

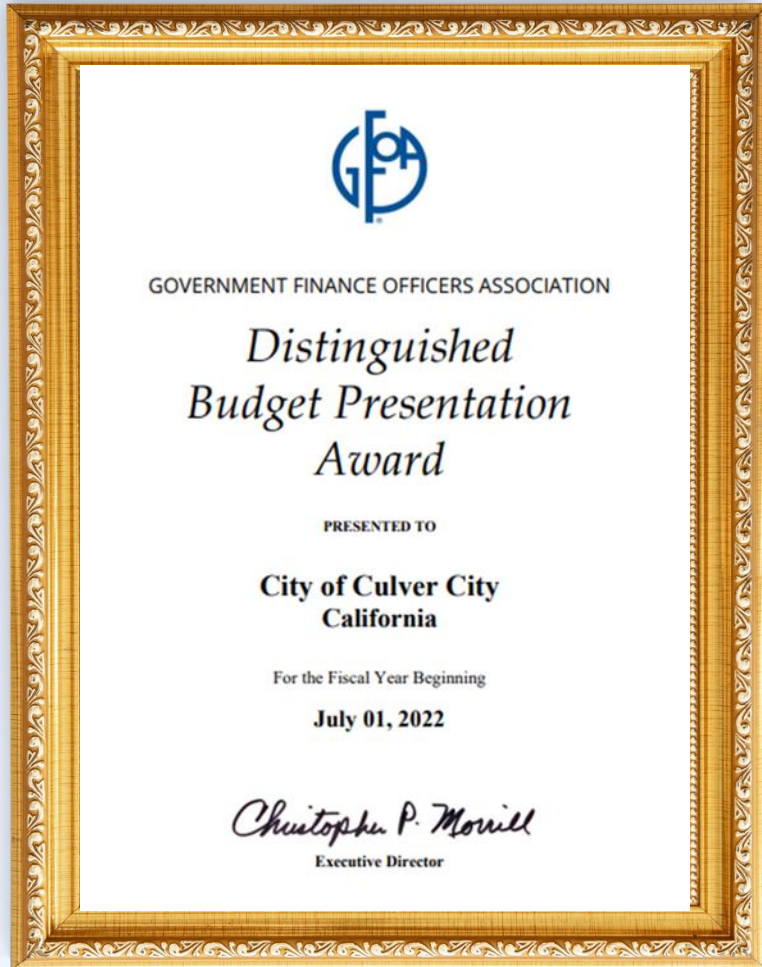
CITY OF CULVER CITY

Proposed Budget FY 2023-2024

May 15, 2023



Budget Awards





Budget and Economic Outlook

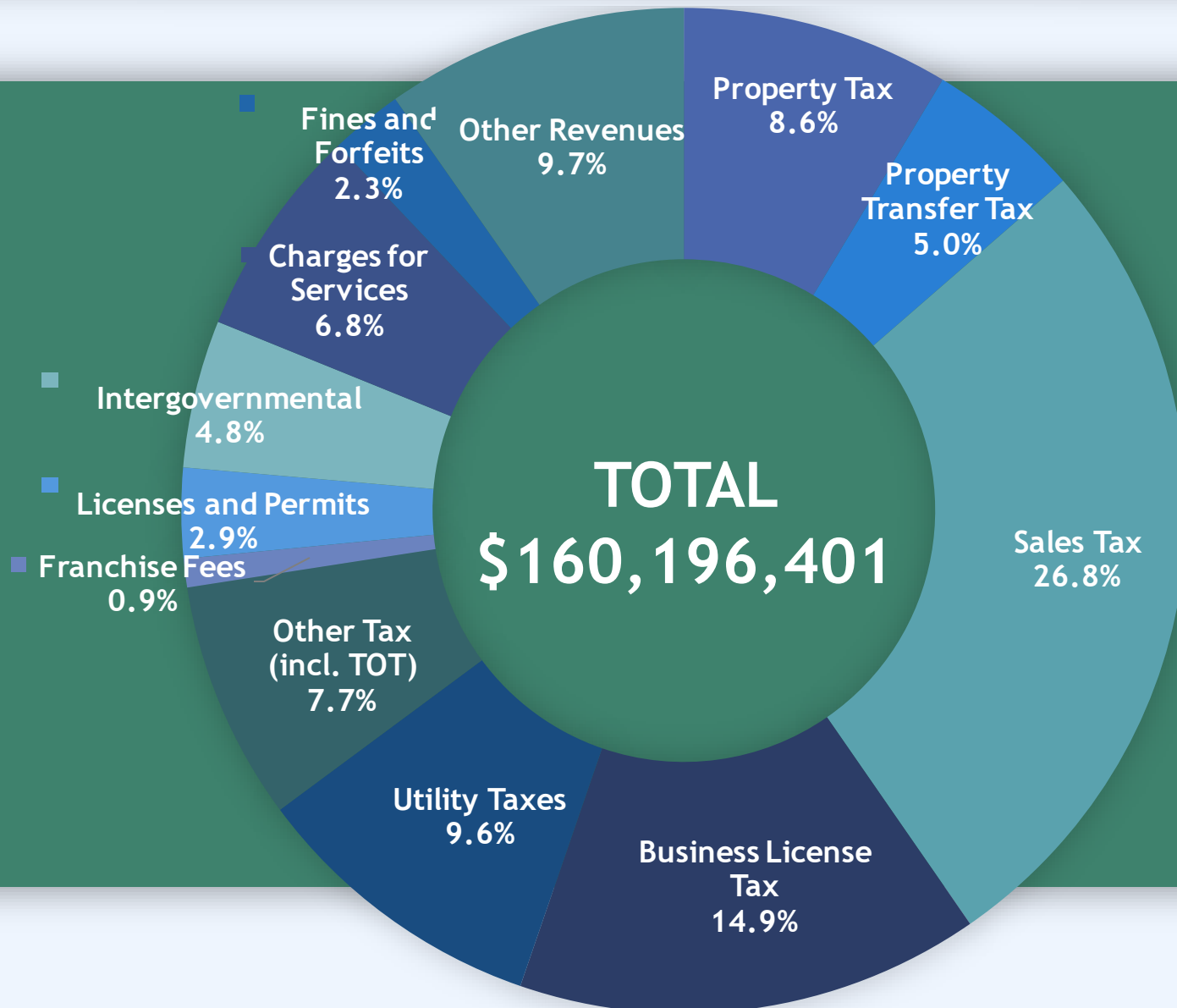
- Inflation
- Rising Interest Rates
- Instability in the Banking System
- Declining Commercial Real Estate Sector
- Shifting Consumer Spending Post-Pandemic
- Implementation of Measure BL



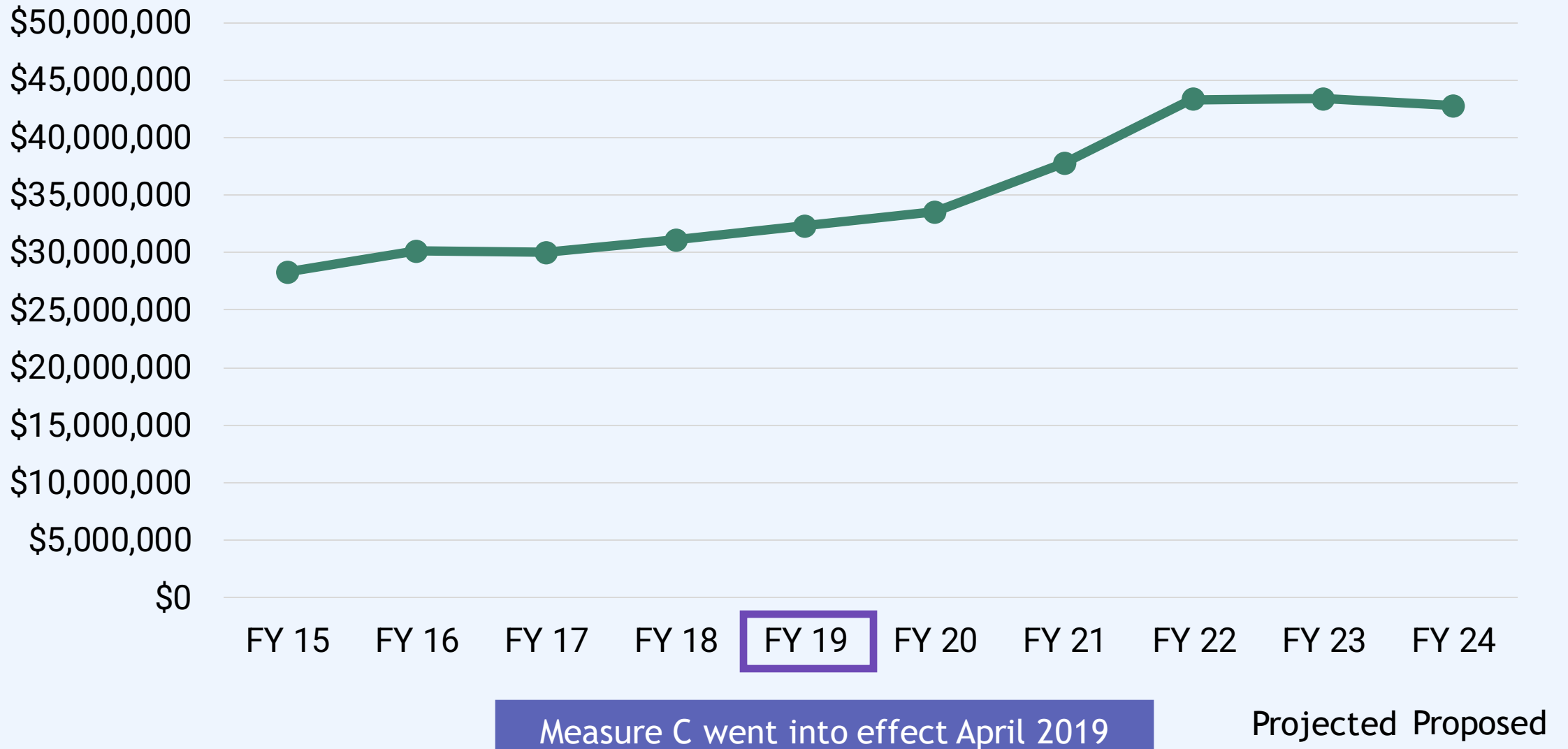
Citywide Budget

FUND TYPE	ADOPTED BUDGET FY 22-23	ADJUSTED BUDGET FY 22-23	PROPOSED BUDGET FY 23-24
General Fund	150,620,481	159,857,973	175,882,721
Special Revenue Funds	33,509,523	68,025,065	23,998,937
Enterprise Fee Funds	84,208,323	113,182,120	79,565,452
Capital Improvement Funds	8,968,757	65,060,308	18,880,707
Internal Service Funds	25,805,444	28,387,959	27,084,145
TOTAL BUDGET	\$303,112,528	\$434,963,425	\$325,331,962

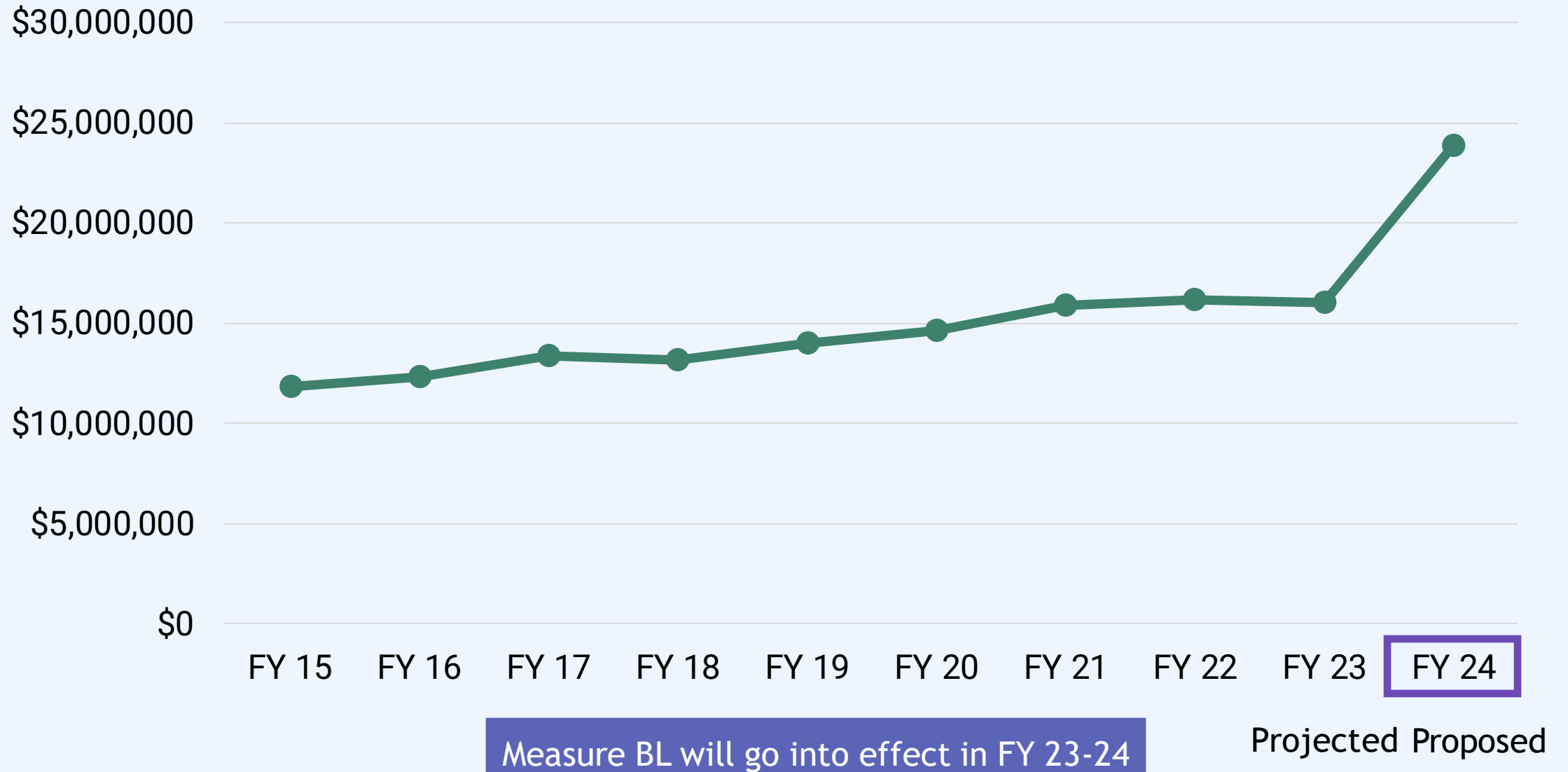
General Fund Revenue Overview



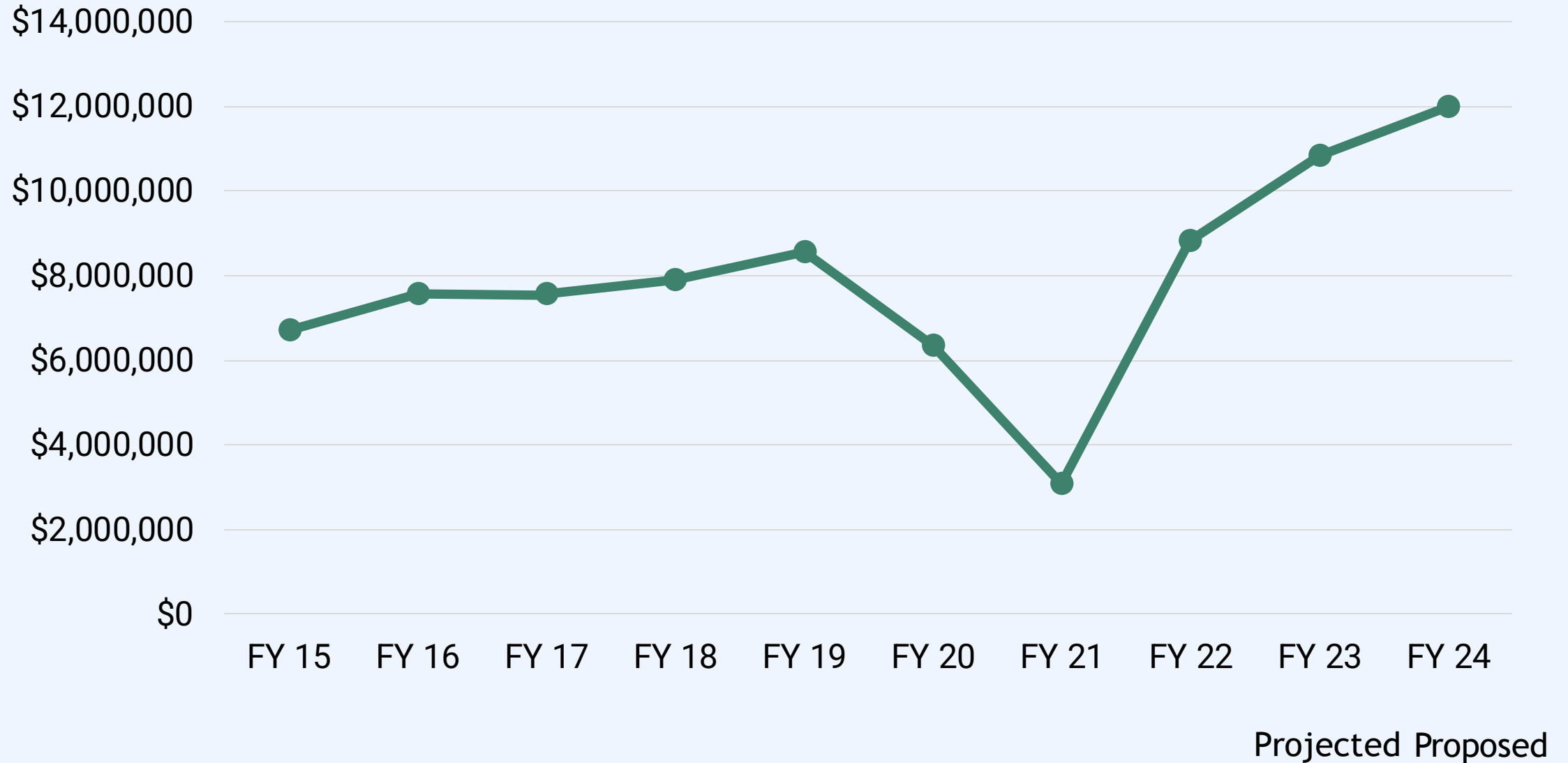
10-Year Trend Sales Tax Revenues



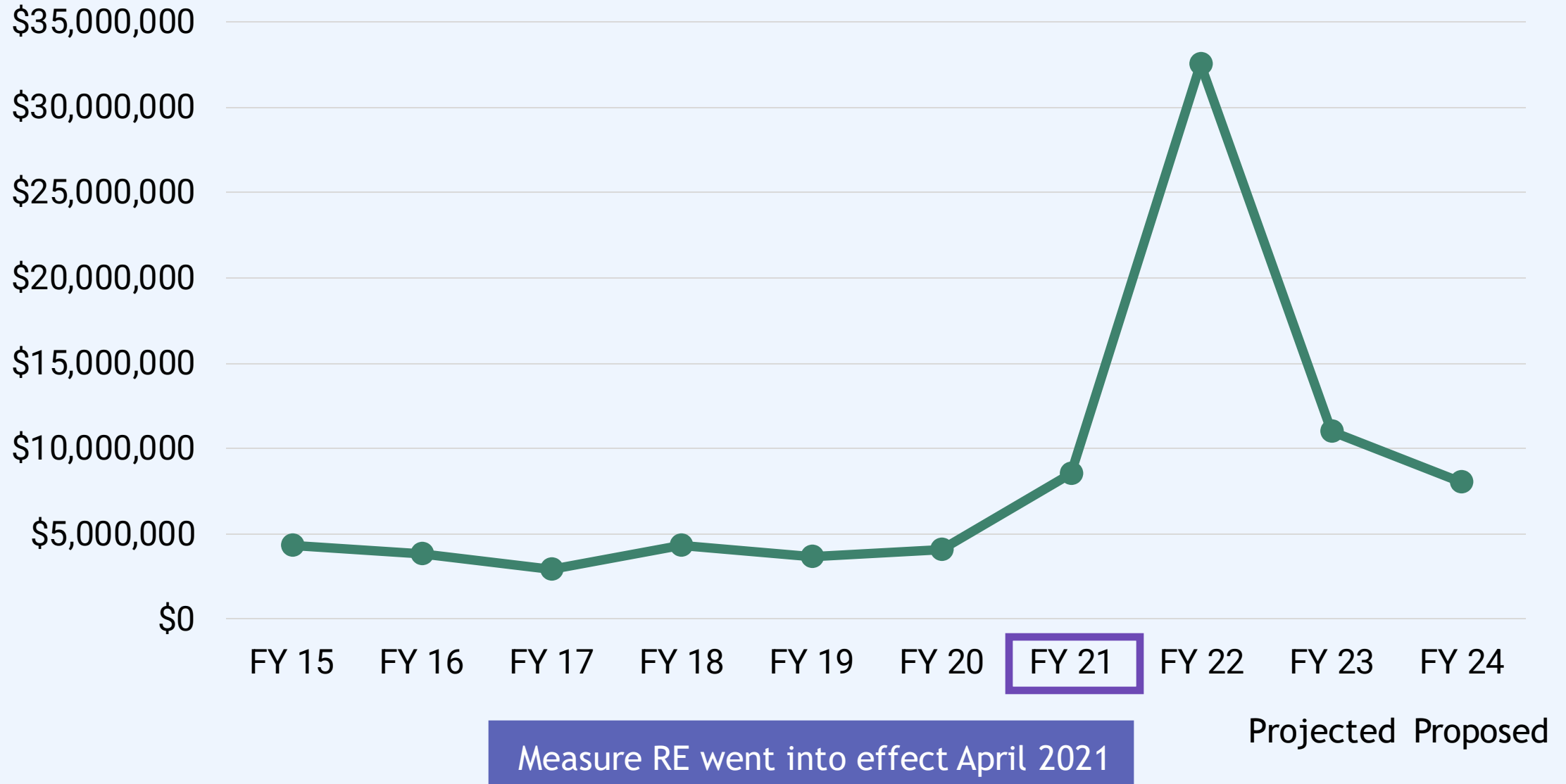
10-Year Trend Business Tax Revenues



10-Year Trend Transient Occupancy Tax



10-Year Trend Real Property Transfer Tax



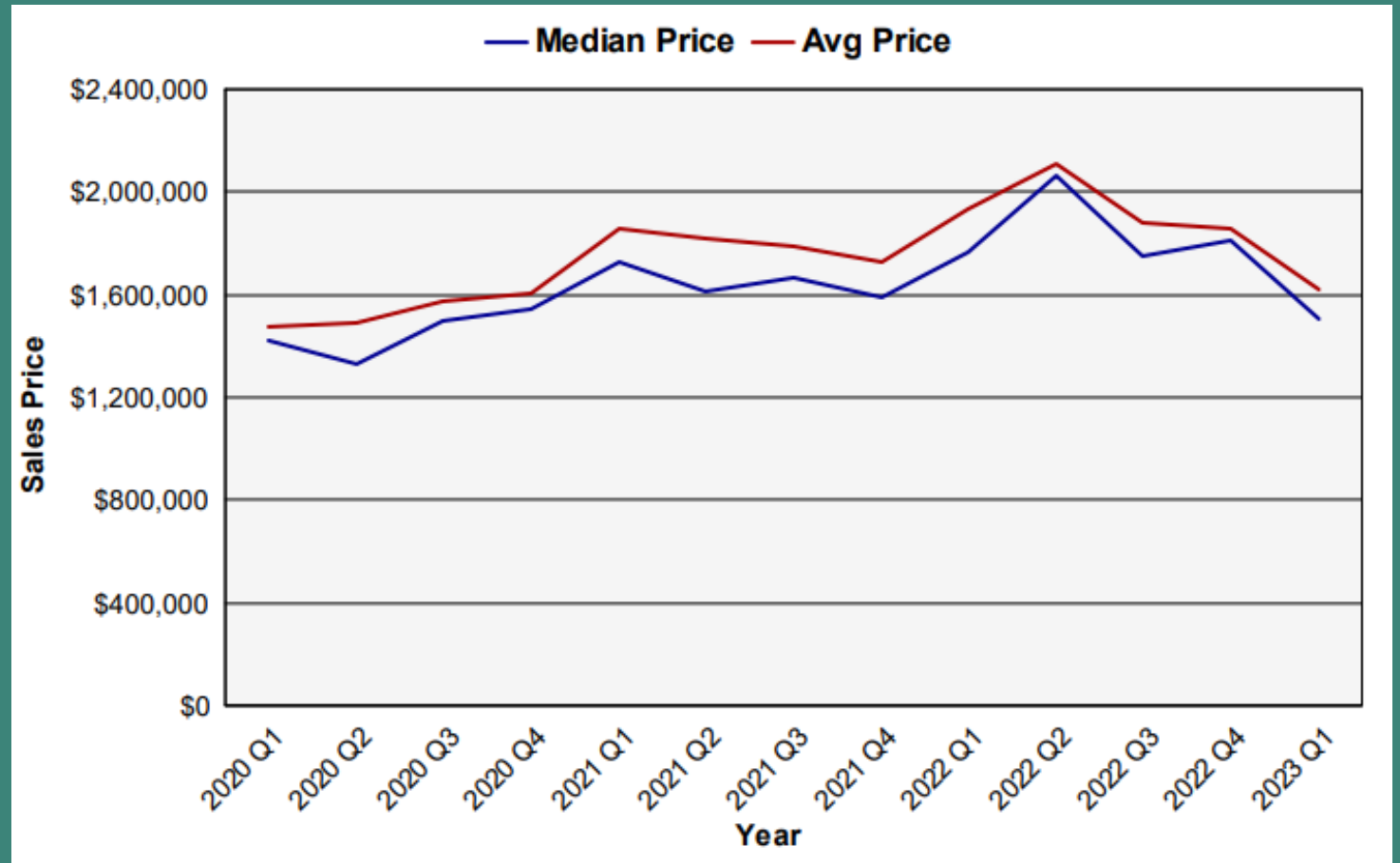
Residential Real Estate Market

Mar-20	Median Sales Price of Existing Single-Family Homes					Sales	
Region	March 2023	Feb. 2023	March 2022	Price MTM% Chg	Price YTY% Chg	Sales MTM% Chg	Sales YTY% Chg
Calif. Single-family homes	\$791,490	\$735,480	\$851,130	7.6%	-7.0%	-1.00%	-34.2%
Calif. Condo/Townhomes	\$640,000	\$615,000	\$660,000	4.1%	-3.0%	39.40%	-36.8%
Los Angeles Metro Area	\$735,000	\$710,000	\$770,000	3.5%	-4.5%	39.10%	-34.2%
Central Coast	\$922,500	\$856,000	\$1,050,000	7.8%	-12.1%	44.00%	-31.2%
Central Valley	\$453,550	\$449,000	\$495,000	1.0%	-8.4%	37.50%	-27.7%
Far North	\$355,000	\$369,000	\$395,000	-3.8%	-10.1%	35.70%	-38.9%
Inland Empire	\$555,000	\$549,900	\$580,000	0.9%	-4.3%	31.00%	-39.6%
San Francisco Bay Area	\$1,228,000	\$1,050,000	\$1,408,000	17.0%	-12.8%	59.90%	-35.5%
Southern California	\$770,000	\$745,000	\$802,500	3.4%	-4.0%	38.30%	-33.8%

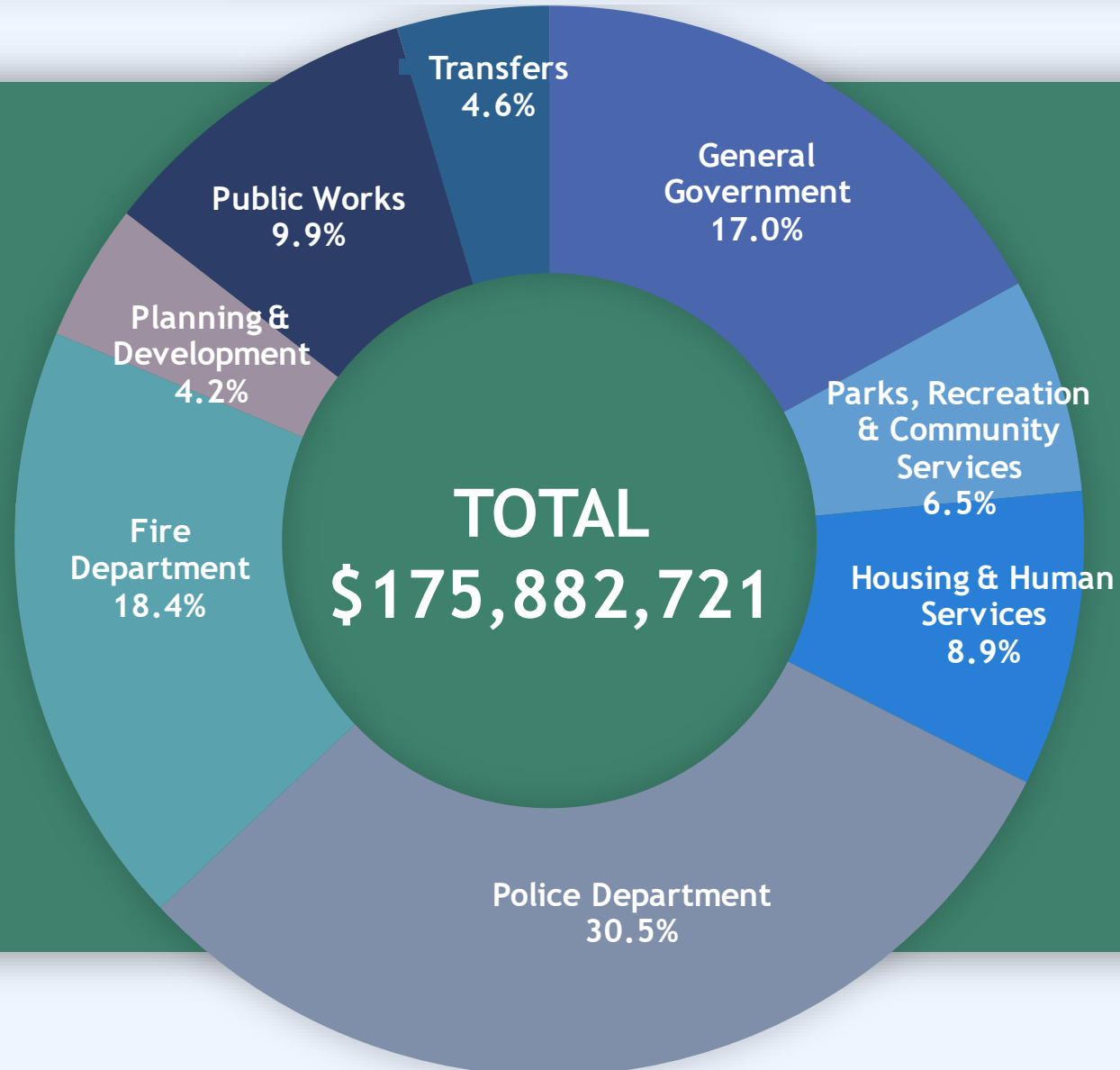
(Regional and condo sales data not seasonally adjusted)

Local Residential Real Estate Market

Year	Full Value Sales
2020 Q1	33
2020 Q2	25
2020 Q3	49
2020 Q4	50
2021 Q1	51
2021 Q2	76
2021 Q3	60
2021 Q4	66
2022 Q1	30
2022 Q2	52
2022 Q3	49
2022 Q4	28
2023 Q1	28



General Fund Expenditure Overview



General Fund Expenditure Overview

DEPARTMENT	ACTUAL EXPEND FY2021/2022	ADOPTED BUDGET FY2022/2023	ADJUSTED BUDGET FY2022/2023	PROPOSED BUDGET FY2023/2024	CHANGE FROM PRIOR YEAR ADJUSTED
General Government	20,348,106	23,051,674	24,948,078	29,931,492	4,983,414
Parks, Recreation & Community Services	9,906,687	11,008,221	12,048,628	11,422,948	(625,680)
Housing & Human Services	2,296,614	3,101,113	3,208,351	15,733,131	12,524,780
Police Department	45,511,553	50,954,116	51,278,078	53,649,963	2,371,885
Fire Department	27,864,529	29,558,593	30,646,743	32,309,448	1,662,705
Planning and Development	6,190,433	6,670,492	8,627,665	7,304,863	(1,322,802)
Public Works	13,999,804	17,082,165	19,472,061	17,442,301	(2,029,760)
Transfers	12,666,275	9,194,107	9,628,369	8,088,575	(1,539,794)
TOTAL GENERAL FUND:	\$138,784,011	\$150,620,481	\$159,857,973	\$175,882,721	\$16,024,748

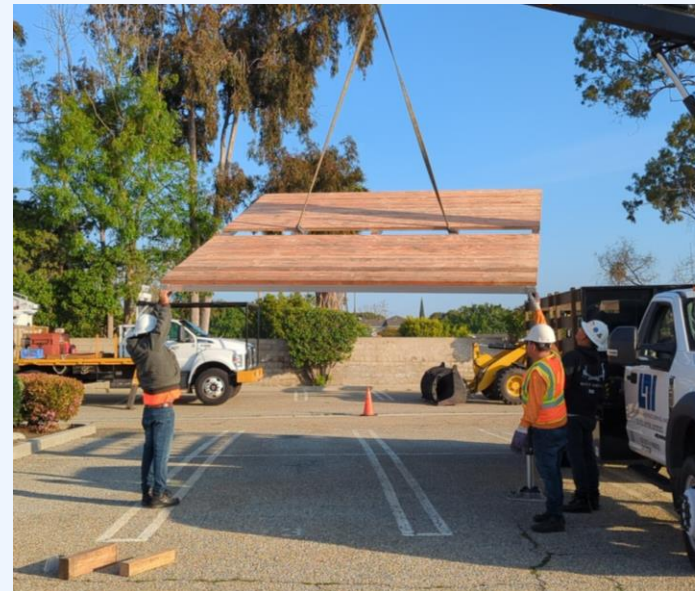
Housing and Human Services

INCREASED BY: \$12.5 million General Fund

Homelessness Services

- \$4.5 million Project Homekey annual operating costs
- \$3.1 million Safe Sleep Program
- \$3.2 million for other homelessness-related services including motel leasing program
- \$500,000 one-time enhancement for street medicine pilot

In addition, other Departments contributed 33 FTE and \$4.6 million to this effort in FY 22-23.



Housing and Human Services



- \$1.7 million Crisis Intervention
 - 6 FTE added in FY 22-23

Funding previously in General Government - Non Departmental

Public Safety



- Salary Initiative Ordinance
- Adopted MOU Salary and Benefit Adjustments
- Retirement Costs
- Public Safety Equipment
- Medical evaluations
- Constant staffing to support paramedic training

INCREASED BY: \$4.0 million

General Fund Departmental Reorganization

FY 22-23

Community
Development

Advanced Planning
Building Safety
Current Planning
Housing
Enforcement Services
Human Services
Rent Stabilization &
Tenant Protections
Economic Development

FY 23-24

City Manager

Economic Development

Planning &
Development
Department

Advanced Planning
Building Safety
Current Planning

Housing &
Human Services
Department

Housing
Enforcement Services
Human Services
Rent Stabilization &
Tenant Protections

General Fund

Budget Enhancement Requests

By Department

ENHANCEMENT REQUEST	REQUESTED ONE-TIME	REQUESTED ONGOING	TOTAL CITY MANAGER RECOMMENDED ONE-TIME	TOTAL CITY MANAGER RECOMMENDED ONGOING
City Attorney	823,260	222,525	820,000	
City Manager	100,000	448,545	105,000	48,600
City Clerk	318,000		318,000	
Human Resources	120,000	131,565	144,000	17,565
Finance	150,000	326,690	177,500	
Information Tech	250,500	188,270	250,500	188,270
PRCS	141,453	698,301	26,500	286,580
Housing & Human Svcs		837,956	500,000	12,570
Police Department	350,000	467,670	350,000	67,670
Fire Department	208,000	208,435	338,000	78,000
Planning and Dev	2,068,870	211,835	1,624,535	58,300
Public Works	110,000	785,834		36,889
TOTAL GENERAL FUND	\$4,640,083	\$4,527,626	\$4,654,035	\$794,444

General Fund Position Requests



REQUESTED



CITY MANAGER PROPOSED



Retirement Costs

California Public Employees Retirement System (CalPERS)



Safety Employees (Sworn Police and Fire Employees)

- Classic Members pay **9%**
- PEPRAs Employees pay **11.75%**



Miscellaneous Employees (All Other Non-Safety Employees)

- Classic Members pay **8%**, or **7%** if hired after December 2011
- PEPRAs Employees pay **7.75%**

Retirement Costs

There are two components the City's CalPERS contributions



"Normal cost" is the calculated cost of the current year of service for active employees (**10.77%** for Miscellaneous and **21.31%** for Safety in FY 23-24)



"Unfunded Accrued Liability (UAL) payment is **\$21.2 million** Citywide. The General Fund portions are **\$4.9 million** for Miscellaneous and **\$12.8 million** for Safety in FY 23-24



Total Citywide UAL is **\$76.6 million** for the Miscellaneous Plan and **\$144.1 million** for the Safety Plan as of June 30, 2021

Retirement Costs



298



CLASSIC EMPLOYEES

357



PEPRA EMPLOYEES

General Fund – Fund Balance

General Fund - Fund Balance		
Est. Beginning Fund Balance		136,920,926
FY 2023/2024 Revenues	160,196,401	
Less:		
FY 2023/2024 On-Going Expenditures	(163,140,111)	
Structural Budget Surplus/(Shortfall)	<u>(2,943,710)</u>	
Less:		
One-Time Transfers for Capital Projects		
Transfer from Unassigned Reserve Balance	(4,555,275)	
Transfer from Facilities Reserve Balance	(2,165,000)	
Transfer from Recreation Reserve Balance	(1,368,300)	
One-Time Enhancement Request	(4,654,035)	
Total One-Time Expenditures	<u>(12,742,610)</u>	
Net Increase / (Decrease) to Fund Balance		<u>(15,686,320)</u>
Est. Ending Fund Balance		<u>121,234,606</u>

General Fund – Fund Balance

General Fund - Fund Balance cont.

Breakdown of Ending Fund Balance

Non-Spendable	14,871,200	
Restricted Pension Trust Funds	27,386,800	
Contingency Reserves	48,942,033	
Facility Planning Reserves	12,013,829	
Recreation Facilities Reserves	420,801	
Unassigned Fund Balance	17,599,943	
Est. Ending Fund Balance	121,234,606	
Less: Nonspendable / Restricted	(42,258,000)	
Amount Available for Reserves	78,976,606	45%

Forecast Assumptions

Revenue Assumptions

Sales Tax decrease after post-pandemic rebound
Measure BL – \$7.9M in FY24
Decrease in Property Transfer Tax
UUT slight increase over time
Removal of one-time revenue
Post-pandemic TOT rebound
World Cup & Olympics

Expenditure Assumptions

\$2.2M in OPEB prefunding in FY25
Potential personnel increases
Cost Sharing for PERS
CPI Increase average of 3%
Savings factor of \$3.0M
\$2.0M for CIP

10 Year General Fund Forecast

Fiscal Year	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32	FY 32-33
Total Revenues	\$160,196	\$164,002	\$167,504	\$173,688	\$179,469	\$187,580	\$192,659	\$198,069	\$203,410	\$207,738
Total Expenditures	\$163,140	\$168,234	\$172,898	\$177,282	\$183,059	\$189,306	\$195,356	\$202,015	\$207,732	\$213,553
Surplus/Deficit	-2,944	-4,232	-5,394	-3,594	-3,590	-1,726	-2,698	-3,946	-4,322	-5,816
Fund Balance	\$121,235	\$117,003	\$111,609	\$108,014	\$104,424	\$102,699	\$100,001	\$96,055	\$91,733	\$85,918

Shown in thousands

Other Funds

FUND TYPE	ADOPTED BUDGET FY 22/23	ADJUSTED BUDGET FY 22/23	PROPOSED BUDGET FY 23/24	CHANGE FROM PRIOR YEAR ADJUSTED
Special Revenue Funds	33,509,523	68,025,065	23,998,937	(44,026,128)
Enterprise Fee Funds	84,208,323	113,182,120	79,565,452	(33,616,668)
Capital Improvement Funds	8,968,757	65,060,308	18,800,707	(46,259,601)
Internal Service Funds	25,805,444	28,837,959	27,084,145	(1,753,814)
TOTAL OTHER FUNDS:	\$152,492,047	\$275,105,452	\$149,449,241	\$(125,656,211)

Other Funds
Budget Enhancement Requests
By Fund

ENHANCEMENT REQUEST	REQUESTED ONE-TIME	REQUESTED ONGOING	TOTAL CITY MANAGER RECOMMENDED ONE-TIME	TOTAL CITY MANAGER RECOMMENDED ONGOING
Municipal Fiber Network	50,000		50,000	
Art Fund	49,500		49,500	
Risk Management		495,265		288,000
Central Stores		27,050		27,050
Building Surcharge Fund	160,000	146,000	160,000	146,000
Refuse	322,092	288,833	322,092	288,833
Sewer		112,845		112,845
Transportation		250,050		125,025
Equipment Maintenance		185,550		185,550
AQMD		45,000		45,000
TOTAL OTHER FUNDS	\$581,592	\$1,550,593	\$581,592	\$1,218,303

Other Funds – Enterprise Funds

REFUSE FUND

- FY 23-24 proposed expenditures are **\$1.2 million less** than the FY 22-23 Adjusted Budget
- Revenues are estimated to exceed expenditures by **\$1 million**
- Reserve requirement is **\$5.0 million**



Other Funds – Enterprise Funds

TRANSPORTATION FUND

- FY 23-24 proposed expenditures are **\$24.8 million** less than the FY 22-23 Adjusted Budget
- Revenues are estimated to exceed expenditures by **\$18.7 million**



Other Funds – Enterprise Funds

SEWER FUND

- FY 23-24 has a \$6.6 million decrease in expenditures from the FY 22-23 Adjusted Budget
- The decrease in expenditures is due to multi-year capital projects that were budgeted and carried over into FY 22-23
- There is \$2.3 million budgeted in FY 23-24 for capital improvement projects
- An updated sewer rate study will be presented in FY 23-24



Other Funds – Enterprise Funds

MUNICIPAL FIBER FUND

- The network backbone consists of 21.7 route miles of underground fiber infrastructure with a 576-strand count
- In FY 22-23, estimated revenue is \$1.7 million and estimated expenditures are \$1.7 million
- Revenues for FY 23-24 include approximately \$1 million in pass-throughs from customers to offset an expected \$1 million in one-time construction costs



Capital Improvement Projects

CIP FUNDING SOURCES	FY 23-24 PROPOSED CIP BUDGET
202 - Refuse Fund	500,000
203 - Municipal Bus Fund	6,373,066
204 - Sewer Fund	2,250,000
307 - Equipment Replacement Fund	2,499,700
418 - Special Gas Tax Fund	3,709,362
420 - Capital Imp & Acquisition (I&A) Fund	4,555,275
420F - Facilities Planning Reserve	2,165,000
420M - Mitigation Fund	175,000
420R - Recreation Facilities Reserve Tool	1,368,300
420S - Sewer Fund Transfer	360,000
423 - Capital Grants (CIP) Fund	4,261,525
428 - CDBG - Capital Fund	160,000
431 - Measure R	680,967
434 - Urban Runoff Mitigation	2,300,000
435 - Measure M	655,278
438 - Measure W	520,000
475 - Culver City Parking Authority	50,000
TOTAL CIP PROJECT FUNDING:	\$ 32,583,473



Capital Improvement Projects



CIP FUNDING USES	FY23-24 PROPOSED CIP BUDGET
Equipment Improvements	9,269,541
Facilities Improvements	4,092,029
Other	200,000
Parks & Park Facilities Projects	2,446,300
Sewer Improvement Projects	1,050,000
Street & Alley Improvements	9,750,603
Technology Improvements	1,080,000
Traffic Signal & Lighting Improvements	875,000
Urban Runoff Management	3,820,000
TOTAL CIP PROJECT FUNDING:	\$ 32,583,473

Budget Schedule

TUESDAY, MAY 16

3:00 PM

Department

Presentations Part II

TUESDAY, MAY 22

7:00 PM

2nd Public Comment Period
on Proposed Budget



MONDAY, JUNE 12

7:00 PM

Public Hearing
on Budget Adoption

QUESTIONS?