



Commissioners Approve \$474 Million Budget

Port spending plan boosts environmental, community commitments

July 24, 2006

The Long Beach Board of Harbor Commissioners on Monday, July 24, approved a \$474 million spending plan that reflects the Port of Long Beach's increased commitment to environmental stewardship, security and community partnerships.

The proposed budget for the 2006-2007 fiscal year (which begins October 1) increases spending by \$63 million, or 15 percent, from the current budget.

Port environmental programs are set to receive about \$90 million of the budget, while \$35 million will be allocated to enhance security. The budget also includes the Port's largest transfer in its history, \$14.2 million, to the City of Long Beach tidelands fund to pay for marina and beach programs.

Port officials said the budget is designed to further Port goals outlined in the 10-year Strategic Plan adopted in March, the Port's 2005 Green Port Policy and the recently released San Pedro Bay Ports Clean Air Action Plan.

"Our programs and policies all work cohesively to establish a clear direction for the Port – one of strong environmental stewardship, economic vitality and community responsibility," said Harbor Commission President James C. Hankla. "This budget will help the Port move even further toward those worthwhile goals."

Environmental initiatives are a key focus of the budget, which includes nearly \$90 million toward various environmental programs. The budget sets aside an additional \$20 million for clean-truck replacement programs under the Clean Air Action Plan. The \$20 million in 2007 will be the first part of a \$181 million, five-year commitment by the Port.

Specific Port environmental programs funded in the budget include shoreside electricity ("cold-ironing") projects, soil cleanup efforts, increased use of alternative fuel vehicles, installation of real-time air monitoring stations, storm water management upgrades, truck trip reduction programs, vessel speed reduction incentive financing and various sustainability initiatives.

As in previous years, the Port will pay the City of Long Beach for police and fire support services and make a transfer to the Tidelands Operating Fund. In a separate action Monday, Commissioners approved a \$14.2 million transfer to the

tidelands fund -- a record sum -- which will support beach and marina programs. Since 1995 the Port has provided more than \$84 million to the tidelands fund.

The Port budget also includes a separate, \$1 million fund to support community events educational and outreach programs, scholarships and sponsorships.

Operating revenues, mostly from the Port's terminal leases, are expected to increase by 5 percent over the previous fiscal year, to \$375.3 million, primarily because of increases in container cargo trade. Operating expenditures for 2007 are expected to increase by 39 percent to \$269.7 million. The capital project budget is \$205 million, a 6 percent decrease from last year.

The Port of Long Beach, which is managed by the City of Long Beach, does not receive any city taxes to operate. Port operations are supported by revenue from terminal leases and fees charged to private terminal operators and shipping lines. Port-related trade generates nearly \$5 billion a year in local, state and general federal taxes.

The budget goes next to the Long Beach City Council for final approval.

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