


# FY 2011 Proposed Budget City of Long Beach Harbor Department

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Chief Financial Officer

# Agenda

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The Green Port

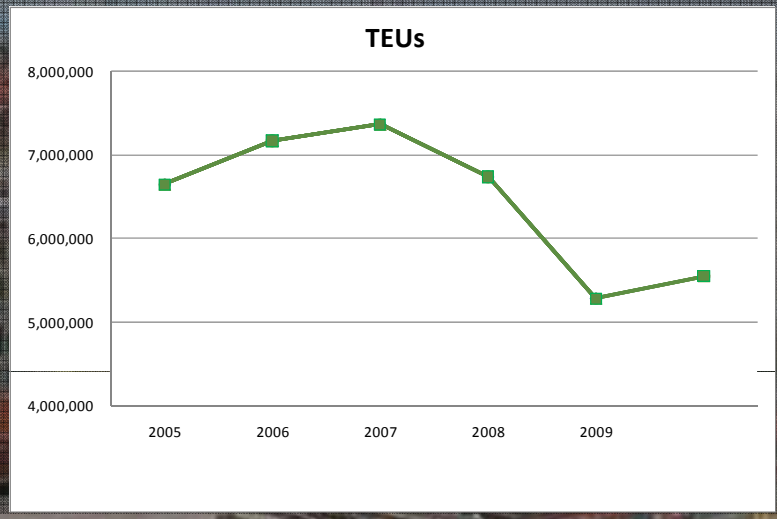
- Cargo Volume
- Operating Revenue
- FY11 Proposed Uses of funds
- FY11 Proposed Sources of funds
- Environmental Stewardship
- Safety and Security
- Tidelands Transfers
- Capital Improvements
- POLB - POLA Comparison
- Conclusion



# Cargo Volume

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- Container volume peaked in FY 2007
- Container volume decreased 22% in FY 2009 compared with FY2008
- Container volume increased 6% in the first nine months of FY 2010



# Operating Revenue

- Operating revenue increased 2% in the first nine months of FY2010
- Intermodal competition putting pressure on margins
  - Pacific Northwest
  - East Coast
  - Panama Canal in 2014

# Uses of Funds (Expenditures)

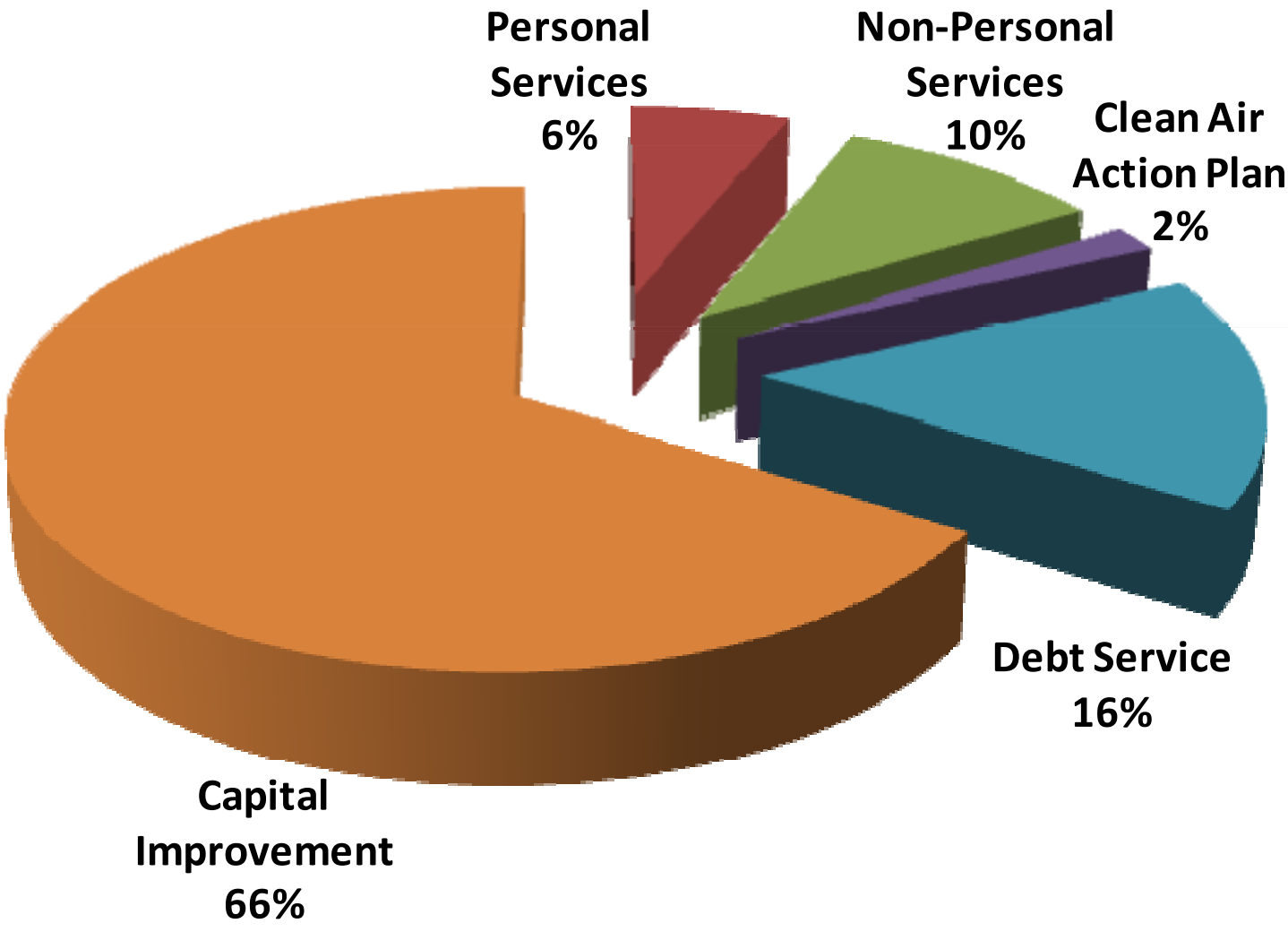
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## Expenditure Assumptions

- Total budget of $716 million is 19% lower than current year's budget
- Staffing level unchanged at 475
- Operating expenses reduced 12.3%
- Port cost for Fire, Police and other City services over $23 million

| (thousands of dollars) | FY 2011 Budget | FY 2010 Budget |
|---|---|---|
| 1. Personal Services | 43,488 | 42,732 |
| 2. Non-personal Expenditures | | |
| a. Port Operations | 35,497 | 40,471 |
| b. Oil Expenditures | - | 28,181 |
| c. Interdepartmental Charges | 23,155 | 22,782 |
| d. Tidelands Transfers | 24,424 | 16,084 |
| Total Non-personal | 83,075 | 107,518 |
| 3. Clean Air Action Plan | 13,146 | 27,243 |
| 4. Debt Principal & Interest | 112,136 | 331,718 |
| 5. Capital Improvements | 464,064 | 371,764 |
| **Total Budgeted Expenditures** | **715,909** | **880,975** |

# Uses of Funds



# Sources of Funds (Funds Available)

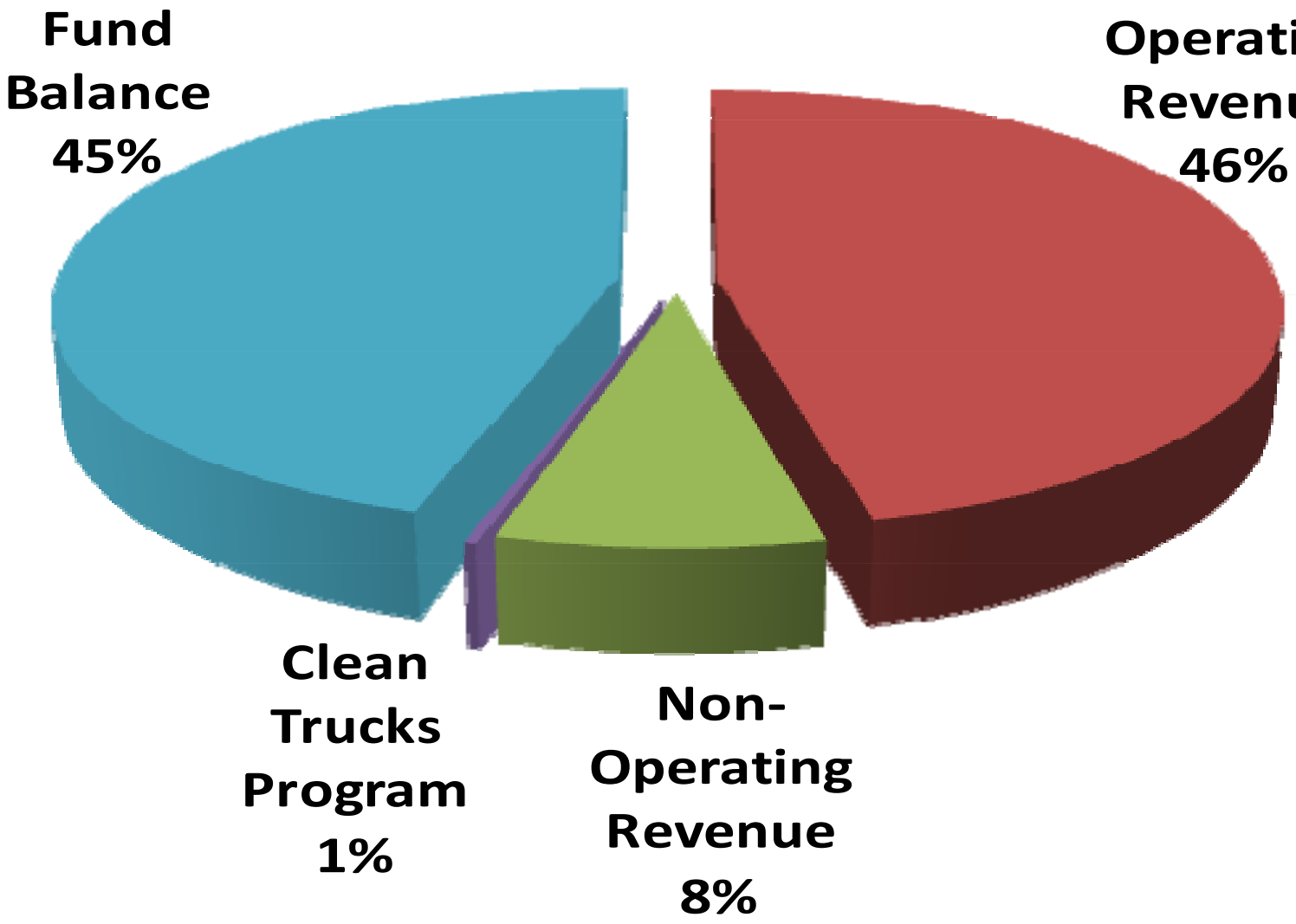
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## Revenue Assumptions

- Operating Revenue 4.3% over FY10 estimate
- Oil budgeted at $45/bbl (Gas & Oil); y-t-d average $72/bbl
- Oil budgeted as net revenue in FY11 and gross revenue in FY10
- No plan to borrow in FY11

| (thousands of dollars) | FY 2011 Budget | FY 2010 Budget |
|---|---|---|
| 1. Revenues for Fiscal Year | | |
| a. Operating Revenues | 331,417 | 307,375 |
| b. Clean Trucks Program | 2,200 | 13,948 |
| c. Non-Operating Revenues | | |
| Oil Revenues | 3,397 | 30,310 |
| Interest Income | 6,000 | 14,500 |
| Other Agencies & Equity | 49,667 | 71,868 |
| | 59,064 | 116,678 |
| **Total Revenue** | 392,681 | 438,001 |
| 2. Bond Issuance (refunding) | - | 230,000 |
| 3. Fund Balance | 323,227 | 212,974 |
| **Total Budgeted Funds Available** | **715,909** | **880,975** |

# Sources of Funds



# Environmental Stewardship

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| | | |
|---|---|---|
| Environmental Operating Budget | $ | 3,984,000 |
| Clean Air Action Plan | $ | 13,146,000 |
| Middle Harbor Mitigation | $ | 14,000,000 |
| Environmental Remediation | $ | 1,000,000 |
| Shore-to-Ship Power "Cold Ironing" | $ | 21,233,000 |
| Green Flag Incentive Program | $ | 4,100,000 |
| Wetlands Mitigation | $ | 10,000,000 |
| Automated Transportation Messaging | $ | 3,000,000 |
| Miscellaneous | $ | 600,000 |
| **Total Environmental Expenditures** | **$** | **71,063,000** |

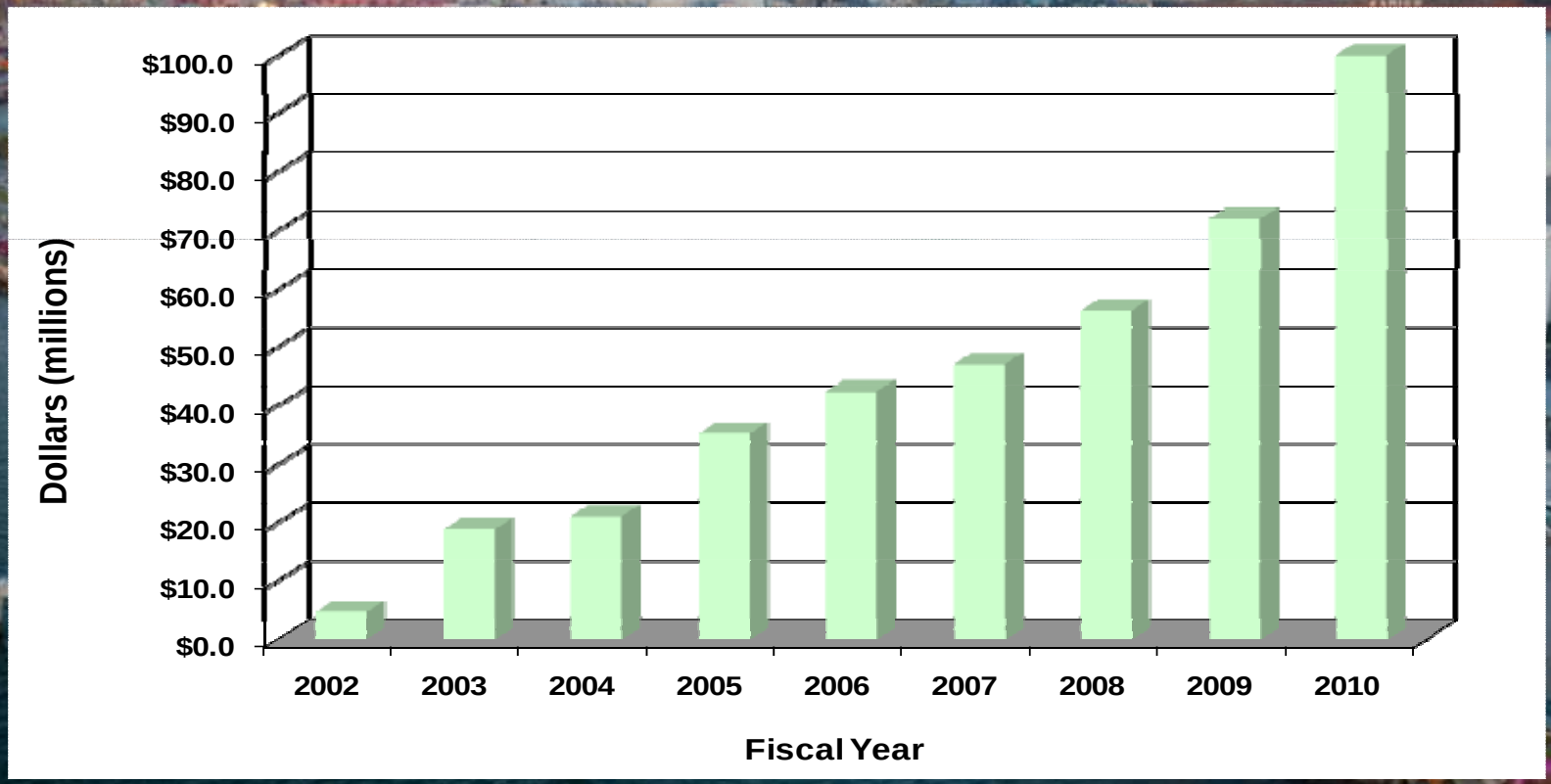
# Safety & Security

| | |
|---|---|
| Security Operating Budget | 8,779,000 |
| Fire Department Services | 13,115,000 |
| Police Department Services | 5,288,000 |
| Fiber Optic Network | 6,150,000 |
| Bridge/Rail Cameras | 1,800,000 |
| New Fire Stations/Fire Boats | 3,956,000 |
| Port Security Grant Program | 2,388,000 |
| Physical Security Enhancement | 3,200,000 |
| Virtual Port | 3,000,000 |
| Miscellaneous | 8,639,000 |
| **Total Safety and Security Expenditures** | **56,315,000** |

Grant Funding Budgeted at $46,000,000

# Security Grants Awarded

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# Tidelands Transfers

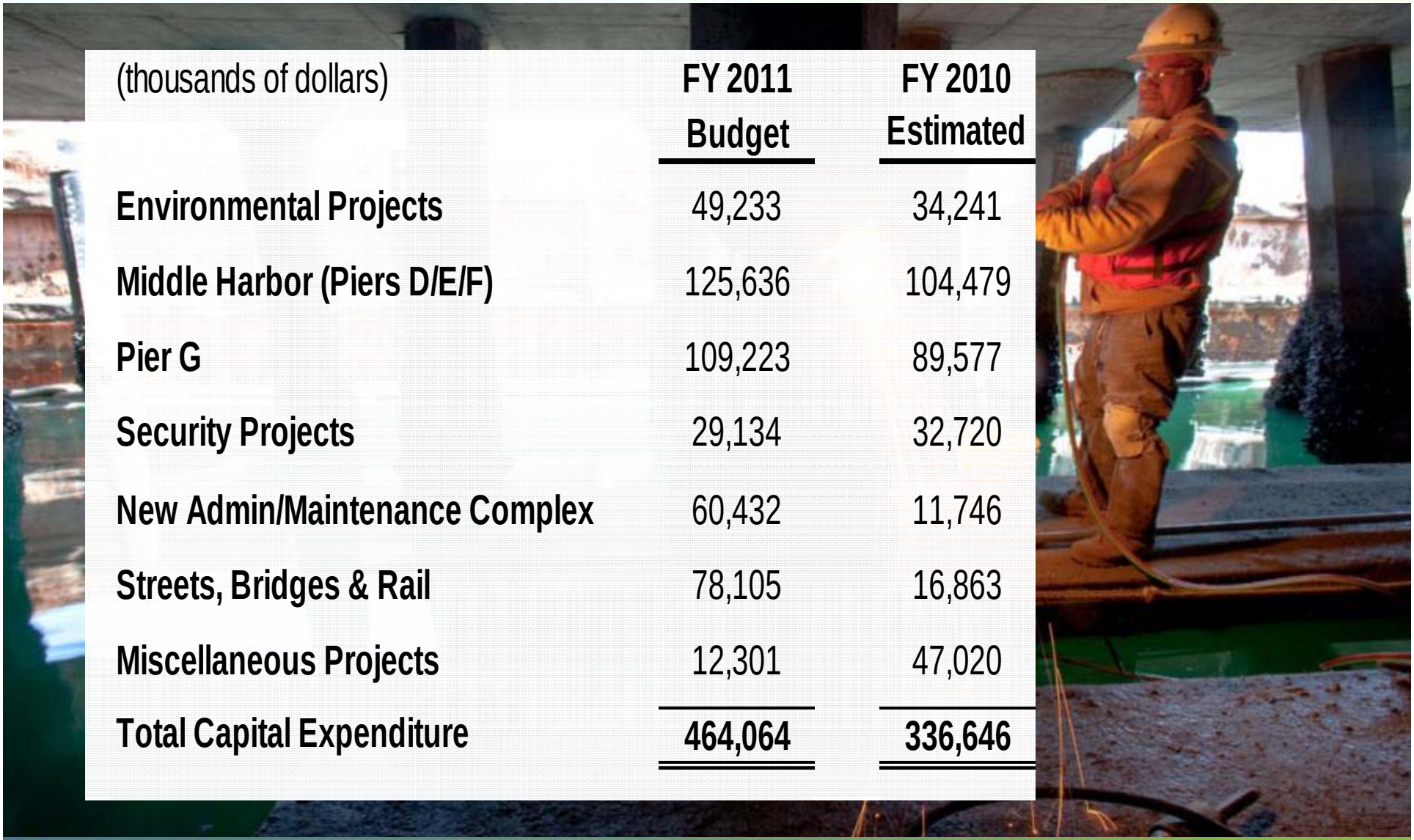
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Tidelands transfers to support City servi
and waterfront areas:

- $24.4 million budgeted for FY 2011 (one-ti
transfers)
- $16.1 million in FY 2010
- $170 million will have been transferred sinc

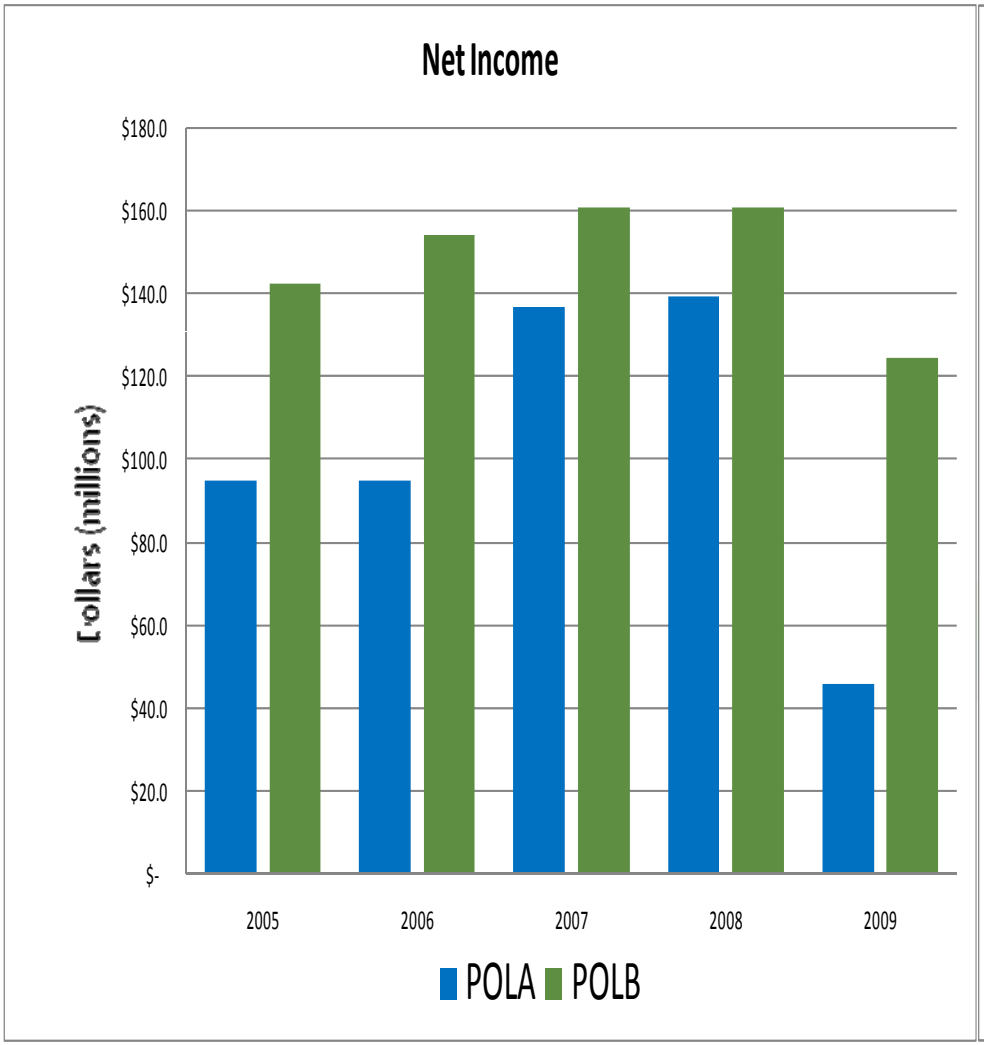
# Capital Improvements

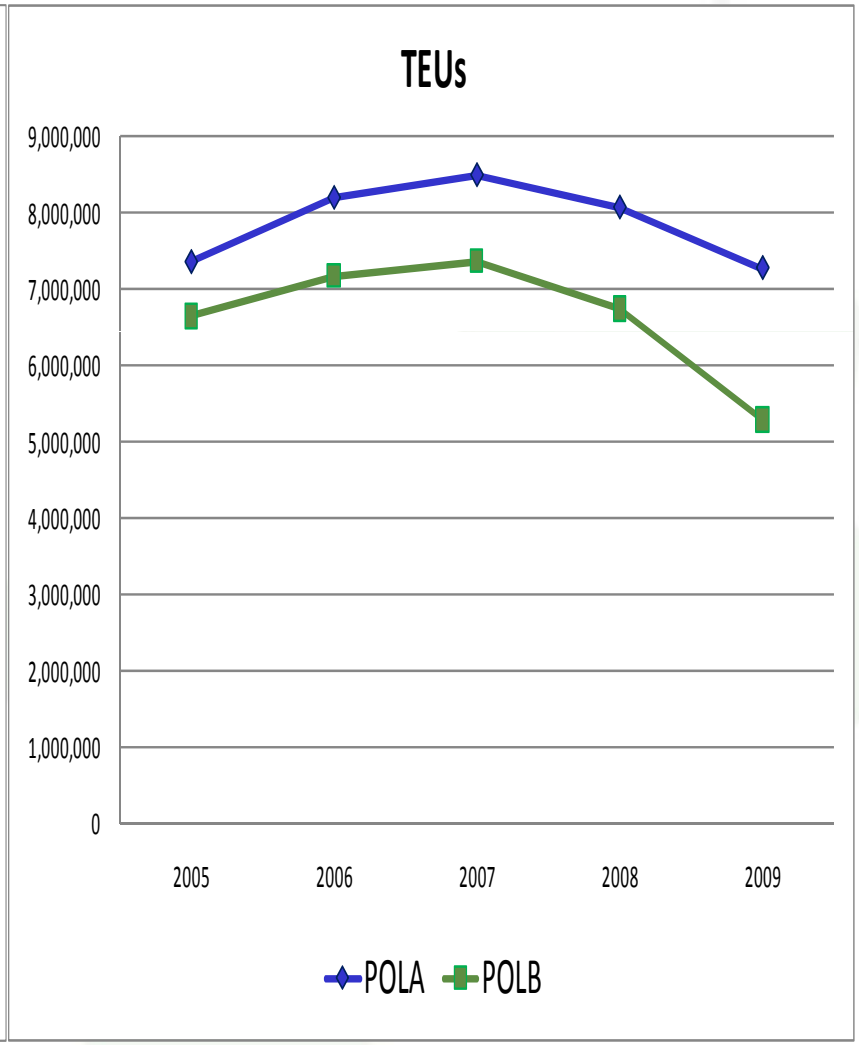
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| (thousands of dollars) | FY 2011 Budget | FY 2010 Estimated |
|---|---|---|
| **Environmental Projects** | 49,233 | 34,241 |
| **Middle Harbor (Piers D/E/F)** | 125,636 | 104,479 |
| **Pier G** | 109,223 | 89,577 |
| **Security Projects** | 29,134 | 32,720 |
| **New Admin/Maintenance Complex** | 60,432 | 11,746 |
| **Streets, Bridges & Rail** | 78,105 | 16,863 |
| **Miscellaneous Projects** | 12,301 | 47,020 |
| **Total Capital Expenditure** | **464,064** | **336,646** |

# Income Comparison with POLA



# Conclusion

- The Port remains a vital economic engine of the City of Long Beach and the State of California
- FY 2011 budget supports an estimated 4000 new regional jobs
- Port operations are run efficiently in a safe and secure manner
- The Harbor Commission continues its strong commitment to the environment
- Modernization of the Port is crucial to maintaining competitive position