget an arduous process, to say the least. Not only does this create the expected policy challenge of crafting a budget in these difficult fiscal times but also a problem of simple logistics in compiling and assessing that data.

It is in this context that Long Beach is budgeting for its future. Because of the above conditions and the State's inability to face reality, Long Beach will face

annual deficits for the foreseeable future: $11.5m in FY '11, and up to $41m in FY '12, largely as a result of losses incurred by PERS in last year's stock market.

The word deficit is misleading because by State law, cities across California are required to balance their budgets each year. Long Beach will do so again this year, but we again will have to cut deeply into services as we have done for the past six years. This condition requires us to continue to look at our City programs and organizational structure differently – Manager Departments, elected officials and non-City Manager Departments alike.

The Manager's budget envisions new ways to deliver necessary services. We are at the point that we must question every program and see if it should be continued, either because the resources applied to it are inadequate to truly perform well or it can be performed more economically by the private sector. We should not commit the same offense for which we rail against Sacramento. To do so only prolongs the pain and wastes resources. The sooner we make the hard decisions, the better. It is the way any well-functioning private business would tackle their financial troubles

While not a pleasant prospect, the Manager's Budget anticipates 21 days of furloughs for all City employees should the employee groups not agree to equivalent savings. It is important to note that if all City employees agree to freeze their wages at current rates it would eliminate the need for any furlough days in the next fiscal year.

As I stated in last's years recommendations, I remain bullish on Long Beach. Despite the difficult times, if we manage well and squarely face reality we will prosper. If we can do what the State will not, we will provide a truly sustainable financial future for our City.

1.) <u>Begin process of selected departmental operations for outsourcing for FY'11 and FY '12 savings</u>
The Towing Fund is projected to run a structural deficit for FY '09 and the Fleet fund, with nearly $33m in operational costs, is struggling to meet operating expenses. It is time to look at other ways to provide these services more efficiently.

2.) <u>Eliminate funding for the Long Beach Museum of Art</u>
In a letter sent this week, despite public comment and subsequent conversations to the contrary, the Museum Foundation Board notified the

City Manager that that they do not believe they are required to pay anything beyond $158,000 in relation the $3 million bond payment agreed to in 1999. As a result, the City simply does not have sufficient funds to cover the Museum's $569,000 management fee for FY '10.

3.) Tidelands Fund decline and projected deficit in FY '11 and '12

The Tidelands fund is supported through a combination of sources, including oil revenues and the annual Harbor Department transfer. Declines in both those sources will create an operating deficit in FY '11 and '12, significantly impacting current models of public safety service delivery models and parks and recreation operations. To meet this challenge, the City will need to re-structure service delivery in the face of deficits.

4.) Elected official budget reductions

As in FY '09, elected officials were again asked and most complied with the request to cut their office budgets by 6%. It is also important to note that the Council is likely to consider the issue of equalization; that is, instituting the same base budget for each district, as part of the FY '10 deliberations.

5.) Expand partnerships with existing business to maximize sales tax generation opportunities

Sales tax revenue is the second largest source of revenue to the City's general fund.

As part of the Port's Clean Trucks Program, the City of Long Beach has recovered nearly $500,000 in the last two quarters of FY '09 in sales tax revenue from the purchase of the new, "green" fleet of drayage trucks hauling to and from the Port.

Efforts to increase outreach and incentive programs for small and medium sized businesses to contract with the City of Long Beach and other creative ways to attract business and encourage spending here in the City need to continue to be part of our focus going forward.

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Attachment B

Fiscal Year 2010 City Council-approved Amendments

BUDGET OVERSIGHT COMMITTEE RECOMMENDATIONS (as amended by the City Council)

RESTORATIONS	AMOUNT	OFFSETS	AMOUNT
General Fund			
Increase Sidewalk Replacement Funding (one-time)	$ 990,000	Implement Refuse Fund Tree Trimming Nexus Study Recommendations	$ 1,400,000
Fire Station 101 Operations	834,500	Implement Private Hauler Fee (11 months)	1,191,667
Fire Station 18 Operations	834,500	Increase Revenue from Uplands Oil Transfer (one-time)	990,000
Parks, Recreation & Marine Programs	522,330	Convert Fire Station 19 to Six-person Light Force	800,000
Youth Services/J-car Program	504,906	Reduce Mueseum of Art Contract	400,000
General Fire Department Operations	500,000	Increase Towing Collection Revenue	300,000
Vice Section Night Team	475,000	Implement Accident Debris Program	250,000
Restore 1 of 3 Positions to Fire Station 14	400,000	Implement Contracting-In Fire Dispacth for Area E (Compton, Downey, Santa Fe Springs)	250,000
General Infrastructure Funding	308,032	Defund a Traffic Engineering Associate I and II	153,980
Night Detectives Auto Theft Detail	237,117	Defund Vacant Administrative Analyst Position in Civil Service	97,000
Civic Center Security	127,229	Defund a Construction Inspector II Position	79,953
City Prosecutor's Budget	74,000	Reorganize Administrative Support for Citizen Police Complaint Commission	70,815
Animal Care Breeding Enforcement	60,000	Relocate Citizen Police Complaint Commission to City-Owned Facility	69,360
Library Homework Helper Hours	55,041	Defund an Engineering Aide II Position	60,545
Rancho Los Alamitos Support	55,000	Defund a Clerical Aide II Position	13,554
Rancho Los Cerritos Support	55,000		
Spanish Simulcast for City Clerk's Office	37,000		
Sworn Position for CERT Instructor	14,885		
Total General Fund Restorations/Additions	**$ 6,084,540**	**Total Offsets**	**$ 6,126,874**
Special Advertising and Promotions (SAP) Fund			
Funding for the Art's Council	$ 100,000	Fund Balance	$ 100,000
Total SAP Restorations/Additions	**$ 100,000**	**Total Offsets**	**$ 100,000**
Tidelands Fund			
Rescue Boat 3 Operations	$ 430,000	Shift Water Quality Testing to General Fund	$ 429,675
Tidelands Infrastructure	50,492	Increase Reimbursements from Port	91,090
Marine Patrol	50,000	Modify Schedule for Rescue Boats 4 and 5	39,000
Belmont Pool Part-time Staffing	29,273		
Total Tidelands Restorations/Additions	**$ 559,765**	**Total Offsets**	**$ 559,765**

July 1, 2009

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

SUBJECT: Fiscal Year 2010 Proposed Budget

I. One Small Step Towards Fiscal Sustainability

Not one of us, elected or appointed officials of Long Beach, expected to be sitting in these privileged seats during, arguably, the worst financial recession since the Great Depression. But here we sit and it is our duty to not only guide our community through this crisis, but to position us to emerge as a greater Long Beach.

The Fiscal Year 2010 (FY 10) Proposed Budget I submit to you for consideration reflects a holistic, sustainable framework that will enable Long Beach to weather the current global financial crisis and our projected structural deficit and emerge fiscally stable and in a better position to make desired, directed investment in our neighborhoods, infrastructure, technology and workforce. Moreover, the Proposed Budget offers myriad solutions for consideration and opportunities for engagement by all city stakeholders, be they elected officials, employees, community members or enterprise operations. The full spectrum of critical core public services including Public Safety; Infrastructure and Transportation; Neighborhoods and Housing; Children and Families Health Services; Business and Economic Assistance; Culture Education and Leisure; and Utilities have been evaluated and prioritized. This Proposed Budget manifests a path to realize the vision of Long Beach shared by employees and community members alike; after thoughtful consideration of the Stated Priorities of the City Council.

The key to realizing our shared vision of Long Beach as a prosperous, economically and socially diverse and financially stable community is a shared responsibility and demands transparency among all City stakeholders. This strategy is incorporated into the recommended three-pronged approach to solving the $43.3 million General Fund structural deficit at the heart of this Proposed Budget. No single solution will stem the perpetual fiscal crisis we find ourselves in, however; maintaining the status quo approach to resource allocation will certainly worsen it. In developing this budget and evaluating proposed solutions, transparency was important to me as we examined all the possible factors impacting the deficit to ensure that no one constituency was disproportionately and unnecessarily impacted. Given the unprecedented economic environment we find ourselves in, the Proposed Budget rises to the challenge set forth by President Obama when he stated, "The true test of the American ideal is whether we're able to recognize our failings and then rise above them, to meet the challenges of our time. Whether we allow ourselves to be shaped by events and history, or whether we act to shape them." The underlying framework to this Proposed Budget is our first step on the road to a post-recession Long Beach of which we can be proud.

II. Implications of the Global Economic Recession: Creating Insecurity For All

Addressing the consequences of the historic global financial downturn and collapse of the global financial markets has been the overarching factor in the development of the FY 10 Proposed Budget and the framework for our future financial sustainability. As has been reported over the past several months, the economic toll of the recession continues to rise; revenues are down in every industry and consumer confidence is at an all-time low, driving the retail sector to the largest contraction in 35 years. As with most economic events, California's experience magnifies the national; the statewide and regional economies are in a precipitous decline. The scale of this decline has put us in uncharted fiscal waters. In June, the Bureau of Labor Statistics (BLS) reported a national unemployment rate of 9.5 percent, a 26-year high. Nationwide, of the 18 metropolitan areas with jobless rates over 15 percent, 12 were located in California. Additionally, the BLS reported that of the 310 metropolitan areas surveyed, the Los Angeles-Long Beach-Santa Ana area saw the largest increase in unemployment over the year. The jobless rate in the region as of May was 10.7 percent and a staggering 12.5 percent in the City of Long Beach.

Exacerbating the problem of unemployment is an unprecedented foreclosure crisis. Propelled by the trifecta of the collapse of the sub-prime mortgage industry, the credit freeze and the rising unemployment rate, between March 2008 and March 2009, foreclosure filings increased nearly 24 percent nationally. During the first quarter of 2009, 13 of the top 26 metropolitan foreclosure rates nationwide were in California. During that same time period the Southern California region saw a 42 percent increase in foreclosure filings. Those national and statewide statistics mirror the reality unfolding in Long Beach. As of June 2009, there were over 4,000 homes in foreclosure or pre-foreclosure in Long Beach. Hundreds of families throughout the City are experiencing the heartbreak and financial trauma of losing their homes. Unfortunately, as with most crises, those with the fewest resources have been hit the hardest. Families in the lowest socio-economic districts in the City are losing homes in the greatest number.

The economic hemorrhaging at the State level will also have disastrous effects on municipalities statewide, including Long Beach. The State of California currently projects a deficit of $26.3 billion in FY 10. Proposals circulating around Sacramento to balance the budget range from cutting critical programs and "borrowing" (or in some cases just taking) from already strained municipal coffers. These proposals serve to merely exacerbate our financial dilemma. Specifically, the State is strongly considering borrowing property tax payments that would result in a loss to Long Beach of $10 million, directly impacting General Fund services. The State is also considering borrowing almost $5 million of Proposition 42 Transportation funding for local street and road improvements, and are threatening to take another $8 million in Gas Tax payments. The Gas Tax and Prop 42 takeaways will deny Long Beach about $7 million for new and local street and road improvement projects as well as $6 million used to oversee and manage the capital projects and the transportation system, creating an additional $6 million hole in the General Fund deficit for FY 10.

Further State revenue raids include taking $350 million of Redevelopment revenue to fund education for three years, which would be a $6 million annual setback to Long Beach's efforts to remove blight, improve our infrastructure and making Long Beach a safer community. Additionally, the Governor has threatened to make cuts in funding to health and children's welfare programs, which would create a $5 million loss for our residents in greatest need, our children, for food, shelter and healthcare. If the State enacted all the proposals considered this year, Long Beach could face a $34 million loss. The loss of this revenue would force Long Beach to delay or cancel pressing infrastructure programs, layoff additional employees and cut core services even further, beyond the $43.3 million in solutions already required to balance the General Fund in FY 10.

While Long Beach has made hard-won economic progress in the last decade, let us be clear, poverty persists in Long Beach. Astoundingly, nearly 1 in 5, or 19 percent of our fellow residents live below the federal poverty level of $22,050 for a family of four. Twenty-nine percent of our children live in poverty and many more are at-risk. The consequences of this recession will be most severely felt by those who can least afford it.

This situation creates a quandary for us as a City. The quality of life services we are committed to providing, from infrastructure to public safety to recreation and health services, all rely on public revenue. The growing financial constraints brought about by the recession force us to openly consider sensitive questions and make difficult decisions about our priorities, the cost to provide services and how we allocate our scarce resources to support the services needed to realize our shared vision for Long Beach. The FY 10 Proposed Budget outlines what I believe to be our best option to accomplish these complex goals.

III. The Seeds of the Deficit: Financial Outlook for FY 10 and Beyond

The abrupt loss of revenue, combined with long-term commitments made in the past, has thrust the General Fund into a multi-year fiscal crisis not seen since 2003. It is anticipated that the General Fund will face structural deficits for Fiscal Years 2010, 2011 and 2012, estimated to be as large as $43.3 million, $11.5 million and $41.7 million, respectively. Multiple other funds also currently face or are quickly headed towards structural deficits. In developing this budget, long-term fiscal constraints in Fiscal Years 2011 and 2012 could not be ignored, and must wisely be considered.

A resolution to the financial crisis cannot be predicted. We do not anticipate revenue to increase dramatically in the coming years and we cannot simply tax our way out of the problem. Like the State, our financial difficulties are not short-term. Many, but not all, of the financial difficulties we are experiencing are being driven by factors outside of our control. That said, the seeds of a significant portion of our structural deficit are not external but created by commitments we made under pre-recession assumptions. Driven by the desire to provide the highest quality and extent of services possible to the community and acting on the goal of achieving comparable compensation for our workforce, the City has reached a crossroad where it is over-committed financially. Unwittingly, the costs of government at

federal, State and local levels have out-paced the public's capacity and willingness to pay for those services.

Upon close examination it is possible to find some programs and services provided by the City that can arguably be provided in a more efficient and cost-effective manner, are available in the private sector at competitive rates or no longer meet the City Council's Stated Priorities for City services. After six consecutive years of belt tightening and sacrifice, many of these efficiencies have been achieved as the organization was forced to evolve over the last several years. Alternative sources of service delivery have and continue to be explored. Success in either avenue would provide our residents with much needed, cost-efficient services and would unencumber funds for use on critical but under-funded services and programs. We continue to explore these opportunities to provide the best, most cost-efficient services to our community.

In addition to the scope and method of delivering City services, the growing cost of employee compensation is a leading challenge to our fiscal stability. Long-term contracts with five of our nine employee unions (Police, Fire, IAM, Prosecutors and Attorneys) that provide compensation increases have been negotiated in good faith, as all of our employees are our single greatest asset. Four employees unions (Engineers, Confidential, Lifeguards and Management) however, remain without contracts in the current and next fiscal year. As a result, it is estimated that the compensation increases from the current contracts is approximately $23 million in FY 10 alone, or more than half of the FY 10 structural deficit, and contribute to a large extent to our future year deficits.

Moreover, all of the current contracts are tied to the goal of achieving "median" compensation amongst comparable jurisdictions in California. While it seems a reasonable workforce objective to keep pace with the labor market for municipal employees, this approach relinquishes local control over our compensation decisions and ties our financial health and future to the political decisions of politicians and unions in cities with completely different social, economic and service delivery environments. With the City's resources shrinking or remaining flat, it is a simple fact that our salary and benefit commitments to reach "median" are already outpacing our ability to pay for them, and we can ill-afford to "keep up with the Joneses" based on the hope that they will act with the prudence and responsibility befitting our own fiscal condition. This is a risk we cannot afford to continue taking, as we are already looking at three years of structural deficits ahead of us.

Exacerbating the compensation dilemma is the significant losses to the City's retirement plan, the California Public Employees' Retirement System (CalPERS), experienced in 2009. These losses are part of a national trend in retirement funds, which depend on the investment of their holdings in the financial markets to generate returns for the funds. With the collapse of the financial markets and investment decisions made by CalPERS staff, the City will be required to dramatically increase its contributions into CalPERS (rates are currently estimated to increase by approximately 40 percent, or approximately $20 million per year) starting in FY 12 to sustain its current retirement commitments, further widening the gap between our desires and what we as a community can afford. Thanks to the unyielding

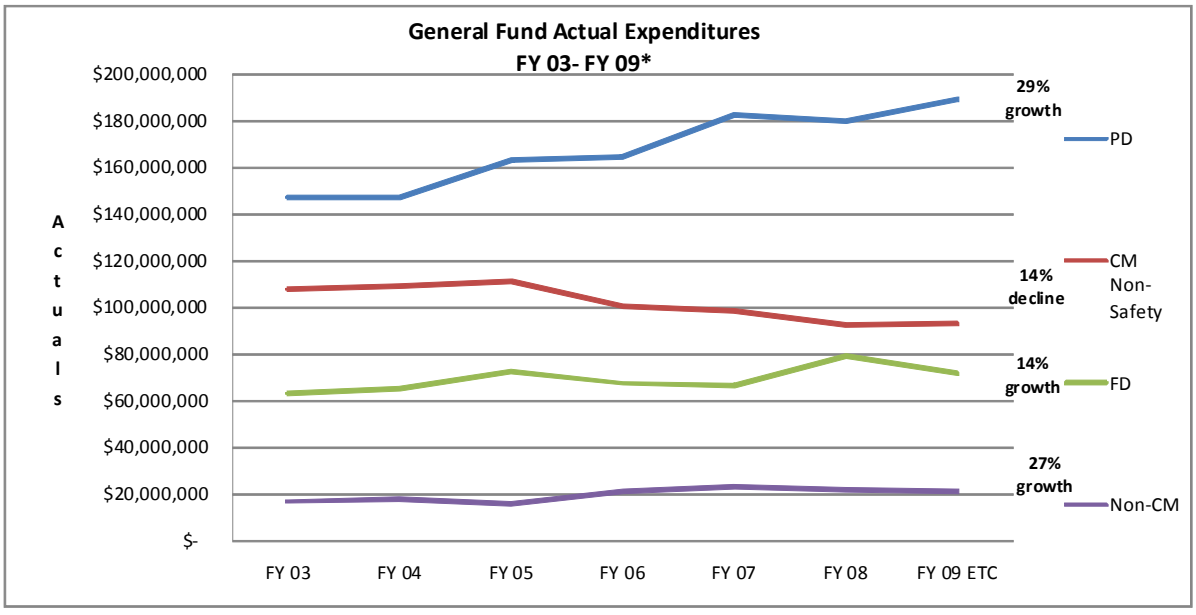
efforts of our Chief Financial Officer Lori Ann Farrell, CalPERS has decided to "smooth" the rate and contribution increase to the City over three years (FY 12 – FY 14). However, this does not reduce our overall liability, it only buys minimal time to better ease into the staggering costs and find offsetting savings in our budget to pay for them.

Essential Services: Making Sophie's Choice

In 2003 Long Beach embarked on an aggressive plan to eliminate a projected $102 million General Fund structural deficit. During this time public safety services were determined essential, above other City services. During this time, while eliminating many City services, we were actually able to grow our Police and Fire Departments.

As the following graph illustrates, after 6 consecutive years of reducing expenditures to balance the General Fund budget, the expenses in non-public safety City Manager departments has declined nearly every year since FY 03. Core Services such as parks and recreation, public works and libraries experienced a 14 percent decline. These reductions have come through the elimination of hundreds of positions citywide and rolled-back services offered to the community.

During that same time period, expenditures by the Police and Fire Departments have increased 29 percent and 14 percent, respectively. The Police Department annual budget has grown by $42 million, while the Fire Department annual budget has increased by approximately $8.5 million. After 6 years of drastic cuts to City services, given the current unexpected recession, we now find ourselves in the unenviable situation where we cannot grow our public safety services any longer, and must even look to potential service reductions.



*Year-end estimate as of May 2009.

Given that the Police and Fire Departments comprise 66 percent of the General Fund budget, and that just over 80 percent of every General Fund dollar is spent on employee compensation, the growth in the graph highlights the need for an approach to balancing the General Fund deficit in FY 10 that requires the direct and sustained involvement of all departments along with our employee unions.

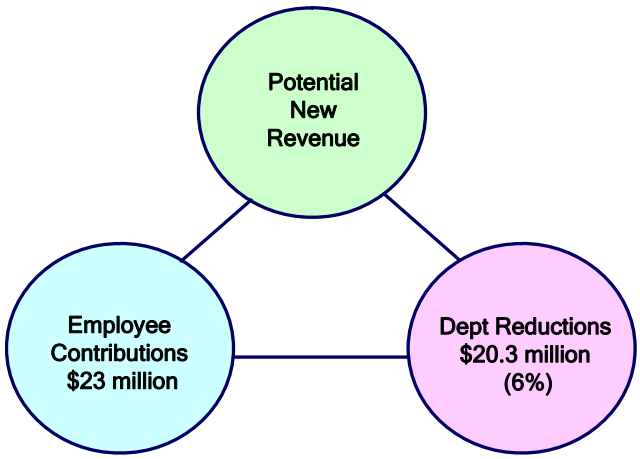
IV. Eliminating the $43.3 million Deficit in FY 10: A Three-Pronged Approach

As a community, we will not be allowed to remain mere spectators to the calamity befalling our neighboring municipalities. We cannot divorce ourselves from the responsibility to mitigate the impacts of the global economic crisis, the State's budget deficit or our own structural deficit here at home. The economic collapse creates a paradoxical situation in which the failing economy increases demand for City services while simultaneously driving down revenues to pay for these services.

Given the circumstances, the one lesson we must take away from this financial crisis is that the future of Long Beach is dependant on placing ourselves on a true path towards fiscal sustainability. To do so we must continue to moderate spending to levels that do not exceed revenues. While this is a relatively straightforward concept, in reality, for municipal government to bring expenditures in line with revenue is dependent upon reductions or elimination in services to the public, the size of the workforce and/or the amount of employee compensation.

To avoid the unintended and negative community impacts from drastic reductions in services and, especially in this economy, to avert hundreds of unnecessary layoffs, the development of the FY 10 Proposed Budget was designed to directly address the structural deficit's three main sources (revenue losses, increased employee compensation and department expenditures). The framework reflected in the Proposed Budget is based upon finding permanent deficit-reducing solutions from each of these three primary factors. The strategy to deal with the $43.3 million structural deficit enables all areas of the City to reasonably share in the responsibility so that the disproportionate allocation of resources will not be perpetuated and no single stakeholder bears the brunt of this significant deficit.

To this end, the Proposed Budget requires $20.3 million, or 6 percent of each department's discretionary budgets as a general guideline, in service reductions or cost efficiencies, and $23 million in cost savings solutions to be generated by employee unions. At this point the Proposed Budget does not include foreseeable revenue solutions to bring to bear on the deficit. If successful, this budget will mitigate the level of service cuts required and decrease the number of layoffs to our workforce, and ideally maintain current compensation levels, to balance the budget. The following diagram provides a conceptual depiction of this three-pronged approach. Each of these prongs will be discussed in detail below.



First Prong: Potential New Revenue

The loss of major economically sensitive General Fund revenues due to the recession is a significant cause of the FY 10 deficit. Overall, General Fund revenues are expected to decline by 1.7 percent or $6.5 million in FY 10 from FY 09 actuals. While the General Fund has a diverse revenue stream of over 140 sources, a large portion of the overall declines in revenue from the FY 09 Adopted Budget stem from losses in Property Tax, Sales and Use Tax, Sales Tax In-Lieu, Property Tax In-Lieu of Vehicle License Fees, Vehicle License Fees, Real Property Transfer Tax, Transient Occupancy Taxes, and Uplands Oil revenue that together comprise over 48.4 percent of General Fund revenue.

Property taxes, a normally stable source of tax revenue for the City, is expected to experience a significant decline in FY 10, a phenomena that has not been experienced in the City in 15 years. The FY 10 City of Long Beach Property Tax Roll, which is based on the assessed valuation of County property as of January 2009, is expected to decline by approximately 2.9 percent. The steep downturn in the housing market during calendar year 2008, and the resulting foreclosures, appeals, and property value reassessments are driving these FY 10 revenue declines. An increase in payment delinquencies is expected to further reduce receipts. The devaluation in our properties also impacts the Property Tax In-Lieu revenue received from the State, which is projected to be $1.2 million less in FY 10.

Reflective of recent consumer inactivity, Sales and Use Tax and Sales Tax In-Lieu receipts are projected to decline by 2.6 percent in FY 10. Forecasts relay a continued decline or no growth in all economic categories, with no glimmer of recovery until late FY 10, or FY 11. City of Long Beach Sale Tax declines are mitigated by the generation of incremental increase in sales tax revenues anticipated as a result of the relocation of General Petroleum to Long Beach. Of the City's three largest Sales Tax sectors, Construction, Restaurants, and Service Stations, average declines of 15.0, 7.5, and 6.5 percent are expected, respectively. Based upon the latest FY 09 receipts, Sales and Use Tax receipts are even worse than declines in sales activity due to payment delinquencies, with a 21 percent decline in actual revenues.

In recent years, substantial revenue could be relied upon as an expected transfer into the General Fund from Uplands Oil revenues. The current fiscal year has demonstrated the true volatility of this revenue source. The FY 09 Adopted Budget assumed an $85/bbl average oil price for Wilmington Crude oil, but despite current oil prices at $62/bbl (as of July 1) the fiscal year-to-date average price is $44/bbl due to prices plunging to $23/bbl earlier in the year. Due to the unpredictability of this revenue source, all oil revenue proceeds over $40/bbl will be prudently and responsibly considered one-time revenue and used solely for one-time purposes in FY 10.

Given the significance of the declines in the City's major revenue sources, along with the threat of State takeaways, for FY 10 the City must focus on further diversifying its revenue base by attracting new businesses to Long Beach and cultivating an environment that fosters development and expansion for new and current businesses in our community. Efforts to expand revenue streams are focused on developing sales and use tax opportunities through purchasing companies, location agreements, attracting sales tax generating businesses, and increasing use tax collection efforts, while placing an emphasis on being more business-friendly to attract support and retain Long Beach businesses. Nexus studies are also anticipated to assist explore appropriate revenue sources to support activities traditionally subsidized by the General Fund. Potential projects that are being explored include Tidelands-related resources, waste management services and storm drain cost management.

Additionally, the City will continue to aggressively pursue cost recovery through user fees and charges. We are on track to implement the City Cost Index (CCI), which will assist the City maintain cost recovery through fees in line with the cost of providing fee-based services. It is planned that the majority of the City's fees will be automatically increased by the CCI for FY 10; these increases have already provided an estimated $600,000 in base General Fund revenue in FY 10, keeping the projected structural deficit from reaching $44 million. The list of adjustments in fee and charges provided as an appendix to this budget document represents only those fee changes that are not covered by the CCI, such as new fees or changes in the service delivery model. The City will also continue its practice of quarterly fee adjustments during the fiscal year as opportunities or requirement for cost recovery emerge.

Second Prong: Reduction Of Department Expenditures - $20.3 Million

City programs are designed to protect or enhance our quality of life and meet federal, State or local laws and regulations. A diverse array of departments and programs comprise a complex service delivery structure that furthers our goals of a safe, healthy and vibrant community. The quest for an economically sustainable City government must take all aspects of City services and community needs into consideration. Given the City's fiscal condition, the continued downsizing of the organization and levels of service provided to the community cannot unfortunately be avoided.

To mitigate the impact to the continuum of services the community enjoys, the City's Executive Management Team, with direction by the City Council, has undertaken a lengthy

and involved assessment of services provided by the City to identify those that are core and should be preserved, in accordance with the City Council's Stated Priorities. As not to decimate services unnecessarily, a $20.3 million target (or approximately 6 percent of each department's discretionary budgets) was set for reduction targets. Table 1 below depicts a breakdown of General Fund savings targets for General Fund departments for FY 10.

TABLE 1. General Fund 6% Savings Targets City Manager Departments	
City Manager	(158,384)
Community Development	(314,497)
Development Services	(67,901)
Financial Management	(518,857)
Fire	(4,072,982)
Health & Human Services	(270,208)
Library Services	(740,309)
Parks, Recreation & Marine	(1,371,243)
Police	(10,025,416)
Public Works	(1,650,436)
Other Departments	(1,102,703)
Subtotal	**$ (20,292,936)**

The "Other Departments" category in Table 1 above includes Elected and non-City Manager directed departments in the General Fund (i.e., Auditor, City Attorney, City Prosecutor Civil Service, and Mayor and City Council), which were directed to also participate in generating cost savings by the City Council at their March 3, 2009 Special Meeting. The savings target amounts for each of the non-City Manager directed departments are listed by fund in Table 2 below. In total, Long Beach's elected departments were asked to contribute approximately $1.5 million in savings from the General Fund, Insurance Fund and Employee Benefits Fund to provide options to address the structural deficit.

TABLE 2. Requested Savings from Non-City Manager Directed Departments for FY 10

	Auditor	**City Clerk**	**City Prosecutor**	**Civil Service**	**Mayor & Council**	**City Attorney**	**Total**
General Fund	(126,392)	(144,967)	(275,100)	(115,775)	(278,181)	(162,288)	$ (1,102,703)
Employee Benefits Fund	(7,007)					(21,559)	(28,566)
Insurance Fund				(2,012)		(349,635)	(351,647)
Total Savings	**(133,399)**	**(144,967)**	**(275,100)**	**(117,787)**	**(278,181)**	**(533,482)**	**$ (1,482,917)**

Let there be no mistake; the severity of this economic downturn will require cuts even to some core services, as many of the City's non-core services have already been eliminated or reduced over the last several years. The cuts proposed in this budget are painful; however, they have been mitigated somewhat by requiring all stakeholders, including employee unions, to share in providing cost savings and solutions. Overall, since this is not an across-the-board approach, the organizational reductions will reflect 4 percent to 9 percent reductions from departments, resulting in the loss of 156 positions reductions. Please see

Attachment A to this letter for a complete list, by department of the recommended $20.3 million in operational deficit solutions. These reductions are net of necessary and strategic enhancements. For a complete list of FY 10 Proposed Enhancements, please see Attachment B. Attachment C provides a list of one-time General Fund revenue, expenses and savings.

Keeping "Boots on the Street"

As noted earlier, the key to reaching the $20.3 million in operational savings relies on all departments participating in solutions. This is unfortunately true for the Fire and Police Departments, where we have been able to provide budget and service increases over the past 6 years, even while all other City Manager departments experienced a 14 percent aggregate decrease. While public safety clearly remains our top priority, public safety expenses consume 66 percent of the entire General Fund budget.

Through Police Chief Anthony Batts, one of the premier chiefs in America, Long Beach has employed a "Community Oriented Governance" approach to fighting crime. Crime and quality of life issues are not solely dependent on the work of Police Officers and Firefighters. There is substantial evidence to support the fact that libraries, recreational and after-school programs, workforce development, the elimination of blight, poverty reduction and health care programs reduce the incidence and the roots of crime, by providing productive activities for our youth while increasing family stability and success. These are building blocks for a safe, strong community. Preserving these programs and services make the work easier and less dangerous for all of our public safety colleagues.

The key to making operational reductions is the thoughtful weighing of community need, operational efficiency and available resources. This is of particular importance when considering resource allocations within the Police and Fire departments. As with all departments, the potential for increasing efficiency and streamlining functions without compromising core services is possible and necessary, especially with the escalating cost of these services. The City Council and the community have spoken consistently and clearly regarding their desire to maintain police officers' presence on the streets of Long Beach, as well as the current response capabilities of the Fire department for emergency medical and fire calls. For FY 10, our expert Police and Fire management teams generated deliberative recommendations to achieve approximately $14 million in cost savings without compromising their core missions and front line public safety efforts.

In the FY 10 Proposed Budget, the Police Department has shifted sworn positions out of from administrative and non-core functions back into vacant front-line public safety positions, or if vacant will be eliminated. With approximately 33 current vacancies, there is room for change without impacting current service levels. In an effort to preserve the Department's ability to support its mission, new civilian employees will backfill approximately 26 administrative positions. For example, sworn personnel deployed to fleet management, technology services and the administration bureau will be civilianized. While this will lead to the reduction in total number of sworn staff within the Police Department, it will not result in the diminishment of protection provided to the community or "Boots on the Street".

In terms of the Fire Department, precious General Fund resources will be preserved through the deployment of sworn resources where they are needed most. Currently the City of Long Beach provides a broad net of emergency response resources across the City. While this may seem like a balanced approach, it creates significant inefficiencies based on the fact that the demand for services is hardly equitable across the City. Therefore, in an effort to achieve approximately $3 million in structural reductions, the Department will allocate its resources according to the type and level of services required, allowing for the reduction of approximately 24 sworn, of which 2 will be civilianized. These reductions will be made without lay-offs and reflect current operating practices on the Long Beach Fire Department.

As a result of these deployment improvements and other efficiencies proposed in the Police and Fire Departments, we will have the flexibility to deploy our highly trained and experienced police and firefighters in a more effective manner while saving over $12 million a year for the General Fund.

Third Prong: Employee Contributions - $23 Million

As part of the effort to preserve jobs and core community services, the third prong of this strategy calls upon city employees and their unions to provide $23 million in deficit reduction solutions. By taking responsibility to mitigate the portion of the deficit that is equal to the planned FY 10 raises from existing labor contracts (53.5 percent of the total deficit), employees will be demonstrating to all not only how much we care about the City and the community we serve, but also the sacrifices we are willing to make to mitigate the suffering and uncertainty faced by our fellow citizens and other City employees. Throughout California and nationwide, countless communities have embraced this strategy to avert the loss of jobs that would threaten their regional economies, undermine the strength of the workforce and jeopardize the financial security of many.

President Obama captured this spirit in saying, "When you choose to broaden your ambit of concern and empathize with the plight of others, whether they are close friends or distant strangers – it becomes harder not to act; harder not to help." The FY 10 budget relies on our ability to put the long-term interests of the organization, the community and fellow employees above our own and play a direct part in the solution.

As noted that the City of Long Beach is not alone in seeking to roll back the escalating cost of employee salaries and benefits. With projected salary, step, skill pay and benefit increases and the record losses in the CalPERS retirement plans requiring additional outlays to keep retirement plans fully funded starting in FY 12, directly, consciously and permanently reversing current compensation trends is not only the right thing to do but is unavoidable. There are several options to achieve this goal, including unions forgoing promised salary and step increases, scaling back additional skill and other pay increases and contributing more towards retirement and health benefits. Short of these structural solutions, bargaining units can choose to merely postpone promised increases into a future year, but this will only "kick the can" down the road for a future City Council to tackle.

Should good faith efforts with the unions fail to generate required savings, the City is left with only two options: furloughs and layoffs. While effective in generating savings, these approaches are not the preferred means of bringing employee costs in line with the City's ability to pay for them. The 26-day furlough planned for and included in the FY 10 Proposed Budget, represents a 10 percent cut in pay for all employees. While sufficient to generate the required savings in FY 10, the furlough will dramatically compromise the City's ability to deliver core services and also unfairly impact employees without scheduled compensation increases in FY 10. More importantly, a furlough is a one-time solution to a structural problem as it does not represent a permanent reduction in work hours and must be renewed annually. A furlough merely buys time to negotiate long-term structural concessions and contributions from the City's unions through fiscally sustainable contracts.

Additional layoffs, beyond the 156 positions reduced within the FY 10 Proposed Budget, are also an outcome that will have serious deleterious impacts on the community and workforce. Further, layoffs in our Civil Service system put many of our newest, and in some cases our brightest and best trained employees unfairly in peril, protecting employees solely based on seniority, divorced from performance-based assessments as the organization is further downsizing. The souring effect that "bumping" will have on the workforce will leave a lasting bitterness in the organization for years to come. Unfortunately, if we cannot reach agreement with our nine employee unions then either furloughs or additional layoffs will need to be employed in FY 10. It is estimated that approximately 239 additional positions, both sworn and civilian, will be eliminated if the requested concessions are not achieved, thereby doubling the number of layoffs required to balance the budget.

All across the nation, states, counties and cities are engaging their employee unions in an active dialogue about fiscal sustainability. The results thus far have been mixed, but there are shining examples of unions and cities joining hands to develop fair and mutually respectful solutions. Here in California, cities and counties soliciting employee cost saving measures similar to what we are seeking in Long Beach include the cities of Los Angeles, San Francisco, Santa Ana, Sacramento, San Jose, Oakland and Irwindale, to name a few. Highlights of proposals and solutions include:

- **Los Angeles**: Adopted a budget that includes 1,200 layoffs and 26 unpaid days (equal to a 10 percent pay cut) for civilian employees and provides for an additional 781 layoffs and 11 furlough days plus a $54 million cut to police officers and firefighters if additional budget balancing strategies are not approved by the City Council;
- **San Francisco**: An agreement has been reached with the largest employee union that secures $38 million in employee concessions, preventing over 1,000 lay-offs. Police Officers Association votes to defer $17 million in wages and benefits over the next two years. Additionally, Police contract expenses will be reduced by 5 percent, resulting in the reduction of night shift differentials and the suspension of a sick leave cash-out program;
- **Palo Alto**: Fire Fighters Association has offered to defer a $700,000 scheduled pay raise in FY 10. The Police Officers Association has likewise voted to defer a 6 percent salary

increase in FY 10 and extend its three-year contract, which was due to expire in 2010, until 2011;

- **Sacramento**: Firefighter's and Police Officer's Unions have agreed to defer 5 percent cost-of-living adjustments and other increases associated with tenure to avoid sworn lay-offs. These concessions total $11 million. Additionally, 188 civilian employees will be laid off;
- **Fresno**: The Police Officers Association has agreed to defer a 2 percent salary increase in FY 10, freeze holiday pay down time and extend its contract, which was due to expire in 2010, until 2012;
- **Pasadena**: City unions have agreed to defer negotiated pay raises next year, saving $4.5 million;
- **San Jose**: Cost of Living adjustments have been eliminated for senior/executive management and professional employees. Merit increases have been eliminated for all eligible management employees. The elimination of 513 positions is proposed;
- **Santa Ana**: Non-safety departments asked to take reductions ranging from 18.5 to 33 percent, including the elimination of 150 full-time positions. Police and Fire Department budgets will be reduced 7.2 and 5.1 percent, respectively. Additionally, Library Services will be merged into Parks and Recreation. The City continues to negotiate a salary freeze with employee unions; and
- **Oakland**: City has proposed 10 percent pay cuts for non-public safety employees, eliminating 300 positions, including laying off 140 police officers, effective Oct 1, 2009, if federal dollars for public safety are not forthcoming.

In line with statewide trends, in the City of Los Angeles' Proposed FY 10 Budget, entitled "Shared Responsibility and Shared Sacrifice", Mayor Antonio Villaraigosa wrote "During this time of crisis it is up to all of us to think of the greater good, see the bigger picture and take action to protect jobs and preserve vital services when our families need them the most." In concert with this sentiment, we have been working toward an agreement with our employee unions on how we can most equitably share the responsibility and the sacrifice of these difficult and uncertain economic times.

Given our particular circumstances, one possible avenue to achieve the $23 million in employee cost savings would be for labor unions to agree to forgo salary increases or agree to a net neutral contract for FY 10 and until the crisis abates. Employees would receive no compensation less than they are currently making, and there would be no additional layoffs (beyond the 156 included from operational reductions) needed to reach the goal. The value of freezing all salaries at current levels would immediately generate the needed $23 million in savings.

Should this outcome not be possible, employees could agree to pick-up all or a portion of the employee share of the annual retirement contribution, currently estimated at $16.6 million in the General Fund, in addition to some reductions in pay. Currently, all employees pick-up 2 percent of the Employee Share (8 percent of payroll for civilians and 9 percent of payroll for sworn) of the CalPERS costs. As a management team we are open to all possible options to achieving the required savings.

While these are two examples of possible employee solutions, both of which must be negotiated within each union's contract, the bottom-line is that without the participation of employee unions in generating costs savings, the resulting service reductions and layoffs would have severe consequences to public service, the regional economy and the lives of many employees and their families. Short of a negotiated solution, a 26-day furlough for all employees citywide is planned for FY 10, which can be reversed when sufficient savings are generated through discussions with our unions.

V. Alternatives To Shared Accountability (Plan B)

Successfully achieving the $43.3 million in deficit solutions involves the participation of all departments; no departments can or should be exempted from the solution. As we consider the FY 10 Proposed Budget, adjustments to the City Manager's recommendations are inevitable and expected. As noted earlier, however, after 6 years of non-public safety reductions, we have reached a point when further public safety efficiencies must be achieved. Without Police and Fire budget efficiencies, cuts to other departments reach draconian levels.

This would put the organization in a position in which it is paying more for the same level of services while requiring the remaining non-safety departments to cut by a total of 39 percent to balance the budget, or approximately 6½ times the current reductions included in the Proposed Budget. Such reductions would decimate core and non-core services alike. For example, the Mayor and City Council reduction would go from $278,181 to $1.93 million; the City Prosecutor's reduction would go from $275,100 to $1.92 million; Library Services from $740,309 to $5.2 million and Parks, Recreation and Marine from $1.4 million to $9.6 million.

There are two scenarios under which the City would be required to resolve the $43.3 million structural deficit without employee participation; and both scenarios provide a dire portrait of a City with unimaginable service impacts to vital departments. The Table below illustrates the proposed balanced approach vs. the budget implications if employee unions do not participate, and additionally, if the Police and Fire departments are fully exempted from reductions, requiring remaining non-safety departments to generate the entire $43.3 million in solutions.

TABLE 3. **Department**	**Balanced Approach with Concessions = 6% Dept Reduction**	**No Union Participation = 12% Dept Reduction**	**No Union or PD/FD Participation = 39% Dept Reduction**
Police	$ 10,025,416	$ 21,400,000	$ -
Fire	4,072,982	8,700,000	-
Public Works	1,650,436	3,500,000	11,500,000
Libraries	740,309	1,600,000	5,200,000
Parks	1,371,243	2,900,000	9,600,000
All Others	2,432,550	5,200,000	17,000,000
Total	**$ 20,292,936**	**$ 43,300,000**	**$ 43,300,000**

Should such exemption decisions be made, many vital positions and worthy programs that actually form the foundation of a safe, healthy community would be eliminated. While as a management team we do not have any recommended reductions should 39 percent be required, however, they would likely include:

- Eliminate all youth services programs and close all neighborhood libraries;
- Eliminate all staffing and recreation facilities at all parks
- Reductions to After School Recreation programs in 19 parks;
- Close all 6 Senior Centers and 2 Ranchos
- Eliminate funding for the Sidewalk Replacement program;
- Extend Tree Trimming from a 6-year trimming cycle to 12-years
- Reduction of pothole repairs by 2 crews, or 50 percent; and
- An additional 239 layoffs.

The three-pronged strategy proposed is a comprehensive approach to addressing the complex problem of a $43.3 million structural deficit. Should the economy worsen or the State succeed in "borrowing" or simply taking tax revenues which belong to cities we will need to reevaluate all options for addressing a deficit that would potentially be $16 million larger than it is today.

VI. Status Of Other City Funds

The City's budget comprises over 37 different funds. The General Fund is not the only fund impacted by the economic downturn, increasing cost to provide services and State budget crisis. Several City funds are facing a structural deficit in FY 10 if action is not taken to bring available resources in line with planned expenses. These include the Development Services Fund, Fleet Services Fund, Towing Fund, Health Fund and Tidelands Operating Fund, all of which feature deliberate cost reductions or revenue increases in an effort to restore a fiscal balance in FY 10. These deficit solutions include an additional 119 position reductions, in addition to the 156 included in the General Fund solutions.

Development Services

The Development Services Fund was created in 2006 as a means of segregating revenues and expenses associated with planning and building review and inspection fees. It was prudent to clearly demonstrate that these funds were used only to support the associated costs to provide these fee-based programs and services.

Unfortunately, after years of record growth and activity in the construction sector, the housing market and general economy began to contract at approximately the same time. Since its inception in FY 07, the Development Services Fund has seen a 36 percent decline in permits issued, and with it a similar decrease in recurring revenue to support its expenses. As a result, in FY 10 it is projected that the Development Services Fund will have a $4 million structural imbalance between budgeted revenue and budgeted expenses. In an effort to stem this imbalance, the FY 10 Proposed Budget reflects a reduction of $1.4 million in expenses, including 17.75 FTEs.

While it appears that there has been some modest recovery in the demand for planning and building services in Long Beach, it is likely that additional reductions will be required to achieve a complete structural balance in the Development Services Fund. Additional opportunities to reduce costs or increase revenues will be brought to the City Council for consideration during the budget adoption process.

Fleet Services

The Fleet Services Fund is used to account for the City's purchase, maintenance, fueling and replacement of all fleet vehicles and equipment, except those owned by the Water and Harbor Departments. The major sources of revenue for this fund are charges to user departments, including lease payments, capital replacement, preventive maintenance, ad hoc repair and fueling charges. The Fleet Service Bureau's costs for fuel, parts and labor continue to increase based on the market conditions in the oil, steel and copper industries as well as negotiated salary increases. However, Fleet rates have not been adjusted to cover the current and projected operating cost increases to bring the Fleet Services Fund into balance. As a result, capital replacement funds that are collected and set aside to keep the City's fleet fuel efficient, modern and low maintenance have been used to subsidize operations.

For FY 10, this structural imbalance was estimated to be as large as $1 million. To rectify this situation, Fleet Services has recommended savings strategies including the elimination of a helicopter mechanic, and both fleet operations and fleet maintenance positions, for a total of 10 FTEs eliminated. Should these solutions fall short of their intended result, the City will continue to review opportunities to contract for fleet services as needed to ensure costs are controlled without compromising service levels.

Towing

For years, the Towing Fund has served as an important resource to provide expedited support for public safety to keep our transportation system free of accidents as well as collect abandoned vehicles and parking ticket scofflaws. Through the revenue generated from these activities, and the resultant care and disposition of towed vehicles, the Towing Fund supported its full costs and was able to generate a direct dividend to the City's General Fund, as allowed under the City Charter.

In 2005, an Optimization Study was performed in an effort to make the City's towing operations even more efficient, keep costs down and maximize the community's return on investment (as measured by the Towing Fund's annual transfer to the General Fund). The recommendations from the Optimization Study, which were crafted through direct employee input, led to the bolstering of Towing Yard staff, increased cost recovery through towing fees, a new approach to lien sales (the auctioning of uncollected vehicles), increased investment in the number of City tow truck drivers available for tows and the reduction in the use of contract tow trucks to manage costs.

Despite these newly employed strategies, and a significant increase in towing fees during FY 09, the Towing Fund has continued to rely on its available fund balance to support its

ongoing operations, including its transfer to the General Fund. The Fund has reached a critical point in that it is not expected to make the entire $3 million annual transfer to the General Fund in FY 09 and is facing a $520,000 structural budget deficit for FY 10. Therefore, the Department of Public Works is developing solutions to ensure that annual revenue is sufficient to support annual expenses, including the full transfer in FY 10. To this end, Public Works will eliminate 5 FTEs and $200,000 in other costs in FY 10 to bring the fund into structural balance. In addition to these strategies, the City will pursue alternate service delivery models for towing, yard management and lien sales in FY 10.

Health

The Long Beach Department of Health and Human Services has a variety of programs supported by several funds, including the General Fund, Certified Unified Program Agency (CUPA) Fund, the Insurance Fund and the Health Fund. The Health Fund is the department's primary source for core community health and safety services and relies heavily on federal, State Health and Welfare Realignment funding and other grant funds.

As the fiscal health of its grantor agencies has worsened, two potentially crippling issues have been thrust onto the Health Department and the Health Fund: insufficient cash flows for three consecutive years created by delayed reimbursements for grant expenditures, primarily from the State; and insufficient funding creating a structural budget deficit, with ongoing expenses exceeding ongoing annual revenue.

As a result, the Health Fund has been forced to borrow approximately $6 million from the City over the past three years to ameliorate its cash flow shortfalls as they wait for federal and State receivables. In addition, to address its structural budget deficit and persistent cash flow issues, the Health Department has implemented significant mid-year budget reductions in FY 09, including the elimination of 68 positions, which are reflected in their FY 10 budget proposal. Reductions include:

- The elimination of the Senior Health Clinic (to be backfilled by St. Mary's);
- The elimination of the Prenatal Clinic;
- The elimination of a Nurse Practitioner in the Sexually Transmitted Disease Clinic; and
- The downsizing of the Maternal Child Health, the Immunization, Family Planning, Tuberculosis and Vector Control Programs.

Despite many of these positions being vacant, there will undoubtedly be a service delivery impact from these reductions on the community. It is hoped that the private sector and other community partners will help fill the vacuum created in some areas. Of greater concern however, is the specter of significant State budget cuts to programs serving our most vulnerable community members, our children. Should the State Legislature and the Governor make the cuts that have been threatened to the Health Fund, the City would be faced with approximately $5 million in additional losses to our AIDS and Maternal/Child health programs. Also under threat from Sacramento are the Healthy Families and Medi-Cal programs, both of which provide invaluable food, shelter and medical care for our poorest

children. Should the County lose this State funding, the City will be in the position of finding its own resources to backfill this most basic of safety nets, to avoid the unintended public health and public safety consequences to the community of further destabilized and displaced families. The FY 10 Proposed Budget does not reflect additional State take-aways directly impacting the Health Fund.

Tidelands Operating

The Tidelands Operating Fund is utilized to account for operations, programs, maintenance and development of the City's marinas, beaches and waterways. Operations include, police, marine patrol, fire and paramedics, marine safety and lifeguard services, beach and marina maintenance, water quality monitoring and projects, aquatic and recreation programs, lease management and other support functions. For several years, the Tidelands Fund struggled to preserve even a modest fund balance, as many of these activities do not generate revenue. The Tidelands Operating Fund is heavily dependent upon the economy and tourism, particularly the Convention Center, Aquarium of the Pacific and Queen Mary. Over the past few years, current service levels have come to depend heavily on the annual transfer from the Harbor (via the Charter-approved transfer of 10 percent of net income) and the Tidelands Oil Revenue Fund (the City receives a share of net profits from oil operations in the Tidelands area). As oil prices hit record highs and Port activities were at unprecedented levels, these resources were used to maintain a structurally balanced fund as well as to address a deferred capital projects list that currently totals over $50 million.

Oil prices and production have seen significant market corrections, falling from a high of $128.50/bbl in FY 08 to a low of $25.80/bbl in FY 09. In an effort to reduce the City's exposure and reliance on a volatile commodity to support ongoing expenses, the City is expecting a conservative estimate of $40/bbl in FY 10, which will generate approximately $3.6 million less in revenue than was received in FY 09, which represents a dramatic loss of ongoing operating income in the Tidelands Fund. Should the FY 10 average exceed $40/bbl, additional revenue will be used for one-time capital projects.

Further, given the current slowdown in international trade activities due to the global recession, the Harbor Department is projecting a reduction to its annual transfer to the Tidelands Operating Fund of almost 50 percent, from $16.1 million in FY 10 to $8.7 million in FY 11, based on expected FY 09 net income. This loss of revenue will lead to a significant reduction in services provided in the Tidelands, including lifeguard services for beach and waterway safety, maintenance, beach replenishment and other services. In addition, capital projects will remain deferred until a sufficient and reliable funding source can be found for the Tidelands. The City Manager's Office will continue to work with the Harbor Department to identify sustainable means of funding the City's Tidelands responsibilities within available legal and budgetary constraints.

For a complete list of FY 10 Proposed budget reductions in these funds, please see Attachment D to this letter.

VII. Future Success: Deliberate Solutions Towards Sustainability

The FY 10 Proposed Budget presented herein, reflects countless hours of deliberation and planning by the Executive Management Team and input from the City Council. During this process we have endeavored to be fair and balanced in our approach. There are myriad reasons why we find ourselves in this fiscal situation and it is important that all stakeholders understand the depth and breadth of the problem and the possible avenues for resolution. While we cannot control the national economy we can and have looked within our own operations for known and anticipated cost drivers that have contributed to the current $43.3 million structural deficit and the imminent additional deficits in FY 11 and FY 12.

The FY 10 Proposed Budget directly addresses two of the City's primary cost drivers, employee compensation and departmental expenditures. It is often said that every generation faces a defining moment. This economic crisis has, for Long Beach, created one such moment. We have the opportunity with this Proposed Budget to lay a solid foundation for a stable, prosperous Long Beach going forward. The cost of this future is the courage to make a categorical break from the conventional and unsustainable patterns. We must adhere to Police Chief Batts' "Community Oriented Governance" model where all City departments contribute in fighting crime, allowing our public safety departments to initiate deliberate and controlled public safety efficiencies, creating a new model of sustainability.

The three-pronged strategy that is the framework for this budget requires the participation of all departments and employees to succeed. A 6 percent reduction in department budgets and a freeze on all employee compensation, or alternate solution totaling $23 million, would immediately close the structural shortfall for FY 2010. I advocate strongly for the implementation of this approach, which will avert additional layoffs and deeper cuts to City services and most importantly set a course for fiscal sustainability.

With this Proposed FY 10 Budget we have achieved our goals of addressing the structural deficit while keeping faith with the City Council's Stated Priorities and maintaining the maximum level of service to the public possible. The FY 10 Proposed Budget envisions a future for Long Beach with a renewed economy, continued redevelopment, health and recreational programs to meet the needs of our diverse community, safer streets and a highly skilled and appropriately compensated workforce. To attain this vision some difficult decisions will need to be made in the coming months. It is my hope that this Proposed Budget provides a solid foundation from which to launch our voyage into that future.

Respectfully submitted,

PATRICK H. WEST
CITY MANAGER

Attachments

General Fund Budget Reductions by Department Attachment A

Department	Description	Amount	Positions Impacted
City Attorney			
	• Reduce General Fund, Insurance Fund and Employee Benefits Fund personnel, supplies, and administrative expenses	(533,482)	-
City Auditor			
	• Reduce General Fund personnel, supplies, and administrative expenses	(126,392)	-
City Clerk			
	• Reduce training, seminars, office equipment, printing costs and	(52,350)	-
	• Reduce Administrative Hearing Officer payments and hearing coordination	(12,000)	-
	• Reduce Technology Services' Geographic Information Systems support to elections	(17,427)	-
	• Reduce Spanish simulcast interpreter services. Interpreters will be available upon request at regular City Council meetings	(37,000)	-
	• Reduce records and microfilm services	(26,190)	-
City Manager			
	• Reduce photography, reprographics, and other contractual services in City Communication Office. Reduce office equipment, supplies, and Commision meeting catering budget in CPCC Program	(17,292)	-
	• Eliminate Executive Secretary position	(83,867)	(1.00)
	• Eliminate a part-time Investigator position in Citizen Police Complaint Commission (CPCC) Program	(35,170)	(0.50)
	• Downgrade Executive Assistant position to Secretary in CPCC Program	(21,306)	-
City Prosecutor			
	• Reduce General Fund personnel, supplies, and administrative expenses	(422,423)	-
Civil Service			
	• Eliminate budget for contractual services, printing, advertising, business meals, and miscellaneous equipment for positions eliminated in FY 08	(116,975)	-
Community Development			
	• Eliminate a Property Services Project Management Officer position (Implemented mid-year FY 09)	(145,242)	(1.00)
	• Transfer Administrative Analyst III position from Property Services to non-General Fund resources (Implemented mid-year FY 09)	(110,699)	-
	• Reduce operating budget and increase General Fund revenue due to re-alignment of Economic Development responsibilities	(496,425)	(1.88)
	• Eliminate General Fund Support (50%) of the Social Service Grant Program by utilizing only Community Block Grant funding from the federal Government	(200,000)	-

General Fund Budget Reductions by Department Attachment A

Department	Description	Amount	Positions Impacted
	• Eliminate a Clerk Typist II in Neighborhood Services Bureau	(26,242)	(0.50)
	• Eliminate the Human Dignity Officer position and reassign duties to existing staff (Note: 0.67 of this position was transferred to non-General Fund resources mid-year FY 09)	(107,433)	(1.00)
	• Eliminate a Development Project Manager from Neighborhood Services Rehabilitation Division	(20,650)	(0.20)
	• Allocate General Fund administrative costs to non General Fund operations	(47,820)	-
Development Services			
	• Reduce operating expenses in City Place parking garage through automation	(89,851)	-
	• City Place parking garage debt service payment (This is a one-time solution and is not included in the $20.3 million target for structural budget solutions)	(829,460)	-
Financial Management			
	• Eliminate a Clerk Typist III position from Administration. This will reduce the timeliness of responses to Public Record Act requests and other Important support functions (Implemented mid-year FY 09)	(65,716)	(1.00)
	• Eliminate Business Services Officer position.	(134,949)	(1.00)
	• Reduce Treasury Banking Fees due to new procedures and operational policies (Note: $65,000 of this amount was eliminated mid-year FY 09)	(130,000)	-
	• Eliminate maintenance contract for performance management software (Note: $12,500 of this amount was eliminated mid-year FY 09)	(25,000)	-
	• Eliminate Customer Service Representative II position in Parking Citation Program. This will reduce timeliness of parking citation processing and customer service at the lobby level (City Hall) and on the LVR System (Implemented mid-year FY 09)	(53,570)	(1.00)
	• Transfer 50% of Budget Management Officer to non-General Fund resources (Implemented mid-year FY 09)	(73,526)	(0.50)
	• Eliminate funding for external accounting and financial reporting support (Implemented mid-year FY 09)	(37,446)	-
	• Reclassify the Budget and Performance Management Bureau Manager to an Assistant Director of Financial Management	(6,885)	-
	• Reclassify the Accounting Operations Officer to an Assistant City Controller	(2,103)	-
	• increase Business License Tax revenue related to a CPI increase	(100,000)	-
Fire Department			
	• Utilize a single Engine Company to alternately occupy two different fire stations. One engine will be located at one fire station during daytime hours and be relocated to a different fire station during evening hours based on service demand. While this represents a reduction in staff responding to calls, it does replicate current staffing models when an engine is unavailable (e.g., training, mutual aid, multi-alarm calls) Twelve sworn positions and associated constant staffing overtime will be eliminated	(1,669,000)	(12.00) sworn

Department	Description	Amount	Positions Impacted	
	• Suspend Fire Recruit Drill Class for FY 10 (This is a one-time solution and is not included in the $20.3 million target for structural budget solutions.)	(890,509)	-	
	• Eliminate one Fire Captain position from the Information Technology Program, which has since been consolidated with the Technology Services Department	(165,971)	(1.00)	sworn
	• Create a Light Force Company, which comprised of fire engine and one ladder truck operated in tandem by a single five-person crew. A Light Force Company delivers both capabilities to a single incident. Should there be two simultaneous calls to the same station, the five person crew is limited to providing one functional capability at a time, and this may require another engine company to assist. Nine sworn positions and associated staffing overtime will be eliminated	(1,205,696)	(9.00)	sworn
	• Eliminate a civilian Safety Specialist II position	(91,031)	(1.00)	
	• Convert a Assistant Fire Chief management position to a civilian non-management Deputy Fire Marshal position (Remaining 0.25 FTE in	(57,735)	(0.75)	sworn*
	• Civilianize a Community Services/CERT/PIO Firefighter position	(29,628)	(1.00)	sworn*
*Functions currently filled by sworn personnel will be backfilled with civilians.				
Health & Human Services				
	• Eliminate three Animal Control Officer II positions, a part-time/seasonal Maintenance Assistant I position, a Clerk Typist IV position, and associated materials, supplies and fleet costs (Implemented mid-year FY 09)	(170,284)	(4.63)	
	• Reduce part-time Clerk hours supporting Facility Centers. (Implemented mid-year FY 09.)	(7,813)	(0.28)	
	• Eliminate of a Case Manager III position for the Homeless Program. The Department has contracted out its substance abuse grant from HUD to a local agency and the position is no longer required (Implemented mid-year FY 09)	(66,433)	(1.00)	
	• Increase revenue in Animal Licensing as a result of increased dog license canvassing efforts	(25,000)	-	
Human Resources				
	• Consolidate Risk Management consultant responsibilities with Risk Analyst position	(54,000)	-	
	• Discontinue implementation of planned centralized pre-employment processes, including physicals and fingerprinting. Eliminates two Personnel Assistant positions	(82,113)	(2.00)	
	• Cancel 2009 Management Conference	(1,844)	-	
Legislative (Mayor & City Council)				
	• Reduce General Fund personnel, supplies, and administrative expenses	(256,755)	(0.15)	

General Fund Budget Reductions by Department Attachment A

Department	Description	Amount	Positions Impacted
Library Services			
	• Eliminate a Secretary position (Implemented mid-year FY 09)	(72,362)	(1.00)
	• Eliminate a Manager-Branch Library position (Implemented mid-year FY 09)	(128,465)	(1.00)
	• Eliminate two full-time and .19 part-time General Librarian positions (Implemented mid-year FY 09)	(188,479)	(2.19)
	• Eliminate two Library Clerk I permanent/part-time positions and reduce hours for part-time Library Clerk I's throughout the system, totalling 4.68 FTEs (Implemented mid-year FY 09)	(233,181)	(4.68)
	• Eliminate a Library Clerk II position (Implemented mid-year FY 09)	(68,025)	(1.00)
	• Eliminate one General Librarian position and.74 FTE Library Clerk position (Implemented mid-year FY 09)	(115,391)	(1.74)
	• Reduce part-time Homework Helpers hours in Family Learning Centers	(55,041)	(1.99)
	• Reduce part-time Library Page positions and hours for remaining Library Page positions	(51,783)	(2.76)
	• Eliminate a General Librarian position dedicated to the unfunded Raising a Reader program along with associated revenue	(2,244)	(1.00)
	• Increased revenue from programs, fines, and other opportunities	(69,700)	-
Long Beach Gas & Oil			
	• Additional Gas Fund transfer to the General Fund (This is a one-time solution and is not included in the $20.3 million target for structural budget solutions)	(821,408)	-
Parks, Recreation, & Marine			
	• New golf surcharge fee of $1 for 18 holes (Increase enacted mid-year FY 09)	(150,000)	-
	• Eliminate .75 of a Clerk Typist II position at the receptionist desk (Implemented mid-year FY 09)	(39,362)	(0.75)
	• Eliminate a Recreation Superintendent (Implemented mid -year FY	(128,094)	(1.00)
	• Eliminate a Clerk Typist III in supporting Golf Operations (Implemented mid-year FY 09)	(69,669)	(1.00)
	• Eliminate funding for the PD Lieutenant supervision of the Park Rangers (Implemented mid-year FY 09)	(74,236)	-
	• Restructure Community Recreation Services Bureau administration staffing, to further share clerical support by eliminating two clerical positions	(126,252)	(2.00)
	• Restructure El Dorado Regional Park operations, following installment of electronic entry gates. Gate attendants will be utilized on summer weekends, holidays and during special events	(38,782)	(1.89)
	• Increase in vehicle entry revenue at El Dorado East Regional Park with installation of electronic gates	(50,000)	-

General Fund Budget Reductions by Department

Department	Description	Amount	Positions Impacted
	• Implement new fee charged to Youth Sport leagues for use of City sports fields to offset City maintenance and water costs	(100,000)	-
	• Eliminate the Mural Arts Program (General Fund portion) and maintain $10,000 for conservation	(26,852)	(1.19)
	• Reduce General Fund support to Rancho Los Alamitos Foundation by 20 percent	(109,850)	-
	• Reduce General Fund support to Community Outreach Program through transfer of staff to Youth Services Grant	(230,843)	(3.08)
	• Reduce General Fund support to Rancho Los Cerritos operations	(100,000)	-
	• Implement fees for Homeland programming to offset some of the direct costs associated with operating the facility	(20,000)	-
	• Reduce vehicles and equipment for park maintenance operations	(53,062)	-
	• Transfer Park Ranger-related expenses from the Recreation Services Bureau to the Special Events and Filming Bureau	(36,354)	-
	• Transfer of .50 of a Community Services Supervisor position and related expenses from the General Fund to other funds	(102,285)	(0.50)
	• Lease Blair Field to an outside organization	(500,000)	-
	• Eliminate a Park Naturalist position at the Nature Center	(85,788)	(0.75)
Police Department			
	• Eliminate Lieutenant position supervising the Park Ranger Unit (Implemented mid-year FY 09)	(120,852)	(1.00) sworn
	• Eliminate Juvenile Car (J-Car) Program positions that are not funded by the Long Beach Unified School District contract (LBUSD) Patrol units will assume J-car patrol responsibilities, as needed (Implemented mid-year FY 09)	(1,111,737)	(9.00) sworn
	• Eliminate one of three sworn positions from the Carmelitos Housing Project not funded by Los Angeles County. This reduction will reduce dedicated coverage at the Housing Project	(106,451)	(1.00) sworn
	• Eliminate two positions in the School Resource Officer Program not funded by the LBUSD contract. School Resource Officer staffing will be reduced from 8.0 to 6.0 Police Officer positions leaving one police officer per high school (Implemented mid-year FY 09)	(221,304)	(2.00) sworn
	• Suspend FY 10 Police Academy until FY 11 (This is a one-time solution and is not included in the $20.3 million target for structural budget solutions)	(1,635,829)	-
	• Reduce Fleet fuel budget to reflect anticipated savings from other operational reductions	(430,000)	-
	• Eliminate Vice Section Night Team	(951,442)	(8.00) sworn
	• Eliminate Training Academy staff	(740,136)	(6.00) sworn
	• Eliminate a Administrative Analyst position in the Office of the Chief of Police (Implemented mid-year FY 09)	(90,157)	(1.00)
	• Eliminate a civilian Safety Specialist I	(77,132)	(1.00)
	• Eliminate four unfilled Corporal positions	(611,409)	(4.00) sworn
	• Eliminate eight sworn positions and a civilian position assigned to Youth Services Administration	(1,112,437)	(8.00) sworn (1.00) civilian
	• Eliminate two Police Officer positions assigned to Graffiti Detail	(232,172)	(2.00) sworn
	• Eliminate a Sergeant position and a Police Officer position assigned to Night Detective auto theft unit	(288,397)	(2.00) sworn
	• Eliminate a Field Training sworn position	(186,108)	(1.00) sworn

General Fund Budget Reductions by Department

Attachment A

Department	Description	Amount	Positions Impacted	
	• Eliminate one of two management and related clerical position and civilianize a Police Officer position in Community	(218,054)	(1.00)	sworn*
	Relations, transferring function to Personnel/Chief's Office		(2.00)	civilian
	• Civilianize seven sworn positions in Administrative, Technology Information, and Management functions	(332,683)	(7.00)	sworn*
	• Civilianize five and eliminate one sworn positions in Case Management unit	(408,827)	(5.00)	sworn*
			(1.00)	sworn
	• Civilianize Civic Center Security, eliminating two sworn supervisory positions	(187,674)	(2.00)	sworn*
	• Civilianize two sworn Training Administration positions	(174,932)	(2.00)	sworn*
	• Civilianize two sworn Pilot positions in Air Support	(93,099)	(2.00)	sworn*
	• Civilianize four sworn positions in Background Investigation unit	(251,204)	(4.00)	sworn*
	• Civilianize one of four sworn positions in the Chief of Police's Office	(21,679)	(1.00)	sworn*
	• Civilianize one position and eliminate 0.5 sworn position in Field Support Administration	(148,282)	(1.00)	sworn*
			(0.50)	civilian
	• Civilianize a sworn position in Special Events	(100,329)	(1.00)	sworn*
*Functions currently filled by sworn personnel will be backfilled with civilians.				
Public Works				
	• Transfer Tree Trimming Disposal Cost to Refuse Fund (Implemented mid-year FY 09)	(200,000)	-	
	• Align Storm Water maintenance contract budget to actual usage (Implemented mid-year FY 09)	(300,000)	-	
	• Eliminate trade positions (Electrician I, Plumber I, Maintenance Assistant III) and one van from the fleet	(204,519)	(3.00)	
	• Eliminate two commercial refuse packing vehicles from the fleet	(57,066)	-	
	• Reduce the Vector Control Program	(85,500)	-	
	• Shift General Fund cost of sampling and testing outflow of river and tidelands basins to the Tidelands Fund	(429,675)	-	
	• Eliminate an Engineering Administrative Officer management position. The City Engineer will be required to directly manage five bureau analysts in addition to the current six managers	(24,087)	(0.20)	
	• Eliminate a Civil Engineer position and a Geographic Information Systems Technician II position.	(176,955)	(1.90)	
	• Reclassify a Assistant Administrative Analyst in Personal Services Division and shift costs to other funds	(42,257)	(1.00)	
Technology Services				
	• Implement additional transfer of Cable Franchise Fee to the General Fund	(471,153)	-	
Citywide Activities				
	• Exercise PERS Lump Sum Pre-Payment Option	(944,577)	-	
	• General Fund impact from continued restructure of current health insurance options and plan design	(486,600)	-	

FY 10 Proposed Budget Operating Enhancements All Funds

Attachment B

General Fund enhancements are cost neutral and have been funded by off-setting reductions.

Department	Description	Expense Change
Airport Fund		
Long Beach Airport		
	• Increase Personnel Services Cost (MOU with Public Works)	15,880
	• Reclassify Operations Officer to Manager - Airport Operations	24,257
	• Increase Safety costs (MOU with Public Works)	23,362
	• Upgrade 2 FTE Equipment Operator I's to Equipment Operator II's	20,745
	• Add Property Maintenance Services for Runway Protection Zone	150,000
	• Reclassify 2 FTE Special Services Officer II to Painter II	157,760
	• Add Baggage Handling and Conveyor Systems maintenance support	350,000
Belmont Shore Parking Meter Fund		
Community Development		
	• Increase budget in the Administration Program for Belmont Shore Parking Meter fund. Transfer of accounts from Economic Development	668,275
Business Assistance Fund		
Development Services		
	• Transfer Economic Development's Lending Management Program materials, services and internal support costs to Redevelopment Bureau	400,000
Capital Projects Fund		
Public Works		
	• Upgrade Assistant Administrative Analyst I	3,290
	• Upgrade of Traffic Engineer position	11,570
	• Reclassification of Administrative Aide II	10,342
	• Reclassify an Administrative Analyst II to Senior Accountant in Budget Services Division	6,362
	• Reclassification of Civil Engineer	21,715
	• Add Transportation Program Planner position	94,187
Civic Center Fund		
Community Development		
	• Increase in cost for the lease and maintenance of the American Veterans office space	4,260
Development Services		
	• Civic Center Parking Garage Automation - Annual Lease Payment	95,314
Public Works		
	• Increase Safety Division allocation costs from the Public Service Bureau	3,608

FY 10 Proposed Budget Operating Enhancements All Funds Attachment B

Department	Description	Expense Change
Community Development Grants Fund		
Community Development		
	• Increase funding for Home Security Program in Low-Income Area Neighborhoods	8,111
	• Increase funding for Tool Rental Assistance Program for Low-income Area Neighborhoods	9,532
	• Upgrade Accountant III to Senior Accountant in Workforce Development	5,090
	• Upgrade CD Specialist IV to CD Specialist V in Workforce Development Bureau	15,098
	• Upgrade CD Specialist III to CD Specialist V in CD Workforce Development Bureau	18,508
	• Increase funding for Neighborhood Business Investment Program in CDBG Eligible Area Business Corridors	61,520
	• Increase operating budget in CD Administrative Bureau due to re-alignment of Economic Development responsibilities	173,813
	• Increase funding for Corridor Development Business Revitalization Program - In CDBG Eligible Areas	224,212
	• Increase funding for Home Improvement Rebate Program - In low- income area neighborhoods	342,617
	• Reallocation of grants in the Workforce Development Bureau	3,409,505
Development Services Fund		
Development Services		
	• Budget for materials, supplies, services and internal support for the Office of Sustainability	485,060
Employee Benefits Fund		
Human Resources		
	• Upgrade Two Personnel Analysts based on Position Audits	5,900
Financial Management		
	• Reclassify the Budget and Performance Management Bureau Manager to an Assistant Director of Financial Management. (Fully offset by reductions in non-personal budgets)	11,631
	• Reclassify the Accounting Operations Officer to an Assistant City Controller. (Fully offset by reductions in non-personal budgets)	2,523
Gas Fund		
Long Beach Gas & Oil		
	• Pipeline Integrity Project (One-Time)	512,136
	• Meter Replacement Program	547,200
	• Pipeline Replacement Program	1,229,690
	• Reclassify 3.5 Engineering Aide III - Non-careers	132,096

FY 10 Proposed Budget Operating Enhancements All Funds Attachment B

Department	Description	Expense Change
General Fund		
Community Development		
	• Increase operating budget in Community Development Administration Bureau due to the re-alignment of Economic Development responsibilities	100,000
Financial Management		
	• Reclassify the Budget and Performance Management Bureau Manager to an Assistant Director of Financial Management. (Fully offset by reductions in non-personal budgets)	6,885
	• Reclassify the Accounting Operations Officer to an Assistant City Controller. (Fully offset by reductions in non-personal budgets)	2,103
Health		
	• New Computer software for Animal Care Bureau	25,000
Library Services		
	• Restore budget for .80 FTE Messenger/Mail Clerk I-NC	23,332
Parks, Recreation & Marine		
	• Increase operating budget for Park Ranger Program	41,562
	• Recreation Bureau Upgrade of Administrative Aide I to Administrative Aide II	4,488
	• Transfer Assistant Administrative Analyst from Tidelands to the General Fund to more accurately reflect duties	28,540
Public Works		
	• Reallocate Safety Division costs to other funds, move Safety Officer position from Refuse Fund -Environmental Services Bureau to the Public Service Bureau	35,012
Citywide Activities		
	• Edison Material Supply Sales Tax Rebate Increase	900,000
	• Increase 2002 Lease Public Safety Bonds	47,136
General Grants Fund		
Parks, Recreation & Marine		
	• Increase support to the Community Outreach Program (WRAP Afterschool Program)	281,985
General Services Fund		
Technology Services		
	• Increase transfer to the General Fund	471,000
	• Eliminate budgeted Salary Savings in the Department	1,570,483
Fleet Services Fund		
Public Works		
	• Increase Safety Division allocation costs from the Public Service Bureau	16,709
	• Replacement of Vehicle Lifts (one-time)	25,000
	• Reallocation of Personnel Services Division	7,473
	• Upgrade M4 Fleet Management System (one-time)	200,000
	• Reclassify a Mechanical Equipment Stock Clerk II to Accounting Clerk II position	54,347

FY 10 Proposed Budget Operating Enhancements All Funds Attachment B

Department	Description	Expense Change
Housing Authority Fund		
Community Development		
	• Add 1.0 CD Specialist II FTE - Position pre-approved in FY 09 to manage the Family Self Sufficiency Program	77,131
	• Add 2.0 Housing Specialists FTE positions for Housing Services Bureau to manage a newly awarded grant	147,684
Housing Development Fund		
Community Development		
	• Reallocation of FTEs from the Housing Assistance Program	754,283
Insurance Fund		
Citywide Activities		
	• Increase Workers' Compensation-Medical Benefits	300,000
	• Increase Workers' Compensation-Permanent Disability	600,000
Financial Management		
	• Reclassify the Accounting Operations Officer to an Assistant City Controller. (Fully offset by reductions in non-personal budgets)	1,262
Redevelopment Funds		
Development Services		
	• Transfer Economic Development's Lending Management Program Staff to the Redevelopment Bureau	394,269
Refuse/Recycling Fund		
Public Works		
	• Increase Safety Division allocation costs from the Public Service Bureau	26,319
	• Reallocation of Personnel Services Division	72,807
Special Advertising and Promotions Fund		
Parks, Recreation & Marine		
	• Additional Ranger support for Special Events and Filming	154,857
Tidelands Fund		
Financial Management		
	• End General Fund subsidy of the Tidelands Operations Officer. Move to Tidelands Fund	73,526
	• Reclassify the Accounting Operations Officer to an Assistant City Controller. (Fully offset by reductions in non-personal budgets)	2,523
Public Works		
	• Consolidate funding for Citywide Water Quality projects	484,000
Citywide Activities		
	• Increase Tideland Fund Support for the Aquarium Debt Payment	142,926

FY 10 Proposed Budget Operating Enhancements All Funds

Attachment B

Department	Description	Expense Change
Towing Fund		
Public Works		
	• Increase Safety Division allocation costs from the Public Service Bureau	7,866
	• Reallocation of Personnel Services Division	1,450
	• Add a Fleet Services Supervisor	80,716
	• Convert a Towing Dispatch Special Services Officer to a non-career	28,514
Transportation Fund		
Public Works		
	• Increase Safety Division allocation costs from the Public Service Bureau	4,218

FY 10 One-Time Expense & Revenue Items
GENERAL FUND

	Amount	Description
	Expense	
$	150,119	Annual Lease for Fire Headquarters
	3,025,682	Elections for FY 10 - April & June Primary Election
	132,000	Participation in California Multi-Agency CIP Benchmarking Study
$	**3,307,801**	**Total Expense**

	Amount	Description
	Revenue	
$	829,460	Alternative Funding for City Place Parking Structure Debt Service
	132,000	Participation in California Multi-Agency CIP Benchmarking Study
	821,408	Additional Gas Fund Transfer to the General Fund
$	**1,782,868**	**Total Revenue**

	Amount	Description
	One Time Savings	
$	(1,635,829)	Police Recruit Academy
	(890,509)	Fire Recruit Academy
$	**(2,526,338)**	**Total One-Time Savings**

Reductions in Other Funds by Department
FY 10 Proposed

Attachment D

Department	Description	Fund Amount	Positions Impacted
Airport Fund			
Long Beach Airport			
	• Reclassify Manager-Airport Bureau to Director of Long Beach Airport	(24,765)	-
	• Convert 2 unfilled Security Services Officer II positions to Painter positions for the Facilities Maintenance Division to accommodate transfer from Department of Public Works	(130,770)	(2.00)
Business Assistance Fund			
Community Development			
	• Reduce operating budget in Economic Development due to re-alignment of Economic Development Responsibilities	(973,282)	(5.62)
Capital Projects Fund			
Public Works			
	• Eliminate Administrative Officer-Engineering (remainder in General Fund)	(96,348)	(0.80)
	• Eliminate 1 Civil Engineer and 1 GIS Tech II (remainder in General Fund)	(9,371)	(0.10)
Civic Center Fund			
Public Works			
	• Eliminate 1 Mechanical Supervisor II position	(86,234)	(1.00)
Community Development Grants Fund			
Community Development			
	• Eliminate one Community Police Center (7th Street) and reduce a 1 Community Development Technician position (Implemented mid-year FY 09)	(69,241)	(1.00)
	• Eliminate 1.5 Community Worker positions FTEs	(55,641)	(1.50)
	• Eliminate CDBG Support for Multi Service Center	(120,000)	-
	• Eliminate the Non-Profit Assistance Program	(400,000)	-
	• Eliminate 1 Development Project Manager II position from Neighborhood Services Rehab Division (Remaining reduction in the General Fund)	(82,602)	(0.80)
	• Eliminate 1 Clerk Typist II position in Neighborhood Services Admin (Remaining reduction of 0.50 FTE in General Fund)	(26,242)	(0.50)
	• Eliminate 1 Neighborhood Services Specialist I position and 1 Neighborhood Services Specialist III position	(124,552)	(2.00)
	• Eliminate support for the Long Beach International Trade Office	(49,000)	-
	• Reduce operating budget in Economic Development due to re-alignment of Economic Development Responsibilities	(963,489)	(4.98)
	• Reallocate of 8.03 FTEs to the Housing Development Fund	(754,283)	(8.03)
CUPA Fund			
Fire Department			
	• Convert 1 FTE Sworn Management Assistant Fire Chief to 1 FTE civilian non-management. Deputy Fire Marshal (Remaining 0.75 FTE reduction is in General Fund)	(19,245)	(0.25)

Reductions in Other Funds by Department
FY 10 Proposed

Attachment D

Department	Description	Fund Amount	Positions Impacted
Development Services Fund			
Development Services			
	• Reduce Long-term vacant positions in Development Services Fund (Remaining 0.25 FTE in Redevelopment Fund)	(1,395,053)	(17.75)
Employee Benefits Fund			
Citywide Activities			
	• Exercise PERS Lump Sum Pre-Payment Option	(628,423)	-
	• Continued restructure of current health insurance options and plan design	(324,400)	-
Financial Management			
	• Non-personal reduction to offset reclassfication of Budget and Performance Management Bureau Manager to an Assistant Director of Financial Management and the Accounting Operations Officer to an Assistant City Controller	(14,154)	-
Human Resources			
	• Discontinue implementation of planned centralized pre-employment processes, including physicals and fingerprinting. Eliminates two Personnel Assistant positions	(54,742)	(2.00)
	• Cancel 2009 Management Conference	(1,230)	-
Fleet Services Fund			
Public Works			
	• Reclassify a Mechanical Equipment Stock Clerk II to Accounting Clerk II position	(66,434)	(1.00)
	• Eliminate Systems Analyst II—M4 Computer Support	(82,441)	(1.00)
	• Eliminate Fleet Services Bureau receptionist position	(54,991)	(1.00)
	• Reduce surplus Fleet computer equipment	(10,920)	-
	• Reduce surplus automotive machinery and equipment in Acquisitions subfunds (one-time) Upgrading the fleet maintenance software system will reduce downtime due to errors, which at times takes two days to resolve	(200,000)	-
	• Eliminate a Helicopter Mechanic position and replacement parts for the Police Department; reflecting reduced flight hours along with accompanying maintenance costs	(377,291)	(1.00)
	• Eliminate three Fleet Maintenance positions. Duties will be spread among other employees within the section	(194,582)	(3.00)
	• Eliminate three Fleet Operations positions. Duties will be spread among other employees within the section	(192,995)	(3.00)
	• Eliminate Equipment Mechanic II position to align desk duties with responsibilities in the Acquisitions Division	(86,234)	(1.00)
Gas Fund			
Long Beach Gas & Oil			
	• Eliminate 1 Mechanical Engineer position	(114,178)	(1.00)

Reductions in Other Funds by Department
FY 10 Proposed

Attachment D

Department	Description	Fund Amount	Positions Impacted
General Grants Fund			
Library Services			
	• Reduce 8.0 Admin Intern (Homework Helper) FTEs due to lack of funding	(226,866)	(8.00)
	• Reduce Office Supplies budget for Family Learning Centers	(7,000)	-
General Services Fund			
Technology Services			
	• Reduce Software Maintenance cost with Empagio (Implemented mid-year FY 09)	(90,000)	-
	• Reduce Software maintenance costs for spam filtering (Implemented mid-year FY 09)	(20,000)	-
	• Reduce Air card usage (Implemented mid-year FY 09)	(28,000)	-
	• Eliminate 1 Communication Specialist IV position in Technical Support	(121,550)	(1.00)
	• Renegotiate the Verizon maintenance contract costs	(50,000)	-
	• Eliminate 1 Business Systems Specialist III and 1 Business Systems Specialist V positions in the Business Info Systems	(221,294)	(2.00)
	• Eliminate 1 Business Systems Specialist II and 1 Business Systems Specialist V positions in the Business Information Services Program	(194,857)	(2.00)
	• Eliminate 1 Systems Technician I position in Technology Equipment Program (Desktop Support)	(63,604)	(1.00)
	• Eliminate 1 Administrative Analyst II position in Executive Office	(90,144)	(1.00)
	• Eliminate 1 Accounting Clerk III position in the Operations Support Program (Admin)	(58,118)	(1.00)
	• Reduce Overtime budget in the Department	(26,500)	-
	• Eliminate 1 Business Systems Specialist II position in the Business Information Services Program (Public Safety Systems)	(84,262)	(1.00)
	• Eliminate 1 Communication Specialist I position in the Voice and Data Network Program (Voice Support)	(75,410)	(1.00)
	• Reclassify a Business Systems Specialist I position to Systems Technician II in Business Information Systems Program (HR Systems)	(18,496)	-
	• Reduce contracts and paper purchases in the Reprographics Program	(35,000)	-
	• Reduce miscellaneous materials and supplies budget in Property Sales Program	(5,650)	-
	• Reduce Hansen (Land Management System) software maintenance in the Business Info Services Program	(150,000)	-
	• Reduce Department incentive awards in Executive Office	(4,000)	-
	• Reduce Software maintenance costs in the Business Info Services Program (Collaboration & Content)	(20,000)	-
	• Reduce Emergency Operations Center Pagers to transition alerts to Blackberries	(10,000)	-

Reductions in Other Funds by Department
FY 10 Proposed

Department	Description	Fund Amount	Positions Impacted
	• Reduce Public Service Bureau charges in the Technology Equipment Program	(3,000)	-
	• Reduce Air Cards in the Voice and Data Network Program	(22,000)	-
	• Eliminate office machine rental in the Wireless/Radio Communications Program	(4,500)	-
	• Reduce video contracting in the Long Beach TV Channel 8 Program	(40,000)	-
	• Reduce Verizon dial tone and maintenance contract renewal costs in the Voice & Data Network Program	(220,000)	-
	• Consolidation of Multi-functional Device charges within the Department	(100,000)	-
	• Reduce paper and toner purchases in the Data Center	(25,000)	-
	• Reduction of Office Supplies across the Department	(4,100)	-
	• Reduce Software Maintenance Costs in the Technology Equipment Program	(30,000)	-
	• Reduce Desktop Consulting in Technology Equipment Program	(25,000)	-
Health Fund			
Health	(All reductions implemented mid-year FY 09)		
	• Restructure Medical Billing Program around new clinical billing system	(144,225)	(2.00)
	• Reduce facility cost at Main Health Department, Grand Avenue site due to modifying hours	(205,000)	-
	• Consolidate Sexually Transmitted Disease (STD) Clinic staff eliminating one Nurse Practitioner	(104,527)	(1.00)
	• Return Vector Control Program to core abatement activities (mosquitos)	(133,004)	(1.87)
	• Restructure Hazardous Materials Program	(206,856)	
	• Eliminate Students Talking About Resisting Substances (STARS) Program due to insufficient grant revenue. Savings net of grant revenue	(2,072)	(2.00)
	• Eliminate Healthy Kids Program subcontracts due to lack of State grant funding	(55,469)	-
	• End City support for Senior Center Health Clinic	(49,452)	-
	• Close Prenatal Clinic, refocus remaining staff on Family Planning services	(214,224)	(2.90)
	• Restructure Immunization Clinic Support staff	(140,476)	(2.00)
	• Transfer Substance Abuse Program to private sector	(26,605)	(7.21)
	• Transfer Drinking Driver Program to private sector	(12,467)	(3.95)
	• Restructure accounting support	(66,562)	(1.00)
	• Restructure Bioterrorism Preparedness Program	(84,262)	(1.00)
	• Restructure Elder Abuse Prevention Program from full-time staff to part-time	(56,130)	(0.90)
	• Restructure Maternal, Child & Adolescent Health Program to align with available resources	(1,410,568)	(23.13)
	• Restructure Laboratory Services to achieve program efficiencies	(187,394)	(1.50)
	• Downsizing of Tobacco Retail Enforcement Program	(82,453)	(1.00)
	• Restructure Homeless Services program	(409,436)	(6.35)
	• Restructure Epidemiology and Vital Records Program	(68,429)	(1.00)
	• Restructure Health Promotion Program	(88,171)	(1.30)

Reductions in Other Funds by Department
FY 10 Proposed

Attachment D

Department	Description	Fund Amount	Positions Impacted
	• Restructure Public Health Clinic staffing to maintain service and level of oversight	(469,550)	(6.36)
	• Restructure Physician/Regulatory Services Program	(16,131)	(0.25)
	• Restructure Environmental Health Bureau and support staff	(88,196)	(1.00)
	• Decrease debt service payments on all Health facilities	(26,279)	-
Insurance Fund			
Civil Service			
	• Reduce administrative law judicial and court reporting services	(2,012)	-
Citywide Activities			
	• Decrease City Attorney Legal Services Expenses	(50,000)	-
	• Reduce City Attorney Financial Service/Outside Counsel	(200,000)	-
Financial Management			
	• Non-personal reduction to offset reclassfication of the Accounting Operations Officer to an Assistant City Controller	(1,262)	-
Human Resources			
	• Consolidate Risk Management consultant responsibilities with Risk Analyst position	(36,000)	-
Redevelopment Funds			
Development Services			
	• Reduce Vacant Planner position (Remaining 0.75 FTE reduction is in Development Services Fund)	(23,816)	(0.25)
Refuse/Recycling Fund			
Public Works			
	• Reallocate Safety Division costs to other funds and move Safety officer position to Public Safety Bureau	(91,836)	(1.00)
Special Advertising & Promotions Fund			
City Manager			
	• Eliminate Rose Bowl Float	(150,000)	-
	• Reduce contract with the Long Beach Arts Council	(270,000)	-
Parks, Recreation & Marine			
	• Eliminate City-sponsored Grand Prix hospitality tent	(26,000)	-
	• Reduce Municipal Band funding by 12 percent, from 8 weeks to 7 weeks	(30,000)	-
Technology Services			
	• Shift support for Channel 8 to the General Services Fund	(500,000)	-
Tidelands Fund			
City Auditor			
	• Increase Tidelands salary savings target in City Auditor's Office	(7,007)	-

Reductions in Other Funds by Department
FY 10 Proposed

Attachment D

Department	Description	Fund Amount	Positions Impacted
Community Development			
	• Reduce budget for power consumption at the Long Beach Convention Center	(200,000)	-
	• Reduce Hyatt Sublease Base Rent budget	(2,855,263)	-
Financial Management			
	• Reclassify the Accounting Operations Officer to an Assistant City Controller	(2,523)	-
Fire			
	• Restructure Rescue Boat operations and staffing	(432,267)	(4.05)
Police			
	• Reassign beach access duties from Police to Fire	(350,000)	(4.40)
	• Eliminate .50 sworn position in Field Support Administration, shift oversight duties to remaining sergeant	(97,854)	(0.50)
	• Reduce the transfer of Police Department expense to the Tidelands Fund	(646,106)	-
Parks, Recreation & Marine			
	• Eliminate Park Naturalist position (Remaining .75 FTE in General Fund)	(16,929)	(0.25)
	• Eliminate Clerk Typist II position (Reduction implemented mid-year FY 09) (Remaining .75 FTE in General Fund)	(13,121)	(0.25)
	• Eliminate Tidelands Fund portion of Mural Arts program	(10,094)	(0.10)
	• Eliminate Tidelands Development Officer management position and Capital Projects Coordinator position	(255,912)	(2.00)
	• Reduce Belmont Pool staffing and supplies. This action closes the outdoor pool from September to May	(29,273)	(0.37)
	• Eliminate support for Animal Control Officer in the beach areas	(120,459)	-
	• Reduce Marine Bureau budget for infrastructure improvements and emergency repairs	(136,552)	-
	• Eliminate two Equipment Operators reducing available staff to provide maintenance services	(118,606)	(2.00)
	• Reduce funding for Sea Festival sponsorship	(10,000)	-
	• Reduce vehicles and equipment utilized for park maintenance operations	(21,511)	-
	• Delay Navy Memorial lighting and Shoreline Drive fencing projects (one-time)	(175,000)	-
	• Transfer Assistant Administrative Analyst from Tidelands to the General Fund to more accurately reflect duties	(28,540)	(0.37)
Citywide Activities			
	• Decrease Aquarium of the Pacific support	(105,000)	-
	• Lower interest expense for the 1994 Marina subordinate bonds	(139,219)	-

Reductions in Other Funds by Department
FY 10 Proposed

Attachment D

Department	Description	Fund Amount	Positions Impacted
Transportation Fund			
Parks, Recreation & Marine			
	• Reduce excess Prop A appropriation. Carryover from prior years will be expended and will have no service impact	(415,191)	-
Towing Fund			
Public Works			
	• Reduce share of lien sale proceeds sent to California Department of Motor Vehicles (DMV)	(200,000)	-
	• Eliminate parking lot management support by reducing existing Garage Service Attendant non-career staff positions	(132,267)	(3.90)
	• Downgrade vacant Special Services Officer II towing dispatch position to a non-career position, providing part-time coverage as needed at the Towing Dispatch Station	(61,349)	(1.00)
	• Eliminate surplus Towing computer equipment and auto allowance associated with a previously elminated management	(9,684)	-
	• Reclassify Garage Services Attendant II position and delete Garage Services Attendant I position	(155,297)	(2.00)

ORDINANCE NO. ORD-09-0028

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LONG BEACH APPROVING AND ADOPTING THE OFFICIAL BUDGET OF THE CITY OF LONG BEACH FOR THE FISCAL YEAR 2009-2010, CREATING AND ESTABLISHING THE FUNDS OF THE MUNICIPAL GOVERNMENT OF THE CITY OF LONG BEACH AND APPROPRIATING MONEY TO AND AUTHORIZING EXPENDITURES FROM SAID FUNDS FOR SAID FISCAL YEAR; DECLARING THE URGENCY THEREOF, AND PROVIDING THAT THIS ORDINANCE SHALL TAKE EFFECT AT 12:01 A.M. ON OCTOBER 1, 2009

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

Section 1. The City Manager's Recommended Budget which was submitted to the City Council on July 30, 2009, by the Mayor, and which constitutes the preliminary budget for the fiscal year beginning October 1, 2009, as amended, is hereby adopted as the Official Budget of the City of Long Beach for fiscal year 2009-10.

Section 2. The amounts appropriated in Sections 3 and 4 shall govern and control the expenditures for fiscal year 2009-10 of the several fund types, funds, departments, offices and agencies stated therein. Said amounts conform to the adopted budget of the City of Long Beach as set forth in Section 1. All detailed schedules and other data set forth in the City Manager's Recommended Budget other than those mentioned in this ordinance are provided for information purposes only and are not intended to limit expenditures.

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

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333 West Ocean Boulevard, 11th Floor
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money set forth opposite the names of said funds are hereby appropriated and authorized to be spent in 2009-10, all of which sums are based on the approved and adopted budget.

Section 4. The specified sums of money set forth opposite the names of the following departments, offices and agencies in Exhibit "B" are hereby appropriated and authorized to be spent in fiscal year 2009-10, all of which sums are based upon the approved and adopted budget.

Section 5. This is an emergency measure and is urgently required for the reason that in order to carry on the affairs, functions and business of the City of Long Beach during the fiscal year which begins on October 1, 2009, it is necessary to authorize the expenditure of monies required for such purposes. Currently, no authority exists to pay the salaries and wages of the officers and employees of said City or to make the necessary purchases of supplies, equipment and services to carry on the affairs, functions and business of said City in the forthcoming fiscal year. Commencing on October 1, 2009 it will be necessary for the City of Long Beach to make certain payments on the principal and interest of the bonded indebtedness of said City and to meet the payrolls of the various departments of said City, including the Police, Fire and Health Departments.

In order that said obligations may be met when due and payable and said expenditures may be made, it is necessary that this ordinance be passed as an emergency measure, to take effect at 12:01 a.m. on October 1, 2009.

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

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declared unconstitutional, invalid or void.

Section 7. This ordinance is an emergency ordinance duly adopted by the City Council by a vote of five of its members and shall take effect immediately. The City Clerk shall certify to a separate roll call and vote on the question of the emergency of this ordinance and to its passage by the vote of five members of the City Council of the City of Long Beach, and cause the same to be posted in three conspicuous places in the City of Long Beach, and it shall thereupon take effect and shall be operative on and after 12:01 a.m. on October 1, 2009.

I hereby certify that on a separate roll call and vote which was taken by the City Council of the City of Long Beach upon the questions of the emergency of this ordinance at its meeting of September 15, 2009, the ordinance was declared to be an emergency by the following vote:

Ayes: Councilmembers: Garcia, Lowenthal, DeLong, O'Donnell, Schipske, Andrews, Reyes Uranga, Gabelich, Lerch.

Noes: Councilmembers: None.

Absent: Councilmembers: None.

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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: Garcia, Lowenthal, DeLong, O'Donnell, Schipske, Andrews, Reyes Uranga, Gabelich, Lerch.

Noes: Councilmembers: None.

Absent: Councilmembers: None.

I further certify that the foregoing ordinance was thereafter adopted on final reading of the City Council of the City of Long Beach at its meeting of September 22, 2009, by the following vote:

Ayes: Councilmembers: Garcia, Lowenthal, DeLong, O'Donnell, Schipske, Andrews, Gabelich, Lerch.

Noes: Councilmembers: None.

Absent: Councilmembers: Reyes Uranga.

City Clerk

Approved: 09-24-09 (Date)

Mayor

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

As of 4:30pm

Exhibit A

FISCAL YEAR 2010 APPROPRIATIONS ORDINANCE BY FUND

FUND	FY 10 NEW ALLOCATION	FY 09 ESTIMATED CARRYOVER*	FY 10 APPROPRIATION
GENERAL FUND	384,333,509	-	384,333,509
GENERAL GRANTS FUND	6,293,947	11,009,980	17,303,927
POLICE & FIRE PUBLIC SAFETY OIL PROD ACT FUND	3,886,970	-	3,886,970
HEALTH FUND	41,727,578	29,575,921	71,303,499
PARKING & BUSINESS AREA IMPROVEMENT FUND	7,319,800	-	7,319,800
SPECIAL ADVERTISING & PROMOTION FUND	6,086,957	-	6,086,957
UPLAND OIL FUND	14,907,730	-	14,907,730
HOUSING DEVELOPMENT FUND	21,386,907	67,423,986	88,810,893
BELMONT SHORE PARKING METER FUND	668,275	-	668,275
DEVELOPMENT SERVICES FUND	13,057,431	-	13,057,431
BUSINESS ASSISTANCE FUND	675,996	(234,209)	441,787
COMMUNITY DEVELOPMENT GRANTS FUND	31,506,742	35,312,476	66,819,218
PARK DEVELOPMENT FUND	307,093	-	307,093
GASOLINE TAX STREET IMPROVEMENT FUND	7,808,973	21,926,803	29,735,776
TRANSPORTATION FUND	15,463,493	23,872,736	39,336,229
CAPITAL PROJECTS FUND	5,019,201	49,500,270	54,519,471
CIVIC CENTER FUND	2,401,467	2,207,705	4,609,172
GENERAL SERVICES FUND	38,166,555	189,233	38,355,788
FLEET SERVICES FUND	33,951,850	840,510	34,792,360
INSURANCE FUND	39,627,348	-	39,627,348
EMPLOYEE BENEFITS FUND	220,797,435	-	220,797,435
TIDELANDS FUNDS	112,431,361	20,660,890	133,092,251
TIDELAND OIL REVENUE FUND	70,735,534	-	70,735,534
RESERVE FOR SUBSIDENCE	-	-	-
GAS FUND	96,757,969	1,208,457	97,966,426
AIRPORT FUND	37,204,261	30,129,568	67,333,829
REFUSE/RECYCLING FUND	45,628,503	90,213	45,718,716
SERRF FUND	51,570,779	-	51,570,779
SERRF JPA FUND	11,295,285	-	11,295,285
TOWING FUND	9,465,723	-	9,465,723
PARKING AUTHORITY FUND	-	-	-
HOUSING AUTHORITY FUND	69,413,372	764,004	70,177,376
REDEVELOPMENT FUND	153,775,370	55,218,212	208,993,582
CUPA FUND	1,236,316	-	1,236,316
TOTAL	**1,554,909,731**	**349,696,755**	**1,904,606,486**

* Carryover of multi-year grants and CIP funds.

Exhibit B

FISCAL YEAR 2010 APPROPRIATIONS ORDINANCE BY DEPARTMENT

DEPARTMENT	FY 10 NEW ALLOCATION	FY 09 ESTIMATED CARRYOVER*	FY 10 APPROPRIATION
MAYOR AND COUNCIL	4,857,270	-	4,857,270
CITY ATTORNEY	7,618,695	-	7,618,695
CITY AUDITOR	2,678,826	-	2,678,826
CITY CLERK	5,784,826	-	5,784,826
CITY MANAGER	7,261,446	(196)	7,261,250
CITY PROSECUTOR	4,684,730	(2,293)	4,682,437
CIVIL SERVICE	1,946,101	-	1,946,101
AIRPORT	36,804,570	145,803,756	182,608,326
COMMUNITY DEVELOPMENT	142,194,706	(234,068,786)	(91,874,079)
DEVELOPMENT SERVICES	171,276,351	393,318,374	564,594,724
FINANCIAL MANAGEMENT**	340,366,792	(728,326)	339,638,467
FIRE	94,241,226	1,815,775	96,057,001
HEALTH AND HUMAN SERVICES	46,548,859	31,863,224	78,412,084
HUMAN RESOURCES	7,857,606	-	7,857,606
LIBRARY SERVICES	13,061,092	-	13,061,092
LONG BEACH GAS AND OIL	235,852,696	1,208,457	237,061,153
PARKS, RECREATION AND MARINE	49,299,554	26,388,100	75,687,655
POLICE	200,403,252	3,476,633	203,879,885
PUBLIC WORKS	149,717,218	(19,630,957)	130,086,261
TECHNOLOGY SERVICES	35,617,299	252,993	35,870,292
TOTAL	**1,558,073,118**	**349,696,755**	**1,907,769,873**

* Carryover of multi-year grants and CIP funds.

** Department of Financial Management includes internal service charges that are contained in the resolutions budgeting and treasury functions, and other citywide activities such as debt service.

RESOLUTION NO. RES-09-0096

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH ADOPTING AN APPROPRIATIONS LIMIT FOR THE CITY OF LONG BEACH FOR THE 2009-2010 FISCAL YEAR PURSUANT TO ARTICLE XIII(B) OF THE CALIFORNIA CONSTITUTION

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

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

WHEREAS, Proposition 111 subsequently amended Article 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 2009-2010 fiscal year, and has been available for public inspection in the office of the City Clerk since August 19, 2008;

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

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 2009-2010 shall be $550,765,078.

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 8, 2009, by the following vote:

Ayes: Councilmembers: Garcia, Lowenthal, DeLong, O'Donnell, Schipske, Reyes Uranga, Gabelich, Lerch.

Noes: Councilmembers: None.

Absent: Councilmembers: Andrews.

City Clerk

OFFICE OF THE CITY ATTORNEY
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"EXHIBIT A"

CITY OF LONG BEACH

I. DETERMINATION OF FISCAL YEAR 2009-2010 APPROPRIATIONS LIMIT
Based On Budgeted Revenues

2008-2009 Appropriations Limit:	$544,214,929
Adjustment Factor (See Below):	1.012036
2009-2010 Appropriations Limit:	$550,765,078

II. DETERMINATION OF APPROPRIATIONS FACTOR

Price Factor: 1.006200

Change in Per Capita Income
Department of Finance estimate pursuant
to Revenue Tax Code, Sec. 2227 and 2228,
California = 0.62%
Ratio = (.62+100)/100 = 1.0062

Population Change: 1.005800

Department of Finance estimate pursuant
to Revenue Tax Code, Sec. 2227 and 2228,
California = 0.58%
Ratio = (.58+100)/100 = 1.0058

Adjustment Factor: 1.012036

1.006200 x 1.005800
Factors were converted to ratios
per State guidelines.

RESOLUTION NO. RES-09-0093

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH APPROVING THE 2009-2010 BUDGET OF THE LONG BEACH HARBOR DEPARTMENT

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

WHEREAS, the annual budget of the Long Beach Harbor Department for the 2010 fiscal year was adopted by the Board of Harbor Commissioners in its meeting of May 18, 2009 by Resolution No. HD-2507; and

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

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

Section 1. The annual budget of the Long Beach Harbor Department for the 2010 fiscal year adopted by the Board of Harbor Commissioners in its meeting of May 18, 2009 by Resolution No. HD-2507, a copy of which is attached hereto and made a part hereof by reference, is hereby approved pursuant to the provisions of Section 1210 of the Charter of the City of Long Beach.

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

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

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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

I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of September 8, 2009 by the following vote:

Ayes: Councilmembers: Garcia, Lowenthal, DeLong, O'Donnell, Schipske, Andrews, Reyes Uranga, Gabelich, Lerch.

Noes: Councilmembers: None.

Absent: Councilmembers: None.

City Clerk

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. HD- 2507

A RESOLUTION OF THE BOARD OF HARBOR COMMISSIONERS ADOPTING THE ANNUAL BUDGET FOR THE LONG BEACH HARBOR DEPARTMENT FOR THE FISCAL YEAR 2009-2010

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 2009-2010 is hereby adopted as follows:

Harbor Revenue Fund (in thousands of dollars)

Estimated Fund Balance 10/1/2009	$512,653
Estimated Revenues	$668,001
Total Estimated Resources	$1,180,654
Estimated Expenditures	$880,975
Estimated Fund Balance 9-30-2010	$299,679

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

Sec. 2. This resolution shall take effect immediately upon its adoption by the Board of Harbor Commissioners, and the Secretary of the Board shall certify to the vote adopting this resolution and shall cause a certified copy of this resolution to be filed forthwith with the City Clerk. The City Clerk shall post the resolution in three conspicuous places in the City of Long Beach.

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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

I hereby certify that the foregoing resolution was adopted by the Board of Harbor Commissioners of the City of Long Beach at its meeting of May 18, 2009 by the following vote:

Ayes: Commissioners: Wise, Cordero, Sramek, Walter

Noes: Commissioners:

Absent Commissioners: Hankla

Not Voting: Commissioners:

C. J. Mike Walter
Secretary

Certified as a True and Correct Copy

Executive Secretary
Board of Harbor Commissioners
of the City of Long Beach, CA
Dated 6-29-09

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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ORDINANCE NO. ORD-09-0027

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LONG BEACH APPROVING RESOLUTION NO. WD-1257, A RESOLUTION OF THE BOARD OF WATER COMMISSIONERS OF THE CITY ESTABLISHING THE RATES AND CHARGES TO BE CHARGED FOR WATER AND SEWER SERVICE AND DECLARING THE URGENCY THEREOF, AND PROVIDING THAT THIS ORDINANCE SHALL TAKE EFFECT AT 12:01 A.M. ON OCTOBER 1, 2009

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

Section 1. That Resolution No. WD-1257 of the Board of Water Commissioners of the City of Long Beach, entitled "A RESOLUTION OF THE BOARD OF WATER COMMISSIONERS FIXING RATES AND CHARGES FOR WATER AND SEWER SERVICE TO ALL CUSTOMERS, SUBJECT TO THE APPROVAL OF THE CITY COUNCIL BY ORDINANCE," adopted by said Board on June 4, 2009, and the rates fixed in the Resolution to be charged for water and sewer service be and the same are hereby approved subject to a public hearing to be held on August 27, 2009 to consider any public protest of the proposed increases to the City's water and sewer rates for Fiscal Year 2010.

Section 2. This is an emergency measure and is urgently required for the reason that in order to carry on the affairs, functions and business of Long Beach Water Department during the fiscal year which begins on October 1, 2009, it is necessary to authorize the rates and charges for water and sewer service and that this ordinance be passed as an emergency measure, to take effect at 12:01 a.m. on October 1, 2009.

Section 3. If any section, subsection, subdivision, sentence, sum,

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

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

Section 4. This ordinance is an emergency ordinance duly adopted by the City Council by a vote of five of its members and shall take effect immediately. The City Clerk shall certify to a separate roll call and vote on the question of the emergency of this ordinance and to its passage by the vote of five members of the City Council of the City of Long Beach, and cause the same to be posted in three conspicuous places in the City of Long Beach, and it shall thereupon take effect and shall be operative on and after 12:01 a.m. on October 1, 2009.

I hereby certify that on a separate roll call and vote which was taken by the City Council of the City of Long Beach upon the questions of the emergency of this ordinance at its meeting of September 8, 2009, the ordinance was declared to be an emergency by the following vote:

Ayes: Councilmembers: Garcia, Lowenthal, DeLong, O'Donnell, Andrews, Reyes Uranga, Gabelich, Lerch.

Noes: Councilmembers: Schipske.

Absent: Councilmembers: None.

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

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333 West Ocean Boulevard, 11th Floor
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Beach by the following vote:

Ayes: Councilmembers: Garcia, Lowenthal, DeLong, O'Donnell, Andrews, Reyes Uranga, Gabelich, Lerch.

Noes: Councilmembers: Schipske.

Absent: Councilmembers: None.

I further certify that the foregoing ordinance was thereafter adopted on final reading of the City Council of the City of Long Beach at its meeting of September 15, 2009, by the following vote:

Ayes: Councilmembers: Garcia, Lowenthal, DeLong, O'Donnell, Andrews, Reyes Uranga, Gabelich, Lerch.

Noes: Councilmembers: Schipske.

Absent: Councilmembers: None.

City Clerk

Approved: 09-24-09 (Date)

Mayor

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

RESOLUTION NO. WD-1257

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

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

Section 1. That the following rates and charges for potable and reclaimed water service and for sewer service are hereby established, and the Long Beach Water Department ("Water Department") of the City of Long Beach ("City') is hereby authorized and directed to charge and collect the same in accordance with the provisions of this resolution, subject to a Public Hearing on August 27, 2009.

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, 2009, the service charge shall be in accordance with the following table:

Size of Service	Daily Service Charge
5/8 or 3/4 inch	$0.418
1 inch	$0.630
1-1/2 inch	$1.175
2 inch	$1.742
3 inch	$3.608
4 inch	$5.708

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333 West Ocean Boulevard, 11th Floor
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Size of Service	Daily Service Charge
6 inch	$10.519
8 inch	$16.511
10 inch	$27.041
12 inch	$33.048
16 inch	$54.696

B. On October 1, 2009, 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)	$1.220
Tier II	Next 10 Billing Units (or fraction thereof)	$2.439
Tier III	Over 15 Billing Units (or fraction thereof)	$3.659

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)	$2.196
Tier II	Next 10 Billing Units (or fraction thereof)	$2.439
Tier III	Over 15 Billing Units (or fraction thereof)	$3.659

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:

///

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ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
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Tier IA	First 2.5 Billing Units (or fraction thereof per dwelling unit)	$1.220
Tier II	Next 10.5 Billing Units (or fraction thereof per dwelling unit)	$2.439
Tier III	Over 13 Billing Units (or fraction thereof per dwelling unit)	$3.659

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

Tier IB	First 2.5 Billing Units (or fraction thereof per dwelling unit)	$2.196
Tier II	Next 10.5 Billing Units (or fraction thereof per dwelling unit)	$2.439
Tier III	Over 13 Billing Units (or fraction thereof per dwelling unit)	$3.659

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

Tier IA	First 2.5 Billing Units (or fraction thereof per dwelling unit)	$1.220
Tier II	Next 6.5 Billing Units (or fraction thereof per dwelling unit)	$2.439
Tier III	Over 9 Billing Units (or fraction thereof per dwelling unit)	$3.659

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

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333 West Ocean Boulevard, 11th Floor
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Tier IB	First 2.5 Billing Units (or fraction thereof per dwelling unit)	$2.196
Tier II	Next 6.5 Billing Units (or fraction thereof per dwelling unit)	$2.439
Tier III	Over 9 Billing Units (or fraction thereof per dwelling unit)	$3.659

7. For commercial customers of potable water, $2.439 per billing unit, or fraction thereof.

8. For industrial customers of potable water, $2.439 per billing unit, or fraction thereof.

9. For irrigation customers of potable water, $2.439 per billing unit, or fraction thereof.

10. For City of Long Beach Departments using potable water, $2.439 per billing unit, or fraction thereof.

11. For reclaimed water users whose use is "peaking" as defined herein, $1.708 per billing unit, or fraction thereof.

12. For reclaimed water users whose use is "non-peaking" as defined herein, $1.220 per billing unit, or fraction thereof.

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

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

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

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

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333 West Ocean Boulevard, 11th Floor
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water, and on October 1, 2009, the rate for unmetered water service shall be:

Size of Service	Daily Rate
5/8 or 3/4 inch	$2.039
1 inch	$3.450
1-1/2 inch	$8.498
2 inch	$13.369

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

Section 4. By Resolution WD-1232 the Board of Water Commissioners established a Water Conservation and Water Supply Shortage Plan (the Plan). As stipulated in the Plan, the Board may declare that a Stage 1, Stage 2 or Stage 3 Water Supply Shortage exists, in its sole discretion. Upon such declaration, the Board may increase water rates, other than Tier 1 or life-line rates and reclaimed water rates, by an amount necessary, as determined by the Board but not to exceed the following percentages:

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

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

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

Section 5. Charges for water service through meters at temporary service connections from fire hydrants or otherwise shall be at the applicable quantitative charge plus the service charge, together with a

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ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
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charge for installing, changing, and removing the meter and fittings in accordance with the "Rules, Regulations and Charges Governing Potable Water, Reclaimed Water, Sewer Service and the Emergency Water Conservation Plan" of the Water Department.

Section 6. A. On October 1, 2009, the service charge for private fire protection service shall be in accordance with the following table:

Size of Service	Daily Rate
2 inch	$0.872
3 inch	$1.491
4 inch	$2.203
6 inch	$3.754
8 inch	$5.503
10 inch	$7.444
12 inch	$9.383
16 inch	$13.758

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

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

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333 West Ocean Boulevard, 11th Floor
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classified as regular service and billed at the rates applicable thereto.

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

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

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

Size of Service	Daily Sewer Rate
5/8 or 3/4 inch	$0.218
1 inch	$0.346
1-1/2 inch	$0.630
2 inch	$0.914
3 inch	$1.891
4 inch	$2.995
6 inch	$5.517
8 inch	$8.668
10 inch	$14.180
12 inch	$17.333
16 inch	$28.363

C. The volumetric sewer rate shall be $0.303 per 100 cubic feet of water furnished where water service size is 5/8 inches or larger. The

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333 West Ocean Boulevard, 11th Floor
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volumetric sewer rate shall not be applicable to fire services.

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

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

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

F. The City shall collect from all developments and all

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333 West Ocean Boulevard, 11th Floor
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developments shall be required to pay a capacity charge of Eighty Four Dollars and Seventy-One Cents ($84.71) per equivalent fixture unit at the time application for sewer service is made, but in no event later than the time that the City issues a sewer permit for connection to the City sewerage system, 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 Planning and Building (through the Plan Checker for Plumbing) shall calculate the amount of the capacity charge by: 1) determining if this resolution applies to the development; and 2) if this resolution does not apply, indicating same on the application for sewer service and the reason this resolution does not apply, and processing the application in accordance with ordinances, resolutions, and regulations; or 3) if this resolution does apply, determining the number of equivalent fixture units in the development and multiplying that number by the capacity charge per equivalent fixture unit.

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

I. Funds derived from capacity charges shall be placed in the

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333 West Ocean Boulevard, 11th Floor
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Sewer Fund and shall be used only for the operation, construction, reconstruction, acquisition, or maintenance of the City sewerage system.

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

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

L. The capacity charge and requirements pertaining thereto shall not affect in any way the permissible use of property, density of development, design and improvement standards, public improvement

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ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
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requirements, or any other aspect of the development of land or construction of buildings which may be imposed by the City pursuant to the Long Beach Municipal Code, Subdivision Regulations, or other state or local laws, ordinances or regulations which shall be in effect with respect to all developments.

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

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

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

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Board of Water Commissioners shall prescribe another billing interval. Insofar as practical, meters shall be read at regular intervals for the preparation of regular bills, and meters shall be read as required for the preparation of opening, closing, and special bills.

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

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

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

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

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

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

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

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

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

F. "Winter billing period" means the time period used for sewer

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volumetric calculation purposes, which includes bills with a bill prepared date in December, January, and/or February.

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

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

I hereby certify that the foregoing resolution was adopted by the Board of Water Commissioners of the City of Long Beach at its meeting held on June 4, 2009, by the following vote:

Ayes:	Commissioners:	BLANCO; CLARKE; TOWNSEND; DALLMAN; ALLEN
Noes:	Commissioners:	NONE
Absent:	Commissioners:	NONE

Frank Clarke
Secretary
Board of Water Commissioners

I CERTIFY THAT THE ABOVE IS A TRUE AND CORRECT COPY
SECRETARY TO THE BOARD OF WATER COMMISSIONERS
CITY OF LONG BEACH, CALIFORNIA
BY: [signature]
DATE: 6/4/2009

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

RESOLUTION NO. RES-09-0094

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH APPROVING THE 2009-2010 BUDGET OF THE LONG BEACH WATER DEPARTMENT AS ADOPTED

WHEREAS, the annual budget of the Long Beach Water Department for the 2009-2010 fiscal year was adopted by the Board of Water Commissioners, in its meeting on June 4, 2009, by Resolution No. WD-1256; 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 2009-2010 fiscal year adopted by the Board of Water Commissioners at its meeting on June 4, 2009 by Resolution No. WD-1256, 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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OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

I hereby certify that this resolution was adopted by the City Council of the City of Long Beach at its meeting of September 8, 2009, by the following vote:

Ayes: Councilmembers: Garcia, Lowenthal, DeLong, O'Donnell, Schipske, Andrews, Reyes Uranga, Gabelich, Lerch.

Noes: Councilmembers: None.

Absent: Councilmembers: None.

City Clerk

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

RESOLUTION NO. WD-1256

A RESOLUTION OF THE BOARD OF WATER COMMISSIONERS ADOPTING THE ANNUAL BUDGET FOR THE LONG BEACH WATER DEPARTMENT FOR THE FISCAL YEAR 2009-2010

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

Section 1. That the annual department budget of the Long Beach Water Department for the fiscal year 2009-2010, as follows, be and the same is hereby adopted:

WATER	
Estimated Contingency Fund Balance 10-1-2009	$7,997,002
Estimated Revenues	90,762,844
Total Estimated Resources	98,759,846
Estimated Expenditures	92,721,661
Estimated Contingency Fund Balance 9-30-2010	$6,038,185
SEWER	
Estimated Contingency Fund Balance 10-1-2009	$2,857,739
Estimated Revenues	21,432,416
Total Estimated Resources	24,290,155
Estimated Expenditures	21,596,352
Estimated Contingency Fund Balance 9-30-2010	$2,693,803

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

Section 2. The City's Fiscal Year 2009-2010 budget development calendar requires submission of proposed budgets to the Mayor by July 1, 2009. To

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accommodate the City's schedule, the Water Department must accelerate the adoption of its Fiscal Year 2009-2010 budget. This requires the Water Department to estimate certain City budget components including employee fringe benefits and City support charges. These charges are included in the above budget numbers as estimated amounts.

The Water Department anticipates the final City amounts will be delivered to the Water Department in July. After the Water Department receives the actual amounts the Budget of the Long Beach Water Department will need to be revised to reflect these actual amounts. Therefore, the Board of Water Commissioners authorizes the General Manager of the Long Beach Water Department to adjust the adopted Water Fund and Sewer Fund budgeted expenditures for employee fringe benefits and City support charges by an amount not to exceed 5.0% of the total of such charges included in the adopted budgets to reflect any increases in City charges above the estimated amounts budgeted for fiscal year 2009-2010. The General Manager shall make the necessary adjustments prior to submittal of the Long Beach Water Department budget to the City.

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

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OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
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I hereby certify that the foregoing resolution was adopted by the Board of Water Commissioners of the City of Long Beach, at its meeting of June 4, 2009, by the following vote:

Ayes:	Commissioners:	BLANCO; CLARKE; DALLMAN; TOWNSEND; ALLEN
Noes:	Commissioners:	NONE
Absent:	Commissioners:	NONE

Frank Clarke
Secretary
BOARD OF WATER COMMISSIONERS

CERTIFIED AS A TRUE AND CORRECT COPY
SECRETARY TO THE BOARD OF WATER COMMISSIONERS
CITY OF LONG BEACH, CALIFORNIA
BY: [signature]
DATE: 6/4/2009

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333 West Ocean Boulevard, 11th Floor
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RESOLUTION NO. RES-09-0099

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH AMENDING THE MASTER FEE AND CHARGES SCHEDULE FOR SPECIFIED CITY SERVICES FOR CITYWIDE FEES AND CHARGES AND THE CITY CLERK, CITY PROSECUTOR, COMMUNITY DEVELOPMENT, DEVELOPMENT SERVICES, FINANCIAL MANAGEMENT, FIRE, GAS AND OIL, HEALTH AND HUMAN SERVICES, LIBRARY SERVICES, LONG BEACH AIRPORT, PARKS, RECREATION AND MARINE, POLICE, AND PUBLIC WORKS DEPARTMENTS

WHEREAS, the City Council of the City of Long Beach ("City") seeks to establish service fees and charges to recover the full, lawfully recoverable costs incurred by the City in providing services to those who request them by amending the Master Fee and Charges Schedule for specified City services for Citywide fees and charges and the City Clerk, City Prosecutor, Community Development, Development Services, Financial Management, Fire, Gas and Oil, Health and Human Services, Library Services, Long Beach Airport, Parks, Recreation and Marine, Police, and Public Works Departments; and

WHEREAS, it is the City's policy to set service fees and charges at full cost recovery levels, except where a greater public benefit demonstrates the need to impose a lesser fee or charge to the satisfaction of the City Council, or when it is not cost effective to do so; and

WHEREAS, the City has conducted an extensive analysis of its services, the costs reasonably borne by the City in providing those services, the beneficiaries of those services, and the revenues produced by those paying service fees and charges for

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333 West Ocean Boulevard, 11th Floor
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said services; and

WHEREAS, on September 15, 2009, the City Council, at a duly noticed public hearing, took public testimony and input regarding certain proposed new or increased service fees and charges; and

WHEREAS, California Government Code Section 66000, et seq., authorizes the City to adopt service fees and charges for municipal services, provided such fees do not exceed the cost to the City of providing the service; and

WHEREAS, in accordance Government Code Section 66016, at least fourteen (14) days prior to the public hearing at which this Resolution is adopted, notice of the time and place of the hearing was mailed to eligible interested parties who filed written requests with the City for mailed notice of meetings regarding new or increased fees or service charges; and

WHEREAS, in accordance with the Government Code 66016, data regarding the estimated cost of the services and the revenue sources anticipated to provide the services was available for public review and comment for ten (10) days prior to the public hearing at which this Resolution was adopted; and

WHEREAS, publication of the notice of public hearing was given in accordance with the provisions of Government Code Section 6062a, ten (10) days in advance of the public hearing at which the adoption of this Resolution was considered; and

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

Section 1. The facts set forth in the Recitals of this Resolution are true and correct and are hereby incorporated by reference herein as though set forth in full.

Section 2. The City Council hereby approves publication of the Master Fee and Charges Schedule for FY 2010, as said fees are set forth in Exhibit "A", which is attached hereto and incorporated herein by this reference, for specified City services for Citywide fees and charges and the City Clerk, City Prosecutor, Community Development,

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Development Services, Financial Management, Fire, Gas and Oil, Health and Human Services, Library Services, Long Beach Airport, Parks, Recreation and Marine, Police, and Public Works departments; including those new or increased fees as set forth in Exhibit "B", which is attached hereto and incorporated herein by this reference as though set forth herein word for word.

Section 3. Said revised Master Fee and Charges Schedule is hereby directed to be made available to the public for its use for informational purposes, and is not intended as a re-adoption, modification, or amendment of any existing fee or charge previously established by resolution, or any previously adopted fee resolution that is not in conflict with the provisions of this Resolution;

Section 4. The City Council hereby further adopts and approves fees and charges that have been increased by the City Cost Index, a calculation of the increase in the City's cost from Fiscal Year 2009 to Fiscal Year 2010 as set forth and described in Exhibit "B" except for those fees and charges that have been exempted, and the new, increased, or adjusted fees and charges as set forth and described in Exhibit "C", which is attached hereto and incorporated herein by this reference, as though set forth in full, word for word. The fees and charges increased by the City Cost Index and those fee and charges set forth in said Exhibit "C" shall thereafter be incorporated into those fees and charges previously adopted and approved by the City Council by Resolution No. 09-0037 adopted on April 21, 2009, or other previously adopted resolution, and shall collectively be known as the Master Fee and Charges Schedule of the City of Long Beach and may be made available to the public for its information and review.

Section 5. Adoption of the new or increased service fees and charges set forth and described in this Resolution, and in Exhibit "B" attached hereto, are intended to recover costs necessary to provide the services within the City for which the fees are charged. In adopting the new or increased service fees and charges set forth in this Resolution, the City Council of the City of Long Beach is exercising its powers under Article XI, Section 7 of the California Constitution.

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Section 6. All requirements of California Government Code Sections 66000, et seq., are hereby found to have been satisfied.

Section 7. The service fees and charges set forth in Exhibit "C" ("List of Fiscal Year 2010 Fee and Charges Adjustment") are reasonable estimates of the costs incurred by the City in providing the services to those who request them. The service fees and charges for such services are necessary to recover the reasonable, estimated cost of providing such services.

Section 8. The service fees and charges adopted and all portions of this Resolution are severable. Should any of the service fees or charges or any portion of this Resolution be adjudged to be invalid and unenforceable by a body of competent jurisdiction, then the remaining fees and/or Resolution portions shall be, and continue to be, in full force and effect, except as to those fees and/or Resolution portions that have been adjudged invalid. The City Council of the City of Long Beach hereby declares that it would have adopted each of the service fees or charges and this Resolution and each section, subsection, clause, sentence, phrase and other portion thereof, irrespective of the fact that one or more of the service fees, charges or sections, subsections, clauses, sentences, phrases or other portions of this Resolution may be held invalid or unconstitutional.

Section 9. All provisions of prior City Council ordinances and resolutions establishing fees, including, but not limited to, Resolution RES-09-0037 are hereby rescinded and repealed in part or in whole to the extent of any conflict between said ordinances and resolutions and the provisions established by this Resolution.

Section 10. The establishment of fees and charges herein is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Public Resources Code Section 21080(b)(8) and the adoption of this Resolution is for the purposes of inter alia: (1) meeting operating expenses; (2) purchasing or leasing supplies, equipment or materials; (3) meeting financial reserve needs and requirements; or (4) obtaining funds for capital projects, necessary to maintain service within the various

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areas of the City.

Section 11. 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 15, 2009, by the following vote:

Ayes: Councilmembers: Garcia, Lowenthal, DeLong, O'Donnell, Schipske, Andrews, Reyes Uranga, Gabelich, Lerch.

Noes: Councilmembers: None.

Absent: Councilmembers: None.

City Clerk

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333 West Ocean Boulevard, 11th Floor
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RESOLUTION NO. RES-09-0095

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH FINDING THAT THE USE OF TAXES ALLOCATED TO THE NORTH REDEVELOPMENT PROJECT ON BEHALF OF THE CENTRAL REDEVELOPMENT PROJECT FOR THE PURPOSE OF INCREASING, IMPROVING AND PRESERVING THE COMMUNITY'S SUPPLY OF LOW-AND-MODERATE-INCOME HOUSING WILL BE OF BENEFIT TO THE NORTH REDEVELOPMENT PROJECT

WHEREAS, the Redevelopment Agency of the City of Long Beach, California (the "Agency"), adopted redevelopment plans for the North Long Beach Redevelopment Project (the "North Project") and the Central Long Beach Redevelopment Project (the "Central Project"); and

WHEREAS, Section 33334.2 of the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.) requires that not less than twenty percent (20%) of all taxes allocated to each project area be used by the Agency for the purpose of increasing, improving and preserving the community's supply of low-and-moderate-income housing available at affordable housing cost; and

WHEREAS, the Agency desires to utilize funds presently allocated to the North Project to assist the Central Project in meeting its twenty percent (20%) set aside obligation for Fiscal Years 2009-10; and

WHEREAS, Section 33334.3 of the Community Redevelopment Law provides that the Agency may use such funds in this manner if a finding is made by resolution of the Agency and the City Council that such use will be of benefit to the North Project;

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ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
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NOW, THEREFORE, the City Council of the City of Long Beach resolves as follows:

Section 1. That the use of taxes in Fiscal Years 2009-10 allocated to the North Project to assist the Central Project's obligation of increasing, improving and preserving the community's supply of low-and-moderate-income housing available at affordable housing cost will be of benefit to the North Project.

Section 2. This resolution shall take effect immediately upon its adoption by the City Council, and the City Clerk shall certify to 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 8, 2009, by the following vote:

Ayes: Councilmembers: Garcia, Lowenthal, DeLong, O'Donnell, Schipske, Andrews, Reyes Uranga, Gabelich, Lerch.

Noes: Councilmembers: None.

Absent: Councilmembers: None.

City Clerk

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