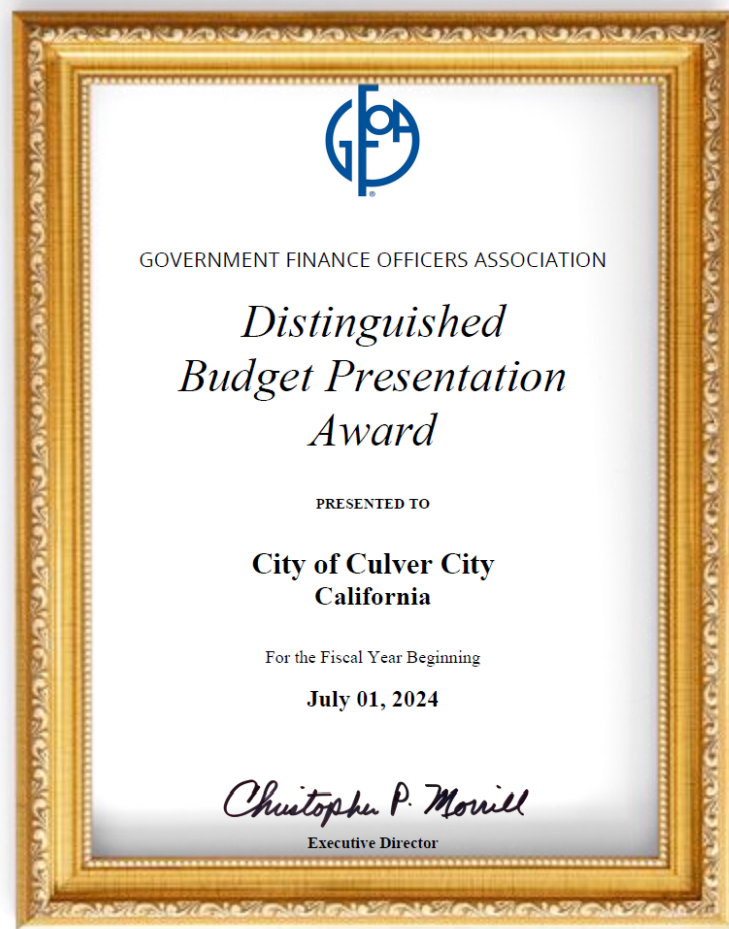
The background of the slide features a photograph of several tall palm trees in the foreground, with the City Hall building visible behind them. The building has a red-tiled roof and a central section with large, ornate stained glass windows. The words "CITY HALL" are visible on the building's facade.

PROPOSED BUDGET FISCAL YEAR 2025-2026

May 19 & 20, 2025

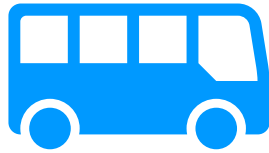
BUDGET AWARDS



CITY COUNCIL STRATEGIC GOALS



**Ensure Long-Term
Financial Stability**



**Enhance Mobility
and Transportation**



**Improve
Housing and
Homeless
Services**



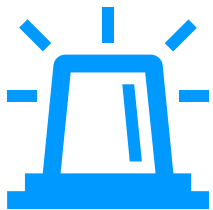
**Promote Diversity,
Equity and
Inclusion**



**Improve and
Maintain Public
Infrastructure and
Community Spaces**



**Advance
Environmental
Sustainability and
Climate Action**



**Promote Public
Safety**

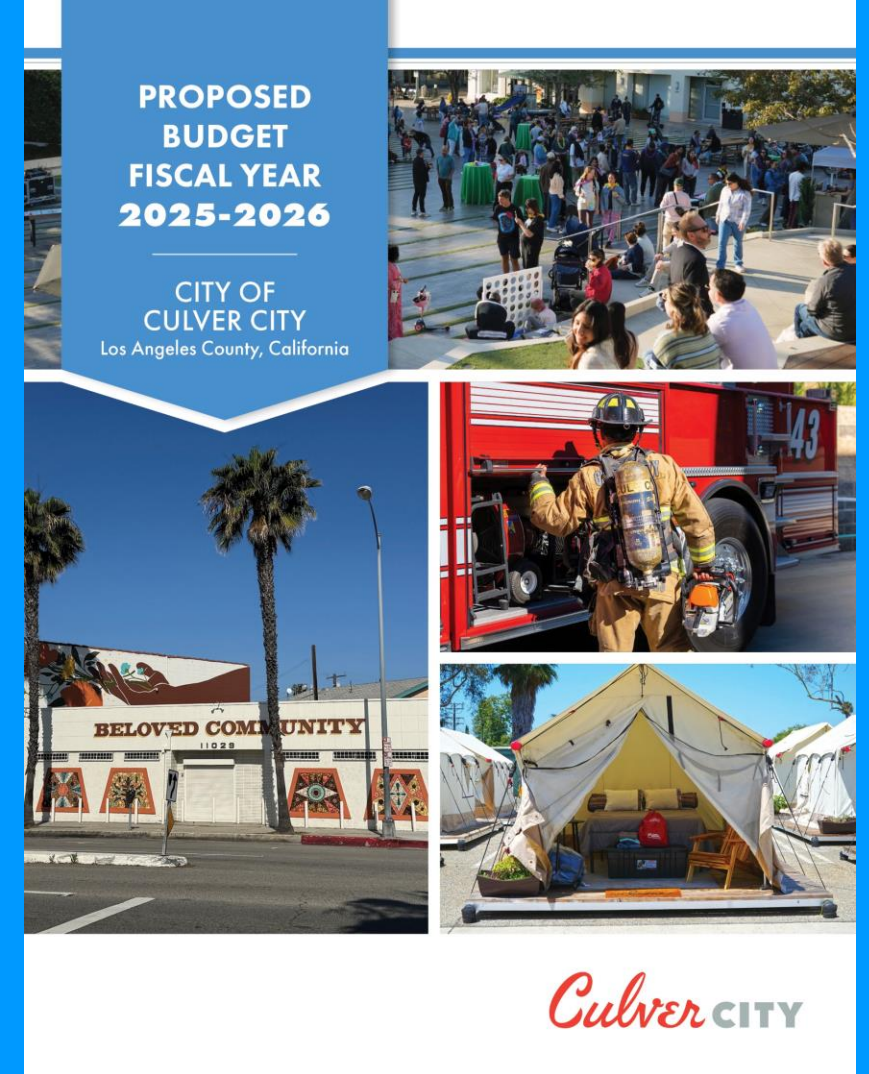


**Provide High
Quality Public
Services**

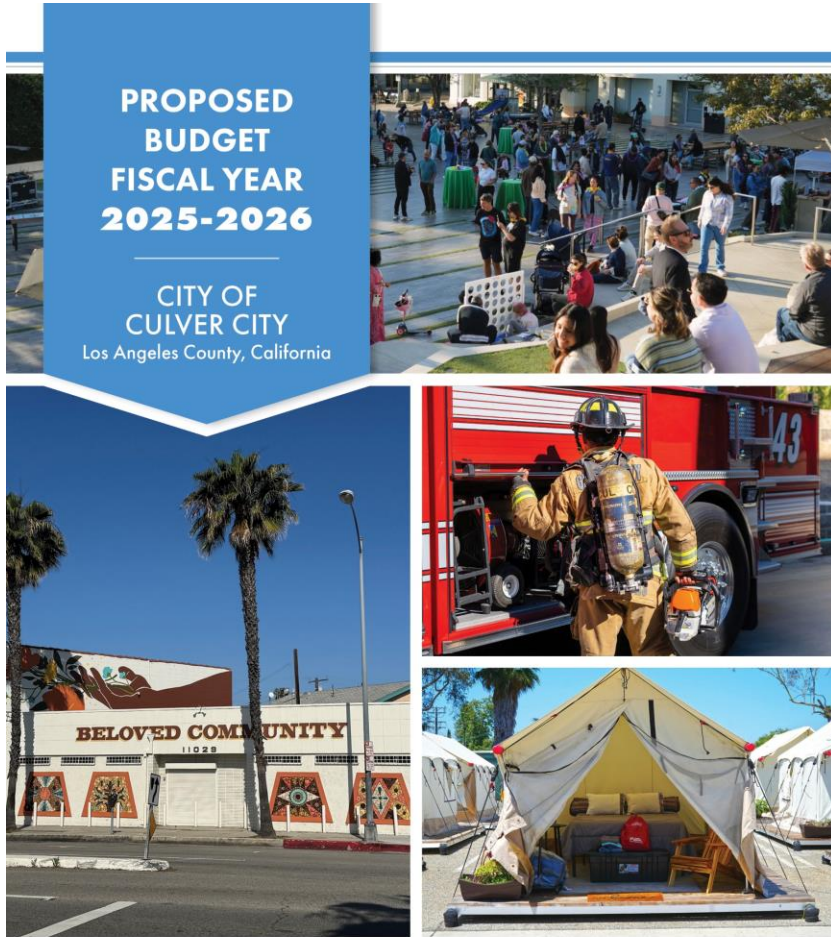


**Increase
Community
Engagement**

In accordance with Section 700, Subsection (d) of the Culver City Municipal Charter, this budget is submitted as part of the City Manager's duties to prepare and present an annual budget to the City Council, and to implement the final budget as adopted by the Council.



BUDGET AND ECONOMIC OUTLOOK



- Economic cool down
- Revenues are strong but growth has slowed
- Base Budget expenditure increases
- Maintains current service levels
- Homelessness programs implemented
- Operational Budget structural deficit
- Reliant on reserves
- Current expenditures levels are not sustainable
- No capacity for new commitments

CITYWIDE BUDGET

FUND TYPE	Adopted Budget FY 2024-2025	Adjusted Budget FY 2024-2025	Proposed Budget FY 2025-2026
General Fund	188,519,802	204,528,575	199,293,991
Special Revenue Funds	22,720,282	49,908,807	29,374,927
Enterprise Fee Funds	105,700,324	135,621,605	98,427,154
Capital Improvement Funds	20,318,637	76,894,546	10,748,611
Internal Service Funds	30,493,927	40,621,318	32,128,264
TOTAL	\$367,752,972	\$507,574,851	\$369,972,947

REVENUE FUNDS

FUND

USES

General Fund

Taxes, Fees, Licenses & Permits and Service Charges
Can be used for any governmental purpose

Enterprise Funds

Service fees & user charges
Can be used for operations that are financed and operated in a manner similar to private businesses

Internal Service Funds

Internal charges used to account for intra-city services
Can be used for equipment replacement, equipment maintenance, risk management, and central stores

Special Revenue Funds

Grants and other restricted funds
Can only be used for specific purposes

SPECIAL REVENUE FUNDS

FUND	USES
Gas Tax	Street Maintenance and Transportation Related Capital Improvement Projects
Proposition A, Proposition C, Measure R & Measure M	County sales taxes for Street Maintenance, Transportation Related Capital Improvements Projects
Operating Grant Funds	Federal, state and local grants for operations
Section 8 Housing Fund	Federal Section 8 Housing Choice Voucher to provide rental subsidies for qualified low-income households
Art in Public Places Fund	Art in Public Places
Community Development Fund	Street improvements

SPECIAL REVENUE FUNDS

FUND	USES
Community Development Block Grant	Eligible service programs and improvement projects to benefit low-and-moderate income individuals
Special Assessment Funds	Landscape services for assessment districts
Park Facilities Fund	Improvements and expansion of public parks and facilities
Parking Authority Fund	Parking operations and infrastructure improvements
Measure CW	Watershed management programs and projects
Measure W	Projects, programs and studies related to protecting and improving water quality

SPECIAL REVENUE FUNDS

FUND

USES

Building Surcharge Fund

Digital imaging and technology improvements to enhance customer service

Paratransit Funds

Transportation for seniors and people with disabilities

Air Quality Management
District

Air quality planning and alternative fuel vehicles

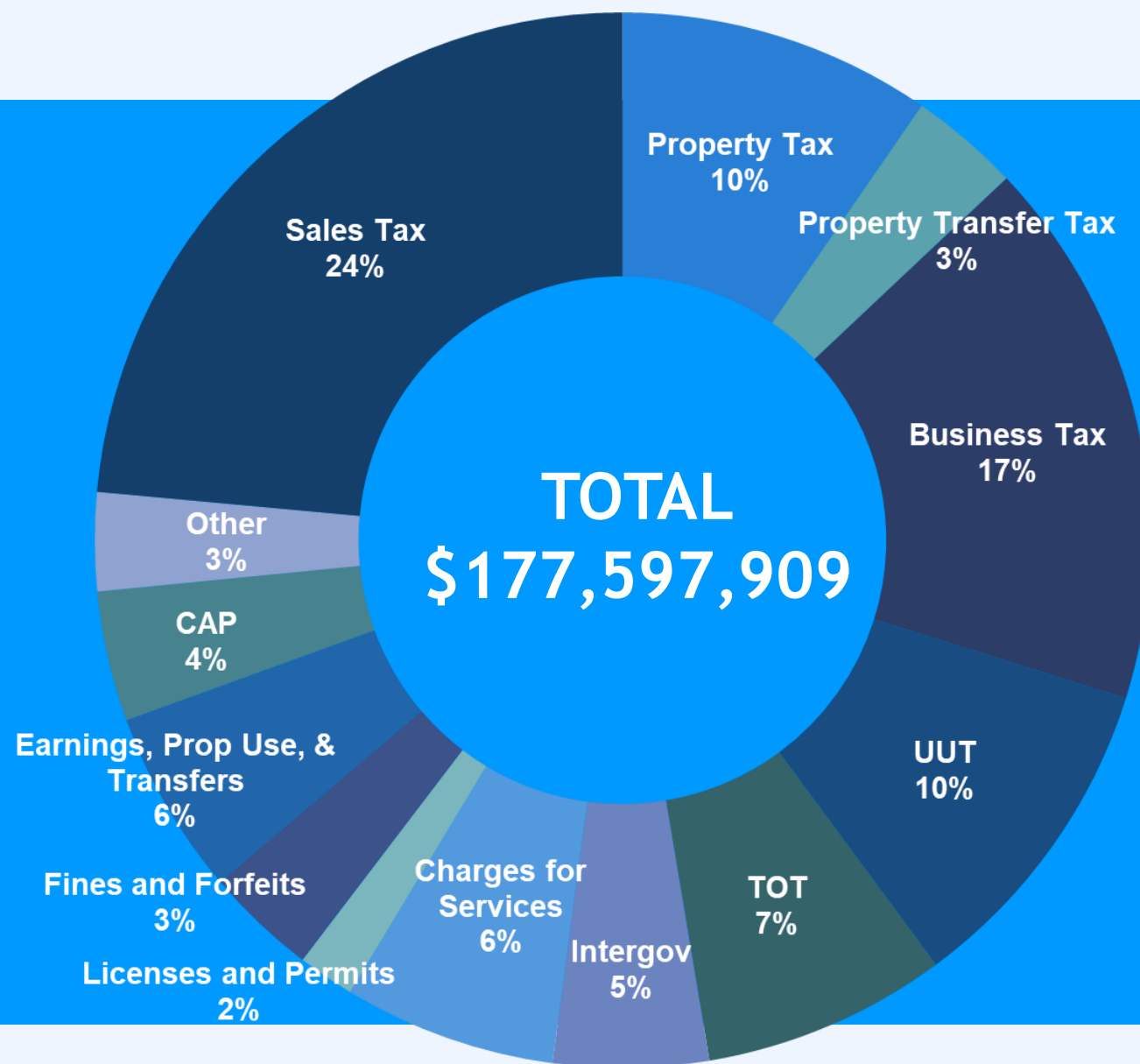
Mobility Improvement Fund

Citywide mobility projects to ameliorate the traffic impacts from new development

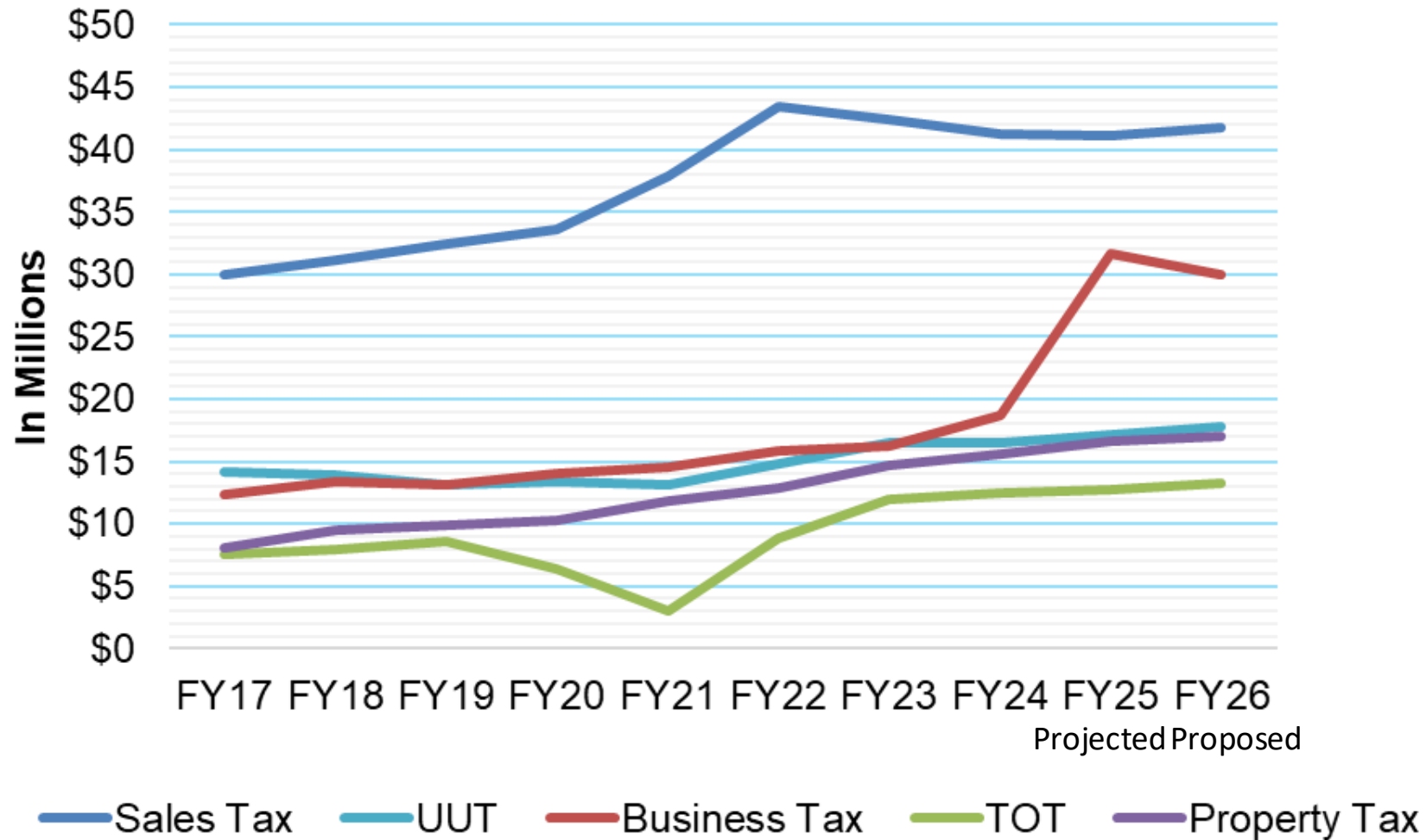
Affordable Housing Fund

Facilitate the development of affordable housing

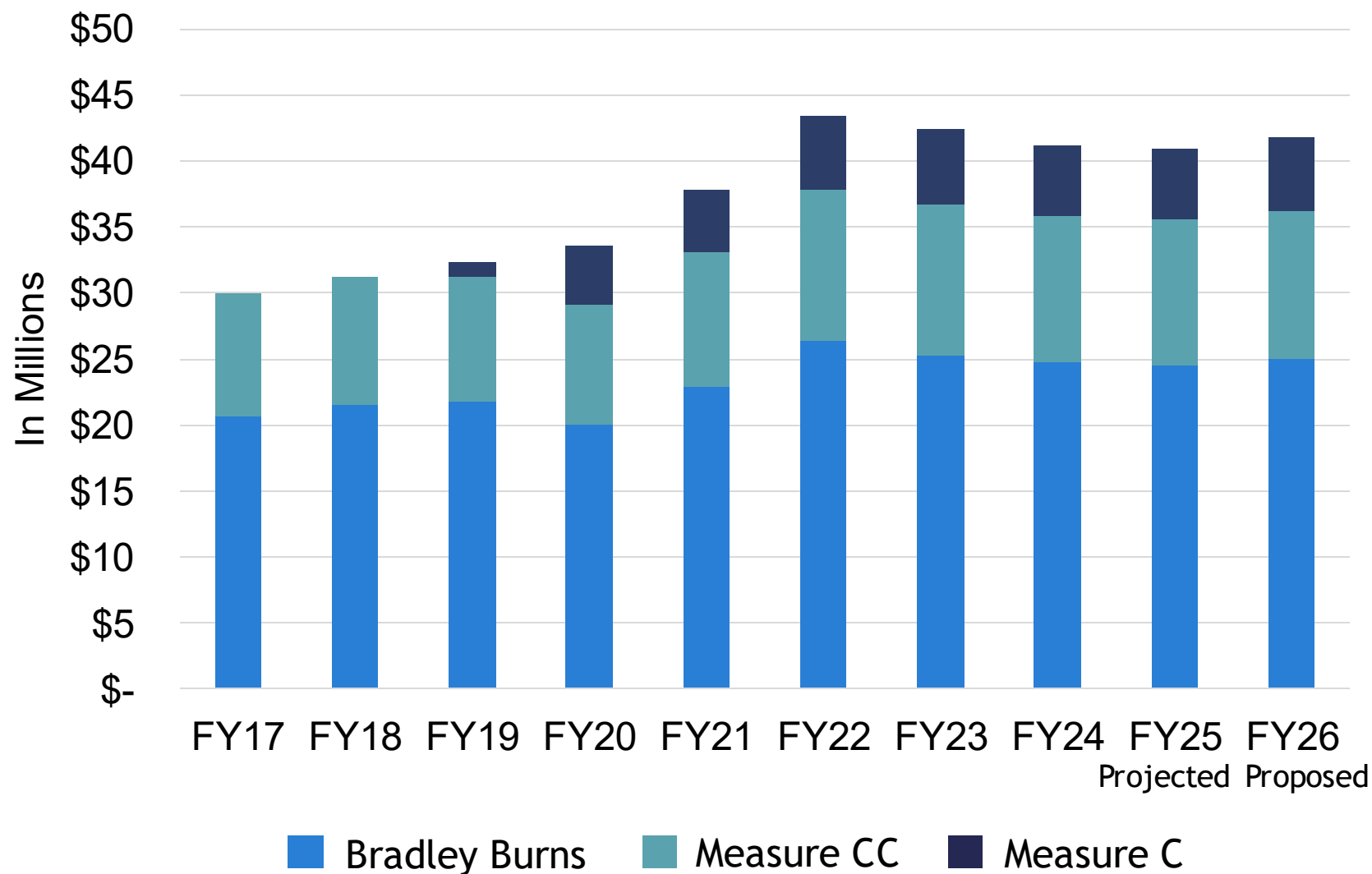
GENERAL FUND REVENUE OVERVIEW



TOP FIVE TAX REVENUE SOURCES

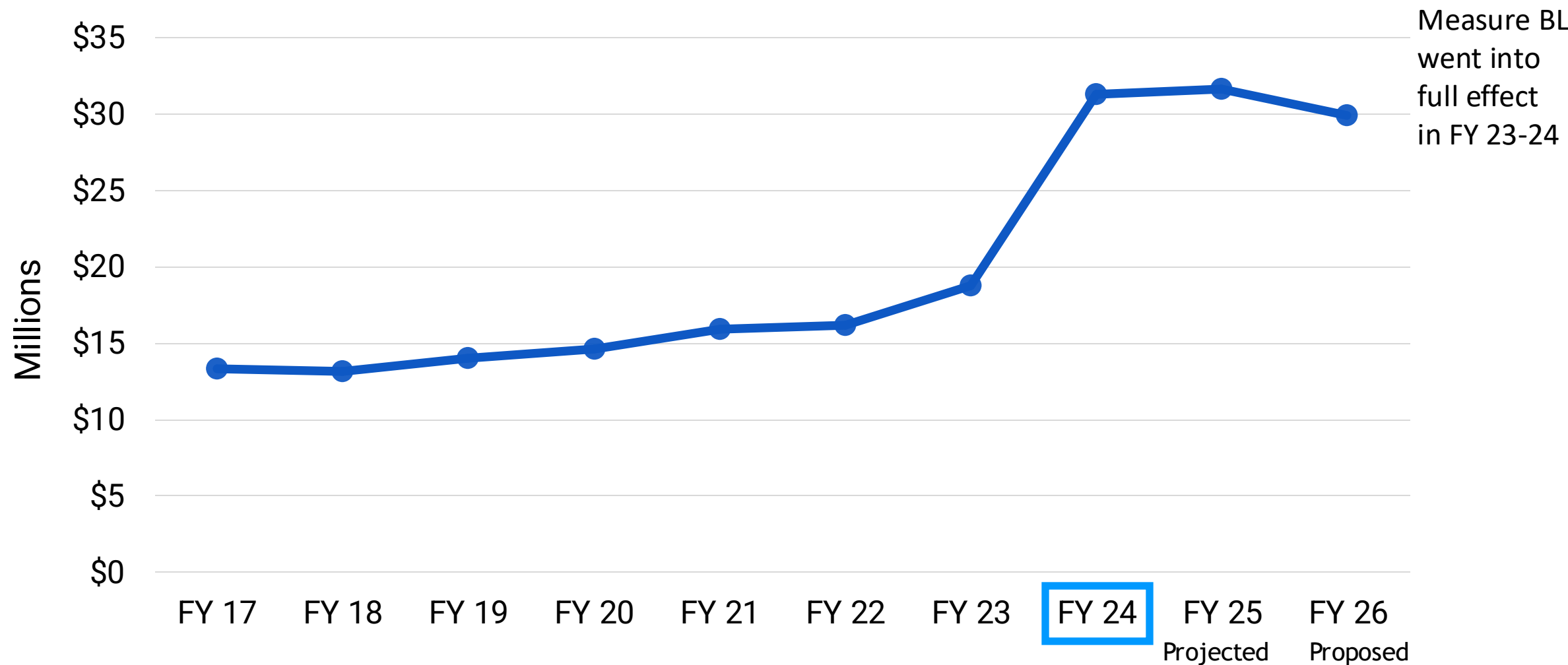


10-YEAR TREND SALES TAX



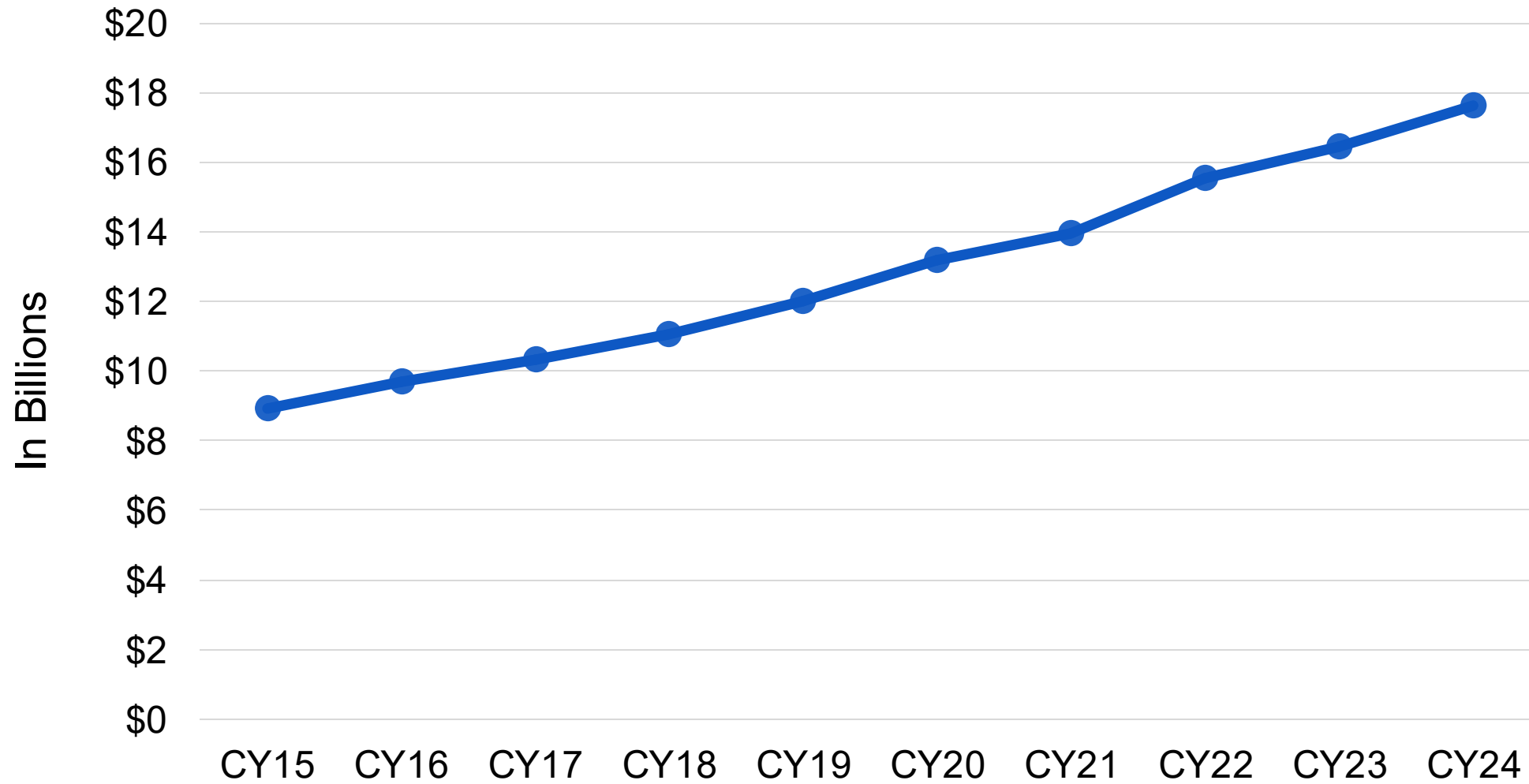
In Fiscal Year 25-26, the City is projected to receive \$41.8 million

10-YEAR TREND BUSINESS TAX

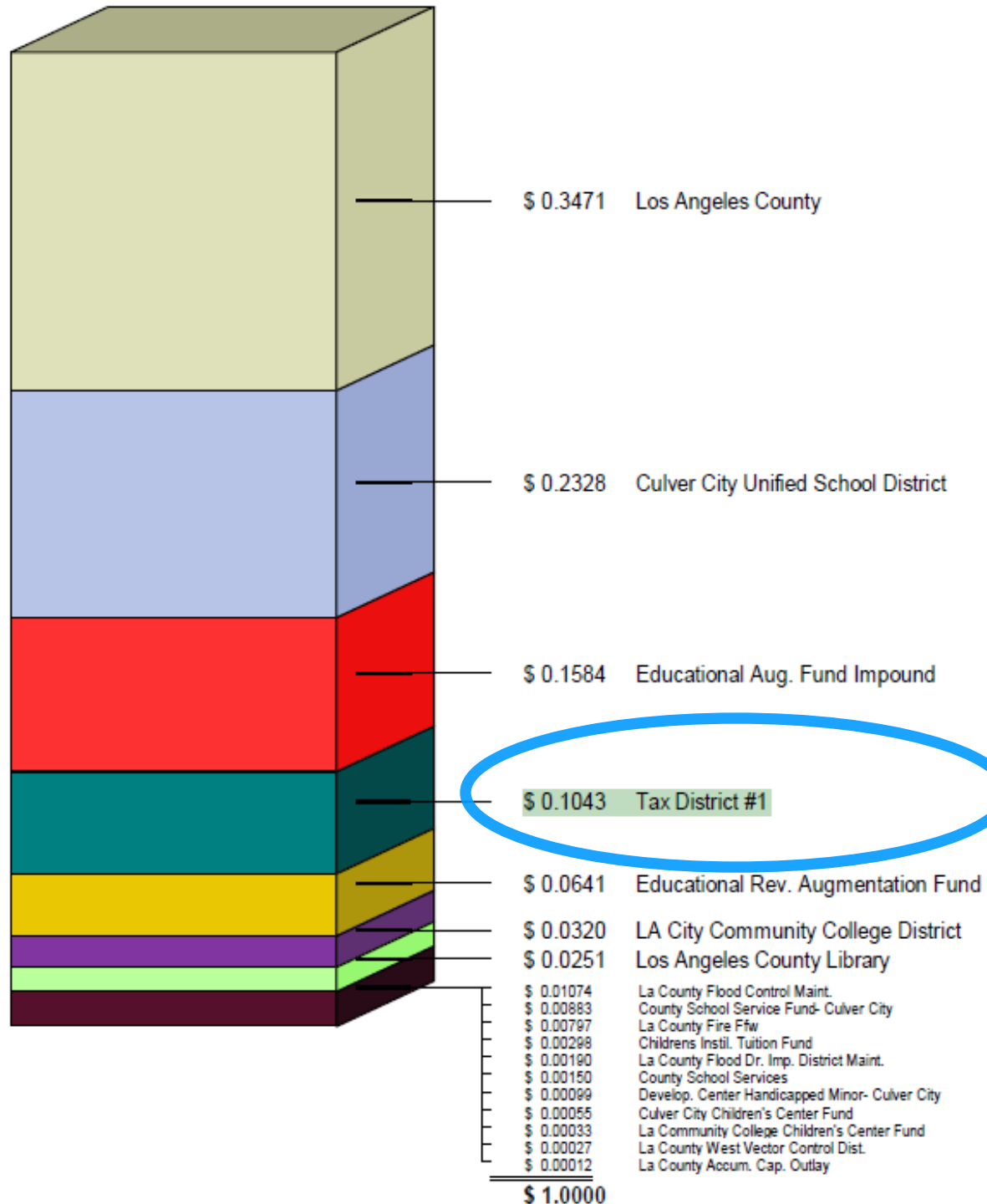


In Fiscal Year 25-26, the City is projected to receive \$30.0 million

10-YEAR TREND TOTAL ASSESSED VALUE



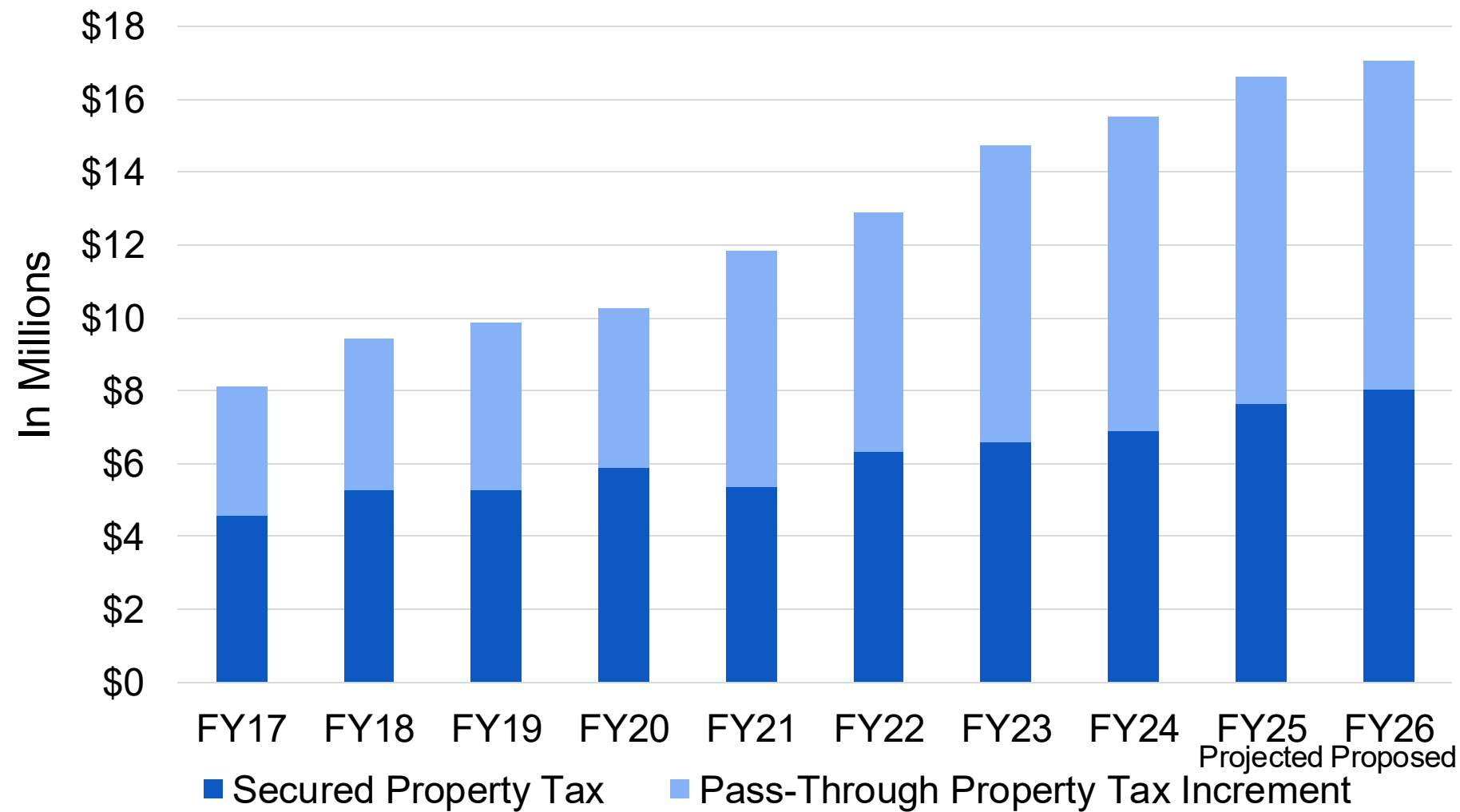
In Calendar Year 2024, the City's Total Assessed Value = \$17.7 Billion



Property Tax Allocation Dollar Breakdown

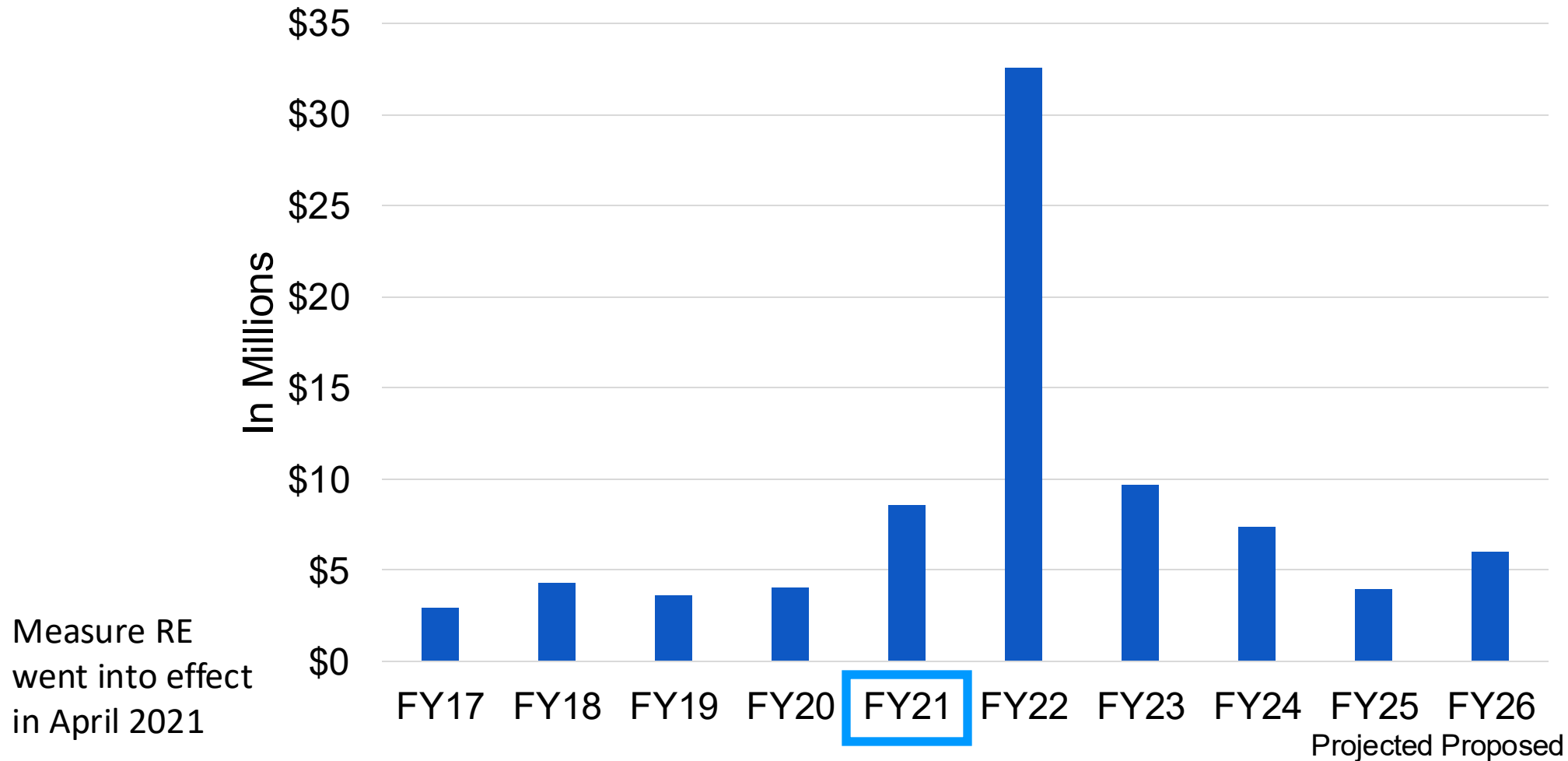
The City receives
10.43 cents per dollar

10-YEAR TREND PROPERTY TAX



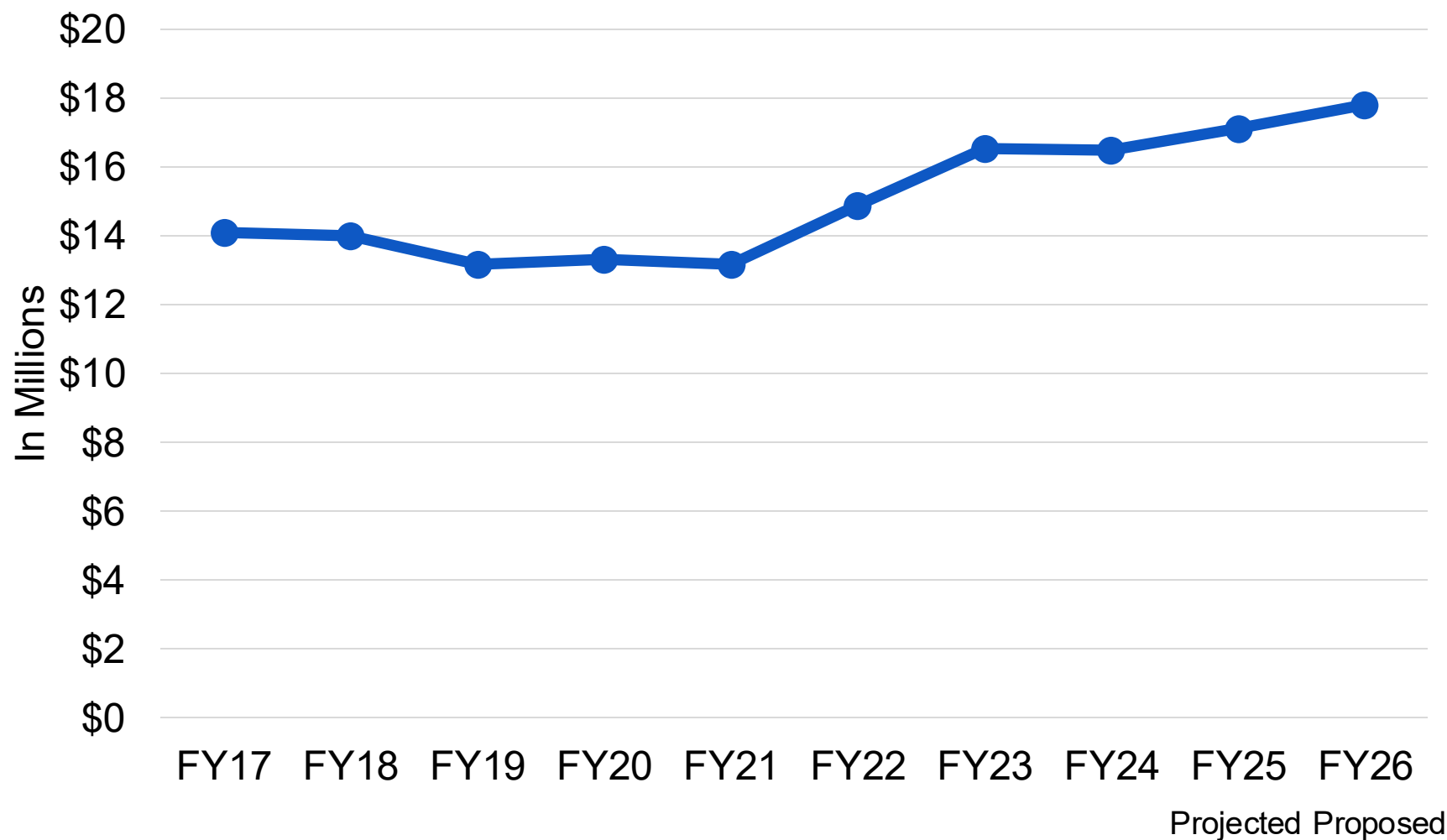
In Fiscal Year 25-26, the City is projected to receive \$17 million

10-YEAR TREND REAL PROPERTY TRANSFER TAX



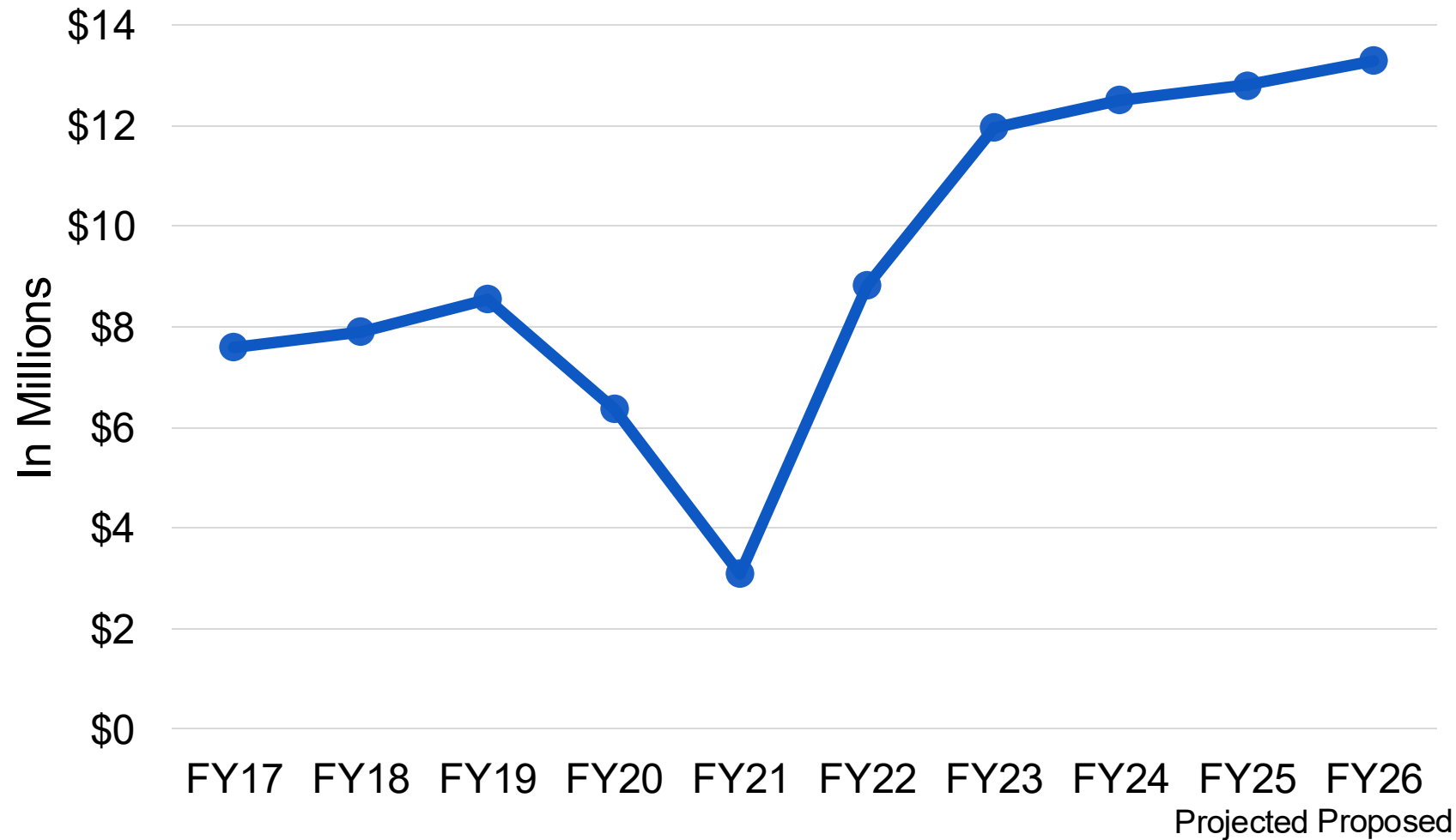
In Fiscal Year 25-26, the City is projected to receive \$6 million

10-YEAR TREND UTILITY USERS



In Fiscal Year 25-26, the City is projected to receive \$17.8 million

10-YEAR TREND TRANSIENT OCCUPANCY TAX



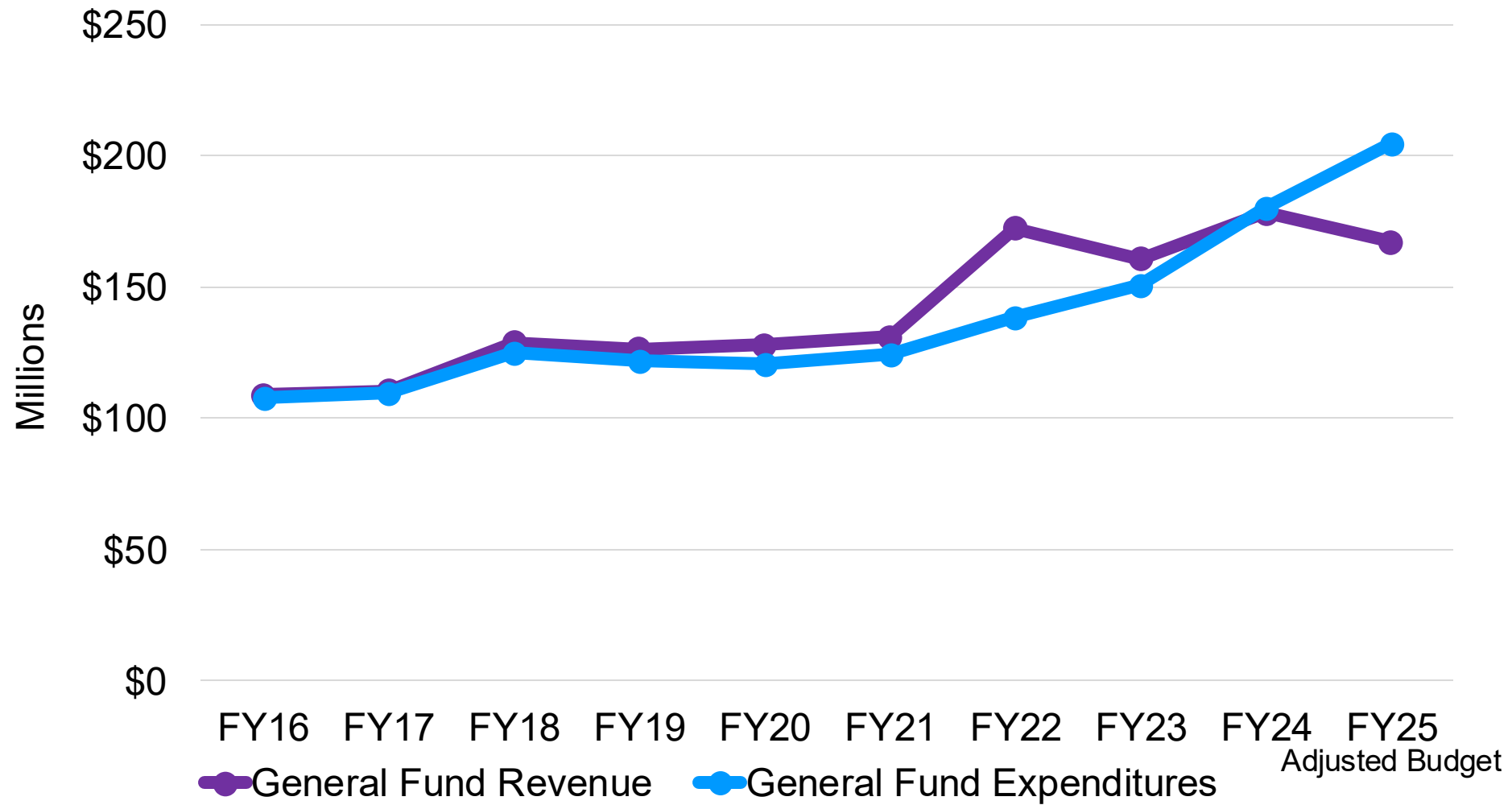
In Fiscal Year 25-26, the City is projected to receive \$13.3 million



BALANCED BUDGET

A balanced budget is achieved when annual General Fund expenses do not exceed the annual General Fund revenue

10-YEAR TREND GF REVENUE & EXPENDITURES



COST REDUCTIONS

DEPARTMENTS	REDUCTIONS
City Manager	(248,438)
Finance	(80,000)
Information Technology	(134,500)
PRCS	(150,000)
Police	(340,000) *
Fire	(40,000)
Planning & Development	(30,000)
Public Works	(450,000)
TOTAL \$ (1,472,938)	

Departments identified **\$1.5 million** in cost reductions

* The Police Department identified an additional \$200,000 in cost reductions that were inadvertently omitted from the cost reductions list included in the Proposed Budget

REVENUE ENHANCEMENTS

DEPARTMENTS	REVENUE
Finance	400,000
HHS	2,133,153
Police	1,471,250
P & D	75,000
TOTAL	\$4,079,403

Departments identified **\$4.1 million** in revenue enhancements

GENERAL FUND BASE BUDGET INCREASES

Salaries increases per MOUs & SIOs	\$3,280,000
CalPERS Unfunded Liability Payment	\$2,500,000
Self Insurance Fund Contributions	\$4,100,000
Utility Cost Increases	\$300,000
Shifting HHS costs from Housing Authority	\$1,750,000

▶ The Proposed Budget includes **\$11.9 million** in base budget increases not including price escalators in existing contract service agreements

HOUSING AND HUMAN SERVICES INITIATIVES



Motel Leasing	\$4.7 million
Mobile Crisis Intervention	\$2.4 million
Project Homekey Operations	\$4.9 million
Wellness Village	\$3.9 million

In Fiscal Year 25-26, the Proposed Budget includes **\$16.2 million** for front-line staff and contracts to support these programs

PUBLIC SAFETY



Salaries per MOUs & SIOs	\$1,415,000
Self Insurance Fund contribution	\$2,410,000
CalPERS UAL contribution	\$2,290,000

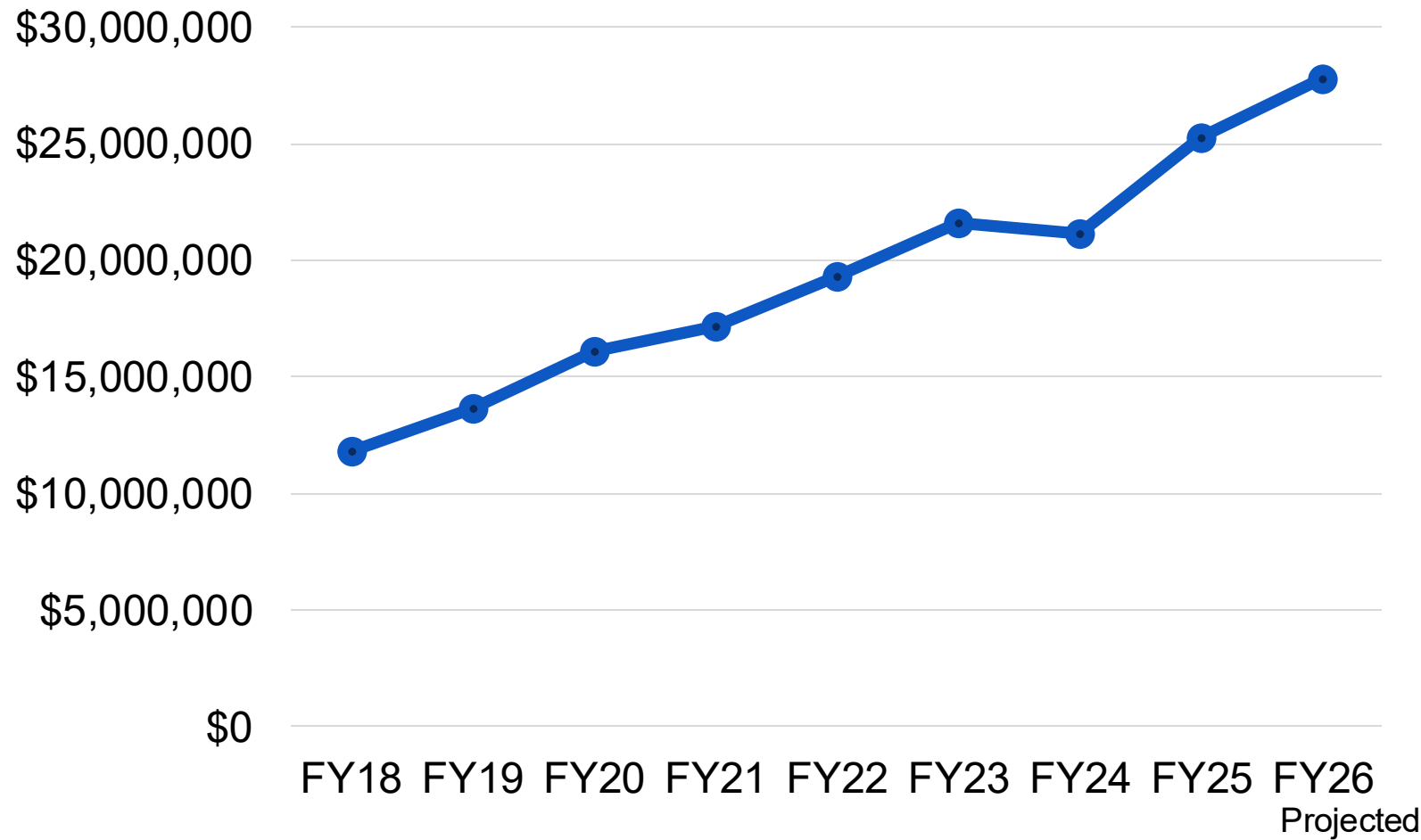
The Proposed Public Safety Budget includes **\$6.1 million** in base budget increases not including price escalators in existing contract service agreements

RETIREMENT COSTS

As of June 2024, the City's total UAL obligation
was **\$337.0 million***

*This amount fluctuates every year depending on the market and MOU changes

9-YEAR TREND UAL PAYMENTS



The amount the City owes each year fluctuates based on market performance in prior years and MOUs changes

In Fiscal Year 25-26, the City's UAL payment will increase \$2.6 million to **\$28.7 million**

OTHER RETIREMENT-RELATED COSTS



The City currently pays \$470,000 per month to retirees for post-retirement health reimbursements

CHANGES TO THE RETIREMENT COST STRUCTURE

257



CLASSIC EMPLOYEES

442



PEPRA EMPLOYEES

GENERAL FUND BUDGET ADJUSTMENTS

Adjustment Request	Department Request			City Manager Recommended		
	One-Time	Ongoing	Total Dept. Request	One-Time	Ongoing	Total CC Recomm.
City Manager	566,500	157,200	723,700	151,200	6,000	157,200
City Attorney	305,000	-	305,000	305,000		305,000
Finance	45,000	96,050	141,050	45,000	6,400	51,400
Human Resources	200,000	218,800	418,800	150,000	18,000	168,000
Information Technology	50,000	155,000	205,000	50,000	155,000	205,000
Non-Departmental	-	393,890	393,890	-	-	-
Parks, Recreation & Community Services	595,000	764,239	1,359,239	762,339	-	762,339
Housing & Human Services	40,000	(142,598)	(102,598)	-	(142,598)	(142,598)
Police Department	262,140	2,812,756	3,074,896	212,140 *	27,756 *	239,896 *
Fire Department	70,000	3,389,392	3,459,392	70,000	153,817	223,817
Planning & Development	331,000	-	331,000	111,000	-	111,000
Public Works	115,000	616,204	731,204	-	235,728	235,728
General Fund	\$2,579,640	\$8,460,933	\$ 11,040,573	\$1,856,679	\$ 460,103	\$ 2,316,782

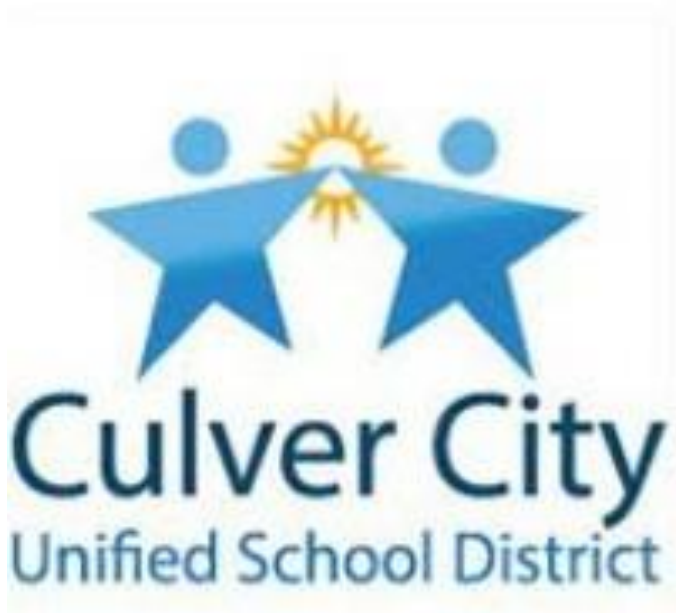
- * Two replacement vehicles for the Police Department totaling \$165,000 in one-time costs and \$27,756 in ongoing costs were mistakenly included and will be removed.
The remaining \$47,140 one-time costs proposed for PD are to be funded out of the Public Safety Reserve.

PERSONNEL ADJUSTMENTS

DEPARTMENTS	ADJUSTED FY 24-25	PROPOSED FY 25-26	CHANGE FROM PRIOR YEAR
General Government	100.65	100.65	0
PRCS	34.69	34.69	0
Housing & Human Services	22.25	26.25	4
Police	157.82	157.82	0
Fire	79.94	86.94	7
Planning & Development	28.00	28.00	0
Public Works	63.05	63.05	0
TOTAL	486.40	497.40	11.00

The Proposed Budget includes a total of 11 new positions to support HHS and Fire almost entirely off-set by reductions in contract services, grants and salary savings

CCUSD FUNDING



Refuse Services	\$337,500
Sewer Charges	\$60,000
CCUSD Crossing Guards	\$550,000
Timing System for Plunge	\$45,000

The Proposed Budget includes \$1 million for CCUSD

JUBILO VILLAGE

Proposed Budget includes:

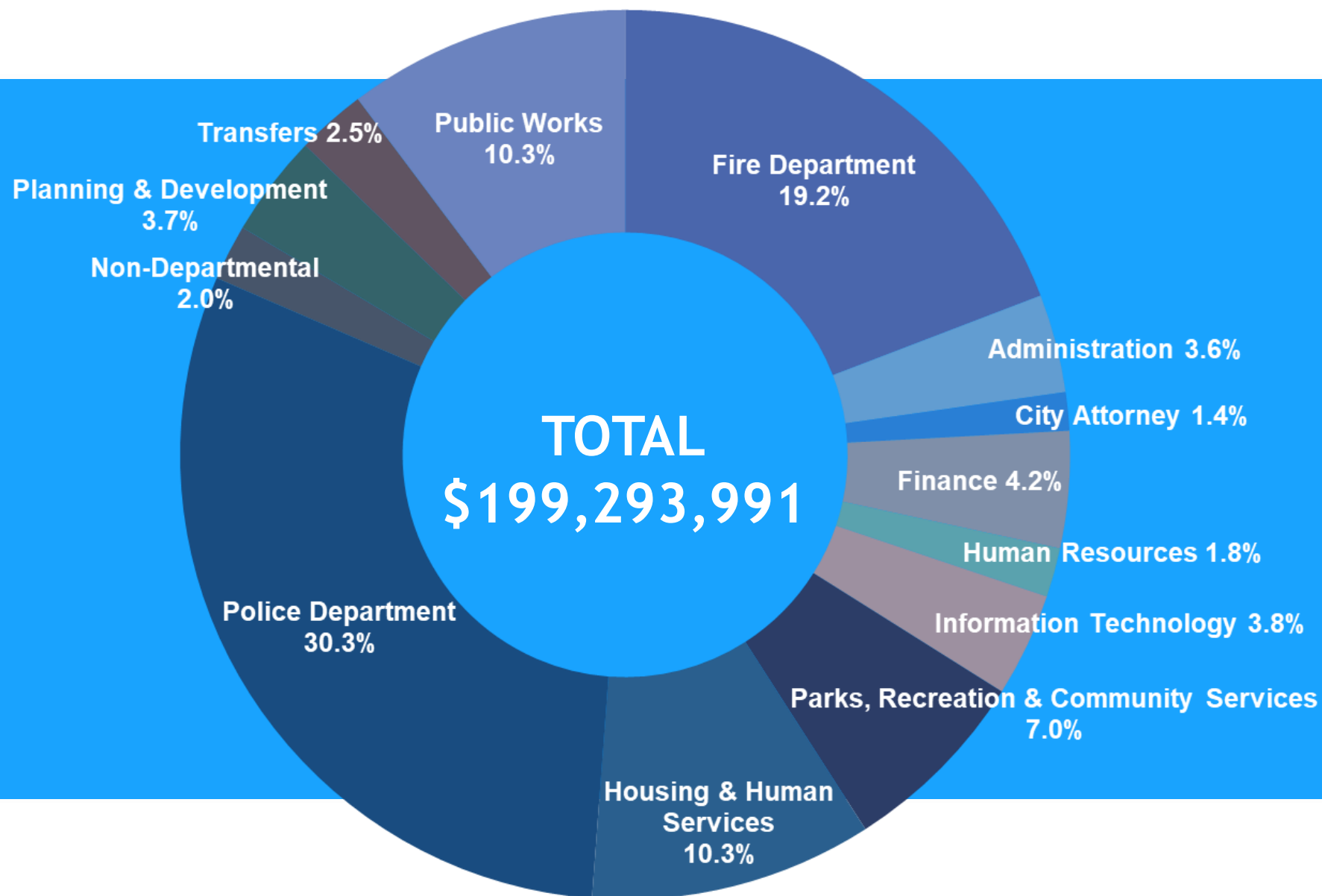
- **\$4 million** loan from the Housing Authority Fund approved in FY 22-23
- **\$16 million** contribution as Council directed on March 10, 2025

FY 25-26 First Installment

Housing Authority Fund (476)	\$2,000,000
Affordable Housing Linkage Fee (439)	\$1,557,080
General Fund	\$442,920
<hr/>	
Total	\$4,000,000

\$12 million will be moved from the General Fund Contingency Reserve to a Restricted General Fund Reserve to be distributed in FY 26-27

GENERAL FUND EXPENDITURE OVERVIEW



GENERAL FUND EXPENDITURE OVERVIEW

	Actual Receipts 2023-2024	Adopted Budget 2024-2025	Adjusted Budget 2024-2025	Proposed Budget 2025-2026	Change from Prior Year Adjusted	% Variance
<u>GENERAL FUND</u>						
General Government	32,661,549	30,614,367	33,017,340	33,469,247	451,907	1.4%
PRCS	11,093,630	13,089,067	13,874,950	13,920,541	45,591	0.3%
Housing & Human Services	11,419,525	16,839,349	23,152,526	20,465,136	(2,687,390)	-11.6%
Police Department	53,446,214	56,451,188	57,208,003	60,408,901	3,200,898 *	5.6%
Fire Department	32,925,834	35,204,047	35,731,529	38,213,305	2,481,776	6.9%
Planning & Development	6,767,276	6,813,310	9,002,227	7,373,399	(1,628,828)	-18.1%
Public Works	16,919,508	19,130,671	20,214,197	20,432,463	218,266	1.1%
Transfers	14,838,575	10,377,804	12,327,804	5,011,000	(7,316,804)	-59.4%
TOTAL GENERAL FUND	180,072,110	188,519,802	204,528,575	199,293,991	(5,234,584)	-2.6%

* The Proposed Police Department Budget does not reflect \$400,000 to be removed for vehicles and other cost reductions

GENERAL FUND OPERATING COST DETAIL

Fiscal Year 2026 General Fund Proposed Budget Expenses by Department									
Department	Total	Personnel		O & M		Capital		Transfers	
	Proposed Budget	Proposed Budget	%	Proposed Budget	%	Proposed Budget	%	Proposed Budget	%
Administration	6,035,645	4,714,010	78%	1,320,135	22%	1,500	0%	-	0%
City Clerk	1,081,647	901,043	83%	164,104	15%	16,500	2%	-	0%
City Attorney	2,771,494	2,126,477	77%	645,017	23%	-	0%	-	0%
Finance	8,455,187	7,201,823	85%	1,253,364	15%	-	0%	-	0%
Non-Departmental	9,066,807	-	0%	4,055,807	45%	-	0%	5,011,000	55%
Human Resources	3,552,403	2,956,606	83%	595,797	17%	-	0%	-	0%
Information Technology	7,517,064	4,501,352	60%	2,848,115	38%	167,597	2%	-	0%
Parks Recreation & Comm Svs	13,920,541	8,670,542	62%	5,245,799	38%	4,200	0%	-	0%
Housing & Human Services Dept	20,465,136	5,089,505	25%	15,303,631	75%	72,000	0%	-	0%
Police	60,408,901	47,961,818	79%	11,515,465	19%	931,618	2%	-	0%
Fire	38,213,305	33,271,421	87%	4,869,284	13%	72,600	0%	-	0%
Planning & Development Svcs	7,373,399	5,992,384	81%	1,381,015	19%	-	0%	-	0%
Public Works	20,432,463	13,060,793	64%	7,243,054	35%	128,616	1%	-	0%
Total	\$ 199,293,991	\$ 136,447,774	68%	\$ 56,440,586	28%	\$ 1,394,631	1%	\$ 5,011,000	3%

INTERNAL SERVICE FUNDS

Equipment Replacement Fund	Annual equipment and vehicle replacement payment	\$5.2 million
Equipment Maintenance & Fleet Services	Central equipment maintenance operations	\$10.8 million
Self-Insurance Fund	Funds public liability, workers' compensation, employee disability	\$13.2 million
Central Stores	Purchase of materials, supplies and auto parts	\$2.9 million

Fiscal Year 25-26 Internal Service Funds Expenditures Total = \$32.1 million

REFUSE DISPOSAL FUND



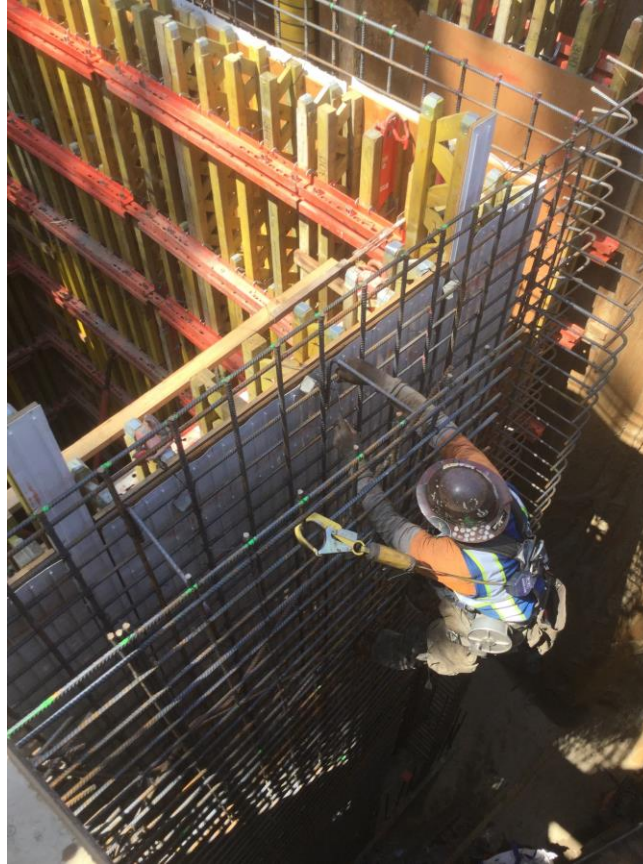
The Fiscal Year 25-26 Proposed Budget = \$27.1 million

MUNICIPAL BUS LINES



The Fiscal Year 25-26 Proposed Budget = \$55.1 million

SEWER ENTERPRISE FUNDS



The Fiscal Year 25-26 Proposed Budget = \$14.0 million

MUNICIPAL FIBER NETWORK FUND



The Fiscal Year 25-26 Proposed Budget = \$2.2 million

CAPITAL IMPROVEMENT PROJECTS



PROJECT TYPE	CARRYOVER NEW FUNDS	
Transportation	22.4	9.0
Facilities	9.0	3.0
Vehicle Replacement	8.4	9.1
Streets & Alleys	17.3	3.4
Urban Runoff Mgmt	14.2	1.3
Parks and Recreation	5.7	2.2
Sewer	15.2	4.7
Cultural Arts	1.8	1.8
Technology	2.0	0.5
Street Lights & Traffic Signals	24.8	0.9
Parking Improvements	3.0	2.9
Misc. Improvements	1.5	-
TOTAL	\$ 125.3	\$ 38.8

Shown in millions

In Fiscal Year 25-26, \$38.8 million in new CIP appropriations is recommended

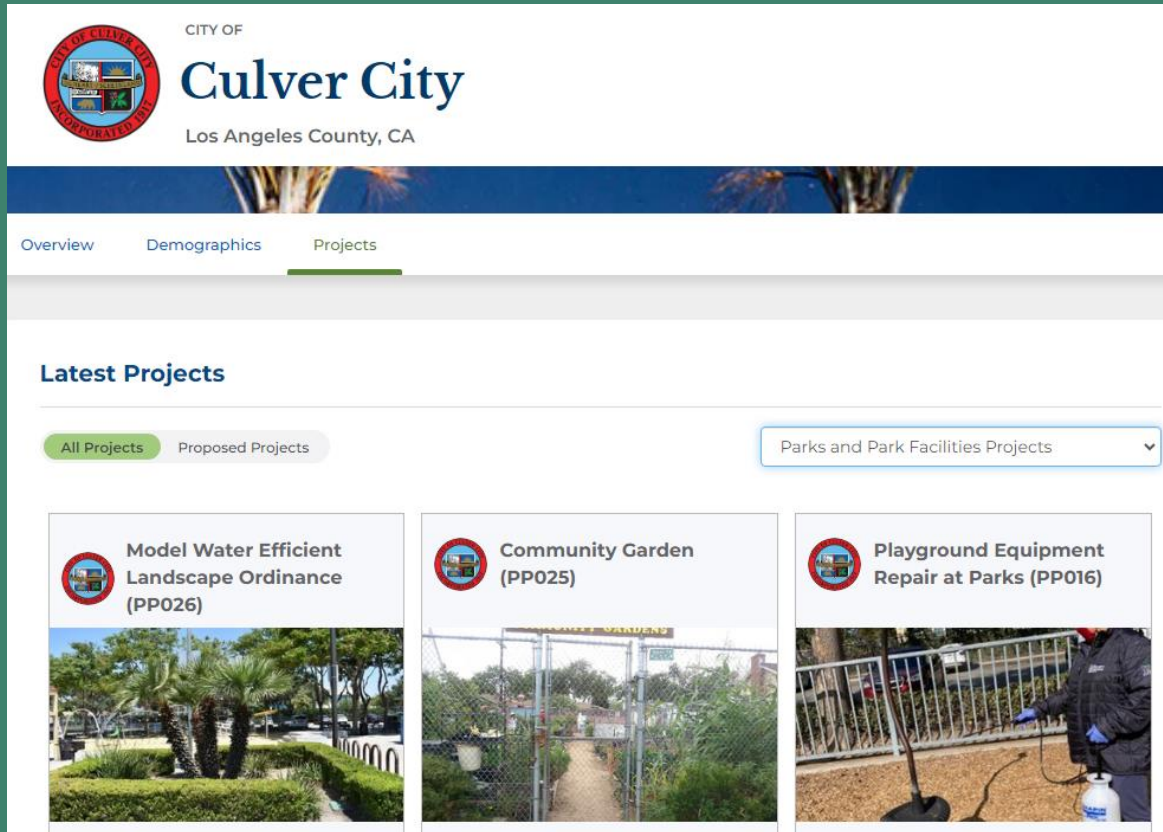
GENERAL FUND CAPITAL IMPROVEMENT PROJECTS



PROJECT	Proposed FY 25-26
Veterans Park Parking Lot Resurfacing	450,000
Radio System Replacement	561,000
Fire Station Renovations	225,000
Parks Building Renovations	100,000
Police Station Bldg Rehabilitation	125,000
PW City Yard HVAC Replacement	350,000
City Hall/PD Elevator Upgrades	150,000
Police Station Flooring	600,000
Plunge Vessel Resurfacing	200,000
Blanco Park Bldg/Trailer Replacement	150,000
Building Repairs	840,000
Vet's Memorial Bldg Refurbishment	150,000
420F - Facilities Planning Reserve Total	3,901,000
Lindberg Park Improvement Project	300,000
Upgrade Vet's Ball Field Lighting	600,000
Tellefson Park Remodel	210,000
420R - Recreation Facilities Reserve Total	1,110,000
GRAND TOTAL	\$ 5,011,000

In FY 25-26, \$5 million from General Fund Reserves is recommended for CIPs

CIP PROJECT PORTAL



To learn more about all the City's proposed capital improvements projects go to:

culvercity.cleargov.com/projects

GENERAL FUND RESERVE BALANCE

NON-SPENDABLE are assets that are not liquid or are receivable notes.

RESTRICTED can only be used for a specific purpose.

- Section 115 Trust for Pension costs

COMMITTED are set by Council Policy.

- Contingency Reserve (30% of GF operating budget) for emergencies
- Facility Planning Reserve for City facilities
- Recreation Facilities Reserve for parks
- Public Safety Equipment Reserve

ASSIGNED includes encumbered contracts and carryover funds.

UNASSIGNED are available to be appropriated.

EST. FY 25-26 GENERAL FUND ENDING BALANCE

Est. Beginning Fund Balance		130,474,303
FY 2025-2026 Revenues	177,597,909	
Less:		
FY 2025-2026 On-Going Expenditures	<u>(192,426,312)</u>	
Structural Budget Surplus / (Shortfall)	<u>(14,828,403)</u>	
Less:		
One-Time Transfers for Capital Projects		
Transfer from Unassigned Reserve Balance	-	
Transfer from Facilities Reserve Balance	(3,901,000)	
Transfer from Recreation Reserve Balance	(1,110,000)	
Transfer from Public Safety Reserve Balance	(117,140)	
One-Time Enhancement Request	<u>(1,739,539)</u>	
Total One-Time Expenditures	<u>(6,867,679)</u>	
Net / (Decrease) to Fund Balance		<u>(21,696,082)</u>
Est. Ending Fund Balance		<u>108,778,221</u>

GENERAL FUND – FUND BALANCE BREAKDOWN

Non-Spendable	16,107,945
Restricted: Pension Trust Funds	28,756,146
Restricted: Jubilo Village Funds	12,000,000
Committed: 30% Contingency Reserve	36,830,348
Committed: Facilities Planning Reserve	9,457,778
Committed: Recreation Facilities Reserve	1,126,005
Committed: Public Safety Equipment Reserve	-
Assigned	4,500,000
Unassigned	-
Total	<u>\$108,778,221</u>

CONTINGENCY RESERVE

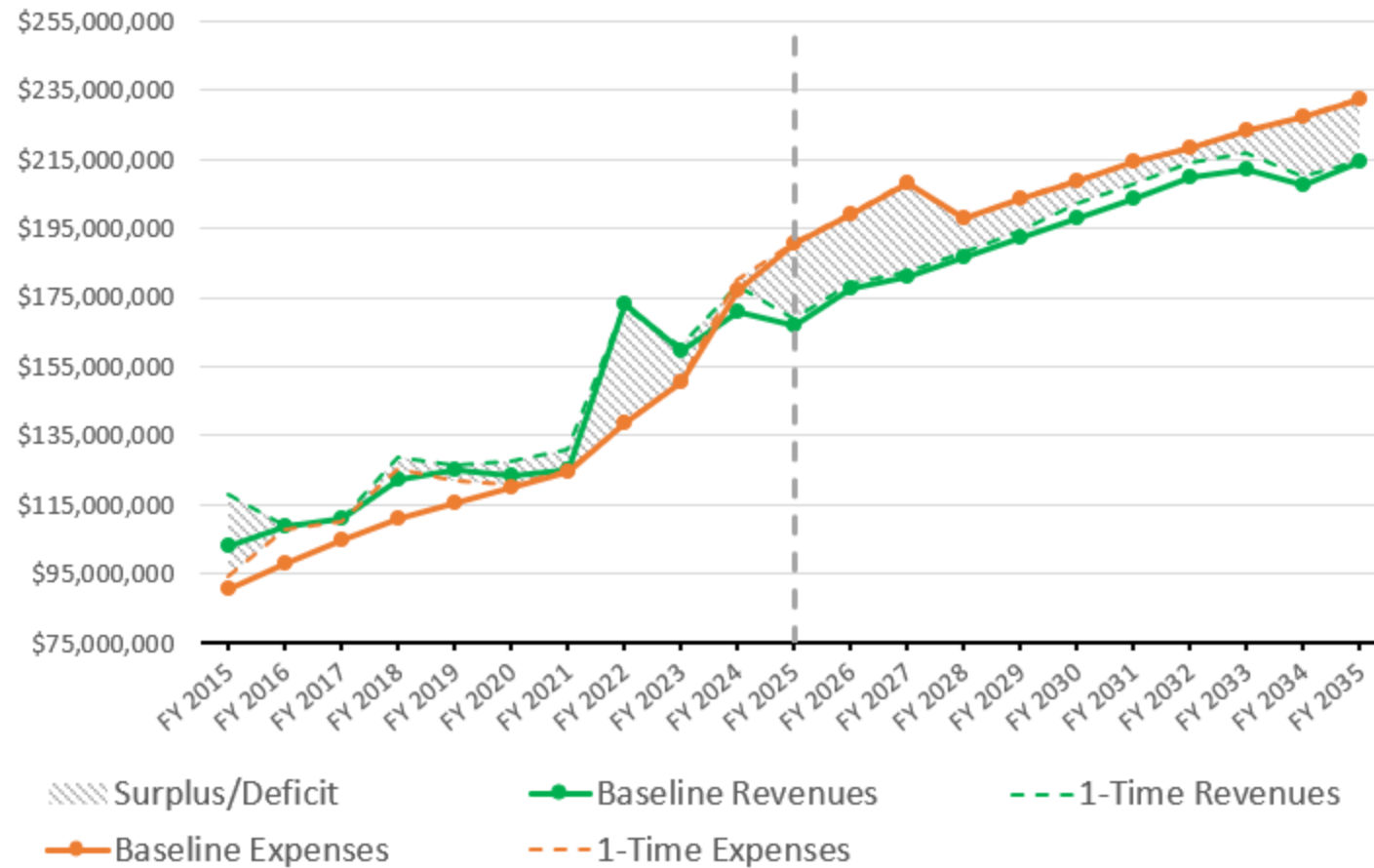
Per City Council Policy 5002, the Contingency Reserve shall be 30% of the General Fund Operating Budget

Contingency Fund Balance FY 24-25	\$53.4 million
Proposed Budget requires the use of \$16.6 million	
\$12 million to Restricted Reserve for Jubilo Village	(\$12 million)
\$4.6 million for Structural Deficit	(\$4.6 million)
Est. Contingency Fund Balance FY 25-26	\$36.8 million

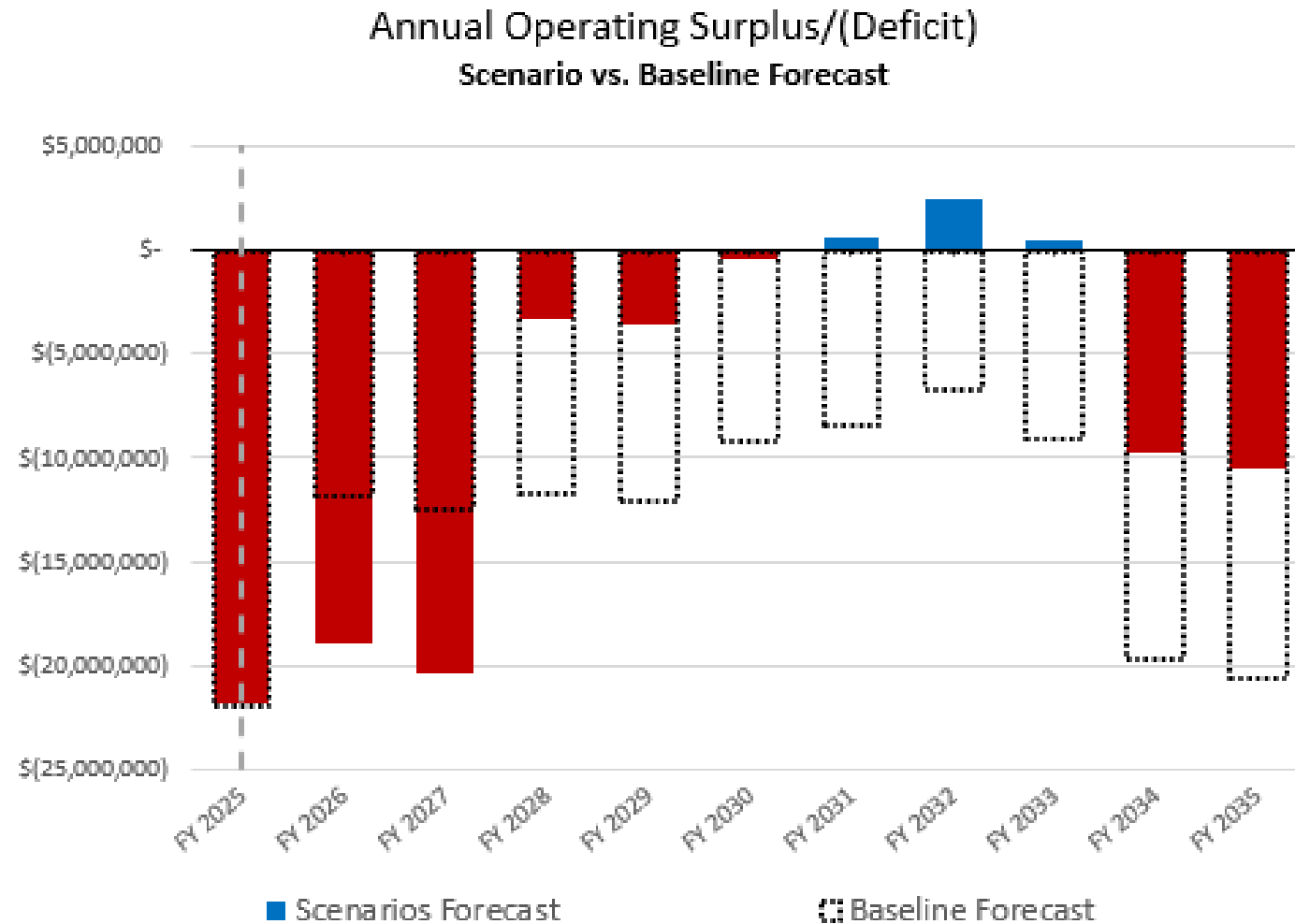
Contingency Reserve will be **19%** of FY 25-26 General Fund Operating Budget

10-YEAR FORECAST

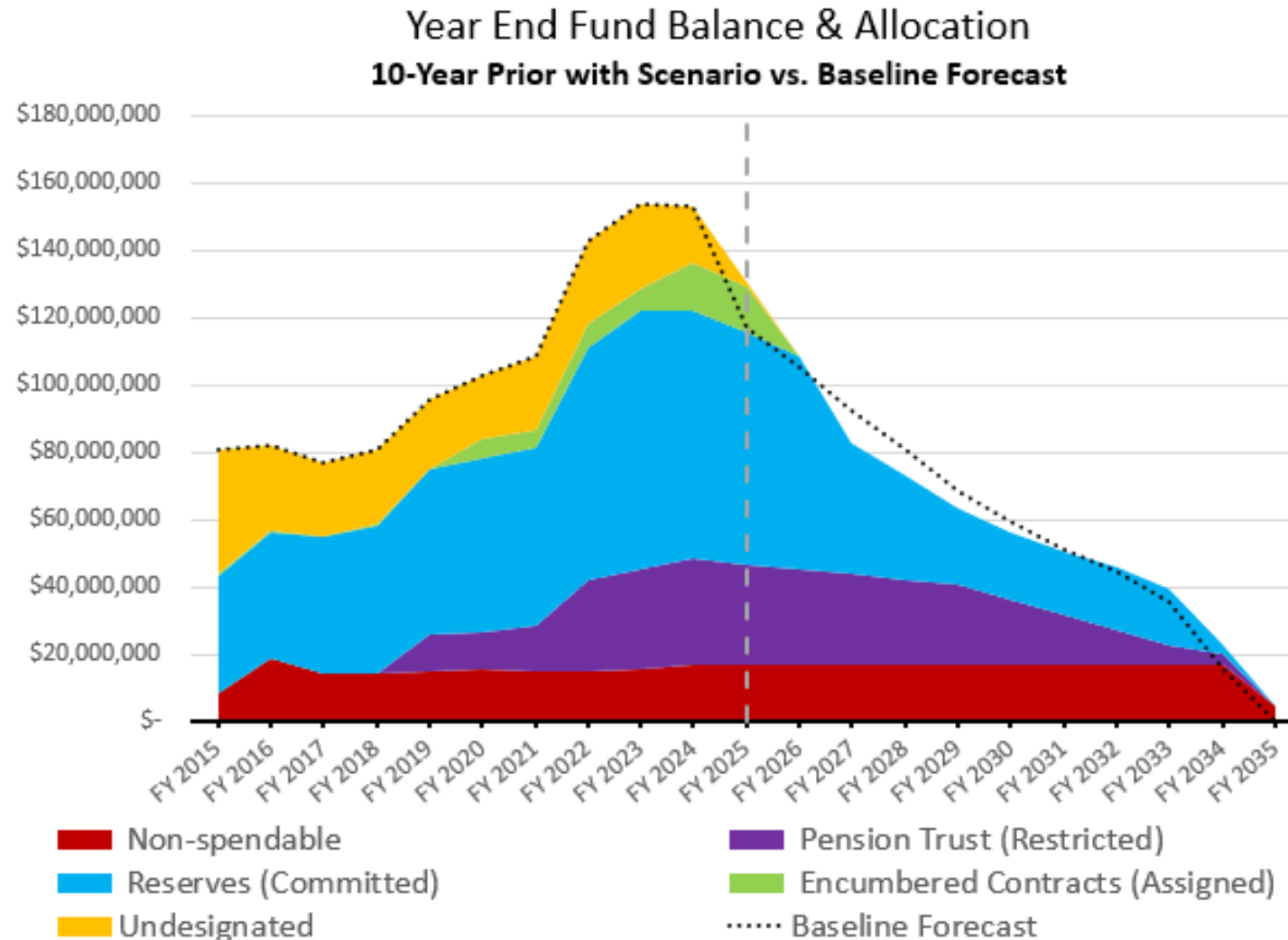
Total Revenues & Expenses
10-Year Prior and Scenario Forecast



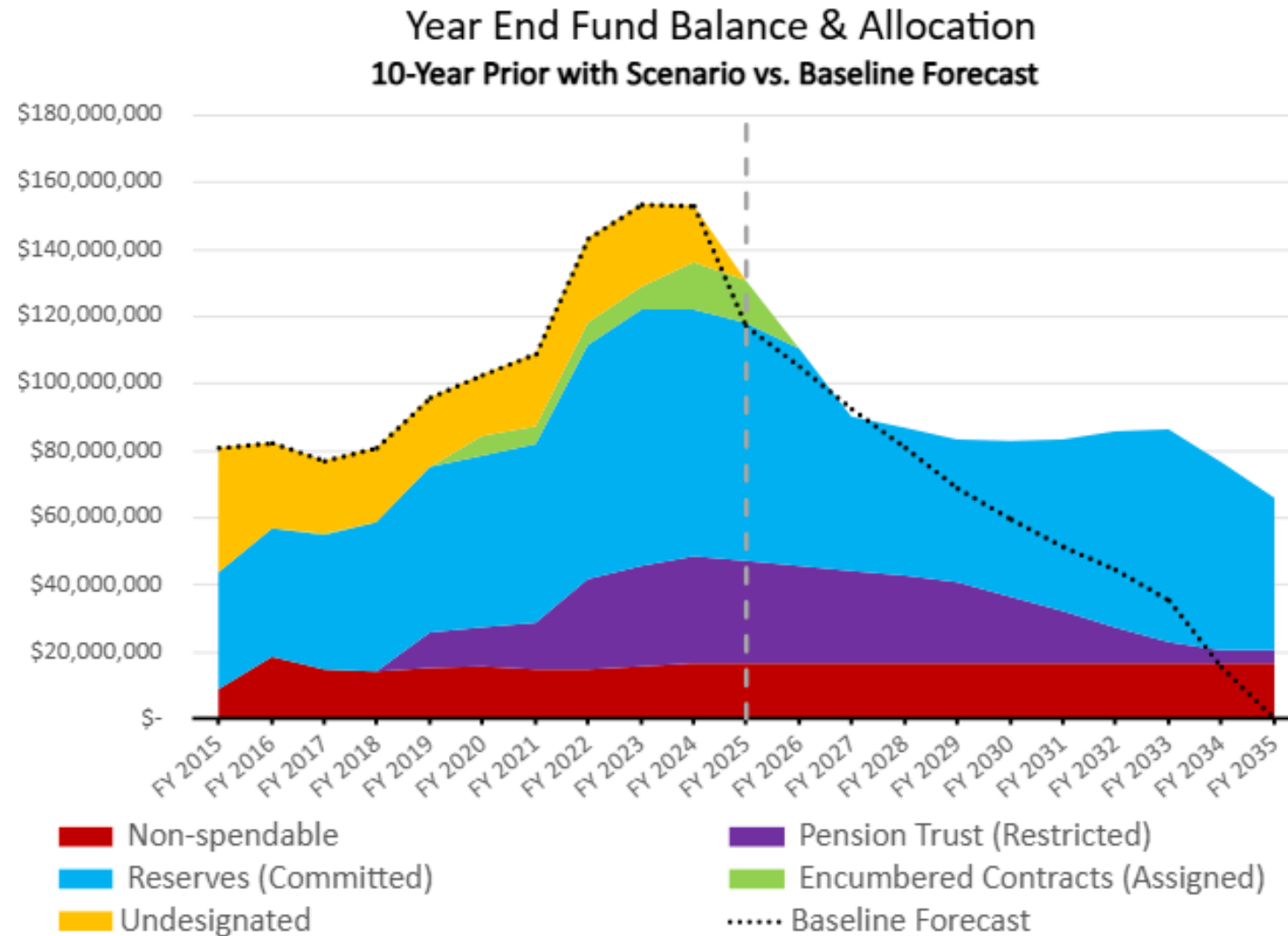
10-YEAR FORECAST – WITH .25% SALES TAX



10-YEAR FORECAST



10-YEAR FORECAST – WITH .25% SALES TAX



FISCAL YEAR 2025-2026 BUDGET SCHEDULE

MARCH

Departments Budget Kick-Off
FY 25-26 Work Plan Presentations
Community Budget Info Session and Workshops
Commission and Committee Budget Input

APRIL

City Manager Budget Review
Audit, Financial Planning and Budget Subcommittee Meeting
Council Holds Public Hearing to Adopt Updated Fee Schedule

MAY

FY 25-26 Proposed Budget Submitted
FY 25-26 Department Budget Presentations

JUNE

Council Holds Public Hearing to Adopt Final Budget

JULY

Adopted FY 25-26 Budget in Effect

Public Hearing is scheduled for June 9, 2025

PUBLIC INPUT OPPORTUNITIES

- Attend the June 9, 2025 Public Hearing
- Submit suggestions online in the City's Budget Input Box at:
www.culvercity.org/Services/Applications-Forms/Budget-Input-Box
- Email budget.priorities@culvercity.org
- *Ask the CFO* social media campaign



Questions?