# Budget Document

The Budget document is divided into seven sections: Understanding the Budget, City Ballot Measures, Budget Summaries, Department Budgets, Fund Summaries, the Capital Improvement Program, and Appendices.

**Understanding the Budget**
This section provides information on the budget document, the budget process, and the fundamentals of the City's financial management. It also provides information on demographics, the educational sector, the economy, and other information about the City's government to provide a context for the City's service environment and priorities.

**City Ballot Measures**
In recent years, the voters of Long Beach passed several measures that support a variety of City services. This section describes the use of funds, the spending plans, general ballot initiatives regarding each measure, and their status in the budget.

**Budget Summaries**
Summaries of department and fund budgets are provided. This includes multi-year comparisons of expenditures and revenues. Also included is a three-year schedule of Full-Time Equivalent (FTE) staffing for each department, positions added during base budget, skill pays and benefits by department, the City's Top 40 General Fund revenue sources, and Fund Impact charts.

**Department Chapters**
Each Department Budget chapter includes an organizational chart, core services overview and focus areas for the upcoming fiscal year, key measures, FY 25 accomplishments, financial overview by bureau or program, fund summaries, an overview of budget changes by fund, and list of budgeted positions.

**Fund Group Summaries**
The Budget includes spending from 36 different fund groups that are required to be reported by State or federal law, the City Charter, and/or proper accounting practices. A fund consists of a separate set of accounts used to monitor the accomplishment of specified purposes, or uses, of restricted revenue. Depending on the type of service provided, department expenditures may be authorized from several fund groups. Most traditional City services are funded through the General Fund, which is the only fully discretionary fund without significant restrictions.

**The Capital Improvement Program**
The Capital Improvement Program (CIP) represents expenditures for major construction, infrastructure projects, and City facility and building repairs. Each year, the Public Works Department solicits, and the City Manager approves, projects to be funded and administered in the next fiscal year. The CIP, as presented in this section of the Budget Book, is adopted annually by the City Council as part of the budget process. A separate CIP document, the Proposed FY 26 CIP, provides greater detail about ongoing and new CIP projects.

**Appendices**
The appendices include the Budgetary and Financial Policies, Long Beach Community Investment Company Budget, a Glossary of commonly used budget terms, and an Index to find specific sections.

## FINANCIAL INFORMATION

**Adjustments to the Budget**
During each fiscal year, special circumstances may result in changes to department spending priorities. At the beginning of each fiscal year, appropriations are made at the fund group and department level and are authorized by the City Council's adoption of an Appropriations Ordinance.

Budget adjustments that require a modification to the amounts authorized by the Appropriations Ordinance require the City Council approval in accordance with City Council's Financial Policy on mid-cycle adjustments. During each fiscal year, transfers between programs or "characters of expense" not affecting any fund groups or a department's total appropriation only require City Manager approval.

**Basis of Accounting***

Governmental funds are prepared using a current financial resources measurement focus and modified accrual basis of accounting. Generally, expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures and expenditures related to compensated absences are recorded only when payment is due. Proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and an expense is recorded when a liability is incurred, regardless of the timing of related cash flows.

**This information is taken from the Annual Comprehensive Financial Report (ACFR) of the City of Long Beach, California – September 30, 2024. For further information regarding the City's accounting and debt management practices, please consult the Annual Report.*

**(Accounting) Basis of the Budget**

The (accounting) basis for the budget document is designed so that the reported "bottom line" of a fund in the budget generally reflects how much remaining money the City Council has available to spend in a future budget cycle. The bottom line or change in funds available is generally the difference between all sources (revenues) of a fund and all uses (expenses) of a fund. The basis of budget is similar to, but not the same as, looking at transactions on a cash basis. Revenues are recognized when received or when they are earned and due within 60 days of the end of the fiscal year. Expenditures are recognized when the liability for the expense occurs, whether or not the cash has been immediately paid out. Generally, non-cash transactions that are recognized on an accounting basis and reported in the City's financial reports as revenues and expenses are NOT shown as revenue and expenses in the budget. A typical example for an accounting revenue that is not a budgetary revenue is unrealized gains and losses on investments. A typical example of an accounting expense that is not a budgetary expense is depreciation. An example of a budgetary expense that is not an accounting expense is the part of debt service costs that pays down the principal part of debt.

**Investment Management**

The investment function's primary goal is safeguarding principal and ensuring liquidity levels necessary to pay for budgeted expenses while optimizing return on investment. The City maintains general bank accounts for daily business requirements, but the majority of the City's funds are held in an investment pool administered by the City Treasurer. The City maintains an Investment Policy, which is based on California Government Code §53600, which specifies authorized investments and reporting requirements. As of March 31, 2025, the book value of the Treasurer's investment pool was approximately $2.42 billion. The investment portfolio includes a variety of high-quality fixed income securities that vary in maturity from one day to five years.

# Budget Development Process

The FY 26 Budget covers the period of October 1, 2025 through September 30, 2026. The City's multifaceted Budget Process is designed to promote transparent communication with community stakeholders and provide multiple opportunities for direct community input.

The annual Budget is the most important policy document the City produces. The program and financial decisions it embodies must reflect the will of the community through the policy direction of the City Council. This can only be achieved through a development process that encourages communication and transparency, equitably seeking input from the community, while offering opportunities for review and revision. The following describes the general budget preparation process.

The City Manager, through the Financial Management Department, provides clear budget development instructions to departments. The City Manager then reviews and makes a presentation on the City's financial status, including coming year projections. The projections inform the City Manager's goals for the development of the Proposed Budget.

In January, community engagement is initiated through a survey and series of virtual and in-person events to encourage active public participation in the Proposed Budget's priorities. By April, departments complete their budget proposals with updated revenue and expenditure recommendations. The proposals are guided by City Manager identified goals and direction. In June, the City Manager assembles department proposals into a coherent Proposed Budget that reflects the economic environment, fiscal condition, and the City's priorities.

Then, the City Manager submits the Proposed Budget to the Mayor. The City Charter, as modified on May 1, 2007, requires that the City Manager submit the Proposed Budget to the Mayor "not later than ninety (90) days prior to the beginning of each fiscal year," or July 3.

A series of events designed to encourage active public dialogue regarding the Proposed Budget is initiated in August, culminating in the Budget's adoption by the City Council in September. Activities include Special Meetings of the City Council, Budget Oversight Committee (BOC) meetings, City Council budget hearings, and requested neighborhood, board, committee, and commission briefings.

The City Charter requires that the Mayor transmit the Proposed Budget to the City Council "not later than sixty (60) days prior to the beginning of the fiscal year," or August 2. The City Council must adopt the budget "not later than fifteen (15) days prior to the end of the current fiscal year," or September 15, at which time the Mayor will have an additional five (5) days to review the Adopted Budget. The Mayor may concur or exercise a line-item veto of any expenditure. The City Council has until the end of the fiscal year, or September 30, to concur with the Mayor's changes or override any veto.

**FY 26 BUDGET PREPARATION CALENDAR**

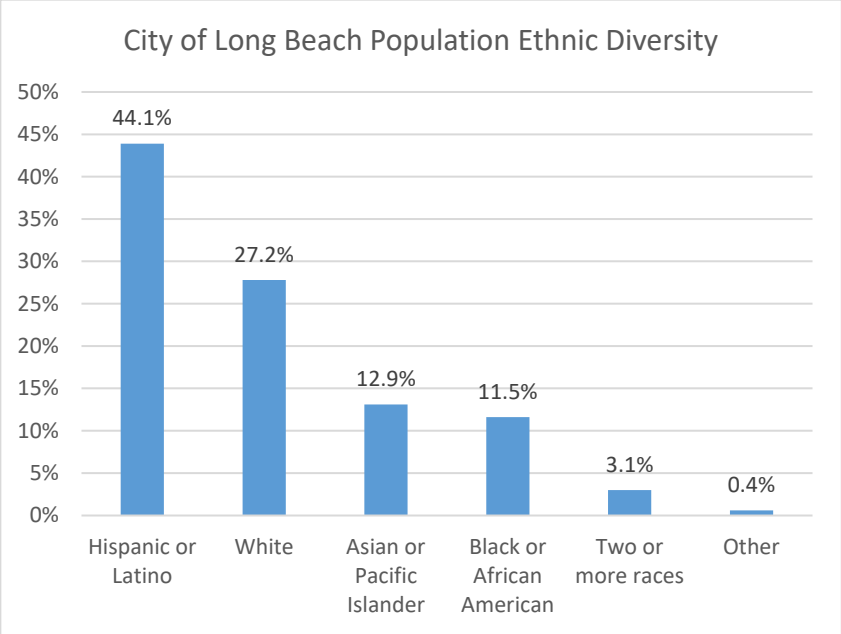
| | |
|---|---|
| Dec | City Manager issues budget preparation policies and instructions to departments |
| Jan | Early budget community outreach |
| Jan – Mar | Review of City's financial status and five-year projection presented; Manager describes goals for Proposed Budget |
| April | Departments complete their budget recommendations |
| May – June | City Manager develops, reviews, and finalizes Proposed Budget structure |
| Jul 3* | City Manager submits proposed budget and CIP budget to Mayor |
| July - Sept | Special Meetings of the City Council on the budget are initiated, including the Budget Oversight Committee (BOC) |
| Aug 2* | Mayor submits proposed budget and recommendations to City Council and community |
| Aug | Weekly budget hearings are held; Recommendations are submitted to the City Council by the BOC |
| Sept 15* | Deadline for City Council to adopt the Budget |
| | Mayor has five days to concur with adopted budget or exercise line-item veto of any expenditure |
| Sept 30* | Budget Adopted |

*On or before

# City of Long Beach Demographics

## GOVERNMENT

The City of Long Beach, California covers approximately 52 square miles on the southern coast of Los Angeles County. Long Beach has a population of approximately 462,293 residents (from the 2022 American Community Survey, 5-year estimates), making the City the second largest city in Los Angeles County and the seventh largest city in the State. The City celebrates its vibrant diversity. According to the American Community Survey, the City has the following ethnic makeup: 44.1 percent Hispanic or Latino, 27.2 percent White, 12.9 percent Asian or Pacific Islander, 11.5 percent Black or African American, 3.1 percent all two or more races, and 0.4 percent other ethnicities.




Long Beach was originally incorporated in 1888. After a short period of disincorporation, the City was reincorporated on December 3, 1897. Since 1921, Long Beach has been governed as a charter city and operates under a Council-Manager form of government.

Nine members who represent electoral geographic districts compose the City Council. The Mayor is chosen in a citywide election to serve as the full-time chief legislative officer of the City. Although the Mayor does not vote, the Mayor presides over City Council meetings, presents the annual budget to the City Council, and has veto power over City Council actions, including line-item veto authority over the budget. The City Council elects a Vice Mayor from among its members.

The City has three other full-time elected officials: City Attorney, City Auditor, and City Prosecutor. In addition to these elected positions, two semi-autonomous commission-led departments exist: Utilities Commission (formerly known as the Water Commission), and Harbor Commission oversee operations of their respective departments while all other City departments report directly to the City Manager. The Civil Service Employee Rights and Appeals Commission, formerly the Civil Service Commission, though no longer a commission-led department, remains an independent body and will continue to resolve complaints about civil service rules, adjudicate disciplinary appeals for classified employees, and provide a forum for job applicants to lodge complaints about the hiring process. The City Attorney's Office will staff the Civil Service Employee Rights and Appeals Commission. Other advisory boards and commissions compose the city government. The Mayor nominates commissioners, and the City Council confirms the Mayoral nominations.

The City Council appoints the City Clerk, Police Oversight Director, and City Manager. The City Manager serves at the discretion of the City Council. As head of the municipal government, the City Manager is responsible for the efficient administration of all departments, except for the elective offices, City Clerk, Office of Police Oversight and the two semi-autonomous commission-led departments. The City currently budgets for approximately 6,298 full-time equivalent staff within 23 departments.

In addition to the usual municipal services of police, fire, parks, recreation and marine, public works, and library services, the City of Long Beach owns and operates a container cargo port, offshore and onshore oil production, a local health department, a gas and water utility, a convention and entertainment center, aquarium, museum, two historic ranchos, a commercial airport, marinas, and golf courses.

# City of Long Beach Demographics

## EDUCATION

The Long Beach Unified School District (LBUSD) is the third largest public school system in California, serving nearly 65,800 pre-kindergarten through high school students. LBUSD's 84 schools are in Long Beach, Signal Hill, Lakewood, and on Catalina Island. Additionally, Long Beach also offers a City College, educating approximately 38,696 students in the 2023-2024 academic year. The college offers a full range of degrees and transfer programs to students who want to earn degrees. Long Beach City College also has over 70 Career and Technical Certificate programs which prepare students for entry into a broad range of careers.

California State University, Long Beach (CSULB) is the State University system's third largest campus. With over 41,300 graduate and undergraduate students enrolled in the 2024 academic year, CSULB offers 85 baccalaureate degrees, 104 master's degree programs, five doctoral degrees, and a host of certificate programs stretching across disciplines.

## BUSINESS AND INDUSTRY

The City of Long Beach is a center for aerospace, petroleum, shipping, tourism, and a wide variety of office and retail opportunities. Downtown alone is home to approximately 4.8 million square feet of commercial office space.

*The Port of Long Beach Middle Harbor Terminal*

Currently, the largest employer within the City is the LBUSD, which operates 84 regular, one continuation, and two charter schools. LBUSD's workforce ensures the success of students by maintaining high standards, a commitment to excellence, and offering a comprehensive scholastic program.

The City of Long Beach is the second largest employer. The City of Long Beach operates many award-winning facilities and services. The City has received recognitions such as: Top 23 Best Park Systems, Most Bike Friendly City, and one of the 10 most walkable cities in the U.S. The City was also recognized as a Top 10 Digital City for the twelfth year in a row, and the City's Fleet was awarded the No. 1 "Leading Fleet Award" for excellence in fleet management.

The third largest employer is the Long Beach Memorial Medical Center. With over 100 years serving the community, Long Beach Memorial is a recognized regional leader in health services, including being named as one of the top 100 U.S. hospitals by numerous medical and consumer publications. Exhibit 1, provides a list of the top 10 employers in Long Beach as of FY 24.

| Rank | Exhibit 1: Top 10 Employers in Long Beach |
|---|---|
| 1 | Long Beach Unified School District |
| 2 | City of Long Beach |
| 3 | Long Beach Memorial Medical Center |
| 4 | Veteran Affairs Medical Center |
| 5 | California State University Long Beach (CSULB) |
| 6 | Long Beach City College |
| 7 | St. Mary Medical Center |
| 8 | CSULB Research Foundation |

| | |
|---|---|
| 9 | The Boeing Company |
| 10 | Molina Healthcare Inc. |
| Source: Department of Financial Management, *Annual Comprehensive Financial Report (ACFR) FY 24* | |

The Port of Long Beach is one of the world's premier seaports. In 2024, the Port handled 9.6 million twenty-foot equivalent units (TEUs) of container cargo. The Port moves around $300 billion in cargo each year, making the City of Long Beach a leading global gateway and helps power the local, regional, state, and national economy. In addition to container cargoes such as furniture, machinery, electronics, auto parts, plastics, apparel, toys, wastepaper, seeds, grains, fruit and animal feed, the Port handles bulk cargo such as crude oil and other petroleum products, mineral ores and ash, automobiles, lumber, chemicals and scrap metal. The Port of Long Beach is undergoing a 10-year capital improvement program with over $2 billion in investments to improve terminal and rail capacity, improve operational efficiency, improve the condition of the Port infrastructure, and reduce the environmental impacts of Port operations. This will also stimulate the local economy by generating thousands of direct professional services and construction jobs, indirect services, and commercial opportunities.

Oil production, private and municipally owned, continues to be an important business in Long Beach with both offshore and onshore facilities. Due to the current legislative landscape and regulatory environment expediting annual oil revenue decline in advance of 2035, the City implemented a strategy in FY 25 to reduce its structural reliance on oil revenues in the General Fund Group by FY 30 – five years in advance of the target date of 2035.

The City of Long Beach is continuing implementation of its Grow Long Beach Economic Blueprint, a 10-year plan for creating more equitable economic opportunities for workers, investors and entrepreneurs in Long Beach. Focused on various key areas, from small business is big business, to talent recruitment and retention, and business and industry expansion, the plan features bold approaches to elevating our city’s economic landscape. In 2023, the City began developing its Grow Long Beach initiative which aims to build a more inclusive, sustainable, and future-ready economy and support the City’s reliance on oil revenues while expanding opportunities across key industries. Goals for the City's Grow Long Beach Initiative include: fueling the aerospace and aviation sectors; building the transportation, logistics and supply chain of the future; unleashing the creative economy through music, athletics, tourism and hospitality; driving economic development through healthcare and education partnerships; building a climate-forward economy; and supporting other citywide Initiatives: Growing Long Beach Together.

In recent years, Long Beach has welcomed several space tech companies to the city. This revitalization of the aerospace industry has brought gains to the Long Beach aerospace workforce. In 2025, local employment in the aerospace industry is approximately 6,000 and continues to grow with 14 local employers. Long Beach’s aerospace history has paved the way for today’s “Space Beach.”

Tourism continues to be a growing industry in Long Beach, and the City attracts approximately six million visitors a year. A vital part of that industry is the Long Beach Convention and Entertainment Center. The campus offers more than 400,000 square feet of meeting and exhibit space, including a 224,000 square-foot exhibit hall, 34 newly redesigned meeting rooms, a fully customizable, 13,500-seat arena and two theaters in the elegant Long Beach Performing Arts Center. The world-class Long Beach Aquarium of the Pacific, on Rainbow Harbor, is located across the water from the Convention and Entertainment Center, Shoreline Village and the iconic Queen Mary. The Aquarium is the fourth most-attended aquarium in the nation, and it is home to over 12,000 marine animals and more than 100 exhibits. Each year more than 1.7 million people visit the Aquarium for its world-class animal exhibits, hands-on activities, and lectures by leading scientists.

# City of Long Beach Demographics

*The Queen Mary docked in Long Beach*

The historic Queen Mary features a rich maritime history and has continued this legacy as part of the Long Beach shoreline since December 9, 1967. Following the COVID-19 pandemic, the ship welcomed visitors back on board in a limited capacity in December 2022 and celebrated a broader grand reopening in June 2023. Since reopening, over 400,000 guests annually come onboard to enjoy the grandeur of this historic vessel which offers multiple daily tours, restaurants, and hotel rooms — all with a view of the Pacific Ocean and Long Beach skyline. The City has undertaken numerous projects to improve the structural stability and safety of the ship and elevate the guest experience. Throughout the reopening process, the City has invested over $8 million in the ship, along with an additional $12 million through a partnership with the Port of Long Beach to continue repairs and enhancements. Additionally, the City is moving full-steam ahead with its new amphitheater project which will further propel Long Beach as a premier national and international destination for music, entertainment and special events of all scales. To be located along the Downtown waterfront adjacent to the iconic Queen Mary and Harry Bridges Memorial Park, the transformative venue is expected to host up to 40 concert-scale events annually, along with other community and private events.

As of May 2023, Long Beach has drawn from the strength and adaptability of the local economy to endure the challenges of, and to benefit from, the opportunities in our global world economy. The blend of local, national, and international businesses continues to keep Long Beach thriving. As the City's business community grows, the need for housing also grows. To accommodate this growth, thousands of new residential projects have been approved for construction. During FY 24, despite the challenges brought on by the global pandemic, the City issued 10,700 building permits with total construction valuation of $500 million.

The City of Long Beach supports large and small industries through a holistic approach to economic development. All employees regardless of their position descriptions are, at their core, economic development ambassadors and are expected to provide excellent customer service. This provides the foundation for a strong, welcoming, and well-run city. The City was recognized for these efforts in 2023 and was named the Most Business Friendly City in LA County by the Los Angeles Economic Development Corporation. In addition, the City supports targeted programs that impact businesses. These programs include workforce development services provided by Long Beach Workforce Innovation Network; business improvement districts; small business loans streamlined permitting, inspection, and licensing services; low costs business license tax structure; and direct financial assistance through several loan and rebate programs.

CITY OF LONG BEACH
CALIFORNIA
URBS AMICITIAE
INCORPORATED - 1897