



# FINANCIAL MONITORING REPORT

1st Qtr 2008-09

September 2008

## PERFORMANCE AT A GLANCE

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<b>BELOW BUDGET OR POSITIVE</b>	= > 4% compared with prior year for revenues, or below expenditure target
<b>NORMAL</b>	= Positive variance or negative variance < 2% compared prior year
<b>WARNING</b>	= Negative variance of 2— 4% compared with prior year.
<b>NEGATIVE</b>	= Negative variance of > 4% compared with prior year.

## ECONOMIC INDICATORS

### ECONOMY

#### Nat'l Consumer Price Index: *Mixed*

The CPI dropped 0.1% in September, following a drop of 0.4% in August. However, over the last 12 months the index has risen 5.4%.

#### Interest Rates: *Down*

On October 29th, the Federal Funds rate was cut by half a percent to 1.0%. Only three weeks earlier, the rate was also cut by half a percent.

#### National GDP: *Down*

The preliminary numbers show that GDP dropped by an annualized rate of 0.3% in the third quarter of 2008. This follows an increase of 2.8% in the 2nd quarter. The decline is largely due to a drop in consumer spending.

### UNEMPLOYMENT RATES

National: August 2007 - 4.7%  
August 2008 - 6.1%  
September 2007 - 4.7%  
September 2008 - 6.1%

State: August 2007 - 5.5%  
August 2008 - 7.7%  
September 2007 - 5.6%  
September 2008 - 7.7%

LA County: August 2007 - 5.0%  
August 2008 - 7.9%  
September 2007 - 5.6%  
September 2008 - 7.8%

### LOCAL NOTEWORTHY DEVELOPMENT

- The remodel of the **Westfield Mall** is well underway. Construction is **expected to be complete by fall 2009/spring 2010**.
- Construction of the mixed use project at **9900 Culver Blvd** started in the summer and is **expected to be completed by summer/fall 2009**.
- Due to the tight credit markets, a **number of projects have been delayed**. **Parcel B** and the **Baldwin site** have required extensions to their DDAs in order to buy additional time until they can secure financing.

## CULVER CITY TAKES MEASURES TO ADDRESS ECONOMIC CHALLENGES

While economists debate the exact status, it is evident that the economy is in a recessionary mode and it appears that these conditions will continue well into 2009. This has created a very difficult fiscal environment for governments. Government revenues are shrinking, while expenses continue to rise, making it challenging to balance budgets. Culver City has been fortunate to avoid major problems thus far, but without a doubt the City will feel the effects in coming months. Sales tax receipts, the City's largest revenue source, lags three to six months, so clear data for the current fiscal year will not be available until mid-December. The City is budgeting for a 1.6% decline in Sales Tax revenue, but an even larger drop is likely. Also, many local hotels have informally reported low occupancy rates, so Transient Occupancy Tax is expected to fall in coming months. Fortunately, Utility Users Taxes (UUT) remains a relatively stable source of tax revenue. UUT receipts account for \$14.2 million (17%) of the General Fund's revenue and first quarter UUT revenue slightly exceeded the budgeted projections. At this point in a fiscal year, there is limited information on the current year revenues and many rapidly changing variables, so it is difficult to make a confident forecast of total year-end revenues. By mid-year, much more information will be available and at that point, recommendations for revenue related budget adjustments will be made.

By mid-year Culver City should also have a much better feel for how the state will be handling the projected \$27.8 billion dollar deficit it is forecast to have over the next 19 months. Although it is yet to be determined exactly how the state will close this deficit, Culver City like many governments is anticipating a potential takeaway or shift of local government funds in one form or another. Redevelopment Agencies have already been affected, and it is likely they will be affected even greater in coming months. Culver City already will lose \$2.26 million to the state in RDA funds for fiscal 2008-09. Transportation will lose approximately \$1 million in STA funds, with a potential of another \$500,000 loss given the current situation.

In an effort to reduce expenditures during fiscal 2008-09, the City Manager has taken "pull-back measure" steps that include a modified hiring freeze and elimination of overtime, excluding public safety and emergency situations. In addition, staff is analyzing the use of part-time and temporary employees, as well as the use of contractors and consultants. Also, departments have been asked to achieve a 25% budgetary savings in the expense categories of training, conferences, and special events, which is anticipated to save approximately \$160,000. Based on the cost saving measures outlined above, annual expenditures are projected to be slightly below last year's total of \$83.9 million.

With the current vacancies and "pull-back measures" that have been put in place, there is a possibility Culver City will be able to weather through fiscal 2008-09, but fiscal 2009-10 will be another challenge all together. By planning and monitoring revenues, expenditures, programs, and projects closely during this current fiscal year, we will put ourselves in a better position to deal with the difficult times we are likely to face in future years.

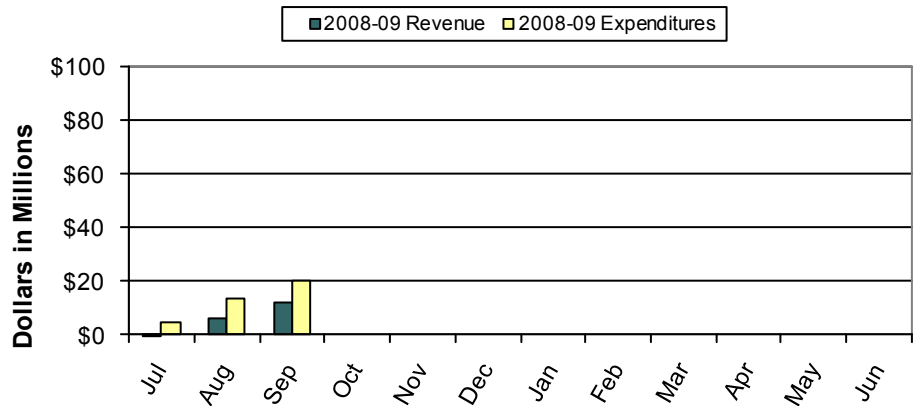
***The cold harsh reality is that we have to balance the budget.***

***Author: Michael Bloomberg***

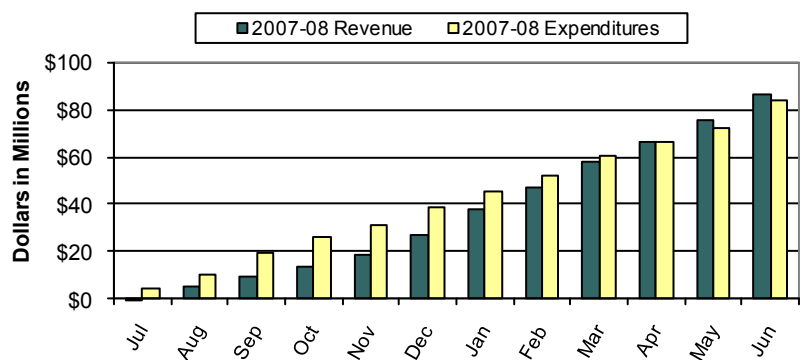
# GENERAL FUND ANALYSIS:

## REVENUES & EXPENDITURES THROUGH SEPTEMBER 2008 [Cumulative]:

	2008-09 Revenue	2008-09 Expenditures
July	\$ 124,986	\$ 4,354,540
August	5,766,099	9,117,410
September	5,991,085	6,660,426
October	-	-
November	-	-
December	-	-
January	-	-
February	-	-
March	-	-
April	-	-
May	-	-
June	-	-
<b>TOTAL</b>	<b>\$ 11,882,170</b>	<b>\$ 20,132,376</b>

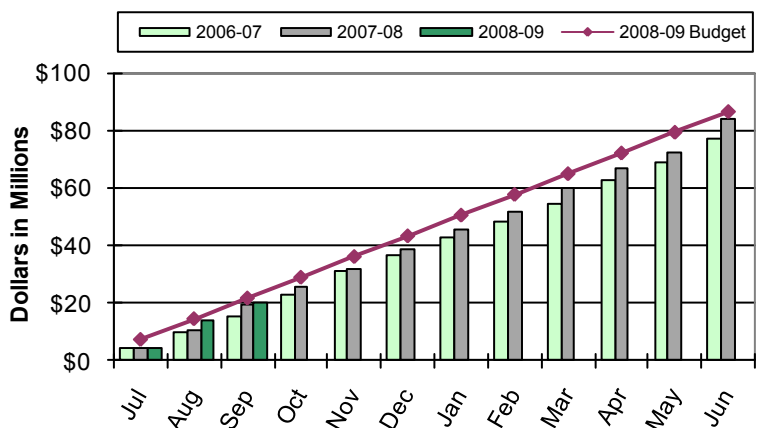


General Fund revenues are often accrued back to a prior fiscal year for several of the larger categories such as Sales Tax, TOT, and UUT. This causes the monthly amount shown for July, and sometimes August, to look "low" when compared to future months. When comparing revenues and expenditures this early in a fiscal year it is important to remember this accrual of revenues to the prior year causes the large gap. In-lieu payments for Sales Tax and Motor Vehicle License Fees are received in January and May of each year. Property Tax and Business License Tax are also seasonal and are recognized most significantly in December/April and February/March respectively.



## GENERAL FUND EXPENDITURES THRU SEPTEMBER 2008 (Comparison of Fiscal Years 2006-07, 2007-08, and 2008-09) [Cumulative]

	2006-07 Expenditures	2007-08 Expenditures	2008-09 Expenditures
July	\$ 4,013,513	\$ 4,177,856	\$ 4,354,540
August	5,475,164	6,110,635	9,117,410
September	5,527,245	8,739,298	6,660,426
October	7,836,012	6,614,130	
November	8,137,743	5,739,487	
December	5,332,189	7,463,020	
January	6,182,729	6,833,180	
February	6,032,417	6,081,761	
March	6,006,334	8,423,258	
April	8,238,175	6,605,769	
May	5,958,495	5,836,127	
June	8,195,517	11,334,820	
<b>TOTAL</b>	<b>\$ 76,935,533</b>	<b>\$ 83,959,341</b>	<b>\$ 20,132,376</b>
<b>Adj Budget</b>	<b>\$ 77,920,361</b>	<b>\$ 86,018,123</b>	<b>\$ 85,577,084</b>



**BELOW BUDGET**

**GENERAL FUND EXPENDITURES** — For the first quarter of 2008-09, general fund expenditures are at 23.2% of the adjusted budget. Last year at this point, expenditures were also at 23.3% of the adjusted budget, so current year spending is similar to prior years. What contributes to this lower percentage is the current number of vacancies throughout the City. Also, due to the current economic issues, cost saving measures have been implemented. Personnel related expenditures will show a rise, though, in October and January because of negotiated 4% salary increases for management and general service employees respectively. Public Safety employees received the majority of their COLA increases at the beginning of the fiscal year. These are Council approved MOU increases which have been factored into the adopted budget.

# GENERAL FUND DEPARTMENT ANALYSIS:

Comparison of Adjusted Budget to Actual: Target = 24.125% through September 2008

GENERAL FUND DEPARTMENTS	ADOPTED BUDGET 2008-09	ADJUSTED BUDGET 2008-09	ACTUAL EXPENDED AS OF 9/30/08	PERCENT EXPENDED 2008-09	TARGET AMOUNT
<b>GENERAL GOVERNMENT</b>					
CITY COUNCIL	\$ 223,548	\$ 356,447	\$ 35,320	9.9%	\$ 85,993
CITY MANAGER	1,298,741	1,390,816	353,736	25.4%	335,534
CITY CLERK	439,207	450,829	89,102	19.8%	108,762
FINANCE DEPT	4,565,821	4,850,197	1,022,673	21.1%	1,170,110
CITY ATTORNEY	1,863,834	1,900,821	419,813	22.1%	458,573
HUMAN RESOURCES	1,144,481	1,189,122	271,814	22.9%	286,876
INFORMATION TECH.	3,118,663	3,286,626	715,796	21.8%	792,899
<b>TOTAL GENERAL GOVERNMENT</b>	<b>\$ 12,654,295</b>	<b>\$ 13,424,858</b>	<b>\$ 2,908,254</b>	<b>21.7%</b>	<b>\$ 3,238,747</b>
<b>PARKS, REC. &amp; COMMUNITY SVCS</b>	6,917,782	7,332,364	1,705,010	23.3%	1,768,933
<b>POLICE DEPARTMENT</b>	28,172,220	29,397,073	6,689,052	22.8%	7,092,044
<b>FIRE DEPARTMENT</b>	14,919,943	15,693,928	4,039,593	25.7%	3,786,160
<b>COMMUNITY DEVELOPMENT</b>	7,743,761	8,239,544	1,596,176	19.4%	1,987,790
<b>PUBLIC WORKS</b>	9,719,359	10,232,056	2,356,492	23.0%	2,468,484
<b>NON-DEPARTMENTAL</b>	7,276,023	4,170,465	511,249	12.3%	1,006,125
Transfers	1,223,701	1,223,701	326,550	26.7%	295,218
Projected excess appropriations (3.5%)	(3,050,000)	(3,050,000)	0	0.0%	-
<b>TOTAL GENERAL FUND</b>	<b>\$ 85,577,084</b>	<b>\$ 86,663,989</b>	<b>\$ 20,132,376</b>	<b>23.2%</b>	<b>-</b>

## NOTABLE EXPENDITURE VARIANCES through September 2008:

**EXPENDITURES:** Over 80% of the General Fund adopted budget is personnel related expenditures. The adjusted budget amount includes operating encumbrance carryover amounts from the prior fiscal year. Most Departments are in-line or slightly below the target budget through September 2008. Below are notable variances for Departments above or below the target.

### Departments significantly under Target (more than 6%):

**City Council** — The City Council budget's primary operating expenses include the contract for video and broadcasting services for Council meetings and audit services for items such as the City's annual Comprehensive Annual Financial Report (CAFR). Even though the amount actually expended is low, \$85,000 in funds have been encumbered. As the fiscal year progresses, the expended amount should increase.

**Non-Departmental** — One factor in Non-Departmental expenditures being behind target is because of the delay in utility billings. Through September, only two months of utility bills were paid. Another factor is the "contingency" amount budgeted in this Division that includes retirement payoffs that is not transferred to departments until the end of the year. This will keep the expended percentage on the low side until the final year-end report.

### Departments over Target:

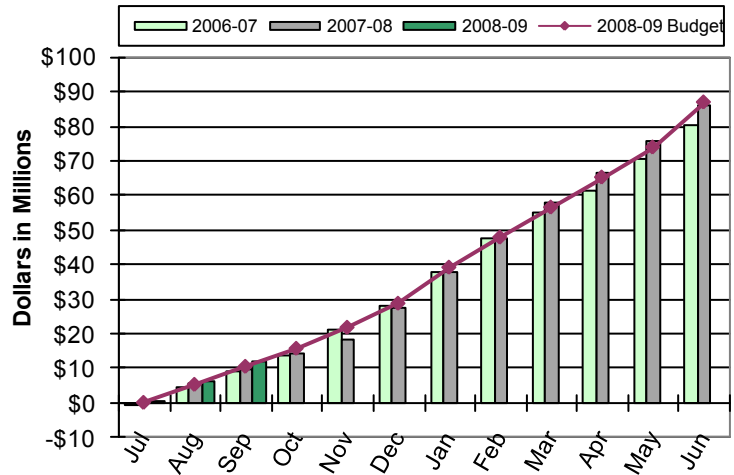
**City Manager's Office** — Due to retirement payoffs, and unanticipated vacation and sick-leave payoffs, the City Manager's Office is showing over target through September 2008. Funding from the Non-Departmental Division is transferred at the end of each fiscal year to cover retirement payoffs that occurred during that fiscal year. Less the retirement payoff for this Department, the expended amount would be approximately on target for first quarter expenditures.

**Fire Department** — Culver City sends strike teams to neighboring jurisdictions, including county and state incidents, when requested. There have been a number of fires over the summer, which resulted in higher Constant Staffing costs. Also, the maintenance and operating costs for the equipment has also increased due to these additional callouts. These factors have resulted in pushing the Fire Department slightly over target for the first quarter of fiscal 2008-09. Culver City is reimbursed for most personnel expenses related to strike team deployments greater than 24 hours, but reimbursements may not be received until several months after the incident.

# GENERAL FUND REVENUE ANALYSIS:

## TOTAL GENERAL FUND REVENUES THROUGH SEPTEMBER 2008 (Comparison of Fiscal Years 2006-07, 2007-08, and 2008-09) [Cumulative]

	2006-07 Revenue	2007-08 Revenue	2008-09 Revenue
July	\$ (473,116)	\$ 341,121	\$ 124,986
August	4,930,120	5,062,285	5,766,099
September	4,430,318	4,334,446	5,991,085
October	4,876,302	4,165,591	
November	7,303,390	4,559,561	
December	7,074,612	9,017,272	
January	9,666,904	10,436,417	
February	9,576,836	9,466,608	
March	7,596,047	10,417,263	
April	6,648,374	8,838,122	
May	8,764,221	8,946,942	
June	9,744,167	10,713,892	
<b>TOTAL</b>	<b>\$ 80,138,175</b>	<b>\$ 86,299,520</b>	<b>\$ 11,882,170</b>
<b>Adj Budget</b>	<b>\$ 75,054,576</b>	<b>\$ 82,774,909</b>	<b>\$ 87,019,033</b>



**TOTAL GENERAL FUND REVENUES** — Total General Fund revenues through the first quarter of fiscal 2008-09 are \$11,882,170, or 13.6% of budgeted projections. This low percentage is attributable to a few of the major revenue categories such as sales tax, utility taxes, property tax, transient occupancy tax, and business tax being accrued back to the prior fiscal year. (“Accrual” is when revenues are recognized in the fiscal year they are earned.) Receipts through the first quarter are ahead of prior year totals at this same point, mainly due to Redevelopment Agency (RDA) billings being recognized and posted in September versus November and December of prior years.

**Commercial Industrial Development Tax** — First quarter receipts for commercial/industrial development tax are 19.5% of budgeted projections. The budget projection for fiscal 2008-09 is \$1,180,000. This amount was projected based on a conservative number of commercial developments anticipated to begin or continue construction in fiscal 2008-09. Given the current economic climate, it is not certain at this early point in the fiscal year if this category will meet its target.

**Fines & Forfeitures** — Through the first quarter, fines and forfeitures were \$797,809, or 17.5% of budgeted projections. This category falls under “accrual” rules, and had approximately \$221,000 in receipts accrued back to the prior fiscal year. Most likely as the year ends, receipts received in July and August of 2009 will accrue back to this year to even it out. It is too early in the year to estimate if this category will meet projections. (Note: A Staff Report went before the City Council on Monday, November 10, 2008 recommending Parking Citation Fees be increased. City Council did approve this increase, which most likely will result in an increase for this revenue category.)

**Franchise Fee** — Franchise Fees were 6.5% of budgeted projections through the first quarter. These fees are not received on a regular schedule throughout the fiscal year, and often do not begin to be received until the second quarter. More information will be noted on these revenues in upcoming reports.

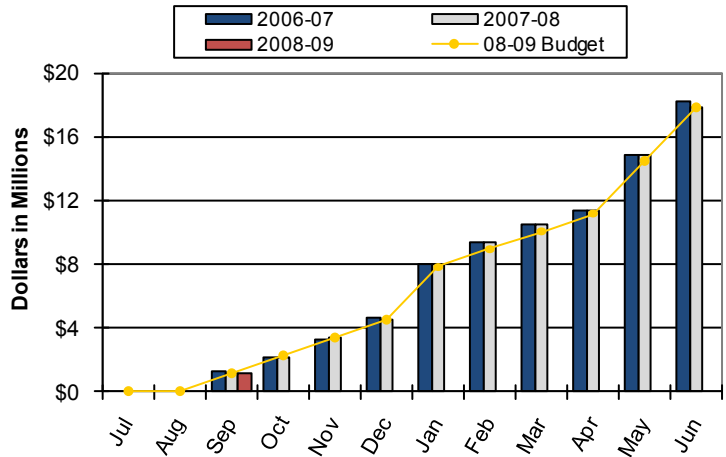
**Intergovernmental** — The primary revenue in this category is the Motor Vehicle License Fee (VLF). The July VLF revenue was accrued back to the prior fiscal year, so only two months of current year revenue has been received. Through September, receipts for this category are at 17.1% of budgeted projections. However, state-wide revenues are dropping dramatically as expenses are rising, so this revenue source could be radically lower than the budgeted projections of \$195,000.

**OVERALL GENERAL FUND REVENUES** — It is important to note at this early point in the fiscal year that it is extremely difficult to gauge if a revenue category will meet its projections or not. Information being presented in this report is based on Culver City’s actual receipts through September 30, 2008, and from information received from various sources—including governmental, financial and multiple news sites.

# GENERAL FUND REVENUE ANALYSIS (continued):

## SALES TAX THROUGH SEPTEMBER 2008 (Comparison of Fiscal Years 2006-07, 2007-08, and 2008-09) [Cumulative]

	2006-07	2007-08	2008-09
July	\$ 926,400	\$ 912,800	\$ 883,000
August	1,235,300	1,217,000	1,177,300
September	1,190,361	1,169,765	1,153,656
October	908,000	938,300	
November	1,210,800	1,251,100	
December	1,374,295	1,156,535	
January	3,368,412	3,471,855	
February	1,349,700	1,444,200	
March	1,113,116	1,021,326	
April	861,400	876,200	
May	3,459,612	3,557,052	
June	1,233,397	975,468	
Prior Yr Acc	(2,161,700)	(2,129,800)	(2,060,300)
Current Yr Acc	2,129,800	2,060,300	
<b>TOTAL</b>	<b>18,198,893</b>	<b>17,922,101</b>	<b>1,153,656</b>
Adj Budget	17,650,000	18,300,000	17,793,000



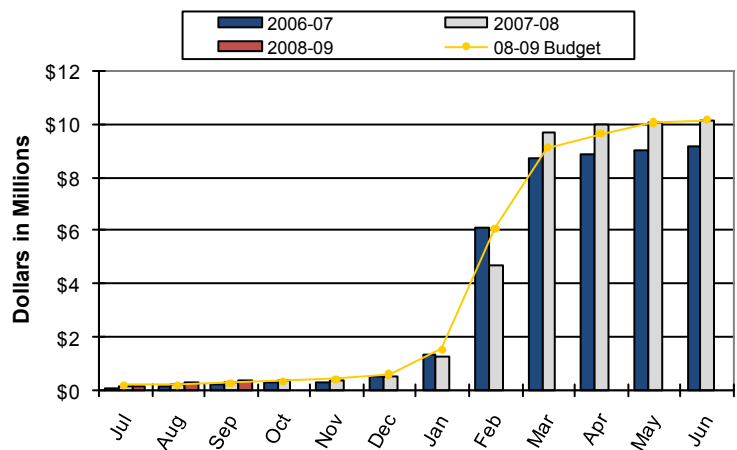
**NEGATIVE**

**SALES TAX**

— There is a lag of at least a quarter between the time a customer pays sales tax on a purchase and the tax is remitted to the City. To make up for this delay, the Board of Equalization makes monthly advances based on the tax receipts in the previous year. Then in the months of September, December, March, and June the actual receipts are reconciled and a “true-up” adjustment is made. Also, because of the lag in payment time, the sales tax advances received in July and August are accrued back to the previous fiscal year. The September “true-up” payment shows that the actual sales tax revenue from April-June 2008 was 2.4% below the same period of the previous year. Since the months of October and November are advances, we know that receipts through the month of November will be 2.9% behind budget projections. However, we will not have any concrete information on the current year sales taxes until the first quarter “true-up” adjustments are made in December.

## BUSINESS TAX THROUGH SEPTEMBER 2008 (Comparison of Fiscal Years 2006-07, 2007-08, and 2008-09) [Cumulative]

	2006-07	2007-08	2008-09
July	\$ 104,213	\$ 166,407	\$ 145,420
August	69,256	90,161	127,706
September	74,751	40,187	102,857
October	34,100	48,583	
November	47,673	44,065	
December	172,959	132,250	
January	810,450	753,918	
February	4,782,453	3,428,559	
March	2,588,412	4,953,144	
April	181,125	298,323	
May	184,909	73,308	
June	133,532	142,573	
<b>TOTAL</b>	<b>\$ 9,183,833</b>	<b>\$ 10,171,478</b>	<b>\$ 375,983</b>
Adj Budget	\$ 8,804,100	\$ 9,144,000	\$ 10,150,000



**NORMAL**

**BUSINESS TAX**

— Last fiscal year, business tax revenues exceeded the adjusted budget projections by 11.2%, but this year the revenues are expected to remain relatively flat. The downturn of the economy will likely lead to a drop in the gross receipts of many taxpaying businesses, but the City is hoping to make up for this decline with a more in-depth business tax audit to identify non-compliant businesses.

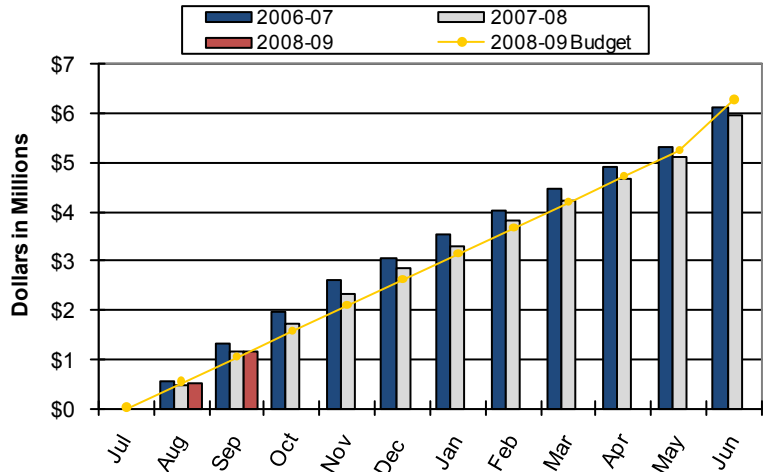
Through September of the current fiscal year, revenues are 21.0% higher than last year. However, these revenues represent a small percentage of the annual receipts, because the majority of the revenue is received in the months of January, February, and March.

# GENERAL FUND REVENUE ANALYSIS (continued):

## UTILITY USER'S TAX THROUGH SEPTEMBER 2008 (Comparison of Fiscal Years 2006-07, 2007-08, and 2008-09) [Cumulative]

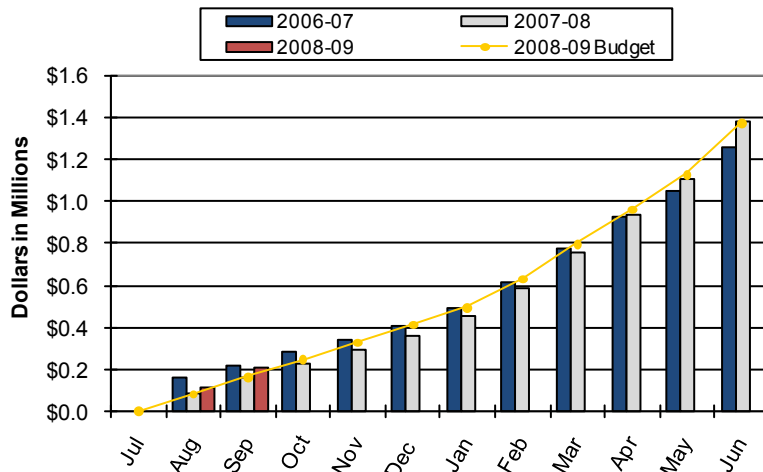
### Electricity UUT

	2006-07	2007-08	2008-09
July	\$ 434,336	\$ 417,420	\$ 433,414
August	564,075	500,334	524,237
September	764,134	669,748	636,710
October	624,333	556,764	
November	647,433	621,597	
December	458,805	513,303	
January	461,345	454,472	
February	503,612	485,773	
March	431,502	426,921	
April	444,525	441,445	
May	392,786	425,935	
June	418,835	432,822	
Prior Yr Acc	(434,336)	(417,420)	(433,414)
Current Yr Acc	417,420	433,414	
<b>TOTAL</b>	<b>\$ 6,128,805</b>	<b>\$ 5,962,528</b>	<b>\$ 1,160,947</b>
Adj Budget	\$ 5,900,000	\$ 5,800,000	\$ 6,303,600



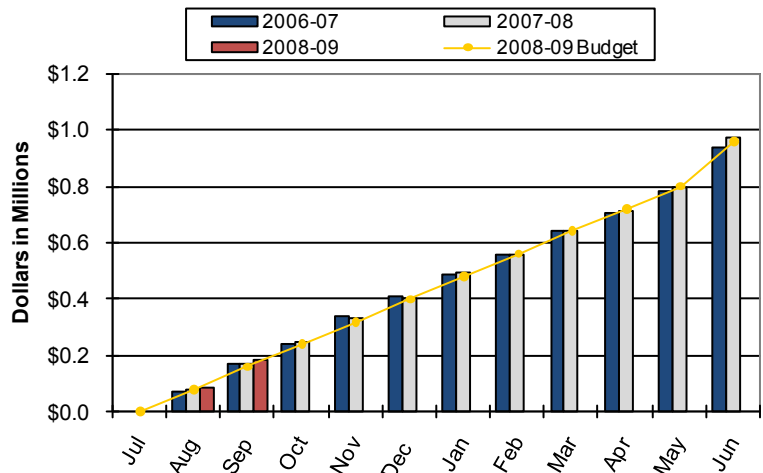
### Natural Gas UUT

	2006-07	2007-08	2008-09
July	\$ 9,820	\$ 98,599	\$ 121,396
August	158,535	88,810	114,570
September	63,196	76,452	90,419
October	61,384	66,079	
November	62,396	62,463	
December	65,435	68,182	
January	82,772	88,358	
February	122,155	132,893	
March	158,192	171,072	
April	151,472	180,198	
May	125,441	168,955	
June	108,347	155,111	
Prior Yr Acc	(9,820)	(98,599)	(121,983)
Current Yr Acc	98,599	121,983	
<b>TOTAL</b>	<b>\$ 1,257,924</b>	<b>\$ 1,380,558</b>	<b>\$ 204,403</b>
Adj Budget	\$ 1,300,000	\$ 1,346,000	\$ 1,380,000



### Water UUT

	2006-07	2007-08	2008-09
July	\$ 85,439	\$ 89,981	\$ 100,185
August	72,286	74,166	84,040
September	94,063	95,276	102,020
October	76,471	75,300	
November	98,875	90,181	
December	68,052	70,436	
January	79,388	86,457	
February	66,546	66,376	
March	86,040	82,704	
April	60,647	69,891	
May	83,561	87,329	
June	66,406	77,785	
Prior Yr Acc	(85,439)	(89,981)	(100,185)
Current Yr Acc	89,981	100,185	
<b>TOTAL</b>	<b>\$ 942,316</b>	<b>\$ 976,088</b>	<b>\$ 186,060</b>
Adj Budget	\$ 876,000	\$ 902,000	\$ 960,000

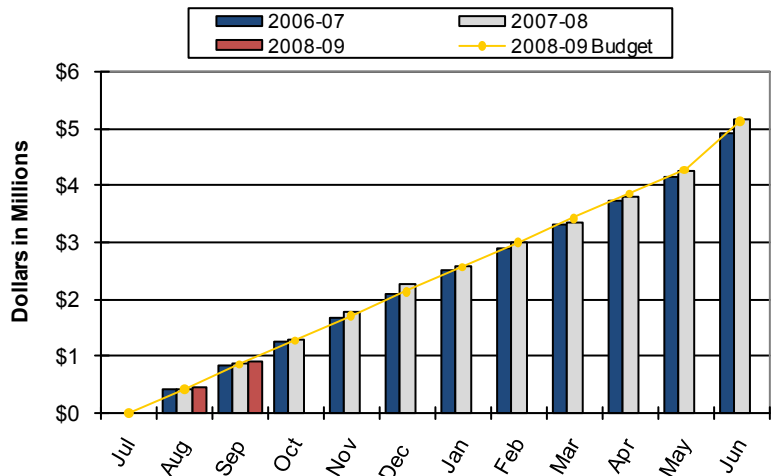


# GENERAL FUND REVENUE ANALYSIS (continued):

## UTILITY USER'S TAX THROUGH SEPTEMBER 2008 (Comparison of Fiscal Years 2006-07, 2007-08, and 2008-09) [Cumulative]

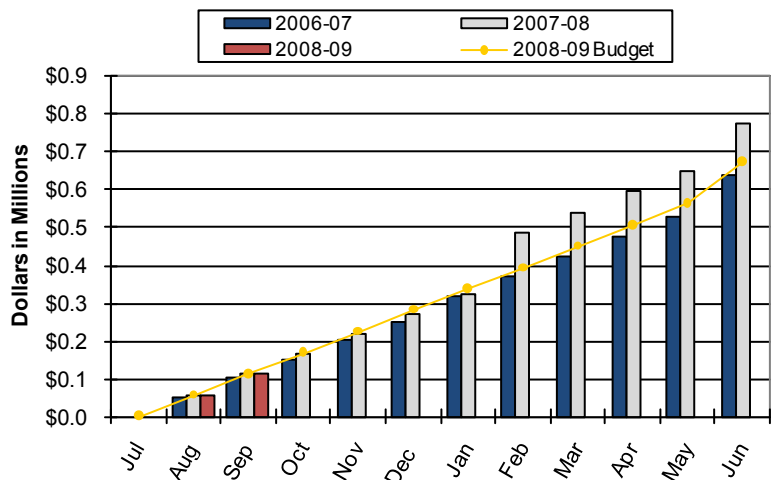
### Telephone UUT

	2006-07	2007-08	2008-09
July	\$ 451,558	\$ 372,380	\$ 452,733
August	483,359	416,124	459,313
September	421,157	442,406	464,139
October	441,639	380,131	
November	415,509	430,844	
December	412,589	453,656	
January	400,283	443,788	
February	405,701	416,961	
March	397,333	375,482	
April	434,755	456,352	
May	406,901	440,672	
June	423,198	440,576	
Prior Yr Acc	(530,432)	(372,380)	(452,908)
Current Yr Acc	372,380	452,908	
<b>TOTAL</b>	<b>\$ 4,935,930</b>	<b>\$ 5,149,900</b>	<b>\$ 923,277</b>
Adj Budget	\$ 5,200,000	\$ 5,000,000	\$ 5,150,000



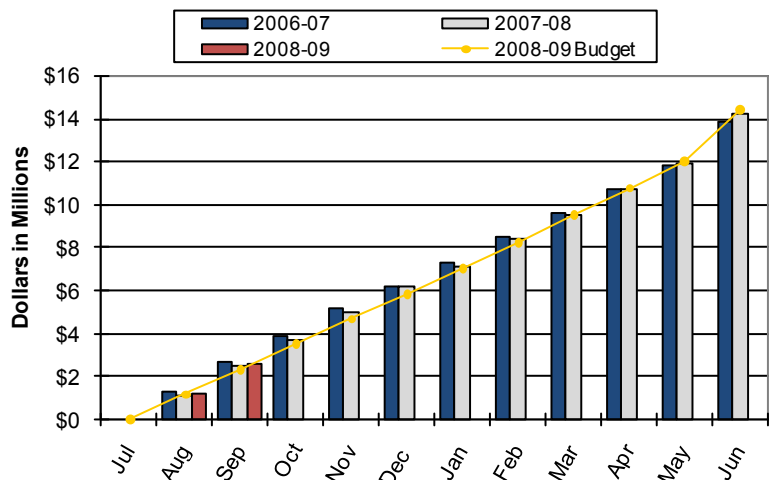
### Cable UUT

	2006-07	2007-08	2008-09
July	\$ 50,737	\$ 54,986	\$ 56,845
August	52,121	55,554	57,528
September	50,222	58,837	58,157
October	50,395	55,463	
November	49,885	52,377	
December	50,782	52,320	
January	64,240	52,274	
February	52,444	173,354	
March	51,900	52,976	
April	52,880	55,901	
May	53,052	55,521	
June	54,848	55,343	
Prior Yr Acc	(50,737)	(54,986)	(56,845)
Current Yr Acc	54,986	56,845	
<b>TOTAL</b>	<b>\$ 637,755</b>	<b>\$ 776,765</b>	<b>\$ 115,685</b>
Adj Budget	\$ 596,000	\$ 608,000	\$ 675,000



### Total All UUT

	2006-07	2007-08	2008-09
July	\$ 1,031,890	\$ 1,033,366	\$ 1,164,573
August	1,330,376	1,134,988	1,239,687
September	1,392,772	1,342,719	1,351,446
October	1,254,222	1,133,737	-
November	1,274,098	1,257,463	-
December	1,055,663	1,157,898	-
January	1,088,028	1,125,350	-
February	1,150,458	1,275,358	-
March	1,124,967	1,109,156	-
April	1,144,279	1,203,787	-
May	1,061,741	1,178,412	-
June	1,071,634	1,161,637	-
Prior Yr Acc	(1,110,764)	(1,033,366)	-
Current Yr Acc	1,033,366	1,165,335	-
<b>TOTAL</b>	<b>\$ 13,902,730</b>	<b>\$ 14,245,839</b>	<b>\$ 2,590,371</b>
Adj Budget	\$ 13,872,000	\$ 13,656,000	\$ 14,468,600



# GENERAL FUND REVENUE ANALYSIS (continued):

## UTILITY USER'S TAX THROUGH SEPTEMBER 2008

The City usually receives UUT revenue the month after it is collected by the utility companies. Because of this delay, all July receipts and some August receipts are accrued back to the previous fiscal year. The budget projections are adjusting accordingly. UUT revenue is relatively stable and should not be drastically affected by the recession.

**NORMAL**

**ELECTRICITY UUT** — Electricity revenues exceeded the budget projections by 10%, but lag slightly behind last year's first quarter receipts. The summer months result in higher electricity usage, so revenues will decline in the coming months, but are expected to meet budget projections.

**NORMAL**

**NATURAL GAS UUT** — Natural gas revenues are slightly behind budget projections, but revenues should increase as the weather turns colder. Revenues are expected to meet end of year budget projections. Receipts the first six months of the year historically are lower than the last six months.

**POSITIVE**

**WATER UUT**— Receipts are 16% ahead of budget projections and also 9.8% higher than the first quarter receipts last year. In November, Golden State Water is altering their rate structure to encourage conservation. If this effort is successful, future water UUT revenue may decline.

**POSITIVE**

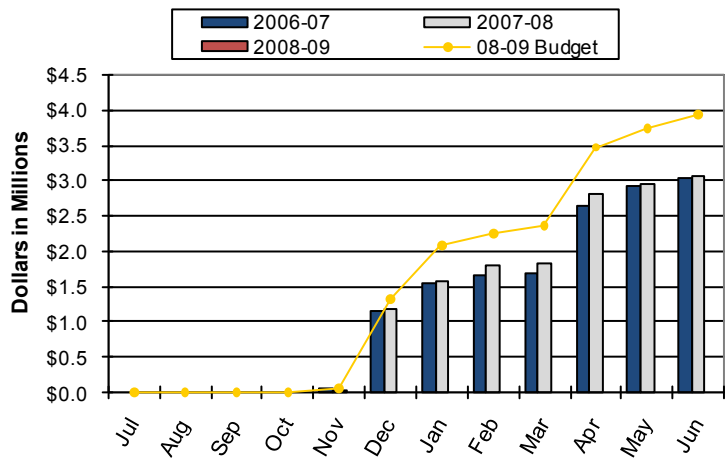
**TELECOMMUNICATIONS UUT**— First quarter telecommunications revenue exceeded both budget projections and last year's receipts by over 7%.

**NORMAL**

**CABLE TELEVISION UUT** — Cable TV UUT receipts are slightly ahead of the budget projections. Revenues have been very stable and are expected to meet budget projections.

## PROPERTY TAX THROUGH SEPTEMBER 2008 (Comparison of Fiscal Years 2006-07, 2007-08, and 2008-09) [Cumulative]

	2006-07	2007-08	2008-09
July	\$ 239,386	\$ 105,671	\$ 65,250
August	-	-	17,642
September	-	-	-
October	-	-	-
November	55,364	33,620	-
December	1,111,820	1,153,913	-
January	375,171	393,974	-
February	113,968	222,451	-
March	29,369	15,527	-
April	952,182	981,287	-
May	299,226	145,646	-
June	(16,161)	23,924	-
Prior Yr Acc	(239,386)	(105,671)	(82,892)
Current Yr Acc	105,671	82,892	-
<b>TOTAL</b>	<b>\$ 3,026,610</b>	<b>\$ 3,053,233</b>	<b>\$ -</b>
Adj Budget	\$ 3,048,000	\$ 3,266,000	\$ 3,940,000



**WARNING**

**PROPERTY TAX** — The City does not receive significant property tax revenue until the month of December. Home prices on the Westside, including Culver City, have held up somewhat well within the current real estate climate. Sales, though, have remained rather stagnant the last six to ten months. Compared to other areas of the state suffering high rates of foreclosures, the Westside, which includes Culver City, has been able to maintain a low foreclosure rate.

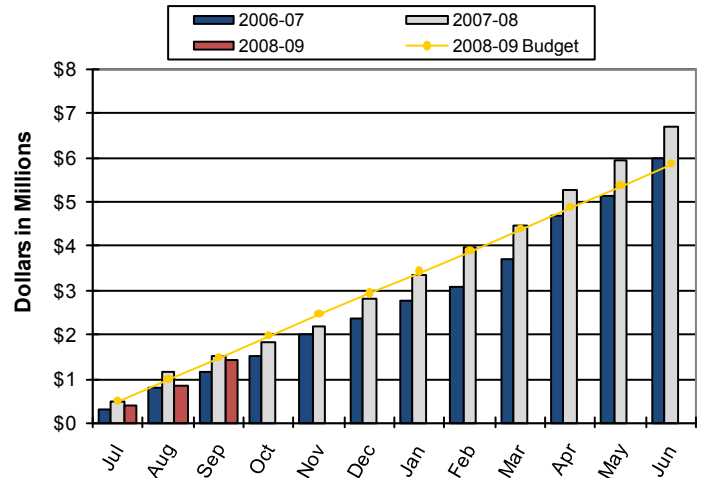
**IMPORTANT NOTE:** A budget adjustment will be proposed for this category. Based on an adjustment from HdL, our property tax consultant, projections for fiscal 2008-09 should be \$3,310,900, which is a reduction of \$629,100 from the initial projection we received from them.

# GENERAL FUND REVENUE ANALYSIS (continued):

## CHARGES FOR SERVICES THRU SEPTEMBER 2008 (Comparison of Fiscal Years 2006-07, 2007-08, and 2008-09) [Cumulative]

Charges for Services*			
	2006-07	2007-08	2008-09
July	\$ 295,481	\$ 492,823	\$ 383,633
August	529,049	650,999	477,632
September	327,679	362,493	548,892
October	365,798	325,319	-
November	485,015	363,370	-
December	373,346	620,668	-
January	379,950	542,276	-
February	337,817	637,743	-
March	636,623	481,697	-
April	945,225	808,509	-
May	455,632	659,808	-
June	870,831	764,395	-
<b>TOTAL</b>	<b>\$ 6,002,446</b>	<b>\$ 6,710,100</b>	<b>\$ 1,410,157</b>
Adj Budget	\$ 5,297,857	\$ 5,813,450	\$ 5,860,750

\*Does not include Billings to RDA



**POSITIVE**

**CHARGES FOR SERVICES** — Overall, Charges for Services are at 23% of the adjusted budget. The lower revenue can be attributed to some revenue being accrued back to the previous year. Most of the categories should meet the projections by the end of the fiscal year, but some categories like Plan Check Fees are difficult to project. This is because a high percentage of these receipts in recent years have been made up of “one-time” revenue from large development activity, such as the Westfield Shopping Mall remodel. The City has been very fortunate over the past few years to have a significant amount of development activity, which has kept the General Fund fiscally healthy, but it is evident that these revenues will start to decline. Although revenues continue to be relatively strong at the current time, many of the planned developments for fiscal 2008-09 are being delayed, so revenue projected for fiscal year 2008-09 may be pushed to fiscal year 2009-10 or further.

### Charges for Services — Individual Category Notables through September 2008

**Veterans Memorial Auditorium Fees** ↓ — Through the month of September, fee receipts for the Veterans Auditorium Complex, which includes the Senior Center and Teen Center rentals, were at 19.6% of budgeted projections for the fiscal year. Once delinquent payments are collected from frequent users of the facilities, the receipts should catch up to budget projections. Upcoming financial monitoring reports will reflect these changes.

**Public Safety Related Fees** ↑ — Through the first quarter, Police Department charges for services were at 32.1% of the budgeted projections. These revenues are made up of records requests, live scan fingerprints, vehicle impounds, and other miscellaneous fees.

**Plan Check Fees** ↑ — Year to date, plan check fees are at 31.2% of the projected budget. This is due in part to large receipts for the Westfield Mall renovations, which is continuing on schedule. As mentioned previously in this report, it is expected that activity from other major developments may slow down this year, so this fee category may also slow down as the fiscal year progresses.

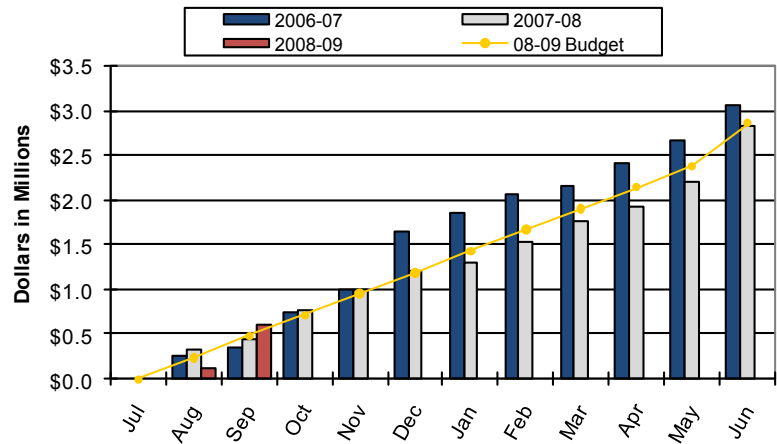
**Various Recreation Fees** ↔ — Recreation fees in the amount of \$445,066 were collected through the month of September. Revenue is at 31.8% of budgeted projections, which falls in line with the first quarter revenue that was collected last fiscal year. Since the first quarter falls during the summer months, many of the programs receive a large percentage of their revenue during these months.

**Ambulance Billings** ↔ — Ambulance Billing receipts in July and August are accrued back to the previous fiscal year, so September is the only month of revenue for the current fiscal year. In the month of September receipts were \$84,813, or 10% of the adjusted budget.

# GENERAL FUND REVENUE ANALYSIS (continued):

## TRANSIENT OCCUPANCY TAX THRU SEPTEMBER 2008 (Comparison of Fiscal Years 2006-07, 2007-08, and 2008-09) [Cumulative]

	2006-07	2007-08	2008-09
July	\$ 257,368	\$ 264,908	\$ 301,739
August	259,448	317,587	187,196
September	106,140	119,733	482,684
October	385,400	322,622	
November	250,198	231,849	
December	656,644	219,428	
January	215,529	98,739	
February	199,451	227,660	
March	91,531	216,039	
April	245,619	183,689	
May	271,454	272,733	
June	122,733	242,762	
Prior Yr Acc	(264,910)	(267,833)	(364,537)
Current Yr Acc	267,833	364,537	
<b>TOTAL</b>	<b>\$ 3,064,438</b>	<b>\$ 2,814,453</b>	<b>\$ 607,082</b>
Adj Budget	\$ 2,250,000	\$ 2,500,000	\$ 2,850,000



**POSITIVE**

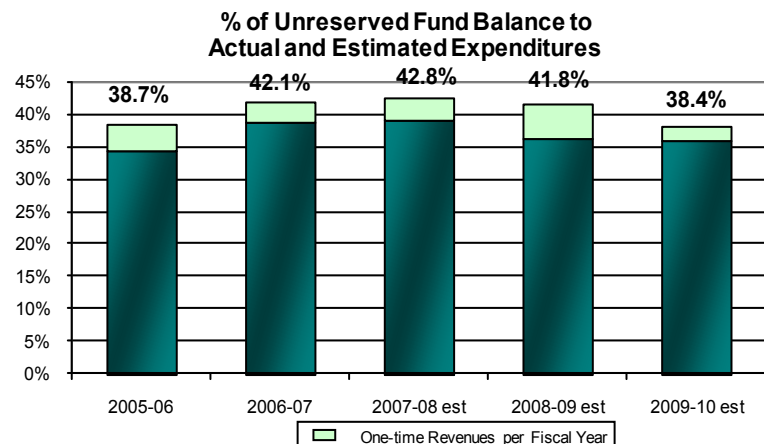
**TRANSIENT OCCUPANCY TAX**

— TOT revenues received in July are normally accrued back to the prior year. This is the reason that the July revenue is so low and the June revenue is much higher than an average month. So far the recession has yet to fully affect TOT revenues. First quarter receipts exceeded the budget projections by 27.8%. This is primarily due to summer travel and increased tax revenues from the Courtyard by Marriott and Four Seasons hotels, which both recently completed renovations. The bad news is that Culver City hotels are informally reporting lower occupancy rates, so revenue is expected to decline in the coming months. Also, during the month of September, passenger traffic at LAX was down 7.3% from the previous year and it appears this trend will continue. Even though this category is off to a strong start, it is yet to be seen if it will reach the budgeted projections.

## ONE-TIME REVENUE AND GENERAL FUND RESERVE PERCENTAGE:

The City recorded a significant amount of one-time revenue in the General Fund during fiscal 2007-08, both from audit activity on various revenues and from significant development activities occurring within the City. Below is a list of one-time revenue receipts previously received and recorded, fiscal 2007-08 receipts, and anticipated one-time receipts for fiscal 2008-09 and 2009-10. The chart shows the percentage of the General Fund Reserve comprised of these one-time revenues. The high number of vacancies during fiscal 2007-08 also contributed to the increase of the General Fund reserve due to the non-expending of funds for salary and benefit related costs.

Major One-time Revenue Receipts and Estimated One-Time Revenues	
1st payment to Warner Lot (05-06)	\$ 2,620,000
Documentary Tax Audit Receipts (05-06)	\$ 313,086
Receipts from TOT audit/other (06/07)	\$ 650,000
Loan Receivable from RDA (06-07)	\$ 505,818
Int. income from refunding Bonds (06-07)	\$ 500,000
Documentary Tax Audit Receipts (06-07)	\$ 762,400
Receipts from Cable UUT Audit (07-08)	\$ 106,788
Receipts in Com/Ind Dev Tax from significant development activity (07-08)	\$ 1,757,275
Payment of Interest for Warner Parking Lot Sale (07-08)	\$ 436,608
Building Permit Fee from significant development activity (07-08)	\$ 533,000
Estimated One-time (08-09) [includes final payment from Warner Parking Lot of \$2,947,104.]	\$ 4,497,000
Estimated One-time (09-10)	\$ 1,850,000
<b>Total from Fiscal 2005-06</b>	<b>\$14,531,975</b>

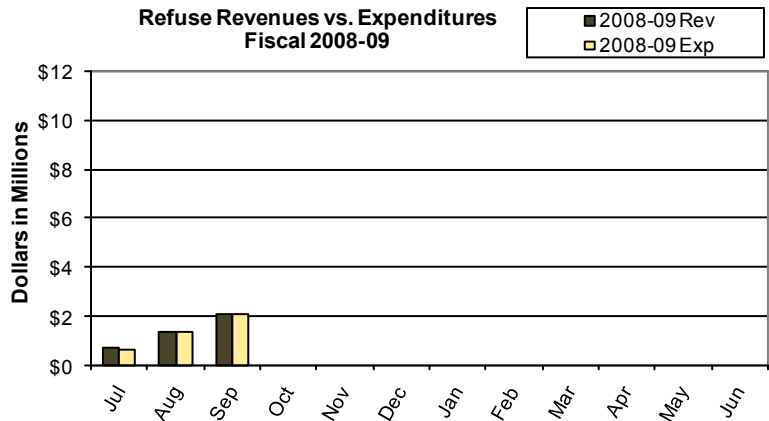


*It is the policy of the City not to use revenues identified as one-time funds to pay for recurring expenditures.*

# REFUSE FUND ANALYSIS:

## REFUSE FUND THROUGH SEPTEMBER 2008 [Revenues vs. Expenditures — Cumulative]

	Refuse Expenditures		
	2006-07	2007-08	2008-09
July	\$ 478,129	\$ 556,391	\$ 611,087
August	648,021	634,977	755,594
September	847,222	797,010	733,821
October	749,271	1,023,511	
November	1,080,583	902,352	
December	557,613	753,808	
January	904,934	907,299	
February	644,729	741,930	
March	912,829	1,126,061	
April	756,733	983,184	
May	633,647	602,328	
June	1,303,758	1,219,347	
<b>TOTAL EXP</b>	<b>\$ 9,517,464</b>	<b>\$ 10,248,197</b>	<b>\$ 2,100,502</b>
Adj Budget	\$ 10,888,948	\$11,524,493	\$12,039,975



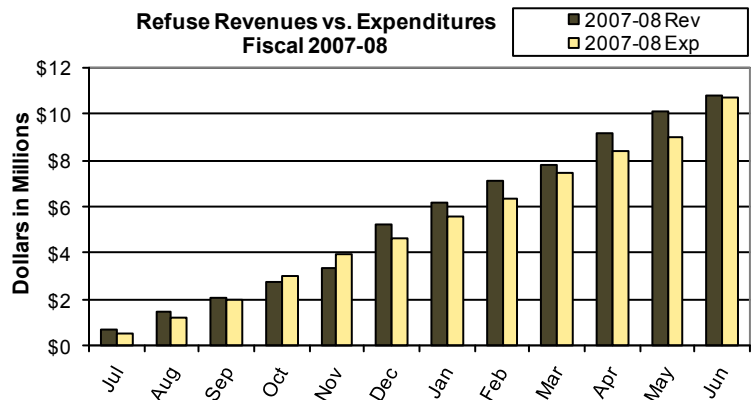
Note: Depreciation amounts not included.

**BELOW BUDGET**

**REFUSE FUND EXPENDITURES** — Refuse operating expenditures through September 2008 are \$2,100,502, or 17.4% of the adjusted budget. The low percentage is attributable to a few factors, which include no refuse disposal charges to LA County Sanitation District being reflected in the first quarter; little to no expending through the first quarter of capital outlay funding for capital projects that includes patching the Transfer Station tipping floor and Transfer Station stairwell and locker room rehab; and no expending of funds to date for new scales in the Transfer Station. These projects are moving forward, and more information will be reported in future monitoring reports.

Expenditures through September 2008 are approximately 5.6% ahead of prior year at this time, and are in line with anticipated MOU increases and other normal operating expenditures through the first quarter of a fiscal year. The outstanding loan amount for the Refuse Fund at the end of fiscal 2008-09 will be \$1,066,082. Payments are being made on schedule.

	Refuse Revenues		
	2006-07	2007-08	2008-09
July	\$ 583,604	\$ 696,899	\$ 688,909
August	686,798	725,514	688,138
September	658,508	640,217	690,235
October	661,889	662,709	
November	698,332	644,041	
December	1,732,943	1,864,241	
January	945,365	944,572	
February	916,032	953,969	
March	648,396	650,377	
April	1,377,850	1,382,243	
May	990,370	947,732	
June	632,388	701,157	
<b>TOTAL REV</b>	<b>\$ 10,532,475</b>	<b>\$ 10,813,671</b>	<b>\$ 2,067,282</b>
Adj Budget	\$ 10,410,618	\$ 11,483,841	\$ 11,541,718



**NORMAL**

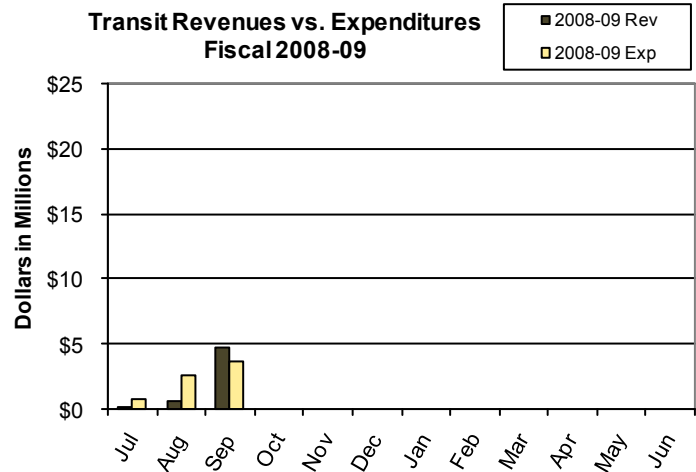
**REFUSE FUND REVENUES** — Refuse fund revenue for the first quarter of fiscal year 2008-09 is comparable with the first quarter revenue of prior years. Over 26% of the Refuse Fund's revenue is comprised of residential refuse disposal fees, which are billed with property taxes. The City receives the majority of these funds in December and April. Commercial and multi-family dwelling bin service is billed monthly and through September, revenues are at 25.4% of the budgeted projections. Bin service comprises approximately 44% of the 2008-09 Refuse Fund's budgeted annual revenues amount. The City's green waste revenues are also coming in strong the first quarter, and are currently 44.4% of budgeted projections. In January of 2008, the City went from a successful bi-weekly residential recycling program to weekly pickup, which helps offset the amount of refuse taken to landfills.

Refuse disposal rates were increased by 4% for fiscal 2008-09 to help offset increased operating and maintenance costs, which include fuels costs and repair and maintenance of equipment. The mid-year report with December's receipts should recognize this increase.

# TRANSIT FUND ANALYSIS:

## TRANSIT FUND THROUGH SEPTEMBER 2008 [Revenues vs. Expenditures — Cumulative]

	Transit Expenditures		
	2006-07	2007-08	2008-09
July	\$ 1,006,149	\$ 1,091,374	\$ 838,311
August	1,121,526	1,317,488	1,696,863
September	978,263	2,080,034	1,198,154
October	1,468,394	2,363,603	
November	1,352,794	1,357,701	
December	1,748,130	2,070,860	
January	1,307,425	1,499,769	
February	1,241,397	1,092,555	
March	1,157,427	1,849,352	
April	1,472,299	1,391,409	
May	1,696,891	1,728,972	
June	1,943,836	4,514,773	
<b>TOTAL EXP</b>	<b>\$ 16,494,533</b>	<b>\$ 22,357,892</b>	<b>\$ 3,733,329</b>
Adj Budget	\$21,977,438	\$22,892,622	\$24,208,791



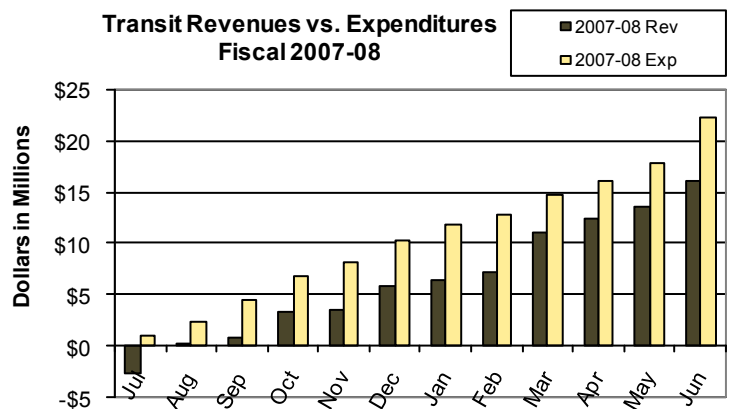
Note: Depreciation amounts not included.

**BELOW BUDGET**

**TRANSPORTATION FUND EXPENDITURES**

– Over all Transportation Fund adjusted expenditures through September 2008 are \$3,733,329, or 15.4% of the adjusted budget. Personnel expenses are approximately 21.8% of adjusted budget, and O & M expenditures are approximately 23.6% of adjusted budgeted. The extremely low actual capital outlay expenditures for the first quarter are what has driven the overall percentage down. Total Capital outlay adjusted budget funding is approximately \$7 million, which skews the percentage for the first quarter. Current projects earmarked for this funding are in process and funds have been encumbered. Also, six CNG buses are currently in the process of being ordered, which has encumbered over \$3 million in funds for this purchase. Future monitoring reports will address the progress of these capital projects and the bus purchase. All other expenditure categories are within normal target percentages and are being closely monitored by Transportation and Budget staff.

	Transit Revenues		
	2006-07	2007-08	2008-09
July	\$ (104,779)	\$ (2,648,573)	\$ 192,803
August	451,274	2,791,003	438,785
September	469,059	684,306	4,021,856
October	321,688	2,541,066	
November	1,568,083	224,560	
December	3,103,121	2,209,509	
January	1,203,113	583,705	
February	1,668,132	791,200	
March	1,492,049	3,965,543	
April	974,720	1,336,502	
May	915,711	1,186,439	
June	6,448,454	2,430,000	
<b>TOTAL REV</b>	<b>\$ 18,510,625</b>	<b>\$ 16,095,260</b>	<b>\$ 4,653,444</b>
Adj Budget	\$ 16,025,724	\$ 17,279,756	\$ 20,591,546



**NORMAL**

**TRANSPORTATION FUND REVENUES**

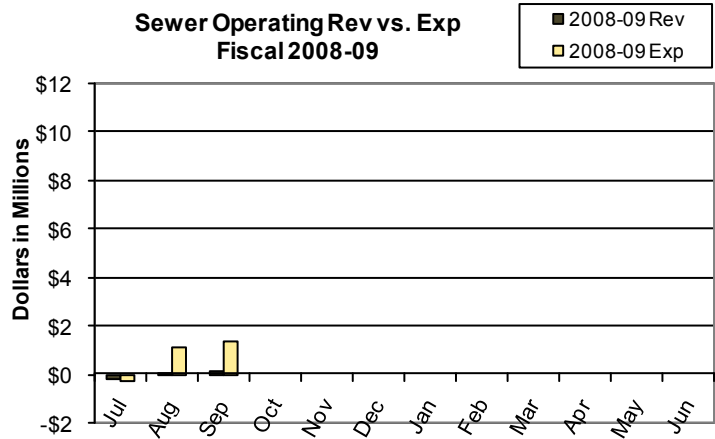
– Transportation Fund revenues are comprised of many sources, including funding from the State and Federal government. Through September 2008, Transportation receipts were 22.6% of budgeted projections. Culver City's State Transit Assistance funding for fiscal 2008-09 has been reduced by approximately \$1 million for the current fiscal year and additional cuts to this funding source are being considered by the state. Given the dire straits of the State's situation, it is very possible that additional funding sources may be cut.

For the first quarter, farebox revenue totaled \$692,000, while at this point last year farebox revenue was at \$578,000. The huge increase in fuel prices this year have contributed to this increase as people have had to take alternative forms of transportation other driving their own vehicles.

# SEWER FUND ANALYSIS:

## SEWER OPERATING FUND THRU SEPTEMBER 2008 [Revenues vs. Expenditures — Cumulative]

	Sewer Op Expenditures		
	2006-07	2007-08	2008-09
July	\$ 106,920	\$ 62,020	\$ (248,863)
August	150,815	135,999	1,355,165
September	1,692,987	1,667,451	249,451
October	230,750	196,867	
November	618,758	505,602	
December	167,035	217,876	
January	588,777	575,351	
February	179,922	259,361	
March	1,242,065	1,293,387	
April	207,059	206,841	
May	1,041,978	579,381	
June	289,258	384,863	
<b>TOTAL EXP</b>	<b>\$ 6,516,328</b>	<b>\$ 6,084,996</b>	<b>\$ 1,355,752</b>
Adj Budget	\$7,823,626	\$7,534,793	\$8,488,853

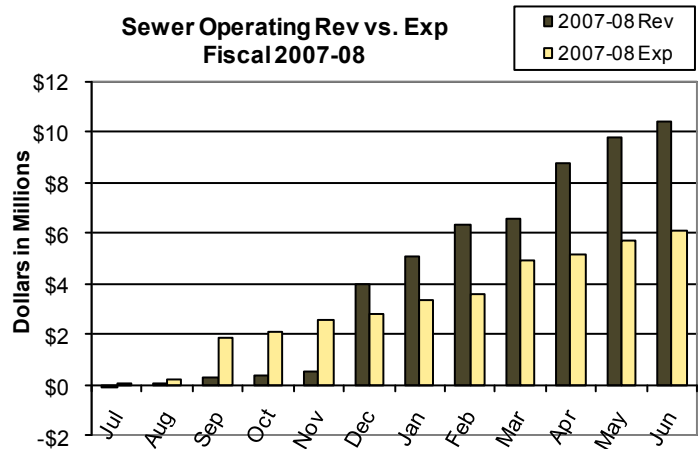


Note: Depreciation amounts not included.

**BELOW BUDGET**

**SEWER OPERATING EXPENDITURES** – Sewer Operating expenditures through September 2008 are approximately 16% of adjusted budget. This does not include capital improvement expenditures for sewer projects. (Further information on sewer CIP projects can be found on page 17.) Personnel expenditures were approximately 16.1%, and are low due to a current vacancy. Operating and Maintenance expenditures are approximately 11.7% of adjusted budget, and are low due to the non-expenditure through the first quarter of Hyperion Wastewater Treatment Plant payments to the City of Los Angeles. Future monitoring reports will include these payments, and O & M expenses will reflect this outflow of funding. A bond principal payment for the Hyperion Wastewater Plan Debt Service was due the end of September, and has been recognized. Interest payments for the bonds will be recorded on a regular basis throughout the fiscal year. All other sewer operating expenditures are within normal target percentages for this time period.

	Sewer Op Revenues		
	2006-07	2007-08	2008-09
July	\$ (137,711)	\$ (143,668)	\$ (176,400)
August	433,205	191,068	225,683
September	76,075	194,194	80,197
October	89,552	125,966	
November	105,509	163,135	
December	3,090,237	3,478,540	
January	815,473	1,075,632	
February	916,067	1,248,540	
March	201,449	270,581	
April	1,980,074	2,191,521	
May	924,327	1,027,938	
June	398,008	590,758	
<b>TOTAL REV</b>	<b>\$ 8,892,265</b>	<b>\$ 10,414,205</b>	<b>\$ 129,480</b>
Adj Budget	\$ 8,598,900	\$ 9,121,750	\$ 9,897,337



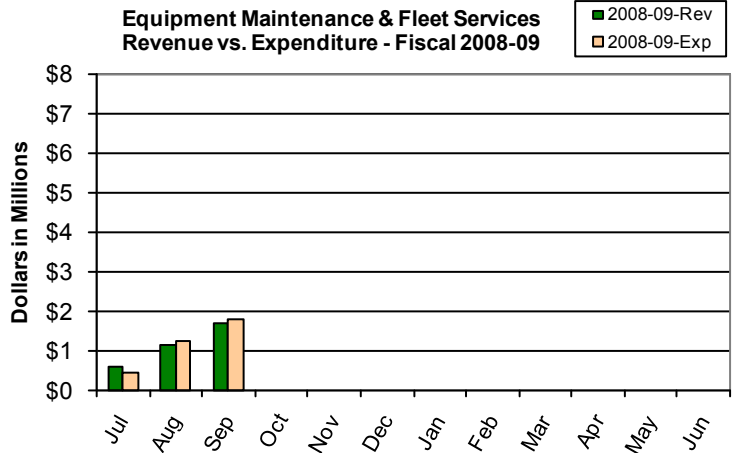
**SEWER OPERATING REVENUES** – At this point in the fiscal year, it is too early to provide a detailed analysis of current year revenue because the majority of the Sewer Operating revenue is received with the property tax receipts in December and April. Sewer Operating Charges comprise approximately 89% of the adjusted budgeted sewer operating revenue projections.

The Sewer Fund has increased Sewer Operating Charges annually for the last several fiscal years. For fiscal 2008-09 it was decided an increase was not needed, and no increase was recommended.

# INTERNAL SERVICE FUND ANALYSIS:

## EQUIPMENT MAINTENANCE & FLEET SERVICES FUND THROUGH SEPTEMBER 2008 [Revenues vs. Expenditures — Cumulative]

	EM&FS EXPENDITURES		
	2006-07	2007-08	2008-09
July	\$ 300,132	\$ 291,739	\$ 426,475
August	498,491	491,369	819,663
September	467,973	729,168	572,292
October	685,297	578,562	
November	614,390	484,018	
December	398,523	516,927	
January	570,253	537,330	
February	537,146	599,590	
March	524,185	688,197	
April	633,352	594,281	
May	467,048	541,520	
June	833,344	848,074	
<b>TOTAL EXP</b>	<b>\$ 6,530,134</b>	<b>\$ 6,900,775</b>	<b>\$ 1,818,430</b>
Adj Budget	\$ 6,369,462	\$ 6,870,800	\$ 7,229,351



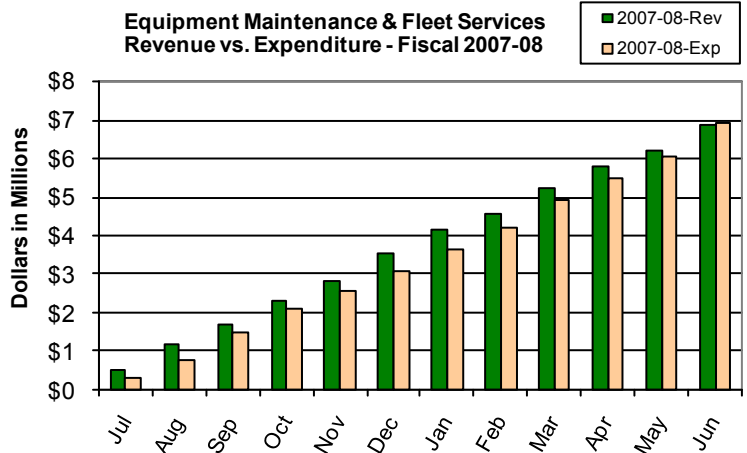
**NORMAL**

**EQUIPMENT MAINTENANCE FUND EXPENDITURES**

— Overall Equipment Maintenance & Fleet Services (EM&FS) expenditures through the first quarter of fiscal 2008-09 are \$1,818,430, or 25.2% of the adjusted budget. Personnel related expenditures are approximately 24.9%, and operating and maintenance are approximately 25.4% of adjusted budgeted. Petroleum Products (fuel), which makes up approximately 50% of the operating and maintenance budget, is 29.1% expended through September 2008. This is a major factor in the overall and category percentages being slightly over the target.

EM&FS continues to maintain the City's entire fleet of vehicles and equipment, which includes public safety (police cars and fire trucks), buses, sanitation vehicles, regular passenger vehicles and many other miscellaneous types of equipment. Almost all expenses (labor, equipment, fuel, etc.) are charged back to the user departments. Staff has been monitoring the charge-backs closely, and will continue to do so throughout the fiscal year to ensure all expenses are recognized.

	EM&FS REVENUES		
	2006-07	2007-08	2008-09
July	\$ 487,742	\$ 509,682	\$ 577,353
August	569,053	681,772	555,946
September	446,997	515,434	565,109
October	578,766	613,361	
November	470,644	500,468	
December	481,954	708,215	
January	506,898	601,120	
February	534,025	415,889	
March	575,564	673,935	
April	558,400	551,152	
May	570,660	419,811	
June	629,066	697,581	
<b>TOTAL REV</b>	<b>\$ 6,409,769</b>	<b>\$ 6,888,420</b>	<b>\$ 1,698,408</b>
Adj Budget	\$ 6,212,059	\$ 6,966,954	\$ 7,585,747



**NORMAL**

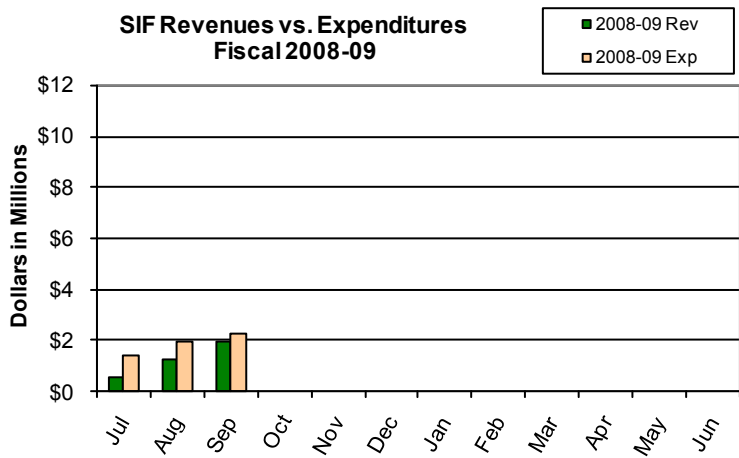
**EQUIPMENT MAINTENANCE FUND REVENUES**

— Equipment Maintenance & Fleet Services revenues through September 2008 are \$1,698,408, or 22.4% of adjusted budget projections. This is slightly less than anticipated, and is partly due to some corresponding entries for fuel not being recognized for September. Future monitoring reports should have the gap between expenditures and revenues much closer, since the goal of an Internal Service Fund is to break even at the end of a fiscal year. As mentioned above, charge-outs for this fund will be closely monitored to ensure entries between expenditures and revenues are closely matched on an on-going basis through the fiscal year so that the fund recognizes all receipts due it.

# INTERNAL SERVICE FUND ANALYSIS:

## SELF-INSURANCE FUND THROUGH SEPTEMBER 2008 [Revenues vs. Expenditures — Cumulative]

	SIF Expenditures		
	2006-07	2007-08	2008-09
July	\$ 153,900	\$ 58,341	\$ 1,405,609
August	375,951	1,916,546	557,547
September	1,583,018	470,758	294,637
October	437,052	366,042	
November	514,261	559,913	
December	262,380	199,417	
January	438,291	977,875	
February	1,877,544	127,968	
March	391,740	686,842	
April	382,803	457,858	
May	529,753	581,710	
June	(1,271,459)	4,338,515	
<b>TOTAL EXP</b>	<b>\$ 5,675,234</b>	<b>\$ 10,741,785</b>	<b>\$ 2,257,793</b>
Adj Budget	\$ 7,442,927	\$ 11,072,650	\$ 7,449,812

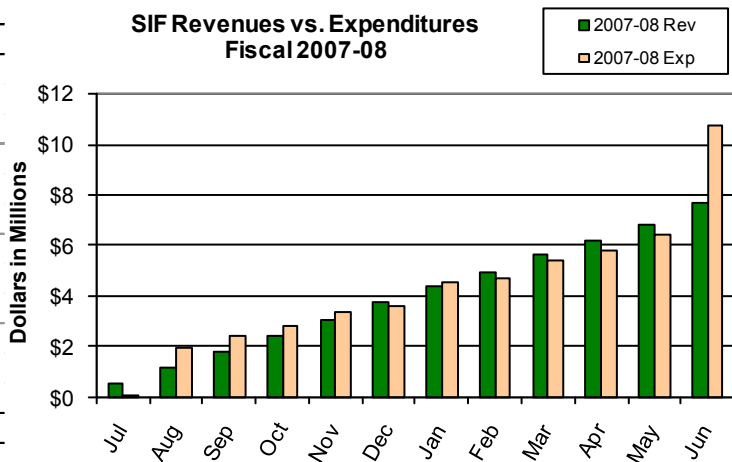


**NORMAL**

**SELF-INSURANCE FUND EXPENDITURES**

— The primary function of the Self Insurance Fund is to pay insurance and claims costs for the City’s General Liability, Workers’ Compensation, and Property programs. In any given year, there are often spikes in expenditures that result from a judgment or settlement of a particular claim. Through September 2008, Self Insurance Fund expenditures are 30.3% of adjusted budget, which is normal for this time of year. Expenditures through September for the Premiums/Claims Division of the Self Insurance fund are 33.0%. Insurance premiums are due early in the fiscal year, which causes the first quarter expenditures to be high. All other expenditures within the Fund are relatively normal for the first quarter. A large transfer of approximately \$3.6 million was made from this fund last fiscal year to help pay for work to repair the Cranks Road hillside. This fund continues to be monitored closely to ensure it is still able to appropriately cover the City.

	SIF Revenues		
	2006-07	2007-08	2008-09
July	\$ 639,813	\$ 582,737	\$ 547,878
August	643,878	623,861	687,329
September	690,930	622,582	720,886
October	735,469	626,233	
November	633,941	624,557	
December	635,328	648,313	
January	632,191	630,713	
February	640,449	616,418	
March	682,001	655,223	
April	655,314	589,086	
May	659,847	613,407	
June	627,433	840,446	
<b>TOTAL REV</b>	<b>\$ 7,876,594</b>	<b>\$ 7,673,576</b>	<b>\$ 1,956,093</b>
Adj Budget	\$ 7,515,002	\$ 7,274,613	\$ 7,530,015



**NORMAL**

**SELF-INSURANCE FUND REVENUES**

— Internal service charges for the Self Insurance Fund are developed annually based on the projected expenses for the fiscal year and are allocated to each operating division based on a five-year experience rating. The amount is charged monthly at relatively equal increments throughout the fiscal year. Receipts for fiscal 2008-09 through the first quarter are approximately 26.0% of adjusted budget projections. The large transfer of cash, as mentioned above, has left the fund at a very low reserve level. It is anticipated that the expenditures will not be 100% expended at the end of the fiscal year, which will assist in helping build back the fund. Further analysis continues to be done on this fund, and any significant changes will be reported immediately.

**CAPITAL PROJECTS:**

**TOP 5 CAPITAL PROJECTS (by total budget)**

	Total Budget	Funding Source	Expended to Date	Expected Completion
1. Fire Station #3	\$6,527,000	54% - Gen Fund Capital 46% - RDA Bond	\$2,507,647	Dec. 2008
2. Cranks/Tellefson Hill Slide Repair	\$3,695,580	100% - Self Insurance Fund (\$\$ trsfrd to Gen Fund Cap)	\$3,246,702	Complete Invoices Pending
3. Fox Hills Area Traffic Signal Synch Project	\$2,033,500	73% - Grants Capital 11% - Special Gas Tax 9% - Developer Mitigation 7% - Gen Fund Capital	\$553,946	June 2009
4. Public Safety CAD RMS MDT Project	\$1,642,098	100% - Gen Fund Capital	\$900,940	Nov. 2008 go-live
5. Residential Overlay (Street paving)	\$1,512,600	53% - Gen Fund Capital 20% - Grants Capital 18% - Sewer Fund 9% - Special Gas Tax	\$1,455,584	Complete

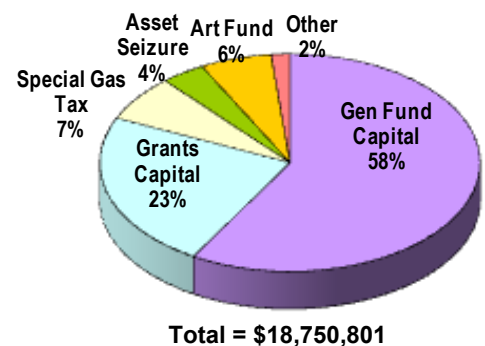
**CAPITAL IMPROVEMENT EXPENDITURES BY CATEGORY**

	Adjusted Budget	Expended to Date	Major Projects:
Street & Alley Improvements	\$2,682,350	\$63,923	Residential Paving, Carson St, Sepulveda Blvd
Traffic Signal & Lighting Improvements	\$1,932,024	\$28,733	Fox Hills ATSS
Bridge Improvements	n/a	n/a	No projects at this time
Parking Improvements	\$34,639	\$0	Parking Meter Repair/Replacement
Community Improvements	\$1,787,656	\$93,130	Art Fund Projects
Parks & Park Facility Improvements	\$1,263,605	\$94,485	Skate park, Dog park, Culver West park
Police & Fire Improvements	\$5,343,786	\$23,117	Fire Station #3, CAD/RMS/MDT, Firing Range
Sewer & Storm Drain Improvements	\$6,394,158	\$67,747	Blackwelder/Smiley, Cranks Rd, Drakewood Ave
Other Facility & Equipment Improvements	\$3,996,774	\$293,156	Cranks Slope Repair, Other City Bldg Repairs

**NOTABLE ACTIVITY:**

Many significant capital projects are continuing to move forward, including Fire Station #3, the Public Safety CAD/RMS/MDT project, and the Fox Hills Area Traffic Signal Synchronization Project. The Cranks/Tellefson Hill Side repair has been completed and a significant amount of Residential Overlay Program work has been completed. Public Works/Engineering is moving forward with additional street paving projects using the Prop 1B bond funds from the state. The Governor has fast tracked additional Prop 1B funds in an attempt to stimulate some economic growth. The City anticipates another allocation of Prop 1B funds in this next fiscal year, which will continue to help catch up on some of the street paving backlog and address some deferred maintenance issues.

**MAJOR CIP FUNDING SOURCES**



## OTHER FUND ANALYSIS:

## FUND ANALYSIS FOR OTHER FUNDS THROUGH SEPTEMBER 2008:

**WARNING**

**PARKING MAINTENANCE FUND** — Receipts through September 2008 are 23.1% of budgeted projections. Street filming receipts are ahead of projections and most parking meter areas are close to the projected revenue. The primary reason the fund is behind projections is because a major customer switched from monthly parking placards to parking meter keys, which has resulted in monthly revenue dropping \$10,000. Approximately \$780,000 of Parking Maintenance revenues are transferred to the General Fund each year to pay for street related general maintenance work. This fund has continued to meet or exceed budgeted projections for the last several years. Expenditures (other than transfers) can be found in the CIP section on Page 17.

**NORMAL**

**OPERATING GRANTS FUND** — Operating Grants revenue exceeded expenditures for the first quarter. The Accounting Division has done an outstanding job working with departments/divisions who oversee grant funded projects, to ensure the City properly follows grant policies and requirements, meets reporting deadlines, and ensures the City is reimbursed properly and in a timely manner.

**NORMAL**

**CAPITAL GRANTS FUND** — Through September, Capital Grants fund revenue is at 16% of the annual budget projection, but this is due to the fact that many of these grants are expected to be received later in the fiscal year. The City does not appropriate any Capital Grant funds unless a signed letter authorizing the receipt of the grant funds from the authorizing agency has been received. This has helped keep this fund in good shape, and ensures the City is reimbursed in a timely manner.

**NORMAL**

**EQUIPMENT REPLACEMENT FUND (ERF)** — The ERF continues to maintain a healthy balance and is able to fund emergency replacements when needed. For fiscal year 2008-09, \$1.3 million is budgeted for the replacement of vehicles, including 15 vehicles for public safety. Funding is reimbursed monthly by Departments through an amortization schedule that ensures adequate replacement funding is available for vehicles at the end of their useful lives.

**POSITIVE**

**SPECIAL GAS TAX (HIGHWAY USERS TAX)** — For the current fiscal year, the Gas Tax fund is at 47.1% of budgeted projections. This is due to the State finally remitting the taxes they withheld from April through September. Backing out the delayed remittance of last year's tax receipts, the fund is at 23% of projected revenues. The Gas Tax Fund is comprised of tax revenue of 18¢ on every gallon of gas sold in the City. When the price of gasoline goes up, this amount stays constant and can only be changed per legislative action. The tax has remained unchanged since 1994. Page 17 identifies some CIP projects currently funded with Gas Tax funds.

**POSITIVE**

**ARTS IN PUBLIC PLACES** — Through September, Art Fund receipts are at 45.6% of the budgeted amount due to a large payment from a current development. The Art Fund is increased when a developer elects not to fulfill the City's public art requirement and instead pays a fee of 1% of the total building cost. This funding is a special revenue source and can only be used for Public Art purposes and no funding is ever appropriated above the amount available.

**NEGATIVE**

**PARKS FACILITY FUND (QUIMBY FEES)** — This is a special revenue that can only be used for parks related projects. Through September, \$2,842 or 5.7% of the budgeted revenue was collected. The revenue in this fund is erratic because it is dependent on new residential development of four or more units and each year only a handful of developments fall into this category. Previously, this fund's annual revenue has ranged from \$4,200 to \$112,000. Due to developments currently in progress, this fund is expected to meet the annual budget projection of \$50,000.