MEETING DATE: 5/10/2010

AGENDA ITEM: Fiscal Year 2010-11 Third Quarter Financial Monitoring Report and Adoption of Proposed Budget Amendments

ATTACHMENTS

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PROPOSED REVENUE ADJUSTMENTS FOR FISCAL 2009-10		
Account Number	Revenue Classification	Proposed Adjustment
10132800.339120	Special Events	$ 1,000
10132810.339120	Fiesta La Ballona	$ 3,500
10111100.353100	Passport Processing Fee	$ 1,000
10152100.364100	Plan Zone, Subdivision	$ (57,085)
10152100.364300	Plng Svcs Reimbursement	$ (95,000)
10152100.364400	Business Planning Review Fee	$ 1,670
10132400.365110	Special Events	$ 2,000
10132600.365110	Special Events	$ (2,650)
10132800.365110	Special Events	$ (1,800)
10132600.365130	Concessions Revenue	$ (2,000)
10132330.365150	After School Program	$ (72,000)
10132100.365160	Non-Resident Admin Charges	$ 4,000
10132110.365210	Day Camp Fees	$ 7,000
10132120.365210	Day Camp Fees	$ (25,000)
10132120.365220	Youth Camp Fees	$ 5,000
10132100.365240	Recreation Park & Picnic Permi	$ (17,000)
10132110.365240	Recreation Park & Picnic Permi	$ 28,900
10132400.365310	Youth Sports Program Revenue	$ (22,950)
10132500.365410	Classes - Contracted Fees	$ 41,000
10132500.365450	Classes - Non-contracted Fees	$ 1,330
10132200.365510	City Plunge (Pool) Admissions	$ 15,000
10132200.365520	Pool Rental & Passes	$ 25,730
10132200.365530	Aquatics Programs	$ 19,585
10132200.365540	Aquatics Contract Classes	$ 5,900
10131100.365710	Senior Center Rental	$ (25,000)
10131100.365730	Meeting Room Rental	$ (50,000)
10131100.365740	Auditorium Rental	$ 80,000
10133100.365800	LA County Library-Kaizuka Gard	$ 9,652
10145100.367210	Strike Team	$ 17,077
10145100.367220	Instructional Services Revenue	$ (13,000)
10145100.367300	Fire Inspection - Business	$ 25,000
10145100.367310	Fire Inspection-Apt Bldgs	$ (74,000)
10145100.367400	Ambulance Fees	$ 116,710
10145600.367500	Hazardous Materials Fees	$ 50,000
10140900.368100	Special Police Services	$ 25,000
10140900.368300	Live Scan Fees	$ (44,500)
10140900.368500	DNA Services	$ 8,000
10161100.369100	Street Division Services	$ 3,000
10161100.369110	Weed/Lot Cleaning Assessment	$ (7,000)
10163300.369200	Electrical Division Services	$ (1,400)
10160500.369410	Stormwater Plan Ck Fees	$ 7,000
10152500.370110	Code Enforcement Fees	$ (1,500)
10116100.370620	Credit card convenience fee	$ 35,000
10113100.370710	City Property Damages Recovery	$ 15,000
10155100.371100	Billings to RDA (City Account)	$ 1,451,845

PROPOSED REVENUE ADJUSTMENTS FOR FISCAL 2009-10		
Account Number	Revenue Classification	Proposed Adjustment
10151500.371300	Plan Check Fees	$ 50,000
10145600.371300	Plan Check Fees	$ 55,000
10155100.375000	Admin Cost Alloc (Interfund)	$ (1,451,845)
10140900.338100	Court Fines - General	$ 443,000
10140900.338200	Vehicle Code Fines	$ (200,000)
10152500.338300	Admin Citations	$ 1,600
10120400.338300	Admin Citations	$ 4,410
10199900.391203	Trsf In From - Municipal Bus F	$ 3,293
10199900.391423	Trsf In From - Capital Grants	$ 136,158
10163300.339110	LA DOT & Caltrans	$ 5,980
10140900.342100	Post Program	$ 30,000
10115100.343000	SB 90 Reimbursement	$ 1,300
10115100.345000	State Motor Vehicle License Fe	$ (132,000)
10115100.345010	State Motor VLF In-Lieu	$ 115,116
10115100.339140	CNG Excise Tax Credit	$ 4,000
10151500.321000	Building Permits	$ 47,915
10151500.321010	Bldg Standards Admin Surcharge	$ 2,500
10151500.321100	Other License & Permits - Bldg	$ 5,950
10151500.322000	Electric Permits	$ 119,655
10151500.323000	Residential Building Records	$ 6,000
10151500.324000	Plumbing and Heating	$ 97,300
10115100.325000	Utilities	$ (39,000)
10132100.326000	Filming Permit	$ 15,000
10115100.326000	Filming Permit	$ 25,000
10115100.327000	Taxi Cab Permit	$ 10,000
10140900.328100	Police Alarm Permits	$ (6,555)
10140900.328150	Police False Alarm Chgs	$ (19,500)
10120400.328520	Dog Licenses	$ (5,570)
10145600.329000	Fire Detection / Suppression P	$ 70,085
10145600.330000	Fire Prevention Inspection Fee	$ (7,090)
10145600.330100	Other License & Permits - Fire	$ 20,000
10145600.330150	Fire Permit Surcharge	$ 500
10160500.331000	Street Permits	$ 10,000
10160500.331100	Conditional Encroach Permit	$ 25,000
10161100.332000	House Moving Permits	$ (6,500)
10114400.335100	Committee on Permits & License	$ 10,000
10115100.335200	Tobacco Retailer's License Per	$ 17,500
10115100.339200	Westfield Sign Revenue	$ 55,645
10152100.386100	Miscellaneous Revenue	$ (6,500)
10111100.386100	Miscellaneous Revenue	$ (175)
10114100.386100	Miscellaneous Revenue	$ 8,048
10114400.386100	Miscellaneous Revenue	$ 315
10145100.386100	Miscellaneous Revenue	$ 12,282
10145600.386100	Miscellaneous Revenue	$ (295)
10132810.386100	Miscellaneous Revenue	$ (52,000)

ATTACHMENT 1

PROPOSED REVENUE ADJUSTMENTS FOR FISCAL 2009-10		
Account Number	Revenue Classification	Proposed Adjustment
10134100.386100	Miscellaneous Revenue	$ 670
10140900.386100	Miscellaneous Revenue	$ 2,200
10160500.386100	Miscellaneous Revenue	$ 17,000
10161600.386100	Miscellaneous Revenue	$ (200)
10116100.386100	Miscellaneous Revenue	$ 102,824
10114400.386105	Unidentified Revenue	$ 11,500
10132100.386110	Coins-Over/Short	$ 2,600
10132330.386200	Donations	$ 870
10132600.386200	Donations	$ (300)
10132800.386200	Donations	$ (1,500)
10116100.386200	Donations	$ 1,100
10122100.386200	Donations	$ 2,500
10115100.386350	Land Sale Proceeds	$ 220,000
10115100.386400	Discounts Earned	$ 310
10115100.311220	Tax Increment-Pass-Through	$ 215,000
10114400.312100	Electricity	$ (207,000)
10114400.312110	Gas	$ (250,000)
10114400.312120	Water	$ 78,000
10114400.312130	Telecommunications	$ 151,000
10114400.312140	Cable TV	$ (19,000)
10115100.313000	Sales Tax	$ (673,140)
10115100.313010	Sales Tax In-Lieu	$ (928,890)
10115100.314000	PSAF Tax	$ (62,000)
10114400.317000	Real Property Transfer Tax	$ (750,000)
10114400.318000	Transient Occupancy Tax	$ 90,550
10115100.319000	Comm Industrial Develop Tax	$ (685,000)
10115100.382000	Interest Income	$ (55,000)
	Total Revenue Adjustments	**$ (1,760,370)**

City Of Culver City

3rd QUARTER REPORT (Through March 31, 2010)

FOR

FISCAL YEAR 2009-10

CITY OF CULVER CITY
2009-10 3rd QUARTER REPORT
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CITY OF CULVER CITY
2009-10 Budget Monitoring Report
3rd QUARTER Report (as of 3/31/10)
General Fund and Other City Funds

INTRODUCTION

Results through March 31, 2010 for the City are not extremely encouraging. Although Expenditures are lower than anticipated, Revenues are coming in even lower than originally anticipated. Certain categories of revenues have continued to perform poorly this fiscal year.

General Fund revenues through March are $**55.8 million**, or **67.3%** of adjusted budgeted projections. **General Fund expenditures** through March are **$60.95 million,** or **71.9%** 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 conditions in decades, as discussed in several previous reports, and there has not been improvement during fiscal 2009-10. It is very difficult to predict what will happen over the next few years. One school of thought holds that the positive economic signs currently being seen are an artificial result of the unsustainable stimulus dollars being pumped into the economy and tax breaks that are soon to sunset, and that the economy will head back into a second recession. The other school of thought is that there will be a very slow recovery, and that it will be years at best before the economy performs at levels similar to those prior to the recession.

REVENUES SUMMARY

General Fund Revenue Overview ***(as of 3/31/2010)***

- Through March, General Fund revenues are $55,824,958, or 67.3% of adjusted interim budget projections. Sales Tax continues to come in lower than anticipated, and receipts were also disappointingly low for the mid-November through mid-February true-up payment. This payment includes the holiday shopping season and re-opening of Westfield Shopping Center. Business License is performing slightly better than expected, although it is not expected to hit interim projections. Real Property Transfer Tax and Commercial Industrial Development Tax are coming in far below original projections, and are recommended to be revised downward.

- Sales Tax receipts are approximately 14.1% behind receipts at this time last year, and 20.8% behind receipts from fiscal 2007-08. This includes the Holiday shopping season and the re-opening of Westfield Shopping mall. It also reflects the loss of Hooman Automotive Dealer, Circuit City, and Karl Storz Endoscopy, all of which were large sales tax generators for the City.

Revenue Detail

- **Property Tax -** The adopted interim budget for Property Tax for fiscal 2009-10 is $3.685 million. Receipts through March are $2.57 million, and April will reflect the "second" round of payments for this category. The pass-through payment received from LA County came in higher than originally budgeted. Property Tax is expected to hit projections for fiscal 2009-10.

  It is recommended to increase the pass-through payment from the County by $215,000. The base Property Tax amount will remain at the original adopted interim budget amount. Projections for fiscal 2010-11 are $3.9 million.

- **Sales Tax -** The fiscal 2009-10 adopted interim budget projection for Sales Tax is $16.165 million. Even with 2007-08 actual receipts coming in at $17.92 million, staff kept projections lower due to the renovation of Westfield Shopping Mall during fiscal 2008-09 and the beginning of this fiscal year. By mid-year it became clear that a further reduction in the Sales Tax projections is necessary. Even with the re-opening of Westfield Shopping Center, retail sales have not recovered and are not expected to for the near future. The State has also "adjusted" the Sales Tax In-Lieu amount due the City this fiscal year, which has reduced the amount by approximately $900,000 from budgeted projections.

  The third quarter recommended adjustment for Sales Tax is recommended to be $14.56 million, which is $1.565 million less than the interim adopted budgeted amount. As mentioned previously, the closing and loss of several high sales tax generating businesses has contributed to this reduction, as well as the continued poor performance of retail sales. **This places sales tax back at fiscal 2001-02 levels.**

  The base Sales Tax projection for fiscal 2010-11 will show little increase, and most of the increase will be due to a full year of the Westfield Shopping Mall and the second Target store. The main increase will be in the In-Lieu amount and is estimated to increase by approximately $700,000 from this year's amount. The net amount of adjustment is in line with our Sales Tax auditor's estimates. Although retail sales are expected to stay low through the remainder of this year, there is a hope for a *slight* recovery towards the end of fiscal year 2010-11. A recovery, though, will not put the City back to where it previously had been with Sales Tax receipts. Those days are most likely years away.

  The additional factor in revising the Sales Tax projection for fiscal 2009-10 is the City recently received information pertaining to the Sales Tax In-Lieu amount that is received in January and May of each year. These two payments are part of the "Triple-flip" payments from the State which began in fiscal 2004-05. The City initially had projected the interim Sales Tax In-Lieu amount to be $4.165 million for fiscal 2009-10 based on information at that time and also discussion with our sales tax auditors. New calculations performed by the California Department of Finance reduced this amount based on significant statewide declines in sales tax receipts over the last year. The initial recalculation from the State was reported as $3.415 million. Since the November 2009 report to Council, this was again reduced to $3.236 million – a reduction of over $900,000 from the original budgeted amount. All agencies who receive these funds are seeing reductions.

- **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 2009-10 budgeted projections for PSAF are $360,000.

  Fiscal 2009-10 interim projections for this category were kept at the same amount as the budget projections for 2008-09, but further analysis indicates this category will not hit this mark. It is recommended to reduce this projection to $298,000 to better reflect the current economic conditions.

- **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 2009-10 interim budget projections for UUT are $14.637 million. Through March, receipts are $9.47 million, or approximately 64.7% of projections. Discussion of the fiscal 2009-10 performance to date of each UUT category is provided below.

  - <u>Electricity</u> – Adopted interim budget projection for Electricity UUT is $6.4 million. **Through March, receipts are $4.13 million, or 64.5% of projections. This** category is not expected to reach projections.

    It is recommended to adjust this projection to $6.2 million in fiscal 2009-10. Interim projections for fiscal 2010-11 for this category are $6.25 million.

  - <u>Natural Gas</u> – The fiscal 2009-10 interim adopted budget projection for Natural Gas UUT is $1.39 million. Through March, receipts for Natural Gas UUT are $640,000, or 46.1% of projections. Historically, receipts for this category come in stronger the second half of the fiscal year. Due to the significant reduction in Natural Gas prices and relatively mild weather through the winter months, this category will not hit the interim projection.

    It is recommended to reduce the 2009-10 projection for Natural Gas UUT to $1.14 million. Based on reports that natural gas prices are going to continue to stay low as decreased energy usage has caused a surplus in natural gas supply, this amount is thought to better reflect what the actual receipts will be for fiscal 2009-10. The fiscal 2010-11 projection has also been adjusted to reflect the reduction in Natural Gas prices.

  - <u>Water</u> – The fiscal 2009-10 budget projection for water UUT is $990,000. This has taken into account potential water conservation due to the drier than normal conditions experienced the last couple of years. Although reports do show a water shortage, usage remains rather steady, and receipts through March show water UUT at $711,800 million, or 71.9% of projections.

    It is recommended to adjust this amount to $1.068 million for fiscal 2009-10. Fiscal 2010-11 interim projections for water UUT are $1.105 million.

- Telecommunications – The fiscal 2009-10 budget projection for telecommunications UUT is $5.15 million. This was kept at a "low growth" level for fiscal 2009-10 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.

  It is recommended to adjust this projection to $5.3 for fiscal 2009-10. The adjustment is also in-line with our UUT consultant's projections. Interim projections for fiscal 2010-11 for Telecommunications UUT are $5.5 million.

- Cable Television – The budget projection for fiscal 2009-10 is $700,000 for Cable TV UUT. This category has remained relatively steady, and adjusted receipts through March are $454,000, or 64.9% of projections.

  Over the next few years, Cable UUT revenue is expected to remain flat or grow slowly, therefore Fiscal 2010-11 projections are increased only slightly to $720,000.

➢ **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 2009-10 interim budget projection for Business License is $9.541 million. This amount also includes the Business License Certificate. Receipts through February (and March) indicate this category will most likely hit the interim budget projections. Due to February 28 landing on a Sunday this calendar year, the last day for receipts to be received without a penalty was Monday, March 1, 2010. Late notices were recently sent out to approximately 200 businesses that were noted to not to have returned their business tax renewal by the due date.

Funding was approved in fiscal 2008-09 for a Business License Tax audit. This audit is currently in process this fiscal year, and it is anticipated that the results will be reflected in the fiscal 2010-11 fiscal year. It is recommended to leave the projection of $9.541million for fiscal 2009-10. Fiscal 2010-11 interim projections are $9.8 million.

➢ **Franchise Tax -** Franchise Tax receipts have remained relatively steady with slight growth over the years. The fiscal 2009-10 budget projection for this category is $1.33 million. Receipts through March show the category at $424,830. 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 amount for fiscal 2009-10. Interim fiscal 2010-11 projections for Franchise Tax are $1.4 million.

➢ **Transient Occupancy Tax -** Transient Occupancy Tax (TOT) receipts have been relatively steady. The fiscal 2009-10 interim budget projections are $2.75 million. Receipts for TOT are $1.892 million, or 68.9%, through March.

It is recommended to adjust this revenue source to $2.8 million for fiscal 2009-10. Fiscal 2010-11 projections for this category are also $2.85 million.

- **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 2009-10 is $1.5 million. Recent reports signal a significant slowdown for commercial sales, which will continue for the next few years. It has become quite clear that the original projection is too high. Real Property Transfer Tax receipts through March are only $574,000.

  It is being recommended to adjust this revenue to $750,000 million for fiscal 2009-10. Fiscal 2010-11 interim projections for this category are recommended to also be $750,000.

- **Commercial Industrial Development Tax -** This is a revenue category that fluctuates greatly from year to year. The last few fiscal years have seen high receipts, mostly due to major development occurring in the city. With the collapse of the financial markets, development activity basically came to a halt in fiscal 2008-09 and continued into 2009-10. The interim adopted budget projection for fiscal 2009-10 is $985,000. It is clear that this was too much of an optimistic projection for this fiscal year. Receipts through March are only $169,110, or 17.2% of projections.

  At the time the projection for fiscal 2009-10 was developed, there was strong expectation of a major development that was expected to begin construction in fiscal 2009-10. However, it is now known this will not occur, and revised projections for Commercial Industrial Development Tax are now recommended to be $300,000 for fiscal 2009-10. The interim budget projection for fiscal 2010-11 is $400,000.

- **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 2009-10 is $3.2 million and receipts through March are $1.65 million. Similar to the Sales Tax In-Lieu payments, these payments are received in equal installs in January and May of each fiscal year. The City will be receiving the second payment of $1.65 million in May 2010. It is recommended to increase the projection for this category to $3.3 million to reflect actual receipts.

  A smaller portion of the Intergovernmental revenue is the VLF administrative revenue. Unfortunately, rising DMV administrative costs have eaten into this revenue source. The budget projection for fiscal 2009-10 is $197,000 and will not reach estimates. It is recommended to adjust the amount to $65,000 for fiscal 2009-10.

- **Charges for Services -** Charges for Services through March 2010 are 75.0% 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 higher primarily due to increases to the billing rates. Rates, which are set by Los Angeles County, were increased 6% during the prior fiscal year. Through March receipts are $791,700, or 85.6% of interim budget projections.

  The Fiscal 2009-10 projection for this category is $925,000 and is recommended to be increased to $1.041 million.

- Strike Team Reimbursement –This category fluctuates significantly and is difficult to project on an annual basis. Current 2009-10 adjusted projections are $191,787, and as additional strike team reimbursements are received they are partially appropriated per direction of the Budget Resolution. Through March, receipts are $117,015. 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 2009-10, the total budgeted revenue is $660,000 and through March receipts are $486,925, or 74.0% of projections. The fee structure for rentals is currently being revised in an effort to simplify the fee structure and make it more equitable.

  The 2009-10 projection for the Veterans Complex is $660,000. It is recommended to increase this projection by $5,000. Fiscal 2010-11 proposed revenues are $715,000.

- Plan Check Fees - The fiscal 2009-10 adjusted budget is $968,000, and through March receipts are $985,600. Plan Check Fees were affected by the economic downturn, but the revenue has been bolstered by the continued Westfield Mall remodel early this fiscal year and is expected to come in higher than projected. Plan Check revenue is expected to remain relatively steady during the next year.

  Fiscal 2009-10 projections are $968,000. Projections are recommended to be increased to $1.023 million. Proposed revenues for fiscal 2010-11 are $1.094 million based on estimates from departments for projects currently in progress or that will be begin in fiscal 2010-11.

- Public Safety Related Fees - These revenues are made up of records requests, live scan fingerprints, vehicle impounds, and other miscellaneous fees. Through the third quarter, public safety related fees are above budgeted projections. Revenue of $449,500 was budgeted and thru March, over 88.5% of the revenue has been received. Live scan requests are much lower than last year, but the other revenues are higher than previous years.

- Recreation Fees – 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 $1,753,396 and the total receipts through March are $1,008,118, so at this point only 57.5% of the revenues have been received. As the summer months approach, the influx of revenues will increase.

➢ **Fines & Forfeitures -** Fines & Forfeitures is made up of moving violations, which includes red-light camera violations and parking violations. Through March, Fines & Forfeitures revenue is holding.

Interim budget projections for fiscal 2009-10 are forecast at $4.057 million. It is recommended to increase this amount to $4.3 million.

➢ **Use of Money & Property -** The primary revenue in Use of Money & Property is the interest earned on investments. As of March, preliminary receipts in this category are $679,800, or 65% of initial projections.

It is recommended to reduce this category to $984,000. Fiscal 2010-11 projections are also proposed to be slightly lower, mainly due to the extremely low investments rates currently offered by financial institutions.

➢ **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 2009-10 are $1.816 million. Mainly due to last minute construction needs of Westfield prior to the re-opening, receipts through March are $1.793 million, or 99.0% of projections. The bulk of this revenue was received the first half of the fiscal year and has dropped off slightly over the second part. Building Permits, Electric Permits, and Plumbing & Heating Permits are all far ahead of projections at this point due to the Westfield renovation. Fiscal 2010-11 projections are $2.448 million.

➢ **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 2009-10 budget for Interfund/Department is $5,237,164, and through March $3,966,500 has been realized.

The cost allocation charges for fiscal 2010-11 is still being processed and are not available at the time of this report.

➢ **Other Revenues –** The 2009-10 adjusted budget for Other Revenues is $656,957, and through March receipts are $74,~~.~~783. The budget includes a $395,000 one-time payment from the Redevelopment Agency to purchase the Metro Spur (Wesley property) from the City, and a bequest to the Senior Center for improvements. These revenues will be realized later in the fiscal year.

➢ **Other (Interfund Transfers) -** Revenue for Other (Interfund Transfers) is budgeted at $3.995 million for fiscal 2009-10. Through March receipts are $3.133 million. The budget projection includes the one-time transfers from the Innovation Fund ($550,000) and the Equipment Replacement Fund ($1.25 million). This projection also includes an increased transfer from the Parking Improvement Fund due to increased parking rates.

The table below shows the adopted budget, third quarter adjusted budget, preliminary third quarter receipts, and percentage of receipts for General Fund revenues for fiscal 2009-10.

FISCAL YEAR 2009-10 3rd QUARTER GENERAL FUND REVENUES				
	ADOPTED BUDGET 2009-10	**ADJUSTED BUDGET 2009-10**	**PRELIMINARY RECEIPTS AS OF 3/31/10**	**% RECEIVED AS OF 3/31/10**
Property Tax	$3,685,000	$3,685,000	$2,573,696	69.8%
Sales Tax	$16,165,140	$16,165,140	$8,284,320	51.2%
Public Safety Sales Tax (PSAF)	$360,000	$360,000	$178,657	49.6%
Business Tax	$9,541,000	$9,541,000	$9,026,961	94.6%
Franchise Tax	$1,330,000	$1,330,000	$424,831	31.9%
Real Property Transfer Tax	$1,500,000	$1,500,000	$574,220	38.3%
Utility Taxes	$14,637,000	$14,637,000	$9,470,100	64.7%
Transient Occupancy Tax (TOT)	$2,746,450	$2,746,450	$1,891,801	68.9%
Commercial/Industrial Dev. Tax	$985,000	$985,000	$169,110	17.2%
Licenses and Permits	$1,816,790	$1,822,740	$1,793,478	98.4%
Intergovernmental	$3,453,380	$3,453,380	$1,770,146	51.3%
Charges for Svcs. (Includes RDA billings)	$10,212,115	$11,780,047	$8,730,764	74.1%
Fines and Forfeitures	$4,057,000	$4,057,000	$3,083,207	76.0%
Use of Money & Property	$1,039,000	$1,039,000	$679,793	65.4%
Interfund/Departmental (Admin. Allocation)	$6,689,009	$5,237,164	$3,966,458	75.7%
Other Revenues	$474,169	$656,957	$74,783	11.4%
Other (Interfund Transfers)	$3,995,300	$3,998,593	$3,132,633	78.3%
TOTAL GENERAL FUND	**$82,686,353**	**$82,994,471**	**$55,824,958**	**67.3%**

As mentioned in the revenue detail categories above, staff is recommending adjusting various revenue categories to better reflect anticipated receipts at the end of the fiscal year. Below is a table summarizing the categories recommended to be adjusted.

FISCAL YEAR 2009-10 THIRD QUARTER GENERAL FUND REVENUES	ADOPTED INTERIM BUDGET FISCAL 2009-10	RECOMMENDED ADJUSTMENTS FOR FISCAL 2009-10	DIFFERENCE
Property Tax	$3,685,000	$3,870,000	$185,000
Sales Tax	$16,165,140	$14,563,000	($1,602,140)
Public Safety Sales Tax (PSAF)	$360,000	$298,000	($62,000)
Business Tax	$9,541,000	$9,541,000	$0
Franchise Tax	$1,330,000	$1,330,000	$0
Real Property Transfer Tax	$1,500,000	$750,000	($750,000)
Utility Taxes	$14,637,000	$14,390,000	($247,000)
Transient Occupancy Tax (TOT)	$2,746,450	$2,837,000	$90,550
Commercial/Industrial Dev. Tax	$985,000	$300,000	($685,000)
Licenses and Permits	$1,816,790	$2,270,625	$453,835
Intergovernmental	$3,453,380	$3,477,800	$24,420
Charges for Svcs. (Includes RDA billings)	$10,212,115	$11,811,130	$1,599,015
Fines and Forfeitures	$4,057,000	$4,306,000	$249,000
Use of Money & Property	$1,039,000	$984,000	($55,000)
Interfund/Departmental (Admin. Allocation)	$6,689,009	$5,237,200	($1,451,809)
Other Revenues	$474,169	$795,420	$321,251
Other (Interfund Transfers)	$3,995,300	$4,134,750	$139,450
TOTAL GENERAL FUND	**$82,686,353**	**$80,895,925**	**($1,790,428)**

The largest reduction is in the Sales Tax category. When this amount was originally adopted almost a year ago, there was a modest optimism that FY 09/10 would see the beginnings of a modest recovery. As the year has progressed it is extremely clear this will not be the case. Continued poor retail sales and reduction of the Sales Tax In-Lieu amount has pushed staff to adjust this amount down by over $1.6 million. The other two categories that have large downward adjustments are the Real Property Transfer Tax and Commercial/Industrial Development Tax. The economy has hit both of these categories extremely hard, and staff was a bit too optimistic with the original projections. Recent news reports have reported that the commercial real estate market is going to drop even farther. Since commercial real estate is a large portion of the Real Property Transfer Tax category, it is being reduced to reflect this drop. A development that was thought to move forward this year did not materialize as planned, thus, the Commercial/Industrial Development Tax will not reach projections and is recommended to be adjusted to $300,000. Licenses and Permits show an increase, mainly due to higher than expected last minute permits from the Westfield Shopping Center renovation.

Charges for Services and Interfund/Departmental categories are recommended to be adjusted based on a reclassification of funding moved from one category to another. Charges for Services has also seen some increased activity as well, and this is also reflected in the increase.

Over all the preliminary year-end estimates of General Fund revenues for Fiscal 2009-10 is a reduction of approximately $1.8 million. This reflects almost a 3% reduction from original interim projections.

The next couple of charts are for illustrative purposes. The chart below shows the drop in revenues experienced over the last year, from March 2009 to March 2010. Almost all categories have seen a significant reduction since this time last year, especially sales tax. Interfund transfers, administrative cost allocation, and RDA Billings are fully recovered annually.

Revenue Comparison
Fiscal 2008-09 & Fiscal 2009-10

Revenue Description	Receipts thru March 2008-09	Receipts thru March 2009-10	$$ Change from fiscal 2008-09	% Change from fiscal 2008-09
Property Tax	$2,280,289	$2,573,696	$293,407	12.87%
Sales Tax	$9,640,235	$8,284,320	($1,355,915)	-14.07%
Public Safety Sales Tax	$202,305	$178,657	($23,648)	-11.69%
Business Tax	$9,375,328	$9,026,961	($348,367)	-3.72%
Franchise Tax	$523,979	$424,831	($99,148)	-18.92%
Real Property Transfer Tax	$643,760	$574,220	($69,540)	-10.80%
Utility Taxes	$9,830,221	$9,470,100	($360,121)	-3.66%
Transient Occupancy Tax	$2,051,289	$1,891,801	($159,488)	-7.78%
Comm/Ind Development Tax	$435,572	$169,110	($266,462)	-61.18%
Licenses and Permits	$1,603,095	$1,793,478	$190,383	11.88%
Intergovernmental	$1,679,497	$1,770,146	$90,649	5.40%
Charges for Services (Excluding RDA Billing)	$4,206,633	$4,264,929	$58,297	1.39%
Fines and Forfeits	$2,726,943	$3,083,207	$356,265	13.06%
Use of Money & Property	$981,207	$679,793	($301,413)	-30.72%
Other Revenues	$398,037	$74,783	($323,254)	-81.21%
External Revenue Subtotal	**$46,578,389**	**$44,260,033**	**($2,318,356)**	**-4.98%**
Other (Interfund Transfers)	$1,241,100	$3,132,633	$1,891,533	152.41%
Interfund/Departmental (Admin Allocation)	$4,521,974	$3,966,458	($555,515)	-12.28%
RDA Billings	$3,254,918	$4,465,835	$1,210,917	37.20%
Internal Revenue Subtotal	**$9,017,991**	**$11,564,926**	**$2,546,935**	**28.24%**
Total General Fund Revenues	**$55,596,381**	**$55,824,959**	**$228,578**	**0.41%**

Fiscal 2008-09 saw the first signs of the declining economy. Fiscal 2007-08 still had strong receipts in most all categories, and the following chart is included as another illustration at how much the economy has affected General Fund revenues. The drop in revenue receipts from March 2008 to March 2010 is over 10.5%. This does not include interfund transfers, administrative cost allocation or RDA billings, as these are fully recovered on an annual basis. Interfund Transfers for fiscal 2009-10 are especially high due to the one-time transfers of $1.25 million from the Equipment Replacement Fund and $550,000 from the Innovation Fund to help bridge the gap. Also, with the increase in Parking Meter rates, additional funds are being transferred to the General Fund beginning this year.

Revenue Comparison Fiscal 2007-08 & Fiscal 2009-10				
Revenue Description	**Receipts thru Mar 2007-08**	**Receipts thru Mar 2009-10**	**$$ Change from fiscal 2007-08**	**% Change from fiscal 2007-08**
Property Tax	$1,721,584	$2,573,696	$852,112	49.50%
Sales Tax	$10,453,081	$8,284,320	($2,168,761)	-20.75%
Public Safety Sales Tax	$217,317	$178,657	($38,660)	-17.79%
Business Tax	$9,657,273	$9,026,961	($630,312)	-6.53%
Franchise Tax	$544,457	$424,831	($119,626)	-21.97%
Real Property Transfer Tax	$1,862,262	$574,220	($1,288,042)	-69.17%
Utility Taxes	$9,577,027	$9,470,100	($106,927)	-1.12%
Transient Occupancy Tax	$1,750,732	$1,891,801	$141,069	8.06%
Comm/Ind Development Tax	$795,084	$169,110	($625,973)	-78.73%
Licenses and Permits	$1,756,556	$1,793,478	$36,922	2.10%
Intergovernmental	$1,635,874	$1,770,146	$134,272	8.21%
Charges for Services (Excluding RDA Billing)	$4,477,388	$4,264,929	($212,458)	-4.75%
Fines and Forfeits	$3,393,889	$3,083,207	($310,682)	-9.15%
Use of Money & Property	$1,243,791	$679,793	($563,997)	-45.35%
Other Revenues	$379,202	$74,783	($304,419)	-80.28%
External Revenue Subtotal	**$49,465,516**	**$44,260,033**	**($5,205,484)**	**-10.52%**
Other (Interfund Transfers)	$1,092,600	$3,132,633	$2,040,033	186.71%
Interfund/Departmental (Admin Allocation)	$4,235,917	$3,966,458	($269,459)	-6.36%
RDA Billings	$3,006,530	$4,465,835	$1,459,305	48.54%
Internal Revenue Subtotal	**$8,335,047**	**$11,564,926**	**$3,229,879**	**38.75%**
Total General Fund Revenues	**$57,800,564**	**$55,824,959**	**($1,975,604)**	**-3.42%**

ENTERPRISE FUND REVENUES

Refuse Fund

- Through March, **Refuse Fund** revenues total $7.898 million, which is 0.8% higher than this point last year. Two of the revenue categories which are lagging are Drop Box Service and Bin Rental Charges. Drop Box Service has received 62.1% of its adjusted budget, while Bin Rental Charges has only received 53.7% of its adjusted budget. Also, due to the slow economy, recycling rates have seen a drop. Consumers are not buying as much and this has a direct affect on trash and recycling disposal.

Transit Fund

- The **Transportation Fund** has received 22.3% of its budgeted revenue. Later in the fiscal year the fund is expecting to receive the bulk of its revenues, which are comprised of FTA, TDA, and Prop 1B funds. Despite the fare increase, farebox revenues are 8.6% lower than this point last year.

Sewer Fund

- **Sewer Fund** revenue, totaling $6.065 million, is 2.4% higher than this point last 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 86.8% of the adjusted budget. Sewer Facility Charges have far exceeded expectations, with revenue totaling $824,000 through March. Most of this particular revenue can be attributed to the construction at Sony and Westfield.

EXPENDITURES SUMMARY

General Fund Expenditure Overview ***(as of 3/31/2010)***

- Overall, preliminary General Fund expenditures through March are $60.954 million, or **71.9%** of appropriations, which is just at the 72.0% spending limit. Continued salary savings from vacant positions and, to a lesser extent, departments tightening up spending somewhat in O&M, is expected hold expenditures steady the remainder of the fiscal year.

- For the most part, departments are currently successful in coming in under the 72.0% spending limit through nine months of fiscal 2009-10. The **City Attorney's Office** (76.9%), and **Fire Department** (72.8%) currently exceed the 72.0% assumption.

- The **City Clerk's Office** (49.7%) is currently far below the 72.0% assumption. This is mainly due to election costs not yet being expended.

- *All other General Fund Departments are within a normal expenditure range, i.e. less than 72.0% but more than 64.0% of its adjusted budget expended.*

Expenditure Detail

Departments/Divisions Exceeding the Spending Assumption:

- The **City Attorney's Office** (76.9%), and **Fire Department** (72.8%) currently exceed the 72.0% assumption.

  - The **City Attorney's Office** is higher than the spending assumption primarily due to legal service expenses for litigation being almost fully expended to date. A large portion of the legal expenses are related to the County's certification of the EIR allowing expanded drilling in the Inglewood Oil Field.

  - The overage in the **Fire Department** is due primarily to personnel costs (constant staffing) that have been expended during strike team deployments. However, the City has received Strike Team reimbursement funds to offset the increased expenditures.

- Additionally, **ten (10)** General Fund divisions currently exceed the 72.0% target (excluding recreation programs that primarily consist of part-time salaries for seasonal programs). Although these divisions exceed their expenditure targets, **each respective department,** except for the two departments described above, is **below the 72.0% budget target** through nine months of the fiscal year.

  - **Office of the Police Chief** is at 73.4% and will end the year under target. The timing of some personnel costs can throw off a division that only contains personnel costs.
  - **Police Communications** expended 80.0% of its adjusted budget. The major factor is expending of overtime in excess of vacancy savings (over $100,000 over budget), as well as higher than budgeted bi-weekly payoffs for accrued vacation and sick leave. This is due to a vacancy within the division.
  - **Fire Suppression** expended 80.7% of its adjusted budget. A major factor is in constant staffing due to strike team deployments. As previously noted, the City has received Strike Team reimbursements to offset this increased cost. 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 (62.1%), which offsets some of the increased costs in Fire Suppression.
  - **Building Safety** expended just slightly over the target, and through March was at 72.3%. This is primarily due to Contract Labor expenses.
  - **Public Works Administration** is at 75.8% and will end the year under target. The timing of some personnel costs can throw off a division that mainly contains personnel costs.
  - **Maintenance Operations** expended 73.8% of its adjusted budget and is expected to come in under target at the end of the year.
  - **Tree Maintenance** expended 74.7% of its adjusted budget. This is due primarily to overtime and O & M expenses.
  - **Building Maintenance** is slightly over the target at 72.2%, and is expected to come in under the target at the end of the year.
  - **Graffiti Abatement** expended 75.4% of its adjusted budget. This is mainly due to overtime expenses that were not budgeted for. this will be evaluated for the fiscal 2010-11 budget and adjusted as necessary.
  - **Parking Maintenance** is at 74.4% and is primarily due to Maintenance charges being almost fully expended through March.

<u>Departments Significantly Below the Spending Assumption:</u>

- The **City Clerk** (49.7%) and Parks, Recreation and Community Services (PRCS) were both *below the 64.0% spending assumption* (i.e. more than 8% below the target).

  - **City Clerk** savings are mainly due to election funds not yet being expended. This will occur during the next few months and will be reported in subsequent reports.
  - **PRCS** has vacancies, which has enabled expenditures to be lower than normal.

All other General Fund Departments were within a normal expenditure range, i.e. less than 72.0% but more than 64.0% of its adjusted budget.

FISCAL YEAR 2009-10 3rd QUARTER GENERAL FUND EXPENDITURES				
	ADOPTED BUDGET 2009-10	**ADJUSTED BUDGET 2009-10**	**PRELIMINARY EXPEND AS OF 3/31/10**	**% EXPEND AS OF 3/31/10**
GENERAL GOVERNMENT				
CITY COUNCIL/CITY MANAGER	$1,556,692	$1,607,870	$1,142,360	71.0%
CITY CLERK	$562,079	$564,207	$280,374	49.7%
CITY ATTORNEY	$1,912,650	$2,531,540	$1,947,992	76.9%
FINANCE	$4,653,955	$4,784,916	$3,151,734	65.9%
Finance Admin & Budget	$1,256,055	$1,296,586	$839,748	64.8%
General Accounting	$621,704	$621,704	$397,119	63.9%
Accounting Operations	$979,853	$1,004,853	$694,526	69.1%
Treasury	$1,183,341	$1,248,771	$800,080	64.1%
Purchasing	$613,002	$613,002	$420,261	68.6%
HUMAN RESOURCES	$1,167,961	$1,214,414	$788,390	64.9%
INFORMATION TECH.	$3,364,099	$3,546,753	$2,416,066	68.1%
Total General Government	**$13,217,436**	**$14,249,700**	**$9,726,916**	**68.3%**
PARKS, REC. & COMMUNITY SVCS				
PRCS Admin	$835,656	$837,951	$475,959	56.8%
Cultural Affairs	$475,451	$481,103	$238,404	49.6%
Recreation	$963,266	$963,266	$661,249	68.6%
Parks and Playgrounds	$232,377	$232,377	$163,945	70.6%
Camp Programs	$203,353	$205,191	$145,859	71.1%
Pool and Aquatics	$374,428	$382,363	$285,302	74.6%
Culver City Afterschool Programs	$191,420	$193,312	$127,274	65.8%
Sports Programs	$193,334	$201,684	$126,098	62.5%
Rec and Enrichment Programs	$395,564	$531,072	$358,880	67.6%
Youth Center	$87,427	$87,427	$65,904	75.4%
Youth Mentoring	$11,682	$11,682	$9,235	79.1%
Community Events & Excursions	$25,949	$26,949	$20,816	77.2%
Fiesta La Ballona	$152,000	$155,789	$47,736	30.6%
Parks Division	$2,481,947	$2,519,167	$1,652,028	65.6%
Senior and Social Svcs	$615,578	$806,369	$380,974	47.2%
Total PR&CS	**$7,239,432**	**$7,635,702**	**$4,759,663**	**62.3%**

FISCAL YEAR 2009-10 3rd QUARTER GENERAL FUND EXPENDITURES (Cont'd)	ADOPTED BUDGET 2009-10	ADJUSTED BUDGET 2009-10	PRELIMINARY EXPEND AS OF 3/31/10	% EXPEND AS OF 3/31/10
POLICE DEPARTMENT				
Office of the Chief	$707,824	$707,824	$519,460	73.4%
Operating Bureaus	$27,268,921	$27,633,391	$19,160,476	69.3%
Communications	$1,450,036	$1,450,036	$1,160,104	80.0%
Animal Control	$206,001	$214,858	$96,844	45.1%
Total Police Department	**$29,632,782.0**	**$30,006,109.0**	**$20,936,884.0**	**69.8%**
FIRE DEPARTMENT				
Office of the Chief	$887,684	$1,026,840	$666,047	64.9%
Fire Suppression	$7,874,427	$8,000,735	$6,453,261	80.7%
Emergency Medical Svcs	$4,680,209	$4,685,902	$2,909,487	62.1%
Emergency Preparedness	$197,355	$199,955	$140,072	70.1%
Fire Prevention	$1,148,733	$1,149,183	$864,584	75.2%
Communications	$682,751	$713,847	$445,896	62.5%
Total Fire Department	**$15,471,159**	**$15,776,462**	**$11,479,347**	**72.8%**
COMMUNITY DEVELOPMENT				
Comm Dev Admin	$695,348	$704,098	$501,880	71.3%
Building Safety	$1,345,565	$1,403,718	$1,015,448	72.3%
Planning	$1,331,220	$1,495,106	$851,466	57.0%
Enforcement Services	$712,579	$726,821	$440,530	60.6%
Redevelopment	$1,987,888	$1,987,888	$1,330,562	66.9%
Neighborhood Preservation	$1,478,841	$1,482,486	$880,022	59.4%
Total Community Development	**$7,551,441**	**$7,800,117**	**$5,019,908**	**64.4%**
PUBLIC WORKS				
Public Works Admin	$614,223	$614,223	$465,874	75.8%
Engineering	$1,744,868	$1,801,183	$1,236,882	68.7%
Maintenance Ops	$348,456	$348,627	$257,240	73.8%
Streets	$2,457,016	$2,462,157	$1,667,572	67.7%
Tree Maintenance	$1,106,959	$1,119,798	$836,968	74.7%
Building Maintenance	$2,086,747	$2,111,995	$1,524,924	72.2%
Electrical Maintenance	$1,267,222	$1,268,060	$840,482	66.3%
Graffiti Abatement	$388,141	$389,953	$293,914	75.4%
Parking Meters	$106,614	$106,849	$79,468	74.4%
Environmental Programs/Ops	$172,769	$172,769	$75,057	43.4%
Total Public Works	**$10,293,015**	**$10,395,614**	**$7,278,381**	**70.0%**
NON-DEPARTMENTAL	$3,667,710	$3,096,475	$1,430,074	46.2%
Transfers	$354,000	$459,660	$323,301	70.3%
Projected excess appropriations	($4,629,000)	($4,629,000)	$0	0.0%
TOTAL GENERAL FUND	**$82,797,975**	**$84,790,839**	**$60,954,474**	**71.9%**

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

Below is the comparison of expenditures between fiscal 2008-09 and 2009-10 through March of each year. Expenses are within expected increases.

3rd QUARTER GENERAL FUND EXPENDITURES PRIOR YEAR COMPARISON				
	Expenses thru March 2008-09	Expenses thru March 2009-10	$$ Change from fiscal 2008-09	% Change from fiscal 2008-09
GENERAL GOVERNMENT				
CITY COUNCIL/CITY MGR	$1,230,877	$1,142,360	($88,517)	-7.19%
CITY CLERK	$300,267	$280,374	($19,893)	-6.63%
CITY ATTORNEY	$1,526,510	$1,947,992	$421,482	27.61%
FINANCE	$3,096,433	$3,151,735	$55,302	1.79%
Finance Admin & Budget	$937,841	$839,748	($98,093)	-10.46%
General Accounting	$364,520	$397,119	$32,599	8.94%
Accounting Operations	$513,443	$694,526	$181,083	35.27%
Treasury	$929,241	$800,080	($129,161)	-13.90%
Purchasing	$351,388	$420,261	$68,873	19.60%
HUMAN RESOURCES	$878,005	$788,390	($89,615)	-10.21%
INFORMATION TECH.	$2,183,949	$2,416,066	$232,117	10.63%
Total General Government	**$9,216,041**	**$9,726,916**	**$566,177**	**6.14%**
PARKS, REC. & COMM. SVCS				
PRCS Admin	$470,642	$475,959	$5,317	1.13%
Cultural Affairs	$402,807	$238,404	($164,403)	-40.81%
Recreation	$376,452	$661,249	$284,797	75.65%
Parks and Playgrounds	$202,518	$163,945	($38,573)	-19.05%
Camp Programs	$145,136	$145,859	$723	0.50%
Pool and Aquatics	$265,788	$285,302	$19,514	7.34%
Culver City Afterschool Programs	$178,263	$127,274	($50,989)	-28.60%
Sports Programs	$141,882	$126,098	($15,784)	-11.13%
Rec and Enrichment Programs	$368,677	$358,880	($9,797)	-2.66%
Youth Center	$121,781	$65,904	($55,877)	-45.88%
Youth Mentoring	$11,552	$9,235	($2,317)	-20.06%
Community Events & Excursions	$16,905	$20,816	$3,911	23.14%
Fiesta La Ballona	$116,914	$47,736	($69,178)	-59.17%
Parks Division	$1,554,565	$1,652,028	$97,463	6.27%
Senior and Social Svcs	$499,507	$380,974	($118,533)	-23.73%
Total PR&CS	**$4,873,389**	**$4,759,662**	**($113,727)**	**-2.33%**
POLICE DEPARTMENT				
Office of the Chief	$537,006	$519,460	($17,546)	-3.27%
Operating Bureaus	$19,369,214	$19,160,476	($208,738)	-1.08%
Communications	$1,132,358	$1,160,104	$27,746	2.45%
Animal Control	$8,468	$96,844	$88,376	1043.65%
Total Police Department	**$21,047,046**	**$20,936,884**	**($110,162)**	**-0.52%**

3rd QUARTER GENERAL FUND EXPENDITURES
PRIOR YEAR COMPARISON

	Expenses thru March 2008-09	Expenses thru March 2009-10	$$ Change from fiscal 2008-09	% Change from fiscal 2008-09
FIRE DEPARTMENT				
Office of the Chief	$637,161	$666,047	$28,886	4.53%
Fire Suppression	$6,871,241	$6,453,261	($417,980)	-6.08%
Emergency Medical Svcs	$2,669,214	$2,909,487	$240,273	9.00%
Emergency Preparedness	$36,149	$140,072	$103,923	287.49%
Fire Prevention	$828,108	$864,584	$36,476	4.40%
Communications	$430,273	$445,896	$15,623	3.63%
Total Fire Department	**$11,472,146**	**$11,479,347**	**$7,201**	**0.06%**
COMMUNITY DEVELOPMENT			0	
Comm Dev Admin	$507,513	$501,880	($5,633)	-1.11%
Building Safety	$1,014,406	$1,015,448	$1,042	0.10%
Planning	$939,547	$851,466	($88,081)	-9.37%
Enforcement Services	$491,394	$440,530	($50,864)	-10.35%
Redevelopment	$1,307,700	$1,330,562	$22,862	1.75%
Neighborhood Preservation	$895,413	$880,021	($15,392)	-1.72%
Total Community Development	**$5,155,973**	**$5,019,907**	**($136,066)**	**-2.64%**
PUBLIC WORKS				
Public Works Admin	$366,497	$465,874	$99,377	27.12%
Engineering	$1,244,282	$1,236,882	($7,400)	-0.59%
Maintenance Ops	$256,298	$257,240	$942	0.37%
Streets	$1,605,219	$1,667,572	$62,353	3.88%
Tree Maintenance	$784,528	$836,968	$52,440	6.68%
Building Maintenance	$1,508,196	$1,524,924	$16,728	1.11%
Electrical Maintenance	$821,396	$840,482	$19,086	2.32%
Graffiti Abatement	$255,816	$293,914	$38,098	14.89%
Parking Meters	$79,914	$79,468	($446)	-0.56%
Environmental Programs/Ops	$147,567	$75,057	($72,510)	-49.14%
Total Public Works	**$7,069,713**	**$7,278,382**	**$208,669**	**2.95%**
NON-DEPARTMENTAL	$1,488,756	$1,430,074	($58,682)	-3.94%
Transfers	$899,276	$323,301	($575,975)	-64.05%
TOTAL GENERAL FUND	**$61,222,340**	**$60,954,472**	**($212,566)**	**-0.35%**

Internal Service Funds Summary

- The **Equipment Maintenance & Fleet Services Fund** ended the month with expenditures and revenues nearly identical. Expenditures through March are $4,936,331, while revenues totaled $5,005,669. 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 $6.04 million, or 78.2% 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 right on target, at 79.0% of the adjusted budget.

  The Self Insurance Fund has taken a number of hits over the past few years, including more than $4 million in legal, settlement and repair costs related to the Culver Crest hillside litigation. Consequently, the Self Insurance Fund had a beginning cash balance for 2008-09 of only $1.8 million. By the end of fiscal 2008-09 the fund's cash balance was built back up to $5 million. It is expected to remain at this level at the end of fiscal 2009-10.

Enterprise Funds Summary

- **Refuse Fund** ended fiscal year 2008-09 with an operating surplus for the first time in many years. Fiscal 2008-09 year-end Refuse Fund revenues were $10.96 million, and year-end expenditures were $10.13 million (not including depreciation expense).

  Current year Refuse Fund expenditures are 5.2% higher than the expenditures through March of last year. Through March expenditures are at 59.1% of adjusted budget. This is partially attributed to lower than expected expenditures in the Transfer Station division, which has only expended 64.1% of the adjusted budget.

  NOTE: The outstanding Refuse Fund loan amount will be $976,920 at the end of fiscal 2009-10. Of this amount, $583,622 is owed the General Fund, $341,100 to the Equipment Replacement Fund, and $52,198 to the Innovation Fund. With the close-out of the Innovation Fund, the remaining amount will be added to the General Fund outstanding balance.

- The **Transportation Fund** ended March with expenditures at 34.9% of the adjusted budget. The low rate of expenditures is because the budgeted purchase of new CNG buses has not occurred yet. The buses are expected to be purchased once the FTA capital funds are received. Personnel related expenditures are currently at 64.9% of the adjusted budget.

- Thru March, the **Sewer Fund** expended only 49.2% 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, the Sewer Fund re-financed their existing bond debt, which resulted in approximately $100,000 a year in savings on debt service payments.

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 both active and retiree health benefits.

Culver CITY

FINANCIAL MONITORING REPORT

3rd Quarter FY09-10

PERFORMANCE AT A GLANCE

	CURRENT MONTH	YEAR TO DATE	PAGE
GENERAL FUND			
General Fund Combined Revenues & Expenditures			Page 3
General Fund Expenditures	NORMAL	NORMAL	Page 3
General Fund Department Analysis	BELOW/ABOVE/NORMAL	NORMAL	Page 4
General Fund Revenues	NEGATIVE	NORMAL	Page 5
Other Revenues	NEGATIVE	NEGATIVE	Page 5
Sales Tax	NEGATIVE	NEGATIVE	Page 6
Business License Tax	NEGATIVE	NEGATIVE	Page 6
Utility Users Tax	NEGATIVE	NEGATIVE	Pages 7- 9
Property Tax Revenue	WARNING	WARNING	Page 9
Charges for Services	POSITIVE	POSITIVE	Page 10
Transient Occupancy Tax	NEGATIVE	NEGATIVE	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/NEGATIVE	BELOW/NEGATIVE	Page 13
Sewer Operating Fund	BELOW/ABOVE	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 0.1% in March. Over the last 12 months, CPI has increased 2.3%. The increase was driven largely by energy costs.

Interest Rates: ***Even***

On March 16th, 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.

National GDP: ***Up***

Revised reports show that the GDP increased by an annualized rate of 5.6% in the fourth quarter of 2009. For the entire year, GDP declined 2.4% in 2009.

Ocean Container Traffic: ***Up***

In February, ocean container traffic into the ports of Los Angeles and Long Beach was up 28.2% from the same month last year.

Airport Passenger Traffic: ***Up***

Passenger traffic to local airports increased 3.4% from February 2009 to February 2010. International traffic increased 9.5%, while national traffic increased 2.6% over the last year.

UNEMPLOYMENT RATES

National		
	February 2009	8.2%
	February 2010	9.7%
	March 2009	8.6%
	March 2010	9.7%
State		
	February 2009	10.2%
	February 2010	12.5%
	March 2009	10.6%
	March 2010	12.6%
LA County		
	February 2009	10.5%
	February 2010	12.4%
	March 2009	10.9%
	March 2010	12.4%

ECONOMIC & FISCAL UPDATE

The economy is showing signs of improvement, but there are still many unresolved issues. The national unemployment rate has dropped in recent months to 9.7% from a high of 10%. The problem is that much of that decline is the result of temporary 2010 Census hiring. More positive news is that GDP continues to grow. Preliminary estimates show that GDP grew at an annualized rate of 3.2% in the first quarter of 2010. This follows annualized growth of 5.6% in the fourth quarter of 2009. The National Bureau of Economic Research's Business Cycle Dating Committee met on April 12th, but declined to declare that the recession, which began December 2007, is officially over. One committee member dissented and declared that the recession ended in June 2009. The committee may be delaying their declaration that the recession is over due to concern about a double dip in the recession. While the situation is slowly improving at the national level, the economic situation in California is much more uncertain. Due to unresolved budget issues at the state and local levels, such as high unemployment rates, increasing pension costs, and outstanding real estate issues, among many other problems, show economic recovery within the State of California is going to lag behind the rest of the country.

For the first three quarters of fiscal year 2009-10, General Fund revenues were 0.4% lower than the first three quarters of revenue received in fiscal year 2008-09. For the General Fund, sales tax is still the largest source of revenue even though receipts have declined over 20% since 2007-08 and are now at levels not seen since fiscal 2001-02. Even the extensive remodel and opening of new stores at the Culver City Westfield shopping mall wasn't enough to keep the City's sales tax receipts from declining for an 8th straight quarter. The 4th quarter 2009 sales tax receipts were 6.5% lower than receipts in the 4th quarter of 2008. Fortunately, the year over year declines have slowed and are no longer in declining double digits percentages. The decline in sales tax receipts should stabilize in the next quarter or two, but any near-term growth will be anemic at best.

The City has managed to keep General Fund expenditures on par with last fiscal year despite increases in personnel related costs. Through March, General Fund expenditures were 0.4% lower than this point last year. Reductions to operating and maintenance line items have also played a part in keeping expenditures flat.

As we progress through the budget process for fiscal year 2010-11, it is important that changes are made that address the structural deficit that Culver City is facing. Even if the economy miraculously bounces back next year, the City would still face a sizable budget gap due to increased CalPERs contributions, OPEB contributions, medical insurance plan increases, and deferred capital maintenance. Thus any changes that are made must be long term solutions, not temporary fixes that push the structural problem further into the future.

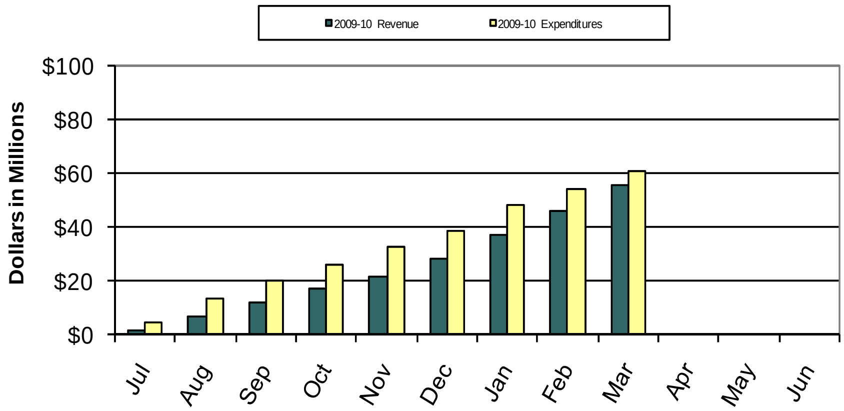
"He who will not economize will have to agonize."

Confucius, **Philosopher**

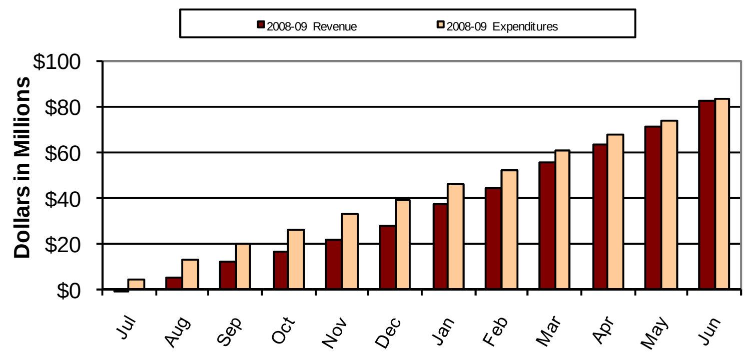
GENERAL FUND ANALYSIS:

REVENUES & EXPENDITURES THROUGH MARCH 2010 [Cumulative]:

	2009-10 Revenue	2009-10 Expenditures
July	$ 1,352,319	$ 4,406,707
August	5,501,702	8,905,669
September	4,986,324	6,707,352
October	4,833,294	6,093,888
November	5,137,094	6,251,153
December	6,260,180	6,401,137
January	8,980,097	9,300,747
February	8,758,990	6,289,551
March	10,014,960	6,598,270
April	-	-
May	-	-
June	-	-
TOTAL	$ 55,824,960	$ 60,954,474

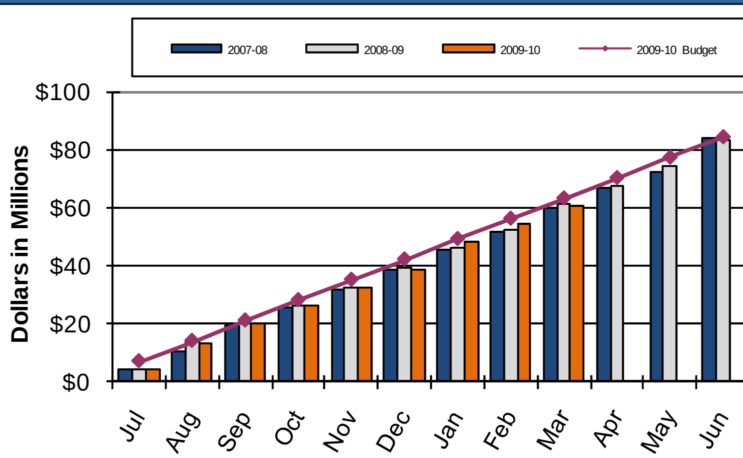


General Fund revenues are accrued back to a prior fiscal year for several of the larger categories such as Sales Tax, TOT, and UUT. This causes the monthly amount shown for July, and sometimes August, to look "low" when compared to future months. When comparing revenues and expenditures in a fiscal year 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 MARCH 2010 (Comparison of Fiscal Years 2007-08, 2008-09, and 2009-10) [Cumulative]

	2007-08 Expenditures	2008-09 Expenditures	2009-10 Expenditures
July	$ 4,177,856	$ 4,354,540	$ 4,406,707
August	6,110,635	9,117,410	8,905,669
September	8,739,298	6,660,426	6,707,352
October	6,614,130	6,282,672	6,093,888
November	5,739,487	6,246,091	6,251,153
December	7,463,020	6,322,259	6,401,137
January	6,833,180	7,044,018	9,300,747
February	6,081,761	6,520,875	6,289,551
March	8,423,258	8,674,051	6,598,270
April	6,605,769	6,536,762	
May	5,836,127	6,450,987	
June	11,334,820	9,226,738	
TOTAL	$ 83,959,341	$ 83,436,829	$ 60,954,474
Adj Budget	$ 86,018,123	$ 87,743,489	$ 84,790,835



BELOW BUDGET **<u>GENERAL FUND EXPENDITURES</u>** — Through the third quarter of fiscal year 2009-10, General Fund expenditures are at 71.9% of the adjusted budget. At this point last year, expenditures were at 69.9% of the adjusted budget. The higher percentage is due to a lower Adopted Budget in fiscal year 2009-10. During the fiscal 2009-10 budget process, O&M line items were scrutinized and reductions were made where possible. This resulted in an Adopted Budget that was $2.8M lower than fiscal year 2008-09. Overall, expenditures through March 2010 are $268,000 lower than they were at the end of the third quarter last year.

GENERAL FUND DEPARTMENT ANALYSIS:

Comparison of Adjusted Budget to Actual: Target = 72.00% through March 2010:

GENERAL FUND DEPARTMENTS	ADOPTED BUDGET 2009-10	ADJUSTED BUDGET 2009-10	ACTUAL EXPENDED AS OF 3/31/10	PERCENT EXPENDED 2009-10	TARGET AMOUNT
GENERAL GOVERNMENT					
CITY COUNCIL	$ 265,823	$ 265,823	$ 154,195	58.0%	$ 191,393
CITY MANAGER	1,290,869	1,342,047	988,165	73.6%	966,274
CITY CLERK	562,079	564,207	280,374	49.7%	406,229
FINANCE DEPT	4,653,955	4,784,916	3,151,735	65.9%	3,445,139
CITY ATTORNEY	1,912,650	2,531,540	1,947,992	76.9%	1,822,709
HUMAN RESOURCES	1,167,961	1,214,414	788,390	64.9%	874,378
INFORMATION TECH	3,364,099	3,546,753	2,416,066	68.1%	2,553,662
TOTAL GENERAL GOVERNMENT	**$ 13,217,436**	**$ 14,249,700**	**$ 9,726,916**	**68.3%**	**$ 10,259,784**
PARKS, REC. & COMMUNITY SVCS	7,239,432	7,635,700	4,759,662	62.3%	5,497,704
POLICE DEPARTMENT	29,632,782	30,006,109	20,936,884	69.8%	21,604,399
FIRE DEPARTMENT	15,471,159	15,776,461	11,479,347	72.8%	11,359,052
COMMUNITY DEVELOPMENT	7,551,441	7,800,116	5,019,908	64.4%	5,616,084
PUBLIC WORKS	10,293,015	10,395,615	7,278,382	70.0%	7,484,843
NON-DEPARTMENTAL	3,667,710	3,096,474	1,430,074	46.2%	2,229,462
Transfers	354,000	459,660	323,301	70.3%	330,955
Excess appropriation (4.0%) & Other	(4,629,000)	(4,629,000)	0	0.0%	-
TOTAL GENERAL FUND	**$ 82,797,975**	**$ 84,790,835**	**$ 60,954,474**	**71.9%**	**-**

NOTABLE EXPENDITURE VARIANCES THROUGH MARCH 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. Most Departments are in-line or below the target budget through March 2010. Below are notable variances for Departments over or below the target.

Departments significantly under Target (more than 8%):

City Council — The primary operating expenses, which include the contract for video and broadcasting services for Council meetings and audit services for items such as the City's annual Comprehensive Annual Financial Report (CAFR), have not yet been fully expended.

City Clerk — A vacancy has helped keep personnel expenditures below budget, even with a temporary employee filling in to fulfill the necessary duties of this position. Also, funding for the April 2010 election is included in this department, which inflates the budget number. Most of the expenses related to the election will spent in April and May.

PR&CS — At this point last year, the PR&CS department was 65.5% expended. Expenditures are generally low at this point of the year due to seasonal staffing issues. As the summer approaches, more programs and classes begin so personnel costs will increase.

Non-Departmental — Through March, Non-Departmental is only 46.2% expended due to a few factors. One reason is that this division houses the funds reserved in anticipation of the retiree sick/vacation payouts. At the end of the year the budget will be transferred to the divisions that experienced the costs of the payouts. Also, utility bills are paid out of Non-Department and the expenses generally lag one month.

Departments over Target:

City Manager's Office — The City Manager's Office is over the target due to a later than expected retirement and costs due to the turnover of the City Manager position.

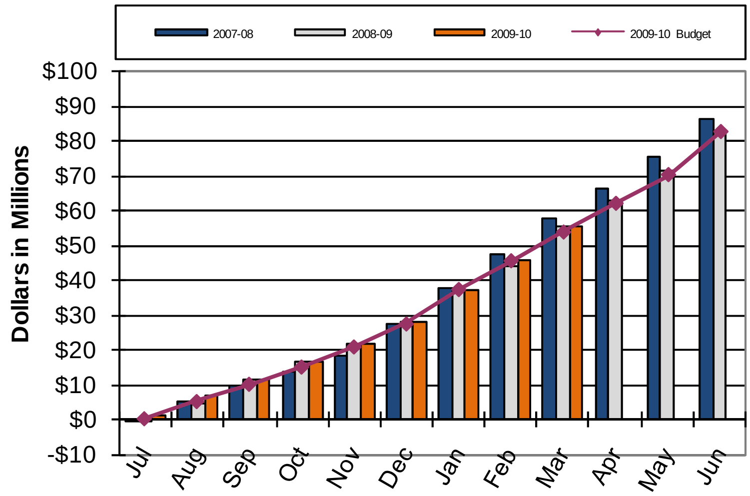
City Attorney's Office —The City Attorney's Office is over the target due to Legal Services expenses being 90.9% expended through March because of higher than average litigation costs this year.

Fire Department — The Fire Department is over target due to constant staffing costs associated with sending Strike Teams to assist with wild fires earlier in the fiscal year.

GENERAL FUND REVENUE ANALYSIS:

TOTAL GENERAL FUND REVENUES THROUGH MARCH 2010 (Comparison of Fiscal Years 2007-08, 2008-09, and 2009-10) [Cumulative]

	2007-08 Revenue	2008-09 Revenue	2009-10 Revenue
July	$ 341,121	$ 124,986	$ 1,352,319
August	5,062,285	4,966,099	5,501,702
September	4,334,446	6,791,085	4,986,324
October	4,165,591	4,644,193	4,833,294
November	4,559,561	5,309,425	5,137,094
December	9,017,272	6,470,501	6,260,180
January	10,436,417	8,816,481	8,980,097
February	9,466,608	7,185,772	8,758,990
March	10,417,263	11,287,839	10,014,960
April	8,838,122	7,623,944	
May	8,946,942	8,443,987	
June	10,713,892	11,081,440	
TOTAL	$ 86,299,520	$ 82,745,752	$ 55,824,960
Adj Budget	$ 82,774,909	$ 85,345,425	$ 83,145,357



<u>TOTAL GENERAL FUND REVENUES</u> — Total General Fund revenues through March 2010 are $55,824,959, or 67.1% of adjusted budget projections. Revenue receipts through March 2010 are slightly higher (by approximately $228,000) than at this same point last fiscal year.

<u>Commercial Industrial Development Tax</u> — Receipts through March 2010 for commercial/industrial development tax are 17.2% of budgeted projections. Slow development activity has continued to plague this category.
NOTE: Staff is recommending that this category be decreased to $300,000 from $985,000.

<u>Fines & Forfeitures</u> — Through March, fines and forfeiture's receipts were $3,083,207, or 76.0% of budgeted projections. Fines & Forfeitures is made up of moving violations, which includes red-light camera violations and parking violations.
NOTE: Staff is recommending that this category be increased to $4,306,000 from $4,057,000

<u>Real Property Transfer Tax</u> — Through the month of March, receipts were at 38.3% of budgeted projections. Due to the continued slow real estate activity receipts remain low. In past years this category has been very volatile and is highly dependent on commercial real estate transactions.
NOTE: Staff is recommending that this category be decreased to $750,000 from $1,500,000.

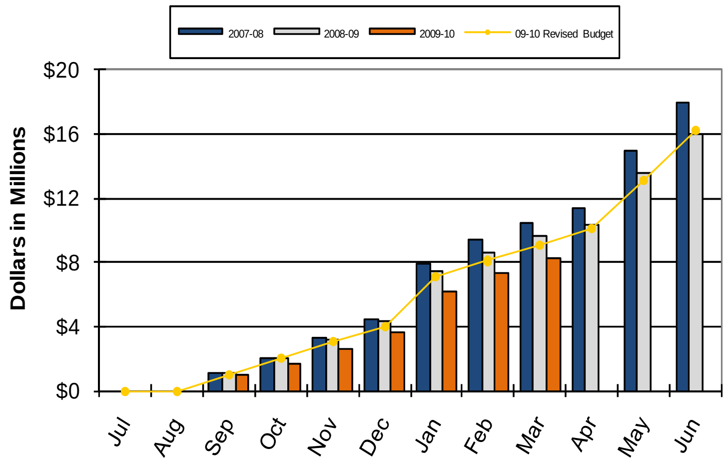
<u>Intergovernmental</u> — State Motor Vehicle License Fee (VLF) In-Lieu is the primary revenue in this category. VLF In-Lieu is paid to municipalities to make up for lost local revenue when the VLF rates were reduced from 2% to 0.65% in 2004. The budgeted amount for 2009-10 is $3.2 million and receipts through March are $1.65 million. These payments are received in equal installs in January and May of each fiscal year. The City will receive the second payment of $1.65 million in May 2010. A smaller portion of the Intergovernmental revenue is the VLF administrative revenue. Unfortunately, rising DMV administrative costs have eaten into this revenue source. The budget projection for fiscal 2009-10 is $197,000 and will not reach estimates.
NOTE: Staff is recommending that the VLF In-Lieu category be increased to $3.3 million from $3.2 million.
NOTE: Staff is recommending that VLF Administrative category be decreased to $65,000 from $197,000.

<u>OVERALL GENERAL FUND REVENUES</u> — It is important to note that given the unprecedented circumstances occurring within the national, state and local economies, it is difficult to forecast with certainty if a revenue category will meet its projections or not. Information being presented in this report is based on Culver City's actual receipts through March 2010, and from information received from various sources—including governmental, financial and multiple news sites. Staff monitors this information on a daily basis. If the mid-year adjustments for revenues are approved by City Council, they will be reflected accordingly in future reports.

GENERAL FUND REVENUE ANALYSIS (continued):

SALES TAX THROUGH MARCH 2010 (Comparison of Fiscal Years 2007-08, 2008-09, and 2009-10) [Cumulative]

	2007-08	2008-09	2009-10
July	$ 912,800	$ 883,000	$ 731,900
August	1,217,000	1,177,300	975,800
September	1,169,765	1,153,656	991,747
October	938,300	903,900	767,400
November	1,251,100	1,205,200	869,800
December	1,156,535	1,101,267	1,101,406
January	3,471,855	3,119,307	2,512,754
February	1,444,200	1,090,000	1,170,000
March	1,021,326	1,066,905	871,196
April	876,200	751,800	
May	3,557,052	3,127,807	
June	975,468	776,770	
Prior Yr Acc	(2,129,800)	(2,060,300)	(1,707,700)
Current Yr Acc	2,060,300	1,707,700	
TOTAL	**17,922,101**	**16,004,311**	**8,284,303**
Adj Budget	18,300,000	16,718,000	16,165,140



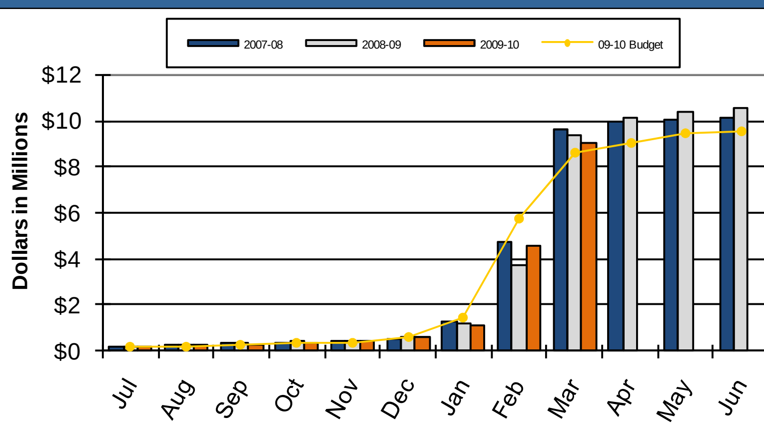
NEGATIVE

SALES TAX— Through the third quarter, Sales Tax receipts are down $1.7M from this point last year. Compared to fiscal year 2007-08, receipts are down $2.6M or approximately 21%. This puts sales tax receipts at levels not seen since fiscal 2001-02. Quarterly sales tax receipts continue to decline but the rate of decline is falling. Instead of double digit year over year declines, the City is now seeing single digit drops. The renovation and addition of new stores at the Westfield shopping mall has helped sales tax receipts, but it's not enough to offset the new consumer mindset. Bargain shopping is more popular than ever and experts are calling this the new normal. Within the next few quarters, receipts are expected to stabilize and receipts may grow slightly in fiscal 2010-11, but any substantial growth is not projected in the near future.

NOTE: Staff is recommending a budget amendment to reduce the fiscal 2009-10 sales tax budget from $16,165,145 to $14,600,000.

BUSINESS TAX THROUGH MARCH 2010 (Comparison of Fiscal Years 2007-08, 2008-09, and 2009-10) [Cumulative]

	2007-08	2008-09	2009-10
July	$ 166,407	$ 145,420	$ 144,821
August	90,161	127,706	91,285
September	40,187	102,857	33,837
October	48,583	56,862	68,109
November	44,065	29,579	67,728
December	132,250	143,597	166,390
January	753,918	545,761	536,077
February	3,428,559	2,529,652	3,441,251
March	4,953,144	5,693,894	4,477,464
April	298,323	790,587	
May	73,308	218,997	
June	142,573	149,774	
TOTAL	**$ 10,171,478**	**$ 10,534,685**	**$ 9,026,961**
Adj Budget	$ 9,144,000	$ 10,150,000	$ 9,541,000



POSITIVE

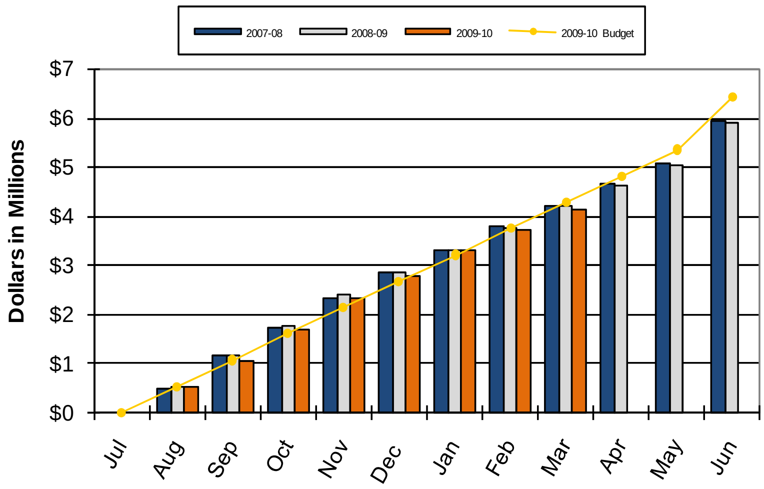
BUSINESS TAX — During the current fiscal year, businesses are paying taxes based on their gross receipts during the 2009 calendar year. Business taxes were due on March 1st this year, so the majority of the receipts are split between February and March. Through March, revenues are 94.6% of the budgeted projections. Delinquent notices are being sent to businesses that did not renew their business licenses, so additional revenue is expected to flow in over the next few months. If revenue in April, May and June mirrors the revenue of those months in prior years, this category should meet the budgeted projection of $9.541M.

GENERAL FUND REVENUE ANALYSIS (continued):

UTILITY USER'S TAX THROUGH MARCH 2010 (Comparison of Fiscal Years 2007-08, 2008-09, and 2009-10) [Cumulative]

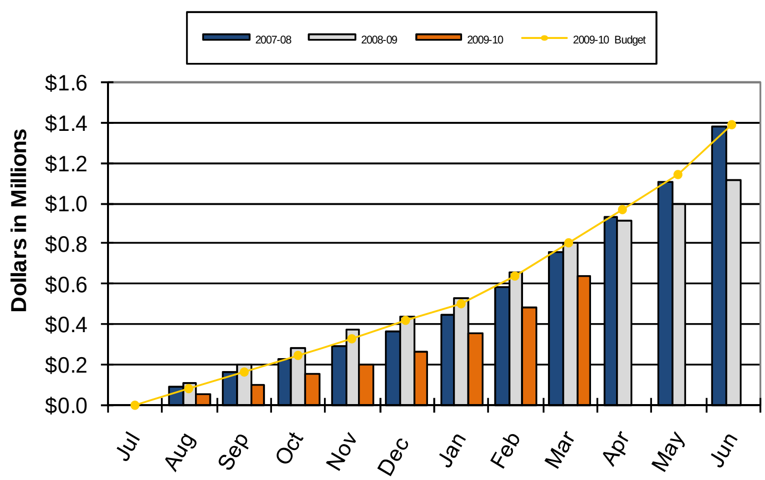
Electricity UUT

	2007-08	2008-09	2009-10
July	$ 417,420	$ 433,414	$ 467,916
August	500,334	524,237	530,976
September	669,748	636,710	540,491
October	556,764	611,030	622,753
November	621,597	637,669	624,382
December	513,303	464,135	456,489
January	454,472	456,181	537,513
February	485,773	435,445	429,754
March	426,921	437,940	387,256
April	441,445	440,247	
May	425,935	394,215	
June	432,822	406,363	
Prior Yr Acc	(417,420)	(433,414)	(467,916)
Current Yr Acc	433,414	467,916	
TOTAL	$ 5,962,528	$ 5,912,087	$ 4,129,614
Adj Budget	$ 5,800,000	$ 6,303,600	$ 6,407,000



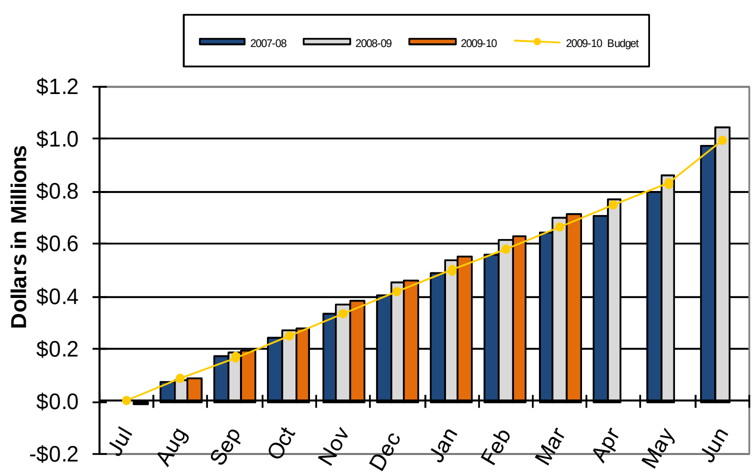
Natural Gas UUT

	2007-08	2008-09	2009-10
July	$ 98,599	$ 121,396	$ 56,849
August	88,810	114,570	51,456
September	76,452	90,419	49,460
October	66,079	79,765	50,140
November	62,463	86,173	50,175
December	68,182	72,379	65,229
January	88,358	90,211	88,581
February	132,893	126,404	132,739
March	171,072	142,148	152,337
April	180,198	110,984	
May	168,955	81,106	
June	155,111	65,010	
Prior Yr Acc	(98,599)	(121,983)	(56,849)
Current Yr Acc	121,983	56,849	
TOTAL	$ 1,380,558	$ 1,115,432	$ 640,117
Adj Budget	$ 1,346,000	$ 1,390,000	$ 1,390,000



Water UUT

	2007-08	2008-09	2009-10
July	$ 89,981	$ 100,185	$ 99,617
August	74,166	84,040	89,416
September	95,276	102,020	107,735
October	75,300	85,397	84,147
November	90,181	99,505	100,612
December	70,436	79,947	79,195
January	86,457	91,171	94,110
February	66,376	71,015	72,473
March	82,704	89,995	84,095
April	69,891	70,276	
May	87,329	90,956	
June	77,785	80,049	
Prior Yr Acc	(89,981)	(100,185)	(99,617)
Current Yr Acc	100,185	99,617	
TOTAL	$ 976,088	$ 1,043,989	$ 711,783
Adj Budget	$ 902,000	$ 960,000	$ 990,000

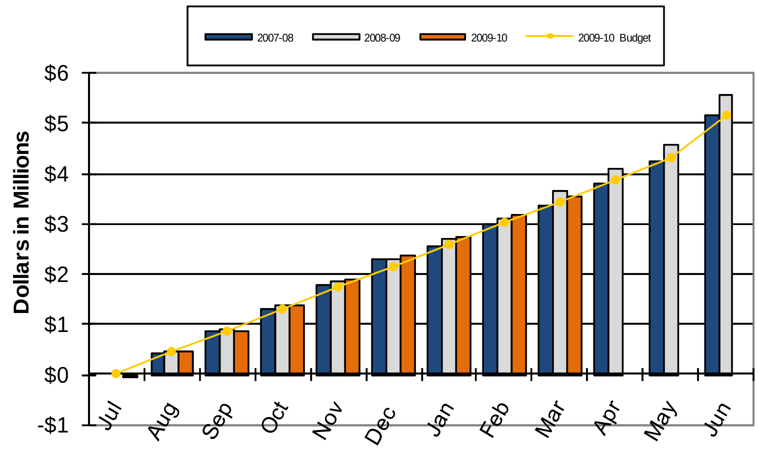


GENERAL FUND REVENUE ANALYSIS (continued):

UTILITY USER'S TAX THROUGH MARCH 2010 (Comparison of Fiscal Years 2007-08, 2008-09, and 2009-10) [Cumulative]

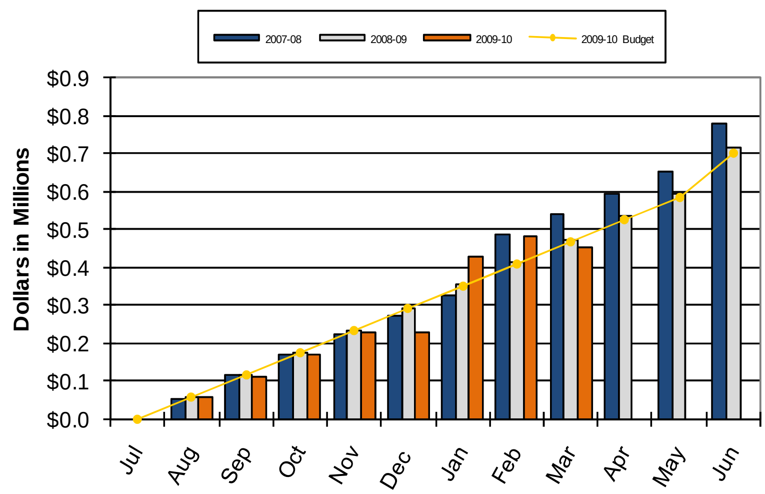
Telephone UUT

	2007-08	2008-09	2009-10
July	$ 372,380	$ 452,733	$ 459,736
August	416,124	459,313	463,425
September	442,406	464,139	401,781
October	380,131	451,736	501,048
November	430,844	475,264	532,236
December	453,656	442,409	460,922
January	443,788	398,430	378,850
February	416,961	415,252	451,143
March	375,482	542,671	345,667
April	456,352	462,296	
May	440,672	448,159	
June	440,576	532,444	
Prior Yr Acc	(372,380)	(452,908)	(460,248)
Current Yr Acc	452,908	460,248	
TOTAL	**$ 5,149,900**	**$ 5,552,186**	**$ 3,534,560**
Adj Budget	$ 5,000,000	$ 5,150,000	$ 5,150,000



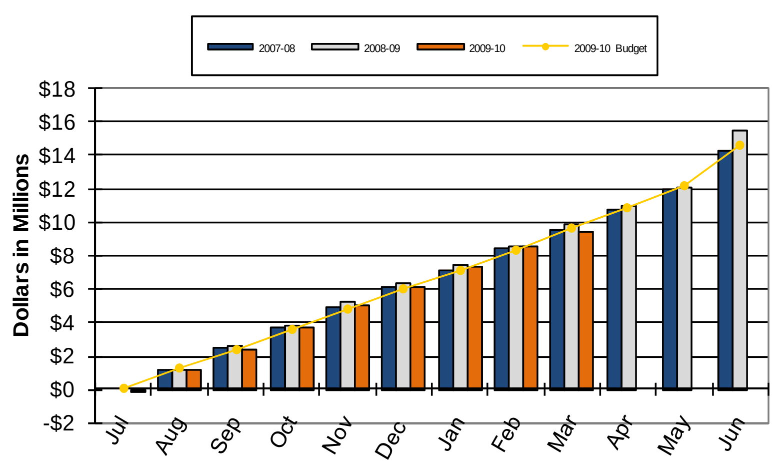
Cable UUT

	2007-08	2008-09	2009-10
July	$ 54,986	$ 56,845	$ 62,640
August	55,554	57,528	57,215
September	58,837	58,157	56,653
October	55,463	58,536	56,283
November	52,377	59,464	57,185
December	52,320	59,680	-
January	52,274	59,421	199,788
February	173,354	60,536	56,884
March	52,976	59,941	(29,983)
April	55,901	59,878	
May	55,521	59,312	
June	55,343	58,446	
Prior Yr Acc	(54,986)	(56,845)	(62,640)
Current Yr Acc	56,845	62,640	
TOTAL	**$ 776,765**	**$ 713,539**	**$ 454,025**
Adj Budget	$ 608,000	$ 675,000	$ 700,000



Total All UUT

	2007-08	2008-09	2009-10
July	$ 1,033,366	$ 1,164,573	$ 1,146,758
August	1,134,988	1,239,687	1,192,488
September	1,342,719	1,351,446	1,156,120
October	1,133,737	1,286,463	1,314,371
November	1,257,463	1,358,075	1,364,590
December	1,157,898	1,118,550	1,061,835
January	1,125,350	1,095,414	1,298,842
February	1,275,358	1,108,652	1,142,994
March	1,109,156	1,272,695	939,371
April	1,203,787	1,143,681	-
May	1,178,412	1,073,749	-
June	1,161,637	1,142,313	-
Prior Yr Acc	(1,033,366)	(1,165,335)	(1,147,270)
Current Yr Acc	1,165,335	1,147,270	-
TOTAL	**$ 14,245,839**	**$ 14,337,233**	**$ 9,470,099**
Adj Budget	$ 13,656,000	$ 14,478,600	$ 14,637,000



GENERAL FUND REVENUE ANALYSIS (continued):

UTILITY USER'S TAX THROUGH MARCH 2010

The 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. Through March, total UUT receipts are over 3.7% less than at this point last year.

NEGATIVE **ELECTRICITY UUT** — Revenues are 1.7% behind the receipts at this time last year, and thus, are also slightly behind budgeted projections. Through March, revenue was at 64.5% of the adjusted budget.

NEGATIVE **NATURAL GAS UUT** — Natural gas revenues are over 20% lower than receipts at this point last year. The low receipts is primarily due to low natural gas prices, which was caused by an oversupply of natural gas in the U.S.

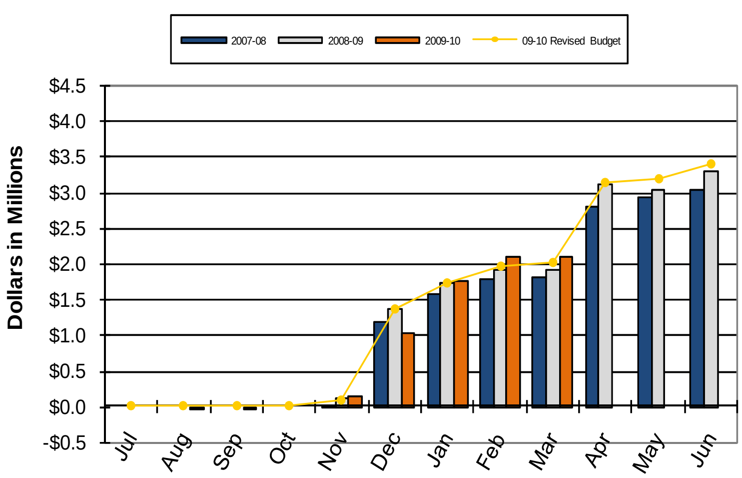
NORMAL **WATER UUT** — Through the third quarter of fiscal 2009-10, Water UUT receipts are 1.2% higher than the same point last year. City Council recently adopted a new water conservation ordinance, which went into affect in December 2009. It is too early to determine how drastically this will affect Water UUT receipts, but staff will continue to monitor receipts.

NEGATIVE **TELECOMMUNICATIONS UUT** — Through March, telecommunications revenue are 3.1% less than revenues at this point last year. Lower receipts can be partially attributed to consumers moving from contract based cell phone contracts to pay as you go services.

NEGATIVE **CABLE TELEVISION UUT** — Cable TV UUT receipts are 4.1% lower than last year. Revenues have been very stable, though, and are expected to remain this way through the year. Lower receipts may be partially attributed to some consumers cutting premiums channels due to recessionary factors.

PROPERTY TAX THROUGH MARCH 2010 (Comparison of Fiscal Years 2007-08, 2008-09, and 2009-10) [Cumulative]

	2007-08	2008-09	2009-10
July	$ 105,671	$ 65,250	$ 135,260
August	-	17,642	107,307
September	-	-	-
October	-	-	-
November	33,620	132,865	146,159
December	1,153,913	1,234,198	879,421
January	393,974	369,590	739,890
February	222,451	175,604	338,335
March	15,527	3,368	4,437
April	981,287	1,197,760	
May	145,646	(74,574)	
June	23,924	0	
Prior Yr Acc	(105,671)	(82,892)	(247,009)
Current Yr Acc	82,892	256,514	
TOTAL	**$ 3,053,233**	**$ 3,295,325**	**$ 2,103,801**
Adj Budget	$ 3,147,000	$ 3,340,000	$ 3,400,000



WARNING **PROPERTY TAX** — To balance the fiscal 2009-10 budget the State of California borrowed $858,929 of the City's property taxes. Culver City joined other cities to securitize the debt and thus will receive 100% of the City's fiscal year 2009-10 property tax. The first half of the securitized property tax was received in January and the second payment will be received in May. Through March, property tax receipts are 17.6% higher than at this point last year. Even though receipts through March are higher than last year, the timing of the property tax payments is different this year due to the State's actions. This revenue category is expected to end the year at the budgeted projections.

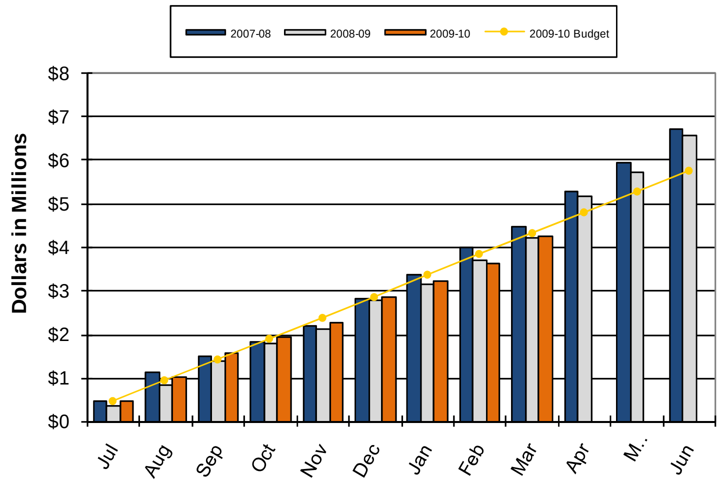
GENERAL FUND REVENUE ANALYSIS (continued):

CHARGES FOR SERVICES THROUGH MARCH 2010 (Comparison of Fiscal Years 2007-08, 2008-09, and 2009-10) [Cumulative]

Charges for Services*

	2007-08	2008-09	2009-10
July	$ 492,823	$ 383,633	$ 491,159
August	650,999	477,632	544,206
September	362,493	548,892	529,489
October	325,319	391,456	389,864
November	363,370	340,259	319,181
December	620,668	651,720	583,895
January	542,276	348,826	364,357
February	637,743	550,733	401,591
March	481,697	514,353	641,187
April	808,509	973,322	-
May	659,808	537,721	-
June	764,395	853,688	-
TOTAL	**$ 6,710,100**	**$ 6,572,235**	**$ 4,264,930**
Adj Budget	$ 5,813,450	$ 6,108,698	$ 5,954,983

*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 at 71.6% of the adjusted budget through the third quarter. Revenue for this category is 1.4% higher than last year at the same point. 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 to meet cost recovery goals, so the annual increases have enabled the growth of many of the revenues.

Charges for Services — Individual Category Notables through MARCH 2010

Veterans Memorial Auditorium Fees — Through the month of March, fee receipts for the Veterans Auditorium Complex, which includes the Senior Center and Teen Center rentals, were at 73.8% of budgeted projections for the fiscal year. Auditorium rental revenue is exceeding the forecasts, but Meeting Room, Teen Center, and Senior Center rentals are all lagging.

Public Safety Related Fees — Through the third quarter, Police Department charges for services are above budgeted projections. These revenues are made up of records requests, live scan fingerprints, vehicle impounds, and other miscellaneous fees. Live scan requests are much lower than last year, but the other revenues are higher than previous years.

Plan Check Fees — Year to date, plan check fees are at 82.6% of the projected budget. The strong receipts are due in part to receipts for the Westfield Mall renovations and Sony construction. Activity from other major developments has slowed down this year, so monthly revenue in this fee category may slow down for the remainder of the year.

Various Recreation Fees — Recreation fees in the amount of $1,008,118 were collected through the month of March. Currently these revenues are at 57.5% of the budget, but as the summer months approach, revenue is expected to increase.

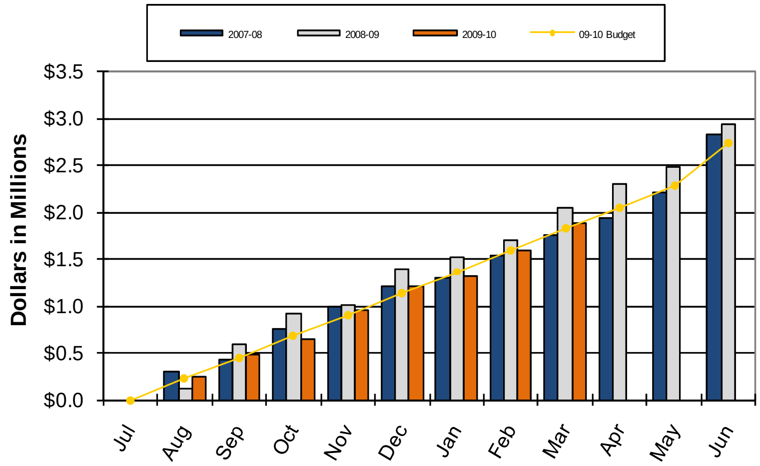
Ambulance Billings — Ambulance billings are at 85.6% of the adjusted budget. They are also higher than the receipts at this point last year. Fees, which are set by LA County, have increased in recent years so this category is expected to continue to remain steady.

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. Through March the City has received $117,015 in reimbursements.

GENERAL FUND REVENUE ANALYSIS (continued):

TRANSIENT OCCUPANCY TAX THRU MARCH 2010 (Comparison of Fiscal Years 2007-08, 2008-09, and 2009-10) [Cumulative]

	2007-08	2008-09	2009-10
July	$ 264,908	$ 301,739	$ 247,355
August	317,587	187,196	276,575
September	119,733	482,684	234,294
October	322,622	314,886	156,369
November	231,849	100,824	315,772
December	219,428	381,912	245,182
January	98,739	118,788	109,029
February	227,660	190,176	284,414
March	216,039	337,622	289,779
April	183,689	248,716	
May	272,733	175,561	
June	242,762	201,647	
Prior Yr Acc	(267,833)	(364,537)	(266,969)
Current Yr Acc	364,537	266,969	
TOTAL	**$ 2,814,453**	**$ 2,944,182**	**$ 1,891,801**
Adj Budget	$ 2,500,000	$ 2,850,000	$ 2,850,000

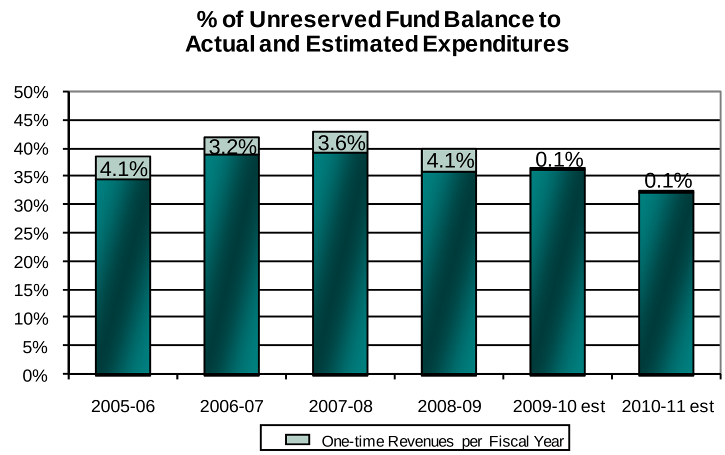


NEGATIVE **TRANSIENT OCCUPANCY TAX** — Receipts through the third quarter are at 66.4% of budgeted projections, and 7.8% lower than this point last year. This category has been drastically affected by the recession which has caused low occupancy rates and reduced room rates. Hotels in other areas of California have closed due to the current recession, but fortunately the major Culver City hotels have, so far, managed to weather the storm. Last year TOT receipts exceeded the budgeted projections, but current year receipts continue to lag. Recent reports show a slight increase in airline passenger traffic, which is encouraging, but we still need to remain conservative in our projections.

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 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 and 2008-09 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 (09-10)	$ 100,000
Total from Fiscal 2005-06	**$11,731,975**



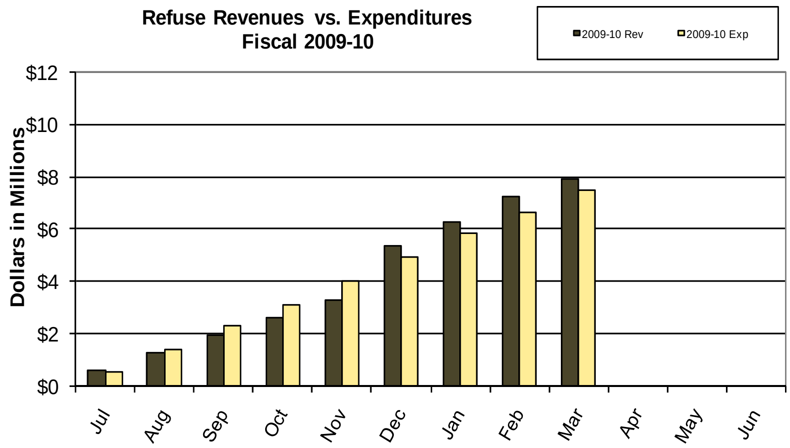
It is the policy of the City not to use revenues identified as one-time funds to pay for recurring expenditures.

REFUSE FUND ANALYSIS:

REFUSE FUND THROUGH MARCH 2010 [Revenues vs. Expenditures — Cumulative]

Refuse Expenditures	2007-08	2008-09	2009-10
July	$ 556,391	$ 611,087	$ 545,695
August	634,977	755,594	848,162
September	797,010	733,821	898,687
October	1,023,511	939,413	809,490
November	902,352	814,124	945,572
December	753,808	843,596	863,805
January	907,299	838,182	927,631
February	741,930	860,615	817,110
March	1,126,061	1,037,758	852,192
April	983,184	801,923	
May	602,328	624,545	
June	1,219,347	1,265,602	
TOTAL EXP	**$ 10,248,197**	**$ 10,126,260**	**$ 7,508,344**
Adj Budget	$11,524,493	$11,908,814	$12,700,911

Note: Depreciation amounts not included.

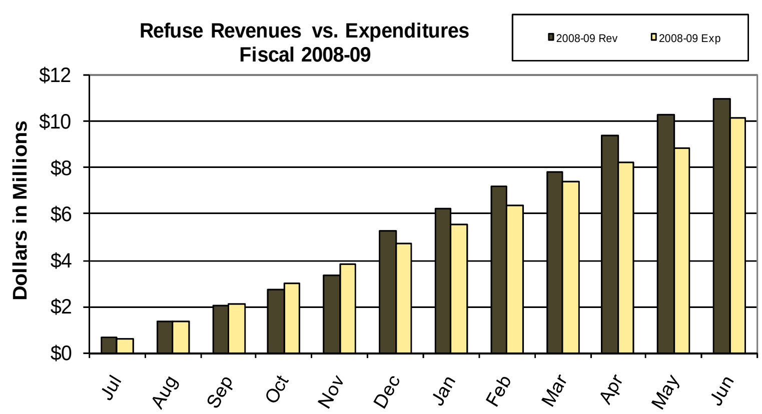


BELOW BUDGET

REFUSE FUND EXPENDITURES — Refuse expenditures through the third quarter are $7,508,344, or 59.1% of the adjusted budget. The relatively low percentage is attributable to a few factors, which include lower than expected refuse disposal charges and no expenses for capital projects. Also, there have been vacancies within the Transfer Station Division, which has contributed to the lower expended percentage.

Expenditures through March 2010 are 4.1% higher than the expenditures at this time last year, in part due to higher annual amortization charges for the replacement of six refuse trucks. The outstanding loan amount for the Refuse Fund at the end of fiscal 2009-10 will be $977,079. Loan payments to the General Fund, Innovation Fund, and Equipment Replacement Fund continue to be made on schedule.

Refuse Revenues	2007-08	2008-09	2009-10
July	$ 696,899	$ 688,909	$ 613,093
August	725,514	688,138	656,562
September	640,217	690,235	679,447
October	662,709	645,709	670,945
November	644,041	649,899	694,072
December	1,864,241	1,893,806	2,023,083
January	944,572	988,385	920,584
February	953,969	952,691	970,973
March	650,377	631,770	669,691
April	1,382,243	1,539,481	
May	947,732	943,220	
June	701,157	647,231	
TOTAL REV	**$ 10,813,671**	**$ 10,959,474**	**$ 7,898,450**
Adj Budget	$ 11,483,841	$ 11,541,718	$ 11,629,577



NORMAL

REFUSE FUND REVENUES — Refuse Fund revenue through the third quarter is 0.4% higher than at this point last year. Over 26% 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 third quarter, revenues are at 75.5% of the budgeted projections. Bin service comprises approximately 46.5% of the 2009-10 Refuse Fund's budgeted annual revenues amount. Sale of recycle items is at 73.2% of the budgeted projections. Due to the current economic conditions, the demand for recycled material has declined, so recycled material is selling at a much lower price compared to previous years.

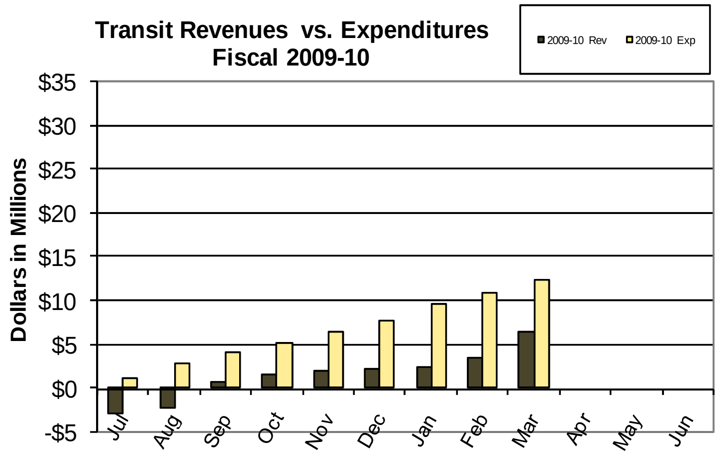
Refuse disposal rates were increased by 5% for fiscal 2009-10 to help offset increased operating and maintenance costs, which include fuels costs and repair and maintenance of equipment.

TRANSIT FUND ANALYSIS:

TRANSIT FUND THROUGH MARCH 2010 [Revenues vs. Expenditures — Cumulative]

Transit Expenditures

	2007-08	2008-09	2009-10
July	$ 1,091,374	$ 838,311	$ 1,178,787
August	1,317,488	1,696,863	1,721,272
September	2,080,034	1,198,154	1,192,193
October	2,363,603	1,097,475	1,157,761
November	1,357,701	1,177,406	1,252,734
December	2,070,860	1,210,119	1,143,157
January	1,499,769	1,242,695	2,011,183
February	1,092,555	1,294,149	1,268,483
March	1,849,352	1,684,075	1,362,348
April	1,391,409	3,849,603	
May	1,728,972	1,470,648	
June	4,514,773	2,313,229	
TOTAL EXP	**$ 22,357,892**	**$ 19,072,729**	**$ 12,287,918**
Adj Budget	$22,892,622	$23,681,510	$35,231,578



Note: Depreciation amounts not included.

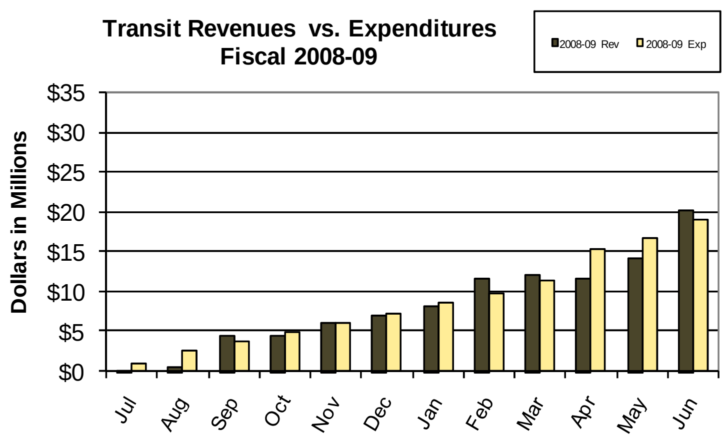
BELOW BUDGET

TRANSPORTATION FUND EXPENDITURES – Transportation Fund adjusted expenditures through the third quarter are $12,287,918, or 34.9% of the adjusted budget. The primary reason for the low expenditure rate, is the fact that 45% of the budget is allocated toward the purchase of new buses and theses capital expenditures have not yet been finalized. These purchases will most likely be pushed to fiscal year 2010-11.

Through the third quarter, personnel expenses are at approximately 64.9% of adjusted budget, and O & M expenditures are approximately 68.9% of adjusted budgeted. All other expenditure categories are within normal target percentages and are being monitored by Transportation and Budget staff.

Transit Revenues

	2007-08	2008-09	2009-10
July	$ (2,648,573)	$ 192,803	$ (2,837,763)
August	2,791,003	438,785	483,439
September	684,306	4,021,856	3,166,171
October	2,541,066	23,882	754,493
November	224,560	1,407,257	348,660
December	2,209,509	1,029,098	248,342
January	583,705	1,160,277	249,339
February	791,200	3,445,572	1,041,637
March	3,965,543	494,236	3,066,689
April	1,336,502	(591,373)	
May	1,186,439	2,696,572	
June	2,430,000	5,880,639	
TOTAL REV	**$ 16,095,260**	**$ 20,199,604**	**$ 6,521,006**
Adj Budget	$ 17,279,756	$ 20,591,546	$ 29,183,264



NEGATIVE

TRANSPORTATION FUND REVENUES – Transportation Fund revenues are comprised of many sources, including funding from the State and Federal government. Also, this fiscal year the fund began receiving voter approved Measure R funds. Through March 2010, Transportation receipts were 22.3% of budgeted projections. The low percentage is partially attributed to the fact that funding drawdown's are being done later this year than in previous years.

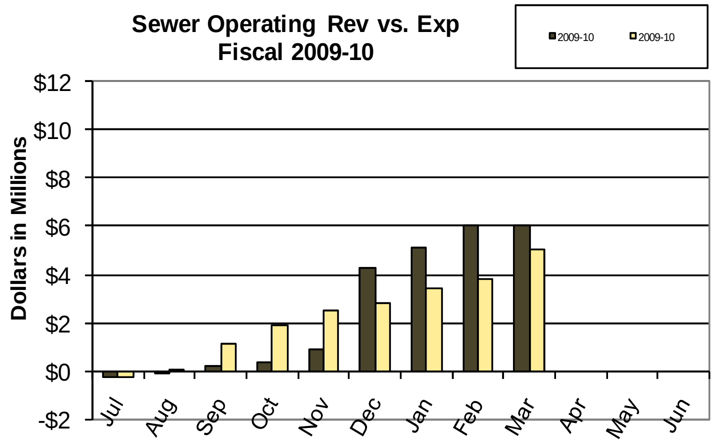
Through March, farebox revenue totaled $1,954,838, while at this point last fiscal year farebox revenue was at $1,873,345. Despite the increase in fares, farebox revenue is only 4.4% higher than at this point last year.

SEWER FUND ANALYSIS:

SEWER OPERATING FUND THRU MARCH 2010 [Revenues vs. Expenditures — Cumulative]

Sewer Op Expenditures

	2007-08	2008-09	2009-10
July	$ 62,020	$ (248,863)	$ (220,526)
August	135,999	1,355,165	290,032
September	1,667,451	249,451	1,051,492
October	196,867	324,357	788,879
November	505,602	209,264	567,522
December	217,876	246,201	359,752
January	575,351	213,056	568,886
February	259,361	282,394	439,831
March	1,293,387	883,641	1,211,373
April	206,841	208,212	
May	579,381	222,710	
June	384,863	735,119	
TOTAL EXP	**$ 6,084,996**	**$ 4,680,705**	**$ 5,057,241**
Adj Budget	$7,534,793	$8,438,444	$10,278,494



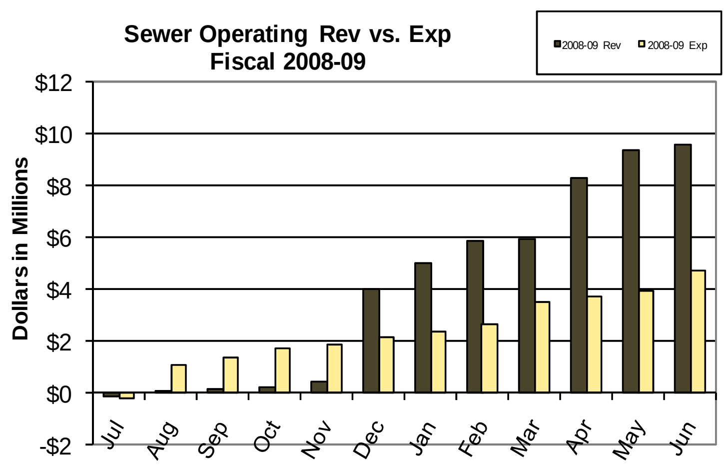
Note: Depreciation amounts not included.

BELOW BUDGET

SEWER OPERATING EXPENDITURES – Sewer Operating expenditures through March 2010 are approximately 12.6% of 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 through the first quarter are approximately 64.5% of the budgeted projections. Operating and Maintenance expenditures are approximately 64.3% 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

	2007-08	2008-09	2009-10
July	$ (143,668)	$ (176,400)	$ (207,414)
August	191,068	225,683	128,406
September	194,194	80,197	263,100
October	125,966	115,369	158,867
November	163,135	157,384	581,529
December	3,478,540	3,626,697	3,321,109
January	1,075,632	975,864	888,944
February	1,248,540	846,395	888,745
March	270,581	74,241	42,011
April	2,191,521	2,386,108	
May	1,027,938	1,028,117	
June	590,758	223,162	
TOTAL REV	**$ 10,414,205**	**$ 9,562,817**	**$ 6,065,297**
Adj Budget	$ 9,121,750	$ 9,897,337	$ 8,970,000



NORMAL

SEWER OPERATING REVENUES – Sewer operating revenues through the third quarter are $6,065,297 or 67.6% of budgeted projections. This is normal for this time of year because of the majority of sewer operating charges are received in December and April. Sewer Operating Charges comprise approximately 89% of the adjusted budgeted sewer operating revenue projections.

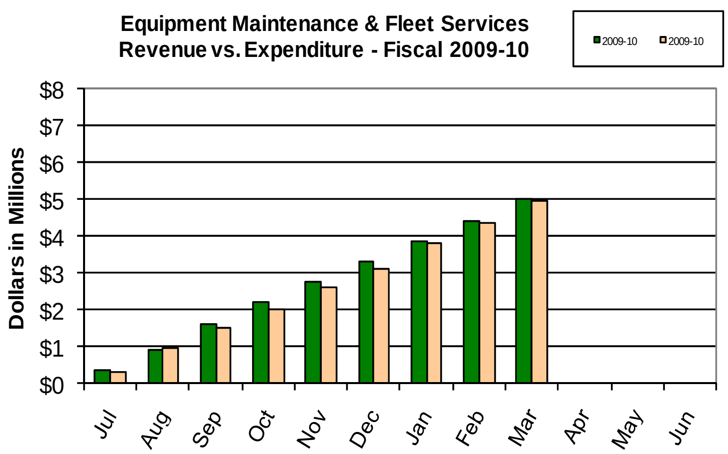
The Sewer Fund has increased Sewer Operating Charges annually for the last several fiscal years. The rates did not increase in fiscal 2009-10.

INTERNAL SERVICE FUND ANALYSIS:

EQUIPMENT MAINTENANCE & FLEET SERVICES FUND THROUGH MARCH 2010 [Revenues vs. Expenditures — Cumulative]

EM&FS EXPENDITURES

	2007-08	2008-09	2009-10
July	$ 291,739	$ 426,475	$ 320,479
August	491,369	819,663	609,971
September	729,168	572,292	558,293
October	578,562	580,038	525,566
November	484,018	505,847	564,757
December	516,927	519,560	513,863
January	537,330	498,798	701,327
February	599,590	567,648	564,397
March	688,197	651,833	577,678
April	594,281	518,712	
May	541,520	476,180	
June	844,455	860,955	
TOTAL EXP	**$ 6,897,156**	**$ 6,998,001**	**$ 4,936,331**
Adj Budget	$ 6,870,800	$ 7,206,621	$ 7,466,942



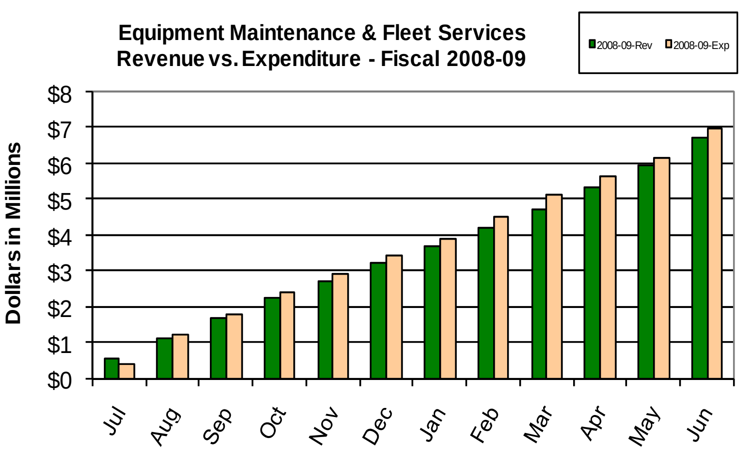
NORMAL

EQUIPMENT MAINTENANCE FUND EXPENDITURES — Overall Equipment Maintenance & Fleet Services (EM&FS) expenditures through March 2010 are $4,936,331, or 66.1% of the adjusted budget. Personnel related expenditures are approximately 74.9%, and operating and maintenance is approximately 57.0% of the adjusted budget amount. Petroleum Products (fuel), which makes up approximately 50% of the operating and maintenance budget, is 47.8% expended through March 2010.

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 has been monitoring the charge-backs closely, and will continue to do so throughout the fiscal year to ensure all expenses are recognized.

EM&FS REVENUES

	2007-08	2008-09	2009-10
July	$ 509,682	$ 577,353	$ 371,724
August	681,772	555,946	518,275
September	515,434	565,109	705,573
October	613,361	564,228	628,134
November	500,468	454,692	520,489
December	708,215	517,271	553,943
January	601,120	480,335	535,738
February	415,889	482,969	566,133
March	673,935	527,149	605,660
April	551,152	627,057	
May	419,811	607,321	
June	697,581	774,337	
TOTAL REV	**$ 6,888,420**	**$ 6,733,767**	**$ 5,005,669**
Adj Budget	$ 6,966,954	$ 7,585,747	$ 7,434,982



NORMAL

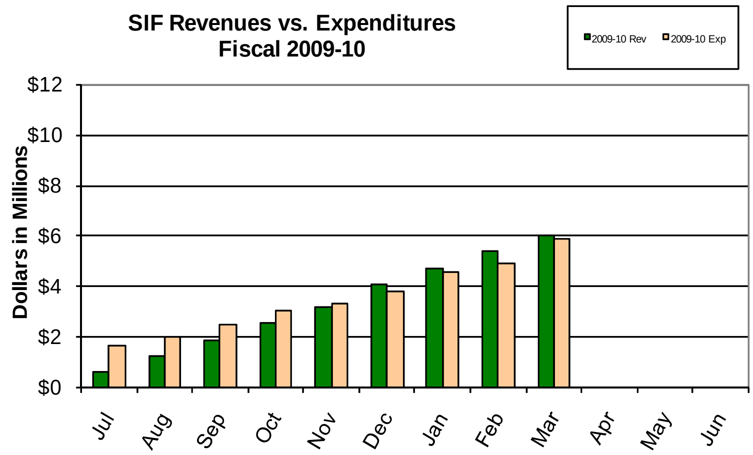
EQUIPMENT MAINTENANCE FUND REVENUES — Equipment Maintenance & Fleet Services revenues through March 2010 are $5,005,669, or 67.3% of adjusted budget projections. So far revenues are slightly exceeding expenditures, but by the end of the fiscal year that gap should close because the goal of an Internal Service Fund for revenues to match the actual expenditures at the end of a fiscal year. As mentioned above, charge-outs for this fund will be closely monitored to ensure entries between expenditures and revenues are closely matched on an on-going basis through the fiscal year so that the fund recognizes all receipts due it.

INTERNAL SERVICE FUND ANALYSIS:

SELF-INSURANCE FUND THROUGH MARCH 2010 [Revenues vs. Expenditures — Cumulative]

SIF Expenditures

	2007-08	2008-09	2009-10
July	$ 58,341	$ 1,405,609	$ 1,657,688
August	1,916,546	557,547	345,110
September	470,758	294,637	459,724
October	366,042	469,756	596,356
November	559,913	436,980	300,869
December	199,417	357,415	472,112
January	977,875	198,315	732,797
February	127,968	337,424	392,382
March	686,842	237,636	923,429
April	457,858	250,746	
May	581,710	461,235	
June	4,338,515	532,676	
TOTAL EXP	**$ 10,741,785**	**$ 5,539,976**	**$ 5,880,467**
Adj Budget	$ 11,072,650	$ 7,449,167	$ 7,442,963

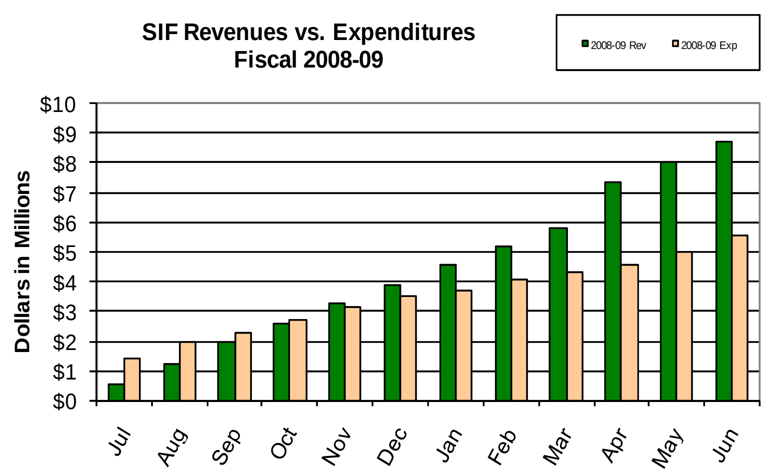


ABOVE BUDGET

SELF-INSURANCE FUND EXPENDITURES — 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. In fiscal year 2007-08 the Self-Insurance Fund paid $3.6 million for the Cranks hillside repair. This left the fund with a low balance, but since then the fund balance has steadily increased. Through March, Self Insurance Fund total expenditures are 79.0% of adjusted budget. Expenditures through March for the Premiums/Claims Division of the Self Insurance Fund are 82.6%. Many of the City's premiums are paid in the early part of the fiscal year, so high percentage at time of year is normal. This fund continues to be monitored closely to ensure it is still able to appropriately cover the City.

SIF Revenues

	2007-08	2008-09	2009-10
July	$ 582,737	$ 547,878	$ 608,579
August	623,861	687,329	644,262
September	622,582	720,886	649,700
October	626,233	642,585	649,288
November	624,557	643,281	658,954
December	648,313	663,575	872,660
January	630,713	644,827	651,112
February	616,418	641,495	660,976
March	655,223	638,457	646,469
April	589,086	1,518,184	
May	613,407	648,673	
June	840,446	684,320	
TOTAL REV	**$ 7,673,576**	**$ 8,681,490**	**$ 6,042,000**
Adj Budget	$ 7,274,613	$ 7,530,015	$ 7,728,178



NORMAL

SELF-INSURANCE FUND REVENUES — 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. Receipts for fiscal 2009-10 through March are 78.2% of adjusted budget projections. Revenue in fiscal year 2008-09 was $3.1 million higher than expenditures, which helped the fund balance recover to a more appropriate level.

Further analysis continues to be done on this fund, and any significant changes will be reported immediately.

CAPITAL PROJECTS:

TOP 5 CAPITAL PROJECTS (by total budget)

	Total Budget	Funding Source	Expended to Date	Expected Completion
1. Fire Station #3	$6,527,000	54% - Gen Fund Capital 46% - RDA Bond	$5,068,803	Near Completion
2. Sewer Projects (Bradock and Fox Hills Pump Stations and Sewer Rehab P873/P906)	$7,279,622	100% Sewer Fund	$0	On-going projects
3. Stormwater Discharge Program/NPDES (P497)	$2,747,881	59% - Grants Capital 41% - Gen Fund Capital	$237,966	On-going project to establish funds for state mandate
4. 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	$1,457,189	Near Completion
5. Telephone and Network Replacement (P906)	$1,239,332	100% - Gen Fund Capital	$1,058,423	Near Completion

CAPITAL IMPROVEMENT EXPENDITURES BY CATEGORY

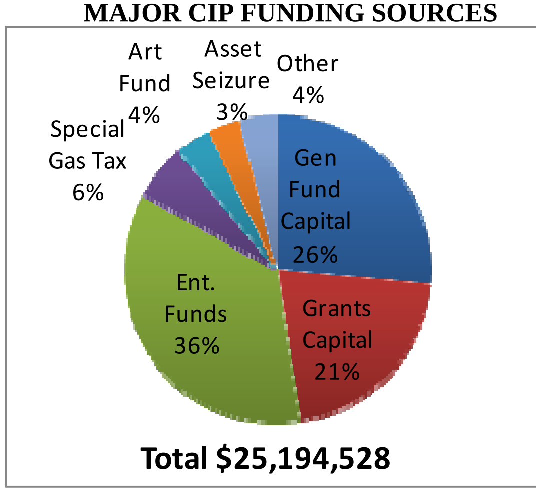
	Adjusted Budget	Expended to Date	Major Projects:
Street & Alley Improvements	$3,550,320	$1,465,609	Residential Paving, Carson St, Sepulveda Blvd
Traffic Signal & Lighting Improvements	$2,282,504	$131,807	Fox Hills ATSS
Bridge Improvements	$0	$0	No projects at this time
Parking Improvements	$49,800	$33,319	Parking Meter Repair/Replacement
Community Improvements	$1,620,869	$235,884	Art Fund Projects, Ballona Creek
Parks & Park Facility Improvements	$1,521,508	$189,993	Parks Assessment, Park Equip Repair, Culver West Park Rehab
Police & Fire Improvements	$2,533,274	$1,763,768	Fire Station #3, CAD/RMS/MDT, Firing Range
Sewer & Storm Drain Improvements	$10,911,616	$143,943	Sewer Line Replacement, Pump Station Improve
Other Facility & Equipment Improvements	$2,724,637	$1,452,952	Cranks Slope Repair, Other City Bldg Repairs

NOTABLE ACTIVITY:

Many significant capital projects have been completed or are nearing completion. These include Fire Station #3, the Public Safety CAD/RMS/MDT project, and the Fox Hills Area Traffic Signal Synchronization Project, and Phase I of the Residential Overlay Program.

Due to the state's budget problems, some Public Works projects, such as Phase II of the Residential Overlay Program may be delayed due to the state withholding funding. The Governor previously indicated he will fast track additional Prop 1B funds in an attempt to stimulate some economic growth. However, due to the state's inability to sell bonds to fund these projects, there is uncertainty on the future allocations. In fact, the state has delayed work on thousands of current state run public works projects, including the Ballona Creek Trail and Bike Path Enhancement and some work on Washington Boulevard, due to lack of funds. Gas Tax funds, which are normally received monthly, will be delayed until April. Staff will continue to track the budget situation and adjust CIP project schedules accordingly.

MAJOR CIP FUNDING SOURCES



OTHER FUND ANALYSIS:

FUND ANALYSIS FOR OTHER FUNDS THROUGH MARCH 2010:

NEGATIVE

PARKING MAINTENANCE FUND — Receipts through March 2010 are only at 46% of the adjusted budget. The primary reason the fund is behind projections is because the budget was increased this year 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 identify the lack of revenue. 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.

NEGATIVE

OPERATING GRANTS FUND — Through the third quarter, Operating Grants revenues are about $700,000 below expenditures. 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 will be 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 — Through March 2010, the City has received $1,472,372 of Capital Grant funds. So far this year 1,730,479 in funds have been expended. Capital grant funded projects include: residential overlay, Culver Blvd repaving, Fox Hills traffic signal synchronization, and Veteran's Park playground. 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 2009-10, three Paratransit buses, five Police vehicles, three Parks vehicles, one Fire vehicle, one Community Development vehicle, and two Public Works 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.

NEGATIVE

SPECIAL GAS TAX (HIGHWAY USERS TAX) — Through the third quarter, gas tax revenue is at 30.8% of the budgeted projections. This is due to the State delaying the November thru March payments until April. 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.

POSITIVE

ARTS IN PUBLIC PLACES — Through the third quarter, Art Fund receipts have exceeded the budgeted projections of $70,000 by $23,000. No large payments have been received, but several small payments have been made. 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.

PARKS FACILITY FUND (QUIMBY FEES) — Through March, over $190,000 in payments have been received.

POSITIVE

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. For fiscal year 2009-10 the budgeted revenue is $35,000.

Culver CITY
REDEVELOPMENT AGENCY

FINANCIAL MONITORING REPORT

Third Quarter FY 2009-10

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	**NORMAL**	**NORMAL**	Page 7
Assessed Valuations	**NORMAL**	**NORMAL**	Page 8
Tax Increment Revenue Overview	**POSITIVE**	**POSITIVE**	Page 8
Tax Increment by Project Area	**POSITIVE**	**POSITIVE**	Pages 8-9
Other Revenues	**POSITIVE** **NEGATIVE**	**POSITIVE** **NEGATIVE**	Page 10-11
Housing Funds			
Housing Fund (Expenditures/Revenues)	**NORMAL**	**NORMAL**	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

Third Quarter 2009-10 AT-A-GLANCE

Economic Overview

The Good News: In March, Standard & Poor's upgraded the Agency's bond rating from "A-" to "A" and affirmed their rating outlook of "stable." This reflects the redevelopment project areas' strong property values and diverse economic base. A good bond rating from S&P will help keep future borrowing costs low for the Agency.

The Bad News: As we are now through the third quarter, there continues to be mixed economic signals. Although foreclosure activity is still at or near record highs and credit continues to be very tight, residential home sales have increased and unsold inventory has decreased, suggesting that the housing market is beginning to stabilize. Wall Street has seemed to recover with the Dow hovering around 11,000, up from a low of about 7,000 last winter, and some of the larger companies have returned to profitability. However, many of those companies have made profits by cutting the bottom line, i.e. laying off and cutting employee compensation. Consequently, unemployment has continued to rise and consumer credit and spending has continued to decrease. Since the U.S. economy is dependant on consumers, a sustained economic recovery will not be possible without an increase in consumption, which means people will need jobs.

Some experts are also warning of a possible mortgage meltdown for commercial property. The economic recession has caused a lot of commercial space to go vacant, and there was a large turnover in commercial properties during the real estate boom, consequently, many commercial property owners need to get high lease rates to cover their debt payments. Some large commercial property investment companies have already walked away from properties and many industry experts expect more to come. The commercial loan sector is much smaller than the residential property loan sector, so a "meltdown" won't have as significant of an impact on the financial industry as the residential mortgage meltdown did, but it may be a drag none-the-less and inhibit the economic recovery.

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 TI growth in the near future.

Revenue & Expenditure Summary

Through March, expenditures outpaced revenues by approximately $1.9 million, or 7.5%. Since a majority of the Agency's revenues tend to be collected in the last 3-6 months of the fiscal year, expenditures typically outpace revenues at this point in the fiscal year.

Notable News

Supplemental Education Revenue Augmentation Fund & CRA Lawsuit

The adopted 2009-10 State budget included another attempt to take redevelopment funds. Previously, the State tried to take redevelopment funds in FY 2008-09 through an ERAF shift. The California Redevelopment Association (CRA) subsequently filed a lawsuit on the basis that redevelopment funds were protected by Prop 1A. The CRA lawsuit was successful and County Auditors were blocked from collecting that ERAF payment from redevelopment agencies. The State initially filed an appeal, but has since dropped the suit, making the ruling final. Culver City Redevelopment Agency's FY 2008-09 ERAF obligation would have been $2.25 million.

The FY 2009-10 take is written slightly different from the FY 2008-09 version; however, CRA still believes that the take is unjustified under the State Constitution and has filed another lawsuit. On February 5, the Sacramento Superior Court heard the case and the judge asked the attorneys for some additional information by March 2nd. The Judge has 90 days from March 2nd to make a ruling. He has indicated that he will **make a ruling on or before May 4th**. Until the lawsuit is resolved, redevelopment agencies must comply with the law as written, which means that the **RDA is obligated to pay $11 million** into the Supplemental Education Revenue Augmentation Fund (SERAF) by May 10, 2010.

In May, staff will be presenting the Agency Board with an option to borrow the required SERAF payment from the Low/Moderate Income Housing fund available balance.

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

Notable Development News

- Construction is complete on the mixed use development at *9900 Culver Blvd* and the condo units are currently for sale.
- The *Westfield—Culver City* expansion is complete and open and a number of tenant are undergoing improvements, which is expected to continue for the next few months.
- The credit crunch continues to impact financing as many of Culver City's development projects continue to have difficulty securing project financing.

CASH AVAILABLE for CAPITAL INVESTMENT

FUND BALANCE AVAILABLE FOR PROJECTS/PROGRAMS:

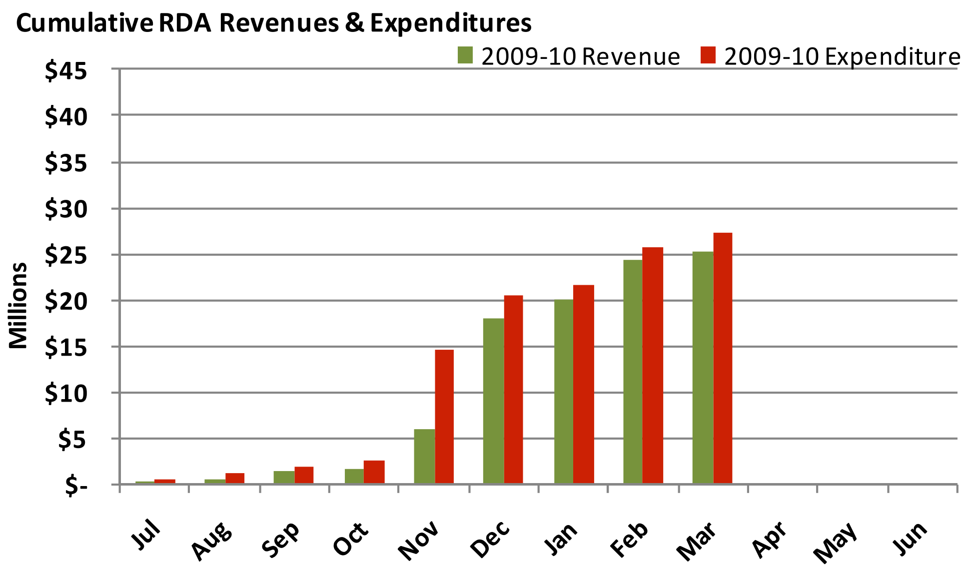
	Actual Ending 2007-08	Actual Ending 2008-09	Estimated Ending 2009-10	Estimated Ending 2010-11
Unrestricted Funds	**10,770,000**	**16,440,000**	**13,230,000**	**7,565,000**
Housing Set Aside	19,000,000	24,875,000	16,745,000	18,700,000
Tax Exempt Bonds - 1999	4,820,000	4,902,000	0	0
Tax Exempt Bonds - 2002	17,033,000	15,852,000	2,094,000	940,000
TOTAL RESOURCES	$51,623,000	$62,069,000	$32,069,000	$27,205,000

The estimated ending balance for each fund represents the approximate amount of cash capital available for investment in new projects or programs. **The estimated balances include the approved budget adjustments.**

Assumptions: The estimated ending balances above assume that the remaining $7 million loan from the City will be repaid in FY 2009-10 and FY 2010-11 ($3.5 million each year with interest), the entire FY 2009-10 SERAF payment ($11M) will be borrowed from the Housing Set Aside Fund and the FY 2010-11 SERAF payment ($2.252M) will be made from Unrestricted Funds, 100% of the adjusted FY 2009-10 and FY 2010-11 budgets are expended, and no land sale proceeds are received in FY 2009-10 or FY 2010-11.

UNRESTRICTED REVENUE and EXPENDITURE SUMMARY: (graphs are cumulative)

	2009-10 Revenue	2009-10 Expenditure
Jul	$ 137,186	$ 577,267
Aug	392,499	543,844
Sep	847,690	752,634
Oct	253,374	672,468
Nov	4,321,193	11,973,102
Dec	12,006,835	5,877,824
Jan	2,065,235	1,162,533
Feb	4,289,209	4,241,462
Mar	1,042,747	1,442,955
Apr	-	-
May	-	-
Jun	-	-
TOT Y-T-D	25,355,968	27,244,089
Adj Budget	37,828,615	43,882,608



NORMAL

Through March, expenditures outpaced revenues by approximately $1.9 million, or 7.5%. Since a majority of the Agency's revenues tend to be collected in the last 3-6 months of the fiscal year, expenditures typically outpace revenues at this point in the fiscal year.

REVENUES: Overall, Agency revenues have been strong, except parking revenues, which have lagged thus far (see page 11 for more detail on Parking revenues). To date, tax increment receipts have been strong and, based on the Assessed Value report received from the County Assessor last August, should exceed budget projections.

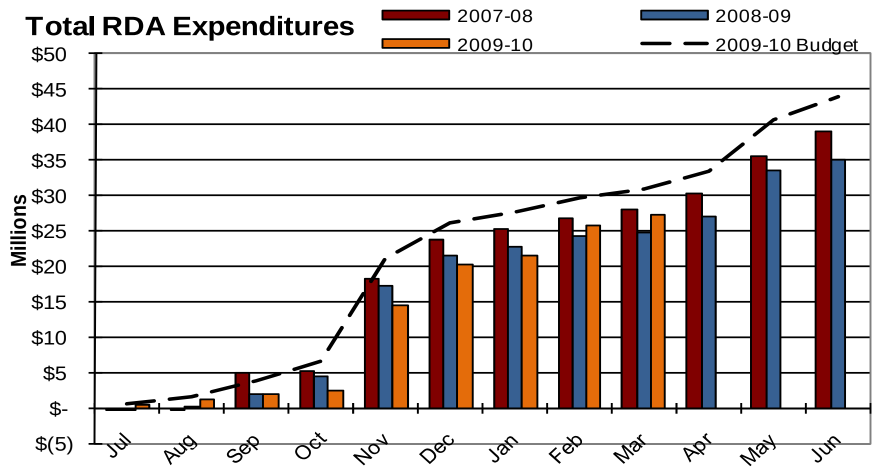
EXPENDITURE: The Agency's largest single annual expenditure is Debt Service, i.e. principle and interest payments made on all outstanding bond debts. This payment is made annually in November. Other expenditures are primarily related to administrative expenditures (including salary and benefits reimbursement to the City) and RDA programs/projects.

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)

	2007-08	2008-09	2009-10
Jul	$ (49,291)	$ (61,504)	$ 577,267
Aug	(22,671)	229,232	543,844
Sep	4,950,808	1,799,685	752,634
Oct	282,921	2,559,746	672,468
Nov	13,049,104	12,656,746	11,973,103
Dec	5,526,036	4,245,202	5,877,824
Jan	1,602,987	1,250,661	1,162,533
Feb	1,441,268	1,627,557	4,241,463
Mar	1,279,876	366,879	1,442,955
Apr	2,277,211	2,397,095	-
May	5,313,400	6,472,168	-
Jun	3,545,668	1,459,314	-
TOT Y-T-D	39,197,317	35,002,781	27,244,091
Adj Budget	$ 42,726,758	$ 40,131,060	$ 43,882,608



BELOW BUDGET

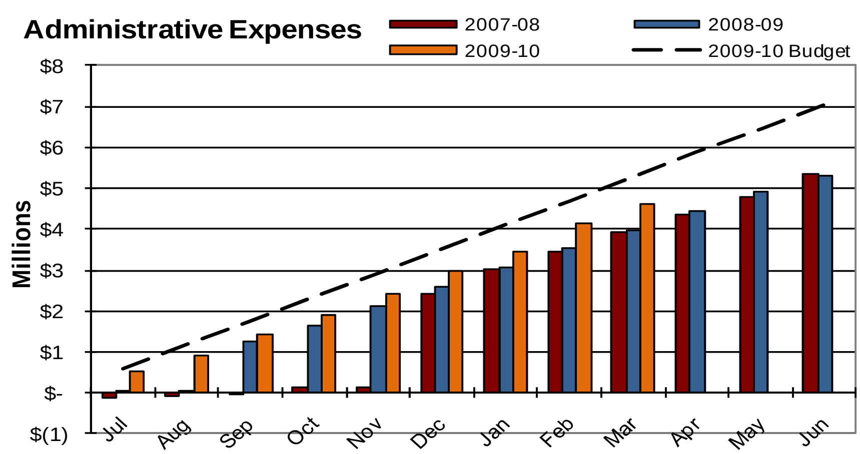
Through March, the RDA has expended approximately 62% of the adjusted budget compared to 62% in 2008-09 and 67% in 2007-08 (the same period in FY 2007-08 included land acquisition costs). **Total Agency expenditures are approximately $3.5 million under budget through March.** The following sections will provide more detail 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)

	2007-08	2008-09	2009-10
Jul	$ (118,918)	$ 100	$ 521,492
Aug	23,471	54,109	397,464
Sep	87,185	1,187,627	500,189
Oct	153,831	410,334	497,832
Nov	14,318	451,089	516,974
Dec	2,248,339	485,523	534,360
Jan	596,748	499,294	482,801
Feb	461,430	446,170	688,525
Mar	456,443	451,826	486,622
Apr	438,066	464,350	-
May	439,925	464,337	-
Jun	553,815	375,878	-
TOT Y-T-D	5,354,653	5,290,637	4,626,259
Adj Budget	6,126,231	6,738,765	7,049,836



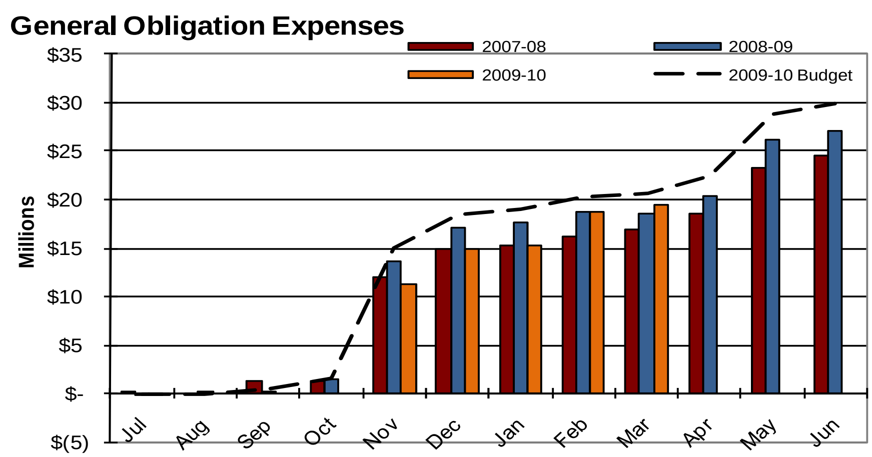
BELOW BUDGET

Through March, approximately 66% of the total Admin budget has been expended compared to 59% last fiscal year. The Agency is expected to finish the year below budget in admin expenses. The Redevelopment Agency reimburses the City for City staff whose position is impacted by RDA activities (i.e. Redevelopment Division staff and partial reimbursement for 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. Admin expenditures are relatively stable throughout the fiscal year.

UNRESTRICTED FUNDS EXPENDITURE ANALYSIS:

GENERAL OBLIGATION EXPENSES: (graph is cumulative)

	2007-08	2008-09	2009-10
Jul	$ 81,994	$ (65,252)	$ (36,538)
Aug	(81,994)	76,724	36,538
Sep	1,334,270	-	-
Oct	-	1,449,487	-
Nov	10,648,686	12,093,795	11,213,330
Dec	2,937,420	3,560,587	3,664,287
Jan	393,052	593,235	450,550
Feb	873,941	1,056,892	3,361,386
Mar	738,546	(193,495)	704,580
Apr	1,611,638	1,794,007	-
May	4,712,379	5,887,151	-
Jun	1,280,618	733,207	-
TOT Y-T-D	24,530,550	26,986,338	19,394,133
Adj Budget	25,131,668	26,606,359	29,934,078



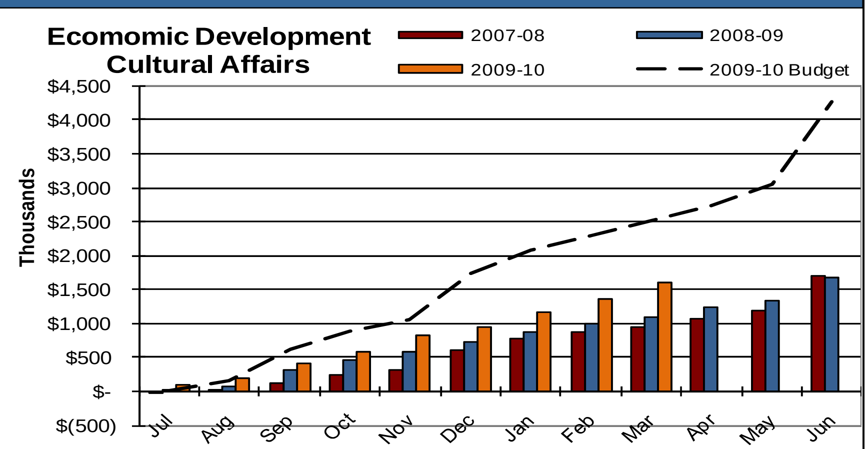
BELOW BUDGET

Through March, the RDA has expended 65% of the adjusted General Obligations budget, compared to 70% in 2008-09 and 67% in 2007-08. Although currently under budget, a $3.8 million loan payment (includes principle and interest) to the City is scheduled to be made in June.

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). **For FY 2009-10 the State has mandated a SERAF payment in the amount of approximately $11 million. In May, the Agency Board will be presented with an option to borrow this payment from the Housing Fund.** NOTE: The CRA has filed a lawsuit to declare this payment unconstitutional. See the Executive Summary section for more information on SERAF and the status of the CRA lawsuit.

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

	2007-08	2008-09	2009-10
Jul	$ (12,367)	$ 1,959	$ 89,884
Aug	30,581	69,921	108,825
Sep	107,866	252,049	220,134
Oct	111,624	143,262	167,156
Nov	74,236	104,898	233,447
Dec	296,671	151,627	121,204
Jan	171,609	150,078	225,898
Feb	82,655	120,612	191,531
Mar	78,485	109,562	251,392
Apr	120,448	128,617	-
May	134,492	115,826	-
Jun	496,806	327,029	-
TOT Y-T-D	1,693,106	1,675,440	1,609,471
Adj Budget	3,118,088	3,863,106	4,261,317



BELOW BUDGET

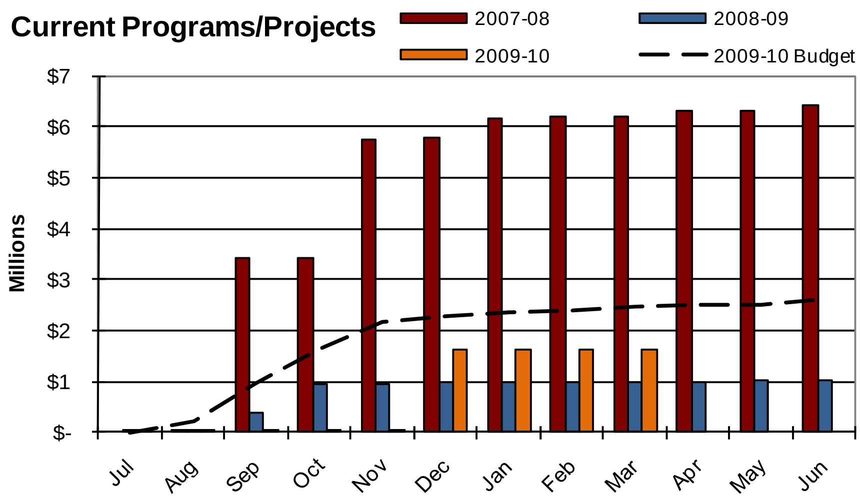
Through March, Economic Development, Property Management, and Cultural Affairs programs have expended 38% of their adjusted budget compared to 29% in 2008-09 and 30% in 2007-08. The primary expenditures are related to costs to manage the downtown parking structures and Cultural Affairs programs. Also, 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)

	2007-08	2008-09	2009-10
Jul	$ -	$ 1,689	$ 2,429
Aug	4,846	27,400	1,017
Sep	3,421,487	352,673	32,311
Oct	16,296	554,328	7,480
Nov	2,311,864	6,376	9,352
Dec	37,880	47,428	1,557,973
Jan	376,231	4,023	3,284
Feb	23,242	2,320	21
Mar	6,402	(1,341)	361
Apr	107,059	8,830	-
May	26,604	4,833	-
Jun	83,325	23,144	-
TOT Y-T-D	6,415,236	1,031,703	1,614,228
Adj Budget	7,086,497	2,408,056	2,601,410

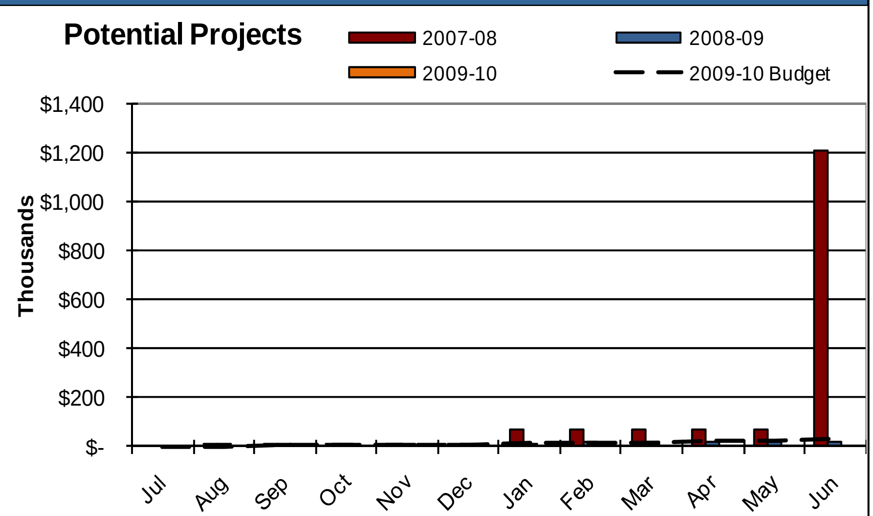


BELOW BUDGET Expenditures through March are primarily related to the Pleasantview project. When the Agency purchased the Pleasantview site in 2006, they negotiated payment terms in which the Agency paid a little more than half of the total purchase price upon close of escrow with the balance due in 2009. The $1.6 million payment made in December represents the Agency's fulfillment of that note. This category is expected to finish the year under budget.

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)

	2007-08	2008-09	2009-10
Jul	$ -	$ -	$ -
Aug	425	1,078	-
Sep	-	7,336	-
Oct	1,170	2,335	-
Nov	-	588	-
Dec	5,726	37	-
Jan	65,347	4,031	-
Feb	-	1,563	-
Mar	-	327	-
Apr	-	1,291	-
May	-	21	-
Jun	1,131,104	56	-
TOT Y-T-D	1,203,772	18,663	-
Adj Budget	1,264,274	514,774	35,967



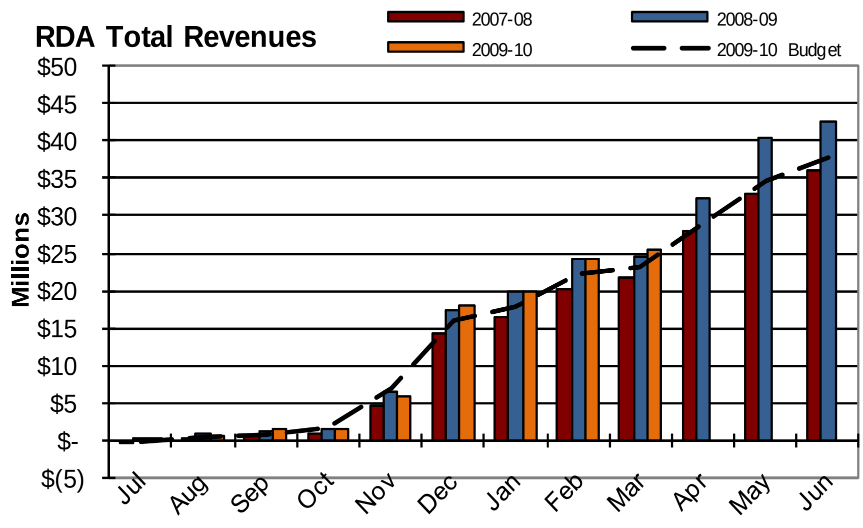
BELOW BUDGET Due primarily to economic conditions, **there has been no activity in this category through March.** Potential Projects include expenses for opportunity sites as they arise in various parts of the City, such as potential sites on **Selmaraine Ave, Jefferson Blvd and the Hayden Tract**. Typical expenses in this category are on appraisals, exploratory studies, and other expenses related to evaluating a potential redevelopment site.

NOTE: The spike in expenditures in June 2008 is related to the Tapp option exercised by the Agency to purchase land related to the Pleasantview project. Pleasantview is now considered a Current Project.

UNRESTRICTED FUNDS REVENUE ANALYSIS

TOTAL UNRESTRICTED FUNDS REVENUE THROUGH MARCH 2010:

	2007-08	2008-09	2009-10
Jul	$ (395,530)	$ 29,131	$ 137,186
Aug	656,599	782,065	392,499
Sep	368,304	399,899	847,690
Oct	415,202	356,216	253,374
Nov	3,676,946	4,841,495	4,321,193
Dec	9,651,356	11,134,413	12,006,835
Jan	1,965,506	2,200,152	2,065,235
Feb	3,912,079	4,585,415	4,289,209
Mar	1,378,423	240,077	1,042,747
Apr	6,434,458	7,646,268	-
May	4,831,876	8,312,240	-
Jun	3,042,264	2,182,718	-
TOT Y-T-D	35,937,483	42,710,089	25,355,968
Adj Budget	*33,006,077*	*42,950,775*	*37,828,615*



SUMMARY — Overall, revenues are relatively strong through March. Tax Increment revenues are expected to remain strong through the end of the fiscal year. Revenues from Pacific Theaters and the Farmer's Market are above budget projections while Parking revenues are below projections, due primarily to economic conditions.

UNRESTRICTED REVENUES — The Redevelopment Agency received an updated Assessed Valuation Report from the County Assessor in August indicating an increase in assessed values higher than what was originally projected for the budget. Based on this updated AV report, estimated tax increment revenues for FY 2009-10 will be more than originally projected.

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 2009-10. 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 has extended the terms of the loan through June 2011. The Agency will repay the outstanding balance ($7 million), plus interest, from available tax increment revenues instead of land sale proceeds. The new loan repayment schedule calls for a $3.5 million principle payment due in June 2010 and the remaining $3.5 million principle payment due in June 2011.

UNRESTRICTED FUNDS REVENUE ANALYSIS (continued):

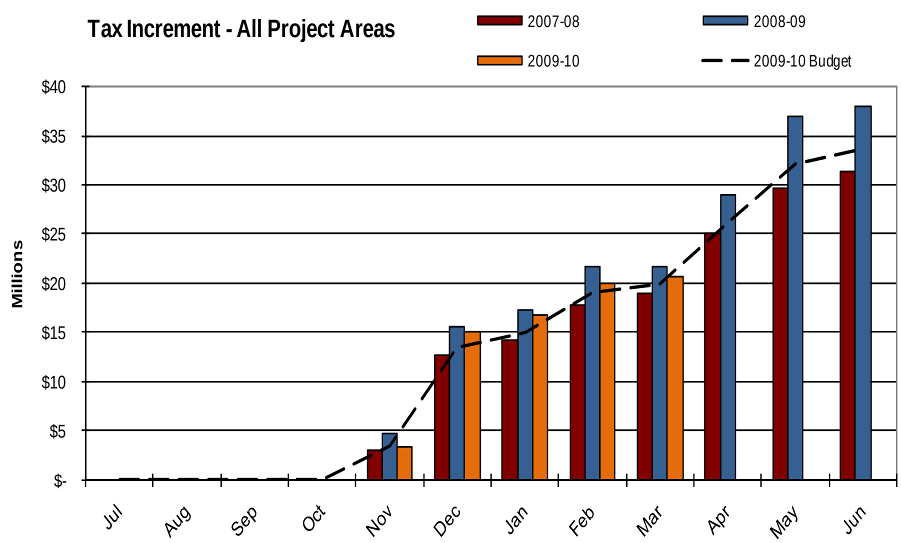
ASSESSED VALUATIONS: Fiscal 2006-07, 2008-09, and 2009-10

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.

	2006-07	*%change prior year*	*2007-08*	*%change prior year*	*2008-09*	*%change prior year*	*2009-10*	*%change prior year*
Project Area 1	$741,987,037	6.51%	$899,729,335	21.26%	$991,903,331	10.24%	$1,165,270,620	17.48%
Project Area 2	$576,349,621	9.07%	$636,801,158	10.49%	$696,384,724	9.36%	$707,151,361	1.55%
Project Area 3	$1,284,738,339	5.25%	$1,375,974,122	7.10%	$1,516,215,389	10.19%	$1,656,159,352	9.23%
Project Area 4	$513,029,124	6.67%	$590,320,656	15.07%	$635,175,732	7.60%	$632,727,379	-0.39%
	$3,116,104,121	6.47%	$3,502,825,271	12.41%	$3,839,679,176	9.62%	$4,161,308,712	8.38%

TAX INCREMENT: Fiscal 2007-08, 2008-09 and 2009-10 (graph is cumulative)

	2007-08	2008-09	2009-10
Jul	$ -	$ -	$ -
Aug	-	-	-
Sep	-	-	-
Oct	-	-	-
Nov	3,084,339	4,709,440	3,395,854
Dec	9,581,018	10,805,551	11,675,222
Jan	1,550,249	1,773,752	1,767,214
Feb	3,637,607	4,381,723	3,129,281
Mar	1,122,735	88,111	685,271
Apr	6,046,931	7,240,053	-
May	4,684,483	7,974,511	-
Jun	1,680,351	1,041,482	-
TOTAL	**$31,387,713**	**$38,014,623**	**$20,652,842**
Adj Budget	**29,593,000**	**32,961,000**	**33,642,000**



POSITIVE

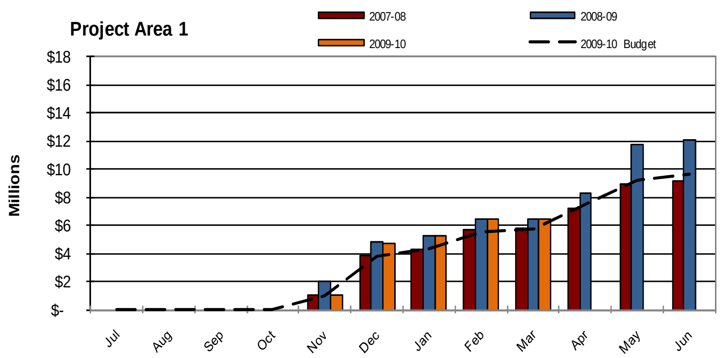
Through March, tax increment revenues are slightly ahead of budget projections. In August, the RDA re-ceived an updated Assessed Valuation Report from the County Assessor. **Based on this updated AV report, estimated tax increment revenues for FY 2009-10 are expected to exceed the adopted budget projections in FY 2009-10.**

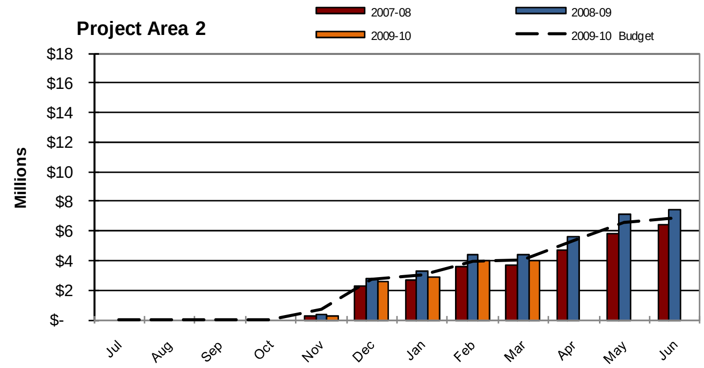
Despite the current economic conditions, tax increment growth is expected to remain healthy in FY 2009-10 due to recently com-pleted developments (e.g. Westfield Mall renovation, Sony parking lot, and 9900 Culver Blvd). However, due to the continuing state of the commercial credit markets and the overall economy, TI receipts are expected to slow in FY 2010-11.

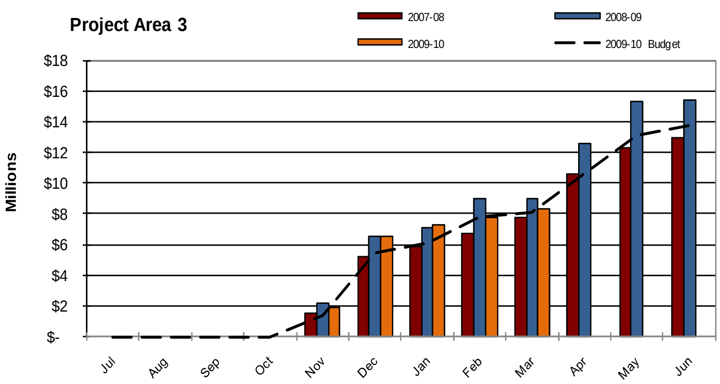
The following page provides TI revenue detail broken down by Redevelopment Project Area.

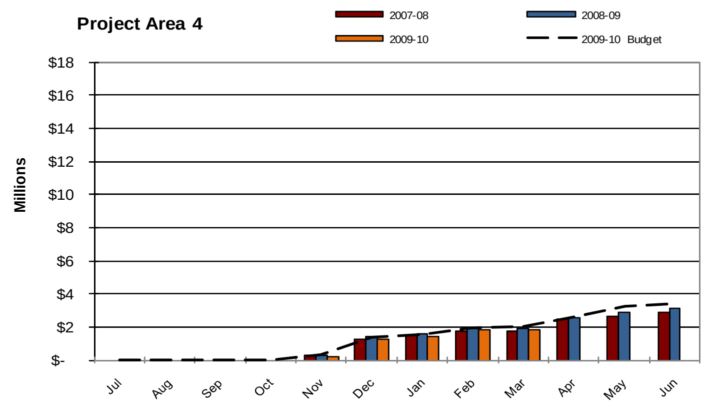
UNRESTRICTED FUNDS REVENUE ANALYSIS (continued):

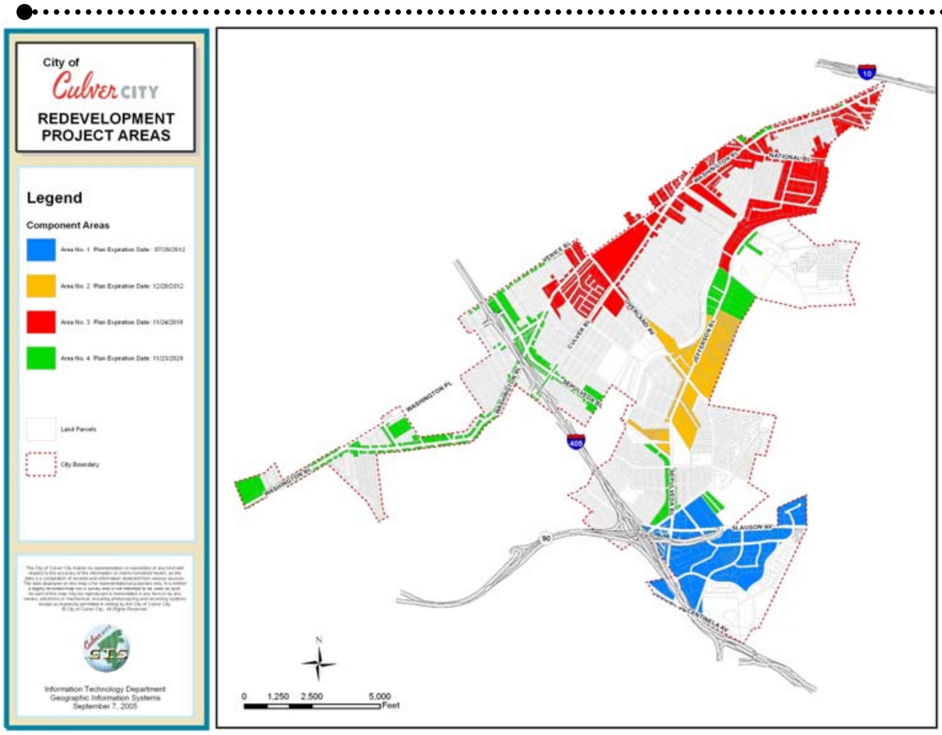
TAX INCREMENT by COMPONENT AREA: Fiscal Years 2007-08, 2008-09 and 2009-10 (graphs are cumulative)











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**.

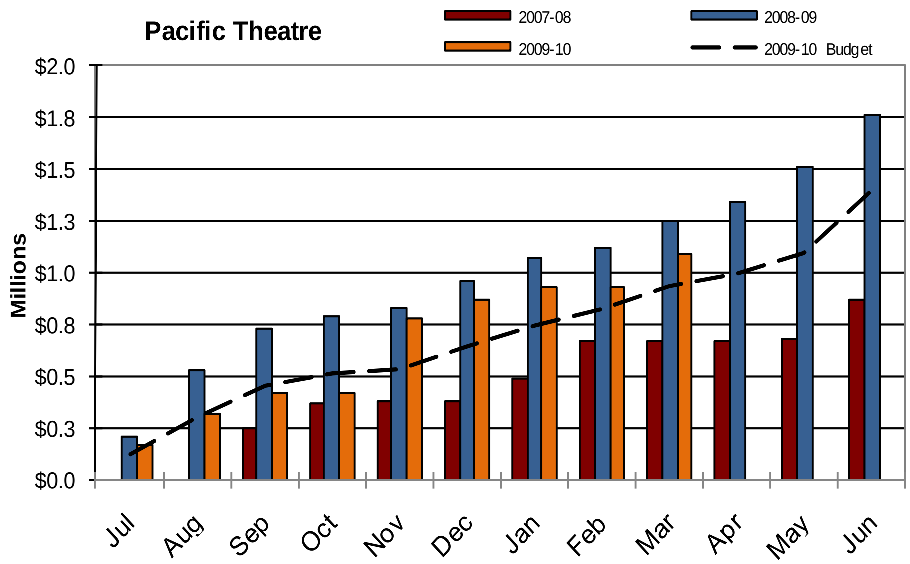
<u>Project Area Expiration Dates:</u>
Project Area 1: 07/26/2014
Project Area 2: 12/28/2014
Project Area 3: 11/25/2018
Project Area 4: 11/23/2029

UNRESTRICTED FUNDS REVENUE ANALYSIS (continued):

REVENUE SOURCES:
Fiscal Years 2007-08, 2008-09 and 2009-10 (graphs are cumulative)

Pacific Theater Revenues

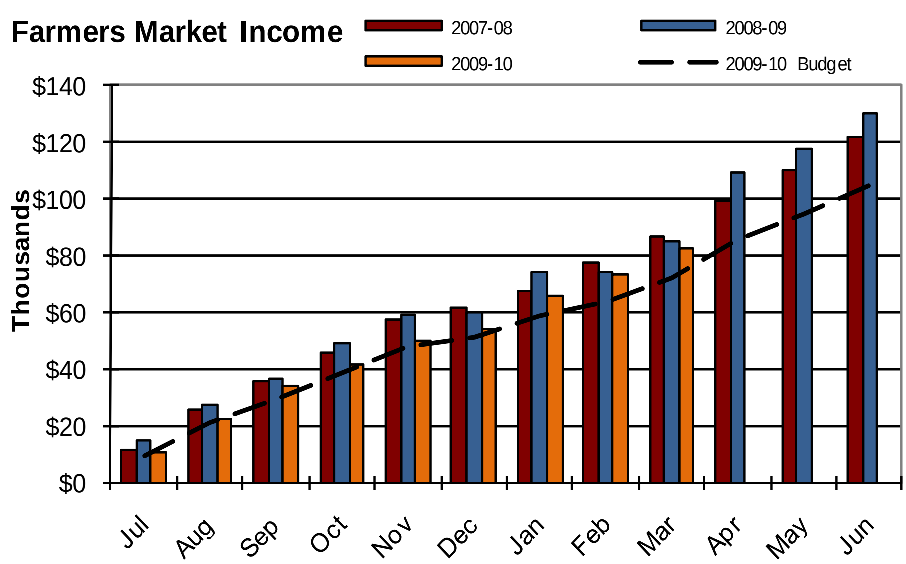
	2007-08	2008-09	2009-10
Jul	-	209,487	165,461
Aug	-	323,733	154,012
Sep	248,471	201,622	102,713
Oct	125,539	57,298	-
Nov	1,786	35,174	356,859
Dec	1,786	138,366	88,709
Jan	112,184	110,804	66,587
Feb	182,126	49,796	-
Mar	1,786	121,930	162,109
Apr	-	90,995	-
May	3,572	176,889	-
Jun	196,961	243,767	-
TOTAL	874,211	1,759,861	1,096,450
Adj. Budget	1,200,000	1,300,000	1,400,000



POSITIVE Through March, Pacific Theaters has received 78% of the budget projection (vs. 67% expected) and is performing reasonably well. Despite falling short of budget projections in FY 2007-08 (due to a number of factors, including lack of quality product and increased property tax assessment), Pacific Theaters significantly exceeded budget projections in FY 2008-09 by almost $500,000. Although the Theater is not expected to perform as well as it did in FY 2008-09, staff expects Pacific Theaters to meet or exceed budget projections for the fiscal year **based** on the continued relative strength of the movie industry in the economic downturn.

Farmers' Market Revenues

Jul	$ 11,234	$ 15,220	$ 11,023
Aug	14,155	12,581	11,557
Sep	10,426	8,843	11,498
Oct	10,461	12,817	7,898
Nov	11,378	9,787	8,229
Dec	4,522	466	3,650
Jan	5,118	14,223	12,367
Feb	10,472	-	7,308
Mar	9,330	11,219	9,277
Apr	12,579	24,034	-
May	10,919	8,396	-
Jun	11,100	12,682	-
TOTAL	$121,694	$130,268	$ 82,807
Adj Budget	105,000	115,000	105,000



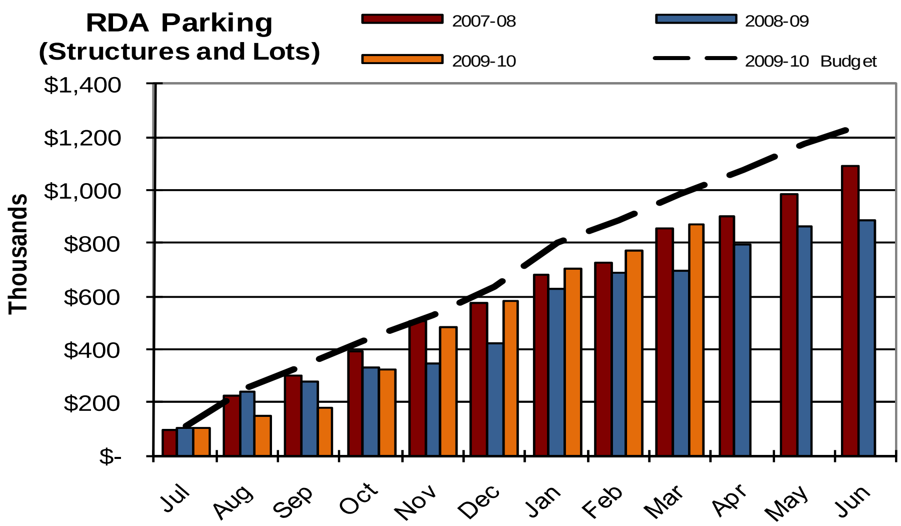
POSITIVE Through March, Farmers' Market receipts have slightly outperformed budget projections (79% actual vs. 69% expected). Staff expects the Farmers' Market to meet the budget projection of $105,000 this fiscal year.

Unrestricted Funds Revenue Analysis (continued):

OTHER REVENUE SOURCES (cont.):
Fiscal 2007-08, 2008-09 and 2009-10 (graph is cumulative)

Parking Revenues

	2007-08	2008-09	2009-10
Jul	$ 101,177	$ 105,496	$ 108,721
Aug	121,649	139,479	45,016
Sep	76,377	32,109	24,963
Oct	92,723	58,150	144,419
Nov	116,765	15,649	164,104
Dec	67,513	71,641	98,978
Jan	108,650	206,433	122,484
Feb	46,103	61,195	63,198
Mar	129,622	6,549	100,829
Apr	43,353	100,265	-
May	80,256	66,201	-
Jun	106,047	22,402	-
TOTAL	$1,090,235	$ 885,569	$ 872,712
Adj Budget	943,120	977,620	1,254,620



NEGATIVE

Through March, parking revenues are approximately 8% below budget projections (70% actual vs. 78% expected). This is due primarily to weakening monthly parking revenues resulting from a decrease in business activity at the Ince parking structure.

Through March, actual Film Parking receipts of $57,500 have already exceeded the FY 2009-10 budget projection of $50,000. Film Parking revenues are expected to exceed the budget projections by at least 20%.

OTHER NOTES:

<u>Fiscal Year 2009-10 Adopted Budget</u>

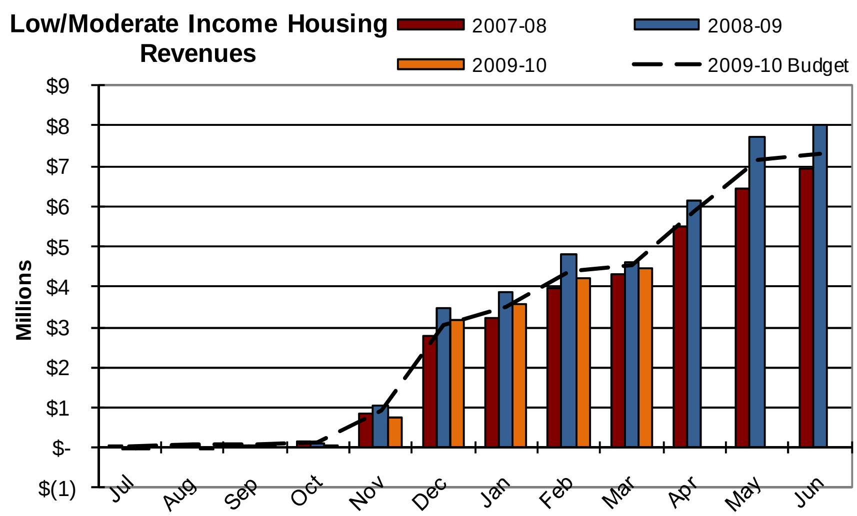
The Redevelopment Agency's Adopted budget is available on the City's website at www.culvercity.org/redev/redev_workprogram.asp?sec=gov

Budget hearings to consider the proposed FY 2010-11 Budget will be held with the City Council and Redevelopment Agency Board in May and June. Please refer to the City's website, www.culvercity.org, for dates and times.

LOW/MODERATE INCOME HOUSING FUND ANALYSIS:

HOUSING FUND:
Revenues and Expenditures (graphs are cumulative)

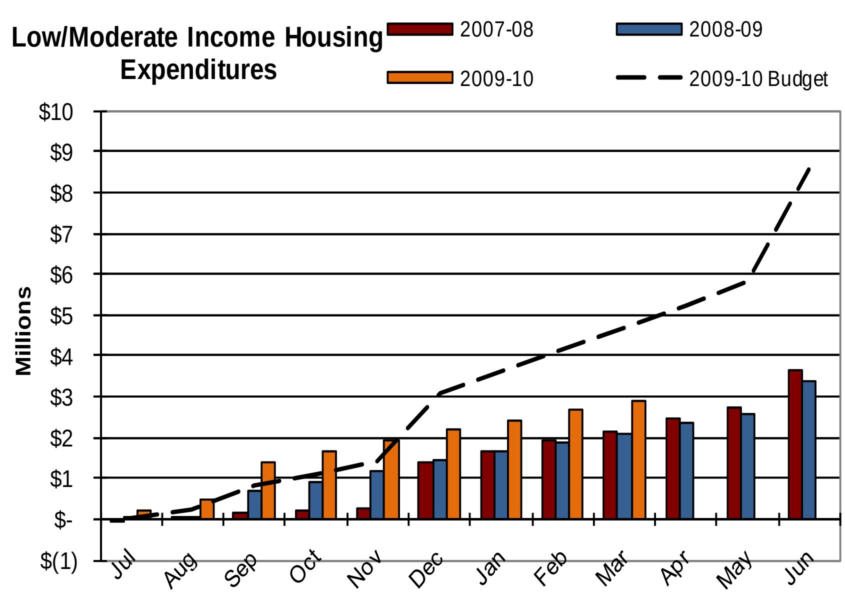
	2007-08	2008-09	2009-10
Jul	$ 6,332	$ (6,882)	$ (36,640)
Aug	33,466	19,162	16,398
Sep	21,952	41,097	52,451
Oct	87,573	38,840	16,474
Nov	705,449	969,393	711,533
Dec	1,939,384	2,408,680	2,391,821
Jan	422,836	410,277	398,617
Feb	747,414	921,693	659,494
Mar	338,554	(208,432)	244,303
Apr	1,194,032	1,530,579	-
May	960,582	1,607,753	-
Jun	478,963	307,508	-
TOT Y-T-D	6,936,537	8,039,668	4,454,451
Adj Budget	*$ 6,865,000*	*$ 7,467,000*	*$ 7,327,400*



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 revenues are expected to exceed budget projections, consequently, Housing Fund revenues are also expected to exceed budget projections.

EXPENDITURES — The primary Low/Moderate Income Housing expenditures through March were on Rental Assistance Program Grants (about $36,000 per month), Rehab Grant Incentives ($67,000 through March), and administrative charges. Approximately $2.5 million is budgeted in FY2009-10 for implementation/construction of the low/moderate income housing project at the Globe properties. The Housing Division is working toward implementing the Comprehensive Housing Strategy and identifying development opportunities for low/moderate income housing projects.

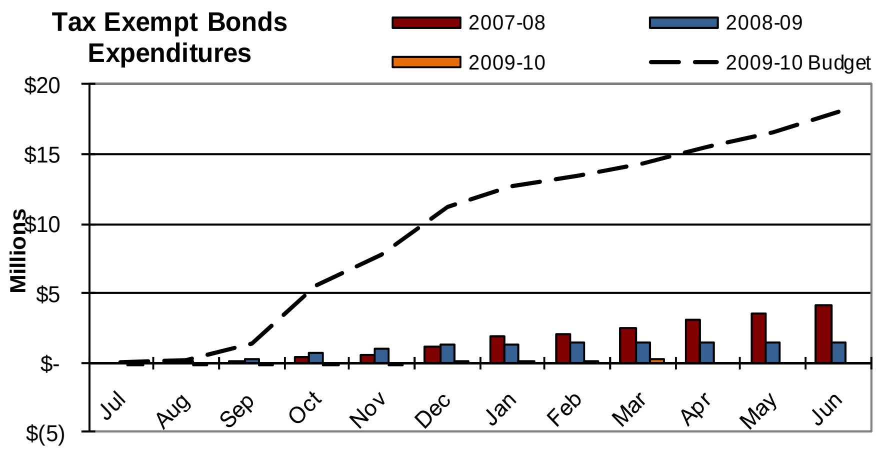
	2007-08	2008-09	2009-10
Jul	$ (52,060)	$ 31,277	$ 232,826
Aug	114,800	37,276	242,292
Sep	87,763	609,316	900,725
Oct	82,561	239,685	278,028
Nov	52,196	236,242	266,465
Dec	1,114,943	268,073	257,209
Jan	234,455	237,563	249,491
Feb	290,272	231,223	245,555
Mar	238,400	222,249	219,099
Apr	284,597	241,090	-
May	280,090	229,912	-
Jun	915,689	807,349	-
TOT Y-T-D	3,643,706	3,391,255	2,891,690
Adj Budget	*$ 12,330,046*	*$ 12,607,422*	*$ 8,586,121*



TAX EXEMPT BOND FUNDS

FISCAL YEAR TO DATE: (graph is cumulative)

	2007-08	2008-09	2009-10
Jul	$ -	$ -	$ (137,037)
Aug	-	37,323	(2,790)
Sep	40,031	182,198	13,517
Oct	397,032	518,843	75,521
Nov	161,740	294,138	28,170
Dec	642,128	322,106	25,992
Jan	639,181	16,970	27,529
Feb	237,320	35,873	170,809
Mar	356,464	2,830	15,298
Apr	574,914	203	-
May	462,252	12,516	-
Jun	600,315	18,314	-
TOT Y-T-D	4,111,377	1,441,314	217,009
Adj Budget	$ 8,019,086	$ 13,302,061	$ 18,087,011



REVENUES — Tax exempt bond fund revenue is primarily interest income earned on the fund balance. $325,000 in interest income is budgeted in FY 2009-10; $193,000 has been earned to date. As investments mature at different times throughout the year, interest income is recognized.

EXPENDITURES — Tax Exempt Bond expenditures through March were primarily related to the Downtown Parking Study, Washington/National Engineering studies (per executed MOU with Metro), and Washington Blvd AIP, Phase 1.

NOTE: 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	$247,000	FY 2010-11
2. Town Plaza (93400)	$3,100,000	$3,100,000	$300,000	FY 2010-11
3. Washington AIP: Phase 1 (92670)	$880,750	$880,750	$77,500	FY 2010-11
4. Downtown Parking Study (91050)	$167,000	$167,000	$140,400	FY 2009-10

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. The **Downtown Parking Study** is a study of the parking supply and demand in downtown Culver City. This project is nearing completion.