



FINANCIAL MONITORING REPORT

Fiscal 2010-11 Mid-Year Report

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: *Up*

The CPI increased 0.5% in December. Over the last 12 months, CPI has increased 1.5%.

Interest Rates: *Even*

On January 26th, 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. The next committee meeting is March 15th.

National GDP: *Up*

Preliminary estimates show that the GDP increased by an annualized rate of 3.2% in the fourth quarter of 2010. This is an improvement over the annualized increase of 2.6% in the third quarter

Ocean Container Traffic: *Up*

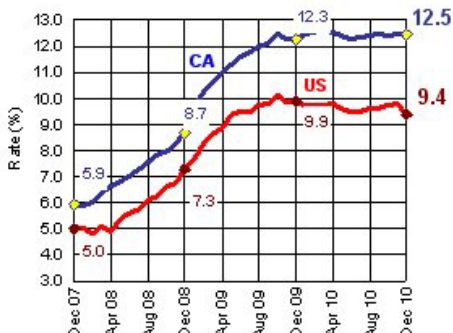
In December, ocean container traffic into the port of Los Angeles was up 8.8% from the same month last year. During calendar year 2010 traffic was up 16.1% over 2009.

Airport Passenger Traffic: *Up*

In 2010 total passenger traffic at LAX increased 4.5%. Domestic travel increased 4.1%, while international traffic jumped 5.5%.

UNEMPLOYMENT RATES

Three year trend for the United States and California:



ECONOMIC & FISCAL UPDATE

Economic Update

The economy continues to show signs of recovery, but there are still potential issues looming in the background. The stock market has doubled since the lows of March 2009, but unemployment remains very high. Gross Domestic Product is climbing again, but the Federal government's annual deficit is almost \$1.5 trillion. To date, a double dip recession has been averted, but it is clear that this recovery will not be painless.

In California, the situation is in some ways more formidable. The State's \$19 billion annual deficit has not been addressed and unemployment remains at historically high levels. Even though unemployment numbers dropped from 12.7% to 12.5% in December, there are no signs that the numbers will drop much further in the near future. In addition to California's other problems, the housing market remains weak. The state's tax credit for new home buyers expired in December and banks are initiating more foreclosures, so housing is expected to remain weak in 2011.

Fiscal Update

Total General Fund revenues declined 2.7% from last year's mid-year totals. Some major tax revenues have increased, but many others continue to lag. Sales tax revenue is up 14.9%, due in part to the remodeled Westfield Culver City. But even with the considerable year over year increase, sales tax receipts still have not fully recovered. Sale tax receipts are at the same level they were almost 10 years ago.

Other revenues which have increased include, utility users taxes, which are up 5% and transient occupancy tax, which has increased 15.2%. Many of the revenues that remain depressed are related to building and development. These include Commercial Industrial Development Tax, Building Permits, and Plan Checks. At its peak in fiscal 2007-08, Commercial Industrial Development Tax revenue totaled \$2.2M, but so far this year, only \$36,570 has been collected. Building permits peaked at \$1.3 million in fiscal 2007-08, but in the current year, only \$203,102 has been collected through December.

Total General Fund expenditures are down 3.4% from the fiscal 2009-10 mid-year. However, removing one-time expenditures shows that operating expenses have declined 6.1%. The bulk of this decrease is due to the personnel reductions that took place during the budget process last year.

Based on the current rate of revenues and expenditures, the City will end the current fiscal year with an operating deficit of approximately \$2.9 million. And looking out a few more years, unless adjustments are made, the General Fund balance will be exhausted.

To address these challenges the City has begun negotiating with the employee labor groups in an effort to lower the ongoing costs of health care and retirement related costs. These efforts are necessary to balance the budget and ensure that Culver City maintains a solid financial foundation.

The City's enterprise funds, Refuse, Sewer, and Transit, remain relatively healthy. These funds and the City's other funds will be addressed later in the report.

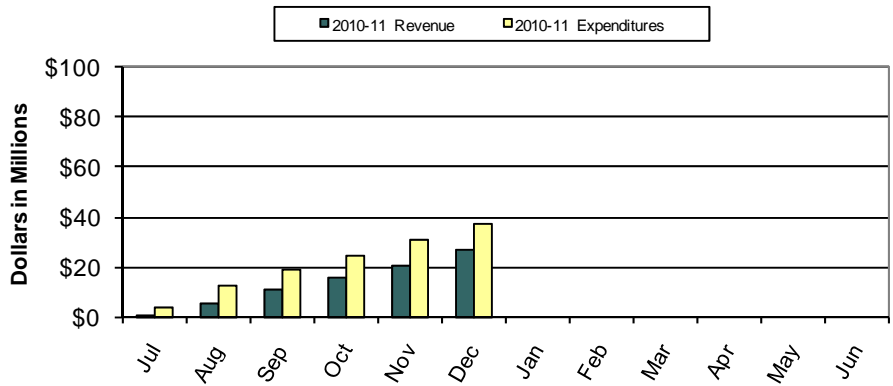
People only accept change when they are faced with necessity, and only recognize necessity when a crisis is upon them.

Jean Monnet

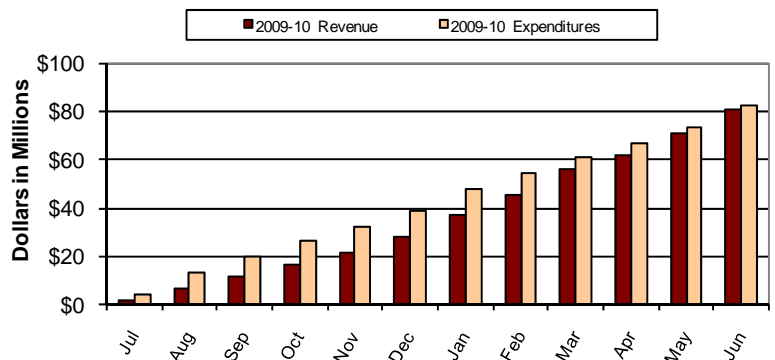
GENERAL FUND ANALYSIS:

REVENUES & EXPENDITURES THROUGH DECEMBER 2010 [Cumulative]:

	2010-11 Revenue	2010-11 Expenditures
Jul	\$ 768,330	\$ 3,845,079
Aug	5,092,949	8,456,816
Sep	5,285,793	6,633,840
Oct	4,584,080	5,950,331
Nov	5,052,986	6,234,449
Dec	6,512,896	6,524,258
Jan	-	-
Feb	-	-
Mar	-	-
Apr	-	-
May	-	-
Jun	-	-
TOTAL	\$ 27,297,033	\$ 37,644,774

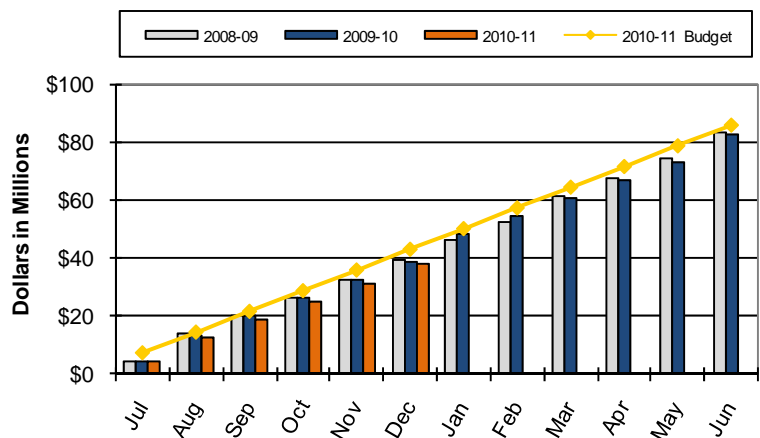


General Fund revenues are accrued back to a prior fiscal year for several of the larger categories such as Sales Tax, TOT, and UUT. This causes the monthly amount shown for July, and in some cases August, to look “low” when compared to future months. When comparing revenues and expenditures in a fiscal 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 DECEMBER 2010 (Comparison of Fiscal Years 2008-09, 2009-10, and 2010-11) [Cumulative]

	2008-09 Expenditures	2009-10 Expenditures	2010-11 Expenditures
July	\$ 4,354,540	\$ 4,406,707	\$ 3,845,079
August	9,117,410	8,905,669	8,456,816
September	6,660,426	6,707,352	6,633,840
October	6,282,672	6,093,888	5,950,331
November	6,246,091	6,251,153	6,234,449
December	6,322,259	6,401,137	6,524,258
January	7,044,018	9,300,747	
February	6,520,875	6,289,551	
March	8,674,051	6,598,270	
April	6,536,762	6,096,716	
May	6,450,987	6,221,157	
June	9,226,738	9,366,210	
TOTAL	\$ 83,436,829	\$ 82,638,557	\$ 37,644,774
Adj Budget	\$ 87,743,489	\$ 85,138,468	\$ 85,621,789



BELOW BUDGET **GENERAL FUND EXPENDITURES** — At the mid-year of fiscal 2010-11, expenditures totaled \$37,644,774 or 44.0% of the adjusted budget. Expenditures were 2.9% lower than the previous fiscal year and 3.4% lower than the expenditures in fiscal year 2008-09. Compared to fiscal year 2009-10 mid-year, personnel costs declined 4.5%, operations and maintenance expenses decreased 13.0%, and transfers to other funds increased 601.8%. Transfers to other funds increased because additional funds were appropriated for a new financial system and infrastructure deferred maintenance.

GENERAL FUND DEPARTMENT ANALYSIS:

Comparison of Adjusted Budget to Actual: Target = 49.8% through December 2010:

GENERAL FUND DEPARTMENTS	ADOPTED BUDGET 2010-11	ADJUSTED BUDGET 2010-11	ACTUAL EXPENDED AS OF 12/31/10	PERCENT EXPENDED 2010-11	TARGET AMOUNT
GENERAL GOVERNMENT					
CITY COUNCIL/ CITY MANAGER	\$ 1,366,525	\$ 1,330,645	\$ 669,251	50.3%	\$ 665,323
CITY CLERK	357,361	357,861	152,604	42.6%	178,931
FINANCE DEPT	4,151,511	4,255,627	1,660,608	39.0%	2,127,813
CITY ATTORNEY	1,672,059	1,876,390	833,616	44.4%	938,195
HUMAN RESOURCES	988,812	1,042,361	441,255	42.3%	521,181
INFORMATION TECH	3,072,224	3,192,090	1,371,892	43.0%	1,596,045
TOTAL GENERAL GOVERNMENT	\$ 11,872,678	\$ 12,333,869	\$ 5,243,040	42.5%	\$ 6,166,935
PARKS, REC. & COMMUNITY SVCS	6,303,818	6,370,744	2,845,838	44.7%	3,185,372
POLICE DEPARTMENT	28,335,736	28,412,656	12,702,236	44.7%	14,206,328
FIRE DEPARTMENT	15,298,847	15,381,125	7,096,687	46.1%	7,690,563
COMMUNITY DEVELOPMENT	7,088,985	7,231,614	3,126,089	43.2%	3,615,807
PUBLIC WORKS	9,432,354	9,541,736	4,082,911	42.8%	4,770,868
NON-DEPARTMENTAL	3,981,175	4,000,872	1,246,820	31.2%	2,000,436
Transfers	892,068	2,892,068	1,414,966	48.9%	1,446,034
Excess appropriation	(325,000)	(325,000)	-	-	-
TOTAL GENERAL FUND	\$ 82,880,661	\$ 85,839,685	\$ 37,758,587	44.0%	-

NOTABLE EXPENDITURE VARIANCES THROUGH DECEMBER 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 December, most Departments are below the target budget. Below are notable variances for Departments over or below the target.

Departments significantly under Target (more than 8%):

Finance Department — The Finance Department is below target because there is one vacancy and another employee is on disability leave. Also, the bulk of the expenditures for audit and fiscal services will take place in the second half of the fiscal year.

Non-Departmental — Through December, Non-Departmental is only 30.7% because the appropriated reserve amount of \$998,760 has not been expended. Much of the appropriated reserve is used to fund accrual payouts that are due to retirees. At the end of the fiscal year, this budget will be spread out to the departments that experience the accrual payout costs.

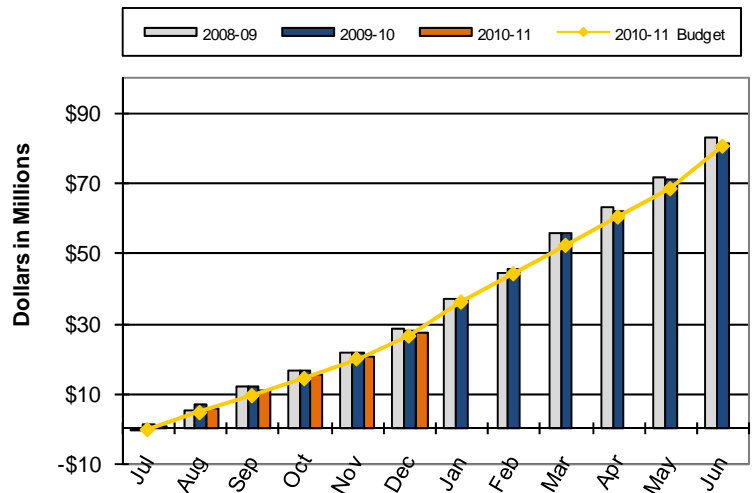
Departments over Target:

No departments are over the target.

GENERAL FUND REVENUE ANALYSIS:

TOTAL GENERAL FUND REVENUES THROUGH DECEMBER 2010 (Comparison of Fiscal Years 2008-09, 2009-10, and 2010-11) [Cumulative]

	2008-09 Revenue	2009-10 Revenue	2010-11 Revenue
July	\$ 124,986	\$ 1,352,319	\$ 768,330
August	4,966,099	5,501,702	5,092,949
September	6,791,085	4,986,324	5,285,793
October	4,644,193	4,833,294	4,584,080
November	5,309,425	5,137,094	5,052,986
December	6,470,501	6,260,180	6,512,896
January	8,816,481	8,980,097	
February	7,185,772	8,758,990	
March	11,287,839	10,014,960	
April	7,623,944	6,273,622	
May	8,443,987	9,105,601	
June	11,081,440	9,807,720	
TOTAL	\$ 82,745,752	\$ 81,011,904	\$ 27,297,033
Adj Budget	\$ 85,345,425	\$ 81,212,332	\$ 80,711,360



TOTAL GENERAL FUND REVENUES — Total General Fund revenues at mid-year were \$27,297,033, which is 33.8% of the adjusted budget projections. Mid-year revenue was 2.76% lower than the revenue received in fiscal year 2009-10 and 3.57% lower than fiscal year 2008-09.

Commercial Industrial Development Tax — At mid-year, receipts for commercial/industrial development tax totaled \$36,570. This is the lowest level of revenue since fiscal 2003-04. Slow development activity has continued to plague this category and other development related revenues.

NOTE: It is recommended that the budget for this category be decreased from \$400,000 to \$100,000.

Fines & Forfeitures — Through mid-year, fines and forfeiture's receipts totaled \$2,059,340, or 51.1% of budgeted projections. Fines & Forfeitures is made up of moving violations, which includes red-light camera violations and parking violations.

NOTE: It is recommended that the budget for this category be increased by \$100,000

Real Property Transfer Tax — Real Property Transfer Tax ended December with \$504,202 in receipts, which is 67.2% of the annual budgeted projection. Receipts in the last couple months have exceeded expectations, but this category will most likely remain volatile due to it's reliance on commercial real estate transactions.

NOTE: It is recommended that the budget for this category be increased from \$750,000 to \$1,000,000.

Intergovernmental — Receipts through mid-year were \$44,615 or 1.2% of the budgeted projections. 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.

Westfield Sign Revenue — Last year the city received a new revenue as part of an agreement with the recently re-modeled Westfield Culver City shopping mall. The budgeted amount of revenue is \$225,000 and by agreement, the revenue is due in March. In fiscal year 2009-10, sign revenue of \$55,645 was received for the partial year.

Franchise Tax — Revenue totaled \$207,800 or 14.8% of the budgeted projections. Most of this revenue is received in the second half of the fiscal year. 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.

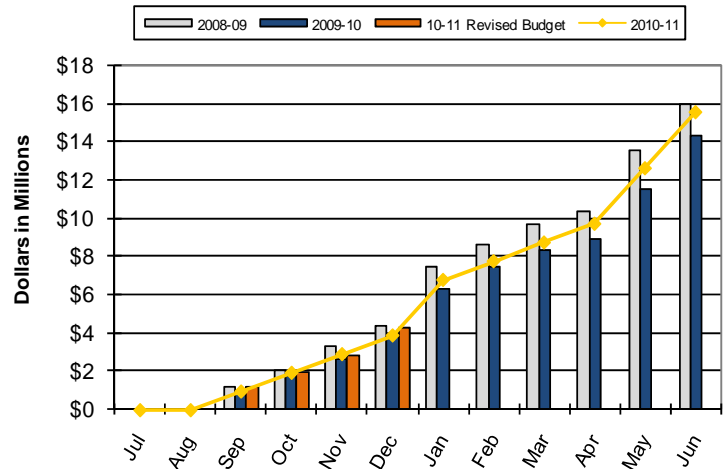
Licenses & Permits - The majority of the revenue in Licenses & Permits category is derived from construction activity, so these revenues are drastically affected by the economy. Through December revenue totaled \$911,520, or 41.0% of projections.

NOTE: It is recommended that the budget for this category be decreased by \$210,000.

GENERAL FUND REVENUE ANALYSIS (continued):

SALES TAX THROUGH DECEMBER 2010 (Comparison of Fiscal Years 2008-09, 2009-10, and 2010-11) [Cumulative]

	2008-09	2009-10	2010-11
July	\$ 883,000	\$ 731,900	\$ 714,900
August	1,177,300	975,800	953,200
September	1,153,656	991,762	1,186,376
October	903,900	767,400	708,000
November	1,205,200	869,800	944,000
December	1,101,267	1,101,406	1,446,699
January	3,119,307	2,512,754	
February	1,090,000	1,170,000	
March	1,066,905	871,196	
April	751,800	658,700	
May	3,127,807	2,580,655	
June	776,770	1,122,381	
Prior Yr Acc	(2,060,300)	(1,707,700)	(1,668,100)
Current Yr Acc	1,707,700	1,668,100	
TOTAL	16,004,311	14,314,155	4,285,075
Adj Budget	16,718,000	14,563,110	15,521,340



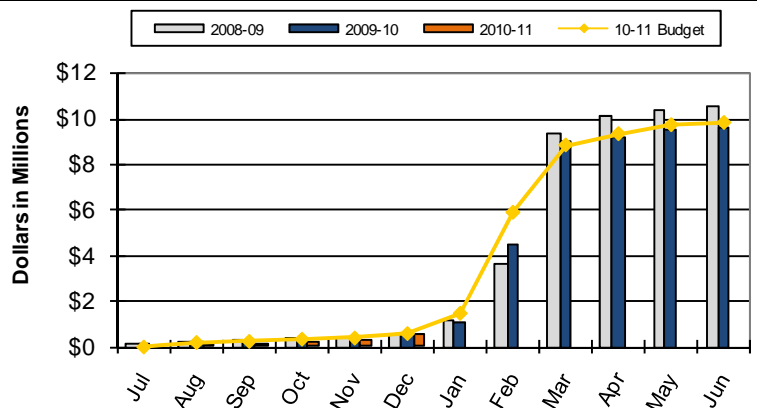
POSITIVE SALES TAX— Sales tax is Culver City’s General Fund’s largest source of revenue. During the economic downturn, sales tax revenue declined dramatically. In fiscal year 2009-10 the sales tax revenue fell to levels not seen since fiscal 2001-02. At the mid-year, Sales Tax revenues totaled \$4,285,075 or 27.6% of the budgeted projections. At this time last year, revenues totaled \$3,730,368, so current year revenues are 14.9% higher than last year. However, current year revenues are still 8.5% lower than the peak year of sales tax revenues, fiscal year 2006-07.

According to government accounting standards, sales tax revenue received in July and August is considered to be earned in the previous fiscal year, so those revenues are moved to the prior fiscal year. Since the July 2010 and August 2010 revenue was moved to fiscal year 2009-10, there are only 4 months of revenue so far this year.

NOTE: It is recommended that the budget for this category be increased by \$100,000, from \$15,521,340 to \$15,621,340

BUSINESS TAX THROUGH DECEMBER 2010 (Comparison of Fiscal Years 2008-09, 2009-10, and 2010-11) [Cumulative]

	2008-09	2009-10	2010-11
July	\$ 145,420	\$ 144,821	\$ 36,727
August	127,706	91,285	65,192
September	102,857	33,837	62,606
October	56,862	68,109	54,188
November	29,579	67,728	46,358
December	143,597	166,390	265,209
January	545,761	536,077	
February	2,529,652	3,441,251	
March	5,693,894	4,477,464	
April	790,587	201,327	
May	218,997	298,196	
June	149,774	127,114	
TOTAL	\$ 10,534,685	\$ 9,653,598	\$ 530,280
Adj Budget	\$ 10,150,000	\$ 9,541,000	\$ 9,827,000



NEGATIVE BUSINESS TAX — Through December, receipts totaled \$530,280. Business taxes are due by February 28th, so the majority of the tax receipts will be relieved by the end of February. At mid-year receipts were \$41,888 lower than this point last year, but it too early in the year to predict the total revenue for the year.

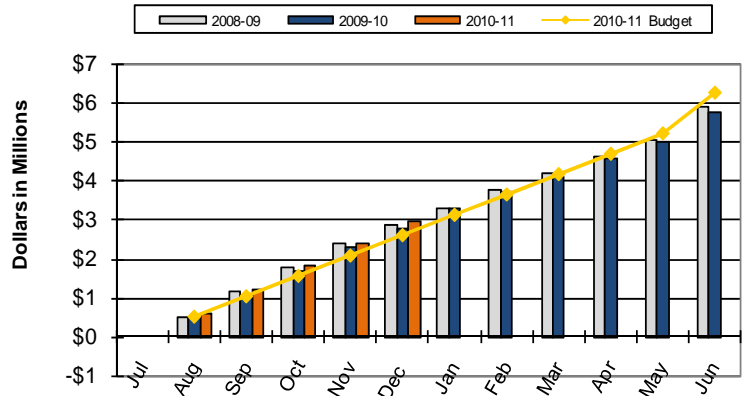
During the fiscal year 2010-11, businesses are paying taxes based on their gross receipts for the 2010 calendar year.

GENERAL FUND REVENUE ANALYSIS (continued):

UTILITY USER'S TAX THROUGH DECEMBER 2010 (Comparison of Fiscal Years 2008-09, 2009-10, and 2010-11) [Cumulative]

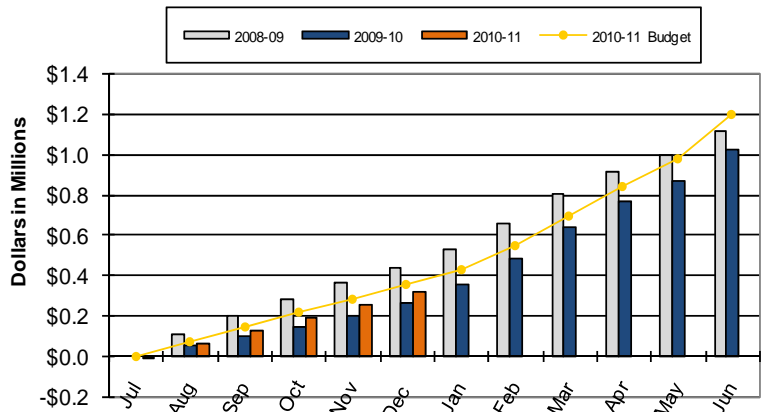
Electricity UUT

	2008-09	2009-10	2010-11
July	\$ 433,414	\$ 467,916	\$ 382,629
August	524,237	530,976	594,186
September	636,710	540,491	650,153
October	611,030	622,753	591,393
November	637,669	624,382	556,100
December	464,135	456,489	565,937
January	456,181	537,513	
February	435,445	429,754	
March	437,940	387,256	
April	440,247	459,497	
May	394,215	422,544	
June	406,363	380,795	
Prior Yr Acc	(433,414)	(467,916)	(382,629)
Current Yr Acc	467,916	382,629	
TOTAL	\$ 5,912,087	\$ 5,775,079	\$ 2,957,769
Adj Budget	\$ 6,303,600	\$ 6,200,000	\$ 6,250,000



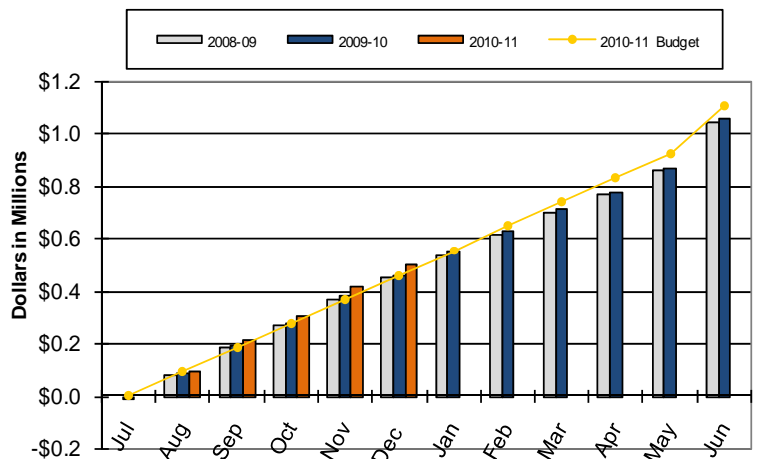
Natural Gas UUT

	2008-09	2009-10	2010-11
July	\$ 121,396	\$ 56,849	\$ 74,308
August	114,570	51,456	66,531
September	90,419	49,460	66,045
October	79,765	50,140	63,828
November	86,173	50,175	62,145
December	72,379	65,229	63,879
January	90,211	88,581	
February	126,404	132,739	
March	142,148	152,337	
April	110,984	129,384	
May	81,106	97,577	
June	65,010	81,719	
Prior Yr Acc	(121,983)	(56,849)	(74,612)
Current Yr Acc	56,849	74,612	
TOTAL	\$ 1,115,432	\$ 1,023,409	\$ 322,124
Adj Budget	\$ 1,200,000	\$ 1,140,000	\$ 1,200,000



Water UUT

	2008-09	2009-10	2010-11
July	\$ 100,185	\$ 99,617	\$ 110,905
August	84,040	89,416	92,799
September	102,020	107,735	121,484
October	85,397	84,147	94,508
November	99,505	100,612	108,788
December	79,947	79,195	87,372
January	91,171	94,110	
February	71,015	72,473	
March	89,995	84,095	
April	70,276	67,566	
May	90,956	87,956	
June	80,049	82,365	
Prior Yr Acc	(100,185)	(99,617)	(110,905)
Current Yr Acc	99,617	110,905	
TOTAL	\$ 1,043,989	\$ 1,060,575	\$ 504,951
Adj Budget	\$ 960,000	\$ 1,068,000	\$ 1,105,000

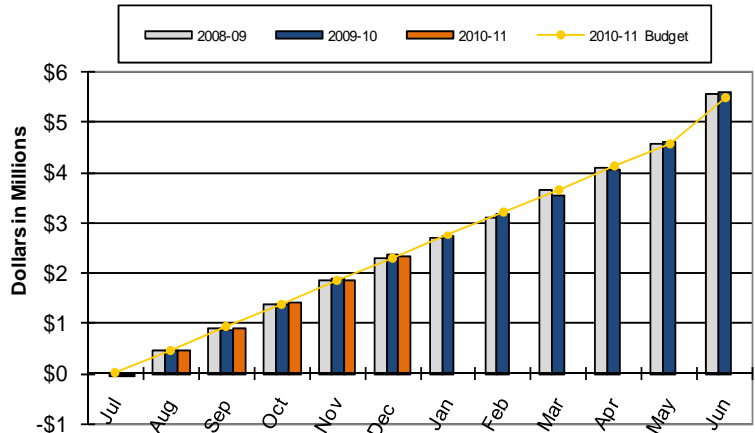


GENERAL FUND REVENUE ANALYSIS (continued):

UTILITY USER'S TAX THROUGH DECEMBER 2010 (Comparison of Fiscal Years 2008-09, 2009-10, and 2010-11) [Cumulative]

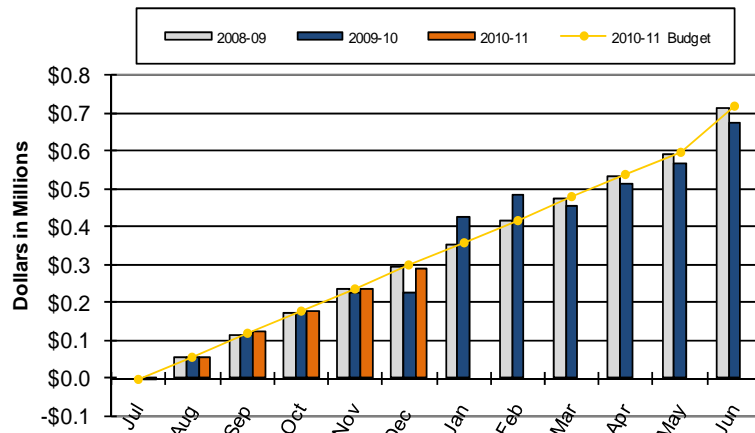
Telephone UUT

	2008-09	2009-10	2010-11
July	\$ 452,733	\$ 459,736	\$ 476,069
August	459,313	463,425	475,279
September	464,139	401,781	441,993
October	451,736	501,048	487,124
November	475,264	532,236	467,298
December	442,409	460,922	448,431
January	398,430	378,850	
February	415,252	451,143	
March	542,671	345,667	
April	462,296	531,685	
May	448,159	524,905	
June	532,444	543,417	
Prior Yr Acc	(452,908)	(460,248)	(476,069)
Current Yr Acc	460,248	476,069	
TOTAL	\$ 5,552,186	\$ 5,610,637	\$ 2,320,125
Adj Budget	\$ 5,500,000	\$ 5,301,000	\$ 5,500,000



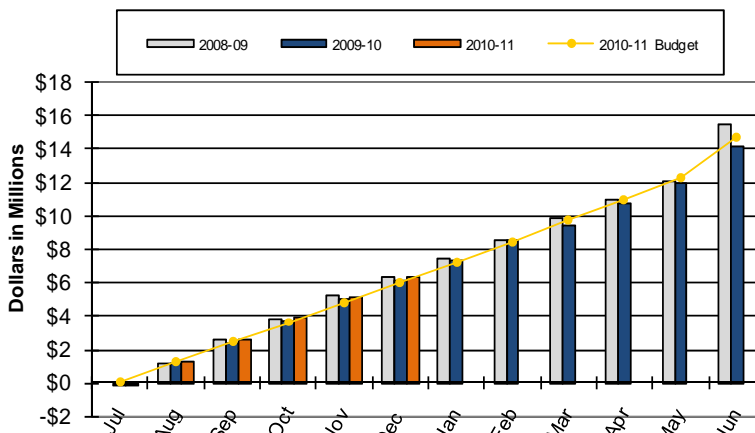
Cable UUT

	2008-09	2009-10	2010-11
July	\$ 56,845	\$ 62,640	\$ 46,084
August	57,528	57,215	56,333
September	58,157	56,653	66,497
October	58,536	56,283	55,711
November	59,464	57,185	54,986
December	59,680	-	56,493
January	59,421	199,788	
February	60,536	56,884	
March	59,941	(29,983)	
April	59,878	56,894	
May	59,312	57,116	
June	58,446	58,979	
Prior Yr Acc	(56,845)	(62,640)	(46,084)
Current Yr Acc	62,640	46,084	
TOTAL	\$ 713,539	\$ 673,098	\$ 290,019
Adj Budget	\$ 675,000	\$ 681,000	\$ 720,000



Total All UUT

	2008-09	2009-10	2010-11
July	\$ 1,164,573	\$ 1,146,758	\$ 1,089,994
August	1,239,687	1,192,488	1,285,128
September	1,351,446	1,156,120	1,346,174
October	1,286,463	1,314,371	1,292,564
November	1,358,075	1,364,590	1,249,316
December	1,118,550	1,061,835	1,222,112
January	1,095,414	1,298,842	-
February	1,108,652	1,142,994	-
March	1,272,695	939,371	-
April	1,143,681	1,245,027	-
May	1,073,749	1,190,099	-
June	1,142,313	1,147,275	-
Prior Yr Acc	(1,165,335)	(1,147,270)	(1,090,299)
Current Yr Acc	1,147,270	1,090,298	-
TOTAL	\$ 14,337,233	\$ 14,142,798	\$ 6,394,989
Adj Budget	\$ 14,638,600	\$ 14,390,000	\$ 14,775,000



GENERAL FUND REVENUE ANALYSIS (continued):

UTILITY USER'S TAX THROUGH DECEMBER 2010

Culver 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. At the mid-year UUT receipts for all five categories totaled \$6,394,989. Total receipts were 5.0% higher than mid-year 2009-10.

POSITIVE

ELECTRICITY UUT — Mid-year revenue totaled \$2,957,769, which is 6.6% higher than last year. **NOTE:** It is recommended that the budget for this category be increased by \$100,000.

POSITIVE

NATURAL GAS UUT — Natural gas revenues ended December totaling \$322,124, which is 20.9% higher than receipts at this point last year. The higher revenue is primarily due to rising natural gas prices. However, current year receipts are 27.2% lower than the same period of fiscal year 2008-09. Last year natural gas prices dropped dramatically due to an oversupply of natural gas in the U.S.

POSITIVE

WATER UUT — Through the fiscal 2010-11 mid-year, Water UUT receipts are 9.5% higher than the receipts at this point 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

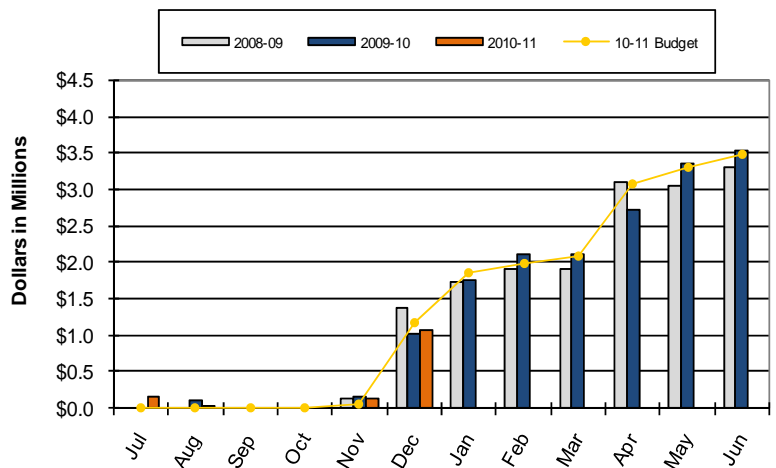
TELECOMMUNICATIONS UUT — At mid-year, telecommunications revenue totaled \$2,30,125, or 42.8% of the adjusted budget. Revenue was 1.6% lower than last fiscal year mid-year totals.

NORMAL

CABLE TELEVISION UUT — Cable TV UUT receipts totaled \$290,019. Last year, the December payment was not recorded until January, but comparing the revenue through November, shows that current year receipts are 2.7% higher than the same period last year.

PROPERTY TAX THROUGH DECEMBER 2010 (Comparison of Fiscal Years 2008-09, 2009-10, and 2010-11) [Cumulative]

	2008-09	2009-10	2010-11
July	\$ 65,250	\$ 135,260	\$ 155,874
August	17,642	107,307	21,320
September	-	-	-
October	-	-	-
November	132,865	146,159	129,332
December	1,234,198	879,421	1,070,843
January	369,590	739,890	
February	175,604	338,335	
March	3,368	4,437	
April	1,197,760	608,816	
May	(74,574)	630,042	
June	0	5,239	
Prior Yr Acc	(82,892)	(247,009)	(177,194)
Current Yr Acc	256,514	177,194	
TOTAL	\$ 3,295,325	\$ 3,525,093	\$ 1,200,175
Adj Budget	\$ 3,340,000	\$ 3,400,000	\$ 3,470,000



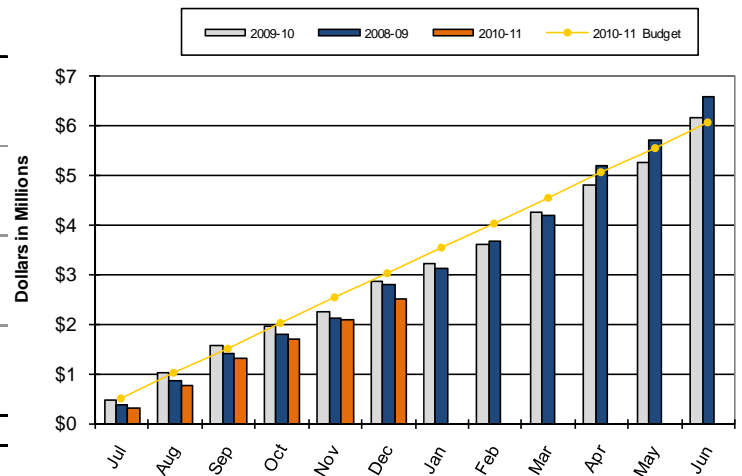
POSITIVE

PROPERTY TAX — At the end of December, property taxes totaled \$1,200,175, which is 34.6% of the budgeted projections. Receipts are 13.3% higher than the receipts at this point last year. Even though the Culver City real estate market has softened, the downturn has not had a significant impact on property tax receipts. Culver City has many longtime homeowners, which due to Prop 13, keeps their property taxes low and the City's receipts relatively stable.

GENERAL FUND REVENUE ANALYSIS (continued):

CHARGES FOR SERVICES THROUGH DECEMBER 2010 (Comparison of Fiscal Years 2008-09, 2009-10, and 2010-11) [Cumulative]

Charges for Services*			
	2008-09	2009-10	2010-11
July	\$ 383,633	\$ 491,159	\$ 319,813
August	477,632	544,206	459,517
September	548,892	529,489	554,193
October	391,456	389,864	364,559
November	340,259	319,181	405,412
December	651,720	583,895	426,020
January	348,826	364,357	-
February	550,733	401,591	-
March	514,353	641,187	-
April	973,322	541,072	-
May	537,721	443,240	-
June	853,688	914,880	-
TOTAL	\$ 6,572,235	\$ 6,164,121	\$ 2,529,515
Adj Budget	\$ 6,108,698	\$ 6,109,785	\$ 6,064,609



*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 41.7% of the adjusted budget. Some revenues within Charges for Services have declined due to the economic conditions, especially the planning and building related services. However, most of the fees have increased in recent years due to annual increases to meet cost recovery goals.

Charges for Services — Individual Category Notables through December 2010

Veterans Memorial Rental Fees ↔ — Through the end of December, fee receipts for the Veteran’s Memorial Rental Fees, which includes the Senior Center and Teen Center rentals, were at 36.5% of the adjusted budget projections for the fiscal year. Auditorium rental revenue is meeting budget forecasts, but Meeting Room, Teen Center, and Senior Center rentals are all lagging.

Public Safety Related Fees ↑ — At the mid-year Police Department charges for services totaled \$469,110 and were 56.6% of the adjusted budget. These revenues are made up of records requests, live scan fingerprints, vehicle impounds, and other miscellaneous fees. Live scan revenue are 41% higher than receipts last year.

Plan Check Fees ↓ — Plan check fees were at 30.5% of the adjusted budget. Receipts were 22% lower than this point last year. All building and development related revenue categories are down this year because very little construction is being initiated.

NOTE: It is recommended that the budget for this category be decreased by \$365,000

Various Recreation Fees ↔ — Recreation fees in the amount of \$718,706 were collected during the first half of fiscal year 2010-11. Total receipts were 2.5% higher than this point last year.

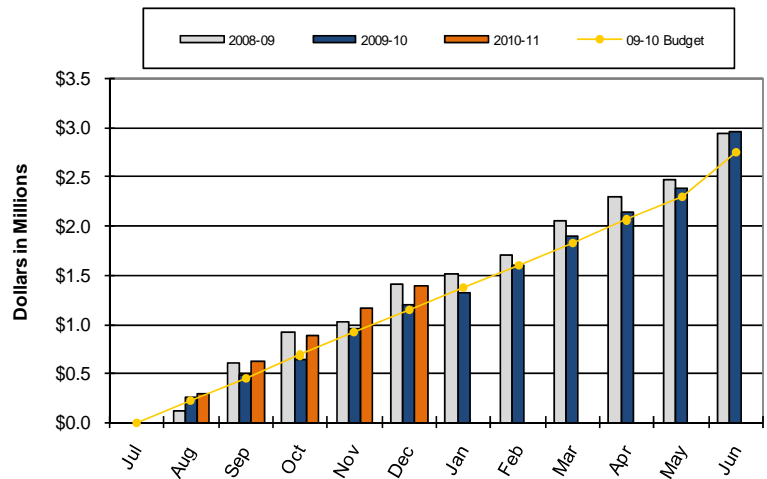
Ambulance Billings ↔ — This category ended December with \$445,764 in revenue, or 46.9% of the adjusted budget. Compared to last fiscal year, revenues were down 2.2%.

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. So far this fiscal year, the City has received reimbursements in the amount of \$74,673. This is just slightly less than the amount received last fiscal year.

GENERAL FUND REVENUE ANALYSIS (continued):

TRANSIENT OCCUPANCY TAX THRU DECEMBER 2010 (Comparison of Fiscal Years 2008-09, 2009-10, and 2010-11) [Cumulative]

	2008-09	2009-10	2010-11
July	\$ 301,739	\$ 247,355	\$ 292,931
August	187,196	276,575	296,998
September	482,684	234,294	325,533
October	314,886	156,369	257,472
November	100,824	315,772	280,086
December	381,912	245,182	231,109
January	118,788	109,029	
February	190,176	284,414	
March	337,622	289,779	
April	248,716	251,431	
May	175,561	249,723	
June	201,647	279,009	
Prior Yr Acc	(364,537)	(266,969)	(291,305)
Current Yr Acc	266,969	291,305	
TOTAL	\$ 2,944,182	\$ 2,963,269	\$ 1,392,825
Adj Budget	\$ 2,850,000	\$ 2,837,000	\$ 2,850,000



POSITIVE

TRANSIENT OCCUPANCY TAX — Revenue totaled \$1,392,825 for the first half of the fiscal year 2010-11. Revenues are at 48.9% of the adjusted budget and was \$184,246 higher than the receipts last year.

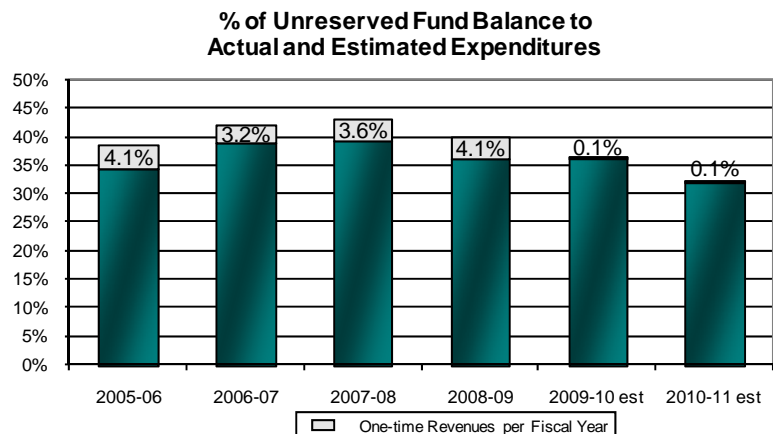
The stabilization of the economy is certainly encouraging more leisure and business travel, which is evident in the increases in passenger traffic at LAX. Hotels in other areas of California have closed due to the recession, but fortunately the major Culver City hotels have managed to weather the storm.

NOTE: It is recommended that the budget for this category be increased by \$200,000

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

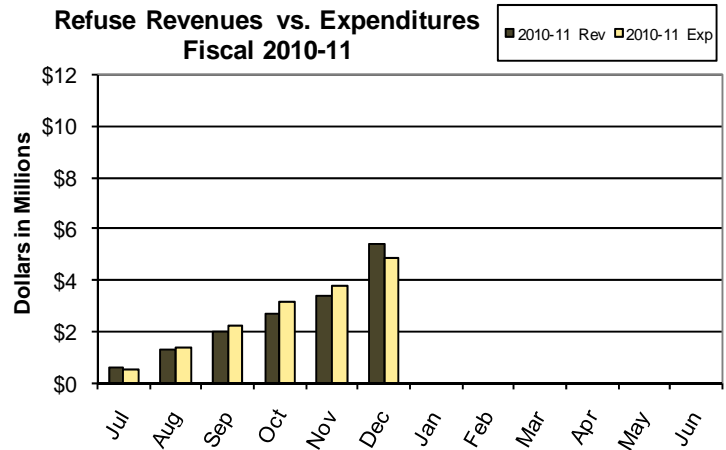


It is the policy of the City not to use revenues identified as one-time funds to pay for recurring expenditures.

REFUSE FUND ANALYSIS:

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

	Refuse Expenditures		
	2008-09	2009-10	2010-11
July	\$ 611,087	\$ 545,695	\$ 555,191
August	755,594	848,162	825,006
September	733,821	898,687	835,150
October	939,413	809,490	923,050
November	814,124	945,572	677,774
December	843,596	863,805	1,059,362
January	838,182	927,631	
February	860,615	817,110	
March	1,037,758	852,192	
April	801,923	918,295	
May	624,545	726,546	
June	1,265,602	1,350,332	
TOTAL EXP	\$ 10,126,260	\$ 10,503,516	\$ 4,875,532
Adj Budget	\$11,908,814	\$12,206,717	\$11,263,488



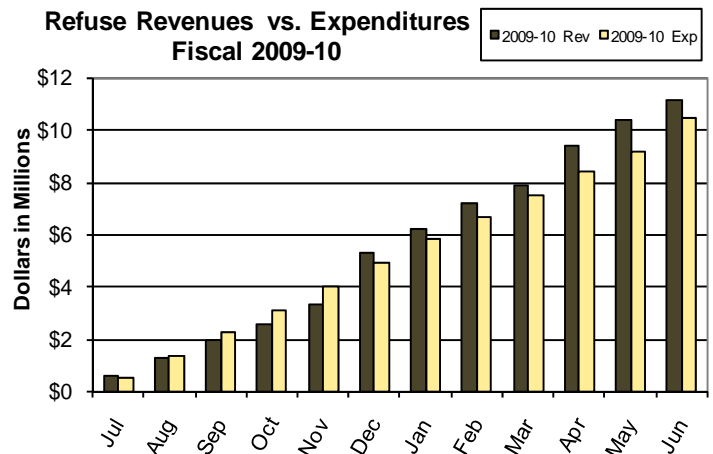
Note: Depreciation amounts not included.

BELOW BUDGET REFUSE FUND EXPENDITURES

At mid-year Refuse Fund expenditures totaled \$4,875,532, or 43.3% of the adjusted budget. The relatively low percentage is attributable to the Transfer Station Division, which is in the process of contracting out the long-haul function. Personnel related expenditures are 49.0% expended, while operations and maintenance (O&M) expenditures are 40.3% expended. The expenditures for the new long-haul contractor are included in the O&M budget, so O&M expenditures will increase once the long-haul function is contracted out.

The outstanding loan amount for the Refuse Fund at the end of fiscal 2010-11 will be \$881,845. Loan payments to the General Fund and Equipment Replacement Fund continue to be made on schedule.

	Refuse Revenues		
	2008-09	2009-10	2010-11
July	\$ 688,909	\$ 613,093	\$ 623,575
August	688,138	656,562	709,926
September	690,235	679,447	689,011
October	645,709	670,945	656,371
November	649,899	694,072	731,885
December	1,893,806	2,023,083	2,004,639
January	988,385	920,584	
February	952,691	970,973	
March	631,770	669,691	
April	1,539,481	1,522,905	
May	943,220	979,544	
June	647,231	775,627	
TOTAL REV	\$ 10,959,474	\$ 11,176,527	\$ 5,415,407
Adj Budget	\$ 11,541,718	\$ 11,629,577	\$ 11,710,340



NORMAL REFUSE FUND REVENUES —

Refuse Fund revenue totaled \$5,415,407 or 46.2% of the adjusted budget. Revenues were 1.5% 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 December, revenues totaled 50.4% of the budgeted projections. Bin service comprises approximately 45% of the 2010-11 Refuse Fund's budgeted annual revenue amount. Sale of recyclable items is at 93.1% of the budgeted projections and 122.2% higher than this point last fiscal year.

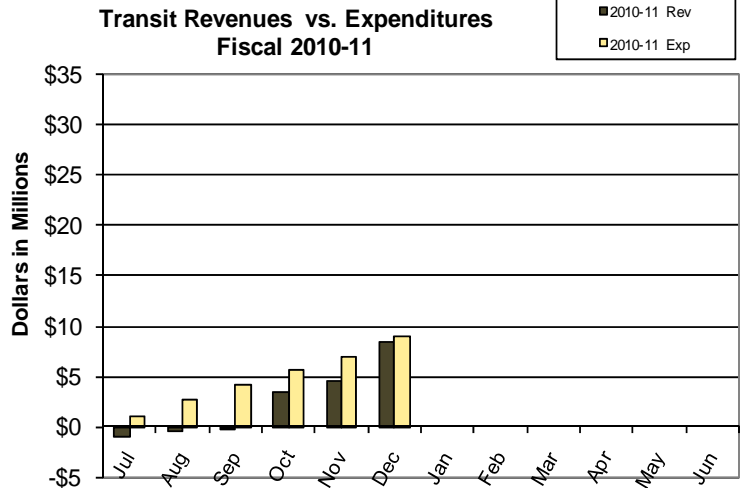
Refuse disposal rates were not increased in 2010-11. The last rate increase was in fiscal 2009-10 when rates were increased 5%.

TRANSIT FUND ANALYSIS:

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

	Transit Expenditures		
	2008-09	2009-10	2010-11
July	\$ 838,311	\$ 1,178,787	\$ 1,156,260
August	1,696,863	1,721,272	1,657,719
September	1,198,154	1,192,193	1,490,439
October	1,097,475	1,157,761	1,339,239
November	1,177,406	1,252,734	1,368,915
December	1,210,119	1,143,157	1,929,929
January	1,242,695	2,011,183	
February	1,294,149	1,268,483	
March	1,684,075	1,362,348	
April	3,849,603	1,152,493	
May	1,470,648	1,205,167	
June	2,313,229	2,051,617	
TOTAL EXP	\$ 19,072,729	\$ 16,697,194	\$ 8,942,503
Adj Budget	\$23,681,510	\$33,053,578	\$20,523,433

Note: Depreciation amounts not included.



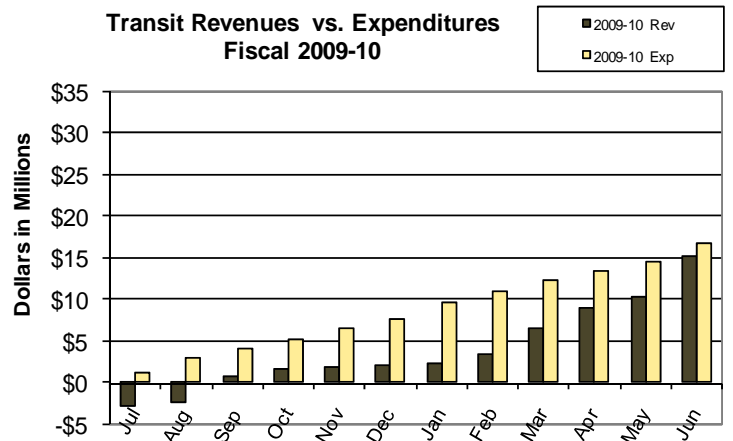
BELOW BUDGET

TRANSPORTATION FUND EXPENDITURES

Transportation Fund expenditures totaled \$8,942,503 or 43.6% of the adjusted budget. At the mid-year personnel expenses were at approximately 43.4% of adjusted budget, and O & M expenditures were approximately 43.9% expended. Compared to last year, expenditures are 17.0% higher.

Last year the funds were budgeted for the procurement of the new buses. Since the purchase did not take place last year, the budget to purchase the budgets will be carried over into the current year. Transportation is finalizing the purchase of the new buses

	Transit Revenues		
	2008-09	2009-10	2010-11
July	\$ 192,803	\$ (2,837,763)	\$ (938,204)
August	438,785	483,439	501,741
September	4,021,856	3,166,171	461,330
October	23,882	754,493	3,457,651
November	1,407,257	348,660	1,031,668
December	1,029,098	248,342	3,861,856
January	1,160,277	249,339	
February	3,445,572	1,041,637	
March	494,236	3,066,689	
April	(591,373)	2,452,438	
May	2,696,572	1,323,135	
June	5,880,639	4,975,639	
TOTAL REV	\$ 20,199,604	\$ 15,272,218	\$ 8,376,043
Adj Budget	\$ 20,591,546	\$ 29,183,264	\$ 18,018,392



NORMAL

TRANSPORTATION FUND REVENUES

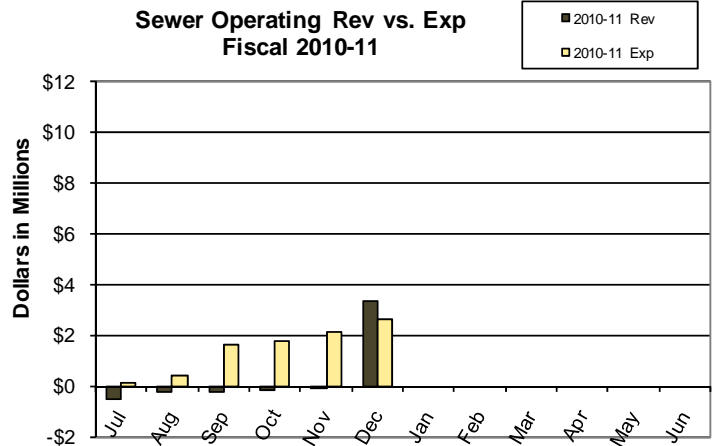
Transportation Fund revenues are comprised of many sources, including funding from the County (Metro), State, and Federal government. Last fiscal year the fund began receiving voter approved Measure R funds which is derived from sales taxes. In the first year, Measure R revenue totaled \$1,161,115. At mid-year total Transportation receipts totaled \$8,376,043 and were 46.5% of the budgeted projections.

Farebox revenue totaled \$1,397,960, which is 5.5% higher than this point last year. Compared to last year, EZ Pass revenue is 19.3% higher, totaling \$166,733.

SEWER FUND ANALYSIS:

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

	Sewer Op Expenditures		
	2008-09	2009-10	2010-11
July	\$ (248,863)	\$ (220,526)	\$ 149,211
August	1,355,165	290,032	249,408
September	249,451	1,051,492	1,245,479
October	324,357	788,879	119,813
November	209,264	567,522	343,783
December	246,201	359,752	536,705
January	213,056	568,886	
February	282,394	439,831	
March	883,641	1,211,373	
April	208,212	207,533	
May	222,710	511,658	
June	735,119	821,045	
TOTAL EXP	\$ 4,680,705	\$ 6,597,477	\$ 2,644,398
Adj Budget	\$8,438,444	\$9,255,764	\$8,733,486

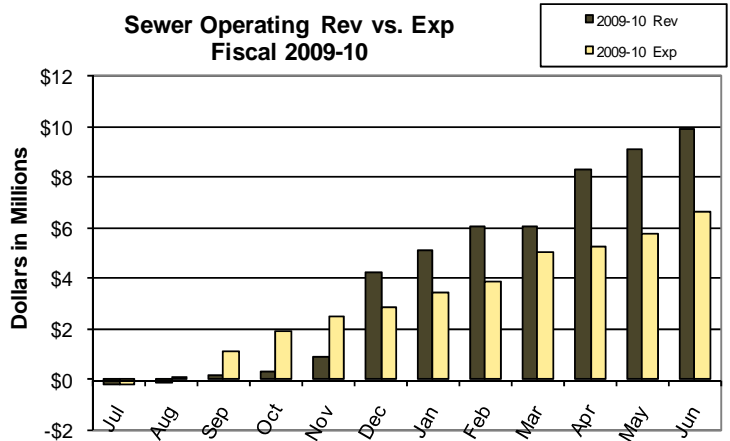


Note: Depreciation amounts not included.

BELOW BUDGET **SEWER OPERATING EXPENDITURES** – Sewer Operating expenditures for fiscal 2010-11 totaled \$2,644,398 which is 30.3% 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 at mid-year were approximately 48.6% of the budgeted projections. Personnel expenditures have grown 16.4% from the prior fiscal year. This is primarily due to the increase of funding toward other post-employment retiree benefits (OPEB).

Operating and Maintenance expenditures were approximately 27.6% 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		
	2008-09	2009-10	2010-11
July	\$ (176,400)	\$ (207,414)	\$ (473,695)
August	225,683	128,406	242,865
September	80,197	263,100	44,414
October	115,369	158,867	49,684
November	157,384	581,529	164,602
December	3,626,697	3,321,109	3,295,977
January	975,864	888,944	
February	846,395	888,745	
March	74,241	42,011	
April	2,386,108	2,240,612	
May	1,028,117	771,895	
June	223,162	826,105	
TOTAL REV	\$ 9,562,817	\$ 9,903,908	\$ 3,323,848
Adj Budget	\$ 9,897,337	\$ 8,970,000	\$ 8,715,000

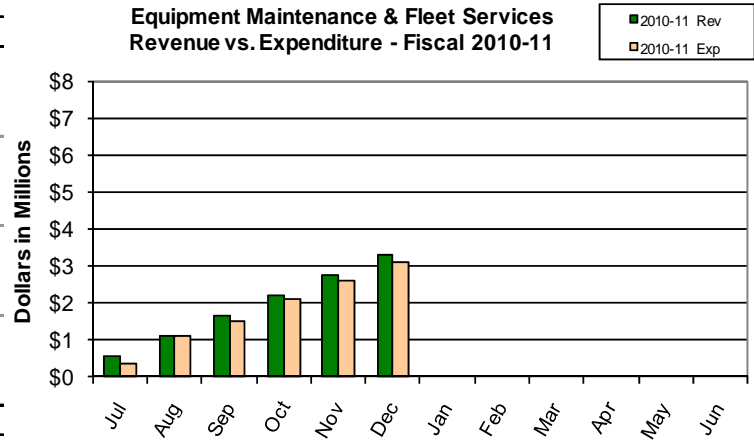


NORMAL **SEWER OPERATING REVENUES** – Sewer operating revenues through the mid-year are \$3,323,848 or 38.1% of budgeted projections. Revenues are 21.7% lower than the fiscal 2009-10 mid-year totals. The primary reason for the drop in revenue is a 97.9% drop in Sewer Facility Fees. These fees are charged to construction and development projects and some of the fees are passed on to the City of Los Angeles. Due to the real estate market slowdown, there hasn't been much construction actively in the first six months of fiscal 2010-11. Sewer Operating Charges, which are charged on property tax bills, comprise approximately 88% of the sewer operating revenue projections. This revenue grew 0.3% year over year.

INTERNAL SERVICE FUND ANALYSIS:

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

	EM&FS EXPENDITURES		
	2008-09	2009-10	2010-11
July	\$ 426,475	\$ 320,479	\$ 343,957
August	819,663	609,971	749,447
September	572,292	558,293	417,851
October	580,038	525,566	587,254
November	505,847	564,757	483,964
December	519,560	513,863	540,010
January	498,798	701,327	
February	567,648	564,397	
March	651,833	577,678	
April	518,712	517,784	
May	476,180	538,244	
June	860,955	830,209	
TOTAL EXP	\$ 6,998,001	\$ 6,822,568	\$ 3,122,485
Adj Budget	\$ 7,206,621	\$ 7,466,942	\$ 7,461,738



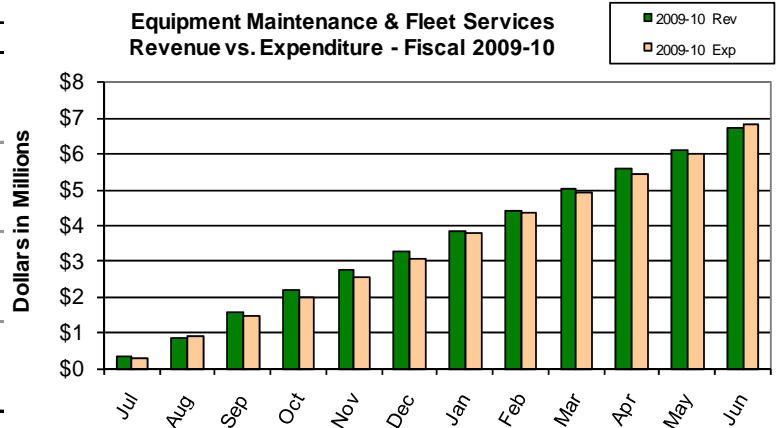
NORMAL

EQUIPMENT MAINTENANCE FUND EXPENDITURES

— At mid-year, Equipment Maintenance & Fleet Services (EM&FS) expenditures were \$3,122,485 or 41.9% of the adjusted budget. Personnel related expenditures are approximately 47.6% expended, and operating and maintenance were approximately 36.0% 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 only 30.5% 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		
	2008-09	2009-10	2010-11
July	\$ 577,353	\$ 371,724	\$ 559,203
August	555,946	518,275	529,070
September	565,109	705,573	551,173
October	564,228	628,134	578,723
November	454,692	520,489	527,990
December	517,271	553,943	541,142
January	480,335	535,738	
February	482,969	566,133	
March	527,149	605,660	
April	627,057	568,635	
May	607,321	510,272	
June	774,337	645,087	
TOTAL REV	\$ 6,733,767	\$ 6,729,664	\$ 3,287,301
Adj Budget	\$ 7,585,747	\$ 7,434,982	\$ 7,642,524



NORMAL

EQUIPMENT MAINTENANCE FUND REVENUES

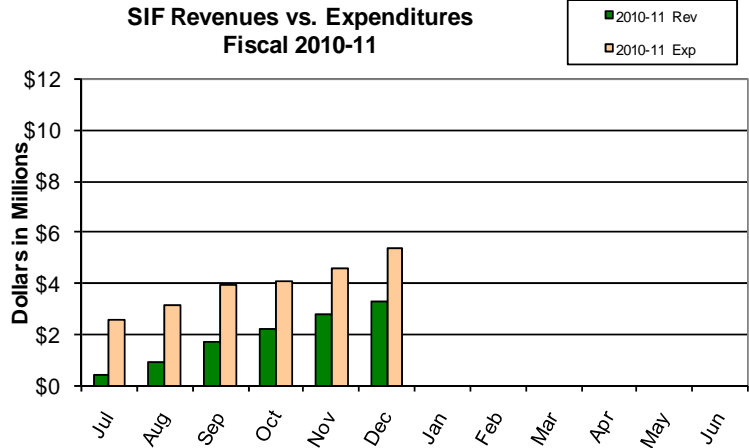
— Equipment Maintenance & Fleet Services revenues at mid-year were \$3,287,300, or 43.0% of adjusted budget projections. Revenues are 0.3% lower than the revenues at this point last year.

The goal of an Internal Service Fund is for revenues to match the actual expenditures at the end of a fiscal year. As mentioned above, charge-outs for this fund are monitored to ensure the expenditures are properly charged to the funds which utilize the services.

INTERNAL SERVICE FUND ANALYSIS:

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

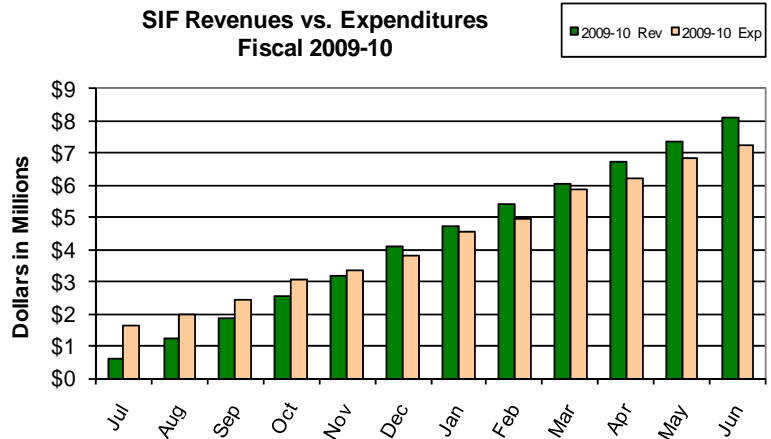
	SIF Expenditures		
	2008-09	2009-10	2010-11
July	\$ 1,405,609	\$ 1,657,688	\$ 2,599,489
August	557,547	345,110	585,722
September	294,637	459,724	778,285
October	469,756	596,356	99,155
November	436,980	300,869	554,784
December	357,415	472,112	746,891
January	198,315	732,797	
February	337,424	392,382	
March	237,636	923,429	
April	250,746	309,547	
May	461,235	650,590	
June	532,676	413,896	
TOTAL EXP	\$ 5,539,976	\$ 7,254,500	\$ 5,364,327
Adj Budget	\$ 7,449,167	\$ 7,453,133	\$ 6,414,495

**NEGATIVE**

SELF-INSURANCE FUND EXPENDITURES — At the fiscal 2010-11 mid-year, Self Insurance Fund total expenditures were at 83.6% of adjusted budget. For the Premiums/Claims Division of the Self Insurance Fund expenditure were at 97.1% of the budget. The increase in workers' compensation costs is due to a number of factors including increased efforts to settle some longstanding open claims, changes in state law that have increased Temporary Total Disability payments to injured workers, and some one-time costs due to efforts by the new Third Party Administrator to catch up on back logged issues.

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.

	SIF Revenues		
	2008-09	2009-10	2010-11
July	\$ 547,878	\$ 608,579	\$ 412,951
August	687,329	644,262	520,053
September	720,886	649,700	770,150
October	642,585	649,288	533,956
November	643,281	658,954	538,914
December	663,575	872,660	537,085
January	644,827	651,112	
February	641,495	660,976	
March	638,457	646,469	
April	1,518,184	657,218	
May	648,673	649,273	
June	684,320	740,966	
TOTAL REV	\$ 8,681,490	\$ 8,089,457	\$ 3,313,109
Adj Budget	\$ 7,530,015	\$ 7,728,178	\$ 6,626,319

**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. At mid-year, receipts were at 50.0% of adjusted budget projections. Due to lower insurance costs and a healthier fund balance, the internal service charges were lowered for fiscal 2010-11. These are adjusted annually, to ensure that the fund maintains a healthy fund balance.

In fiscal year 2009-10 revenue exceeded expenditures by approximately \$829,390, which helped the fund balance recover to a more appropriate level. Last fiscal year, 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 (P857)	\$6,527,000	54% - Gen Fund Capital 46% - RDA Bond	\$6,356,904	Completed
2. Sewer Projects (Bradock and Fox Hills Pump Stations and Sewer Rehab P873/P906)	\$5,680,769	100% Sewer Fund	\$278,927	On-going projects
3. 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	\$2,018,589	Completed
4. Stormwater Discharge Program/NPDES (P497)	\$1,811,338	59% - Grants Capital 41% - Gen Fund Capital	\$98,664	On-going project to establish funds for state mandate
5. Telephone and Network Replacement (P907)	\$1,239,332	100% - Gen Fund Capital	\$1,206,028	Completed

CAPITAL IMPROVEMENT EXPENDITURES BY CATEGORY

	Adjusted Budget	Expended to Date	Major Projects:
Street & Alley Improvements	\$10,614,505	\$2,383,400	Residential Paving, Carson St, Sepulveda Blvd
Traffic Signal & Lighting Improvements	\$4,244,892	\$1,474,903	Fox Hills ATSS
Bridge Improvements	\$0	\$0	No projects at this time
Parking Improvements	\$15,913	\$33,823	Parking Meter Repair/Replacement
Community Improvements	\$2,488,658	\$558,127	Art Fund Projects, Ballona Creek
Parks & Park Facility Improvements	\$1,338,847	\$425,469	Parks Assessment, Park Equip Repair, Culver West Park Rehab
Police & Fire Improvements	\$811,102	\$265,872	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	\$3,306,145	\$79,912	Cranks Slope Repair, Other City Bldg Repairs

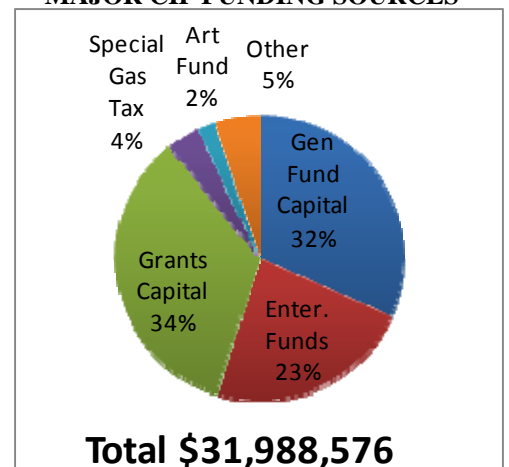
NOTABLE ACTIVITY:

In July the City Council approved an appropriation of \$2 million to be used for deferred maintenance capital projects. One million dollars will be used for street repair, \$600,000 for street lights, \$250,000 for Veteran’s Memorial Building renovations, and \$150,000 for parks irrigation upgrades.

Over the last two years many significant capital projects were completed. 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 last year, the City went live on the new telephone and network system. In fiscal 2009-10 a pilot program for a new parking payment system was initiated on Main St. The pilot program will be completed during fiscal year 2010-11 and based on the results it could be expanded to other parking meter areas.

MAJOR CIP FUNDING SOURCES



OTHER FUND ANALYSIS:

FUND ANALYSIS FOR OTHER FUNDS THROUGH DECEMBER 2010:

NEGATIVE

PARKING MAINTENANCE FUND — At mid-year, revenue is only at 34.0% of the adjusted budget. The primary reason the fund is behind projections is because the budget was increased 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 better understand this. 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.

NORMAL

OPERATING GRANTS FUND — Operating Grants revenues were \$20,499 above expenditures at mid-year. 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 are 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 — At mid-year, the City received \$396,982 of Capital Grant fund reimbursements and \$765,835 was expended. Most of the City's capital grants are reimbursement grants, which means that the city is reimbursed for actual grant related expenditures. 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 2010-11, 13 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. In fiscal 2010-11 the equipment replacement fund is making a one-time transfer of \$750,000 to the General Fund.

NORMAL

SPECIAL GAS TAX (HIGHWAY USERS TAX) — Gas tax revenue were at 49.0% of budgeted projections. 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.

NORMAL

ARTS IN PUBLIC PLACES — At the end of the fiscal year, Art Fund revenue totaled \$55,770. Last fiscal year, revenue totaled \$56,367 for the same period. 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.

NORMAL

PARKS FACILITY FUND (QUIMBY FEES) — Through the end of December, \$48,259, in revenue has 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.