



FINANCIAL MONITORING REPORT

October 2008

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 1.7% in November, following a decline of 1.0% in October. The decline is largely due to the rapid drop in energy prices.

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: September 2007 - 4.7%
September 2008 - 6.1%
October 2007 - 4.8%
October 2008 - 6.5%

State: September 2007 - 5.6%
September 2008 - 7.7%
October 2007 - 5.7%
October 2008 - 8.2%

LA County: September 2007 - 5.2%
September 2008 - 7.8%
October 2007 - 5.0%
October 2008 - 8.2%

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

On December 1, 2008, the National Bureau of Economic Research stated the US has been in a recession since December 2007. A typical recession cycle lasts approximately 12 months. This recession, though, is being called anything but typical. A report from UCLA Anderson Forecast states that even though the recession has been in place since December 2007, we should start counting the cycle from August or September 2008.

Culver City is anxiously waiting to see how the state will be handling the projected \$42+ billion deficit it is forecast to now have over the next 18 months. The state suspended funds in December for approximately 2,000 public works projects valued at \$16 billion, and currently has the lowest credit rating in the nation. The governor called a special session of the legislature recently in order to deal with this catastrophic fiscal situation. The Democratic-controlled legislature approved a package that would have solved approximately 44% of the deficit, but the governor vetoed the plan. Current actions of the governor include a two-day-a-month furlough for rank-and-file employees, and a 10-percent pay reduction for managers and non-union employees to begin in February in order to save cash. Known funding losses to the City to help the state balance its budget include a takeaway of \$1 million in STA funds from Transportation, with a potential of another \$500,000 loss given the current situation. There are many additional items on the table at this point with the potential of being implemented, but no definitive word on a decision. Current reports are the legislature is on break until after the New Year, so it is likely no new information will be reported in the next couple of weeks.

Just like business, 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 and the coming fiscal years. 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 the mid-year budget report is updated. It is clear, though, a reduction will be proposed at mid-year for this revenue category due directly to the downturn in the economy. 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 current year revenue and through October total UUT revenue exceeds budgeted projections. At this point in a fiscal year, there is still limited *actual* information on current year revenues and many rapidly changing variables, so it is difficult to make a certain forecast of total year-end revenues. By mid-year, more information will be available and at that point, specific recommendations for revenue and expenditure related budget adjustments for various funds will be proposed.

In an effort to reduce expenditures during fiscal 2008-09, the City Manager implemented "pullback measure" steps that included 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. Early indications show these "pullback" measures being effective.

Culver City is in a strong position to pull through fiscal 2008-09 with a balanced budget, but fiscal 2009-10 is a different picture. Plans are being discussed now to address the upcoming fiscal year and subsequent fiscal years, and the upcoming budget process will be key in developing strategies to address the financial issues facing the City.

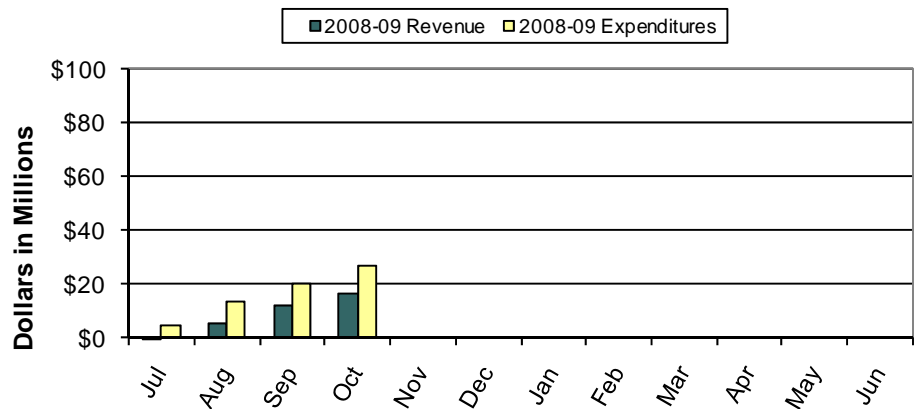
Before you can really start setting financial goals, you need to determine where you stand financially.

Author: David Bach

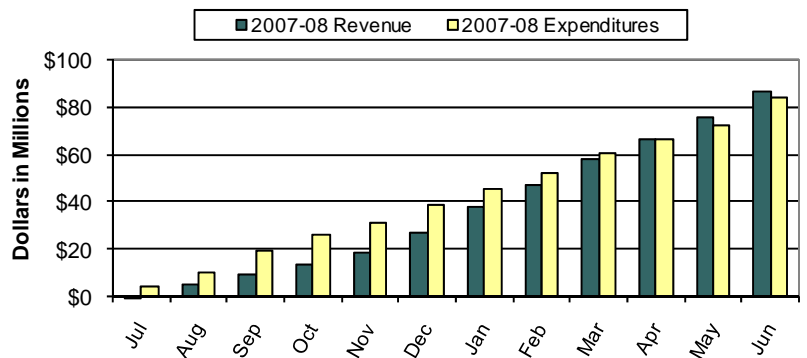
GENERAL FUND ANALYSIS:

REVENUES & EXPENDITURES THROUGH OCTOBER 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	-	-
December	-	-
January	-	-
February	-	-
March	-	-
April	-	-
May	-	-
June	-	-
TOTAL	\$ 16,526,363	\$ 26,415,048

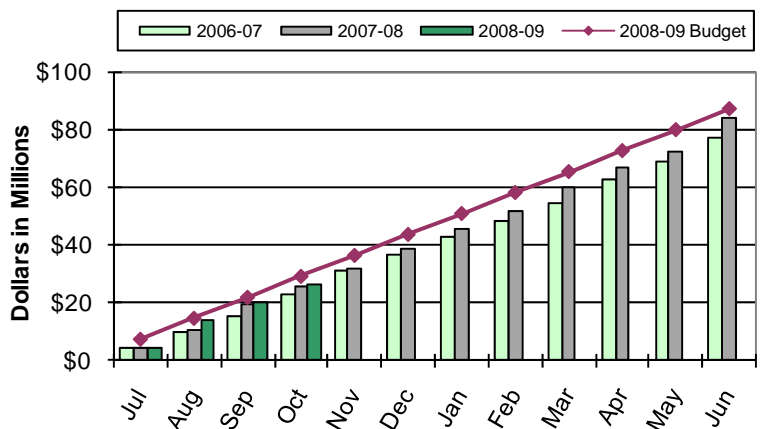


General Fund revenues are accrued back to a prior fiscal year for several of the larger categories such as Sales Tax, TOT, and UUT. This causes the monthly amount shown for July, and sometimes August, to look "low" when compared to future months. When comparing revenues and expenditures this early in 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 OCTOBER 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	-
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	-
TOTAL	\$ 76,935,533	\$ 83,959,341	\$ 26,415,048
Adj Budget	\$ 77,920,361	\$ 86,018,123	\$ 87,035,484



BELOW BUDGET

GENERAL FUND EXPENDITURES

— Through October 2008, general fund expenditures are at 30.4% of the adjusted budget. Last year at this point, expenditures were at 29.8% 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. Also, due to the current economic issues, cost saving measures have been implemented. Negotiated COLA increases for general management went into affect in October, and personnel related expenditures will again show a rise in January for identical salary percentage increases for general service employees. 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 = 32.167% through October 2008

GENERAL FUND DEPARTMENTS	ADOPTED BUDGET 2008-09	ADJUSTED BUDGET 2008-09	ACTUAL EXPENDED AS OF 10/31/08	PERCENT EXPENDED 2008-09	TARGET AMOUNT
GENERAL GOVERNMENT					
CITY COUNCIL	\$ 223,548	\$ 356,447	\$ 48,147	13.5%	\$ 114,657
CITY MANAGER	1,298,741	1,390,965	441,249	31.7%	447,427
CITY CLERK	439,207	457,229	119,645	26.2%	147,075
FINANCE DEPT	4,565,821	4,877,494	1,317,935	27.0%	1,568,927
CITY ATTORNEY	1,863,834	1,940,821	604,777	31.2%	624,297
HUMAN RESOURCES	1,144,481	1,189,122	365,499	30.7%	382,501
INFORMATION TECH.	3,118,663	3,352,212	942,159	28.1%	1,078,295
TOTAL GENERAL GOVERNMENT	\$ 12,654,295	\$ 13,564,290	\$ 3,839,409	28.3%	\$ 4,363,180
PARKS, REC. & COMMUNITY SVCS	6,917,782	7,403,555	2,280,127	30.8%	2,381,477
POLICE DEPARTMENT	28,172,220	29,434,821	8,800,248	29.9%	9,468,201
FIRE DEPARTMENT	14,919,943	15,760,886	5,235,801	33.2%	5,069,752
COMMUNITY DEVELOPMENT	7,743,761	8,309,761	2,096,797	25.2%	2,672,973
PUBLIC WORKS	9,719,359	10,233,006	3,084,725	30.1%	3,291,617
NON-DEPARTMENTAL	7,276,023	4,155,465	685,649	16.5%	1,336,674
Transfers	1,223,701	1,223,701	392,291	32.1%	393,624
Projected excess appropriations (3.5%)	(3,050,000)	(3,050,000)	0	0.0%	-
TOTAL GENERAL FUND	\$ 85,577,084	\$ 87,035,484	\$ 26,415,048	30.3%	-

NOTABLE EXPENDITURE VARIANCES through October 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 October 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 will increase.

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.

Non-Departmental — One factor in Non-Departmental expenditures being behind target is the timing in utility billings. Through October, three 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.

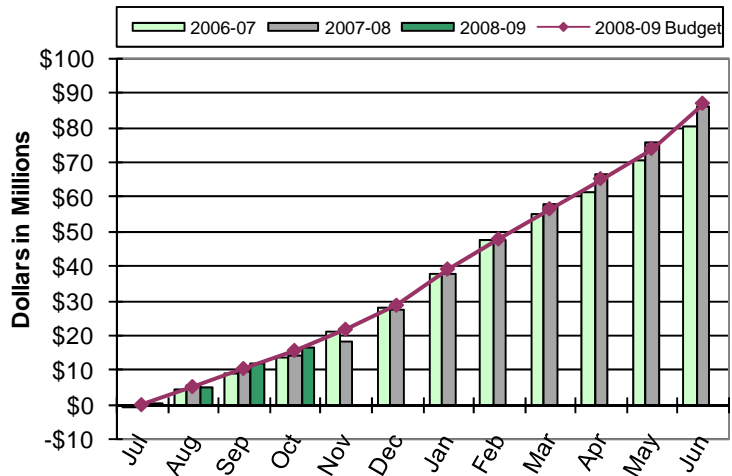
Departments over Target:

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 and fall, which resulted in significantly higher Constant Staffing costs. Also, the maintenance and operating costs for the equipment has increased due to these additional callouts, as well as additional equipment purchases. These factors have resulted in pushing the Fire Department slightly over target. 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. Culver City is currently anticipating over \$400,000 in strike team reimbursements so far for fiscal 2008-09.

GENERAL FUND REVENUE ANALYSIS:

TOTAL GENERAL FUND REVENUES THROUGH OCTOBER 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	
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	
TOTAL	\$ 80,138,175	\$ 86,299,520	\$ 16,526,363
Adj Budget	\$ 75,054,576	\$ 82,774,909	\$ 87,147,941



TOTAL GENERAL FUND REVENUES — Total General Fund revenues through October 2008 are \$16,526,363, or 19.0% 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 October 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 October for commercial/industrial development tax are 20.7% 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 point in the fiscal year if this category will meet its target and indications are that it may miss the target given the difficulty in developments securing financing.

Fines & Forfeitures — Through October, fines and forfeiture’s receipts were \$1,101,754, or 24.1% 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.)

Franchise Fee — Franchise Fees were 7.3% of budgeted projections through October. These fees are not received on a regular schedule throughout the fiscal year, and often are not received until late in the second quarter. More information will be noted on these revenues in upcoming reports.

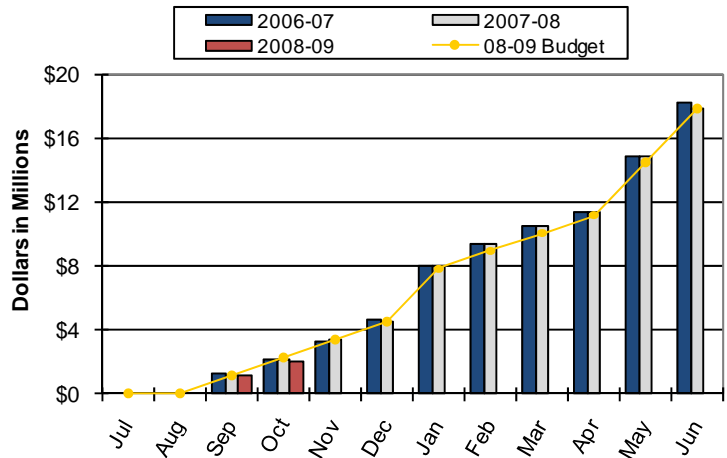
Intergovernmental — The primary revenue in this category is the Motor Vehicle License Fee (VLF). The July VLF revenue was accrued back to the prior fiscal year, so only three months of current year revenue has been received. Through October, receipts for this category are at 18.8% of budgeted projections. However, state-wide revenues are dropping dramatically as expenses are rising, so this revenue source most likely will be lower than the budgeted projections of \$195,000. *More in-depth information will be reported on MLVF in the mid-year budget review.*

OVERALL GENERAL FUND REVENUES — It is important to note at this point in a 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 October 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 OCTOBER 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	
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	
TOTAL	18,198,893	17,922,101	2,057,556
Adj Budget	17,650,000	18,300,000	17,793,000



NEGATIVE

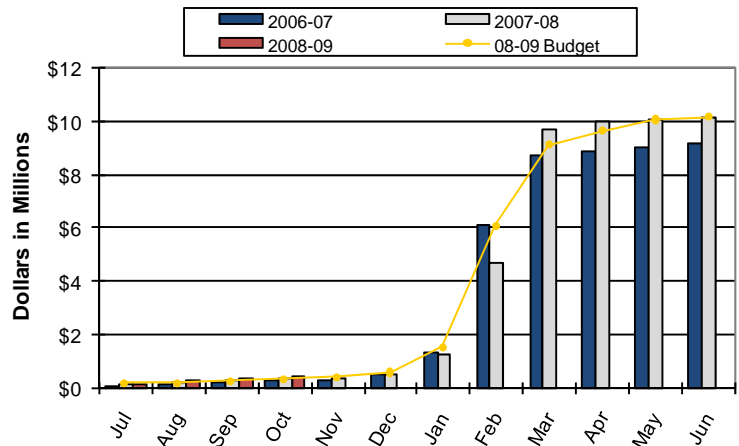
SALES TAX

— 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. Unfortunately, we will not have any concrete information on the current year sales taxes until the first quarter “true-up” adjustments are made in December.

Important Note: A mid-year budget amendment will be proposed to decrease the budgeted sales tax revenue by \$650,000 to \$17,143,000. This is due to the recent drastic decline in consumer spending and also because last year, the State overpaid the City \$150,000 for Sale Tax In-Lieu (triple flip property tax shift), which is expected to be reduced from this year’s payment.

BUSINESS TAX THROUGH OCTOBER 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	
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	
TOTAL	\$ 9,183,833	\$ 10,171,478	\$ 432,845
Adj Budget	\$ 8,804,100	\$ 9,144,000	\$ 10,150,000



NORMAL

BUSINESS TAX

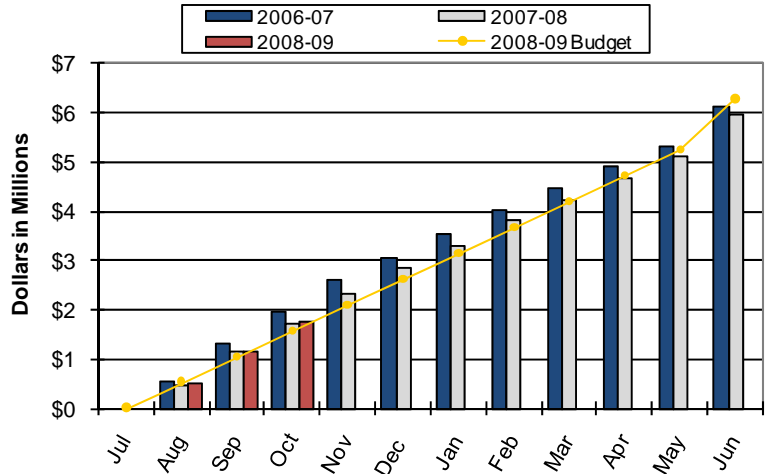
— Last fiscal year, business tax revenues exceeded the adjusted budget projections by 11.2%, but this year the revenues are expected to remain relatively flat. The downturn of the economy will likely lead to a drop in the gross receipts of many taxpaying businesses, and the City is hoping to make up for this decline with a more in-depth business tax audit to identify non-compliant businesses. Through October of the current fiscal year, revenues are \$87,500 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 OCTOBER 2008 (Comparison of Fiscal Years 2006-07, 2007-08, and 2008-09) [Cumulative]

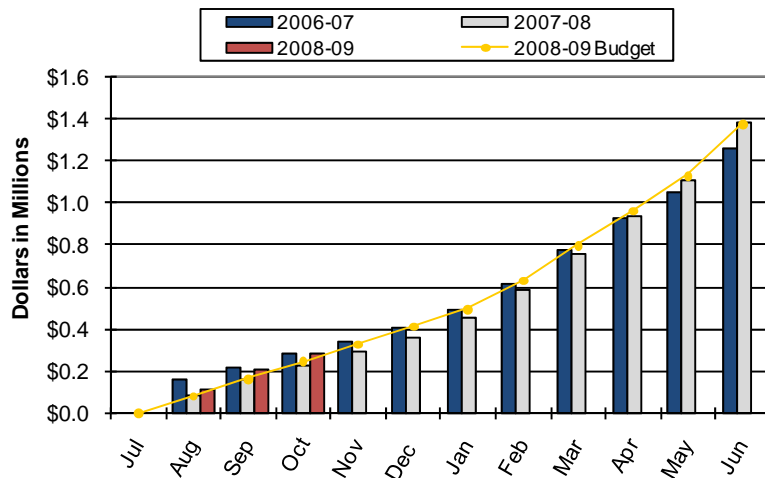
Electricity UUT

	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	
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	
TOTAL	\$ 6,128,805	\$ 5,962,528	\$ 1,771,977
Adj Budget	\$ 5,900,000	\$ 5,800,000	\$ 6,303,600



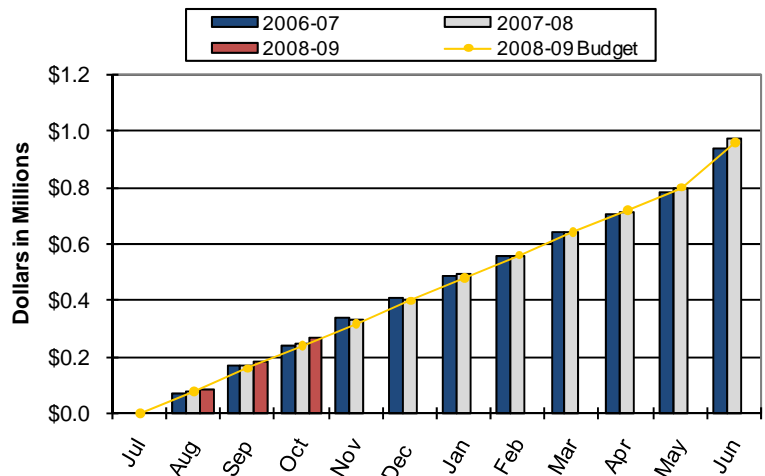
Natural Gas UUT

	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	
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	
TOTAL	\$ 1,257,924	\$ 1,380,558	\$ 284,167
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	
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	
TOTAL	\$ 942,316	\$ 976,088	\$ 271,457
Adj Budget	\$ 876,000	\$ 902,000	\$ 960,000

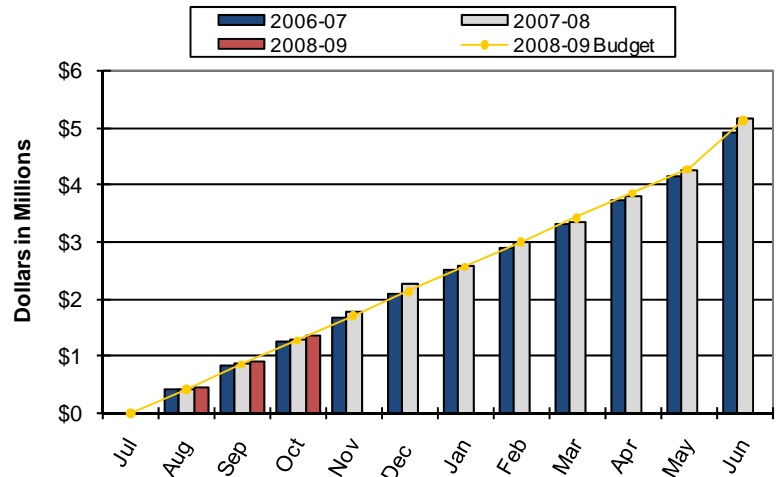


GENERAL FUND REVENUE ANALYSIS (continued):

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

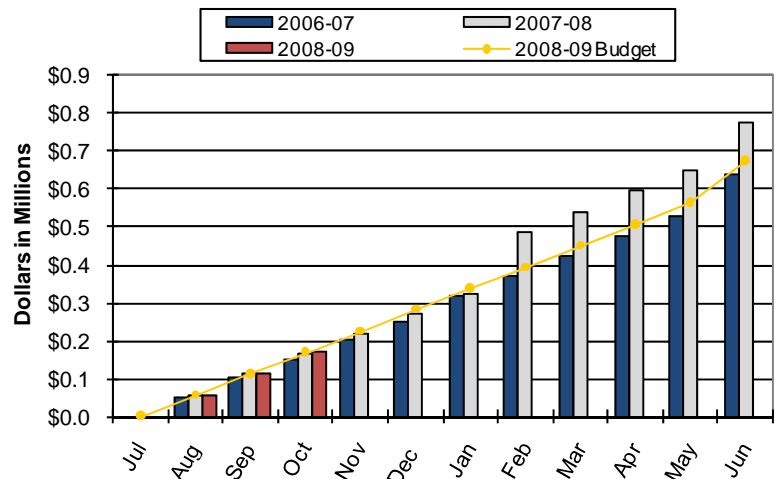
Telephone UUT

	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	
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	
TOTAL	\$ 4,935,930	\$ 5,149,900	\$ 1,375,013
Adj Budget	\$ 5,200,000	\$ 5,000,000	\$ 5,150,000



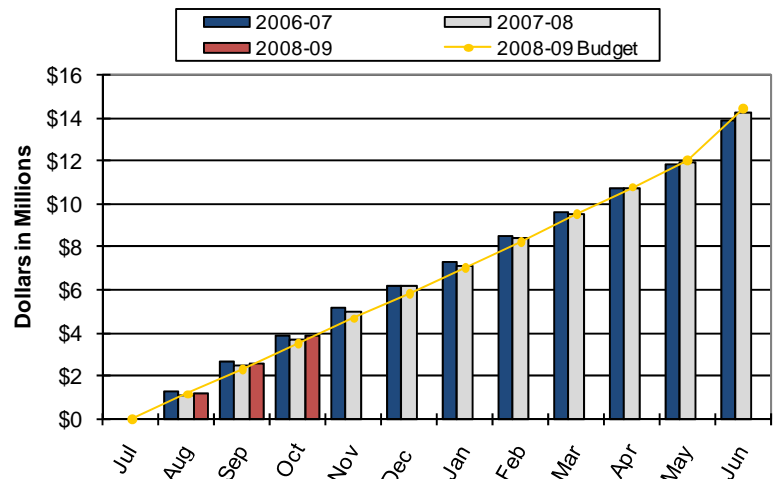
Cable UUT

	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	
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	
TOTAL	\$ 637,755	\$ 776,765	\$ 174,221
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	-
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)	(1,165,335)
Current Yr Acc	1,033,366	1,165,335	-
TOTAL	\$13,902,730	\$14,245,839	\$ 3,876,834
Adj Budget	\$13,872,000	\$13,656,000	\$14,468,600



GENERAL FUND REVENUE ANALYSIS (continued):

UTILITY USER'S TAX THROUGH OCTOBER 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.

POSITIVE

ELECTRICITY UUT — Electricity revenues exceed the budget projections by approximately 12.4%. The summer months result in higher electricity usage, so revenues will decline in the coming months, but are still expected to meet budget projections.

POSITIVE

NATURAL GAS UUT — Natural gas revenues are 22.8% 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.

POSITIVE

WATER UUT— Receipts are 10.9% higher than the receipts through October 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

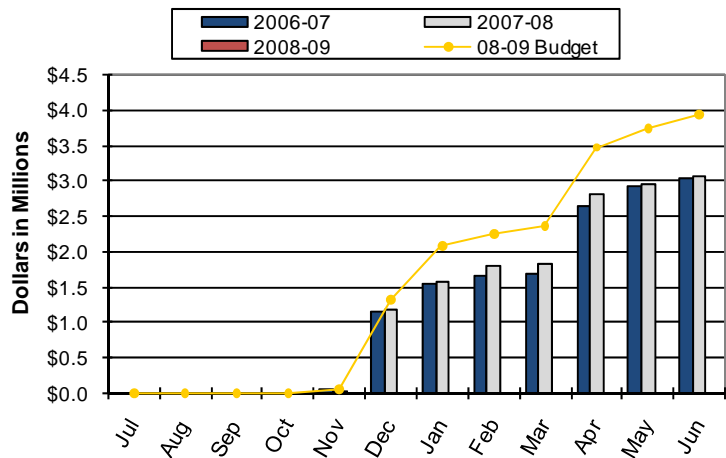
TELECOMMUNICATIONS UUT— Through October, telecommunications revenue exceeded both budget projections and last year's receipts by over 6%.

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 OCTOBER 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	
TOTAL	\$ 3,026,610	\$ 3,053,233	\$ -
Adj Budget	\$ 3,048,000	\$ 3,266,000	\$ 3,940,000



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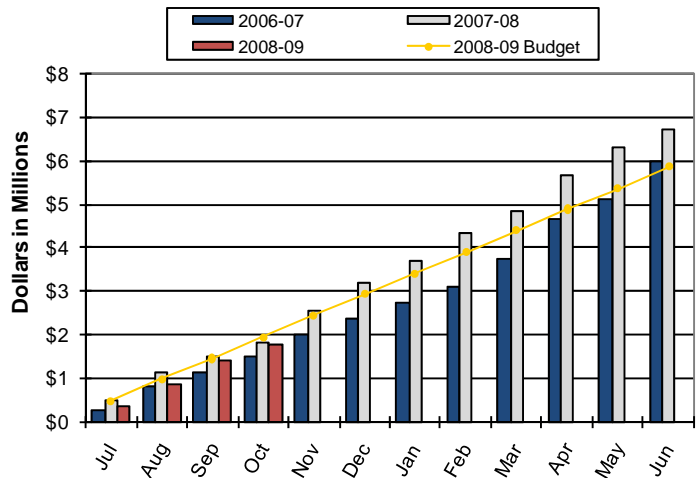
PROPERTY TAX— The City does not receive significant property tax revenue until the month of December. Home prices on the Westside, including Culver City, have held up somewhat well within the current real estate climate. Sales, though, have remained rather stagnant the last six to ten months. Compared 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 during the mid-year budget review. 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 THRU OCTOBER 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	725,028	-
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	402,737	-
TOTAL	\$ 6,002,446	\$ 6,710,100	\$ 1,801,613
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 30.2% 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 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 projected revenue may be pushed to fiscal year 2009-10 or further.

Charges for Services — Individual Category Notables through October 2008

Veterans Memorial Auditorium Fees ↔ — Through the month of October, fee receipts for the Veterans Auditorium Complex, which includes the Senior Center and Teen Center rentals, were at 28.9% of budgeted projections for the fiscal year. Delinquent payments were collected in the month of October, so revenue is catching up to budgeted projections.

Public Safety Related Fees ↑ — Through October, Police Department charges for services were at 37.8% 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 35.3% 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 monthly revenue in this fee category may decline as the fiscal year progresses.

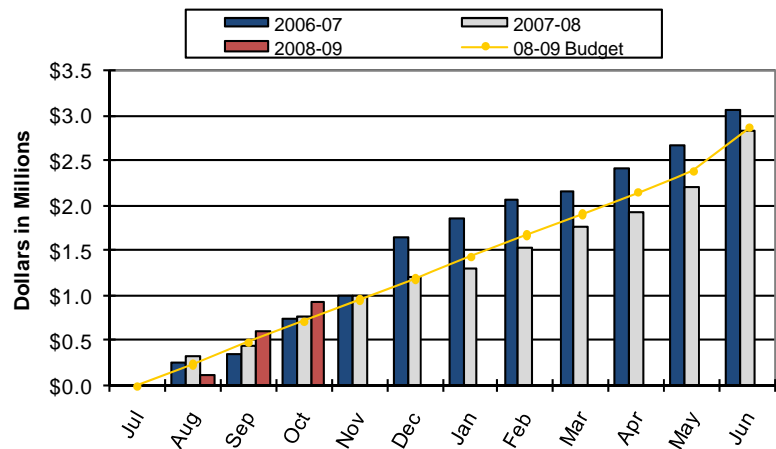
Various Recreation Fees ↔ — Recreation fees in the amount of \$531,752 were collected through the month of October. Revenue is at 37.8% of budgeted projections, which falls in line with revenue collected at this point last fiscal year.

Ambulance Billings ↔ — Ambulance Billing receipts in July and August are accrued back to the previous fiscal year, which leaves September and October the only months to be included in calculations so far for fiscal 2008-09. For those two months the City has received \$179,980, or 21.2% of the adjusted budget.

GENERAL FUND REVENUE ANALYSIS (continued):

TRANSIENT OCCUPANCY TAX THRU OCTOBER 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	
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	
TOTAL	\$ 3,064,438	\$ 2,814,453	\$ 921,968
Adj Budget	\$ 2,250,000	\$ 2,500,000	\$ 2,850,000



POSITIVE

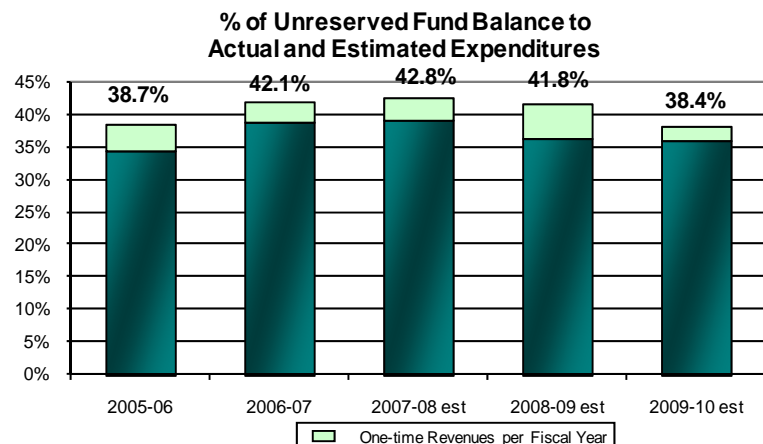
TRANSIENT OCCUPANCY TAX

— 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 October are at 32.3% of the budgeted projections. This is primarily due to summer travel and increased tax revenues from the Courtyard by Marriott 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 October, passenger traffic at LAX was down 7.7% 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
Total from Fiscal 2005-06	\$14,531,975

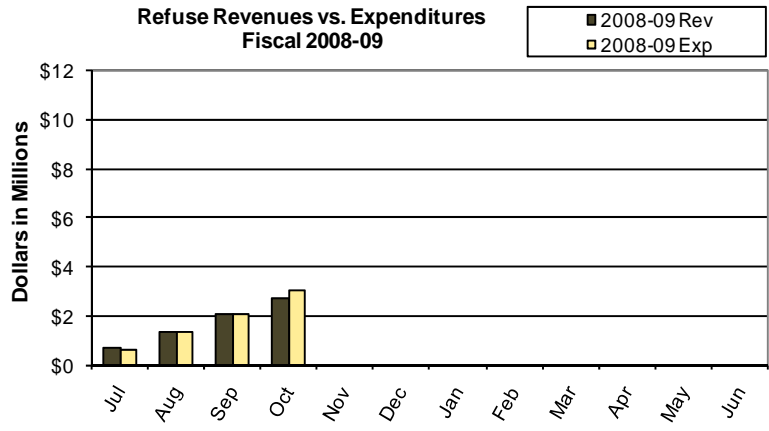


It is the policy of the City not to use revenues identified as one-time funds to pay for recurring expenditures.

REFUSE FUND ANALYSIS:

REFUSE FUND THROUGH OCTOBER 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	
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	
TOTAL EXP	\$ 9,517,464	\$ 10,248,197	\$ 3,039,915
Adj Budget	\$ 10,888,948	\$11,524,493	\$12,150,010

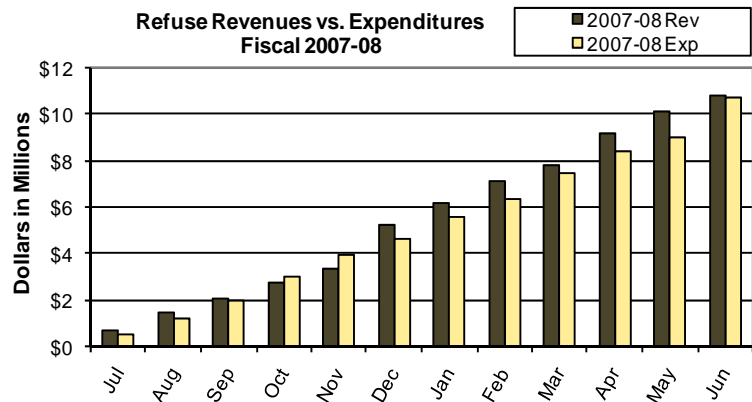


Note: Depreciation amounts not included.

BELOW BUDGET **REFUSE FUND EXPENDITURES** — Refuse expenditures through October 2008 are \$3,039,915, or 25.0% 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 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 October 2008 are approximately 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	
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	
TOTAL REV	\$ 10,532,475	\$ 10,813,671	\$ 2,712,991
Adj Budget	\$ 10,410,618	\$ 11,483,841	\$ 11,541,718



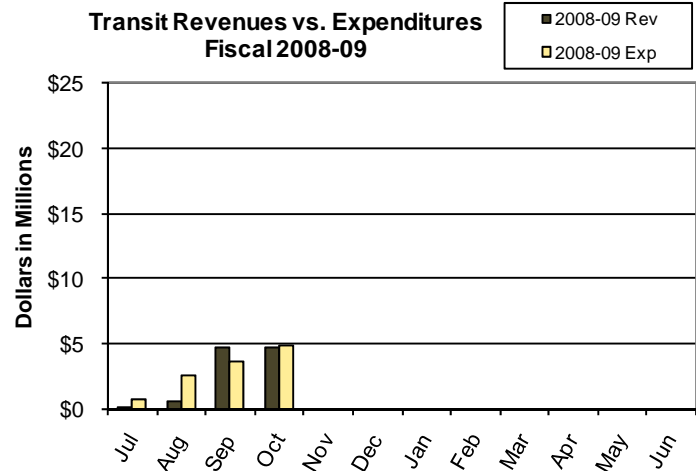
NORMAL **REFUSE FUND REVENUES** — Refuse fund revenue through October 2008 is comparable with the revenue at this point in prior years. Over 26% of the Refuse Fund's revenue is comprised of residential refuse disposal fees, which are billed with property taxes. The City receives the majority of these funds in December and April. Commercial and multi-family dwelling bin service is billed monthly, and through October revenues are at 33.8% 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 54.9% 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 OCTOBER 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	
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	
TOTAL EXP	\$ 16,494,533	\$ 22,357,892	\$ 4,830,804
Adj Budget	\$21,977,438	\$22,892,622	\$25,401,328



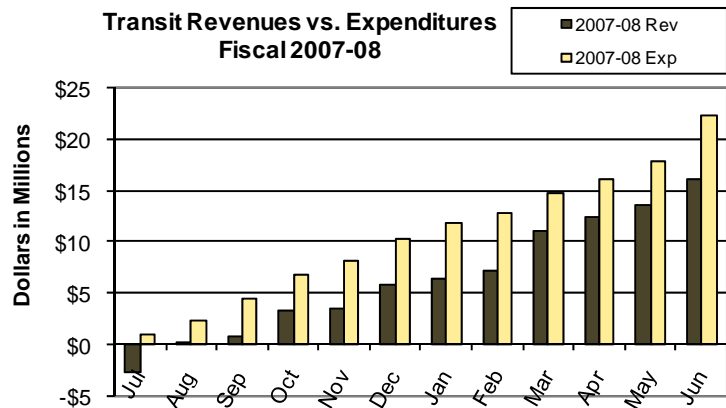
Note: Depreciation amounts not included.

BELOW BUDGET

TRANSPORTATION FUND EXPENDITURES

Overall Transportation Fund adjusted expenditures through October 2008 are \$4,830,804, or 19.0% of the adjusted budget. Personnel expenses are approximately 26.7% of adjusted budget, and O & M expenditures are approximately 30.5% of adjusted budgeted. The extremely low actual capital outlay expenditures through October are what has driven the overall percentage down. Total capital outlay adjusted budget funding is approximately \$7 million, and approximately \$60,000 has actually been recorded as expended through October 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, including the mid-year budget review, 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	23,882
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	
TOTAL REV	\$ 18,510,625	\$ 16,095,260	\$ 4,677,326
Adj Budget	\$ 16,025,724	\$ 17,279,756	\$ 20,591,546



NORMAL

TRANSPORTATION FUND REVENUES

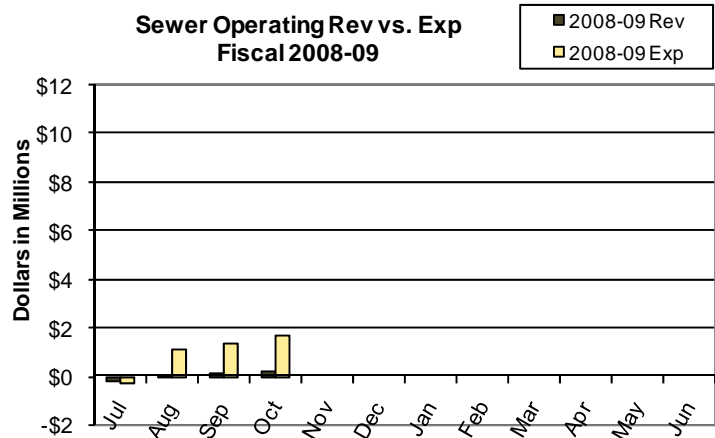
Transportation Fund revenues are comprised of many sources, including funding from the State and Federal government. Through October 2008, Transportation receipts were 22.7% of budgeted projections. Culver City's State Transit Assistance funding for fiscal 2008-09 has been reduced by approximately \$1 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. A budget adjustment will be proposed to reflect this reduction, and any others known prior to the presentation, during the mid-year budget review.

Through October, farebox revenue totaled \$922,364, while at this point last year farebox revenue was at \$846,527. 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 OCTOBER 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	
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	
TOTAL EXP	\$ 6,516,328	\$ 6,084,996	\$ 1,680,109
Adj Budget	\$7,823,626	\$7,534,793	\$8,488,853

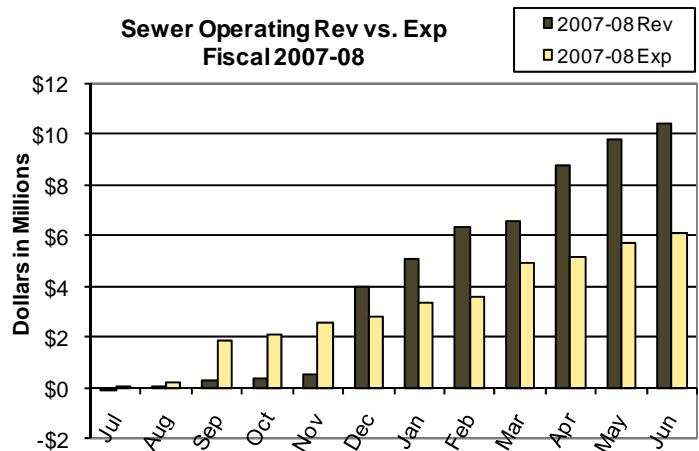


Note: Depreciation amounts not included.

BELOW BUDGET

SEWER OPERATING EXPENDITURES – Sewer Operating expenditures through October 2008 are approximately 19.8% 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 22.9% and are low due to a current vacancy. Operating and Maintenance expenditures are approximately 14.0% of adjusted budget, and are low because billings from the City of Los Angeles for the Hyperion Wastewater Treatment Plant are behind schedule. 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	115,369
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	
TOTAL REV	\$ 8,892,265	\$ 10,414,205	\$ 244,849
Adj Budget	\$ 8,598,900	\$ 9,121,750	\$ 9,897,337



NORMAL

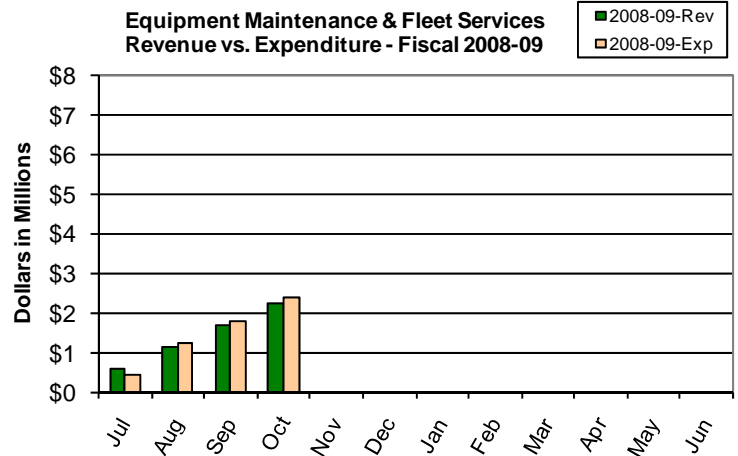
SEWER OPERATING REVENUES – At this point in the fiscal year, it is too early to provide a detailed analysis of current year revenue because the majority of the Sewer Operating revenue is received with the property tax receipts in December and April. Sewer Operating Charges comprise approximately 89% 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 OCTOBER 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	
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	
TOTAL EXP	\$ 6,530,134	\$ 6,900,775	\$ 2,398,468
Adj Budget	\$ 6,369,462	\$ 6,870,800	\$ 7,233,839



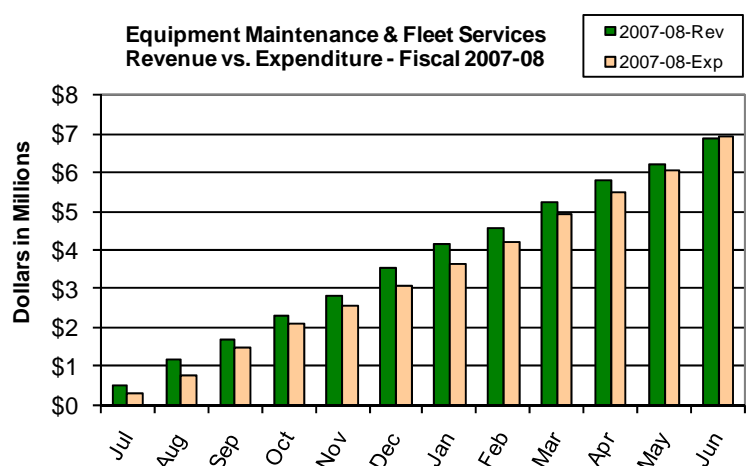
NORMAL

EQUIPMENT MAINTENANCE FUND EXPENDITURES

— Overall Equipment Maintenance & Fleet Services (EM&FS) expenditures through October 2008 are \$2,398,468, or 33.2% of the adjusted budget. Personnel related expenditures are approximately 31.0%, and operating and maintenance are also approximately 31.0% of the adjusted budget amount. Petroleum Products (fuel), which makes up approximately 50% of the operating and maintenance budget, is 38.1% expended through October 2008. This is a major factor in the overall, and category, percentage being 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	
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	
TOTAL REV	\$ 6,409,769	\$ 6,888,420	\$ 2,262,636
Adj Budget	\$ 6,212,059	\$ 6,966,954	\$ 7,585,747



NORMAL

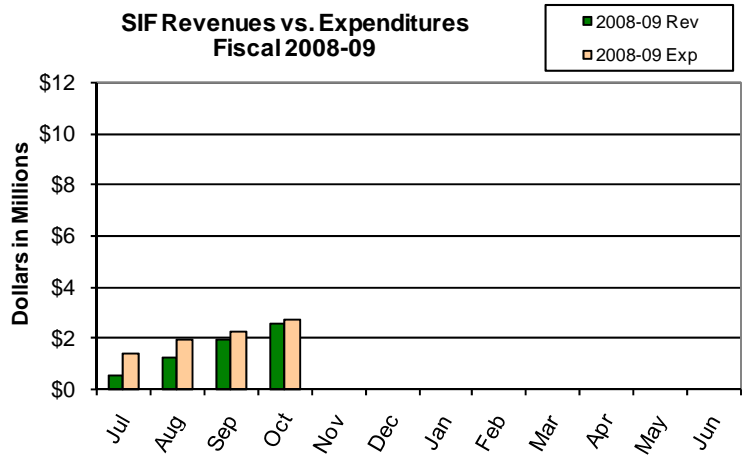
EQUIPMENT MAINTENANCE FUND REVENUES

— Equipment Maintenance & Fleet Services revenues through October 2008 are \$2,262,636, or 29.8% 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 OCTOBER 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	
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	
TOTAL EXP	\$ 5,675,234	\$ 10,741,785	\$ 2,727,549
Adj Budget	\$ 7,442,927	\$ 11,072,650	\$ 7,449,812

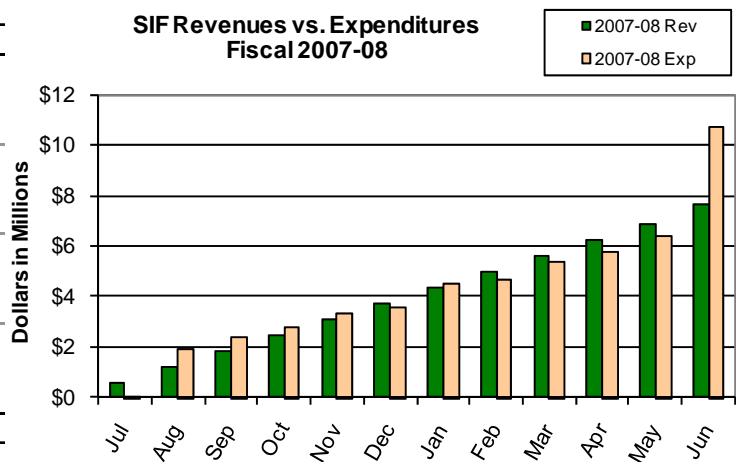


NORMAL

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 October 2008, Self Insurance Fund expenditures are 36.6% of adjusted budget, which is normal for this time of year. Expenditures through October for the Premiums/Claims Division of the Self Insurance fund are 39.9%. 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	
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	
TOTAL REV	\$ 7,876,594	\$ 7,673,576	\$ 2,598,678
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 October are approximately 34.5% 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 reportedly 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	\$3,082,839	Dec. 2008
2. Cranks/Tellefson Hill Slide Repair	\$3,695,580	100% - Self Insurance Fund (\$\$ trsfrd to Gen Fund Cap)	\$3,337,703	Complete Invoices Pending
3. Stormwater Discharge Program/NPDES	\$2,102,000	59% - Grants Capital 41% - Gen Fund Capital	\$261,910	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	\$918,440	Nov. 2008 go-live

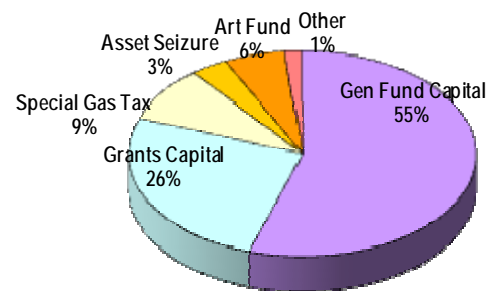
CAPITAL IMPROVEMENT EXPENDITURES BY CATEGORY

	Adjusted Budget	Expended to Date	Major Projects:
Street & Alley Improvements	\$2,584,610	\$309,448	Residential Paving, Carson St, Sepulveda Blvd
Traffic Signal & Lighting Improvements	\$2,883,445	\$390,417	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	\$159,245	Art Fund Projects
Parks & Park Facility Improvements	\$1,263,605	\$117,081	Skate park, Dog park, Culver West park
Police & Fire Improvements	\$5,343,786	\$241,172	Fire Station #3, CAD/RMS/MDT, Firing Range
Sewer & Storm Drain Improvements	\$6,394,158	\$121,084	Blackwelder/Smiley, Cranks Rd, Drakewood Ave
Other Facility & Equipment Improvements	\$3,996,274	\$447,929	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. Public Works/Engineering is moving forward with additional street paving projects using the Prop 1B bond funds from the state. 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 is contemplating stopping 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. If funds become available, staff will pursue them diligently.

MAJOR CIP FUNDING SOURCES



Total = \$20,073,582

OTHER FUND ANALYSIS:

FUND ANALYSIS FOR OTHER FUNDS THROUGH OCTOBER 2008:

WARNING

PARKING MAINTENANCE FUND — Receipts through October 2008 are 29.1% 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 — Through October 2008, Operating Grants revenue are below expenditures. However, once all of the scheduled inter-fund transfers are recorded in the accounting general ledger, the revenues should be close to the expenditures. This fund is made up of grants that include Senior Nutrition, RSVP, and DUI Enforcement grants, among others. Each grant is analyzed separately and any anomalies will be reported in the mid-year budget review.

NORMAL

CAPITAL GRANTS FUND — Through October, Capital Grants fund revenue is at 25.3% 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 53.0% of budgeted projections through October 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.

POSITIVE

ARTS IN PUBLIC PLACES — Through October, Art Fund receipts are at 54.1% 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.

POSITIVE

PARKS FACILITY FUND (QUIMBY FEES) — This is a special revenue that can only be used for parks related projects. Through October, \$43,768 or 78.2% 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 is expected to meet the annual base budget projection of \$50,000.