

BH-15

September 1, 2020

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 2021 budget as listed in Attachment A. (Citywide)

DISCUSSION

On August 2, 2020, the City Manager's Proposed Budget for Fiscal Year 2021 (FY 21) was delivered by Mayor Garcia to the City Council and community for consideration. City Council budget meetings were held on December 17, 2019, and on May 19, August 4, August 11, August 18, and September 1, 2020. Additionally, Budget Oversight Committee (BOC) meetings and citywide community town hall meetings were also held throughout the month of August at which the Proposed FY 21 Budget was discussed. As a result of these meetings, there were 17 scheduled opportunities for public feedback, deliberation, and input. Additionally, input was solicited through the Long Beach Budget Priority Survey to obtain feedback on what the City's priorities should be. The survey was promoted on the City's website, along with OpenLB, which shows the budget visually, through Twitter and Facebook, and at the community meetings.

At the conclusion of the hearing, the City Council will amend the Proposed FY 21 Budget as it deems appropriate, and adopt the proposed budget as amended. As a result of the shortened timeframe for the budget process due to the COVID-19 pandemic, the numbers presented in the Proposed FY 21 Budget Book were estimates and did not yet include interdepartmental charges updates, grant and carryover clean-up, and other technical budget items. These figures have now been updated and are listed by fund group and department in Attachments B, C, and D, and are further described at the end of this letter. These updates have resulted in the total All Funds budget being revised from \$2.6 billion to \$2.8 billion. These changes do not reflect any substantive changes to the City Manager proposals but are rather technical and system updates, including updating the budget for grants and interdepartmental charges as described above.

There are three Ordinances to be considered for approval in Attachment A. The first Ordinance amends the Departmental Organization of the City (A-6). The second Ordinance approves Resolution No. WD-1429 (A-10), which establishes the rates and charges for the water and sewer service. The third is the Appropriations Ordinance (A-17), which officially appropriates the funding for the Adopted Budget (approved in A-3) and authorizes expenditures in conformance with the Adopted Budget. For the second and third Ordinances to become effective on October 1, 2020, the City Council must first declare an emergency to exist before adopting each Ordinance (A-9 and A-16).

There are also six Resolutions that provide for approval for the Master Fees and Charges Schedule (A-4), amend the Salary Resolution (A-7), approve the budget for the Harbor Department (A-8), approve the budget for the Water Department (A-11), establish the Gann Appropriations Limit (A-14), and declare a fiscal hardship for FY 20 and FY 21 under Measure B, authorizing the use of up to 50 percent Measure B reserves (A-15). There are also the following motions: approve the Mayor's Recommendations (A-1); approve the BOC Recommendations (A-2); amend the Proposed FY 21 Budget (A-3); approve the FY 21 One-Year Capital Improvement Program (A-5); approve the FY 21 Budget for the Long Beach Community Investment Company (A-12); and, approve the Harbor Revenue Fund Group transfer (A-13).

This matter was reviewed by Deputy City Attorney Amy R. Webber on August 26, 2020 and by Budget Management Officer Rhutu Amin Gharib on August 25, 2020.

TIMING CONSIDERATIONS

In accordance with the City Charter, the Proposed FY 21 Budget must be adopted by September 15, 2020. Should the City Council fail to adopt the budget by that date, the City Manager's Proposed FY 21 Budget will be deemed the budget for the 2021 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, 2020, to override the veto action by the Mayor with a two-thirds supermajority vote (six Councilmembers).

FISCAL IMPACT

The City Charter requires that the Appropriations Ordinance govern and control the expenditure and commitment amounts stated therein relating to City departments, offices, and agencies during each fiscal year. The total Proposed FY 21 Budget for all departments and fund groups is \$3,321,189,591, which comprises of \$2,781,088,305 in new appropriation and \$540,101,286 in estimated carryover from FY 20 for multi-year grants and projects. Attachments B, C, and D provide the financial overview by Fund Group and Department, and Citywide revenue by Fund Group, respectively.

The Appropriations Ordinance, included as Attachment A-17, totals \$2,511,084,276 for all fund groups except Harbor, Sewer, and Water, and \$2,514,659,888 for all departments except Harbor and Water. The \$3,575,612 difference between fund groups and departments 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 groups.

The proposed Harbor, Water, and Sewer Fund Group budgets are in separate City Council Resolutions included as Attachment A-8 and A-11, respectively, and total \$810,105,315. The Board of Harbor Commissioners adopted the budget for the Harbor Department by minute order on May 27, 2020. The Board of Water Commissioners adopted the budget for the Water Department by Resolution on June 18, 2020.

User fees and charges in the Master Fees and Charges Schedule, included as Attachment A-4, have been adjusted due to changes in service and other factors. For details regarding these proposed new fees and adjustments, please see the List of Proposed Fees Adjustments for FY 21 that has been incorporated as Exhibits B and C to the Master Fees and Charges Resolution.

Other requested City Council actions include:

- Approving the FY 21 One-Year Capital Improvement Program (CIP) budget, included as Attachment A-5, which is contained in the Appropriations Ordinance.
- Amending the Departmental Organization Ordinance, included as Attachment A-6. This amendment incorporates changes to departments, bureaus, and divisions for FY 21. These organizational changes are necessary to implement changes reflected in the Proposed FY 21 Budget. A redline version of the changes is also provided.
- Adopting the amended Salary Resolution, which creates and establishes positions of employment while fixing and prescribing the compensation for officers and employees, is included as Attachment A-7. Due to the delayed and compressed budget process this year, additional changes to classifications will be presented to the City Council in early FY 21.
- Adopting the FY 21 Long Beach Community Investment Company (LBCIC) budget, included as Attachment A-12. The LBCIC budget is prepared annually for City Council approval and is a subset of the Housing Development Fund. The LBCIC oversees the delivery of housing and neighborhood revitalization services. The LBCIC approved its FY 21 Budget on May 20, 2020.
- Adopting a Resolution, included as Attachment A-14, establishing the Gann Appropriations Limit (Limit) for general purpose expenditures. In November 1979, the voters of the State of California (State) 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 that 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 44.42 percent of the 2020-2021 Appropriations Limit and, therefore, do not exceed the Limit. This calculation is reviewed by the City Auditor for conformance to the law.
- A Resolution declaring a state of fiscal hardship due to the COVID-19 pandemic for FY 20 and FY 21 is included as Attachment A-15. This Resolution allows Measure B reserves to be used in FY 20 and FY 21 in accordance with Measure B and at the direction of the City Council. The Proposed FY 21 Budget proposes the use of reserves to temporarily maintain services while the significant level of uncertainty in the economy's response to events in the short- and long-term remains.

After the City Manager delivered the Proposed FY 21 Budget to the Mayor, technical adjustments were made to complete the budget. These changes, totaling \$135,033,449 across all funds and \$134,469,588 across departments, are normally included in the Proposed Budget in July, but due to the compressed timeframe of the budget development process this year, the number of changes is larger than normal.

While these changes are larger than normal, they do not change the status of the budget as reported in the Proposed FY 21 Budget. A number of these changes were factored into the overall budget process and the General Fund Group is still balanced for FY 21, as shown in these attachments. The amounts for the changes are shown in Attachments B, C, and D. The items listed below identify some of the key changes but are not meant to explain all the changes shown in the Attachments.

1. Inclusion of Citywide interdepartmental charges such as Technology and Innovation MOU, the Fleet MOU, and other grants that impact the reported budget for any department and fund that receives those services. The amounts budgeted vary and are spread across various departments and funds.
2. The Capital Projects Fund Group increased by \$90 million due to the budgeting of the Capital Improvement Plan (CIP) after the Proposed Budget was released in July. Capital Project Funds are budgeted in both the fund providing the revenue offset and, in the fund, expending the project costs; therefore, the amount shown in the Changes column is larger than the actual capital program activity.
3. Budgeting the Measure A transfer from the General Fund Group for \$18.5 million to the Capital Projects Fund Group
4. Budgeting the various personnel benefits in the Employee Benefits Fund Group to allow the payments to be made for healthcare, pensions, and other miscellaneous benefits in the amount of \$16.9 million.

SUGGESTED ACTION:

Approve recommendation

Respectfully submitted,



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:



THOMAS B. MODICA
CITY MANAGER

ATTACHMENTS

List of Requested Fiscal Year 2021 Budget Adoption Actions

1. Adopt the Mayor's proposed budget recommendations, as amended, to the Proposed FY 21 Budget. (A-1)
2. Adopt the Budget Oversight Committee's proposed funding recommendations, as amended, to the Proposed FY 21 Budget. (A-2)
3. Adopt the expenditures and revenues as identified in the Proposed FY 21 Budget Book, as amended. (A-3)
4. Adopt the Resolution amending the Master Fees and Charges Schedule for specified City services for Citywide fees and charges for the City of Long Beach. (A-4)
5. Approve the FY 21 One-Year Capital Improvement Program. (A-5)
6. 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-6)
7. Adopt the amended Salary Resolution for FY 21. (A-7)
8. Adopt the Resolution approving the FY 21 budget for the Long Beach Harbor Department as adopted by the Board of Harbor Commissioners on May 27, 2020. (A-8)
9. Declare an emergency to exist. (A-9)
10. Declare the Ordinance approving the Resolution No. WD-1429 establishing the rates and charges for water and sewer service to all customers, as adopted by the Board of Water Commissioners on June 18, 2020, 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-10)
11. Adopt the Resolution approving the FY 21 budget of the Long Beach Water Department as adopted by the Board of Water Commissioners on June 18, 2020. (A-11)
12. Adopt a motion approving the FY 21 budget for the Long Beach Community Investment Company in the amount of \$1,176,000. (A-12)
13. Adopt a motion approving the estimated transfer of \$18,809,414 from the Harbor Revenue Fund Group to the Tidelands Operations Fund Group. (A-13)
14. Adopt the Resolution establishing the Gann Appropriations Limit (Limit) for FY 21 pursuant to Article XIII (B) of the California Constitution. (A-14)
15. Adopt a Resolution declaring fiscal hardship for FY 20 and FY 21 under Measure B, authorizing the use of up to 50 percent of Measure B reserves. (A-15)
16. Declare an emergency to exist. (A-16)

List of Requested Fiscal Year 2021 Budget Adoption Actions

17. Declare the Appropriations Ordinance for FY 21, creating and establishing the fund groups 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-17)

FISCAL YEAR 2021 APPROPRIATIONS ORDINANCE BY FUND GROUP
 (Does not include Harbor, Water and Sewer Fund Groups)

<u>FUND GROUP</u>	<u>FY 21 PROPOSED EXPENDITURES</u>	<u>CHANGES*</u>	<u>FY 20 ESTIMATED CARRYOVER**</u>	<u>FY 21 APPROPRIATIONS</u>
GENERAL FUND	543,642,704	13,644,268	-	557,286,971
UPLAND OIL FUND	8,004,016	25,745	-	8,029,761
GENERAL GRANTS FUND	8,016,482	51,808	4,385,445	12,453,735
POLICE & FIRE PUBLIC SAFETY OIL PROD ACT FUND	3,318,387	-	-	3,318,387
HEALTH FUND	58,646,052	53,972	52,180,280	110,880,305
CUPA FUND	2,328,712	82,075	-	2,410,787
SPECIAL ADVERTISING & PROMOTION FUND	10,909,568	81,804	-	10,991,372
HOUSING DEVELOPMENT FUND	3,595,489	132,116	8,636,610	12,364,215
BELMONT SHORE PARKING METER FUND	783,243	4,257	-	787,500
BUSINESS ASSISTANCE FUND	728,323	3,524	-	731,848
COMMUNITY DEVELOPMENT GRANTS FUND	18,834,384	427,929	35,492,350	54,754,662
HOUSING AUTHORITY FUND	93,964,457	(59,462)	11,203,872	105,108,868
GASOLINE TAX STREET IMPROVEMENT FUND	10,139,365	(500,000)	12,271,223	21,910,588
CAPITAL PROJECTS FUND	18,246,466	90,030,976	153,735,063	262,012,505
SUCCESSOR AGENCY OPERATIONS	4,191,032	31,188	7,001,615	11,223,835
CIVIC CENTER FUND	21,807,741	914,358	9,122,695	31,844,794
GENERAL SERVICES FUND	60,861,109	1,734,037	19,030,102	81,625,248
FLEET SERVICES FUND	45,134,873	(274,385)	1,949,278	46,809,766
INSURANCE FUND	48,947,146	8,514,598	(217,655)	57,244,089
EMPLOYEE BENEFITS FUND	327,442,075	10,998,681	-	338,440,755
TIDELANDS OPERATIONS FUND	88,211,792	1,086,884	126,605,621	215,904,297
TIDELANDS AREA FUNDS	25,370,842	1,406,308	50,035,831	76,812,982
TIDELANDS OIL REVENUE FUND	82,908,124	3,271,954	-	86,180,079
RESERVE FOR SUBSIDENCE	-	-	-	-
DEVELOPMENT SERVICES FUND	26,779,295	807,449	1,402,130	28,988,873
GAS FUND	141,239,545	1,064,546	9,577,420	151,881,511
AIRPORT FUND	45,006,926	594,886	37,657,143	83,258,955
REFUSE/RECYCLING FUND	52,692,087	1,592,169	32,265	54,316,521
SERRF FUND	42,928,625	(752,455)	-	42,176,170
SERRF JPA FUND	-	-	-	-
TOWING FUND	6,741,928	64,218	-	6,806,146
DEBT SERVICE FUND	8,159,695	-	-	8,159,695
SUCCESSOR AGENCY - DEBT SERVICE	26,369,058	-	-	26,369,058
TOTAL	1,835,949,541	135,033,449	540,101,286	2,511,084,276

*Please refer to the Fiscal Impact section of the City Council Letter for a general description of notable changes.

**Reflects estimated carryover for accounts with projects and grants as of 7/31/20.

FISCAL YEAR 2021 APPROPRIATIONS ORDINANCE BY DEPARTMENT
(Does not include Harbor and Water Departments)

<u>DEPARTMENT</u>	<u>FY 21 PROPOSED EXPENDITURES</u>	<u>CHANGES*</u>	<u>FY 20 ESTIMATED CARRYOVER**</u>	<u>FY 21 APPROPRIATIONS</u>
MAYOR AND COUNCIL	5,769,177	(60,663)	-	5,708,514
CITY ATTORNEY	11,883,085	(260,324)	(6,423)	11,616,338
CITY AUDITOR	3,217,015	(2,658)	(39,365)	3,174,992
CITY CLERK	5,118,065	(3,271)	-	5,114,794
CITY MANAGER	16,094,062	114,058	7,825,233	24,033,352
CITY PROSECUTOR	6,030,813	31,756	762,711	6,825,280
CIVIL SERVICE	2,989,278	7,022	-	2,996,300
AIRPORT	44,278,868	663,576	37,206,951	82,149,395
DISASTER PREPAREDNESS & EMERGENCY COMMUNICATIONS	12,388,439	207,791	1,280,589	13,876,818
DEVELOPMENT SERVICES	73,862,020	812,887	37,912,460	112,587,367
ECONOMIC DEVELOPMENT	19,586,357	791,611	14,296,259	34,674,228
FINANCIAL MANAGEMENT***	573,895,005	32,238,994	4,428,345	610,562,345
FIRE	133,049,633	6,987,304	(156,889)	139,880,048
HEALTH AND HUMAN SERVICES	157,332,435	169,643	63,346,631	220,848,708
HUMAN RESOURCES	12,553,673	2,672,528	(207,528)	15,018,673
LIBRARY SERVICES	15,143,847	76,228	(3,740)	15,216,336
ENERGY RESOURCES	230,448,703	3,321,225	9,577,420	243,347,348
PARKS, RECREATION AND MARINE	60,857,103	618,898	56,986,630	118,462,631
POLICE	260,581,342	8,575,607	(5,311,396)	263,845,553
PUBLIC WORKS	136,548,280	75,875,005	292,513,370	504,936,655
TECHNOLOGY & INNOVATION	58,461,814	1,632,371	19,690,029	79,784,213
TOTAL	1,840,089,015	134,469,588	540,101,286	2,514,659,888

*Please refer to the Fiscal Impact section of the City Council Letter for a general description of notable changes.

**Reflects estimated carryover for accounts with projects and grants as of 7/31/20.

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

FISCAL YEAR 2021 REVENUES BY FUND GROUP
(Does not include Harbor, Water and Sewer Fund Groups)

<u>FUND GROUP</u>	<u>FY 21 PROPOSED REVENUES</u>	<u>CHANGES*</u>	<u>FY 21 PROPOSED BUDGETED REVENUES</u>
GENERAL FUND	561,996,775	874,540	562,871,315
UPLAND OIL FUND	12,239,561	(4,209,557)	8,030,005
GENERAL GRANTS FUND	7,803,829	105,391	7,909,220
POLICE & FIRE PUBLIC SAFETY OIL PROD ACT FUND	3,318,387	-	3,318,387
HEALTH FUND	58,157,614	1,824,132	59,981,745
SPECIAL ADVERTISING & PROMOTION FUND	8,071,102	-	8,071,102
HOUSING DEVELOPMENT FUND	3,436,465	-	3,436,465
BELMONT SHORE PARKING METER FUND	783,243	-	783,243
BUSINESS ASSISTANCE FUND	728,199	-	728,199
COMMUNITY DEVELOPMENT GRANTS FUND	17,419,627	1,203,447	18,623,074
GASOLINE TAX STREET IMPROVEMENT FUND	12,406,345	(1,817,686)	10,588,659
CAPITAL PROJECTS FUND	40,360,917	68,904,980	109,265,897
CIVIC CENTER FUND	22,076,894	958,673	23,035,567
GENERAL SERVICES FUND	56,153,750	5,827,499	61,981,249
FLEET SERVICES FUND	45,514,112	2,429,236	47,943,347
INSURANCE FUND	49,527,973	10,666,881	60,194,854
EMPLOYEE BENEFITS FUND	328,470,018	10,385,558	338,855,575
TIDELANDS OPERATIONS FUND	85,504,285	2,043,555	87,547,840
TIDELANDS AREA FUNDS	27,280,625	-	27,280,625
TIDELANDS OIL REVENUE FUND	89,209,421	-	89,209,421
RESERVE FOR SUBSIDENCE	1,480,000	-	1,480,000
DEVELOPMENT SERVICES FUND	24,763,271	-	24,763,271
GAS FUND	146,608,226	(10,450,597)	136,157,629
GAS PREPAY FUND	-	5,898,597	5,898,597
AIRPORT FUND	47,228,407	856	47,229,263
REFUSE/RECYCLING FUND	49,984,236	343	49,984,579
SERRF FUND	35,950,000	4,552,000	40,502,000
SERRF JPA FUND	-	-	-
TOWING FUND	6,414,000	431,982	6,845,982
HOUSING AUTHORITY FUND	92,215,718	-	92,215,718
SUCCESSOR AGENCY OPERATIONS	4,219,567	-	4,219,567
CUPA FUND	1,865,221	795	1,866,016
DEBT SERVICE FUND	6,900,861	-	6,900,861
SUCCESSOR AGENCY DEBT SERVICE	30,162,041	-	30,162,041
TOTAL	1,878,250,691	99,630,622	1,977,881,313

*Please refer to the Fiscal Impact section of the City Council Letter for a general description of notable changes.

OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
411 West Ocean Boulevard, 9th Floor
Lana Beach, CA 90802-4511

ORDINANCE NO.

BH-15.10

1
2
3 AN ORDINANCE OF THE CITY COUNCIL OF THE
4 CITY OF LONG BEACH APPROVING RESOLUTION NO.
5 WD-1429, A RESOLUTION OF THE CITY OF LONG BEACH
6 BOARD OF WATER COMMISSIONERS ESTABLISHING
7 THE RATES AND CHARGES TO BE CHARGED FOR
8 WATER AND SEWER SERVICE AND DECLARING THE
9 URGENCY THEREOF, AND PROVIDING THAT THIS
10 ORDINANCE SHALL TAKE EFFECT AT 12:01 A.M. ON
11 OCTOBER 1, 2020

12
13 The City Council of the City of Long Beach ordains as follows:

14
15 Section 1. That Resolution No. WD-1429 of the Board of Water
16 Commissioners of the City of Long Beach, entitled "A RESOLUTION OF THE CITY OF
17 LONG BEACH BOARD OF WATER COMMISSIONERS AMENDING RESOLUTION NO.
18 WD-1413 FIXING RATES AND CHARGES FOR WATER AND SEWER SERVICE TO
19 ALL CUSTOMERS, SUBJECT TO THE APPROVAL OF THE CITY COUNCIL BY
20 ORDINANCE," adopted by said Board on June 18, 2020, and the rates fixed in the
21 Resolution to be charged for water and sewer service are hereby approved.

22 Section 2. This is an emergency measure and is urgently required for the
23 reason that in order to carry on the affairs, functions and business of the Long Beach
24 Water Department during the fiscal year which begins on October 1, 2020, it is necessary
25 to authorize the rates and charges for water and sewer service and that this ordinance be
26 passed as an emergency measure, to take effect at 12:01 a.m. on October 1, 2020.

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

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, 2020.

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 questions of the emergency of this
16 ordinance at its meeting of _____, 2020, the ordinance was declared
17 to be an emergency by the following vote:

18 Ayes: Councilmembers: _____

19 _____

20 _____

21 _____

22 Noes: Councilmembers: _____

23 _____

24 Absent: Councilmembers: _____

25 _____

26 ///

27 ///

28 ///

OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
411 West Ocean Boulevard, 9th Floor
Lana Beach, CA 90802-4511

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

I further certify that thereafter, at the same meeting, upon a roll call and vote on adoption 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 of the City Council of the City of Long Beach at its meeting of _____, 2020, by the following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

City Clerk

Approved: _____
(Date)

Mayor

OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
411 West Ocean Boulevard, 9th Floor
Long Beach, CA 90802-4664

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

RESOLUTION NO. WD-1429

A RESOLUTION OF THE CITY OF LONG BEACH
BOARD OF WATER COMMISSIONERS AMENDING
RESOLUTION NO. WD-1413 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. All of the following rates and charges shall be effective as of October 1, 2020.

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. The service charge shall be as follows:

1. Single family residential, duplex residential, and 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 shall receive a monthly service charge bill credit of approximately Five Dollars (\$5.00) and the service charge rates shall be as follows:

///

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

<u>Size of Service</u>	<u>Daily Service Charge</u>
5/8 or 3/4 inch	\$0.696
1 inch	\$1.032
1-1/2 inch	\$1.873
2 inch	\$2.882
3 inch	\$6.075
4 inch	\$10.272
6 inch	\$22.874
8 inch	\$47.234
10 inch	\$70.755
12 inch	\$89.234
16 inch	\$131.233

2. For commercial, industrial, irrigation, City of Long Beach Department, reclaimed, single family residential, duplex residential, and multi-family residential customers who have not been granted an exemption from the City's Utility Users Tax in accordance with Chapter 3.68 of the Long Beach Municipal Code the service charge rates shall be as follows:

<u>Size of Service</u>	<u>Daily Service Charge</u>
5/8 or 3/4 inch	\$0.696
1 inch	\$1.032
1-1/2 inch	\$1.873
2 inch	\$2.882
3 inch	\$6.075
4 inch	\$10.272
6 inch	\$22.874
8 inch	\$47.234
10 inch	\$70.755

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

<u>Size of Service</u>	<u>Daily Service Charge</u>
12 inch	\$89.234
16 inch	\$131.233

B. The quantitative charge for all water delivered shall be as follows, based on monthly meter readings:

1. For single family residential, duplex residential, and 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 6 Billing Units (or fraction thereof)	\$0.000
Tier II	Next 7 Billing Units (or fraction thereof)	\$4.663
Tier III	Over 13 Billing Units (or fraction thereof)	\$6.805

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

Tier IB	First 6 Billing Units (or fraction thereof)	\$2.436
Tier II	Next 7 Billing Units (or fraction thereof)	\$4.663
Tier III	Over 13 Billing Units (or fraction thereof)	\$6.805

3. For commercial customers of potable water, \$3.623 per billing unit, or fraction thereof.

4. For industrial customers of potable water, \$3.623 per billing unit, or fraction thereof.

1 5. For irrigation customers of potable water, \$3.623 per
2 billing unit, or fraction thereof.

3 6. For City of Long Beach Departments using potable
4 water, \$3.623 per billing unit, or fraction thereof.

5 7. For reclaimed water users whose use is "peaking" as
6 defined herein, \$2.356 per billing unit, or fraction thereof.

7 8. For reclaimed water users whose use is "non-peaking"
8 as defined herein, \$2.000 per billing unit, or fraction thereof.

9 9. For reclaimed water users whose use is "interruptible"
10 as defined herein, \$2.000 per billing unit or fraction thereof.

11 10. These quantitative charges shall be subject to
12 adjustment as provided in Section 4 of this Section.

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

15 Section 3.

16 A. Unmetered water service may be rendered to unoccupied or
17 occupied property where it is not practical to meter the water, and the rate for
18 unmetered water service shall be:

<u>Size of Service</u>	<u>Daily Rate</u>
5/8 or 3/4 inch	\$3.025
1 inch	\$5.118
1-1/2 inch	\$12.607
2 inch	\$19.833

19
20
21
22
23
24
25 B. The rates for unmetered water service shall begin on the date
26 of use of water by the customer, as determined by the General Manager of
27 the Water Department ("General Manager").

28 Section 4. By Resolution the Board of Water Commissioners has

OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
411 West Ocean Boulevard, 9th Floor
Long Beach, CA 90802-4664

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

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

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

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

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

18 Section 6.

19 A. The service charge for private fire protection service shall be in
20 accordance with the following table:

21	<u>Size of Service</u>	<u>Daily Rate</u>
22	2 inch	\$0.412
23	3 inch	\$0.829
24	4 inch	\$1.550
25	6 inch	\$4.129
26	8 inch	\$8.580
27	10 inch	\$15.276
28	12 inch	\$24.555

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Size of Service

Daily Rate

16 inch

\$52.109

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

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

Section 7. The primary purpose of fire hydrants is extinguishing fires and they shall be opened and used only by the Water Department or the Long Beach Fire Department, or such other persons as may be authorized to do so by the General Manager or the Chief of the Fire Department. Where fire hydrants are installed and maintained by the Water Department, there shall be no standby charge made to the Fire Department.

Section 8.

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

1 B. The daily sewer rate shall be in accordance with the following
2 table:

3 <u>Size of Service</u>	<u>Daily Sewer Rate</u>
4 5/8 or 3/4 inch	\$0.225
5 1 inch	\$0.333
6 1-1/2 inch	\$0.874
7 2 inch	\$1.507
8 3 inch	\$3.511
9 4 inch	\$5.079
10 6 inch	\$14.150
11 8 inch	\$14.999
12 10 inch	\$23.218
13 12 inch	\$29.284
14 16 inch	\$43.069

15
16 C. The volumetric sewer rate shall be \$0.357 per 100 cubic feet of
17 water furnished where water service size is 5/8 inches or larger. The
18 volumetric sewer rate shall not be applicable to fire services.

19 Industrial customers may apply for separately metered sewer
20 discharge in accordance with the "Rules, Regulations and Charges
21 Governing Potable Water, Reclaimed Water, Sewer Service, and the Water
22 Conservation and Water Supply Shortage Plan" of the Water Department.

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

26 Volumetric sewer rates for single family residential, duplex
27 residential and multi-family residential shall be computed based on the
28 average of actual potable water use during the winter billing periods. The

1 winter billing periods used will be determined by the meter reading schedule
2 for the account. The actual winter usage is divided by the number of winter
3 days to obtain an average volume. The average volume will be the base
4 volume on which the volumetric sewer rate is charged for the next twelve
5 month period beginning with May's billing periods. Each year, the average
6 volume will be recalculated for the succeeding twelve-month period.
7 Exceptions to the above calculation methodology will use the average volume
8 for the water service size in which the customer falls as the average volume
9 or a calculation using available usage information for the account. For those
10 residential customers with no previous history of use during the winter billing
11 periods, the average volume for the water service size in which the customer
12 falls will be used.

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

21 F. The City shall collect from all developments and all
22 developments shall be required to pay a capacity charge of One Hundred
23 and Nine Dollars and Five Cents (\$109.05) per equivalent fixture unit at the
24 time application for sewer service is made, but in no event later than the time
25 that the City issues a sewer permit for connection to the City sewage system,
26 as set forth in the Long Beach Municipal Code and the "Rules, Regulations
27 and Charges Governing Potable Water, Reclaimed Water, Sewer Service
28 and the Emergency Water Conservation Plan" of the Water Department.

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

11 H. The sewer capacity charge shall be subject to annual
12 adjustment, effective October 1 of each year, to reflect the increase of the
13 Construction Cost Index ("CCI") for Los Angeles as published in the
14 "Engineering News-Record". The increase shall be calculated each
15 September by dividing the CCI published in August of the current calendar
16 year by the CCI published in August of the preceding calendar year; that
17 figure multiplied by the sewer capacity charge in effect in October shall be
18 the new sewer capacity charge. No adjustment shall be made to reflect a
19 decrease in the CCI.

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

23 J. Anyone who has paid a capacity charge may apply for a full or
24 partial refund if within one year after payment: 1) the applicant has not been
25 permitted to connect to the City sewage system; or 2) the development on
26 which the capacity charge was calculated has been modified pursuant to
27 applicable City ordinances, resolutions, or regulations, resulting from a
28 reduction in the number of equivalent fixture units. Refund applications shall

1 be made on forms provided by the City and shall contain a declaration under
2 oath of those facts, along with relevant documentary evidence, which qualify
3 the applicant for the refund. In no event shall a refund exceed ninety percent
4 (90%) of the amount of the capacity charge actually paid.

5 K. Anyone subject to a capacity charge who constructs, deposits
6 money into escrow with the City for the construction of, participates in an
7 assessment district for the construction of, or otherwise contributes money or
8 improvements to the City for the operation, construction, reconstruction,
9 acquisition, or maintenance of the City sewage system shall be eligible for a
10 credit for such contribution against the capacity charge otherwise due. The
11 amount of the credit shall be the value of the contribution as determined by
12 the City provided, however, that the credit shall not exceed ninety percent
13 (90%) of the amount of the capacity charge. Applications for said credit shall
14 be made on forms provided by the City and shall be submitted at or before
15 the time of application for sewer service. The application shall contain a
16 declaration under oath of those facts, along with relevant documentary
17 evidence, which qualify the applicant for the credit.

18 L. The capacity charge and requirements pertaining thereto shall
19 not affect in any way the permissible use of property, density of development,
20 design and improvement standards, public improvement requirements, or
21 any other aspect of the development of land or construction of buildings
22 which may be imposed by the City pursuant to the Long Beach Municipal
23 Code, Subdivision Regulations, or other state or local laws, ordinances or
24 regulations which shall be in effect with respect to all developments.

25 M. The capacity charge is a charge on development that reflects a
26 development's proportionate share of the present depreciated value of the
27 existing City sewage system. As such the capacity charge is additional to
28 and not in substitution of the following: 1) on-site sewer facility requirements

1 imposed by the City pursuant to the Long Beach Municipal Code, Subdivision
2 Regulations, and other state or local laws, ordinances or regulations; 2)
3 sewer permit fees; 3) connection charges; 4) sewer rates; and 5) other fees,
4 rates, and charges including but not limited to sewer standby or immediate
5 availability charges and capital facilities charges for services or facilities other
6 than as a proportionate share of the present depreciated value of the existing
7 City sewer system. In no event shall an applicant for sewer service be
8 obligated to pay fees, rates, or charges in excess of those calculated
9 pursuant to applicable City ordinances, which shall not individually or
10 collectively exceed the reasonable cost of providing sewer service to the
11 development.

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

16 Section 10.

17 A. Regular bills for water service and sewer service shall be
18 issued at intervals of approximately one month (commonly called "monthly")
19 except in those cases where the General Manager or the Board of Water
20 Commissioners shall prescribe another billing interval. Insofar as practical,
21 meters shall be read at regular intervals for the preparation of regular bills,
22 and meters shall be read as required for the preparation of opening, closing,
23 and special bills.

24 B. Every water customer and every sewer customer shall be liable
25 for payment of bills for water service and sewer service. Charges for water
26 service and sewer service shall be included in municipal utility bills.

27 C. Anyone who has been granted an exemption under Chapter
28 3.68 of the Long Beach Municipal Code as of the date of this resolution does

1 not need to file a separate application for exemption hereunder.

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

6 Section 12. The following words shall have the meanings defined as
7 follows:

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

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

12 C. "Industrial" refers to activities devoted primarily to
13 manufacturing or processing;

14 D. "Interruptible" refers to reclaimed water service that can be
15 suspended at any time at the Board's discretion, without liability and
16 dependent upon the Water Department's reclaimed water system needs for
17 such service.

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

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

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

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

OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
411 West Ocean Boulevard, 9th Floor
Long Beach, CA 90802-4664

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

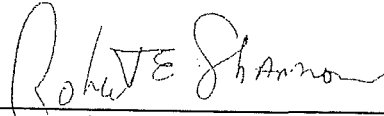
Section 14. The Secretary of the Board of Water Commissioners shall certify to the passage of this resolution and it shall take effect by operation of law following its approval by the City Council by ordinance.

I hereby certify that the foregoing resolution was adopted by the Board of Water Commissioners of the City of Long Beach at its meeting held on June 18, 2020, by the following vote:


Ayes: Commissioners: MARTINEZ; SHANNON; CORDERO;
SALTZGAVER

Noes: Commissioners: NONE

Absent: Commissioners: LEVINE



Acting Secretary
Board of Water Commissioners

CERTIFIED AS A TRUE AND CORRECT COPY
EXECUTIVE ASSISTANT TO THE BOARD OF WATER COMMISSIONERS
CITY OF LONG BEACH, CALIFORNIA
BY: 
DATE: 6/18/2020