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## City Council's Stated Priorities

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*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*

# Elected Officials City of Long Beach

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**Mayor**  
Bob Foster

**City Council**

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

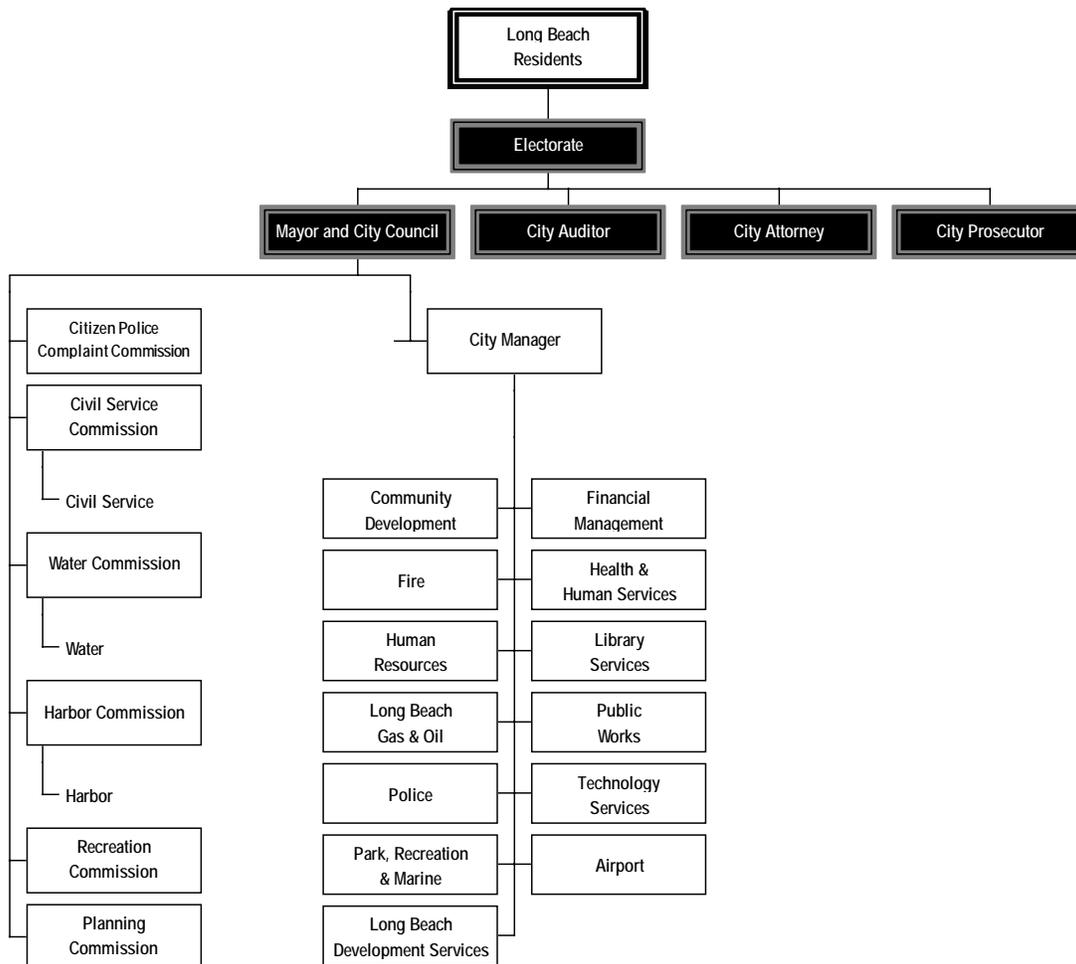
**City Attorney**  
Robert E. Shannon

**City Auditor**  
Laura Doud

**City Prosecutor**  
Thomas M. Reeves

## City Organizational Chart

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# City of Long Beach Financial Policies

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## 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.

# City of Long Beach Financial Policies

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- 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

# City of Long Beach Financial Policies

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

## **10) Debt Issuance**

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

## **11) Budget Requests During the Fiscal Year**

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



### Non-City Manager Proposed Budgets

Description	Fund	FTE Change	Reduction Amount
<b>City Auditor*</b>		<b>Total</b>	<b>(\$181,518)</b>
<ul style="list-style-type: none"> <li>Reallocate TOT audit services, Technology Services charges, 0.4 FTE Audit Analyst position costs and 0.5 FTE Audit Manager costs to Redevelopment, Special Advertising and Promotions, Employee Benefits and Tidelands Funds</li> </ul>	General	-	(\$128,995)
<ul style="list-style-type: none"> <li>Reduce Technology services charges, general liability costs for closed issue</li> </ul>	General	-	(\$52,523)
<b>City Attorney**</b>		<b>Total</b>	<b>(\$964,067)</b>
<ul style="list-style-type: none"> <li>Maintain 7 FTEs vacant: 5 Deputy City Attorneys, 1 Legal Records Specialist, 1 Legal Office Assistant</li> </ul>	General	-	(\$521,900)
<b>City Clerk*</b>		<b>Total</b>	<b>(\$227,330)</b>
<ul style="list-style-type: none"> <li>Reduce printing costs, equipment/ furniture purchases, advertising, training and rental costs</li> </ul>	General	-	(\$65,300)
<ul style="list-style-type: none"> <li>Reduce consulting services for translators, software and organizational development</li> </ul>	General	-	(\$162,030)
<b>City Prosecutor</b>		<b>Total</b>	<b>TBD</b>
<ul style="list-style-type: none"> <li>TBD</li> </ul>	General	-	TBD
<b>Mayor and City Council</b>		<b>Total</b>	<b>(\$446,583)</b>
<ul style="list-style-type: none"> <li>Mayor - Defund 1 Administrative Analyst I</li> </ul>	General	-	(\$93,788)
<ul style="list-style-type: none"> <li>Department Administration - Defund 1 Clerk Typist II</li> </ul>	General	-	(\$56,137)
<ul style="list-style-type: none"> <li>District I - Maintain salary savings</li> </ul>	General	-	(\$34,936)
<ul style="list-style-type: none"> <li>District 2 - Reduce 1 Legislative Assistant, increase 0.5 Administrative Aide II, reduce fleet costs</li> </ul>	General	(0.50)	(\$47,861)
<ul style="list-style-type: none"> <li>District 3 - Maintain salary savings</li> </ul>	General	-	(\$30,883)
<ul style="list-style-type: none"> <li>Placeholder for additional department savings</li> </ul>	General	-	(\$182,978)

\* Proposed savings have been budgeted; however, actual changes are not included in department budgets.

\*\* The City Attorney's FY 09 Base Budget already includes \$442,167 in carry-over salary savings, for a total of \$964,067.

**Notes:**

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

The Civil Service Department is not included in the requested 10 percent budget reduction for FY 09. However, in an effort to achieve the FY 08 budget reduction of \$650,000, the department is proposing the following structural changes for a total reduction of \$731,906: reduce 7 FTEs (1 Recruitment Officer, 3 Personnel Analyst I - Confidential, 2 Clerk Typist III, 1 Clerk Typist IV); reduce advertising, office supplies, travel and rental costs; and reduce parking, postage and reprographics expenses.

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

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

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



# Adopted Budget Transmittal Letter

Fiscal Year 2009

December 1, 2008

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

SUBJECT: Fiscal Year 2009 Adopted Budget

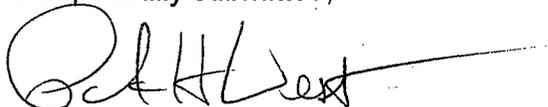
Transmitted herewith is the City of Long Beach's Fiscal Year 2009 (FY 09) Adopted Budget. The Mayor and City Council adopted the FY 09 budget on September 9, 2008, as provided under Section 1704 of the City Charter. The FY 08 Adopted Budget totals \$3.1 billion for all City funds. Of the total amount,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

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

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

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

Respectfully submitted,



PATRICK H. WEST  
CITY MANAGER

Attachments



**Office of Mayor  
Bob Foster**

**Mayor's Budget  
Recommendations**

• • • • •

**Fiscal Year 2009**

*presented August 1, 2008*



August 1, 2008

Members of the City Council:

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

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

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

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

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

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

The Council took the first step in those investments earlier this year, approving employee contracts that are stable and bring our employee to the average salary levels of other

cities and make great strides in retaining our skilled workforce. I want to commend IAM for stepping up to the plate in this year's negotiations with a creative and forward looking pension framework that looks to roll back pension rates for new employees and "gainsharing" agreements that incentivize employees to find new ways to cut costs and save taxpayer dollars.

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

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

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

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

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

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

### **Additional Recommendations**

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

The elected officials budgets have largely been immune to the reductions imposed on the City Manager departments over the past 4 years. While service demands increase, I believe it is appropriate to request each elected department to do their part and cut their budgets by 10% - consistent with the FY 09 directive to the City Manager departments.

Citywide, this will account for \$2.5 million in savings this fiscal year, avoiding cuts in other critical service areas.

2.) Convention Center Expansion Debt Relief

Request the Harbor Department begin the process to forgive the City's \$27 million debt from the Convention Center expansion.

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

3.) Continue to Maximize City partnerships

Our City partners continue to embrace the concept that Long Beach is "One City," finding common financial interest and uniting around a single mission to make Long Beach the best it can be.

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

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

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

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

4.) Infrastructure Maintenance Fund / Neighborhood Streets and Roads Account

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

5.) Insurance Fund

Over the past few years, the City has undertaken significant reforms in managing its workers' compensation and other general liabilities,

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

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

6.) Prop. H

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

7.) Police Overtime and Academy Class

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

In this year's Manager's budget, an additional 6 sworn officers will be re-directed into patrol by the elimination of PAL. Over the past two years, through hiring and administrative direction, 86 more officers will be on the streets than 2 years ago.

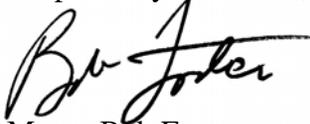
Further, I am recommending that LBPD maximize the October academy and "super-sizes" its number of recruits from 34 to 50.

8.) Prepare for reductions in State funding

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

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Bob Foster". The signature is written in a cursive, flowing style.

Mayor Bob Foster

## FISCAL YEAR 2009 PROPOSED BUDGET CHANGES

### CITY COUNCIL-RECOMMENDED CHANGES

RESTORATIONS	AMOUNT	OFFSETS	AMOUNT
Senior Center Café	\$ 23,864	New Senior Center Revenue	\$ 23,864
Midnight Basketball	30,000	One-time Union Pacific Sponsorship	30,000
Nuisance Abatement Officer	130,000	CDBG and Refuse Fund support, General Fund Operating Savings	130,000
	<b>\$ 183,864</b>		<b>\$ 183,864</b>

### BUDGET OVERSIGHT COMMITTEE-RECOMMENDED CHANGES

RESTORATIONS	AMOUNT	OFFSETS	AMOUNT
Day Camp Fee Subsidies	123,860	Shift CDBG funding from City Prosecutor, Parks, Recreation and Marine Operating Savings	123,860
Community Police Centers	24,865	CDBG support	24,865
City Prosecutor's Budget	87,000	City Clerk Vacant Positions	177,000
Main Library Operations	258,000	Reduced Design/Reprographics Operations in Parks, Recreation and Marine	75,000
Gym Hours	50,000	Community Hospital Lease Payment	80,000
City Clerk Interpreters	37,000	PD Reduction of 2 SSO FTE in Jail	100,000
	<b>\$ 580,725</b>		<b>\$ 580,725</b>



1 money set forth opposite the names of said funds are hereby appropriated and  
2 authorized to be spent in 2008-09, all of which sums are based on the approved and  
3 adopted budget.

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

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

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

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

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

1 declared unconstitutional, invalid or void.

2 Section 7. This ordinance is an emergency ordinance duly adopted by  
3 the City Council by a vote of five of its members and shall take effect immediately. The  
4 City Clerk shall certify to a separate roll call and vote on the question of the emergency of  
5 this ordinance and to its passage by the vote of five members of the City Council of the  
6 City of Long Beach, and cause the same to be posted in three conspicuous places in the  
7 City of Long Beach, and it shall thereupon take effect and shall be operative on and after  
8 12:01 a.m. on October 1, 2008.

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

13	Ayes:	Councilmembers:	<u>B. Lowenthal, S. Lowenthal,</u>
14			<u>DeLong, O'Donnell, Schipske,</u>
15			<u>Andrews, Reyes Uranga, Gabelich,</u>
16			<u>Lerch.</u>
17	Noes:	Councilmembers:	<u>None.</u>
18			<u></u>
19	Absent:	Councilmembers:	<u>None.</u>
20			<u></u>
21			<u></u>

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

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

4 Ayes: Councilmembers: B. Lowenthal, S. Lowenthal, DeLong,  
5 O'Donnell, Schipske, Andrews,  
6 Reyes Uranga, Gabelich, Lerch.

7  
8 Noes: Councilmembers: None.

9  
10 Absent: Councilmembers: None.

11  
12  
13 I further certify that the foregoing ordinance was thereafter adopted on final  
14 reading of the City Council of the City of Long Beach at its meeting of  
15 September 16, 2008, by the following vote:

16 Ayes: Councilmembers: B. Lowenthal, S. Lowenthal, DeLong,  
17 O'Donnell, Schipske, Andrews,  
18 Reyes Uranga, Gabelich, Lerch.

19  
20 Noes: Councilmembers: None.

21  
22 Absent: Councilmembers: None.

23  
24  
25   
City Clerk

26  
27 Approved: 9-11-08  
(Date)

28   
Mayor

Exhibit A

FISCAL YEAR 2009 APPROPRIATIONS ORDINANCE BY FUND

FUND	FY 09 NEW ALLOCATION	FY 08 ESTIMATED CARRYOVER*	FY 09 APPROPRIATION
GENERAL FUND	403,978,750	-	403,978,750
GENERAL GRANTS FUND	6,657,583	10,880,124	17,537,707
POLICE & FIRE PUBLIC SAFETY OIL PROD ACT FUND	4,756,444	-	4,756,444
HEALTH FUND	44,918,181	36,281,335	81,199,515
PARKING & BUSINESS AREA IMPROVEMENT FUND	7,031,088	-	7,031,088
SPECIAL ADVERTISING & PROMOTION FUND	6,938,289	-	6,938,289
UPLAND OIL FUND	28,650,709	-	28,650,709
HOUSING DEVELOPMENT FUND	26,704,716	66,657,962	93,362,677
BELMONT SHORE PARKING METER FUND	669,532	-	669,532
DEVELOPMENT SERVICES FUND	13,839,827	-	13,839,827
BUSINESS ASSISTANCE FUND	1,214,532	(48,155)	1,166,377
COMMUNITY DEVELOPMENT GRANTS FUND	26,749,523	32,256,190	59,005,714
PARK DEVELOPMENT FUND	1,057,653	-	1,057,653
GASOLINE TAX STREET IMPROVEMENT FUND	17,354,032	16,292,095	33,646,127
TRANSPORTATION FUND	16,922,674	17,318,712	34,241,387
CAPITAL PROJECTS FUND	10,790,141	53,652,719	64,442,860
CIVIC CENTER FUND	1,644,585	2,962,504	4,607,090
GENERAL SERVICES FUND	36,876,801	2,138,513	39,015,315
FLEET SERVICES FUND	36,339,357	359,703	36,699,059
INSURANCE FUND	36,371,584	-	36,371,584
EMPLOYEE BENEFITS FUND	227,098,045	-	227,098,045
TIDELANDS FUNDS	134,673,877	19,850,396	154,524,273
TIDELAND OIL REVENUE FUND	363,188,961	-	363,188,961
RESERVE FOR SUBSIDENCE	-	-	-
GAS FUND	144,834,502	3,736,684	148,571,186
AIRPORT FUND	34,918,652	48,127,643	83,046,295
REFUSE/RECYCLING FUND	49,584,535	(127,537)	49,456,998
SERRF FUND	55,212,970	-	55,212,970
SERRF JPA FUND	11,394,998	-	11,394,998
TOWING FUND	9,825,615	-	9,825,615
PARKING AUTHORITY FUND	-	-	-
HOUSING AUTHORITY FUND	67,457,618	792,013	68,249,631
REDEVELOPMENT FUND	142,465,986	61,506,361	203,972,347
CUPA FUND	1,294,779	-	1,294,779
<b>TOTAL</b>	<b>1,971,416,541</b>	<b>372,637,263</b>	<b>2,344,053,804</b>

\* Carryover of multi-year grants and CIP funds.

**Exhibit B**

**FISCAL YEAR 2009 APPROPRIATIONS ORDINANCE BY DEPARTMENT**

DEPARTMENT	FY 09 NEW ALLOCATION	FY 08 ESTIMATED CARRYOVER*	FY 09 APPROPRIATION
MAYOR AND COUNCIL	5,032,840	-	5,032,840
CITY ATTORNEY	9,708,745	-	9,708,745
CITY AUDITOR	2,820,050	-	2,820,050
CITY CLERK	3,713,740	-	3,713,740
CITY MANAGER	8,121,430	-	8,121,430
CITY PROSECUTOR	5,176,542	(16,989)	5,159,553
CIVIL SERVICE	2,224,505	-	2,224,505
AIRPORT	34,334,040	3,384,161	37,718,201
COMMUNITY DEVELOPMENT	151,005,283	98,559,410	249,564,693
PLANNING AND BUILDING	160,426,404	63,039,954	223,466,358
FINANCIAL MANAGEMENT**	368,373,311	(1,752,019)	366,621,293
FIRE	93,907,538	3,174,090	97,081,628
HEALTH AND HUMAN SERVICES	51,074,966	38,853,555	89,928,522
HUMAN RESOURCES	8,161,199	-	8,161,199
LIBRARY SERVICES	13,559,707	-	13,559,707
LONG BEACH GAS AND OIL	581,203,654	3,736,684	584,940,339
PARKS, RECREATION AND MARINE	58,072,842	19,437,940	77,510,782
POLICE	206,865,258	5,098,889	211,964,147
PUBLIC WORKS	175,930,316	137,183,074	313,113,390
TECHNOLOGY SERVICES	35,862,398	1,938,513	37,800,911
<b>TOTAL</b>	<b>1,975,574,769</b>	<b>372,637,263</b>	<b>2,348,212,032</b>

\* Carryover of multi-year grants and CIP funds.

\*\* Department of Financial Management includes internal service charges that are contained in the resolutions of the Water, Sewer and Harbor funds for accounting, budgeting and treasury functions, and other citywide activities such as debt service.

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

1 RESOLUTION NO. RES-08-0108

2  
3 A RESOLUTION OF THE CITY COUNCIL OF THE  
4 CITY OF LONG BEACH ADOPTING AN APPROPRIATIONS  
5 LIMIT FOR THE CITY OF LONG BEACH FOR THE 2008-  
6 2009 FISCAL YEAR PURSUANT TO ARTICLE XIII(B) OF  
7 THE CALIFORNIA CONSTITUTION

8  
9 WHEREAS, Article XIII(B) of the California Constitution provides for an  
10 annual appropriations limit for state and local governments beginning with the 1980-81  
11 fiscal year, based on 1978-79 appropriations, as adjusted for specified annual changes in  
12 population and inflation; and

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

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

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

25 WHEREAS, the documentation which is attached hereto and made a part  
26 hereof as Exhibit "A" was used in the determination of the appropriations limit for the  
27 2008-2009 fiscal year, and has been available for public inspection in the office of the  
28 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

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

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

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

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

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

Noes: Councilmembers: None.

Absent: Councilmembers: None.

  
\_\_\_\_\_  
City Clerk

**"EXHIBIT A"**

**CITY OF LONG BEACH**

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

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

**II. DETERMINATION OF APPROPRIATIONS FACTOR**

Price Factor:	1.042900
Change in Per Capita Income Department of Finance estimate pursuant to Revenue Tax Code, Sec. 2227 and 2228, California = 4.29% Ratio = $(4.29+100)/100 =$	1.0429
Population Change:	1.005000
Department of Finance estimate pursuant to Revenue Tax Code, Sec. 2227 and 2228, California = 0.50% Ratio = $(.50+100)/100 =$	1.0050
Adjustment Factor:	1.048115
$1.042900 \times 1.005000$ Factors were converted to ratios per State guidelines.	

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

1 RESOLUTION NO. RES-08-0109

2  
3 A RESOLUTION OF THE CITY COUNCIL OF THE  
4 CITY OF LONG BEACH APPROVING THE 2009 BUDGET  
5 OF THE LONG BEACH HARBOR DEPARTMENT  
6

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

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

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

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

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

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

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

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

Ayes: Councilmembers: B. Lowenthal, S. 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

CMG:rjr 08/27/08 #A08-02636  
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RESOLUTION NO. HD-2441

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

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

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

Harbor Revenue Fund (in thousands of dollars)

Estimated Fund Balance 10/1/2008	\$500,616
Estimated Revenues	<u>\$795,733</u>
Total Estimated Resources	\$1,296,349
Estimated Expenditures	<u>\$1,019,667</u>
Estimated Fund Balance 9-30-2009	\$276,682

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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I hereby certify that the foregoing resolution was adopted by the Board of Harbor Commissioners of the City of Long Beach at its meeting of June 16, 2008 by the following vote:

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

Noes: Commissioners: \_\_\_\_\_

Absent Commissioners: \_\_\_\_\_

Not Voting: Commissioners: \_\_\_\_\_

Loris Topsy-Elvord  
Secretary

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

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

ORDINANCE NO. ORD-08-0023

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

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

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

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

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

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

8           Section 4. This ordinance is an emergency ordinance duly adopted by  
9 the City Council by a vote of five of its members and shall take effect immediately. The  
10 City Clerk shall certify to a separate roll call and vote on the question of the emergency of  
11 this ordinance and to its passage by the vote of five members of the City Council of the  
12 City of Long Beach, and cause the same to be posted in three conspicuous places in the  
13 City of Long Beach, and it shall thereupon take effect and shall be operative on and after  
14 12:01 a.m. on October 1, 2008.

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

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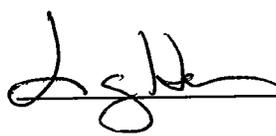
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Absent: Councilmembers: None.

  
City Clerk

Approved: 9/18/08  
(Date)

  
Mayor

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

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

1 RESOLUTION NO. WD-1245

2  
3 A RESOLUTION OF THE BOARD OF WATER  
4 COMMISSIONERS AMENDING RESOLUTION NO. WD-  
5 1230 FIXING RATES AND CHARGES FOR WATER AND  
6 SEWER SERVICE TO ALL CUSTOMERS, SUBJECT TO  
7 THE APPROVAL OF THE CITY COUNCIL BY ORDINANCE  
8

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

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

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

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

<u>Size of Service</u>	<u>Daily Service Charge</u>
21 5/8 or 3/4 inch	\$0.360
22 1 inch	\$0.543
23 1-1/2 inch	\$1.013
24 2 inch	\$1.502
25 3 inch	\$3.110
26 4 inch	\$4.921
27 6 inch	\$9.068

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<u>Size of Service</u>	<u>Daily Service Charge</u>
8 inch	\$14.234
10 inch	\$23.311
12 inch	\$28.490
16 inch	\$47.152

B. On October 1, 2008, the quantitative charge for all water delivered shall be as follows, based on monthly meter readings:

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

Tier IA	First 5 Billing Units (or fraction thereof)	\$1.052
Tier II	Next 10 Billing Units (or fraction thereof)	\$2.103
Tier III	Over 15 Billing Units (or fraction thereof)	\$3.155

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

Tier IB	First 5 Billing Units (or fraction thereof)	\$1.893
Tier II	Next 10 Billing Units (or fraction thereof)	\$2.103
Tier III	Over 15 Billing Units (or fraction thereof)	\$3.155

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

Tier IA	First 2.5 Billing Units (or fraction thereof per dwelling unit)	\$1.052
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Tier II	Next 10.5 Billing Units (or fraction thereof per dwelling unit)	\$2.103
Tier III	Over 13 Billing Units (or fraction thereof per dwelling unit)	\$3.155

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)	\$1.893
Tier II	Next 10.5 Billing Units (or fraction thereof per dwelling unit)	\$2.103
Tier III	Over 13 Billing Units (or fraction thereof per dwelling unit)	\$3.155

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)	\$1.052
Tier II	Next 6.5 Billing Units (or fraction thereof per dwelling unit)	\$2.103
Tier III	Over 9 Billing Units (or fraction thereof per dwelling unit)	\$3.155

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

Tier IB	First 2.5 Billing Units (or fraction thereof per dwelling unit)	\$1.893
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Tier II	Next 6.5 Billing Units (or fraction thereof per dwelling unit)	\$2.103
Tier III	Over 9 Billing Units (or fraction thereof per dwelling unit)	\$3.155

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

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

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

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

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

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

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

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

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

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

///

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

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

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

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

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

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

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

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

1 Conservation Plan" of the Water Department.

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

4 <u>Size of Service</u>	<u>Daily Rate</u>
5 2 inch	\$0.752
6 3 inch	\$1.285
7 4 inch	\$1.899
8 6 inch	\$3.236
9 8 inch	\$4.744
10 10 inch	\$6.417
11 12 inch	\$8.089
12 16 inch	\$11.860

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

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

27 Section 7. The primary purpose of fire hydrants is extinguishing fires and  
28 they shall be opened and used only by the Water Department or the Long Beach Fire

1 Department, or such other persons as may be authorized to do so by the General  
2 Manager or the Chief of the Fire Department. Where fire hydrants are installed and  
3 maintained by the Water Department, there shall be no standby charge made to the Fire  
4 Department.

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

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

11	<u>Size of Service</u>	<u>Daily Sewer Rate</u>
12	5/8 or 3/4 inch	\$0.179
13	1 inch	\$0.284
14	1-1/2 inch	\$0.516
15	2 inch	\$0.749
16	3 inch	\$1.550
17	4 inch	\$2.455
18	6 inch	\$4.522
19	8 inch	\$7.105
20	10 inch	\$11.623
21	12 inch	\$14.207
22	16 inch	\$23.248

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

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

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

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

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

1 as set forth in the Long Beach Municipal Code and the "Rules, Regulations  
2 and Charges Governing Potable Water, Reclaimed Water, Sewer Service  
3 and the Emergency Water Conservation Plan" of the Water Department.

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

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

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

26 J. Anyone who has paid a capacity charge may apply for a full or  
27 partial refund if within one year after payment: 1) the applicant has not been  
28 permitted to connect to the City sewerage system; or 2) the development on

1 which the capacity charge was calculated has been modified pursuant to  
2 applicable City ordinances, resolutions, or regulations, resulting from a  
3 reduction in the number of equivalent fixture units. Refund applications  
4 shall be made on forms provided by the City and shall contain a declaration  
5 under oath of those facts, along with relevant documentary evidence, which  
6 qualify the applicant for the refund. In no event shall a refund exceed ninety  
7 percent (90%) of the amount of the capacity charge actually paid.

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

21 L. The capacity charge and requirements pertaining thereto shall  
22 not affect in any way the permissible use of property, density of  
23 development, design and improvement standards, public improvement  
24 requirements, or any other aspect of the development of land or  
25 construction of buildings which may be imposed by the City pursuant to the  
26 Long Beach Municipal Code, Subdivision Regulations, or other state or local  
27 laws, ordinances or regulations which shall be in effect with respect to all  
28 developments.

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

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

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

27 B. Every water customer and every sewer customer shall be  
28 liable for payment of bills for water service and sewer service. Charges for

1 water service and sewer service shall be included in municipal utility bills.

2 C. Anyone who has been granted an exemption under Chapter  
3 3.68 of the Long Beach Municipal Code as of the date of this resolution  
4 does not need to file a separate application for exemption hereunder.

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

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

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

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

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

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

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

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

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

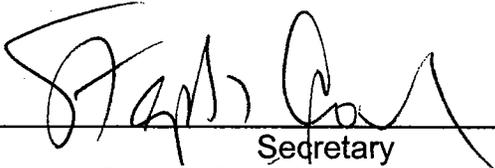
28 Section 14. The Secretary of the Board of Water Commissioners shall

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

1 certify to the passage of this resolution and it shall take effect by operation of law  
2 following its approval by the City Council by ordinance.

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

6  
7 Ayes: Commissioners: ALLEN; CONLEY; CLARKE; TOWNSEND  
8 \_\_\_\_\_  
9 \_\_\_\_\_  
10 Noes: Commissioners: NONE  
11 Absent: Commissioners: BLANCO  
12 \_\_\_\_\_  
13 \_\_\_\_\_

14  
15   
16 Secretary  
17 Board of Water Commissioners

18 CERTIFIED AS A TRUE AND CORRECT COPY  
19 .....  
20 SECRETARY TO THE BOARD OF WATER COMMISSIONERS  
21 CITY OF LONG BEACH, CALIFORNIA  
22 BY: Janice K. ...  
23 DATE: 7/24/2008  
24  
25  
26  
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28

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

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RESOLUTION NO. RES-08-0106

A RESOLUTION OF THE CITY COUNCIL OF THE  
CITY OF LONG BEACH APPROVING THE 2008-2009  
BUDGET OF THE LONG BEACH WATER DEPARTMENT  
AS ADOPTED

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

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

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

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

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

Section 3. This resolution shall take effect immediately on its adoption by  
the City Council, and the City Clerk shall certify the vote adopting this resolution.

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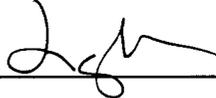
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I hereby certify that this resolution was adopted by the City Council of the  
City of Long Beach at its meeting of September 9, 2008, by the following vote:

Ayes: Councilmembers: B. Lowenthal, S. 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

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

1 RESOLUTION NO. WD-1246

2  
3 A RESOLUTION OF THE BOARD OF WATER  
4 COMMISSIONERS ADOPTING THE ANNUAL BUDGET FOR  
5 THE LONG BEACH WATER DEPARTMENT FOR THE  
6 FISCAL YEAR 2008-2009

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

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

13 WATER

14 Estimated Contingency Fund Balance 10-1-2008 \$4,124,428

15 Estimated Revenues 85,556,867

16 Total Estimated Resources 89,681,295

17 Estimated Expenditures 87,511,765

18 Estimated Contingency Fund Balance 9-30-2009 \$2,169,530

19 SEWER

20 Estimated Contingency Fund Balance 10-1-2008 \$2,980,897

21 Estimated Revenues 18,012,400

22 Total Estimated Resources 20,993,297

23 Estimated Expenditures 17,884,891

24 Estimated Contingency Fund Balance 9-30-2009 \$3,108,406

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

27 Section 2. The City's Fiscal Year 2008-2009 budget development calendar  
28 requires submission of proposed budgets to the Mayor by July 1, 2008. To

1 accommodate the City's schedule, the Water Department must accelerate the adoption of  
2 its Fiscal Year 2008-2009 budget. This requires the Water Department to estimate  
3 certain City budget components including employee fringe benefits and City support  
4 charges. These charges are included in the above budget numbers as estimated  
5 amounts.

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

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

20 ///

21 ///

22 ///

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28 ///

1 I hereby certify that the foregoing resolution was adopted by the Board of  
2 Water Commissioners of the City of Long Beach, at its meeting of July 10, 2008, by the  
3 following vote:

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

6  
7 Noes: Commissioners: NONE

8 Absent: Commissioners: NONE

9  
10   
11 Secretary  
12 BOARD OF WATER COMMISSIONERS

13 OFFICE OF THE CITY ATTORNEY  
14 ROBERT E. SHANNON, City Attorney  
15 333 West Ocean Boulevard, 11th Floor  
16 Long Beach, CA 90802-4664

17 CERTIFIED AS A TRUE AND CORRECT COPY  
18 .....  
19 SECRETARY TO THE BOARD OF WATER COMMISSIONERS  
20 CITY OF LONG BEACH, CALIFORNIA  
21   
22 .....  
23 DATE as 7/10/2008  
24 .....