Culver CITY

FINANCIAL MONITORING REPORT

May 2009

PERFORMANCE AT A GLANCE

	CURRENT MONTH	YEAR TO DATE	PAGE
GENERAL FUND			
General Fund Combined Revenues & Expenditures			Page 3
General Fund Expenditures	NORMAL	BELOW BUDGET	Page 3
General Fund Department Analysis	BELOW/NORMAL	NORMAL	Page 4
General Fund Revenues	NEGATIVE	NEGATIVE	Page 5
Other Revenues	NORMAL	NEGATIVE	Page 5
Sales Tax	NEGATIVE	NEGATIVE	Page 6
Business License Tax	WARNING	NORMAL	Page 6
Utility Users Tax	NORMAL	NORMAL	Pages 7- 9
Property Tax Revenue	WARNING	WARNING	Page 9
Charges for Services	NEGATIVE	NORMAL	Page 10
Transient Occupancy Tax	POSITIVE	NORMAL	Page 11
One-time Revenue Receipts and GF Reserve %			Page 11
MAIN ENTERPRISE FUNDS	*EXPENDITURE / REVENUE*	*EXPENDITURE / REVENUE*	
Refuse Fund	BELOW/NORMAL	BELOW/NORMAL	Page 12
Transit Operations Fund	BELOW/POSITIVE	BELOW/POSITIVE	Page 13
Sewer Operating Fund	BELOW/NORMAL	BELOW/NORMAL	Page 14
MAIN INTERNAL SERVICE FUNDS	*EXPENDITURE / REVENUE*	*EXPENDITURE / REVENUE*	
Equipment Maint. & Fleet Svcs.	NORMAL/NEGATIVE	NORMAL/NEGATIVE	Page 15
Self-Insurance Fund	NORMAL/NORMAL	BELOW/NORMAL	Page 16
CAPITAL IMPROVEMENT FUNDS			Page 17
OTHER FUNDS			Page 18

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 increase 0.1% in May. For the month of April, the CPI was even. The decline of the CPI over the last 12 month is -1.3%. This is the largest decline since 1950.

Interest Rates: ***Even***

On April 29th, the Federal Open Market Committee voted to keep the Federal Funds rate at a target range of 0 to 0.25%.

National GDP: ***Down***

Preliminary estimates show that the GDP dropped by an annualized rate of 5.7% in the first quarter of 2009. This follows an annualized decline of 6.3% in the previous quarter.

UNEMPLOYMENT RATES

National:	March 2008 - 5.1%
	March 2009 - 8.5%
	April 2008 - 5.0%
	April 2009 - 8.9%
State:	March 2008 - 6.4%
	March 2009 - 11.2%
	April 2008 - 6.6%
	April 2009 - 11.0%
LA County:	March 2008 - 6.2%
	March 2008 - 11.0%
	April 2008 - 6.0%
	April 2009 - 11.0%

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

In recent months the economic situation hasn't gotten any better, but it appears that the downward spiral has slowed. To paraphrase financial writer Barry Ritholtz, the economy was in a freefall, but now the parachute is deployed and we are still falling. The economic situation is still getting worse, but at a slower rate.

The continued decline is evident in most economic indicators. The unemployment rate in California is the highest it's been since 1941. January through March, nationwide retail sales were down 10.1% compared to the same period last year. Sales Tax is Culver City's largest source of general fund revenue, so any decline has a direct affect on the City's financial condition. Advanced estimates are showing that the GDP declined at an annualized rate of 6.1% in the first quarter of 2009. In contrast, during the first quarter to 2008, the economy was still growing at an annualized rate of 0.9%.

Fortunately, the general panic has largely subsided and people are starting to view the economic conditions in a more rational manner. This is especially evident in the stock markets, which have enjoyed a rally of 25% from the March lows. The recent market rally is leading some pundits to call a bottom to this recession, however based on all of the other negative economic indicators, it is too early to tell if the worst is behind us and caution must be exercised until a recovery is clearly evident.

So far the City has been able to weather the economic storm, but not without a significant loss of revenue. In fact, for the current fiscal year, the General Fund may end the year with a operating expenditures slightly higher than operating revenues.

The City has applied for various American Recovery and Reinvestment Act (ARRA) funds, and to-date one has been received for Housing. New ARRA funding sources are still being announced, so staff is monitoring the programs and applying for any applicable funds. Most of the ARRA funding is available as grants for specific projects, so any ARRA funding that the City receives will do little to help the General Fund.

The City adopted an interim budget on June 22, 2009, and will be reviewing the budget again over the next few months. Included in the interim budget were reductions to various Operating & Maintenance categories. In is anticipated that during the next few months, further reductions may be incorporated, as well as revised revenue amounts.

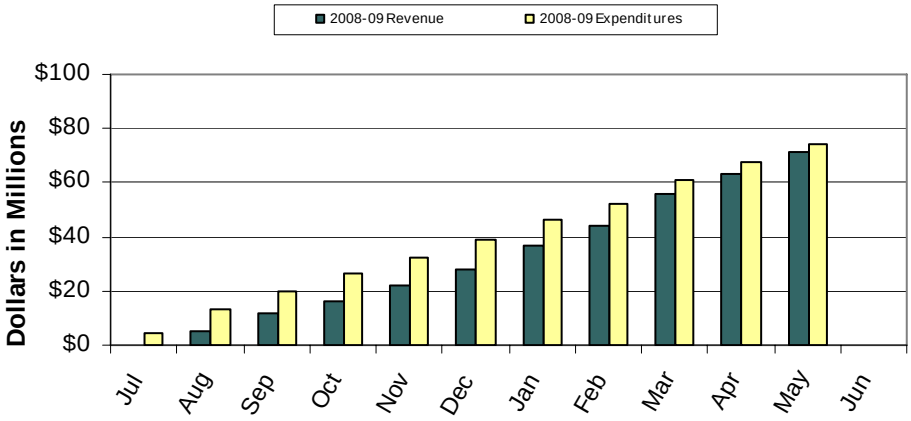
The trouble with a budget is that it's hard to fill up one hole without digging another.

Author: *Dan Bennett*

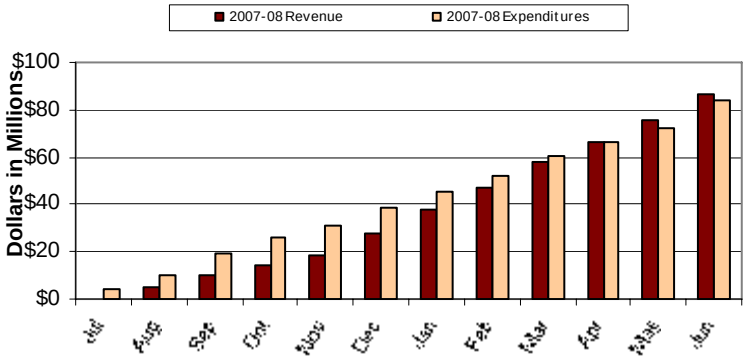
GENERAL FUND ANALYSIS:

REVENUES & EXPENDITURES THROUGH MAY 2009 [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	8,816,481	7,045,018
February	7,185,772	6,520,875
March	11,287,172	8,711,068
April	7,625,884	6,500,745
May	8,444,387	6,449,893
June	-	-
TOTAL	$ 71,667,524	$ 74,209,997

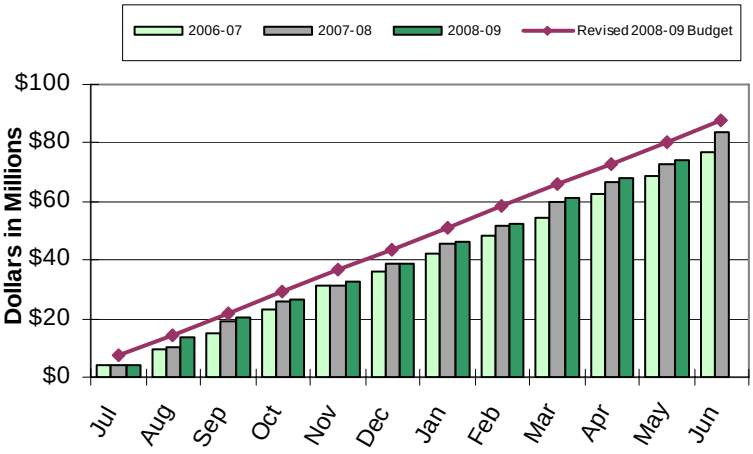


General Fund revenues are accrued back to a prior fiscal year for several of the larger categories such as Sales Tax, TOT, and UUT. This causes the monthly amount shown for July, and sometimes August, to look "low" when compared to future months. When comparing revenues and expenditures in a fiscal year 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 MAY 2009 (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	7,045,018
February	6,032,417	6,081,761	6,520,875
March	6,006,334	8,423,258	8,711,068
April	8,238,175	6,605,769	6,500,745
May	5,958,495	5,836,127	6,449,893
June	8,195,517	11,334,820	
TOTAL	$ 76,935,533	$ 83,959,341	$ 74,209,997
Adj Budget	$ 77,920,361	$ 86,018,123	$ 87,709,653



BELOW BUDGET **GENERAL FUND EXPENDITURES** — Through May 2009, General Fund expenditures are at 84.6% of the adjusted budget. Last year at this point, expenditures were at 84.4% of the adjusted budget. A major factor that continues to contribute to this low percentage, which was also true last year, is the 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, which included a hiring freeze.

GENERAL FUND DEPARTMENT ANALYSIS:

Comparison of Adjusted Budget to Actual: Target = 88.459% through MAY 2009:

GENERAL FUND DEPARTMENTS	ADOPTED BUDGET 2008-09	ADJUSTED BUDGET 2008-09	ACTUAL EXPENDED AS OF 5/31/09	PERCENT EXPENDED 2008-09	TARGET AMOUNT
GENERAL GOVERNMENT					
CITY COUNCIL	$ 223,548	$ 359,969	$ 222,701	61.9%	$ 318,423
CITY MANAGER	1,298,741	1,379,325	1,266,592	91.8%	1,220,128
CITY CLERK	439,207	456,063	362,111	79.4%	403,426
FINANCE DEPT	4,565,821	4,843,051	3,760,161	77.6%	4,284,082
CITY ATTORNEY	1,863,834	2,317,821	1,891,774	81.6%	2,050,306
HUMAN RESOURCES	1,144,481	1,214,622	1,062,902	87.5%	1,074,434
INFORMATION TECH	3,118,663	3,348,135	2,599,068	77.6%	2,961,704
TOTAL GENERAL GOVERNMENT	**$ 12,654,295**	**$ 13,918,985**	**$ 11,165,310**	**80.2%**	**$ 12,312,502**
PARKS, REC. & COMMUNITY SVCS	6,917,782	7,482,917	5,845,564	78.1%	6,619,263
POLICE DEPARTMENT	28,172,220	29,442,976	25,416,874	86.3%	26,044,765
FIRE DEPARTMENT	14,919,943	15,812,659	13,805,626	87.3%	13,987,615
COMMUNITY DEVELOPMENT	7,743,761	8,517,290	6,215,004	73.0%	7,534,253
PUBLIC WORKS	9,719,359	10,178,678	8,664,518	85.1%	9,003,889
NON-DEPARTMENTAL	7,276,023	3,985,391	1,831,357	46.0%	3,525,411
Transfers	1,223,701	1,420,757	1,265,744	89.1%	1,256,778
Projected excess appropriations (3.5%)	(3,050,000)	(3,050,000)	0	0.0%	-
TOTAL GENERAL FUND	**$ 85,577,084**	**$ 87,709,653**	**$ 74,209,997**	**84.6%**	**-**

NOTABLE EXPENDITURE VARIANCES THROUGH MAY 2009:

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 below the target budget through March 2009. Below are notable variances for Departments over or below the target.

Departments significantly under Target (more than 8%):

City Council — 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) have not yet been expended.

City Clerk — A vacancy has kept personnel expenditures below budget.

Finance Department — The Finance Department operated with several vacancies during the first half of the fiscal year, which 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 by the time the fiscal year is closed.

Information Technology Department — O & M expenditures in the Graphics Division, such as postage, are lower than normal through May 2009.

PR & CS Department — The PR&CS Department has several vacancies in various divisions, which has kept the overall personnel expenditures low.

Community Development — Vacancies in Planning and Enforcement Services have kept expenditures low. Funds in the amount of $600,000 were budgeted in the Planning Division for use in updating the General Plan and additional funds were transferred into this category for professional/legal services contracts relating to PXP. So far only $157,800 has been expended from this category.

Non-Departmental — Through May, ten months of utility bills have been recorded 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.

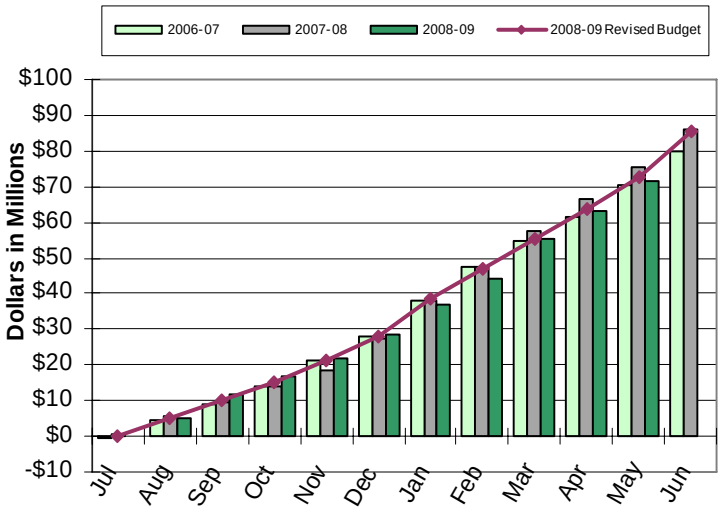
Departments over Target:

City Manager's Office — The City Manager's Office is over the target due to leave payouts of retirees during current fiscal year. These expenses will be reimbursed by the Non-Departmental division at the end of the fiscal year.

GENERAL FUND REVENUE ANALYSIS:

TOTAL GENERAL FUND REVENUES THROUGH MAY 2009 (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	8,816,481
February	9,576,836	9,466,608	7,185,772
March	7,596,047	10,417,263	11,287,172
April	6,648,374	8,838,122	7,625,884
May	8,764,221	8,946,942	8,444,387
June	9,744,167	10,713,892	
TOTAL	$ 80,138,175	$ 86,299,520	$ 71,667,524
Adj Budget	$ 75,054,576	$ 82,774,909	$ 85,235,770



TOTAL GENERAL FUND REVENUES — Total General Fund revenues through May 2009 are $71,667,524, or 84.1% 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.) Revenue receipts through May 2009 are over *$3.9 million* lower than the same point last fiscal year, though. This can be directly attributed to the economic crisis which has affected many revenues sources, especially Sales Tax.

Commercial Industrial Development Tax — Receipts through May for commercial/industrial development tax are 55.5% of budgeted projections. **IMPORTANT NOTE**: Given the current economic climate and the difficulty developments are having to secure financing, a mid-year budget amendment was approved to reduce this revenue category by $300,000 to $880,000. Even with the downward adjustment, receipts do not look like they will hit the target for 08-09.

Fines & Forfeitures — Through May, fines and forfeiture's receipts were $3,456,156, or 75.6% 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 of 2009 will accrue back to this year and even it out. It is still too early to estimate if this category will meet projections. (Note: Staff Reports went before the City Council on 11/10/08 and 6/8/09 recommending Parking Citation Fees be increased. City Council approved these increase the latter report was to help offset the additional admin fee the County is taking from the City.)

Real Property Transfer Tax — Through the month of May, receipts were at 57.2% of end of year projections. In past years this category has been very volatile and is highly dependent on commercial real estate transactions. **IMPORTANT NOTE**: Based on the current state of the real estate market, a mid-year budget amendment was approved to decrease this category from $1.50 million to $1.34 million. Even with the downward adjustment, receipts do not look like they will hit the target for 08-09.

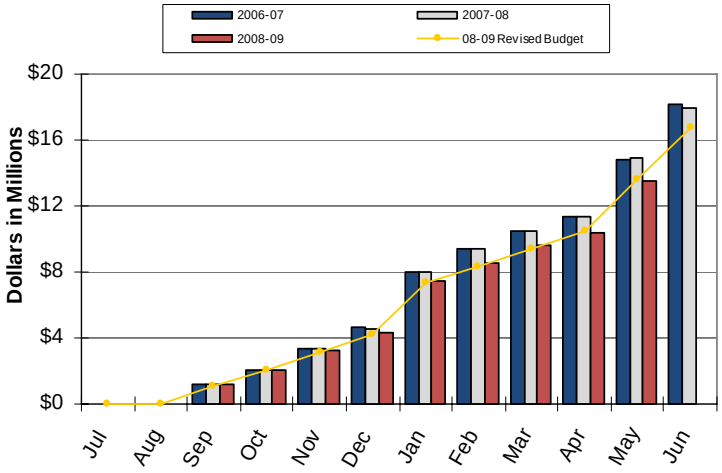
Intergovernmental — The primary revenue in this category is the State Motor Vehicle License Fee (VLF) *In-Lieu* and the budgeted amount for 2008-09 is $3,050,000. In January, the City received the first half of the expected VLF In-Lieu payments, in the amount of $1,574,595. The second payment of $1,574,594 was received in May. The administrative portion of the VLF receive to date is $81,139, which is 85.4% of the budgeted projections. Rising DMV and other administrative costs are taking a larger portion of the revenue stream, so a mid-year adjustment reduced the budget of the administrative portion by $100,000.

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 May 2009, 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 MAY 2009 (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	3,119,307
February	1,349,700	1,444,200	1,090,000
March	1,113,116	1,021,326	1,066,905
April	861,400	876,200	751,800
May	3,459,612	3,557,052	3,127,807
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	1,707,766
TOTAL	**18,198,893**	**17,922,101**	**15,227,607**
Adj Budget	17,650,000	18,300,000	16,718,000



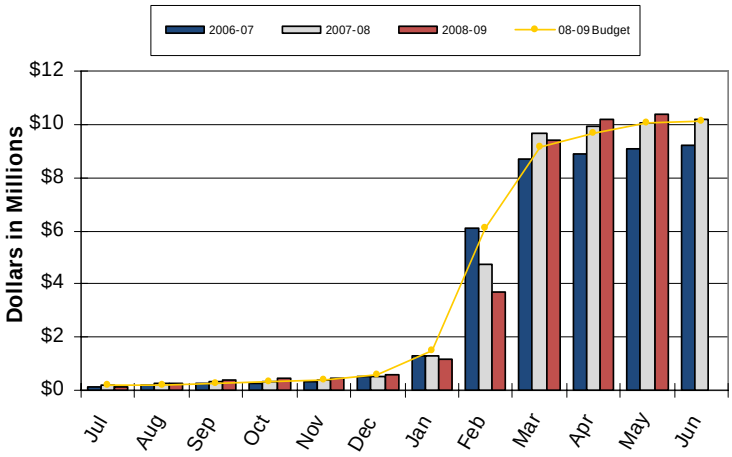
NEGATIVE

SALES TAX— Through May, Sales Tax receipts are 74.3% of budget. 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 June "true-up" payment shows that the actual sales tax revenue from January to March 2009 was **15.4%** below the same period of the previous year.

IMPORTANT NOTE: A mid-year budget amendment was approved 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 MAY 2009 (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	545,761
February	4,782,453	3,428,559	2,529,652
March	2,588,412	4,953,144	5,693,894
April	181,125	298,323	790,587
May	184,909	73,308	218,997
June	133,532	142,573	
TOTAL	**$ 9,183,833**	**$ 10,171,478**	**$ 10,384,912**
Adj Budget	$ 8,804,100	$ 9,144,000	$ 10,150,000



POSITIVE

BUSINESS TAX — Through May, revenues are approximately 102.3% of the budgeted projections. The Treasury Division was able to exceed the budgeted projections by diligently pursuing collection on non-compliant businesses.

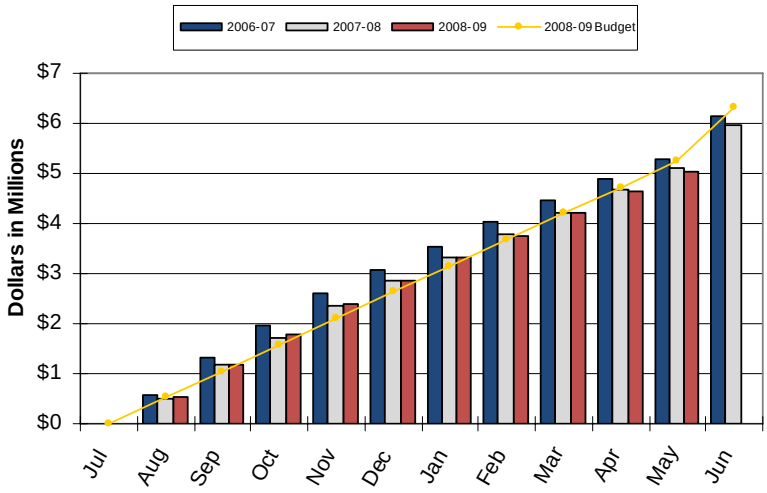
During the current fiscal year, businesses are paying taxes based on their gross receipts during the 2008 calendar year. The City is fortunate that current year tax receipts have remained healthy, but next year the drop off could be severe.

GENERAL FUND REVENUE ANALYSIS (continued):

UTILITY USER'S TAX THROUGH MAY 2009 (Comparison of Fiscal Years 2006-07, 2007-08, and 2008-09) [Cumulative]

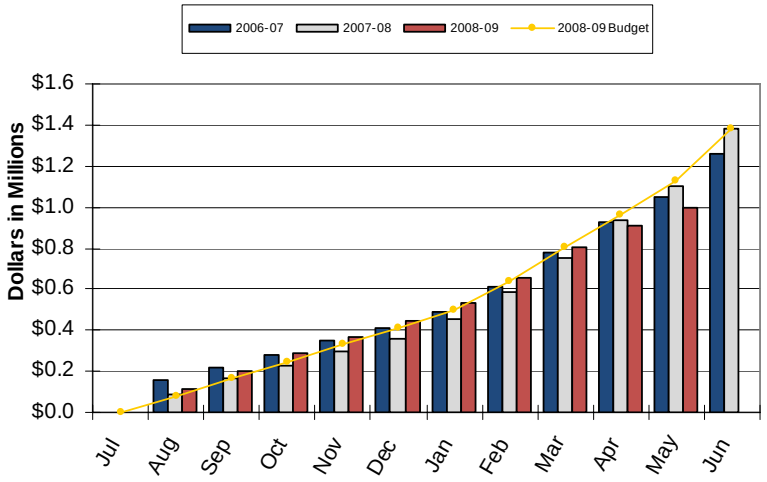
Electricity UUT

	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	456,181
February	503,612	485,773	435,445
March	431,502	426,921	437,940
April	444,525	441,445	440,247
May	392,786	425,935	394,215
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**	**$ 5,037,809**
Adj Budget	$ 5,900,000	$ 5,800,000	$ 6,303,600



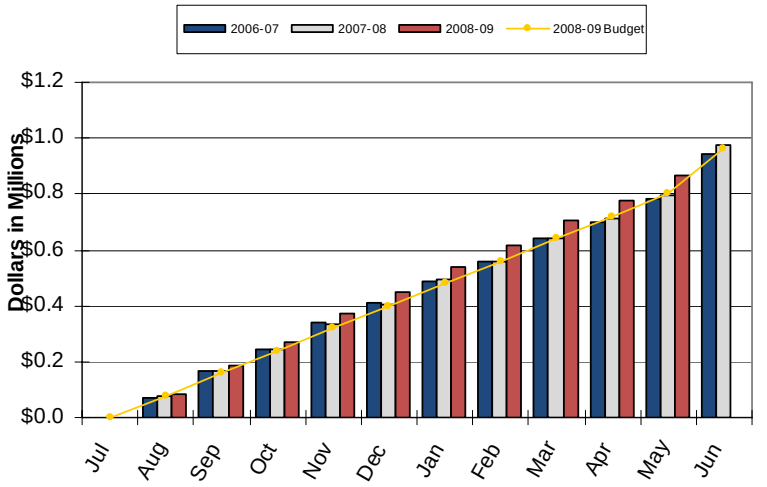
Natural Gas UUT

	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	90,211
February	122,155	132,893	126,404
March	158,192	171,072	142,148
April	151,472	180,198	110,984
May	125,441	168,955	81,106
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**	**$ 993,572**
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	91,171
February	66,546	66,376	71,015
March	86,040	82,704	89,995
April	60,647	69,891	70,276
May	83,561	87,329	90,956
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**	**$ 864,322**
Adj Budget	$ 876,000	$ 902,000	$ 960,000

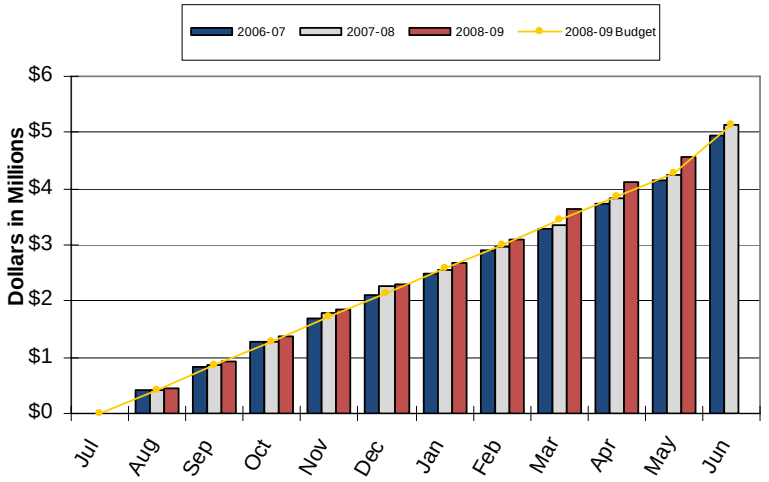


GENERAL FUND REVENUE ANALYSIS (continued):

UTILITY USER'S TAX THROUGH MAY 2009 (Comparison of Fiscal Years 2006-07, 2007-08, and 2008-09) [Cumulative]

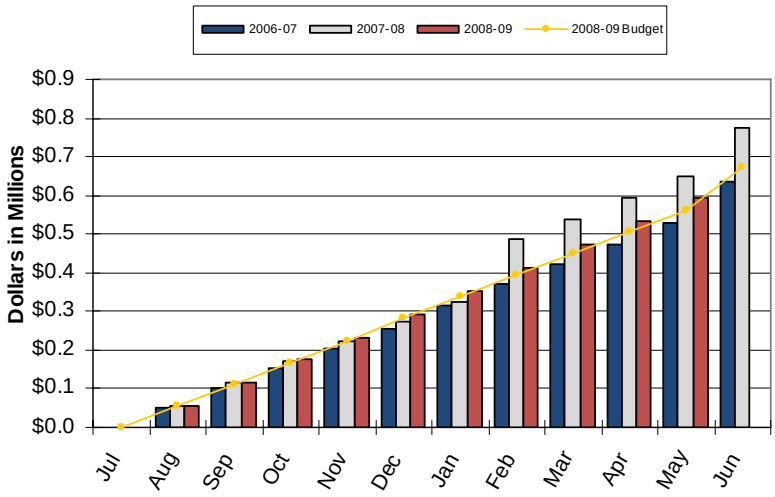
Telephone UUT

	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	398,430
February	405,701	416,961	415,252
March	397,333	375,482	542,671
April	434,755	456,352	462,296
May	406,901	440,672	448,159
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**	**$ 4,559,494**
Adj Budget	$ 5,200,000	$ 5,000,000	$ 5,150,000



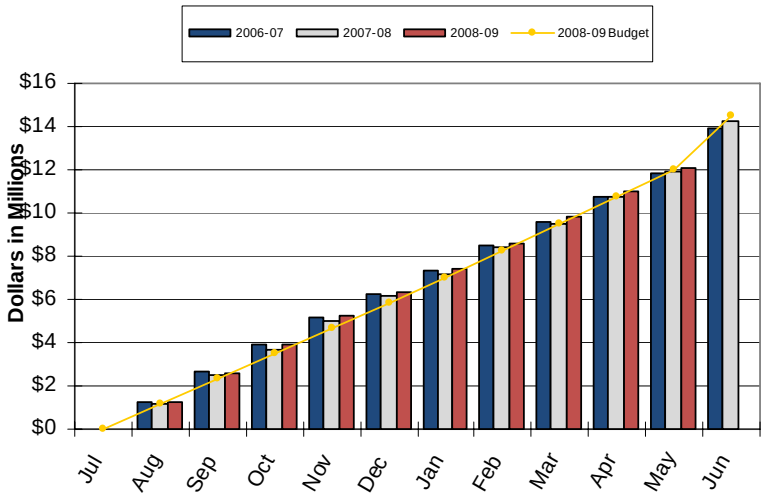
Cable UUT

	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	59,421
February	52,444	173,354	60,536
March	51,900	52,976	59,941
April	52,880	55,901	59,878
May	53,052	55,521	59,312
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**	**$ 592,453**
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	1,095,414
February	1,150,458	1,275,358	1,108,652
March	1,124,967	1,109,156	1,272,695
April	1,144,279	1,203,787	1,143,681
May	1,061,741	1,178,412	1,073,749
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**	**$ 12,047,650**
Adj Budget	$13,872,000	$ 13,656,000	$ 14,468,600



GENERAL FUND REVENUE ANALYSIS (continued):

UTILITY USER'S TAX THROUGH MAY 2009

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. Through May, UUT receipts are 1.2% higher than at this point last year.

NORMAL **ELECTRICITY UUT** — Revenues are ahead of the receipts at this time last year, but they are behind budgeted projections. Through May, revenue is at 79.9% of the budget. Revenue will most likely come in slightly below the budgeted projection of $6.303 million.

NEGATIVE **NATURAL GAS UUT** — Natural gas revenues are 9.9% lower than receipts at this point last year. Through March the receipts were higher than last year, but in April and May revenues dropped significantly. This could be partially due to warmer than average temperatures in February, March, and April.

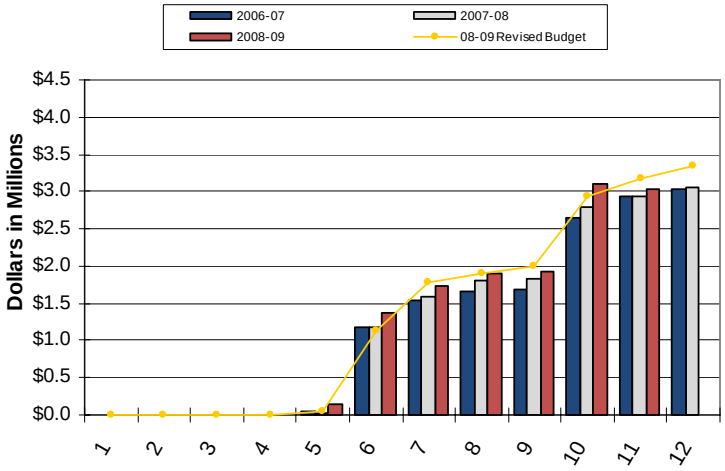
POSITIVE **WATER UUT** — Receipts are 8.3% higher than the receipts through May of last year. In November, Golden State Water altered their rate structure to encourage conservation. So far this hasn't resulted in a reduction of tax revenue. Also, the Governor declared a state of emergency on February 27, which will reduce water usage, and thus, reduce UUT receipts.

POSITIVE **TELECOMMUNICATIONS UUT** — Through May, telecommunications revenue are 5.7% higher than revenues at this point last year. Continued growth of the cellular market and the expansion of data plans within the cellular market have enabled the continued growth telecomm UUT revenues.

POSITIVE **CABLE TELEVISION UUT** — Cable TV UUT receipts are 5.2% ahead of the budget projections. Revenues have been very stable and are expected to meet the end of year budget projections.

PROPERTY TAX THROUGH MAY 2009 (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	369,590
February	113,968	222,451	175,604
March	29,369	15,527	3,368
April	952,182	981,287	1,197,760
May	299,226	145,646	(74,574)
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**	**$ 3,038,811**
Adj Budget	$ 2,988,000	$ 3,147,000	$ 3,340,000



WARNING **PROPERTY TAX** — The City receives the vast majority of the property tax revenues in the months of December and April. Receipts through May are 3.1% higher than this point last year, but the receipts are slightly lower than the adjusted budget projections. 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 was approved 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.

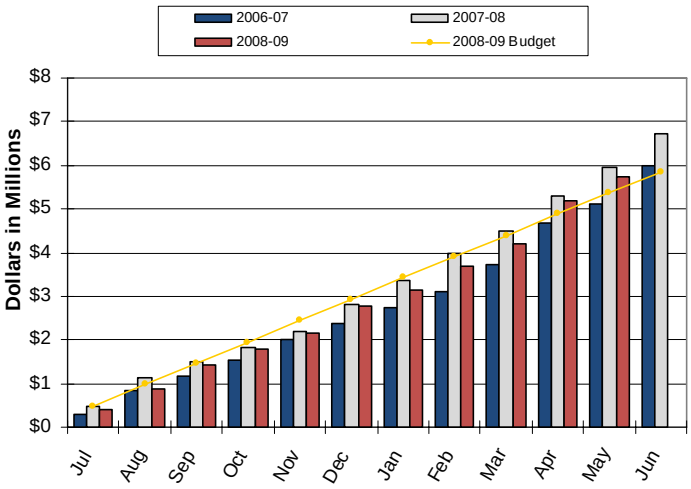
GENERAL FUND REVENUE ANALYSIS (continued):

CHARGES FOR SERVICES THROUGH MAY 2009 (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	348,826
February	337,817	637,743	550,733
March	636,623	481,697	514,353
April	945,225	808,509	973,322
May	455,632	659,808	537,721
June	870,831	764,395	-
TOTAL	**$ 6,002,446**	**$ 6,710,100**	**$ 5,718,547**
Adj Budget	$ 5,297,857	$ 5,813,450	$ 6,108,698

*Does not include Billings to RDA



NORMAL

CHARGES FOR SERVICES — Excluding Billings to RDA, Charges for Services are at 86.8% of the adjusted budget. Overall the category is 3.8% lower than last year at this point, but is still on track to meet the current year budgeted projections. The two major categories that are lower than recent years are Plan Check Fees and Plan Zone Fees. 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 fairly strong at the current time, many of the planned developments for fiscal 2008-09 are being delayed, so projected revenue most likely will be pushed to fiscal year 2009-10 or further.

Charges for Services — Individual Category Notables through May 2009

Veterans Memorial Auditorium Fees — Through the month of May, fee receipts for the Veterans Auditorium Complex, which includes the Senior Center and Teen Center rentals, were at 70.7% of budgeted projections for the fiscal year.

Public Safety Related Fees — Through May, Police Department charges for services have already met the budgeted projections, coming in at 107.9% of adjusted budget. 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 78.1% of the projected budget. This is due in part to receipts for the Westfield Mall renovations, which is continuing on schedule. As mentioned previously in this report, activity from other major developments has slowed down this year, so monthly revenue in this fee category has declined during the fiscal year.

Various Recreation Fees — Recreation fees in the amount of $1,362,000 were collected through the month of May. Revenue is at 89.9% of budgeted projections.

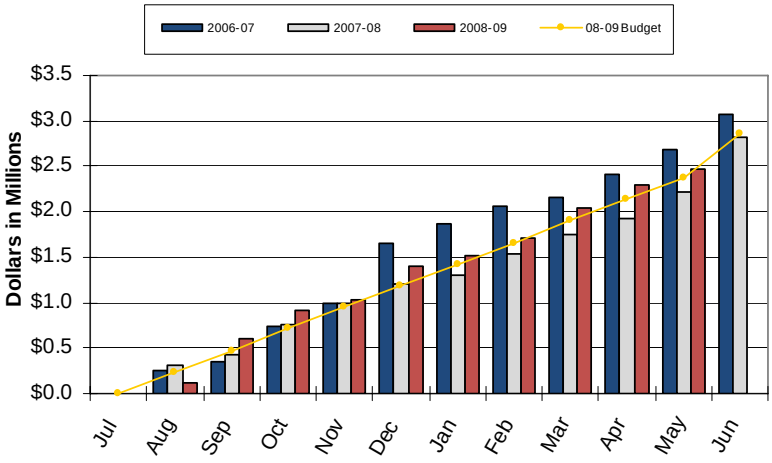
Ambulance Billings — Ambulance billings are at 96.5% of the adjusted budget. They are also 10.0% higher than the receipts at this point last year. Fees are set by LA County and were increased 6% on July 1, 2008. Additionally, some fees increased again on January 1, 2009, so this category is expected to exceed the end of year budgeted projections.

Strike Team — Strike team revenue is received from the Federal government to reimburse the Cty for costs the Fire Department incurs when assisting with fires outside of Culver City. This year the Fire Department has responded to a record number of fires and has received over $553,000 in reimbursement revenue.

GENERAL FUND REVENUE ANALYSIS (continued):

TRANSIENT OCCUPANCY TAX THRU MAY 2009 (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	118,788
February	199,451	227,660	190,176
March	91,531	216,039	337,622
April	245,619	183,689	248,716
May	271,454	272,733	175,561
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**	**$ 2,475,567**
Adj Budget	$ 2,250,000	$ 2,500,000	$ 2,850,000



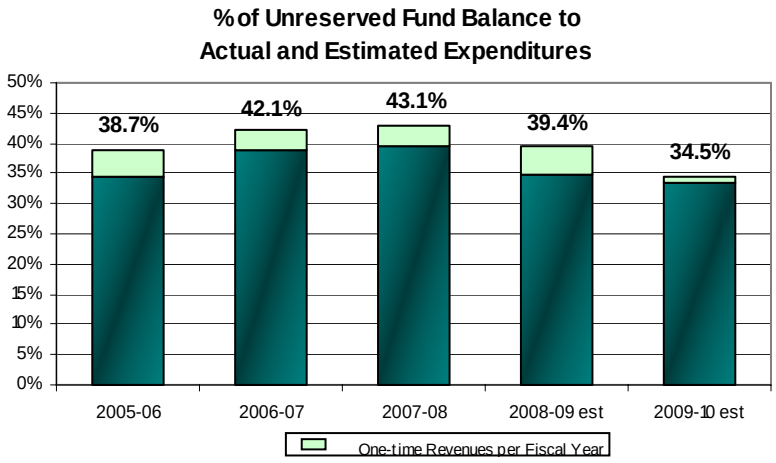
POSITIVE

TRANSIENT OCCUPANCY TAX — Receipts through May are 12.2% higher than revenues at this point last year. This is primarily due to increased tax revenues from the Courtyard by Marriot and Four Points hotels, both of which completed renovations during the last year. The bad news is that tax revenue from the other Culver City hotels is lower than at this point last year. During the month of April, passenger traffic at LAX was down 6.3% from the previous year. This is actually an encouraging sign because traffic in recent months was down as much as 15% from the previous year. This shows that tourist and business travel is starting to recover. If the revenues continue receipts should meet 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)	$ 1,000,000
Total from Fiscal 2005-06	**$13,131,975**

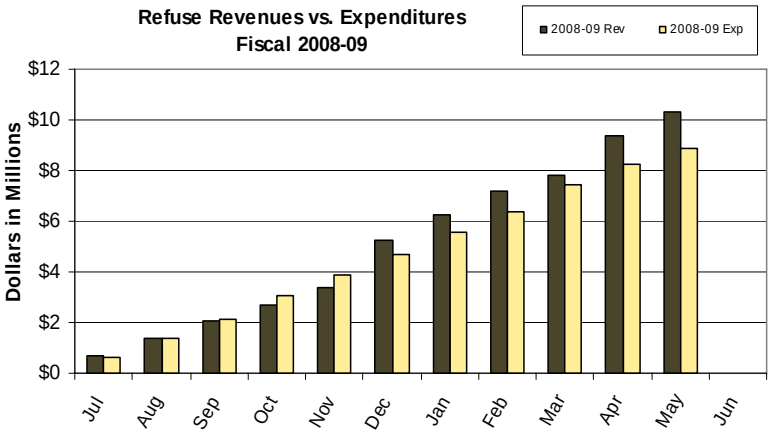


It is the policy of the City not to use revenues identified as one-time funds to pay for recurring expenditures.

REFUSE FUND ANALYSIS:

REFUSE FUND THROUGH MAY 2009 [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	838,182
February	644,729	741,930	860,615
March	912,829	1,126,061	1,037,758
April	756,733	983,184	801,952
May	633,647	602,328	624,545
June	1,303,758	1,219,347	
TOTAL EXP	**$ 9,517,464**	**$ 10,248,197**	**$ 8,862,039**
Adj Budget	$ 10,888,948	$11,524,493	$11,908,814



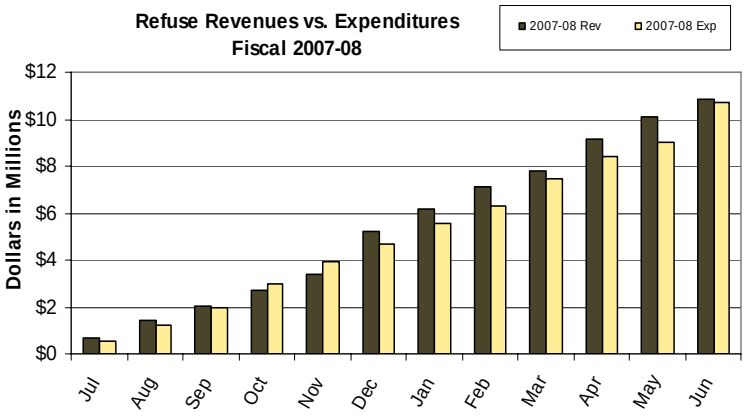
Note: Depreciation amounts not included.

BELOW BUDGET

REFUSE FUND EXPENDITURES — Refuse expenditures through May 2009 are $8,862,039, or 74.4% of the adjusted budget. The low percentage is attributable to a few factors, which include no refuse disposal charges to LA County Sanitation District being reflected in the first 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. Also, there have been vacancies within the Transfer Station Division, which has also contributed to the lower expended percentage.

Expenditures through May 2009 are 1.9% less than the expenditures at this time last year. This is partly due to the non-expenditure of funds in capital outlay as mentioned above. 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	988,385
February	916,032	953,969	952,691
March	648,396	650,377	631,770
April	1,377,850	1,382,243	1,539,481
May	990,370	947,732	943,220
June	632,388	701,157	
TOTAL REV	**$ 10,532,475**	**$ 10,813,671**	**$ 10,312,243**
Adj Budget	$ 10,410,618	$ 11,483,841	$ 11,541,718



NORMAL

REFUSE FUND REVENUES — Refuse Fund revenue through May is 2% higher than at this point in the prior year. 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 May revenues are at 86.6% of the budgeted projections. Bin service comprises approximately 44% of the 2008-09 Refuse Fund's budgeted annual revenues amount. Sale of recycle items is at 59.5% of the budgeted projections. Due to the current economic conditions, the demand for recycled material has declined, so recycled material is selling at a much lower price compared to previous years.

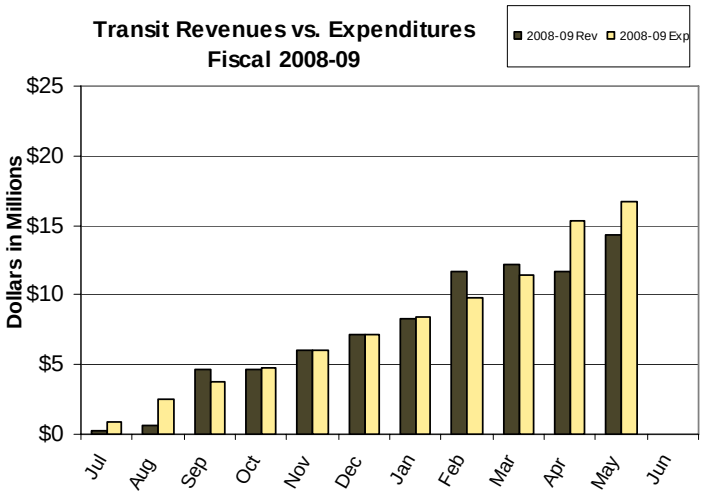
Refuse disposal rates were increased by 4% for fiscal 2008-09 to help offset increased operating and maintenance costs, which include fuels costs and repair and maintenance of equipment.

TRANSIT FUND ANALYSIS:

TRANSIT FUND THROUGH MAY 2009 [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	1,242,695
February	1,241,397	1,092,555	1,294,149
March	1,157,427	1,849,352	1,684,075
April	1,472,299	1,391,409	3,849,603
May	1,696,891	1,728,972	1,470,648
June	1,943,836	4,514,773	
TOTAL EXP	**$ 16,494,533**	**$ 22,357,892**	**$ 16,759,500**
Adj Budget	$21,977,438	$22,892,622	$23,681,510



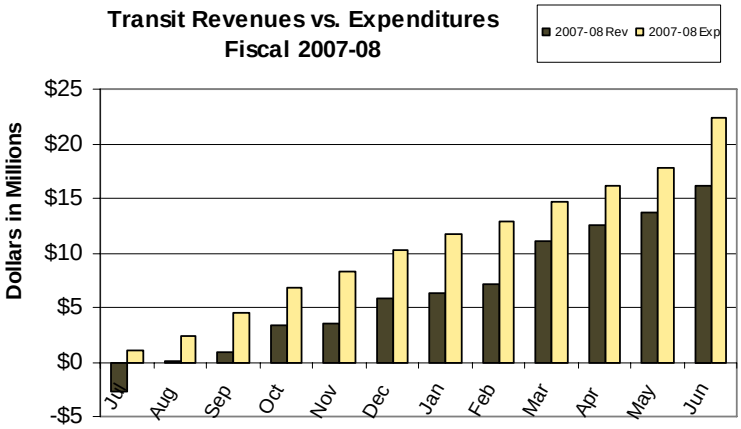
Note: Depreciation amounts not included.

BELOW BUDGET

TRANSPORTATION FUND EXPENDITURES – Overall Transportation Fund adjusted expenditures through May 2009 are $16,759,500, or 70.8% of the adjusted budget. Personnel expenses are approximately 78.0% of adjusted budget, and O & M expenditures are approximately 83.1% of adjusted budgeted. The low actual capital outlay expenditures through May are what has driven the overall percentage down. Total capital outlay adjusted budget funding is approximately $5.96 million, and approximately $3.5 million has actually been recorded as expended through May 2009, which lowers the overall Departmental percentage. Current projects earmarked for this funding have been purchased or are in process and funds have been encumbered. Six CNG buses were ordered and payment has been made. Future monitoring reports, will continue to address the progress of these capital projects as they occur. 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	1,160,277
February	1,668,132	791,200	3,445,572
March	1,492,049	3,965,543	494,236
April	974,720	1,336,502	(591,373)
May	915,711	1,186,439	2,696,572
June	6,448,454	2,430,000	
TOTAL REV	**$ 18,510,625**	**$ 16,095,260**	**$ 14,318,965**
Adj Budget	$ 16,025,724	$ 17,279,756	$ 20,591,546



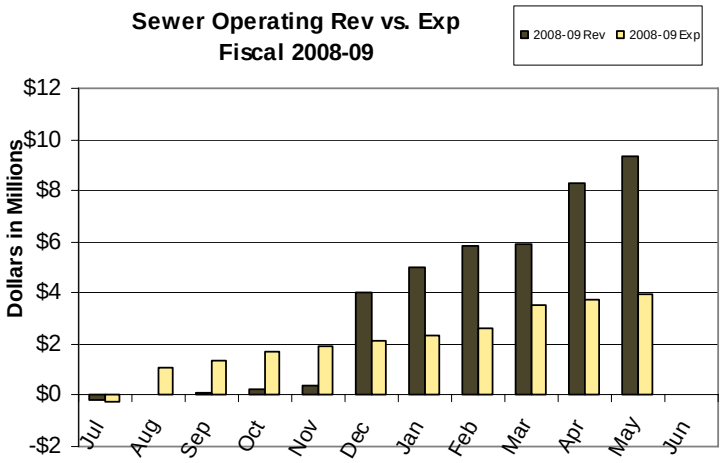
TRANSPORTATION FUND REVENUES – Transportation Fund revenues are comprised of many sources, including funding from the State and Federal government. Through May 2009, Transportation receipts were 69.5% of budgeted projections. Culver City's State Transit Assistance funding for fiscal 2008-09 was reduced by over $1 million for the current fiscal year, but fortunately this loss of funding will be made up by Metro this fiscal year.

Through May, farebox revenue totaled $2,314,850, while at this point last fiscal year farebox revenue was at $2,237,708. The increase in fuel prices during the year contributed to the increase in farebox revenue, as people took alternative forms of transportation rather than driving their own vehicles. With lower gas prices, this trend may not continue.

SEWER FUND ANALYSIS:

SEWER OPERATING FUND THRU MAY 2009 [Revenues vs. Expenditures — Cumulative]

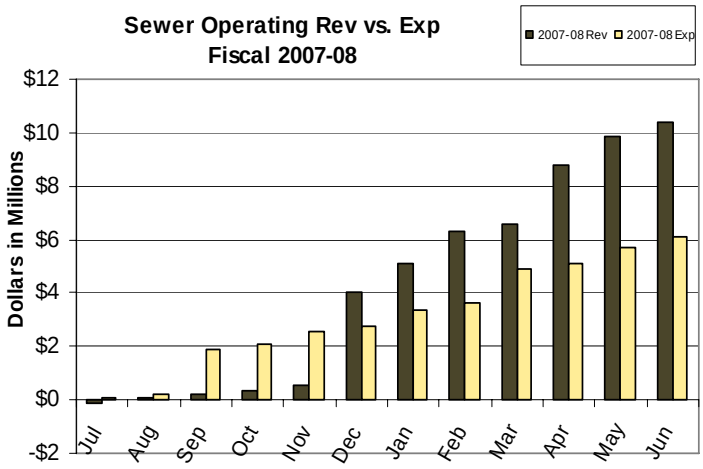
	Sewer Op Expenditures		
	2006-07	2007-08	2008-09
July	$ 106,920	$ 62,020	$ (248,863)
August	150,815	135,999	1,355,165
September	1,692,987	1,667,451	249,451
October	230,750	196,867	324,357
November	618,758	505,602	209,264
December	167,035	217,876	246,201
January	588,777	575,351	213,056
February	179,922	259,361	282,394
March	1,242,065	1,293,387	883,641
April	207,059	206,841	208,212
May	1,041,978	579,381	225,951
June	289,258	384,863	
TOTAL EXP	**$ 6,516,328**	**$ 6,084,996**	**$ 3,948,827**
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 May 2009 are approximately 46.8% 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 73.8% and are low due to prior vacancies, which have now been filled. Operating and Maintenance expenditures are approximately 46.6% of adjusted budget, and are low mainly due to 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 were 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	975,864
February	916,067	1,248,540	846,395
March	201,449	270,581	74,241
April	1,980,074	2,191,521	2,386,108
May	924,327	1,027,938	1,028,117
June	398,008	590,758	
TOTAL REV	**$ 8,892,265**	**$ 10,414,205**	**$ 9,339,655**
Adj Budget	$ 8,598,900	$ 9,121,750	$ 9,897,337



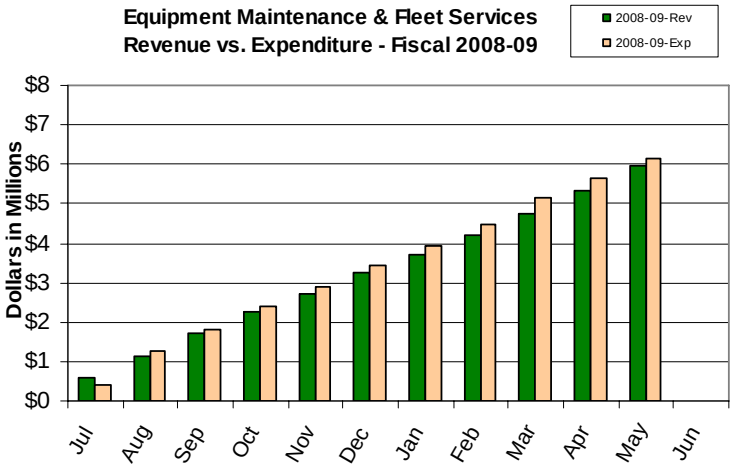
NORMAL **SEWER OPERATING REVENUES** – Sewer operating revenues through May 2009 are 94.4% of budgeted projections. The first major receipt of Sewer Operating Charges was received by the City with property tax receipts in December. In April the other portion was received. Sewer Operating Charges comprise 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 MAY 2009 [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	498,798
February	537,146	599,590	567,648
March	524,185	688,197	651,833
April	633,352	594,281	518,712
May	467,048	541,520	476,180
June	830,527	844,455	
TOTAL EXP	**$ 6,527,317**	**$ 6,897,156**	**$ 6,137,046**
Adj Budget	$ 6,369,462	$ 6,870,800	$ 7,206,621

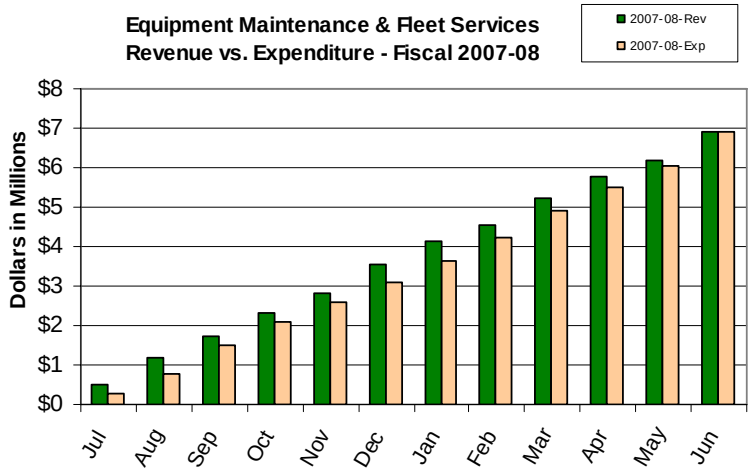


NORMAL

EQUIPMENT MAINTENANCE FUND EXPENDITURES — Overall Equipment Maintenance & Fleet Services (EM&FS) expenditures through May 2009 are $6,137,046, or 85.2% of the adjusted budget. Personnel related expenditures are approximately 90.8%, and operating and maintenance is approximately 79.3% of the adjusted budget amount. Petroleum Products (fuel), which makes up approximately 50% of the operating and maintenance budget, is 77.1% expended through May 2009. Due to the normalization of crude oil prices, petroleum products expenses have dropped significantly since the beginning of the fiscal year.

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	480,335
February	534,025	415,889	482,969
March	575,564	673,935	527,149
April	558,400	551,152	627,057
May	570,660	419,811	607,321
June	629,066	697,581	
TOTAL REV	**$ 6,409,769**	**$ 6,888,420**	**$ 5,959,430**
Adj Budget	$ 6,212,059	$ 6,966,954	$ 7,585,747



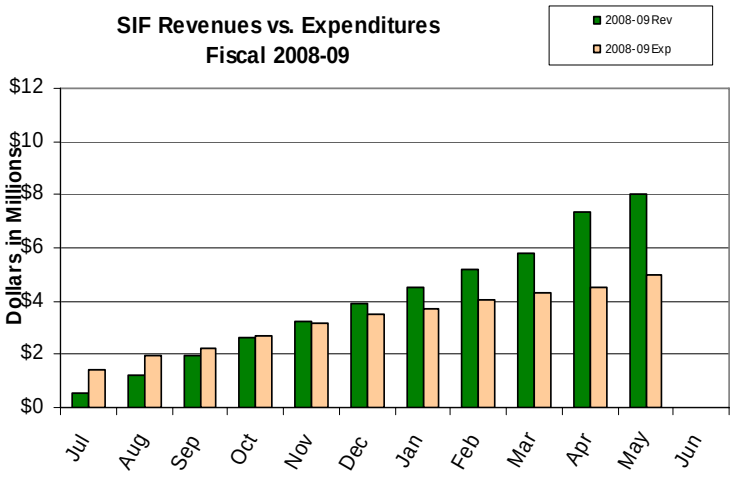
NEGATIVE

EQUIPMENT MAINTENANCE FUND REVENUES — Equipment Maintenance & Fleet Services revenues through May 2009 are $5,959,430, or 78.6% of adjusted budget projections. Billings and collections between funds during the year often do not match exactly between months, and through May the difference is approximately $177,000. 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 MAY 2009 [Revenues vs. Expenditures — Cumulative]

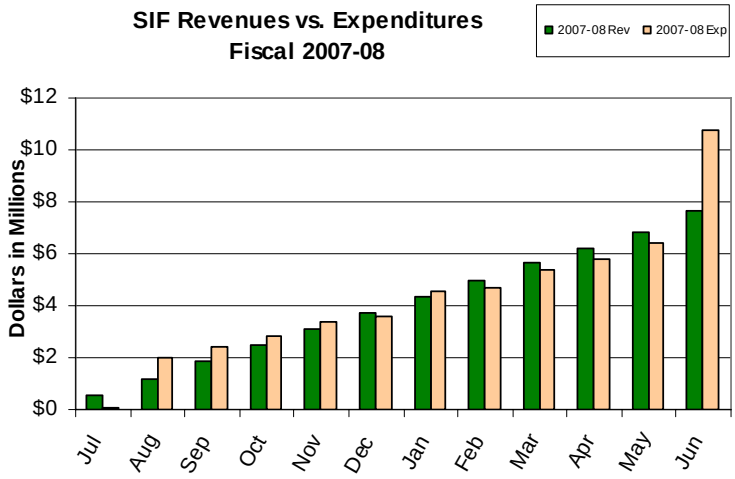
SIF Expenditures	2006-07	2007-08	2008-09
July	$ 153,900	$ 58,341	$ 1,405,609
August	375,951	1,916,546	557,547
September	1,583,018	470,758	294,637
October	437,052	366,042	469,756
November	514,261	559,913	436,980
December	262,380	199,417	357,415
January	438,291	977,875	198,315
February	1,877,544	127,968	337,424
March	391,740	686,842	237,636
April	382,803	457,858	250,746
May	529,753	581,710	461,235
June	(1,271,459)	4,338,515	
TOTAL EXP	**$ 5,675,234**	**$ 10,741,785**	**$ 5,007,300**
Adj Budget	$ 7,442,927	$ 11,072,650	$ 7,449,167



BELOW BUDGET

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 May, Self Insurance Fund expenditures are 67.2% of adjusted budget. Expenditures through May for the Premiums/Claims Division of the Self Insurance fund are 70.4%. Expenditures due to claims against the City are lower than last year at this point, which is helping to keep the overall expenditures below the budget. A 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	644,827
February	640,449	616,418	641,495
March	682,001	655,223	638,457
April	655,314	589,086	1,518,184
May	659,847	613,407	648,673
June	627,433	840,446	
TOTAL REV	**$ 7,876,594**	**$ 7,673,576**	**$ 7,997,170**
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 May are 106.2% of adjusted budget projections, and includes a reimbursement from OES in the amount of $870,635 for the Cranks Road hillside project that assists in offsetting the large transfer mentioned above. The large transfer of cash, as mentioned above, 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 building back the fund balance. 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	$5,068,803	Dec. 2008 (delayed)
2. Cranks/Tellefson Hill Slide Repair	$3,695,580	100% - Self Insurance Fund ($$ trsfrd to Gen Fund Cap)	$3,664,121	Complete
3. Stormwater Discharge Program/NPDES	$2,102,000	59% - Grants Capital 41% - Gen Fund Capital	$235,113	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	$1,184,540	June 2009
5. Public Safety CAD RMS MDT Project	$1,642,098	100% - Gen Fund Capital	$1,153,173	Go Live date was April 1, 2009

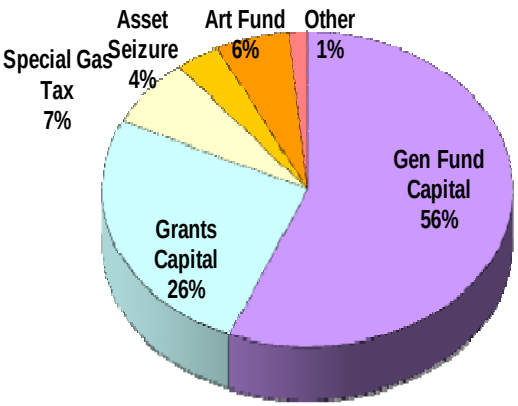
CAPITAL IMPROVEMENT EXPENDITURES BY CATEGORY

	Adjusted Budget	Expended to Date	Major Projects:
Street & Alley Improvements	$2,584,610	$1,062,513	Residential Paving, Carson St, Sepulveda Blvd
Traffic Signal & Lighting Improvements	$2,883,444	$667,721	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	$507,077	Art Fund Projects
Parks & Park Facility Improvements	$1,327,705	$255,102	Parks Assessment, Park Equip Repair, Culver West Park Rehab
Police & Fire Improvements	$5,479,286	$2,383,294	Fire Station #3, CAD/RMS/MDT, Firing Range
Sewer & Storm Drain Improvements	$6,394,158	$432,629	Sewer Line Replacement, Pump Station Improve
Other Facility & Equipment Improvements	$4,057,830	$1,167,570	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 delayed 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 taking Gas Tax funds from cities in order to close their budget gap. Staff will continue to track the budget situation and adjust CIP project schedules accordingly.

MAJOR CIP FUNDING SOURCES



Total = $19,881,137

OTHER FUND ANALYSIS:

FUND ANALYSIS FOR OTHER FUNDS THROUGH MAY 2009:

NEGATIVE

PARKING MAINTENANCE FUND — Receipts through May 2009 are 71.9% 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 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 May 2009, Operating Grants revenues are slightly 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.

NEGATIVE

CAPITAL GRANTS FUND — Through May 2009, Capital Grants fund revenue is at 66.4% of the annual budget projection. This is primarily due to the state budget crisis which delayed funding for many projects. 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.

NORMAL

SPECIAL GAS TAX (HIGHWAY USERS TAX) — For the current fiscal year, the Gas Tax fund is at 77.1% of budgeted projections through May. This is primarily due to the State remitting taxes withheld from April through June 2008, which are recorded in this fiscal year. The State deferred payments this fiscal year, also, which were received and will be reflected on the June report. 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. Page 17 identifies some CIP projects funded with Gas Tax funds.

NORMAL

ARTS IN PUBLIC PLACES — Through May, Art Fund receipts are 94.8% of the adjusted budget. A payment of $60,000 was received in March, which brought this fund up to the expected level of revenue. 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 May, $148,943 or 291.4% 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 contributing developments currently in progress, this fund has exceeded the annual base budget projection of $50,000.