



Legislation Text

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Recommendation to request that management schedule a study session for the City Council to review the City's long-term financial outlook within 60 days.

By being aware of our long-term financial outlook, we help ensure a better Long Beach by being aware of our long-term financial outlook when making budget decisions. We fulfill our responsibility to our children and future generations by passing on to them a financially sound City government. Furthermore, we also help ensure that we do not unjustly pass off our debt and costs to them.

In recent years, Long Beach has had an increased focus on long-term financial planning. Last year, we reviewed the status of our pension system, infrastructure needs and spending policies, unfunded liabilities and costs, reserves, and projected structural deficits. We also adopted a budget with a multi-year outlook that allows City Council to consider future revenues and expenses and to plan accordingly. Furthermore, a fund balance policy was also adopted to better define how the City manages reserves.

Once again, it is prudent for the City Council to review the City's long-term outlook prior to consideration of next year's budget. By reviewing the long-term financial and economic trends affecting our city, we have better context in which to consider the upcoming budget. We will better understand how budgetary and other decisions we may make will impact the long-term financial and economic health of our City and, ultimately, our ability to provide services to our residents and businesses.

Therefore, I recommend that the City Council use a future study session to review our long-term financial outlook, prior to consideration of next year's budget. The review should include the topics noted above, as well as the loss of tax increment redevelopment funding, and any other factors and issues that Management believes may be material to the City's long-term financial and economic well being.

To the extent that a long-term financial plan encourages more prudent financial decisions, there could be an unknown amount of cost savings. Additionally, reviewing our long-term financial outlook will help the City Council make better informed decisions that result in a fiscally stronger and better city.

Approve recommendation.

COUNCILMEMBER JAMES JOHNSON
SEVENTH DISTRICT

COUNCILMEMBER GARY DELONG
THIRD DISTRICT