



City of Culver City

Staff Report

File #: 24-673, Version: 1

Item #: A-1.

CC - ACTION ITEM: (1) Presentation of the Fiscal Year 2023-2024 Mid-Year Budget Monitoring Report; (2) Receipt and Filing of the Fiscal Year 2023-2024 Mid-Year Budget Monitoring Report; (3) Notification to Public Inviting Comment and Input for the Upcoming Proposed Budget for Fiscal Year 2024-2025; (4) Approval of Proposed Blanket Purchase Order Amendments; (5) Approval of Personnel Position Allocation Amendments; and (6) FOUR-FIFTHS VOTE REQUIREMENT: Approval of Proposed Budget Amendments.

Meeting Date: February 26, 2024

Contact Person/Dept: Lisa Soghor/Finance Department

Phone Number: (310) 253-5865

Fiscal Impact: Yes No

General Fund: Yes No

Attachments: Yes No

Public Notification: (Email) Meetings and Agendas - City Council (02/20/2024); (Email) Ongoing Topics - Fiscal and Budget Issues (02/20/2024)

Department Approval: Lisa Soghor, Chief Financial Officer (02/20/2024)

RECOMMENDATION

Staff recommends the City Council (1) receive a presentation from staff on the Fiscal Year 2023-2024 Mid-Year Budget Monitoring Report; (2) receive and file the Fiscal Year 2023-2024 Mid-Year Budget Monitoring Report; (3) provide notification to the public inviting comment and input for the upcoming Proposed Budget for Fiscal Year 2024-2025; (4) approve proposed blanket purchase order amendments; (5) approve the personnel position allocation amendments; and (6) approve related budget amendments (**budget amendment requires a four-fifths vote**).

BACKGROUND/DISCUSSION

Mid-Year Budget Monitoring Report

The attached Mid-Year Budget Monitoring Report (Attachment 1) presents the City Council with a snapshot of General Fund, Enterprise Funds and Internal Service Funds expenditures and revenues through the first half of Fiscal Year 2023-2024, which began on July 1, 2023. Special Revenue

Funds are performing within expectations and are not a part of this report.

Notification Inviting Public Comment and Input

In keeping with the City Council's strategic goals to promote public engagement and ensure long-term financial sustainability, the City is committed to being open and transparent in all matters, especially those involving the collection and expenditure of public funds. As such, the public is being provided this first of several opportunities to comment and offer input on the City's upcoming Fiscal Year 2024-2025 proposed budget.

The City Manager's Proposed Budget for Fiscal Year 2024-2025 is scheduled to be presented to the City Council on Monday, May 13, 2024. Leading up to the presentation of the proposed budget, there will be multiple opportunities for the public to provide input. The City will hold several public meetings dedicated to budget-related topics in March and there will also be multiple opportunities for public comment when the City Council discusses the proposed budget in May and June.

The public is also invited to submit comments and suggestions to the City at the following e-mail address: Budget.Priorities@culvercity.org.

Proposed Budget Amendments

At the midpoint of the fiscal year, departments review their expenditures and staffing levels and make requests to amend them. Finance staff evaluates those requests and presents them to the City Manager. No new staff positions are being recommended, but 10 are proposed for reclassification to better serve the needs of the departments. These are detailed in Attachment 3. The recommended Mid-Year adjustments are presented in Attachment 4. Finance staff recommends a net decrease in General Fund Revenue totaling \$358,480. The proposed General Fund expenditure appropriations total \$1.6 million and include funding for the Safe Routes to School traffic study, continued security services and maintenance work at City facilities, and a contract for a Racial Equity Action Plan. Proposed appropriations to other funds total \$3.8 million and include the replacement of a Fire Department ladder truck, increased trucking fees for trash removal and Culver City's share for regional stormwater projects.

FISCAL ANALYSIS

The Mid-Year Budget Monitoring Report provides detail on the General Fund revenues received and expenditures disbursed through December 31, 2023, as well as the City's adjusted budget projections through the end of the Fiscal Year (to June 30, 2024). General Fund expenditures through December 31, 2023 are \$89.96 million, or 47.4% of the current revised budget amount of \$189.9 million.

The proposed General fund mid-year budget amendments total \$1.6 million of which approximately \$1.4 million are one-time costs. If approved, the projected General Fund expenditures will be \$191.5 million.

General Fund operating revenues through December 31, 2023 are \$54.8 million, or 34.1% of current revised budget projections. Based on actual receipts and market trends, the City is now projected to

receive a total of \$160.2 million in General Fund operating revenues, \$358,480 less than the current revised budget total. Increases in Property Tax, Utility User Taxes and Transient Occupancy Tax help offset decreases in Sales Tax, Cannabis Business Tax, Plan Check Fees, and other categories. Overall, the result is a slight reduction in estimated revenues of \$358,480.

As projected in the Adopted Budget, General Fund operating expenditures continue to exceed anticipated operating revenues. The additional \$1.6 million in expenditures and the \$358,480 reduction in revenues equal approximately \$2 million, which must be funded from the Unassigned General Fund Balance. The Unassigned General Fund Balance is \$6.1 million as of February 15, 2024. If Council approves the budget amendments as recommended, the Unassigned General Fund Balance will be \$4.1 million.

All proposed mid-year adjustments are provided in detail in the attached Fiscal Year 2023-2024 Mid-Year Budget Monitoring Report and Proposed Budget Amendments (Attachment 4).

ATTACHMENTS

1. 2024-02-26_ATT - Fiscal Year 2023-2024 Mid-Year Budget Monitoring Report
2. 2024-02-26_ATT - Proposed Blanket Purchase Order Amendments
3. 2024-02-26_ATT - Proposed Personnel Position Allocation Amendments
4. 2024-02-26_ATT - Proposed Budget Amendments

MOTION

That the City Council:

1. Receive a Presentation on the Fiscal Year 2023-2024 Mid-Year Budget Monitoring Report; and
2. Receive and file the Fiscal Year 2023-2024 Mid-Year Report as provided in Attachment 1; and
3. Provide notification to public inviting comment and input for the upcoming Proposed Budget for Fiscal Year 2024-2025; and
4. Approve the Proposed Blanket Purchase Order amendments as provided in Attachment 2; and.
5. Approve the Proposed Personnel Position Allocations as provided in Attachment 3; and
6. Approve the Budget Amendments as proposed in Attachment 4 (**budget amendment**)

requires a four-fifths vote).