



City of Inglewood Fiscal Year 2011-2012 Budget

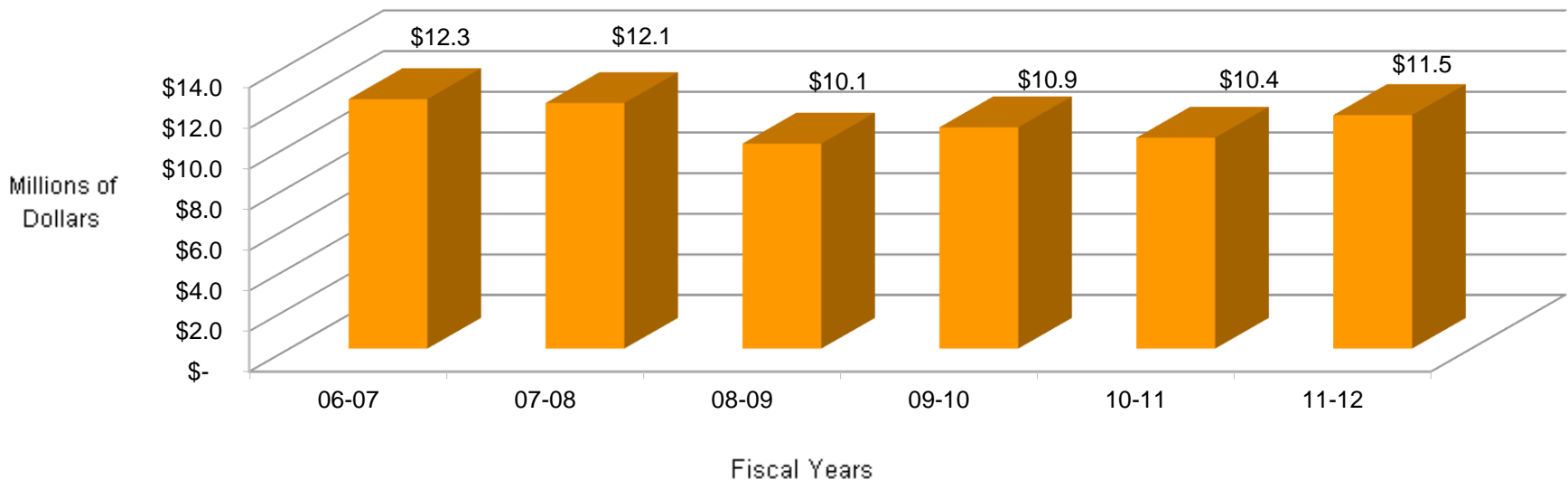
Mayor's Town Hall Meeting

March 3, 2012



Sales and Use Tax Chart

The Sales and Use Tax is 15% of General Fund Revenue.



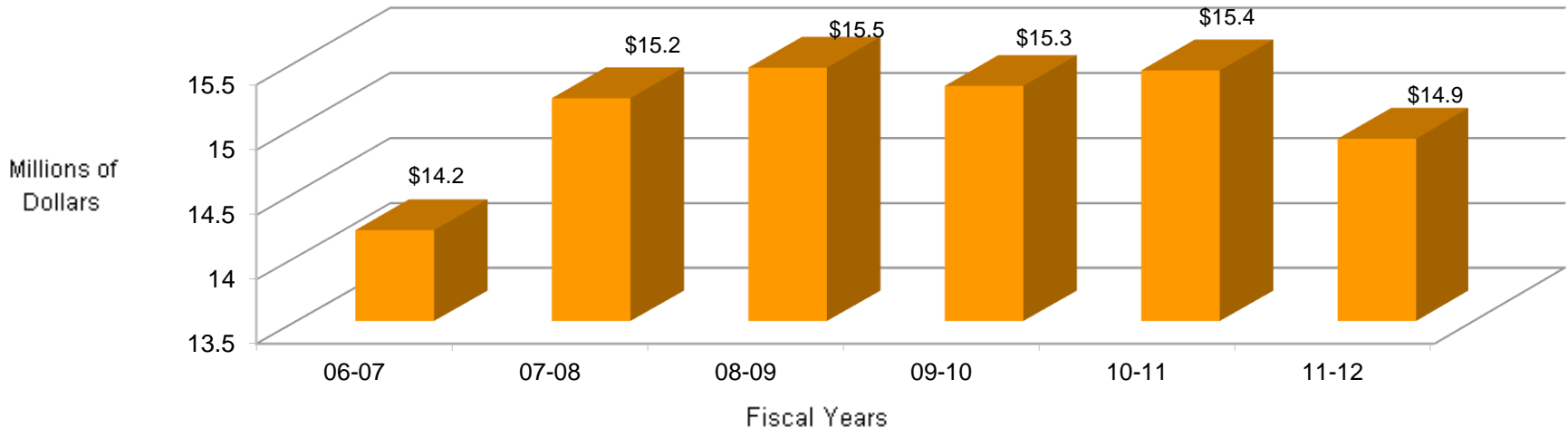
The percentage decrease in Sales and Use Tax from FY 2006-07 to FY 2011-12 is 6.5%.

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.



Property Tax

Property Tax is 19% of General Fund Revenue.



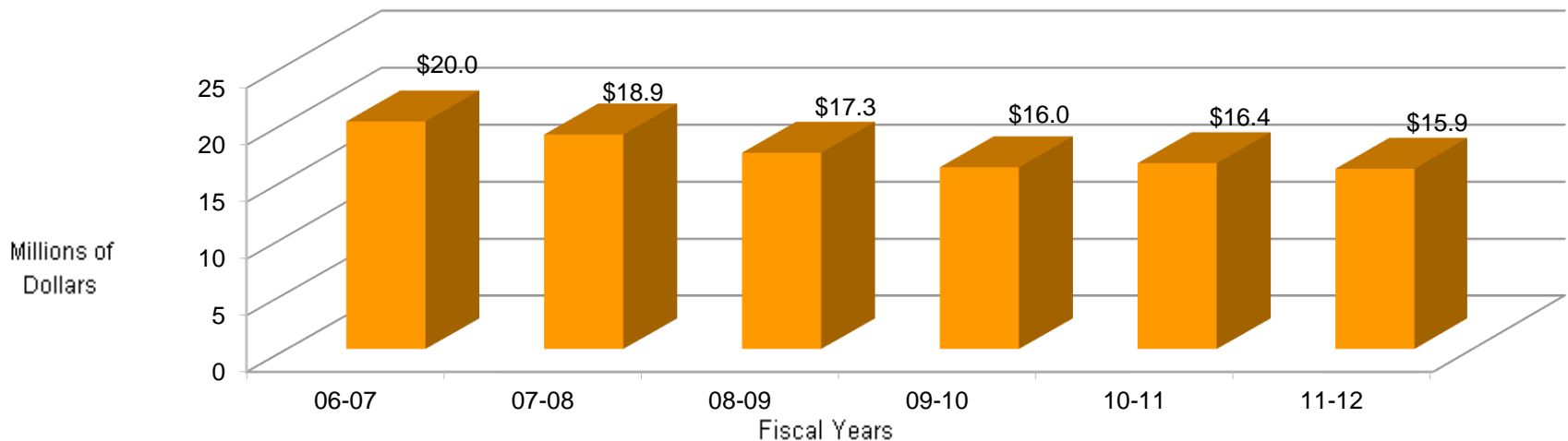
The percentage increase in Property Tax from FY 2006-07 to FY 2011-12 is 4.93%.

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.

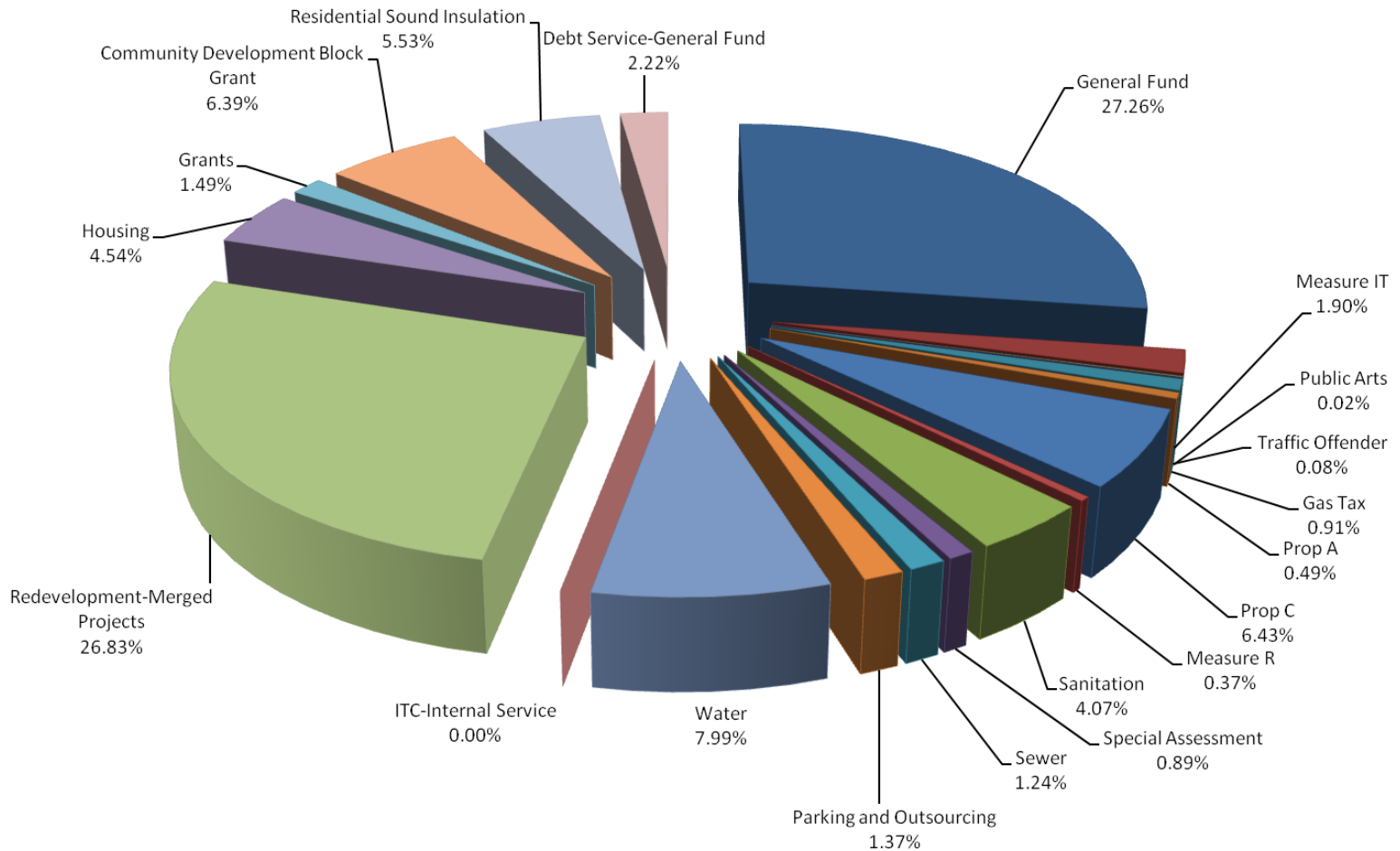


The percentage decrease in UUT from FY 2006-07 to FY 2011-12 is 20.5%.

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.



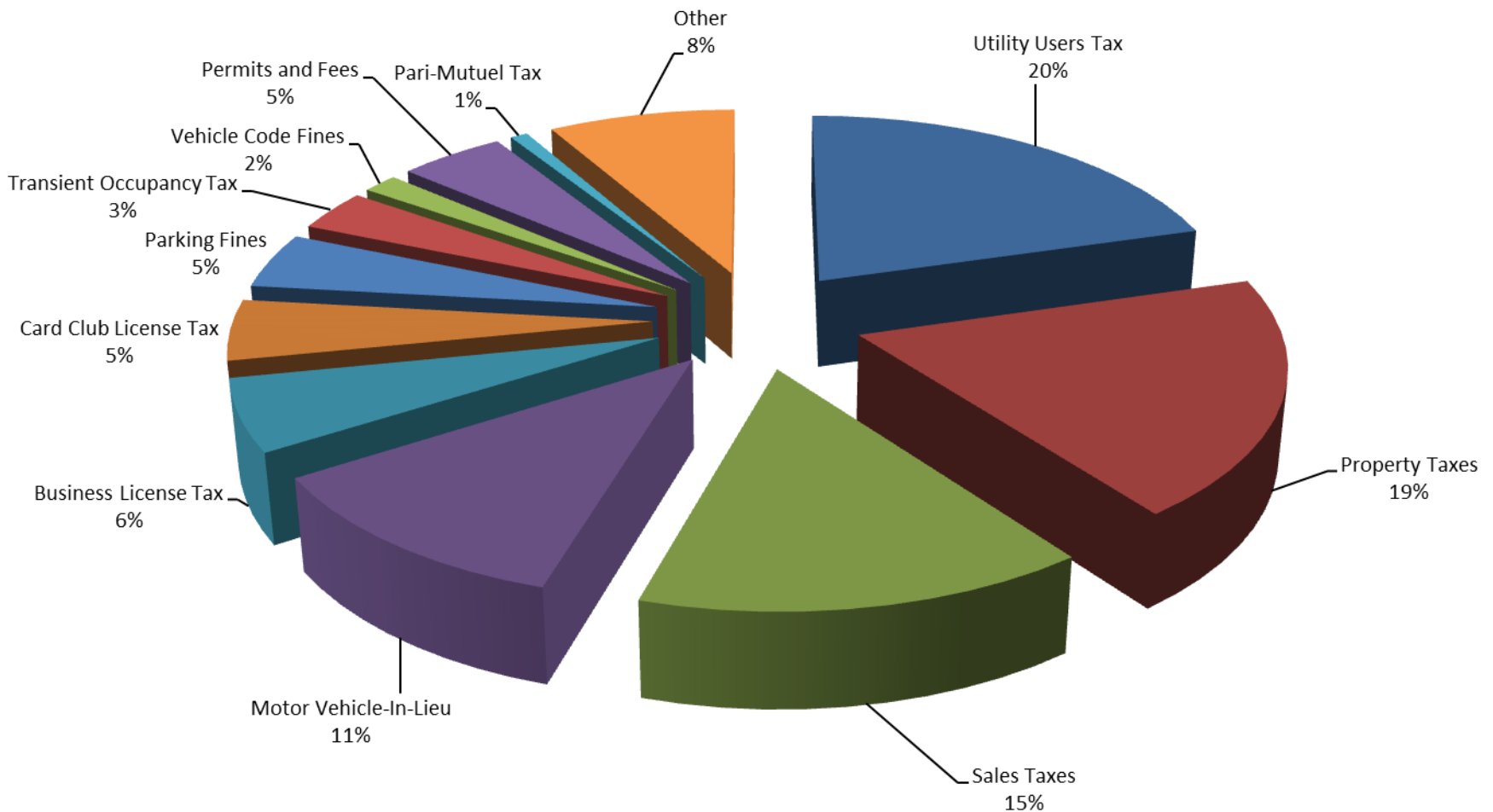
FY 2011-12 Budget Expenditures (All Funds) \$287,555,543





FY 2011-12 General Fund Revenue

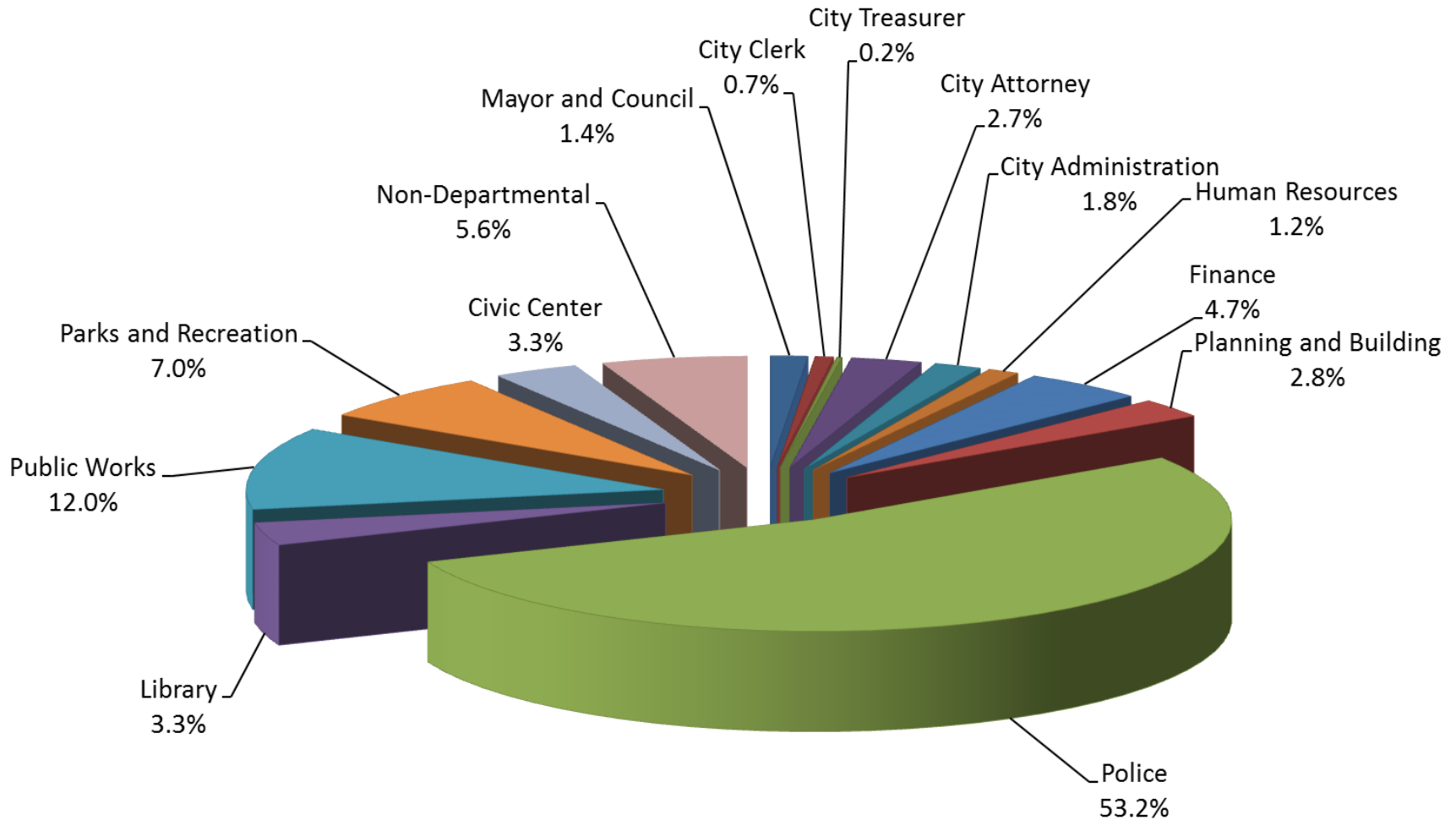
\$77,519,407





General Fund Operating Expenditures By Department

\$78,375,028



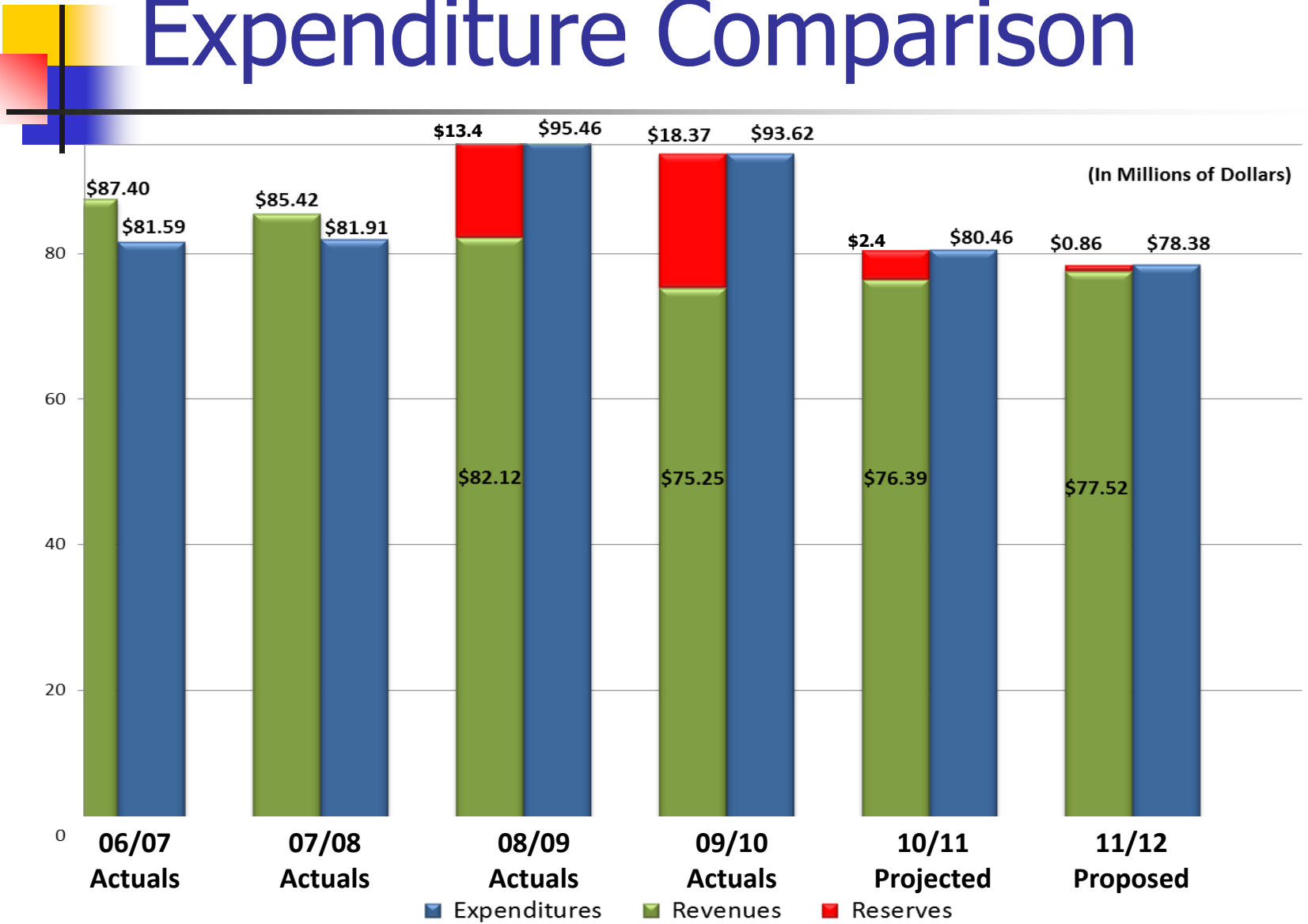


Personnel Reductions

- 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





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