

December 3, 2021

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach, California

SUBJECT: Adopted Fiscal Year 2022 Budget

This transmittal letter and the attachments that follow describe the changes to the Proposed FY 22 Budget made by the City Council, which are reflected in this Adopted Budget. The City Council adopted the City Manager's Proposed FY 22 Budget on August 24, 2021 with changes based on City Council Recommendations. Summaries of these changes are included in the following attachments:

- Mayor's Budget Recommendations (Attachment A)
- Summary of August 24, 2021 FY 22 Budget Adoption Actions (Attachment B)
- City Council Recommendations for the FY 22 Budget by Sources and Uses (Attachment C)
- General Fund Strategic One-Time Investments: Proposed vs. Adopted (Attachment D)
- Adoption Night Structural Budget Changes (Attachment E)

This \$3 billion Adopted FY 22 Budget represents the strength of our city to stay resilient in the face of tremendous trials and uncertainties, and our commitment to support our community, residents, and businesses as we work to recover from an unprecedented pandemic. City Council has approved the \$249 million Long Beach Recovery Act, which allocates federal and State funds to provide major economic, public health, and fiscal initiatives for Long Beach residents, business owners and workers critically impacted by the pandemic. These funds also allow the City to maintain all the great services the City provides, despite previously having faced an operating shortfall situation, which is a major accomplishment in this pandemic impacted fiscal environment. As the economic recovery continues, we remain focused and committed to addressing the past and ongoing impacts of the pandemic and developing fiscally prudent strategies to continue to provide the great services and amenities that enhance the quality of life for our Long Beach residents.

I want to express my appreciation to the Mayor, the City Council, and the Budget Oversight Committee, for their leadership in reviewing, modifying, and adopting this budget, and to all of the staff who worked diligently to support the Mayor and the City Council in this effort.

Respectfully submitted,



THOMAS B. MODICA
CITY MANAGER

Attachments





MAYOR ROBERT GARCIA

2022 BUDGET MESSAGE

I am presenting the FY 2022 Budget in partnership with City Manager Tom Modica and like the previous seven budgets, it is balanced and responsible. The City's total proposed FY 2022 budget is \$3 billion and reflects the city's recovery from the largest public health crisis of our lifetime. COVID-19 had a significant impact on the previous budget cycle -- which was marked by sacrifice and hard budget decisions to preserve the future of our city. While our city's revenues are still in the process of returning to pre-pandemic levels, we are fortunate to have federal and state funds to support existing programs and services.

Earlier this year, President Biden signed the American Rescue Plan into law. As a result, a historic \$249 million in federal and state dollars was allocated to support city programs.

In March of 2021, our city became the first in the nation to release a local recovery plan. The Long Beach Recovery Act is a plan to bolster the Long Beach economy, keep our community healthy and safe – and secure our city's future.

Thanks to the Long Beach Recovery Act, this year's budget includes no cuts, no deficit, and replenished reserves.

We are placing \$41.5 million into the city's reserve accounts to restore reserves for future emergencies and eliminating the city's FY 22 General Fund budget deficit with \$30 million. We also ended furloughs for city employees with \$5.2 million in federal dollars. Without this one-time funding, the city would have had to make painful reductions with substantial adverse impacts to services during a recovery year.

These investments make it possible to support economic recovery programs with confidence. Significant funds will be dedicated to support local small businesses and our city's business corridors as they recover from the COVID-19 pandemic. Funding will also be used to support a healthy and safe community by addressing basic needs for vulnerable residents, violence prevention and health equity.

The City's FY 22 budget also makes key community investments that include support for the arts, aging and older adult programs, exploring community land trusts, expanding language access, ongoing funding for the Justice Fund, and an expansion of digital inclusion programs. We also fund and address key recommendations within the city's Framework for Reconciliation. And Measure US, approved by voters, makes significant new investments in our city's youth, health outcomes, and climate resiliency.

Long Beach has made it through the hardest year in our city's history. With support from the Long Beach Recovery Act and a plan for our future, our city is poised to build back even better.

For more information on the budget, community budget meetings, and budget survey, visit: longbeach.gov/finance



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To request this information in an alternative format or to request a reasonable accommodation, please contact us at 562.570.6225. A minimum of three (3) business days is requested to ensure availability. Reasonable attempts will be made to accommodate requests made with less than three (3) business days.