



# CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

# BH-1

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

September 6, 2016

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

## RECOMMENDATION:

Receive and discuss an overview of the Proposed Fiscal Year 2017 budgets for the following Departments: Harbor, Water, and Civil Service; and,

Receive supporting documentation into the record, conclude the public hearing and take the actions necessary to adopt the Fiscal Year 2017 budget as listed in Attachment A. (Citywide)

## DISCUSSION

On August 1, 2016, the City Manager's Proposed Budget for Fiscal Year 2017 (FY 17) was delivered by Mayor Garcia to the City Council and community with recommended amendments for consideration. Budget meetings were set for March 8, August 2, August 9, August 16, August 23, September 6, and September 13, along with five Budget Oversight Committee (BOC) meetings, and ten community meetings at which the FY 17 Proposed Budget was discussed. We are pleased to report that through the scheduled hearings, BOC and community meetings, there have been 22 separate opportunities for public feedback, deliberation and input. In addition, this year, the City has solicited input through the Budget Priority Survey to obtain feedback on what the City's General Fund priorities should be. The survey was promoted, along with OpenLB, which shows the budget visually, on the City's website, through Twitter and Facebook, and at the community meetings.

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 17 Proposed Budget, updated estimates of revenue and expense, which primarily address technical corrections, are listed by fund and department in Attachments B, C and D to this letter. The reasons are discussed at the end of this letter.

There are three Ordinances in Attachment A. The first Ordinance approves Resolution No. WD-1357 (A-3), which establishes the rates and charges for the water and sewer service, and the second is the Appropriations Ordinance (A-16), which officially adopts the FY 17 budget and authorizes expenditures in conformance with the adopted budget. In order for these two Ordinances to become effective October 1, 2016, the City Council

must first declare an emergency to exist before adopting each Ordinance (A-2 and A-15). The third Ordinance amends the Departmental Organization of the City (A-12). There are also five Resolutions that provide for approval of the budget for the Harbor Department (A-1), the budget for the Water Department (A-4), the Master Fees and Charges Schedule (A-5), establish the Gann Appropriations Limit (A-9), and amend Salary Resolution (A-13). There will also be motions that request approvals for the following: the FY 17 Capital Improvement Program (A-6); FY 17 Budget for the Long Beach Community Investment Company (A-7); the Harbor Revenue Fund Transfer (A-8); the Mayor's Recommendations (A-10); the Budget Oversight Committee (BOC) Recommendations (A-11); and a motion amending the Proposed FY 17 Budget (A-14).

This matter was reviewed by City Attorney Charles Parkin on August 24, 2016.

### TIMING CONSIDERATIONS

In accordance with the Long Beach City Charter, the FY 17 budget must be adopted by September 15, 2016. Should the City Council fail to adopt the budget by that date, the City Manager's FY 17 Proposed Budget will be deemed the budget for the 2017 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, 2016, to override veto action by the Mayor with a two-thirds supermajority vote (six Councilmembers).

### 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 Proposed FY 17 budget for all departments and funds is \$3,097,225,448, which comprises \$2,610,195,313 in new appropriation and \$487,030,135, in estimated carry-over from FY 16 for multi-year grants and projects.

The Appropriations Ordinance, included as Attachment A-16 to this letter, totals \$2,200,333,310 for all funds except Harbor, Sewer, and Water, and \$2,203,622,682, for all departments except Harbor and Water. The \$3,289,372 difference between funds and departments in the Appropriations Ordinance is due to general City indirect costs budgeted in the Financial Management Department, 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 \$897,411,822. The Board of Harbor Commissioners adopted the budget for the Harbor Department by minute order on May 23, 2016. The Board of Water Commissioners adopted the budget for the Water Department by Resolution on June 16, 2016.

User fees and charges in the Master Fees and Charges Schedule as 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 Fees Adjustments for FY 17 that has been incorporated as Exhibit C to the Master Fees and Charges Resolution.

Other requested City Council actions include approval of the FY 17 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 18, 2016, approved the CIP for FY 17 as conforming to 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 prevents 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 46.60 percent of the 2016-2017 Appropriations Limit and, therefore, does not exceed the Limit. This calculation is reviewed by the City Auditor for conformance to the law.

A motion is also being requested to amend the Departmental Organization Ordinance, included as Attachment A-12. This amendment incorporates changes to departments, bureaus, and divisions for FY 17. These organizational changes are necessary to implement changes reflected in the Proposed FY 17 budget. (A redline version is also provided). A motion is also being requested to adopt the Salary Resolution, included as Attachment A-13.

After the City Manager delivered the FY 17 Proposed Budget to the Mayor, technical adjustments were made to the budget. These changes are generally not substantive and are shown in Attachment B, C and D of this letter. The Housing Development Fund (SR 135) had a technical correction to reduce budgeted revenue by \$9.8 million to reflect removing the one-time revenue received in FY 16 for the Successor Agency's loan repayments to the Housing Development Fund. Also, there was a technical correction of \$19.2 million in the Employee Benefits Fund (IS 391) to account for the pass-through of employee benefits for FY 17, which reflects updates to budgeted overhead costs since FY 16, such as PERS changes that are impacted by FTE changes and cost trends as reflected in the Proposed Budget. Finally, there was a realignment of general administrative support in the amount of \$415,216 for capital projects that was moved from the Capital Projects Fund (CP 201) to the General Fund (GF). These costs are offset by revenue from CIP overhead rate applied to capital projects, resulting in zero net impact to either fund. The remaining changes were minor technical adjustments made to various funds and departments in order to align the budget with grants and/or revenues.

HONORABLE MAYOR AND CITY COUNCIL

September 6, 2016

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SUGGESTED ACTION:

Approve recommendation

Respectfully submitted,



JOHN GROSS  
DIRECTOR OF FINANCIAL MANAGEMENT

JG/LE/RAG/aoc  
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ATTACHMENTS

APPROVED:

  
\_\_\_\_\_  
PATRICK H. WEST  
CITY MANAGER

**List of Requested Fiscal Year 2017 Budget Adoption Actions**

1. Adopt the Resolution approving the FY 17 budget for the Long Beach Harbor Department as adopted by the Board of Harbor Commissioners on May 23, 2016. (A-1)
2. Declare an emergency to exist. (A-2)
3. Declare the Ordinance approving the Resolution No. WD-1357 establishing the rates and charges for water and sewer service to all customers, as adopted by the Board of Water Commissioners on June 16, 2016, 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 17 budget of the Long Beach Water Department as adopted by the Board of Water Commissioners on June 16, 2016. (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 17 One-Year Capital Improvement Program. (A-6)
7. Adopt a motion approving the FY 17 budget for the Long Beach Community Investment Company (formerly known as the Long Beach Housing Development Company) in the amount of \$11,385,370. (A-7)
8. Adopt a motion approving the estimated transfer of \$17,772,000 from the Harbor Revenue Fund to the Tidelands Operating Fund. (A-8)
9. Adopt the Resolution establishing the Gann Appropriations Limit (Limit) for FY 17 pursuant to Article XIII (B) of the California Constitution. (A-9)
10. Adopt the Mayor's proposed budget recommendations, as amended, to the FY 17 Proposed Budget. (A-10)
11. Adopt the Budget Oversight Committee's proposed funding recommendations, as amended, to the FY 17 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 17. (A-13)
14. Adopt a motion amending the proposed FY 17 budget. (A-14)
15. Declare an emergency to exist. (A-15)
16. Declare the Appropriations Ordinance for FY 17, 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 2017 APPROPRIATIONS ORDINANCE BY FUND**  
 (Does not include Harbor, Water and Sewer Funds)

<u>FUND</u>	<u>FY 17 PROPOSED EXPENDITURES</u>	<u>CHANGES</u>	<u>FY 16 ESTIMATED CARRYOVER*</u>	<u>FY 17 APPROPRIATIONS</u>
GENERAL FUND**	469,730,388	415,216	-	470,145,604
UPLAND OIL FUND	7,094,773	-	-	7,094,773
GENERAL GRANTS FUND	7,775,064	119,135	13,547,564	21,441,764
POLICE & FIRE PUBLIC SAFETY OIL PROD ACT FUND	3,573,474	-	-	3,573,474
HEALTH FUND	43,052,210	-	25,907,012	68,959,222
PARKING & BUSINESS AREA IMPROVEMENT FUND	7,970,420	-	-	7,970,420
SPECIAL ADVERTISING & PROMOTION FUND	8,382,412	-	-	8,382,412
HOUSING DEVELOPMENT FUND	13,612,862	-	16,991,437	30,604,299
BELMONT SHORE PARKING METER FUND	830,891	-	-	830,891
BUSINESS ASSISTANCE FUND	704,289	-	1,329,289	2,033,578
COMMUNITY DEVELOPMENT GRANTS FUND	20,162,053	-	14,739,083	34,901,136
GASOLINE TAX STREET IMPROVEMENT FUND	10,577,854	-	28,669,284	39,247,138
TRANSPORTATION FUND	20,749,066	-	22,517,111	43,266,176
CAPITAL PROJECTS FUND	38,352,829	(8,903)	63,714,316	102,058,242
CIVIC CENTER FUND	9,435,785	-	13,401,669	22,837,455
GENERAL SERVICES FUND	41,720,130	48,506	27,299,750	69,068,386
FLEET SERVICES FUND	59,276,203	-	3,753,043	63,029,247
INSURANCE FUND	42,610,539	-	-	42,610,539
EMPLOYEE BENEFITS FUND	248,827,267	19,164,874	-	267,992,141
TIDELANDS FUNDS	108,841,316	-	171,561,695	280,403,011
TIDELAND OIL REVENUE FUND	64,159,027	-	-	64,159,027
RESERVE FOR SUBSIDENCE	-	-	-	-
DEVELOPMENT SERVICES FUND	21,123,554	-	1,775,100	22,898,654
GAS FUND	88,869,666	-	18,713,913	107,583,579
GAS PREPAY FUND	39,706,428	-	-	39,706,428
AIRPORT FUND	44,978,685	-	32,575,783	77,554,468
REFUSE/RECYCLING FUND	47,154,322	-	93,886	47,248,208
SERRF FUND	51,032,196	-	-	51,032,196
SERRF JPA FUND	11,202,424	-	-	11,202,424
TOWING FUND	5,437,193	-	-	5,437,193
HOUSING AUTHORITY FUND	70,011,281	-	134,871	70,146,151
SUCCESSOR AGENCY	74,023,058	-	30,305,323	104,328,382
CUPA FUND	1,987,120	-	5	1,987,126
DEBT SERVICE FUND	10,599,566	-	-	10,599,566
<b>TOTAL</b>	<b>1,693,564,346</b>	<b>19,738,829</b>	<b>487,030,135</b>	<b>2,200,333,310</b>

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

\*\*The first available additional FY 16 year-end General Fund surplus above \$1.1 million of up to \$500,000 will be automatically appropriated in the FY 17 Public Works Budget for the Belmont Beach and Aquatics Center.

**FISCAL YEAR 2017 APPROPRIATIONS ORDINANCE BY DEPARTMENT**  
**(Does not include Harbor and Water)**

<u>DEPARTMENT</u>	<u>FY 17 PROPOSED EXPENDITURES</u>	<u>CHANGES</u>	<u>FY 16 ESTIMATED CARRYOVER*</u>	<u>FY 17 APPROPRIATIONS</u>
MAYOR AND COUNCIL	5,407,574	-	(0)	5,407,574
CITY ATTORNEY	10,252,267	-	-	10,252,267
CITY AUDITOR	3,085,313	-	-	3,085,313
CITY CLERK	2,728,419	-	-	2,728,419
CITY MANAGER	12,646,684	119,135	120,708,656	133,474,474
CITY PROSECUTOR	5,191,418	-	463,114	5,654,532
CIVIL SERVICE	2,649,249	-	-	2,649,249
AIRPORT	44,570,978	-	32,575,783	77,146,761
DISASTER PREPAREDNESS & EMERGENCY COMMUNICATIONS	12,037,748	(33,600)	66,278	12,070,426
DEVELOPMENT SERVICES	122,107,144	-	59,214,613	181,321,757
ECONOMIC & PROPERTY DEVELOPMENT	27,003,413	-	5,603,499	32,606,912
FINANCIAL MANAGEMENT**	506,182,586	19,458,878	1,945,731	527,587,196
FIRE	106,444,081	33,600	5,727,270	112,204,951
HEALTH AND HUMAN SERVICES	114,102,849	-	26,370,733	140,473,582
HUMAN RESOURCES	11,351,658	-	-	11,351,658
LIBRARY SERVICES	13,425,103	-	1,109,260	14,534,363
LONG BEACH GAS AND OIL	207,793,350	-	18,687,068	226,480,418
PARKS, RECREATION AND MARINE	56,485,913	-	54,269,455	110,755,368
POLICE	216,456,274	-	3,068,959	219,525,233
PUBLIC WORKS***	177,048,751	112,309	129,919,968	307,081,028
TECHNOLOGY & INNOVATION	39,882,945	48,506	27,299,750	67,231,201
<b>TOTAL</b>	<b>1,696,853,718</b>	<b>19,738,829</b>	<b>487,030,135</b>	<b>2,203,622,682</b>

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

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

\*\*\*The first available additional FY 16 year-end General Fund surplus above \$1.1 million of up to \$500,000 will be automatically appropriated in the FY 17 Public Works Budget for the Belmont Beach and Aquatics Center.

**FISCAL YEAR 2017 REVENUES BY FUND**  
**(Does not include Harbor, Water and Sewer Funds)**

<u>FUND</u>	<u>FY 17 PROPOSED REVENUES</u>	<u>CHANGES</u>	<u>FY 17 PROPOSED BUDGETED REVENUES</u>
GENERAL FUND	459,044,680	415,216	459,459,896
UPLAND OIL FUND	7,276,260	-	7,276,260
GENERAL GRANTS FUND	7,775,064	119,135	7,894,199
POLICE & FIRE PUBLIC SAFETY OIL PROD ACT FUND	3,136,590	-	3,136,590
HEALTH FUND	43,096,998	-	43,096,998
PARKING & BUSINESS AREA IMPROVEMENT FUND	7,968,757	-	7,968,757
SPECIAL ADVERTISING & PROMOTION FUND	9,741,650	-	9,741,650
HOUSING DEVELOPMENT FUND	11,598,238	(9,764,486)	1,833,752
BELMONT SHORE PARKING METER FUND	701,734	-	701,734
BUSINESS ASSISTANCE FUND	677,838	-	677,838
COMMUNITY DEVELOPMENT GRANTS FUND	20,481,641	-	20,481,641
GASOLINE TAX STREET IMPROVEMENT FUND	11,105,956	-	11,105,956
TRANSPORTATION FUND	21,373,040	-	21,373,040
CAPITAL PROJECTS FUND	38,006,750	-	38,006,750
CIVIC CENTER FUND	9,509,131	-	9,509,131
GENERAL SERVICES FUND	41,028,080	-	41,028,080
FLEET SERVICES FUND	37,730,841	-	37,730,841
INSURANCE FUND	48,155,895	-	48,155,895
EMPLOYEE BENEFITS FUND	247,461,743	19,718,644	267,180,387
TIDELANDS FUNDS	106,687,256	201	106,687,457
TIDELAND OIL REVENUE FUND	64,100,959	-	64,100,959
RESERVE FOR SUBSIDENCE	1,480,000	-	1,480,000
DEVELOPMENT SERVICES FUND	24,396,065	-	24,396,065
GAS FUND	92,820,208	-	92,820,208
GAS PREPAY FUND	41,475,391	-	41,475,391
AIRPORT FUND	47,566,705	-	47,566,705
REFUSE/RECYCLING FUND	43,707,331	-	43,707,331
SERRF FUND	51,715,036	-	51,715,036
SERRF JPA FUND	11,250,285	-	11,250,285
TOWING FUND	5,691,849	-	5,691,849
HOUSING AUTHORITY FUND	69,221,942	-	69,221,942
SUCCESSOR AGENCY	75,610,413	-	75,610,413
CUPA FUND	1,607,180	59,687	1,666,867
DEBT SERVICE FUND	10,356,482	-	10,356,482
<b>TOTAL</b>	<b>1,673,557,988</b>	<b>10,548,397</b>	<b>1,684,106,386</b>



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ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LONG BEACH APPROVING RESOLUTION NO. WD-1357, 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, 2016

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

Section 1. That Resolution No. WD-1357 of the Board of Water Commissioners of the City of Long Beach, entitled "A RESOLUTION OF THE CITY OF LONG BEACH BOARD OF WATER COMMISSIONERS AMENDING RESOLUTION NO. WD-1341 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 16, 2016, 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 the Long Beach Water Department during the fiscal year which begins on October 1, 2016, 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, 2016.

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

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

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

8           Section 4. This ordinance is an emergency ordinance duly adopted by  
9 the City Council by a vote of five of its members and shall take effect immediately. The  
10 City Clerk shall certify to a separate roll call and vote on the question of the emergency of  
11 this ordinance and to its passage by the vote of five members of the City Council of the  
12 City of Long Beach, and cause the same to be posted in three conspicuous places in the  
13 City of Long Beach, and it shall thereupon take effect and shall be operative on and after  
14 12:01 a.m. on October 1, 2016.

15           I hereby certify that on a separate roll call and vote which was taken by the  
16 City Council of the City of Long Beach upon the questions of the emergency of this  
17 ordinance at its meeting of \_\_\_\_\_, 2016, the ordinance was declared  
18 to be an emergency by the following vote:

19           Ayes:           Councilmembers: \_\_\_\_\_

20           \_\_\_\_\_

21           \_\_\_\_\_

22           \_\_\_\_\_

23           Noes:           Councilmembers: \_\_\_\_\_

24           \_\_\_\_\_

25           Absent:        Councilmembers: \_\_\_\_\_

26           \_\_\_\_\_

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

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

4 Ayes: Councilmembers: \_\_\_\_\_  
5 \_\_\_\_\_  
6 \_\_\_\_\_  
7 \_\_\_\_\_

8 Noes: Councilmembers: \_\_\_\_\_  
9 \_\_\_\_\_

10 Absent: Councilmembers: \_\_\_\_\_  
11 \_\_\_\_\_

12 I further certify that the foregoing ordinance was thereafter adopted on final  
13 reading of the City Council of the City of Long Beach at its meeting of \_\_\_\_\_,  
14 2016, by the following vote:

15 Ayes: Councilmembers: \_\_\_\_\_  
16 \_\_\_\_\_  
17 \_\_\_\_\_  
18 \_\_\_\_\_

19 Noes: Councilmembers: \_\_\_\_\_  
20 \_\_\_\_\_

21 Absent: Councilmembers: \_\_\_\_\_  
22 \_\_\_\_\_

23 \_\_\_\_\_  
24 \_\_\_\_\_

City Clerk

27 Approved: \_\_\_\_\_  
28 (Date)

\_\_\_\_\_  
Mayor

1 RESOLUTION NO. WD-1357

2  
3 A RESOLUTION OF THE CITY OF LONG BEACH  
4 BOARD OF WATER COMMISSIONERS AMENDING  
5 RESOLUTION NO. WD-1341 FIXING RATES AND  
6 CHARGES FOR WATER AND SEWER SERVICE TO ALL  
7 CUSTOMERS, SUBJECT TO THE APPROVAL OF THE  
8 CITY COUNCIL BY ORDINANCE

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

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

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

20 A. On October 1, 2016, the service charge shall be in  
21 accordance with the following table:

<u>Size of Service</u>	<u>Daily Service Charge</u>
5/8 or 3/4 inch	\$0.489
1 inch	\$0.736
1-1/2 inch	\$1.375
2 inch	\$2.037
3 inch	\$4.220
4 inch	\$6.677

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<u>Size of Service</u>	<u>Daily Service Charge</u>
6 inch	\$12.306
8 inch	\$19.315
10 inch	\$31.635
12 inch	\$38.662
16 inch	\$63.986

B. On October 1, 2016, 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)	\$1.427
Tier II	Next 10 Billing Units (or fraction thereof)	\$2.854
Tier III	Over 15 Billing Units (or fraction thereof)	\$4.281

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)	\$2.569
Tier II	Next 10 Billing Units (or fraction thereof)	\$2.854
Tier III	Over 15 Billing Units (or fraction thereof)	\$4.281

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)	\$1.427
Tier II	Next 10.5 Billing Units (or fraction thereof per dwelling unit)	\$2.854
Tier III	Over 13 Billing Units (or fraction thereof per dwelling unit)	\$4.281

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)	\$2.569
Tier II	Next 10.5 Billing Units (or fraction thereof per dwelling unit)	\$2.854
Tier III	Over 13 Billing Units (or fraction thereof per dwelling unit)	\$4.281

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)	\$1.427
Tier II	Next 6.5 Billing Units (or fraction thereof per dwelling unit)	\$2.854
Tier III	Over 9 Billing Units (or fraction thereof per dwelling unit)	\$4.281

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

Tier IB	First 2.5 Billing Units	\$2.569
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(or fraction thereof  
per dwelling unit)

Tier II                      Next 6.5 Billing Units                      \$2.854  
 (or fraction thereof  
per dwelling unit)

Tier III                      Over 9 Billing Units                      \$4.281  
 (or fraction thereof  
per dwelling unit)

7. For commercial customers of potable water, \$2.854 per  
billing unit, or fraction thereof.

8. For industrial customers of potable water, \$2.854 per  
billing unit, or fraction thereof.

9. For irrigation customers of potable water, \$2.854 per  
billing unit, or fraction thereof.

10. For City of Long Beach Departments using potable  
water, \$2.854 per billing unit, or fraction thereof.

11. For reclaimed water users whose use is "peaking" as  
defined herein, \$1.998 per billing unit, or fraction thereof.

12. For reclaimed water users whose use is "non-peaking"  
as defined herein, \$1.427 per billing unit, or fraction thereof.

13. For reclaimed water users whose use is "interruptible"  
as defined herein, \$1.427 per billing unit or fraction thereof.

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

Section 3.

A. Unmetered water service may be rendered to unoccupied or  
occupied property where it is not practical to meter the water, and on  
October 1, 2016, the rate for unmetered water service shall be:

<u>Size of Service</u>	<u>Daily Rate</u>
5/8 or 3/4 inch	\$2.386

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<u>Size of Service</u>	<u>Daily Rate</u>
1 inch	\$4.036
1-1/2 inch	\$9.942
2 inch	\$15.640

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

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

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

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

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

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

Section 6.



1           A.     On October 1, 2016, the service charge for private fire  
2 protection service shall be in accordance with the following table:

3 <u>Size of Service</u>	<u>Daily Rate</u>
4           2 inch	\$1.020
5           3 inch	\$1.745
6           4 inch	\$2.577
7           6 inch	\$4.391
8           8 inch	\$6.438
9           10 inch	\$8.709
10          12 inch	\$10.976
11          16 inch	\$16.094

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

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

26           Section 7.    The primary purpose of fire hydrants is extinguishing fires and  
27 they shall be opened and used only by the Water Department or the Long Beach Fire  
28 Department, or such other persons as may be authorized to do so by the General

1 Manager or the Chief of the Fire Department. Where fire hydrants are installed and  
2 maintained by the Water Department, there shall be no standby charge made to the Fire  
3 Department.

4 Section 8.

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

9 B. On October 1, 2016, the daily sewer rate shall be in  
10 accordance with the following table:

11 <u>Size of Service</u>	<u>Daily Sewer Rate</u>
12 5/8 or 3/4 inch	\$0.281
13 1 inch	\$0.445
14 1-1/2 inch	\$0.811
15 2 inch	\$1.177
16 3 inch	\$2.435
17 4 inch	\$3.856
18 6 inch	\$7.104
19 8 inch	\$11.159
20 10 inch	\$18.255
21 12 inch	\$22.315
22 16 inch	\$36.514

23  
24 C. On October 1, 2016, the volumetric sewer rate shall be \$0.390  
25 per 100 cubic feet of water furnished where water service size is 5/8 inches  
26 or larger. The volumetric sewer rate shall not be applicable to fire services.

27 Industrial customers may apply for separately metered sewer  
28 discharge in accordance with the "Rules, Regulations and Charges

1 Governing Potable Water, Reclaimed Water, Sewer Service, and the Water  
2 Conservation and Water Supply Shortage Plan” of the Water Department.

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

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

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

1           F.     The City shall collect from all developments and all  
2 developments shall be required to pay a capacity charge of Ninety-Nine  
3 Dollars and Fifty-Two Cents (\$99.52) per equivalent fixture unit at the time  
4 application for sewer service is made, but in no event later than the time  
5 that the City issues a sewer permit for connection to the City sewage  
6 system, as set forth in the Long Beach Municipal Code and the "Rules,  
7 Regulations and Charges Governing Potable Water, Reclaimed Water,  
8 Sewer Service and the Emergency Water Conservation Plan" of the Water  
9 Department.

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

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

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

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

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

28 L. The capacity charge and requirements pertaining thereto shall

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

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

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

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28 Section 10.

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

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

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

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

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

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

22          B.     “Commercial” refers to activities devoted primarily to business,  
23 property management, or a profession;

24          C.     “Industrial” refers to activities devoted primarily to  
25 manufacturing or processing;

26          D.     “Interruptible” refers to reclaimed water service that can be  
27 suspended at any time at the Board’s discretion, without liability and  
28 dependent upon the Water Department’s reclaimed water system needs for

1 such service.

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

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

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

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

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

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28 I hereby certify that the foregoing resolution was adopted by the Board of



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

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Water Commissioners of the City of Long Beach at its meeting held on June 16, 2016, by the following vote:

Ayes: Commissioners: LEVINE; SHANNON; CORDERO;  
SALTZGAVER; MARTINEZ

Noes: Commissioners: NONE

Absent: Commissioners: NONE

Rhonda Shaano  
Secretary  
Board of Water Commissioners

**CERTIFIED AS A TRUE AND CORRECT COPY**  
**SECRETARY TO THE BOARD OF WATER COMMISSIONERS**  
**CITY OF LONG BEACH, CALIFORNIA**  
BY: [Signature]  
DATE: 6/16/2016