



Date: August 10, 2010
To: Honorable Mayor and Members of the City Council
From: Mayor Foster, Chair, Charter Amendment Committee
Subject: "RAINY DAY" RESERVE IN THE CITY'S BUDGET

The Charter Amendment Committee, at its meeting held July 26, 2010, considered communications relative to the above subject.

It is the recommendation of the Charter Amendment Committee to refer the topic of creating a "Rainy Day" reserve in the City's budget to the Budget Oversight Committee for a broader conversation about the City's operating reserves.

Respectfully submitted,

CHARTER AMENDMENT COMMITTEE

Mayor Foster, Chair

Prepared by:
Gloria Harper



City of Long Beach
Working Together to Serve

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Memorandum

~~R-8~~

Date: September 8, 2009

To: Mayor Foster and City Councilmembers

From: Val Lerch, Vice Mayor, Ninth District *Val*
Gary DeLong, Councilmember Third District *GD*

Subject: Recommendation to convene the Charter Amendment Committee on September 22, 2009 to explore the feasibility of implementing a "rainy day fund" and placing the proposed Charter amendment on the April 2010 City wide election.

Recommendation to convene the Charter Amendment Committee on September 22, 2009 to explore the feasibility of implementing a "rainy day fund," and place a proposed Charter amendment on the April 2010 ballot, including a discussion on the the recommendations:

- The amount of annual transfers from the General Fund to the rainy day fund, the total annual Fund Balance;
- The conditions under which rainy day funds may be spent, including a cap on the total amount that may be spent; and,
- The maximum amount, if any, that the rainy day fund should reach before excess funds could be spent for one-time purposes.

Suggested amendment: A Charter amendment to create a "Rainy Day" Reserve in the City's budget. In any given year when Revenue growth is in excess of 5 percent over the previous year, 50% of the excess will be placed into a Reserve. During lean fiscal times, the City would be able to withdraw up to 50% of the Reserve funds in a given year, but no more than the revenue decline from the previous year. The Reserve would be capped at 40% of General Fund.



MAYOR BOB FOSTER

**CITY OF LONG BEACH
CALL AND NOTICE OF A SPECIAL MEETING
OF THE CHARTER AMENDMENT COMMITTEE**

A Charter Amendment Committee meeting is hereby called to be held on:

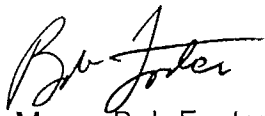
Tuesday, September 22, 2009
3:30 p.m.
City Council Chamber
333 West Ocean Boulevard
Long Beach, CA 90802

for the purposes of receiving public input on charter reform, discussing reforms related to government structure and to consider the following agenda item with recommendations and transmittal to the City Council:

- Discussion of whether or not the Charter Amendment Committee shall refer to the City Council for consideration the following Charter reforms for placement on a ballot for decision by the voters of the City of Long Beach:
 - a. A Charter amendment to create a "Rainy Day" Reserve in the City's budget. In any given year when revenue growth is in excess of five (5) percent over the previous year, 50 percent of the excess will be placed into a Reserve. During lean fiscal times, the City would be able to withdraw up to 50 percent of the Reserve funds in a given year, but no more than the revenue decline from the previous year. The Reserve would be capped at 40 percent of General Fund.

The City Clerk shall serve a copy of this Call and Notice at least 24 hours before the time of said meeting to each member of the Long Beach City Council and each local newspaper of general circulation, radio or television station which has requested notice in writing; and a copy of this Call and Notice shall be freely accessible to the members of the public at least 24 hours prior to the workshop.

Respectfully submitted,


Mayor Bob Foster
City of Long Beach

Dated: September 14, 2009

