



Artie Fields  
City Manager

# CITY OF INGLEWOOD

Office of the City Manager



September 27, 2011

## Honorable Mayor and City Council Members of the City of Inglewood:

It is my privilege to present the Approved City of Inglewood FY 2011-12 Annual Operating and Capital Improvement Project (CIP) Budgets. These budgets are of particular importance to me because they are my first budgets as the newly appointed Inglewood City Manager. The Operating and CIP Budgets represent a monumental undertaking that could not have been completed without the tireless efforts of the Budget Team, Department Heads, and their respective staff. Their contributions were critical and assisted me in making decisive decisions in order to present a balanced budget.

While Fiscal Years 2008-09 and 2009-10 proved to be two of the most challenging fiscal years in decades, FY 2010-11 ushered in signs that the economy had hit rock bottom and the City was slowly moving out of its dire economic state of affairs. Major signs of this positive trend included revenue reports that began to show sales tax proceeds improving. After nearly two years of sagging sales, (beginning with the 2010 3<sup>rd</sup> Quarter report), Inglewood sales tax receipts have shown increases over the past four consecutive quarters, increasing 8.4%, 2.4%, 9.3%, and most recently 14%. Used car, automotive-related, fuel, and general consumer sales are proving to be the strongest sectors in Inglewood's retail revival. Continued sales growth should see the City's sales tax revenues move toward pre-recession levels (\$12.3 million in FY 2007-08). Although there are small, albeit important, signs that the economy is recovering, the pace of this recovery will still require residents, visitors, and business owners to continue to adjust to fewer and less frequent basic services provided by the City.

Property tax revenues have not similarly rebounded. Due to warnings of rising delinquencies and defaults, anticipated property tax receipts are expected to be reduced by 3.4% or \$542,546 in the coming year.

On balance, General Fund revenues are expected to edge up 1.4%, or \$1.1 million from the adopted FY 2010-11 budget. This provides General Fund-supported services with a small measure of relief but doesn't fully offset increases in operating costs outside of our control.

In order to balance the proposed FY 11-12 budget it is recommended that 24 positions be frozen at an annual cost savings of approximately \$2.3 million and that 8 police officers be laid-off at a cost savings of approximately \$1 million. This action is necessary because non-designated reserves have been exhausted and no other alternative funding sources are available. One exception, however, is a grant awarded by the Department of justice (DOJ). The COPS Hiring Recovery Program is a competitive grant program that provides \$1 billion in new funding directly to law enforcement agencies to create and preserve jobs and to increase their community policing capacity and crime prevention efforts. COPS funds provide 100% of entry-level police officer salary and benefits for the first three years. In initially awarding the City funds (which have not yet been drawn down) in 2009, DOJ considered the impact of the City's current economic crisis, as well as crime statistics and plans for initiating and advancing community policing. The City has submitted a request to the DOJ to use a \$3 million grant to retain the 8 police officers scheduled for lay-off, instead of hiring 10 new police officers. Many cities throughout the

country have made the same request and have received approval from DOJ. If this is approved, the City will rescind the lay-off notices. . All of the aforementioned personnel reductions are significant because the City has already eliminated 121 fulltime and 27 part-time (or fulltime equivalent [FTE]) positions since FY 2008-09.

Without the benefit of current financial audits, the City balanced the FY 2008-09 General Fund Budget with \$13.4 million in reserves and balanced the FY 2009-10 General Fund Budget by using \$18.37 million of its reserves. The City balanced the FY 10-11 General Fund Budget by using \$2.4 million in reserves. By contrast, the proposed FY 2011-12 General Fund Operating budget recommends the City Council draw down \$860,000 from its designated reserves to close the structural shortfall. The City's designated reserves are at dangerously low levels, however, the use of these funds is needed to close the budget shortfall, allow the City to maintain service levels, avoid further lay-offs, and provide additional time to identify cost saving ideas, streamline the organization, become more efficient and identify new revenue sources. The City is not alone in its use of reserves and one-time revenue to balance the budget. Countless cities throughout the State are making similar decisions during the economic downturn. As one can imagine, eliminating 16.4% of the workforce in just over three years can paralyze any organization. Fortunately, employees have stepped up and met the challenge by coming together to ensure that all critical functions of the City are carried out. I am most impressed by their commitment to the City and the professionalism with which they perform their duties. I am sure that the City Council and community share my respect and gratitude for the contributions made by employees in the best interests of the City.

The economic climate that we are in has forced many cities to become more creative and do more with less. As such, it is incumbent upon the City of Inglewood to continue to conduct self-examinations of the organization and understand that the role of municipal government is changing, and therefore, we must change with it if we are to leverage new opportunities.

Although much has been implemented to streamline the organization and identify efficiencies, additional cost-cutting and revenue-generation measures require implementation to secure our financial future. In order to anticipate future economic downturns, it is recommended the City develop a five-year financial plan. It is imperative that we move away from a formal budget cycle that examines our budget on a year-to-year basis, without the insight of the challenges and opportunities ahead. Having a five-year plan is considered a best practice and is an effective tool utilized by most municipalities. Finance staff has indicated they do not recall or have any information to indicate that a five-year plan has been developed in the City over the last ten years or more.

## **Summary**

In order to balance the FY 2011-12 General Fund Operating Budget, the City must continue to rely on its reserves and one-time revenues or choose to further reduce services, lay-off staff, or negotiate additional employee concessions. Employee concessions over the last nine months totaled approximately \$2.2 million and will generate \$3.2 million in savings for FY 2011-12. These savings are significant and will reduce the impact of the economic downturn on the community.

The City's Proposed FY 2011-12 General Fund Operating Budget is \$78.4 million or 2.6% *less* than the modified General Fund Operating Budget for FY 2010-11. The overall reduction reflects a myriad of cost-cutting recommendations approved by the City Council during FY 2010-11 to reduce operating costs. The City would have achieved additional savings if it were not for the rising cost of California

Public Employees' Retirement System (CalPERS) contributions, health insurance premiums for active employees and retirees, and workers compensation rates.

The balance of the budget includes Special Revenue Fund (\$23,842,296), Proprietary Fund (\$19,194,964), Water Enterprise Fund (\$22,966,537), Assessment and Maintenance Districts (\$2,552,583), HUD (CDBG) Fund (\$18,362,336), Grant Fund (\$4,295,935), Civic Center and Pension Bond Debt Service (\$6,382,397), Redevelopment Agency, including debt service (\$77,154,959), Housing Fund (\$13,053,828), Noise Mitigation Fund (\$15,910,679), and Measure IT Fund (\$5,464,000). The total consolidated City Budget is \$287,555,543. Of this amount, a total of \$87,768,323 is earmarked for Capital Improvement Projects.

The City's Proposed FY 2011-12 General Fund Estimated Revenue is \$77,519,407. The balance of Estimated Revenue includes: Special Revenue Fund (\$22,548,766), Proprietary Fund (\$18,386,850), Water Enterprise Fund (\$13,649,000), HUD (CDBG) Fund (\$16,677,831), Grant Fund (\$3,629,137), Civic Center and Pension Bond Debt Service (\$6,382,397), Redevelopment Agency, including debt service (\$41,458,369), Housing Fund (\$13,204,176), Noise Mitigation Fund (\$13,918,501), Measure IT Fund (\$5,224,000), plus carry over amount of \$54,957,109. The total City Estimated Revenues and use of carry-over funds is \$287,555,543.

## **Budget Process**

The City closed a \$17 million FY 2010-11 Budget short-fall by eliminating a number of services, employee lay-offs, early retirements, furloughs, and use of one-time funds from the sale of City property and designated reserves. Over the past two years, with the adoption of the FY 2009-10 and FY 2010-11 budgets, City Council has implemented many strategic budget-balancing solutions. These budget-balancing solutions minimized cuts to vital police, fire, and library services. The bargaining process to negotiate concessions with the City's six employee groups began in July 2010 and concluded in January 2011. Employee concessions total approximately \$4.5 million annually, of which \$3.2 million accrue to the General Fund. In FY 2010-11, these concessions were \$2.25 million (e.g., 75% of the fiscal year) and were 15.8% of the reductions required to balance the FY 2010-11 General Fund Budget. The FY 2011-12 General Fund Operating Budget will be balanced with the use of \$3.2 million (a full year) in concessions. Without employee concessions over the past two years, over 40 more positions would have been lost, including sworn police officers.

The FY 2011-12 budget process began in May 2011. Certain components of the budget process were delayed in order to give me the opportunity to provide direction on major budget policy decisions. The Budget Team worked with department heads to diligently and expeditiously collect and analyze budget data, which was critical to the development of a balanced budget. The Budget Team also worked closely with the budget liaisons in each department to obtain valuable data and figures to create the budget. At one point, I requested all department heads develop a 10% reduction contingency plan in the event that additional cuts were necessary. Fortunately, this extreme measure was not implemented because of the disruption it would have caused in the organization's ability to provide critical basic services to the community. However, the process revealed some cost-saving opportunities that have been included in the FY 11-12 General Fund budget without negatively impacting departmental operations.

The City has also established a Joint Labor-management Employee Efficiency Committee, which is charged with the important task of identifying cost-saving measures and revenue enhancements. These recommendations will be included in the recommended mid-year budget amendment after department heads and I have had a chance to review them.

### **FY 2011-12 Inglewood Redevelopment Agency Budget**

The Governor approved legislation on June 28, 2011 to eliminate redevelopment agencies as part of his FY 2011-12 budget. The elimination of the redevelopment agency would have devastating consequences for the Inglewood community. The Inglewood Redevelopment Agency generates approximately \$19 million in tax increment funds and transfers in \$21,630,521 from unallocated reserves to meet its obligations. Specifically, these funds are used to pay debt service on debt used for the purposes of the redevelopment agency, such as affordable housing and other projects to eliminate blight in the project areas.

The California budget legislation adopted by the Legislature and signed by the Governor in 2009 included a dramatic take from cities of \$2.05 billion of redevelopment funds over a two-year period (\$1.7 billion in FY 2009-10 and \$350 million in FY 2010-11). As a result of Assembly Trailer Bill ABX4-26, Inglewood was forced to pay \$6.2 million in May 2010 and another \$1.3 million of tax increment to the State's Supplemental Educational Revenue Augmentation Fund (SERAF) in May 2011. In exchange, redevelopment agencies can extend the affected redevelopment plans by one year.

The loss of these funds has compromised the effectiveness of the Redevelopment Agency. Much of the Agency's resources for FY 2011-12 are focused on the following projects: Senior Center, Century Boulevard infrastructure improvements and City owned land development, Regent Square Affordable Housing Project, and Cloudbreak Affordable Housing Project. In addition, there are a number of other affordable housing projects in various stages of pre-development, as well as new economic development and commercial projects being considered.

Governor Brown approved new legislation on June 28, 2011, as part of a package of budget bills intended to close California's budget deficit. The legislation provides for the following:

- ABX1-26 (dissolution legislation) would eliminate RDAs effective October 1, 2011, and transfer responsibility and assets to successor entities.
- ABX1-27 (voluntary program legislation) provides that an RDA can continue to operate and function after the October 1, 2011, elimination date provided certain steps are taken, most notably, if the RDA is able to make substantial remittance payments to local school, fire, and transit districts.

ABX1-27 legislation will require the Inglewood Redevelopment Agency to make an initial "continuation payment" in FY 2011-12 of \$7.2 million *and* an annual continuation payment of about \$1.7 million thereafter as long as the agency receives tax increment revenue. In addition, the Agency will also be required to make an additional continuation payment "surcharge" on any new debt issued, which could have the effect of adding up to 50% to the cost of any new projects undertaken.

On August 11, 2011, the California Supreme Court issued an order temporarily staying portions of the redevelopment legislation that would eliminate California Redevelopment Agencies (RDAs). The Court

modified the order on August 17, 2011, to clarify some ambiguities in the original order (modified order). While the orders have effectively frozen the ability of RDAs to conduct new business, obligations under existing contracts (including owner participation agreements or other agreements entered into prior to the enactment of the legislation) will remain intact. Furthermore, for the time being, the Court's orders stayed the schedule for eliminating RDAs, transferring RDA assets and responsibilities to successor agencies, and deadlines by which RDAs must elect whether to enter into a new voluntary program.

## **State Budget Impacts**

The Governor signed the 2011-12 Budget Act (SB 87) on June 30, 2011. With budget cuts and fixes already adopted by the Legislature in April 2011 (\$13.4 billion), some improvement in projected revenues (\$6.6 billion), and a targeted reserve replenishment of \$1.2 billion, the budget shortfall for FY 2011-12 is projected to be as high as \$13.9 billion. The shortfall will be covered by \$5.4 billion of external borrowing and \$8.5 billion of internal borrowing. The ongoing structural shortfall is about \$10 billion per year thereafter. Furthermore, if the RDA lawsuit is successful, this shortfall will automatically increase by \$1.7 billion in FY 2011-12 and \$400 million in out-years.

While monthly State revenues were up earlier in this calendar year, revenues in July, the first month of the fiscal year, ran \$539 million (or 10%) below expectations. On the positive side, the State Controller recently released figures on the State's cash flow for August. The report indicated that total revenues for the month were \$134.9 million (2.1%) above projections from the recently passed State budget. Of that, income taxes were above projections by \$127.4 million (4.1%), sales taxes were up \$8.6 million (0.3%), and corporate taxes were up \$46.7 million (51.4%).

The State began shifting property tax from local governments in 1992, and these "takes" continue. On average, the State "takes" \$8.8 million annually from Inglewood taxpayers as a result of the net impact of Educational Relief Augmentation Funds (ERAF I, II), Proposition 172, and Citizens Option for Public Safety program. These funds could have been used for essential City services.

## **Federal Budget Impacts**

In early August 2011, Congress completed the debt ceiling/deficit reduction plan. Addressing a Joint Session of Congress on September 8, 2011, President Obama urged Congress to work quickly to pass the American Jobs Act, his new legislative proposal to stimulate the economy. The President tasked the newly created Joint Deficit Reduction Committee (Super Committee) to come up with at least \$1.2 trillion in savings over the next 10 years.

The President's proposal will call for approximately \$30 billion to State and local governments to rehire teachers, \$5 billion to hire emergency first responders, \$25 billion of investment in public school infrastructure, \$5 billion to modernize community colleges, \$15 billion to rehabilitate vacant homes, and \$50 billion for transportation infrastructure projects, including \$10 billion to capitalize an infrastructure bank.

Local governments need to be concerned about Super Committee spending cut recommendations due in November. The National League of Cities, together with State leagues, will focus on opposing cuts to the non-military discretionary programs that make up only about 12 percent, or approximately \$480

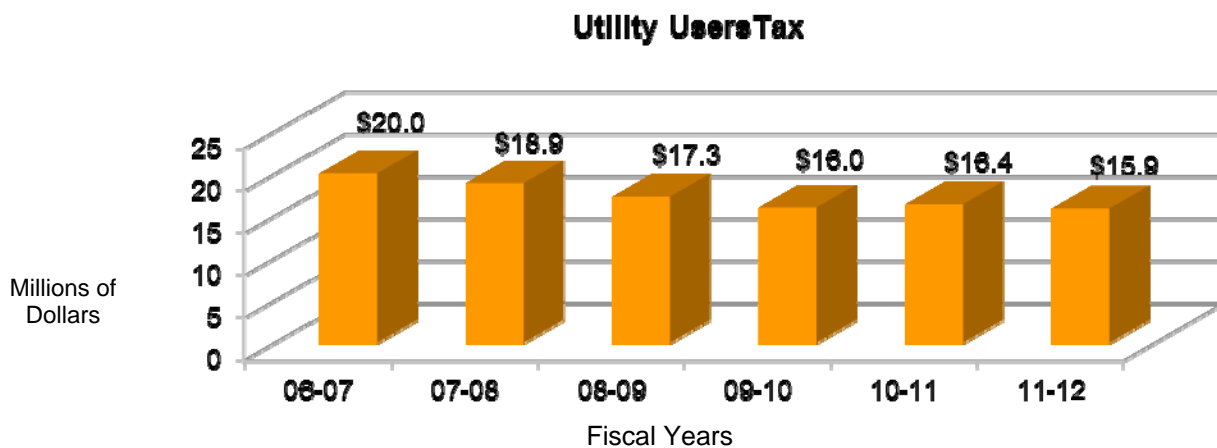
billion, of the \$3.6 trillion annual federal budget. Cuts in discretionary spending will further threaten our ability to provide services to residents.

Despite the best efforts of States and local governments, cost containment sentiment in the nation’s capital may well result in cuts to health, welfare, education, transportation, and homeland security programs over the next three to five years. After suffering a 16% reduction in Community Development Block Grant (CDBG) and Home Ownership Made Easy (HOME) funds in FY 2010-11, cities have apparently escaped an earlier proposal this year by the President to cut these programs once again by 7.5% in FY 2011-12.

### Major General Fund Revenues

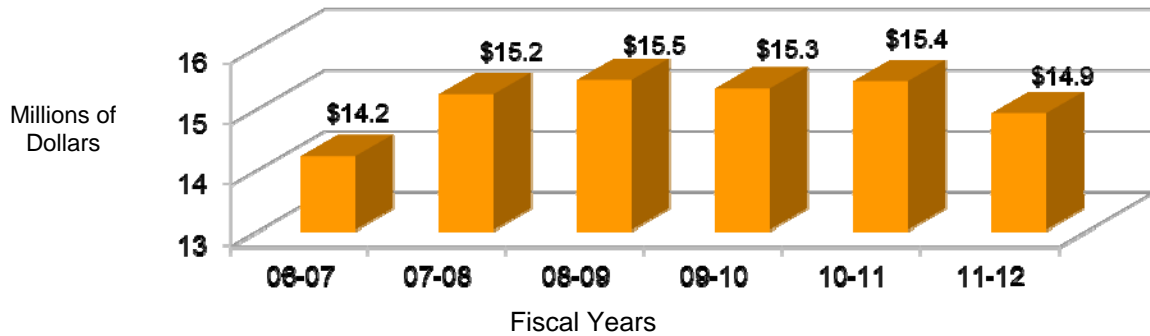
The City’s FY 2011-12 proposed budget is built using economic assumptions to estimate revenue. Staff uses a variety of sources to determine revenue assumptions including the Los Angeles County Assessor’s Office, HdL Coren & Cone (the City’s property tax auditors and sales tax consultants/auditors), the State Controller’s office, the State Board of Equalization, and other sources as appropriate.

Two-thirds of all General Fund Revenue in the proposed FY 2011-12 Budget comes from four major revenue sources: Utility Users Tax, Property Tax, Sales and Use Tax, and Vehicle License Fees. A brief history of these major revenues sources can be seen in Tables below.



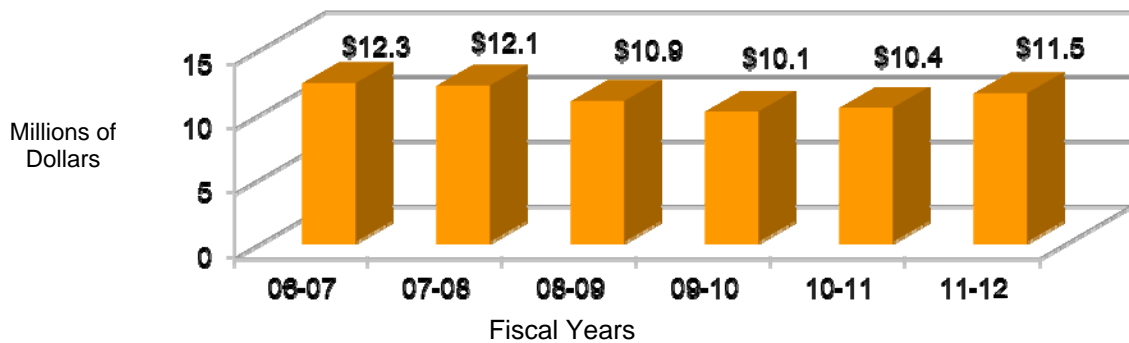
- The percentage decrease in Utility Users Tax from FY 2006-07 to FY 2011-12 is 20.5%.
- Utility Users Tax revenue estimates are expected to be \$15,890,000 for FY 2011-12, which is a decrease of \$490,000 or 2.99% less than the FY 2010-11 actual of \$16,380,000.

### Property Tax



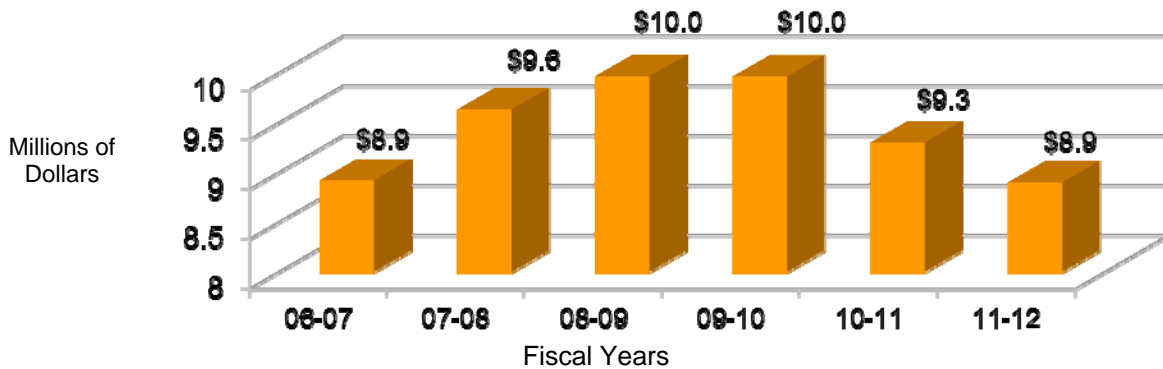
- The percentage increase in Property Tax over from FY 2006-07 to FY 2011-12 is 4.93%.
- The Property Tax revenue estimate for FY 2011-12 is projected to be \$14,909,000, which is \$524,546 or 3.4% less than the FY 2010-11 actual of \$15,433,546.

### Sales and Use Tax



- The percentage decrease in Sales and Use Tax from FY 2006-07 to FY 2011-12 is 6.5%.
- Sales and Use Tax revenue for FY 2011-12 are projected to increase by \$1,114,000, a 10.58% jump from the FY 2010-11 actual of \$10,400,000.

### Motor Vehicle In-Lieu Tax



- The Motor Vehicle In-Lieu Tax returned to the FY 2006-07 level.
- The Motor Vehicle In-Lieu Tax estimate fell 4.3% from \$9,300,000 for FY 2010-11 to an estimated \$8,900,000 (a difference of \$400,000) for FY 2011-12.

## General Fund Expenditures

The FY 2011-12 General Fund recommended operating budget totals \$78,375,028. Public Safety expenditures represent 65% of the operating budget. The recommended FY 2011-12 General Fund Operating Budget by department/service activity is as follows:

City Departments	Proposed FY 2011/12 Budget
* Police	\$41,664,270
Public Works	\$9,372,780
Parks, Recreation & Community Services	\$5,470,121
Finance	\$3,688,436
Library	\$2,604,128
Planning and Building	\$2,181,946
Legal	\$2,151,742
City Manager's Office	\$1,441,293
Mayor and City Council	\$1,134,786
Human Resources	\$955,512
City Clerk	\$560,755
City Treasurer	\$159,696
Other (Non-Departmental)	\$6,989,563
<b>TOTAL</b>	<b>\$78,375,028</b>

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\* **The Los Angeles County Fire Department provides fire services to the City of Inglewood. The costs for these services are budgeted in the Non-Departmental account.**

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## Retirement Programs

Most California cities are California Public Employees' Retirement System (CalPERS) members. While CalPERS has developed a method to "smooth out" increases in retirement costs over time, the cost of providing this benefit to employees remains a challenge to cities. In light of expected CalPERS investment losses in FY 2008-09, during June 2009, CalPERS announced a new smoothing policy of amortizing investment gains and losses over 15 years, which minimized rate increases. If the local economy and financial markets improve over the next few years, many experts expect the impact of CalPERS investment losses on retirement rates beyond FY 2011-12 to be moderate. Even with the improved CalPERS return on investments, it is projected the City's Public Safety retirement costs will increase by 6.1% or \$1,676,390 in FY 2011-12.

In the CalPERS annual report for June 30, 2010, CalPERS reported a net return for the fiscal year of 13.3%. The upturn exceeded the long-term annualized benchmark target of 12.91%, which CalPERS has attained over the past 20 years.

In January 2011, the City of Inglewood approved a two-tiered retirement formula for new employees. The retirement formula for non-sworn employees hired before December 14, 2010, is 3%@60 and 2.5%@55 for all non-sworn employees hired after that date. The retirement formula for sworn employees hired before January 7, 2011, is 3%@50 and 3%@55 for all sworn police employees hired after that date. The City budgets \$5,493,870 to pay the annual cost for sworn police employee retirements and \$4,326,285 for non-sworn employees.

### **Capital Improvement Program (CIP)**

The recommended FY 2011-12 CIP Budget is \$87,768,323. This is a 20.4% decrease over last year. The decrease is due to a more realistic scheduling of projects. Although the total CIP budget will decrease, expenditures on transportation-related projects will increase by approximately 40%. In FY 2011-12, it is recommended the City place a sense of urgency on spending more than \$21 million in transportation-related funds that are in jeopardy of being lost if not spent before their respective deadlines. Specifically, the City Council and community have stressed the need to improve Century Boulevard, which has not been substantially upgraded in decades and is in serious need of repair, redesign, and renovation. The design of this project is expected to be complete by September 2012, and construction is expected to begin by the end of 2012 or first quarter of 2013.

A detailed description of all the projects included in the FY 2011-12 Capital Improvement Budget and Capital Improvement Program (FY 2011-12 through FY 2012-13) is contained in a separate budget document and will be presented to the City Council at a later date. Most cities approve a Five-Year CIP; however, the City of Inglewood will have a Three-Year CIP. It is my goal to present a Five-Year CIP in FY 2012-13.

### **General Fund Operating Reserves**

The City's Financial Policies provide that the City "strive" to maintain 8% of the General Fund in Undesignated Operating Reserves. The 8% reserve is desired primarily for unforeseen developments or emergencies that may occur in any given year. Reserves above 8% can be characterized more as "rainy day" funds to guard against economic uncertainties. The final amount that a local government sets aside as a reserve is fundamentally a policy question with very significant impacts. By contrast, if the City were in a position to fund reserves of at the 8% level, the reserve fund would be approximately \$6.3 million. The FY 2011-12 Budget includes 0.38% (\$300,000) in Undesignated Operating Reserves. While this amount is well below what is stated in the City's policy, there are no prudent alternatives at this time other than to reduce personnel costs. As stated earlier, the City will work with a sense of urgency to identify new revenue sources to rebuild this reserve.

While a prudent reserve is certainly a worthy policy, it must be balanced with the fact that residents pay taxes for one purpose – to benefit from programs and services paid for with those taxes.

The FY 2010-11 Budget was balanced using \$2.4 million of designated General Fund reserves, which are earmarked for vacation and sick leave payouts, liability awards, and other such costs. The \$860,000 in additional reserves needed to cure the FY 2011-12 General Fund operating budget short-fall is a further erosion of these designated reserves. Reestablishing and growing a reserve at some level is prudent and should be considered as new revenue becomes available.

## **Unfunded Liabilities**

As is the case for most cities, the protracted recession forced Inglewood to erode reserves designated for specific obligations, underfund certain long-term expenses, and defer spending in important areas.

The largest of the City's unfunded liabilities is the long-term cost of Other Post-Employment Benefits (OPEB). OPEB does not include pension costs, but does include post-employment healthcare, as well as other forms of post-employment benefits (e.g., life insurance). A 2007 study designed primarily to determine the costs of the City's medical insurance for retirees over the next 30 years revealed that the gap between the City's annual budgeted contribution of \$3.5 million for its OPEB and the required \$7.9 million annual contribution was formidable and should be addressed very soon.

While the 2005 Pension Obligation Bond and CalPERS "smoothing" have largely addressed the City's pension cost obligation, general liability, workers compensation, vacation, and sick leave reserves are all underfunded given current estimates and historical expenditure patterns. These underfunded liabilities are discussed in greater detail in a Financial Report presented to the Mayor and City Council on April 1, 2010, and should be updated during the coming year.

Deferred maintenance on public facilities and infrastructure, an aging fleet, and the need to upgrade or replace technology applications that perform core business functions represent significant unfunded needs.

An accumulated deficit of approximately \$4 million in the Housing Fund from prior year's operations is another unfunded liability that the City must address. As the City has exhausted all avenues with HUD, most other available sources of funding have been excluded to address this retroactive deficit in a timely manner.

Finally, though not traditionally viewed as an "unfunded liability," an expense deferred for some time is the need to raise many City workforce salaries, which now significantly lag behind other local governments in our region. The ability to attract and retain quality employees is essential to maximize productivity and quality as well as sustain a high level of municipal services.

## **FY 2012-13 Budget Outlook**

The FY 2012-13 Budget will most likely see an increase in General Fund expenditures of as much as \$2.35 million (3%), *without expiration of negotiated labor concessions*. Revenues are not expected to outpace these increases; therefore, the City will once again have to utilize one-time revenue, draw on dangerously weak reserves, or cut additional staff and services to balance the budget. There are a number of causes for the increasing budget. They include increases in CalPERS rates, employee merit increases, and a full slate of insurance policy premiums.

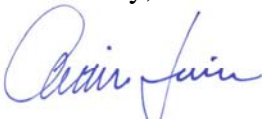
The City has a number of new potential revenue streams on the horizon. Should they be realized, they will off-set the need to utilize one-time funds and reserves. These opportunities will be borne as a result of the possible renovation and use of the Forum as a world class state-of-the-art entertainment venue. In addition, the City may begin to see additional revenue as a result of Hollywood Park Tomorrow development, which is currently planned to have over 3,000 housing units and 650,000 square feet of retail and commercial space. It is expected that the Forum and Hollywood Park developments will also generate significant “spin-off” revenue to the City, as surrounding properties increase in value and new developments are constructed. Additionally, new revenue may be expected as a result of updated fees and indirect overhead charges, more efficient employee benefit administration, increased business tax revenue recovery, and potential new user fees designed to capture the cost of providing unique services not typically supported by general taxes.

Economic development is critical to maintaining and enhancing the City’s revenue base. Revenue from sales tax and property tax represent 34% of the City’s revenue base and are dependent on a healthy and nurturing business environment. As a cost savings measure, the Council eliminated the Economic Development Division in 2010. For the aforementioned reasons, it is recommended that the City analyze how to reestablish some level of our past economic development efforts in order to compete with other cities to retain, attract, and expand businesses.

## **Conclusion**

While the City faces many challenges ahead, the community has a strong history of perseverance and strength, which will provide the foundation to leverage many new opportunities that are headed our way. I also believe that difficult times are conducive to creativity. City employees will continue to reinvent the way we do business in order to develop a more efficient, effective, and responsive government. This budget should be considered as a “living document” that will change over the course of the year in response to economy and priorities of the community. Inglewood is well positioned to recover from the recession and has begun the process to rebuild and prosper. We will regain our position as a world class city.

Sincerely,



Artie Fields  
City Manager