



## Legislation Text

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**File #:** 11-0059, **Version:** 1

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Recommendation to request City Manager to prepare budget solutions for a two-year period as part of the fiscal year 2012 budget.

Long Beach faces a structural, multiyear imbalance between its expenditures and revenues. While well-meaning people may disagree on the solutions to this imbalance, one thing is clear: a multiyear problem deserves a multiyear solution.

The City Council has been informed that we will face budget deficits for Fiscal Years 12 through 14, and likely after that as well. Currently, the City's approach has been to face each year on its own and to cut expenditure enough to balance the budget for another twelve months until we face a similar problem again. While this approach may be reasonable in an atmosphere in which future problems are unknown, it is imprudent when we know of future deficits.

By preparing a two-year solution to our structural budget problems, we can appropriately plan for the challenges ahead rather than just "kicking the can down the road" another year. We would still retain the right to modify resource allocations for FY13 as part of the FY13 budget process to take advantage of new information made available to us, but we would have a plan in place to tackle the challenges we know we will face.

There is no significant cost for this action. To the extent that a two-year plan leads to a more efficient allocation of resources, there would be an unknown positive fiscal impact to the City.

Approve recommendation.

JAMES JOHNSON  
COUNCILMEMBER, SEVENTH DISTRICT

VICE MAYOR SUJA LOWENTHAL  
COUNCILMEMBER, SECOND DISTRICT

STEVEN NEAL  
COUNCILMEMBER, NINTH DISTRICT