City of Inglewood
Fiscal Year 2011-2012
Budget

Mayor’s Town Hall Meeting

March 3, 2012
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 is projected to increase by $1,114,000, a 10.58% jump from the FY 2010-11 actual of $10,400,000.
The percentage increase in Property Tax from FY 2006-07 to FY 2011-12 is 4.93%.

Property Tax revenue estimates for FY 2011-12 are projected to be $14,909,000, which is $524,546 or 3.4% less than the FY 2010-11 actual of $15,433,546.
Utility Users Tax

Inglewood Residents pay a Utility Users Tax (UUT) on their Telephone and Cable bills. The UUT makes up 20 percent of the City’s General Fund’s Revenue.

The percentage decrease in UUT from FY 2006-07 to FY 2011-12 is 20.5%.

UUT 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.
FY 2011-12 Budget Expenditures (All Funds) $287,555,543
FY 2011-12 General Fund Revenue
$77,519,407
General Fund Operating Expenditures By Department

$78,375,028

- Police: 53.2%
- Public Works: 12.0%
- Parks and Recreation: 7.0%
- Civic Center: 3.3%
- Library: 3.3%
- Planning and Building: 2.8%
- Finance: 4.7%
- Human Resources: 1.2%
- City Administration: 1.8%
- City Attorney: 2.7%
- City Treasurer: 0.2%
- City Clerk: 0.7%
- Non-Departmental: 5.6%
- Mayor and Council: 1.4%
Personnel Reductions

- Personnel Reductions
  - FY 11-12 – Freeze 23 positions ($2.3 million)
  - Lay off eight (8) Police Officers ($1 million)
  - FY 10-11 – Eliminated 121 fulltime and 27 part-time

- Personnel Concessions
  - FY 11-12 – $3.2 million (10% Reduction)
  - FY 10-11 – $2.2 million (10% Reduction)
  - Two-tiered Retirement Incentive
General Fund Revenue and Expenditure Comparison

(In Millions of Dollars)

<table>
<thead>
<tr>
<th>Year</th>
<th>Actuals</th>
<th>Projected</th>
<th>Proposed</th>
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<td>06/07</td>
<td>$87.40</td>
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Expenditures: Blue
Revenues: Green
Reserves: Red
General Fund Operating Reserves

- Reserve Policy – 8% Reserve or $6.3 million
- FY 2011-12 Reserves – .38% or $300,000
Budget Balancing Strategy

- Reduce costs
  - Freeze Position
  - Improving Operational Efficiencies
- Increase revenues
  - Economic Development
  - Fee Analysis
- Develop a five-year financial plan
  - 5-year Budget Plan (March 13, 2012)
Former Redevelopment Agency

- Purpose of Redevelopment Agency
- Governor’s Elimination of Redevelopment Agencies
- Tax Increment—$19 million annually
- The Former Redevelopment Budget — $40.7 million
  - Staffing Cost—$3.3 Million
- Successor Agency (the City)
Liabilities

- Underfunded
  - Post-Employment insurance
    - Medical
    - PERS
    - Sick and Vacation Leave Payout
  - All Other Miscellaneous Employee-Related Costs
    - Workers Compensation
    - General Liability Insurance
Liabilities

- Unfunded
  - Maintenance costs
  - Facilities
  - Fleet
  - Technology Applications
Moody’s Downgrade

- Credit Rating downgraded from A1 to A2
  - If the City needs to borrow money, it may experience higher costs.

- Why Did Our Rating Decrease?
  - Decline in Property and Sales Tax Revenue
  - Using Reserves to Cover Budget Gap
  - Federal Downgrade
    - Standard & Poor's Downgrades US Credit Rating From AAA to AA+
Moody’s Downgrade

- **Positive Influences on Rating**
  - City Council and Leadership Made Tough Financial Decisions in FY 10-11
  - Up Trends in Sales Tax Revenues