

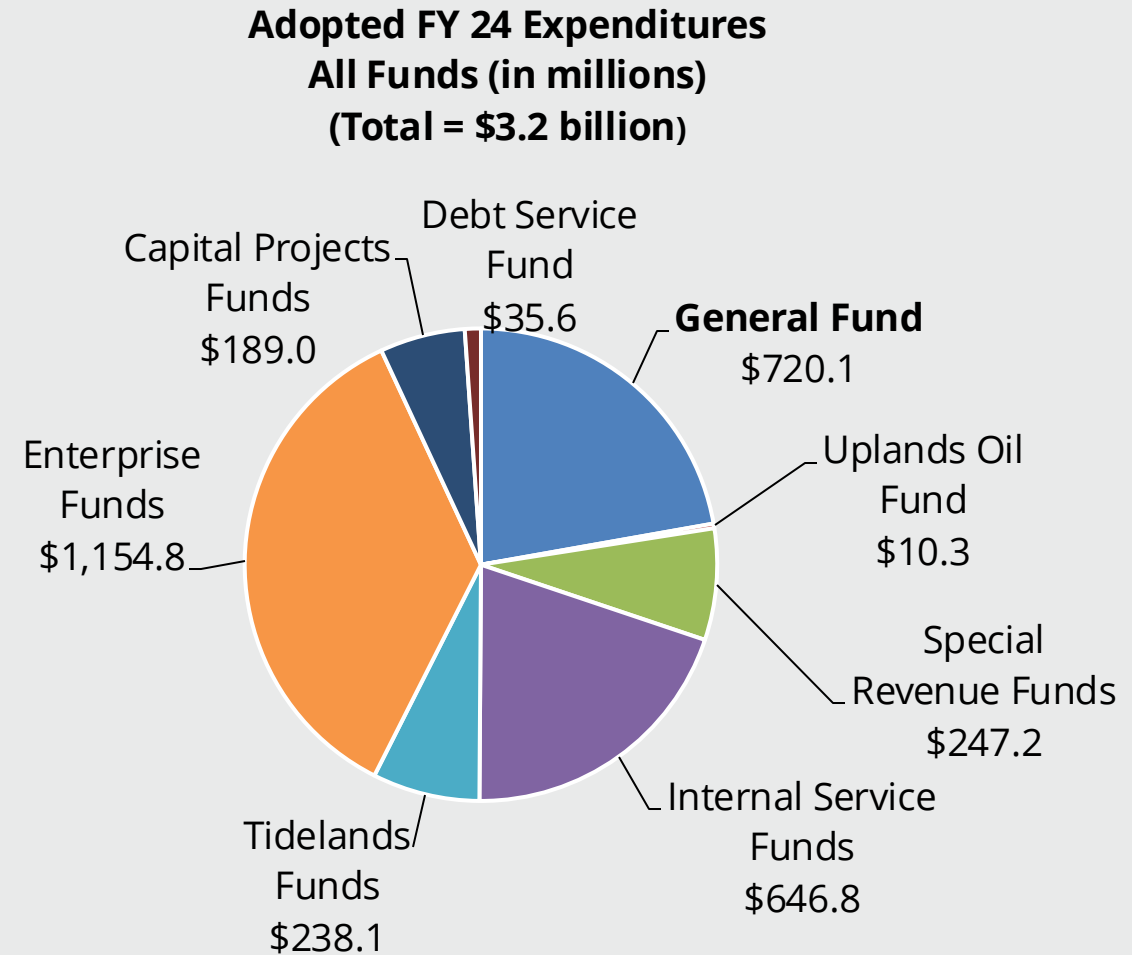


Budget Overview

Planning Commission– July 18, 2024

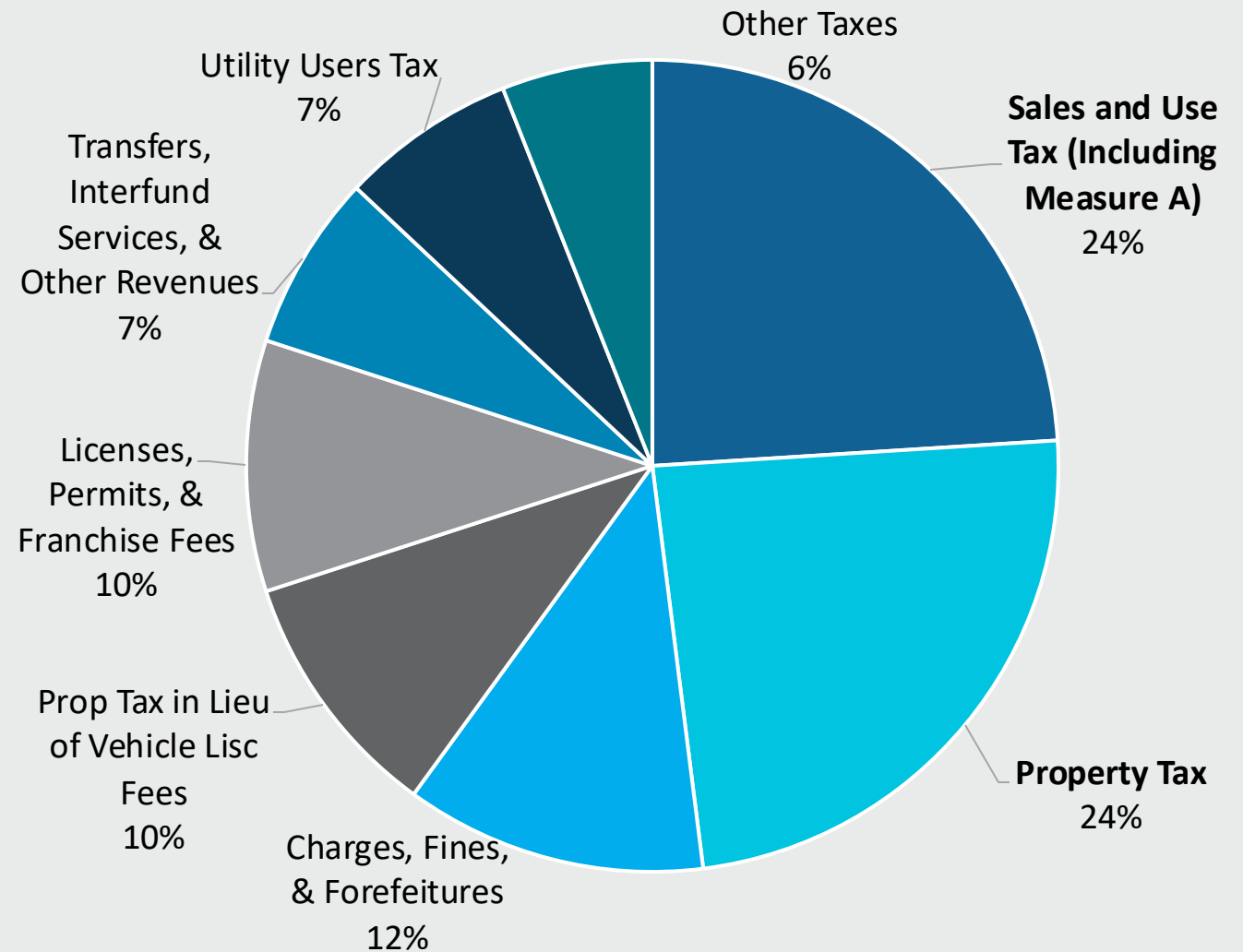
City of Long Beach: Funds Overview

- FY24 - \$3.2 billion budget
- There are many funds in the City of Long Beach, including funds for the Port (Harbor), Airport, Energy Resources, and General Operations (Fund)
- Most of the City's Funds are Restricted for Specific Purposes
- Only the General Fund is truly discretionary; funds general services most residents associate with city government: police, fire, parks, recreation, libraries, and general government, etc.



General Fund Revenue Overview

- Taxes account for approximately 71 percent of the General Fund Group revenues.
- Sales and Use, Transient Occupancy, and Property Tax is about 51 percent of total General Fund Group Revenues.



Key Revenue FY 24 Highlights

TOP 40 Rank	Source	FY 24 Adjusted Budget	Estimates-to-Close	Over/(Under) Budget
1	REAL PROPERTY TAX	\$161.7M	\$165.3M	\$3.6M
Varies (reported separately)	UTILITY USERS TAXES (Electric, Gas, Telephone, and Water)	\$44.7M	\$49.1M	\$4.4M
7	TRANSIENT OCCUPANCY TAX	\$23.2M	\$25.1M	\$1.9M
4	TRANSACTION AND USE SALES TAX-MEASURE A	\$68.4M	\$63.9M	(\$4.5M)
2	CITY SALES AND USE TAX	\$91.7M	\$86.6M	(\$5.1M)

The General Fund Forecast for FY 26 and Beyond

General Fund Surplus/ (Shortfall) in \$ Millions*							
	FY 25 Proj	FY 26 Proj	FY 27 Proj	FY 28 Proj	FY 29 Proj	FY 30 Proj	Cumulative Shortfall (FY 25 – FY 30)
General Fund Forecast	(23.5)	(12.4)	(8.9)	(14.6)	(14.8)	(7.1)	(81.3)

- Outyear Projections assume no recession and normal revenue growth factors.
- Challenge is that General Fund revenue is normal revenue increases (not including unusual one-time gains or losses) had difficulty offsetting inflation in the City's costs.
- Forecast includes the City's General Fund Strategy to Reduce Reliance on Oil Revenues.

Tidelands Operating Fund

- Tidelands Operating Fund supports operations (Police, Fire, Lifeguards), programs, beach maintenance, capital projects, and development of beaches and waterways in the Tidelands area
- Although revenue sources are varied and includes charges for services, parking fees, and MOU revenue for public safety services, the fund is heavily dependent on annual oil revenue
- Structural revenue from oil is budgeted at \$55/bbl and is projected to decline from \$14.6M in the FY 24 Budget to \$2.7M by FY 30
- Projected decline is due to regulatory actions reducing production activities starting in FY 23 and SB 1137 starting in FY 25. Under these conditions, the available fund balance is in danger of being depleted as soon as FY 26.

A nighttime photograph of the Long Beach skyline. The city lights, including several tall buildings and palm trees, are reflected in the calm water in the foreground. A semi-transparent white rectangular box is overlaid on the left side of the image, containing the text "Thank You".

Thank You