EXHIBIT A

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Understanding Long Beach Measure D On The November 2 Ballot

For Voters, Measure D May Come Down To A Simple Question: Who Do You Trust?

■ By George Economides
Publisher's Perspective

Reading the argument in favor of Long Beach Measure D on the November 2 ballot leaves one with the impression that the item seems clear cut. How can a voter not support it when the opening paragraph of the argument reads: "A yes vote on Measure D creates a more transparent, fair and reliable funding method for the Harbor Department (Port of Long Beach) to help keep our coastal areas clean and safe."

Further justification to support it is that the argument is signed by the mayor, city auditor and a councilperson – individuals whom voters would expect they could trust to give them the truth and the whole story.

Why then are so many people avoiding talking publicly, on the record, about Measure D? Current and former harbor commissioners, port staff, elected officials and others are ignoring phone calls from the Business Journal, or, if they do call back, explain they are unwilling or unable to comment. Some people have shared that they do business with the city and don't want to risk losing a contract, or that they "don't want to be on the wrong side of . . . "

Also relevant is that, despite numerous groups and individuals voicing their opposition – off the record – to the Business Journal, no argument against Measure D was filed. Long Beach voters, therefore, will only have one side's version when they receive their ballot in the mail next month.

A spokesperson for one group, who, of course, did not want to be identified, said, "The way the city presented everything, so last-second, so rushed – the city attorney was making changes to the measure during the council meeting – they didn't allow opponents any time to get together and discuss the issue, let alone time to write a ballot argument. It was really heavy-handed."

It's a troublesome situation when voters are not presented both sides of an issue, thus allowing them to make an informed decision. It is especially disturbing when there appears to be an effort to squash discussion.

Measure D *is* an important issue that deserves airing. It's a trend-setting issue that could draw the ire of Sacramento and is certain to draw the attention of port clients. In the end for voters, Measure D may come down to a simple question: Who do you trust?

What's Measure D?

One thing certain about Measure D is that it's all about money. Port money, especially port oil money, and how much of it a city that is strapped for cash can get its hands on. By state law, port money transfers can only be used within the tidelands area. (Refer to box below that includes current language from the City Charter regarding the transfer of port funds.)

Per the "impartial analysis of Measure D" by City Attorney Bob Shannon, the item "addresses two separate issues."

One item changes the formula for calculation of the maximum annual transfer of harbor revenues to the Tideland Operating Fund. "Currently the maximum transfer is an amount not to exceed ten percent (10%) of Port net income." That would be changed to "not to exceed five percent (5%) of Port gross operating revenues."

The second item, and where the real money's at, affects port oil operations. "City Charter Article XII removes from the Harbor Commission control, supervision and or jurisdiction as to all lands in the Harbor District used in connection with oil operations," the impartial analysis says. How much money are we talking about? Well, in 2008 the net income, according to a city auditor analysis, was more than $31 million.

The city's elected officials – who are feeling the pressure of a bad economy more than ever as evidenced by their willingness to cut police officers and firefighters in large numbers – seem to be looking for that pot of gold at the end of the rainbow and can't find it. But did they find black gold oil? The September 28 edition of the Business Journal will delve into that part of Measure D. It will also include answers to questions the Business Journal posed to the city attorney's office.

Another certainty is that over the decades, up until Measure D came along, the mayor and city council maintained an arms-length relationship with the port, allowing their own appointed harbor commissioners to run the 400-employee harbor department, providing oversight but little intrusion in the day-to-day operation of the city's number one economic engine.

This "relationship" has worked extremely well. The port continues to be recognized nationally and internationally as a well-run, efficient, professional, business-like operation despite: (1) a worldwide slowdown in goods movement that has cut dramatically into its revenue; (2) stiff competition among West Coast ports as they aim to steal its clients; (3) the imposition of strong environmental requirements to operate here that may chase away some clients to ports not requiring the same high standards (such as Mexico); and, (4) unknown impacts from the 2014 completion of the expansion of the Panama Canal that may result in containers from Asian countries bypassing West Coast ports.

Yes, the port is part of the bigger city family, as is the water department – another entity that is more commission-run (five

water commissioners as there are five harbor commissioners) than city council-run, and which has been lauded for its efficient and innovative operations.

There is something to be said for the argument made by many in and outside of Long Beach that the two best-run operations in the city are those that have an arms-length relationship with the mayor and city council: the harbor and water departments.

Historically, Long Beach city councils have approved the annual budgets of the two departments and then stepped aside. Also of importance to note is that when councilmembers had questions or concerns regarding port operations, port staff and commissioners addressed those issues, publicly, before the city council. (Some past key issues where considerable dialogue occurred before the city council were the re-use of the naval station and shipyard in the early and mid 1990s, the lengthy 2003-2007 debate over a proposed liquified natural gas terminal at the port, and the 2004 discussion regarding the environmental impact report for the expansion of Pier J.)

Another interesting tidbit about a well-run operation: The Port of Long Beach's number one competitor is its neighbor, the Port of Los Angeles. As Port of Long Beach Executive Director Richard Steinke wrote in a June 4, 2010, letter to City Auditor Laura Doud, "The two ports are comparable in size, and have similar customer mix and business models. Therefore, it is pertinent to compare their financial results in any given year. In fiscal 2009, POLB's net income was almost triple that of POLA's [$124,237,000 million for Long Beach and $45,971,000 for Los Angeles.]"

Steinke was providing the "management response" to the "Harbor Department Transfer Analysis Report" completed by Doud's staff at the request of the city council. Interestingly, nowhere in Doud's report is there mention of changing the transfer formula from net income to gross operating revenue.

Putting It On The Ballot

Measure D was placed on the November ballot after a raucous city council meeting August 3 in which two harbor commissioners and industry representatives requested that action be delayed until there was time to meet and discuss the ramifications of the proposal on the harbor department.

A week earlier, July 27, when the full city council sat as the Long Beach Charter Amendment Committee, and was discussing changing the formula for the annual transfer of port revenue to the city – from 10 percent of net revenue to 5 percent of gross revenue – newly seated Councilman James Johnson, and the former deputy city auditor for the city, made the following statement:

"What we have here is competing public policy goals . . . on the one hand, from an audit perspective or accounting perspective, gross makes most sense . . . it's easy, there are no disputes as Mayor [Bob] Foster mentioned, and it's quick and dirty. On the other hand, I think there are a lot of sound public policy reasons for the original net calculation. The reason we have 10 percent of net, it allows the port to do its business to make sure we have the environmental programs we need, to make sure we have the capital projects we need, and then whatever is left over, that additional money excess, or profit in the private sector, the city gets 10 percent, and I think that is the preferable choice if we can trust the calculation is done properly."

Johnson did not attend the August 3 meeting when the vote was taken to place the City Charter change before the voters (he and his wife took a pre-planned vacation). Over a period of several days during the last two weeks, the Business Journal placed numerous calls to Johnson (to his cell phone and to his council office staff), but none were returned. It was confirmed that he was in town.

Two harbor commissioners spoke at the August 3 meeting: President Nick Sramek and Vice President Susan E. Anderson Wise, both long time, active residents of the city.

Sramek went through a lengthy list of financial support the port has provided the city over the years and reiterated the vital role the port plays in the economy and with jobs (one in eight local jobs is port related). "Mayor Foster, why don't you just call me if the city needs help? You know my number. . . . We've always provided you and the city council with whatever you asked for. . . . Last year, the city needed help with the Colorado Lagoon. We jumped on it. Same with the rescue boat. Turned funding around in a few days. . . . Why are you in such a hurry to get these things passed when there's been no discussion on the issues. . . . The changes you are proposing are significant and have not been vetted . . . The commission voted unanimously to oppose any changes."

Wise stated: "I am concerned about what I consider to be the absence of discussion, what the role and the relationship is between the port and the city under the City Charter. I'm concerned that without that discussion there will be unintended consequences." Wise also said that there were changes to the ballot language that day [and, in fact, were going on during the city council meeting] "regarding oil and gas properties . . . I haven't had a chance to review them."

What ensued was what one observer called a good old fashioned whippin' of appointed commissioners never seen before in public. Mayor Foster, City Attorney Bob Shannon, Vice Mayor Suja Lowenthal and several councilmembers took turns lashing out at the commissioners regarding unwarranted pay raises, the "culture" at the port, the fact that reviewing the transfer of port funds was not a new issue, that the port is part of the city, that the city attorney is its legal advisor, that the city auditor had made several attempts to sit down with commissioners, but to no avail, etc., etc. That last item was a major bone of contention for the elected officials, inferring that commissioners intentionally would not sit down with the city auditor after she had requested to meet.

What is foggy here is the timeline. Doud completed the prementioned "Harbor Department Transfer Analysis Report" in late May, with response from port management on June 4. She submitted the report to the mayor and city council on June 15. Since there was no mention of changing the transfer formula in her report, when did that idea surface and who's idea was it between the June 15 report date and the July 27 Long Beach Charter Amendment Committee meeting?

That doesn't leave much of a window for Doud to meet with staff and commissioners, let alone allow time for the port to determine the impact of what might occur with a change in formulas. For example, a September 5 Los Angeles Times headline stated: "Carrying a Heavy Load – Debt payments may make the Alameda Corridor a financial burden on the ports." A drop in the number of containers being shipped via the corridor has affected the corridor's ability to meet its debt obligations. So guess who gets to pick up the tab? The two ports. The article quotes international trade expert John Husing: "This will put pressure on the budgets of the ports at least until this recession is finally over and done with . . ."

Mayor Responds To Commissioners

"I have been a defender of the port because I thought it was the right thing to do," Foster said at the August 3 meeting. "This isn't going to make the port less competitive. This is not about investing in the port. This is about a culture that needs to change, and we

probably have some changing to do on our side.

"This is not an attempt to get more money . . . I believe there should be an arms length relationship between the port and the city. . . . No one is trying to gouge the port. . . . or do anything inappropriate to the port. We're just trying to remove some of the contention that's been a problem in the past.

"The image of the port around the world may be important. I'm sure it's important to the port and everyone else, and may be important even to the port's business conduct, but this isn't about that. This is about the relationship between the city and the port . . . and that relationship needs to be strengthened. This issue is not new. This issue has been around for some time."

Again, that was the mayor on August 3. Last December at a council meeting, during a discussion of port revenue, especially oil field revenues, and the lack of the money in the Tidelands Fund for the upcoming years, his words were quite different. He said the following:

"The issue is how do you get between now and then? How do you fill that three-year gap? We've had a couple of discussions with the port on how that could be done. The have been remarkably cooperative. There is no proposal, but they would like to see if they can craft a way in which they can help with the three-year problem so Tidelands Fund does not go in arrears or upside down as it's called, and in fact can still go forward with the needed projects in that fund.

"I will tell you that despite whatever this port was 15 or 20 years ago, whatever the attitude was or belief that it was, I think the port has shown remarkable cooperation with this city.

"Let's be candid. The reason we aren't having enough revenue from the port is that business is substantially down. We are in a globally competitive market. . . . If you send a signal to the markets out there that you are going to structurally alter something and take more money from the port, that's how it will be perceived. Whatever the reason, whatever the merits, however great it is, it will be viewed by the international business community that this is a less desirable place to do business. That's just the impression it will leave."

At the same meeting, Councilmember Lowenthal, now vice mayor, followed those comments by stating: "That's a wonderful update on the progress of those discussions. I appreciate that and I hope we can continue to move in that direction. I would support working with the port directly and pursuing those options. . . . To increase a percentage of a revenue amount that has decreased or continues to decrease because we drive traffic away, by that I mean business, that would be detrimental not just to the port but to the city. . . . As departments within the city, and we all talk about being one city, these two bodies can work together as opposed to putting forward a structural change that would require a charter amendment. . . . We've been reminded many times that we are the only port that does this, and I certainly think that it is very risky to change that."

The general consensus of those in attendance at the August 3 meeting or watching on television was that, whether one sided with the city's arguments or with the port's arguments, there was no reason for commissioners to be treated as they were. Commissioners, on all city commissions, are citizens who are volunteering their time – often 20 hours or more per week – to hopefully make Long Beach a better place. Many are passionate about their work. If they cannot be independent, then why serve? If they cannot voice their opinion without fear of reprimand, then why serve? If they cannot disagree with our elected officials, then why serve?

Commissioners – or any member of the public, for that matter – should be allowed to disagree with elected officials as long as their comments are respectful and are not personal attacks. On August 3, Commissioners Sramek and Wise should have been thanked for their comments, and their service to the community, and not dressed down and publicly embarrassed. With the votes already committed to place the measure on the ballot, there was no reason for what occurred.

The August 3 meeting was an example of Long Beach government at its worst. Let's hope it doesn't happen again. Let's hope that the thousands of good citizens who volunteer their time to make Long Beach better continue those efforts. To all those who serve the community, be assured that the vast majority of citizens appreciate what you do.

Ballot Language Questioned

Some of the language in the ballot argument seems a bit misleading, or at least exaggerated.

For example, as stated at the beginning of this article, the argument says a yes vote "creates a more transparent, fair and reliable funding method for the Harbor Department . . . " That statement makes it sound as if the current system isn't transparent or fair, or, reading between the lines, that the port staff and commissioners are not providing accurate data. The word "for" makes it appear that the harbor department asked for the changes. It did not. The ballot measure is from the mayor and city council, not from harbor commissioners or the harbor department.

The argument also states: "The Harbor currently uses a complex formula to calculate the level of funding, which varies dramatically from year to year." The current system allows the city council annually to request that the harbor commission transfer 10 percent of the port's net income to the city's Tidelands Fund. That doesn't seem too complicated. Nor does the fact that since 1995, that 10 percent has accounted for more than $150 million in transfers to the city.

Another sentence reads: "The Harbor Department is part of the City of Long Beach, and while their primary mission is to provide a world-class port, they also have a responsibility to the community."

That makes it sound as if harbor commissioners and port staff have been sitting on their thumbs, unwilling to be part of the community. Nothing could be further from the truth. As we show in adjacent charts, the port has been a huge contributor to the community and, in fact, has done far more than any other entity – including the city council – in supporting the arts, charitable events, civic and business organizations, councilmember events, etc. Since January 2008, the harbor commission has approved the distribution of more than $1.5 million to nearly 275 events or activities.

These items do not take into account the really big contributions of the port, such as $90 million for construction of the convention center expansion back in 1994, of which $30 million was granted without expectation of repayment; $24 million for the world trade center development; $2 million to develop Cesar Chavez Park; $2.4 million to assist the housing preservation fund; $5 million for the I-710 environmental impact study, etc. According to port records, it has invested more than $790 million in the City of Long Beach since 1990!

Where would this city be without its port? ■

(See next page for Port Sponsorships)

Port Sponsorships January 2008 To August 2010

In calendar year 2008, harbor commissioners approved nearly $675,000 in donations and sponsorships to support 117 community events – from children's activities to police and hospital golf tournaments to tours of the harbor to luncheons and dinners to special events such as the Grand Prix, Sea Festival, Veterans Day Parade and the Martin Luther King, Jr. Unity Parade.

In calendar 2009, the contributions dropped significantly to $505,715 for 83 events. The donation dollars are expected to fall again this year. Through August, the commissioners have approved $390,955 for 76 events. With fewer requests occurring in the last four months of each year, and with the economy still struggling, port contributions may fall to as low as $475,000 – still a generous contribution.

Harbor commissioners were unwilling to discuss what happens to the contributions if Proposition D is approved by Long Beach voters.

Interestingly, during the year, numerous funding requests come from the offices of Long Beach elected officials for projects in their districts. Here are a few of them:

- Los Angeles River Ride for Suja Lowenthal, 2009, $5,000
- Martin Luther King Parade and Celebration, Dee Andrews, $15,000 over three years
- Long Beach Gospel Fest 2009, Dee Andrews, $3,000
- Latin American Parade and Festival, Robert Garcia, 2009 and 2010, $5,000 for two years
- Good Neighbor Festival, Gerrie Schipske, $6,250 for over three years
- Bixby Knolls Dragster Expo, 2009 and 2010, Rae Gabelich, $10,000 for two years

Approved At January 2008 Meetings

Long Beach Reads One Book	$3,000
Martin Luther King, Jr. Parade	$2,500
CSULB International Human Rights Forum	$7,500
California Conference for Equality Interfaith Breakfast	$750
Long Beach Symphony POPS!	$4,000
So Cal Assn of Govts Farewell Dinner for Mark Pisano	$2,500
LB Arts Council Smithsonian Week/Mayor's Gala	$10,000

Approved At February 2008 Meetings

IACFS National Engineers Week	$500
CSULB Regional Economic Forecast	$7,500
Terminal Operations Events Conference	$20,000
San Gabriel Valley Coalition of Chambers Harbor Tour	$1,000
Grand Prix	$115,000
Cesar Chavez Luncheon	$1,000
"Prevention First" Cal State Lands Commission	$2,500
UCLA Extension "Green" Conference Harbor Tour	$1,500
Harry Bridges Cesar Chavez Luncheon	$5,000
Calif. Air Pollution Control Officers Conference	$10,000
Manny Aschemeyer Farewell Dinner	$2,500

Approved At March 2008 Meetings

Friends of the Los Angeles River Annual Cleanup	$5,000
Harbor Association Sacramento Annual Trip	$1,000
South Bay Latino Community Development	$2,500
Rancho Los Amigos Amistad Dinner	$1,750
LA Area Chamber of Commerce World Trade Week	$3,000
Footwear Traffic Distribution & Customs Conference	$6,500
Propeller Club's Steamship Dinner Dance	$10,000
LB Unified School District Science Fair	$2,000
Long Beach Police Department Awards Ceremony	$350
Downtown Long Beach Assoc Clean Air Car Showcase	$5,000
ITEP Fundraiser and Dinner	$1,500
Latino Managers Scholarship Program	$5,000
Long Beach Museum of Art – Pinhole Exhibit	$15,000

Approved At April 2008 Meetings

Security Council–American Trucking Association	$700
League of California Cities–Latino Caucus Long Beach	$1,000
ILWU – Propeller Club Seafood Feast	$4,500
Congressional Cup Yacht Race	$10,000
2008 Sea Festival	$50,000
Latino Engineers Architects Developers Reception	$2,500
Mayor's Trophy Golf Tournament	$1,600
CCEJ Humanitarian Awards	$5,000
FuturePorts Air Quality Forum	$2,500
Long Beach Chamber World Trade Week	$10,000
Long Beach Bar Assn Admiralty Section Harbor Tour	$3,000
Long Beach BLAST Breakfast	$3,000
Campfire USA Annual Dinner	$3,000
The Coastal Society TCS21 Conference	$7,500
Aquarium Ocean Conservation Awards Gala	$10,000

Approved At May 2008 Meetings

Coalition for Clean Air Awards Luncheon	$6,000
Long Beach Chamber Chairman's Circle	$29,204
LBCC Gateway to Greatness Gala	$5,000

Approved At June 2008 Meetings

Clean Cities Conference Boat Tour	$1,000
Long Beach Public Library Grape Expectations	$3,000
Long Beach Police Association Golf Tournament	$2,500
California Construction Expo	$7,500
Shakespeare by the Sea Festival	$1,500
Conservation Corp of L.B. Dinner on Pine	$2,500
Signal Hill Chamber Golf Tournament	$1,500
American Society of Civil Engineers Boat Tour	$1,000
US VETS Luncheon	$2,500
UCLA Extension Transportation, Land Use Symposium	$5,000
Livingston Park Tot Lot Groundbreaking Event	$7,500
LA County Office of Protocol Golf/Tennis Invitational	$2,500
ICT Humanitarian Awards Dinner	$2,500
Operation Teddy Bear	$7,000

Approved At July 2008 Meetings

YMCA Annual Charity Golf Tournament	$1,250
Rancho Los Amigos Golf Tournament	$1,500
Maritime Industry Salute/Great Tug Boat Race	$3,500
HAIC Harbor Cup Challenge	$5,000
Boy Scouts of America Shipping/Transportation Dinner	$10,000
Don Knabe Golf Tournament	$1,850
LA Chamber of Commerce Mobility 21 Summit	$5,000
Harbor Transportation Club Annual Harbor Tour	$4,000

Approved At August 2008 Meetings

State of the Arts Luncheon	$1,000
YWCA/Van Lowenthal Young Women's Empowerment Conf.	$2,500
South Bay Latino Development Corp. Golf Tournament	$2,500
WESCON Conference 2008	$1,750
LA Customs Brokers/Freight Forwarders Boat Tour	$1,875
NAACP Freedom Fund Banquet	$5,000
Southwest Intermodal Conference	$4,000
Regional Hispanic Institute–Awards Dinner & Conf.	$1,500
Coast Guard Foundation Golf Tournament	$1,250
Community Hospital Long Beach Condit Spirit Dinner	$1,750
International Vaglav Conference	$2,500

Approved At September 2008 Meetings

Rotary Club Harbor Tour	$1,500
Good Neighbor Festival – 5th District	$1,750
LA Econ. Devel. Comm. Tidy Awards/Harbor Tour	$8,700
League of California Cities Annual Conference	$10,000
Calif. Conf. Equality Justice Human Relations Awards	$1,000
Embracing Latino Leadership Conference	$1,000
AQMD Clean Vehicles Expo	$2,500
Jubilee by the Sea	$10,000
Faster Freight Cleaner Air	$25,000
Excellence in Leadership Luncheon	$1,500
DTBA State of the Downtown Luncheon	$10,000
Veterans Day Parade	$3,000

Approved At October 2008 Meetings

Principal for a Day	$1,500
Nuestra Imagen	$2,000
Sustainable Shipping Conference	$5,000
FuturePorts Job Fair	$7,500
Harry Bridges Working Class Women's Luncheon	$1,000
St. Mary Medical Center Annual Dinner/Auction	$5,000
Children Today Holiday Cheer	$7,500
Boat tour for US China Business Institute	$1,000
Boat tour for CSULB Staff Council	$3,000
American Chamber of Commerce Executives Boat Tour	$1,000
WTS Awards Dinner	$1,500

Approved At November 2008 Meetings

Academic UpRise Leadership Distinction Awards	$1,250
Boys Scouts Council Golf Tournament	$2,000
Harbor Association Salute to Industry	$5,000
Asthma and Allergy Foundation Breath of Life Ball	$5,000
Waterfront Coalition Workshops	$3,000
California League of Conservation Voters Annual Gala	$2,500

Approved At December 2008 Meetings

Belmont Shore Christmas Parade	$1,500
VardaXchange Green Marketmakers Conference	$5,000
LNG Technician Training Program Dinner	$3,500
Long Beach Bar Association Installation Dinner	$2,000
CVB New Years Eve on Pine Event	$5,000
USS Green Bay Commissioning	$10,000

Approved At January 2009 Meetings

Long Beach Yacht Club Congressional Cup	$5,000
Minnesota Soybean Boat Tour	$1,000
MLK Parade and Celebration	$10,000
WRD Groundwater Festival	$500
CCEJ Interfaith Breakfast	$500
Grand Prix	$165,000

Approved At February 2009 Meetings

Rancho Los Amigos Foundation Amistad	$2,000
LBUSD Science Fair	$2,500
LA World Trade Week	$5,000
CSULB CITT Town Hall	$10,000
Long Beach Cancer League Annual Gala	$10,000
"Prevention First" Cal State Lands Commission	$2,500
CAPCOA Conference	$10,000
Harry Bridges Cesar Chavez Luncheon	$5,000
Manny Aschemeyer Farewell Dinner	$2,500
UCLA Extension "Green" Conference Harbor Tour	$1,500

Approved At March 2009 Meetings

HBI Cesar Chavez Luncheon	$1,000
CSULB Economic Forecast	$5,000
ISA Reception	$2,000
VOLAA Annual Gala	$5,000
Rosie the Riveter Luncheon	$500
Long Beach Poly High Mural	$1,600
GreenPacific Conference	$2,000
CFEE Roundtable on Goods Movement	$3,000
Long Beach Sister Cities	$15,000
ITEP Dinner	$2,500
Mayor's Trophy Golf Tournament	$1,600

Approved At April 2009 Meetings

L.B. Boy Scouts Distinguished Citizens Dinner	$5,000
City of Cypress BRACE tour	$1,000
LA Chamber Latin America Exports Conference	$5,000
Seafood Feast	$4,700
LA River Grand Clean-Up	$2,500
Cal Cars Expo	$5,000

Approved At May 2009 Meetings

Conservation Corps Dinner on Pine Event	$2,500
CCEJ Humanitarian Awards Dinner Honoring Port	$6,800
Sea Festival 2009	$40,000
Long Beach Chamber Chairman's Circle	$27,860
Latino Managers Scholarship Reception	$2,000
Bixby Knolls Dragster Expo	$5,000
Long Beach Bar Assn. Harbor Tour	$3,000
Long Beach BLAST Annual Breakfast	$550
Long Beach Library Grape Expectations	$2,000
Long Beach Police Officers Assn. Golf Tournament	$2,500
Acuarium's Ocean Conservation Awards Gala	$5,000

Approved At June 2009 Meetings

Los Angeles River Ride-Suja Lowenthal	$5,000
Cocina Awards-Containerization Institute	$5,000
Children Today Golf Tournament	$1,000

America 2050 Forum	$1,000
Consular Corps Golf/Tennis Invitational	$2,500
Approved At July 2009 Meetings	
Long Beach Gospel Fest	$3,000
YMCA Golf Tournament	$805
Maritime Industry Salute and Tug Boat Race	$5,000
Rancho Los Alamitos Foundation Fundraiser	$1,250
Shipping and Transportation Dinner	$5,000
Approved At August 2009 Meetings	
2009 Eddy Awards	$5,000
Coast Guard Gold Tournament	$1,000
Freedom Fund Banquet	$5,000
Good Neighbor Festival	$2,500
UCLA Transportation Symposium	$1,500
Chamber Chairman's Circle 2010-2011	$27,000
Honoring Those Who Serve Luncheon	$750
Human Relations Award Dinner, 2009	$750
Latin American Parade and Festival	$2,500
Texas Hold 'Em Fundraiser	$500
Approved At September 2009 Meetings	
Sustainable Shipping Conference	$2,500
CSULB Engineering Lecture Series	$2,500
Children's Clinic 70th Anniversary Gala	$1,200
8th Annual Working Class Women's Luncheon	$1,000
Nuestra Imagen Awards, 2009	$1,000
Approved At October 2009 Meetings	
13th Annual Veterans Day Parade	$3,000
ICT Encore 2009	$2,100
US Green Building Council-5th Annual Green Gala	$2,500
Approved At November 2009 Meetings	
27th Annual Belmont Shore Christmas Parade	$2,500
I-710 Corridor to the Nation-Building Sustainable Trans	$750
St. Mary Medical Annual Gala Auction and Dinner	$2,500
WTS Annual Scholarship & Awards Dinner	$1,500
Young Women Empowerment Conference 2009	$1,000
62nd Annual Naples Parade of Boats	$1,000
Children Today 12th Annual Holiday Event	$1,000
Meet the Industries Expo	$1,000
Approved At December 2009 Meetings	
22nd Annual Martin Luther King Jr. Parade	$2,500
ILWU Retirement Celebration for James Spinosa	$1,500
L.A. County Business Federation's 2nd Anniv. Celeb.	$15,000
Approved At January 2010 Meetings	
Long Beach Play House 80th Anniversary Gala	$1,500
Transportation Workforce Development Summit 2010	$1,000
Memorial Medical Center Foundation Gala	$2,000
Partners of Parks - Snow Day 2010	$2,500
Approved At February 2010 Meetings	
20th Annual Flossie Lewis Luncheon	$500
CCEJ Interfaith/Intercultural Breakfast	$500
National Engineers Week Awards Celebration	$500
15th Annual Catalina Conservancy Ball	$1,500
California and World Ocean 2010 Conference	$5,000
Los Angeles World Trade Week	$10,000
2nd Annual Creating Jobs Through Exports Conf	$3,000
CSULB Alumni Awards Banquet	$2,500
LB Unified School District Science Fair	$2,000
Approved At March 2010 Meetings	
Grand Prix 2010	$155,000
Cesar Chavez Banquet	$1,000
Long Beach Cancer League's Long Beach Gala	$2,000
Congressional Cup 2010	$2,500
CSULB Regional Economic Forecast	$5,000
2010 Sea Festival	$40,000
Women Who Make a Difference Luncheon	$750
DLBA 2nd Annual Long Beach Bicycle Festival	$5,000
Memorial Medical Center Foundation–Gold Classic	$4,000
100 Black Men of Long Beach Awards Gala	$1,000
Approved At April 2010 Meetings	
25th District Student Honors Luncheon	$500
A Celebration of Miracles: The 24th Amistad Gala	$2,500
LBAC Boy Scouts Distinguished Citizen Dinner	$10,000
Friends of the LA River Great LA River Cleanup	$2,500
ITEP 10th Anniversary Dinner	$1,500
Cal State Lands Commission "Prevention First 2010"	$1,000
Heal the Bay - Bring Back the Beach	$5,000
Conservation Corps of Long Beach-Dine on Pine	$1,000
Ellas Empowerment Conf. Dulcinea/Virtus Awards	$1,500
L.B. Police Officers Assn Charity Golf Tournament	$1,000
American Gull Found.-Mayor's Trophy Golf Tourney	$1,600
Museum of Latin American Art's Gala Fundraiser	$5,000
SCAG 2010 Regional Conference/General Assembly	$2,500
Approved At May 2010 Meetings	
28th US Coast Guard-Marine Industry Golf Tourn.	$1,000
California Maritime Leadership Symposium	$2,500
Grape Expectations Fundraising Dinner	$2,000
L.B. Bar Assn. Maritime Section Harbor Tour	$3,000
Annual International Night Benefit Ball	$2,500
CCEJ Humanitarian Awards Dinner	$5,000
Long Beach BLAST Annual Breakfast	$1,000
Women In Green Forum	$2,500
ILWU-Propeller Club Seafood Feast	$3,500
Roundtable Conference on Goods Movement	$3,000
Most Inspiring Students Awards Gala	$1,500
FuturePorts "Clearing the Air Conference"	$2,500
L.A. Consular Corps Golf/Tennis Invitational	$2,500
Ninth Annual So. California Transportation Summit	$3,000
Leadership LB Class of 2010/2011 Program	$5,000
Approved At June 2010 Meetings	
LB Police Dept. 42nd Annual Awards Ceremony	$1,000
Aquarium Ocean Conservation Awards Gala	$5,000
Legal Aid Foundation's Long Beach Grand Cru	$1,800
Operation Teddy Bear Reception	$2,500
YMCA of Greater Long Beach Golf Tournament	$805
Rancho Los Alamitos Foundation's Ranch Roundup	$2,500
Bixby Knolls Dragster Expo and Car Show	$5,000
Sister Cities of Long Beach, Inc.	$8,000
Approved At July 2010 Meetings	
LAC Economic Development Corp	$3,000
LB Museum of Art 60th Anniversary Bash	$10,000
Naples Holiday Boat Parade	$2,500
Children Today Golf Tourney	$600
Assistance League of Long Beach-70th Anniversary	$2,500
Approved At August 2010 Meetings	
United Cambodian Community Anniversary	$1,000
College of Engin., CSULB-Disting. Lecture Series	$2,500
LBCC Community Studies Projects Conference	$2,500
South Coast Air Quality Mgt. District's Luncheon	$400
LB Centro (CHA)-Nuestra Imagen Awards	$1,000
Children's Clinic Beach Walk	$1,000
Southern California Relocation Council	$1,000
Good Neighbor Festival	$2,000
ILWU Annual Tri-Party Golf Tourney	$2,000
Latin American Parade and Festival	$2,500
UCLA Extension's Symposium	$2,500
U.S. Environmental Protection Agency	$2,500

About The Grand Prix Sponsorship

The largest sponsorship made by the Port of Long Beach in each of the past three years is for the annual running of the Toyota Grand Prix of Long Beach. In 2008, it was $115,000. For 2009 and 2010, the sponsorship reached $155,000 each year. According to Jim Michaelian, president of the Grand Prix Association of Long Beach, as an official sponsor, the port received the following:

• Two Pit Row Suites ($85,000), which the port had purchased in the years prior to the sponsorship arrangement that began in 2008. Pit Row Suite purchase allows the port to conduct business with and entertain clients at Long Beach's premier event. [This is customary at most major sporting events throughout the country, and is used as both a retention and attraction tool.]

• The port gets year-round use out of the promotional Green Port Prius, which is also used on race weekends to pace all the races and is designated the Official Green Power Pace Car. When not in use, the Port Prius is displayed in the Green Power Expo.

• The port receives 20 track signs at the event which will be seen on national and international television throughout the weekend. Last year, over 10 hours of first-run programming originated from the Grand Prix.

• The port has the right to use the Grand Prix name and logo in all of its media advertising and promotions, further associating it with Long Beach's premier event.

• The port receives three commercial spots and three public address announcements per day on race weekend to get the Green Port message to the Grand Prix audience. The Port also receives advertising space in the official Souvenir Program (15,000 distribution) and Fan Guide (55,000 distribution), and, as a sponsor, its Web site is linked to the Grand Prix Web site.

• The port is incorporated into a number of Grand Prix pre-event promotions and activities, including the Long Beach student outreach program. This program features local school visits by professional race-car drivers, and the port sends their Green Port Prius and a representative to talk to the students about the port's green initiatives. ■

Ballot Argument In Favor Of Measure D

A YES vote on Measure D creates a more transparent, fair and reliable funding method for the Harbor Department (Port of Long Beach) to help keep our coastal areas clean and safe.

By law, the Harbor Department is authorized to help maintain the City's beaches and coastal areas. The Harbor currently uses a complex formula to calculate the level of funding, which varies dramatically from year to year. Measure D will simplify the formula and allow the transfer of up to 5% of Harbor gross operating revenues to improve our beaches and coastal areas. Measure D also clarifies that oil operations are the purview of the City's Gas and Oil Department, which currently handles daily oil operations.

The Harbor Department is part of the City of Long Beach, and while their primary mission is to provide a world-class port, they also have a responsibility to the community. By law, Harbor funds can only be spent to improve our coastal areas and cannot be spent in other areas of the city. The Harbor transfer is essential for improving and cleaning our beaches, providing lifeguards and beach security, improving the environmental sustainability of our City and funding critical infrastructure needs.

Measure D will provide a transparent and straightforward revenue source to fund those needs. In order to ensure the Harbor remains a vibrant economic engine, the Department will only be allowed to transfer up to 5% of their gross operating revenues after certifying that those funds are not needed to run Harbor operations.

Measure D is a simpler funding method that preserves the Harbor Department's responsibility to make Long Beach a better place for both our residents and international trade.

Please vote YES on Measure D to keep our beaches clean and safe.

Current City Charter Language – Harbor Department

Sec. 1209. - FINANCE

(a)

All money received or collected from or arising out of the use or operation of any harbor or port improvement, work, appliance, facility or utility, or water craft, owned, controlled, or operated by the City in or upon or pertaining to the lands and waters under control and management of the Harbor Department; all tolls, charges and rentals collected by the Harbor Department, and all compensations or fees required to be paid for services, franchises or licenses, or otherwise by law or ordinance or order, to the City for the operation of any public service utility upon lands and waters under the control and management of the Harbor Department, shall be deposited in the City Treasury to the credit of the Harbor Revenue Fund, which fund has been heretofore created and established and is hereby continued, and shall be kept separate and apart from other monies of the City. Said fund shall be a continuing fund not subject to transfer at the close of the fiscal year.

(b)

The money deposited in the Harbor Revenue Fund may, from time to time, be invested in accordance with the provisions of applicable legislation of the State of California providing for the investment and reinvestment of any monies in any sinking fund, or any surplus monies in the treasury of cities in the State, all interest, earnings, income or profits from the investment of said money shall likewise be deposited to the credit of said fund.

(c)

Monies credited to the Harbor Revenue Fund may be appropriated and used only for the following purposes:

(1)

For the necessary expenses of promoting, conducting, managing and operating the Harbor Department, including, but not limited to, the operation, repair and maintenance of all harbor or port improvements, works, utilities, appliances, facilities and water craft, owned, controlled or operated by the City, for the promotion and accommodation of commerce, navigation, recreation or fishery, or used in connection therewith;

(2)

For the acquisition, construction, completion and maintenance, to the extent and in the manner permitted by all applicable law, of harbor and port improvements, buildings, work, utilities, appliances, facilities, and water craft, for the promotion and accommodation of commerce, navigation, recreation or fishery, or used in connection therewith, and for all other improvements and betterments authorized by law to lands and property under the control, supervision and management of the department, including the purchase or condemnation of necessary lands and other property and property rights, except that condemnation of property outside of the Harbor District shall require the consent of the City Council;

(3)

For the payment of the principal or interest, or both, of harbor improvement bonds, either general obligation bonds or revenue bonds, issued for harbor improvements;

(4)

For the transfer to the Tideland Operating Fund at the beginning of a fiscal year from revenues in the Harbor Revenue Fund of such sums as shall have been determined by the City Council, by a vote of two-thirds (2/3) of all its members, expressed by resolution, to be required to meet the lawful obligations of the Tideland Operating Fund; provided, however, that such sums designated shall not exceed ten percent (10%) of the net income of the Harbor Department as shown on the most recent available independently audited financial statements; and further provided that such transfer of funds shall be subject to the prior approval of a majority of all members of the Board of Harbor Commissioners, expressed by resolution, finding and determining that the funds proposed to be transferred will not be needed for Harbor Department operations, including, without limitation, operating expenses and capital projects, and that such transfer will not result in insufficient funds to pay the principal and interest as they fall due, or otherwise impair the ability to meet covenants, of general obligation or revenue bonds issued for harbor purposes. All such transfers shall be made by journal entry on the books of the City in the manner determined by the City Manager.

Port Of Long Beach Expenses, Transfers To City

Expenses for allocated or mandated services include the fire department, general city overhead, the health department, information services bureau, marine bureau and the police department. The Long Beach Harbor Department reimbursed the city's General Fund or other appropriate fund annually for those services.

The column listing purchases and requested services are items the Long Beach Harbor Department requested that had costs or fees attached to them, including: plan check fees, traffic and street lights, reprographics, gas/water and sewer usage, and the utility user's tax, which is 5% on phone, electric, water and gas usage.

The 10 percent transfer began in 1995 with the harbor transfering the money for use by the Tidelands Fund.

It should be noted that in her "Harbor Department Transfer Analysis Report" dated June 2010, City Auditor Laura Doud said: "The expenses related to fire and safety consist primarily of costs charged by the City for police and fire services [to the harbor department]. Fire and safety costs have consistently increased from $8.8 million in FY 2003 to $14.5 million in FY 2008."

Fiscal Year	Allocated Or Mandated Service	Purchases & Requested Services	Transfer Of 10% Net Income To Tidelands Fund
1990	$6,563,216	$1,974,962	0
1991	$7,400,163	$1,525,329	0
1992	$7,653,051	$2,199,864	0
1993	$7,049,375	$2,288,104	0
1994	$5,883,442	$2,252,938	0
1995	$6,635,784	$2,052,437	$2,674,000
1996*	$8,328,059	$5,015,043	$5,227,000
1997	$6,859,144	$3,462,271	$4,879,000
1998	$7,068,501	$2,900,123	$9,077,000
1999	$8,493,523	$2,923,290	$7,542,200
2000	$9,895,257	$3,048,492	$6,244,800
2001	$10,080,256	$3,625,436	$6,150,900
2002	$9,363,510	$2,538,725	$8,314,400
2003	$11,388,395	$2,042,070	$8,676,900
2004	$12,310,411	$1,935,896	$9,057,694
2005	$13,091,529	$1,836,153	$6,850,777
2006	$15,019,483	$2,176,195	$9,499,689
2007	$18,096,383	$2,010,696	$14,222,184
2008	$18,236,746	$2,979,380	$15,399,535
2009	$20,593,601	$2,696,831	$16,059,464
2010**	$19,121,001	$1,632,198	$28,507,678
	$229,130,830	$53,116,433	$158,383,221

*Fiscal year ran 15 months. City changed its fiscal year from July 1 to October 1.
**Through early September 2010. Source: Long Beach Harbor Department.