



## News Release

### **\$716 Million Port Budget Gets OK Spending plan cuts expenses while maintaining strategic goals**

June 28, 2010

The Board of Harbor Commissioners on Monday, June 28 approved a \$716 million budget for the Port of Long Beach that continues to invest aggressively on environmental and capital improvement projects while keeping operating costs in check.

The fiscal year 2011 budget represents a 19 percent reduction from the previous year. It includes \$474 million for development projects that will support about 4,000 regional jobs during the fiscal year, which begins October 1. Another \$71 million is earmarked for environmental programs such as the development of clean air technologies.



"Despite the global recession, the Port of Long Beach is in a strong financial position," said Port Executive Director Richard D. Steinke. "But to remain competitive, we must look into the future. We must continue to invest in projects to modernize and 'green' our operations."

The budget cuts 12 percent in operating expenses from the previous fiscal year by holding staffing levels steady and reducing non-personnel expenses. The Port is taking a deliberate, conservative approach to spending as cargo volumes recover from the global economic recession. However, the Port will continue to invest in environmental improvements and modernization projects to help retain and create jobs.

Revenues from container terminals, which make up three quarters of the Port's overall revenues, are expected to rise 4 percent in Fiscal Year 2011 over the Fiscal Year 2010 estimate, but other sources of income, such as interest and oil operations, will be lower. As a result, with moderate revenue increases and a larger capital outlay, the Port will draw \$323 million from its reserve funds.

The Board agreed to consider an additional \$12 million transfer to the city's Tidelands fund, as requested by Long Beach City Council. The funds will likely come from the Port's capital projects budget, the Board decided, in an effort to keep environmental and security spending intact. The Board approved the additional transfer as a "placeholder" pending a final decision in the coming months.

The budget now will go to the Long Beach Mayor and City Council for review.

In other action, the Board approved the appointment of Noel Hacegaba, Ph.D., as the new Executive Officer to the Board, beginning July 12. Hacegaba will succeed Acting Executive Officer to the Board Diane Jacobus, who is retiring. Hacegaba is a former Assistant Chief of Staff for the Long Beach City Prosecutor's Office and more recently worked for Republic Services, the nation's second largest environmental services company. He negotiated and managed \$200 million in municipal contracts for the company. The Port of Long Beach is second largest seaport in the U.S. Although it is a public entity, it does not rely on taxes to operate. The Port budget is supported mostly by income from terminal leases and existing reserves.

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