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## City of Compton

### *Financial Mismanagement and a Lack of Leadership Have Threatened Compton's Ability to Serve the Public*

#### **Summary**

Compton has struggled for several years to adequately perform many core functions of city government, including infrastructure maintenance, sound budget practices, and leadership continuity. A likely contributor to its ongoing problems is Compton's inability to recruit and retain qualified executives in key leadership positions.

#### **Key Risks**

Compton's deteriorating infrastructure presents significant health and safety risks:

- Half of its streets are in poor condition.
- Its aging infrastructure threatens the reliability of its water supply.
- It has not completed needed sewer infrastructure projects.

Financial mismanagement has hampered Compton's ability to address its infrastructure needs:

- The city lacks an adequate plan for addressing its financial challenges.
- It has borrowed from restricted funds to support its general fund.
- Its budgeting practices have lacked transparency, and it left funds for infrastructure unspent.

The city has struggled to retain leadership and staff:

- Weaknesses in its HR department and hiring processes have prevented Compton from filling vacancies, retaining staff, and ensuring that staff are qualified to perform their duties.



#### **Risk Designation:** **HIGH RISK**

- **Population: 94,000**
- **Median Household Income: \$59,000**
- **Unemployment Rate: 13%** (annual average 2021)

#### **Key Recommendations**

The Legislature should consider requiring all city council members statewide to participate in recurring training related to municipal finance, budgeting, and the council's oversight roles.

Compton's city council should prioritize taking the following actions:

- Propose city charter amendments and amend personnel guidelines to prioritize an open, competitive hiring process for all positions.
- Formalize the key responsibilities of the human resources department and require ongoing reporting on the department's status in meeting them, especially in the areas of recruiting and hiring.
- Direct the city manager to make efforts to fully staff the HR department and the city controller's office with qualified individuals.
- Approve a fiscal sustainability plan that contains specific measures for increasing revenues, decreasing expenditures, and eliminating fund deficits.
- Approve an updated capital improvement plan and ensure immediate implementation for needed infrastructure projects.