

CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

BH-1

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

September 8, 2015

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 2016 budget as listed in Attachment A of this letter. (Citywide)

DISCUSSION

On July 28, 2015, the City Manager's Proposed Budget for Fiscal Year 2016 (FY 16) was delivered by Mayor Garcia to the City Council and community with recommended amendments for consideration. Budget meetings were set for March 3, June 16, July 28, August 4, August 11, August 18, September 1, September 8, September 15, along with five Budget Oversight Committee (BOC) meetings, and nine community meetings at which the FY 16 Proposed Budget was discussed. We are pleased to report that through the scheduled hearings, BOC and community meetings, there have been 23 separate opportunities for public feedback, deliberation and input. In addition, this year, the City has solicited input through two informal survey mechanisms. The first is the Budget Challenge, which is an interactive simulation that provides citizens with the opportunity to balance the City's budget, while also deciding if funding levels should be changed. The second is the Budget Priority Survey to obtain input on what the City's General Fund priorities should be. These were both 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 16 Proposed Budget, updated estimates of revenue and expense, which primarily address technical corrections, are listed by fund and department in Attachments B and C to this letter, respectively. The reasons are discussed at the end of this letter.

There are two Ordinances in Attachment A; one is an Ordinance approving Resolution No. WD-1341 (A-3), which establishes the rates and charges for the water and sewer service, and the other is the Appropriations Ordinance (A-16), which officially adopts the FY 16 budget and authorizes expenditures in conformance with the adopted budget. In order for these two Ordinances to become effective October 1, 2015, the City Council must first declare an emergency to exist before adopting each Ordinance (A-2 and A 15). Specific Resolutions provide for approval of the budgets for the Harbor, Water and

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Sewer funds, which are not in the Appropriations Ordinance and certain fee adjustments. There will also be motions that request approvals for the following: the Master Fee and Charges Schedule; the FY 16 Capital Improvement Program; the Mayor's Recommendations; the Budget Oversight Committee's Recommendations; the Departmental Organization Ordinance; and the Salary Resolution for the FY 16 Proposed Budget.

This matter was reviewed by City Attorney Charles Parkin on August 26, 2015.

TIMING CONSIDERATIONS

In accordance with the Long Beach City Charter, the FY 16 budget must be adopted by September 15, 2015. Should the City Council fail to adopt the budget by that date, the City Manager's FY 16 Proposed Budget will be deemed the budget for the 2016 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, 2015, 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 FY 16 budget for all departments and funds is \$3,123,674,238, which comprises \$2,673,694,658 in new appropriation and \$449,979,580, in estimated carry-over from FY 15 for multi-year grants and projects.

The Appropriations Ordinance, included as Attachment A-16 to this letter, totals \$2,168,945,541 for all funds except Harbor, Sewer, and Water, and \$2,174,310,315 for all departments except Harbor and Water. The \$5,364,774 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 \$954,973,379. The Board of Harbor Commissioners adopted the budget for the Harbor Department by minute order on May 27, 2015. The Board of Water Commissioners adopted the budget for the Water Department by Resolution on June 18, 2015.

User fees and charges in the Master Fee and Charges Schedule Attachment A-5 have been adjusted due to changes in service and other factors. For details regarding these proposed new fees, deletions and adjustments, please see the List of Proposed Fee Adjustments for FY 16 that has been incorporated as Exhibit C to the Master Fee and Charges Resolution.

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Other requested City Council actions include approval of the FY 16 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 20, 2015, approved the CIP for FY 16 for conformance with the General Plan.

The City Council is also requested to adopt the Resolution, included as Attachment A-9, establishing the "Gann Appropriations Limit" (Limit) for general purpose expenditures. In November 1979, the voters of the State of California approved Proposition 4, also known as the "Gann Initiative" (Initiative). The Initiative places certain limits on the amount of tax revenue that can be appropriated each fiscal year. The Limit is based on actual appropriations during FY 79 and guards against overspending proceeds of taxes. Only those revenues which are considered as "proceeds of taxes" are subject to the Limit. The Limit is recalculated each fiscal year based on certain inflation and population factors provided by the State. The Proposed Budget includes tax revenue estimates that are at 42.17 percent of the 2015-2016 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 16. These organizational changes are necessary to implement changes reflected in the Proposed FY 16 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 16 Proposed Budget to the Mayor, technical adjustments in nature were made to the budget. These changes are generally not substantive and are shown in Attachment B and C of this letter. Since the release of the FY 16 Proposed Budget, a few changes have occurred. The Civic Center rent allocation was revised to incorporate the addition of the Tidelands Capital Project Management group on the 5th Floor of City Hall. This addition resulted in a net increase of \$841 and \$51,354 to the Development Services Fund and Tidelands Operations Fund, respectively and a decrease of \$52,195 to the General Fund. The second item is a decrease of \$79,289 and an increase of \$1,666,194 to the Tidelands Operations Fund and the Tidelands Marina Fund, respectively, that relates to the Marina Fund debt service changes resulting from the issuance of the 2015 Marina Revenue Bonds, and the prepayment of previous State Department of Boating and Waterways loans. Additionally, the Capital Projects Fund was also decreased by \$230,000 due to timing of a project being completed earlier in FY 15 instead of FY 16. Also, a \$6,000 increase in the General Fund for an interdepartmental service charge related to parking validations for the Legislative Department was made to reflect actual charges. Revenue changes were made since the release of the budget and are reflected in Attachment D. Most of the changes were related to grants and a capital improvement project. A significant change included in Attachment D is the Department of Public Works postponing the proposed restructuring of the refuse rates. This has no impact on the Refuse operating budget, but will impact revenues for the Refuse 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.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,

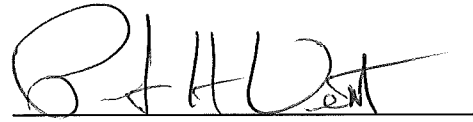


JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

JG/LE/RAG
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ATTACHMENTS

APPROVED:



PATRICK H. WEST
CITY MANAGER

List of Requested Fiscal Year 2016 Budget Adoption Actions

1. Adopt the Resolution approving the FY 16 budget for the Long Beach Harbor Department as adopted by the Board of Harbor Commissioners on May 27, 2015. (A-1)
2. Declare an emergency to exist. (A-2)
3. Declare the Ordinance approving the Resolution No. WD-1341 establishing the rates and charges for water and sewer service to all customers, as adopted by the Board of Water Commissioners on June 18, 2015, 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 16 budget of the Long Beach Water Department as adopted by the Board of Water Commissioners on June 18, 2015. (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 16 One-Year Capital Improvement Program. (A-6)
7. Adopt a motion approving the FY 16 budget for the Long Beach Community Investment Company (formerly known as the Long Beach Housing Development Company) in the amount of \$5,318,500. (A-7)
8. Adopt a motion approving the estimated transfer of \$17,737,000 from the Harbor Revenue Fund to the Tidelands Operating Fund. (A-8)
9. Adopt the Resolution establishing the "Gann Appropriations Limit" (Limit) for FY 16 pursuant to Article XIII (B) of the California Constitution. (A-9)
10. Adopt the Mayor's proposed budget recommendations, as amended, to the FY 16 Proposed Budget. (A-10)
11. Adopt the Budget Oversight Committee's proposed funding recommendations, as amended, to the FY 16 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 16. (A-13)
14. Adopt a motion amending the proposed FY 16 budget. (A-14)
15. Declare an emergency to exist. (A-15)
16. Declare the Appropriations Ordinance for FY 16, 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 2016 APPROPRIATIONS ORDINANCE BY FUND
 (Does not include Harbor, Water and Sewer Funds)

<u>FUND</u>	<u>FY 16 PROPOSED EXPENDITURES</u>	<u>CHANGES</u>	<u>FY 15 ESTIMATED CARRYOVER*</u>	<u>FY 16 APPROPRIATIONS</u>
GENERAL FUND	427,892,742	(46,195)	-	427,846,547
UPLAND OIL FUND	13,799,272	-	-	13,799,272
GENERAL GRANTS FUND	8,962,538	68,690	7,422,489	16,453,717
POLICE & FIRE PUBLIC SAFETY OIL PROD ACT FUND	3,232,643	-	-	3,232,643
HEALTH FUND	42,827,615	-	30,013,223	72,840,839
PARKING & BUSINESS AREA IMPROVEMENT FUND	7,968,757	-	-	7,968,757
SPECIAL ADVERTISING & PROMOTION FUND	7,821,689	-	-	7,821,689
HOUSING DEVELOPMENT FUND	6,944,495	-	19,393,340	26,337,836
BELMONT SHORE PARKING METER FUND	830,879	-	-	830,879
BUSINESS ASSISTANCE FUND	694,119	-	40,948	735,067
COMMUNITY DEVELOPMENT GRANTS FUND	20,653,503	6,000	1,253,640	21,913,142
GASOLINE TAX STREET IMPROVEMENT FUND	16,074,663	-	36,406	16,111,069
TRANSPORTATION FUND	20,576,303	-	26,891,072	47,467,375
CAPITAL PROJECTS FUND	7,756,280	(230,000)	63,672,787	71,199,067
CIVIC CENTER FUND	10,880,804	-	5,431,439	16,312,243
GENERAL SERVICES FUND	48,400,286	(114,400)	23,244,294	71,530,180
FLEET SERVICES FUND	45,115,791	-	875,000	45,990,791
INSURANCE FUND	42,402,722	-	139,683	42,542,405
EMPLOYEE BENEFITS FUND	248,910,324	-	-	248,910,324
TIDELANDS FUNDS	99,507,841	1,638,259	163,590,938	264,737,038
TIDELAND OIL REVENUE FUND	158,463,652	-	-	158,463,652
RESERVE FOR SUBSIDENCE	-	-	-	-
DEVELOPMENT SERVICES FUND	18,968,059	841	1,354,310	20,323,209
GAS FUND	105,680,210	-	30,063,817	135,744,027
GAS PREPAY FUND	39,128,641	-	-	39,128,641
AIRPORT FUND	42,608,676	-	28,907,613	71,516,288
REFUSE/RECYCLING FUND	45,102,765	-	73,381	45,176,147
SERRF FUND	51,145,981	-	-	51,145,981
SERRF JPA FUND	11,218,558	-	-	11,218,558
TOWING FUND	5,730,049	-	-	5,730,049
HOUSING AUTHORITY FUND	71,953,593	-	14,993,664	86,947,257
SUCCESSOR AGENCY	75,500,522	-	32,581,531	108,082,053
CUPA FUND	1,658,451	-	5	1,658,456
DEBT SERVICE FUND	9,230,342	-	-	9,230,342
TOTAL	1,717,642,766	1,323,195	449,979,580	2,168,945,541

*Carryover of multi-year grants and CIP funds.

FISCAL YEAR 2016 APPROPRIATIONS ORDINANCE BY DEPARTMENT
(Does not include Harbor and Water)

<u>DEPARTMENT</u>	<u>FY 16 PROPOSED EXPENDITURES</u>	<u>CHANGES</u>	<u>FY 15 ESTIMATED CARRYOVER*</u>	<u>FY 16 APPROPRIATIONS</u>
MAYOR AND COUNCIL	5,319,212	6,000	-	5,325,212
CITY ATTORNEY	9,981,695	-	-	9,981,695
CITY AUDITOR	3,046,904	-	-	3,046,904
CITY CLERK	4,795,431	-	-	4,795,431
CITY MANAGER	13,800,703	(40,635)	114,947,208	128,707,276
CITY PROSECUTOR	5,007,241	-	295,048	5,302,289
CIVIL SERVICE	2,427,489	-	-	2,427,489
AIRPORT	41,891,004	-	28,907,613	70,798,617
DISASTER PREPAREDNESS & EMERGENCY COMMUNICATIONS	11,874,348	-	105,830	11,980,178
DEVELOPMENT SERVICES	115,002,537	6,000	62,693,417	177,701,954
ECONOMIC & PROPERTY DEVELOPMENT	25,772,537	-	-	25,772,537
FINANCIAL MANAGEMENT**	470,653,976	1,586,905	2,032,859	474,273,741
FIRE	98,041,760	-	176,008	98,217,768
HEALTH AND HUMAN SERVICES	115,719,022	-	30,519,563	146,238,584
HUMAN RESOURCES	10,826,039	-	5,884,275	16,710,314
LIBRARY SERVICES	13,160,257	-	1,500,000	14,660,257
LONG BEACH GAS AND OIL	324,917,682	-	30,109,116	355,026,798
PARKS, RECREATION AND MARINE	55,354,629	109,325	30,708,176	86,172,131
POLICE	209,158,622	-	3,977,547	213,136,168
PUBLIC WORKS	139,782,391	(230,000)	114,878,625	254,431,016
TECHNOLOGY & INNOVATION	46,474,062	(114,400)	23,244,296	69,603,958
TOTAL	1,723,007,539	1,323,195	449,979,580	2,174,310,315

*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.

FISCAL YEAR 2016 REVENUES BY FUND
(Does not include Harbor, Water and Sewer Funds)

<u>FUND</u>	<u>FY 16 PROPOSED REVENUES</u>	<u>CHANGES</u>	<u>FY 16 PROPOSED BUDGETED REVENUES</u>
GENERAL FUND	413,203,378	-	413,203,378
UPLAND OIL FUND	14,217,809	-	14,217,809
GENERAL GRANTS FUND	8,907,641	123,586	9,031,228
POLICE & FIRE PUBLIC SAFETY OIL PROD ACT FUND	2,914,420	-	2,914,420
HEALTH FUND	43,347,104	-	43,347,104
PARKING & BUSINESS AREA IMPROVEMENT FUND	7,968,757	-	7,968,757
SPECIAL ADVERTISING & PROMOTION FUND	7,596,000	-	7,596,000
HOUSING DEVELOPMENT FUND	11,598,238	-	11,598,238
BELMONT SHORE PARKING METER FUND	701,734	-	701,734
BUSINESS ASSISTANCE FUND	871,838	(194,000)	677,838
COMMUNITY DEVELOPMENT GRANTS FUND	20,523,305	-	20,523,305
GASOLINE TAX STREET IMPROVEMENT FUND	11,853,372	-	11,853,372
TRANSPORTATION FUND	20,367,912	-	20,367,912
CAPITAL PROJECTS FUND	7,642,049	160,000	7,802,049
CIVIC CENTER FUND	11,193,610	-	11,193,610
GENERAL SERVICES FUND	48,279,036	-	48,279,036
FLEET SERVICES FUND	35,797,973	-	35,797,973
INSURANCE FUND	49,283,048	-	49,283,048
EMPLOYEE BENEFITS FUND	247,348,843	-	247,348,843
TIDELANDS FUNDS	102,295,240	401,538	102,696,778
TIDELAND OIL REVENUE FUND	158,580,567	-	158,580,567
RESERVE FOR SUBSIDENCE	1,480,000	-	1,480,000
DEVELOPMENT SERVICES FUND	18,109,086	-	18,109,086
GAS FUND	106,764,572	-	106,764,572
GAS PREPAY FUND	41,475,391	-	41,475,391
AIRPORT FUND	42,209,669	-	42,209,669
REFUSE/RECYCLING FUND	45,318,927	(2,717,222)	42,601,705
SERRF FUND	47,819,036	-	47,819,036
SERRF JPA FUND	11,250,285	-	11,250,285
TOWING FUND	5,691,849	-	5,691,849
HOUSING AUTHORITY FUND	70,532,437	-	70,532,437
SUCCESSOR AGENCY	75,610,413	-	75,610,413
CUPA FUND	1,607,180	-	1,607,180
DEBT SERVICE FUND	9,230,342	-	9,230,342
TOTAL	1,701,591,062	(2,226,098)	1,699,364,964

ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LONG BEACH APPROVING RESOLUTION NO. WD-1341, 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, 2015

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

Section 1. That Resolution No. WD-1341 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-1326 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 18, 2015, 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, 2015, 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, 2015.

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

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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, 2015.

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 _____, 2015, 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 _____

27 ///

28 ///

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
2 vote on adoption of the ordinance, it was adopted by the City Council of the City of Long
3 Beach by the following vote:

4 Ayes: Councilmembers: _____

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8 Noes: Councilmembers: _____

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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 2015, by the following vote:

15 Ayes: Councilmembers: _____

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17 _____

18 _____

19 Noes: Councilmembers: _____

20 _____

21 Absent: Councilmembers: _____

22 _____

23 _____

24 _____
City Clerk

25
26
27 Approved: _____
(Date)

28 _____
Mayor

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

1 RESOLUTION NO. WD-1341

2
3 A RESOLUTION OF THE CITY OF LONG BEACH
4 BOARD OF WATER COMMISSIONERS AMENDING
5 RESOLUTION NO. WD-1326 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 on September 3, 2015.

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, 2015, 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	\$0.470
1 inch	\$0.708
1-1/2 inch	\$1.322
2 inch	\$1.959
3 inch	\$4.058
4 inch	\$6.420

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<u>Size of Service</u>	<u>Daily Service Charge</u>
6 inch	\$11.833
8 inch	\$18.572
10 inch	\$30.418
12 inch	\$37.175
16 inch	\$61.525

B. On October 1, 2015, 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)	\$1.372
Tier II	Next 10 Billing Units (or fraction thereof)	\$2.744
Tier III	Over 15 Billing Units (or fraction thereof)	\$4.116

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)	\$2.470
Tier II	Next 10 Billing Units (or fraction thereof)	\$2.744
Tier III	Over 15 Billing Units (or fraction thereof)	\$4.116

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)	\$1.372
Tier II	Next 10.5 Billing Units (or fraction thereof per dwelling unit)	\$2.744
Tier III	Over 13 Billing Units (or fraction thereof per dwelling unit)	\$4.116

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)	\$2.470
Tier II	Next 10.5 Billing Units (or fraction thereof per dwelling unit)	\$2.744
Tier III	Over 13 Billing Units (or fraction thereof per dwelling unit)	\$4.116

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)	\$1.372
Tier II	Next 6.5 Billing Units (or fraction thereof per dwelling unit)	\$2.744
Tier III	Over 9 Billing Units (or fraction thereof per dwelling unit)	\$4.116

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

1	Tier IB	First 2.5 Billing Units (or fraction thereof per dwelling unit)	\$2.470
2			
3	Tier II	Next 6.5 Billing Units (or fraction thereof per dwelling unit)	\$2.744
4			
5	Tier III	Over 9 Billing Units (or fraction thereof per dwelling unit)	\$4.116
6			
7			

8 7. For commercial customers of potable water, \$2.744 per
9 billing unit, or fraction thereof.

10 8. For industrial customers of potable water, \$2.744 per
11 billing unit, or fraction thereof.

12 9. For irrigation customers of potable water, \$2.744 per
13 billing unit, or fraction thereof.

14 10. For City of Long Beach Departments using potable
15 water, \$2.744 per billing unit, or fraction thereof.

16 11. For reclaimed water users whose use is "peaking" as
17 defined herein, \$1.921 per billing unit, or fraction thereof.

18 12. For reclaimed water users whose use is "non-peaking"
19 as defined herein, \$1.372 per billing unit, or fraction thereof.

20 13. For reclaimed water users whose use is "interruptible"
21 as defined herein, \$1.372 per billing unit or fraction thereof.

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

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

26 Section 3.

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

1 October 1, 2015, the rate for unmetered water service shall be:

2 <u>Size of Service</u>	<u>Daily Rate</u>
3 5/8 or 3/4 inch	\$2.294
4 1 inch	\$3.881
5 1-1/2 inch	\$9.560
6 2 inch	\$15.038

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

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

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

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

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

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

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Section 6.

A. On October 1, 2015, the service charge for private fire protection service shall be in accordance with the following table:

<u>Size of Service</u>	<u>Daily Rate</u>
2 inch	\$0.981
3 inch	\$1.678
4 inch	\$2.478
6 inch	\$4.222
8 inch	\$6.190
10 inch	\$8.374
12 inch	\$10.554
16 inch	\$15.475

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. His 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

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

5 Section 8.

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

10 B. On October 1, 2015, the daily sewer rate shall be in
11 accordance with the following table:

12 <u>Size of Service</u>	<u>Daily Sewer Rate</u>
13 5/8 or 3/4 inch	\$0.270
14 1 inch	\$0.428
15 1-1/2 inch	\$0.780
16 2 inch	\$1.132
17 3 inch	\$2.341
18 4 inch	\$3.708
19 6 inch	\$6.831
20 8 inch	\$10.730
21 10 inch	\$17.553
22 12 inch	\$21.457
23 16 inch	\$35.110

24
25 C. On October 1, 2015, the volumetric sewer rate shall be \$0.375
26 per 100 cubic feet of water furnished where water service size is 5/8 inches
27 or larger. The volumetric sewer rate shall not be applicable to fire services.

28 Industrial customers may apply for separately metered sewer

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

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

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

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

1 customer's water service size.

2 F. The City shall collect from all developments and all
3 developments shall be required to pay a capacity charge of Ninety-Seven
4 Dollars and Thirty-One Cents (\$97.31) per equivalent fixture unit at the time
5 application for sewer service is made, but in no event later than the time
6 that the City issues a sewer permit for connection to the City sewage
7 system, as set forth in the Long Beach Municipal Code and the "Rules,
8 Regulations and Charges Governing Potable Water, Reclaimed Water,
9 Sewer Service and the Emergency Water Conservation Plan" of the Water
10 Department.

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

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

1 the new sewer capacity charge. No adjustment shall be made to reflect a
2 decrease in the CCI.

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

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

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

1 documentary evidence, which qualify the applicant for the credit.

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

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

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

1 suspended at any time at the Board’s discretion, without liability and
2 dependent upon the Water Department’s reclaimed water system needs for
3 such service.

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

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

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

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

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

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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, 2015, by the following vote:

Ayes: Commissioners: MARTINEZ; LEVINE; SHANNON

CORDERO; SALTZGAVER

Noes: Commissioners: NONE

Absent: Commissioners: NONE



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: 

DATE: 6/18/2015

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