



FINANCIAL MONITORING REPORT

Mid-Year 2008-09

PERFORMANCE AT A GLANCE

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**BELOW BUDGET
OR POSITIVE**

= > 4% compared with prior year for revenues, or below expenditure target

NORMAL

= Positive variance or negative variance < 2% compared prior year

WARNING

= Negative variance of 2— 4% compared with prior year.

NEGATIVE

= Negative variance of > 4% compared with prior year.

ECONOMIC INDICATORS

ECONOMY

Nat'l Consumer Price Index: *Down*

The CPI dropped 1.0% in December, but increased 0.1% over the course of 2008. This is smallest annual increase in over 50 years.

Interest Rates: *Down*

On December 16th, the Federal Funds rate was cut to a target range of 0 to 0.25%. A rate this low is unprecedented in the history of the Fed.

National GDP: *Down*

The GDP dropped by an annualize rate of 0.5% in the third quarter of 2008. This follows an increase of 2.8% in the 2nd quarter. The decline is largely attributed to a drop in consumer spending.

UNEMPLOYMENT RATES

National: November 2007 - 4.7%
November 2008 - 6.8%
December 2007 - 4.9%
December 2008 - 7.2%

State: November 2007 - 5.7%
November 2008 - 8.4%
December 2007 - 5.9%
December 2008 - 9.3%

LA County: November 2007 - 5.2%
November 2008 - 8.7%
December 2007 - 5.1%
December 2008 - 9.5%

LOCAL NOTEWORTHY DEVELOPMENT

- The remodel of the **Westfield Mall continues**. Expected completion is **fall 2009/spring 2010**.
- Construction of the mixed use project at **9900 Culver Boulevard** began in summer 2008 and is **expected to be completed by summer/fall 2009**.
- A number of projects have been **delayed** due to the tight credit markets. **Parcel B** and the **Baldwin site** have required extensions to their DDAs in order to buy additional time until they can secure financing.

ECONOMIC UPDATE

As each week passes, more bad news is revealed and the economy continues its downward spiral. In fact, the crisis has now spread to most major countries in the world. Locally, the situation is especially dire, with unemployment in Los Angeles County soaring to 9.5%, while just a year ago, it stood at 5.1%.

The Federal government is attempting to calm the chaos with a proposed \$819 billion dollar stimulus package. On January, 28th, the package was approved by the House, but it is still being debated in the Senate. A large portion of the proposed stimulus package is aimed at funding infrastructure projects, so the City could eventually be eligible to receive additional funding for some capital projects.

Meanwhile, the State of California is still attempting to grapple with the \$41 billion deficit projected for the next 18 months. Up until this point, no proposals have garnered the required 2/3 votes required for approval. Due to competing political factions and the requirements of voter approved propositions, these budget problems will most likely continue until a structural change is made to the State budget process. In a few weeks, the State is projected to be out of cash and will begin issuing IOUs until their cash flow situation improves. The City stands to lose at least \$1 million in State Transit Assistance (STA) funding, but the MTA has promised to fill the gap for any STA funding loss. Also, the State may "borrow" from the Gas Tax fund and delay sending local Gas Tax revenue of approximately \$400,000 until next fiscal year. At this point it is unclear if other revenue sources will be affected.

Through the mid-year, the City's revenues and expenditures remain relatively in-line with prior years. However, many revenue sources lag a few months, so some of the City's major revenue sources will begin to decline in the last six months of the fiscal year. Sales Tax is expected to take the biggest hit. The dismal holiday shopping season and the loss of two of the top fifteen sales tax generators could result in Sales Tax revenues dropping 10% from last fiscal year. Staff is proposing a budget amendment to decrease budgeted Sales Tax revenue by \$1.025 million. Additionally, the City's property tax consultant revised their estimate, so staff is recommending a budget amendment to decrease the property tax revenue by a net amount of \$488,000. Together, these two revenues sources make up 25% of the General Fund's annual revenue, so any decline in revenue has a real impact on the health of the General Fund.

The budget for this fiscal year is tight, but next year will be very challenging for the City's General Fund. At this point, projections are showing a deficit of almost \$4 million. If this occurs, the General Fund's unreserved fund balance will drop from \$34.2 million as of June 2008 to an estimated \$29.4 million by the end of 2010. As a percentage of operating expenditures, this represents a decline from 43.1% to 34.5%. An operating deficit of this magnitude leaves the City on shaky financial ground as we approach what could become a prolonged recession. So far the fiscal pullback measures have been effective in curbing current year expenditures, but it is evident that the City will need to take additional measures in order to protect the City's financial future.

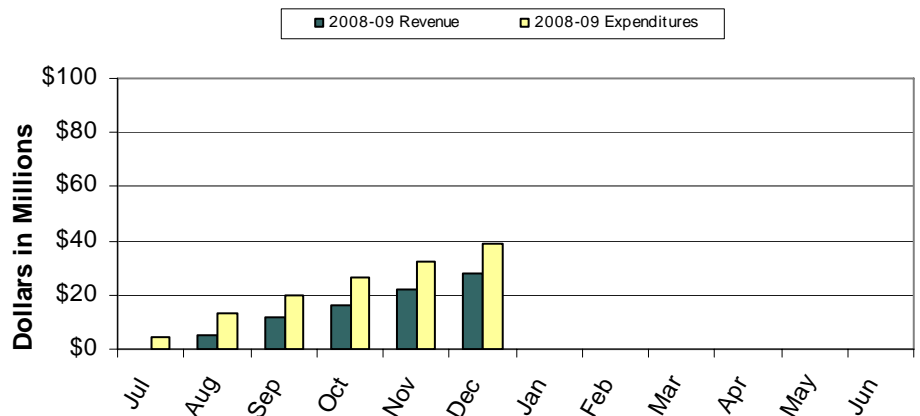
A budget tells us what we can't afford, but it doesn't keep us from buying it.

Author: William Feather

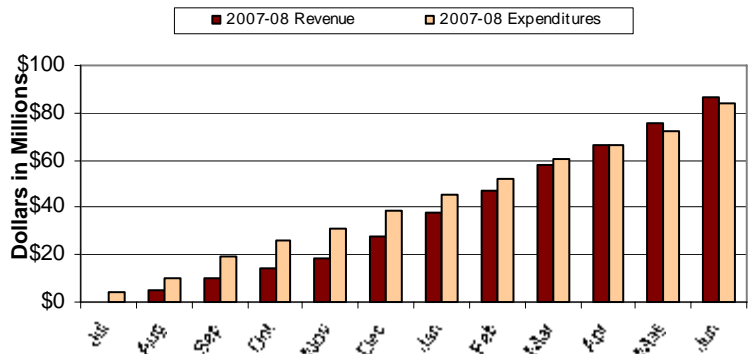
GENERAL FUND ANALYSIS:

REVENUES & EXPENDITURES THROUGH DECEMBER 2008 [Cumulative]:

	2008-09 Revenue	2008-09 Expenditures
July	\$ 124,986	\$ 4,354,540
August	4,966,099	9,117,410
September	6,791,085	6,660,426
October	4,644,193	6,282,672
November	5,309,425	6,246,091
December	6,472,039	6,321,259
January	-	-
February	-	-
March	-	-
April	-	-
May	-	-
June	-	-
TOTAL	\$ 28,307,828	\$ 38,982,398

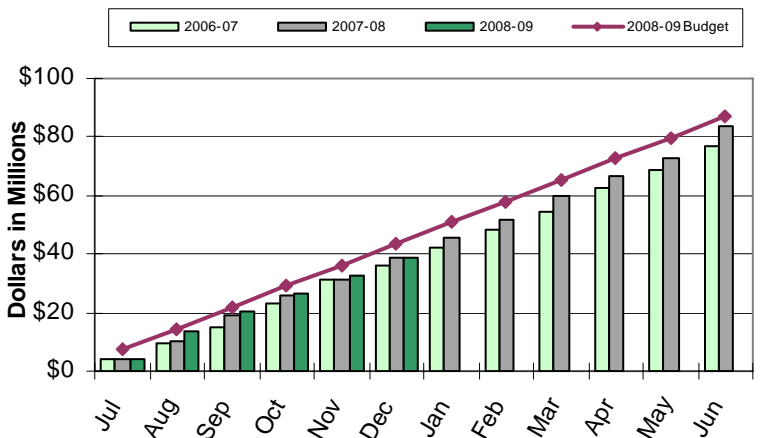


General Fund revenues are accrued back to a prior fiscal year for several of the larger categories such as Sales Tax, TOT, and UUT. This causes the monthly amount shown for July, and sometimes August, to look "low" when compared to future months. When comparing revenues and expenditures this early in 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 DECEMBER 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	6,282,672
November	8,137,743	5,739,487	6,246,091
December	5,332,189	7,463,020	6,321,259
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	-
TOTAL	\$ 76,935,533	\$ 83,959,341	\$ 38,982,398
Adj Budget	\$ 77,920,361	\$ 86,018,123	\$ 87,388,814



BELOW BUDGET

GENERAL FUND EXPENDITURES

— Through December 2008, General Fund expenditures are at 44.6% of the adjusted budget. Last year at this point, expenditures were at 45.6% of the adjusted budget. A major factor that contributes to this low percentage, which was also true last year, is the current number of vacancies throughout the City. Budgeted personnel costs are over 80% of the General Fund adopted budget, and any vacancies in this category play a large part in keeping the overall percentage low. In October 2008, the City Manager called for "pull-back" measures due to the declining economy. These "pull-back" measures have been implemented, but current mid-year indications show the projected year-end gap between recurring expenditures and recurring revenues at about \$500,000.

GENERAL FUND DEPARTMENT ANALYSIS:

Comparison of Adjusted Budget to Actual: Target = 48.25% through DECEMBER 2008

GENERAL FUND DEPARTMENTS	ADOPTED BUDGET 2008-09	ADJUSTED BUDGET 2008-09	ACTUAL EXPENDED AS OF 12/31/08	PERCENT EXPENDED 2008-09	TARGET AMOUNT
GENERAL GOVERNMENT					
CITY COUNCIL	\$ 223,548	\$ 350,469	\$ 117,386	33.5%	\$ 169,101
CITY MANAGER	1,298,741	1,381,325	659,715	47.8%	666,489
CITY CLERK	439,207	456,063	188,066	41.2%	220,050
FINANCE DEPT	4,565,821	4,873,972	1,936,476	39.7%	2,351,692
CITY ATTORNEY	1,863,834	2,217,821	905,298	40.8%	1,070,099
HUMAN RESOURCES	1,144,481	1,214,622	546,979	45.0%	586,055
INFORMATION TECH	3,118,663	3,348,135	1,430,238	42.7%	1,615,475
TOTAL GENERAL GOVERNMENT	\$ 12,654,295	\$ 13,842,407	\$ 5,784,158	41.8%	\$ 6,678,961
PARKS, REC. & COMMUNITY SVCS	6,917,782	7,441,550	3,234,122	43.5%	3,590,548
POLICE DEPARTMENT	28,172,220	29,425,476	13,052,333	44.4%	14,197,792
FIRE DEPARTMENT	14,919,943	15,757,093	7,549,926	47.9%	7,602,798
COMMUNITY DEVELOPMENT	7,743,761	8,509,019	3,227,760	37.9%	4,105,602
PUBLIC WORKS	9,719,359	10,122,678	4,572,019	45.2%	4,884,192
NON-DEPARTMENTAL	7,276,023	4,116,891	964,656	23.4%	1,986,400
Transfers	1,223,701	1,223,701	597,424	48.8%	590,436
Projected excess appropriations (3.5%)	(3,050,000)	(3,050,000)	0	0.0%	-
TOTAL GENERAL FUND	\$ 85,577,084	\$ 87,388,814	\$ 38,982,398	44.6%	-

NOTABLE EXPENDITURE VARIANCES THROUGH DECEMBER 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 December 2008. Below are notable variances for Departments above or below the target.

Departments significantly under Target (more than 8%):

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 will increase.

Finance Department — The Finance Department has been operating with several vacancies during the first half of the fiscal year, which has kept expenditures low. Also, a few professional service's contracts have not yet been fulfilled, such as the business tax audit currently in progress, which should increase the O & M category expenditures later in the fiscal year.

Community Development — Vacancies and non-expenditure of funds "Other Contractual Services" in Planning has kept the overall expenditure percentage low for this department. Funds in the amount of \$600,000 were budgeted in the Planning Division for use in updating the General Plan and have not yet been expended. Also, additional funds have been transferred into this category for professional/legal services contracts relating to PXP. These funds are expected to be expended during the next several months.

Non-Departmental — One factor in Non-Departmental expenditures being behind target is the timing in utility billings. Through December, five months of utility bills have been recorded as expended in fiscal 2008-09. The bills paid in July 2008 are "posted" to the prior year (2007-08), and bills paid in July 2009 will be "posted" in fiscal 2008-09 making the year "whole." 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.

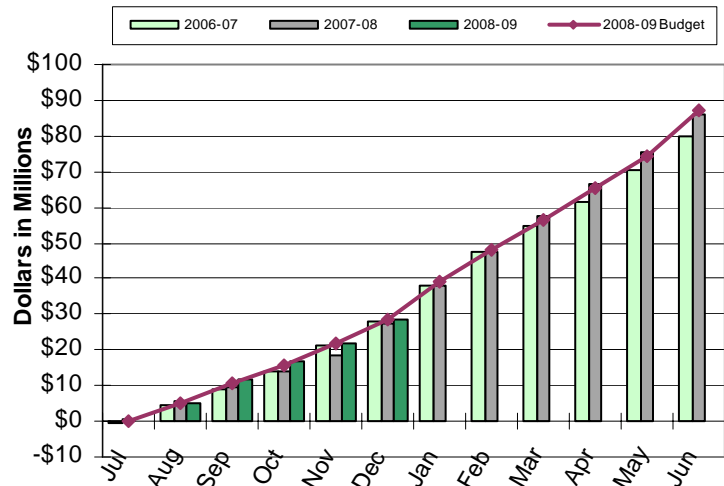
Departments over Target:

At mid-year, no Department is currently over the target of 48.25%. Departments have been very cooperative with complying with the City Manager's "pull-back" measures (where feasible) that were introduced and implemented in October 2008.

GENERAL FUND REVENUE ANALYSIS:

TOTAL GENERAL FUND REVENUES THROUGH DECEMBER 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	4,966,099
September	4,430,318	4,334,446	6,791,085
October	4,876,302	4,165,591	4,644,193
November	7,303,390	4,559,561	5,309,425
December	7,074,612	9,017,272	6,472,039
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	
TOTAL	\$ 80,138,175	\$ 86,299,520	\$ 28,307,828
Adj Budget	\$ 75,054,576	\$ 82,774,909	\$ 87,392,067



TOTAL GENERAL FUND REVENUES — Total General Fund revenues through December 2008 are \$28,307,828, or 32.4% of adjusted budget projections. This lower percentage is normal at this point in the year and is attributable to many 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 December 2008 are ahead of prior year totals at this same point, mainly due to Redevelopment Agency billings being recognized and posted in September versus November and December of prior years.

Commercial Industrial Development Tax — Receipts through December for commercial/industrial development tax are 23.2% of budgeted projections.

IMPORTANT NOTE: Given the current economic climate and the difficulty developments are having to secure financing, a mid-year budget amendment is being proposed to reduce this revenue category by \$300,000 to \$880,000.

Fines & Forfeitures — Through December, fines and forfeiture’s receipts were \$1,719,072, or 37.6% 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 and 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.)

Real Property Transfer Tax — Through the mid-year, receipts were at 31.9% of end of year projections. In past years this category has been very volatile and is dependent on high value real estate transactions.

IMPORTANT NOTE: Based on the current state of the real estate market, a mid-year budget amendment is proposed to decrease this category from \$1.54 million to \$1.34 million.

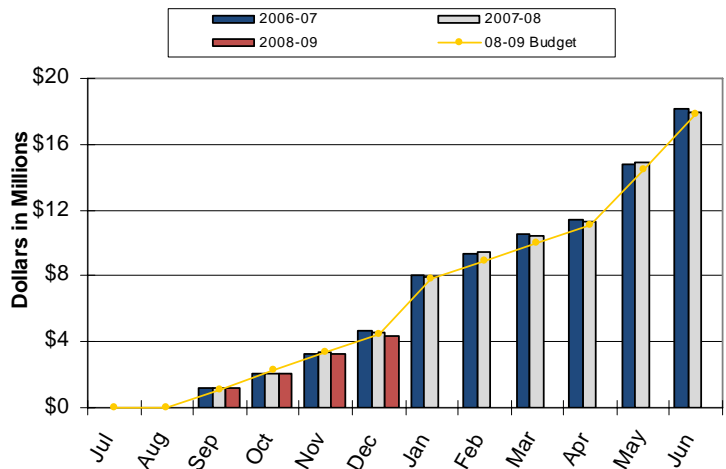
Intergovernmental — The primary revenue in this category is the State Motor Vehicle License Fee (VLF) *In-Lieu* of \$3,050,000, which is received in January and May. The Administrative VLF revenue is not expected to meet the budgeted projections for fiscal 2008-09, which is \$195,000. Through December, receipts for this category are at 18.8% of budgeted projections. State-wide revenues in this category are dropping dramatically as expenses are rising, and the amount of monies that need to go to the DMV, counties and other agencies are not enough to meet everyone’s requirements.

OVERALL GENERAL FUND REVENUES — It is important to note that given the unprecedented circumstances occurring within the national, state and local economies, it is difficult to forecast with certainty 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 December 31, 2008, and from information received from various sources—including governmental, financial and multiple news sites. Staff monitors this information on a daily basis.

GENERAL FUND REVENUE ANALYSIS (continued):

SALES TAX THROUGH DECEMBER 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	903,900
November	1,210,800	1,251,100	1,205,200
December	1,374,295	1,156,535	1,101,267
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	
TOTAL	18,198,893	17,922,101	4,364,023
Adj Budget	17,650,000	18,300,000	17,793,000



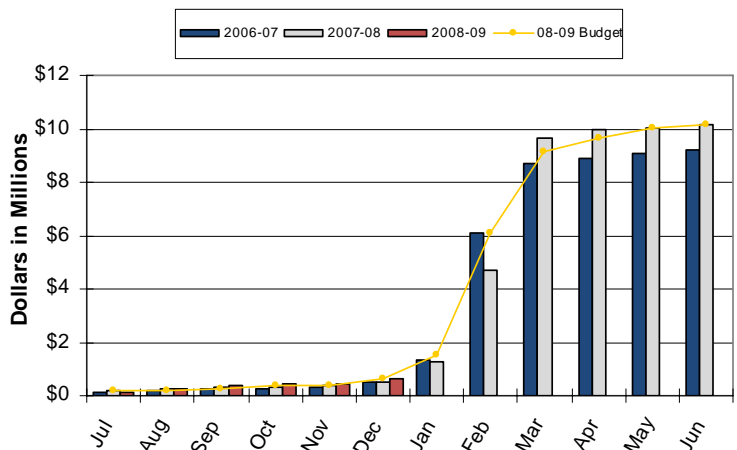
NEGATIVE

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 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 December “true-up” payment shows that the actual sales tax revenue from July to September 2008 was **2.4%** below the same period of the previous year. Sales during the holiday season were especially dismal, but the final results for Culver City retailers won't be available until the “true-up” in March.

IMPORTANT NOTE: A mid-year budget amendment is being proposed to decrease the budgeted sales tax revenue by \$1,075,000. This is due to the recent drastic decline in consumer spending, the recent announced closing of two major sales tax contributors in the City, and the overpayment from the State to the City last year of \$150,000 for Sale Tax In-Lieu (triple flip property tax shift), which will be reduced from this year's payment.

BUSINESS TAX THROUGH DECEMBER 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	56,862
November	47,673	44,065	29,579
December	172,959	132,250	143,597
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	
TOTAL	\$ 9,183,833	\$ 10,171,478	\$ 606,020
Adj Budget	\$ 8,804,100	\$ 9,144,000	\$ 10,150,000



NORMAL

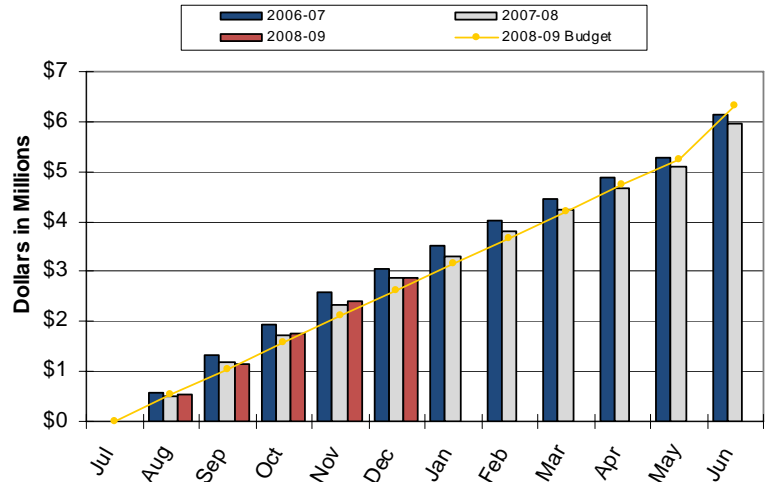
BUSINESS TAX — Last fiscal year, business tax revenues exceeded the adjusted budget projections by 11.2%, but this year the revenues are expected to remain relatively flat. The downturn of the economy will likely lead to a drop in the gross receipts of many taxpaying businesses, and the City is hoping to make up for this decline with a more in-depth business tax audit to identify non-compliant businesses. Through December of the current fiscal year, revenues are approximately \$84,000 higher than last year at this point. 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 DECEMBER 2008 (Comparison of Fiscal Years 2006-07, 2007-08, and 2008-09) [Cumulative]

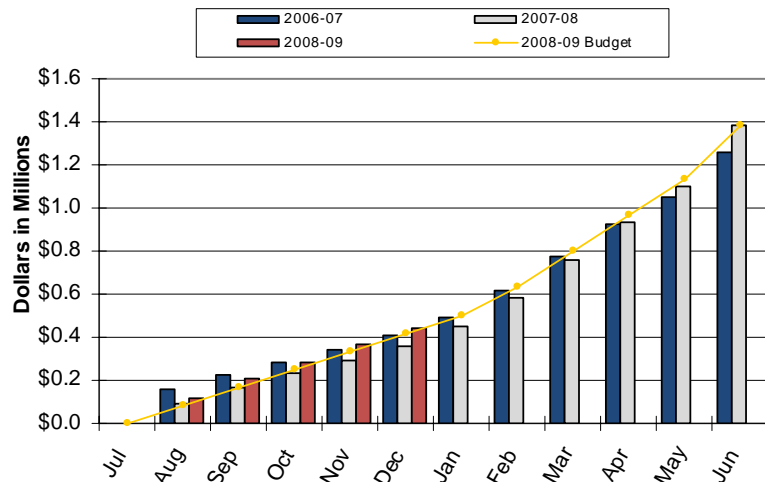
Electricity UUT

	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	611,030
November	647,433	621,597	637,669
December	458,805	513,303	464,135
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	446,416
TOTAL	\$ 6,128,805	\$ 5,962,528	\$ 3,320,196
Adj Budget	\$ 5,900,000	\$ 5,800,000	\$ 6,303,600



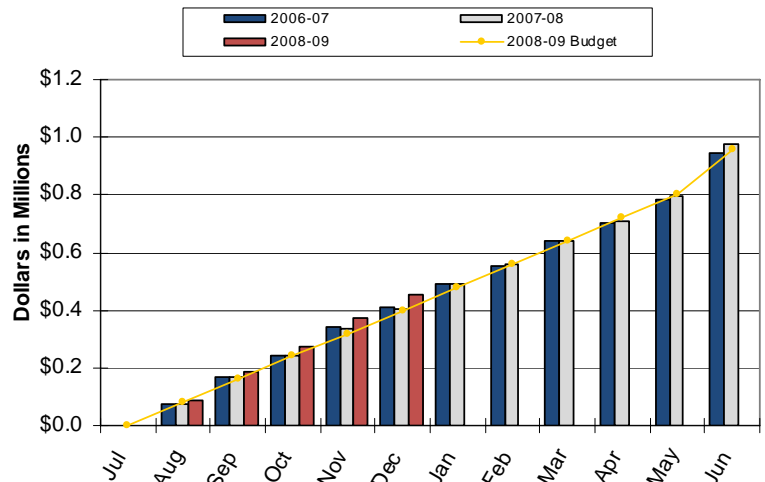
Natural Gas UUT

	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	79,765
November	62,396	62,463	86,173
December	65,435	68,182	72,379
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	
TOTAL	\$ 1,257,924	\$ 1,380,558	\$ 442,719
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	85,397
November	98,875	90,181	99,505
December	68,052	70,436	79,947
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	
TOTAL	\$ 942,316	\$ 976,088	\$ 450,909
Adj Budget	\$ 876,000	\$ 902,000	\$ 960,000

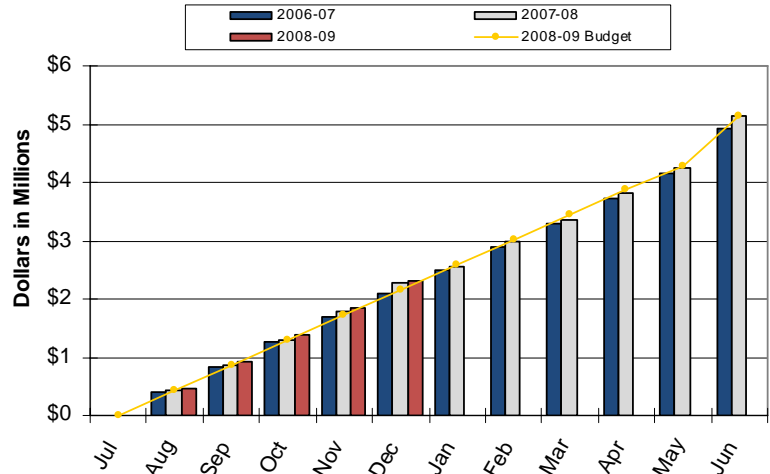


GENERAL FUND REVENUE ANALYSIS (continued):

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

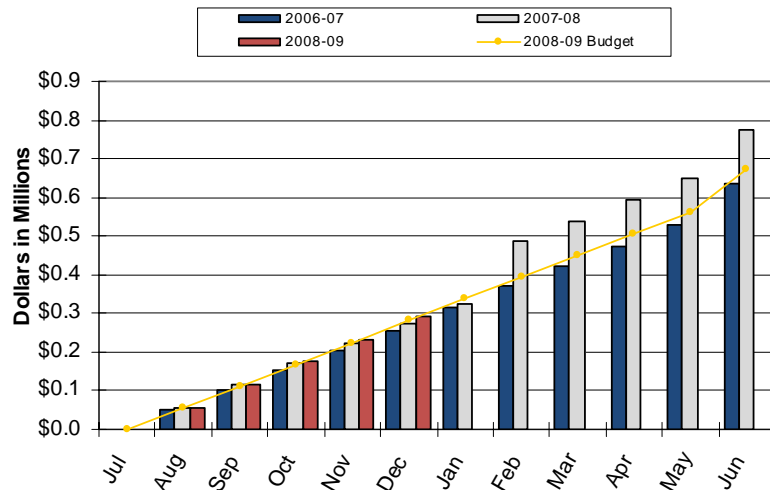
Telephone UUT

	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	451,736
November	415,509	430,844	475,264
December	412,589	453,656	442,409
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	
TOTAL	\$ 4,935,930	\$ 5,149,900	\$ 2,292,685
Adj Budget	\$ 5,200,000	\$ 5,000,000	\$ 5,150,000



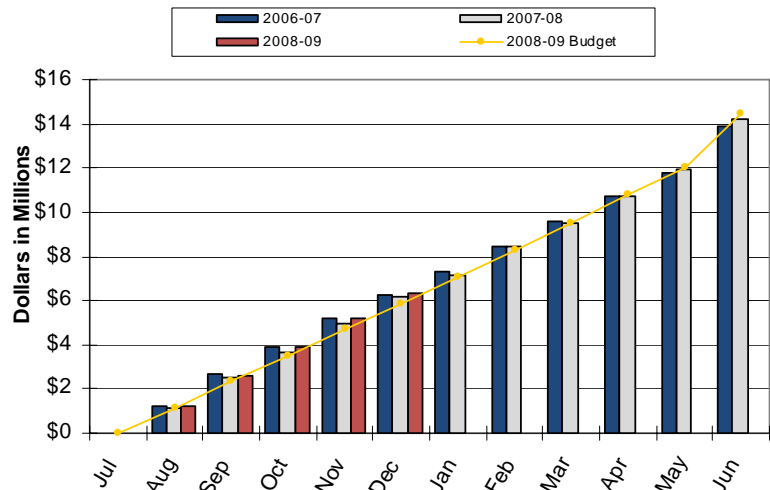
Cable UUT

	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	58,536
November	49,885	52,377	59,464
December	50,782	52,320	59,680
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	
TOTAL	\$ 637,755	\$ 776,765	\$ 293,365
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	1,286,463
November	1,274,098	1,257,463	1,358,075
December	1,055,663	1,157,898	1,118,550
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)	(1,165,335)
Current Yr Acc	1,033,366	1,165,335	446,416
TOTAL	\$13,902,730	\$ 14,245,839	\$ 6,799,875
Adj Budget	\$13,872,000	\$ 13,656,000	\$ 14,468,600



GENERAL FUND REVENUE ANALYSIS (continued):

UTILITY USER'S TAX THROUGH DECEMBER 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 current recession.

NORMAL

ELECTRICITY UUT — Electricity revenues exceed the straight line budget projections by approximately 9.4%; however, the winter months result in lower electricity usage, so revenues will decline in the coming months. End of year revenues should exceed last year's receipts, but may end up just under the budgeted projections.

POSITIVE

NATURAL GAS UUT — Natural gas revenues are 22.3% higher than receipts at this point last year. Receipts the first six months of the year are historically lower than the last six months of the fiscal year because of the increased usage of natural gas heaters during the colder months.

POSITIVE

WATER UUT — Receipts are 11.2% higher than the receipts through December last year. In November, Golden State Water altered their rate structure to encourage conservation. It is yet to be seen how this initiative will affect Water UUT revenue.

NORMAL

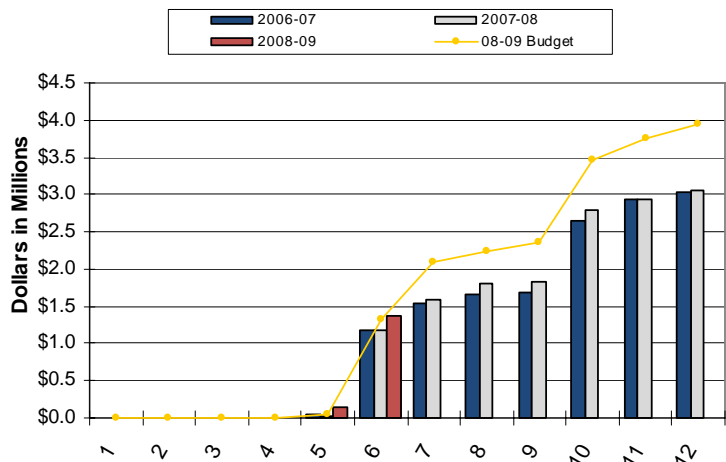
TELECOMMUNICATIONS UUT — Through December, telecommunications revenue exceeded budget projections by over 6%.

POSITIVE

CABLE TELEVISION UUT — Cable TV UUT receipts are 4.3% ahead of the budget projections. Revenues have been very stable and are expected to meet the end of year budget projections.

PROPERTY TAX THROUGH DECEMBER 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	132,865
December	1,111,820	1,153,913	1,234,198
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	
TOTAL	\$ 3,026,610	\$ 3,053,233	\$ 1,367,063
Adj Budget	\$ 2,988,000	\$ 3,147,000	\$ 3,940,000



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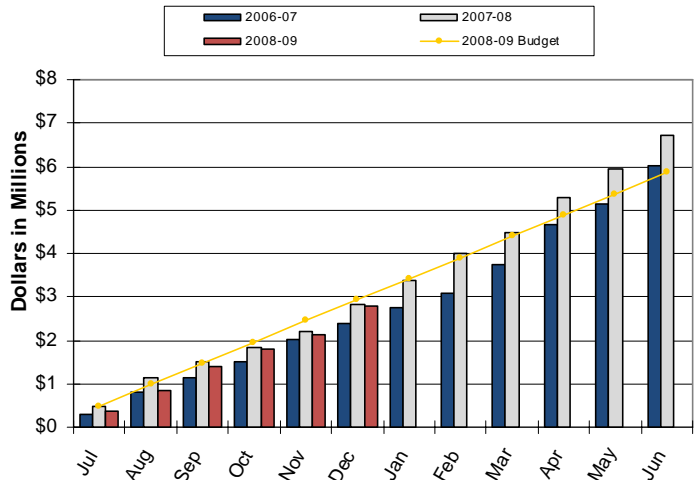
PROPERTY TAX — The City receives the vast majority of the property tax revenues in the months of December and April. Receipts through December are 15% higher than this point last year. Home prices in Culver City have remained relatively steady compared to other areas of Southern California, but the number of homes sold has dropped dramatically.

IMPORTANT NOTE: A budget adjustment is being proposed for this category. Based on an adjustment from HdL, our property tax consultant, projections for fiscal 2008-09 should be \$3,340,000, which is a reduction of \$600,000 from the initial projection we received from them.

GENERAL FUND REVENUE ANALYSIS (continued):

CHARGES FOR SERVICES THROUGH DECEMBER 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	391,456
November	485,015	363,370	340,259
December	373,346	620,668	651,720
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	-
TOTAL	\$ 6,002,446	\$ 6,710,100	\$ 2,793,592
Adj Budget	\$ 5,297,857	\$ 5,813,450	\$ 5,864,350



*Does not include Billings to RDA

POSITIVE

CHARGES FOR SERVICES — Excluding Billings to RDA, Charges for Services are at 44.9% of the adjusted budget. The low percentage can somewhat be attributed to a few revenue categories 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. Continued construction on this development, though, is on track for fiscal 2008-09. 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 are declining. Although revenues continue to be relatively strong at the current time, many of the planned developments for fiscal 2008-09 are being delayed, so projected revenue may be pushed to fiscal year 2009-10 or further.

Charges for Services — Individual Category Notables through December 2008

Veterans Memorial Auditorium Fees ↓ — Through the month of December, fee receipts for the Veterans Auditorium Complex, which includes the Senior Center and Teen Center rentals, were at 41.2% of budgeted projections for the fiscal year. Fees are 14% less than this point last year.

Public Safety Related Fees ↑ — Through December, Police Department charges for services were at 60.0% of 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 45.5% 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 will slow down this year, so monthly revenue in this fee category is expected to decline as the fiscal year progresses.

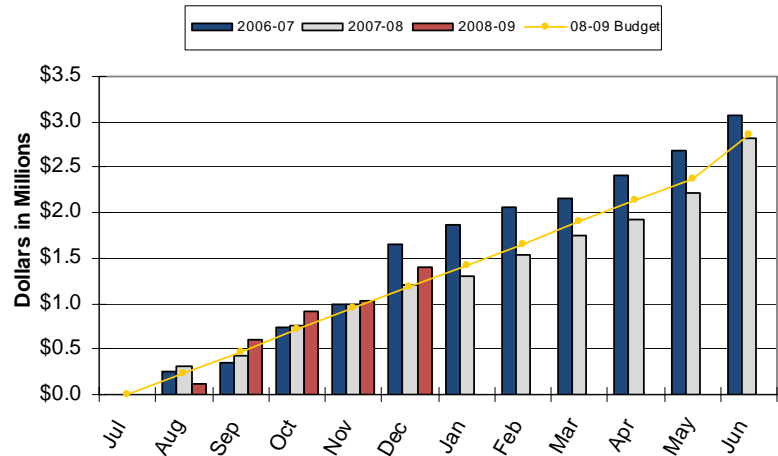
Various Recreation Fees ↔ — Recreation fees in the amount of \$708,938 were collected through the month of December. Revenue is at 47.8% of budgeted projections, which falls in line with revenue collected at this point last fiscal year.

Ambulance Billings ↑ — Ambulance billings are at 45.2% of the adjusted budget. They are also 30% higher than the receipts at this point last year. Fees are set by LA County and were increased 6% on July 1, 2008. Additionally, some fees increased again on January 1, 2009, so this category should meet the end of year budgeted projections.

GENERAL FUND REVENUE ANALYSIS (continued):

TRANSIENT OCCUPANCY TAX THRU DECEMBER 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	314,886
November	250,198	231,849	100,824
December	656,644	219,428	381,912
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	
TOTAL	\$ 3,064,438	\$ 2,814,453	\$ 1,404,703
Adj Budget	\$ 2,250,000	\$ 2,500,000	\$ 2,850,000



POSITIVE

TRANSIENT OCCUPANCY TAX

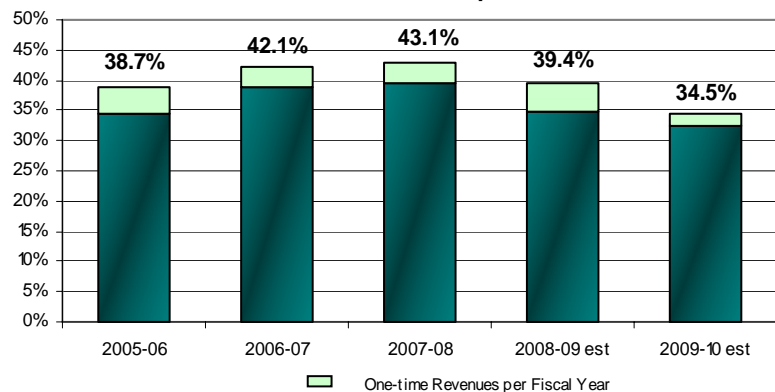
— TOT revenues received in July are normally accrued back to the prior year. This is the reason July revenue is so low and June revenue is much higher than an average month. So far the recession has yet to fully affect TOT revenues. Receipts through December are at 49.3% of the budgeted projections. This is primarily due to summer travel and increased tax revenues from the Courtyard by Marriot and Four Points hotels, which both completed renovations during the last year. 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 December, passenger traffic at LAX was down 16.3% 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.]	\$ 3,947,000
Estimated One-time (09-10)	\$ 1,850,000
Total from Fiscal 2005-06	\$13,981,975

% of Unreserved Fund Balance to Actual and Estimated Expenditures

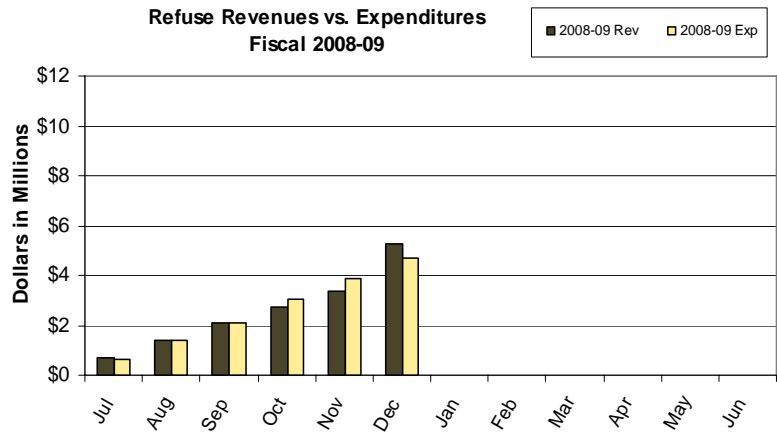


It is the policy of the City not to use revenues identified as one-time funds to pay for recurring expenditures.

REFUSE FUND ANALYSIS:

REFUSE FUND THROUGH DECEMBER 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	939,413
November	1,080,583	902,352	814,124
December	557,613	753,808	844,949
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	
TOTAL EXP	\$ 9,517,464	\$ 10,248,197	\$ 4,698,988
Adj Budget	\$ 10,888,948	\$11,524,493	\$11,908,814

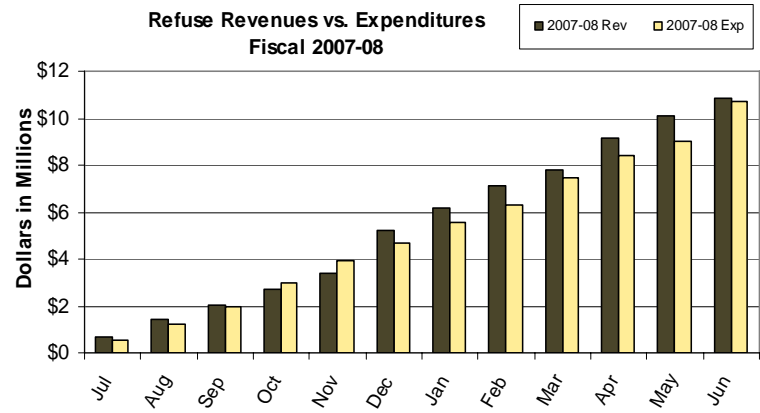


Note: Depreciation amounts not included.

BELOW BUDGET **REFUSE FUND EXPENDITURES** — Refuse expenditures through December 2008 are \$4,698,988, or 39.7% 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 half of the fiscal year; little to no expending of capital outlay funding for capital projects, which 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, though, and more information will be reported in the mid-year budget review and future monitoring reports.

Expenditures through December 2008 are less than 1.0% ahead of the prior year at this time and are in-line with anticipated MOU increases and other normal operating expenditures. The outstanding loan amount for the Refuse Fund at the end of fiscal 2008-09 will be \$1,066,082. Loan payments to the General Fund, Innovation Fund, and Equipment Replacement Fund continue to be 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	645,709
November	698,332	644,041	649,899
December	1,732,943	1,864,241	1,893,806
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	
TOTAL REV	\$ 10,532,475	\$ 10,813,671	\$ 5,256,696
Adj Budget	\$ 10,410,618	\$ 11,483,841	\$ 11,541,718



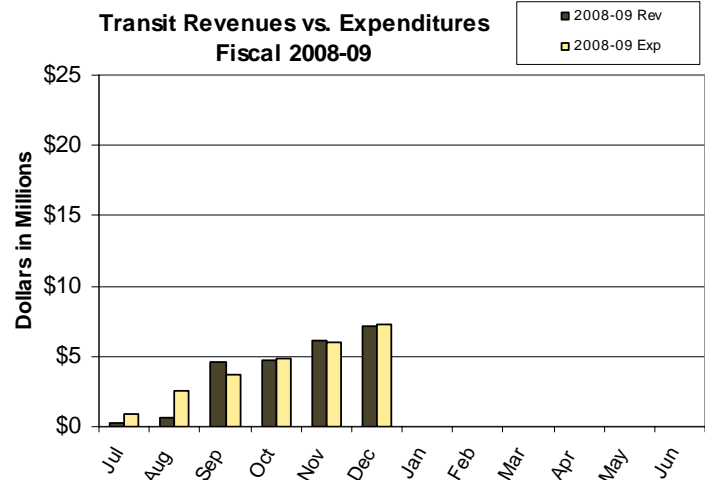
NORMAL **REFUSE FUND REVENUES** — Refuse Fund revenue through December 2008 is comparable with the revenue at this point in prior years. Over 26% of the Refuse Fund's revenue is comprised of residential refuse disposal fees, which are billed with property taxes. The City receives the majority of these funds in December and April. Commercial and multi-family dwelling bin service is billed monthly, and through December revenues are at 45.6% 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, and are currently 72.2% 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.

TRANSIT FUND ANALYSIS:

TRANSIT FUND THROUGH DECEMBER 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	1,097,475
November	1,352,794	1,357,701	1,177,406
December	1,748,130	2,070,860	1,210,119
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	
TOTAL EXP	\$ 16,494,533	\$ 22,357,892	\$ 7,218,329
Adj Budget	\$21,977,438	\$22,892,622	\$23,681,510



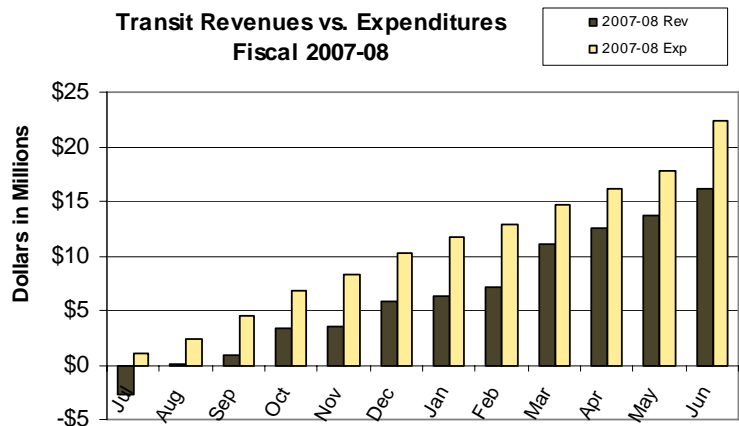
Note: Depreciation amounts not included.

BELOW BUDGET

TRANSPORTATION FUND EXPENDITURES

Overall Transportation Fund adjusted expenditures through December 2008 are \$7,218,329, or 30.5% of the adjusted budget. Personnel expenses are approximately 41.0% of adjusted budget, and O & M expenditures are approximately 44.9% of adjusted budgeted. The extremely low actual capital outlay expenditures through December are what has driven the overall percentage down. Total capital outlay adjusted budget funding is approximately \$6.3 million, and approximately \$135,000 has actually been recorded as expended through December 2008, which skews the percentage. Current projects earmarked for this funding are in process and funds have been encumbered. Six CNG buses are currently in the process of being ordered, which has encumbered over \$3 million of these funds for this purchase. Future monitoring reports, will continue to address any 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	23,882
November	1,568,083	224,560	1,407,257
December	3,103,121	2,209,509	1,029,098
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	
TOTAL REV	\$ 18,510,625	\$ 16,095,260	\$ 7,113,681
Adj Budget	\$ 16,025,724	\$ 17,279,756	\$ 20,591,546



NORMAL

TRANSPORTATION FUND REVENUES

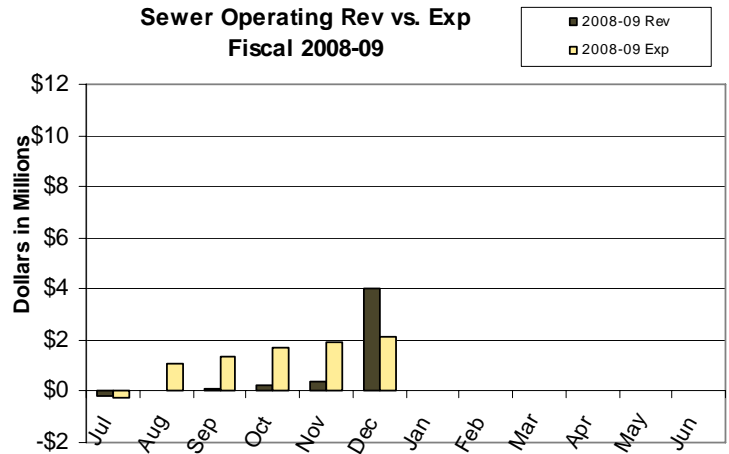
Transportation Fund revenues are comprised of many sources, including funding from the State and Federal government. Through December 2008, Transportation receipts were 34.5% of budgeted projections. Culver City's State Transit Assistance funding for fiscal 2008-09 is proposed to be reduced by approximately \$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. A budget adjustment is being proposed to reflect this reduction.

Through December, farebox revenue totaled \$1,330,536, while at this point last year farebox revenue was at \$1,233,823. The significant increase in fuel prices during the year contributed to this increase as people took alternative forms of transportation other than driving their own vehicles. With the current drop in fuel prices, though, this may not continue.

SEWER FUND ANALYSIS:

SEWER OPERATING FUND THRU DECEMBER 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	324,357
November	618,758	505,602	209,264
December	167,035	217,876	246,201
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	
TOTAL EXP	\$ 6,516,328	\$ 6,084,996	\$ 2,135,574
Adj Budget	\$7,823,626	\$7,534,793	\$8,438,444

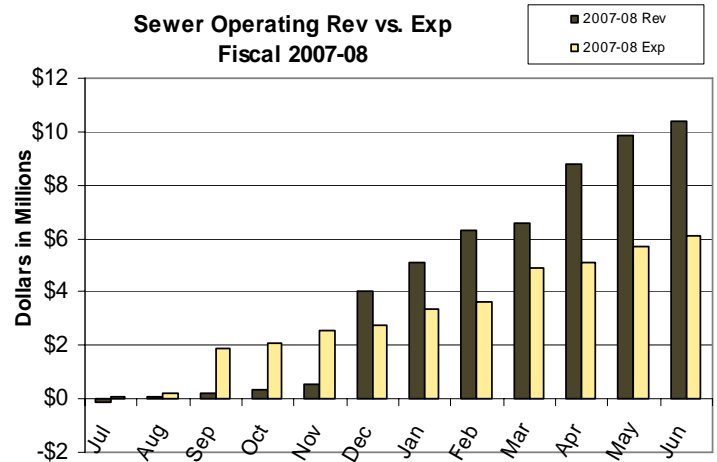


Note: Depreciation amounts not included.

BELOW BUDGET

SEWER OPERATING EXPENDITURES – Sewer Operating expenditures through December 2008 are approximately 25.3% 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 35.5% and are low due to prior vacancies, which have now been filled. Operating and Maintenance expenditures are approximately 25.9% of adjusted budget, and are low because of a credit received from the City of LA for usage billings to the City for the Hyperion Wastewater Treatment Plant from prior fiscal years that have been applied to the current fiscal year. The credit was approximately \$1.7 million, and charges for fiscal 2008-09 were approximately \$1.8 million. Bond principal payments for the Hyperion Wastewater Plan Debt Service through December have 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	115,369
November	105,509	163,135	157,384
December	3,090,237	3,478,540	3,626,697
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	
TOTAL REV	\$ 8,892,265	\$ 10,414,205	\$ 4,028,930
Adj Budget	\$ 8,598,900	\$ 9,121,750	\$ 9,897,337



NORMAL

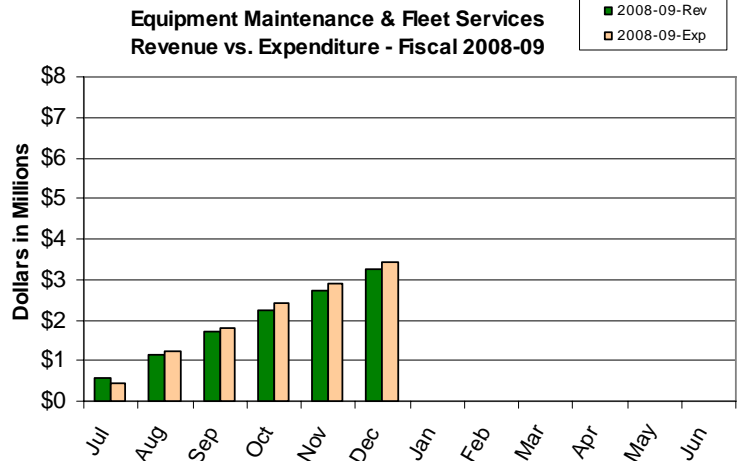
SEWER OPERATING REVENUES – Sewer operating revenues through December 2008 are 40.7% of budgeted projections. The first major receipt of Sewer Operating Charges was received by the City with property tax receipts in December. Sewer Operating Charges comprise approximately 89% of the adjusted budgeted 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 DECEMBER 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	580,038
November	614,390	484,018	505,847
December	398,523	516,927	519,560
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	830,527	844,455	
TOTAL EXP	\$ 6,527,317	\$ 6,897,156	\$ 3,423,875
Adj Budget	\$ 6,369,462	\$ 6,870,800	\$ 7,233,839



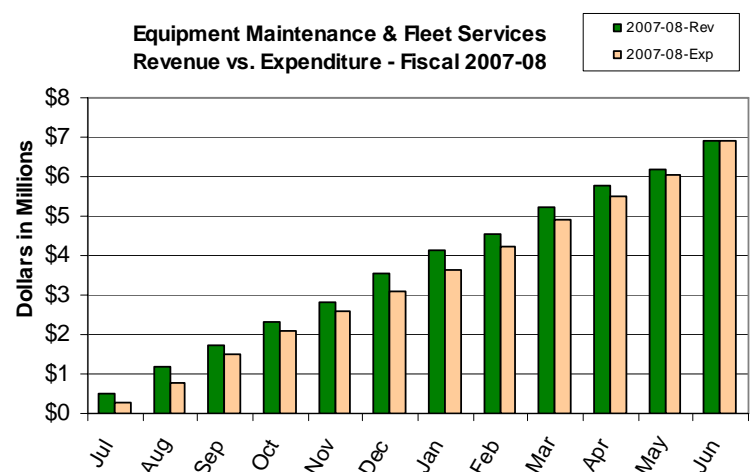
NORMAL

EQUIPMENT MAINTENANCE FUND EXPENDITURES

— Overall Equipment Maintenance & Fleet Services (EM&FS) expenditures through December 2008 are \$3,423,875, or 47.3% of the adjusted budget. Personnel related expenditures are approximately 47.4%, and operating and maintenance are also approximately 47.6% of the adjusted budget amount. Petroleum Products (fuel), which makes up approximately 50% of the operating and maintenance budget, is 50.8% expended through December 2008. This is a major factor in the overall, and category, percentage remaining relatively high.

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	564,228
November	470,644	500,468	454,692
December	481,954	708,215	517,271
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	
TOTAL REV	\$ 6,409,769	\$ 6,888,420	\$ 3,234,599
Adj Budget	\$ 6,212,059	\$ 6,966,954	\$ 7,585,747



NEGATIVE

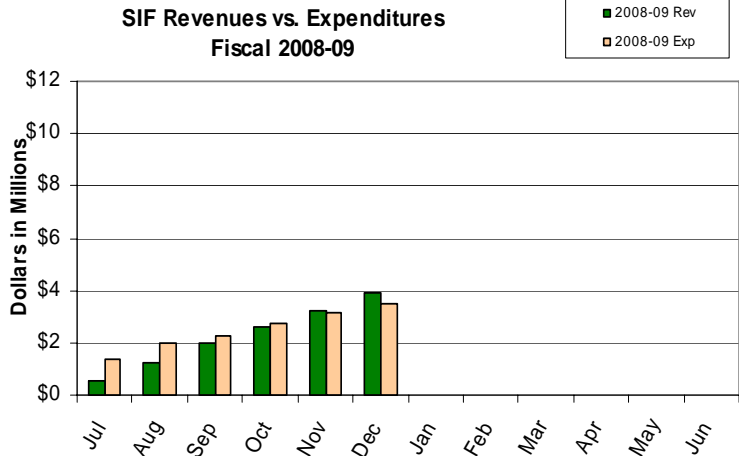
EQUIPMENT MAINTENANCE FUND REVENUES

— Equipment Maintenance & Fleet Services revenues through December 2008 are \$3,234,599, or 42.6% of adjusted budget projections. Billings and collections between funds during the year often do not match exactly between months. Future monitoring reports should show the gap between expenditures and revenues much closer, though, 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 DECEMBER 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	469,756
November	514,261	559,913	436,980
December	262,380	199,417	357,415
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	
TOTAL EXP	\$ 5,675,234	\$ 10,741,785	\$ 3,521,944
Adj Budget	\$ 7,442,927	\$ 11,072,650	\$ 7,449,812

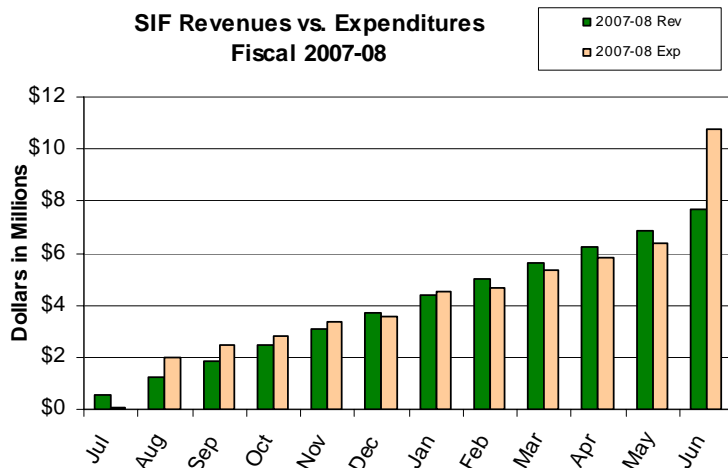


NORMAL

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 December 2008, Self Insurance Fund expenditures are 47.3% of adjusted budget, which is normal for this time of year. Expenditures through December for the Premiums/Claims Division of the Self Insurance fund are 49.7%. Insurance premiums are due early in the fiscal year, which causes the year to date expenditures to be high. All other expenditures within the Fund are relatively normal for this time of the year. 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	642,585
November	633,941	624,557	643,281
December	635,328	648,313	663,575
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	
TOTAL REV	\$ 7,876,594	\$ 7,673,576	\$ 3,905,534
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 December are approximately 51.9% 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	\$3,772,762	Dec. 2008 (delayed)
2. Cranks/Tellefson Hill Slide Repair	\$3,695,580	100% - Self Insurance Fund (\$\$ trsfrd to Gen Fund Cap)	\$3,670,852	Complete
3. Stormwater Discharge Program/NPDES	\$2,102,000	59% - Grants Capital 41% - Gen Fund Capital	\$222,497	On-going project to establish funds for state mandate
4. Fox Hills Area Traffic Signal Synch Project	\$2,033,500	73% - Grants Capital 11% - Special Gas Tax 9% - Developer Mitigation 7% - Gen Fund Capital	\$853,035	June 2009
5. Public Safety CAD RMS MDT Project	\$1,642,098	100% - Gen Fund Capital	\$979,301	Currently Training on System

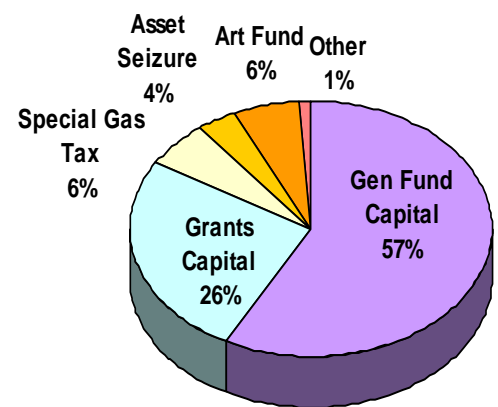
CAPITAL IMPROVEMENT EXPENDITURES BY CATEGORY

	Adjusted Budget	Expended to Date	Major Projects:
Street & Alley Improvements	\$2,584,610	\$616,485	Residential Paving, Carson St, Sepulveda Blvd
Traffic Signal & Lighting Improvements	\$2,883,445	\$375,964	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	\$1,803,156	\$341,562	Art Fund Projects
Parks & Park Facility Improvements	\$1,322,705	\$181,784	Skate park, Dog park, Culver West park
Police & Fire Improvements	\$5,343,786	\$803,612	Fire Station #3, CAD/RMS/MDT, Firing Range
Sewer & Storm Drain Improvements	\$6,394,158	\$115,535	Blackwelder/Smiley, Cranks Rd, Drakewood Ave
Other Facility & Equipment Improvements	\$4,056,274	\$853,673	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 Phase I of the Residential Overlay Program has been completed. Due to the state's budget problems, some Public Works projects, such as Phase II of the Residential Overlay Program and Gas Tax funded projects, may be delayed due to the state withholding funding. The Governor previously indicated he will fast track additional Prop 1B funds in an attempt to stimulate some economic growth. However, due to the state's inability to sell bonds to fund these project, it is doubtful that the City will get another allocation in the near future. In fact, the state has stopped work on thousands of current state run public works projects, including the **Ballona Creek Trail and Bike Path Enhancement** and some work on **Washington Blvd**, due to lack of funds and is considering delaying remittance of Gas Tax funds to cities in order to improve their cash flow position. Staff will continue to track the budget situation and adjust CIP project schedules accordingly.

MAJOR CIP FUNDING SOURCES



Total = \$24,422,773

OTHER FUND ANALYSIS:

FUND ANALYSIS FOR OTHER FUNDS THROUGH DECEMBER 2008:

NEGATIVE

PARKING MAINTENANCE FUND — Receipts through December 2008 are 41.9% of budgeted projections. Street filming receipts are currently behind projections, but other parking meter areas are close to 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 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 — Through December 2008, Operating Grants revenues are below expenditures. It is normal for reimbursements not to line up on a month-to-month basis during the fiscal year due to timing issues of reimbursements. Each grant is analyzed separately and final match-ups between revenues and expenditures will be reported at the end of the fiscal year. This fund is made up of grants that include Senior Nutrition, RSVP, and DUI Enforcement grants, among others.

NORMAL

CAPITAL GRANTS FUND — Through December, Capital Grants fund revenue is at 24.5% 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 68.7% of budgeted projections through December 2008. This is primarily due to the State remitting taxes withheld from April through September, which are recorded in this fiscal year. The Gas Tax Fund is comprised of a tax 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, but may change as the State attempts to deal with the budget crisis. One proposal being considered is to eliminate the gas tax and institute a higher gas “fee.” If this passes, it is unknown how it will effect payments to cities. Page 17 identifies some CIP projects funded with Gas Tax funds.

NEGATIVE

ARTS IN PUBLIC PLACES — Through December, Art Fund receipts are 35.8%. A refund was issued in December for a fiscal 2005-06 deposit. Deducting this refund would place the Fund at 60.0% of projections. 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.

POSITIVE

PARKS FACILITY FUND (QUIMBY FEES) — This is a special revenue that can only be used for parks related projects. Through December, \$51,170 or 102.3% of the base 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 has exceeded the annual base budget projection of \$50,000.