DATE: February 12, 2019

TO: Mayor and Council Members

FROM: Finance Department

SUBJECT: Fiscal Year 2018-19 First-Quarter Budget Review Report

RECOMMENDATION:
It is recommended that the Mayor and Council Members take the following actions:
1. Receive and file the attached Fiscal Year 2018-19 First Quarter Budget Review Report; and
2. Adopt the resolution amending the Fiscal Year 2018-2019 budget.

BACKGROUND:
As directed by City Manager, the first quarter review has been prepared to provide a financial update and status of the City's current fiscal year financial status. The Budget Unit recently conducted a revenue and expenditure review of the first three months of Fiscal Year 2018-2019 (October 1, 2018 through December 31, 2018), which focused primarily on the City's General Fund. In addition, the report provides status up-dates for Special Funds received and expended by the City of Inglewood operating departments during the same period.

On September 25, 2018, the Mayor and City Council Members adopted the Fiscal Year 2018-2019 (FY2018-19) consolidated Annual Operating Budget including projects, which projected total revenues of $128,072,451 and expenditures of $128,016,272, resulting in a General Fund operational surplus of $56,179.

The FY2018-19 Budget was adopted with a planned General Fund appropriation of $128.0 million. Following adoption of the budget, Council approved additional appropriations for certain programs and services from "carryovers" of $4.0 million from Fiscal Year 2017-2018. Although the carry-over expenses for encumbrances increases the expenditure budget, there is a designated reserve for encumbrance (revenues) that offsets the expenses.

DISCUSSION:
The FY2018-19 First Quarter Budget Review Report focuses primarily on the City's General Fund revenue and expenditure activities from October 2018-December 2018, or 25 percent of the proportionate amount of the FY2018-19 General projected revenue and expenditures. General Fund revenues received through the first quarter totaled $30.6 million, or 23.9 percent, of the total annual projected revenues of $128.0 million. General Fund expenditures through December 31, 2018, totaled $23.4 million (not including pending encumbrances) or 17.6 percent of the total estimated expenditures of $133.2 million for FY2018-19.
Special Fund revenues received through the first quarter totaled $21.8 million, or 20.0 percent, of the total annual projected revenues of $111.9 million. Special Fund expenditures through December 31, 2018, totaled $19.9 million (not including pending encumbrances) or 13.0 percent of the total estimated expenditures of $149.8 million for FY2018-19.

The attached First Quarter Budget Review Report provides a detailed analysis and discussion on the status of General Fund revenues and expenditures and a brief update on Special Fund activities.

ANALYSIS:
Throughout the fiscal year, staff monitors revenues and expenditures and makes recommendations for revised revenue estimates and adjustments to expense appropriations if and when necessary throughout the fiscal year. For the first quarter budget review, staff is recommending an amendment to the General Fund expenditures for the citywide grants match. The Grants Match is used to offset expenses in operational activity within the City that is partially grant supported, by providing support with the use of General Fund resources.

The City has incurred increased expenditures for additional staffing and onsite operational activity improvements at the new Senior Center. In addition, increased expenditures were authorized for park infrastructure upgrades and new equipment to augment community resources and client based support services for the youth, seniors and residents provided within the City of Inglewood. Finance staff recommends the City Council authorize an increase in General Fund appropriations by $1.6M for the FY2018-19 Budget.

FINANCIAL/FUNDING ISSUES AND SOURCES:
Upon adoption of the attached resolution amending the Fiscal Year 2018-2019 budget funds will be sufficient in the Grants Match to support the anticipated expenses for all the Grant related operational activity for Fiscal Year 2018-2019.

LEGAL REVIEW VERIFICATION: [Signature]
Administrative staff has verified that the legal documents accompanying this report have been submitted to, reviewed and approved by the Office of the City Attorney.

FINANCIAL REVIEW VERIFICATION: [Signature]
Administrative staff has verified that this report in its entirety, has been submitted to, reviewed and approved by the Finance Department.

DESCRIPTION OF ATTACHMENTS:
Attachment No. 1  1st Quarter Budget Review Report
Attachment No. 2  Resolution
APPROVAL VERIFICATION SHEET

PREPARED BY:
David L. Esparza, Assistant City Manager & CFO
Keauonna S. Buckhanon, Acting Budget Manager

COUNCIL PRESENTER:
David L. Esparza, Assistant City Manager & CFO
Keauonna S. Buckhanon, Acting Budget Manager

DEPARTMENT HEAD & ASSISTANT CITY MANAGER APPROVAL: [Signature]
David L. Esparza, Asst. City Manager & CFO

CITY MANAGER APPROVAL: [Signature]
Artie Fields, City Manager
Purpose

The purpose of this report is to provide the Mayor, Members of the City Council, and public information on the status and condition of the City’s General Fund and select Special Fund Budgets for the first three months (1st Quarter) of the City’s FY2018-19, which began October 1, 2018, and ended December 31, 2018. It is important to note that the First Quarter report is, first, a “barometer” for the City’s General Fund and select Special Funds budget performance during the first three months of FY2018-19 and, second, a means of forecasting the performance for the remainder of the fiscal year. The First Quarter Report Review determines the City’s performance based on percentage margins of the variance of actual revenues and expenditures against projected revenues and expenditures.

Status of FY2018-19 Adopted Budget


Current Outlook

FY2018-19 General Fund Revenue Summary by Category

The City’s General Fund revenues are comprised of both state and local taxes, which when combined account for nearly 80%, or $101.7 million of the total budgeted revenues of $128 million. The remaining 20% is derived from department specific General Fund fees and Other Revenues. First Quarter revenue data is based on actual receipts collected during the period October 1, 2018, through December 31, 2018. It is important to note that while budget projections estimate certain levels of revenue receipts for First Quarter, occasionally not all anticipated revenues are received. Data collected for the First Quarter Budget analysis, and forward projections are primarily based on actual data and receipts collected for the first three months of FY2018-19. However, there is no assurance these projections will actually continue through the remainder of the fiscal year.

Revenues supporting the General Fund are the Utility Users Tax, Property Taxes, Sales Tax, Other Local Taxes, State Collected Taxes and Other Revenues.

Chart 1, below, illustrates the projected budgeted amounts and representative proportion of the various taxes supporting the City’s General Fund. Amounts shown reflect the current budgeted annual amounts as approved by Mayor and City Council for the City’s FY2018-19 General Fund Budget.
First quarter collections and status of these General Fund supporting revenues are listed below. The revenue data received and reported for the First Quarter ending December 31, 2018 (October 1, 2018 through December 31, 2018) and compared to the First Quarter ending same period last fiscal year is as follows:

* **Utility Taxes**- Utility User Tax (UUT) is a 10% charge on water, electric, and gas, and 8% charge for cable, and telephone for residential and commercial usage. The City received $3.3 million, or 22.1% of its projected revenue amounts. This amount is $235,218, or 6.6% less than the amount collected for the same period last fiscal year. The slight decrease is primarily attributed to cable (satellite and internet streaming subscribers) receipts for November and December not posted in the first quarter.

* **Property Taxes**- Property tax revenue is collected in December and April each year. According to the Los Angeles County Assessor’s Office, Inglewood experienced a net taxable value increase of 6.2% for FY2018-19, when compared to FY2017-18 (annual assessment). This increase is attributable to the increase in the assessed property values, and the 2% Assessor applied California Consumer Price Index (CCPI) increase per Proposition 13. The City received $7.0 million, or 38.5%, of the projected revenue estimate, which is $384,582, or 5.8%, higher than revenues collected in the same period last fiscal year.

* **Sales Taxes**- Sales Tax receipts total $5.9 million, or 38.4% of the total budgeted amount of $15.4 million. This is $1.6 million, or 37.5% higher than the same period last fiscal year. The increase is attributed to increased momentum in building/construction, fuel prices, and sizable gains in online sales.
- **Other Local Taxes** - These taxes include business license fees, card club revenues, transient occupancy tax, pari-mutuel taxes, franchise taxes, and admissions taxes among others. To date receipts are $5.0 million, or 12.2%, of the projected budget, which is $716,986, or 12.6% less than the same period one year ago. Though most all local taxes are experiencing an increase, the overall decrease is related to the non-resident construction tax (which is still up overall but down when compared to same quarter last fiscal year). The non-resident construction tax is related to new development.

- **State Collected Taxes** - These revenues, which mainly consist of the Motor Vehicle in Lieu tax, are anticipated to be $12.1 million this fiscal year. The revenues for Motor Vehicle in Lieu are received on a cyclical basis from the State in January and May of each fiscal year.

- **Other Revenues** - These include user fees, such as planning and permit fees, collected by the various City departments. They also include parking and vehicle code violation fines, and revenues from investment earnings and interest. To date the City has received $9.4 million, or 35.6%, of the projected revenues, which is $6.8 million, or 262.0%, more than the same period last fiscal year. This increase is attributable to the anticipated increase for development fees, investment earnings/interest, and various revenues related to new development construction fees in Planning.

The Table 1, below, illustrates the First Quarter receipts for the General Fund, which has anticipated revenue proportionate of 25% of the projected budget, or $32.0 million, for the First Quarter of the fiscal year (October 2018 through December 31, 2018). To date the total revenues received are $30.6 million, or 23.9%, of the projected budgeted amounts.

Table 1

<table>
<thead>
<tr>
<th>Revenue Category</th>
<th>FY2018-19 Revenue Budget</th>
<th>FY2018-19 Actual Revenue @ 1st Quarter End</th>
<th>Percent Received @ 1st Quarter End</th>
<th>FY2017-18 Actual Revenue @ 1st Quarter End</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utility Users Tax $</td>
<td>$14,989,000</td>
<td>$3,308,206</td>
<td>22.1%</td>
<td>$3,543,424</td>
</tr>
<tr>
<td>Property Tax</td>
<td>$18,195,799</td>
<td>$7,000,319</td>
<td>38.5%</td>
<td>$6,615,737</td>
</tr>
<tr>
<td>Sales Tax</td>
<td>$15,429,000</td>
<td>$5,928,362</td>
<td>38.4%</td>
<td>$4,312,104</td>
</tr>
<tr>
<td>State Collected Taxes</td>
<td>$12,102,927</td>
<td>-</td>
<td>0.0%</td>
<td>-</td>
</tr>
<tr>
<td>Other Local Tax Revenue</td>
<td>$40,903,489</td>
<td>$4,970,715</td>
<td>12.2%</td>
<td>$5,687,701</td>
</tr>
<tr>
<td>*Other Revenue</td>
<td>$26,452,236</td>
<td>$9,413,361</td>
<td>35.6%</td>
<td>$2,602,781</td>
</tr>
<tr>
<td><strong>General Fund Total</strong></td>
<td><strong>$128,072,451</strong></td>
<td><strong>$30,620,963</strong></td>
<td><strong>23.9%</strong></td>
<td><strong>$22,761,748</strong></td>
</tr>
</tbody>
</table>

*Note: Pension Obligation Bond (POB) reimbursement to the City ($36.5 million) excluded from Other Revenue for FY2017-18 Actual Revenue 1st Quarter End in Table 1 above.

In addition, Table 1 above, provides the proportionate amount of revenues received in October through December tracking slightly below the proportionate budget amounts (24% vs. 25%) and, for the First Quarter of the fiscal year, are fairly close to the anticipated amount of $32.0 million compared to $30.6 million.
**FY2018-19 General Fund Expenditure Summary by Category**

The City's General Fund FY2018-19 expenditures are comprised of seven major municipal functions: Public Safety (Police and Fire operations), General Government, Recreation, Parks and Community Services and Libraries, Economic & Community Development, Public Works, Public Financing, and Capital Improvement Projects. During the First Quarter budget variance analysis, potential savings are identified and discussed, however, with the completion of the First Quarter of the City's fiscal year, it is too early to characterize full fiscal year trends from current expenditure data.

The FY2018-19 Budget was adopted with a planned appropriation for the General Fund of $128 million. Following adoption of the budget, the City Council approved additional appropriations for various programs, services, and carryovers from FY2017-18 of $4.0 million, thus increasing the Adopted Budget to $133 million. Expenditures through December 2018 are $23.4 million, or 17.6%, of the current budget, which is approximately $9.8 million less than anticipated spending for the first three months of the fiscal year. As Table 2, page 6, illustrates, a preliminary three month comparison of the First Quarter of FY2018-19 shows expenditures are $2.8 million, or 11.0%, less than the same period last fiscal year.

Chart 2 illustrates, the City's General Fund supported functions by percentage and amount of total General Fund appropriation.

**Chart 2**

**FY2018-19 General Fund Projected Expenditures**

- Police and Fire, $81,145,676, 61%
- General Government, $15,243,577, 11%
- Parks, Rec and Library Svs, $11,547,695, 9%
- Community Development, $6,378,643, 5%
- Public Works, $12,801,121, 10%
- CIP, $3,158,572, 2%
- Financing Costs, $2,899,238, 2%

The major General Fund expenditure functions for first quarter collections and statuses of these General Fund supporting expenditures are listed below. The expenditure data received

*Finance Department-Budget Division*
and reported for the First Quarter ending December 31, 2018 (October 1, 2018 through December 31, 2018) and compared to the First Quarter ending same period last fiscal year is as follows:

- **Police and Fire** - This category includes all of the Police Department and the Fire services contract with Los Angeles County. The First Quarter expenditures for the Police Department are $13.3 million, or 20.0%, of the current annual budget of $66.2 million. Expenses through the First Quarter for the Los Angeles County Fire services are $4.5 million, or 30.1%, of the $15.0 million budgeted contract. Police and Fire expenditures combined are $369,987, or 2.0%, less than the same period last fiscal year. The decrease is mostly attributed to a decrease related to worker’s compensation charges applied to the operations for personnel service related activity. The combined expenditures for Police and Fire services are 21.9% compared to the proportioned annual budget of 25.0%. Police and fire are on track to spend within budget.

- **General Government (Operating)** - Consist of the following offices, departments, or functional areas: Mayor and City Council, Treasurer, City Clerk, Legal Department, Administration, Human Resources and Finance departments. The operating departments have expended $3.8 million, or 20.0% of their current budget of $19.0 million. This is $167,981, or 4.7%, higher than expenses incurred in the same period last fiscal year. The increase is mostly attributed to the MOU increases for all bargaining groups except IPOA and IPMA (Police Public Safety).

- **General Government (Non-Departmental)** - Consist of non-departmental functions, such as insurances, inter-fund transfers and, debt service. The net of expenditures through December 31, 2018, are -$193,745, which include, but not limited to payments for retiree health, Pension Obligation Bonds and, the distribution of inter-fund transfers (reimbursements) from operating departments for overhead and benefit related expenses.

- **Recreation/Parks and Library** - Recreation, Parks and Community Services Department expenditures for the First Quarter are, $1.5 million, or 21.0%, of the current budget of $7.3 million. This is $171,225, or 12.5%, more than the First Quarter of FY2017-18. The Library Department expenditures for the First Quarter are, $721,652, or 17.2%, of the current budget of $4.2 million. This is $36,385, or 5.3%, more than the same period last fiscal year. The increase for both departments is mostly attributed to the MOU increases for all bargaining groups except IPOA and IPMA (Police Public Safety).

- **Economic and Community Development** - This functional area includes the Planning, Building and Safety, Code Enforcement operations and Economic Development. Expenditures are $1.1 million, or 16.6% of the current budget of $6.4 million. This is $39,062, or 3.8%, more than the expenses incurred in the same period last fiscal year. The increase is mostly attributed to the MOU increases for all bargaining groups except IPOA and IPMA (Police Public Safety).

- **Public Works** - This function includes General Services, Facility Operations and Fleet Management, as well as, various divisions of the Public Works Department. Expenditures are $1.8 million, or 14.0%, of the department’s $12.8 million current
budget. This is $217,234, or 13.8%, more than the expenses incurred in the same period one year ago. The increase is mostly attributed to the MOU increases for all bargaining groups except IPOA and IPMA (Police Public Safety).

- **Financing Costs**: This section represents the annual debt service payments due on the City’s 2012A Civic Center bonds. The bond payment for this fiscal year is estimated to be $2.9 million. Debt service costs are anticipated to equal the budgeted amount. Per the bond instructions, payments are due February and August of each fiscal year.

Table 2, below, illustrates the First Quarter expenditures for the General Fund functional areas through First Quarter, which is compared against an anticipated target of 25% of the approved budget or $33.4 million. To date, total expenditures are $23.4 million (not including pending encumbrances), or 17.6%, of the current total annual budget of $133.2 million. The current amended budget includes $4.0 million in prior-year encumbrances that were “carried-over” from FY2017-18. These encumbrances are distributed across expenditure categories based on existing department-specific contracts and obligations and, therefore, are not shown as distinct revenue and expenditure categories.

<table>
<thead>
<tr>
<th>Expenditure Category</th>
<th>FY2018-19 Expense @ 1st Quarter End</th>
<th>FY2018-19 Actual Expenses @ 1st Quarter End</th>
<th>Percent Expended @ 1st Quarter End</th>
<th>FY2017-18 Actual Expenses @ 1st Quarter End</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police and Fire</td>
<td>$81,145,676</td>
<td>$17,768,417</td>
<td>22%</td>
<td>$18,138,404</td>
</tr>
<tr>
<td>General Government</td>
<td>15,243,577</td>
<td>(193,745)</td>
<td>-1%</td>
<td>1,270,437</td>
</tr>
<tr>
<td>Parks, Rec and Library Svecs</td>
<td>11,547,695</td>
<td>2,266,023</td>
<td>20%</td>
<td>2,058,413</td>
</tr>
<tr>
<td>Community Development</td>
<td>6,378,643</td>
<td>1,056,825</td>
<td>17%</td>
<td>1,017,763</td>
</tr>
<tr>
<td>Public Works</td>
<td>12,801,121</td>
<td>1,796,875</td>
<td>14%</td>
<td>1,579,641</td>
</tr>
<tr>
<td>Financing Costs</td>
<td>2,899,238</td>
<td>-</td>
<td>0%</td>
<td>-</td>
</tr>
<tr>
<td>Capital Improvement Projects</td>
<td>3,158,572</td>
<td>728,477</td>
<td>23%</td>
<td>2,187,778</td>
</tr>
<tr>
<td><strong>General Fund Total</strong></td>
<td><strong>$133,174,522</strong></td>
<td><strong>$23,422,872</strong></td>
<td><strong>17.6%</strong></td>
<td><strong>$26,252,437</strong></td>
</tr>
</tbody>
</table>

In addition, Table 2 above, provides the proportionate amount of expenditures expended in October through December tracking below the proportionate budget amounts (18% vs. 25%) and, for the First Quarter of the fiscal year, are fairly lower than the anticipated amount of $33.4 million compared to $23.4 million.

As a cautionary note, fluctuations in expenditures are expected, because of cyclical and seasonal expenditures in Public Works and Parks, Recreation and Library Services departments.

**FY2018-19 Special Fund Expenditures and Revenues by Category**

Special Funds are generally established by a government agency to collect money that must be used for a specific purposes and/or projects. These funds provide an extra level of accountability
and transparency for taxpayers that their tax dollars will go towards an intended purpose. The following highlights Special Fund Revenues and Expenditures by category:

- **Special Revenue** - This category consist of the following: Gas Tax, State Gas Tax SB1 (RMRA), Proposition A, Proposition C, Measure M, Measure R, Special Assessment, Community Development Block Grant (CDBG), Grants, Affordable Housing, Housing, and Residential Sound Insulation, and Landside Access Modernization Program (LAMP) funds.
  
  - **Affordable Housing/Housing Authority**: Revenues at the end of the First Quarter are $3.5 million, or 24.9% and expenses are $3.8 million, or 24.7%, of the current budget.
  
  - **Grants and CDBG**: Revenues at the end of the First Quarter are $530,799, or 6.4%, and expenditures are $1.1 million, or 10.8%, of the current budget.
  
  - **Residential Sound Insulation**: Revenues at the end of the First Quarter are $6,620, or -0.1%, this is a result of an investment earnings adjustment. The expenses are $1.5 million, or 12.2% of the current budget. The revenues will normalize as the reimbursables are received.

Overall, special revenue funds have seen an increase of $864,902, or 8.1%, in expenditures over the same period one year ago. This increase is mostly attributed to increased activity related to contract services and various Public Works transportation, streets and roadways capital improvement projects. Grants and CDBG programs are on track to end the year within budget.

- **Proprietary** - This category includes Water, Sewer, Sanitation, and Parking. The First Quarter of the fiscal year receipts show $369,540, or 4.2%, decrease in proprietary fund revenues over the same period one year ago. The decrease is mostly due to the Parking Fund lag in posting receipts in the first quarter that will be recognized in the upcoming quarter.

  - **Water Funds**
    
    Revenues: Water Fund received revenues of $3.3 million in the First Quarter, compared to $3.4 million last fiscal year same period. The decrease of $94,493 is attributed to an adjustment made to receipts for the first quarter for revenues pertaining to the prior fiscal year.

    Expenditures: Water Fund expended $4.6 million in the First Quarter, compared to $3.9 million last fiscal year same period. The increase is mostly attributed to the project activity related to the Well No. 7.

  - **Sewer Funds**
    
    Revenues: Sewer Fund received revenues of $622,865, compared to $642,694 same period last fiscal year. Revenues are relatively flat for the first quarter.

    Expenditures: Sewer Fund expended $748,838, compared to $580,404 last fiscal year same period. The increase of $168,434, or 29.0% more, is mostly attributed to increased project activity.

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- **Debt Service**: This category includes the debt service for the Pension Obligation Bond and the Civic Center Bond. The debt services costs are $2.9 million for the Civic Center Lease Revenue Bond and, $2.3 million for the Pension Obligation Bond. Per the bond instructions, payments are due March and September for the Pension Obligation Bond.

Tables 3 and 4, below, illustrate the First Quarter revenue and expenditures for the Special Funds through December 2018.

**Table 3**

<table>
<thead>
<tr>
<th>Special Fund Category</th>
<th>FY2018-19 Revenue Budget $</th>
<th>FY2018-19 Actual Revenue @ 1st Quarter End $</th>
<th>Percent Received @ 1st Quarter End %</th>
<th>FY2017-18 Actual Revenue @ 1st Quarter End $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special Revenue</td>
<td>63,726,116</td>
<td>10,913,307</td>
<td>17%</td>
<td>9,508,164</td>
</tr>
<tr>
<td>Internal Service</td>
<td>-</td>
<td>16</td>
<td>0%</td>
<td>-</td>
</tr>
<tr>
<td>Proprietary</td>
<td>43,072,408</td>
<td>8,531,780</td>
<td>20%</td>
<td>8,901,320</td>
</tr>
<tr>
<td>Debt Service</td>
<td>5,186,420</td>
<td>2,413,221</td>
<td>47%</td>
<td>56,659,429</td>
</tr>
<tr>
<td><strong>Special Fund Total</strong></td>
<td><strong>111,984,944</strong></td>
<td><strong>21,858,323</strong></td>
<td><strong>20%</strong></td>
<td><strong>75,068,912</strong></td>
</tr>
</tbody>
</table>

**Table 4**

<table>
<thead>
<tr>
<th>Special Fund Category</th>
<th>FY2018-19 Expense Budget $</th>
<th>FY2018-19 Actual Expenses @ 1st Quarter End $</th>
<th>Percent Expended @ 1st Quarter End %</th>
<th>FY2017-18 Actual Expenses @ 1st Quarter End $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special Revenue</td>
<td>88,775,154</td>
<td>11,508,156</td>
<td>13%</td>
<td>10,643,253</td>
</tr>
<tr>
<td>Internal Service</td>
<td>129,473</td>
<td>(422,326)</td>
<td>(326%)</td>
<td>(471,926)</td>
</tr>
<tr>
<td>Proprietary</td>
<td>54,565,418</td>
<td>8,815,727</td>
<td>16%</td>
<td>6,935,392</td>
</tr>
<tr>
<td>Debt Service</td>
<td>6,382,734</td>
<td>3,045</td>
<td>0%</td>
<td>55,289,662</td>
</tr>
<tr>
<td><strong>Special Fund Total</strong></td>
<td><strong>149,852,779</strong></td>
<td><strong>19,904,601</strong></td>
<td><strong>13%</strong></td>
<td><strong>72,396,381</strong></td>
</tr>
</tbody>
</table>

**Capital Improvement Projects (CIP)**

The FY 2018-19 budget approved by the Mayor and City Council provided total appropriations of $30.2 million for Capital Improvement Projects. The FY2018-19 current budget at first quarter included an appropriation of $37.8 million for capital improvement projects. The increase in appropriation was due to FY2017-18 encumbrance carry over for contracts previously approved, and budget amendments for new contracts. Of this amount, a total of $2.7 million, or 7.2%, has been expended (excluding Residential Sound Insulation activities expenditures and Successor Agency funded expenditures) as of first quarter, which ended December 31, 2018.

As of end of first quarter, a total of thirty-three projects are active with twenty-six projects under construction, and seven projects in design. Eleven projects have been completed are in close out

*Finance Department-Budget Division*
process. Refer to the following tables for a CIP financial summary and a summary of project status by category.

**CIP Financial Summary**

- Current Appropriations: $37.8 Million
- CIP Expenditures: $2.7 Million
- CIP Encumbrances: $9.8 Million

| Expenditures as a Percentage of Appropriations | 7.2% |
| Encumbrances as a Percentage of Appropriations  | 25.9% |

<table>
<thead>
<tr>
<th>FY 2018-19 First Quarter Capital Improvement Projects Status by Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>CIP Project Categories</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Facilities</td>
</tr>
<tr>
<td>Parks &amp; Open Spaces</td>
</tr>
<tr>
<td>ADA Construction</td>
</tr>
<tr>
<td>Sidewalks &amp; Walkways</td>
</tr>
<tr>
<td>Transit Stop Improvements</td>
</tr>
<tr>
<td>Streets and Roadways</td>
</tr>
<tr>
<td>Water System Improvements</td>
</tr>
<tr>
<td>Sewer System Improvements</td>
</tr>
<tr>
<td>Street Lighting &amp; Roadway Safety</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
</tr>
</tbody>
</table>

**CONCLUSION**

The First Quarter Budget Review report provides a snapshot of the City’s current operational picture to inform the Mayor, City Council, and the public of the budgetary status of the City’s finances through the First Quarter (October 1, 2018, through December 31, 2018) of the current fiscal year. The City’s operational revenues and expenses are slightly below the proportionate budgeted amounts based on the total budget within the First Quarter. Staff will continue to utilize feedback received from the Mayor and City Council to manage the Adopted FY2018-19 General Fund Budget.

*Finance Department-Budget Division*
RESOLUTION NO. —

A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF INGLEWOOD, CALIFORNIA, AMENDING
THE 2018-19 ANNUAL BUDGET

WHEREAS, The City Manager of the City of Inglewood, California, has
presented to the City Council of said City a Budget Amendment for Fiscal Year
2018-19, which reflects an amendment to the General Fund expenditures for the
citywide grants match; and

WHEREAS, it is proposed to increase the citywide grants match as
illustrated in Exhibit “A” of this staff report; and

WHEREAS, it is necessary to amend the budget to reflect the modified
amounts to support the increased expenses related to the operational activity
involving citywide grants; and

WHEREAS, it is necessary to amend the budget to reflect modified amounts
budgeted for personnel services, maintenance and operations; and

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of
Inglewood, California, that the Fiscal Year 2018-19 Annual Budget be amended to
reflect the adjustments as shown in Exhibits “A,”.

BE IT FURTHER RESOLVED, that the City Clerk shall certify to the
adoption of this resolution and the same shall be in full force and effect
immediately upon adoption.

Passed, approved and adopted this _____ day of _____________, 2019.

_______________________________
ATTEST:                                JAMES T. BUTTS, JR., MAYOR

_______________________________
CITY CLERK
(SEAL)
### Exhibit A

**Fund:** 001 General Fund  
**Agency:** 099 Non-Departmental  
**Orgn:** 9930 Miscellaneous

<table>
<thead>
<tr>
<th>OBJECT CODE</th>
<th>Description</th>
<th>FY2018-19 Budget</th>
<th>Amendment Request</th>
<th>Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>45682</td>
<td>Grants Match</td>
<td>$400,000</td>
<td>$2,000,000</td>
<td>$1,600,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
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<td><strong>$2,000,000</strong></td>
<td><strong>$1,600,000</strong></td>
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**Fund:** 220 Grants Fund  
**Agency:** 099 Non-Departmental  
**Orgn:** 9994 Interfund Transfers

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