



CITY OF LONG BEACH

BH-1

DEPARTMENT OF FINANCIAL MANAGEMENT

333 West Ocean Boulevard 6th Floor • Long Beach, CA 90802 • (562) 570-6425 • Fax (562) 570-5836

September 2, 2014

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Receive and discuss proposed Fiscal Year 2015 budgets for the following departments: Harbor Department and Financial Management Department; and

Receive supporting documentation into the record, conclude the public hearing and take the actions necessary to adopt the Fiscal Year 2015 budget as listed in Attachment A of this letter. (Citywide)

DISCUSSION

On July 22, 2014, the City Manager's Proposed Budget for Fiscal Year 2015 (FY 15) was delivered by Mayor Garcia to the City Council and community with recommended amendments for consideration. Budget meetings were set for March 11, July 22, August 5, August 12, August 19, September 2, September 9, along with six Budget Oversight Committee (BOC) meetings, and ten community meetings at which the FY 15 Proposed Budget was discussed. We are pleased to report that through the scheduled hearings, BOC and community meetings, presentations have been made by multiple City departments resulting in 23 separate opportunities for public feedback, deliberation and input.

At the conclusion of the hearings, the City Council will amend the proposed budget as it deems appropriate, and adopt the proposed budget as amended. Since the publication of the FY 15 Proposed Budget, updated estimates of revenue and expense, which primarily address technical corrections, are listed by fund and department in Attachments B and C to this letter, respectively.

The Appropriations Ordinance officially adopts the FY 15 budget and authorizes expenditures in conformance with the adopted budget. To become effective October 1, 2014, this Ordinance must include a finding of emergency. Specific resolutions provide for approval of the budgets for the Harbor, Sewer, and Water funds, which are not in the Appropriations Ordinance and certain fee adjustments. There will be motions that request approvals for the following: the FY 15 Capital Improvement Program; the Mayor's Recommendations; the Budget Oversight Committee's Recommendations; the Departmental Organization Ordinance; and the Salary Resolution for the FY 15 Proposed Budget.

This matter was reviewed by City Attorney Charles Parkin on August 19, 2014.

TIMING CONSIDERATIONS

In accordance with the Long Beach City Charter, the FY 15 budget must be adopted by September 15, 2014. Should the City Council fail to adopt the budget by that date, the City Manager's FY 15 Proposed Budget shall be deemed the budget for the 2015 fiscal year. The Mayor has five calendar days from City Council adoption of the budget to use his veto authority. The City Council would then have until September 30, 2014, to override veto action by the Mayor with a two-thirds supermajority vote.

FISCAL IMPACT

The City Charter requires that the Appropriations Ordinance shall govern and control the expenditure and commitment amounts stated therein relating to the City's departments, offices and agencies during each fiscal year. The total FY 15 budget for all departments and funds is \$3,322,069,507, which comprises \$3,006,466,116 in new appropriation and \$315,603,391 in estimated carry-over from FY 14 for multi-year grants and projects.

The Appropriations Ordinance, included as Attachment A-16 to this letter, totals \$2,340,204,053 for all funds except Harbor, Sewer, and Water, and \$2,345,806,321 for all departments except Harbor and Water. The \$5,602,268 difference between funds and departments in the Appropriations Ordinance is due to general City indirect costs budgeted in the Department of Financial Management but charged to the Harbor, Water and Sewer funds, which are not included in the Appropriations Ordinance by fund.

The proposed Harbor, Water and Sewer fund budgets are in separate City Council resolutions included as Attachment A-1 and A-4 to this letter, respectively, and total \$981,789,527. The Board of Harbor Commissioners adopted the budget for the Harbor Department by minute order on July 14, 2014. The Board of Water Commissioners adopted the budget for the Water Department by resolution on June 19, 2014.

User fees and charges in the Master Fee and Charges Schedule Attachment A-5 have been adjusted due to changes in service and other factors. For details regarding these proposed new fees, deletions and adjustments, please see the List of Proposed Fee Adjustments for FY 15 that has been incorporated as Exhibit C to the Master Fee and Charges Resolution.

Other requested City Council actions include approval of the FY 15 One-Year Capital Improvement Program (CIP) budget, included in Attachment A-6, which is contained in the Appropriations Ordinance. The Planning Commission, at its meeting of August 21, 2014, approved the CIP for FY 15 for conformance with the General Plan.

The City Council is also requested to adopt the Resolution, included as Attachment A-9, establishing the "Gann Appropriations Limit" (Limit) for general purpose expenditures. In November 1979, the voters of the State of California approved Proposition 4, also known as the "Gann Initiative" (Initiative). The Initiative places certain limits on the amount of tax revenue that can be appropriated each fiscal year. The Limit is based on actual appropriations during FY 79 and guards against overspending proceeds of taxes. Only those revenues which are considered as "proceeds of taxes" are subject to the Limit. The Limit is recalculated each fiscal year based on certain inflation and population factors provided by the State. The Proposed Budget includes tax revenue estimates that are at 42.13 percent of the 2014-2015 Appropriations Limit and, therefore, does not exceed the Limit. This calculation is reviewed by the City Auditor for conformance to the law.

A motion to amend the Departmental Organization Ordinance, included as Attachment A-12, is also being requested. This amendment incorporates changes to departments, bureaus, and divisions for FY 15. These organizational changes are necessary to implement changes reflected in the Proposed FY 15 budget. (A redline version is also provided). The Salary Resolution, included as Attachment A-13, is also included for adoption.

After the City Manager delivered the FY 15 Proposed Budget to the Mayor, technical adjustments in nature were made to the budget. These changes are generally not substantial and are disclosed in Attachment B and C of this letter. Since the release of the FY 15 Proposed Budget, a few noteworthy changes have occurred. The Police Department and the Harbor Department finalized the Port Security Unit MOU for FY 15 and it increased the sworn staffing by one Sergeant position. Along with the two Sworn positions added through the Long Beach Transit contract earlier in the process, this results in a total sworn staffing increase of three FTEs, from 803 FTEs in FY 14 to 806 FTEs in FY 15. The second change relates to the non-structural appropriation in the General Fund in the Citywide Activities Department representing the transfer of one-time GEMT funds to Fleet for the replacement of five fire engines/pumpers. On July 1, 2014, the City Council redirected \$517,000 of these funds to the Capital Projects Fund for sidewalks. The original one-time transfer of \$2.8 million was reduced to \$2.3 million, which will now fund four fire engine/pumpers. In FY 15, the Human Resources Department is proposing several organizational changes to better reflect the structure and functions of its operation. The changes are detailed in the FY 15 Organizational Ordinance. The remaining changes were minor technical adjustments made to various funds and departments.

HONORABLE MAYOR AND CITY COUNCIL
September 2, 2014
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SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

JG/LE/RAG
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ATTACHMENTS

APPROVED:



PATRICK H. WEST
CITY MANAGER

List of Requested Fiscal Year 2015 Budget Adoption Actions

1. Adopt the Resolution approving the FY 15 budget for the Long Beach Harbor Department as adopted by the Board of Harbor Commissioners on July 14, 2014. (A-1)
2. Declare an emergency to exist. (A-2)
3. Declare the Ordinance approving the Resolution No. WD-1326 establishing the rates and charges for water and sewer service to all customers, as adopted by the Board of Water Commissioners on June 19, 2014, as an Emergency Ordinance, read, and adopted as read and laid over to the next regular meeting of the City Council for final reading. (A-3)
4. Adopt the Resolution approving the FY 15 budget of the Long Beach Water Department as adopted by the Board of Water Commissioners on June 19, 2014. (A-4)
5. Adopt the Resolution amending the Master Fee and Charges Schedule for specified City services for Citywide fees and charges for the City of Long Beach. (A-5)
6. Approve the FY 15 One-Year Capital Improvement Program. (A-6)
7. Adopt a motion approving the FY 15 budget for the Long Beach Community Investment Company (formerly known as the Long Beach Housing Development Company) in the amount of \$9,290,777. (A-7)
8. Adopt a motion approving the estimated transfer of \$17,300,000 from the Harbor Revenue Fund to the Tidelands Operating Fund. (A-8)
9. Adopt the Resolution establishing the "Gann Appropriations Limit" (Limit) for FY 15 pursuant to Article XIII (B) of the California Constitution. (A-9)
10. Adopt the Mayor's proposed budget recommendations, as amended, to the FY 15 Proposed Budget. (A-10)
11. Adopt the Budget Oversight Committee's proposed funding recommendations, as amended, to the FY 15 Proposed Budget. (A-11)
12. Declare the Ordinance amending the Departmental Organization Ordinance read the first time and laid over to the next regular meeting of the City Council for final reading. (A-12)
13. Adopt the amended Salary Resolution for FY 15. (A-13)
14. Adopt a motion amending the proposed FY 15 budget. (A-14)
15. Declare an emergency to exist. (A-15)
16. Declare the Appropriations Ordinance for FY 15, creating and establishing the funds of the Municipal Government and appropriating money to and authorizing expenditures from said funds and for said fiscal year as an Emergency Ordinance, read, and adopted as read and laid over to the next regular meeting of the City Council for final reading. (A-16)

FISCAL YEAR 2015 APPROPRIATIONS ORDINANCE BY FUND
(Does not include Harbor, Water and Sewer Funds)

<u>FUND</u>	<u>FY 15 PROPOSED EXPENDITURES</u>	<u>CHANGES</u>	<u>FY 14 ESTIMATED CARRYOVER*</u>	<u>FY 15 APPROPRIATIONS</u>
GENERAL FUND	417,836,232	(551,475)	-	417,284,757
UPLAND OIL FUND	36,015,702	164,174	-	36,179,876
GENERAL GRANTS FUND	8,812,460	(13,437)	8,759,078	17,558,100
POLICE & FIRE PUBLIC SAFETY OIL PROD ACT FUND	4,433,161	-	-	4,433,161
HEALTH FUND	39,482,210	-	30,266,730	69,748,940
PARKING & BUSINESS AREA IMPROVEMENT FUND	7,142,408	-	-	7,142,408
SPECIAL ADVERTISING & PROMOTION FUND	6,062,804	-	-	6,062,804
HOUSING DEVELOPMENT FUND	10,713,202	-	9,717,315	20,430,517
BELMONT SHORE PARKING METER FUND	656,145	-	-	656,145
BUSINESS ASSISTANCE FUND	650,119	-	1,609,518	2,259,637
COMMUNITY DEVELOPMENT GRANTS FUND	21,051,815	-	18,617,913	39,669,727
GASOLINE TAX STREET IMPROVEMENT FUND	15,605,973	-	29,736,462	45,342,435
TRANSPORTATION FUND	20,851,962	-	10,856,163	31,708,125
CAPITAL PROJECTS FUND	12,478,624	-	51,229,329	63,707,952
CIVIC CENTER FUND	10,195,588	-	1,454,735	11,650,323
GENERAL SERVICES FUND	51,318,524	-	13,401,723	64,720,248
FLEET SERVICES FUND	34,483,667	-	1,931,667	36,415,334
INSURANCE FUND	42,042,245	-	139,683	42,181,927
EMPLOYEE BENEFITS FUND	232,706,625	-	-	232,706,625
TIDELANDS FUNDS	148,678,871	(6,244)	76,380,468	225,053,096
TIDELAND OIL REVENUE FUND	417,816,112	-	-	417,816,112
RESERVE FOR SUBSIDENCE	-	-	-	-
DEVELOPMENT SERVICES FUND	18,153,507	-	1,323,586	19,477,093
GAS FUND	106,368,549	-	8,692,923	115,061,472
GAS PREPAY FUND	39,128,641	-	-	39,128,641
AIRPORT FUND	43,017,760	-	22,092,203	65,109,962
REFUSE/RECYCLING FUND	45,361,815	-	494,261	45,856,075
SERRF FUND	51,224,403	-	-	51,224,403
SERRF JPA FUND	11,218,558	-	-	11,218,558
TOWING FUND	7,160,349	-	-	7,160,349
HOUSING AUTHORITY FUND	77,074,605	-	-	77,074,605
SUCCESSOR AGENCY	75,610,411	-	28,891,812	104,502,223
CUPA FUND	1,692,365	-	7,822	1,700,187
DEBT SERVICE FUND	9,962,233	-	-	9,962,233
TOTAL	2,025,007,644	(406,982)	315,603,391	2,340,204,053

*Carryover of multi-year grants and CIP funds.

FISCAL YEAR 2015 APPROPRIATIONS ORDINANCE BY DEPARTMENT
(Does not include Harbor and Water)

<u>DEPARTMENT</u>	<u>FY 15 PROPOSED EXPENDITURES</u>	<u>CHANGES</u>	<u>FY 14 ESTIMATED CARRYOVER*</u>	<u>FY 15 APPROPRIATIONS</u>
MAYOR AND COUNCIL	4,747,735	-	-	4,747,735
CITY ATTORNEY	9,463,005	-	-	9,463,005
CITY AUDITOR	2,970,581	-	-	2,970,581
CITY CLERK	2,620,378	-	-	2,620,378
CITY MANAGER	59,883,349	22,324	61,195,866	121,101,539
CITY PROSECUTOR	4,779,147	-	60,507	4,839,654
CIVIL SERVICE	2,174,093	-	-	2,174,093
AIRPORT	42,122,257	-	22,092,203	64,214,459
DISASTER PREPAREDNESS & EMERGENCY COMMUNICATIONS	1,441,814	-	533,158	1,974,973
DEVELOPMENT SERVICES	117,602,816	-	54,156,195	171,759,011
FINANCIAL MANAGEMENT**/**	476,302,341	(1,884,101)	1,170,499	475,588,739
FIRE	97,542,076	-	910,949	98,453,025
HEALTH AND HUMAN SERVICES	117,233,226	-	30,855,537	148,088,763
HUMAN RESOURCES	20,973,051	-	4,909,004	25,882,055
LIBRARY SERVICES	14,392,795	-	-	14,392,795
LONG BEACH GAS AND OIL	600,189,937	164,174	8,697,375	609,051,486
PARKS, RECREATION AND MARINE	54,122,709	-	10,671,911	64,794,620
POLICE	208,935,992	(432,068)	3,376,417	211,880,341
PUBLIC WORKS	145,519,936	346,274	103,572,045	249,438,255
TECHNOLOGY SERVICES	48,969,089	-	13,401,725	62,370,814
TOTAL	2,031,986,327	(1,783,397)	315,603,391	2,345,806,321

*Carryover of multi-year grants and CIP funds.

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

***Part of the Changes column includes the shifting of the ERP system budget from the Citywide Allocations Department (XI) to the Water Department, whose numbers are not included in Attachment C.

Exhibit A

as of 1:28 PM

FISCAL YEAR 2015 APPROPRIATIONS ORDINANCE BY FUND

FUND	FY 15 NEW	FY 14 ESTIMATED	FY 15
	ALLOCATION	CARRYOVER*	APPROPRIATION
GENERAL FUND	417,284,757	-	417,284,757
UPLAND OIL FUND	36,179,876	-	36,179,876
GENERAL GRANTS FUND	8,799,023	8,759,078	17,558,100
POLICE & FIRE PUBLIC SAFETY OIL PROD ACT FUND	4,433,161	-	4,433,161
HEALTH FUND	39,482,210	30,266,730	69,748,940
PARKING & BUSINESS AREA IMPROVEMENT FUND	7,142,408	-	7,142,408
SPECIAL ADVERTISING & PROMOTION FUND	6,062,804	-	6,062,804
HOUSING DEVELOPMENT FUND	10,713,202	9,717,315	20,430,517
BELMONT SHORE PARKING METER FUND	656,145	-	656,145
BUSINESS ASSISTANCE FUND	650,119	1,609,518	2,259,637
COMMUNITY DEVELOPMENT GRANTS FUND	21,051,815	18,617,913	39,669,727
GASOLINE TAX STREET IMPROVEMENT FUND	15,605,973	29,736,462	45,342,435
TRANSPORTATION FUND	20,851,962	10,856,163	31,708,125
CAPITAL PROJECTS FUND	12,478,624	51,229,329	63,707,952
CIVIC CENTER FUND	10,195,588	1,454,735	11,650,323
GENERAL SERVICES FUND	51,318,524	13,401,723	64,720,248
FLEET SERVICES FUND	34,483,667	1,931,667	36,415,334
INSURANCE FUND	42,042,245	139,683	42,181,927
EMPLOYEE BENEFITS FUND	232,706,625	-	232,706,625
TIDELANDS FUNDS	148,672,627	76,380,468	225,053,096
TIDELAND OIL REVENUE FUND	417,816,112	-	417,816,112
RESERVE FOR SUBSIDENCE	-	-	-
DEVELOPMENT SERVICES FUND	18,153,507	1,323,586	19,477,093
GAS FUND	106,368,549	8,692,923	115,061,472
GAS PREPAY FUND	39,128,641	-	39,128,641
AIRPORT FUND	43,017,760	22,092,203	65,109,962
REFUSE/RECYCLING FUND	45,361,815	494,261	45,856,075
SERRF FUND	51,224,403	-	51,224,403
SERRF JPA FUND	11,218,558	-	11,218,558
TOWING FUND	7,160,349	-	7,160,349
HOUSING AUTHORITY FUND	77,074,605	-	77,074,605
SUCCESSOR AGENCY	75,610,411	28,891,812	104,502,223
CUPA FUND	1,692,365	7,822	1,700,187
DEBT SERVICE FUND	9,962,233	-	9,962,233
TOTAL	2,024,600,662	315,603,391	2,340,204,053

*Carryover of multi-year grants and CIP funds.

FISCAL YEAR 2015 APPROPRIATIONS ORDINANCE BY DEPARTMENT

DEPARTMENT	FY 15 NEW ALLOCATION	FY 14 ESTIMATED CARRYOVER*	FY 15 APPROPRIATION
MAYOR AND COUNCIL	4,747,735	-	4,747,735
CITY ATTORNEY	9,463,005	-	9,463,005
CITY AUDITOR	2,970,581	-	2,970,581
CITY CLERK	2,620,378	-	2,620,378
CITY MANAGER	59,905,673	61,195,866	121,101,539
CITY PROSECUTOR	4,779,147	60,507	4,839,654
CIVIL SERVICE	2,174,093	-	2,174,093
AIRPORT	42,122,257	22,092,203	64,214,459
DISASTER PREPAREDNESS & EMERGENCY COMMUNICATIONS	1,441,814	533,158	1,974,973
DEVELOPMENT SERVICES	117,602,816	54,156,195	171,759,011
FINANCIAL MANAGEMENT**	474,418,240	1,170,499	475,588,739
FIRE	97,542,076	910,949	98,453,025
HEALTH AND HUMAN SERVICES	117,233,226	30,855,537	148,088,763
HUMAN RESOURCES	20,973,051	4,909,004	25,882,055
LIBRARY SERVICES	14,392,795	-	14,392,795
LONG BEACH GAS AND OIL	600,354,111	8,697,375	609,051,486
PARKS, RECREATION AND MARINE	54,122,709	10,671,911	64,794,620
POLICE	145,866,210	103,572,045	249,438,255
PUBLIC WORKS	208,503,924	3,376,417	211,880,341
TECHNOLOGY SERVICES	48,969,089	13,401,725	62,370,814
TOTAL	2,030,202,930	315,603,391	2,345,806,321

*Carryover of multi-year grants and CIP funds.

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

ORDINANCE NO.

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AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LONG BEACH APPROVING RESOLUTION NO. WD-1326, A RESOLUTION OF THE CITY OF LONG BEACH BOARD OF WATER COMMISSIONERS ESTABLISHING THE RATES AND CHARGES TO BE CHARGED FOR WATER AND SEWER SERVICE AND DECLARING THE URGENCY THEREOF, AND PROVIDING THAT THIS ORDINANCE SHALL TAKE EFFECT AT 12:01 A.M. ON OCTOBER 1, 2014

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

Section 1. That Resolution No. WD-1326 of the Board of Water Commissioners of the City of Long Beach, entitled "A RESOLUTION OF THE BOARD OF WATER COMMISSIONERS AMENDING RESOLUTION NO. WD-1309 FIXING RATES AND CHARGES FOR WATER AND SEWER SERVICE TO ALL CUSTOMERS, SUBJECT TO THE APPROVAL OF THE CITY COUNCIL BY ORDINANCE," adopted by said Board on June 19, 2014, and the rates fixed in the Resolution to be charged for water and sewer service be and the same are hereby approved.

Section 2. This is an emergency measure and is urgently required for the reason that in order to carry on the affairs, functions and business of Long Beach Water Department during the fiscal year which begins on October 1, 2014, it is necessary to authorize the rates and charges for water and sewer service and that this ordinance be passed as an emergency measure, to take effect at 12:01 a.m. on October 1, 2014.

Section 3. If any section, subsection, subdivision, sentence, sum, percentage, clause or phrase of this ordinance is for any reason held to be

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CHARLES PARKIN, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

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Long Beach, CA 90802-4664

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

7 Section 4. This ordinance is an emergency ordinance duly adopted by
8 the City Council by a vote of five of its members and shall take effect immediately. The
9 City Clerk shall certify to a separate roll call and vote on the question of the emergency of
10 this ordinance and to its passage by the vote of five members of the City Council of the
11 City of Long Beach, and cause the same to be posted in three conspicuous places in the
12 City of Long Beach, and it shall thereupon take effect and shall be operative on and after
13 12:01 a.m. on October 1, 2014.

14 I hereby certify that on a separate roll call and vote which was taken by the
15 City Council of the City of Long Beach upon the question of emergency of this ordinance
16 at its meeting of _____, 2014, the ordinance was declared to be an
17 emergency by the following vote:

18
19 Ayes: Councilmembers: _____
20 _____
21 _____
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23 Noes: Councilmembers: _____
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25 Absent: Councilmembers: _____
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OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

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I further certify that on _____, 2014, upon a roll call and vote on first reading of the ordinance, it was adopted by the City Council of the City of Long Beach by the following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

I further certify that the foregoing ordinance was thereafter adopted on final reading by the City Council of the City of Long Beach at its meeting of _____, 2014, by the following vote

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

City Clerk

Approved: _____
(Date)

Mayor

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RESOLUTION NO. WD-1326

A RESOLUTION OF THE CITY OF LONG BEACH
BOARD OF WATER COMMISSIONERS AMENDING
RESOLUTION NO. WD-1309 FIXING RATES AND
CHARGES FOR WATER AND SEWER SERVICE TO ALL
CUSTOMERS, SUBJECT TO THE APPROVAL OF THE
CITY COUNCIL BY ORDINANCE

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

Section 1. That the following rates and charges for potable and reclaimed water service and for sewer service are hereby established, and the Long Beach Water Department ("Water Department") of the City of Long Beach ("City") is hereby authorized and directed to charge and collect the same in accordance with the provisions of this resolution, subject to a Public Hearing on September 4, 2014.

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

A. On October 1, 2014, the service charge shall be in accordance with the following table:

<u>Size of Service</u>	<u>Daily Service Charge</u>
5/8 or 3/4 inch	\$0.452
1 inch	\$0.681
1-1/2 inch	\$1.271
2 inch	\$1.884
3 inch	\$3.902
4 inch	\$6.173

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<u>Size of Service</u>	<u>Daily Service Charge</u>
6 inch	\$11.378
8 inch	\$17.858
10 inch	\$29.248
12 inch	\$35.745
16 inch	\$59.159

B. On October 1, 2014, the quantitative charge for all water delivered shall be as follows, based on monthly meter readings:

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

Tier IA	First 5 Billing Units (or fraction thereof)	\$1.319
Tier II	Next 10 Billing Units (or fraction thereof)	\$2.638
Tier III	Over 15 Billing Units (or fraction thereof)	\$3.957

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

Tier IB	First 5 Billing Units (or fraction thereof)	\$2.374
Tier II	Next 10 Billing Units (or fraction thereof)	\$2.638
Tier III	Over 15 Billing Units (or fraction thereof)	\$3.957

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

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Tier IA	First 2.5 Billing Units (or fraction thereof per dwelling unit)	\$1.319
Tier II	Next 10.5 Billing Units (or fraction thereof per dwelling unit)	\$2.638
Tier III	Over 13 Billing Units (or fraction thereof per dwelling unit)	\$3.957

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

Tier IB	First 2.5 Billing Units (or fraction thereof per dwelling unit)	\$2.374
Tier II	Next 10.5 Billing Units (or fraction thereof per dwelling unit)	\$2.638
Tier III	Over 13 Billing Units (or fraction thereof per dwelling unit)	\$3.957

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

Tier IA	First 2.5 Billing Units (or fraction thereof per dwelling unit)	\$1.319
Tier II	Next 6.5 Billing Units (or fraction thereof per dwelling unit)	\$2.638
Tier III	Over 9 Billing Units (or fraction thereof per dwelling unit)	\$3.957

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

1	Tier IB	First 2.5 Billing Units (or fraction thereof per dwelling unit)	\$2.374
2			
3	Tier II	Next 6.5 Billing Units (or fraction thereof per dwelling unit)	\$2.638
4			
5	Tier III	Over 9 Billing Units (or fraction thereof per dwelling unit)	\$3.957
6			
7			

8 7. For commercial customers of potable water, \$2.638 per
9 billing unit, or fraction thereof.

10 8. For industrial customers of potable water, \$2.638 per
11 billing unit, or fraction thereof.

12 9. For irrigation customers of potable water, \$2.638 per
13 billing unit, or fraction thereof.

14 10. For City of Long Beach Departments using potable
15 water, \$2.638 per billing unit, or fraction thereof.

16 11. For reclaimed water users whose use is "peaking" as
17 defined herein, \$1.847 per billing unit, or fraction thereof.

18 12. For reclaimed water users whose use is "non-peaking"
19 as defined herein, \$1.319 per billing unit, or fraction thereof.

20 13. For reclaimed water users whose use is "interruptible"
21 as defined herein, \$1.319 per billing unit or fraction thereof.

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

24 15. There shall be no charge for water used through fire
25 hydrants for extinguishing fires.

26 Section 3.

27 A. Unmetered water service may be rendered to unoccupied or
28 occupied property where it is not practical to meter the water, and on

1 October 1, 2014, the rate for unmetered water service shall be:

2 <u>Size of Service</u>	<u>Daily Rate</u>
3 5/8 or 3/4 inch	\$2.206
4 1 inch	\$3.732
5 1-1/2 inch	\$9.192
6 2 inch	\$14.460

7
8 B. The rates for unmetered water service shall begin on the date
9 of use of water by the customer, as determined by the General Manager of
10 the Water Department ("General Manager").

11 Section 4. By Resolution the Board of Water Commissioners has
12 established a Water Conservation and Water Supply Shortage Plan (the Plan). Pursuant
13 to the Plan, the Board may declare that a Stage 1, Stage 2 or Stage 3 Water Supply
14 Shortage exists, in its sole discretion. Upon such declaration, the Board may increase
15 water rates, by an amount necessary, as determined by the Board but not to exceed the
16 following percentages:

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

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

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

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

1 Section 6.

2 A. On October 1, 2014, the service charge for private fire
3 protection service shall be in accordance with the following table:

4 <u>Size of Service</u>	<u>Daily Rate</u>
5 2 inch	\$0.943
6 3 inch	\$1.613
7 4 inch	\$2.383
8 6 inch	\$4.060
9 8 inch	\$5.952
10 10 inch	\$8.052
11 12 inch	\$10.148
12 16 inch	\$14.880

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

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

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

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

5 Section 8.

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

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

<u>Size of Service</u>	<u>Daily Sewer Rate</u>
12 5/8 or 3/4 inch	\$0.260
13 1 inch	\$0.412
14 1-1/2 inch	\$0.750
15 2 inch	\$1.088
16 3 inch	\$2.251
17 4 inch	\$3.565
18 6 inch	\$6.568
19 8 inch	\$10.317
20 10 inch	\$16.878
21 12 inch	\$20.632
22 16 inch	\$33.760

23
24
25 C. The volumetric sewer rate shall be \$0.361 per 100 cubic feet
26 of water furnished where water service size is 5/8 inches or larger. The
27 volumetric sewer rate shall not be applicable to fire services.

28 Industrial customers may apply for separately metered sewer

1 discharge in accordance with the "Rules, Regulations and Charges
2 Governing Potable Water, Reclaimed Water, Sewer Service, and the Water
3 Conservation and Water Supply Shortage Plan" of the Water Department.

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

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

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

1 customer's water service size.

2 F. The City shall collect from all developments and all
3 developments shall be required to pay a capacity charge of Ninety-Three
4 Dollars and Thirty-Nine Cents (\$93.39) per equivalent fixture unit at the time
5 application for sewer service is made, but in no event later than the time
6 that the City issues a sewer permit for connection to the City sewage
7 system, as set forth in the Long Beach Municipal Code and the "Rules,
8 Regulations and Charges Governing Potable Water, Reclaimed Water,
9 Sewer Service and the Emergency Water Conservation Plan" of the Water
10 Department.

11 G. Upon receipt of an application for sewer service, the City's
12 Department of Development Services (through the Plan Checker for
13 Plumbing) shall calculate the amount of the capacity charge by: 1)
14 determining if this resolution applies to the development; and 2) if this
15 resolution does not apply, indicating same on the application for sewer
16 service and the reason this resolution does not apply, and processing the
17 application in accordance with ordinances, resolutions, and regulations; or
18 3) if this resolution does apply, determining the number of equivalent fixture
19 units in the development and multiplying that number by the capacity
20 charge per equivalent fixture unit.

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

1 decrease in the CCI.

2 I. Funds derived from capacity charges shall be placed in the
3 Sewer Fund and shall be used only for the operation, construction,
4 reconstruction, acquisition, or maintenance of the City sewage system.

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

16 K. Anyone subject to a capacity charge who constructs, deposits
17 money into escrow with the City for the construction of, participates in an
18 assessment district for the construction of, or otherwise contributes money
19 or improvements to the City for the operation, construction, reconstruction,
20 acquisition, or maintenance of the City sewage system shall be eligible for a
21 credit for such contribution against the capacity charge otherwise due. The
22 amount of the credit shall be the value of the contribution as determined by
23 the City provided, however, that the credit shall not exceed ninety percent
24 (90%) of the amount of the capacity charge. Applications for said credit
25 shall be made on forms provided by the City and shall be submitted at or
26 before the time of application for sewer service. The application shall
27 contain a declaration under oath of those facts, along with relevant
28 documentary evidence, which qualify the applicant for the credit.

1 L. The capacity charge and requirements pertaining thereto shall
2 not affect in any way the permissible use of property, density of
3 development, design and improvement standards, public improvement
4 requirements, or any other aspect of the development of land or
5 construction of buildings which may be imposed by the City pursuant to the
6 Long Beach Municipal Code, Subdivision Regulations, or other state or
7 local laws, ordinances or regulations which shall be in effect with respect to
8 all developments.

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

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

28 ///

1 Section 10.

2 A. Regular bills for water service and sewer service shall be
3 issued at intervals of approximately one month (commonly called "monthly")
4 except in those cases where the General Manager or the Board of Water
5 Commissioners shall prescribe another billing interval. Insofar as practical,
6 meters shall be read at regular intervals for the preparation of regular bills,
7 and meters shall be read as required for the preparation of opening,
8 closing, and special bills.

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

12 C. Anyone who has been granted an exemption under Chapter
13 3.68 of the Long Beach Municipal Code as of the date of this resolution
14 does not need to file a separate application for exemption hereunder.

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

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

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

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

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

27 D. "Interruptible" refers to reclaimed water service that can be
28 suspended at any time at the Board's discretion, without liability and

1 dependent upon the Water Department's reclaimed water system needs for
2 such service.

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

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

7 G. "Winter billing period" means the time period used for sewer
8 volumetric calculation purposes, which includes bills with a bill prepared
9 date in December, January, February, or March.

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

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

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1 I hereby certify that the foregoing resolution was adopted by the Board of
2 Water Commissioners of the City of Long Beach at its meeting held on June 19, 2014, by
3 the following vote:

4
5 Ayes: Commissioners: MARTINEZ; ALLEN; SHANNON;
6 LEVINE; SALTZGAVER


7
8 Noes: Commissioners: NONE

9 Absent: Commissioners: NONE
10
11

12 
13 Secretary
14 Board of Water Commissioners

15
16
17
18 **CERTIFIED AS A TRUE AND CORRECT COPY**

19 **SECRETARY TO THE BOARD OF WATER COMMISSIONERS**
20 **CITY OF LONG BEACH, CALIFORNIA**

21 BY: 

22 DATE: 6/19/2014

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26
27
28
OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664