
CITY OF LONG BEACH

CAPITAL BUDGET POLICY

I. SCOPE

In order to provide all required services to the public, the City of Long Beach (the “City”) has made material investments in its physical assets such as streets, buildings, parks and recreational facilities, sewer facilities, water facilities, vehicles and other equipment. These capital assets shall be properly planned for, maintained and replaced over time to adequately provide public services.

II. PURPOSE

This policy is to establish the principles related to the planning, maintenance and replacement of capital assets.

III. CAPITAL BUDGET POLICIES

The City has adopted following policies with respect to the Capital Budget:

1. The City Manager, with the assistance of applicable department heads, will prepare a five-year capital improvement plan which will be updated annually and approved by City Council resolution.
2. The planned capital improvements will be based on the City’s existing and future long-term needs and will balance initial costs with future maintenance and replacement cost.
3. The development of the annual Capital Budget will be coordinated in a timeframe that corresponds to that of the annual operating budget in order to consider relevant expenditures in the forthcoming years’ operating budget.
4. The Capital Budget will identify the anticipated funding source for each capital improvement. Intergovernmental (e.g., federal, state and county funding) and private sources shall be sought out and used as available to assist in financing capital improvements. The City will determine the most cost-effective method of funding.
5. The Capital Budget will forecast, on an annual basis and for at least the next five years, all capital projects, equipment, equipment replacements, maintenance needs and major studies exceeding the capitalization threshold. A maintenance and replacement schedule based on this projection will be developed and followed.
6. The City Comptroller will be responsible for keeping internal records of all assets. At a minimum, the records will identify the description of the asset, location, date of purchase.

7. Capital asset purchases or dispositions will be monitored and recorded by the City Comptroller on a monthly basis.

IV. ANNUAL REVIEW AND POLICY AMENDMENTS

On an annual basis, or as deemed necessary, the City Council shall review the Capital Budget Policy and shall approve policy revisions, if any, by formal resolution.

ADOPTED: OCTOBER 29, 2020