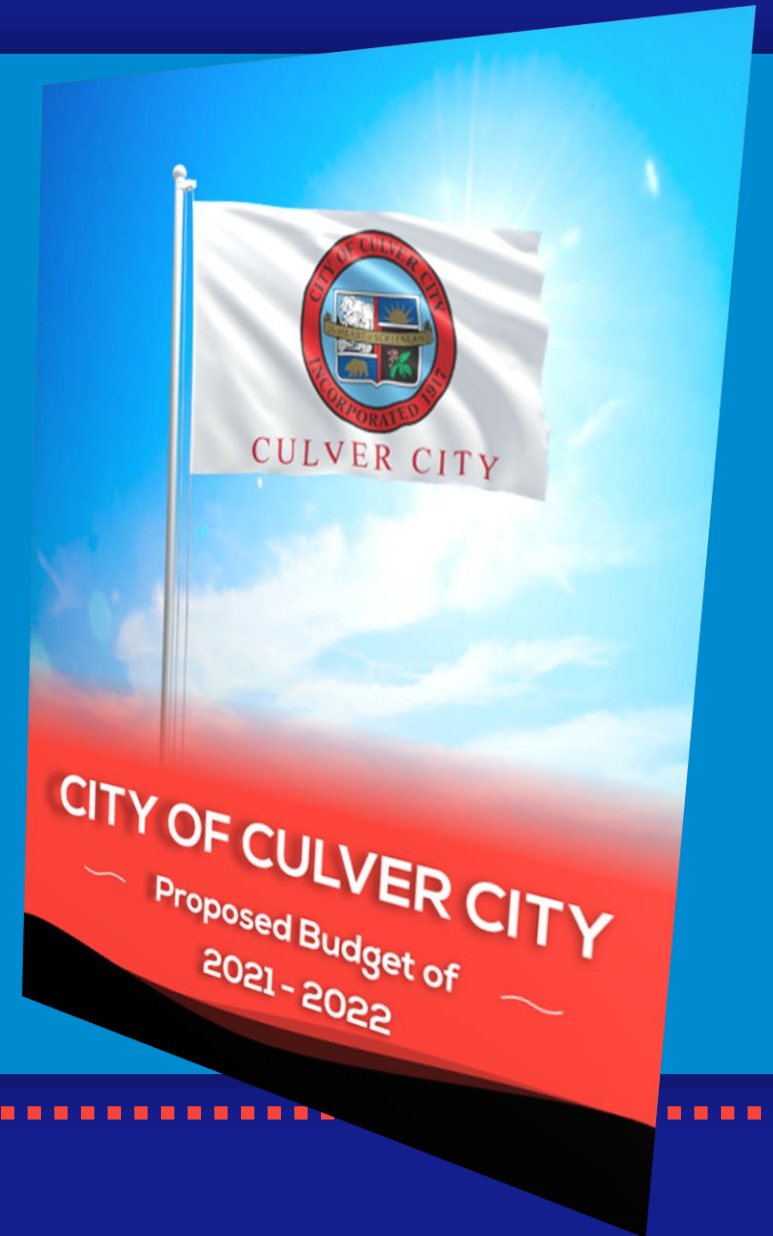


The City Of Culver City

Proposed Budget
FY 2021/2022





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Culver City
California**

For the Fiscal Year Beginning
July 01, 2020

Christopher P. Morill
Executive Director

Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to City of Culver City, California, for its Annual Budget for the fiscal year beginning July 01, 2020. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.





New Development



AMAZON STUDIOS

- Has moved into Culver City expanding The Culver Studios campus.
- This campus is Amazon's content creation headquarters, and efficiently houses Amazon's subsidiaries, Amazon Studios, IMDb, Amazon Video and Worldwide Advertising, which has also provided employment opportunities within our City as well.



APPLE

- Has plans to add additional space to its Westside Campus, which will provide a workforce of up to 3,000 people when the initial expectancy was only 1,000.



THE SHAY HOTEL

- Will be in the heart of our historic district at the bustling Ivy Station.
- The Shay will also contribute to rebuilding tourism and patronage in Culver City, with the opening of its two upscale restaurants, its rooftop deck and its 5,000 square foot event space.

COVID-19 Relief Funds

A total of \$1,882,033 has been authorized in emergency response appropriations



Coronavirus Aid, Relief, and Economic Security (CARES) Act – March 2020

- \$490,243 was received to mitigate the financial burden of the pandemic and had to be spent by December 2020.
- \$41,614 was received for a Fire Grant, \$41,660 was received for a Police Grant, and \$7,886 was received for handwashing stations for the homeless.
- \$6,573,119 was received by Transportation to offset the lost revenue from farebox and \$327,132 was used to install barriers for the safety of the bus operators.



Coronavirus Response and Relief Supplemental Appropriations Act – December 2020

- \$6,003,072 was received by Transportation to support operations of CityBus and has been included in the FY 2021/2022 Proposed Budget.



American Rescue Plan Act - March 2021

- \$7.3M was awarded to the City for the replacement of lost revenues, COVID-19 related expenses and/or infrastructure improvements (the \$7.3M will be paid in two equal installments in FY 2020/2021 & FY 2021/2022).
- \$8,648,994 has been allocated to the Transportation Department to support capital projects for CityBus.

Citywide Operating Budget

Total City Appropriations by Fund Type

FUND TYPE	Adjusted Budget FY 2020/2021	Proposed Budget FY 2021/2022
General Fund	128,115,267	134,079,378
Special Revenue Funds	44,847,163	26,841,921
Enterprise Fee Funds	91,197,588	77,534,486
Capital Improvement Funds	43,274,937	7,859,287
Internal Service Funds	20,282,487	20,933,909
TOTAL	327,717,442	267,248,981

Non-Departmental – \$1.5M for the Mobile Crisis Intervention and Response Program and \$100K to hire consultants for public safety related studies. In July 2020, City Council directed the City Manager’s Office to lead a comprehensive review of public safety services, determining where resources and responsibilities could be shifted to reduce the reliance on law enforcement. After months of study, presentations and public meetings, City Council directed staff to:

- 1) Establish an unarmed mobile crisis intervention and response program
- 2) Work with a Council Subcommittee to create a citizen oversight committee
- 3) Pursue alignment with the County of Los Angeles’ Alternatives to Incarceration program with the goal of reducing police interaction, arrests and prosecutions for minor misdemeanors.

Police-The proposed budget includes the permanent elimination of eight (8) sworn police officers, four positions that were unfunded in the previous year’s budget now proposed for elimination and four additional sworn positions in this proposed budget to be replaced by four civilian positions.

Any further reduction of sworn personnel should be tied to a verifiable reduction in the workload of sworn personnel. For instance, it is anticipated the mobile crisis intervention and response program will result in a yet to be determined reduction. This new program along with other efforts such as aligning with Los Angeles County’s Alternatives to Incarceration program will impact future staffing needs. It is the City Manager’s recommendation that sworn personnel workload be examined on a periodic basis and used as a guide for further commensurate reductions in the staffing levels for sworn personnel.



Key Budget Enhancement Requests



Enhancement Request	Department Request			City Manager Recommended		
	<i>One-Time</i>	<i>Ongoing</i>	<i>Total Dept. Request</i>	<i>One-Time</i>	<i>Ongoing</i>	<i>Total CM Recomm</i>
City Attorney	1,175,000	-	1,175,000	1,175,000	-	1,175,000
City Manager	10,100	7,880	17,980	10,100	7,880	17,980
Non-Departmental	100,000	1,500,000	1,600,000	100,000	1,500,000	1,600,000
Administrative Services	32,800	170,040	202,840	32,800	170,040	202,840
Finance	-	141,905	141,905	-	141,905	141,905
Information Technology	12,000	259,000	271,000	12,000	259,000	271,000
Parks, Recreation & Community Services	-	251,453	251,453	-	251,453	251,453
Police Department	187,953	329,480	517,433	187,953	(70,520)	117,433
Fire Department	177,170	410,000	587,170	177,170	410,000	587,170
Community Development	353,530	350,672	704,202	353,530	350,672	704,202
Public Works	309,500	817,163	1,126,663	309,500	817,163	1,126,663
General Fund	\$ 2,358,053	\$ 4,237,593	\$ 6,595,646	\$ 2,358,053	\$ 3,837,593	\$ 6,195,646

Budget Enhancement Requests Summary

Enhancement Request	Department Request			City Manager Recommended		
	<i>One-Time</i>	<i>Ongoing</i>	<i>Total Dept. Request</i>	<i>One-Time</i>	<i>Ongoing</i>	<i>Total CM Recomm</i>
Municipal Fiber Network	233,000	-	233,000	233,000	-	233,000
Risk Management	105,000	(3,480)	101,520	105,000	(3,480)	101,520
Art Fund	-	81,270	81,270	-	81,270	81,270
Central Stores	-	42,630	42,630	-	42,630	42,630
Parking Authority	-	-	-	-	-	-
Housing Authority	12,444,149	-	12,444,149	12,444,149	-	12,444,149
Refuse	154,605	958,696	1,113,301	154,605	958,696	1,113,301
Sewer	-	-	-	-	-	-
Building Surcharge	80,000	-	80,000	80,000	-	80,000
Transportation	15,241	318,586	333,827	15,241	287,536	302,777
Equipment Replacement	200,000	-	200,000	200,000	-	200,000
Equipment Maintenance	-	70,027	70,027	-	70,027	70,027
TOTAL ALL FUNDS	\$ 15,590,048	\$ 5,705,322	\$ 21,295,370	\$ 15,590,048	\$ 5,274,272	\$ 20,864,320



Budget Enhancement Requests Summary cont.

Retirement Costs



California Public Employees Retirement System (CalPERS)

- Safety Employees (sworn police and fire employees) — Classic Members pay **9%** towards their retirement cost.
- Miscellaneous Employees (all other non-safety employees) — Classic Members pay **8%** or **7%** if hired after (12/19/11).
- PEPRAs Employees pay **11.75%** for Safety and **7%** for Misc.



There are two components to the employer contributions

- "Normal cost" is the calculated cost of the current year of service for active employees (**10.01%** for Misc. and **20.17%** for Safety in FY 2021/2022).
- Unfunded Accrued Liability (UAL) payment is **\$8.3M** for Misc. and **\$11.7M** for Safety in FY 2021/2022.
- Total UAL is **\$102.9M** for the Miscellaneous Plan and **\$160.5M** for the Safety Plan as of June 30, 2019.

Retirement Costs Cont.



The City negotiated for employees to pick up a portion of the employer contribution (maximum of **3.5%** for Miscellaneous and **5.0%** for Safety).



For FY 2021/2022, the employee cost sharing is estimated to be **3.185%** for miscellaneous and **5.0%** for Safety.



The employee cost sharing is estimated to generate a ten-year cost savings of **\$14.8M** for Public Safety and **\$14.7M** for Miscellaneous.

Retirement Costs Cont.

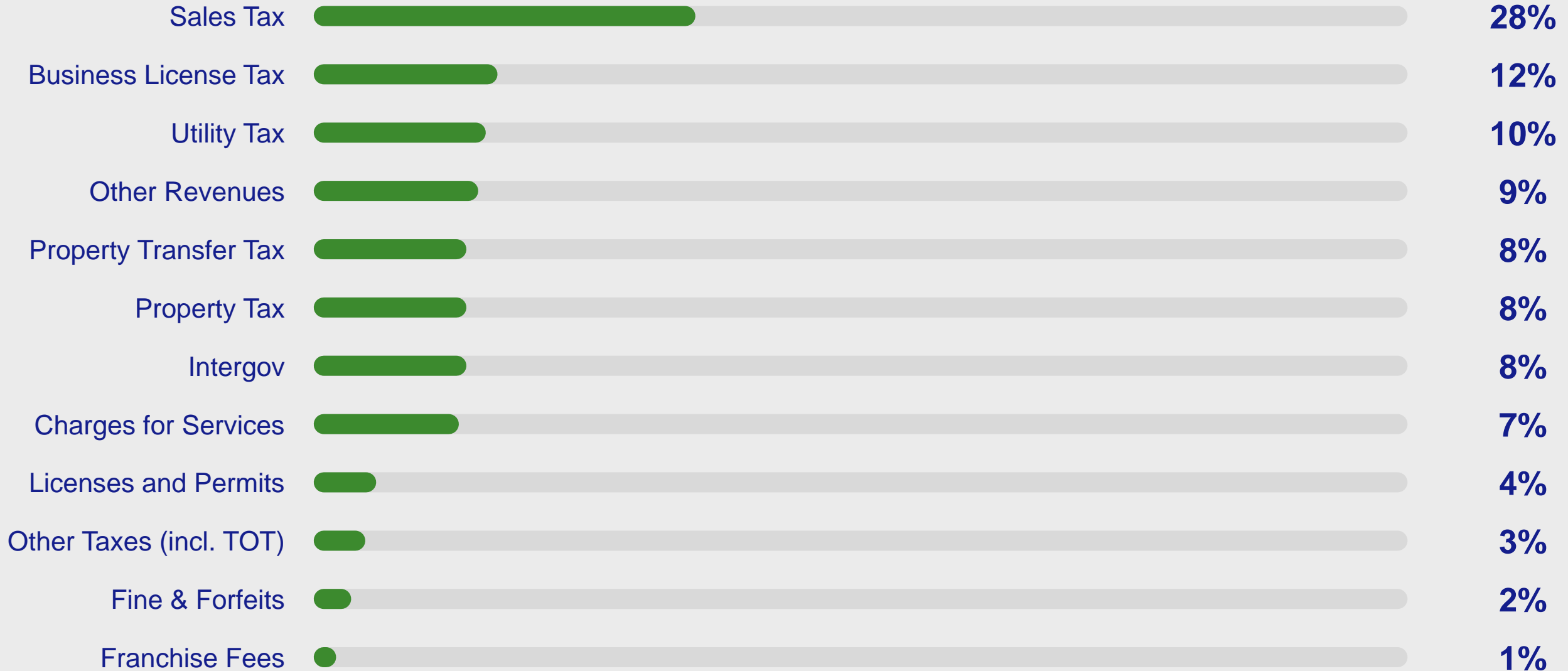
Estimated Contribution Impact Each Fiscal Year Due to 19/20 - 23/24 Investment Return				
Contribution Increase or (Decrease)				
Fiscal Year	Miscellaneous	Safety	Total	
2022/23	\$ 130,000	\$ 149,000	\$ 279,000	
2023/24	260,000	299,000	559,000	
2024/25	389,000	448,000	837,000	
2025/26	519,000	597,000	1,116,000	
2026/27	649,000	746,000	1,395,000	
2027/28	649,000	746,000	1,395,000	
2028/29	649,000	746,000	1,395,000	
2029/30	649,000	746,000	1,395,000	
2030/31	649,000	746,000	1,395,000	
2031/32	649,000	746,000	1,395,000	
2032/33 through 2041/42	649,000	746,000	1,395,000	
2042/43	-	-	-	
2043/44	-	-	-	
2044/45	-	-	-	
2045/46	-	-	-	
2046/47	-	-	-	

Total Contribution Impact		
	First 5 Years	First 10 Years
\$	4,186,000	\$ 11,161,000



April 1, 2020

General Fund Revenue Overview



General Fund Revenue Cont.

	ACTUAL RECEIPTS 2019/2020	ADOPTED BUDGET 2020/2021	ADJUSTED BUDGET 2020/2021	PROPOSED BUDGET 2021/2022	CHANGE FROM PRIOR YEAR ADJUSTED	% VARIANCE
<u>GENERAL FUND</u>						
PROPERTY TAX	10,251,499	10,128,843	10,711,068	10,511,000	(200,068)	(1.9%)
PROPERTY TRANSFER TAX	4,067,119	3,210,000	5,550,000	10,550,000	5,000,000	90.1%
SALES TAX	33,606,943	28,014,000	34,484,030	36,951,192	2,467,162	7.2%
BUSINESS LICENSE TAX	14,599,849	6,975,000	9,525,000	15,561,000	6,036,000	63.4%
UTILITY TAXES	13,329,639	10,985,000	11,789,114	13,397,000	1,607,886	13.6%
OTHER TAX (incl. TOT)	9,070,269	5,577,100	2,900,000	4,204,000	1,304,000	45.0%
FRANCHISE FEES	1,435,516	1,000,000	1,740,000	1,400,000	(340,000)	(19.5%)
LICENSES AND PERMITS	6,264,876	6,143,670	4,143,670	4,922,500	778,830	18.8%
INTERGOVERNMENTAL	5,913,472	5,916,785	5,916,785	10,030,259	4,113,474	69.5%
CHARGES FOR SERVICES	9,970,830	10,830,842	7,807,522	8,897,965	1,090,443	14.0%
FINES AND FORFEITS	4,478,030	4,152,500	2,302,500	2,912,000	609,500	26.5%
OTHER REVENUES	14,816,032	10,351,725	10,646,675	12,551,077	1,904,402	17.9%
TOTAL GENERAL FUND	127,804,074	103,285,465	107,516,364	131,887,993	24,371,629	22.7%

General Fund Revenue Cont.



SALES TAX

- Sales Tax revenues have been more resilient than expected during the pandemic.
- The FY 2021/2022 Proposed Budget is increasing by \$2.5M over the FY 2020/2021 Adjusted Budget.
- The total Sales Tax estimate of \$37M exceeds the actual sales tax revenues received prior to pandemic in FY 2018/2019.



TRANSIENT OCCUPANCY TAX (TOT)

- TOT is estimated to increase by \$1.2M or 48.2% over the FY 2020/2021 Adjusted Budget.
- This increase is being budgeted in anticipation that the remaining hotels in the City will reopen sometime in FY 2021/2022 and the hotels' occupancy rates will go up as a result of increased travel in and around the City.



BUSINESS LICENSE REVENUE / CANNABIS TAX REVENUE

- Actual business license tax revenues received through April 2021 is \$13.8M. It is evident that this revenue source has recovered quickly and is expected to increase by \$5.3M over the FY 2020/2021 Adjusted Budget.
- Cannabis Tax is also expected to increase by \$786K over the FY 2020/2021 Adjusted Budget. There are five new businesses that are expected to start generating revenues in FY 2021/2022.

General Fund Revenue Cont.



PROPERTY TAX / PROPERTY TRANSFER TAX

- The property tax revenues for FY 2021/2022 are anticipated to remain flat based on projections provided by the City's consultant, HdL.
- At the November 3, 2020 election, Culver City residents voted to approve Measure RE, which is a marginal tax that will be applied to property sales over \$1.5M.
- It is anticipated that this tax will provide the City with additional annual revenues between \$5M - \$6M.



UTILITY USER TAX (UUT)

- UUT revenue estimates are projected to increase by \$1.6M over the FY 2020/2021 Adjusted Budget.
- This increase is based on projections provided by the City's consultants, Avenu, and actual fiscal year-to-date receipts through April 2021.



CHARGES FOR SERVICES

- This revenue source is expected to increase by \$1M over the FY 2020/2021 Adjusted Budget.
- Charges for Services category is comprised of revenues generated by Community Development/Planning, Recreation, ambulance fees, and other miscellaneous charges. The Recreation Department has already begun to plan for more youth programming, community events and senior services in the next fiscal year. Plan check and ambulance revenues are also starting to increase.

General Fund Revenue Cont.



FINES AND FORFEITURES

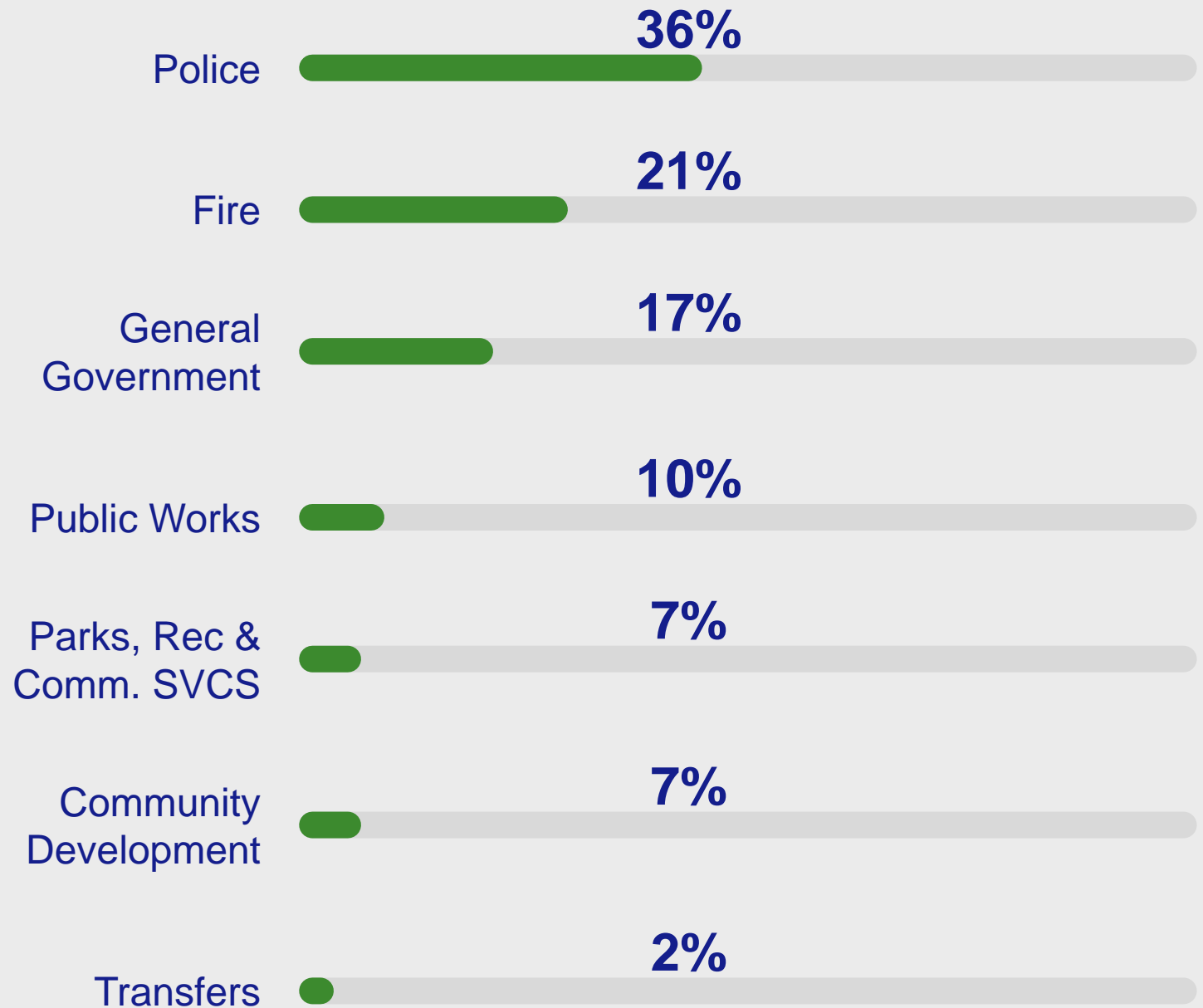
- Fines and forfeitures are estimated to increase because of more vehicle code fines and court fines.



INTERGOVERNMENTAL REVENUES

- This revenue is projected to increase by \$4.1M over the FY 2020/2021 Adjusted Budget.
- The increase of \$480K is from the motor vehicle license fees from the State Department of Motor Vehicles which is received in January and May.
- The remaining \$3.7M increase is from ½ of the American Rescue Plan allocation for state and local government federal relief.
- A total of \$7.3M was allocated to the City and the amount will be paid in two equal installments in FY 2020/2021 and FY 2021/2022.

General Fund Expenditure Overview



General Fund Expenditure Cont.

	ACTUAL EXPEND <u>2019/2020</u>	ADOPTED BUDGET <u>2020/2021</u>	ADJUSTED BUDGET <u>2020/2021</u>	PROPOSED BUDGET <u>2021/2022</u>	CHANGE FROM PRIOR YEAR <u>ADJUSTED</u>	% CHANGE FROM PRIOR YEAR <u>ADJUSTED</u>
<u>GENERAL FUND</u>						
TOTAL GENERAL GOVERNMENT	20,982,012	18,785,744	20,899,957	22,256,002	1,356,045	6.49%
PARKS, REC. & COMMUNITY SVCS	8,783,455	9,480,758	9,639,312	9,698,618	59,306	0.62%
POLICE DEPARTMENT	44,069,062	44,557,234	45,361,944	48,065,283	2,703,339	5.96%
FIRE DEPARTMENT	24,226,486	24,969,152	25,724,953	27,696,170	1,971,217	7.66%
COMMUNITY DEVELOPMENT	9,803,787	8,209,207	11,285,277	9,524,010	(1,761,267)	-15.61%
PUBLIC WORKS	13,063,006	12,420,018	13,821,170	14,097,295	276,125	2.00%
Transfers	26,521	686,120	1,382,655	2,742,000	1,359,345	98.31%
TOTAL GENERAL FUND	120,954,329	119,108,233	128,115,268	134,079,378	5,964,110	4.66%

General Fund Expenditure Cont.

POLICE AND FIRE

\$4.8M

- The combined increase of \$4.8M in Police and Fire is comprised of:
- Projected salary increases due to the Salary Initiative Ordinance, the addition of 6 firefighter/paramedics (SAFER grant), step increases and increase in health insurance cost (\$1.8M);
- Increase in the CalPERS Unfunded Accrued Liability (\$1.3M)
- Additional budget enhancement request (\$704K) and
- Increase in allocation from the equipment replacement fund (\$865K).

GENERAL GOVERNMENT

\$1.3M

- The increase of \$1.3M in the total general government is due to the \$1.5M enhancement request to:
- Establish an unarmed mobile crisis intervention and response program
- A citizen oversight committee and
- To create programs that align with the County of Los Angeles' Alternative to Incarceration program.

CAPITAL IMPROVEMENT

\$2.7M

- The increase of \$1.4M in transfers is due to a transfer of \$2.7M for Capital Improvement projects

General Fund – Fund Balance

- FY 2021/2022 projected ending fund balance is estimated to decrease by **\$2.2M** and will end at **\$83.3M**.
- Restricted Pension Trust Funds (**\$11.2M**) can be used to pay annual pension cost, if needed.
- Remaining fund balance reserves (**\$56.4M**) can be used with City Council approval to balance the budget.
- Projected ending reserves equals **42%** of the FY 2021/2022 operating expenditures.
- The City’s Contingency Reserve requirement is **30%** (Council Policy Statement, Policy #5002 and Resolution #2014-R058).

General Fund - Fund Balance		
Est. Beginning Fund Balance		85,506,383
FY 2021/2022 Revenues	131,887,993	
Less:		
FY 2021/2022 On-Going Expenditures	(131,721,325)	
Structural Budget Surplus/(Shortfall)	<u>166,668</u>	
Less:		
One-Time Enhancement Request	(2,358,053)	
Total One-Time Expenditures	<u>(2,358,053)</u>	
Net Increase / (Decrease) to Fund Balance		<u>(2,191,385)</u>
Est. Ending Fund Balance		<u>83,314,998</u>
<i>Breakdown of Ending Fund Balance</i>		
Non-Spendable		15,739,306
Restricted Pension Trust Funds		11,193,366
Contingency Reserves		39,516,397
Facility Planning Reserves		6,746,372
Recreation Facilities Reserves		1,691,597
Unassigned Fund Balance		<u>8,427,961</u>
Est. Ending Fund Balance		<u>83,314,999</u>
Less: Nonspendable / Restricted		(26,932,672)
Remaining Fund Balance		56,382,327
		42%

CITY OF CULVER CITY- FINANCIAL FORECAST MODEL - SUMMARY OF SCENARIOS FORECAST (in \$ thousands)

GENERAL FUND (101)

SCENARIOS FORECAST - SUMMARY (in \$ thousands)		ACTUAL	ADJUSTED BUDGET	FORECAST FISCAL YEARS									
		-1	0	1	2	3	4	5	6	7	8	9	10
Category/Type		FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
REVENUES													
	Property Taxes	\$ 10,278	\$ 10,716	\$ 10,511	\$ 11,159	\$ 11,597	\$ 12,112	\$ 12,692	\$ 13,258	\$ 13,813	\$ 14,381	\$ 14,978	\$ 15,591
	Property Transfer Tax	4,067	5,550	10,550	10,902	11,732	12,716	13,373	14,075	14,858	15,685	16,526	17,363
	Sales & Use Taxes	33,607	34,484	36,951	38,644	40,091	41,606	43,180	44,726	46,333	48,010	49,739	51,510
	Utility User Tax (UUT)	13,330	11,789	13,397	13,523	13,532	13,487	13,442	13,394	13,342	13,288	13,234	13,180
	Transient Occupancy Tax (TOT)	6,319	2,500	3,704	4,985	6,331	6,610	6,895	7,185	7,481	7,783	8,092	8,407
	Business License/Cannabis Tax	14,600	9,525	15,561	16,190	16,689	17,108	17,513	17,909	18,308	18,708	19,113	19,517
	Other Taxes / Intergovernmental	8,241	6,190	6,842	7,180	7,517	7,893	8,281	8,675	9,081	9,505	9,945	10,399
	Franchise Fees	1,436	1,740	1,400	1,420	1,441	1,467	1,494	1,522	1,550	1,578	1,607	1,637
	Licenses & Permits	6,081	3,829	4,923	5,414	6,064	6,347	6,591	6,713	6,817	7,008	7,207	7,390
	Charges for Services	10,191	8,068	8,898	9,787	10,277	10,696	11,099	11,431	11,763	12,159	12,567	12,971
	Cost Recovery, Fines, Earnings & Misc.	12,468	9,949	11,446	12,197	12,520	12,674	12,809	12,939	13,064	13,196	13,330	13,461
	Transfers In, Prop & FMV Adj	7,188	6,865	7,705	3,035	3,194	3,117	3,117	3,117	4,217	4,217	5,217	5,692
	<i>(Prior FY Adjustments - One-Time Revenues/Transfers)</i>	<i>(1,349)</i>	-	-	-	-	-	-	-	-	-	-	-
	TOTAL - SCENARIO REVENUES	\$ 126,455	\$ 111,204	\$ 131,888	\$ 134,438	\$ 140,984	\$ 145,835	\$ 150,485	\$ 154,945	\$ 160,627	\$ 165,519	\$ 171,556	\$ 177,119

CITY OF CULVER CITY- FINANCIAL FORECAST MODEL - SUMMARY OF SCENARIOS FORECAST (in \$ thousands)

GENERAL FUND (101)

SCENARIOS FORECAST - SUMMARY (in \$ thousands)	ACTUAL	ADJUSTED BUDGET	FORECAST FISCAL YEARS									
	-1	0	1	2	3	4	5	6	7	8	9	10
Category/Type	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
ANNUAL OPERATING SURPLUS/(DEFICIT)	6,850	(16,911)	(2,191)	(6,055)	(4,784)	(4,937)	(4,931)	(5,165)	(4,035)	(4,009)	(2,772)	(2,170)
FUND(S) BALANCE - END OF FY	\$ 102,417	\$ 85,506	\$ 83,315	\$ 77,260	\$ 72,476	\$ 67,539	\$ 62,607	\$ 57,442	\$ 53,408	\$ 49,398	\$ 46,627	\$ 44,457
Non-spendable	15,739	15,739	15,739	15,739	15,739	15,739	15,739	15,739	15,739	15,739	15,739	15,739
Pension Trust (Restricted)	11,193	11,193	11,193	11,193	10,717	10,317	9,917	9,517	8,017	6,517	4,017	1,042
Reserves (Committed)	51,372	47,754	47,954	47,111	46,020	41,483	36,951	32,186	29,651	27,142	26,870	27,675
Contingency	38,326	37,722	39,516	42,148	43,731	41,483	36,951	32,186	29,651	27,142	26,870	27,675
Facility planning	11,354	8,341	6,746	3,272	916	-	-	-	-	-	-	-
Recreation facilities	1,692	1,692	1,692	1,692	1,373	-	-	-	-	-	-	-
Encumbered Contracts (Assigned)	5,732	-	-	-	-	-	-	-	-	-	-	-
Undesignated	18,382	10,820	8,428	3,216	0	-	-	-	-	-	-	-

Other Funds

	ACTUAL EXPEND	ADOPTED BUDGET	ADJUSTED BUDGET	PROPOSED BUDGET	CHANGE FROM PRIOR YEAR ADJUSTED
FUND TYPE	<u>2019/2020</u>	<u>2020/2021</u>	<u>2020/2021</u>	<u>2021/2022</u>	<u>ADJUSTED</u>
Special Revenue Funds	14,003,196	15,125,422	44,847,163	26,841,921	(18,005,242)
Enterprise Fee Fuds	75,407,928	71,391,781	91,197,588	77,534,486	(13,663,102)
Capital Improvement Funds	7,400,612	37,609,903	43,274,937	7,859,287	(35,415,650)
Internal Service Funds	20,520,212	18,177,650	20,282,487	20,933,909	651,422
TOTAL	117,331,948	142,304,756	199,602,175	133,169,603	(66,432,572)

Other Funds Cont.

SPECIAL REVENUE FUND (\$18M)

- Decrease due to one-time capital project requests that were made in prior years for:
- Safe/Clean Water Protection Fund net decrease of (\$12.3M)
- Culver City Parking Authority net decrease of (\$4.7M)
- Community Improvement Fund (formerly RDA bond Funds) net decrease of (\$3.1M)

ENTERPRISE FUNDS (\$13.7M)

- Decrease due to one-time capital project requests that were made in prior years for:
- Sewer net decrease of (\$9.3M)
- Transportation net decrease of (\$3.3M)
- Municipal Fiber Fund net decrease of (\$2.1M)

CAPITAL IMPROVEMENT FUNDS (\$35.4M)

- Multi-year capital improvement projects are carried over annually until completed.
- New FY 2021/2022 Budget appropriations are \$7.9M and \$43.2M was budgeted in the FY 2020/2021 Adjusted Budget for a total decrease of \$35.4M

Other Funds – Enterprise Funds

REFUSE FUND

- FY 2021/2022 proposed expenditures are **\$1M more** than the FY 2020/2021 Adjusted Budget.
- Expenditures are estimated to exceed revenues by **(\$1.4M)**.
- The ending fund balance is estimated at **\$1.4M***. Note: Reserve requirement is **\$5.0M**.
- A rate study was presented to City Council during the May 10, 2021, Council Meeting. The proposed rate increases will enable the Refuse Fund to cover ongoing operating cost. It will also allow for the replacement of capital and increase reserves over a five-to-six-year period.

*Depreciation of **\$514,980**, when excluded increases the ending fund balance



Other Funds – Enterprise Funds cont.

TRANSPORTATION FUND

- FY 2021/2022 proposed expenditures are **\$3.3M** more than the FY 2020/2021 Adjusted Budget.
- Revenues are estimated to exceed expenditures by **\$2.6M**.
- The ending fund balance is estimated to be **\$26M**.
- Transportation hired consultants that specialize in Transportation forecasting to develop an in-depth five-year financial forecast.



Other Funds – Enterprise Funds cont.

SEWER FUND

- FY 2020/2021 has a **(\$9.4M)** decrease in expenditures from the FY 2020/2021 Adjusted Budget.
- The decrease in expenditures is due to multi-year capital projects that were budgeted and carried over into FY 2020/2021, such as sewer main rehabilitation and pump station upgrades.
- FY 2020/2021 Proposed Budget has a projected budget deficit of **(\$2.3M)**; however, based on information received after the budget document was completed the projected budget deficit will be **(\$4.1M)**. This will leave **\$9.6M** in available resources and there is a minimum reserve requirement of **\$4.7M**.
- There is **\$2.5M** budgeted in FY 2021/2022 for capital improvement projects, the completion of these projects will reduce ongoing operating and maintenance costs.
- Current Capital Projects include; Sewer Emergency Notification System, Fox Hills and Bristol Sewer Pump Station Diversion Pipelines, Mesmer/Overland Sewer Pump Station Pipeline Diversion and Sewage Pump Station Improvements.



Other Funds – Enterprise Funds cont.

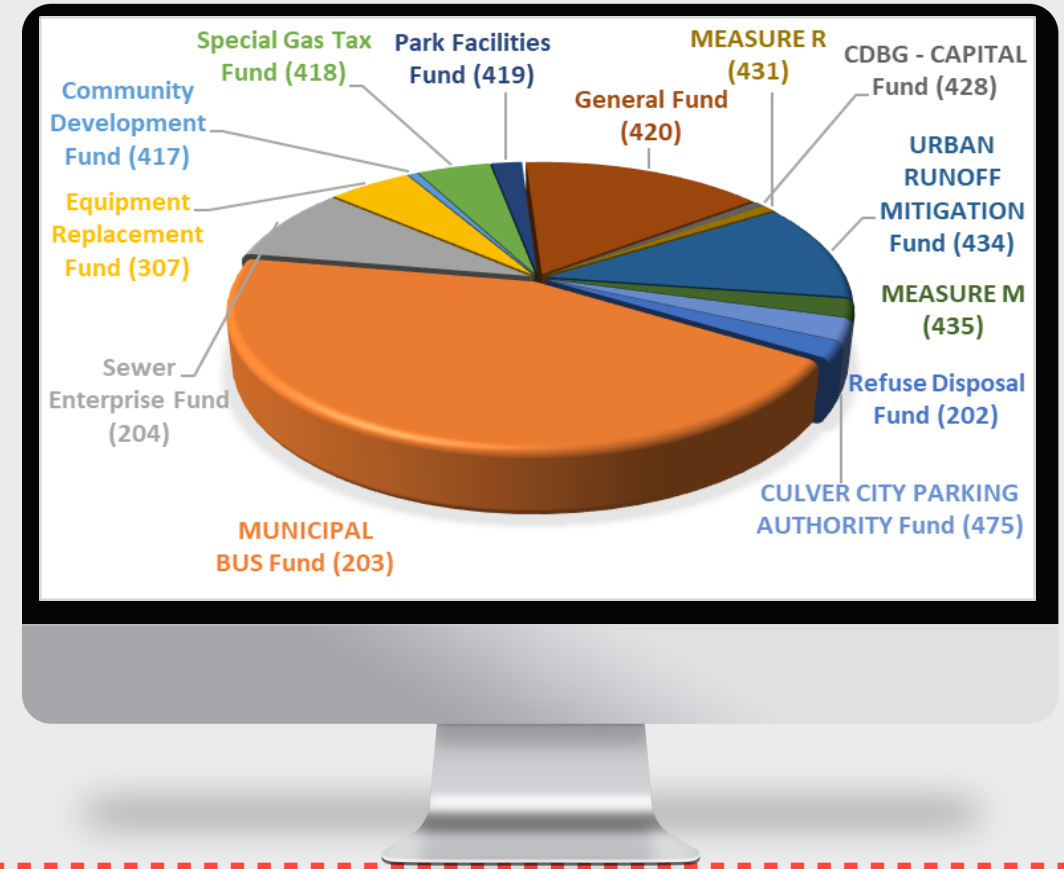
MUNICIPAL FIBER FUND

- Culver Connect is Culver City’s municipal fiber open access network that lowers the cost of entry for service providers and gives the community more options for high-speed internet service.
- The network backbone consists of **21.7** route miles of underground fiber infrastructure with a **576-strand** count.
- In FY 2020/2021, estimated revenue is **\$3.6M** and revenues will exceed expenditures by **\$1.4M**.
- In FY 2020/2021, the City transitioned from the previous network operator to a new network operator, Onward, which cut annual expenses by over **50%** percent.
- Onward is also an Internet Service Provider (ISP) and will be providing service to the business community utilizing the Culver Connect network infrastructure. Onward will share ISP revenue with the City, as part of its operating agreement with the City.
- In FY2020/2021 City Council approved an agreement with another ISP, Ting, to build a citywide fiber network, using the Culver Connect fiber backbone to expand internet service offerings to Culver City residents.



Capital Improvement Projects

CIP FUNDING SOURCES	FY 21/22 AMOUNT
Refuse Disposal Fund (202)	\$ 550,000
Municipal Bus Fund (203)	12,432,760
Sewer Enterprise Fund (204)	2,470,000
Equipment Replacement Fund (307)	1,499,477
Community Development Fund (417)	170,000
Special Gas Tax Fund (418)	1,327,660
Park Facilities Fund (419)	555,627
General Fund (420)	4,380,000
CDBG - Capital Fund (428)	175,000
Measure R (431)	251,000
Urban Runoff Mitigation Fund (434)	3,208,500
Measure M (435)	600,000
Culver City Parking Authority Fund (475)	709,000
TOTAL CIP FUNDING SOURCES:	\$ 28,329,024



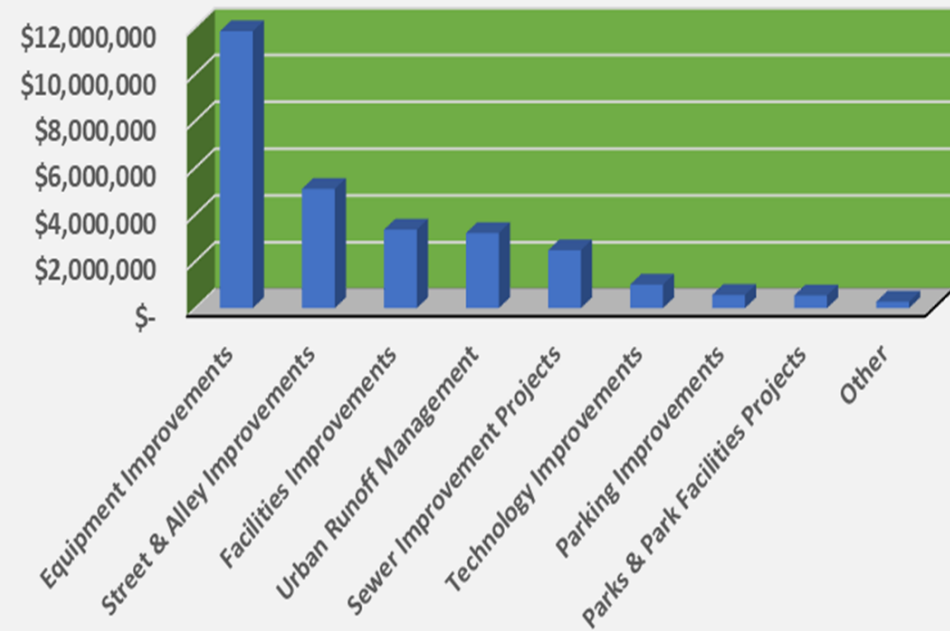
TOTAL CIP FUNDED \$101,248,454

(See page 481 of proposed budget document)

Capital Improvement Projects Cont.

CIP FUNDING USES	AMOUNT
Equipment Improvements	\$ 11,823,007
Street & Alley Improvements	5,091,660
Facilities Improvements	3,351,230
Urban Runoff Management	3,208,500
Sewer Improvement Projects	2,470,000
Technology Improvements	1,005,000
Parking Improvements	564,000
Parks & Park Facilities Projects	540,627
Other	275,000
TOTAL CIP FUNDING USES:	\$ 28,329,024

FY21/22 CIP Funding Uses



Capital Improvement Projects Cont.

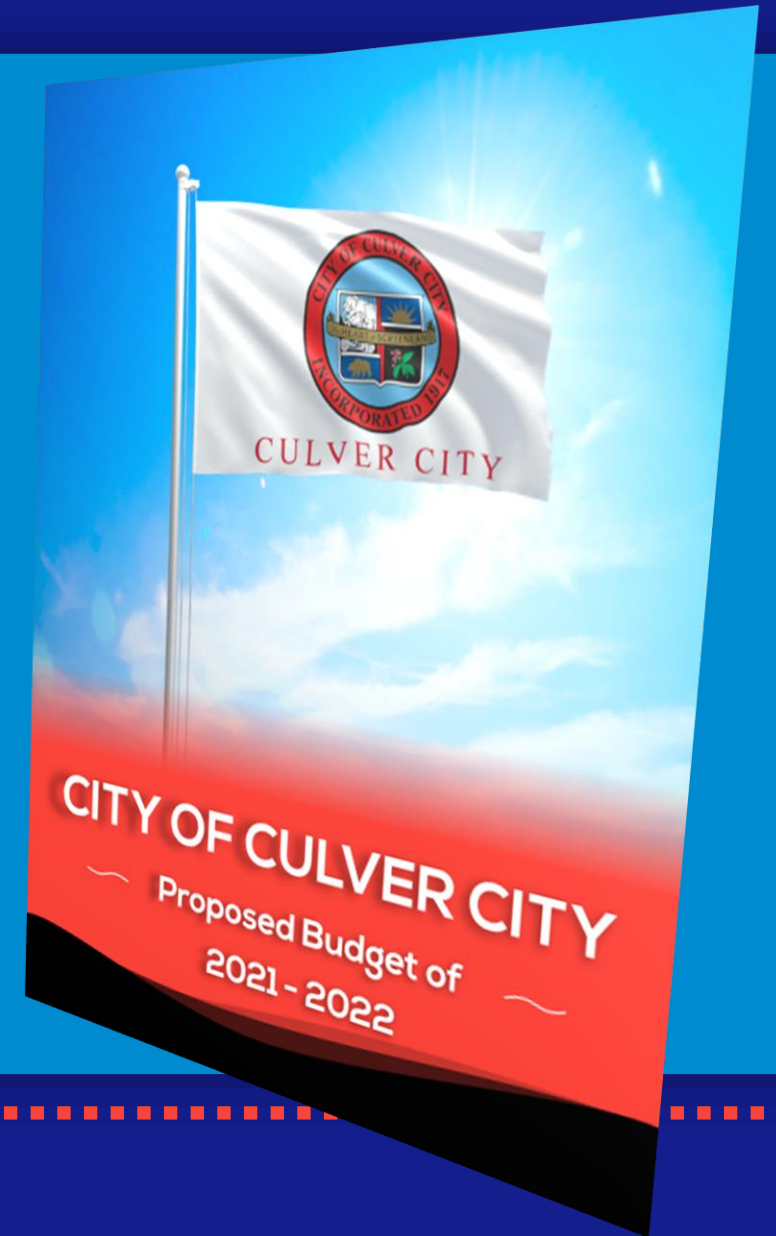
STREETLIGHTS / STREET IMPROVEMENTS

- There are currently 1,500 streetlights in the City that are aging, obsolete and pose a maintenance/operational concern.
- The transformers that are used in the aging streetlights are manufactured by one company in the world and that company has indicated that they will discontinue the manufacturing of those transformers sometime in 2021.
- The preliminary estimate of a project of this size is about \$25M or more if other street improvements are included.
- Finance has contacted the City's Financial Advisor to look at potential funding options that could include private financing, bond financing etc.

UPCOMING MEETINGS

**Tuesday, May 18th 2021, 3:00pm
Part II Department Presentations**

**Monday, June 28th 2021, 7:00pm
Final Budget Public Hearing
Budget Adoption on Agenda**



**ANY
QUESTIONS?**

