

MINUTE ITEM

7/26/71
CVB

20. QUARTERLY REPORT, REDUCTION OF EXPENDITURES, LONG BEACH UNIT, THIRD QUARTER 1970-1971 FISCAL YEAR; LOS ANGELES COUNTY; CITY OF LONG BEACH.

The attached Calendar Item 14 was presented to the Commission for information only, no Commission action being required.

Attachment:

Calendar Item 14 (1 page)

INFORMATIVE CALENDAR ITEM

7/71
CVB

14.

QUARTERLY REPORT, REDUCTION OF EXPENDITURES, LONG BEACH UNIT, THIRD QUARTER 1970-1971 FISCAL YEAR.

The Commission, at its meeting of April 23, 1970, requested the City of Long Beach to report on a quarterly basis as to its effectiveness in reducing the expenditures by the Field Contractor for the Long Beach Unit in order to maximize the net profits payments to the City and to the State.

The cost reduction report for the third quarter of the 1970-1971 Fiscal Year has been submitted by the City of Long Beach and has been reviewed by the Division.

Based on expenditures through March 31, 1971, the City estimates that expense-type expenditures will be reduced by \$3,734,000 and that \$3,740,000, or 40 percent of the original budget provided for capital investments, will not be expended, with a resulting reduction in administrative overhead of \$193,000. These changes, totaling \$7,667,000, represent over 15 percent of the original budget approved for the Long Beach Unit.

The City of Long Beach estimated that approximately \$1,600,000 of the \$7,667,000 under-expenditure would be carried into the 1971-1972 budget in order to continue uncompleted capital projects commenced during the 1970-1971 Fiscal Year, thus altering the overall reduction to approximately \$6,000,000, or about 12 percent of the original 1970-1971 budget.

On June 29, 1971, funds in the amount of \$3,605,000, including supplements, were carried over to the 1971-1972 budget from previous budget periods, in effect partially offsetting the apparent savings shown above.