

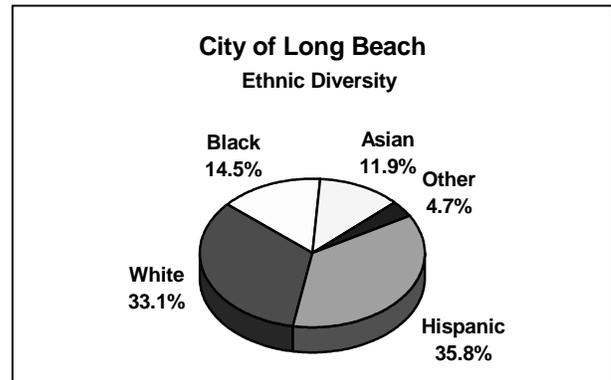
# Understanding the City's Budget



# City of Long Beach Demographics

## GOVERNMENT

The City of Long Beach, California covers approximately 52 square miles on the southern coast of Los Angeles County. With a current population of 462,912, Long Beach is the second largest city in Los Angeles County and the fifth largest city in the state. It is a diverse and dynamic city that, based on the 2000 Census, has the following ethnic breakdown: 35.8% Hispanic, 33.1% White, 14.5% Black, 11.9% Asian, and 4.7% all other ethnicities.



Long Beach was originally incorporated in 1888. After a short period of disincorporation, the City was reincorporated on December 3, 1897. Since 1921, Long Beach has been governed as a charter city, and operates under a Council-Manager form of government.

The City Council is made up of nine members, elected by district. The Mayor is chosen in a citywide election to serve as the full-time chief legislative officer of the City. Although the Mayor does not vote, the Mayor presides over City Council meetings, presents the annual budget to the City Council and has veto power over City Council actions. The Vice-Mayor is elected by the City Council from among its members.

The City has three other full-time elected officials: City Attorney, City Auditor and City Prosecutor. The City Council appoints the City Clerk and City Manager. The Mayor nominates, and the City Council approves, members to various boards and commissions. The Civil Service Commission, Board of Water Commissioners and Board of Harbor Commissioners oversee operations of their respective departments while all other City departments report directly to the City Manager.

The City Manager serves at the discretion of the City Council. As head of the municipal government, the City Manager is responsible for the efficient administration of all departments, with the exception of the elective offices and the three semi-autonomous commission-led departments. The City currently employs approximately 5,776 full-time equivalent positions within 21 departments.

In addition to the usual municipal services of police, fire, parks and recreation, public works, and library, the City of Long Beach owns and operates a leading deep-water port, offshore and onshore oil production, a gas utility, a water utility, a convention and entertainment center, aquarium, museum, two historic ranchos, a commercial airport, marinas and golf courses.

## EDUCATION

The Long Beach Unified School District is the third largest public school system in California serving 92,949 kindergarten through twelfth grade students in 2005. The district's 90 schools are located in Long Beach, Signal Hill, Lakewood and on Catalina Island. Additionally, Long Beach also offers a City College, educating over 26,000 students. The college offers 100 Associate of Arts/Science degree programs, 89 Career Certificate programs and the opportunity to complete up to two years in any of 58 baccalaureate programs for transfer to a four-year college or university (LBCC 2005).

California State University, Long Beach (CSULB) is the State University system's second largest campus. With approximately 34,546 students enrolled in the 2005-2006 school year, CSULB offers 80 baccalaureate programs, 66 master degree programs and one joint doctoral degree.

## BUSINESS AND INDUSTRY

The City of Long Beach is a center for aerospace, petroleum, shipping and tourism, along with a wide variety of office and retail opportunities. Downtown alone is home to 4.2 million square feet of commercial office space.

Currently, the largest employer within the City is the Boeing Corporation, which operates a 424-acre facility at the Long Beach Airport and employs approximately 10,500 persons. The facility exceeds 6.7 million square feet of space and is currently utilized for the production of commercial jetliner, the C-17 military transport plane and program support for production lines in other locations. In what will be one of the region's largest land redevelopment efforts, Boeing is in the process of converting 260 acres of their facility from industrial to mixed commercial/residential use in an effort to provide quality industrial, research and development space.



*Downtown Long Beach overlooking the Port.*

The City's second largest employer within the city is the Long Beach Unified School District, which operates 91 regular and four charter schools. The district's workforce of over 9,000 employees ensures the success of students by maintaining high standards, a commitment to excellence and by offering a comprehensive scholastic program. Exhibit 1 provides a breakdown of the top 10 employers in Long Beach as of 2005.

Oil production, private and municipally-owned, continues to be an important business in Long Beach with both offshore and onshore facilities. The Long Beach Unit Optimized Water-Flood Injection Process, authorized by State legislation, has improved oil recovery and lengthened field life in the Wilmington Oil Field. Continued application of new technology is expected to further increase oil recovery.

Exhibit 1: Top 10 Employers in Long Beach

Rank	Employer	Employees As of Sept 2006
1	Boeing	10,500
2	Long Beach Unified School District	9,064
3	CSULB (includes part-time)	6,007
4	City of Long Beach (includes part-time)	5,776
5	L.B. Memorial Medical Center	3,500
6	Verizon	2,000
7	Long Beach City College	2,000
8	United States Postal Service	1,900
9	Veterans Administration Medical Center	1,700
10	St. Mary's Medical Center	1,634

*\* Numbers based on Economic Development Department Survey*

The Port of Long Beach remains one of the busiest container ports in the world. During Fiscal Year 2005, throughput increased by almost 16 percent, exceeding 6.7 million twenty-foot equivalent units (TEU). International trading partners include the Pacific Rim nations of Japan, China, Taiwan, and Korea. In addition to containers, the Harbor facility handles crude and refined petroleum products, dry bulk such as coal, coke and cement; automobiles, lumber, paper and fruit; steel and scrap metal.

As California's largest urban Enterprise Zone, Long Beach offers businesses five categories of State tax incentives aimed at stimulating new private investment, business expansion and job creation. These incentives include: sales tax credits; hiring tax credits; business expense deductions; net operating loss carryover; and, a net interest deduction for lenders. Over 10,000 businesses of varying sizes operate in the Enterprise Zone. The Enterprise Zone designation is in place until 2007.

Tourism continues to be a growing industry in Long Beach, and the city attracts over 5.5 million visitors a year. A vital part of that industry is the Long Beach Convention and Entertainment Center. The Center's facilities include a 224,000 square-foot exhibit hall, 83,000 square feet of meeting room space, a ballroom able to comfortably seat 1,600, a 13,600-seat arena and two theaters in the elegant Long Beach Performing Arts Center. Additionally, over 2,500 hotel rooms are within walking distance of the Convention Center.



*Long Beach Aquarium of the Pacific at night.*

The world-class Long Beach Aquarium of the Pacific, on Rainbow Harbor, is located across the water from the Convention Center, Shoreline Village and the historic Queen Mary. The Aquarium is home to 12,500 marine animals from over 1,000 species indigenous to the Pacific Rim. It is a milestone in design, architecture and technology for the 21<sup>st</sup> century.

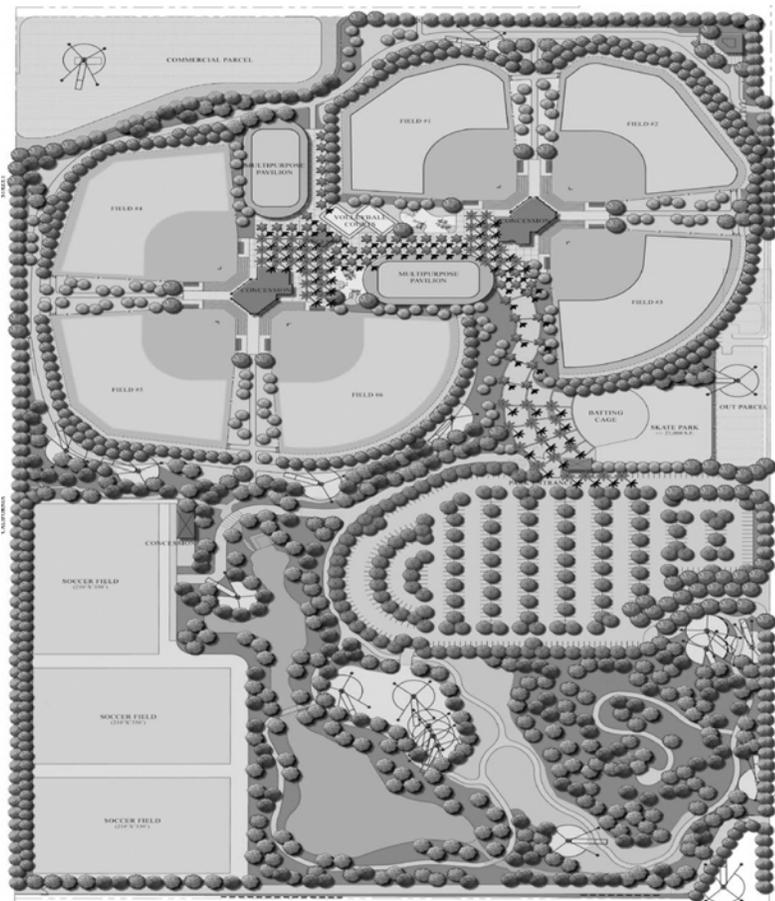
## MAJOR DEVELOPMENTS

Douglas Park, recipient of the 2006 Planning Project Award from the Los Angeles Section of the American Planning Association, broke ground in late 2005. In December 2004, the City Council granted project approvals for the redevelopment of approximately 261 acres of former and existing Boeing C-1 aircraft production facilities at the southwest corner of Carson Street and Lakewood Boulevard. Of the 261 acres, 238 acres are within the City of Long Beach, with the remaining 23 acres being in the City of Lakewood.



*Renderings of Long Beach Douglas Park.*

The planned mixed-use community in East Long Beach will include up to 3.3 million square feet of commercial and office space, up to 200,000 square feet of retail space, a maximum 1,400 residential units, up to 400 hotel rooms and over 11 acres of public parks.



*Rendering of Long Beach Sports Park.*

The Long Beach Sports Park is an exciting project that is currently in the development stages. The proposed 56-acre park site will be bordered by Willow, California, Orange and Spring Streets. In 1992, the voters of the County of Los Angeles approved a bond issue that contained \$6.2 million for the development of a sports park in Long Beach. In 1997, the City selected the current location as the potential site for development, which would include the following recreational amenities: six softball/baseball diamonds, three soccer fields, a skate park, batting cages, playgrounds and volleyball courts. In April 2006 the City Council approved the Sports Park Master Plan. Preparations for Post-Environmental Impact Report activity are in progress. The development of this site will not only provide much-needed recreational opportunities, but it will also clean-up an underutilized former industrial site.

In the downtown, the West Gateway area redevelopment is now underway. Embodying principals of "Smart Growth," the City of Long Beach is pursuing a unique public/private economic development partnership to develop a new transit-oriented urban neighborhood on all or portions of 8 square blocks situated at the entry to the City's downtown core. This master planned effort includes a new public elementary school (now completed) and the development of approximately 800 ownership and rental housing units, incorporating resident-serving retail within an enhanced urban community. West Gateway is a critical element in the revitalization of greater downtown Long Beach.

The Promenade is another downtown development expected to revitalize the area with an exciting array of uses. The Redevelopment Agency is developing an urban, pedestrian-oriented, mixed-use development along The Promenade between 1st and 3rd Streets. Also on The Promenade are the newly refurbished Insurance Exchange Building Lofts and the Hotel Esteres on The Promenade.



*Renderings of Promenade Development between 1<sup>st</sup> and 3<sup>rd</sup> Streets in Downtown Long Beach.*



# The Budget Process

The Fiscal Year 2007 (FY 07) Budget covers the period October 1, 2006 through September 30, 2007. The following is a description of the City's multi-dimensional Budget Process, which is designed to promote transparent communication with community stakeholders and provide multiple opportunities for direct community input.

## THE BUDGET PROCESS

The Budget is the most important policy document the City produces on an annual basis. The program and financial decisions it embodies must reflect the will of the community through the policy direction of the City Council. This can only be achieved through a development process that encourages communication and transparency, seeking input from a diverse cross-section of the community, while offering opportunities for review and revision. The following is the general budget preparation process, which utilizes the City's Financial Strategic Plan (Plan) as a guide for budget development.

Beginning in January, the City Council's Budget Oversight Committee (BOC) initiates monthly meetings. In February, the City Manager, through Financial Management, provides clear budget development instructions to departments, requesting they begin updating their department's Plan strategies and making initial estimates for their proposed capital and operating budgets.

From March through June, departments complete their proposed budgets including updated revenue and expenditure recommendations contained in the Plan. In July, the City Manager assembles department proposals into a coherent Proposed Budget that reflects the economic environment, fiscal condition and priority needs of the City.

A series of community events designed to encourage active public dialogue regarding the Budget is initiated in mid-March, culminating in the Budget's adoption by the City Council in September. Activities include BOC meetings, a citywide Budget Summit, neighborhood, board, committee and commission meetings, and City Council budget workshops and hearings.

As mandated by the City Charter, the City Manager submits the Proposed Budget on or before August 1 to the Mayor for review. The Mayor reviews the Proposed Budget and submits it, along with any recommendations, to the City Council on or before August 15. Subsequently, the BOC submits their recommendations to the City Council for consideration. By City Charter, the annual City Budget for City funds and departments must be adopted prior to October 1, the beginning of the new fiscal year, otherwise the City Manager's Proposed Budget becomes the Adopted Budget for the city.

<b>FY 07 BUDGET PREPARATION CALENDAR</b>	
Jan	Budget Oversight Committee meetings initiated
Feb	City Manager issues budget preparation policies and instructions to departments
Mar - Jun	Departments complete their Plan updates, operating and capital budget proposals City Council budget workshops initiated
Jul	City Manager previews Proposed Budget at citywide Budget Summit
Aug 1*	City Manager submits Proposed Budget and CIP budget to Mayor
Aug 15*	Mayor submits Proposed Budget with recommendations to City Council and community
Aug 24	Weekly budget workshops and hearings commence. BOC submits recommendations to the City Council
Sept	Weekly budget workshops and hearings continue at City Council meetings until Budget is adopted
Sept 30*	Budget adopted
*On or before	

# The Budget Document

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The Budget document is divided into seven sections: Understanding the Budget, Focus On Results (FOR) Long Beach, Financial Strategic Plan, Budget Summaries, Program Budgets by Department, Fund Summaries and the Capital Improvement Program.

## **Understanding The Budget**

This section provides demographic and other information on the city's government, educational sector, economy and other information to provide a context for the City's service environment and priorities. The budget process, the budget document and the fundamentals of the City's financial management are also discussed. Lastly, background information about the City's main revenue sources is provided.

## **Focus On Results (FOR) Long Beach**

This section describes the City's performance management efforts designed to align the City's major business processes around City Council and community priorities, maximize the efficiency and effectiveness of government services and programs, assess service delivery performance and provide a framework for identifying needed resource reallocation.

## **Financial Strategic Plan**

The City's Financial Strategic Plan (Plan) was designed to be an organic document that must be updated annually to capture and reflect the City's changing fiscal and service delivery environment. The Plan represents the culmination of months of deficit reduction proposals, discussions and deliberation amongst the City Council, the community, employees throughout the organization and City Manager-department directors, and provides additional recommendations to address changes in structural deficit assumptions.

## **Budget Summaries**

Several summaries of department and fund budgets are provided, with multi-year comparisons of expenditures and revenue. Also included is a three-year schedule of Full-Time Equivalent staffing for each department.

## **Program Budgets by Department**

The FY 07 Performance-based Program Budget reflects the first year implementation of the City's FOR Long Beach performance management system. This Performance-based Program Budget is more useful in effectively demonstrating and communicating the actual services and tangible outputs and outcomes delivered to the community, and will serve as the basis for reporting and evaluating the results the community will receive for the budget each department has been allocated. As part of the FOR Long Beach strategic business planning process, all City Manager-directed departments have developed a program structure and program performance measures for FY 07. The program structure and performance measures serve as the basis for the City's Performance-based Program Budget and add clarity to the City's budget by aligning background information (a purpose statement and listing of services), budget allocations and performance information, all at the program level.

## Understanding the New Performance-based Program Budget Format

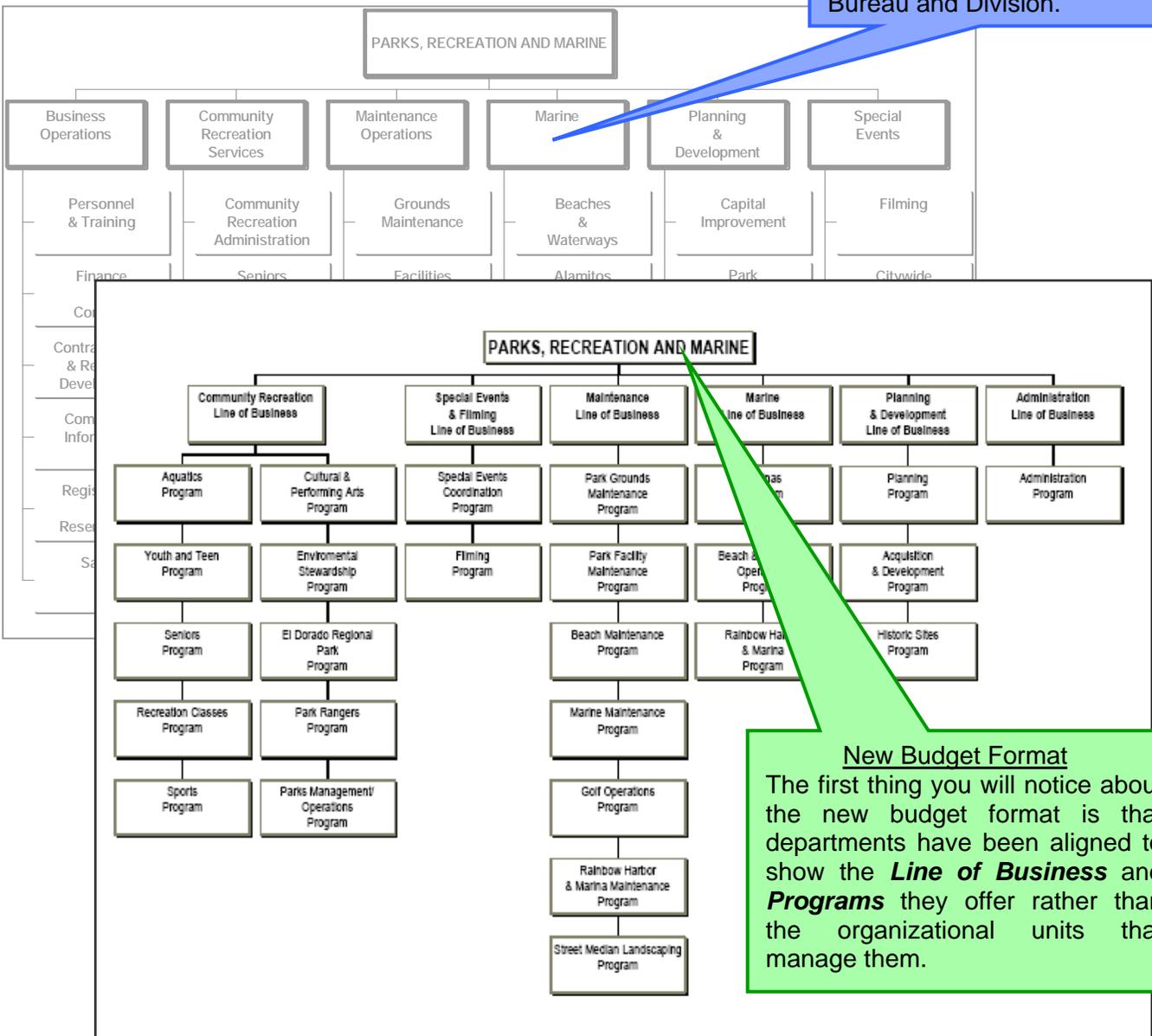
The new Performance-based Program Budget (PBPB) book presents department budget information in two formats: (1) For non-City Manager departments, you will find the traditional layout including organizational charts, budget and personnel summaries, and (2) For City Manager departments who have completed the strategic planning process, where department information will appear in a new format that reflects FOR Long Beach improvements. In each chapter, information on the departments' program structure, mission, Service Delivery Environment, Significant Issues and Strategic Objectives will accompany program-specific financial, staffing and performance information.

### A New Way of Organizing Department Functions

*"In an organization focused on results, the City of Long Beach is now aligned around the programs we provide to the community rather than around the structures that manage them."*

*Mike Killebrew, Director of Financial Management*

**Traditional Budget Format**  
Each department chapter began with an organizational chart describing the department by Bureau and Division.



**New Budget Format**  
The first thing you will notice about the new budget format is that departments have been aligned to show the **Line of Business** and **Programs** they offer rather than the organizational units that manage them.

## A New Way of Communicating for Results

A key element to performance management is providing both strategic and service delivery information in a clearer, more transparent way. Integration of the City's performance management system, through a Performance-based Program Budget, reflects a fundamental change in the way the City conducts business. Once fully developed, the performance management system and the Performance-based Program Budget will assist the City in communicating the value it provides to the community through the programs it offers.

### Chapter Overview

This budget chapter reflects key elements of the Department of Parks, Recreation and Marine Full Strategic Business Plan, which was developed as part of Focus On Results (FOR) Long Beach, the City's commitment to performance management.

As part of this full strategic planning process, the Department identified, with input from community stakeholders and employees, significant issues to be completed over the next two- to five-years. Strategic objectives have also been developed as part of the effort to help guide the department in addressing these issues. The Department of Parks, Recreation and Marine has also developed its program structure and a full family of program performance measures, including outcome, efficiency, demand, and output measures. The program structure and performance measures serve as the basis for the City's performance-based program budget and will add clarity to the City's budget by aligning department program information (purpose statement and listing of activities), budget allocations, and performance information, all at the program level.

Please note that while the Department of Parks, Recreation and Marine plan, a number of the key performance measures may be newly developed and collect the performance information. They are presented at this time without the corresponding performance information to work toward full implementation, existing measures may be added.

**New!**

Each department's budget chapter begins with a **Chapter Overview**, which provides a brief summary of department activities and a Table of Contents that shows what you will find in the budget chapter.

#### Table of Contents

Service Delivery Environment	
Significant Issues	
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## Understanding the Needs of the Community

Before deciding which programs and services to provide, the City began by identifying the needs of the community. Understanding the service delivery environment helps to identify the current demands and related factors needed to develop responsive strategies. Each of the City programs are designed to address a specific need or set of needs in the community.

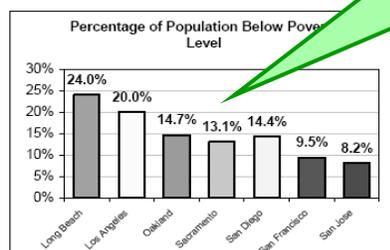
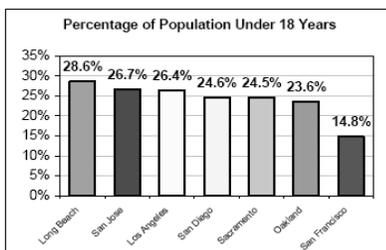
### Service Delivery Environment



Many factors influence the operations of the Department of Parks, Recreation and Marine Services. These factors are not unique to the City of Long Beach; however, when combined, they create a service delivery environment that presents formidable challenges. Four of the major factors influencing Department operations and strategic planning efforts are described below.

As seen in the chart below, Long Beach has the highest percentage of youth ages 18 years and younger compared to other large California cities. Additionally, as shown in the chart below, Long Beach has the highest percentage of residents living in poverty. Approximately one-third of these residents are youth. This information is derived from the U.S. Census Bureau's *American Community Survey (2003)*, available at <http://www.census.gov/acs/www/Products/Ranking/index.htm>.

The **Service Delivery Environment** section describes key information about the City that affect the programs provided by the department, such as demographic and economic influences.



Long Beach is an ethnically diverse city, as indicated in the chart below (source: US Census, 2000). In fact, it is among the most ethnically diverse large cities in the nation. Accordingly, the Department of Parks, Recreation and Marine Services must strive to meet the leisure needs and interests of residents from many cultures and origins.

### Issue Statements

- Fifty percent (50%) of the park facilities and 70% of marina and beach facilities are below acceptable or satisfactory industry or customer standards, which results in
  - Less customer satisfaction,
  - Increasing safety incidents,
  - Lower service quality,
  - Potential closing and facility closures,
  - Less revenue and revenue generation, and
  - Negative customer perceptions of the City and the services it provides.

- Due to the city's ethnic and socio-economic diversity, an unequal distribution of parkland, an aging population, and declining budget resources combine to create a complex service delivery environment. To meet the needs of our citizens, the Department is continually challenged to find solutions to competing needs. These challenges include:

The **Significant Issues** section describes the major issues that the department will face over the next several years. These issues were developed based on input from community members, employees, and City leadership.



## A New Way of Setting Strategic Objectives

Identifying strategic objectives helps to align department efforts with Citywide goals and focuses departments on how to structure operations to meet those objectives. These objectives must be clear and measurable to make informed decisions about the services the City offers.

### Strategic Objectives

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- By 2009, the Department will increase the percentage of park grounds and buildings maintained in satisfactory or better condition from 50 percent to 60 percent.

**Focus Area: Culture, Education and Leisure; Youth: No**
- By 2009, the Department will achieve an 80 percent resident satisfaction level with beach recreation opportunities, as indicated by the percentage of residents rating recreation opportunities as good to excellent.

**Focus Area: Culture, Education and Leisure; Youth: No**
- By 2009, the Department will achieve an 85 percent boat owner satisfaction level, as indicated by the percentage of boat owners (marina tenants) rating marina services as good to excellent.

**Focus Area: Culture, Education and Leisure; Youth: No**
- By 2010, the Department will increase the percentage of Long Beach residents who have had at least one member of the household participated in a Department-provided recreation or enrichment opportunity (within the prior 12 months) by 10 percent.

**Focus Area: Culture, Education and Leisure; Youth: Yes**
- By 2009, the Department will increase the number of youth and teens participating in Department-provided recreation and enrichment opportunities citywide by 10 percent.

**Focus Area: Culture, Education and Leisure; Youth: Yes**
- By 2009, the Department will increase the number of youth and teens participating in Department-provided recreation and enrichment opportunities in high youth crime areas by 15 percent.

**Focus Area: Culture, Education and Leisure; Youth: Yes**
- By 2009, the Department will increase the number of annual average filming production days by 10 percent, while increasing the average annual number of complaints satisfactorily resolved by 25 percent.

**Focus Area: Business and Economic Assistance; Youth: No**
- By 2012, the Department will acquire sufficient acres of recreational open space to achieve 6.0 acres per 1,000 residents consistent with the City's approved Open Space Plan.

**Focus Area: Culture, Education and Leisure; Youth: No**
- By 2012, the Department will increase the percentage of Long Beach residents who live within a quarter-mile of developed open space areas from 53 percent to 58 percent.

**Focus Area: Culture, Education and Leisure; Youth: No**

**New!**

The **Strategic Objectives** section describes what the department will accomplish over the next several years to address the Significant Issues, keeping in mind the priorities of the community.

## Measuring Accomplishments and Planning for Results

One of the objectives of FOR Long Beach is to have necessary information readily available to make sound business decisions. Providing performance and budgetary information according to departmental Lines of Business will help link related outcomes with programs and to the investment being made.

### Maintenance Line of Business

Program	Actual FY 05	Budget FY 06	Year End* FY 06	Percent of Budget	Adopted** FY 07
<b>Parks Grounds Maintenance</b>					
Expenditures	4,592,641	5,049,241	4,770,151	94%	6,594,492
Revenues	225,828	186,620	269,670	145%	195,955
FTEs	18.62	16.33	16.33	100%	15.61
<b>Park Facility Maintenance</b>					
Expenditures	3,669,293	2,761,309	3,222,277	117%	2,806,649
Revenues	267,955	300,082	233,045	78%	306,414
FTEs	33.19	25.56	25.56	100%	26.33
<b>Beach Maintenance</b>					
Expenditures	3,360,421	3,166,148	2,875,179	91%	3,137,283
Revenues	398,159	394,039	394,255	100%	394,039
FTEs	22.39	22.99	22.99	100%	23.29
<b>Marine Maintenance</b>					
Expenditures	4,928,897	4,530,600	4,837,735	107%	4,671,603
Revenues	137,031	145,493	147,439	101%	149,725
FTEs	55.65	50.39	50.39	100%	50.81
<b>Golf Operations</b>					
Expenditures	341,361	262,661	275,213	105%	255,200
Revenues	4,213,533	4,346,500	4,622,860	106%	4,323,000
FTEs	2.00	2.00	2.00	100%	2.00
<b>Rainbow Harbor/Marina Maintenance</b>					
Expenditures	1,715,495	1,806,602	1,444,672	80%	1,742,062
Revenues	149,883	-	1,724	-	-
FTEs	6.95	6.95	6.95	100%	6.95
<b>Street Median Landscaping</b>					
Expenditures	788,268	1,202,955	1,076,577	89%	1,795,448
Revenues	33,892	26,850	-	-	-
FTEs	0.40	4.20	-	-	-
<b>Line of Business TOTAL</b>					
TOTAL Expenditures	19,395,376	18,779,517			
TOTAL Revenues	5,426,282	5,395,535			
TOTAL FTEs	135.20	126.42			

Note: Historical Expenditure and FTE information have been recast from the Bureau of Finance.  
\*Amounts exclude all-years carryover.

**Purpose Statement:** To provide maintenance services to the department so that the community can experience safe, attractive, and accessible parks, beaches, waterways, open spaces, and facilities in the City.

**Key FY 06 Accomplishment:**

- The Maintenance Line of Business provided extensive support for numerous special events sponsored or hosted by the City. Maintenance staff were pivotal to the success of events such as the Misty May Volleyball Clinic, Grand Prix, Gay Pride Festival, Circus Broadway, Long Beach Triathlon, Sea Festival, Congressional Cup, Jazz Festival, the Southern California Special Olympics, Juneteenth Celebration, the annual Baseball/Softball Hall of Fame and many other programs and events.

**New!** Each Line of Business page has a **Key Accomplishments** section, which describes some of the important successes of the Programs that relate to the Line of Business.

## Establishing a “Results Contract” Between the City and the Community

In a Performance-based Program Budget, setting clear expectations about results and service levels established through the budget is a key element to evaluating performance. Rather than focusing budgetary information on the inputs required to deliver services, the new PBPB Budget Format focuses on the outcomes and results of key performance measures produced through each program with the service levels supported through the budget.

### Parks Grounds Maintenance Program

Focus Area: Culture, Education and Leisure

Line of Business: Maintenance

**Program Purpose Statement:** To provide landscaping, weed abatement and irrigation services to the community so they can enjoy safe, accessible and well-maintained parks.

**Key Services Provided:** Contract Compliance Reports, Landscape Renovations, Landscape Maintenance Services, Irrigation Renovations, Weed Abatements and Recreation Commission Reports

**FY 07 Funding Sources:** General Fund 92%, Tide Lands Fund 5%, General Grants Fund 3%

Parks Grounds Maintenance	Actual FY 05	Budget FY 06	Year End* FY 06	Percent of Budget	Adopted** FY 07
Expenditures	4,592,641	4,829,241	4,770,151	94%	6,594,492
Revenues	225,828	620,620	269,670	145%	195,955
FTEs	18.62	33	18.33	100%	15.61

\* Unaudited

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

Key Performance Measures	Actual FY 05	Budget FY 06	Year End FY 06	Percent of Budget	Adopted FY 07
% of Park Grounds Acres in Satisfactory or Better Condition	(a)	(a)	50.70%	(a)	53.70%
# of Park Grounds Acres Maintained	1,321	1,321	1,321	100%	1,340
Cost (Net) Per Acre of Parkland Maintained	\$3,318	\$3,551	\$3,597	94%	\$4,270

(a) Tracking systems are being developed to capture this data going forward and /or data not available.

#### Results Narrative:

Due to limited funding over the past decade, the Department has deferred tree trimming needs in the parks. The FY 07 budget includes funding to complete the deferred trimming and to initiate a park tree inventory. The budget also includes over \$600,000 for water.

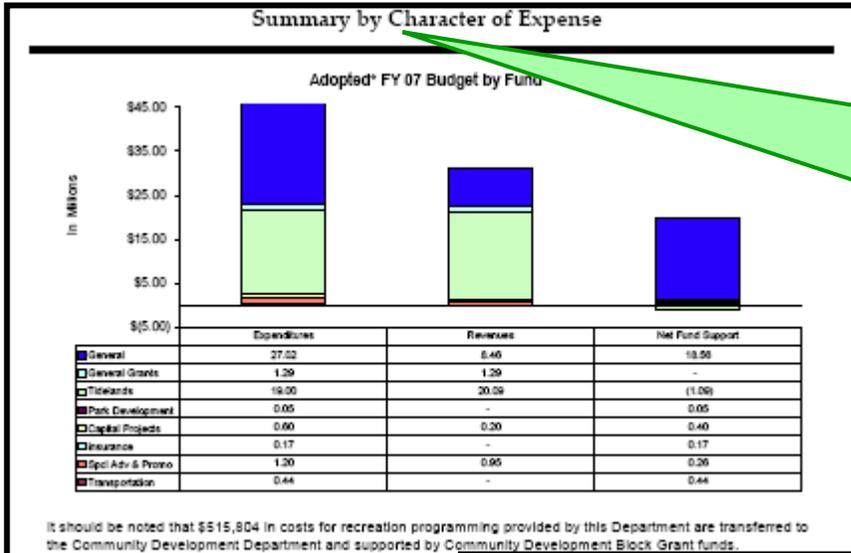
The Park Grounds Maintenance Program will continue to develop and enhance the capability of working closely with the City's landscape staff, residents and visitors to the City's parks and open space areas.



Each **Program** has a page that describes important information, including its purpose, the services it offers, its budget, and key performance measures.

## Fulfilling Legal Requirements

According to the City Charter, the budget book must clearly articulate cost control thresholds by department and fund, as well as provide detailed information on staffing by classification. The new budget format will continue to provide this legally-required information.



Similar to the traditional budget book, each department will end with a budget summary by "Character of Expense." This provides a more familiar perspective of revenues and expenditures for a particular department.

	Actual FY 05	Adopted FY 07
<b>Expenditures:</b>		
Salaries, Wages and Benefits	24,610,561	28,115,120
Materials, Supplies and Services	16,756,680	15,120,000
Internal Support	5,321,495	4,500,000
Capital Purchases	22,079	22,079
Debt Service	22,322	22,322
Transfers to other Funds	(581,120)	-
Prior Year Encumbrance	-	-
<b>Total Expenditures</b>	<b>46,151,918</b>	<b>45,789,521</b>
<b>Revenues:</b>		
Property Taxes	-	-
Other Taxes	-	-
Licenses and Permits	685,993	685,993
Fines and Forfeitures	288,094	288,094
Use of Money & Property	24,795,577	24,795,577
Revenue from Other Agencies	2,422,474	2,422,474
Charges for Services	2,520,697	2,520,697
Other Revenues	332,502	332,502
Interfund Services - Charges	51,238	51,238
Intrafund Services - GP Charges	84,681	84,681
Harbor P/R Revenue Transfers	247	247
Other Financing Sources	-	-
Operating Transfers	73,724	73,724
<b>Total Revenues</b>	<b>31,255,327</b>	<b>30,775,155</b>
<b>Personnel (Full-time Equivalents)</b>	<b>522.77</b>	<b>522.77</b>

\* Amounts exclude all-years carryover. See budget book for details.  
\*\* Unaudited

**Personal Services**

Classification	FY 05 Adopt FTE	FY 06 Adopt FTE	FY 07 Adopt FTE	FY 06 Adopted Budget	FY 07 Adopted Budget
Director-Parks, Recreation & Marine	1.00	1.00	1.00	157,796	165,687
Accountant I	1.00	1.00	1.00	49,379	55,442
Accounting Clerk II	1.00	1.00	1.00	36,672	38,626
Accounting Clerk III	4.00	4.00	4.00	157,786	164,351
Administrative Aide I	1.00	1.00	1.00	37,389	41,295
Administrative Analyst I	1.00	1.00	-	53,848	-
Administrative Analyst II	7.00	5.00	5.00	280,953	311,325
Administrative Analyst III	2.00	2.00	3.00	140,748	222,375
Administrative Intern-NC/H34	0.76	0.76	-	18,632	-
Administrative Intern-NC/H36	0.62	0.62	0.62	16,785	17,680
Administrative Intern-NC/H44	0.76	0.76	0.76	31,798	33,494
Administrative Intern-NC/H45	0.50	0.50	0.50	22,021	23,195
Aquatics Supervisor I	3.00	3.00	2.00	137,457	98,088
Aquatics Supervisor II	1.00	1.00	1.00	50,680	54,947
Aquatics Supervisor III	1.00	1.00	1.00	55,992	58,976
Assistant Administrative Analyst I	1.00	1.00	1.00	46,972	49,475
Assistant Administrative Analyst II	2.00	4.00	2.00	207,948	114,223
Automotive/Trailer Control Tech	2.00	1.00	1.00	43,524	45,844
Community Services Supervisor	3.00	3.00	3.00	128,928	135,722
Community Projects Coordinator	1.00	1.00	1.00	61,948	68,633
Carpenter	2.00	2.00	2.00	96,149	92,291
Clerk I	1.76	1.76	1.76	40,181	44,370
Clerk III	4.61	4.61	4.61	136,646	140,680
Clerk Typist I	2.00	2.00	2.00	65,643	69,063
Clerk Typist II	11.75	10.72	10.72	334,048	347,402
Clerk Typist II-NC	-	-	1.43	-	50,128
Clerk Typist III	9.00	8.00	9.00	295,126	355,749
Community Information Specialist I	2.31	1.54	1.54	53,317	56,158
Community Information Specialist II	2.00	2.00	3.00	76,880	112,961
Community Services Supervisor	17.00	18.00	19.00	981,055	1,084,562
Community Services Supervisor II	2.00	1.00	1.00	55,992	58,976
Cultural Program Supervisor	2.00	2.00	2.00	103,941	109,491
Department Safety Officer	1.00	1.00	1.00	71,688	75,304
Electrician	3.00	3.00	3.00	142,775	152,607
Equipment Operator I	2.00	1.00	1.00	36,672	38,626
Equipment Operator II	5.00	5.00	5.00	202,150	212,924
Equipment Operator III	7.00	5.00	5.00	219,083	232,524
Executive Assistant	1.00	1.00	1.00	50,891	53,943
Events Coordinator II	-	-	2.00	-	108,782
Gardener II	10.00	9.00	9.00	346,929	367,197
General Maintenance Assistant	10.00	9.00	9.00	365,195	376,633
General Maintenance Supervisor II	3.00	3.00	3.00	159,371	170,233
General Superintendent-Recreation	1.00	-	2.00	-	180,000
<b>Subtotal Page 1</b>	<b>134.07</b>	<b>124.27</b>	<b>128.99</b>	<b>5,570,956</b>	<b>6,189,975</b>

Consistent with the traditional layout, the new budget book format will continue to provide comprehensive personnel information by department including Full Time Equivalent (FTE) staff positions and total costs for wages, salaries and benefits.

## Focusing On Results on Multiple Levels

There is a very logical connection between the overarching strategic goals of the City and the work of each employee at a program level of the organization. These goals are carried out through each department and their Lines of Business. Each Line of Business comprises even more specific Programs. Each Program provides a "Results Contract" demonstrating how they will fulfill shared goals through the results they produce.

### Summary by Line of Business and Fund

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#### FY 07 Proposed Budget by Line of Business

Line of Business	Actual FY 05	Budget FY 06	Estimated FY 06	Percent of Budget	Proposed FY 07
<b>Community Recreation</b>					
Expenditures	15,500,217	16,127,540	16,199,958	100%	16,216,478
Revenues	5,435,409	5,856,533	5,849,286	100%	5,585,508
FTEs	310.14	289.25	289.25	100%	287.42
<b>Special Events and Filming</b>					
Expenditures	945,926	1,168,153	1,233,791	106%	1,132,119
Revenues	567,497	557,488	642,903	115%	751,000
FTEs	4.00	5.43	5.43	100%	6.43
<b>Maintenance</b>					
Expenditures	19,396,376	18,779,517	18,707,601	100%	21,002,739
Revenues					
FTEs					
<b>Marine</b>					
Expenditures					
Revenues					
FTEs					
<b>Planning and Development</b>					
Expenditures					
Revenues					
FTEs					
<b>Administration</b>					
Expenditures					
Revenues					
FTEs					
<b>Department TOTAL</b>					
TOTAL Expenditures					
TOTAL Revenues					
TOTAL FTEs					

**New!** One of the most significant changes presented by the new budget format is the Department Summary by **Line of Business** and Fund.

#### Maintenance Line of Business

Program	Actual FY 05	Budget FY 06	Estimated FY 06	Percent of Budget	Proposed FY 07
<b>Parks Grounds Maintenance</b>					
Expenditures	4,592,641	5,049,241	5,089,870	101%	6,594,492
Revenues	225,828	186,620	240,103	129%	195,955
FTEs	18.62	16.33	16.33	100%	15.61
<b>Park Facility Maintenance</b>					
Expenditures	3,669,293	2,761,309	2,921,392	106%	2,806,649
Revenues	267,955	300,082	232,681	78%	306,414
FTEs	33.19	25.56	25.56	100%	26.33
<b>Beach Maintenance</b>					
Expenditures	3,360,421	3,166,148	2,924,457	92%	3,137,283
Revenues	398,159	394,039	394,039	100%	394,039
FTEs	22.39	22.99	22.99	100%	23.29
<b>Marine Maintenance</b>					
Expenditures					
Revenues					
FTEs					
<b>Line of Business TOTAL</b>					
TOTAL Expenditures					
TOTAL Revenues					
TOTAL FTEs					

**Program** details with each **Line of Business** are also provided.

#### Parks Grounds Maintenance Program

**Focus Area:** Culture, Education and Leisure      **Line of Business:** Maintenance

**Program Purpose Statement:** To provide landscaping, weed abatement and irrigation services at City-owned properties so the community can enjoy safe, accessible and well-maintained parks.

**Key Services Provided:** Contract Compliance Reports, Landscape Renovations, Landscape Maintenance Services, Irrigation Renovations, Weed Abatement and Recreation Commission Reports

**FY 07 Funding Sources:** General Fund 92%, Tidelands Fund 5%, General Grants Fund 3%

Program	Actual FY 05	Budget FY 06	Estimated FY 06	Percent of Budget	Proposed FY 07
<b>Parks Grounds Maintenance</b>					
Expenditures	4,592,641	5,049,241	5,089,870	101%	6,594,492
Revenues	225,828	186,620	240,103	129%	195,955
FTEs	18.62	16.33	16.33	100%	15.61

Key Performance Measures	Actual FY 05	Budget FY 06	Estimated FY 06	Percent of Budget	Proposed FY 07
# of Park Grounds Acres in Satisfactory or Better Condition	(a)	(a)	50.70%	(a)	53.70%
# of Park Grounds Acres Maintained	1,321	1,322	1,322	100%	1,340
Cost (Net) Per Acre of Parkland Maintained	\$3,318	\$3,551	\$3,558	100%	\$3,772

(a) Data collection methodologies are being developed to capture this data going forward and/or data not available.

**Results Narrative:**

Due to limited funding over the past decade, the Department has been unable to properly address the trimming needs in the parks. The FY 07 budget includes \$500,000 of one-time funding to address deferred trimming and to initiate a park tree inventory.

The Parks Grounds Maintenance Program will continue to develop contract monitoring standards that increase the capability of working closely with the City's landscape contractors to meet the needs of residents and visitors to the City's parks and open space areas.

**New!** Finally, each **Program** is broken down by Program Purpose, Key Services, the "Results Contract" and provides a key linkage to the Citywide Focus Area it supports.

FY 07 Adopted Budget

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City of Long Beach

## **Fund Summaries**

The Budget includes spending from 36 different “funds” that are required to be reported by State or Federal law, the City Charter and/or proper accounting practice. A fund consists of a separate set of accounts used to monitor the accomplishment of specified purposes, or uses of restricted revenue. Depending on the type of service provided, department expenditures may be authorized from a number of funds. Most traditional City services are funded through the General Fund.

## **The Capital Improvement Program**

The Capital Improvement Program (CIP) represents expenditures for major construction infrastructure or repair of City facilities and buildings. A committee of department representatives meets during the year to select projects to be initiated, funding sources and the operating impacts on the General Fund. The CIP, as presented in this section, is adopted annually by the City Council as part of the budget process. A separate CIP document, the FY 07 Adopted CIP, provides greater detail about ongoing and approved CIP projects.

## **FINANCIAL INFORMATION**

### **Adjustments to the Budget**

During a fiscal year, special circumstances may result in changes to department spending priorities. At the beginning of each fiscal year, appropriations are made at the fund and department level and are authorized by City Council adoption of an Appropriations Ordinance. Budget adjustments that require a modification to the amounts authorized by the Appropriations Ordinance require the approval of the City Council. Transfers between programs or “characters of expense”, but not affecting any funds or department’s total appropriation, require City Manager approval.

### **Basis of Accounting\***

Governmental funds and expendable trust funds are maintained on the modified accrual basis of accounting. Revenue is recognized in the accounting period in which it becomes measurable and available. Expenditures are recognized in the period in which the liability is incurred, if measurable, except for matured principal debt, which is recognized when due.

*\*This information is taken from the Comprehensive Annual Financial Report (CAFR) of the City of Long Beach, California – September 30, 2004. For further information regarding the City’s accounting and debt management practices, please consult the CAFR.*

## **Accounting Basis of Budgeting**

The generally accepted accounting principles used as the basis to prepare this Budget are the same as those used to prepare the annual financial report with the following exceptions: (1) encumbrances are considered to be expenditures for budget purposes but are not included in financial reporting; and (2) land held for resale is recorded as an expenditure when purchased and a revenue when sold for budget purposes. For financial reporting purposes, land is held as an asset and a gain or loss is recognized at the time of sale.

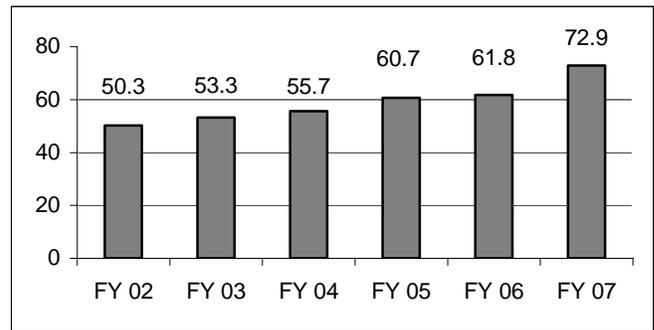
## **Investment Management**

This function's primary goal is safeguarding principal and ensuring liquidity levels necessary to pay for budgeted expenses while optimizing return on investment. The City maintains general bank accounts for daily business requirements, but the majority of the City's funds are held in an investment pool administered by the City Treasurer. As of September 30, 2006, the Treasurer's investment pool was approximately \$1.428 billion divided into short-term and long-term portfolios. To measure performance, the City uses two benchmarks: the 91-Treasury Bill benchmark for the short-term component and the Merrill Lynch 1-3 year Treasury/Agency Index for long-term component.

# General Fund Revenue

## PROPERTY TAXES

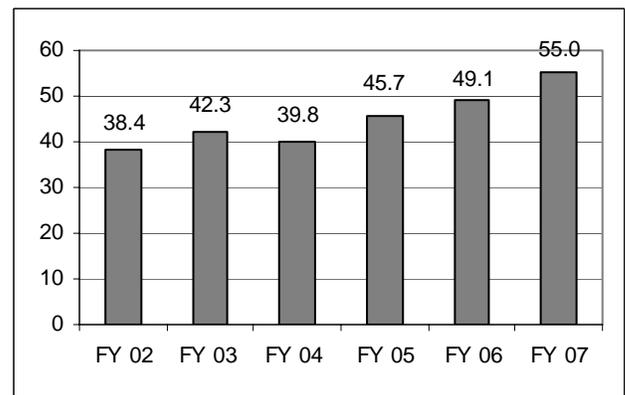
Approximately 19.3 percent or \$72.9 million of the City's General Fund revenue is derived from local property taxes, which includes secured real property tax and unsecured personal property tax, net of refunds. Property, primarily land and buildings, is valued by the County Assessor and taxed at 1 percent of assessed value. Cities and other local agencies, such as schools, special districts, and the County of Los Angeles, share in the countywide property tax pool. The City of Long Beach only receives approximately 21 percent of property taxes paid by City property owners in non-redevelopment designated areas of the city, as the City's Redevelopment Agency receives 100 percent of certain specified property tax revenues generated within the redevelopment project areas. Due to the economy's growth and affect on property values, FY 07 property tax estimates assume revenue increases above FY 06 receipts. Property in the State of California is generally reassessed only upon change of ownership and new construction.



Property tax is a major source of revenue for critical City services such as police, fire, public works, recreation, and library services. Prior to the passage of Proposition 13 in 1978, property tax revenues accounted for approximately 28 percent of all General Fund revenues as compared to 16 percent now. Other revenues have been used to augment the decrease in this revenue source.

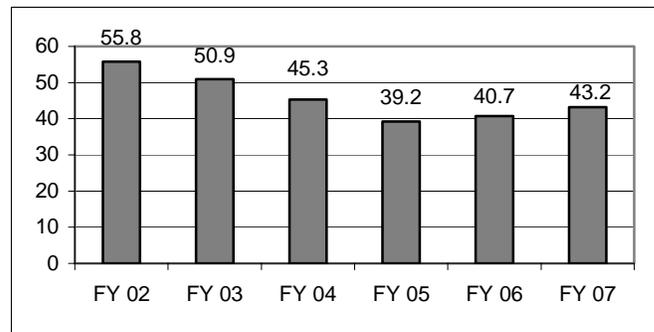
## SALES TAX

Sales tax receipts are expected to account for \$55.0 million, or 14.6 percent, of all General Fund revenues for FY 07. All taxable retail sales in Long Beach are charged an 8.25 percent tax. This amount includes 1.25 percent that goes to the County of Los Angeles, and 6.25 percent that is retained by the State. Only 0.75 percent is returned to the City by the State. Sales tax revenue varies from year-to-year due to fluctuations in the economy. The City must continue to promote economic development in order to bring sales tax revenues to a level comparable to other cities in Los Angeles County. Due to Proposition 57, the State has "flipped" 0.25 percent of Sales and Use Tax for an equal amount of ERAF Property Tax to help fund the State's Economic Recovery Bonds. The replacement property tax, titled "In Lieu Sale and Use Tax," is received on a semi-annual basis, and is included in the estimated sales tax totals for the fiscal year.



## UTILITY USERS TAXES

The City applies a utility users tax (UUT) to customers' electricity, gas, telephone, and water bills. These four revenue sources account for \$43.2 million, or 11.5 percent, of the City's General Fund revenues. The UUT was the General Fund's largest revenue source before a voter-approved initiative reduced the utility user tax rate from 10 percent to 5 percent over a five-year period. The rate for FY 07 is 5 percent, effective October 1, 2004. These taxes do not apply to low-income senior citizens who are over 62 years of age or disabled low-income individuals.



## OTHER TAXES

The City receives revenue from the Transient Occupancy Tax assessed on guests of all City hotels and motels, and from the Business License Tax assessed on all those doing business in Long Beach. Both taxes have rebounded from earlier slumps related to the general economic recession and September 11, 2001.

## LICENSES AND PERMITS

This revenue comes to the City from a variety of licenses and permits. The largest revenue is generated by sale of emergency ambulance fees and dog licenses.

## FINES, FORFEITURES AND PENALTIES

Revenue is received by the City in this category primarily from vehicle code fines and parking citations.

## REVENUE FROM USE OF MONEY AND PROPERTY

The City is able to generate income from its current assets. This includes interest earned on investments, land and facility rental, and parking meter revenue within the city. Interest earnings have been negatively affected by the decrease in interest rates.

## REVENUE FROM OTHER AGENCIES

The General Fund receives revenue from other cities, the County of Los Angeles and the State. Revenue is received for the maintenance of traffic signals and parking meters under contract with smaller cities neighboring Long Beach, as well as unincorporated parts of Los Angeles County. The State provides funding through the Motor Vehicle In Lieu Tax. Other miscellaneous State funds are provided for maintenance of State highways, fire and peace officer training, and police extradition reimbursements. The budget reflects legislative action enacted that shifted all Cigarette Tax revenues to the State's General Fund.

## OTHER CHARGES AND REVENUES

These miscellaneous charges include library fines and fees, police reports and sale of used equipment and vehicles. Per the City Council's adopted Financial Policies, the City has redoubled its efforts to improve cost recovery through all appropriate user fees for services to better preserve General Fund services that would otherwise face reduction and maintain a structurally balanced budget.

## **INTER- AND INTRA-FUND CHARGES**

Programs within the City that are funded by sources other than the General Fund often receive services from General Fund supported departments. This category includes reimbursement for these services.

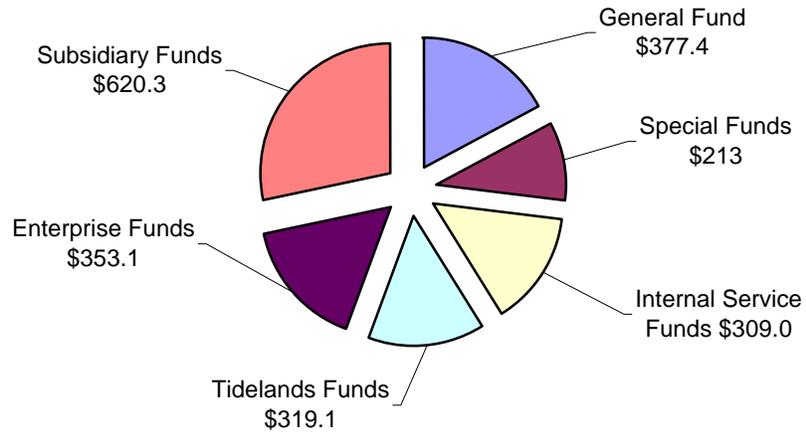
## **"GANN" APPROPRIATIONS LIMIT**

In November 1979, the voters of the State of California approved Proposition 4, commonly known as the "Gann Initiative." The Proposition created Article XIII B of the State Constitution, placing certain limits on the amount of revenue that can be appropriated each fiscal year. The limit is based on actual appropriations during FY 79. Only those revenues that are considered "proceeds of taxes" are subject to the limit. The limit is recalculated each fiscal year based on certain inflation and population factors. Proceeds of taxes are, however, allowed to be spent on several types of appropriations that do not count against the limit, including voter approved debt, the costs of complying with court orders and federal mandates, and expenditures for qualified capital outlays.

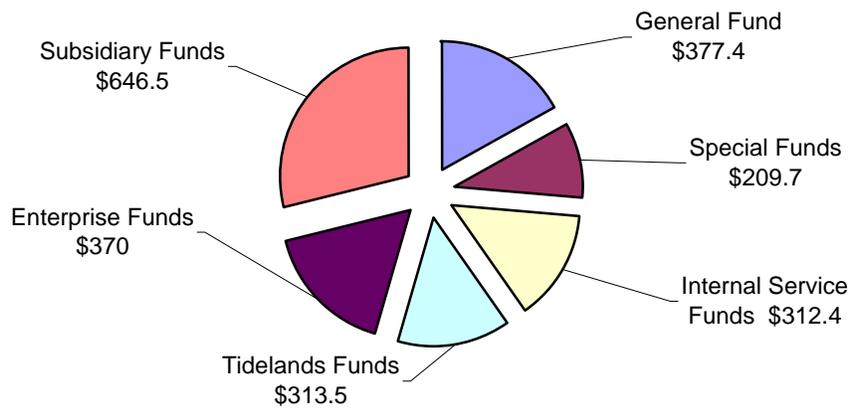
The "Gann" Appropriations Limit for the City of Long Beach for FY 07 is \$518,947,351. The total revenue, or proceeds of taxes, subject to the limit after removing allowable exclusions is \$224,882,936, or 43.33 percent of the Gann Limit. In FY 06, the limit was \$497,686,770.



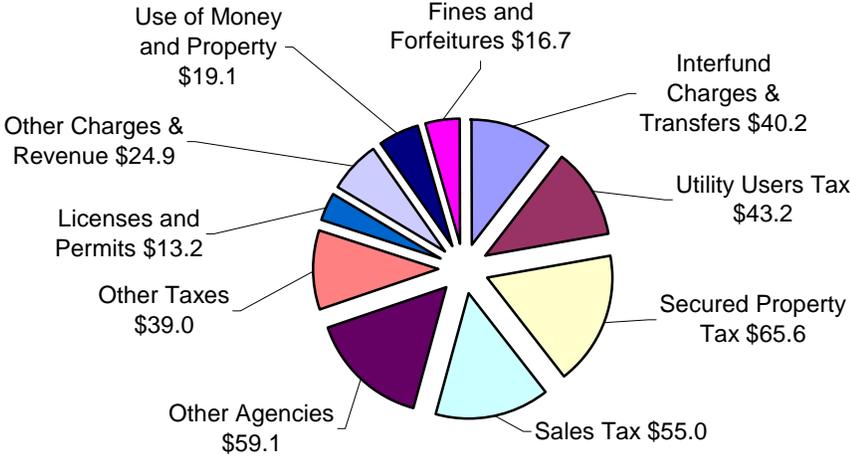
**FY 07 Adopted Revenues  
All Funds (in millions)  
(Total = \$2.2 billion)**



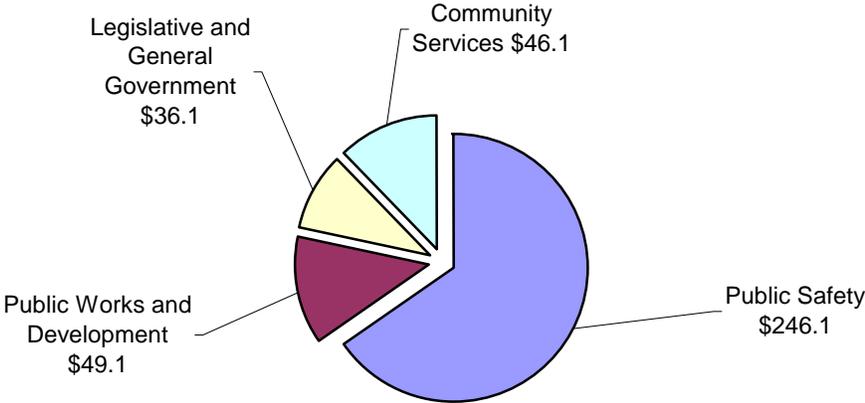
**FY 07 Adopted Expenditures  
All Funds (in millions)  
(Total = \$2.2 billion)**



**FY 07 Adopted Resources  
General Fund (in millions)  
(Total = \$377.4 million)**



**FY 07 Adopted Expenditures  
by Category of Service  
General Fund (in millions)  
(Total=377.4 million)**



# Debt Management

## DEBT MANAGEMENT

The Financial Management Department, Treasury Bureau, is responsible for issuing debt on behalf of City departments, City agencies, assessment districts, community facilities districts and other qualified entities. Typical debt structures include revenue bonds, lease revenue bonds, land based financings and notes. Debt may be issued with fixed or variable rate interest structures. Approximately \$2.0 billion in debt will be outstanding as of September 30, 2006.

Central to debt management is ensuring the City's compliance with Federal, State and local regulations. Other duties of this function include trustee services, preparation of Securities and Exchange Commission and Internal Revenue Service reports, determining annual assessment levies and approving the distribution of bond proceeds.

## SUMMARY OF THE CITY AND RELATED AGENCIES OUTSTANDING DEBT

The tables below summarize the City's outstanding debt, including final maturities, original par amounts and amounts outstanding. All information is presented as of September 30, 2005.

<b>Revenue Bonds</b>			
Issue Name	Final Maturity	Original Par Amount	Amount Outstanding
Series 1993 Belmont Shore Parking Meter Revenue Bonds	2012	\$2,220,000	\$1,170,000
Series 1994 Marina Subordinate Revenue Bonds	2009	1,310,000	475,000
Series 1995 Marina Refunding Revenue Bonds	2008	31,725,000	9,320,000
Series 1997A Water Revenue Bonds	2024	46,945,000	35,830,000
Series 1998A Harbor Revenue Bonds	2019	206,330,000	163,755,000
Series 2000A Harbor Revenue Bonds	2025	275,000,000	255,355,000
Series 2002A&B Harbor Revenue Bonds	2027	300,000,000	281,675,000
Series 2004A&B Harbor Revenue Refunding Bonds <sup>(1)</sup>	2018	113,410,000	107,990,000
Series 2005 Harbor Revenue Refunding Bonds <sup>(2)</sup>	2025	257,975,000	257,975,000
Series 2005 Gas Utility Revenue Refunding Bonds <sup>(3)</sup>	2013	7,675,000	7,385,000
<sup>(1)</sup> Defeased the Series 1993 Harbor Revenue Bonds aggregate principal of \$127,470,000.			
<sup>(2)</sup> Series 2005 Harbor Revenue Refunding Bonds defeased the Series 1995 Harbor Revenue Bonds.			
<sup>(3)</sup> Series 2005 Gas Utility Revenue Refunding Bond defeased the Series A 1993 Gas Utility Revenue Bonds.			

<b>Lease Revenue Bonds</b>			
Issue Name	Final Maturity	Original Par Amount	Amount Outstanding
Series 1997A Lease Revenue Refunding (Civic Center Project)	2027	\$43,655,000	\$37,355,000
Series 1998B Lease Revenue and Refunding Bonds (Temple & Willow Facility)	2027	29,565,000	25,840,000
Series 1999A Lease Revenue Bonds (Rainbow Harbor Refinancing Project)	2024	47,970,000	46,280,000
Series 1999 Variable Rate Demand Lease Revenue Bonds (Long Beach Museum of Art)	2009	3,060,000	3,060,000
Series 2001 Lease Revenue Bonds (Plaza Parking Facilities)	2027	11,500,000	11,005,000
Series 2001 Lease Revenue Refunding Bonds (Aquarium)	2030	129,520,000	129,520,000
Series 2002 Long Beach Bond Finance Authority (LBBFA) Lease Revenue Bonds (Public Safety Facilities)	2031	40,915,000	40,915,000

# Debt Management

<b>Lease Revenue Bonds (continued)</b>			
Issue Name	Final Maturity	Original Par Amount	Amount Outstanding
Series 2003A (Non-AMT) & B (AMT) Southeast Resource Recovery Facility Authority Lease Revenue Bonds <sup>(1)</sup>	2018	\$120,235,000	\$114,050,000
Series 2003 Long Beach Bond Finance Authority (LBBFA) (Skylinks)	2029	6,890,000	6,490,000
Series 2004 Lease Revenue Bond (Towne Center Site Refinancing) <sup>(2)</sup>	2030	11,595,000	11,450,000
Series 2005A Lease Revenue and Refunding Bond (Temple & Willow Facility) <sup>(3)</sup>	2028	8,145,000	8,145,000
<sup>(1)</sup> Series 2003A&B Southeast Resource Recovery Facility Authority Lease Revenue Bonds defeased the Series 1995 Lease Revenue Refunding Bonds (Southeast Resource Recovery Facility)			
<sup>(2)</sup> Series 2004 Lease Revenue Bond (Towne Center Site Refinancing) retired notes issued to finance the acquisition of the Long Beach Towne Center.			
<sup>(3)</sup> Series 2005A Lease Revenue and Refunding Bond defeased the Long Beach Bond Finance Authority's 1998A Lease Revenue and Refunding Bond (Temple & Willow Facility).			

<b>Tax Allocation Revenue Bonds</b>			
Issue Name	Final Maturity	Original Par Amount	Amount Outstanding
Series 1992A Downtown Project Refunding Bonds	2017	\$81,020,000	\$38,520,000
Series 1992 West Long Beach Indust. Tax Allocation Rev. Bonds	2017	36,470,000	17,345,000
Series 2002A Long Beach Bond Finance Authority (LBBFA) <sup>(1)</sup> Tax Allocation Revenue Bonds	2031	77,715,000	72,431,000
(Downtown Redevelopment Project Area)	2024	26,820,000	24,597,000
(North Long Beach Redevelopment Project Area)	2031	40,290,000	38,799,000
(Poly High Redevelopment Project Area)	2012	1,710,000	1,278,000
(West Beach Redevelopment Project Area)	2018	8,895,000	7,757,000
Series 2002B Long Beach Bond Finance Authority (LBBFA) <sup>(2)</sup> Tax Allocation Revenue Bonds	2024	47,780,000	42,390,000
(Downtown Redevelopment Project Area)	2022	25,920,000	22,615,000
(West Long Beach Industrial Redevelopment Project Area)	2024	21,860,000	19,775,000
Series 2005 Long Beach Bond Finance Authority (LBBFA)	2040	184,758,000	184,758,000
(Central Redevelopment Project Area)	2040	56,930,000	56,930,000
(Los Altos Redevelopment Project Area)	2020	4,685,000	4,685,000
(North Long Beach Redevelopment Project Area)	2035	64,080,000	64,080,000
(Poly High Redevelopment Project Area)	2024	2,558,000	2,558,000
(West Beach Redevelopment Project Area)	2020	840,000	840,000
(Housing Redevelopment Project Area)	2040	55,665,000	55,665,000
<sup>(1)</sup> Maturity date revised at partial defeasement of 1992 bonds by the Series 2002B LBBFA Tax Allocation Revenue Bonds.			
<sup>(2)</sup> Series 2002B LBBFA Tax Allocation Revenue Bonds issued December 2002 partially defeased the Series 1992 West Long Beach Industrial Tax Allocation Revenue Bonds and the Series 1992A Downtown Project Refunding Bonds. As of December 2002, amount outstanding for series 1992 West Long Beach Industrial Tax Allocation Project Revenue Bonds was \$18,125,000 and for Series 1992A Downtown Project Refunding Bonds, the amount outstanding was \$39,925,000.			

### Pension Obligation Bonds

Issue Name	Final Maturity	Original Par Amount	Amount Outstanding
Series 1995 Pension Obligation Refunding Bonds <sup>(1)</sup>	2011	\$23,920,000	\$18,305,000
Series 2002A&B Pension Obligation Bonds Refunding Taxable Bonds (Auction Rate Securities) <sup>(1)</sup>	2021	87,590,000	78,950,000
<sup>(1)</sup> Series 2002A&B Pension Obligation Refunding Taxable Bonds Partially defeased Series 1995 Pension Obligation Refunding Bonds in September 2002. The remaining issue amount after partial defeasement of the Series 1995 Pension Obligation Bonds was \$23,920,000.			

### Certificates of Participation

Issue Name	Final Maturity	Original Par Amount	Amount Outstanding
Series 1993 Airport Refunding	2016	\$16,815,000	\$10,710,000
Series 1997 Queensway Bay Parking Facility	2017	5,855,000	4,315,000

Source: City of Long Beach – Comprehensive Annual Financial Report

City of Long Beach  
 Computation of Legal Debt Margin  
 September 30, 2005  
 (In Thousands)

Net Assessed Valuation		\$ 31,391,249
Plus Exempt Property		<u>678,462</u>
Total Assessed Valuation (1)		<u>\$ 32,069,711</u>
Debt Limit - 15 Percent of Total Assessed Valuation (1)		\$ 4,810,457
Amount of Debt Applicable to Debt Limit:		
Redevelopment Bonded Debt	\$ 355,444	
Less:		
Assets in Redevelopment Debt Service Fund, Available for Payment of Principal	<u>39,059</u>	
Total Amount of Debt Applicable to Debt Limit		<u>316,385</u>
Legal Debt Margin (1)		<u>\$ 4,494,072</u>

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Note:

(1) The fiscal year 2005 debt limit is based on assessed valuation and reflects valuation for the property in redevelopment project areas.

Source: City of Long Beach, Department of Financial Management.  
 "SV-13 G Report FY 04-05 Assessed Valuations" compiled under the supervision of the  
 Los Angeles County Auditor-Controller.