Culver CITY

FINANCIAL MONITORING REPORT

Fiscal 2009-10 Preliminary Year End

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 decreased 0.1% in May. Over the last 12 months, CPI has increased 1.1%. The increase was driven largely by energy costs.

Interest Rates: ***Even***

On June 23rd, the Federal Open Market Committee voted to keep the Federal Funds rate at a target range of 0 to 0.25%. The Fed expects inflation to remain subdued, so rates are expected to remain low for the near future.

National GDP: ***Up***

Revised estimates show that the GDP increased by an annualized rate of 1.6% in the second quarter of 2010.

Ocean Container Traffic: ***Up***

In June, ocean container traffic into the ports of Los Angeles and Long Beach was up 29.6% from the same month last year. This is the seventh consecutive month of year over year increases.

Airport Passenger Traffic: ***Up***

Passenger traffic to local airports increased 4.0% from June 2009 to June 2010. International traffic increased 11.6%, while national traffic increased 1.4% over the last year.

UNEMPLOYMENT RATES

National		
	May 2009	9.4%
	May 2010	9.7%
	June 2009	9.5%
	June 2010	9.5%
State		
	May 2009	11.3%
	May 2010	12.4%
	June 2009	11.6%
	June 2010	12.3%
LA County		
	May 2009	11.2%
	May 2010	12.1%
	June 2009	11.3%
	June 2010	12.2%

ECONOMIC & FISCAL UPDATE

Economy

According to the National Bureau of Economic Research, the recession is officially over. They dated the beginning and end of the recession as December 2007 to June 2009. Even though the economy has shown some signs of growth, areas such as housing, retail sales, and employment remain depressed, so by no means is the economy back to normal. In fact, many pundits and economists still believe a double dip recession is a real possibility. Even if the economy does not dip into another "technical" recession, unemployment is expected to remain high and growth (particularly in California) will likely remain tepid for the foreseeable future.

Fiscal Update

All of the numbers contained in this report are the unaudited, preliminary year-end totals for fiscal year 2009-10. The revenue and expenditure totals will not be finalized until the City's auditors complete their review of the financial statements.

The General Fund ended the fiscal year with revenue totaling $81,011,903 and expenditures of $82,638,557, a budget deficit exceeding $1.6M. However, the fiscal year 2009-10 revenues include one-time funding from the Equipment Replacement and Innovation funds totaling $1,8M, as well as $395k from the sale of property, so the actual operating budget deficit was over $3.8M.

The General Fund's largest source of revenue is sales tax, which has declined dramatically over the last two years. For fiscal year 2009-10, sales tax receipts totaled $14,314,155, which is over 20% lower than the receipts in fiscal year 2007-08. Even the addition of new stores to the remodeled Westfield Culver City Mall has not generated enough sales to fully offset lower consumer spending and the loss of major sale tax generators. Another area that has declined dramatically is building and development related fees and taxes. For example, in fiscal year 2007-08 Commercial Industrial Development tax revenue reached a high of $2.1M, but in fiscal year 2009-10 revenue dropped to $191k. On a brighter note, property tax receipts increased 7% from fiscal year 2008-09 and transient occupancy taxes remained steady, showing just a slight increase.

General Fund expenditures ended the year lower than each of the last two fiscal years. This is a result of the hiring freeze (non-public safety) and a reduction of nonessential operations and maintenance expenditures. Compared to fiscal year 2008-09, personnel expenditures increased 0.5%, operations and maintenance expenses decreased 1.2%, and transfers to other funds declined 68%. The decline in transfers to other funds is wholly attributed to the low level of funding for capital projects. Historically, the General Fund transfers over $1M to fund capital projects, but in an effort to reduce the budget deficit, the General Fund only transferred $205k during fiscal year 2009-10.

Culver City's enterprise funds; Refuse, Sewer, and Transportation are relatively healthy, although there are concerns about the future of Transportation's various revenue streams. The status of the remaining funds will be addressed later in the report.

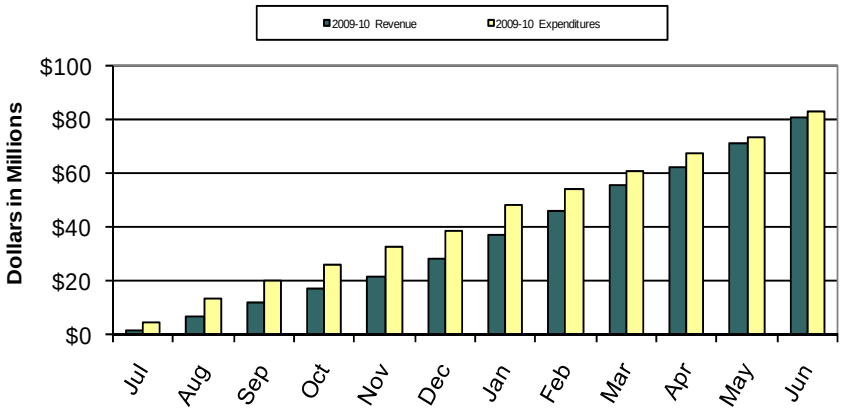
"Throw money at a problem and it will remain."

Toni Kakko

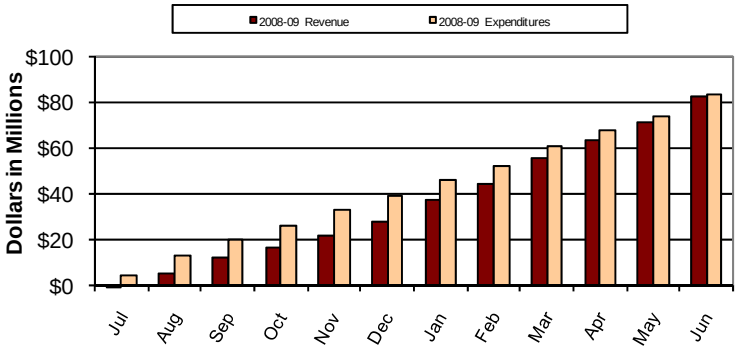
GENERAL FUND ANALYSIS:

REVENUES & EXPENDITURES THROUGH JUNE 2010 [Cumulative]:

	2009-10 Revenue	2009-10 Expenditures
July	$ 1,352,319	$ 4,406,707
August	5,501,702	8,905,669
September	4,986,324	6,707,352
October	4,833,294	6,093,888
November	5,137,094	6,251,153
December	6,260,180	6,401,137
January	8,980,097	9,300,747
February	8,758,990	6,289,551
March	10,014,960	6,598,270
April	6,273,622	6,096,716
May	9,105,601	6,221,157
June	9,801,720	9,366,210
TOTAL	$ 81,005,904	$ 82,638,557

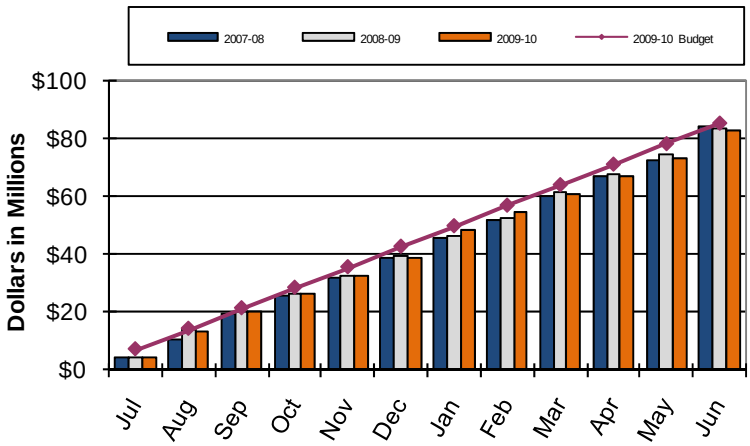


General Fund revenues are accrued back to a prior fiscal year for several of the larger categories such as Sales Tax, TOT, and UUT. This causes the monthly amount shown for July, and in some cases August, to look "low" when compared to future months. When comparing revenues and expenditures in a fiscal 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 JUNE 2010 (Comparison of Fiscal Years 2007-08, 2008-09, and 2009-10) [Cumulative]

	2007-08 Expenditures	2008-09 Expenditures	2009-10 Expenditures
July	$ 4,177,856	$ 4,354,540	$ 4,406,707
August	6,110,635	9,117,410	8,905,669
September	8,739,298	6,660,426	6,707,352
October	6,614,130	6,282,672	6,093,888
November	5,739,487	6,246,091	6,251,153
December	7,463,020	6,322,259	6,401,137
January	6,833,180	7,044,018	9,300,747
February	6,081,761	6,520,875	6,289,551
March	8,423,258	8,674,051	6,598,270
April	6,605,769	6,536,762	6,096,716
May	5,836,127	6,450,987	6,221,157
June	11,334,820	9,226,738	9,366,210
TOTAL	$ 83,959,341	$ 83,436,829	$ 82,638,557
Adj Budget	$ 86,018,123	$ 87,743,489	$ 85,138,468



BELOW BUDGET **GENERAL FUND EXPENDITURES** — At the end of fiscal year 2009-10, expenditures totaled $82,638,557 or 97.1% of the adjusted budget. Expenditures were 1.0% lower than the previous fiscal year and 1.6% lower than the expenditures in fiscal year 2007-08. Compared to fiscal year 2008-09, personnel costs increased 0.5%, operations and maintenance expenses decreased 1.2%, and transfers to other funds declined 68%. The months of August and January have higher expenditures because they contain three pay periods, while the other months only have two pay periods.

GENERAL FUND DEPARTMENT ANALYSIS:

Comparison of Adjusted Budget to Actual: Target = 96.00% through June 2010:

GENERAL FUND DEPARTMENTS	ADOPTED BUDGET 2009-10	ADJUSTED BUDGET 2009-10	ACTUAL EXPENDED AS OF 6/30/10	PERCENT EXPENDED 2009-10	TARGET AMOUNT
GENERAL GOVERNMENT					
CITY COUNCIL	$ 265,823	$ 265,823	$ 207,578	**78.1%**	$ 255,190
CITY MANAGER	1,290,869	1,350,312	1,288,309	95.4%	1,296,300
CITY CLERK	562,079	564,207	446,151	**79.1%**	541,638
FINANCE DEPT	4,653,955	4,891,767	4,403,198	90.0%	4,696,096
CITY ATTORNEY	1,912,650	2,893,653	2,641,932	91.3%	2,777,907
HUMAN RESOURCES	1,167,961	1,214,414	1,047,757	86.3%	1,165,837
INFORMATION TECH	3,364,099	3,580,086	3,142,596	87.8%	3,436,882
TOTAL GENERAL GOVERNMENT	**$ 13,217,436**	**$ 14,760,262**	**$ 13,177,521**	**89.3%**	**$ 14,169,851**
PARKS, REC. & COMMUNITY SVCS	7,239,432	7,648,339	6,432,323	**84.1%**	7,342,406
POLICE DEPARTMENT	29,632,782	30,098,101	28,152,831	93.5%	28,894,177
FIRE DEPARTMENT	15,471,159	15,856,201	15,502,049	**97.8%**	15,221,953
COMMUNITY DEVELOPMENT	7,551,441	7,898,287	6,888,619	87.2%	7,582,356
PUBLIC WORKS	10,293,015	10,520,286	9,875,494	93.9%	10,099,474
NON-DEPARTMENTAL	3,667,710	2,526,332	2,168,634	**85.8%**	2,425,279
Transfers	354,000	459,660	441,087	96.0%	441,274
Excess appropriation (4.0%) & Other	(4,629,000)	(4,629,000)	0	-	-
TOTAL GENERAL FUND	**$ 82,797,975**	**$ 85,138,468**	**$ 82,638,557**	**97.1%**	**-**

NOTABLE EXPENDITURE VARIANCES THROUGH JUNE 2010:

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. Through June, most Departments are in-line or below the target budget. Below are notable variances for Departments over or below the target.

Departments significantly under Target (more than 10%):

City Council — Expenditures are below target primarily due to lower than expected retiree medical insurance, contractual services, and audit services costs.

City Clerk — The City Clerk's office had one vacancy which kept personnel expenditures below budget.

PR&CS — Three vacancies in the Parks division and one vacancy in the PR&CS Administrative division were the primary reason that the PR&CS department's expenditures ended the year below the target.

Non-Departmental — Through June, Non-Departmental is only 85.8% expended due to a few factors. For one, utility costs were $165,000 lower than anticipated. Also, actual expenses for membership and dues and contractual services were well under budget.

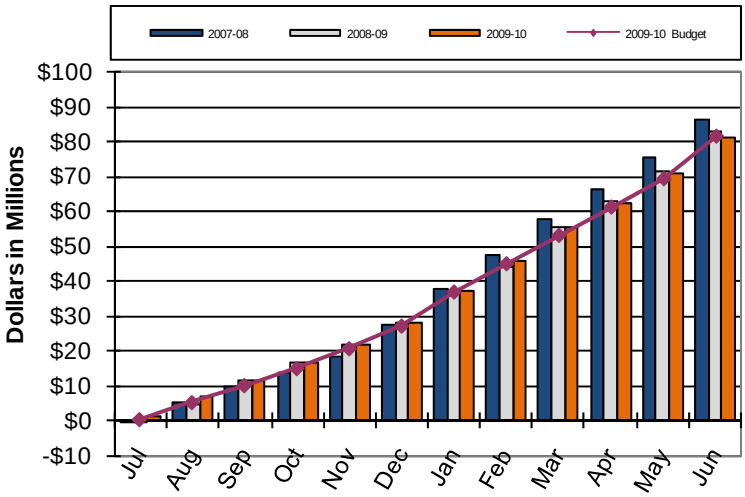
Departments over Target:

Fire Department — The Fire Department is over target due to higher than anticipated constant staffing costs. These are due in part to Strike Team deployments to assist with wild fires. The direct costs of Strike Teams are reimbursed, but the City is responsible for the indirect costs, which are primarily the constant staffing expenditures necessary to maintain fully staffed fire stations.

GENERAL FUND REVENUE ANALYSIS:

TOTAL GENERAL FUND REVENUES THROUGH JUNE 2010 (Comparison of Fiscal Years 2007-08, 2008-09, and 2009-10) [Cumulative]

	2007-08 Revenue	2008-09 Revenue	2009-10 Revenue
July	$ 341,121	$ 124,986	$ 1,352,319
August	5,062,285	4,966,099	5,501,702
September	4,334,446	6,791,085	4,986,324
October	4,165,591	4,644,193	4,833,294
November	4,559,561	5,309,425	5,137,094
December	9,017,272	6,470,501	6,260,180
January	10,436,417	8,816,481	8,980,097
February	9,466,608	7,185,772	8,758,990
March	10,417,263	11,287,839	10,014,960
April	8,838,122	7,623,944	6,273,622
May	8,946,942	8,443,987	9,105,601
June	10,713,892	11,081,440	9,801,720
TOTAL	$ 86,299,520	$ 82,745,752	$ 81,011,903
Adj Budget	$ 82,774,909	$ 85,345,425	$ 81,212,332



TOTAL GENERAL FUND REVENUES — Total General Fund revenues for fiscal year 2009-10 were $81,011,903, which is 99.7% of the adjusted budget projections. Total revenue was $1.7M lower than the revenue received in fiscal year 2008-09 and $5.3M lower than fiscal year 2007-08.

Commercial Industrial Development Tax — Receipts for commercial/industrial development tax totaled $191,695. This is the lowest level of revenue since 2003-04. Slow development activity has continued to plague this category.
NOTE: During the year the budget projection for this category was decreased to $300,000 from $985,000.

Fines & Forfeitures — Through the end of the fiscal year, fines and forfeiture's receipts totaled $4,330,870, or 100.6% of budgeted projections. Fines & Forfeitures is made up of moving violations, which includes red-light camera violations and parking violations.
NOTE: During the year the budget projection for this category was increased to $4,306,000 from $4,057,000.

Real Property Transfer Tax — Real Property Transfer Tax ended the year with $1,001,943 in receipts, which is 133.6% of the budgeted projection. Due to the continued slow real estate activity receipts remain low, however the receipts in the last couple months of the fiscal year exceeded expectations. In past years this category has been very volatile and is highly dependent on commercial real estate transactions.
NOTE: During the year the budget projection for this category was decreased to $750,000 from $1,500,000.

Intergovernmental — State Motor Vehicle License Fee (VLF) In-Lieu is the primary revenue in this category. VLF In-Lieu is paid to municipalities to make up for lost local revenue when the VLF rates were reduced from 2% to 0.65% in 2004. These payments are received in equal installs in January and May of each fiscal year. Receipts through the end of the year were $3,326,976. A smaller portion of the Intergovernmental revenue is the VLF administrative revenue, which exceeded expectations and ended the year with total revenue of $119,871 or 184% of the adjusted budget.
NOTE: During the year the budget projection for this category was increased to $3.3 million from $3.2 million.
NOTE: During the year the budget projection for this category was decreased to $65,000 from $197,000.

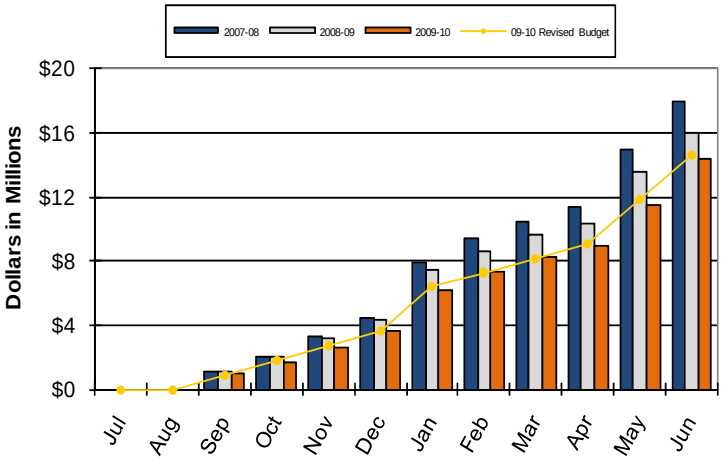
Westfield Sign Revenue — This year the city received new revenue as part of an agreement with Westfield. For fiscal year 2009-10, sign revenue totaling $55,645 was received.

Franchise Tax — Revenue totaled $1,278,427 or 96.1% of the budgeted projections. Franchise tax is relatively stable, with the majority of the revenue paid by cable and gas companies for use of underground pipelines within city limits.

GENERAL FUND REVENUE ANALYSIS (continued):

SALES TAX THROUGH JUNE 2010 (Comparison of Fiscal Years 2007-08, 2008-09, and 2009-10) [Cumulative]

	2007-08	2008-09	2009-10
July	$ 912,800	$ 883,000	$ 731,900
August	1,217,000	1,177,300	975,800
September	1,169,765	1,153,656	991,762
October	938,300	903,900	767,400
November	1,251,100	1,205,200	869,800
December	1,156,535	1,101,267	1,101,406
January	3,471,855	3,119,307	2,512,754
February	1,444,200	1,090,000	1,170,000
March	1,021,326	1,066,905	871,196
April	876,200	751,800	658,700
May	3,557,052	3,127,807	2,580,655
June	975,468	776,770	1,122,381
Prior Yr Acc	(2,129,800)	(2,060,300)	(1,707,700)
Current Yr Acc	2,060,300	1,707,700	1,668,100
TOTAL	**17,922,101**	**16,004,311**	**14,314,155**
Adj Budget	18,300,000	16,718,000	14,563,110



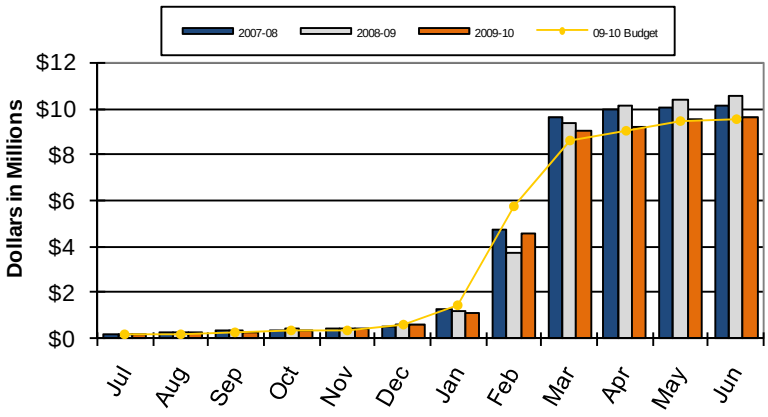
NEGATIVE

SALES TAX— Total Sales Tax revenue for fiscal year 2009-10 was down $1.7M from the fiscal year 2008-09 totals. Compared to fiscal year 2007-08, receipts were down $3.6M or approximately 20%. This puts sales tax receipts at levels not seen since fiscal 2001-02. The renovation and addition of new stores at the Westfield shopping mall has helped sales tax receipts, but it is not enough to offset the new consumer mindset and the loss of major sales tax generators of the last couple years. Bargain shopping is more popular than ever and experts are calling this the new normal. In the first and second quarters of 2010, sales tax receipts began to stabilize, but any substantial growth is not projected in the near future.

NOTE: The fiscal 2009-10 sales tax revenue budget was reduced from $16,165,145 to $14,563,110. The original budget projections were based on estimates by the City's sales tax consultant. These projections proved to be overly optimistic.

BUSINESS TAX THROUGH JUNE 2010 (Comparison of Fiscal Years 2007-08, 2008-09, and 2009-10) [Cumulative]

	2007-08	2008-09	2009-10
July	$ 166,407	$ 145,420	$ 144,821
August	90,161	127,706	91,285
September	40,187	102,857	33,837
October	48,583	56,862	68,109
November	44,065	29,579	67,728
December	132,250	143,597	166,390
January	753,918	545,761	536,077
February	3,428,559	2,529,652	3,441,251
March	4,953,144	5,693,894	4,477,464
April	298,323	790,587	201,327
May	73,308	218,997	298,196
June	142,573	149,774	127,114
TOTAL	**$ 10,171,478**	**$ 10,534,685**	**$ 9,653,598**
Adj Budget	$ 9,144,000	$ 10,150,000	$ 9,541,000



POSITIVE

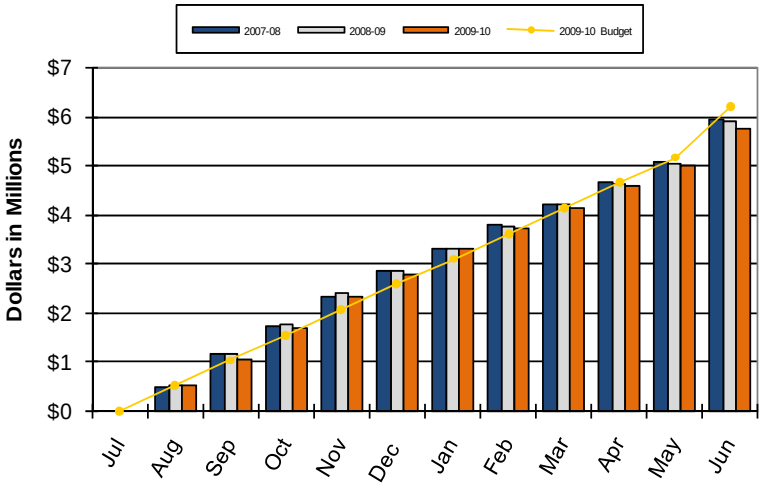
BUSINESS TAX — For fiscal year 2009-10, business tax license revenue exceeded the budget projections by over $100k. However, revenue lagged fiscal 2008-09 totals by over $880k and fiscal 2007-08 receipts by over $500k. During the fiscal year 2009-10, businesses were paying taxes based on their gross receipts for the 2009 calendar year. Business taxes were due by March 1st this year, so the majority of the tax receipts were received in February and March.

GENERAL FUND REVENUE ANALYSIS (continued):

UTILITY USER'S TAX THROUGH JUNE 2010 (Comparison of Fiscal Years 2007-08, 2008-09, and 2009-10) [Cumulative]

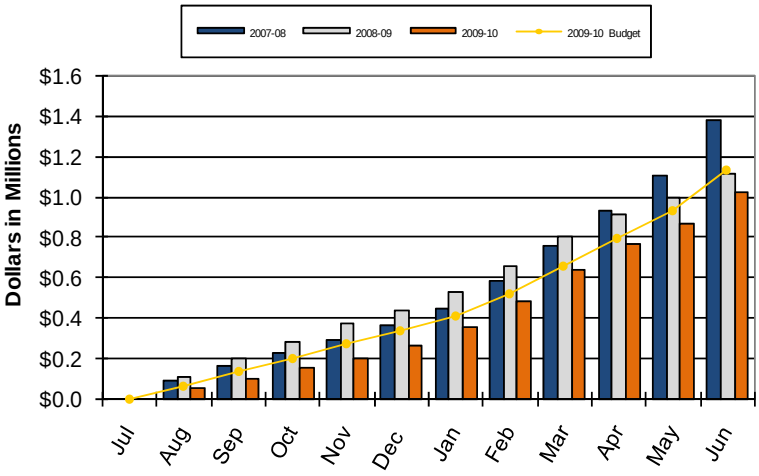
Electricity UUT

	2007-08	2008-09	2009-10
July	$ 417,420	$ 433,414	$ 467,916
August	500,334	524,237	530,976
September	669,748	636,710	540,491
October	556,764	611,030	622,753
November	621,597	637,669	624,382
December	513,303	464,135	456,489
January	454,472	456,181	537,513
February	485,773	435,445	429,754
March	426,921	437,940	387,256
April	441,445	440,247	459,497
May	425,935	394,215	422,544
June	432,822	406,363	380,795
Prior Yr Acc	(417,420)	(433,414)	(467,916)
Current Yr Acc	433,414	467,916	382,629
TOTAL	**$ 5,962,528**	**$ 5,912,087**	**$ 5,775,079**
Adj Budget	$ 5,800,000	$ 6,303,600	$ 6,200,000



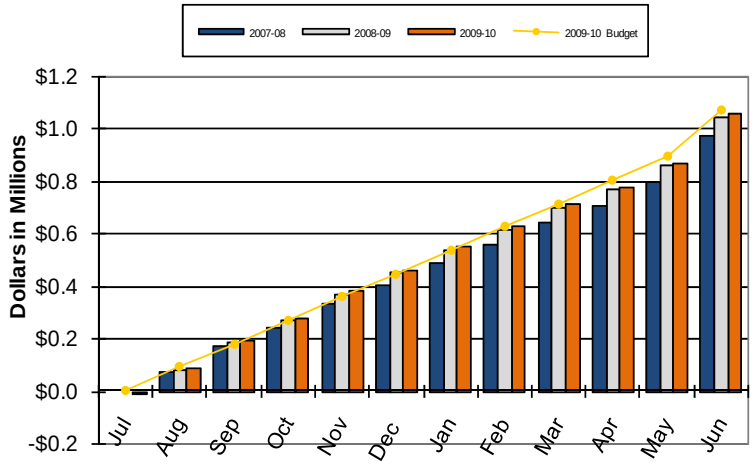
Natural Gas UUT

	2007-08	2008-09	2009-10
July	$ 98,599	$ 121,396	$ 56,849
August	88,810	114,570	51,456
September	76,452	90,419	49,460
October	66,079	79,765	50,140
November	62,463	86,173	50,175
December	68,182	72,379	65,229
January	88,358	90,211	88,581
February	132,893	126,404	132,739
March	171,072	142,148	152,337
April	180,198	110,984	129,384
May	168,955	81,106	97,577
June	155,111	65,010	81,719
Prior Yr Acc	(98,599)	(121,983)	(56,849)
Current Yr Acc	121,983	56,849	74,612
TOTAL	**$ 1,380,558**	**$ 1,115,432**	**$ 1,023,409**
Adj Budget	$ 1,346,000	$ 1,140,000	$ 1,140,000



Water UUT

	2007-08	2008-09	2009-10
July	$ 89,981	$ 100,185	$ 99,617
August	74,166	84,040	89,416
September	95,276	102,020	107,735
October	75,300	85,397	84,147
November	90,181	99,505	100,612
December	70,436	79,947	79,195
January	86,457	91,171	94,110
February	66,376	71,015	72,473
March	82,704	89,995	84,095
April	69,891	70,276	67,566
May	87,329	90,956	87,956
June	77,785	80,049	82,365
Prior Yr Acc	(89,981)	(100,185)	(99,617)
Current Yr Acc	100,185	99,617	110,905
TOTAL	**$ 976,088**	**$ 1,043,989**	**$ 1,060,575**
Adj Budget	$ 902,000	$ 960,000	$ 1,068,000

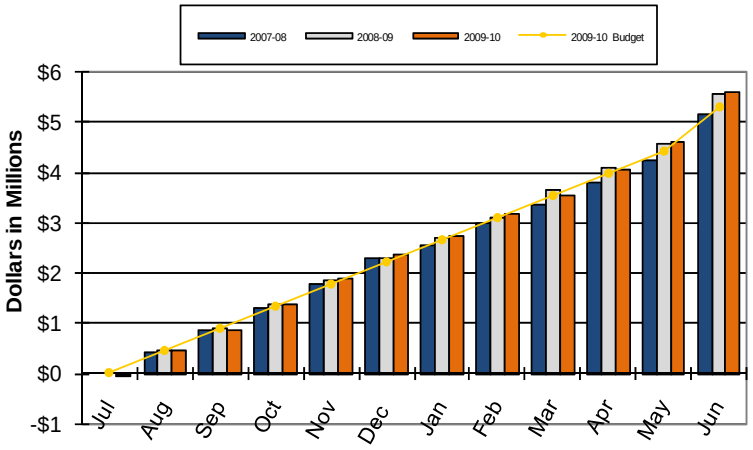


GENERAL FUND REVENUE ANALYSIS (continued):

UTILITY USER'S TAX THROUGH JUNE 2010 (Comparison of Fiscal Years 2007-08, 2008-09, and 2009-10) [Cumulative]

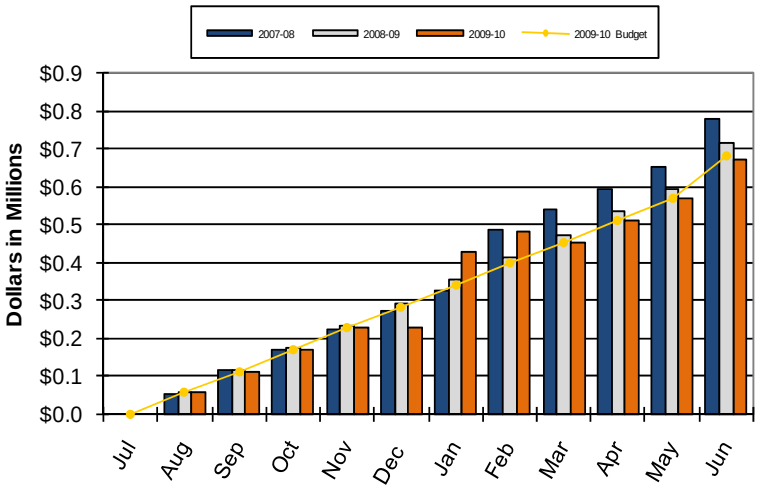
Telephone UUT

	2007-08	2008-09	2009-10
July	$ 372,380	$ 452,733	$ 459,736
August	416,124	459,313	463,425
September	442,406	464,139	401,781
October	380,131	451,736	501,048
November	430,844	475,264	532,236
December	453,656	442,409	460,922
January	443,788	398,430	378,850
February	416,961	415,252	451,143
March	375,482	542,671	345,667
April	456,352	462,296	531,685
May	440,672	448,159	524,905
June	440,576	532,444	543,417
Prior Yr Acc	(372,380)	(452,908)	(460,248)
Current Yr Acc	452,908	460,248	476,069
TOTAL	**$ 5,149,900**	**$ 5,552,186**	**$ 5,610,637**
Adj Budget	$ 5,000,000	$ 5,301,000	$ 5,301,000



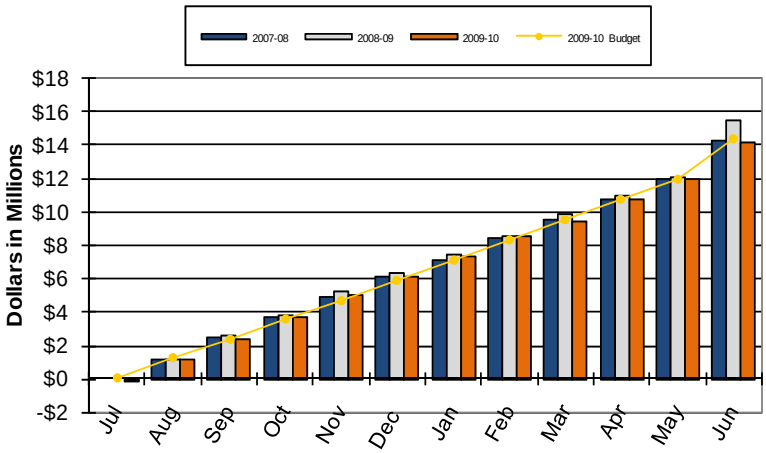
Cable UUT

	2007-08	2008-09	2009-10
July	$ 54,986	$ 56,845	$ 62,640
August	55,554	57,528	57,215
September	58,837	58,157	56,653
October	55,463	58,536	56,283
November	52,377	59,464	57,185
December	52,320	59,680	-
January	52,274	59,421	199,788
February	173,354	60,536	56,884
March	52,976	59,941	(29,983)
April	55,901	59,878	56,894
May	55,521	59,312	57,116
June	55,343	58,446	58,979
Prior Yr Acc	(54,986)	(56,845)	(62,640)
Current Yr Acc	56,845	62,640	46,084
TOTAL	**$ 776,765**	**$ 713,539**	**$ 673,098**
Adj Budget	$ 608,000	$ 675,000	$ 681,000



Total All UUT

	2007-08	2008-09	2009-10
July	$ 1,033,366	$ 1,164,573	$ 1,146,758
August	1,134,988	1,239,687	1,192,488
September	1,342,719	1,351,446	1,156,120
October	1,133,737	1,286,463	1,314,371
November	1,257,463	1,358,075	1,364,590
December	1,157,898	1,118,550	1,061,835
January	1,125,350	1,095,414	1,298,842
February	1,275,358	1,108,652	1,142,994
March	1,109,156	1,272,695	939,371
April	1,203,787	1,143,681	1,245,027
May	1,178,412	1,073,749	1,190,099
June	1,161,637	1,142,313	1,147,275
Prior Yr Acc	(1,033,366)	(1,165,335)	(1,147,270)
Current Yr Acc	1,165,335	1,147,270	1,090,298
TOTAL	**$ 14,245,839**	**$ 14,337,233**	**$ 14,142,798**
Adj Budget	$ 13,656,000	$ 14,379,600	$ 14,390,000



GENERAL FUND REVENUE ANALYSIS (continued):

UTILITY USER'S TAX THROUGH JUNE 2010

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. Overall, UUT receipts totaled $14,142,798 and were 1.4% lower that fiscal year 2008-09.

NEGATIVE **ELECTRICITY UUT** — Total revenue was $5.78M, which is 2.3% lower than last year. During the year, the budget for this revenue category was reduced from $6,407,000 to $6,200,000. The decline can be partially attributed to the mild weather in the early spring and summer.

NEGATIVE **NATURAL GAS UUT** — Natural gas revenues ended the year totaling $1.11M, which is 8.2% lower than receipts at this point last year. The low revenue is primarily due to low natural gas prices, which is caused by an oversupply of natural gas in the U.S.

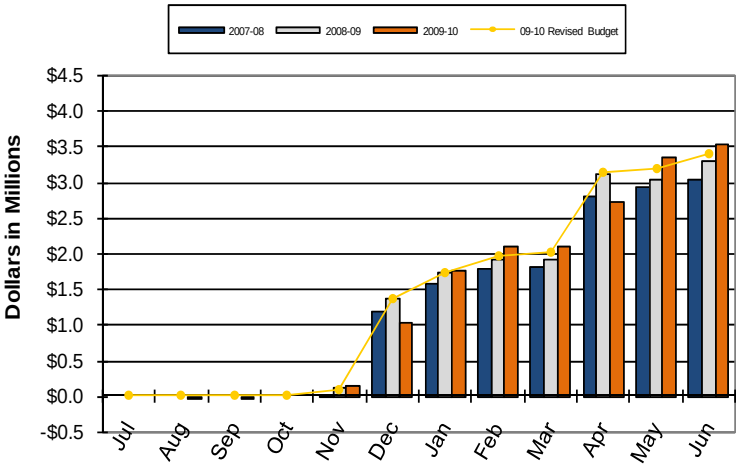
NORMAL **WATER UUT** — Through the end of fiscal 2009-10, Water UUT receipts are 1.6% higher than the total receipts last year. City Council adopted a water conservation ordinance, which went into affect in December 2009. So far the changes have not had much of an affect on Water UUT receipts, but staff will continue to monitor receipts.

NORMAL **TELECOMMUNICATIONS UUT** — For fiscal year 2009-10, telecommunications revenue totaled $5,610.637, or 105.8% of the adjusted budget. Revenue was 1.6% higher than last fiscal year's totals.

NEGATIVE **CABLE TELEVISION UUT** — Cable TV UUT receipts totaled $673,098 which is 5.7% lower than last year. The lower receipts can be partially attributed to consumers cutting back on their cable packages and reducing their premium channels.

PROPERTY TAX THROUGH JUNE 2010 (Comparison of Fiscal Years 2007-08, 2008-09, and 2009-10) [Cumulative]

	2007-08	2008-09	2009-10
July	$ 105,671	$ 65,250	$ 135,260
August	-	17,642	107,307
September	-	-	-
October	-	-	-
November	33,620	132,865	146,159
December	1,153,913	1,234,198	879,421
January	393,974	369,590	739,890
February	222,451	175,604	338,335
March	15,527	3,368	4,437
April	981,287	1,197,760	608,816
May	145,646	(74,574)	630,042
June	23,924	0	5,239
Prior Yr Acc	(105,671)	(82,892)	(247,009)
Current Yr Acc	82,892	256,514	177,194
TOTAL	**$ 3,053,233**	**$ 3,295,325**	**$ 3,525,093**
Adj Budget	$ 3,147,000	$ 3,340,000	$ 3,400,000



POSITIVE **PROPERTY TAX** — At the end of the fiscal year, property taxes totaled $3,525,093, which was $125,093 higher than the budgeted projections. Even though the Culver City real estate market has softened, the downturn has not had a significant visible affect on property tax receipts. Culver City has many long-time homeowners, which due to Prop 13, keeps their property taxes low and the City's receipts relatively stable. To balance the fiscal 2009-10 budget the State of California borrowed $858,929 of the City's property taxes. Culver City joined other cities to securitize the debt and thus received 100% of City's fiscal year 2009-10 property tax. The securitized property tax payments were received in January and May.

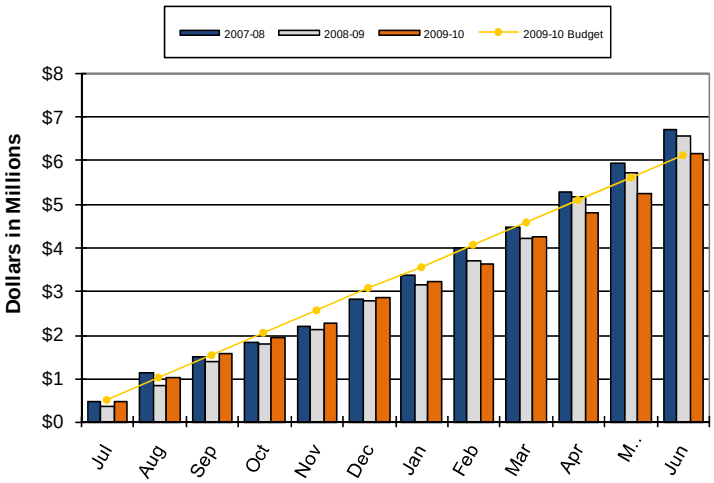
GENERAL FUND REVENUE ANALYSIS (continued):

CHARGES FOR SERVICES THROUGH JUNE 2010 (Comparison of Fiscal Years 2007-08, 2008-09, and 2009-10) [Cumulative]

Charges for Services*

	2007-08	2008-09	2009-10
July	$ 492,823	$ 383,633	$ 491,159
August	650,999	477,632	544,206
September	362,493	548,892	529,489
October	325,319	391,456	389,864
November	363,370	340,259	319,181
December	620,668	651,720	583,895
January	542,276	348,826	364,357
February	637,743	550,733	401,591
March	481,697	514,353	641,187
April	808,509	973,322	541,072
May	659,808	537,721	443,240
June	764,395	853,688	914,880
TOTAL	**$ 6,710,100**	**$ 6,572,235**	**$ 6,164,121**
Adj Budget	$ 5,813,450	$ 6,108,698	$ 6,109,785

*Does not include Billings to RDA



NORMAL

CHARGES FOR SERVICES — The Charges for Services category is comprised of various revenues that the City receives for providing services. Many of the services are recreation related, but revenue is also received for fire inspections, fire strike teams, plan checks, planning services, passport processing, building rentals, and live scan fingerprinting, among other services. Excluding Billings to RDA, which is the monthly payment to reimburse the City for RDA funded positions, the Charges for Services category is at 100.9% of the adjusted budget. Some revenues within Charges for Services have declined due to the economic conditions, especially the planning and building related services, but others like Ambulance Billings, have increased. However, most of the fees have increased in recent years to meet cost recovery goals, so the annual increases have enabled the growth of many of the revenues.

Charges for Services — Individual Category Notables through JUNE 2010

Veterans Memorial Rental Fees — Through the end of the fiscal year, fee receipts for the Veteran's Memorial Rental Fees, which includes the Senior Center and Teen Center rentals, were at 96.7% of the adjusted budget projections for the fiscal year. Auditorium rental revenue exceeded forecasts, but Meeting Room, Teen Center, and Senior Center rentals all lagged.

Public Safety Related Fees — For fiscal year 2009-10 Police Department charges for services were 118% of the adjusted budget. These revenues are made up of records requests, live scan fingerprints, vehicle impounds, and other miscellaneous fees. Live scan revenue is about 30% lower than last year, but the other revenues are higher than previous years.

Plan Check Fees — At the end of the fiscal year, plan check fees were at 89.1% of the adjusted budget. Early in the fiscal year, these receipts were well above the projections, so the adjusted budget was increased. The strong receipts early in the year were due to the Westfield Mall renovations and finalization of the Sony construction projects, and by the end of the year there was very little major construction.

Various Recreation Fees — Recreation fees in the amount of $1,008,118 were collected during fiscal year 2009-10. These revenues ended the year at 91.2% of the adjusted budget.

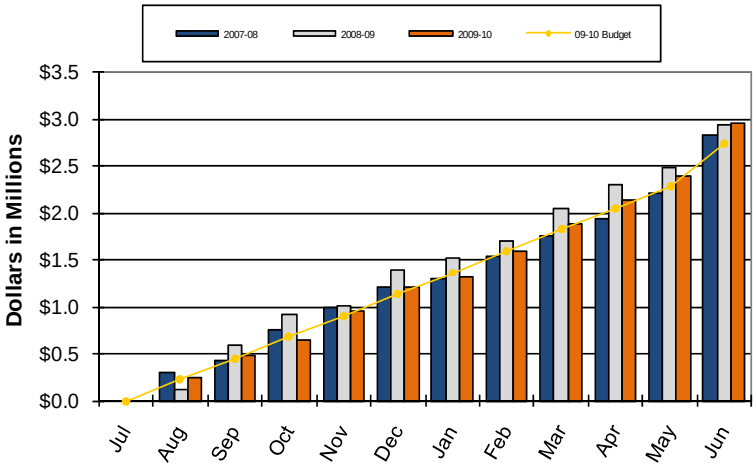
Ambulance Billings — This category ended the fiscal year with $1,312,875 in revenue, or 126% of the adjusted budget. Compared to last fiscal year, revenues are up 27.3%. The increases can be partially attributed to more aggressive collection of delinquent accounts and increased rates per LA County.

Strike Team — Strike team revenue is received from the Federal and State governments to reimburse the City for costs the Fire Department incurs when assisting with fires outside of Culver City. Over the course of fiscal year 2009-10, the City received $173,184 in reimbursements.

GENERAL FUND REVENUE ANALYSIS (continued):

TRANSIENT OCCUPANCY TAX THRU JUNE 2010 (Comparison of Fiscal Years 2007-08, 2008-09, and 2009-10) [Cumulative]

	2007-08	2008-09	2009-10
July	$ 264,908	$ 301,739	$ 247,355
August	317,587	187,196	276,575
September	119,733	482,684	234,294
October	322,622	314,886	156,369
November	231,849	100,824	315,772
December	219,428	381,912	245,182
January	98,739	118,788	109,029
February	227,660	190,176	284,414
March	216,039	337,622	289,779
April	183,689	248,716	251,431
May	272,733	175,561	249,723
June	242,762	201,647	279,009
Prior Yr Acc	(267,833)	(364,537)	(266,969)
Current Yr Acc	364,537	266,969	291,305
TOTAL	**$ 2,814,453**	**$ 2,944,182**	**$ 2,963,269**
Adj Budget	$ 2,500,000	$ 2,850,000	$ 2,837,000

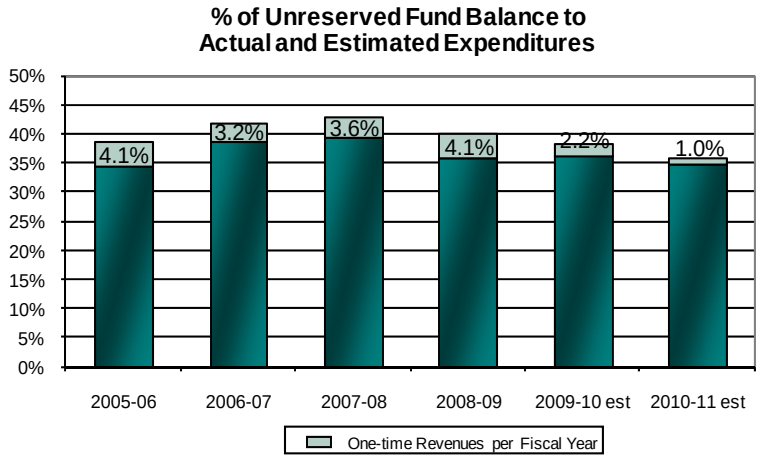


POSITIVE **TRANSIENT OCCUPANCY TAX** — Revenue totaled $2,963,269 for fiscal year 2009-10 or 104.5% of the adjusted budget. Revenue was $19,087 higher than the total receipts last year. After a dismal start to the fiscal year, receipts began improving by the end of the year. Receipts in May 2010 were 42.2% higher than May 2009 and the June 2010 receipts were 38.4% higher than receipts in June 2009. The stabilization of the economy is certainly encouraging more leisure and business travel, which is evident in the increases in passenger traffic at LAX. Hotels in other areas of California have closed due to the recession, but fortunately the major Culver City hotels have managed to weather the storm.

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 and 2008-09, 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 and 2008-09 receipts, and anticipated one-time receipts from transfers for fiscal 2009-10 and 2010-11. 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, 2008-09 and 2009-10 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
One-time (08-09) [includes final payment from Warner Parking Lot of $2,947,104.]	$ 3,447,000
Estimated One-time Transfers (09-10)	$ 1,800,000
Estimated One-time Transfers (10-11)	$ 810,000
Total from Fiscal 2005-06	**$14,241,975**



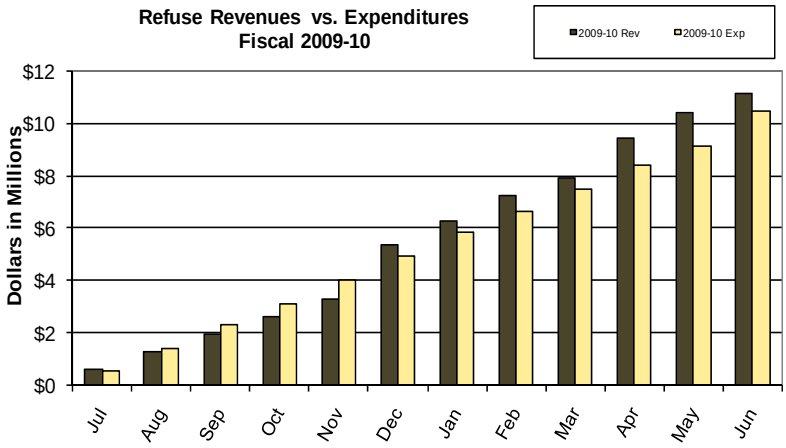
It is the policy of the City not to use revenues identified as one-time funds to pay for recurring expenditures.

REFUSE FUND ANALYSIS:

REFUSE FUND THROUGH JUNE 2010 [Revenues vs. Expenditures — Cumulative]

	Refuse Expenditures		
	2007-08	2008-09	2009-10
July	$ 556,391	$ 611,087	$ 545,695
August	634,977	755,594	848,162
September	797,010	733,821	898,687
October	1,023,511	939,413	809,490
November	902,352	814,124	945,572
December	753,808	843,596	863,805
January	907,299	838,182	927,631
February	741,930	860,615	817,110
March	1,126,061	1,037,758	852,192
April	983,184	801,923	918,295
May	602,328	624,545	726,546
June	1,219,347	1,265,602	1,350,332
TOTAL EXP	**$ 10,248,197**	**$ 10,126,260**	**$ 10,503,516**
Adj Budget	$11,524,493	$11,908,814	$12,206,717

Note: Depreciation amounts not included.

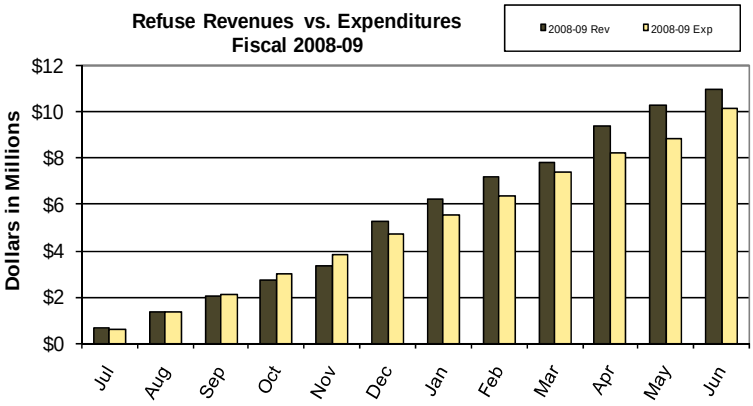


BELOW BUDGET **REFUSE FUND EXPENDITURES** — Refuse expenditures for fiscal year 2009-10 were $10,503,516, or 86.0% of the adjusted budget. The relatively low percentage is attributable to a few factors, which include lower than expected refuse disposal charges and no expenses for capital projects. Also, there have been vacancies within the Transfer Station Division, which has contributed to the lower expended percentage.

Expenditures are 3.7% higher than the expenditures at this time last year, in part due to higher annual amortization charges for the replacement of six refuse trucks and also due to increases in personnel related expenses.

The outstanding loan amount for the Refuse Fund at the end of fiscal 2009-10 is $977,079. Loan payments to the General Fund and Equipment Replacement Fund continue to be made on schedule.

	Refuse Revenues		
	2007-08	2008-09	2009-10
July	$ 696,899	$ 688,909	$ 613,093
August	725,514	688,138	656,562
September	640,217	690,235	679,447
October	662,709	645,709	670,945
November	644,041	649,899	694,072
December	1,864,241	1,893,806	2,023,083
January	944,572	988,385	920,584
February	953,969	952,691	970,973
March	650,377	631,770	669,691
April	1,382,243	1,539,481	1,522,905
May	947,732	943,220	979,544
June	701,157	647,231	775,627
TOTAL REV	**$ 10,813,671**	**$ 10,959,474**	**$ 11,176,526**
Adj Budget	$ 11,483,841	$ 11,541,718	$ 11,629,577



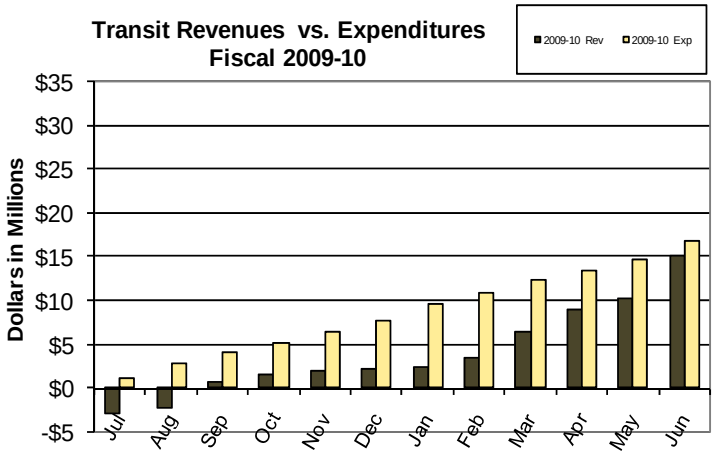
NORMAL **REFUSE FUND REVENUES** — Refuse Fund revenue for fiscal year 2009-10 is 2.0% higher than last year's totals. Over 25% of the Refuse Fund's revenue is comprised of residential refuse disposal fees, which are billed with property taxes. The City receives the majority of these funds in December and April. Commercial and multi-family dwelling bin service is billed monthly, and through the end of the fiscal year, revenues totaled 97.6% of the budgeted projections. Bin service comprises approximately 45% of the 2009-10 Refuse Fund's budgeted annual revenue amount. Sale of recyclable items is at 112.2% of the budgeted projections and 22.8% higher than last fiscal year.

Refuse disposal rates were increased by 5% for fiscal 2009-10 to help offset increased personnel costs, as well as operating and maintenance costs, which include fuels costs and repair and maintenance of equipment.

TRANSIT FUND ANALYSIS:

TRANSIT FUND THROUGH JUNE 2010 [Revenues vs. Expenditures — Cumulative]

	Transit Expenditures		
	2007-08	2008-09	2009-10
July	$ 1,091,374	$ 838,311	$ 1,178,787
August	1,317,488	1,696,863	1,721,272
September	2,080,034	1,198,154	1,192,193
October	2,363,603	1,097,475	1,157,761
November	1,357,701	1,177,406	1,252,734
December	2,070,860	1,210,119	1,143,157
January	1,499,769	1,242,695	2,011,183
February	1,092,555	1,294,149	1,268,483
March	1,849,352	1,684,075	1,362,348
April	1,391,409	3,849,603	1,152,493
May	1,728,972	1,470,648	1,205,167
June	4,514,773	2,313,229	2,051,617
TOTAL EXP	**$ 22,357,892**	**$ 19,072,729**	**$ 16,697,194**
Adj Budget	$22,892,622	$23,681,510	$33,053,578

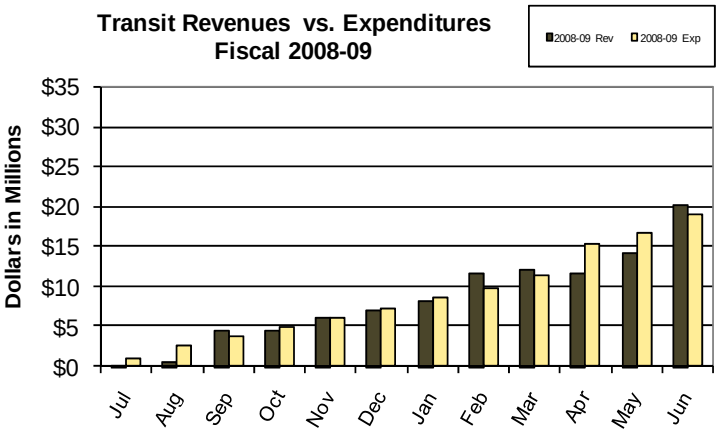


Note: Depreciation amounts not included.

BELOW BUDGET **TRANSPORTATION FUND EXPENDITURES** – Transportation Fund expenditures totaled $16,697,194 for fiscal year 2009-10. The primary reason for the low expenditure rate, is the fact that 45% of the budget is allocated toward the purchase of new buses and these capital expenditures will be expended in fiscal year 2010-11 once the buses have been delivered.

At the end of the fiscal year personnel expenses are at approximately 88.5% of adjusted budget, and O & M expenditures are approximately 88.5% expended.

	Transit Revenues		
	2007-08	2008-09	2009-10
July	$ (2,648,573)	$ 192,803	$ (2,837,763)
August	2,791,003	438,785	483,439
September	684,306	4,021,856	3,166,171
October	2,541,066	23,882	754,493
November	224,560	1,407,257	348,660
December	2,209,509	1,029,098	248,342
January	583,705	1,160,277	249,339
February	791,200	3,445,572	1,041,637
March	3,965,543	494,236	3,066,689
April	1,336,502	(591,373)	2,452,438
May	1,186,439	2,696,572	1,323,135
June	2,430,000	5,880,639	4,838,094
TOTAL REV	**$ 16,095,260**	**$ 20,199,604**	**$ 15,134,673**
Adj Budget	$ 17,279,756	$ 20,591,546	$ 29,183,264

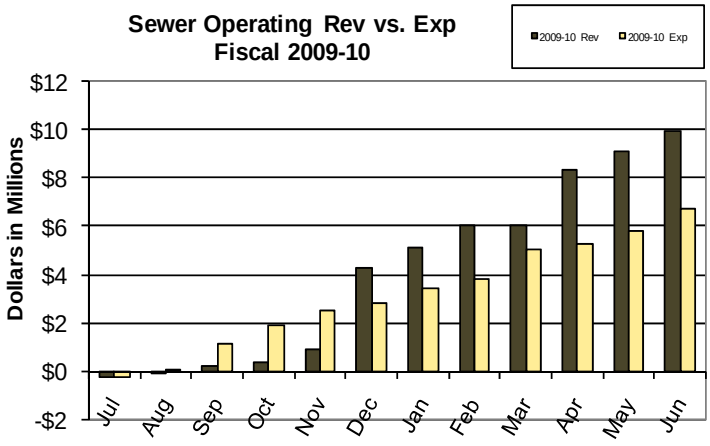


NEGATIVE **TRANSPORTATION FUND REVENUES** – Transportation Fund revenues are comprised of many sources, including funding from the County (Metro), State, and Federal government. Also, this fiscal year the fund began receiving voter approved Measure R funds which is derived from sales taxes. In the first year, Measure R revenue totaled $1,161,115. For fiscal year 2009-10 Transportation receipts were 51.9% of the budgeted projections. The revenue percentage is low because the planned purchase of new buses did not take place in fiscal year 2009-10. Farebox revenue totaled $2,623,403, which is 4.7% higher than the total last year. EZ Pass revenue exceeded budget projections, totaling $394,220. Additionally, BruinGo program revenue totaled $194,604, which exceeded budget projections by $76,154.

SEWER FUND ANALYSIS:

SEWER OPERATING FUND THRU JUNE 2010 [Revenues vs. Expenditures — Cumulative]

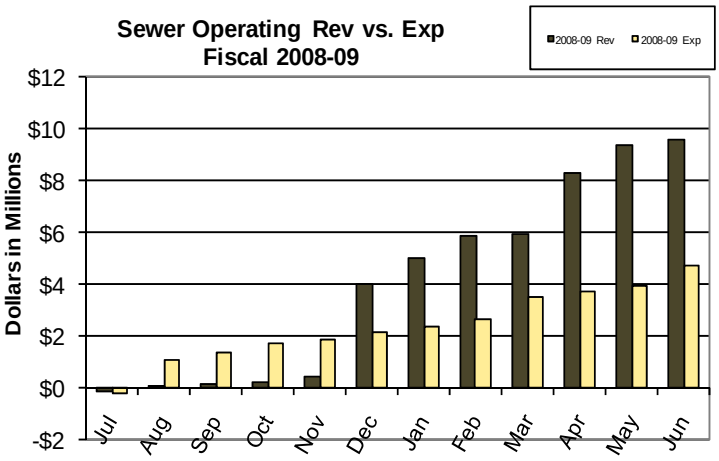
	Sewer Op Expenditures		
	2007-08	2008-09	2009-10
July	$ 62,020	$ (248,863)	$ (220,526)
August	135,999	1,355,165	290,032
September	1,667,451	249,451	1,051,492
October	196,867	324,357	788,879
November	505,602	209,264	567,522
December	217,876	246,201	359,752
January	575,351	213,056	568,886
February	259,361	282,394	440,116
March	1,293,387	883,641	1,211,373
April	206,841	208,212	207,532
May	579,381	222,710	511,658
June	384,863	735,119	931,403
TOTAL EXP	**$ 6,084,996**	**$ 4,680,705**	**$ 6,708,119**
Adj Budget	$7,534,793	$8,438,444	$9,255,764



Note: Depreciation amounts not included.

BELOW BUDGET **SEWER OPERATING EXPENDITURES** – Sewer Operating expenditures for fiscal year 2009-10 totaled $6,708,119 which is 72.5% of the 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 for the year are approximately 88.6% of the budgeted projections. Operating and Maintenance expenditures are approximately 82.6% of adjusted budget. The low O&M expenditure rate is primarily due to lower than expected billings from the City of Los Angeles. The City of Los Angeles bills Culver City for use of the Hyperion wastewater treatment plant. All other sewer operating expenditures are within normal target percentages for this time period.

	Sewer Op Revenues		
	2007-08	2008-09	2009-10
July	$ (143,668)	$ (176,400)	$ (207,414)
August	191,068	225,683	128,406
September	194,194	80,197	263,100
October	125,966	115,369	158,867
November	163,135	157,384	581,529
December	3,478,540	3,626,697	3,321,109
January	1,075,632	975,864	888,944
February	1,248,540	846,395	888,745
March	270,581	74,241	42,011
April	2,191,521	2,386,108	2,240,612
May	1,027,938	1,028,117	771,895
June	590,758	223,162	826,105
TOTAL REV	**$ 10,414,205**	**$ 9,562,817**	**$ 9,903,908**
Adj Budget	$ 9,121,750	$ 9,897,337	$ 8,970,000



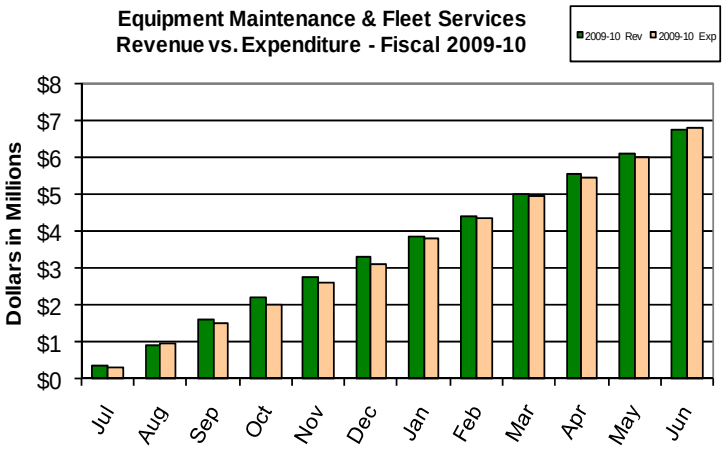
NORMAL **SEWER OPERATING REVENUES** – Sewer operating revenues through the end of the fiscal year are $9,903,908 or 110% of budgeted projections. Revenues exceeded fiscal 2008-09 totals by 3.6%. Sewer Operating Charges comprise approximately 89% of the sewer operating revenue projections.

The Sewer Fund has increased Sewer Operating Charges annually for the last several fiscal years, but the rates did not increase in fiscal 2009-10.

INTERNAL SERVICE FUND ANALYSIS:

EQUIPMENT MAINTENANCE & FLEET SERVICES FUND THROUGH JUNE 2010 [Revenues vs. Expenditures — Cumulative]

EM&FS EXPENDITURES	2007-08	2008-09	2009-10
July	$ 291,739	$ 426,475	$ 320,479
August	491,369	819,663	609,971
September	729,168	572,292	558,293
October	578,562	580,038	525,566
November	484,018	505,847	564,757
December	516,927	519,560	513,863
January	537,330	498,798	701,327
February	599,590	567,648	564,397
March	688,197	651,833	577,678
April	594,281	518,712	517,784
May	541,520	476,180	538,244
June	844,455	860,955	830,209
TOTAL EXP	**$ 6,897,156**	**$ 6,998,001**	**$ 6,822,568**
Adj Budget	$ 6,870,800	$ 7,206,621	$ 7,466,942

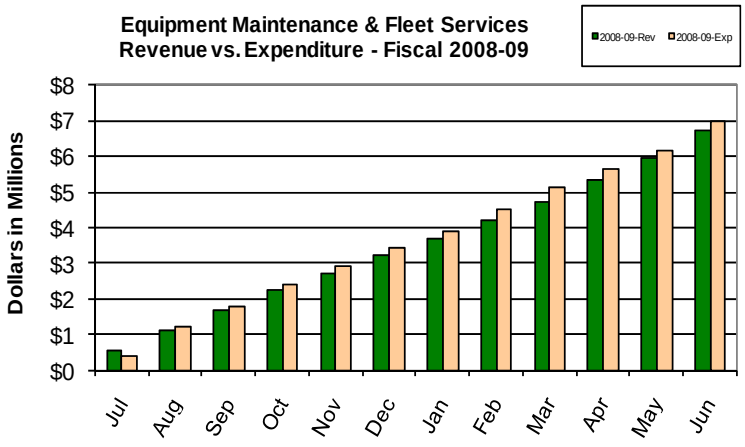


NORMAL

EQUIPMENT MAINTENANCE FUND EXPENDITURES — Overall Equipment Maintenance & Fleet Services (EM&FS) expenditures through the end of the fiscal year are $6,822,568 or 91.4% of the adjusted budget. Personnel related expenditures are approximately 101.6% expended, and operating and maintenance is approximately 80.7% expended. Lower than expected fuel costs attributed to the low O&M expenditure rate. Petroleum Products (fuel), makes up approximately 50% of the operating and maintenance budget, was 71% expended

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 monitors the charge-backs closely to ensure all expenses are recognized.

EM&FS REVENUES	2007-08	2008-09	2009-10
July	$ 509,682	$ 577,353	$ 371,724
August	681,772	555,946	518,275
September	515,434	565,109	705,573
October	613,361	564,228	628,134
November	500,468	454,692	520,489
December	708,215	517,271	553,943
January	601,120	480,335	535,738
February	415,889	482,969	566,133
March	673,935	527,149	605,660
April	551,152	627,057	568,635
May	419,811	607,321	510,272
June	697,581	774,337	645,087
TOTAL REV	**$ 6,888,420**	**$ 6,733,767**	**$ 6,729,663**
Adj Budget	$ 6,966,954	$ 7,585,747	$ 7,434,982



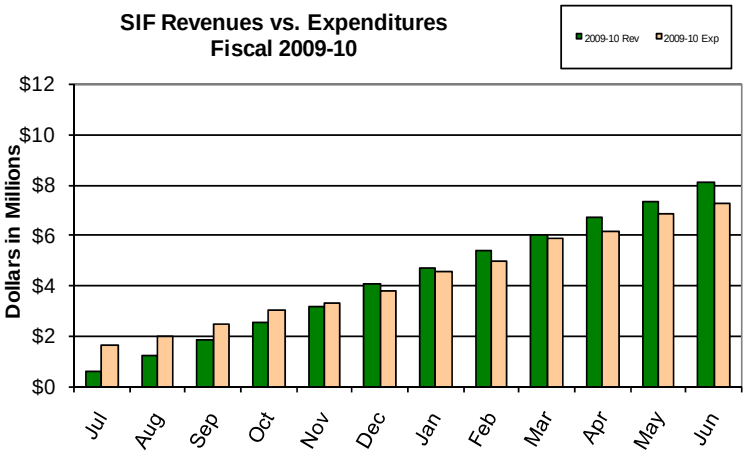
NORMAL

EQUIPMENT MAINTENANCE FUND REVENUES — Equipment Maintenance & Fleet Services revenues for fiscal year 2009-10 are $6,729,663, or 90.5% of adjusted budget projections. The goal of an Internal Service Fund is for revenues to match the actual expenditures at the end of a fiscal year and in this case, the expenditures exceeded the revenues by 1.4%. As mentioned above, charge-outs for this fund are monitored to ensure entries between expenditures and revenues are closely matched so that the fund recognizes all receipts due to it.

INTERNAL SERVICE FUND ANALYSIS:

SELF-INSURANCE FUND THROUGH JUNE 2010 [Revenues vs. Expenditures — Cumulative]

	SIF Expenditures		
	2007-08	2008-09	2009-10
July	$ 58,341	$ 1,405,609	$ 1,657,688
August	1,916,546	557,547	345,110
September	470,758	294,637	463,282
October	366,042	469,756	596,356
November	559,913	436,980	300,869
December	199,417	357,415	472,112
January	977,875	198,315	732,797
February	127,968	337,424	392,382
March	686,842	237,636	923,429
April	457,858	250,746	309,547
May	581,710	461,235	650,590
June	4,338,515	532,676	415,906
TOTAL EXP	**$ 10,741,785**	**$ 5,539,976**	**$ 7,260,066**
Adj Budget	$ 11,072,650	$ 7,449,167	$ 7,463,283

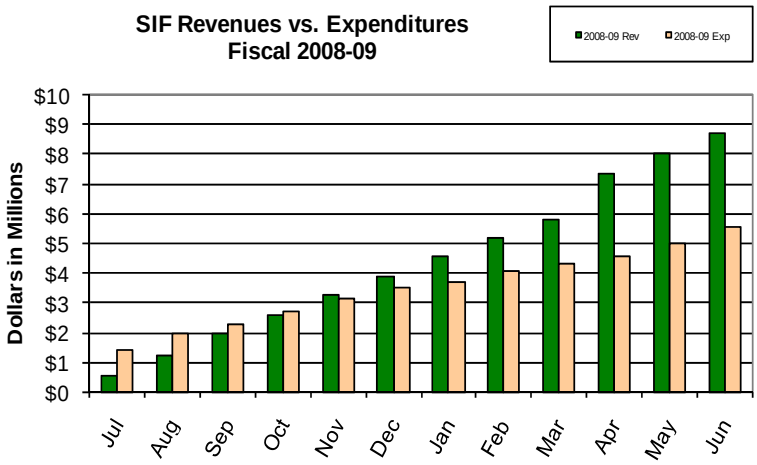


NORMAL

SELF-INSURANCE FUND EXPENDITURES — For fiscal year 2009-10 Self Insurance Fund total expenditures were at 97.3% of adjusted budget. For the Premiums/Claims Division of the Self Insurance Fund expenditure were at 98.6% of the budget.

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. In fiscal year 2007-08 the Self-Insurance Fund paid $3.6 million for the Cranks hillside repair. This left the fund with a low balance, but since then the fund balance has steadily increased.

	SIF Revenues		
	2007-08	2008-09	2009-10
July	$ 582,737	$ 547,878	$ 608,579
August	623,861	687,329	644,262
September	622,582	720,886	649,700
October	626,233	642,585	649,288
November	624,557	643,281	658,954
December	648,313	663,575	872,660
January	630,713	644,827	651,112
February	616,418	641,495	660,976
March	655,223	638,457	646,469
April	589,086	1,518,184	657,218
May	613,407	648,673	649,273
June	840,446	684,320	740,966
TOTAL REV	**$ 7,673,576**	**$ 8,681,490**	**$ 8,089,456**
Adj Budget	$ 7,274,613	$ 7,530,015	$ 7,728,178



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 2009-10 are 104.7% of adjusted budget projections.

Revenue in fiscal year 2009-10 exceeded expenditures by approximately $829,390, which helped the fund balance recover to a more appropriate level. The Self-Insurance Fund ended the fiscal year with a fund balance of approximately $5.8M.

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	Near Completion
2. Sewer Projects (Bradock and Fox Hills Pump Stations and Sewer Rehab P873/P906)	$7,279,622	100% Sewer Fund	$0	On-going projects
3. Stormwater Discharge Program/NPDES (P497)	$2,747,881	59% - Grants Capital 41% - Gen Fund Capital	$237,966	On-going project to establish funds for state mandate
4. Fox Hills Area Traffic Signal Synch Project (P852)	$2,033,500	73% - Grants Capital 11% - Special Gas Tax 9% - Developer Mitigation 7% - Gen Fund Capital	$1,457,189	Near Completion
5. Telephone and Network Replacement (P906)	$1,239,332	100% - Gen Fund Capital	$1,058,423	Near Completion

CAPITAL IMPROVEMENT EXPENDITURES BY CATEGORY

	Adjusted Budget	Expended to Date	Major Projects:
Street & Alley Improvements	$2,527,675	$1,290,381	Residential Paving, Carson St, Sepulveda Blvd
Traffic Signal & Lighting Improvements	$2,933,444	$998,545	Fox Hills ATSS
Bridge Improvements	$0	$0	No projects at this time
Parking Improvements	$34,639	$33,823	Parking Meter Repair/Replacement
Community Improvements	$1,803,156	$717,225	Art Fund Projects, Ballona Creek
Parks & Park Facility Improvements	$1,327,705	$356,357	Parks Assessment, Park Equip Repair, Culver West Park Rehab
Police & Fire Improvements	$5,779,286	$3,114,010	Fire Station #3, CAD/RMS/MDT, Firing Range
Sewer & Storm Drain Improvements	$5,150,000	$1,917,728	Sewer Line Replacement, Pump Station Improve
Other Facility & Equipment Improvements	$3,979,254	$1,461,005	Cranks Slope Repair, Other City Bldg Repairs

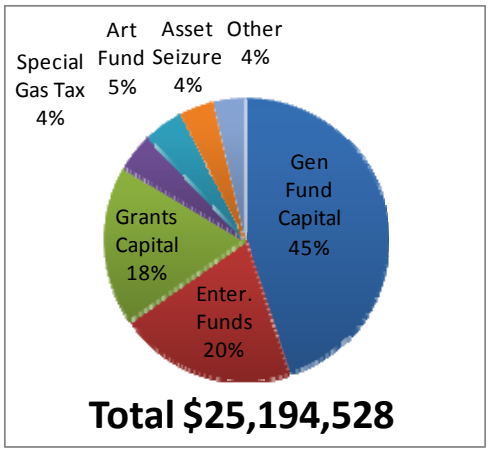
NOTABLE ACTIVITY:

During fiscal year 2009-10, many significant capital projects were completed or are nearing completion. These include Fire Station #3, the Firing Range, the Public Safety CAD/RMS/MDT project, and the Fox Hills Area Traffic Signal Synchronization Project, and Phase I of the Residential Overlay Program.

Also during fiscal 2009-10, the City went live on the new telephone and network system. During the fiscal year, a pilot program for a new parking payment system was initiated on Main St. The pilot program will be completed during fiscal yea r 2010-11 and based on the results it could be expanded to other parking meter areas.

Due to the state's budget problems, some Public Works projects, such as Phase II of the Residential Overlay Program were delayed due to the state withholding funding. Also, Gas Tax funds, which are normally received monthly, were delayed until April due to the State's cash flow issues and budget problems.

MAJOR CIP FUNDING SOURCES



OTHER FUND ANALYSIS:

FUND ANALYSIS FOR OTHER FUNDS THROUGH JUNE 2010:

NEGATIVE

PARKING MAINTENANCE FUND — Receipts for fiscal year 2009-10 are only at 68.6% of the adjusted budget. The primary reason the fund is behind projections is because the budget was increased this year to account for potentially higher parking meter rates. A rate increase from 50 cents to 1 dollar per hour was approved by City Council and the increase was fully implemented in October 2009. Unfortunately, the parking meter rate increases have not led to the revenue increases that were projected. Further analysis will need to be done to identify the exact issue. A portion of Parking Maintenance revenues are transferred to the General Fund each year to pay for street related maintenance work. Expenditures (other than transfers) can be found in the CIP section on Page 17.

NEGATIVE

OPERATING GRANTS FUND — Through the end of the fiscal year, Operating Grants revenues are $573,209 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 operating grants that include Senior Nutrition, RSVP, and DUI Enforcement grants, among others.

NEGATIVE

CAPITAL GRANTS FUND — During fiscal year 2009-10, the City received $2,587,957 of Capital Grant funds and $2,421,565 in funds were expended. Capital grant funded projects include: residential overlay, Culver Boulevard repaving, Fox Hills traffic signal synchronization, and Veteran's Park playground. 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.

NORMAL

EQUIPMENT REPLACEMENT FUND (ERF) — The ERF continues to maintain a healthy balance and is able to fund emergency replacements when needed. During fiscal year 2009-10, three Paratransit buses, five Police vehicles, three Parks vehicles, one Fire vehicle, one Community Development vehicle, and two Public Works vehicles will be replaced. Funding is reimbursed to the fund monthly by Departments through an amortization schedule that ensures adequate replacement funding is available for vehicles at the end of their useful lives. (Note: Prop A Grant Funds were also used to pay for a portion of the Paratransit buses.)

NORMAL

SPECIAL GAS TAX (HIGHWAY USERS TAX) — Gas tax revenue ended the fiscal year at 95.2% of the budgeted projections. Due to cash flow issues, during the year the State delayed the November thru March payments until April. The Gas Tax Fund is comprised of revenue from taxes 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.

POSITIVE

ARTS IN PUBLIC PLACES — At the end of the fiscal year, Art Fund receipts totaled $107,252. Of that amount, $83,148 was from Art in Public Places development fees and the remainder was interest, which is allocated internally based on fund balances. The Art Fund is funded when developers elect 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) — Through the end of the fiscal year, $189,692, in payments have been received. This is a special revenue that can only be used for parks related projects. 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 $225,000.