



# City of Culver City

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## **MID-YEAR BUDGET REPORT FISCAL YEAR 2025-2026 Through December 31, 2025**

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## INTRODUCTION

This Mid-Year Budget Report presents an overview of the City's operating revenues and expenditures for the first half of Fiscal Year 2025-2026 as compared to budgeted amounts, explaining any notable deviations or trends in the numbers. The information in this report is organized into two sections: General Fund and Other Major Funds.

The Mid-Year Budget Report's purpose is threefold. First, it illustrates the City's focus on monitoring its revenues and expenditures, with the intent to proactively respond to unanticipated changes or emerging trends. Secondly, and equally important, the report serves to support fiscal transparency and accountability by providing the City Council and members of the public with information on the sources and uses of City revenue. Finally, the information in this report serves as a starting point for preparing the Fiscal Year 2026-2027 Proposed Budget.

The first six months of the City's fiscal year, July – December, present an ideal point of analysis for the adopted budget, and if and where adjustments should be considered. The Finance Department staff has reviewed all line items and compared actual results against budget expectations, historical trends, seasonality, and other known factors affecting both revenue and spending streams to determine if recommendations for reductions or increases should be made. As the defined mid-point of the fiscal year, it may be presumed that most categories should be at 50% of budget; however, City revenues historically lag expenditures at this point in the fiscal year. This is due primarily to year-end accounting adjustments to major revenue sources and the fact that the bulk of the property tax and business license revenues are received later in the fiscal year.

### REPORT HIGHLIGHTS:

- **General Fund Operating Revenues** through December 31, 2025, total \$55.2 million or 31% of the current Revised Fiscal Year 2025-2026 Budget. Analysis of the current fiscal year suggests the City's overall recurring General Fund revenues, along with one-time revenues, are expected to be higher than the Adopted Fiscal Year 2025-2026 Budget. Additional General Fund Revenue details are provided beginning on page 2 of this report. Staff is recommending that some revenue categories be increased, and others be decreased for a net increase of \$6.6 million.
- **General Fund Expenditures** through December total \$109.7 million or 52.7% of the current revised Fiscal Year 2025-2026 Budget. There are proposed mid-year budget adjustments explained in more detail starting on page 7 of this report, along with Attachment No. 4. to the February 9, 2026 staff report.
- A brief mid-year overview is included in this report for Enterprise Funds and Internal Service Funds starting on page 8.

**GENERAL FUND****GENERAL FUND REVENUES**

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As of December 31, 2025, General Fund operating revenue was \$55.2 million, or 31% of the current revised budget which is approximately 6% higher than the revenues received by mid-year Fiscal Year 2024-2025 through the same period. City revenues historically are less than 50% at this point in the fiscal year. This is primarily due to year-end accounting adjustments to major revenues and the fact that the bulk of the property tax and business license revenues are received later in the fiscal year. Analysis of the current fiscal year revenue trends suggest that some of the City's recurring General Fund revenues specifically sales tax, utility user's tax, real property transfer tax, licenses and permits, charges for services, and other miscellaneous revenues are expected to exceed the Fiscal Year 2025-2026 Revised Budget projections. This includes the anticipated increase in sales tax revenues from Measure CL – approved by the voters in August 2025 to increase sales tax by 0.25% effective January 1, 2026. These anticipated revenue increases are partially offset by reductions in cannabis business tax revenues and a one-year delay in revenue receipts from the red-light camera enforcement program due to Los Angeles County court delays and staffing shortages.

The table below displays the comparison between revenues received as of December 31 for the current and prior fiscal year. The actual revenues received during this period in Fiscal Year 2025-2026 are \$3.1 million, or 6% higher than the same period in Fiscal Year 2024-2025. This overall increase is primarily attributed to higher revenues from Measure RE real property transfer tax receipts, utility user's taxes, Charges of Services and License and Permits compared with the same period last fiscal year. The table also includes projected revenues for Fiscal Year 2025-2026 compared to the Revised Budget.

GENERAL FUND REVENUES					
REVENUE	2024-2025 REVENUES AS OF 12/31/2024	2024-2025 REVENUES TOTAL	2025-2026 REVENUES AS OF 12/31/2025	2025-2026 REVISED BUDGET TOTAL	2025-2026 PROJECTED REVENUES
Property Tax	\$ 2,826,636	\$ 17,241,399	\$ 3,165,391	\$ 17,045,919	\$ 17,045,919
Sales Tax	\$ 7,500,527	\$ 24,224,139	\$ 6,321,248	\$ 24,406,836	\$ 24,871,836
Sales Tax - Measure CC	\$ 3,530,879	\$ 11,186,727	\$ 3,715,315	\$ 11,227,000	\$ 11,394,000
Sales Tax - Measure C	\$ 1,761,086	\$ 5,548,356	\$ 1,848,477	\$ 5,613,000	\$ 5,686,000
Sales Tax - Measure CL	\$ -	\$ -	\$ -	\$ -	\$ 2,388,192
Public Safety Sales Tax (PSAF)	\$ 181,037	\$ 555,709	\$ 185,287	\$ 555,000	\$ 555,000
Business Tax	\$ 2,859,335	\$ 30,891,263	\$ 1,024,852	\$ 29,960,000	\$ 29,700,000
Franchise Tax	\$ 367,858	\$ 1,699,855	\$ 209,757	\$ 1,900,000	\$ 1,900,000
Real Prop Trans Tax	\$ 1,222,783	\$ 9,839,673	\$ 5,267,251	\$ 6,000,000	\$ 9,000,000
UUT-Electricity	\$ 4,682,888	\$ 9,912,075	\$ 5,041,035	\$ 11,585,135	\$ 11,100,000
UUT-Gas	\$ 437,180	\$ 1,567,248	\$ 527,875	\$ 1,406,260	\$ 1,700,000
UUT-Water	\$ 781,256	\$ 2,338,943	\$ 872,269	\$ 1,900,000	\$ 2,500,000
UUT-Telecommunications	\$ 812,405	\$ 2,119,791	\$ 726,813	\$ 2,306,932	\$ 1,900,000
UUT-Cable TV	\$ 298,613	\$ 956,340	\$ 276,898	\$ 609,526	\$ 800,000
Transient Occupancy Tax (TOT)	\$ 5,333,174	\$ 13,382,555	\$ 5,395,108	\$ 13,300,000	\$ 13,300,000
Commercial/Industrial Dev. Tax	\$ 68,344	\$ 398,411	\$ 298,702	\$ 500,000	\$ 500,000
Licenses & Permits	\$ 1,356,197	\$ 3,611,621	\$ 2,677,824	\$ 3,554,350	\$ 4,599,921
Intergovernmental	\$ 19,484	\$ 8,800,485	\$ 100,938	\$ 8,445,247	\$ 8,568,860
Charges for Services	\$ 5,055,517	\$ 14,047,968	\$ 6,478,615	\$ 13,170,868	\$ 13,422,488
Fines & Forfeitures	\$ 1,451,715	\$ 4,632,172	\$ 1,959,740	\$ 6,090,500	\$ 5,125,160
Use of Money & Prop	\$ 5,855,463	\$ 10,292,782	\$ 1,489,346	\$ 5,396,870	\$ 5,398,870
Transfer In	\$ 1,919,216	\$ 3,427,075	\$ 3,584,467	\$ 7,168,935	\$ 7,218,935
Interfund Revenues	\$ 3,617,050	\$ 7,234,101	\$ 3,541,170	\$ 7,082,409	\$ 7,082,409
Other Revenue	\$ 176,054	\$ 1,516,111	\$ 475,845	\$ 1,068,905	\$ 1,168,924
<b>TOTAL REVENUES</b>	<b>\$ 52,114,695</b>	<b>\$ 185,424,797</b>	<b>\$ 55,184,224</b>	<b>\$ 180,293,692</b>	<b>\$ 186,926,514</b>

Table 1

- **Property Tax** – As of December 31, 2025, the City received \$3.2 million in Property Tax. Property tax revenue is composed of secured property tax and pass-through increments that are distributed after the debts of the former Culver City Redevelopment Agency are paid. The City's secured property tax receipts are above last year and are estimated to meet original budget projections for Fiscal Year 2025-2026. As the enforceable obligations of the Successor Agency to the Redevelopment Agency are paid off, the pass-through property tax increment the City receives increases.
- **Sales Tax / Measure C/ Measure CC / Measure CL / PSAF** – Total Sales Tax receipts as of December 31, 2025 were \$12.1 million, or 29% of the Revised Budget. There are only four months of receipts reflected in this report. In accordance with government accounting standards and the remittance schedule from the California Department of Tax and Fee Administration (CDTFA), sales tax revenues are received about two months in arrears.

In August 2025, Culver City voters approved Measure CL, a quarter cent transaction and use tax, which is estimated to yield an additional \$2.4 million during the last two quarters of the fiscal year based on the performance of the City's other sales tax measures and the economic analysis

performed by the City's sales tax consultants, HdL. The City's Total Sales Tax category is anticipated to increase by \$3 million. This is inclusive of the City's Bradley Burns Sales Tax, Measure C, Measure CC, Measure CL and Public Safety Sales Tax (PSAF) receipts.

**Business Tax** – The Business Tax category in Table 1 is composed of Business Licenses Taxes and Cannabis Business Tax. Total Business License Tax receipts as of December 31, 2025 are \$1 million. Most of the revenues in this category are received between January and June due to the business license renewal cycle and subsequent compliance efforts. Staff anticipates the Business License Tax revenues will meet current budget projections. Cannabis Business Tax is projected to be lower than anticipated due to lower receipts from the City's remaining cannabis businesses. Staff is recommending decreasing revenues by \$260,000 for this category. The cannabis industry has continued to decline since its strong start several years ago, and that is reflected in the low receipts this fiscal year.

- **Franchise Tax** - Franchise fees are a form of rent businesses pay for use of public streets and roadways. Total receipts as of December 31, 2025 were \$209,757 and are slightly lower than the same period in the prior year due to the timing of collections and the posting of payments. Based on past performance, staff recommends no change in this revenue projection.
- **Real Property Transfer Tax** – Real Property Transfer Tax receipts as of December 31, 2025 were \$5.2 million or 88% of the Revised Budget. Real Property Transfer Tax came in significantly higher than the \$1.2 million received during the same period of the previous fiscal year. Due to timing of tax payments, this report reflects five months of receipts. This revenue source is extremely elastic and unpredictable. Staff anticipates increased revenues based on actuals received, analysis of real estate sales data provided by Los Angeles County, and historical trends, and anticipated residential and commercial property sales for the remainder of the fiscal year. Due to these factors, staff recommends an increase of \$3 million in anticipated receipts.
- **Utility Users Taxes (UUT)** – Total UUT receipts as of December 31, 2025 were \$7.4 million, or 42% of the Revised Budget. In accordance with the same accounting standards that apply to sales tax receipts, UUT receipts received in July are recorded into the prior fiscal year. As a result, as of December 2025, only five months of receipts have been recorded. Based on estimates received from the City's utility tax consultant, Neumo (formerly known as Avenu), and staff's review of the UTT revenues received in the last several fiscal years, it is recommended that UUT revenue is increased by a net amount of \$200,000.
- **Transient Occupancy Tax (TOT)** – TOT receipts as of December 31, 2025 were \$5.2 million or 39% of the Revised Budget. TOT is paid one month in arrears, so revenue at this point in the fiscal year accounts for the first five months. Staff recommends no change in the revised budgeted revenues for this category.
- **Commercial/Industrial Development Tax** – This category is driven by residential and commercial construction activity. It is an unpredictable revenue source, and very difficult to estimate. To account for this, budget projections for this revenue source tend to be conservative. The total revenue received for this category as of December 31, 2025 was \$298,702 or 60% of the revised budget. Staff recommends no change to this revenue source and anticipates that the City will receive the anticipated \$500,000 by the end of the fiscal year.

- **Licenses & Permits** – Licenses and permits for building, electrical and plumbing are the major sources of revenue for this category. Like Commercial/Industrial Development Tax, Licenses and Permits revenue is driven by residential and commercial construction activity. Revenues as of December 31, 2025 were \$2.67 million or 75% of the Revised Budget. The revenues for this category are higher than the same period in Fiscal Year 2024-2025. This increase is primarily a result of better than anticipated results from the 2025 User Fee Study associated with Advance Planning, Current Planning, and Building Safety permits. Based on the revenue to date, staff recommends increasing this category by \$1 million overall.
- **Intergovernmental Revenue** – Intergovernmental revenue is mostly comprised of the motor vehicle license fees (VLF) from the State Department of Motor Vehicles which are typically received in January and May. In prior years it has also included revenues from the POST program, CNG Excise Tax credits, CARES Act and FEMA reimbursements. Intergovernmental revenue as of December 31, 2025 was \$100,938 or 1.2% of the Revised Budget. Based on a review of historical State of CA VLF receipts, this revenue source is anticipated to increase by \$120,000.
- **Charges for Services** – Receipts in this category as of December 31, 2025 were \$6.54 million or 49% of the Revised Budget. The Charges for Services category is comprised of a variety of revenues ranging from fees for recreation programs to police services to plan check. Staff recommends increasing this category by \$251,000 due to better than anticipated results from the 2025 User Fee Study.
- **Fines and Forfeitures** – Fines and Forfeitures as of December 31, 2025 were \$1.95 million or 32% of the Revised Budget. This category is primarily comprised of red-light camera violations and moving violations written by Culver City traffic enforcement, and parking violations written by Culver City parking enforcement. Traffic citation issuance has increased appropriately 23% in the first six months of the fiscal year as a result of organizational changes implemented by the Police Department as part of the Fiscal Year 2025-2026 budget to enable the Department to process additional red-light camera violations and yield additional revenue. However, due to unanticipated delays with Los Angeles County court citation proceedings the anticipated revenue resulting from the increased citations is delayed. Staff now anticipates that the additional revenues that were originally projected in Fiscal Year 2025-2026 will be received in Fiscal Year 2026-2027 and ongoing. Based on an analysis of the current activity, staff is recommending a decrease in this category of \$1 million in the current year.
- **Use of Money and Property** – Use of Money and Property includes revenues from interest income, investments, income from the rental of City properties and rental registration unit fees. The revenues were \$1.5 million, or 28% of the Revised Budget. Due to ongoing accounting entries that occur during the fiscal year, this amount fluctuates over the course of the year, and staff recommends maintaining the original budget estimate.
- **Interfund Transfers In** – This category represents transfers into the General Fund from non-General Fund Departments as a reimbursement for costs associated with administrative support services including accounting, information technology and legal services funded from the General Fund. Staff recommends increasing the budget by \$50,000 to reflect a transfer from the Parking Authority Fund to the General Fund for the purchase of parking meter battery packs and LCD screens.

- **Other Revenues** – Other Revenues is comprised of loan payments, land sale proceeds, donations, and miscellaneous revenues. Other Revenues as of December 31, 2025 were \$475,845 or 44% of the Revised Budget which appears in line with previous years. Staff recommends increasing this revenue by a net \$100,000 to account for the ongoing reimbursement from UCLA for the dedicated Firefighter to the Mobile Stroke Unit, State of California mandated cost reimbursements, offset by corrections to anticipated revenues from the user fee study.

The recommended Mid-Year Revenue Adjustments total a net **\$6,632,822 increase** from the current Revised Fiscal Year 2025-2026 Budget.

## GENERAL FUND EXPENDITURES

General Fund expenditures through mid-year are \$109.8 million or 53% of the current Revised Budget, which is \$9.6 million higher when compared to the same period last fiscal year. The budgeted Non-Departmental transfers will be posted during the fiscal year-end process based on actual activity. The difference between Fiscal Year 2024-2025 and Fiscal Year 2025-2026 spending is primarily due to the \$2.5 million one-time donation made to Culver City Unified School District (CCUSD), the \$2.5 million increase in General Fund Unfunded Accrued Liability payment to CalPERS, and the \$5.7 million increase in liability reserve payments to the Self Insurance Fund.

A closer look at expenditures by Department shows that expenditures for nearly all Departments have increased over the same period last year. This is due to the filling of new and/or previously vacant positions, greenlighting of projects and initiatives providing additional services and cost of living adjustments.

The tables below display a comparison between expenditures for the first six months of Fiscal Year 2025-2026 and Fiscal Year 2024-2025. The tables also include projected expenditures for Fiscal Year 2025-2026 compared to the 2025-2026 Revised Budget.

*Comparison by Department:*

GENERAL FUND EXPENDITURES BY DEPARTMENT					
DEPARTMENT	2024-2025 EXPENDITURE AS OF 12/31/2024	2024-2025 EXPENDITURE TOTAL	2025-2026 EXPENDITURE AS OF 12/31/2025	2025-2026 REVISED BUDGET TOTAL	2025-2026 PROJECTED EXPENDITURES
Administration	\$ 3,299,679	\$ 6,599,218	\$ 3,702,248	\$ 8,674,567	\$ 9,106,567
City Attorney	\$ 1,156,560	\$ 2,352,143	\$ 1,298,450	\$ 2,771,376	\$ 2,771,376
Finance	\$ 3,994,615	\$ 7,886,885	\$ 4,355,496	\$ 9,384,748	\$ 9,528,748
Human Resources	\$ 1,666,883	\$ 3,443,667	\$ 1,967,818.51	\$ 3,857,392	\$ 4,162,392
Information Technology	\$ 3,624,489	\$ 7,137,483	\$ 3,752,762	\$ 7,811,017	\$ 7,814,017
Parks Recreation & Comm Svs	\$ 6,432,336	\$ 12,373,899	\$ 6,608,494	\$ 14,554,562	\$ 14,640,262
Housing & Human Services Dept	\$ 5,872,553	\$ 13,154,711	\$ 7,428,056	\$ 21,919,450	\$ 21,503,550
Police	\$ 32,461,905	\$ 57,587,824	\$ 36,748,904	\$ 60,229,079	\$ 60,229,079
Fire	\$ 20,720,037	\$ 37,278,075	\$ 23,046,757	\$ 38,552,023	\$ 40,129,073
Planning & Development Svcs	\$ 3,424,573	\$ 7,409,392	\$ 3,784,629	\$ 7,955,044	\$ 8,466,544
Public Works	\$ 9,378,303	\$ 18,605,635	\$ 10,007,277	\$ 20,754,431	\$ 20,855,842
Non-Departmental	\$ 1,939,741	\$ 5,215,732	\$ 4,552,570	\$ 8,501,359	\$ 6,282,598
Non-Departmental - Transfers	\$ 6,163,903	\$ 17,755,997	\$ 2,530,500	\$ 3,431,906	\$ 3,506,906
<b>Total</b>	<b>\$ 100,135,576</b>	<b>\$ 196,800,659</b>	<b>\$ 109,783,961</b>	<b>\$ 208,396,954</b>	<b>\$ 208,996,954</b>

Table 2

## Comparison by Category:

<b>GENERAL FUND EXPENDITURES BY CATEGORY</b>					
<b>Category</b>	<b>2024-2025 EXPENDITURE AS OF 12/31/2024</b>	<b>2024-2025 EXPENDITURE TOTAL</b>	<b>2025-2026 EXPENDITURE AS OF 12/31/2025</b>	<b>2025-2026 REVISED BUDGET TOTAL</b>	<b>2025-2026 PROJECTED EXPENDITURES</b>
Personnel	\$ 72,567,709	\$ 133,018,194	\$ 79,402,327	\$ 136,911,232	\$ 137,542,082
O+M	\$ 21,111,233	\$ 42,695,917	\$ 27,167,048	\$ 66,812,683	\$ 68,375,344
Capital Outlay	\$ 265,050	\$ 7,710,115	\$ 676,656	\$ 1,241,134	\$ 1,791,384
Debt Service	\$ 11,492	\$ (4,355,402)	\$ 7,430	\$ -	\$ -
Appropriated Reserve	\$ 16,190	\$ 204,030	\$ 25,000	\$ 1,920,906	\$ 1,920,906
Budgeted Excess Appropriations	\$ -	\$ -	\$ -	\$ (3,500,000)	\$ (5,718,761)
Transfers Out	\$ 6,163,902	\$ 17,527,804	\$ 2,505,500	\$ 5,011,000	\$ 5,086,000
<b>Total</b>	<b>\$ 100,135,576</b>	<b>\$ 196,800,658</b>	<b>\$ 109,783,961</b>	<b>\$ 208,396,954</b>	<b>\$ 208,996,954</b>

Table 3

A few departments are currently exceeding the 50% mark halfway through the fiscal year, however, Finance staff projects that most departments will end the fiscal year within budget. Several large annual expenditures typically take place early in the fiscal year that push the six-month percentages higher than 50%.

The Personnel category was \$79.4 million or 58% of the Revised Budget. Actual expenditures exceed 50% of budget due to the prepayment of the California Public Employees' Retirement System (CalPERS) Unfunded Accrued Liability (UAL). \$23.5 million of the total \$27.8 million prepayment is made from the General Fund. When the City pays the UAL payment up front, CalPERS offers a discount, which was approximately \$920,000 in the current fiscal year. Also reflected in the personnel category increase is Salary Initiative Ordinance (SIO) and negotiated increases for Miscellaneous and Safety employees and the filling of some new and/or previously vacant positions.

The Operations and Maintenance (O&M) category was \$27.1 million or 41% of the Revised Budget. O&M expenditures as of December 2025 were \$6.0 million higher than December 2024 due to the \$2.5 million payment to CCUSD and more timely invoice payment processing earlier in the fiscal year.

Finance staff is confident that the General Fund expenditures will end the fiscal year within the revised Fiscal Year 2025-26 Budget of \$208.4 million.

### Mid-Year Appropriation Adjustment Request

At the midpoint of the year, departments have reviewed their expenditures and staffing levels and have made requests to amend them based on current and projected operational needs. The staff has carefully reviewed these requests in light of the City's strategic priorities and current budget constraints and recommends appropriation adjustments in the General Fund for mid-year of \$600,000 including \$475,000 in one-time funds for the purchase of a Fire Department vehicle for the Advanced Provider Unit (APU), \$75,000 to replace the Culver City Fire Department Fire Tower generator, and \$50,000 in ongoing funds to cover the costs of the parking meter batteries and LCD screen replacement. The \$75,000 for the generator will come from the General Fund Facilities Planning Reserve. The \$50,000 in ongoing costs are entirely offset by a reimbursement from the Parking Authority. For a detailed explanation of each General Fund and Other Fund mid-year appropriation request see Attachment 4

of this staff report. Staff recommends approving these appropriations which would bring the revised General Fund expenditure budget to \$208.9 million.

**OTHER MAJOR FUNDS**

A brief overview follows for the City’s Enterprise and Internal Service Funds.

**ENTERPRISE FUNDS**

The City has four Enterprise Funds: Refuse Disposal, Municipal Bus Lines, Sewer Enterprise, and Municipal Fiber Network, which account for the provision of direct services to the public where all or a substantial portion of the costs involved are paid in the form of user charges or fees for such services.

- **Refuse Disposal Fund** was established to account for the operation of the City's refuse disposal, transfer station operation, recycling efforts, and street sweeping services.
- **Municipal Bus Lines Fund** is used to account for the operation, as well as the capital assets, of the City's Bus Lines. Other funding assistance comes from FTA Section 9 (Federal-Capital), TDA and STA (Capital and Operating), and Proposition A and Proposition C.
- **Sewer Enterprise Fund** is used to account for revenues collected through sewer charge fees and sewer facilities charges. These funds are used for expenditures related to the operation and maintenance of sewer disposal facilities, capital projects, and debt service on bonds for sewer facility improvements.
- **Municipal Fiber Network Fund** was established through a loan from the General Fund to design and construct an open access network where Internet Service Providers (ISPs) will utilize City’s fiber infrastructure to service the business community.

A breakdown of the Fiscal Year 2025-2026 expenditures through December 31, 2025 for each enterprise fund is provided in Table 4.

<b>ENTERPRISE FUNDS EXPENDITURES</b>					
Category	2024-2025 EXPENDITURE AS OF 12/31/2024	2024-2025 EXPENDITURE TOTAL	2025-2026 EXPENDITURE AS OF 12/31/2025	2025-2026 REVISED BUDGET TOTAL	2025-2026 PROJECTED EXPENDITURES
Refuse Disposal Fund #202	\$ 10,357,110	\$ 22,901,247	\$ 12,882,424	\$ 28,410,701	\$ 29,675,701
Municipal Bus Lines Fund #203	\$ 19,428,822	\$ 37,035,941	\$ 20,040,936	\$ 84,452,281	\$ 80,963,702
Sewer Enterprise Fund #204	\$ 3,196,069	\$ 8,592,432	\$ 11,024,864	\$ 24,823,634	\$ 25,736,534
Municipal Fiber Network Fund #205	\$ 622,947	\$ 2,165,743	\$ 261,090	\$ 1,892,316	\$ 1,892,316
<b>Total</b>	<b>\$ 33,604,948</b>	<b>\$ 70,695,363</b>	<b>\$ 44,209,314</b>	<b>\$ 139,578,933</b>	<b>\$ 138,268,254</b>

Table 4

**REFUSE DISPOSAL FUND 202**

Mid-year Refuse Disposal Fund revenues are trending favorable to budget at 47% or \$11.3 million out of an anticipated \$24 million for Fiscal Year 2025-2026. Staff anticipates collecting an additional \$3.1

million in Fiscal Year 2025-2026 primarily due to the continuation of an outside hauler agreement that allows delivery of municipal waste from a neighboring jurisdiction to the Culver City Transfer Station for a fee, as well as additional refuse collection service revenues.

Expenditures in the Refuse Disposal Fund are favorable to budget at 45% or \$12.9 million out of revised budgeted of \$28.4 million for Fiscal Year 2025-2026. The mid-year request for approximately \$1.3 million is to account for the associated outside hauler (Athens) agreement (\$1.2 million) as well as other equipment maintenance cost increases (\$100,000).

### MUNICIPAL BUS LINES FUND 203

Municipal Bus Lines Fund revenues are \$5.7 million or 15% of budgeted revenue. Municipal Bus Lines Fund revenues are mostly a combination of local, state, and federal funding sources along with farebox revenues. Revenue from capital grants operate on a reimbursable basis that is received after work has commenced and costs incurred. Staff is recommending a overall net reduction of \$2.2 million to account for two material budget corrections - \$1.3 million reduction to remove the anticipated TDA revenues, and \$1.3 million correction to the anticipated rent collections for the Transportation Building, offset by \$200,000 increase in Prop A Local Return subsidy for transit operators, and \$200,000 in other capital revenue reimbursements.

As of December 31, 2025, the Municipal Bus Lines Fund expenditures are \$20.1million, or 24% of the Revised Budget. Only 2% of the \$37.4 million budgeted for capital projects has been expended. Staff recommends increasing the operating and maintenance budget by \$500,000 to account for one-time cost increases related to equipment maintenance and insurance claims costs. Staff also recommends reducing the capital budget by \$3.5 million to account for CIP project completed in prior years and eliminating the \$500,000 planned interfund transfer from the 203 Muni Bus Fund to the 411 Paratransit Fund. The Paratransit services costs will be covered by Prop A Local Return and Prop C Local Return funds in Fiscal Year 2025-2026.

### SEWER ENTERPRISE FUND 204

Sewer Enterprise Fund operating revenues at mid-year are \$2.9 million, or 30% of budget. Staff anticipates a reduction of about \$180,000 in sewer facility permit revenues due to the timing of large development projects.

As of December 31, 2025, Sewer Fund operating expenditures are approximately \$11.0 million, or 44% of the revised budget. Personnel costs are at 52% of the Revised Budget. Operating expenditures are well below 50% due primarily to the timing of payments to the City of Los Angeles for the Hyperion Treatment Plant. Capital improvement projects in the Sewer Fund are currently \$6.2 million expended, or 45% of capital budget. Continued activity on sewer related capital projects will occur in the second half of the fiscal year. Capital projects are funded from sewer bonds.

Staff is recommending a one-time budget increase of \$330,000 to account for the contributions to City of Los Angeles for the Hyperion Plant and \$75,000 to fund outside audit firm services for the operational and financial agreement between the City of Culver City and City of Los Angeles. Finally, staff is recommending a budget adjustment of \$432,000 in one-time and \$75,900 in ongoing costs to account for the replacement of an existing vehicle that has exceeded its useful life and the purchase of an additional vehicle with a crane body to add to the City's fleet.

### MUNICIPAL FIBER NETWORK FUND 205

Culver Connect is the City’s open access network that was deemed operational in July 2018. In March 2021, the City transitioned to a new network operator, Onward. The City is also in partnership with Onward to provide the business community with internet services utilizing the Culver Connect fiber infrastructure. In October 2021, Onward lit its first internet service commercial customer. Additionally, City Council approved allowing Onward to provide residential internet services to multi-family customers. The City has continued to work with Onward to identify and market to new customers, including the development of marketing materials such as Onward advertisements on the side of City-owned vehicles and Culver City Bus. Last fiscal year, Onward increased their customer base and the Fund also realized subscriber revenue from the contractual revenue-share partnership. Staff anticipates an increase of \$48,900 in municipal fiber revenues based on analysis of activity to date and anticipated activity for the rest of the fiscal year.

## INTERNAL SERVICE FUNDS

The Internal Service Funds are used to account for services and commodities furnished by designated funds of the City to user departments of the City.

- **Equipment Replacement Fund** is used to hold annual replacement payments from designated user departments and to use those funds to purchase equipment for general City purposes.
- **Equipment Maintenance & Fleet Services (EMFS) Fund** accounts for all activities of the City's central equipment maintenance operations, the costs of which are distributed among designated user departments.
- **Self-Insurance Fund** receives and disburses funds pertaining to the general liability and workers' compensation insurance programs. It also funds the Employee Disability (IOD) program for employee long-term work-related disabilities.
- **Central Stores** accounts for the timely purchase of needed materials, supplies and auto parts in advance of actual need. Departments are billed as items are issued for use.

INTERNAL SERVICE FUNDS EXPENDITURES					
Category	2024-2025 EXPENDITURE AS OF 12/31/2024	2024-2025 EXPENDITURE TOTAL	2025-2026 EXPENDITURE AS OF 12/31/2025	2025-2026 REVISED BUDGET TOTAL	2025-2026 PROJECTED EXPENDITURES
Equipment Replacement Fund #307	\$ 2,895,461	\$ 2,339,085	\$ 714,079	\$ 13,227,151	\$ 13,365,151
Equipment Maintenance Fund #308	\$ 5,278,311	\$ 10,749,937	\$ 5,512,463	\$ 10,937,655	\$ 11,187,655
Self-Insurance Fund #309	\$ 6,437,277	\$ 14,413,519	\$ 7,041,090	\$ 13,230,409	\$ 13,357,659
Central Stores Fund #310	\$ 1,433,531	\$ 2,797,568	\$ 1,598,664	\$ 2,940,407	\$ 2,940,407
<b>Total</b>	<b>\$ 16,044,580</b>	<b>\$ 30,300,108</b>	<b>\$ 14,866,296</b>	<b>\$ 40,335,622</b>	<b>\$ 40,850,872</b>

Table 5

### EQUIPMENT REPLACEMENT FUND 307

At mid-year, the Equipment Replacement Fund actual expenditures are \$714,000, or 5.3% of the Revised Budget. Currently, there is \$6.3 million encumbered for vehicles/equipment.

Staff recommends a one-time budget increase of \$138,000 to account for unanticipated cost increases associated with the replacement of the existing six side loaders in CIP #PE004.

Equipment Replacement revenues, which are mainly the contributions from the various funds for replacement costs, will be fully recognized at year-end.

## EQUIPMENT MAINTENANCE & FLEET SERVICES (EMFS) FUND 308

The EMFS Fund mid-year expenditures are approximately \$5.5 million, or 50% of the Revised Budget. Personnel costs are approximately \$2.9 million, or about 49% of the current year personnel budget. Fuel expenditures are approximately \$870,000 or about 39% of the fuel budget. The one-time mid-year expenditure request of \$250,000 reflects an increase in funds for repairs and maintenance of rolling stock due to higher prices for parts and repairs.

EMFS Fund revenues are on track to be fully realized at fiscal year-end. Staff recommends increasing revenues by \$311,400 to account for the increase in Department contributions to the fund. All expenditures will be covered to ensure this Fund continues to operate in a financially sound manner.

## SELF-INSURANCE FUND 309

The Self-Insurance Fund (SIF) regular expenditures at mid-year are \$8.2 million, or 62% of the Revised Budget. This fund exceeds 50% due to timing of premium payments, higher than estimated liability claims, workers compensation claims and higher personnel costs due to an above average number of employees on IOD. Further analysis of this fund will be performed by Finance and Human Resources staff as part of the Fiscal Year 2026-2027 budget process. Staff recommends a one-time increase totaling \$127,250 to account for 0.5 FTE Limited-Term Human Resources Associate to assist with Risk Management workers' compensation claims, insurance reviews, and serving as liaison between the City and external vendors.

Revenues for the SIF Fund are mainly allocations from the various funds and are on track to be fully realized at fiscal year-end. As part of the budget process for Fiscal Year 2026-2027, an in-depth review of the SIF Fund will be performed in the next couple of months to ensure the City meets the reserve percentage established in City's the financial policies. Any identified changes to Department allocations will be made during the Fiscal Year 2026-2027 budget process.

## CENTRAL STORES FUND 310

The Central Stores Fund operations are expected to meet the Revised Budget for Fiscal Year 2025-2026. Overall expenditures as of December 31, 2025 are \$1.6 million or 54% of Revised Budget. There are no recommended changes for the mid-year.

## CONCLUSION

General Fund projections for Fiscal Year 2025-2026 show total estimated revenues at \$186.9 million, approximately \$6.6 million higher than the current Revised Budget total. While most of the proposed General Fund expenditure adjustments are anticipated to be off-set with cost savings in the current fiscal year, the General Fund projections for Fiscal Year 2025-2026 show total estimated expenditures to be \$208,996,954, an \$600,000 increase from the Adopted Budget. This includes the proposed one-time \$475,000 for the ambulance, the \$75,000 for the CCFD Fire Tower generator, and the on-going \$50,000 for the parking meter battery replacement. The cost of the battery replacements will be off-set by a transfer from the Parking Authority Fund. The generator will be funded from the General Fund Facilities Planning Reserve. The purchase of the ambulance will require additional use of the General Fund. As part of the Adopted Budget for Fiscal Year 2025-2026, the City intended to draw down approximately \$22.1 million from the General Fund Balance to address its \$15.0 million structural

budget shortfall and fund one-time capital projects. General Fund reserves were also needed to fund expenditures approved in the Revised Budget for Fiscal Year 2024-2025 that, due to project timing and implementation, did not get completed. These Council approved expenditures were carried-forward to Fiscal Year 2025-2026 in the amount of \$6.7 million. As a result of this reliance on General Fund Reserves, the City is projected to end Fiscal Year 2025-2026 with no Unassigned Fund Balance and a Contingency Reserve of 21% which is less than the 30% Council Policy.

Table 6 summarizes the projected Fiscal Year 2025-2026 ending fund balance for the General Fund.

GENERAL FUND - FUND BALANCE			
Est. Beginning Fund Balance		<b>140,824,821</b>	
FY 2025-2026 Revenues	\$186,926,514		
Less:			
FY 2025-2026 On-Going Expenditures	(192,672,904)		
Structural Budget Surplus / (Shortfall)	(5,746,390)		
Less:			
One-Time Transfers for Capital Projects			
Transfer from Unassigned Reserve Balance to CCUSD	(2,500,000)		
Transfer from Facilities Reserve Balance	(3,976,000)		
Transfer from Recreation Reserve Balance	(1,110,000)		
Transfer from Public Safety Reserve Balance	(117,140)		
One-Time Adjustment Request	(8,620,910)		
Total One-Time Expenditures	(16,324,050)		
Net / (Decrease) to Fund Balance		(22,070,440)	
<b>Est. Ending Fund Balance</b>		<b>118,754,381</b>	
<i>Breakdown of Ending Fund Balance</i>			
Non-Spendable		16,696,574	
Restricted Pension Trust Funds		32,285,249	
Restricted Jubilo Village Funds		12,000,000	
Contingency Reserves (30%)		43,267,395	21%
Facility Planning Reserves		14,505,163	
Recreation Facilities Reserves		-	
Public Safety Equipment Reserves		-	
Assigned		-	
Unassigned Fund Balance		-	
<b>Est. Ending Fund Balance</b>		<b>118,754,381</b>	

**Table 6**