

**Budget Oversight Committee  
Fiscal Year 2005 Budget Report  
February Status Report**

**C-4**

Recommendation	Current Status	Recommended Future Steps
<b>Proposed Adjustments to the Three-Year Financial Strategic Plan</b>		
1 Restore proposed reductions to youth library programming (Page 7)	Adopted by Council 9/7/04	No further action needed
2 Restore proposed day camps reductions (Page 7)	Adopted by Council 9/7/04	No further action needed
3 Remove proposed transfer of extended day care program to non-profits (Page 7)	Adopted by Council 9/7/04	No further action needed
4 Restore proposed reduction in tree trimming cycles (Page 7)	Adopted by Council 9/7/04	No further action needed
5 Explore public/private partnerships to offset reductions to Library Service's book, materials and supplies budget (Page 7)	A Focus Group, which includes City Council-designated representatives, has been exploring funding alternatives for library services and is expected to make recommendations in March 2005. Recently Occidental Petroleum donated \$35,000 for library materials and resources, which may continue in future years	
6 Establish an aggressive book donation program to increase the City's inventory of best seller books (Page 7)	Thirty-two books have been received from the Read and Deed program, which is being promoted at City Council meetings and local bookstores	
<b>Proposed Offsets and Alternatives</b>		
1 Increase revenue from police alarm permit fees (Page 8)	Final analysis of alternatives is being prepared and will be available shortly	
2 Accelerate Code Enforcement revenue where possible from FY 06 into FY 05 (Page 8)	Staff is aggressively pursuing implementation of the realigned Code Enforcement program and revenue is expected to exceed original budget estimates	
3 Direct City Manager to increase parking revenues citywide through an analysis of rates for surface lots and garages, extension of parking hours for metered parking, optimization of parking enforcement and other methods of increased parking revenue (Page 8)	A citywide review of Parking Management has been initiated	

**Budget Oversight Committee  
Fiscal Year 2005 Budget Report  
February Status Report**

Recommendation	Current Status	Recommended Future Steps
<p>4 Optimize Gang Prevention Functions (Page 9)</p> <ul style="list-style-type: none"> <li>- Freeze current vacancies in Gang Prevention to generate temporary salary savings</li> <li>- Conduct a comprehensive study of all youth-related services to identify areas for optimization, reduction of duplication, increased</li> </ul>	<p>City Council redirected a portion of the Gang Prevention funds into other recreation programs and services in the FY 05 Adopted Budget</p> <p>Vacancies are being held through the hiring freeze</p> <p>The City is initiating the Youth Services Study</p>	
<p>5 Direct the City Manager to review the number and use of Public Information and Public Affairs Officers for optimization and potential savings (Page 9)</p>	<p>Will be included in future optimization efforts</p>	
<p>6 Review the possibility of cost recovery for violations from California Code Sections 53151, 53154 and 53155 related to reimbursement for arrest time, property repairs, and other similar areas (Page 9)</p>	<p>Is included in Phase 1 of the fee study, which has been completed and is currently under review</p>	
<b>Proposed Policy Recommendations</b>		
<p>1 Enhance the role of City Council in the contracting-out evaluation process (Page 10)</p> <ul style="list-style-type: none"> <li>- Include City Council in identifying Potential Contracting-Out Opportunities</li> <li>- Include City Council in identifying and verifying City Costs</li> </ul> <p><i>Requested update on process of K prior to final recommendation to City Council</i></p>	<p>During the current year, staff has increased focus on optimization prior to considering contracting. Potential contracting opportunities will be brought to the City Council for consideration</p> <p>Methodology for identifying and verifying of contracting will be reviewed with the City Council</p>	
<p>2 Recommend the City Manager focus greater attention on contracting-in and increasing revenue generation (Page 10)</p>	<p>Staff is diligently working on both efforts. Recently executed contract for radio maintenance with the School District. Currently exploring solid waste collection contract. Phase I of the Fee Study has been completed; Phase II completed by 6/05</p>	

**Budget Oversight Committee  
Fiscal Year 2005 Budget Report  
February Status Report**

Recommendation	Current Status	Recommended Future Steps
3 Create and fund an Infrastructure and Maintenance Reserve Account (Page 10)	Adopted by Council 9/7/04 - An initial reserve of \$200,000 was set up as part of the FY 05 Adopted Budget and was used to address damage caused by the winter storms. When available, funds will be considered for a deposit in this reserve	No further action needed
4 Convene a working group of the community, staff, stakeholders, and other interested City Council members to review long-term issues facing the City and develop strategies to fund them (Page 10 & 11)	For discussion with the Budget Oversight Committee	
<b>Review of New Revenue Options</b>		
1 Convene a working group of the community, staff, stakeholders, and other interested City Council members to review long-term issues facing the City and develop strategies to fund them (Page 10 & 11)	Please see #4 above	
2 Review and discuss data which demonstrates the reasons for Long Beach's fiscal crisis including information on population growth changes, reduction in revenues, increase in worker's compensation, reinstatement of PERS payments and other costs that affect the City's structural deficit (Page 11)	Staff is currently preparing the 2005 Financial Trend Analysis utilizing the ICMA methodology	
3 Review and discuss data on the current measures being applied to eliminate projected structural deficits such as the Three-Year Financial Strategies Plan, financial policies and budgeted reductions (Page 11)	Scheduled for discussion at June Budget Oversight Committee	
4 Review and discuss data pertaining to major long-term priorities that require additional funding that are not currently planned to be supported through the General Fund (Page 11)	For discussion with the Budget Oversight Committee. Topic examples include infrastructure, facilities, housing, etc.	

**Budget Oversight Committee  
Fiscal Year 2005 Budget Report  
February Status Report**

Recommendation	Current Status	Recommended Future Steps
5 Discuss potential long-term funding strategies including: Fire Assessment District, Parking Lot Tax, and Library Special Tax or Assessment (Page 11)	- Recommend the Budget Oversight Committee schedule a future meeting to discuss - A Focus Group, which includes City Council designated representatives, has been exploring funding alternatives for library services and is expected to make recommendations in March 2005 - The Fire Assessment District was discussed in the recently submitted Fire Services Report (Attachment A)	
6 Discussion and analysis of the Transient Occupancy Tax (TOT) (Page 12)	Recommend the Budget oversight Committee schedule a meeting to discuss	
7 Discussion and analysis of the Oil Production Tax (Page 12)	City Auditor prepared a report to City Council on 10/5/2004 (Attachment B). Recommend the Budget Oversight Committee schedule a meeting to discuss	
<b>Recommendations for Future Consideration</b>		
1 Continue further discussions of outstanding resident, employee and innovation team recommendations (Page 13)	44 of the 360 VIP ideas have been implemented at this time and others are being considered. All employees who submitted a VIP idea are in the process of receiving an award and gift certificate	
2 Review outstanding Redevelopment Agency loan repayments that could be accelerated (Page 13)	Please see Attachment C for a list of outstanding Redevelopment Agency loans	
3 Consider acceleration of Fleet reductions planned for FY 06 into FY 05 (Page 13)	The City Auditor and the consultant are currently reviewing the status of past recommendations and are exploring other alternatives, including accelerating reductions	

**Budget Oversight Committee  
Fiscal Year 2005 Budget Report  
February Status Report**

Recommendation	Current Status	Recommended Future Steps
4 Formulate policy and begin lobbying on the state and federal levels for transportation policy amendments that could include urban local streets, school bus traveled routes, and other initiatives (Page 13)	The City continues to aggressively lobby for passage of the TEA-21 Reauthorization Bill, which is expected to directly benefit a number of transportation projects identified by the City as priority areas. On the State level, the City continues to actively pursue reimbursement of Proposition 42 funding in conjunction with other funding for critical City projects. Proposition 42 funding has once again been recommended for deferral by the governor in the FY 06 Proposed Budget. Funding is not allowed to be deferred past FY 08	

**Recommended Actions**

1 Recommend the City Council adopt the Proposed Updated Three-Year Plan (Page 14)	Adopted by Council 9/7/04	No further action needed
2 Recommend the City Council support the creation of a rolling Three-Year Plan that will address FY 05, FY 06 and FY 07 (Page 14)	Staff is currently in the process of developing a rolling Three-Year Plan	
3 Support the City Manager's proposed enhancements, which have been identified as core services, community priorities and/or as Mayor and City Council priorities (Page 14)	Adopted by Council 9/7/04	No further action needed
4 Support the fee increases and adjustments proposed by the City Manager, Board of Water Commissioners and BOC (Page 14)	Adopted by Council 9/7/04	No further action needed
5 Recommend that the CalPERS payment not be deferred (Page 14)	Adopted by Council 9/7/04	No further action needed
6 Concur with the Mayor's recommendation to evaluate areas such as fleet services, technology services, contract contingencies and consulting contracts, and various non-personal services expenses be explored for additional optimization opportunities (Page 14)	Adopted by Council 9/7/04	No further action needed
7 Concur with the Mayor's recommendation to support the development and/or enhancement of existing partnerships with the private and non-profit sectors to help augment support and/or funding for key services (Page 14)	Staff continues to pursue partnerships with the private and non-profit sectors to help augment support and/or funding for key services. Recently, Occidental Petroleum donated \$35,000 for library materials and resources	

**Budget Oversight Committee  
Fiscal Year 2005 Budget Report  
February Status Report**

Recommendation	Current Status	Recommended Future Steps
<b>8</b> Concur with the City Manager's recommended reviews and optimization efforts for FY 05 including Youth Services, Information and Technology, Health Insurance, Parking Management, Billing and Collections, Ambulance Billing, Towing Operations, Payroll Services, Business License Processing and School Crossing Guards (Page 14)	Adopted by Council 9/7/04	No further action needed

# Budget Oversight Committee

Fiscal Year 2005  
Proposed Budget

## Report & Recommendations

TO THE CITY COUNCIL

August 24, 2004

**Laura Richardson, Chair**

Councilwoman, Sixth District

**Jackie Kell, Member**

Vice Mayor, Fifth District

**Tonia Reyes Uranga, Member**

Councilwoman, Seventh District

City of Long Beach  
California

**TABLE OF CONTENTS**

<b>I.</b>	<b>BUDGET OVERSIGHT COMMITTEE LETTER</b>	<b>PAGE 2</b>
<b>II.</b>	<b>EXECUTIVE SUMMARY</b>	<b>PAGE 3</b>
<b>III.</b>	<b>CITY COUNCIL PRIORITIES</b>	<b>PAGE 5</b>
<b>IV.</b>	<b>CITY COUNCIL FINANCIAL POLICIES</b>	<b>PAGE 6</b>
<b>V.</b>	<b>PROPOSED BUDGET ADJUSTMENTS RECOMMENDATIONS</b>	<b>PAGE 7</b>
<b>VI.</b>	<b>PROPOSED OFFSETS AND ALTERNATIVES</b>	<b>PAGE 8</b>
<b>VII.</b>	<b>PROPOSED POLICY RECOMMENDATIONS</b>	<b>PAGE 10</b>
<b>VIII.</b>	<b>REVIEW OF NEW REVENUE OPTIONS</b>	<b>PAGE 11</b>
<b>IX.</b>	<b>RECOMMENDATIONS FOR FUTURE CONSIDERATION</b>	<b>PAGE 13</b>
<b>X.</b>	<b>RECOMMENDED ACTIONS</b>	<b>PAGE 14</b>



## **I. BUDGET OVERSIGHT COMMITTEE LETTER**

August 24, 2004

Honorable Mayor and City Council  
City Hall  
333 West Ocean Blvd 14<sup>th</sup> Floor  
Long Beach, California 90802

Dear Colleagues:

It is with great pleasure that the Long Beach Budget Oversight Committee transmits our proposed recommendations on the Fiscal Year 2005 (FY 05) Proposed Budget for your consideration.

Last year, the City Council endorsed the Three-Year Financial Strategic Plan (Plan), established the Budget Oversight Committee and adopted sound fiscal policies. These actions were unprecedented and were in response to the severity of the Long Beach financial crisis. The City Council accepted the responsibility to exert greater fiscal oversight and policy direction to ensure the City is providing the best service to the residents of Long Beach at the most efficient cost.

As noted by municipal consultant Len Wood, the City of Long has operated in a structural deficit for over 12 years. The City Council is united in our commitment to create financial solvency and must remain mindful that success will not be achieved without the following:

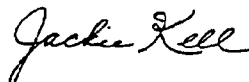
- Continual review of potential areas for cost reduction
- Review of possible accelerations of identified projected savings
- Consideration of revenue generating ideas
- Evaluation of resident, employee and innovation team suggestions
- Steadfast commitment to withhold new programs/services without new ongoing revenues to bear the expense

In conclusion, the Budget Oversight Committee hereby submits the following recommendations and stands ready to begin the next steps to achieve our Plan objectives towards prudent fiscal decisions for the future.

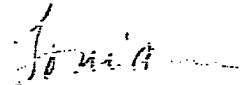
Respectfully Submitted,



Laura Richardson, Chair  
Budget Oversight Committee  
Councilwoman, Sixth District



Jackie Kell, Member  
Budget Oversight Committee  
Vice-Mayor, Fifth District

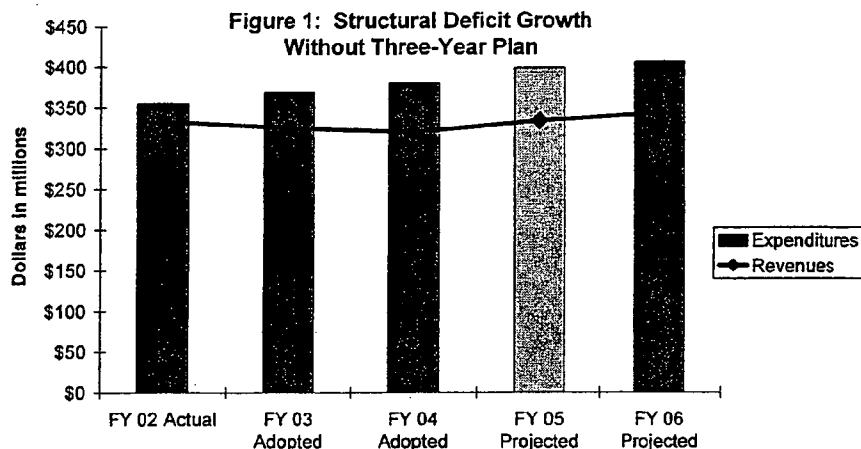


Tonia Reyes Uranga, Member  
Budget Oversight Committee  
Councilmember, Seventh District

## II. EXECUTIVE SUMMARY

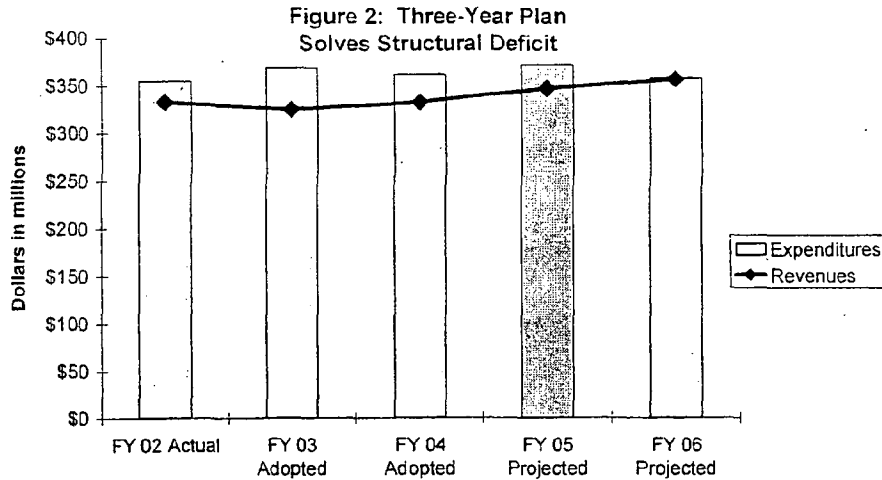
Rationally and responsibly bringing the City's expenditures and revenues back in line, while continuing to provide the core services the community expects, is a difficult task. As noted in the City Manager's Budget Summit presentation, the City of Long Beach communicated in January 2003 that the City suffered from a projected \$90 million deficit over three years. The structural deficit has existed for over 12 years, but was managed by balancing each annual budget through use of one-time revenues. This deficit occurred primarily due to increases in employee benefits, decreased revenue from the voter-approved Utility Users Tax reductions, and increased spending on City programs that did not have adequate revenue offsets identified. Factoring in additional growth in health care, general liability and workers' compensation costs, it was estimated that, had the City done nothing, the three-year deficit would have been approximately \$102 million by June 2004.

Given the information stated above, it is clear that had the City not adopted a Three-Year Financial Strategic Plan (Plan) and if the City was not committed to implementing continued structural deficit reductions, the City of Long Beach's financial solvency would be in jeopardy. Figure 1 shows how the structural deficit would have grown had the City Council not endorsed a Three-Year Plan.



The City Council, through the endorsement of the Plan, is on the right track to eliminate the deficit. The City has made tremendous progress through the implementation of the Plan, reducing approximately \$41 million of the projected \$102 million structural deficit in FY 04 alone. With continued perseverance and appropriate input from all stakeholders, we will reduce the deficit next year by \$33 million, while protecting core services to the community and staying on course to eliminate the structural deficit by the end of FY 06. Figure 2 shows the projected impact of the Plan on the structural deficit.

*BUDGET OVERSIGHT COMMITTEE REPORT AND RECOMMENDATIONS  
 PROPOSED FISCAL YEAR 2005 BUDGET  
 AUGUST 24, 2004*



Reducing the deficit while continuing to provide resources to critical programs is a top priority. The Budget Oversight Committee (BOC) plays an important role in advising the full City Council on budget-related issues, as we examine in detail the City Manager's proposed solutions to the structural deficit, as well as formulate our own recommendations to the City Council. This year, the BOC held 12 public meetings to closely examine the proposed reductions to all City departments, to ensure that they are consistent with the City Council's goals and community expectations. Fiscal oversight from the BOC is a critical step in the budget adoption process, in that it is an important step in the cycle of stakeholder involvement that includes the community, City staff, employees, and elected officials. This year's process included an unprecedented review of enormous detail by the BOC. We wish to thank the City Manager for continuously increasing the level of transparency of the annual budget process.

The BOC agrees with the general direction of the Proposed Updated Three-Year Plan and the FY 05 Proposed Budget, but identifies in this report areas of concern and recommended adjustments. The BOC strongly asserts that any item removed from the budget be replaced with an offsetting structural deficit solution, so that the City can continue on the path towards fiscal solvency. As such, we identify a number of areas the City Council can consider as alternatives. The City must also continue to examine best practices from other cities on how they address their own structural deficits. To that end, Attachment B provides information from the City of Santa Cruz, which provides detail on potential revenue options to help address their structural deficit.

The primary objective of this report is to carefully evaluate and recommend potential reductions and areas of optimization that would enable the delivery of a balanced budget and protection of core services and programs that reflect the priorities of Long Beach residents, businesses and the City Council.

### **III. CITY COUNCIL PRIORITIES**

In January 2004, the City Council produced the following set of goals, to establish our strategic vision for the City and guide efforts citywide. These goals, along with City's 2010 Strategic Plan, provide a roadmap for the City to follow to ensure that Long Beach remains a beautiful, safe and healthy community.

- Further reduce crime, particularly violent crime
- Enhance neighborhood economic development efforts, particularly on the commercial corridors
- Improve environmental conditions in the City of Long Beach
- Improve the quality of life in the neighborhoods
- Expand the community's involvement in the workings of Long Beach government
- Promote workforce and business development efforts so as to create new jobs; ensure Long Beach becomes more business friendly
- Support programs which encourage the public's health and well being
- Promote quality housing development; improve home ownership opportunities for Long Beach residents
- Improve the transportation system to efficiently and effectively move goods and people through the city without negatively impacting the neighborhoods
- Adopt an annual budget that is structurally balanced

#### **IV. CITY COUNCIL FINANCIAL POLICIES**

In addition to setting City Council priorities, we also adopted a set of financial priorities based on the recommendations from the Budget Oversight Committee and City staff that ensure the City will not fall into a structural deficit in the future. These policies provide clear direction on timely and clear reporting of the City's financial situation, appropriate use of one-time revenue, debt and reserves, as well as mandating that the City create and implement a plan to immediately address any future structural deficits. With these sound policies in place, we can be assured that once our City is again on sound financial footing, the City can look forward to good fiscal health for the future.

- 1) Structurally Balanced Budget
- 2) Report on How the Budget is Balanced
- 3) General Fund Reserves
- 4) Use of One-Time Resources
- 5) Use of New Discretionary Revenue
- 6) Accounting and Financial Reporting
- 7) User Fees and Charges
- 8) Grants
- 9) Long-Term Financial Plan
- 10) Debt Issuance

Please see the preface of the City Manager's Proposed FY 05 Budget for more detail on the City of Long Beach's Financial Policies.

**V. PROPOSED BUDGET ADJUSTMENTS RECOMMENDATIONS**

After extensive review of the Proposed Updated Plan and community comments from the Budget Summit and other outreach efforts, the Budget Oversight Committee recommends that the City Council consider the following adjustments to the Plan. We believe the restoration of these programs will preserve a high quality of life for our community and are consistent with the 2010 Strategic Plan and the City Council's goals.

<b>Proposed Adjustment</b>	<b>Department</b>	<b>Primary Strategic Plan Goal</b>	<b>Amount</b>
Restore proposed reductions to youth library programming	Library Services	N.1	\$168,000
Restore proposed day camps reductions	Parks, Recreation and Marine	Y.1	\$143,000
Remove proposed transfer of extended day program to non-profits	Parks, Recreation and Marine	Y.1	\$88,000
Restore proposed reduction in tree trimming cycles	Public Works	E.2	\$200,000
<b>TOTAL PROPOSED ADJUSTMENTS</b>			<b>\$599,000</b>

The Budget Oversight Committee supports the other proposed structural deficit reductions contained in the FY 05 Proposed Updated Plan that are not specifically mentioned above. No adjustments are recommended at this time in the areas of City Manager, Community Development, Financial Management, Fire, Human Resources, Health and Human Services, Long Beach Energy, Oil Properties, Planning and Building, Police, and Technology Services.

However, this endorsement is based upon the following caveats:

- ✓ The BOC supports optimization of the crossing guard program, provided that this does not entail contracting-out this service at this time.
- ✓ The BOC supports the \$1.5 million target for optimization in the Fire Department, provided that this does not include the closure of fire stations without further discussion.
- ✓ The City Manager is strongly encouraged to explore public-private partnerships to support reductions to the Library book, materials and supplies budget. Should this not be feasible, the BOC believes further discussion on alternatives would be warranted.
- ✓ The City Manager is strongly encouraged to establish an aggressive book donation program that focuses on increasing the City's inventory of best seller books.

## VI. PROPOSED OFFSETS AND ALTERNATIVES

The Budget Oversight Committee strongly recommends that alternatives be identified to replace any item that is removed from the FY 05 Proposed Budget. During the course of our deliberations, we explored a multitude of other ideas that could reduce costs or structurally increase revenue. The following list provides potential options to offset the adjustments we propose for the FY 05 Proposed Budget. We further recommend that any excess amount from these potential structural deficit solutions should either be considered for application towards the structural deficit or be dedicated for an Infrastructure Reserve Account.

**1) Implement the following fee adjustments to match fees charged in comparable jurisdictions to better recover City costs (approximately \$400,000 or more):**

- Increase Revenue From Police Alarm Permit Fees (\$200,000)

Proposed Fee Adjustment	Current	Proposed
Business Alarm Permit	\$25	\$30
Residential Alarm Permit	\$10	\$30
3 <sup>rd</sup> False Alarm Response (First two responses are free)	\$50	\$60
4 <sup>th</sup> False Alarm Response	\$100	\$110
5 <sup>th</sup> False Alarm Response	\$150	\$160
6 <sup>th</sup> or More False Alarm Response	\$300	\$310

Note: False alarm response fees are for a period of 12 months. Proposed increases are based on the median fees charged by comparable jurisdictions.

- Accelerate Code Enforcement revenue where possible from FY 06 into FY 05 (approximately \$200,000)
- Direct City Manager to increase parking revenues citywide through an analysis of rates for surface lots and garages, extension of parking hours for metered parking, optimization of parking enforcement and other methods of increasing parking revenue. For example, extending parking meter hours from their current 9:00 AM to 6:00 PM to a possible 8:00 AM to 9:00 PM could potentially generate \$100,000 in new revenue. Exact revenue estimates from this recommendation are yet to be determined, pending further review from the City Manager.

**2) Optimize Gang Prevention Functions (Approximately \$100,000)**

- Freeze current vacancies to generate temporary salary savings
- Conduct a comprehensive study of all youth-related services to identify areas for optimization, reduction of duplication, increased accountability and effective service delivery.

**3) Other areas for consideration (Savings to be determined)**

- Direct the City Manager to review the number and use of Public Information and Public Affairs Officers for optimization and potential savings. There are currently multiple staff in departments such as: City Manager; Fire; Harbor; Police; Parks, Recreation and Marine; and Public Works (Airport). This may be an area where the City can reduce duplication of effort and generate potential savings.
- Review the possibility of cost recovery for violations from California Code Sections 53151, 53154 and 53155. These sections address reimbursement for arrest time, property repairs, and other similar areas.



## **VII. PROPOSED POLICY RECOMMENDATIONS**

The Budget Oversight Committee offers the following policy recommendations that will enhance focus on increasing City revenues, allow the City Council to be more involved in the contracting-out process, and create a mechanism for prudent investments in the City's infrastructure.

- 1) Enhanced role of the City Council (and/or the appropriate Council Committees) in the Contracting-Out Evaluation Process. (Attachment A)
  - ✓ Include City Council involvement during the first step: Identifying Potential Contracting-Out Opportunities
  - ✓ Include City Council involvement during the third step: Identification and Verification of City Costs
    - ❖ Cost identification should include monitoring costs, callbacks, over-runs, and other appropriate costs.
    - ❖ Renewals should include a review of contract compliance (health and safety, validation of actual vs. projected costs, etc.)
- 2) Recommend the City Manager focus greater attention on contracting-in and increasing revenue generation. In FY 02, Long Beach generated \$17 million through contracting-in, \$20 million in FY 03 and through April 2004 the City has generated \$9.5 million; a straight-line projection would estimate a total of \$20 million for FY 04. Although staff has worked aggressively to evaluate and implement revenue-generating ideas from the public, employees and the innovation team, additional focus is still needed to maximize these opportunities.
- 3) Given the recent Infrastructure and Facilities Report that calls for an investment of over \$300 million over 10 years for "immediate deficiencies," we recommend the creation and funding of an Infrastructure and Maintenance Reserve Account. The City Council should strongly consider strengthening our fiscal policies to include an allocation to this Reserve Account of no less than 3 to 5 percent from any unexpected one-time revenues for infrastructure and maintenance needs.
- 4) The Budget Oversight Committee should initiate an immediate review and discussion of new revenue strategies, including involvement from the community, staff, City Council and other stakeholders. This recommendation is further explained in the next section of this report.

## **VIII. REVIEW OF NEW REVENUE OPTIONS**

While the Proposed Updated Three-Year Plan focuses primarily on reducing the deficit through cost reductions, structural revenue solutions can also be an appropriate method of addressing the structural deficit to avoid resorting to reductions to core public services. Prior to the recommendation of any new tax or other significant revenue options, we recommend the following:

- ✓ The Budget Oversight Committee convene a working group of the community, staff, stakeholders, and other interested City Council members to review long-term issues facing the City and develop strategies to fund them.
- ✓ Review and discuss data which demonstrates the reasons for Long Beach's fiscal crisis including information on population growth changes, reduction in revenues, increase in workers' compensation, reinstatement of PERS payments and other costs that affect the City's structural deficit.
- ✓ Review and discuss data on the current measures being applied to eliminate projected structural deficits such as the Three-Year Financial Strategic Plan, financial policies and budget reductions.
- ✓ Review and discuss data pertaining to major long term priorities that require additional funding that are not currently planned to be supported through the General Fund.

This discussion of new revenue opportunities does **not** assume one or all financing options for implementation. The following information is a list of potential long-term funding strategies that other municipalities have utilized to help address their needs and maintain high service levels to their communities. Issues for consideration and points for further discussion may include:

- ✓ Fire Assessment District
- ✓ Parking Lot Tax
- ✓ Library Special Tax or Assessment

As part of the Three Year Plan, the following specific tax initiatives have received significant consideration as they may not affect the majority of Long Beach residents and are worthy of future discussion and analysis.

**1) Transient Occupancy Tax (TOT)**

One current proposal would be to increase the current TOT from 12 to 15 percent. Discussions include dedicating 1 percent to various agencies with 1 percent dedicated to the General Fund to help address the structural deficit. Each 1 percent would generate approximately \$1.1 million. Dedicating these revenue to a specific program would require two-thirds voter approval.

**2) Oil Production Tax**

The City currently levies a tax of \$0.15 per barrel of oil produced in Long Beach. A study of comparable cities reveals that the average tax is approximately \$0.25 per barrel. Increasing this tax to \$0.30 per barrel would generate approximately \$2,000,000 for the General Fund. If this tax were to be specifically earmarked for a program, it would require two-thirds approval, otherwise it would require a simple majority. Applying a Consumer Price Index (CPI) inflation escalator could also ensure that the future value of the revenue is consistent with the period in which the tax is enacted.

Attachment B is a report prepared for the City of Santa Cruz, that provides more information on potential revenue sources, some of which may be appropriate for the City of Long Beach to consider.

## **IX. RECOMMENDATIONS FOR FUTURE CONSIDERATION**

The following are additional recommendations that should be evaluated but require further financial data and analysis:

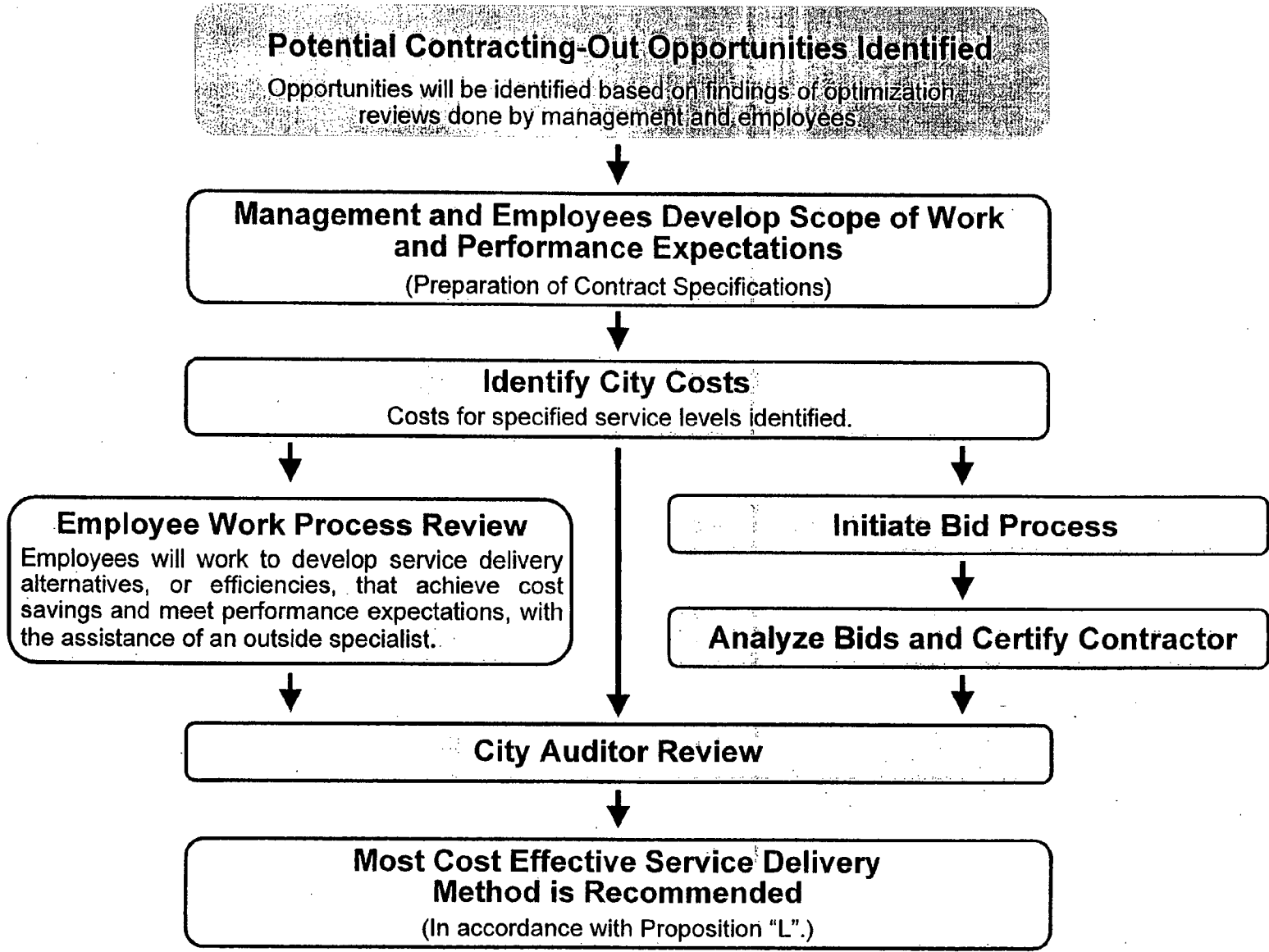
- 1) Continue further discussions of outstanding resident, employee and innovation team recommendations.
- 2) Review outstanding Redevelopment Agency loan repayments that could be accelerated. Currently the outstanding balance owed to the General Fund is approximately \$97 million.
- 3) Consider acceleration (if possible) of Fleet reductions planned for FY 06 into FY 05.
- 4) Formulate policy and begin lobbying on the state and federal levels for transportation policy amendments that could include urban local streets, school bus traveled routes, and other initiatives.

## **X. RECOMMENDED ACTIONS**

It is respectfully requested that the City Council approve the FY 05 Proposed Budget, with the following proposed amendments and recommendations:

- 1) Recommend the City Council adopt the Proposed Updated Three-Year Plan;
- 2) Recommend the City Council support the creation of a rolling Three-Year Plan that will address FY 05, FY 06 and FY 07;
- 3) Support the City Manager's proposed enhancements, which have been identified as core services, community priorities and/or as Mayor and City Council priorities;
- 4) Support the fee increases and adjustments proposed by the City Manager, Board of Water Commissioners and Budget Oversight Committee;
- 5) Recommend that the CalPERS payment not be deferred;
- 6) Recommend the re-instatements of tree trimming, day camps, extended day care and library educational programming currently proposed for reduction;
- 7) Recommend the creation of an Infrastructure and Maintenance Reserve Account;
- 8) Recommend an enhanced role of the City Council and/or the appropriate Council Committee in the Contracting-Out Evaluation Process;
- 9) Recommend staff focus on areas identified as potential resources to offset budget reinstatements including recommendations on pages eight through 13 in this report.
- 10) Concur with the Mayor's recommendation to evaluate areas such as fleet services, technology services, contract contingencies and consulting contracts, and various non-personal services expenses be explored for additional optimization opportunities.
- 11) Concur with the Mayor's recommendation to support the development and/or enhancement of existing partnerships with the private and non-profit sectors to help augment support and/or funding for key services.
- 12) Concur with the City Manager's recommended reviews and optimization efforts for FY 05 including Youth Services, Information and Technology, Health Insurance, Parking Management, Billing and Collections, Ambulance Billing, Towing Operations, Payroll Services, Business License Processing and School Crossing Guards.

# Contracting-Out Evaluation Process



The actual costs of the contracted services are billed to the responsible party (except in the case of court action) by the Health and Human Services Department, along with personnel costs based on the loaded hourly cost of the Health inspector, which is currently estimated at \$67 per hour.

The Fire Department does not currently charge fees to recover the costs of responding to emergency hazmat incidents. A number of other California fire departments, however, do charge for hazardous material clean up.

If the Department continued to respond to 250 incidents per year, with expenditures totaling \$1.2 million, it would have to collect \$4,800 per incident to recover its full costs. Pending receipt of more data, however, for the purpose of estimating potential revenues, it is assumed that Long Beach adopts the \$692 per hour rate of Huntington Beach and spends an average of two hours responding to each incident. Based on these assumptions, the City would recover \$346,000 per year, or nearly 29 percent of its costs.

This report assumes that the Department will implement fees that recover a more modest \$240,000, or 20 percent of its costs.

**4. PUBLIC SAFETY TAX:** The City and Fire Department might examine a public safety tax initiative. Such a tax would likely constitute a special tax pursuant to Proposition 218, which requires approval of special taxes by two-thirds of qualified voters.

Dedicated public safety taxes are currently levied in several United States cities, including but not limited to Union City, CA; Scottsdale, AZ; and Oklahoma City, OK. A cursory review of the public safety tax programs in these cities shows multiple strategies for raising revenues for police and fire operations.

No fiscal impact has been estimated for this initiative, as revenues would vary dramatically according to the type and rate of the tax.

### ***Emergency Medical Services***

The City of Long Beach provides advanced life support (ALS) transport and all medical first response. The majority of the calls for service to the Long Beach Fire Department are for emergency medical services. In FY04, the Long Beach EMS program earned total revenues of \$4.4 million while spending approximately \$9.2 million<sup>9</sup> expenditure estimates to date, however,

---

<sup>9</sup> Excluding the one-time cost of acquiring a new ambulance.



**OFFICE OF THE CITY AUDITOR**

City of Long Beach  
333 W. Ocean Blvd.  
Long Beach, CA 90802  
Telephone: 562-570-6751  
Facsimile: 562-570-6167

**GARY L. BURROUGHS, CPA**  
City Auditor

October 5, 2004

Honorable Mayor and City Councilmembers  
Long Beach, California

**Subject: REVIEW OF OIL PRODUCTION TAX AND WELL PERMIT COLLECTION**

Transmitted herewith is a report on the results of a review of oil production tax records maintained by Tidelands Accounting Division and well permit collection records maintained by the Billing and Collections Section.

**RECOMMENDED ACTION:**

Receive and file.

Sincerely,

GARY L. BURROUGHS, City Auditor

By

Sam A. Joumbat, CIA  
Deputy City Auditor

GB:sk

Attachment





OFFICE OF THE CITY AUDITOR  
City of Long Beach  
333 W. Ocean Blvd.  
Long Beach, CA 90802  
Telephone: 562-570-6751  
Facsimile: 562-570-6167

~~03~~

GARY L. BURROUGHS, CPA  
City Auditor

September 21, 2004

Michael A. Killebrew, Acting Director  
Financial Management

At your request, we have applied certain review procedures to the Oil Production Tax collection records maintained by the Tidelands Accounting Division. The purpose was to determine if oil tax revenue due the City has been properly received. Additionally, we reviewed Billing and Collection (B&C) records of Oil Code Enforcement to verify that all "wellheads" in the City were captured. B&C system generates Well Permit Fee invoices that are sent annually to oil producers.

Procedures performed include:

- Interviewing key personnel involved in Oil Production Tax and Well Permit Fee collection.
- Obtaining and reviewing "Quarterly Report of Oil Production Tax" (Form F535) submitted by operators producing oil from wells located in the City.
- Reviewing oil production data as reported by the California Department of Oil, Gas, and Geothermal Resources (DOGGR).
- Obtaining and reviewing digitized mapping data generated by the City's Geographic Information System (GIS) to verify well location.
- Identifying and resolving discrepancy in oil production as reported to the City versus production reported to the DOGGR.
- Comparing the City's database of active wells to the DOGGR listing of active wells in Long Beach.

Based on the results of the procedures performed, we:

- Billed and collected an additional \$113,489 in unreported oil production tax and penalties from oil producers.
- Recommend that the City's policy on production tax exemption for wells located in the Los Angeles Flood Control District be clarified.

- Recommend some enhancements in oil producers reporting requirements and periodic review procedures by the City to improve oversight, which may result in additional revenue to the City.
- Support the City's continued effort to evaluate an increase to the oil production tax amount per barrel. We understand that in order for the tax increase to become code, it has to be passed by the voters as a City ballot measure with first opportunity being April 2006.

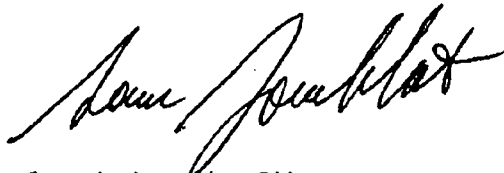
Complete details on all issues and recommendations are included in the attached report.

We would like to express our appreciation to management and staff of the Tidelands and Compliance Section and the Department of Planning and Building for their cooperation and valuable assistance to us during the course of this review.

Sincerely,

GARY L. BURROUGHS, CPA  
City Auditor

By



Sam A. Joublat, CIA  
Deputy City Auditor

cc: Christine Shippey, Assistant City Manager  
Suzanne Mason, Deputy City Manager  
Christopher Garner, Director of Oil Properties and Long Beach Energy  
Curtis Henderson, Operations Manager, Oil Properties  
J. Charles Parkin, Deputy City Attorney  
Jennifer Burke, Senior Accountant, Financial Management

## Background

### Oil Production Tax

In accordance with the Long Beach Municipal Code 3.80.221, a tax of fifteen cents per barrel (bbl) is assessed on oil produced from all wells located in the City. The tax shall be paid on a fiscal year basis, payable quarterly. Oil operators use the City's "Quarterly Report of Oil Production Tax" form (F535) to self-report production and remit the corresponding tax by the following dates:

Due by:	March 31	June 30	September 30	December 31
Report for Quarter	December January February	March April May	June July August	September October November

Failure to pay production tax within the quarter month results in the assessment of a twenty five percent (25%) penalty on the total amount due. Additional penalties are assessed in the following manner: ten percent (10%) shall be added on the first day of each calendar month following the month of the imposition of the twenty five percent penalty if the tax remains unpaid; up to a maximum of one hundred percent (100%) of the tax payable on the due date. Chapter 3.80.221 of the City's municipal code is reflected in **Attachment A**.

### Well Permit Fees

Chapter 12.20.020 of the Long Beach Municipal Code requires operators maintaining any well in the City for petroleum purposes, whether active or suspended, to obtain a permit from the Department of Planning and Building. The Oil Code Enforcement Section bills operators annually. The well permit fee is \$215.00 per well, and a twenty five percent (25%) penalty is assessed on fees not received within one month of the due date.

## Review of Compliance

To substantiate payment of oil production tax, we reviewed production reported to the City by oil producers for the 1<sup>st</sup> Quarter 2003 (Dec 2002 – Feb 2003) and 3<sup>rd</sup> Quarter 2002 (Jun 2002 – Aug 2002). We compared these production levels with amounts reported to the Department of Oil, Gas, & Geothermal Resources (DOGGR). We noted any discrepancies and researched them by:

- (1) Evaluating whether the wellhead fell within City proper if it was situated near the City border.
- (2) Contacting the producer to determine the reasons for the discrepancies and followed up on the reasons given.

Oil production reported to the City for the 1<sup>st</sup> Quarter 2003 from operators for wells subject to Long Beach Oil Production Tax is summarized in the following table:

Operator	bbls reported to the City
Barco Oil Co.	192
Brietburn Energy	42,864
Cather & Southwick	106
Cather Barnes & Co.	826
Cecile M. Colvin	627
Charles E. Cather	839
Estate of J.E. Cather	135
ChevronTexaco Expl. & Prod.	-
Elliot & Ten Eyck, Ltd	8,653
Finco Oil Co.	708
Global Oil Production, LLC	8,461
Graner Oil Co.	10,664
H&L Operators	6,057
Herley Kelley Co.	2,129
Lansdale Co.	6,325
Mitchell-Grossu Oil Co.	503
Mitchwil Investments, LLC	717
Pacific Energy Resources	13,360
P&M Oil Co.	501
S&C Oil Co.	4,328
Signal Hill Petroleum, Inc.	49,718
Terra Expl. & Production Co.	2,515
The Termo Co.	27,031
Thums Long Beach Co.	2,965,533
Tidelands Oil Production Co.	466,325
<b>Total Reported Production</b>	<b>3,619,117</b>

Based on production of roughly 3.6 million barrels per quarter, the City earned an average \$540,000 each quarter in oil production tax.

### Summary of Findings

#### ChevronTexaco Expl & Prod. Co (CTEP).

When we reviewed the digitized mapping data provided from the Geographic Information System (GIS) by Technology Services, we identified ten (10) wells operated by CTEP that are located within City limits. The location, on which these wells exist,

known as the Southeast Area Development and Improvement Plan (SEADIP) area, became City property through annexation in October 1997.

We noted that no production tax had been received from CTEP for these wells. We reviewed production data on these wells as reflected in DOGGR database for the period 4<sup>th</sup> Quarter 1997 through 3<sup>rd</sup> Quarter 2003 to calculate the amount due. We then applied the penalty assessment in accordance with the Code to arrive at the total amount due of \$68,550.49. CTEP paid the amount in full.

Signal Hill Petroleum, Inc. (SHP).

Upon review of the supporting documentation for oil production tax received from SHP, we noted that total production reported was understated during the period March 2000 through May 2003. We were told that this was caused by a format error on the spreadsheet used to add the barrels produced from the wells located in the City. As a result of this error SHP underpaid its oil production tax. We calculated the underpayment and applied the corresponding penalty. The total amount due the City was \$44,938.14. SHP concurred with our finding and paid the subject tax; however, they requested a waiver of the penalty assessment. In consultation with the City Attorney's Office it was determined that the Long Beach Municipal Code does not allow for mitigation of the penalty. SHP was notified to make payment of the penalty assessed. SHP subsequently paid the penalty.

**Summary of Oil Production Tax Collected by the Auditor's Office**

<b>Company</b>	<b>Tax</b>	<b>Penalty</b>	<b>Total Received</b>
ChevronTexaco Expl. & Prod. Co.	\$34,920.30	\$33,630.19	\$68,550.49
Signal Hill Petroleum, Inc.	23,590.35	21,347.79	44,938.14
<b>Total</b>	<b>\$58,510.65</b>	<b>\$54,977.98</b>	<b>\$113,488.63</b>

**Other Matter for Consideration**

Pacific Energy Resources

We noted that Pacific Energy Resources (PER) operates a number of wells in the Los Angeles County Flood Control District (LACFCD). These wells are located in the flood control channel adjacent to the Los Angeles River and fall within the boundary of the City. There are 31 active wells in the channel, of which PER claims exemption status from well permit and oil production tax for 12 wells.

We contacted PER to determine the basis for exemption and received documentation that pointed to conflicting criteria. PER forwarded documentation that essentially based exemption on either of the following criteria:

1. Exemption based on an action entitled "Continental Corp. vs. City of Long Beach" which purportedly ruled that wells under the jurisdiction of the county flood control district shall be exempt from City taxes.
2. Exemption based on whether a well's "producing interval" is under County property.

The Long Beach Municipal Code states that surface location of the well determines whether a well is within the City regardless of where the well hole may be bottomed. Our analysis of the well locations indicated that all 31 wells are located within the City. We have referred the matter to the City Attorney for further evaluation on the appropriateness of these exemptions.

#### **Recommendation for Process Enhancement**

As indicated above, the City receives Quarterly Report of Oil Production Tax, form F535, from oil producers along with tax payment. Well description is required information on form F535, however, it is not specific as to what information is to be supplied. Consequently, the type of information submitted by oil producers varies.

We recommend the following process enhancement to strengthen the monitoring of oil production tax by Financial Management:

1. Communicate to all oil producers in the City the requirement to submit additional detail with their submission of form F535. The additional information should include oil production for each well by month indicating each well's API identifier. We note that some producers already submit well production information by month. We understand that in order to make such information submission mandatory, it may require a change in the municipal code.
2. Obtain a list of all wells, by producer, from the City's Billing & Collections (B&C) system that is used to generate well permit invoices.
3. Compare list of wells from B&C to the detailed list of wells provided quarterly by the oil producers.
4. Additionally, the DOGGR database may be queried periodically to determine if any wells within the City are missing from the B&C system or from oil production tax reporting. The DOGGR production data is available through the Department of Conservation: [www.consrv.ca.gov](http://www.consrv.ca.gov). The longitude & latitude coordinates could be obtained from the DOGGR website and entered into the GIS system to

determine if the well head falls within City limits. This will be a three-way match on wells between the City's B&C, oil production tax data reported to the City, and the DOGGR database. **Attachment B** outlines the steps in getting the DOGGR well listing.

5. Download oil production data by well including API number for each well from the DOGGR. **Attachment C** outlines the steps in getting this information.
6. Compare production reported to the City with well production reported to DOGGR for each oil producer operating in Long Beach.

*All comparisons of databases can be automated. All Data from the DOGGR can be downloaded directly into a Microsoft Excel spreadsheet. Hence, if the information from the B&C system is also downloaded into a Microsoft Excel spreadsheet, then the comparison process can easily be automated. If oil producers can provide their quarterly well production information electronically to the City, by month and well, the comparison between what they report to the City and what they report to the DOGGR can also be automated.*

### **Oil Production Tax Amount**

Oil production tax is currently 15¢ per barrel (bbl) of oil produced from wells that have their wellheads in the City. The last time oil production tax was changed was in 1990 when it was increased from 12¢/bbl of oil produced in excess of 300 bbl per quarter to its present 15¢/bbl on all oil produced. Financial Management and the Budget Oversight Committee of the City Council have been evaluating increasing oil production tax. Article 13C of the California Constitution (Proposition 218) requires that for the City to increase tax it needs to have a ballot measure "consolidated with a regularly scheduled general election for members of the governing body of the local government, except in cases of emergency declared by a unanimous vote of the governing body." This implies that the first opportunity for such ballot measure will be in April 2006.

One possible option to consider is to have oil production tax a sliding scale tied to the price of oil instead of a flat amount per barrel. This will be fair to oil producers and will not hamper oil production in times of low oil prices. For simplicity of calculating and monitoring, oil production tax could be set monthly and tied to a widely published index, even though the index price may be different than locally produced oil prices because of quality, grade and location. One such index could be West Texas Intermediate-Cushing (WTI-Cushing) as published on the 15<sup>th</sup> day of the month. Also, a tax floor could be established and the tax rate could be progressive above a certain price. An example of how the oil production tax could be effected is presented in the table below. In our example, we used 25¢/bbl as the oil production tax floor for WTI below \$20/bbl. Between \$20/bbl and \$30/bbl WTI, we increased the tax rate at 1¢/bbl for every \$1 increase in the price of oil. Above \$30/bbl WTI, we increased the tax rate at 2¢/bbl for every \$1 increase in the price of oil. The rationale for a progressive tax rate is to allow

oil producers to recover their production cost and make a healthy profit before sharing more in what will be a windfall profit going dollar-for-dollar to the bottom line.

mid month WTI-Cushing \$/bbl	oil production tax ¢/bbl
Below 20	25
20 - 20.99	26
21 - 21.99	27
22 - 22.99	28
23 - 23.99	29
24 - 24.99	30
25 - 25.99	31
26 - 26.99	32
27 - 27.99	33
28 - 28.99	34
29 - 29.99	35
30 - 30.99	37
31 - 31.99	39
32 - 32.99	41
33 - 33.99	43
34 - 34.99	45
35 - 35.99	47
36 - 36.99	49
37 - 37.99	51
38 - 38.99	53
39 - 39.99	55
40 - 40.99	57
41 - 41.99	59
42 - 42.99	61
43 - 43.99	63
44 - 44.99	65
additional \$/bbl band	additional 2¢/bbl

Alternatively, oil production tax can be tied to revenue generated from actual sale. However, this is a more complicated approach, especially since some Wilmington Field oil prices will not be known until over a year after the sale date.

In addition, natural gas production, which is currently not taxed by the City, could also be subjected to production tax. Oil industry equates 6 thousand cubic feet (MCF) of gas to one barrel of oil equivalent (BOE). Another consideration is to stay in line with the California oil severance tax which equates every 10 MCF to 1 BOE for tax purposes.

A survey of severance and ad valorem taxes charged by the various states, as of October 2002, that was published by the Interstate Oil and Gas Compact Commission, is presented in Attachment D. As the survey shows, California is one of the lower taxing states, which implies there is more room for taxation.



**3.80.221 Tax on oil production.**

Notwithstanding any other provision of this chapter 3.80, the provisions of this section 3.80.221 and section 3.80.223 shall apply to the business license tax on the business of oil production.

A. Every person conducting, managing or carrying on the business of oil production from any well located in the city, including the city when functioning in the capacity of a unit operator, shall pay an annual business license tax to the city of fifteen cents (\$0.15) per barrel produced.

B. The sum or sums paid shall be on a per fiscal year basis, payable quarterly. Production for the three (3) months immediately prior to the quarter month shall constitute the measurement of the amount due on or before the last day of the quarter month.

The applicant who fails to pay such production tax within the quarter month shall pay in addition to the taxes a penalty for nonpayment in the sum equal to twenty five percent (25%) of the total amount on the first day of the month following the close of the calendar quarter. Additional penalties will be assessed in the following manner: ten percent (10%) shall be added on the first day of each calendar month following the month of the imposition of the twenty five percent (25%) penalty if the tax remains unpaid; up to a maximum of one hundred percent (100%) of the tax payable on the due date.

C. The person subject to the payment of the tax shall, before the business tax for each quarter becomes delinquent, file with the director of financial management a written statement setting forth the number of barrels of oil produced by each well during the pertinent three (3) month period of production upon which the tax due is to be calculated, and such person shall pay at such time the amount of the business tax computed upon the measure of the tax reported in the statement. The written statement shall be made upon a form prescribed by the director of financial management and shall include a declaration substantially as follows:

"I declare under penalty of making a false declaration that I am authorized to make this statement, and that to the best of my knowledge and belief it is a true, correct and complete statement made in good faith for the period stated, in compliance with the provisions of the Long Beach Municipal Code."

Such statements shall not be conclusive against the city as to the information set forth therein, nor shall the filing of a statement preclude the city from collecting by appropriate action any additional tax that is later determined to be due and payable.

D. For the purpose of this section a well shall be deemed to be located in the city if the surface location of the well or the surface of the well itself, is located in the city regardless of where the hole of the well may be bottomed.

E. For the purpose of this section "oil" has the meaning as defined in section 12.04.300.

F. The payment of the license as provided in this section shall permit the engaging in any of the following businesses without the payment of an additional business license tax: oil well, injection well, or water source well drilling or servicing operations; refining oil or petroleum products and producing the byproducts thereof; marketing, selling and distributing oil or any petroleum products or byproducts thereof at wholesale; or maintaining tankage in connection with any of the above business activities; except that nothing in this section shall be deemed to apply to the operation of automobile filling/service stations. (Ord. C-6751 § 1, 1990; Ord. C-6259 § 1 (part), 1986).

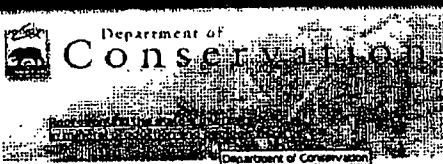
California Department of Conservation - Home - Microsoft Internet Explorer

Address: <http://www.consrv.ca.gov/index>

Search: Enter search words here

---

California Home



## Department of Conservation

The Department of Conservation provides services and information that provide environmental health, economic vitality, informed land-use decisions and sound management of our state's natural resources.

- San Francisco Area Counties See Varying Rates of Urbanization**  
Overall, there were more than 12,000 new urban acres in the six-county San Francisco area from 2000-2002, continuing a long trend. [Learn more...](#)
- Preliminary Seismic Hazard Maps Available for North LA County**  
Maps, now under public review, show potential liquefaction and landslide areas in Antelope Valley cities of Palmdale and Lancaster. [Read all about it...](#)
- Governor Calls For Gasoline Conservation**  
The summer driving season comes with higher costs at the pump this year, but there are ways to minimize fuel use. [Here's a list of ideas...](#)

**DOC Links**

- Home
- About Us
- News & Media
- Public Involvement
- Programs & Services
- Regulatory
- Research & Monitoring
- Wildlife
- Land Use
- Water
- Energy
- Recreation
- Publications
- Contact Us

**Quick Hits**

- San Francisco Area Counties See Varying Rates of Urbanization
- Preliminary Seismic Hazard Maps Available for North LA County
- Governor Calls For Gasoline Conservation

**Related Links**

- California Department of Conservation
- California Department of Fish and Game
- California Department of Pesticide Regulation
- California Department of Resources
- California Department of Transportation
- California Department of Water Resources
- California Department of Wildlife
- California Department of Parks and Recreation
- California Department of Public Health
- California Department of Industrial Relations
- California Department of Social Services
- California Department of Education
- California Department of Corrections
- California Department of Public Safety
- California Department of Transportation
- California Department of Water Resources
- California Department of Wildlife
- California Department of Parks and Recreation
- California Department of Public Health
- California Department of Industrial Relations
- California Department of Social Services
- California Department of Education
- California Department of Corrections
- California Department of Public Safety

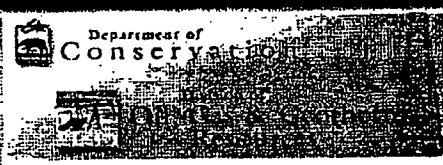
Oil, Gas & Geothermal - Geothermal Resources - Microsoft Internet Explorer

Address: <http://www.consrv.ca.gov/DOC/index.htm>

Search: Enter search words here

---

California Home



## Department of Conservation

The Division oversees the drilling, operation, maintenance, and plugging and abandonment of oil, natural gas, and geothermal wells. The regulatory program emphasizes the wise development of oil, natural gas, and geothermal resources in the state through sound engineering practices that protect the environment, prevent pollution, and ensure public safety.

- Notice of Proposed Rulemaking**  
The Division proposes to change various sections in Title 14 of the California Code of Regulations that pertain to environmental review of geothermal project applications (COP files).
  - [Notice of Proposed Rulemaking](#)
  - [Initial Statement of Reasons](#)
  - [Proposed Regulatory Text](#)
- What's New**  
View the latest Division news including publications, latest changes to laws and regulations, and other developments.
- Download the latest edition (PDF) of the**

**DOC Links**

- Home
- About Us
- News & Media
- Public Involvement
- Programs & Services
- Regulatory
- Research & Monitoring
- Wildlife
- Land Use
- Water
- Energy
- Recreation
- Publications
- Contact Us

**Quick Hits**

- Notice of Proposed Rulemaking
- What's New
- Download the latest edition (PDF) of the

**Related Links**

- California Department of Conservation
- California Department of Fish and Game
- California Department of Pesticide Regulation
- California Department of Resources
- California Department of Transportation
- California Department of Water Resources
- California Department of Wildlife
- California Department of Parks and Recreation
- California Department of Public Health
- California Department of Industrial Relations
- California Department of Social Services
- California Department of Education
- California Department of Corrections
- California Department of Public Safety

Oil, Gas, & Geothermal - District Map Index - Microsoft Internet Explorer

Address: http://www.coner.v.ca.gov/DOG/maps/index\_map.htm

Oil, Gas, & Geothermal Resources

### Oil and Gas Maps

The Division of Oil, Gas, and Geothermal Resources prepares and publishes oil, gas, and geothermal field maps for the State of California. The maps are updated regularly and cost \$3. They may be purchased in person at any district office or by mail from the headquarters office in Sacramento (see PRLS, the map index, for more information). Some maps may be downloaded in PDF format. Additionally, Well Location Database files (as self-executable DBF files) are available.

NOTE: You must have Adobe Acrobat Reader version 5.0 or above to view and print maps downloaded from the map section. This free software may be downloaded from [Adobe](#).

Click on the map to go to the district map area

DUGGER LINKS

RELEASE FILE OUR DIGITAL MAPS - Microsoft Internet Explorer

### Digital Well Locations

Digital well locations are available in a database file that contains the latitude and longitude for each well in the state. These database files can be downloaded as a statewide file (with approximately 165,000 wells listed) or by district office.

Each database file is a compressed EXE file that can be downloaded (saved) to your computer. To use the database file after you have saved it to your computer, it must be uncompressed (by double clicking on it, or use Start, Run process).

The compressed file will extract into a DBF file that can be imported into your mapping software. Mapping software used by the Division to prepare maps is MapInfo, but other mapping software should be able to import the DBF files. The information contained in the file includes API number, operator, well name and number, section, township, and range, and the latitude and longitude (the map projection used is Latitude/Longitude-NAD27 for the Continental United States).

Note: The well status coding contained within the database files are listed near the bottom of this page.

Click on the links below to download (save) the well location database(s) to your computer:

- Statewide database
- District 1 database
- District 2 database
- District 3 database
- District 4 database
- District 5 database
- District 6 database

Microsoft Excel - Well Informations.xls

Flamingo

OPERATOR	LEASE	WELL NAME	AREA	MAP	SEC	ROW	LATITUDE	LONGITUDE	TD	REC	REV	DEPTH
1. A. Parrell Inc.		847 LAKE	SAN DIEGO COUNTY	4	2	1	32.0550360	-117.0121210	0			175
2. G. Reckinger		SANT LUIS	SAN DIEGO COUNTY	4	2	1	32.0550360	-117.0121210	0			175
3. Flamingo Oil Co.	Flamingo	WATERWELL	SAN DIEGO COUNTY	4	2	1	32.0550360	-117.0121210	0			175
4. Ventura Petroleum Co. Inc.		WATERWELL	SAN DIEGO COUNTY	4	2	1	32.0550360	-117.0121210	0			175
5. Ventura Petroleum Co. Inc.		WATERWELL	SAN DIEGO COUNTY	4	2	1	32.0550360	-117.0121210	0			175
6. Ventura Petroleum Co. Inc.		WATERWELL	SAN DIEGO COUNTY	4	2	1	32.0550360	-117.0121210	0			175
7. G. A. Dotter and Associates		WATERWELL	SAN DIEGO COUNTY	4	2	1	32.0550360	-117.0121210	0			175
8. G. A. Dotter and Associates		WATERWELL	SAN DIEGO COUNTY	4	2	1	32.0550360	-117.0121210	0			175
9. G. A. Dotter and Associates		WATERWELL	SAN DIEGO COUNTY	4	2	1	32.0550360	-117.0121210	0			175
10. G. A. Dotter and Associates		WATERWELL	SAN DIEGO COUNTY	4	2	1	32.0550360	-117.0121210	0			175
11. G. A. Dotter and Associates		WATERWELL	SAN DIEGO COUNTY	4	2	1	32.0550360	-117.0121210	0			175
12. G. A. Dotter and Associates		WATERWELL	SAN DIEGO COUNTY	4	2	1	32.0550360	-117.0121210	0			175
13. G. A. Dotter and Associates		WATERWELL	SAN DIEGO COUNTY	4	2	1	32.0550360	-117.0121210	0			175
14. G. A. Dotter and Associates		WATERWELL	SAN DIEGO COUNTY	4	2	1	32.0550360	-117.0121210	0			175
15. G. A. Dotter and Associates		WATERWELL	SAN DIEGO COUNTY	4	2	1	32.0550360	-117.0121210	0			175
16. G. A. Dotter and Associates		WATERWELL	SAN DIEGO COUNTY	4	2	1	32.0550360	-117.0121210	0			175
17. G. A. Dotter and Associates		WATERWELL	SAN DIEGO COUNTY	4	2	1	32.0550360	-117.0121210	0			175
18. G. A. Dotter and Associates		WATERWELL	SAN DIEGO COUNTY	4	2	1	32.0550360	-117.0121210	0			175
19. G. A. Dotter and Associates		WATERWELL	SAN DIEGO COUNTY	4	2	1	32.0550360	-117.0121210	0			175
20. G. A. Dotter and Associates		WATERWELL	SAN DIEGO COUNTY	4	2	1	32.0550360	-117.0121210	0			175
21. G. A. Dotter and Associates		WATERWELL	SAN DIEGO COUNTY	4	2	1	32.0550360	-117.0121210	0			175
22. G. A. Dotter and Associates		WATERWELL	SAN DIEGO COUNTY	4	2	1	32.0550360	-117.0121210	0			175
23. G. A. Dotter and Associates		WATERWELL	SAN DIEGO COUNTY	4	2	1	32.0550360	-117.0121210	0			175
24. G. A. Dotter and Associates		WATERWELL	SAN DIEGO COUNTY	4	2	1	32.0550360	-117.0121210	0			175
25. G. A. Dotter and Associates		WATERWELL	SAN DIEGO COUNTY	4	2	1	32.0550360	-117.0121210	0			175
26. G. A. Dotter and Associates		WATERWELL	SAN DIEGO COUNTY	4	2	1	32.0550360	-117.0121210	0			175
27. G. A. Dotter and Associates		WATERWELL	SAN DIEGO COUNTY	4	2	1	32.0550360	-117.0121210	0			175
28. G. A. Dotter and Associates		WATERWELL	SAN DIEGO COUNTY	4	2	1	32.0550360	-117.0121210	0			175
29. G. A. Dotter and Associates		WATERWELL	SAN DIEGO COUNTY	4	2	1	32.0550360	-117.0121210	0			175
30. G. A. Dotter and Associates		WATERWELL	SAN DIEGO COUNTY	4	2	1	32.0550360	-117.0121210	0			175
31. G. A. Dotter and Associates		WATERWELL	SAN DIEGO COUNTY	4	2	1	32.0550360	-117.0121210	0			175
32. G. A. Dotter and Associates		WATERWELL	SAN DIEGO COUNTY	4	2	1	32.0550360	-117.0121210	0			175
33. G. A. Dotter and Associates		WATERWELL	SAN DIEGO COUNTY	4	2	1	32.0550360	-117.0121210	0			175
34. G. A. Dotter and Associates		WATERWELL	SAN DIEGO COUNTY	4	2	1	32.0550360	-117.0121210	0			175
35. G. A. Dotter and Associates		WATERWELL	SAN DIEGO COUNTY	4	2	1	32.0550360	-117.0121210	0			175
36. G. A. Dotter and Associates		WATERWELL	SAN DIEGO COUNTY	4	2	1	32.0550360	-117.0121210	0			175
37. G. A. Dotter and Associates		WATERWELL	SAN DIEGO COUNTY	4	2	1	32.0550360	-117.0121210	0			175
38. G. A. Dotter and Associates		WATERWELL	SAN DIEGO COUNTY	4	2	1	32.0550360	-117.0121210	0			175
39. G. A. Dotter and Associates		WATERWELL	SAN DIEGO COUNTY	4	2	1	32.0550360	-117.0121210	0			175
40. G. A. Dotter and Associates		WATERWELL	SAN DIEGO COUNTY	4	2	1	32.0550360	-117.0121210	0			175

California Department of Conservation - Home - Microsoft Internet Explorer

Address: http://www.consrv.ca.gov/index

Search: Enter search words here

California Home

Department of Conservation

Records: [Request a copy of our records](#)

The Department of Conservation provides services and information that promote environmental health, economic vitality, informed land-use decisions and sound management of our state's natural resources.

[Sacramento Area Counties See Varying Rates of Urbanization](#)  
 Overall, there were more than 12,000 new urban acres in the six-county Sacramento area from 2000-2002, continuing a long trend. [Learn more...](#)

[Preliminary Seismic Hazard Maps Available for North L.A. County](#)  
 Maps, now under public review, show potential liquefaction and landslide areas in Antelope Valley cities of Palmdale and Lancaster. [Read all about it...](#)

[Governor Calls for Gasoline Conservation](#)  
 The summer driving season comes with higher costs at the pump this year, but there are ways to minimize fuel use. [Here's a full tank of ideas...](#)

[Schwarzenegger](#)  
[Quick Links](#)  
[Related Links](#)

Oil Gas & Geothermal - Geothermal Resources - Microsoft Internet Explorer

Address: http://www.consrv.ca.gov/DOG/index.htm

Search: Enter search words here

California Home

Department of Conservation

The Division oversees the drilling, operation, maintenance, and plugging and abandonment of oil, natural gas, and geothermal wells. The regulatory program emphasizes the wise development of oil, natural gas, and geothermal resources in the state through sound engineering practices that protect the environment, prevent pollution, and ensure public safety.

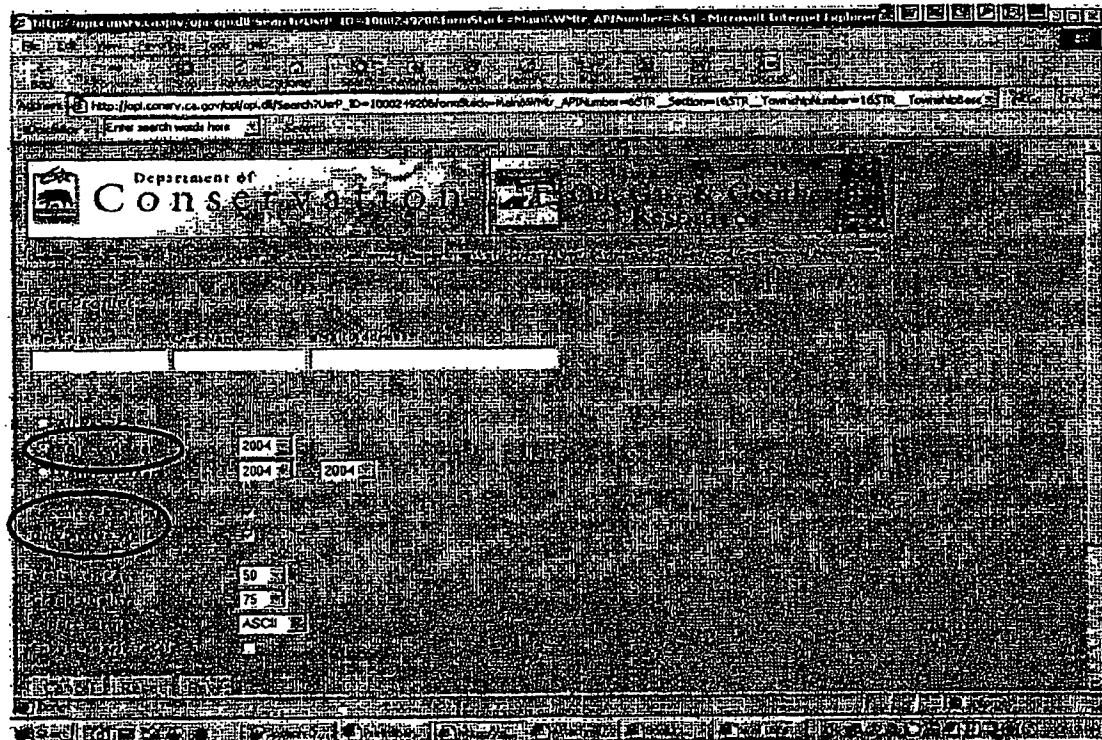
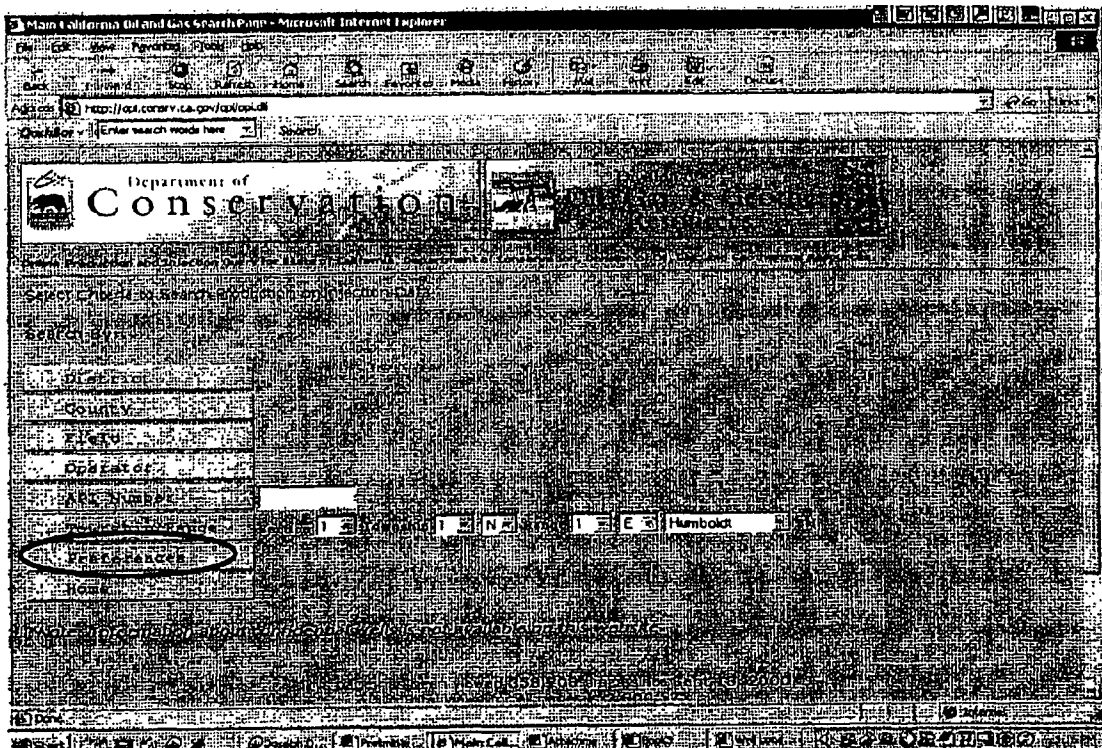
[Notice of Proposed Rulemaking](#)  
 The Division proposes to change various sections in Title 14 of the California Code of Regulations that pertain to environmental review of geothermal project applications (PDF file).
 

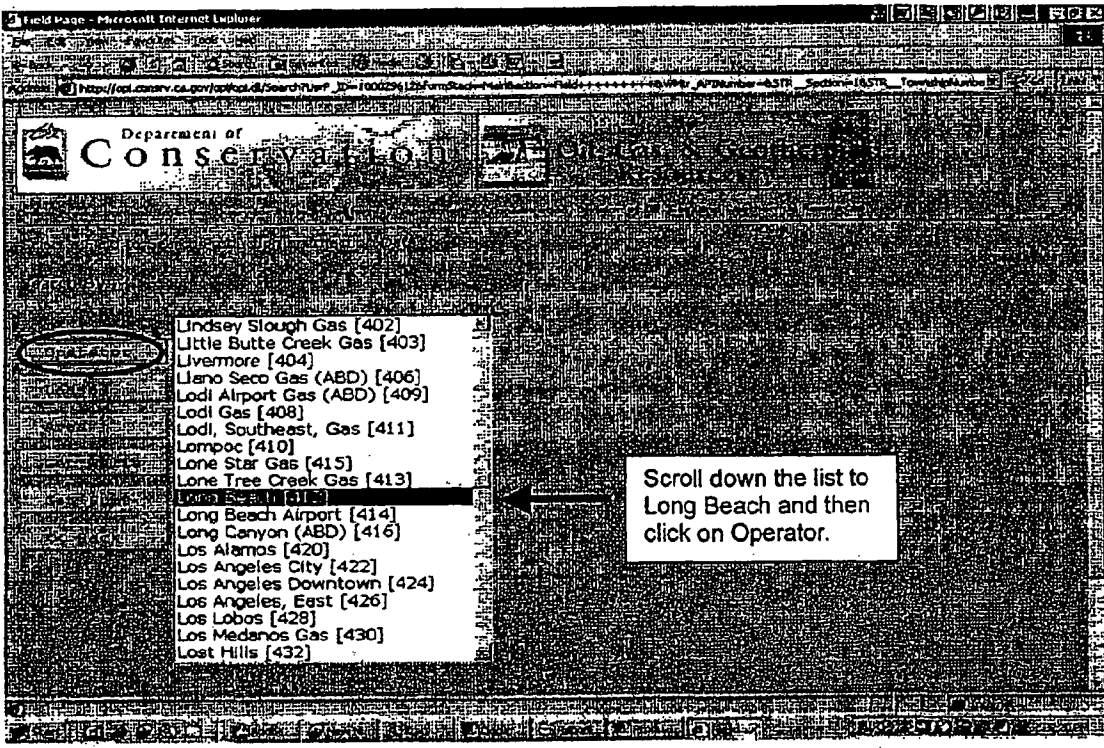
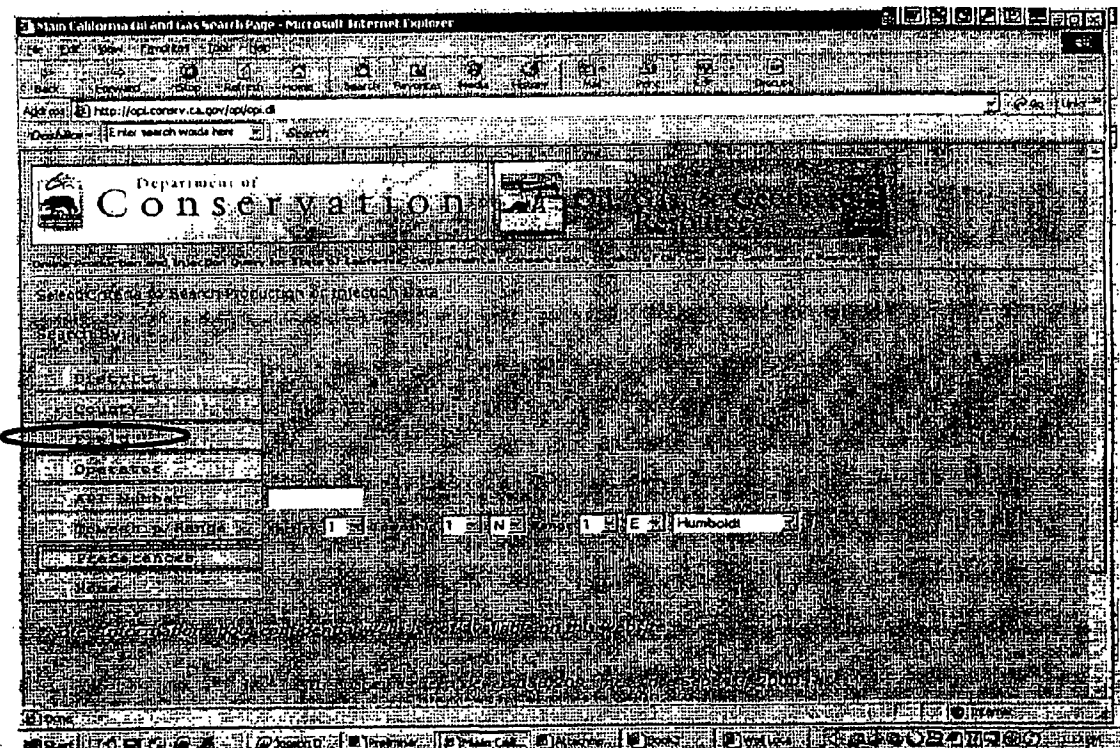
- [Notice of Proposed Rulemaking](#)
- [Initial Statement of Reasons](#)
- [Proposed Regulatory Text](#)

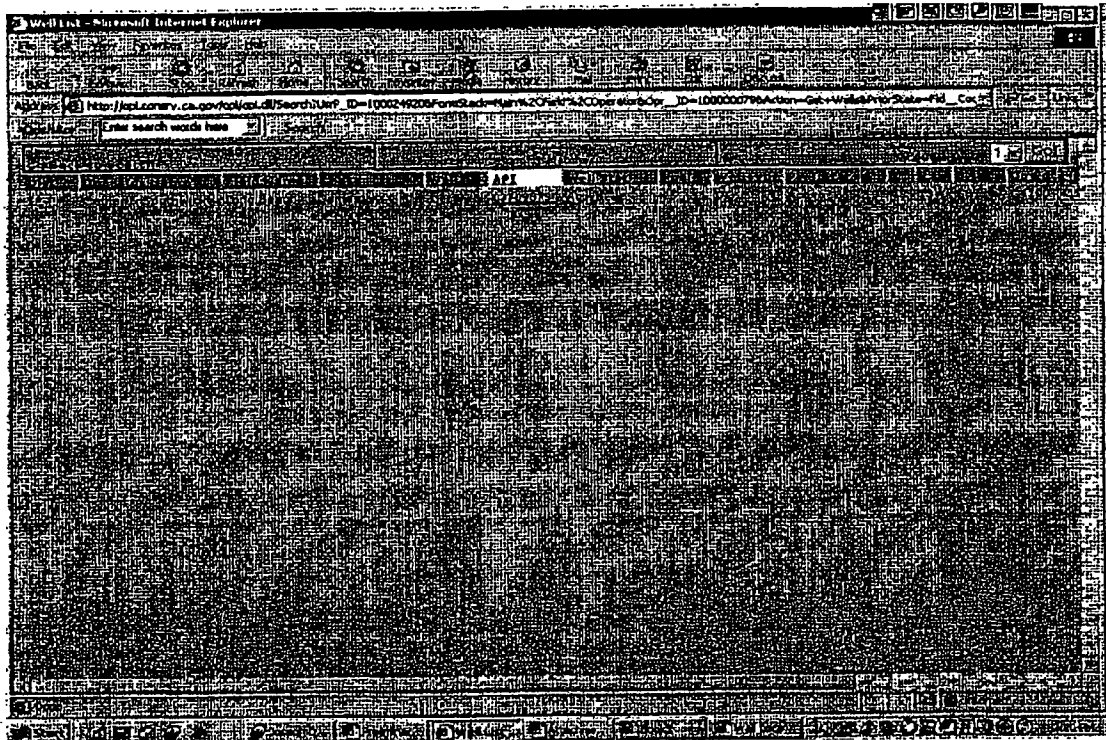
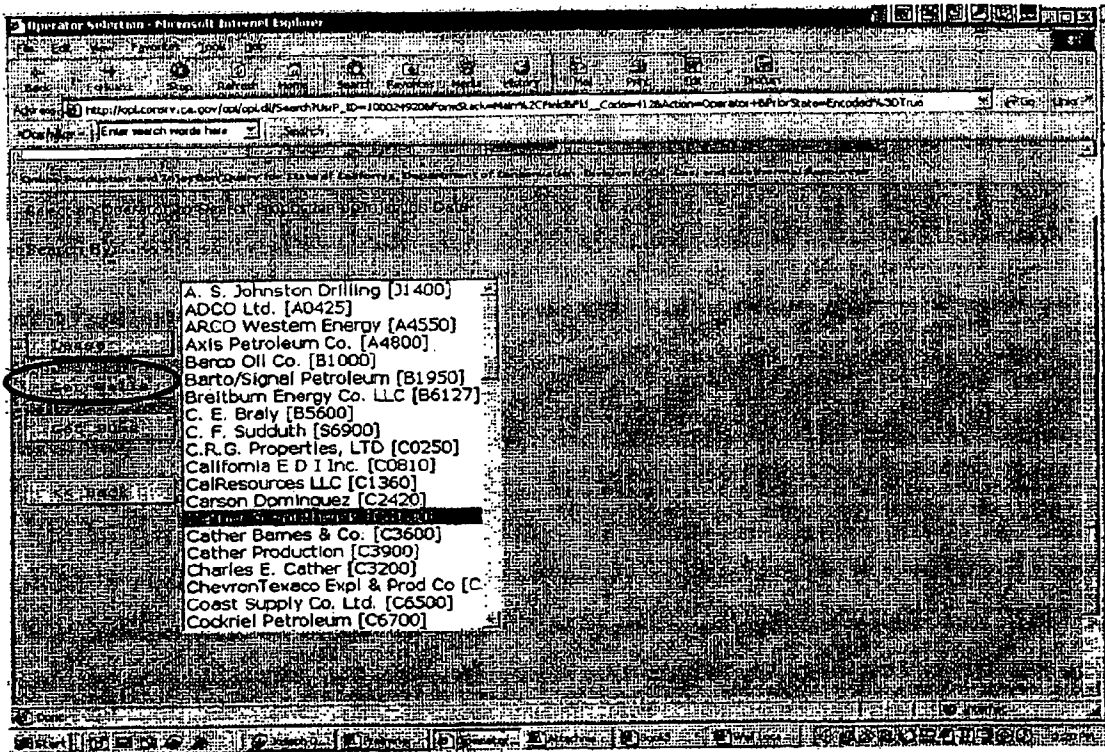
[Newer's News](#)  
 View the [latest Division news](#), including publications, latest changes to laws and regulations, and other developments.

[Download the latest edition \(PDF\) of the](#)

[Quick Links](#)  
[Related Links](#)









WellInfo - Microsoft Internet Explorer

http://oal.consrv.ca.gov/oal/ops.d/ViewFrame7.asp?\_id=1000249008PWT&\_id=100003444NPWT\_&TypeCode=CG&SortRow=1&SortField=WPR\_APPNumberNews

Back Forward Stop Refresh Home Search Favorites Mail History Print View

Back Production Data Production Graph Export Data Printer Friendly

03709579	Cather & Southwick	4100	Digital	11	500	Los Angeles
Long Beach	412	JAMES				
Old Area	06	1	15	45	137	58
Others	25	06	Active			
4/1/1976	Active					

http://oal.consrv.ca.gov/oal/ops.d/ViewFrame7.asp?\_id=1000249008PWT&\_id=100003444NPWT\_&TypeCode=CG&SortRow=1&SortField=WPR\_APPNumberNews

State Name	Oil Severance Tax	Oil Ad Valorem Tax	Misc. Oil Tax	Total Oil Tax Burden	Gas Severance Tax	Gas Ad Valorem Tax	Misc. Gas Tax	Total Gas Tax Burden
Alabama	10.00%	0.00%		10.00%	10.00%	0.00%		10.00%
Alaska	0 to 16.0%	2% of assessed value		Avg. 9.6% of taxable value	0 to 10%	2% of assessed value		Avg. 5% of taxable value
Arizona	3.437% Avg.	13.5642% Avg.		17.0012% Avg.	3.437% Avg.	13.5642% Avg.		17.0012% Avg.
Arkansas	4.0 to 5.0%	Variable by county	Conserv. Assess. 43 mills/bbl	4.0 to 5.0% + co. ad valorem tax	0.3 of 1 cent/MCF	Variable	Gas conserv. Assessment = 9 mills/MCF	0.3 of 1 cent / MCF + co. ad valorem tax
California	\$0.0421689 per barrel	0.00%		\$0.0421689 per barrel	\$0.0421689 per 10,000 cubic feet	0.00%		\$0.0421689 per 10,000 cubic feet
Colorado	2 to 5%	4 to 10%		5 to 10%	2 to 5%	4 to 10%		5 to 10%
Florida	8%	0.00%		8%	12.5 per MCF	0.00%		12.5 per MCF
Georgia	No state tax levied on oil production	No state tax levied on oil production	No state tax levied on oil production	No state tax levied on oil production	No state tax levied on gas production	No state tax levied on gas production	No state tax levied on gas production	No state tax levied on gas production
Idaho	2.00%	0.00%		2.00%	2.00%	0.00%		2.00%
Illinois	No state tax levied on oil production	No state tax levied on oil production	No state tax levied on oil production	No state tax levied on oil production	No state tax levied on gas production	No state tax levied on gas production	No state tax levied on gas production	No state tax levied on gas production
Indiana	1.0% or \$0.24 per barrel	0.00%		1.0% or \$0.24/barrel whichever is greater	1.0% or \$0.03 per MCF	0.00%		1.0% or \$0.03 MCF whichever is greater
Kansas	4.33%	Approx. 4% of revenue		Approx. 8% of revenue	4.33%	Approx. 10% of revenue		Approx. 15-17% of revenue
Kentucky	4.50%	Approx. 1%		Approx. 5.5%	4.50%	Approx. 1%		Approx. 5.5%
Louisiana	Full rate - 12.50% of value		3.125% stripper rate* (*exempt if the gross taxable value is less than	3.125% to 12.50%	Full rate - 12.2 cents/MCF	0.00%	Gas = 3 cents/MCF - Gas Well Gas = 1.3 cents/MCF	1.3 cents up to 12.2 cents per MCF
Maryland	No state tax levied on oil production	No state tax levied on oil production	No state tax levied on oil production	No state tax levied on oil production	No state tax levied on gas production	No state tax levied on gas production	No state tax levied on gas production	No state tax levied on gas production
Michigan	6.60%	0.00%		6.60%	5.00%	0.00%		5.00%
Mississippi	6.00%	0.00%		6.00%	6.00%	0.00%		6.00%
Missouri	No state tax levied on oil production	No state tax levied on oil production	No state tax levied on oil production	No state tax levied on oil production	No state tax levied on gas production	No state tax levied on gas production	No state tax levied on gas production	No state tax levied on gas production
Montana	Interest, First 12 mo. = 0.8%, Pre 1999 = 12.8%, Post 1999 = 9.3%		Stripper oil production 1-10 barrels/day 5.8% > than 10 = 9.3%	Variable depending on working or non-working interest	Interest, First 12 mo. = 0.8%, Pre 1999 = 15.1%, Post 1999 = 9.3%		Working Interest = 11.3%, Non-working = 15.1%	Variable depending on working or non-working interest

State Name	Oil Severance Tax	Oil Ad Valorem Tax	Misc. Oil Tax	Total Oil Tax Burden	Gas Severance Tax	Gas Ad Valorem Tax	Misc. Gas Tax	Total Gas Tax Burden
Nebraska	3.00%	0.00%	Stripper oil 2% severance tax	3.00%	3.00%	0.00%		3.00%
Nevada			Admin fee = 100 mills per barrel	\$0.10 per barrel			Admin fee = 100 mills per 50,000 per cubic feet	\$0.10 per 50,000 cubic feet
New Mexico	3.75%	Variable by county	School = 3.15%, Conservation = .19%	Approx. 8.29%	3.75%	Variable by county	School = 4.0%, Conservation = .19%	Approx. 9.14%
New York	No state tax levied on oil production	No state tax levied on oil production	No state tax levied on oil production	No state tax levied on oil production	No state tax levied on gas production	No state tax levied on gas production	No state tax levied on gas production	No state tax levied on gas production
North Carolina	No state tax levied on oil production	No state tax levied on oil production	No state tax levied on oil production	No state tax levied on oil production	No state tax levied on gas production	No state tax levied on gas production	No state tax levied on gas production	No state tax levied on gas production
North Dakota	5.00%	0.00%	Extraction Tax 6.5%, 4.0% or 0%	11.5%, 9.0% or 5%	\$0.04 per MCF, adjusted annually per consumer price index	0.00%		\$0.04 per MCF, adjusted annually per consumer price index
Ohio	10 cents per barrel	Variable by county	Energy Education \$.01 bb/oi	.11 cents per barrel of oil	2.6 cents per MCF	Variable by county	Energy Education \$.001/MCF (one tenth of one cent)	2.6 cents per MCF
Oklahoma	7.00%		Excise/Marginal Well	Variable	7.00%	0.00%	Excise/Marginal Well	Variable
Oregon	6.00%	0.00%		6.00%	6.00%	0.00%		6.00%
Pennsylvania	No state tax levied on oil production	No state tax levied on oil production	No state tax levied on oil production	No state tax levied on oil production	No state tax levied on gas production	No state tax levied on gas production	No state tax levied on gas production	No state tax levied on gas production
South Carolina	No state tax levied on oil production	No state tax levied on oil production	No state tax levied on oil production	No state tax levied on oil production	No state tax levied on gas production	No state tax levied on gas production	No state tax levied on gas production	No state tax levied on gas production
South Dakota	4.5% of value	Variable by county	Conservation Tax 2.4 mills or .24%	4.74% of value	4.5% of value	Variable by county	Conservation Tax 2.4 mills or .24%	4.74% of value
Tennessee	3.0% of sale price	0.00%		3.0% of sale price	3.0% of sale price	0.00%		3.0% of sale price
Texas	4.60%	Variable by county	Oil Spill Fee, Reg. Tax	Variable	7.50%	Variable by county	Oil Field Fee	Variable
Utah	3.0% to 6.0%	Variable		3.0% or greater	3.0 to 6.0%	Variable		3.0% or greater
Virginia	1/2 of 1% of gross receipts		Up to 1% Road Improvement Tax	Up to 1 1/2 of gross receipts	Up to 2% of gross receipts		Up to 1% road Improvement Tax	Up to 3% of gross receipts
Washington	No state tax levied on oil production	No state tax levied on oil production	No state tax levied on oil production	No state tax levied on oil production	No state tax levied on gas production	No state tax levied on gas production	No state tax levied on gas production	No state tax levied on gas production
West Virginia	5.00%	0.00%		5.00%	6.00%	0.00%		5.00%
Wyoming	6.00%	5.0% to 7.7%	4% stripper well tax	9.9% to 13.7%	6.00%	5.0% to 7.7%		11.9% to 13.7%

Redevelopment Agency of the City of Long Beach  
(A Component Financial Reporting Unit of the City of Long Beach, California)  
Notes to Basic Financial Statements  
September 30, 2003

**Note 6 - Due to and Advances from/to the City of Long Beach**

The composition of receivables and payables to the City as of September 30, 2003 is as follows (in thousands):

<u>Redevelopment Agency</u>	
<u>Due to the City of Long Beach</u>	
General Fund	\$ 2,000
Internal Service Fund	12
Component Unit	400
Total due to the City of Long Beach	<u>2,412</u>
<u>Due from the City of Long Beach</u>	
Internal Service Fund	<u>7</u>
Total due to the City of Long Beach	<u>\$ 2,405</u>
<u>Advances from the City of Long Beach</u>	
General Fund	\$ 95,035
Housing Development Fund	3,335
General Capital Projects	1,858
Component Unit	18,482
Harbor Fund	27,435
Total advances from the City of Long Beach	<u>146,145</u>
<u>Advances to the City of Long Beach</u>	
Aquarium of the Pacific	
Funds transfer	4,675
Accrued interest	66
Total advance to the City	<u>4,741</u>
Total advances from the City of Long Beach	<u>\$ 141,404</u>
Allocated as follows:	
Due to City of Long Beach	\$ 122,922
Due to Component Unit	18,482
Total	<u>\$ 141,404</u>
<u>Discretely Presented Component Unit</u>	
Due from:	
Redevelopment Agency	\$ 400
City of Long Beach	30
	<u>430</u>
Advances to:	
Primary Government	<u>\$ 18,482</u>