



Legislation Details (With Text)

File #: 20-0341 **Version:** 1 **Name:** FM - FY 20 First Budget Performance Report
Type: Agenda Item **Status:** Approved
File created: 3/23/2020 **In control:** City Council
On agenda: 4/21/2020 **Final action:** 4/21/2020
Title: Recommendation to receive and file the Fiscal Year 2020 First Budget Performance Report.
(Citywide)
Sponsors: Financial Management
Indexes:
Code sections:
Attachments: 1. 042120-R-19sr&att.pdf

Date	Ver.	Action By	Action	Result
4/21/2020	1	City Council	approve recommendation	Pass

Recommendation to receive and file the Fiscal Year 2020 First Budget Performance Report.
(Citywide)

Per the City of Long Beach (City) financial policies, City staff presents periodic Budget Performance Reports and updates on the citywide financial status to City Council throughout the fiscal year. Due to the COVID-19 pandemic (pandemic), staff issued the attached memorandum to the City Council on April 10, 2020 to provide an initial assessment of the pandemic's impact on FY 20 finances, as well as potential impacts on out-year budget projections. The memorandum provides the status update on FY 20 finances that is normally addressed in this Performance Report.

The economic environment and impacts caused by the pandemic are constantly changing, and staff anticipate that the updates that will be made to these preliminary assessments, largely made at the earlier stage of the pandemic, are more likely to show projections with larger shortfalls as a result of the pandemic than originally anticipated. Staff will continue to update the projections and update the City Council as more information becomes available.

Currently, it is anticipated that at least five funds (General Fund, Measure A, Special Advertising and Promotion Fund, Tidelands Operating Fund, and the Airport Fund) will be significantly and adversely impacted, with at least \$38 to \$44 million in overall revenue losses or expenditure increases. Additional details on the status of each of these funds are described further in the memorandum.

The General Fund is potentially facing a shortfall of \$14 to \$22 million without any corrective actions. The City's top priority is to respond effectively to the pandemic and to keep the City and its residents safe. The City will make all necessary expenditures to do that. At the same time, the City Manager has implemented budget actions with regard to non-pandemic

spending to protect the City financially and best position the City and its services for the future. These actions include the evaluation of one-time projects and one-time spending to assess potential areas of savings; reduction of non-pandemic operating expenditures where feasible, including scaling back costs not essential for pandemic response and assessing staffing hires; and, actively looking for funding or other mechanisms to offsets costs.

The City Manager and City staff will continue to evaluate and implement strategic actions to minimize the General Fund shortfall and adverse impacts on other funds to protect the City financially in FY 20 and in the out-years.

This matter was reviewed by Deputy City Attorney Amy R. Webber on April 9, 2020.

City Council action is requested on April 21, 2020.

There is no fiscal or local job impact associated with this recommendation.

Approve recommendation.

[Enter Body Here]

JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:

THOMAS B. MODICA
ACTING CITY MANAGER