



# FY 2007 BUDGET

August 22, 2006



THE PORT OF LONG BEACH

# Agenda

- **Budget Overview**
- **Strategic Alignment  
of Goals & Resources**
- **Conclusion**





# Budget Overview



# Budget Overview

fiscal year 2007

2006 Budget  
\$411.1M

2006 Projected  
\$364.9M

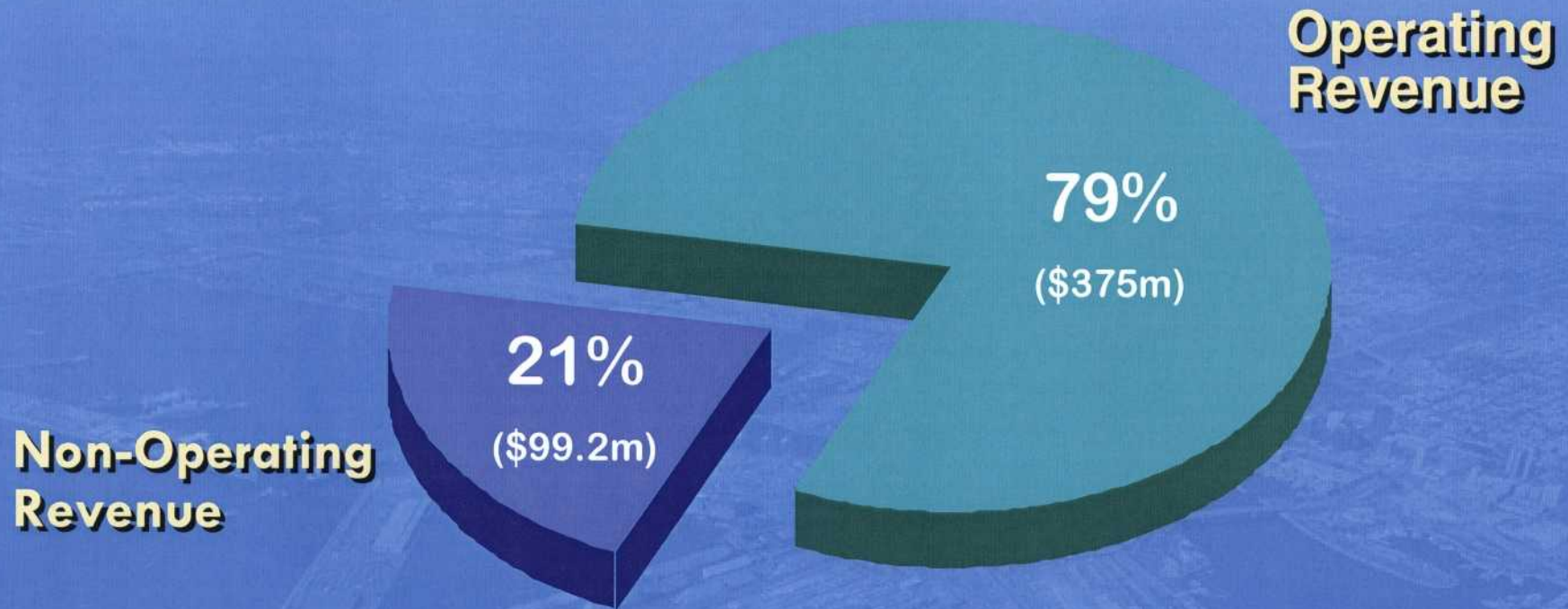
2007 Proposed  
\$474.2M





# Budget Overview

## source of funds



**\$ 474.2 million**







# Budget Overview

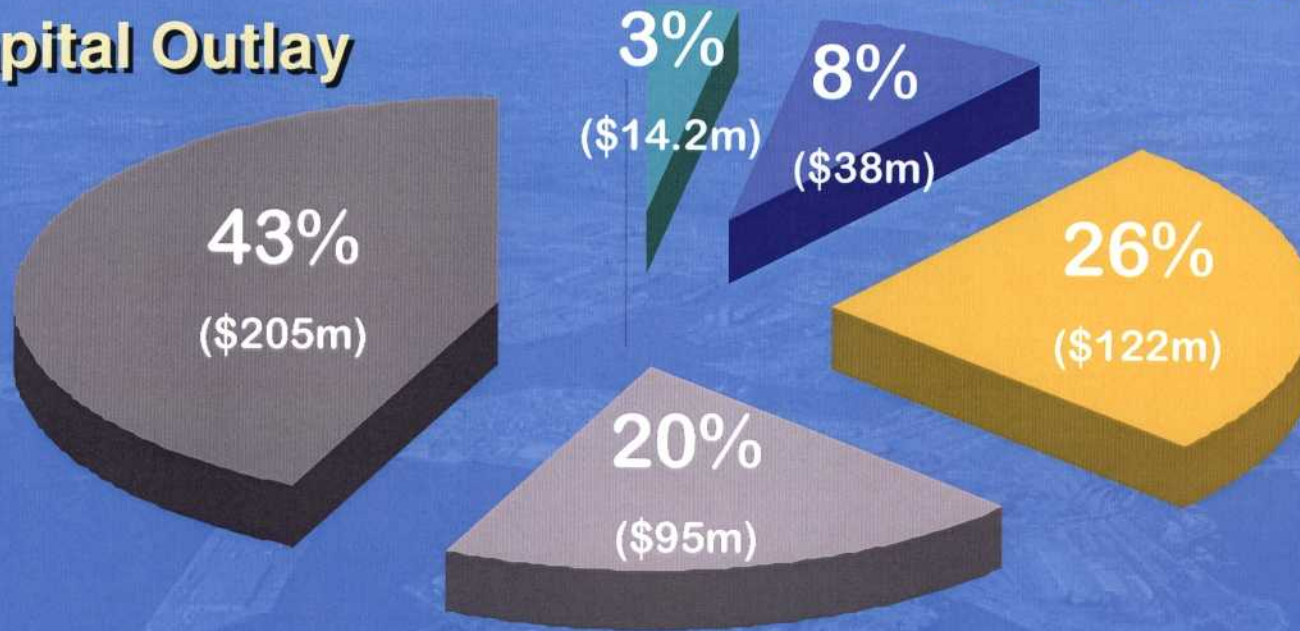
## use of funds

### Operating Transfer

### Personal Services

### Capital Outlay

### Non-Personal Services



### Debt Service

**\$ 474.2 million**



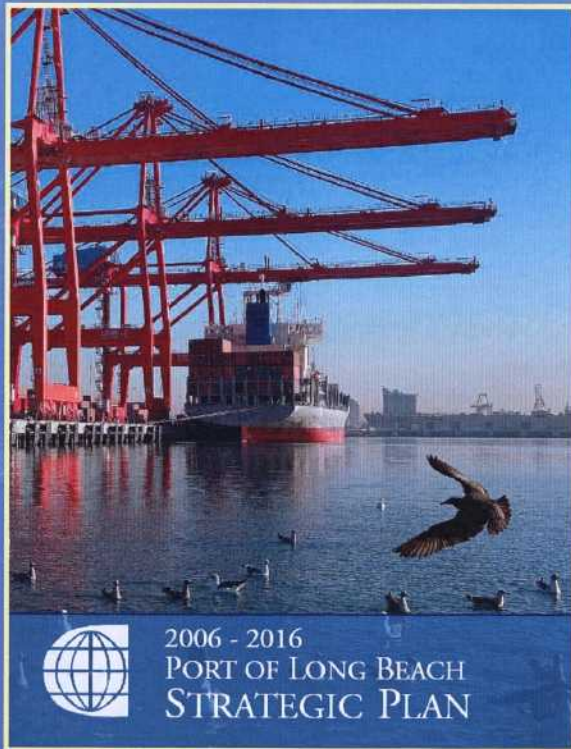
# Strategic Alignment of Goals & Resources





# Strategic Alignment of Goals & Resources

## harbor department vision statement



*The Port of Long Beach actively improves the quality of life in the region and the nation by being a world leader in regional and international goods movement, environmental stewardship and economic prosperity.*





# Strategic Alignment of Goals & Resources

## strategic goal areas

- Environmental Stewardship
- Safety & Security
- Community, Industry & Government Relations
- Infrastructure & Transportation
- Trade & Commerce
- Financial Strength
- Organizational Effectiveness



# Strategic Alignment of Goals & Resources

## environmental stewardship

**Goal:** *Implement practices that minimize or eliminate the environmental impacts and health risks of Port operations and development*



- **Nearly \$90M budgeted in FY 2007**
- **Major initiatives:**
  - Cold ironing
  - San Pedro Bay Ports Clean Air Action Plan
  - Environmental remediation



# Strategic Alignment of Goals & Resources

## environmental stewardship

- **Major initiatives (continued):**
  - Green Flag vessel speed reduction program
  - Air monitoring stations
  - Storm water management
  - Locomotive replacement and retrofits
  - Sustainability programs





# Strategic Alignment of Goals & Resources

## safety & security

*Goal: Enhance safety and security within the Port and address impacts on the surrounding community in collaboration with outside agencies*

- **More than \$35M budgeted in FY 2007**
- **Major initiatives:**
  - **Command & Control Center**
  - **Fire and Police support**
  - **Emergency Management Plan & Incident Management System**
  - **Enhanced camera system & fiber optic network**
  - **Underwater detection system**
  - **New Fire station**





# Strategic Alignment of Goals & Resources

## community, industry & government relations

**Goal:** *Engage the community, international trade industry and elected officials to build positive relationships that foster mutual understanding*

- **Major initiatives:**

- **Community & industry sponsorships (Sea Fest, Grand Prix, harbor cruises)**
- **Harbor Arbor Day – year 2**
- **Expansion of Small/Very Small Business Enterprise Program to entire Department**
- **2<sup>nd</sup> annual Green Port Open House**
- **Education & scholarship programs**







# Strategic Alignment of Goals & Resources

community, industry & government relations

- **FY 2007 Tidelands Transfer of \$14.2M**
  - Largest ever; 50% increase from FY 2006
  - More than \$98M in transfers since FY 1995
  - **Critical City services supported include:**
    - Beach maintenance
    - Rainbow Harbor maintenance
    - Lifeguard services
    - Aquatic programs
    - Marine safety & other services

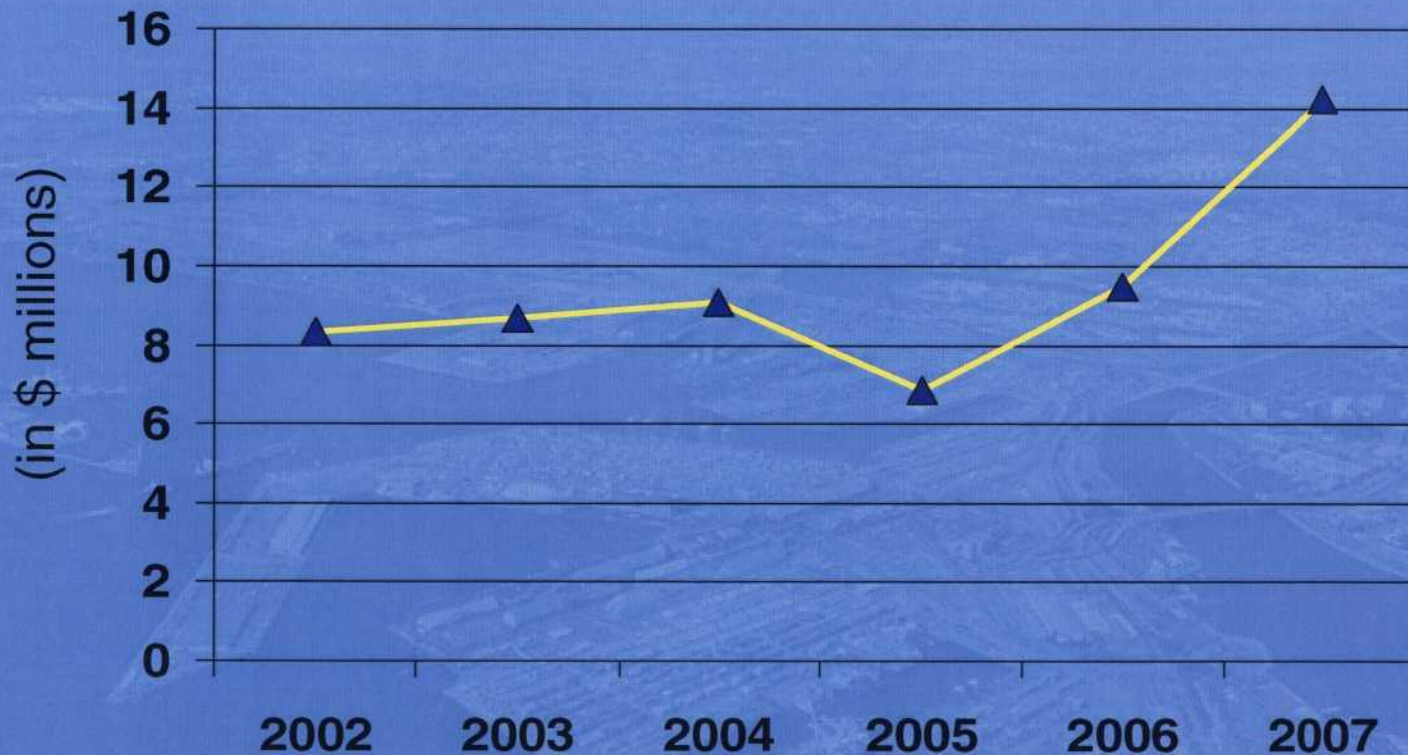




# Strategic Alignment of Goals & Resources

community, industry & government relations

- **Tidelands Transfers since 2002**



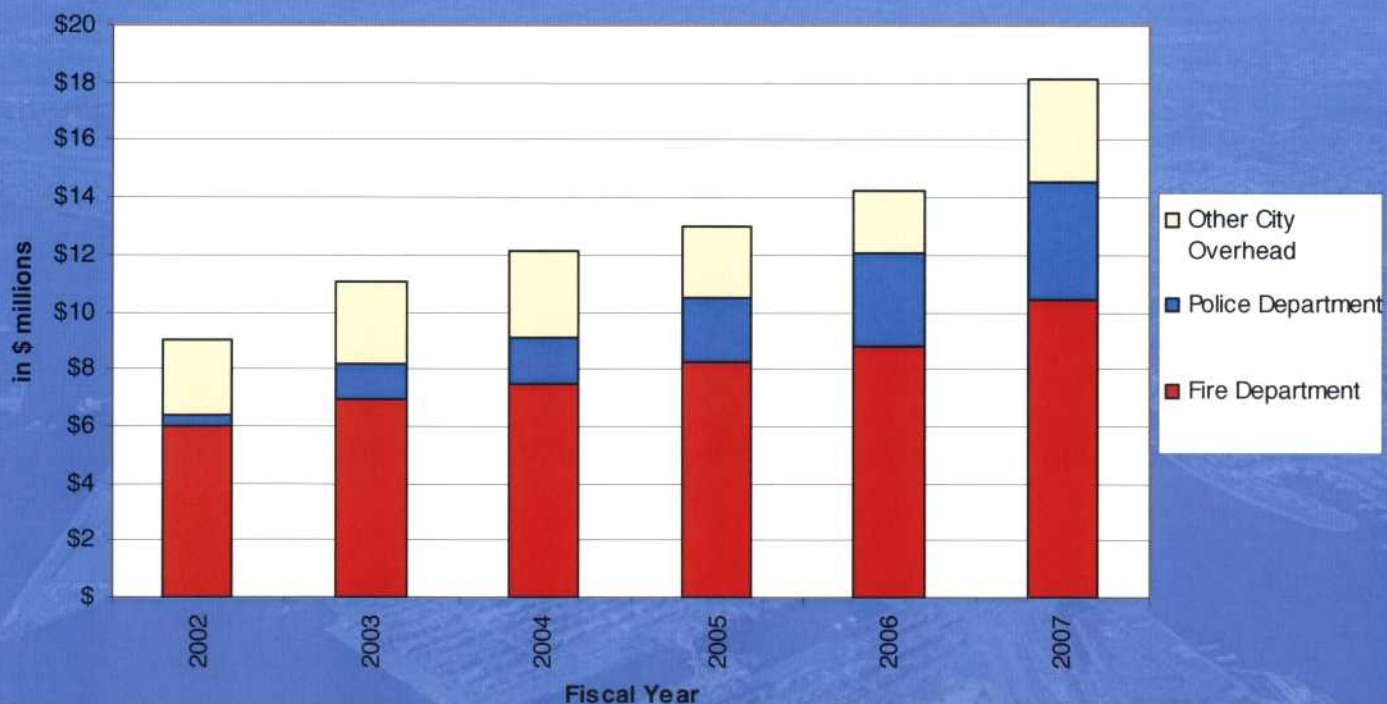




# Strategic Alignment of Goals & Resources

community, industry & government relations

- **Additional \$18.2M in FY 2007 for police, fire and other services**







# Strategic Alignment of Goals & Resources

community, industry & government relations

- **FY 2007 Budget continues legacy of partnership with the City of Long Beach to provide important community benefits**
- **Past projects supported by the Harbor Department include:**
  - Long Beach Convention Center expansion
  - World Trade Center



# Strategic Alignment of Goals & Resources

## infrastructure & transportation

**Goal:** *Provide an efficient and modern seaport complex and promote innovative solutions for the environment and infrastructure*

- **\$204M for capital projects, including:**
  - Green leases (Pier G/J)
  - Ocean Boulevard/TI Freeway Interchange
  - Middle Harbor (Piers D/E/F)
  - Pier S
  - Pier T





# Strategic Alignment of Goals & Resources

## infrastructure & transportation

- Major transportation initiatives include:
  - San Pedro Bay  
Rail Action Plan
  - Virtual Container Yard
  - Truck Trip Reduction  
Program
  - Gerald Desmond Bridge



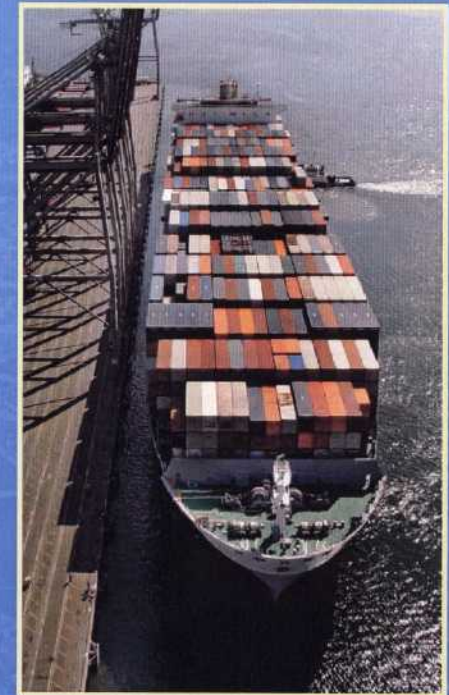


# Strategic Alignment of Goals & Resources

## trade & commerce

*Goal: Facilitate trade and commerce by being a world leader in goods movement and customer service*

- **Major initiatives:**
  - **Talking groups and annual conferences**
  - **Expansion of international trade offices**
  - **Long Beach International Trade Office support**







# Strategic Alignment of Goals & Resources

## financial strength

*Goal: Ensure that the Port is financially self-sustaining and fiscally strong*

- **Financial Highlights**

- Port is 100% supported by its own revenues
- Healthy cash flow to fund major Green Port, security & infrastructure improvement projects
- Highly rated debt by all three credit rating agencies
  - Moody's (Aa2)
  - Standard and Poor's (AA)
  - Fitch (AA)





# Strategic Alignment of Goals & Resources

## financial strength

- **Financial challenges**
  - \$1.1 billion in outstanding debt
  - \$95M in annual debt service
  - FY 2007 budget includes no new debt: however, additional debt may be required as early as 2009
  - High cost of Green Port, security and infrastructure improvement projects combined with limited State/Federal funding will continue to drive up future costs





# Strategic Alignment of Goals & Resources

## organizational effectiveness

*Goal: Operate a safe, effective and efficient organization that fosters an inclusive, open and team oriented culture*

- **Major initiatives:**
  - **2006 – 2016 Strategic Plan**
  - **Departmental reorganization**
  - **Performance management system**



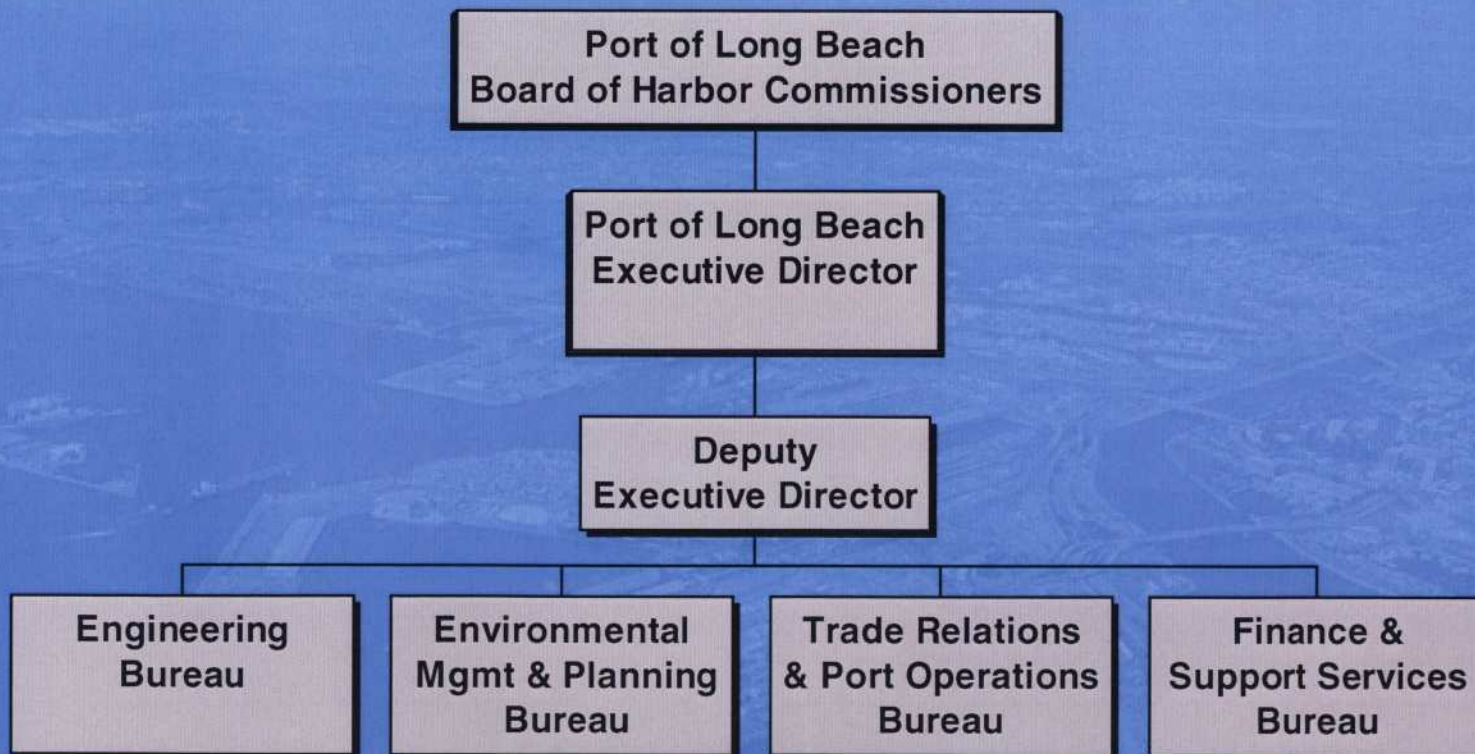




# Strategic Alignment of Goals & Resources

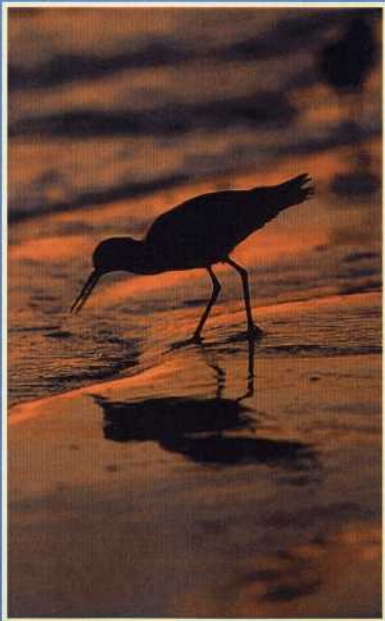
## organizational effectiveness

- **New organizational structure**





# Conclusion



***“Implementation of the (Port of Long Beach) Green Port Policy has achieved significant, cost-effective environmental benefits...the transferability of this program to other ports is very high.”***

***- 2006 American Association of Port Authorities (AAPA) Environmental Improvement Award Winner***