


Date: July 2, 2020

To: Thomas B. Modica, City Manager 

From: John Gross, Director of Financial Management 

For: Mayor and Members of the City Council

Subject: **Status Update on the Proposed FY 21 Budget**

The Proposed FY 21 Budget development process was temporarily suspended in late March due to the significant reallocation of resources and staff time to respond to the COVID-19 pandemic. The budget development process restarted after the May 19, 2020 Budget Study session, which provided updated shortfall projections including preliminary fiscal impacts of the pandemic.

Despite the nearly two-month suspension of the budget development process, staff has developed a modified budget process with shortened timeframes and adjusted deliverables to meet the normal adoption date in September and provide the City Council the time they traditionally have for budget hearings and public discussions.

Since the May restart, significant work has been done by departments to develop a menu of reduction options to resolve the budget shortfall, and departments have been hard at work to review and analyze the submittals to put together a proposed budget package that is best aligned with the City's core services and values. Additionally, the City is currently engaged in public listening sessions to hear from the community and to consider action steps to address the impacts of systemic racism in Long Beach.

The City Manager is currently finalizing the recommendations for the Proposed FY 21 Budget and anticipates submitting the budget plan to the Mayor by mid-July (slightly past the July 3, 2020 Charter deadline). Due to significant time constraints, the proposed budget plan will be transmitted in a modified format that contains key information highlighting all the proposed budget changes, and a full budget book will be developed for the Adopted Budget. The budget is expected to be released by the Mayor, along with any recommendations he might have, to the City Council by the August 2, 2020 City Charter deadline, with the City Council having the usual time in August and September to consider and adopt a budget.

If you have any questions, please contact Budget Manager Grace H. Yoon at (562) 570-6408.

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