

**BH-11**

CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

333 West Ocean Boulevard 6th Floor • Long Beach, CA 90802

September 8, 2009

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Receive supporting documentation into the record, conclude the public hearing and take the actions necessary to adopt the Fiscal Year 2010 budget as listed in Attachment A of this letter. (Citywide)

DISCUSSION

On July 30, 2009, the City Manager's Proposed Budget for Fiscal Year 2010 (FY 10) was delivered by the Mayor to the City Council and community with recommended amendments for consideration. Subsequent workshops and hearings were set for August 4, August 11, August 18, August 25, August 31, September 1, and September 8, along with approximately three Budget Oversight Committee (BOC) meetings and 14 community meetings at which the FY 10 Proposed Budget was discussed. We are pleased to report that through the scheduled workshops, 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 be asked to amend the proposed budget as it deems appropriate, and to adopt the proposed budget as amended. Since the publication of the FY 10 Proposed Budget, updated estimates of revenue and expense, which address technical corrections as well as decisions made by elected offices, are listed by fund and department in Attachments B and C to this letter, respectively.

The Appropriations Ordinance officially adopts the FY 10 budget and authorizes expenditures in conformance with the adopted budget. To become effective October 1, 2009, this Ordinance must include a finding of emergency. Specific resolutions provide for approval of the budgets for the Harbor, Sewer and Water funds; and certain fee adjustments. Requests for approval include the FY 10 Capital Improvement Program; the Mayor's Recommendations; and the Budget Oversight Committee's Recommendations to the FY 10 Proposed Budget.

This letter was reviewed by Assistant City Attorney Heather A. Mahood on August 24, 2009.

TIMING CONSIDERATIONS

In accordance with the Long Beach City Charter, the FY 10 budget must be adopted by September 15, 2009, following at least one public hearing. Should the City Council fail to adopt the budget on or by that date, the City Manager's FY 10 Proposed Budget shall be deemed the budget for the 2010 fiscal year. The Mayor then 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, 2009, 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 10 budget for all departments and funds is \$2,890,216,712, which comprises \$2,544,519,957 in new appropriation and \$349,696,755 in estimated carry-over from FY 09 for multi-year grants and projects.

The Appropriations Ordinance, included as Attachment A-17 to this letter, totals \$1,549,226,942 for all funds except Harbor, Water and Sewer, and \$1,552,390,329 for all departments except Harbor and Water. The \$3,163,387 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 Appropriation Ordinance by fund.

The proposed Harbor, Water and Sewer Fund budgets are in separate City Council ordinances included as Attachment A-1 and A-4 to this letter, respectively, and total \$995,293,015. The budget for the Harbor Department was adopted by the Board of Harbor Commissioners by minute order on May 18, 2009. The budget for the Water Department was adopted by the Board of Water Commissioners by resolution on July 10, 2009.

All user fees and charges in the attached Master Fee and Charges Schedule (A-5) have been increased by the City Cost Index, a calculation of the projected increase in the City's cost from FY 09 to FY 10, except for those fees that are set using other criteria. In addition to the CCI-based fee changes, some fees have been added or adjusted due to a change in service or other bases. For details regarding these proposed new fees and non-CCI fee adjustments, please see the List of Proposed Fee Adjustments for FY 10 that has been incorporated as Exhibit C to the Master Fee and Charges Resolution.

Other requested City Council actions include approval of the FY 10 One-Year Capital Improvement Program (CIP) budget, which is contained in the Appropriations

Ordinance. The Planning Commission, at its meeting of August 20, 2009, approved the CIP for FY 10 for conformance with the General Plan. Any projects that are not in conformance with the Plan will be highlighted by Development Services staff and steps to secure conformance will be outlined.

Further, motions approving the budgets of the Redevelopment Agency's (RDA) Project Area Committees (PACs) for the Central Long Beach, the West Long Beach Industrial and the North Long Beach Project Areas and the Long Beach Housing Development Company (HDC) are requested. The PAC budgets are included in the budget of the Development Services Department, while the budget of the HDC is included in the budget of the Community Development Department. In addition, a motion finding the use of North Redevelopment Project Funds on behalf of the Central Redevelopment Project's low-and-moderate-housing efforts will benefit the North Redevelopment Project area.

The City Council is also requested to adopt the Resolution 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." 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 40.86 percent of the 2009-2010 Appropriations Limit and, therefore, does not exceed the Limit. This calculation is reviewed by the City Auditor for conformance to the law.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



LORI ANN FARRELL
DIRECTOR OF FINANCIAL MANAGEMENT/CFO

APPROVED:


PATRICK H. WEST
CITY MANAGER

List of Requested Fiscal Year 2010 Budget Adoption Actions

1. Adopt the Resolution approving the FY 10 budget for the Long Beach Harbor Department as adopted by the Board of Harbor Commissioners on May 18, 2009. (A-1).
2. Declare an emergency to exist (A-2).
3. Declare the Ordinance approving the Resolution establishing the rates and charges for water and sewer service to all customers, as adopted by the Board of Water Commissioners on July 24, 2009, as an Emergency Ordinance, read and adopted as read (A-3).
4. Adopt the Resolution approving the FY 10 budget of the Long Beach Water Department as adopted by the Board of Water Commissioners on July 10, 2009 (A-4).
5. Adopt the Resolution amending the master fee and charges schedule for specified city services for citywide fees and charges and the City Clerk, City Prosecutor, Community Development, Development Services, Financial Management, Fire, Gas and Oil, Health and Human Services, Library Services, Long Beach Airport, Parks, Recreation and Marine, Police, and Public Works Departments (A-5).
6. Approve the FY 10 One-Year Capital Improvement Program (A-6).
7. Adopt the Resolution approving the budgets for the Redevelopment Agency's Project Area Committees in the amounts of \$50,000 for Central Long Beach, \$80,000 for West Long Beach Industrial and \$44,895 for North Long Beach (A-7).
8. Adopt the Resolution of the City Council of the City of Long Beach finding that the use of taxes allocated to the North Redevelopment Project on behalf of the Central Redevelopment Project for the purpose of increasing, improving and preserving the community's supply of low-and-moderate-income housing will be of benefit to the North Redevelopment Project (A-8)
9. Adopt a motion approving the budget for the Long Beach Housing Development Company in the amount of \$14,771,161, which is included in the budget of the Department of Community Development (A-9).
10. Adopt a motion approving the transfer of \$16,083,972 from the Harbor Revenue Fund to the Tidelands Operating Fund (A-10).
11. Adopt a motion approving the use of the CalPERS Annual Lump Sum Prepayment Option for the employer portion of the City's CalPERS retirement benefit. The recommended prepayment, in the amount of \$46,013,000, should provide a budgetary savings of \$1,749,730 to the City. Of this amount, the General Fund should recoup a budgetary savings of \$1,049,400. (A-11)
12. Adopt the Resolution adopting an appropriations limit (Gann) for FY10 pursuant to Article XIII(B) of the California Constitution (A-12).
13. Adopt the Mayor's proposed funding recommendations, as amended, to the FY10 Proposed Budget (A-13).
14. Adopt the Budget Oversight Committee's proposed funding recommendations, as amended to the FY10 Proposed Budget (A-14).
15. Adopt a motion amending the proposed budget (A-15).
16. Declare an emergency to exist (A-16).
17. Declare the Appropriations Ordinance for FY10, 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 (A-17).

FISCAL YEAR 2010 APPROPRIATIONS ORDINANCE BY FUND

<u>FUND</u>	<u>FY 10 PROPOSED EXPENDITURES</u>	<u>CHANGES</u>	<u>FY 09 ESTIMATED CARRYOVER*</u>	<u>FY 10 APPROPRIATION</u>
GENERAL FUND	380,704,944	146,899	-	380,851,842
GENERAL GRANTS FUND	6,364,760	(79,512)	11,009,980	17,295,229
POLICE & FIRE PUBLIC SAFETY OIL PROD ACT FUND	3,783,938	70,194	-	3,854,132
HEALTH FUND	41,445,160	(165,394)	29,575,921	70,855,687
PARKING & BUSINESS AREA IMPROVEMENT FUND	7,419,800	(100,000)	-	7,319,800
SPECIAL ADVERTISING & PROMOTION FUND	5,984,150	(14,051)	-	5,970,100
UPLAND OIL FUND	14,907,730	-	-	14,907,730
HOUSING DEVELOPMENT FUND	21,212,767	108,308	67,423,986	88,745,061
BELMONT SHORE PARKING METER FUND	668,275	-	-	668,275
DEVELOPMENT SERVICES FUND	12,825,061	63,277	-	12,888,338
BUSINESS ASSISTANCE FUND	667,257	6,155	(234,209)	439,203
COMMUNITY DEVELOPMENT GRANTS FUND	28,853,780	2,462,728	35,312,476	66,628,984
PARK DEVELOPMENT FUND	309,111	(2,969)	-	306,142
GASOLINE TAX STREET IMPROVEMENT FUND	7,808,973	-	21,926,803	29,735,776
TRANSPORTATION FUND	15,500,667	(56,216)	23,872,736	39,317,187
CAPITAL PROJECTS FUND	3,958,708	(367,843)	49,500,270	53,091,135
CIVIC CENTER FUND	989,384	1,373,631	2,207,705	4,570,720
GENERAL SERVICES FUND	37,632,281	234,452	189,233	38,055,966
FLEET SERVICES FUND	33,710,124	106,048	840,510	34,656,682
INSURANCE FUND	39,296,858	162,650	-	39,459,508
EMPLOYEE BENEFITS FUND	224,702,016	255,770	-	224,957,787
TIDELANDS FUNDS	112,115,600	(112,366)	20,660,890	132,664,124
TIDELAND OIL REVENUE FUND	70,510,894	111,696	-	70,622,590
RESERVE FOR SUBSIDENCE	-	-	-	-
GAS FUND	96,003,687	413,617	1,208,457	97,625,760
AIRPORT FUND	36,395,696	614,219	30,129,568	67,139,482
REFUSE/RECYCLING FUND	43,656,773	380,488	90,213	44,127,474
SERRF FUND	53,618,191	(2,056,656)	-	51,561,534
SERRF JPA FUND	11,295,285	-	-	11,295,285
TOWING FUND	9,064,732	53,155	-	9,117,887
PARKING AUTHORITY FUND	-	-	-	-
HOUSING AUTHORITY FUND	69,225,955	96,544	764,004	70,086,502
REDEVELOPMENT FUND	134,429,896	19,243,097	55,218,212	208,891,205
CUPA FUND	1,176,379	40,189	-	1,216,568
TOTAL	1,526,238,830	22,988,112	349,696,755	1,898,923,697

* Carryover of multi-year grants and CIP funds.

FISCAL YEAR 2010 APPROPRIATIONS ORDINANCE BY DEPARTMENT

<u>DEPARTMENT</u>	<u>FY 10 PROPOSED EXPENDITURES</u>	<u>CHANGES</u>	<u>FY 09 ESTIMATED CARRYOVER*</u>	<u>FY 10 APPROPRIATION</u>
MAYOR AND COUNCIL	\$ 4,622,508	\$ 29,293	\$ -	\$ 4,651,801
CITY ATTORNEY	7,242,981	169,816	-	7,412,796
CITY AUDITOR	2,583,368	43,662	-	2,627,031
CITY CLERK	5,680,729	27,906	-	5,708,635
CITY MANAGER	7,254,851	-4,246	(196)	7,250,409
CITY PROSECUTOR	4,550,419	-34,134	(2,293)	4,513,992
CIVIL SERVICE	1,995,973	12,066	-	2,008,039
AIRPORT	36,009,882	600,342	145,803,756	182,413,979
COMMUNITY DEVELOPMENT	139,622,450	2,496,601	(234,068,786)	(91,949,735)
DEVELOPMENT SERVICES	151,669,983	19,352,049	393,318,374	564,340,406
FINANCIAL MANAGEMENT**	341,608,380	1,723,637	(728,326)	342,603,692
FIRE	90,447,615	1,170,646	1,815,775	93,434,036
HEALTH AND HUMAN SERVICES	46,076,851	-121,901	31,863,224	77,818,174
HUMAN RESOURCES	7,714,599	78,190	-	7,792,789
LIBRARY SERVICES	12,773,690	74,453	-	12,848,143
LONG BEACH GAS AND OIL	237,020,919	-1,631,078	1,208,457	236,598,298
PARKS, RECREATION AND MARINE	47,814,470	428,428	26,388,100	74,630,998
POLICE	202,674,066	-2,581,216	3,476,633	203,569,483
PUBLIC WORKS	146,842,493	1,039,219	(19,630,957)	128,250,755
TECHNOLOGY SERVICES	35,092,457	217,913	252,993	35,563,363
TOTAL	\$ 1,529,298,685	\$ 23,091,644	\$ 349,696,755	\$ 1,902,087,084

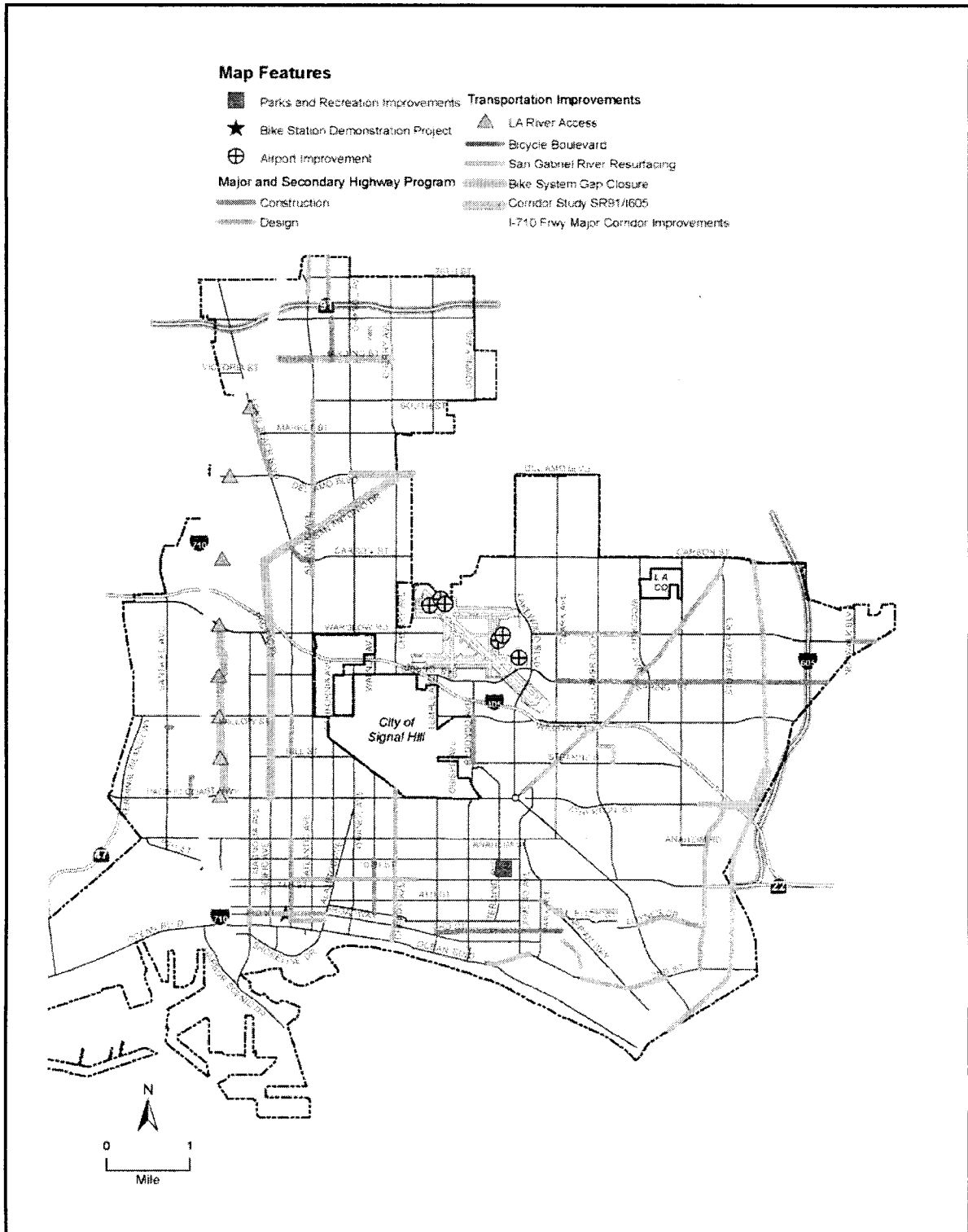
* Carryover of multi-year grants and CIP funds.

** 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.

Capital Improvement Program (CIP)

FY 10 Capital Improvement Program (CIP)

Capital Program Overview



FY 10 Capital Improvement Program (CIP)

PURPOSE:

To provide a comprehensive program of planning, design, construction, maintenance, and repair of City facilities and infrastructure.

BUDGET HIGHLIGHTS

The Fiscal Year 2010 (FY 10) Capital Improvement Program (CIP) was organized by a CIP Committee comprising representatives from various Departments. The Committee worked together to carefully review the City's capital needs and to prioritize project submittals based on the following criteria:

- Meets health, safety and legal concerns and mandates
- Prolongs the life of City assets or avoids/minimizes future repair costs
- Complies with the goals of the Financial Strategic Plan
- Benefits the community and supports the goals of the Strategic Plan 2010
- Generates operating savings or increases productivity
- Secures future funds through program planning
- Identified in a previous year's CIP document
- Urgency

The CIP identifies and provides for two types of expenditures. The first covers strategic capital investment in the City's infrastructure including major enhancements and repairs to the Airport, parks, City buildings, marinas, beaches, street lights, traffic signals, storm drains, sidewalks, bus stops, fuel storage facilities, bridges and roadways, and Americans with Disabilities Act (ADA) upgrades. The second type involves one-time projects designed to address important community needs

The economic vitality and quality of life in the community is enhanced through CIP projects. Capital improvements require a major initial investment, a significant and continuing financial commitment for maintenance and, eventually, replacement. Following is a summary of each category with a dollar amount that represents "new" funding for FY 10.

FY 10 Capital Improvement Program (CIP)

ALLOCATION PLAN

	Estimated FY 09	Proposed FY 10
Sources: **		
Airport Fund	\$9,262,992	\$8,500,000
Civic Center Fund	1,827,353	0
Fleet Services Fund	859,487	0
Gas Fund	10,824,964	7,348,000
Gasoline Tax Street Improvement Fund	4,620,085	1,500,000
Capital Projects Fund	14,596,007	3,732,735
Marina Fund	2,533,631	0
Special Assessment District Capital Projects Fund	148,039	0
Tidelands Operations Fund	5,273,249	0
Transportation Fund	19,720,340	7,770,179
Queen Mary	1,800,000	0
 Subtotal	 \$71,466,147	 \$28,850,914
 Harbor Redevelopment Agency	 \$284,821,000 41,755,561	 \$371,670,000 34,519,979
 Water Utility	 9,512,987	 14,099,940
Sewer	1,323,000	7,650,000
 Subtotal	 \$10,835,987	 \$21,749,940
 Grand Total	 \$408,878,695	 \$456,790,833
 Uses:		
Airport	\$9,262,992	\$8,500,000
Community Development	679,206	0
Long Beach Gas and Oil	10,824,964	7,348,000
Marinas, Beaches and Waterways	7,618,716	0
Parks and Recreation	3,063,261	100,000
Public Facilities	5,489,221	19,299
Storm Drains	3,929,561	0
Street Rehabilitation	27,382,696	11,770,380
Transportation Enhancements	3,215,530	1,113,235
 Subtotal	 \$71,466,147	 \$28,850,914
 Harbor Redevelopment Agency	 \$284,821,000 41,755,561	 \$371,670,000 34,519,979
 Water Utility	 9,512,987	 14,099,940
Sewer	1,323,000	7,650,000
 Subtotal	 \$10,835,987	 \$21,749,940
 Grand Total	 \$408,878,695	 \$456,790,833

** Each fund draws from various sources such as fees and grants. Funding sources for the Capital Projects Fund include, but are not limited to:

County Park Bonds	County Grants	Developer Fees	RDA Bond Fund
General Fund	Park Impact Fees	State Grants	Lease Revenue Bonds
Traffic Mitigation Program	Transportation Development Act-SB821		Federal Grants

FY 10 Capital Improvement Program (CIP)

Airport Projects

Long Beach Airport serves 3 million passengers each year and offers a variety of services to airlines, commercial and general aviation users, as well as the general public, providing direct and indirect economic benefits to the region. Funding for Airport Capital Improvement Projects comes from several sources including Federal Aviation Administration grants, Passenger Facility Charges, Airport fees and facility charges, commercial paper, and bonds. Airport user and general public safety and security, compliance with federal mandates, and operational needs of the Airport provide the basis for capital projects.

Planned projects in FY10 include airfield pavement rehabilitation, airfield signage replacement, air carrier ramp reconstruction, pedestrian and vehicular traffic wayfinding signage and signals installation, Lakewood and Spring Street airfield tunnel upgrades, and Phase I construction of the Quiet Homes Program. Existing Airport funded appropriations in the CIP will initially fund the Quiet Homes Program, and later be reimbursed via Passenger Facility Charges, upon FAA approval. Funding for major terminal and parking structure projects will be proposed separately.

Project Title	Proposed FY 10
Airfield Pavement Rehabilitation	\$7,050,000
Airport Terminal Area Improvements	500,000
Terminal Apron Improvements	450,000
Parking Improvements	500,000
Total Airport Projects	\$8,500,000

Long Beach Gas and Oil Department Projects

Long Beach Gas & Oil's (LBGO) 1,800 miles of natural gas pipeline is a City asset with a \$750 million replacement value. The primary objective of the Department is to maintain the integrity of this pipeline system to ensure safe delivery of natural gas to its 145,000 customers, in accordance with the U.S. Department of Transportation's (DOT) pipeline regulations. LBGO is engaged in a long-term pipeline infrastructure replacement program that is intended to increase the linear feet of pipeline replaced, based upon the age and condition of the pipe. The primary focus has been to remove pipeline installed in the 1920s, 1930s, and 1940s. Since 2004, approximately 400,000 feet of pre-1950s pipe has been removed from the system. To improve the deliverability of gas to its customers, LBGO is also in the process of establishing a single 40-pound pressure sector that will replace the original 12 pressure sectors. There are currently 5 pressure districts. The integrated plan of pressure-consistency, replacement of aging infrastructure and corrosion control practices will enhance system integrity, improve system reliability, increase gas storage within the distribution system, and reduce potential flow constraints.

Project Titles	Proposed FY 10
Base Facility Improvements	\$50,000
Pipeline Integrity	6,548,000
Gas Meter and Regulator Replacement	750,000
Total Long Beach Gas and Oil Department Projects	\$7,348,000

FY 10 Capital Improvement Program (CIP)

Parks and Recreation Projects

Parks located throughout the City provide recreational amenities and open space to enhance the environment and provide leisure opportunities to meet the needs and interests of residents. There is a constant effort to address aging park facilities throughout the City.

Continuing projects include renovation of the game courts at Silverado Park, miscellaneous bike path repairs, completion of Phase II at Admiral Kidd Park, a new Community Center at Ernest McBride (formerly Cal Rec) Park, new bike and walking trails at the Pacific Electric Right of Way, completion of a new Play Area at Mother's Beach, initiate construction of a new Homeland Cultural Center and Theatre at MacArthur Park, and two new Skateparks in the city.

Project Title	Proposed FY 10
Park Bike Path Replacement	\$100,000
Total Parks and Recreation Projects	\$100,000

Public Facilities Projects

Long deferred critical repairs are required to sustain the integrity of various health, library, fire station, police station, parks, marine and other key facilities. A facility assessment performed in FY 07 evaluates the condition of 130 structures totaling 1,861,769 square feet. The assessment identifies deficiencies in each facility and provides cost estimates to perform repairs required to return each facility to a safe and reliable operating condition. Traditionally funded by one-time General Fund money, no monies have been allocated for Critical Facility repairs in FY 10 due to limited availability of resources. Carryover funds and FY 10 new monies will be used to fund the Bike Station Demonstration project.

Project Title	Proposed FY 10
Downtown Bike Station Demo Project	\$19,299
Total Public Facilities Projects	\$19,299

FY 10 Capital Improvement Program (CIP)

Street Rehabilitation Projects

Preserving our neighborhoods is a key element in the Long Beach 2010 Strategic Plan. The Street Rehabilitation programs are designed to help meet that goal. The program delivers improvements including, but not limited to, reconstruction and resurfacing of major, secondary, and residential streets; replacement of street signs; repair of neighborhood sidewalks, curbs, and gutters; and rehabilitation of bridges to repair deficiencies identified by the annual Los Angeles County bridge inspection report.

Due to uncertainties in Sacramento, no Gas Tax or Proposition 42 funds will be programmed as part of the Proposed CIP budget. Projects will be funded as received. New revenue from Los Angeles County Measure R passed in 2008 will provide \$2.5 million to help offset the loss of State revenue.

Project Title	Proposed FY 10
Major and Secondary Highway Program	5,833,244
Citywide Residential Street Repair	2,937,136
Citywide Infrastructure Improvements (Sidewalks)	3,000,000
Total Street Rehabilitation Projects	\$11,770,380

Transportation Enhancement Projects

This category contains programs designed to meet increased needs for mobility resulting from economic growth utilizing a combination of funds. These funds include Proposition A and C, Gas Tax Street Improvement Capital, General Capital Projects, Transportation Improvement Fees, and federal and County grants. The transportation improvements include street and intersection widening, traffic signal system expansion and upgrades, transit improvements, parking restrictions and replacement parking, neighborhood traffic management, and bike lanes. This category also includes programs that monitor and evaluate traffic congestion areas throughout the City and respond with projects to relieve congestion or enhance traffic safety.

Project Title	Proposed FY 10
Traffic Mitigation Program	\$20,000
Bikeway and Pedestrian Improvements	632,735
Congestion Management Program Compliance	43,000
Traffic Signals - New Installations and Enhancements	380,000
I-710 Freeway Major Corridor Improvements	37,500
Total Transportation Enhancements Projects	\$1,113,235

FY 10 Capital Improvement Program (CIP)

Harbor Department Projects

The Harbor Department (Port) continues to implement a long-term capital improvement program designed to (1) provide Port tenants with safe and secure, state-of-the-art facilities capable of accommodating international trade and (2) secure regional economic benefits in a sustainable manner that ensures economic vitality, ecological health, and community integrity.

In Fiscal Year 2010, substantial capital expenditures will continue to be invested in environmental and security projects. More than \$53 million is being allocated to environmental projects, which includes the development of cold-ironing infrastructure on Piers A, C, G, J, T and Middle Harbor. When the comprehensive Middle Harbor Redevelopment Project is complete, the enhanced Middle Harbor terminal will be the greenest major container terminal in North America due to its extensive use of on dock rail and cold ironing infrastructure. In addition, more than \$41 million is being allocated to security projects, including the completion of the Fiber Optic Network (FON) project, which will provide a high-speed, interference free, security communication system for the entire Port complex.

Project Title	Proposed FY 10
Major Projects	
Terminal Expansion and Development	
Pier D/E/F (Middle Harbor)	53,774,000
Pier G	98,913,000
Pier S	10,124,000
Pier T	18,990,000
Other Construction	6,000
Total Terminal Expansion and Development	\$181,807,000
Streets, Bridges, and Railways	
Gerald Desmond Bridge Replacement	26,400,000
Other Streets and Bridges	18,400,000
Total Streets, Bridges, and Railways	\$44,800,000
Total Major Projects	\$226,607,000
Total Land Acquisitions/Mitigation	\$0
Miscellaneous	
Environmental and Engineering Miscellaneous Projects	139,354,000
Fire Station Relocations	3,400,000
Furniture, Fixtures, and Equipment	2,309,000
Total Miscellaneous Projects	\$145,063,000
Total Harbor Department Expenditures	\$371,670,000

FY 10 Capital Improvement Program (CIP)

Redevelopment Projects

The Long Beach Redevelopment Agency (Agency) implements public improvement projects to improve the quality of Long Beach neighborhoods. Capital Improvement projects located in the seven redevelopment project areas include park development, improvements to streets and pedestrian rights-of-way, and construction of libraries and public safety facilities. The following highlights a few of the Agency's FY 10 CIP projects.

The Agency is currently working cooperatively with the Department of Parks, Recreation and Marine to address recreational open space in underserved areas of the North and Central Project Areas. Improvements underway for the Promenade and amphitheater will help create a residential community in the Downtown Project Area as well as draw visitors to the area. In the North Long Beach Project Area, the Agency helped assemble a site for replacement of the antiquated Fire Station 12 and is funding design and construction of the new station in order to ensure that residents and businesses continue to receive effective fire and life safety protection. The Agency is also focusing on the city's industrial areas with upgrades of West Long Beach Industrial Project Area pump stations and storm drains to protect businesses from flooding, as well as street improvements in the Central Long Beach Project Area's Magnolia Industrial Group (MIG) District.

Project Type	Proposed FY 10
Parks	\$6,050,000
Streets and Pedestrian Rights-of-Way	9,650,000
Libraries	250,000
Other	10,316,979
Public Safety	8,253,000
Total Redevelopment Expenditures	\$34,519,979

FY 10 Capital Improvement Program (CIP)

Water Department Projects

Planned capital improvements to the City's water and sewer system encompass a wide range of projects. The Water Department will continue replacing cast iron water mains, as some are approaching the end of their useful life, with more durable ductile iron pipes at a rate of 32,000 feet annually. In addition, the Department is continuing with its reclaimed water system expansion, conjunctive use projects, and ocean desalination research and development.

The Sewer CIP budget reflects a significantly increased investment in infrastructure, as the Department moves forward with a five year programmatic CIP based on an updated Sewer Master Plan.

Project Title	Proposed FY 10
Potable Water	
Facility Upgrade	\$85,000
Cast Iron Main Replacement – Water Department	3,762,940
Cast Iron Main Replacement – Contractors	2,655,000
Preventive Maintenance	495,000
Facility Improvement	100,000
Water Distribution System Improvements	2,348,000
Water Resources/Facility Improvements - Regular	2,904,000
Water Resources/ Facility Improvements - Desalination	1,200,000
Total Potable Water	<u>13,549,940</u>
Reclaimed Water	
Reclaimed Water System Expansion	550,000
Total Reclaimed Water	<u>550,000</u>
Total Water Fund	14,099,940
Sanitary Sewer	
Sewer Collection System	7,650,000
Total Sewer Fund	<u>7,650,000</u>
Total Water Department Projects	\$21,749,940