



# CITY OF LONG BEACH

## DEPARTMENT OF PUBLIC WORKS

333 West Ocean Boulevard • Long Beach, CA 90802

August 15, 2006

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

### RECOMMENDATION:

Authorize the City Manager to refund the amount of \$28,704 to The Boeing Company for fuel flowage fees. (District 5)

### DISCUSSION

The City of Long Beach entered into Fixed Base Operation Lease No. 22055 with The Boeing Company (Boeing), on October 10, 1991 primarily for the purpose of manufacture, assembly, reconfiguration, repair and modification of aircraft.

Boeing has been under contract to the United States Air Force since 1987 to produce and deliver C-17 aircraft. The role of the C-17 is to deliver troops, large combat equipment and humanitarian aid across the world.

Boeing requested a fuel flowage fee exemption based on the fact that they are operating under contract to the United States Air Force. In accordance with the Airport Rates and Fees Resolution No. 28448, fuel flowage fees may be waived for "any aircraft operated by or for public agencies which is engaged in documented official government business." After receiving supporting confirmation from Boeing, the City Attorney and Department of Public Works concurred with this exemption and stopped the receipt of fuel flowage fees for the C-17 Program. Additionally, a refund of the fuel flowage fees was initiated.

The City Auditor reviewed the requested refund and agreed with the basis of the refund, but the Municipal Code limits refunds to a one-year period. Accordingly, the refund due to the Boeing Company for payments from January 2005 through December 2005 is \$28,704.

This letter was reviewed by Lisa Peskay Malmsten, Deputy City Attorney, on July 28, 2006 and David Wodynski, Budget Management Officer, on August 7, 2006.

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TIMING CONSIDERATIONS

City Council action is requested on August 15, 2006, in order to expedite issuance of the refund to Boeing.

FISCAL IMPACT

The reconciliation of this account for the period from January 2005 through December 2005 results in a net refund of \$28,704. Sufficient appropriation exists in the Airport Enterprise Fund (EF) in the Department of Public Works (PW) to support this payment. This will be funded through the Airport Enterprise Fund. There is no impact to the General Fund.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



CHRISTINE F. ANDERSEN  
DIRECTOR OF PUBLIC WORKS

APPROVED:



GERALD R. MILLER  
CITY MANAGER

CFA:CK:jrs