



Legislation Text

File #: 13-0450, **Version:** 1

Recommendation to refer consideration of the City of Long Beach Financial Policies to the Budget Oversight Committee regarding potential revisions for adoption as part of the FY 14 budget process.

The Financial Policies of the City of Long Beach are among the most important policies the City has. These policies are included at the very front of every budget, as they are integral to the long-term fiscal health of the City and our ability to provide the vital services that residents depend on. It is critical that these policies reflect the City's long-term interests, and that the City maintains the discipline to live within these policies.

Our current financial policies were adopted by the City Council in 2003 and were amended in 2007. The time has come to revisit these policies to determine how they may need to be amended. Specifically, Policy #3 (General Fund Reserves) and Policy #5 (Use of New Discretionary Revenue) should be examined. For example, Policy #3 requires the City to dedicate 5 percent of all new ongoing discretionary revenue to reserves, which may not be optimal public policy. Included in the examination of these policies should be to what extent one-time revenues should be set aside for uses such as reserves or unfunded liabilities.

The Financial Policies of the City are critical to maintaining our fiscal health, and to our long-term ability to provide vital services such as public safety, libraries, recreation, and street and sidewalk repairs. Updating and living by these policies will have a positive impact on our long-term fiscal health. There is no significant cost to revising these policies.

Approve recommendation.

COUNCILMEMBER JAMES JOHNSON
SEVENTH DISTRICT

COUNCILMEMBER GARY DELONG
THIRD DISTRICT