MEETING DATE: February 14, 2011

AGENDA ITEM : Mid-Year Financial Reports

ATTACHMENTS

Attachment 1
Recommended Revenue Adjustments by Line Item

Category	Account Number	Proposed Adjustment
Sales Tax	10115100.313000	100,000
Real Property Tax	10114400.317000	250,000
Electricity UUT	10114400.312100	100,000
Transient Occupany Tax	10114400.318000	200,000
Commercial Industrial Dev. Tax	10115100.319000	(300,000)
Building Permits	10151500.321000	(135,000)
Plumbing/Heating Permits	10151500.324000	(27,000)
Building Plan Check Fees	10151500.371300	(340,000)
Fire Suppression Detection	10145600.329000	(41,000)
Fire Prev./Other Permits	10145600.330100	(7,000)
Fire Prevention Plan Check Fees	10145600.371300	(75,000)
Planning Permit Fees	10152100.364100	165,000
Engineering Plan Check Fees	10160500.371300	50,000
Fines and Forfeitures	10140900.338200	100,000
Transfer In-Parking Meter Fund	10199900.391421	(380,000)

City of Culver City

MID-YEAR REPORT
(Through December 31, 2010)

FOR

FISCAL YEAR 2010-11

CITY OF CULVER CITY
2010-11 MID-YEAR REPORT
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INTRODUCTION

Results through December 31, 2010 for the City are more encouraging than this point last year. Expenditures are coming in lower than the target amount, even with the significant reduction in personnel and O & M from the previous year. Overall revenues are relatively steady so far at mid-year.

General Fund Revenues through December are $**27.297 million**, or **33.8%** of adjusted budgeted projections. **General Fund Expenditures** through February are **$37.645 million,** or **44.0%** of adjusted budgeted appropriations. Revenues often lag expenditures at this point in the year due to accruals, which occur at the end of the fiscal year.

Other Funds are performing close to expectations, and will be discussed further in the report.

Fiscal 2008-09 saw some of the worst economic crises in decades, and fiscal 2009-10 continued to perform poorly. Fiscal 2010-11 is looking to be a bit brighter, but it will most likely be many years before the economy performs at the levels seen in fiscal 2007-08, if ever.

REVENUES SUMMARY

General Fund Revenue Overview ***(as of 12/31/2010)***

- Through December, General Fund revenues are $27,297,000, or 33.8% of adjusted budget projections. Sales Tax is coming in stronger than prior year receipts at this time due to Westfield Shopping Mall being open the entire reporting period. Business License is performing slightly better than expected, and Utility Users' Tax (UUT) and Transient Occupancy Tax (TOT) are both performing stronger than this time last year. Real Property Transfer Tax is also coming in higher than anticipated, but Commercial Industrial Development Tax is performing at the lowest level since 2003.

- Sales Tax receipts are approximately 14.9% ahead of receipts at this time last year, which is completely opposite of the 14.6% lag of 2009-10 mid-year receipts to 2008-09. Westfield Shopping Mall is a large portion of this increase, along with a general healthier outlook on retail shopping the last half of 2010. It remains to be seen if it will continue, but forecasts look much better than they have the last couple of years.

Revenue Detail

- **Property Tax -** The adopted budget for Property Tax for fiscal 2010-11 is $3.97 million. Receipts through December are $1.2 million. April will reflect the "second" round of payments for this category. The pass-through payment received from the county is anticipated to be approximately $500,000, and this amount is included in the budgeted projection. Property Tax is expected to hit projections for fiscal 2010-11.

  It is recommended to keep the Property Tax projection at current projections.

- **Sales Tax -** The fiscal 2010-11 adopted budget projection for Sales Tax is $15.521 million. Even with 2006-07 actual receipts coming in at $18.192 million and 2007-08 actual receipts coming in at $17.92 million, the City has kept projections conservative. Fiscal 2009-10 receipts for this category were $14.314 million, which is over 20% lower than the actual 2006-07 and 2007-08 receipts. It is anticipated that fiscal 2010-11 will see more encouraging results than last year, in most part from Westfield Shopping Mall being open for the entire reporting period. The fiscal 2010-11 adopted budget is $15.521 million. Receipts through December 31, 2010 are $4.285 million. This is 14.9% ahead of the prior mid-year receipts. It is still far below receipts from 2007-08, but it is the first time since that it is moving in a positive direction. Staff has also been in discussion with our sales tax consultants, and results show receipts could come in slightly higher than original projections.

  It is recommended to increase sales tax projections to $15.621 million, which is a $100,000 increase.

- **Public Safety Augmentation Fund (PSAF) -** This funding source was implemented by Prop 172 in 1993, and is to be used to fund public safety services. It is an allocation of 0.5% of the sales tax rate, and is allocated by the State – same as sales tax – to counties and cities. Since it is based on taxable sales, it mimics sales tax receipts. Fiscal 2010-11 budgeted projections for PSAF are $310,000.

  This projection is in line with last fiscal year's actual receipts. There is no recommendation to adjust this projection.

- **Utility Users Tax -** Utility Users Tax (UUT) is a tax placed on electricity, natural gas, water, telecommunications (land-line and wireless), and cable television. Culver City's current rate is 11%. Total fiscal 2010-11 budget projections for UUT are $14.775 million. Through December, receipts are $6.395 million, or approximately 43.3% of projections. Mid-year receipts for the entire category are 3.65% ahead of the same period last year. Discussion of the fiscal 2010-11 performance to date of each UUT category is provided below.

  - Electricity – Adopted budget projection for Electricity UUT is $6.25 million. Through December, receipts are $2.958 million, or 47.3% of projections. This category is expected to continue to perform strong to year-end.

    It is recommended to increase this category to $6.35 million for fiscal 2010-11. This would be an increase of $100,000 from original projections.

- <u>Natural Gas</u> – The fiscal 2010-11 budget projection for Natural Gas UUT is $1.2 million. Through December, receipts for Natural Gas UUT are $322,000, or 26.8% of projections. Historically, receipts for this category come in stronger the second half of the fiscal year. With the uncommonly long stretch of cooler weather we have experienced, including slightly increasing rates, it is anticipated that this category will meet projections.

  There is no recommendation to adjust this projection.

- <u>Water</u> – The fiscal 2010-11 budget projection for Water UUT is $1.105 million. This has taken into account potential water conservation due to the drier than normal conditions experienced the last couple of years, along with the unusually wet weather experienced a couple of months ago. Although reports do still show a water shortage, usage remains rather steady, and receipts through December show water UUT at $505,000, or 45.7% of projections. This category is expected to meet projections.

  There is no recommendation to adjust this projection.

- <u>Telecommunications</u> – The fiscal 2010-11 budget projection for Telecommunications UUT is $5.5 million. Receipts through December are $2.32 million, or 42.2% of projections. Compared to the prior year at this time, receipts are almost identical. This category has been kept at a "low growth" level for the last couple of years because of increasing usage of internet and other phone services that do not have UUT applied to them, and increasing numbers of "bundled" services that reduce costs. It is believed that Telecommunications UUT is not sustainable at this level as calling plans become more inexpensive and more users start migrating to VOIP and bundled services. This may take a few years, though, to fully be seen.

  There is no recommendation to adjust this projection.

- <u>Cable Television</u> – The budget projection for fiscal 2010-11 is $720,000 for Cable TV UUT. This category has remained relatively steady, and receipts through December are $290,000, or 40.3% of projections.

  Over the next few years, Cable UUT revenue is expected to remain flat or grow slowly. There is no recommendation to adjust the current projection.

- **Business License -** Business License is a tax placed on "for profit" businesses conducting business within Culver City. Most services are taxed at $1 per $1,000 of gross receipts. Consulting and most professional services are taxed at a rate of $3 per $1,000 of gross receipts. The fiscal 2010-11 budget projection for Business License is $9.827 million. This amount also includes the Business License Certificate. Receipts through December are $530,000, but the bulk of this category is not received until late February into March. Receipts look to come in steady this year and it is anticipated that this category will hit projections. More will be known once the bulk of the receipts are received during the third quarter.

Funding was approved in fiscal 2008-09 for a Business License Tax audit. This audit started during fiscal 2009-10, and the results are being recognized in the fiscal 2010-11 year and beyond. There is no recommendation to adjust this projection.

- **Franchise Tax -** Franchise Tax receipts have remained relatively steady with slight growth over the years. The fiscal 2010-11 budget projection for this category is $1.4 million. Receipts through December show the category at $207,800. The majority of these receipts come in the latter portion of the fiscal year. It is expected receipts will hit projections.

  There is no recommendation to change this projection for fiscal 2010-11.

- **Transient Occupancy Tax -** Transient Occupancy Tax (TOT) receipts have been relatively steady the past few years. The fiscal 2010-11 budget projections are $2.85 million. Receipts for TOT through December are $1.393 million, or 48.9%.

  It is recommended to adjust this revenue source to $3.05 million for fiscal 2010-11. This would be an increase of $200,000 from original projections.

- **Real Property Transfer Tax -** This category is dependent on property sales – both residential and commercial. Commercial property sales bring in the higher receipts, but the number of property sales the past few years have been extremely low. The adopted interim projection for this category in fiscal 2010-11 is $750,000. Although recent reports signaled a significant slowdown for commercial sales, receipts have held surprisingly steady. Current receipts through December are $505,000, or 67.2% of projections.

  It is being recommended to adjust this revenue to $1 million for fiscal 2010-11. This is a $250,000 increase over original projections.

- **Commercial Industrial Development Tax -** This is a revenue category that fluctuates greatly from year to year. The past few fiscal years have seen high receipts, mostly due to major development occurring in the city, but the prior fiscal year saw receipts at almost record lows. With the collapse of the financial markets, development activity was severely impacted in fiscal 2008-09 and into 2010-11. The adopted budget projection for fiscal 2010-11 is $400,000. It is doubtful that receipts will hit this projection at year-end. Receipts through December are only $36,570, or 9.1% of projections.

  At the time the projection for fiscal 2010-11 was developed, there was strong expectation of at least one major development that was expected to begin construction this fiscal year. However, it is doubtful this will occur, and revised projections for Commercial Industrial Development Tax are now recommended to be $100,000 for fiscal 2010-11. This is a reduction of $300,000 from original projections.

- **Intergovernmental Revenue -** 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. The budgeted amount for 2010-11 is $3.52 million (including the basic VLF fee) and receipts through December are $37,000. Similar to the Sales Tax In-Lieu payments, these payments are received in equal installments in January and May of each fiscal year. The City's third quarter report will recognize the payment in January.

There is no recommendation to adjust this projection.

- **Charges for Services -** Charges for Services through December 2010 are 41.7% of the budgeted projections (not including Redevelopment Agency Billings). Charges for Services is comprised of many revenue categories that range from building related permits and plan checks to recreation fees and ambulance fees. The largest revenue sources are ambulance fees, and plans check fees for Engineering, Building Safety, and Fire Prevention.

  - Ambulance Fees - Revenue has continued to come in strong primarily due to increases to the billing rates. Rates, which are set by Los Angeles County, were increased 6% during fiscal 2008-09. Through December receipts are $445,765, or 46.9% of projections.

    There is no recommendation to adjust this projection.

  - Strike Team Reimbursement –This category fluctuates significantly and is difficult to project on an annual basis. Current 2010-11 adjusted projections are $112,691, and as additional strike team reimbursements are received they are partially appropriated per direction of the Budget Resolution. Through December, receipts are $74,673. A portion of the administrative surcharge, which is above the direct reimbursement, is allowed to be appropriated within the Fire Department's budget to offset expenses for departmental special supplies related directly to strike team callouts.

    There is no recommendation to change this projection.

  - Auditorium & Room Rentals – The four areas of the Parks, Recreation, & Community Services complex that are rented out are the Veteran's Memorial Auditorium, Veteran's Memorial meeting rooms, the Teen Center, and the Senior Center. For fiscal year 2010-11 the total budgeted revenue is $715,000 and through December receipts are $261,358, or 36.6% of projections. The fee structure for rentals is currently being revised in an effort to simplify the fee structure and make it more equitable.

    Even though revenue receipts are lagging behind at mid-year, there is no recommendation to adjust the projections at this time.

  - Plan Check Fees - The fiscal 2010-11 adjusted budget is $1,114,500, and through December receipts are $340,000, or 30.5% of projections. Plan Check Fees were affected by the economic downturn, but the revenue was bolstered in 2009-10 by the Westfield Shopping Mall remodel. After fiscal year 2009-10, though, Plan Check revenue was expected to decline until the economy recovers – unless some other sizable developments come on-line earlier than anticipated.

    It is recommended to adjust Plan Check Fees to $749,500, which is a reduction of $365,000 from 2010-11 projections.

- o <u>Public Safety Related Fees</u> - These revenues are made up of records requests, live scan fingerprints, vehicle impounds, and other miscellaneous fees. These revenues ended December at 56.6% of the budget. Revenues are 1.1% lower than this point last year.

  There is no recommendation to change this projection.

- o <u>Recreation Fees</u> – Recreation fees are charged for various services which range from adult sports leagues to day camps for children. The annual budget for recreation fees is $1,600,808 and the total receipts through December are $718,706, so at this point 44.9% of the revenues have been received. As the summer months approach, the revenues will increase.

  There is no recommendation to change this projection.

- **Fines & Forfeitures -** Fines & Forfeitures is made up of moving violations, which includes red-light camera violations and parking violations. Through December, Fines & Forfeitures revenue is $2.06 million, or 51.1% of projections. The County of Los Angeles has increased their administrative charges, which they charge before remitting payment to Culver City. Additionally, due to the economic conditions, there has been evidence of an increasing rate of delinquency in payment of citations. These factors, though, have not had much affect on fiscal 2010-11 receipts so far, although they could pose more of a factor during the remainder of the fiscal year.

  It is recommended to increase this category by $100,000.

- **Use of Money & Property -** The primary revenue in Use of Money & Property is the interest earned on investments. As of December 31, 2010, preliminary receipts in this category are $152,000. The Accounting entry for the Net Increase/Decrease of Fair Value on Investments is substantially more negative based on current investment rates, which lowers the overall total in this category. Without this entry, receipts are relatively steady. The RDA interest entry on the remainder of the loan will be recognized in January 2011. Last year this entry was made in December. Third quarter results will

  There is no recommendation to adjust these projections for fiscal 2010-11.

- **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. Budgeted projections for this category for fiscal 2010-11 are $2.223 million. Receipts through December are $911,520, or 41.0% of projections. Most all revenues in this category are behind projections. The prior year included revenues from the Westfield Shopping Mall renovation, but this year building activity has remained relatively flat.

  It is recommended to adjust various revenues in Licenses & Permits in light of slow construction activity for fiscal 2010-11. The revised projection for this category is $2.014 million, which is a reduction of $210,000 from the original projection.

- **Interfund/Departmental -** Interfund/Departmental revenues, also known as Administrative Cost Allocation, are reimbursed costs which are incurred by the General Fund for other funds. The Refuse Fund, Sewer Fund, Transportation Fund, and Redevelopment Agency are among the funds that are charged administrative costs. The fiscal 2010-11 budget for Interfund/Department is $4,803,290, and through December $2,401,644 has been applied.

- **Other Revenues –** The 2010-1110 adjusted budget for Other Revenues is $257,660, and through December receipts are $89,942. Most of the revenues in this category are offset by appropriated expenditures, such as the Fiesta La Ballona, or are loan payments from the Refuse Fund.

  In past years this category has included one-time receipts from various land sales. Fiscal 2010-11 does not include any type of these revenues.

- **Other (Interfund Transfers) -** Revenue for Other (Interfund Transfers) is budgeted at $3.036 million for fiscal 2010-11. Through December receipts are $1.513 million. The budget projection includes a transfer from the Equipment Replacement Fund ($750,000). This projection also includes a transfer from the Parking Improvement Fund due to increased parking rates.

  Staff is recommending that the Parking Improvement Transfer be reduced by $380,000 to $1 million.

The table below shows the adopted budget, mid-year adjusted budget, preliminary mid-year receipts, and percentage of receipts for General Fund revenues for fiscal 2010-11.

FISCAL YEAR 2010-11
PRELIMINARY MID-YEAR GENERAL FUND REVENUES

	ADOPTED BUDGET 2010-11	ADJUSTED BUDGET 2010-11	PRELIMINARY RECEIPTS AS OF 12/31/10	% RECEIVED AS OF 12/31/10
Property Tax	$3,970,000	$3,970,000	$1,200,175	30.2%
Sales Tax	$15,521,340	$15,521,340	$4,285,075	27.6%
Public Safety Sales Tax (PSAF)	$310,000	$310,000	$100,290	32.4%
Business Tax	$9,827,000	$9,827,000	$530,280	5.4%
Franchise Tax	$1,400,000	$1,400,000	$207,800	14.8%
Real Property Transfer Tax	$750,000	$750,000	$504,202	67.2%
Utility Taxes	$14,775,000	$14,775,000	$6,394,989	43.3%
Transient Occupancy Tax (TOT)	$2,850,000	$2,850,000	$1,392,824	48.9%
Commercial/Industrial Dev. Tax	$400,000	$400,000	$36,570	9.1%
Licenses and Permits	$2,223,066	$2,223,516	$911,520	41.0%
Intergovernmental	$3,789,171	$3,789,171	$44,615	1.2%
Charges for Svcs. (Includes RDA billings)	$11,704,344	$11,765,093	$5,434,324	46.2%
Fines and Forfeitures	$4,034,000	$4,034,000	$2,059,340	51.0%
Use of Money & Property	$999,000	$999,000	$190,298	19.0%
Interfund/Departmental (Admin. Allocation)	$4,803,290	$4,803,290	$2,401,644	50.0%
Other Revenues	$240,660	$257,660	$89,942	34.9%
Other (Interfund Transfers)	$3,026,290	$3,036,290	$1,513,145	49.8%
TOTAL GENERAL FUND	**$80,623,161**	**$80,711,360**	**$27,297,033**	**33.8%**

As discussed previously, staff is recommending the following adjustments in the corresponding revenue categories. This allows recommended projections to reflect a more accurate picture of receipts towards year-end.

FISCAL YEAR 2010-11 PRELIMINARY MID-YEAR GENERAL FUND REVENUES WITH RECOMMENDED ADJUSTMENTS			
	ADJUSTED BUDGET FISCAL 2010-11	RECOMMENDED ADJUSTMENTS FOR FISCAL 2010-11	DIFFERENCE
Property Tax	3,970,000	3,970,000	0
Sales Tax	15,521,340	15,621,340	100,000
Public Safety Sales Tax (PSAF)	310,000	310,000	0
Business Tax	9,827,000	9,827,000	0
Franchise Tax	1,400,000	1,400,000	0
Real Property Transfer Tax	750,000	1,000,000	250,000
Utility Taxes	14,775,000	14,875,000	100,000
Transient Occupancy Tax (TOT)	2,850,000	3,050,000	200,000
Commercial/Industrial Dev. Tax	400,000	100,000	(300,000)
Licenses and Permits	2,223,516	2,014,016	(210,000)
Intergovernmental	3,789,171	3,789,171	0
Charges for Svcs. (Includes RDA billings)	11,765,093	11,565,593	(200,000)
Fines and Forfeitures	4,034,000	4,134,000	100,000
Use of Money & Property	999,000	999,000	0
Interfund/Departmental (Admin. Allocation)	4,803,290	4,803,290	0
Other Revenues	257,660	257,660	0
Other (Interfund Transfers)	3,036,290	2,656,290	(380,000)
TOTAL GENERAL FUND	**$80,711,360**	**$80,372,360**	**($340,000)**

This next chart shows the drop in revenues experienced over the last year, from December 2009 to December 2010. Many categories through mid-year are lower than the prior year at this time, but are expected to recover in the last half of the fiscal year. Sales Tax is showing an encouraging increase, although much of this is due to a full six months of the Westfield Shopping Mall being open. Interfund transfers, administrative cost allocation, and RDA Billings are fully recovered annually.

COMPARISON OF GENERAL FUND REVENUES MID-YEAR RECEIPTS 2009-2010 AND 2010-2011				
	Receipts as of 12/31/09	**Receipts as of 12/31/10**	**$$ Change from 2009-10 to 2010-11**	**% Change from Fiscal 2009-10**
Property Tax	1,021,141	1,200,175	179,034	17.5%
Sales Tax	3,730,369	4,285,075	554,706	14.9%
Public Safety Sales Tax (PSAF)	97,235	100,290	3,055	3.1%
Business Tax	572,169	530,280	(41,889)	(7.3%)
Franchise Tax	191,600	207,800	16,200	8.5%
Real Property Transfer Tax	416,905	504,202	87,297	20.9%
Utility Taxes	6,088,893	6,394,989	306,096	5.0%
Transient Occupancy Tax (TOT)	1,208,579	1,392,824	184,245	15.2%
Commercial/Industrial Dev. Tax	140,599	36,570	(104,029)	(74.0%)
Licenses and Permits	1,286,067	911,520	(374,547)	(29.1%)
Intergovernmental	78,138	44,615	(33,523)	(42.9%)
Charges for Svcs. (Includes RDA billings)	5,836,769	5,434,324	(402,445)	(6.9%)
Fines and Forfeitures	1,975,571	2,059,340	83,769	4.2%
Use of Money & Property	537,312	190,298	(347,014)	(64.6%)
Interfund/Departmental (Admin. Allocation)	2,644,306	2,401,644	(242,662)	(9.2%)
Other Revenues	247,611	89,942	(157,669)	(63.7%)
Other (Interfund Transfers)	1,997,650	1,513,145	(484,505)	(24.3%)
TOTAL GENERAL FUND	**28,070,914**	**27,297,033**	**(773,881)**	**(2.8%)**

ENTERPRISE FUND REVENUES

Refuse Fund

- Through December, **Refuse Fund** revenues total $5.415 million, or 46.2% of projections. Two of the revenue categories which are lagging slightly are Refuse Disposal Charges and Drop Box Charges. Refuse Disposal Charges has received 43.4% of its adjusted budget, while Drop Box Charges has only received 44.1% of its adjusted budget. Also, due to the slow economy, recycling rates have seen a drop. Consumers are still not buying as much and this has a direct affect on trash and recycling disposal.

Transit Fund

- The **Transportation Fund** has received $8.376 million, or 46.5% of its budgeted projections. Transportation Funds are mostly comprised of FTA, TDA, and Prop 1B.

Sewer Fund

- **Sewer Fund** revenue, totaling $3.323 million, is 38.1% of budgeted projections through mid-year. The Sewer Fund's primary source of revenue is Sewer Operating Fees, which are billed on property taxes and received in December and April. Sewer Operating Fees are currently at 43.3% of the adjusted budget.

EXPENDITURES SUMMARY

General Fund Expenditure Overview ***(as of 12/31/2010)***

- Overall, preliminary General Fund expenditures through December are $37,645,000 or **44.0%** of appropriations, which is below the 50% spending limit. Continued salary savings from vacant positions and, to a lesser extent, departments tightening up spending somewhat in O&M, is expected to continue to reduce expenditures the remainder of the fiscal year.

- All General Fund departments are currently successful in coming in under the 50% spending limit through mid-year of fiscal 2010-11.

Expenditure Detail

Divisions Exceeding the Spending Assumption:

- **Only two (2)** General Fund divisions currently exceed the 50.0% target (excluding recreation programs that primarily consist of part-time salaries for seasonal programs). Although these divisions slightly exceed their expenditure targets, **each respective department,** is **below the 50.0% budget target** through six months of the fiscal year.

  - **Fire Suppression** expended 52.7% of its adjusted budget. The major factor is in constant staffing. There is also some crossover in personnel expenses between the Fire Suppression division and the EMS division. The EMS division is well under the target (34.0%), which offsets increased costs in Fire Suppression.
  - **Maintenance Operations** expended 53.8% of its adjusted budget and is expected to come in under target at the end of the year.

Departments Significantly Below the Spending Assumption:

- All Departments were within the range of 42.0% to 46.0% of budget. In many cases O & M expenditures for many Divisions were low and will be further expended during the last six months of the fiscal year.

FISCAL YEAR 2010-11 MID-YEAR GENERAL FUND EXPENDITURES				
	ADOPTED BUDGET 2010-11-	ADJUSTED BUDGET 2010-11	PRELIMINARY EXPEND AS OF 12/31/10	% EXPEND AS OF 12/31/10
GENERAL GOVERNMENT				
CITY COUNCIL/CITY MANAGER	1,366,525	1,330,645	669,251	50.3%
CITY CLERK	357,361	357,861	152,604	42.6%
CITY ATTORNEY	1,672,059	1,876,390	833,616	44.4%
FINANCE	4,151,511	4,255,627	1,660,609	39.0%
Finance Admin & Budget	611,191	696,136	239,539	34.4%
General Accounting	640,518	641,018	259,158	40.4%
Accounting Operations	971,222	973,706	437,671	44.9%
Treasury	1,354,655	1,372,935	455,732	33.2%
Purchasing	573,925	571,832	268,509	47.0%
HUMAN RESOURCES	988,812	1,042,361	441,255	42.3%
INFORMATION TECH.	3,072,224	3,192,090	1,371,892	43.0%
Total General Government	**$11,608,492**	**$12,054,974**	**$5,129,227**	**42.5%**
PARKS, REC. & COMMUNITY SVCS				
PRCS Admin	525,073	525,073	250,596	47.7%
Cultural Affairs	469,510	478,736	134,677	28.1%
Recreation	880,933	880,933	327,224	37.1%
Parks and Playgrounds	233,517	233,517	113,226	48.5%
Camp Programs	199,435	199,435	137,501	68.9%
Pool and Aquatics	374,375	397,933	234,241	58.9%
Culver City Afterschool Programs	158,944	159,324	63,265	39.7%
Sports Programs	181,327	187,495	75,766	40.4%
Rec and Enrichment Programs	362,494	371,917	235,328	63.3%
Youth Center	78,389	79,055	31,625	40.0%
Youth Mentoring	11,331	11,331	11,122	98.2%
Community Events & Excursions	25,530	30,033	12,290	40.9%
Fiesta La Ballona	74,430	74,430	45,862	61.6%
Parks Division	2,271,983	2,283,995	982,148	43.0%
Senior and Social Svcs	456,547	457,537	190,848	41.7%
Total PR&CS	**$6,303,818**	**$6,370,744**	**$2,845,719**	**44.7%**
POLICE DEPARTMENT				
Office of the Chief	705,358	705,358	336,524	47.7%
Operating Bureaus	25,977,475	26,050,411	11,655,766	44.7%
Communications	1,437,802	1,437,802	644,150	44.8%
Animal Control	215,101	219,085	65,798	30.0%
Total Police Department	**$28,335,736.0**	**$28,412,656.0**	**$12,702,238.0**	**44.7%**

FISCAL YEAR 2010-11
MID-YEAR GENERAL FUND EXPENDITURES (Cont'd)

	ADOPTED BUDGET 2010-11-	ADJUSTED BUDGET 2010-11	PRELIMINARY EXPEND AS OF 12/31/10	% EXPEND AS OF 12/31/10
FIRE DEPARTMENT				
Office of the Chief	781,090	781,237	390,898	50.0%
Fire Suppression	7,890,719	7,941,472	4,184,497	52.7%
Emergency Medical Svcs	4,654,090	4,666,612	1,587,668	34.0%
Emergency Preparedness	207,900	207,900	78,354	37.7%
Fire Prevention	1,070,080	1,070,530	505,605	47.2%
Communications	694,968	713,374	349,665	49.0%
Total Fire Department	**$15,298,847**	**$15,381,125**	**$7,096,687**	**46.1%**
COMMUNITY DEVELOPMENT				
Comm Dev Admin	504,435	513,253	236,536	46.1%
Building Safety	1,260,306	1,293,769	583,477	45.1%
Planning	1,341,852	1,412,219	553,379	39.2%
Enforcement Services	744,058	755,873	296,489	39.2%
Redevelopment	1,938,066	1,940,001	915,474	47.2%
Neighborhood Preservation	1,300,268	1,316,500	540,851	41.1%
Total Community Development	**$7,088,985**	**$7,231,615**	**$3,126,206**	**43.2%**
PUBLIC WORKS				
Public Works Admin	594,219	594,219	284,013	47.8%
Engineering	1,662,854	1,674,127	699,749	41.8%
Maintenance Ops	242,896	242,896	130,775	53.8%
Streets	2,134,719	2,138,311	883,407	41.3%
Tree Maintenance	1,086,189	1,089,039	419,746	38.5%
Building Maintenance	1,914,000	1,983,539	915,597	46.2%
Electrical Maintenance	1,260,173	1,274,283	528,844	41.5%
Graffiti Abatement	340,063	347,862	136,560	39.3%
Parking Meters	110,913	111,131	45,348	40.8%
Environmental Programs/Ops	86,328	86,328	38,870	45.0%
Total Public Works	**$9,432,354**	**$9,541,735**	**$4,082,909**	**42.8%**
NON-DEPARTMENTAL	3,981,175	4,061,872	1,246,820	30.7%
Transfers	892,068	2,892,068	1,414,966	48.9%
Projected excess appropriations	(325,000)	(325,000)	0	0.0%
TOTAL GENERAL FUND	**$82,616,475**	**$85,621,789**	**$37,644,772**	**44.0%**

*** Percent expended represents the percent of the adusted budget expended as of the end of the period covered in this report.**

Below is the comparison of expenditures between fiscal 2009-10 and 2010-11 through December of each year. Expenses are within expected increases.

COMPARISON OF MID-YEAR GENERAL FUND EXPENDITURES FISCAL 2009-10 AND 2010-11						
	ADJUSTED BUDGET 2009-10	PRELIM EXPEND AS OF 12/31/09	% EXPEND AS OF 12/31/09	ADJUSTED BUDGET 2010-11	PRELIM EXPEND AS OF 12/31/10	% EXPEND AS OF 12/31/10
GENERAL GOVERNMENT						
CITY COUNCIL/CITY MANAGER	1,573,951	770,563	49.0%	1,330,645	669,251	50.3%
CITY CLERK	564,207	176,628	31.3%	357,861	152,604	42.6%
CITY ATTORNEY	2,534,937	1,356,348	53.5%	1,876,390	833,616	44.4%
FINANCE	4,758,244	1,991,949	41.9%	4,255,627	1,660,609	39.0%
Finance Admin & Budget	1,269,914	567,526	44.7%	696,136	239,539	34.4%
General Accounting	621,704	242,631	39.0%	641,018	259,158	40.4%
Accounting Operations	1,004,853	424,222	42.2%	973,706	437,671	44.9%
Treasury	1,248,771	502,152	40.2%	1,372,935	455,732	33.2%
Purchasing	613,002	255,418	41.7%	571,832	268,509	47.0%
HUMAN RESOURCES	1,208,246	509,203	42.1%	1,042,361	441,255	42.3%
INFORMATION TECH.	3,562,078	1,498,445	42.1%	3,192,090	1,371,892	43.0%
Total General Government	**$14,201,663**	**$6,303,136**	**44.4%**	**$12,054,974**	**$5,129,227**	**42.5%**
PARKS, REC. & COMMUNITY SVCS						
PRCS Admin	837,951	301,982	36.0%	525,073	250,596	47.7%
Cultural Affairs	481,487	145,587	30.2%	478,736	134,677	28.1%
Recreation	963,266	419,207	43.5%	880,933	327,224	37.1%
Parks and Playgrounds	232,377	112,123	48.3%	233,517	113,226	48.5%
Camp Programs	205,489	130,822	63.7%	199,435	137,501	68.9%
Pool and Aquatics	380,898	203,655	53.5%	397,933	234,241	58.9%
Culver City Afterschool Program	193,312	78,688	40.7%	159,324	63,265	39.7%
Sports Programs	201,684	84,838	42.1%	187,495	75,766	40.4%
Rec and Enrichment Programs	425,452	243,648	57.3%	371,917	235,328	63.3%
Youth Center	87,587	41,007	46.8%	79,055	31,625	40.0%
Youth Mentoring	11,682	8,825	75.5%	11,331	11,122	98.2%
Community Events & Excursions	26,949	12,618	46.8%	30,033	12,290	40.9%
Fiesta La Ballona	155,789	45,087	28.9%	74,430	45,862	61.6%
Parks Division	2,510,744	1,056,495	42.1%	2,283,995	982,148	43.0%
Senior and Social Svcs	615,777	256,531	41.7%	457,537	190,848	41.7%
Total PR&CS	**$7,330,444**	**$3,141,113**	**42.9%**	**$6,370,744**	**$2,845,719**	**44.7%**
POLICE DEPARTMENT						
Office of the Chief	707,824	337,018	47.6%	705,358	336,524	47.7%
Operating Bureaus	27,427,556	11,920,659	43.5%	26,050,411	11,655,766	44.7%
Communications	1,450,036	745,022	51.4%	1,437,802	644,150	44.8%
Animal Control	212,454	62,174	29.3%	219,085	65,798	30.0%
Total Police Department	**$29,797,870.0**	**$13,064,873.0**	**43.8%**	**$28,412,656.0**	**$12,702,238.0**	**44.7%**
FIRE DEPARTMENT						
Office of the Chief	905,457	388,870	42.9%	781,237	390,898	50.0%
Fire Suppression	7,877,770	4,156,773	52.8%	7,941,472	4,184,497	52.7%
Emergency Medical Svcs	4,685,902	1,828,015	39.0%	4,666,612	1,587,668	34.0%
Emergency Preparedness	199,955	88,306	44.2%	207,900	78,354	37.7%
Fire Prevention	1,149,183	556,220	48.4%	1,070,530	505,605	47.2%
Communications	714,482	252,775	35.4%	713,374	349,665	49.0%
Total Fire Department	**$15,532,749**	**$7,270,959**	**46.8%**	**$15,381,125**	**$7,096,687**	**46.1%**

COMPARISON OF MID-YEAR GENERAL FUND EXPENDITURES FISCAL 2009-10 AND 2010-11						
	ADJUSTED BUDGET 2009-10	PRELIM EXPEND AS OF 12/31/09	% EXPEND AS OF 12/31/09	ADJUSTED BUDGET 2010-11	PRELIM EXPEND AS OF 12/31/10	% EXPEND AS OF 12/31/10
COMMUNITY DEVELOPMENT						
Comm Dev Admin	704,098	315,684	44.8%	513,253	236,536	46.1%
Building Safety	1,402,868	650,350	46.4%	1,293,769	583,477	45.1%
Planning	1,460,106	529,464	36.3%	1,412,219	553,379	39.2%
Enforcement Services	724,899	272,861	37.6%	755,873	296,489	39.2%
Redevelopment	1,987,888	836,830	42.1%	1,940,001	915,474	47.2%
Neighborhood Preservation	1,482,486	565,011	38.1%	1,316,500	540,851	41.1%
Total Community Development	**$7,762,345**	**$3,170,200**	**40.8%**	**$7,231,615**	**$3,126,206**	**43.2%**
PUBLIC WORKS						
Public Works Admin	614,223	294,449	47.9%	594,219	284,013	47.8%
Engineering	1,801,183	823,613	45.7%	1,674,127	699,749	41.8%
Maintenance Ops	348,627	161,499	46.3%	242,896	130,775	53.8%
Streets	2,460,019	1,077,167	43.8%	2,138,311	883,407	41.3%
Tree Maintenance	1,107,757	567,181	51.2%	1,089,039	419,746	38.5%
Building Maintenance	2,111,995	974,485	46.1%	1,983,539	915,597	46.2%
Electrical Maintenance	1,268,060	538,860	42.5%	1,274,283	528,844	41.5%
Graffiti Abatement	389,953	177,544	45.5%	347,862	136,560	39.3%
Parking Meters	107,085	48,155	45.0%	111,131	45,348	40.8%
Environmental Programs/Ops	172,769	49,484	28.6%	86,328	38,870	45.0%
Total Public Works	**$10,381,671**	**$4,712,437**	**45.4%**	**$9,541,735**	**$4,082,909**	**42.8%**
NON-DEPARTMENTAL	3,720,669	901,576	24.2%	4,061,872	1,246,820	30.7%
Transfers	459,660	201,609	43.9%	2,892,068	1,414,966	48.9%
TBD Pers Rltd Cost Reductions	(1,000,000)	0	0.0%	0	0	0.0%
Projected excess appropriations	(3,629,000)	0	0.0%	(325,000)	0	0.0%
TOTAL GENERAL FUND	**$84,558,071**	**$38,765,903**	**45.8%**	**$85,621,789**	**$37,644,772**	**44.0%**

*** Percent expended represents the percent of the adusted budget expended as of the end of the period covered in this report.**

Internal Service Funds Summary

- The **Equipment Maintenance & Fleet Services Fund** ended the mid-year with expenditures and revenues within expectations. Expenditures through December are $3,122,485, while revenues totaled $3,287,301. As an internal service fund, Equipment Maintenance & Fleet Services charges other funds based on usage, so the fund should end the year with the same balance of expenditures and revenues.

- The **Self Insurance Fund** (SIF) has collected $3.3 million, or 50.0% of the budgeted revenue. The fund has a steady flow of revenue because the SIF costs are allocated to each division in the City and collected monthly.

  Total expenses are $5.364 million through December, or 83.6% of budget. The SIF currently has approximately $5.8 million in reserve which will absorb the additional claim costs for the year.

Enterprise Funds Summary

- **Refuse Fund** expenditures through December 31, 2010 are $4.876 million, or 43.3% of budgeted projections. The City is currently working on outsourcing the long-haul function of the Refuse Operations.

  NOTE: The outstanding Refuse Fund loan amount will be $881,845 at the end of fiscal 2010-11. Of this amount, $573,857 is owed the General Fund, and $307,988 to the Equipment Replacement Fund.

- The **Transportation Fund** ended December with expenditures at 43.6% of the adjusted budget. The Transportation Department is currently in the process of conducting a line-by-line analysis and should have the final results by the end of the fiscal year.

- Through December, the **Sewer Fund** expended only 30.0% of the adjusted operating budget. One reason for the low expenditures is because the second debt service payment is not due until later in the fiscal year. In July 2009, the Sewer Fund re-financed their existing bond debt, which resulted in approximately $100,000 a year in savings on debt service payments.

FIVE YEAR PROJECTION

Fiscal 2010-11 mid-year projections for both revenues and expenditures have been reviewed and are recommended to be revised in certain categories. Projections for future years in the five year forecast have also been revised. The tables below summarize the current 'baseline' five year projection for the General Fund, which includes the recommended adjustments. Both tables, however, do not include any deferred maintenance funding, which is estimated at approximately $3 - $4 million annually.

The first five year forecast shows estimated financial results based on a 'status quo' scenario. The City is currently in negotiations with some of its labor groups and hopes to work collaboratively in order to achieve savings. The first scenario assumes that does not happen. This scenario does assume that the General Fund will ease its way into fully pre-funding its portion of the retiree medical benefit liability over the next four years. Under this scenario, fund balance is completely depleted by Fiscal Year 2015-16.

Current Year and Five-Year Forecast (Mid-Year 10-11)

	Actual	Actual	Current	Five-Year Forecast				
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Beginning **Appropriable** Fund Balance	**33,361,291**	**32,670,213**	**31,043,558**	**24,957,928**	**20,712,588**	**15,589,688**	**8,668,788**	**1,344,888**
Total GF Revenues	80,016,914	78,816,902	79,554,370	82,007,000	84,940,000	88,229,000	91,676,000	95,275,000
Total GF Expenditures	83,436,832	82,638,557	82,458,000	85,152,340	87,862,900	91,849,900	94,599,900	97,173,900
OPEB Contribution	-	-	-	1,100,000	2,200,000	3,300,000	4,400,000	4,400,000
Net Operating Surplus/Deficit	**(3,419,918)**	**(3,821,655)**	**(2,903,630)**	**(4,245,340)**	**(5,122,900)**	**(6,920,900)**	**(7,323,900)**	**(6,298,900)**
One-time - ERF	-	1,250,000	750,000	-	-	-	-	-
One-time - Innovation Fund	-	550,000	68,000	-	-	-	-	-
One-time - 2nd Payment/Warner Pkg. Lot	2,728,840	-	-	-	-	-	-	-
One-time - Land Sale Metro Spur	-	395,000	-	-	-	-	-	-
One-time - Transfer to CIP Projects	-	-	(4,000,000)	-	-	-	-	-
Total Net One-time	2,728,840	2,195,000	(3,182,000)	-	-	-	-	-
Gross Surplus/Deficit	**(691,078)**	**(1,626,655)**	**(6,085,630)**	**(4,245,340)**	**(5,122,900)**	**(6,920,900)**	**(7,323,900)**	**(6,298,900)**
Ending **Appropriable** Fund Balance	32,670,213	31,043,558	24,957,928	20,712,588	15,589,688	8,668,788	1,344,888	(4,954,012)
	39.82%	37.77%	32.18%	24.58%	17.93%	9.53%	1.44%	-5.10%

The second five year forecast shows less dire results if negotiations result in savings to the City. This scenario reflects the savings that would be achieved by the proposal the City has provided to those labor groups in negotiations. It also assumes the same savings would be achieved with the other bargaining groups as those contracts reach their renewal. The City has proposed a significant reduction in the retiree medical benefit for active employees that would greatly reduce the additional amount needed for the General Fund to properly contribute to funding this benefit. This scenario shows that the City proposals do not completely solve the operating deficit problem, but the problem becomes more manageable to address through further expenditure reductions or through potential revenue increases.

Current Year and Five-Year Forecast (Mid-Year 10-11)								
	Actual	**Actual**	**Current**	**Five-Year Forecast**				
	2008-09	**2009-10**	**2010-11**	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**
Beginning **Appropriable** Fund Balance	**33,361,291**	**32,670,213**	**31,043,558**	**24,957,928**	**22,841,128**	**22,048,978**	**20,014,613**	**18,234,148**
Total GF Revenues	80,016,914	78,816,902	79,554,370	82,007,000	84,940,000	88,229,000	91,676,000	95,275,000
Total GF Expenditures	83,436,832	82,638,557	82,458,000	85,152,340	87,862,900	91,849,900	94,599,900	97,173,900
OPEB Contribution	-	-	-	600,000	1,200,000	1,800,000	2,300,000	2,300,000
Current Net Operating Surplus/Deficit	(3,419,918)	(3,821,655)	(2,903,630)	(3,745,340)	(4,122,900)	(5,420,900)	(5,223,900)	(4,198,900)
Potential Savings through Negotiations	-	-	-	1,628,540	3,330,750	3,386,535	3,443,435	3,501,435
Adjusted Net Operating Surplus/Deficit	**(3,419,918)**	**(3,821,655)**	**(2,903,630)**	**(2,116,800)**	**(792,150)**	**(2,034,365)**	**(1,780,465)**	**(697,465)**
One-time - ERF	-	1,250,000	750,000	-	-	-	-	-
One-time - Innovation Fund	-	550,000	68,000	-	-	-	-	-
One-time - 2nd Payment/Warner Pkg. Lot	2,728,840	-	-	-	-	-	-	-
One-time - Land Sale Metro Spur	-	395,000	-	-	-	-	-	-
One-time - Transfers to CIP Projects	-	-	(4,000,000)	-	-	-	-	-
Total Net One-time	2,728,840	2,195,000	(3,182,000)	-	-	-	-	-
Gross Surplus/Deficit	**(691,078)**	**(1,626,655)**	**(6,085,630)**	**(2,116,800)**	**(792,150)**	**(2,034,365)**	**(1,780,465)**	**(697,465)**
Ending **Appropriable** Fund Balance	32,670,213	31,043,558	24,957,928	22,841,128	22,048,978	20,014,613	18,234,148	17,536,683
	39.82%	37.77%	32.18%	27.11%	25.35%	22.01%	19.46%	18.05%

While the City is not legally required to pre-fund the retiree medical liability yet, staff does believe this requirement is coming. From a fiscal perspective, this benefit is very similar to the pension benefit we are legally required to make annual contributions towards. Continuing to leave this benefit unfunded shifts enormous costs to the future and from staff's perspective is a fiscally irresponsible solution.

CONCLUSION

Culver City is not unlike many other agencies facing the same types of fiscal issues. Certainly there are other cities facing much more dire circumstances. There is no argument, however, that the next few years are going to be extremely difficult – not only with decreasing or flat revenues, but additional expenditure increases the City has little control over without dramatic changes in pensions and retiree health benefits. It is still too early to foresee where negotiations will lead, but it is clear that without major changes to personnel related costs, the City will continue to run a significant structural deficit.

Culver CITY

FINANCIAL MONITORING REPORT

Fiscal 2010-11 Mid-Year Report

PERFORMANCE AT A GLANCE

	CURRENT MONTH	YEAR TO DATE	PAGE
GENERAL FUND			
General Fund Combined Revenues & Expenditures			Page 3
General Fund Expenditures	BELOW	BELOW	Page 3
General Fund Department Analysis	BELOW/ABOVE/NORMAL	BELOW/ABOVE/NORMAL	Page 4
General Fund Revenues	WARNING	WARNING	Page 5
Other Revenues	NEGATIVE	NEGATIVE	Page 5
Sales Tax	POSITIVE	POSITIVE	Page 6
Business License Tax	NEGATIVE	NEGATIVE	Page 6
Utility Users Tax	POSITIVE	POSITIVE	Pages 7- 9
Property Tax Revenue	POSITIVE	POSITIVE	Page 9
Charges for Services	NEGATIVE	NEGATIVE	Page 10
Transient Occupancy Tax	POSITIVE	POSITIVE	Page 11
One-time Revenue Receipts and GF Reserve %			Page 11
MAIN ENTERPRISE FUNDS	*EXPENDITURE / REVENUE*	*EXPENDITURE / REVENUE*	
Refuse Fund	BELOW/NORMAL	BELOW/NORMAL	Page 12
Transit Operations Fund	BELOW/NORMAL	BELOW/NORMAL	Page 13
Sewer Operating Fund	BELOW/NORMAL	BELOW/NORMAL	Page 14
MAIN INTERNAL SERVICE FUNDS	*EXPENDITURE / REVENUE*	*EXPENDITURE / REVENUE*	
Equipment Maint. & Fleet Svcs.	NORMAL/NORMAL	NORMAL/NORMAL	Page 15
Self-Insurance Fund	ABOVE/NORMAL	ABOVE/NORMAL	Page 16
CAPITAL IMPROVEMENT FUNDS			Page 17
OTHER FUNDS			Page 18

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***

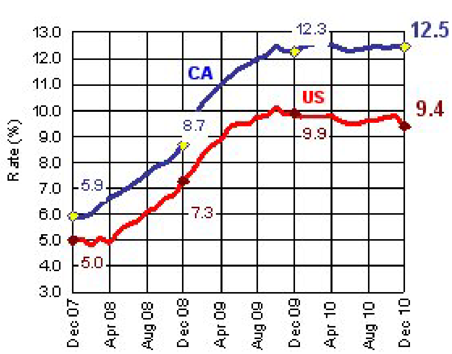
In December, ocean container traffic into the port of Los Angeles was up 8.8% from the same month last year. During calendar year 2010 traffic was up 16.1% over 2009.

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.

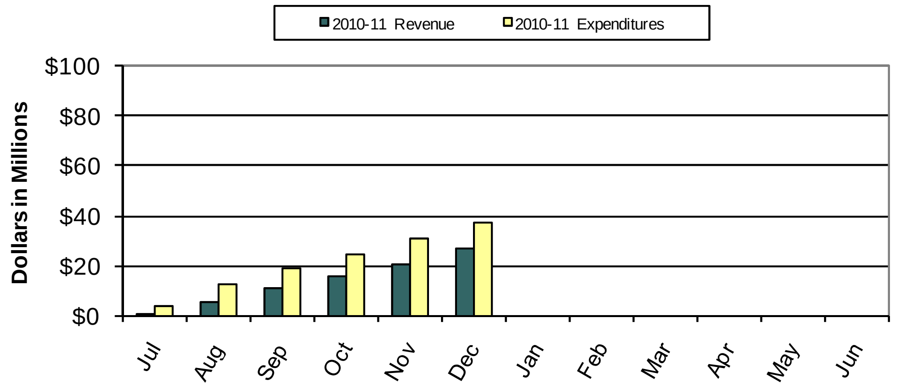
People only accept change when they are faced with necessity, and only recognize necessity when a crisis is upon them.

Jean Monnet

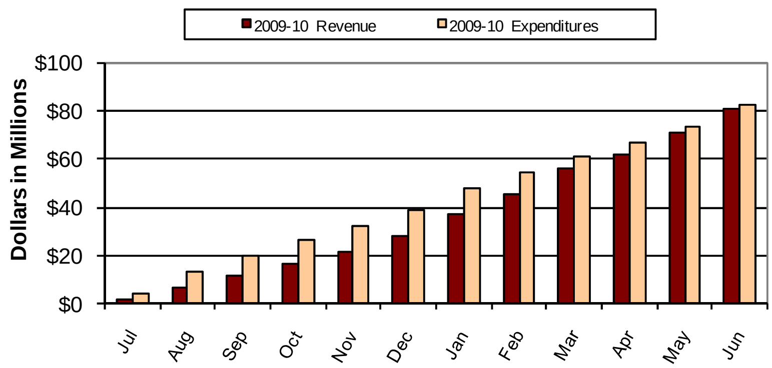
GENERAL FUND ANALYSIS:

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

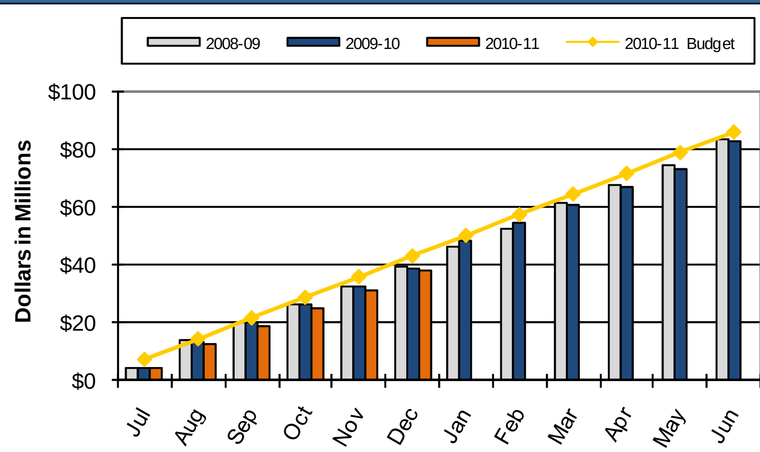


General Fund revenues are accrued back to a prior fiscal year for several of the larger categories such as Sales Tax, TOT, and UUT. This causes the monthly amount shown for July, and in some cases August, to look "low" when compared to future months. When comparing revenues and expenditures in a fiscal 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.

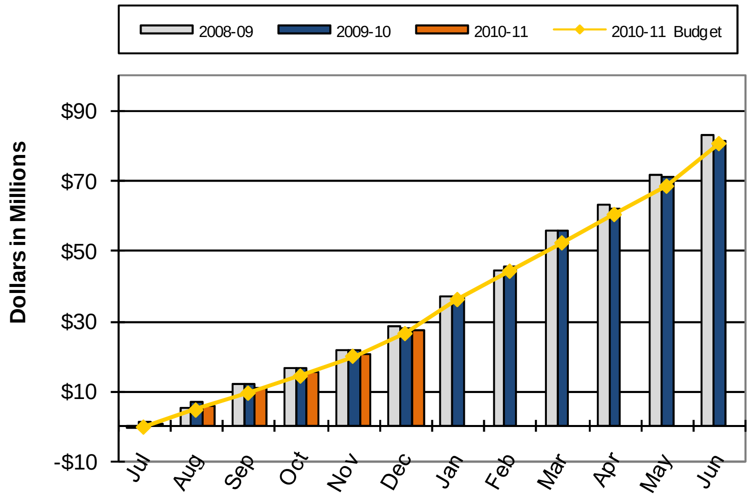
Departments over Target:

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 remodeled 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.

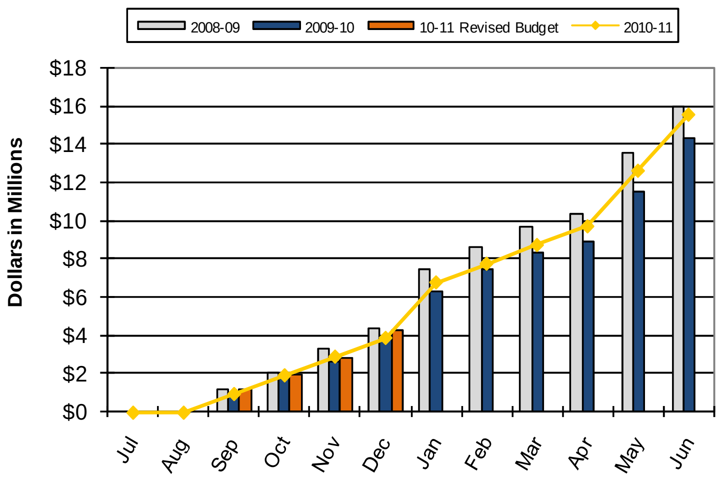
Franchise Tax — Revenue totaled $207,800 or 14.8% of the budgeted projections. Most of this revenue is received in the second half of the fiscal year. Franchise tax is relatively stable, with the majority of the revenue paid by cable and gas companies for use of underground pipelines within city limits.

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

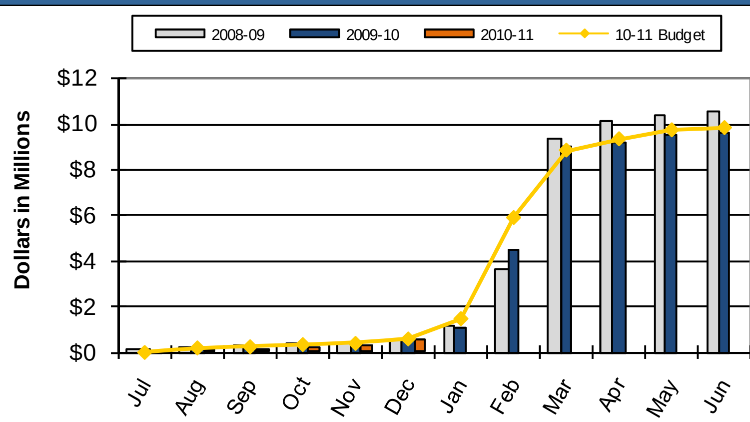
SALES TAX— Sales tax is Culver City's General Fund's largest source of revenue. During the economic downturn, sales tax revenue declined dramatically. In fiscal year 2009-10 the sales tax revenue fell to levels not seen since fiscal 2001-02. At the mid-year, Sales Tax revenues totaled $4,285,075 or 27.6% 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.

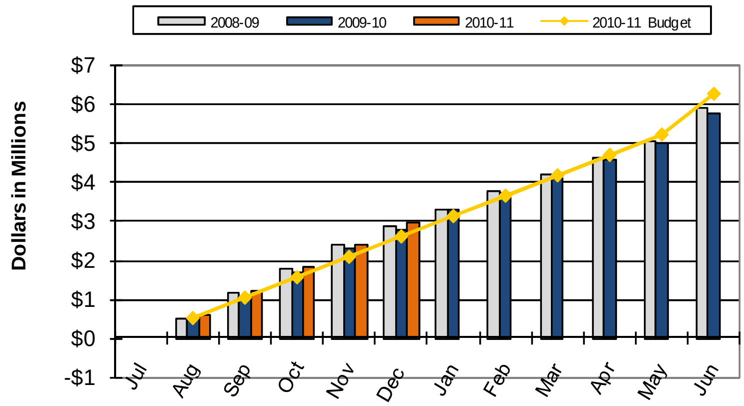
During the fiscal year 2010-11, businesses are paying taxes based on their gross receipts for the 2010 calendar year.

GENERAL FUND REVENUE ANALYSIS (continued):

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

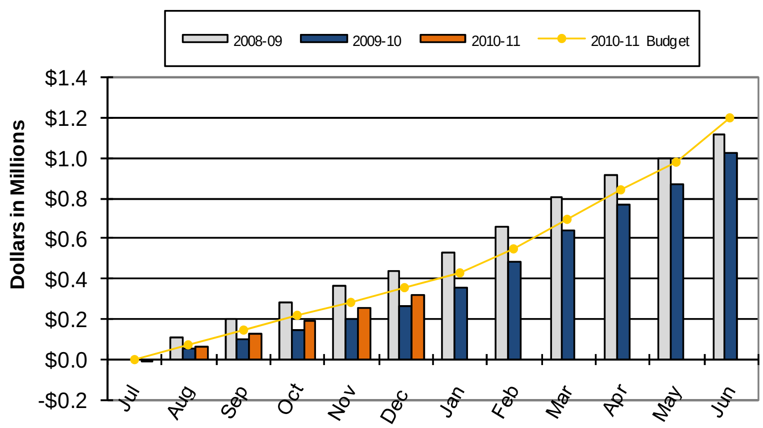
Electricity UUT

	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



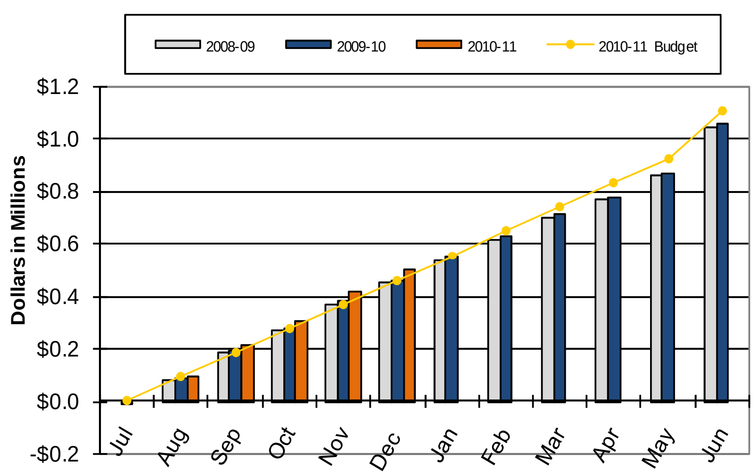
Natural Gas UUT

	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

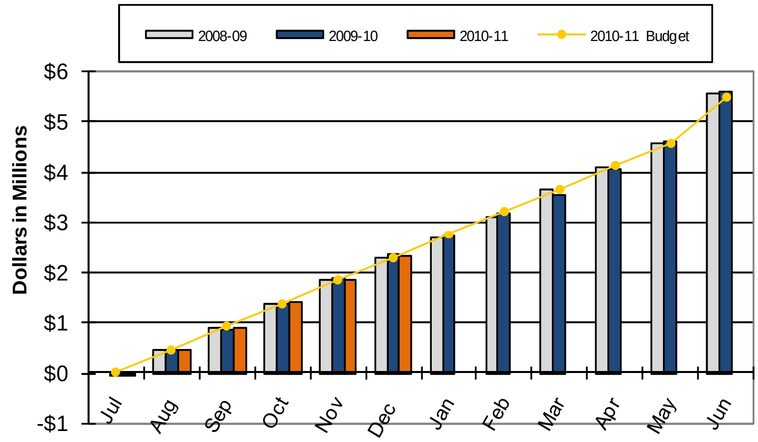


GENERAL FUND REVENUE ANALYSIS (continued):

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

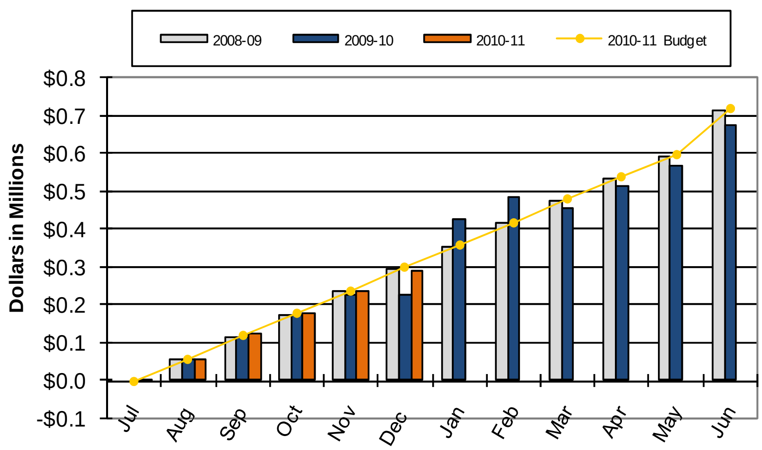
Telephone UUT

	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



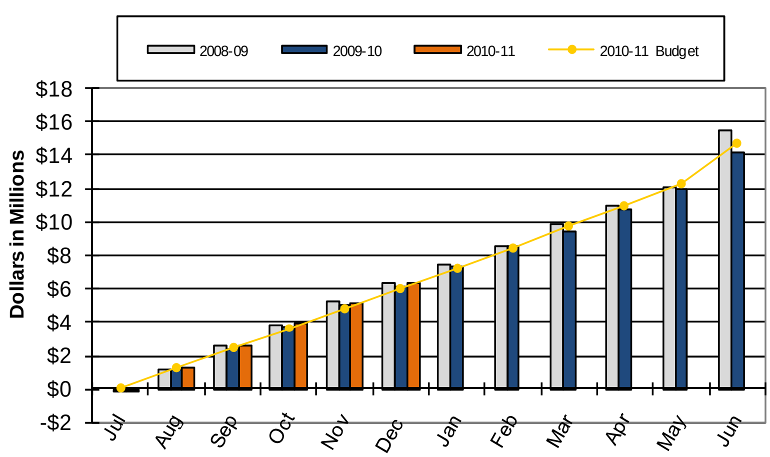
Cable UUT

	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

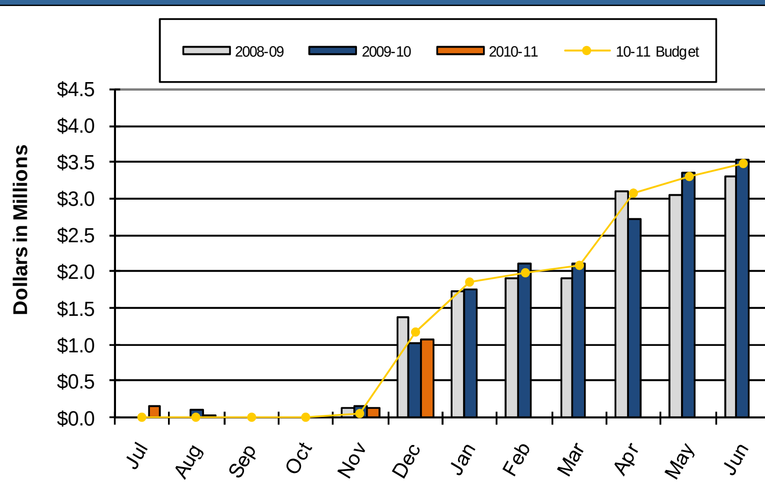
TELECOMMUNICATIONS UUT — At mid-year, telecommunications revenue totaled $2,30,125, or 42.8% of the adjusted budget. Revenue was 1.6% lower than last fiscal year mid-year totals.

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.

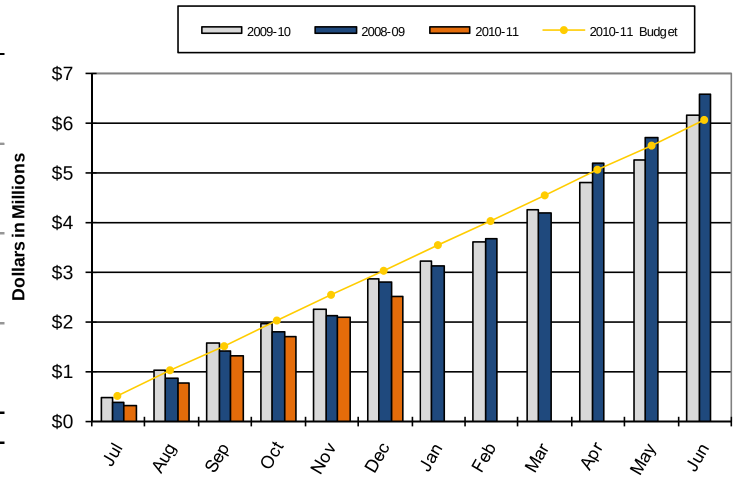
GENERAL FUND REVENUE ANALYSIS (continued):

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.

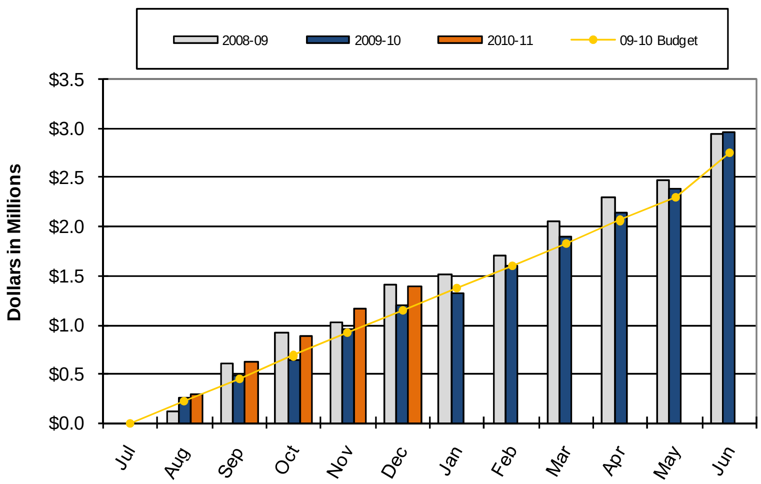
Ambulance Billings ⇔ — This category ended December with $445,764 in revenue, or 46.9% of the adjusted budget. Compared to last fiscal year, revenues were down 2.2%.

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.

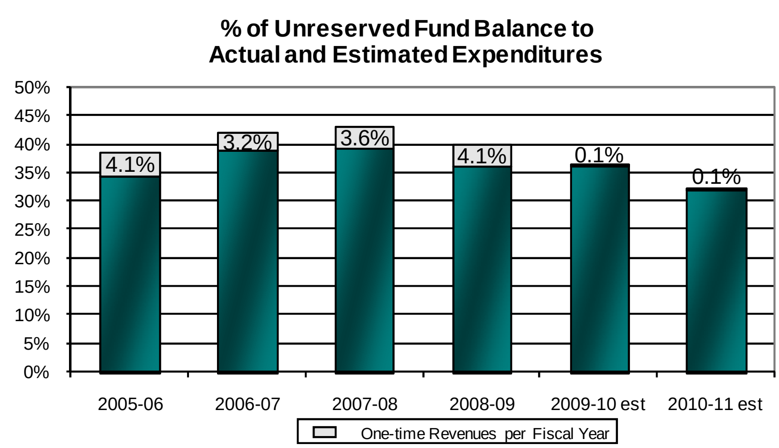
The stabilization of the economy is certainly encouraging more leisure and business travel, which is evident in the increases in passenger traffic at LAX. Hotels in other areas of California have closed due to the recession, but fortunately the major Culver City hotels have managed to weather the storm.

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.

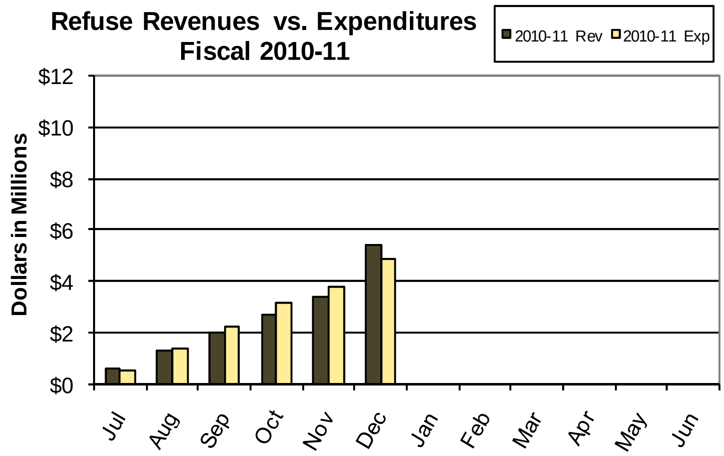
REFUSE FUND ANALYSIS:

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

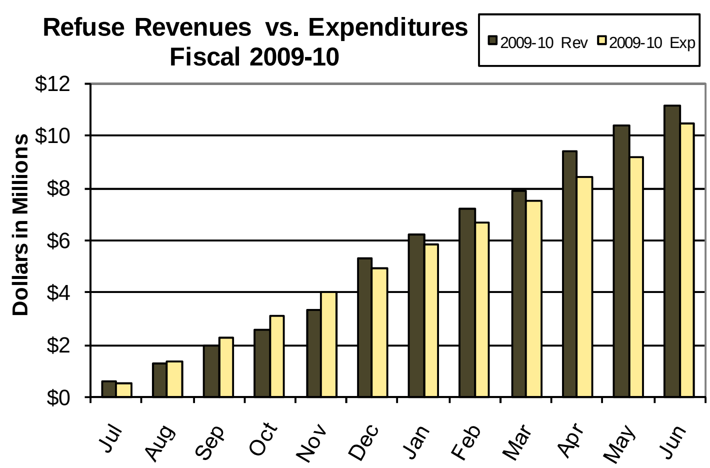
REFUSE FUND EXPENDITURES

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%.

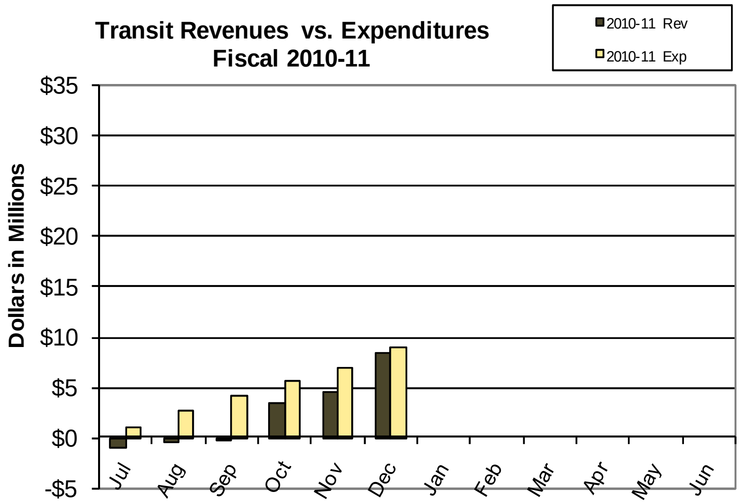
TRANSIT FUND ANALYSIS:

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.



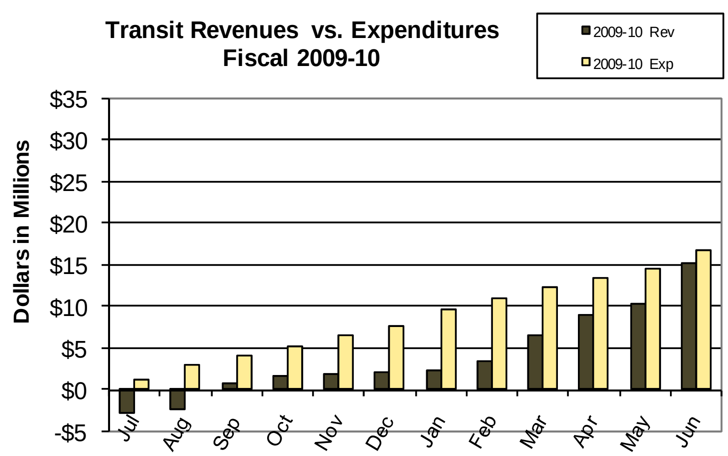
BELOW BUDGET

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.

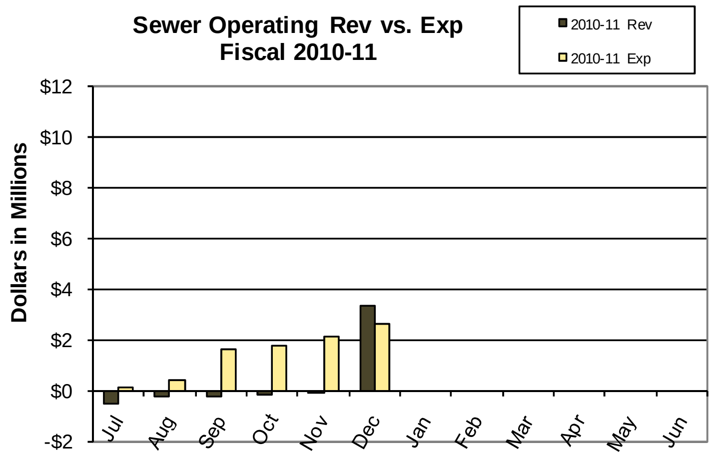
SEWER FUND ANALYSIS:

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.



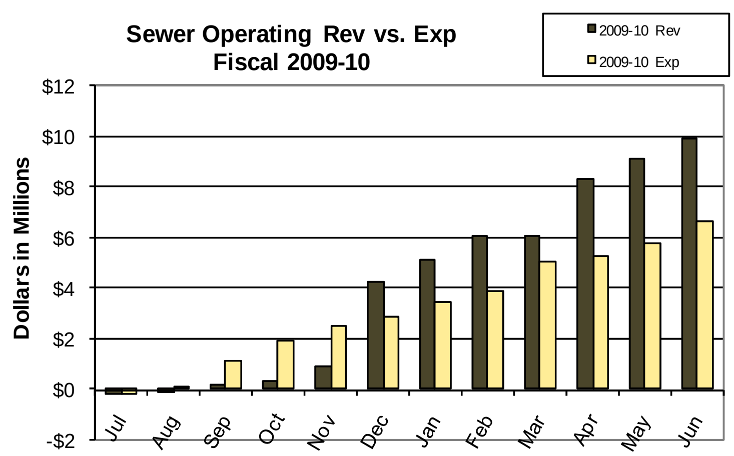
BELOW BUDGET

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

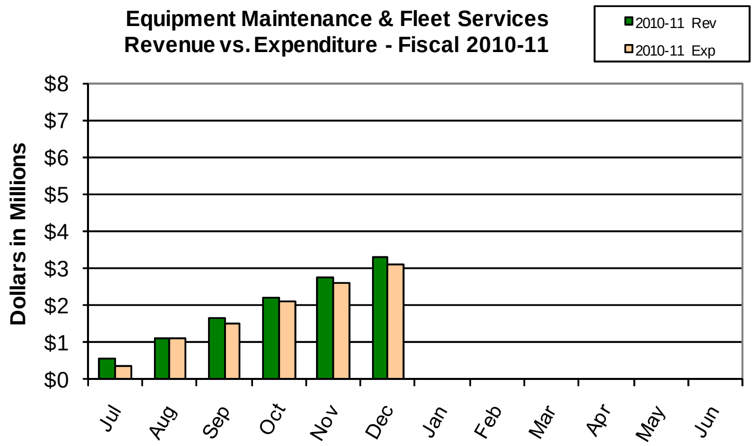
SEWER OPERATING REVENUES – Sewer operating revenues through the mid-year are $3,323,848 or 38.1% of budgeted projections. Revenues are 21.7% lower than the fiscal 2009-10 mid-year totals. The primary reason for the drop in revenue is a 97.9% drop in Sewer Facility Fees. These fees are charged to construction 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



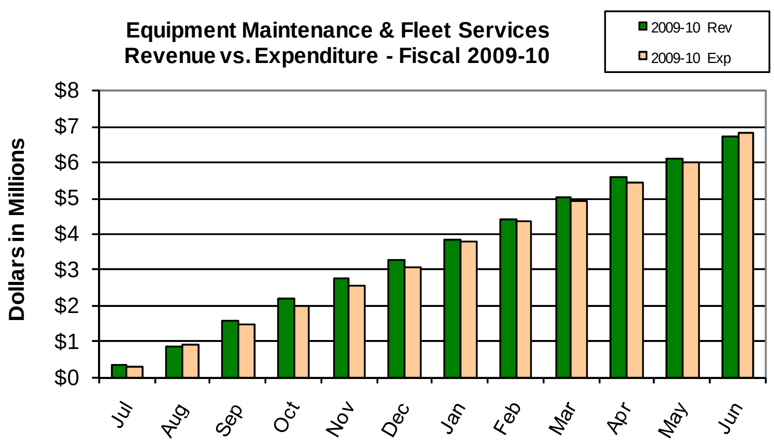
NORMAL

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.

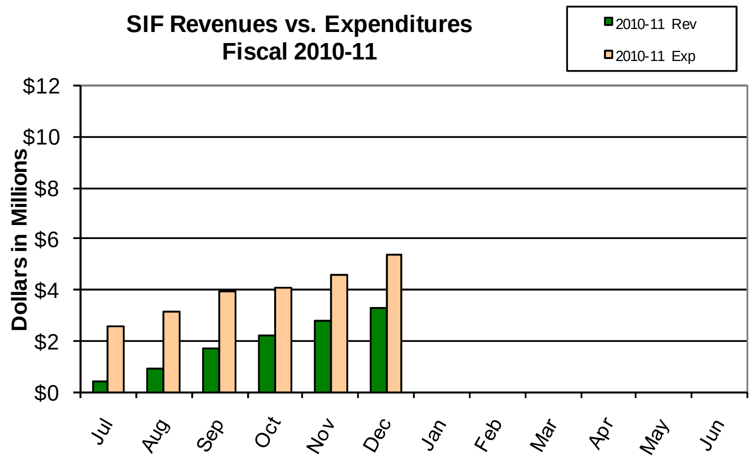
The goal of an Internal Service Fund is for revenues to match the actual expenditures at the end of a fiscal year . As mentioned above, charge-outs for this fund are monitored to ensure the expenditures are properly charged to the funds which utilize the services.

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



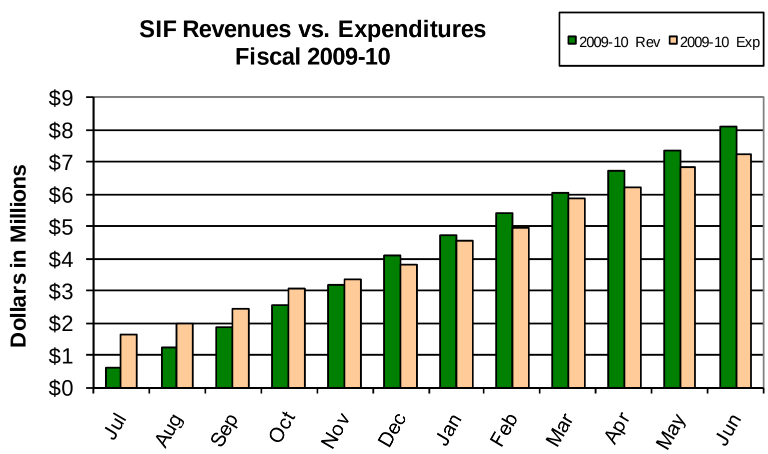
NEGATIVE

<u>SELF-INSURANCE FUND EXPENDITURES</u> — 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

<u>SELF-INSURANCE FUND REVENUES</u> — 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

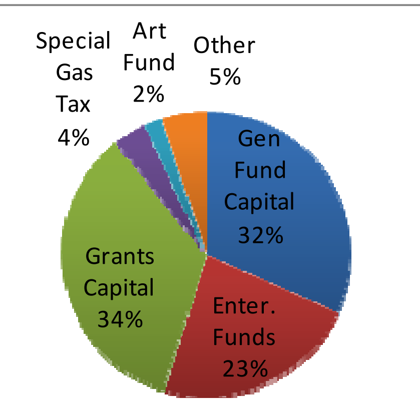
NOTABLE ACTIVITY:

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



Total $31,988,576

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.

Culver City

REDEVELOPMENT AGENCY

FINANCIAL MONITORING REPORT

Mid Year | FY 2010-11

PERFORMANCE AT A GLANCE

	CURRENT MONTH	YEAR TO DATE	PAGE
Notable News and Activity			**Page 2**
Fund Balances Available for Projects and Programs			**Page 3**
Unrestricted Funds			
Revenues and Expenditures Summary	**NORMAL**	**NORMAL**	Page 3
Expenditure Overview	**BELOW BUDGET**	**BELOW BUDGET**	Page 4
Expenditures by Category	**NORMAL** **BELOW BUDGET**	**NORMAL** **BELOW BUDGET**	Page 4-6
Revenue Overview	**NEGATIVE**	**NEGATIVE**	Page 7
Assessed Valuations	**NEGATIVE**	**NEGATIVE**	Page 8
Tax Increment Revenue Overview	**NEGATIVE**	**NEGATIVE**	Page 8
Tax Increment by Project Area	**NEGATIVE**	**NEGATIVE**	Pages 8-9
Other Revenues	**POSITIVE** **NEGATIVE**	**POSITIVE** **NEGATIVE**	Page 10-11
Housing Funds			
Housing Fund (Expenditures/Revenues)	**NORMAL** **NEGATIVE**	**NORMAL** **NEGATIVE**	Page 12
Tax Exempt Bond Fund			
Tax Exempt Bond Fund (Expenditures/Revenues)	**NORMAL**	**NORMAL**	Page 13

POSITIVE or BELOW BUDGET	= Revenues greater than 5% ABOVE Adjusted Budget; or Expenditures greater than 5% BELOW Adjusted Budget
NORMAL	= Actual within 5% of Adjusted Budget
NEGATIVE or EXCEED BUDGET	= Revenues greater than 5% BELOW Adjusted Budget; or Expenditures greater than 5% ABOVE Adjusted Budget
MIXED or WARNING	= Category contains both positive and negative financial results; or Financial activity currently normal; however, there are potential factor(s) that may impact future financial activity

Notable News

State Budget Update

Governor Jerry Brown released his proposed FY 2011-12 budget on January 10, 2011. It includes a number of significant recommendations to close the estimated $25 billion state budget deficit. The Governor is asking the voters to extend the temporary Vehicle License Fee, Sales Tax, and Income Tax increases that have been in effect since 2009 and is proposing deep cuts to many programs. The Governor is also proposing the elimination of all redevelopment agencies in the state.

Budget Hearings related to the proposal to eliminate redevelopment agencies are being held in Sacramento in early February. Actual legislation has yet to be drafted, consequently, there are not a lot of details known about the plan.

There are many questions about the constitutionality of the plan as well potential negative consequences of eliminating a significant driver to the state's economy. Those issues will be discussed and debated over the next few months as the Governor pushes his budget proposal. Staff will keep the Agency Board apprised as details regarding this proposal become more clear.

On another state budget note, the second of two SERAF payments approved as part of last year's state budget deal is due in May 2011. The amount of this years payment is $2.2 million, which is in addition to the $11 million SERAF payment that was made last year. CRA is still hopeful that their pending appeal of the Sacramento Superior court decision upholding the SERAF shift will be successful.

Staff will keep the Agency Board updated on the status of the CRA's lawsuit.

Notable Development News

- The credit crunch continues to impact financing as many of Culver City's development projects continue to have difficulty securing project financing.
- The Sepulveda Streetscape and Washington Blvd Area Improvement Plans are moving forward in an effort to spur redevelopment in the western portion of the City.

Fiscal Year 2010-11
AT-A-GLANCE

Economic Overview

The economy continues to waiver with mixed economic indicators being released almost daily. The stock market is realizing strong gains and private companies are beginning to report profits again; however, unemployment remains high as government agencies are shedding jobs to try to address their structural deficits and foreclosure activity remains near record highs. The Federal Government continues to add to the national debt, which leads to fear of inflation. Globally, political unrest in the Middle East, continued financial troubles in the European Union, and inflation concerns in China are slowing the global recovery.

Credit continues to be very tight. Locally, many development projects have been stall for more than two years now because they cannot get the proper funding. Fortunately, the Westfield Mall renovation began prior to the financial meltdown and they were able to complete the renovation of the Westfield Culver City Mall as scheduled. Thus far, the Mall renovation has been successful in increasing revenues generated from the Mall.

As the economic conditions play out, staff is remaining conservative and holding the line on expenditures in as many areas as possible in anticipation of slower tax increment growth in the near future.

Revenue & Expenditure Summary

The RDA continues to feel the effects of the bad economy as tax increments continue to fall and are expected to decrease for the second straight year. Half way through the year, tax increment revenues are down by 8% from last year. Overall, revenues are 11% behind where they were last fiscal year at this time. A number of budget amendments are being recommended to lower budget projections.

Expenditures are 3% below what they were in FY 2009-10. Expenditures through the first half of the year were primarily administrative expenses and debt service on existing bonds. There are a number of projects that have been on hold for the last few years, keeping RDA expenditures relatively low. RDA expenditures are expected to increase over the next few years as the ERAF/SERAF loans are repaid to the Low/Moderate Income Housing Fund and development picks up.

CASH AVAILABLE for CAPITAL INVESTMENT

FUND BALANCE AVAILABLE FOR PROJECTS/PROGRAMS:

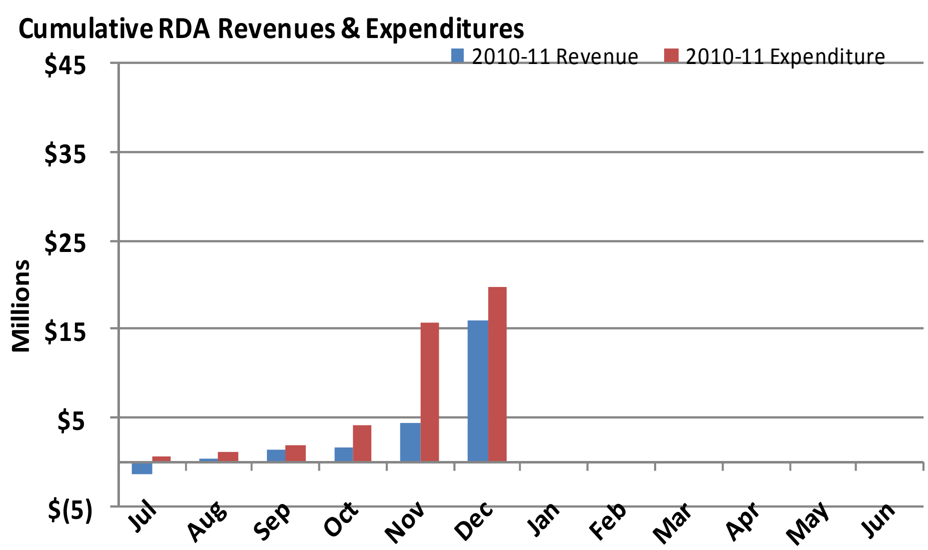
	Actual Ending 2009-10	Estimated Ending 2010-11	Projected Ending 2011-12	Projected Ending 2011-12
Unrestricted Funds	**18,730,000**	**10,924,000**	**23,600,000**	**27,800,000**
Housing Set Aside	17,374,000	17,740,000	10,721,000	8,974,000
Tax Exempt Bonds - 1999	4,586,000	0	0	0
Tax Exempt Bonds - 2002	15,812,000	0	0	0
TOTAL RESOURCES	$56,502,000	$28,664,000	$34,321,000	$36,774,000

The estimated ending balance for each fund represents the approximate amount of cash capital available for investment in new projects or programs.

Assumptions: The estimated ending balances above assume that the remaining $3.5 million loan from the City will be repaid in FY 2010-11, $2.5 million per year will be repaid to the Housing Fund through FY 2015-16 to repay the outstanding ERAF/SERAF loans, and the FY 2010-11 SERAF payment ($2.252M) will be made from Unrestricted Funds. Fund Balance assumes 100% of the adjusted FY 2010-11 and FY 2011-12 budgets are expended, and $9.8 million in land sale proceeds in FY 2011-12.

UNRESTRICTED REVENUE and EXPENDITURE SUMMARY: (graphs are cumulative)

	2010-11 Revenue	2010-11 Expenditure
Jul	$ (1,472,800)	$ 581,915
Aug	326,389	1,271,885
Sep	1,333,475	1,976,074
Oct	1,667,749	4,252,266
Nov	4,346,305	15,801,751
Dec	15,977,692	19,801,466
Jan	-	-
Feb	-	-
Mar	-	-
Apr	-	-
May	-	-
Jun	-	-
TOT Y-T-D	15,977,692	19,801,466
Adj Budget	42,696,053	50,190,813



NORMAL Through mid-year, expenditures have exceeded revenues by $3.8 million, or 24%. Last fiscal year, expenditures exceeded revenues by $2.4 million, or 14%. It is normal for expenditures to exceed revenues at mid-year as the majority of revenues are received closer to the end of the fiscal year.

REVENUES: Through mid year, revenues are down about 11% from last year; dragged down primarily by a drop in tax increment revenues, which are down by 8% from last year. Revenues are discussed in more detail on pages 7—11.

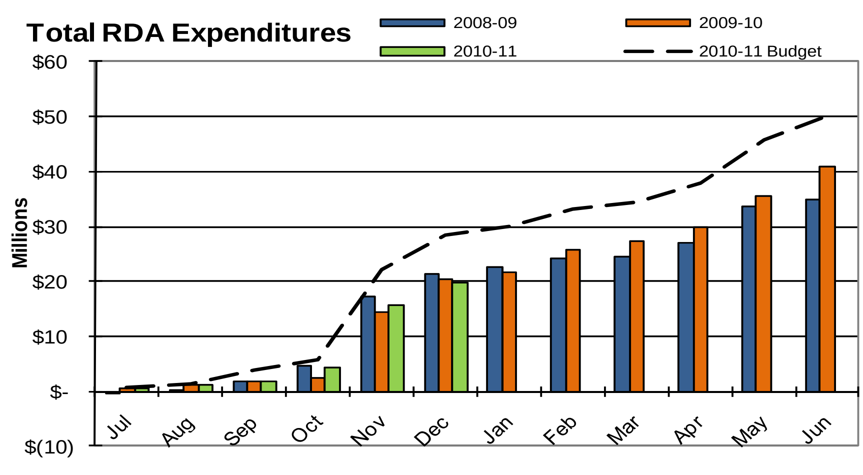
EXPENDITURE: The Agency's largest single annual expenditure is Debt Service on all outstanding bond debts. This payment is made annually in November. Other expenditures are primarily related to administrative expenditures (including salary and benefits reimbursement to the City) and RDA programs/projects. As many RDA projects continue to be stalled due to economic conditions, expenditures are down by 3% from last year at this time.

More detail on revenues and expenditures can be found in the following sections of this report.

UNRESTRICTED FUND EXPENDITURES:

TOTAL UNRESTRICTED FUNDS EXPENDITURES: (graph is cumulative)

	2008-09	2009-10	2010-11
Jul	$ (61,504)	$ 577,268	$ 581,916
Aug	229,232	543,844	689,969
Sep	1,799,685	752,634	704,190
Oct	2,559,746	672,468	2,276,193
Nov	12,656,746	11,973,103	11,549,485
Dec	4,245,202	5,877,824	3,999,716
Jan	1,250,661	1,162,533	-
Feb	1,627,557	4,241,463	-
Mar	366,879	1,442,955	-
Apr	2,397,095	2,569,489	-
May	6,472,168	5,846,940	-
Jun	1,459,314	5,304,499	-
TOT Y-T-D	35,002,781	40,965,020	19,801,469
Adj Budget	$40,131,060	$45,141,279	$50,190,813



BELOW BUDGET

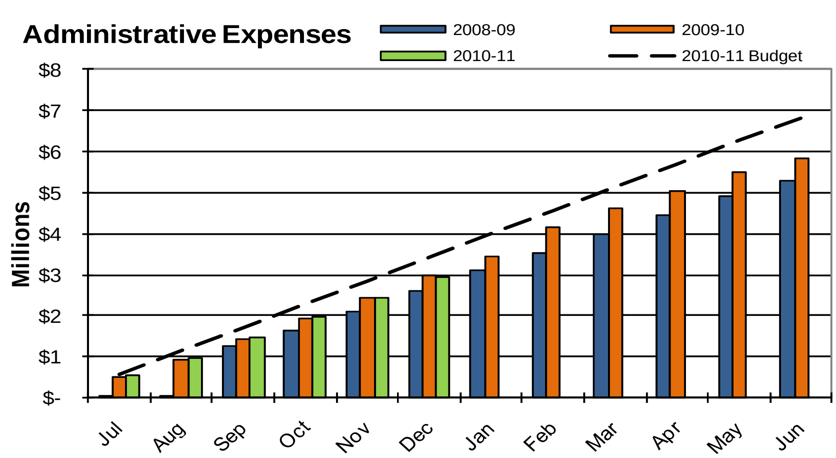
Through December, the RDA expended approximately 40% of the adjusted budget compared to 45% in 2009-10 and 53% in 2008-09. Total Agency expenditures were approximately $8.5 million under budget. The following sections will provide more detailed discussion on RDA expenditures by category.

NOTE: RDA expenditures are relatively sporadic on a monthly basis as there are often spikes in expenditures due to land acquisition costs or other one-time development/project related costs. Generally, the month of November has the most cash going out the door to pay annual debt service payments for RDA bonds.

EXPENDITURE ANALYSIS BY CATEGORY:

ADMINISTRATIVE EXPENSES: (graph is cumulative)

	2008-09	2009-10	2010-11
Jul	$ 100	$ 521,492	$ 548,972
Aug	54,109	397,464	419,224
Sep	1,187,627	500,189	494,348
Oct	410,334	497,832	499,012
Nov	451,089	516,974	476,445
Dec	485,523	534,360	506,303
Jan	499,294	482,801	
Feb	446,170	688,525	
Mar	451,826	486,622	
Apr	464,350	428,713	
May	464,337	449,572	
Jun	375,878	320,004	
TOT Y-T-D	5,290,637	5,824,548	2,944,304
Adj Budget	6,738,765	7,049,836	6,841,010



NORMAL

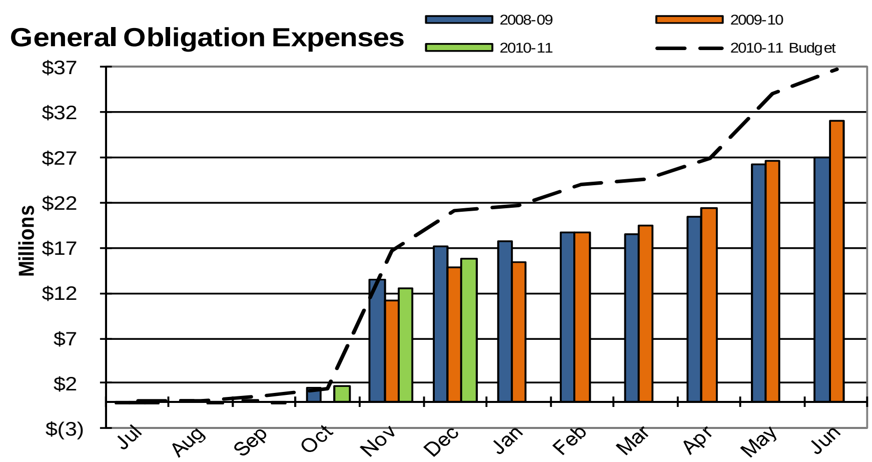
Through December, approximately 43% of the total Admin budget has been expended, compared to 42% last fiscal year. Admin expenses are normal and are expected to remain slightly under budget through year-end.

NOTE: The RDA reimburses the City for staff positions that are impacted by RDA activities (i.e. positions in Planning, Building Safety, Code Enforcement, City Attorney, Police, Fire, PRCS, Public Works, etc.). Admin expenditures also include operating expenses and contract costs for RDA activities. Reimbursement expenses for staff positions are prorated and transferred from the Agency to the City on a monthly basis with a "true up" adjustment at the end of the fiscal year to reflect actual costs.

UNRESTRICTED FUNDS EXPENDITURE ANALYSIS:

GENERAL OBLIGATION EXPENSES: (graph is cumulative)

	2008-09	*2009-10*	*2010-11*
Jul	$ (65,252)	$ (36,538)	$ (87,587)
Aug	76,724	36,538	62,077
Sep	-	-	-
Oct	1,449,487	-	1,674,047
Nov	12,093,795	11,213,330	10,852,145
Dec	3,560,587	3,664,287	3,339,030
Jan	593,235	450,550	
Feb	1,056,892	3,361,386	
Mar	(193,495)	704,580	
Apr	1,794,007	1,922,397	
May	5,887,151	5,198,995	
Jun	733,207	4,593,126	
TOT Y-T-D	26,986,338	31,108,651	15,839,712
Adj Budget	26,606,359	31,053,227	36,807,237



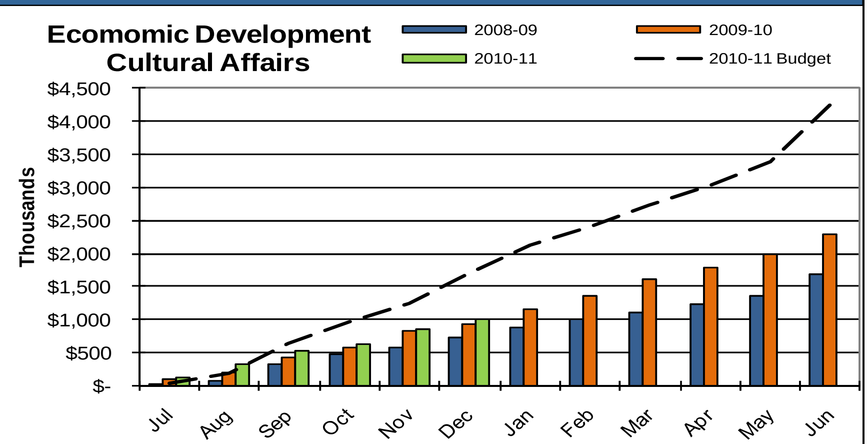
NORMAL

Through December, the RDA expended 43% of the adjusted General Obligations budget, compared to 48% in 2009-10 and 64% in 2008-09. General Obligation expenses include bond debt service, principle and interest payments on loans, and statutory pass through payments. FY 2010-11 GO payments are approximately $5 million more than last year due to the $2.2 million SERAF payment and $2.5 million to repay prior year ERAF/SERAF funds borrowed from Housing. The Agency is expected to expend 100% of the General Obligations budget.

General Obligation expenses are payments that the Agency is legally required to make, such as debt service on RDA bond issues (paid each year in November), statutory pass through payments, transfers to the Housing fund for the 20% statutory housing set aside, and ERAF payments (when applicable).

ECON DEV/PROPERTY MANAGEMENT/CULTURAL AFFAIRS PROGRAMS: (graph is cumulative)

	2008-09	*2009-10*	*2010-11*
Jul	$ 1,959	$ 89,884	$ 118,563
Aug	69,921	108,825	207,494
Sep	252,049	220,134	203,663
Oct	143,262	167,156	101,705
Nov	104,898	233,447	218,784
Dec	151,627	121,204	154,356
Jan	150,078	225,898	
Feb	120,612	191,531	
Mar	109,562	251,392	
Apr	128,617	183,498	
May	115,826	196,163	
Jun	327,029	293,204	
TOT Y-T-D	1,675,440	2,282,336	1,004,565
Adj Budget	3,863,106	4,273,768	4,249,926



BELOW BUDGET

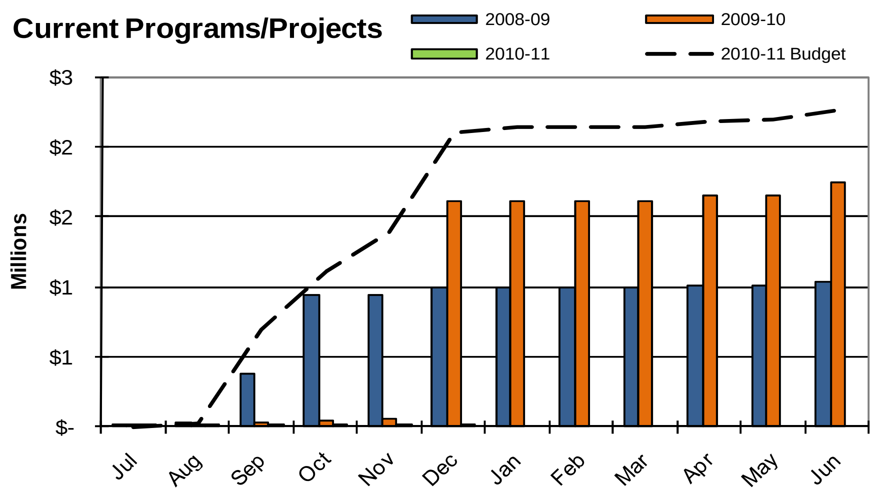
Through December, Economic Development, Property Management, and Cultural Affairs programs expended 24% of the adjusted budget compared to 22% in 2009-10 and 19% in 2008-09. The primary expenditures are related to costs to manage the downtown parking structures and Cultural Affairs programs. Also, despite uncertainty in the economy, there has been an increase in local business taking advantage of rehabilitation and fee incentive programs and increased interest in business assistance loans offered by the Economic Development Division. This may signify a return in confidence by local entrepreneurs.

NOTE: Economic Development/Cultural Affairs programs include expenses for economic development projects, real property management, and Cultural Affairs programs such as the Culver City Music Festival, Farmers' Market, Music in the Chambers, and the Art of... Speaker Series.

UNRESTRICTED FUNDS EXPENDITURE ANALYSIS:

CURRENT PROJECTS: (graph is cumulative)

	2008-09	2009-10	2010-11
Jul	$ 1,689	$ 2,429	$ 1,968
Aug	27,400	1,017	1,174
Sep	352,673	32,311	3,759
Oct	554,328	7,480	1,429
Nov	6,376	9,352	2,111
Dec	47,428	1,557,973	27
Jan	4,023	3,284	
Feb	2,320	21	
Mar	(1,341)	361	
Apr	8,830	34,881	
May	4,833	2,210	
Jun	23,144	98,165	
TOT Y-T-D	1,031,703	1,749,484	10,468
Adj Budget	2,408,056	2,728,481	2,257,673

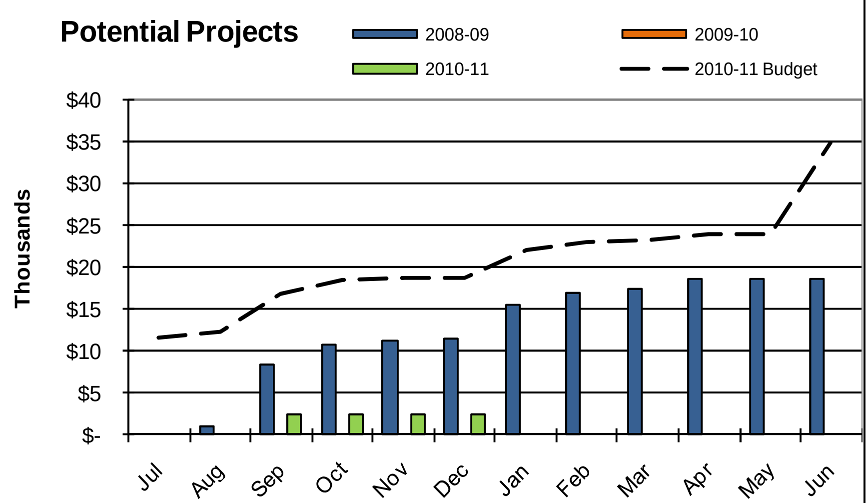


BELOW BUDGET Through December, most of the financial activity on Current Projects has been focused on the Washington/National site. There are a few projects that are getting underway, such as Sepulveda Blvd improvements, therefore it is expected that expenditures will pick up in the second half of the year. As a note, expenditures in FY 2008-09 were primarily related to the final land acquisition payment for the Pleasantview project.

NOTE: "Current Projects" are projects that are currently underway, such as Washington/Centinela, Washington/National, Pleasantview, and the Baldwin Site. Property acquisition and site preparation costs are included in the Current Projects category and typically make up the primary expenditure. Current Project expenditures are not typically consistent throughout the year.

POTENTIAL PROJECTS: (graph is cumulative)

	2008-09	2009-10	2010-11
Jul	$ -	$ 1	$ -
Aug	1,078	-	-
Sep	7,336	-	2,420
Oct	2,335	-	-
Nov	588	-	-
Dec	37	-	-
Jan	4,031	-	
Feb	1,563	-	
Mar	327	-	
Apr	1,291	-	
May	21	-	
Jun	56	-	
TOT Y-T-D	18,663	1	2,420
Adj Budget	514,774	35,967	34,967

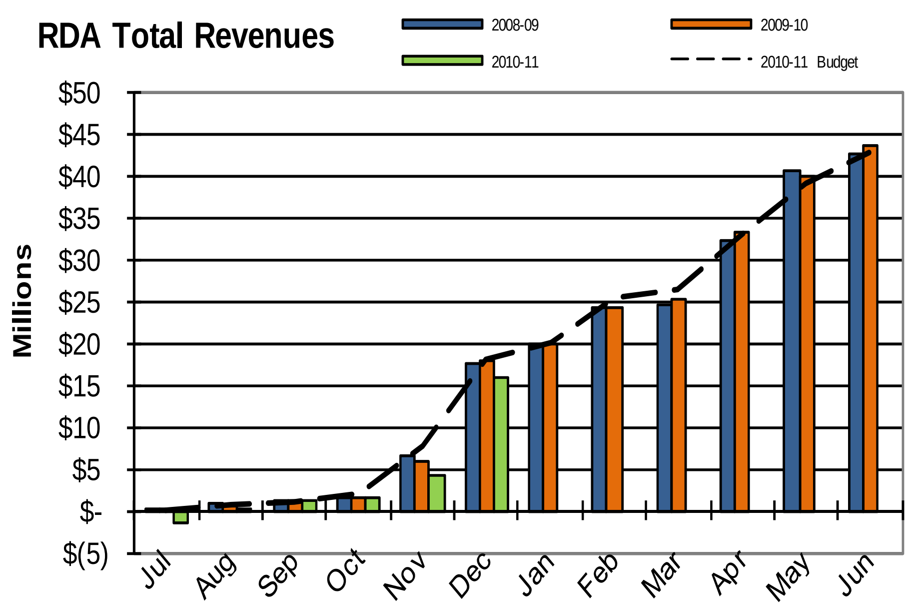


BELOW BUDGET Due primarily to economic conditions, **there was very little activity in this category through mid-year.** Potential Projects include expenses for opportunity sites as they arise in various parts of the City. Although there is not financial activity, staff has been engaged in the planning stages on a number of projects in Downtown and the Hayden tract areas.

UNRESTRICTED FUNDS REVENUE ANALYSIS

TOTAL UNRESTRICTED FUNDS REVENUE:

	2008-09	2009-10	2010-11
Jul	$ 29,131	$ 137,186	$ (1,472,800)
Aug	782,065	392,499	1,799,189
Sep	399,899	847,690	1,007,086
Oct	356,216	253,374	334,274
Nov	4,841,495	4,321,193	2,678,556
Dec	11,134,413	12,006,835	11,631,387
Jan	2,200,152	2,065,235	-
Feb	4,585,415	4,289,209	-
Mar	240,077	1,042,747	-
Apr	7,646,268	7,989,494	-
May	8,312,240	6,450,276	-
Jun	2,182,718	3,830,627	-
TOT Y-T-D	**42,710,089**	**43,626,365**	**15,977,692**
Adj Budget	*42,950,775*	*40,951,280*	*42,696,053*



SUMMARY — Overall, revenues are down by approximately 11% from last year. Tax Increment revenues are expected to decrease from last year and revenue from Pacific Theater is also well below last year.

TAX INCREMENT REVENUES — As previously noted, tax increment receipts are down approximately 8% from last fiscal year. The Redevelopment Agency received an updated Assessed Valuation Report from the County Assessor in August 2010 for FY 2010-11. The updated report indicates a 3% decrease in assessed values. Based on this updated AV report, estimated tax increment revenues for FY 2010-11 may be less than originally projected. A budget amendment is being recommended to reflect the updated AV report.

LAND SALE PROCEEDS — Due to the continuing credit crunch and significant slowdown in commercial and residential development, no land sale proceeds are expected in FY 2010-11. The Agency continues to hold a number of parcels that are subject to DDAs. When the economy recovers and development activity resumes, the Agency may realize some land sale proceeds.

City Loan to the Agency — The $9 million loan was originally meant to be repaid using land sale proceeds from a number of parcels owned by the RDA and subject to a DDA with a developer to dispose of the land. Due to the recession, receipt of those proceeds have been delayed. Therefore, the City extended the terms of the loan through June 2011. The final principal payment of $3.5 million will be paid to the City in June 2011.

UNRESTRICTED FUNDS REVENUE ANALYSIS (continued):

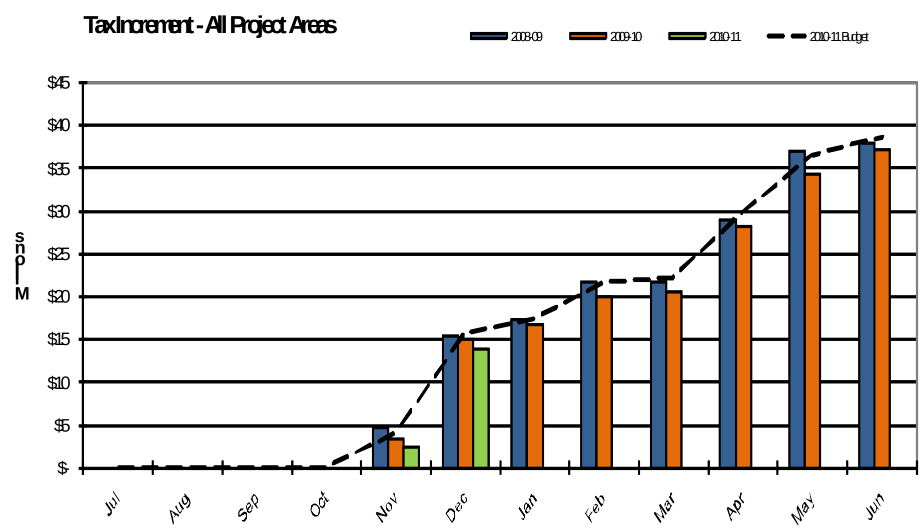
ASSESSED VALUATIONS: Fiscal 2008-09, 2009-10, and 2010-11

Per Proposition 13 passed by California voters in 1978, a property's value is assessed when it is purchased or significantly re-modeled. Once the assessed value is established, it cannot increase by more than 2% per year until the property is sold or remodeled, at which time it is re-assessed. The property owners' annual property tax is calculated as 1% of the assessed value. The Redevelopment Agency receives tax increment based on the increase in assessed value over a base year (base year = the year that a particular project area was established). The table below shows the total assessed values and % change from the prior year for each project area for the four most recent years.

	2008-09	*% change prior year*	*2009-10*	*% change prior year*	*2010-11*	*% change prior year*
Project Area 1	$991,903,331	10.24%	$1,165,270,620	17.48%	$1,083,606,896	-7.01%
Project Area 2	$696,384,724	9.36%	$707,151,361	1.55%	$696,549,788	-1.50%
Project Area 3	$1,516,215,389	10.19%	$1,656,159,352	9.23%	$1,633,601,927	-1.36%
Project Area 4	$635,175,732	7.60%	$632,727,379	-0.39%	$630,839,859	-0.30%
	$3,839,679,176	9.62%	$4,161,308,712	8.38%	$4,044,598,470	-2.80%

TAX INCREMENT: Fiscal 2008-09, 2009-10 and 2010-11 (graph is cumulative)

	2008-09	2009-10	2009-10
Jul	$ -	$ -	$ -
Aug	-	-	-
Sep	-	-	-
Oct	-	-	-
Nov	4,709,440	3,395,854	2,523,306
Dec	10,805,551	11,675,222	11,369,076
Jan	1,773,752	1,767,214	-
Feb	4,381,723	3,129,281	-
Mar	88,111	685,271	-
Apr	7,240,053	7,610,459	-
May	7,974,511	6,149,519	-
Jun	1,041,482	2,836,851	-
TOTAL	$38,014,623	$37,249,671	$13,892,382
Adj Budget	32,961,000	36,575,000	38,619,000



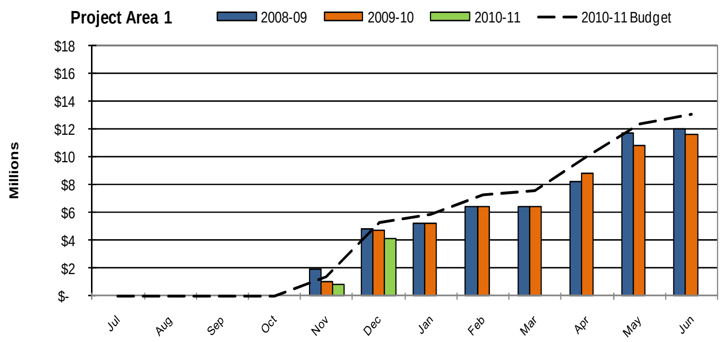
NEGATIVE Through December, tax increment revenues are below budget projections by approximately $1.8 million and are below FY 2009-10 mid year receipts by 8%. Based on an updated AV report received after the FY 2010-11 budget was adopted, tax increment receipts for FY 2010-11 will need to be adjusted downward by approximately$3.6 million. A budget amendment is being recommended to reflect the updated AV report.

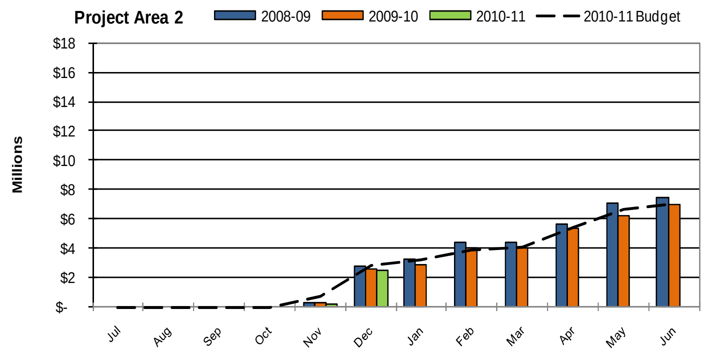
As noted in prior reports, there is a significant lag in property tax increment receipts (approximately 12—18 months), so the poor economic conditions of the last two years are now beginning to negatively impact the Agency's tax increment revenues. Overall, property values in West Los Angeles have not been as negatively impacted as values in other areas of Southern California. Consequently, staff does not expect a significant drop off in tax increment revenues, but slight declines TI revenues are expected followed by a period of relatively flat receipts until credit becomes more readily available and development picks up again.

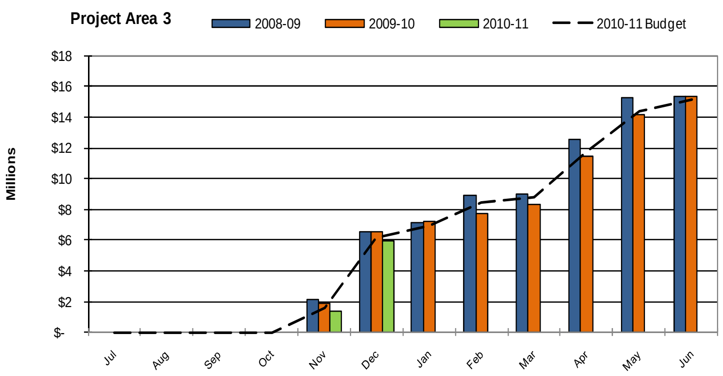
The following page provides TI revenue detail broken down by Redevelopment Project Area.

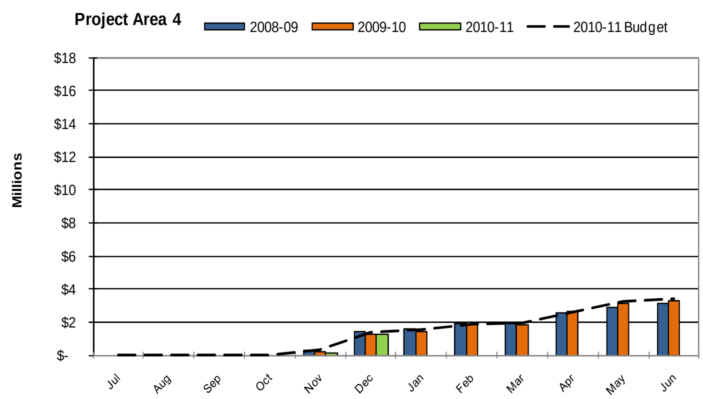
UNRESTRICTED FUNDS REVENUE ANALYSIS (continued):

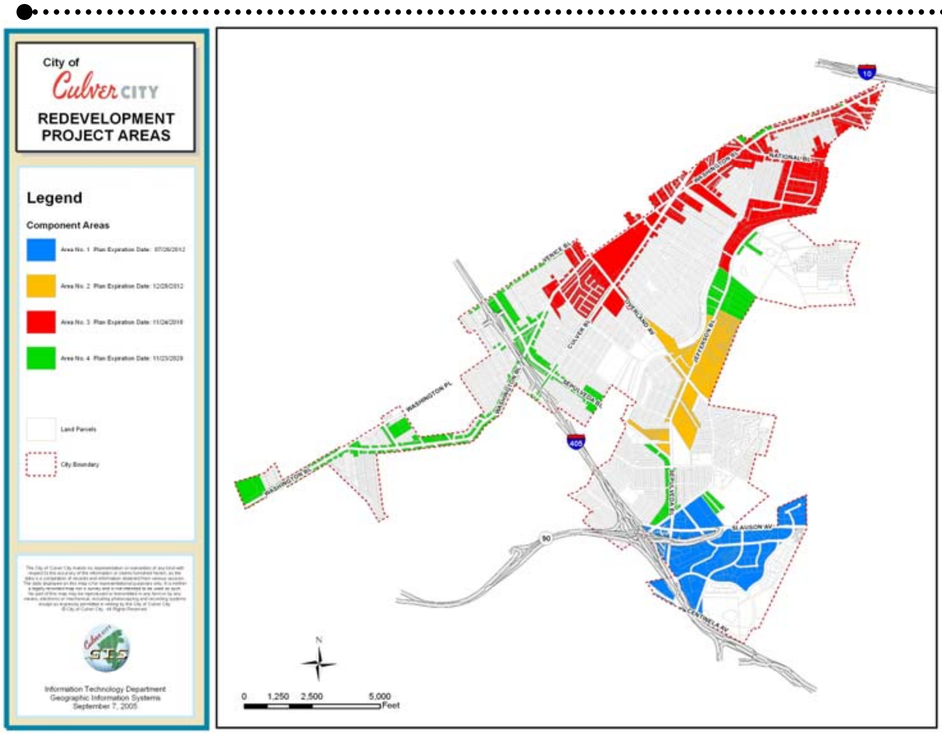
TAX INCREMENT by COMPONENT AREA:
Fiscal 2008-09, 2009-10 and 2010-11 **(graph is cumulative)**











The above graphs illustrate the magnitude of tax increment generated from each of the four project areas. Project Areas 1 and 3 generate the most tax increment, accounting for approximately 70% of the total TI revenues (30% and 40% respectively). **Project Area 1** is comprised primarily of the **Fox Hills area** (seen here in blue). **Project Area 3** is comprised primarily of the **Hayden Tract and Downtown areas** (seen in red). **Project Area 2** is comprised primarily of the **Jefferson/Overland intersection** (seen in yellow) and **Project Area 4** is comprised primarily of **West Washington Blvd** and **Sepulveda Blvd**.

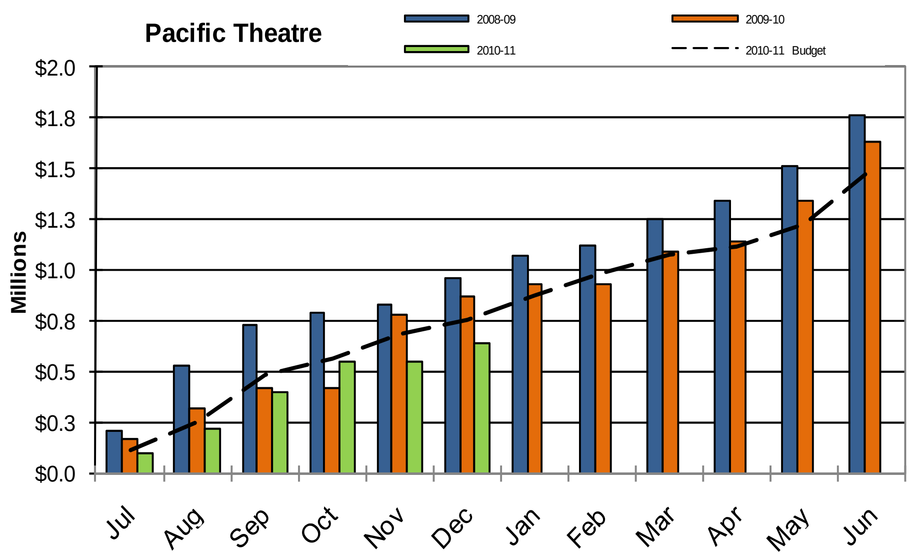
Project Area Expiration Dates:
Project Area 1: 07/26/2014
Project Area 2: 12/28/2014
Project Area 3: 11/25/2018
Project Area 4: 11/23/2029

UNRESTRICTED FUNDS REVENUE ANALYSIS (continued):

REVENUE SOURCES:
Fiscal 2008-09, 2009-10 and 2010-11 (graph is cumulative)

Pacific Theater Revenues

	2008-09	2009-10	2010-11
Jul	209,487	165,461	93,780
Aug	323,733	154,012	126,638
Sep	201,622	102,713	181,026
Oct	57,298	-	152,052
Nov	35,174	356,859	-
Dec	138,366	88,709	83,830
Jan	110,804	66,587	-
Feb	49,796	-	-
Mar	121,930	162,109	-
Apr	90,995	42,000	-
May	176,889	200,503	-
Jun	243,767	293,878	-
TOTAL	1,759,861	1,632,831	637,326
Adj. Budget	1,300,000	1,400,000	1,500,000

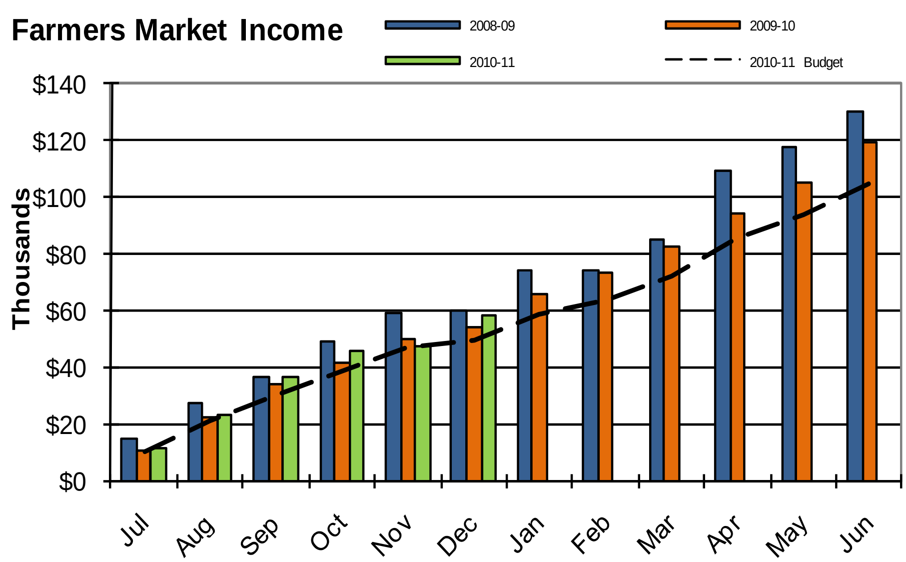


NEGATIVE

Through December, Pacific Theaters is approximately 16% below budget projections and 27% below last year's receipts. The drop in revenues is the result of a few things, including the fewer blockbuster movies over this summer than in the past few years (last year had Avatar, Transformers, and Harry Potter; the year before had Batman, Iron Man, etc.) as well as a property tax refund received in FY 2009-10 resulting from an appeal to lower Pacific Theater's Assessed Value.

Farmers' Market Revenues

		2008-09	2009-10	2010-11
Jul	**Jul**	$ 15,220	$ 11,023	$ 11,176
Aug	**Aug**	12,581	11,557	11,901
Sep	**Sep**	8,843	11,498	13,773
Oct	**Oct**	12,817	7,898	8,871
Nov	**Nov**	9,787	8,229	1,542
Dec	**Dec**	466	3,650	11,467
Jan	**Jan**	14,223	12,367	-
Feb	**Feb**	-	7,308	-
Mar	**Mar**	11,219	9,277	-
Apr	**Apr**	24,034	11,802	-
May	**May**	8,396	10,997	-
Jun	**Jun**	12,682	13,892	-
	TOTAL	**$130,268**	**$119,498**	**$ 58,730**
	Adj Budget	115,000	105,000	105,000



POSITIVE

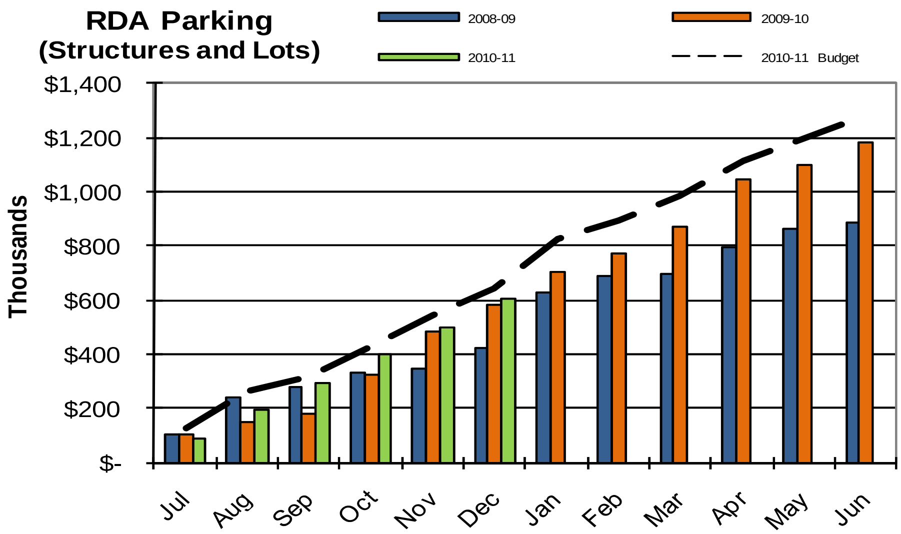
Through December, Farmers' Market receipts exceeded budget projections by 18%. Although the Farmers' Market did not perform as well as it did in FY 2008-09, it exceeded FY 2009-10 receipts.

Unrestricted Funds Revenue Analysis (continued):

OTHER REVENUE SOURCES (cont.):
Fiscal 2008-09, 2009-10 and 2010-11 (graph is cumulative)

Parking Revenues

	2008-09	2009-10	2010-11
Jul	$ 105,496	$ 108,721	$ 88,510
Aug	244,975	153,737	196,159
Sep	277,084	178,700	297,909
Oct	335,234	323,119	398,944
Nov	350,883	487,223	501,294
Dec	422,524	586,201	603,380
Jan	628,957	708,685	-
Feb	690,152	771,883	-
Mar	696,701	872,712	-
Apr	796,966	1,044,407	-
May	863,167	1,101,067	-
Jun	885,569	1,182,036	-
TOTAL	885,569	1,182,036	603,380
Adj. Budget	977,620	1,254,620	1,281,620



NEGATIVE

Through December, parking revenues are approximately 6% below budget projections. This is due primarily to reduced monthly parking revenues at the Ince Parking structure over the last few years. Cardiff and Watseka lots are performing as expected and the Venice and Canfield surface lots are exceeding projections. Film Parking receipts through December were $31,000 and are expected to meet the $65,000 budget projection for the year.

A budget amendment is recommended to reduce the revenue projections at the Ince Parking Structure by $75,000 to reflect a more accurate budget projection.

OTHER NOTES:

Adopted Budgets

The Redevelopment Agency's Adopted budgets are available on the City's website at www.culvercity.org/redev/redev_workprogram.asp?sec=gov

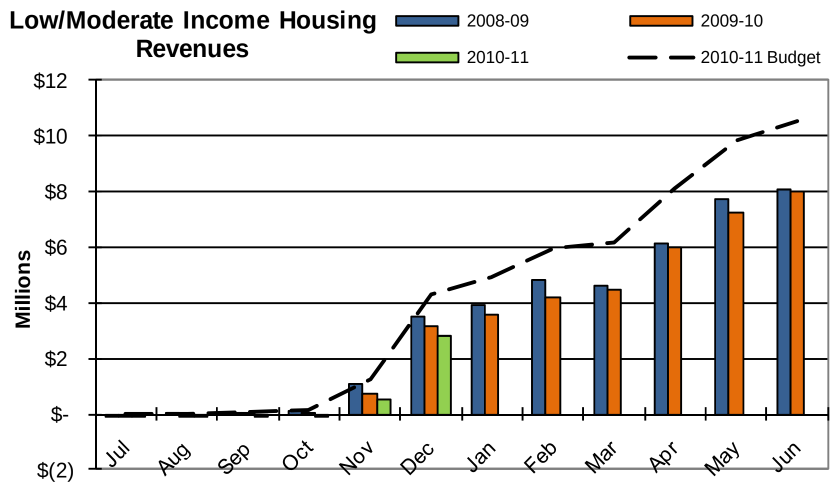
Glossary

AV — Assessed Value. The value at which property is taxed. Assessed Value is determined by the County Assessor.
CRA— Community Redevelopment Association. Statewide Agency that advocates on behalf of member agencies.
DDA — Development and Disposition Agreement. A development agreement between the Agency and a Developer.
ERAF — Education Revenue Augmentation Fund. State fund from which some education expenses are paid.
LMIF — Low Moderate Income Housing Fund. Funds restricted by state law to the provision of affordable housing. Per state law, 20% of annual tax increment receipts must be set aside in a Low Moderate Income Housing Fund for this purpose.
OPA — Owner Participation Agreement. Agreement between the Agency and a Property Owner to make property improvements.
SERAF — Supplemental Education Revenue Augmentation Fund. State fund from which some education expenses are paid.
TI — Tax Increment. Increment increase in property tax revenues above a base year.

LOW/MODERATE INCOME HOUSING FUND ANALYSIS:

HOUSING FUND:
Revenues and Expenditures (graphs are cumulative)

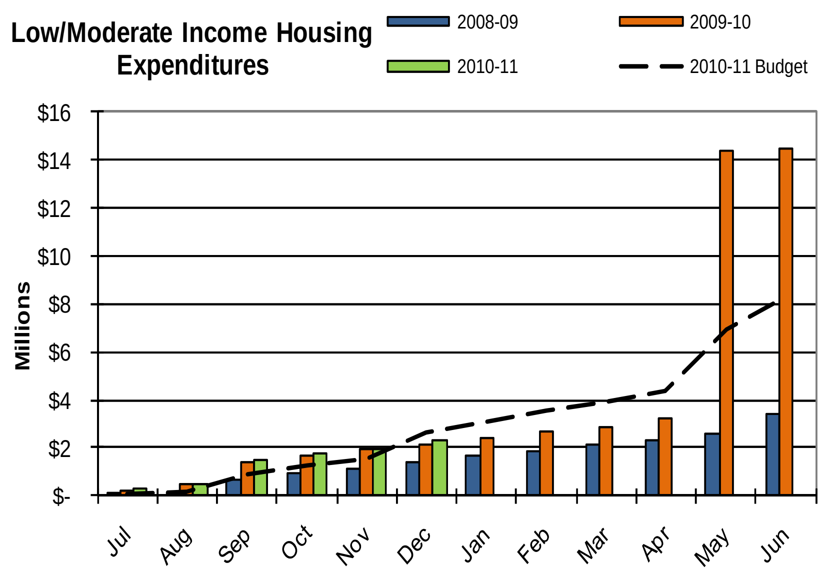
	2008-09	2009-10	2010-11
Jul	$ (6,882)	$ (36,640)	$ (81,888)
Aug	19,162	16,398	20,562
Sep	41,097	52,451	39,665
Oct	38,840	16,474	8,221
Nov	969,393	711,533	527,555
Dec	2,408,680	2,391,821	2,301,384
Jan	410,277	398,617	-
Feb	921,693	659,494	-
Mar	(208,432)	244,303	-
Apr	1,530,579	1,539,488	-
May	1,607,753	1,245,848	-
Jun	307,508	736,622	-
TOT Y-T-D	**8,039,668**	**7,976,409**	**2,815,499**
Adj Budget	*$ 7,467,000*	*$ 7,914,000*	*$ 10,548,800*



REVENUES — The Low/Moderate Income Housing fund's primary revenue source is tax increment housing set aside funds, which is calculated as 20% of the gross tax increment received. As such, Housing fund revenues tend to mirror TI revenues on page 8 of this report. As previously mentioned, TI are below budget projections, consequently, Housing Fund revenues are also slightly below budget projections. A budget amendment is being recommended to reduce Housing revenues accordingly.

EXPENDITURES — The primary Low/Moderate Income Housing expenditures through December are on Rental Assistance Program Grants (about $51,000 per month), Globe Ave Project ($46,000), and administrative charges. Approximately $2.45 million is budgeted in FY 2010-11 for implementation/construction of the low/moderate income housing project at the Globe Ave properties and demolition of those properties has been completed. The Housing Division is working toward implementing the Comprehensive Housing Strategy and identifying additional development opportunities for low/moderate income housing projects to present to the Agency for consideration.

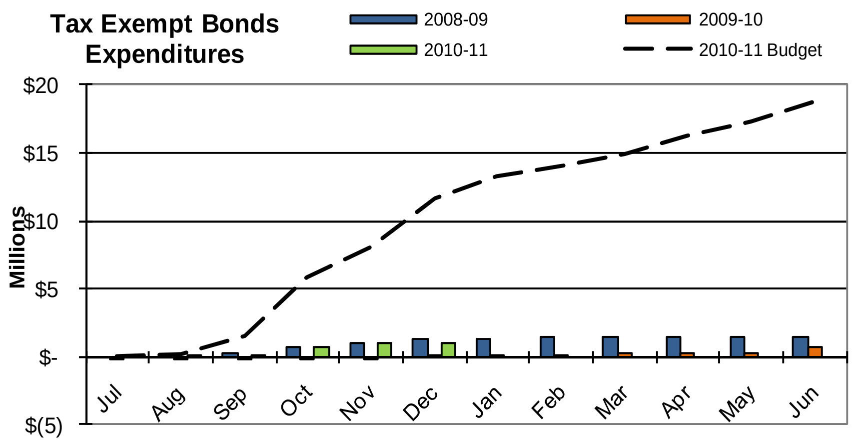
	2008-09	2009-10	2010-11
Jul	$ 31,277	$ 232,826	$ 281,508
Aug	37,276	242,292	236,170
Sep	609,316	900,725	937,789
Oct	239,685	278,028	277,372
Nov	236,242	266,465	244,222
Dec	268,073	257,209	316,948
Jan	237,563	249,491	-
Feb	231,223	245,555	-
Mar	222,249	219,099	-
Apr	241,090	306,230	-
May	229,912	11,196,817	-
Jun	807,349	52,507	-
TOT Y-T-D	**3,391,255**	**14,447,244**	**2,294,009**
Adj Budget	*$ 12,607,422*	*$ 19,586,121*	*$ 8,278,869*



TAX EXEMPT BOND FUNDS

FISCAL YEAR TO DATE: (graph is cumulative)

	2008-09	*2009-10*	*2010-11*
Jul	$ -	$ (137,037)	$ 671
Aug	37,323	(2,790)	6,754
Sep	182,198	13,517	44,387
Oct	518,843	75,521	737,656
Nov	294,138	28,170	175,521
Dec	322,106	25,992	26,438
Jan	16,970	27,529	-
Feb	35,873	170,809	-
Mar	2,830	15,298	-
Apr	203	12,095	-
May	12,516	8,994	-
Jun	18,314	434,024	-
TOT Y-T-D	**1,441,314**	**672,122**	**991,427**
Adj Budget	*$ 13,302,061*	*$ 18,482,011*	*$ 18,865,082*



<u>REVENUES</u> — Tax exempt bond fund revenue is primarily interest income earned on the fund balance. Approximately $16,000 in interest income was earned through December.

<u>EXPENDITURES</u> — Tax Exempt Bond expenditures through December were primarily related to the purchase of a surface parking lot on West Washington Blvd ($625,000), Washington/National Engineering studies (per executed MOU with Metro), and Washington Blvd AIP Phase 1 ($235,000).

<u>NOTE</u>: Tax exempt bond funds are restricted and can only be used for public improvements and public infrastructure. Bond funded projects are often similar to Capital Improvement Projects as they are typically larger projects that may take more than one fiscal year to complete. Typically, the entire project budget is allocated in the first year and any unspent bond funds are typically carried over to the following year.

CURRENT BOND FUNDED PROJECTS of INTEREST

	Total Budget	Total Bond Funding	Bond Funds Expended to Date	Estimated Completion
1. Washington/National (92620)	$3,300,000	$3,300,000	$283,000	FY 2010-11
2. Town Plaza (93400)	$3,100,000	$3,100,000	$300,000	FY 2011-12
3. Washington AIP: Phase 1 (92670)	$880,750	$880,750	$348,000	FY 2010-11
4. Sepulveda Blvd Streetscape (57392910)	$636,000	$150,000	$32,480	FY 2010-11

The projects identified above are major projects funded by tax exempt bonds. The **Washington/National project** is to fund column enhancements and a shoring wall at the Culver City terminus of the EXPO light rail project to support future development at the Washington/National TOD site. The **Town Plaza project** will fund improvements to the Town Plaza area in front of the Pacific Theaters in conjunction with the development of the Parcel B site. **Washington Blvd AIP: Phase I** is the first of three phases to beautify the West side of Culver City along the Washington Blvd corridor. Ongoing maintenance for these projects will be funded by benefitting property owners via a benefit assessment district. Sepulveda Blvd **Streetscape project is for pedestrian and commuter improvements on Sepulveda Blvd. Total budget for this project includes a grant from METRO for $351,000.**