

MINUTE ITEM

27. APPLICATION OF THE CITY OF LONG BEACH TO USE ITS TIDELAND REVENUES FOR MAINTENANCE AND OPERATION OF TIDELAND BEACH AREAS AND FACILITIES DURING THE 1962-63 FISCAL YEAR - L.B.W.O. 10,162.

After consideration of Calendar Item 18 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE COMMISSION GIVES PRIOR APPROVAL TO THE COSTS DISBURSED BY THE CITY OF LONG BEACH FOR OPERATION AND MAINTENANCE OF TIDELAND BEACH AREAS AND FACILITIES IN THE 1962-63 FISCAL YEAR ENDING JUNE 30, 1963, FROM THE CITY'S SHARE OF TIDELAND OIL REVENUES, WITH A TIME LIMITATION OF OCTOBER 31, 1963, FOR DRAWING FROM THE TIDELAND OIL FUND ACCOUNT TO REIMBURSE CITY DEPARTMENTAL ACCOUNTS FOR SAID DISBURSEMENTS IN THE TOTAL AGGREGATE OF \$1,111,925 AS SET FORTH IN ATTACHED EXHIBIT "A"; ALL COSTS CONCERNED HEREIN SUBJECT TO THE CONDITION THAT THE AMOUNTS, IF ANY, TO BE ALLOWED AS EXPENDITURES FROM TIDELAND TRUST FUNDS WILL BE DETERMINED BY THE COMMISSION UPON REVIEW AND FINAL AUDIT SUBSEQUENT TO COMPLETION OF SUCH WORK DURING THE 1962-63 FISCAL YEAR.

Attachment
Calendar Item 18 (6 pages)

CALENDAR ITEM

18.

APPLICATION OF THE CITY OF LONG BEACH TO USE ITS TIDELAND REVENUES FOR MAINTENANCE AND OPERATION OF TIDELAND BEACH AREAS AND FACILITIES DURING THE 1962-63 FISCAL YEAR - L.B.W.O. 10,162.

On April 30, 1962, the City of Long Beach, through the office of its City Attorney, submitted a request to the State Lands Commission for approval of the expenditure of a portion of the City's share of tideland revenues for the maintenance and operation of tideland beach areas and facilities during the 1962-63 fiscal year. Subsequently, discussions were held between representatives of the legal, accounting, and operating staffs of the City and the State. The amount of proposed expenditures for which approval is requested is \$1,345,342.00, which includes work by:

1. Public Service Department - for Beach Cleaning and Maintenance, Maintenance of Beach Comfort Stations, Maintenance of Lifeguard Stations and Facilities, Miscellaneous Tideland Maintenance Costs consisting of Maintenance of Sewer Pump Stations, Piers and Structures, Beach Parking Lots, Beach Recreational Facilities, Beach Park Areas, and Miscellaneous Beach Facilities, Operation of Beach Comfort Stations, Maintenance and Operation of Auditorium Facilities, and Maintenance and Operation of Arena Facilities.	\$ 308,750.00
2. Park Department - for Maintenance of Beach Landscape Park Areas and Auditorium Landscape Area.	56,600.00
3. Engineering Department - for Engineering Services and Minor Construction Projects.	5,000.00
4. Marine Department - for Lifeguard Service and Departmental Administration.	301,350.00
5. Police Department for Traffic Control of Summer Beach Facilities and Summer Beach Patrol, Police Boat Patrol of Canals and Bay Areas.	53,475.00
6. Health Department - for Sampling Beach Water.	9,500.00
7. Auditorium - Stadium Department - for the Maintenance and Operation of the Long Beach Arena and the Auditorium.	<u>610,667.00</u>
Total	\$ 1,345,342.00

In Formal Opinion No. 59/125, dated June 17, 1959, the Office of the Attorney General advised the State Lands Commission as follows: "The City of Long Beach may properly use its tideland oil income to maintain and operate public beaches on its granted tidelands. A public beach is a public park and the use of the Long Beach granted tidelands for purposes of a public park thereon

CALENDAR ITEM 18. (CONT'D.)

is a proper trust use and purpose and a matter of State-wide interest. However, tideland trust income may be used by the City to finance maintenance and operation only of public beaches on tidelands. General municipal funds may be utilized by the City to maintain and operate that part of the public beaches located on uplands or lands municipally owned by the City free of the tidelands trust."

With respect to the propriety of using tideland monies for the operation and maintenance of facilities located on tidelands or existing for the purpose of promoting the use of tidelands for trust purposes, the Attorney General advises, in informal opinion dated June 6, 1960, that such costs may be considered a proper trust purpose where it can be shown that they are a special charge related to maintenance of tideland beaches and are not a general municipal service. Applying these principles, it has been concluded that those items designated as Miscellaneous Tideland Maintenance Costs, including maintenance of sewer pump stations, piers and structures, beach parking lots, beach recreational facilities, beach park areas and miscellaneous beach facilities, Operation of Beach Comfort Stations, and Maintenance and Operation of Arena Facilities, are a proper charge, although the costs are subject to allocation if partial uplands use or benefit is determined.

With respect to the propriety of using tideland monies for Police Department and Health Department expenses, the Attorney General advised, in informal opinion dated June 27, 1961, that Police Department expenses may be approved provided the City can show that these are attributable to and necessitated by the tideland beaches, and that Health Department expenses in connection with water testing may also be approved provided that such tests are made in areas subject to the trust or are made solely or primarily for the protection of such areas.

In a communication dated June 1, 1962, the Office of the Attorney General advised the State Lands Commission as follows: "Upon the basis of the enumerated events to be held at the Auditorium during the coming Fiscal Year, it is our opinion that we should not recommend Commission approval of expenditure of trust moneys for the maintenance and operation of that facility." Therefore, it is concluded that the expenses of the Public Service Department for maintenance and operation of Auditorium facilities of the Park Department for maintenance of Auditorium landscape area, and of the Auditorium-Stadium Department for the operation and maintenance of the Auditorium are not a proper charge.

With respect to the propriety of using tideland monies for the operation and maintenance of the Long Beach Arena, formerly designated as Convention and Exhibit Hall, the Attorney General advised, in informal opinion dated June 27, 1961, that the Commission may approve such expenditures only to the extent that they are properly attributable to uses for trust purposes. Relative to the amount of expenditures as set forth in the attached Exhibit "A" in connection with the maintenance and operation of the Long Beach Arena, the following is understood:

CALENDAR ITEM 18. (CONTD.)

1. The Commission approves the expenditure of trust funds to defray general expenses of maintaining and operating the Arena, which expenses are not specifically attributable to any particular event.
2. The Commission approves the expenditure of trust moneys to defray expenses specifically allocable to events which, as determined by the State Land Commission, serve to promote commerce and navigation conducted by and through the Port of Long Beach.
3. The aforesaid approvals shall not include expenses specifically allocable to events which, as determined by the State Lands Commission, do not serve to promote commerce and navigation conducted by or through the Port.

It is understood by the Division that all revenues from the Arena will be credited to the trust except where the City has defrayed expenses in category "3" above out of general City revenues and specific amounts are earmarked by the tenant to repay such expenses. A fair basic rental will be charged. Earmarked charges for specific costs to be paid to the City will be over and above this basic rental.

The initial allocation to the Arena of 45% of total personnel expenditures to be made in connection with the Arena, the Auditorium and the Stadium, as well as any other allocation contained in the City's estimates of expenditures, is tentative and subject to revision upon analysis by the staff of the State Lands Division and approval of such modification by the Commission.

During the course of current and past review, it has been found difficult properly to evaluate an event merely on the basis of its designation without further specifications to its relation to trust purposes. Therefore, in connection with the events to be held at the Arena during the coming year, the City Attorney should furnish in advance to the Division a specification of those events which, in his opinion, will serve to promote commerce and navigation conducted by or through the Port, and, in connection therewith, the basis of his opinion. The staff will then be able to determine and inform the City in advance as to the accounting category which can be allowed.

Since disbursements for the beach services are made directly from City departmental accounts, with charges later transferred to the Tideland Oil Fund Account, the City has requested an extension of time to accomplish such transfers as they are related to the 1962-63 fiscal year costs. In agreement with past Commission action, the staff recommends approval conditioned upon the disbursements being made prior to July 1, 1963, and the account transfers relating to the Tideland Fund being accomplished by October 31, 1963.

IT IS RECOMMENDED THAT THE COMMISSION GIVE PRIOR APPROVAL TO THE COSTS DISBURSED BY THE CITY OF LONG BEACH FOR OPERATION AND MAINTENANCE OF TIDELAND BEACH AREAS AND FACILITIES IN THE 1962-63 FISCAL YEAR ENDING JUNE 30, 1963, FROM THE CITY'S SHARE OF TIDELAND OIL REVENUES, WITH A TIME LIMITATION OF

CALENDAR ITEM 18. (CONTD.)

OCTOBER 31, 1963, FOR DRAWING FROM THE TIDELAND OIL FUND ACCOUNT TO REIMBURSE CITY DEPARTMENTAL ACCOUNTS FOR SAID DISBURSEMENT IN THE TOTAL AGGREGATE OF \$1,111,925 AS SET FORTH IN ATTACHED EXHIBIT "A"; ALL COSTS CONCERNED HEREIN SUBJECT TO THE CONDITION THAT THE AMOUNTS, IF ANY, TO BE ALLOWED AS EXPENDITURES FROM TIDELAND TRUST FUNDS WILL BE DETERMINED BY THE COMMISSION UPON REVIEW AND FINAL AUDIT SUBSEQUENT TO COMPLETION OF SUCH WORK DURING THE 1962-63 FISCAL YEAR.

Attachment
Exhibit "A"

EXHIBIT "A"

APPLICATION FOR APPROVAL TO EXPEND TIDELAND OIL REVENUES ON
MAINTENANCE AND OPERATIONS OF TIDELAND BEACH AREAS AND
FACILITIES DURING 1962-63 FISCAL YEAR

Public Service Department

Beach Cleaning and Maintenance		\$ 165,200
Maintenance of Beach Comfort Stations		15,100
Maintenance of Lifeguard Stations and Facilities		8,700
Miscellaneous Tideland Maintenance Costs		
Maintenance of Sewer Pump Stations	14,000	
Maintenance of Piers and Structures	10,200	
Maintenance of Beach Parking Lots	4,400	
Maintenance of Beach Recreational Facilities	11,500	
Maintenance of Beach Park Areas	1,050	
Maintenance of Miscellaneous Beach Facilities	1,500	
	Total	42,650
Operation of Beach Comfort Stations		53,500
Maintenance and Operation of Arena Facilities		12,000
		\$ 297,150

Park Department

Maintenance of Beach Landscape Park Areas		48,800
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Engineering Department

Engineering Services and Minor Construction Projects		5,000
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Marine Department

Lifeguard Service and Departmental Administration		301,350
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Police Department

Traffic Control of Summer Beach Facilities and Summer Beach Patrol	24,775	
Police Boat Patrol of Canal and Bay Areas	28,700	
		53,475
	Total - Police Department	

EXHIBIT "A" (CONTD.)Health Department

Sampling Beach Water	\$ 9,500
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Auditorium-Stadium Department

(All costs hereunder are for maintenance and operation of the Long Beach Arena, previously identified as the Convention and Exhibit Hall.)

<u>Personal Services Budget</u>	\$ 253,059
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Regular Salaries and Wages	
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Overtime	
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Seasonal	
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<u>Non-Personal Expense Budget</u>	143,591
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Utility Services	
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Light and Power	
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Telephone and Telegraph	
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Equipment Rental and Transportation	
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Repair and Maintenance Service	
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General Office Expense	
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Advertising	
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Material and Supplies	
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Building Materials	
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Parts for Mach. and Equip.	
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Rock and Mineral Products	
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Radio and Elec. Supplies	
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Plumbing Materials and Supplies	
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Paint and Painting Supplies	
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Medical Supplies	
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Janitorial Supplies	
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Small Tools and Implements	
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Miscellaneous Expense	
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Travel and Entertainment	
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Retirement and O.A.S.I.	
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Insurance	
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Employees Health and Welfare Plan	
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Total - Auditorium Stadium Department	<u>396,650</u>
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Total	\$ 1,111,925
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