



OFFICE OF THE CITY AUDITOR
Long Beach, California

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Mayor Joins City Auditor in Release of Summary Report of Proposition H Benefits
Long Beach Public Safety Receives \$22 Million in the First Seven Years

Long Beach, CA – Long Beach Mayor Robert Garcia and City Auditor Laura Doud held a joint news conference today to announce the findings of an informational report of the revenue and expenditures from Proposition H during the first seven years it has been in effect. Proposition H, the Police and Fire Public Safety Oil Production Tax (OPT), added an additional 25 cents per barrel tax and mandated these additional funds were to be spent on public safety. Until being updated in 2007 by voter approval, the City's OPT was significantly below the rate of neighboring cities.

The City Auditor's Summary Report found that from 2007 to 2013, over 82 million barrels of oil have been produced in Long Beach generating approximately \$22 million for Long Beach Police and Fire support. Proposition H revenues to the City have averaged more than \$3.5 million per year ranging from \$3.4 million to nearly \$3.7 million.

Of the more than \$22 million of Proposition H funds spent, 87% has been used to maintain police officer and firefighter staffing levels -- that is over \$19 million to keep on average 12 police officers and 11 firefighters protecting the citizens of Long Beach every year for the past six years. The balance, slightly over \$2.8 million, was used for fire truck acquisition and retrofit, technology, safety equipment, and other necessary supplies and materials.

"As Mayor, my top priority for the City is fiscal responsibility and maintaining a balanced budget," said Long Beach Mayor Robert Garcia. "We have weathered some difficult budgets the last several years, however, it has been very helpful to have this dependable funding source for public safety. It is wonderful to be able to report to the public what a wise decision they made and how much it has helped our police and fire officials who work on our behalf every day."

City Auditor Doud said, "Proposition H has been a tremendous success, and I am pleased to report that it has had such positive and tangible benefits in protecting the public. Without Proposition H, public safety in our City would have experienced more severe budget cuts and our overall fiscal situation would have been very different today."

"I appreciate Mayor Garcia's strong leadership on our City's fiscal issues. He has an outstanding track

record of supporting public safety and ensuring the City is doing everything possible to protect our citizens," Doud said. "I am also very grateful to Police Chief McDonnell and Fire Chief DuRee for their dedicated service to Long Beach and for identifying uses for the Proposition H funds to best serve the public."

Background:

In 2006, after reviewing the City's Oil Production Tax (OPT), City Auditor Doud reported to the City Council that the rate had not been updated since it was implemented 17+ years prior and that the OPT was significantly below the rate of neighboring cities. The City Auditor's Office then conducted a comprehensive analysis to identify a fair and appropriate rate for the OPT. In 2007, the Mayor and City Council placed Proposition H on the ballot to add an additional 25 cents per barrel tax and mandate that the additional funds raised from the OPT were to be spent on public safety in Long Beach. Additionally, the ordinance mandated annual independent review by the City Auditor's Office to ensure that the revenue was being properly collected and spent for the City's Police and Fire Departments as intended. Passage of Proposition H required a two-thirds majority vote of the public. Proposition H received an unprecedented 70% of the vote which was the largest margin for a tax issue in City history.

The full report can be viewed on the City Auditor's website, www.CityAuditorLauraDoud.com.

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