CITY OF LONG BEACH

Memorandum

Date: November 26, 2025

To: Honorable Mayor and City Council

From: Thomas B. Modica, City Manager

For: Mayor and Members of the City Council

Subject: **Adopted Fiscal Year 2026 Budget**

This transmittal letter and the attachments that follow describe the changes to the Proposed FY 26 Budget made by the City Council, which are reflected in this Adopted Budget. The City Council adopted the FY 26 Budget on September 9, 2025, with changes from the Mayor's recommendations, Budget Oversight Committee (BOC) recommendations, and other City Council actions. Summaries of these changes are included in the following attachments, with detailed information on the Proposed Budget provided in the subsequent proposed budget transmittal.

- Mayor's Budget Recommendations (Attachment A)
- Summary of September 9, 2025 FY 26 Budget Adoption Actions (Attachment B)
- City Council Recommendations for the FY 26 Budget (Attachment C)
- General Fund Strategic One-Time Investments (Attachment D)

The $3.7 billion Adopted FY 26 Budget supports the diverse community and building of a future where all residents experience Long Beach as a safe, clean, and healthy place to live, learn, work, play, and thrive while being fiscally responsible and forward-looking. The FY 26 Budget makes key investments towards the City Council's priorities of Public Safety, Housing and Homelessness, Economic Development and Infrastructure that works to propel the city towards achieving the Long Beach Strategic Vision 2030. FY 26 also includes the Elevate '28 Infrastructure Investment Plan to revitalize the City's infrastructure and continue improvements and enhancements to parks, major corridors, and visitor-serving areas. Beyond these investments, the Adopted Budget also reflects Mayor and City Council recommendations to allocate one-time funding further supporting public safety, housing stability, environmental stewardship, and inclusive economic recovery.

The FY 26 Budget focuses on taking action to address the City's most urgent one-time needs and preservation of established ongoing programs, while acknowledging a projected General Fund structural deficit. These investments are done in a strategic and fiscally prudent way that do not add to the anticipated structural shortfall and are offset through reallocations, efficiencies, and updates to projections. While it is important to recognize the accomplishments of this budget, as it maintains our wide variety of quality City services, it is equally important to acknowledge the tough decisions necessary to protect our financial health and focus on preventing budget challenges from worsening and on identifying new revenue sources that will support increased City service levels.

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 the staff who worked diligently to support the Mayor and the City Council in this effort.

Respectfully submitted,

THOMAS B. MODICA
CITY MANAGER

ATTACHMENTS

CC: DAWN MCINTOSH, CITY ATTORNEY
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