



Legislation Text

File #: 21-0471, **Version:** 1

Recommendation to approve the restoration of departmental and fund budget appropriation adjustments related to the elimination of employee furloughs for the remainder of Fiscal Year 2021 (FY 21) in accordance with existing City Council policy. (Citywide)

On September 8, 2020, the City Council adopted the FY 21 Budget and approved a one-time budget-balancing solution through the implementation of employee furloughs, estimated to generate \$11 million of savings in the General Fund Group and approximately \$24 million across All Funds.

On March 9, 2021, the City Council approved the FY 21 first departmental and fund budget appropriation adjustments, including the reductions to departments' budgets for the approved one-time furlough savings from most employee groups. On March 16, 2021, the City Council approved the proposed Long Beach Recovery Act (LBRA), which includes the utilization of federal American Rescue Plan Act funds to eliminate furloughs for the remainder of FY 21. This action allows for the restoration of services impacted by the furloughs for the entire organization, including non-General Fund funds.

This matter was reviewed by Principal Deputy City Attorney Gary J. Anderson and Budget Manager Grace H. Yoon on May 11, 2021.

City Council action is requested on May 18, 2021, to enable timely budget adjustments.

The recommended action is to increase appropriations in relevant departments and funds as shown in Attachment A. On March 9, 2021, the City Council approved reductions to most departments and fund appropriations due to savings from up to 26 days of employee furloughs for most employee groups. As part of the LBRA, federal funds will enable eliminating furloughs for the remainder of FY 21. As employees will now be working instead of being on furlough, departmental and fund appropriations will need to be increased to fund the increased labor costs. The increase to the General Fund Group will be offset from federal funds to be received. Increases to the other funds will be offset using budgetary funds available within those funds. If there are any changes regarding the allowed uses of the federal funds due to additional federal guidance, staff will return with any alternative actions as needed. Attachment A shows all budget changes required for the affected departments and funds. It is unnecessary to revise the Harbor and Water Departments' budgets; therefore, their respective budgets are not being increased. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

Approve recommendation.

JOHN GROSS
INTERIM DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:

THOMAS B. MODICA
CITY MANAGER