

MINUTE ITEM

31. APPLICATION OF THE CITY OF LONG BEACH TO USE ITS SHARE OF TIDELAND OIL REVENUES FOR MAINTENANCE AND OPERATION OF TIDELAND BEACH AREAS AND FACILITIES DURING THE 1963-64 FISCAL YEAR - L.B.W.O. 10,174.

After consideration of Calendar Item 33 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 1963-64 FISCAL YEAR ENDING JUNE 30, 1964, FROM THE CITY'S SHARE OF TIDELAND OIL REVENUES, WITH A TIME LIMITATION OF OCTOBER 31, 1964, FOR DRAWING FROM THE TIDELAND OIL FUND ACCOUNT TO REIMBURSE CITY DEPARTMENTAL ACCOUNTS FOR SAID DISBURSEMENTS IN THE TOTAL AGGREGATE OF \$1,148,731 AS SET FORTH IN ATTACHED EXHIBIT "A"; ALL COSTS CONCERNED HEREIN ARE 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 1963-64 FISCAL YEAR.

ALSO, IN VIEW OF THE PRELIMINARY AND INCOMPLETE ANSWER TO THE REQUESTS FOR ADDITIONAL NECESSARY INFORMATION, THE APPROVAL OF THE COMMISSION FOR COSTS OF ARENA OPERATION AND MAINTENANCE IS CONDITIONED UPON THE FURNISHING BY LONG BEACH, ON OR BEFORE AUGUST 1, 1963, OF PROPOSED ACCOUNTING AND OTHER PROCEDURES, AS PREVIOUSLY SET FORTH IN THE MINUTES OF THE COMMISSION DATED JUNE 28, 1962, AND AS SET FORTH IN EXHIBIT "B" ATTACHED HERETO, WHICH PROCEDURES SHALL CONFORM TO THE OUTLINES AS REVIEWED BY THE ATTORNEY GENERAL AS BEING LEGALLY ACCEPTABLE AND IN ACCORDANCE WITH THE PROVISIONS OF CHAPTER 29, STATUTES OF 1956, 1ST E.S.

Attachment

Calendar Item 33 (7 pages)

CALENDAR ITEM

33.

APPLICATION OF THE CITY OF LONG BEACH TO USE ITS SHARE OF TIDELAND OIL REVENUES FOR MAINTENANCE AND OPERATION OF TIDELAND BEACH AREAS AND FACILITIES DURING THE 1963-64 FISCAL YEAR - L.B.W.O. 10,174.

On April 10, 1963, 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 \$1,148,731 of the City's share of tideland revenues for the maintenance and operation of tideland beach areas and facilities during the 1963-64 fiscal year, 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 Arena Facilities.	\$ 297,174.00
2. Park Department - for Maintenance of Beach Landscaped Park Areas and Arena Parking Lots.	67,681.00
3. Engineering Department - for Engineering Services and Minor Construction Projects.	5,125.00
4. Marine Department - for Lifeguard Service and Departmental Administration.	325,233.00
5. Police Department - for Traffic Control of Summer Beach Facilities and Summer Beach Patrol, Police Boat Patrol of Canals and Bay Areas.	47,048.00
6. Health Department - for Sampling Beach Water	10,250.00
7. Automotive Division - for Beach Equipment Maintenance	5,105.00
8. Auditorium - Stadium Department - for the Maintenance and Operation of the Long Beach Arena	<u>391,115.00</u>
Total	\$ 1,148,731.00

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 is a proper trust use and purpose and a matter of State-wide interest. However,

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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."

The Attorney General has advised, in an informal opinion dated June 6, 1960, 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, 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.

The propriety of using tideland monies for Police Department and Health Department expenses has been discussed by the Attorney General in an informal opinion dated June 27, 1961, stating 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.

The use of tideland monies for the operation and maintenance of the Long Beach Arena, formerly designated as Convention and Exhibit Hall, has been considered by the Attorney General in an informal opinion dated June 27, 1961, stating that the Commission may approve such expenditures only to the extent that they are properly attributable to uses for trust purposes. Action was taken relative to the amount of expenditures, procedures, and accounting methods in connection with the maintenance and operation of the Long Beach Arena by the Commission and incorporated into the minutes of its meeting of June 28, 1962, consistent with attached Exhibit "B".

Disbursements for beach services are made directly from City departmental accounts, with charges later transferred to the Tideland Oil Fund Account, and the City has requested an extension of time to accomplish such transfers related to the 1963-64 fiscal-year costs. In consonance with past Commission action, the staff recommends approval conditioned upon the disbursements being made prior to July 1, 1964, and the account transfers relating to the Tideland Fund being accomplished by October 31, 1964.

On May 27, 1963, the staff addressed a letter to the City Attorney, copy attached, requesting additional information with respect to the portion of the City's application relating to arena operation and asking specifically for a breakdown of requested costs into categories 1, 2, and 3, as outlined

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in the minutes of the Commission dated June 28, 1962, and in Exhibit "B" attached hereto. By letter dated June 3, 1963, copy attached, the City Attorney replied, stating a position only on the current year's accounting systems and procedures at the arena, which position, in the opinion of the staff, appears to be in contradistinction to the conditions placed upon the approvals by the Commission at their meeting of June 28, 1962, and ignores the staff's reference to said minutes.

1.1 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 1963-64 FISCAL YEAR ENDING JUNE 30, 1964, FROM THE CITY'S SHARE OF TIDELAND OIL REVENUES, WITH A TIME LIMITATION OF OCTOBER 31, 1964, FOR DRAWING FROM THE TIDELAND OIL FUND ACCOUNT TO REIMBURSE CITY DEPARTMENTAL ACCOUNTS FOR SAID DISBURSEMENTS IN THE TOTAL AGGREGATE OF \$1,148,731 AS SET FORTH IN ATTACHED EXHIBIT "A"; ALL COSTS CONCERNED HERET 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 1963-64 FISCAL YEAR.

IT IS ALSO RECOMMENDED THAT IN VIEW OF THE PRELIMINARY AND INCOMPLETE ANSWER TO THE REQUESTS FOR ADDITIONAL NECESSARY INFORMATION, THE APPROVAL OF THE COMMISSION FOR COSTS OF ARENA OPERATION AND MAINTENANCE BE CONDITIONED UPON THE FURNISHING BY LONG BEACH, ON OR BEFORE AUGUST 1, 1963, OF PROPOSED ACCOUNTING AND OTHER PROCEDURES, AS PREVIOUSLY SET FORTH IN THE MINUTES OF THE COMMISSION DATED JUNE 28, 1962, AND AS SET FORTH IN EXHIBIT "B" ATTACHED HERETO, WHICH PROCEDURES SHALL CONFORM TO THE OUTLINES AS REVIEWED BY THE ATTORNEY GENERAL AS BEING LEGALLY ACCEPTABLE AND IN ACCORDANCE WITH THE PROVISIONS OF CHAPTER 29, STATUTES OF 1956, 197 E.S.

Attachments:

Exhibits "A" and "B"

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EXHIBIT "A"

APPLICATION FOR APPROVAL TO EXPEND TIDELAND OIL REVENUES ON  
MAINTENANCE AND OPERATIONS OF TIDELAND BEACH AREAS AND  
FACILITIES DURING 1963-64 FISCAL YEAR

Public Service Department

Beach Cleaning and Maintenance		\$ 158,750
Maintenance of Beach Comfort Stations		8,200
Maintenance of Lifeguard Stations & Facilities		6,765
Miscellaneous Tideland Maintenance Costs		
Maintenance of Sewer Pump Stations	\$ 13,838	
Maintenance of Piers and Structures	6,970	
Maintenance of Beach Parking Lots	6,970	
Maintenance of Beach Recreational Facilities	15,929	
Maintenance of Beach Park Areas	1,076	
Maintenance of Miscellaneous Beach Facilities	<u>4,613</u>	
	Total	\$ 49,396
Operation of Beach Comfort Stations		48,688
Maintenance and Operation of Arena Facilities		<u>15,375</u>
	Total - Public Service Department	\$ 297,174

Park Department

Maintenance of Beach Landscape Park Areas	\$ 62,115	
Maintenance of Arena Parking Lots	<u>5,566</u>	
	Total - Park Department	\$ 67,681

Engineering Department

Engineering Services and Minor Construction Projects		5,125
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Marine Department

Lifeguard Service and Departmental Administration		325,233
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EXHIBIT "A" (CONTD.)Police DepartmentTraffic Control of Summer Beach Facilities  
and Summer Beach Patrol

\$ 29,623

Police Boat Patrol of Canal and Bay Areas

17,425

Total - Police Department

\$ 47,048

Health Department

Sampling Beach Water

10,250

Automotive Division

Beach Equipment Maintenance

5,105

Auditorium-Stadium Department(All costs hereunder are for maintenance  
and operation of the Long Beach Arena,  
previously identified as the Convention  
and Exhibit Hall.)Personal Services Budget

\$ 229,388

Regular Salaries and Wages

Overtime

Seasonal

Non-Personal Expense Budget

161,727

Utility Services

Light and Power

Telephone and Telegraph

Equipment Rental and Transportation

Repair and Maintenance Service

General Office Expense

Advertising

Material and Supplies

Building Materials

Parts for Mach. and Equip.

Rock and Mineral Products

Radio and Elec. Supplies

Plumbing Materials and Supplies

Paint and Painting Supplies

Medical Supplies

Janitorial Supplies

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EXHIBIT "A" (CONTD.)

Non-Personal Expense Budget (contd.)

Small Tools and Implements	
Miscellaneous Expense	
Travel and Entertainment	
Retirement and O.A.S.I.	
Insurance	
Employees Health and Welfare Plan	
Total - Auditorium Stadium Department	<u>391,115</u>
Total	\$ 1,148,731

EXHIBIT "B"

PROCEDURES AND ACCOUNTING METHODS FOR USE  
IN THE MAINTENANCE AND OPERATION OF THE LONG BEACH ARENA

Expenditures for operation and maintenance are approved by the Commission only to the extent that they are properly attributable to uses for trust purposes.

The procedures and accounting methods with respect to the operation and maintenance of the arena shall include the following:

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 Lands 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 Commission 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 60% 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 shall 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.