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City Auditor Laura Doud Addresses Budget Challenges

Long Beach, CA. – Long Beach City Auditor Laura Doud spoke to the City's Budget Oversight Committee today to address the challenges the City faces in future budgets. She also commended the Long Beach Police Department for the progress made in implementing cost-saving and revenue-generating recommendations from a recent audit of the department.

"In his budget message for this fiscal year, former City Manager Jerry Miller cautioned that non-discretionary General Fund obligations were going up and that revenues to pay for them were either flat or going down," commented City Auditor Laura Doud.

City Auditor Doud reported that in the six months since that message was delivered, the economic downturn has made our General Fund revenue condition even more uncertain. "With the State of California facing a \$14 billion budget shortfall, the City of Long Beach will undoubtedly experience a reduction in state funding for local government programs. Additionally, due to the current slow down in the economy and the real estate market, we are seeing a decrease in revenue from sales taxes and real estate transfer fees."

"We are not sure what the actual fiscal impacts will be but we must be prepared," Doud told the Committee. "The greatest challenge will face us as we prepare for the 2010 budget year. We are not in a fiscal crisis today, but all of us should bring a sense of urgency to the mismatch between non-discretionary General Fund obligations on the one hand, and flat or potentially declining General Fund revenues on the other."

On another budget related item, the City Auditor commended Police Chief Batts and the Department for working to implement the findings of last year's audit of the Police Department by the City Auditor's Office.

"Based on the report from the Chief, I believe we are reaching many of the savings and efficiencies identified in the audit," noted City Auditor Doud.

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Included in those are:

- A 40% decrease in overtime expenditures for the first quarter of this year compared to the first quarter last year – representing a reduction of nearly \$1.2 million;
- An increase in false alarm fines – recently approved by the City Council. This will bring the City between \$150,000 - \$200,000 per year;
- Creation of a towing plan and using automated license plate readers. This is a variation of the audit's booting recommendation to improve the City's collection rate. An estimated 18,000 delinquent parking tickets can be collected resulting in approximately \$1.5 million in new revenue to the City.

"I would like to thank Chief Batts and the Police Department for their hard work on implementing the recommendations of our audit and working to manage their budget," Doud concluded.

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