

**P  
R  
I  
O  
R  
I  
T  
Y**

**Date: August 23, 2011**

**To: Mayor & City Council**

**From: Patrick H. West  
City Manager**

**Subject: Memos: Uplands Oil  
Funds, Survey of Engine  
Staffing for Similar Cities, and  
Response to Questions on  
Proposed FY 12 Library  
Reductions**

**Comments: Supplemental  
Information for the August 23,  
2011, Budget Hearing**



**City of Long Beach**  
*Working Together to Serve*

**Memorandum**

**Date:** August 23, 2011  
**To:** Patrick H. West, City Manager  
**From:** Alan M. Patalano, Fire Chief  
**For:** Mayor Foster and Members of the City Council  
**Subject:** Survey of Engine Staffing for Similar Cities

---

Per City Council direction at the August 16, 2011 Budget Hearing, the Fire Department has conducted a survey of fire departments that protect cities with populations comparable to Long Beach's to determine their engine company staffing levels.

The Department surveyed 20 cities in the United States with populations comparable to Long Beach, ranging from 374,658 to 601,723. Agencies were asked how many engine companies are in service on a daily basis and with how many personnel the engines are staffed. The details of the survey can be found on the attachment.

In summary, the survey revealed:

- The number of staffed engine companies in the survey group ranges from 14 to 42;
- 15 of the agencies staff engines with 4 firefighters;
- 4 of the agencies staff engines with combinations of 4 or more firefighters (3 agencies staff with 4-5 firefighters, and 1 staffs with 4-6 firefighters);
- 1 agency staffs engines with 3 firefighters.

The agency that staffs engines with 3 firefighters serves a population of 494,665 within a geographical area of approximately 330 square miles. The agency responded to approximately 33,000 calls for service in 2010 utilizing 19 engine companies, and does not provide Advanced Life Support (ALS or paramedic) services.

While there are few cities that are comparable in population and size to Long Beach that staff their engines with 3 firefighters, some of the areas of Long Beach are similar to cities served by 3-person engines. For example, much of the Eastside of Long Beach is similar in makeup to neighboring Lakewood, which

Patrick H. West, City Manager  
August 23, 2011  
Page 2 of 2

LA County staffs with 3-person engines. Manhattan Beach, Redondo Beach and Hermosa Beach also staff with 3-person engines, and significant parts of those cities have denser residential neighborhoods with multi-family units similar to some areas in Long Beach. Santa Fe Springs is largely an industrial city, similar to industrial areas in Long Beach, and they also utilize 3-person engines. While Long Beach does have different areas such as a Port and an Airport, units that staff those areas will continue to be served with 4-person engines.

Please contact me at extension 82505 should you require additional information.

AMP:MTS

Memo- Survey of Engine Staffing for Similar Cities TFF Survey of Engine Staffing for Similar Cities.doc

Attachment

Staffing Survey of U.S. Cities With Comparable Population

NATIONAL POPULATION RANK	DEPARTMENT	Number of Engines	ENGINE CO. STAFFING	Combination Staffing?	2010 Census Data	Service Area (In Square Miles)	Average Square Miles per Engine
25	Honolulu CDP	42	5 to 4	yes	374,658	86	2.05
26	Oakland	25	4	no	390,724	56	2.24
27	Tulsa	25	4	no	391,906	187	7.48
28	Cleveland	26	4	no	396,815	60	2.31
29	Miami	14	4	no	399,457	55	3.93
30	Omaha	17	4	no	408,958	119	7.00
31	Atlanta	30	5 to 4	yes	420,003	160	5.33
32	Virginia Beach	20	6 to 4	yes	437,994	497	24.85
33	Mesa	19	4	no	439,041	133	7.00
34	Kansas City	22	4	no	459,787	318	14.45
35	Long Beach	17	4	no	462,257	55	3.24
36	Sacramento	23	4	no	466,488	99	4.30
37	Fresno	19	3	no	494,665	330	17.37
38	Tucson	22	4	no	520,116	250	11.36
39	Albuquerque	23	4	no	545,852	182	7.91
40	Oklahoma City	35	4	no	579,999	621	17.74
41	Las Vegas	17	4	no	583,756	133	7.82
42	Portland	30	4	no	583,776	150	5.00
43	Denver	32	4	no	600,158	142	4.44
44	Nashville	39	4	no	601,222	533	13.67
45	Washington, D.C.	33	5 to 4	yes	601,723	69	2.09



**Date:** August 22, 2011  
**To:** Mayor and Members of the City Council  
**From:** Patrick H. West, City Manager  
**Subject:** Uplands Oil Funds

Because of continuing interest, this memo provides additional information about the Uplands Oil Fund.

### **Summary**

The Uplands Oil Fund is expected to generate \$9.9 million in one-time funds exceeding \$55 per barrel in Fiscal Year 2011 (FY 11). In FY 11, the fund started with a \$6 million beginning available fund balance. These two amounts combined will result in an FY 11 estimated ending fund balance of \$15.4 million in the Uplands Oil Fund, after taking into account the reserving of the recommended \$0.5 million operating reserve.

Keeping in line with the City Council financial policy of using one-time dollars for one-time uses, there are multiple uses for the one-time Uplands Oil Fund dollars. Because of the complexity of the issues and the impacts and a number of very different alternative uses, staff continues to recommend a discussion of oil revenues after the close of the fiscal year, once Financial Management is able to determine the final amount of one-time oil dollars generated in FY 2011. Potential uses for the one-time component of the oil revenue include capital projects, paying down liabilities, improving fund balances, creation of reserves for specific purposes, and setting aside for potential budgetary shortfalls (including FY 12).

With regard to the recurring funds generated by Uplands Oil, staff continues to recommend the use of \$55 per barrel as a reasonable reliable price and also suggests that increasing the "reliable" price reduces flexibility and increases risk to the City at a time when flexibility and risk avoidance are important.

### **Background**

The Uplands Oil Fund has net revenue after covering the cost of oil production. That net revenue is considered to have two components – a "reliable" revenue component that can be used for city operations and a "speculative" component that is recommended for one-time uses as it cannot be relied on.

As previously reported to the City Council, the Uplands Oil Fund is expected to generate additional net revenues of approximately \$21.5 million in FY 11. The fund also had an opening available fund balance of \$6 million<sup>1</sup>. Of this amount, \$11.6 million at \$55 per barrel has been budgeted in FY 11 as a General Fund transfer to fund operations and \$0.5 million is recommended to be left as a reserve for oil operations. The projected remaining available fund balance of \$15.4 million, once verified after year-end closing, is considered appropriate for one-time uses. For FY 12, the projections are similar, assuming the same reliable price point and the same actual price per barrel. For FY 12, reliable revenue as previously reported to the City Council is projected at \$12.9 million and speculative revenue would be about \$10 million, using the same average price as is expected in FY 11.

Staff continues to support \$55 dollars per barrel as the maximum amount for current operations. While calculating oil revenue is a complex process, each \$5 per barrel increase in the "reliable" price above \$55 per barrel yields approximately \$1 million in General Fund revenue<sup>2</sup>. However, a price above \$55 per barrel exposes the City to a risk of having to make up an operating budget shortfall in an equivalent amount of any increase, and also reduces flexibility in the event of major revenue shortfalls.

### **Potential Uses of One-Time Uplands Oil Fund Monies**

Below is a list of potential uses of the one-time components of the Uplands Oil Fund:

- To reserve funds for potential issues with oil operations
- To provide reserves for emergencies or operating shortfalls (to handle temporary revenue and expenditure variances)
- To improve or correct low fund balances
- To pay down long-term liabilities
- For capital projects (infrastructure, courthouse tunnel, other projects)
- To support improved technology and other approaches to improve efficiency of operations, including Police Department technology enhancements
- One-time deferred maintenance (such as tree trimming)

CC: SUZANNE FRICK, ASSISTANT CITY MANAGER  
REGINALD HARRISON, DEPUTY CITY MANAGER  
JOHN GROSS, DIRECTOR OF FINANCIAL MANAGEMENT  
CHRIS GARNER, DIRECTOR OF GAS AND OIL  
JYL MARDEN, CITY COUNCIL LIAISON

---

<sup>1</sup> The budget book reports \$9 million but the actual unreserved balance is \$6 million.

<sup>2</sup> The increase from \$45 per barrel to \$55 per barrel approved in mid FY11 appears to generate more than \$1 million per \$5 increase per barrel. However that increase was due, in part, to a significant improvement in methodology. The \$1 million per \$5 per barrel increase reflects only the price increase and not any methodology improvement as the methodology was updated in the mid FY 11 calculation.



**Date:** August 23, 2011  
**To:** Patrick H. West, City Manager  
**From:** Glenda Williams, Director of Library Services /s/  
**For:** Mayor and Members of the City Council  
**Subject:** Response to Questions on Proposed FY12 Library Reductions

---

Below are questions recently raised by Councilwoman Schipske regarding the three Long Beach Public Libraries that are impacted in order to balance the FY12 budget deficit. This memo provides responses to those questions.

**How many patrons are served at the three branches slated to be reduced?**

Patrons Served

	<b>FY10</b>	<b>FY11 through July</b>
<b>Alamitos</b>	87,739	64,501
<b>Bach</b>	78,108	60,574
<b>Brewitt</b>	67,476	52,900

**How many items are checked out in these three libraries.**

Items Checked Out

	<b>FY10</b>	<b>FY11 through July</b>
<b>Alamitos</b>	53,716	45,075
<b>Bach</b>	106,544	89,249
<b>Brewitt</b>	67,114	55,224

**What other programs are currently offered at these branches?**

All three neighborhood libraries offer youth literacy programs (Toddler and Pre-school Storytimes), cultural and informational programs, computer instruction, class visits, book discussion groups, Family Learning Centers and participate in community events.

We will continue programming in the libraries by partnering with community organizations and other City departments.

**What is the total materials budget for the department for the past 5 years?**

Adopted Materials Budget – GP Fund

<b>FY07 **</b>	1,860,061
<b>FY08</b>	1,419,509
<b>FY09</b>	842,883
<b>FY10</b>	842,904
<b>FY11</b>	826,373
<b>FY12</b>	767,753

\*\* FY07 was the first year of restoration that ended three years of rolling branch closures. Also included was \$330,000 set aside from previous years for the opening day collection of new materials for the Mark Twain Neighborhood Library that opened in August 2007.

The library also receives donations for library materials from individuals and organizations via the Friends of the Long Beach Public Library and the Long Beach Public Library Foundation.

FY12 Proposed Budget Reduction

This year, as an alternative to closing libraries or reducing library hours citywide, the Library Services Department is proposing the Reading Room library concept. This model will preserve the current library hours and access to resources, but with fewer services available at these neighborhood libraries. These services would remain available at a nearby library within the same Council District.

GW:bt  
N:\GW TFF FY12 budget questions.doc

cc: Suzanne Frick, Assistant City Manager  
Reginald I. Harrison, Deputy City Manager  
John Gross, Director of Financial Management  
Jyl Marden, Assistant to the City Manager/City Council Liaison