

CITY OF
EL SEGUNDO

FY 2024-25 Second Quarter Financial Report & Mid-Year Adjustment Requests

February 18, 2025

City of El Segundo | 350 Main St. El Segundo, CA 90245

PRESENTATION AGENDA

- 1. FY 2024-25 Second Quarter (Q2) - Financial Report**
- 2. FY 2024-25 Mid-Year Adjustment Requests**
- 3. Staff Recommendations**
- 4. Next Steps**

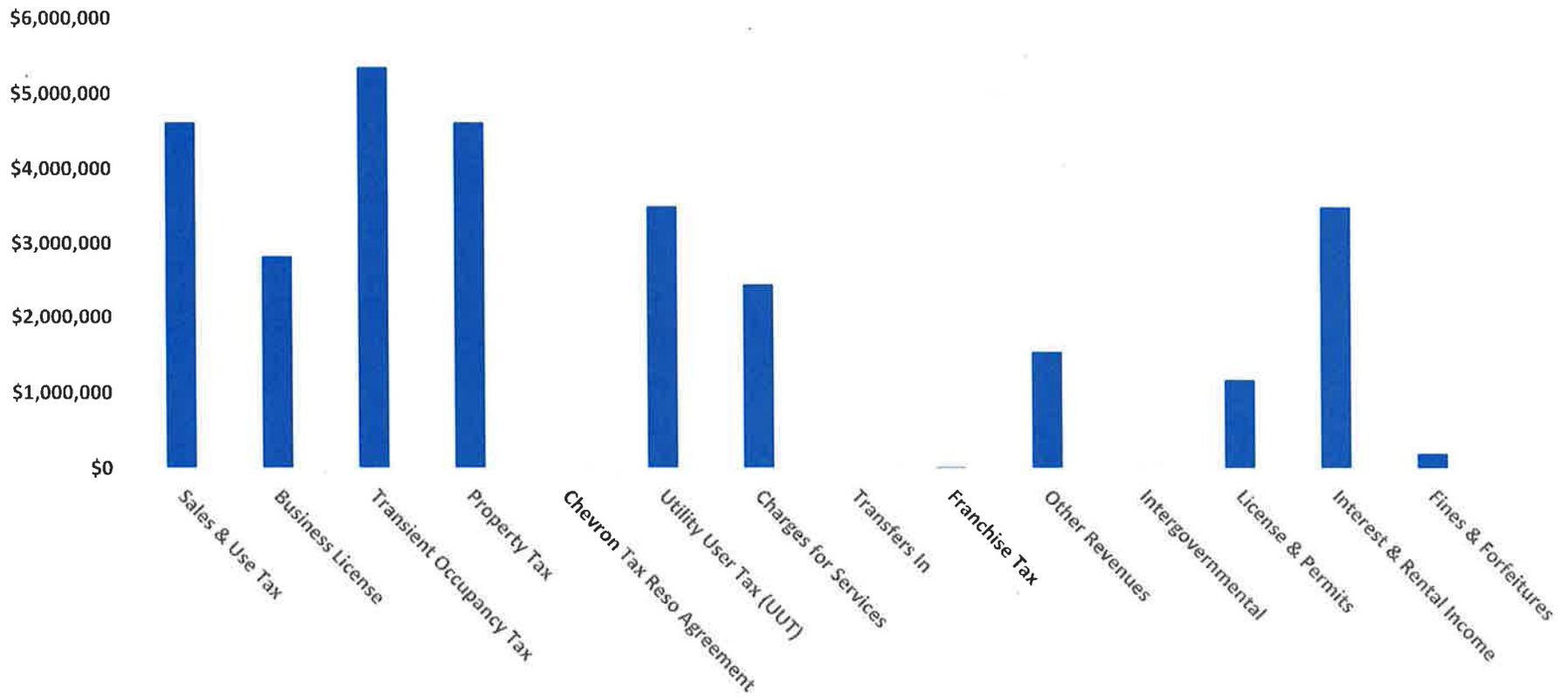
FY 2024-25 Q2 - Financial Report

Q2: GENERAL FUND – REVENUE (HIGHLIGHTS)

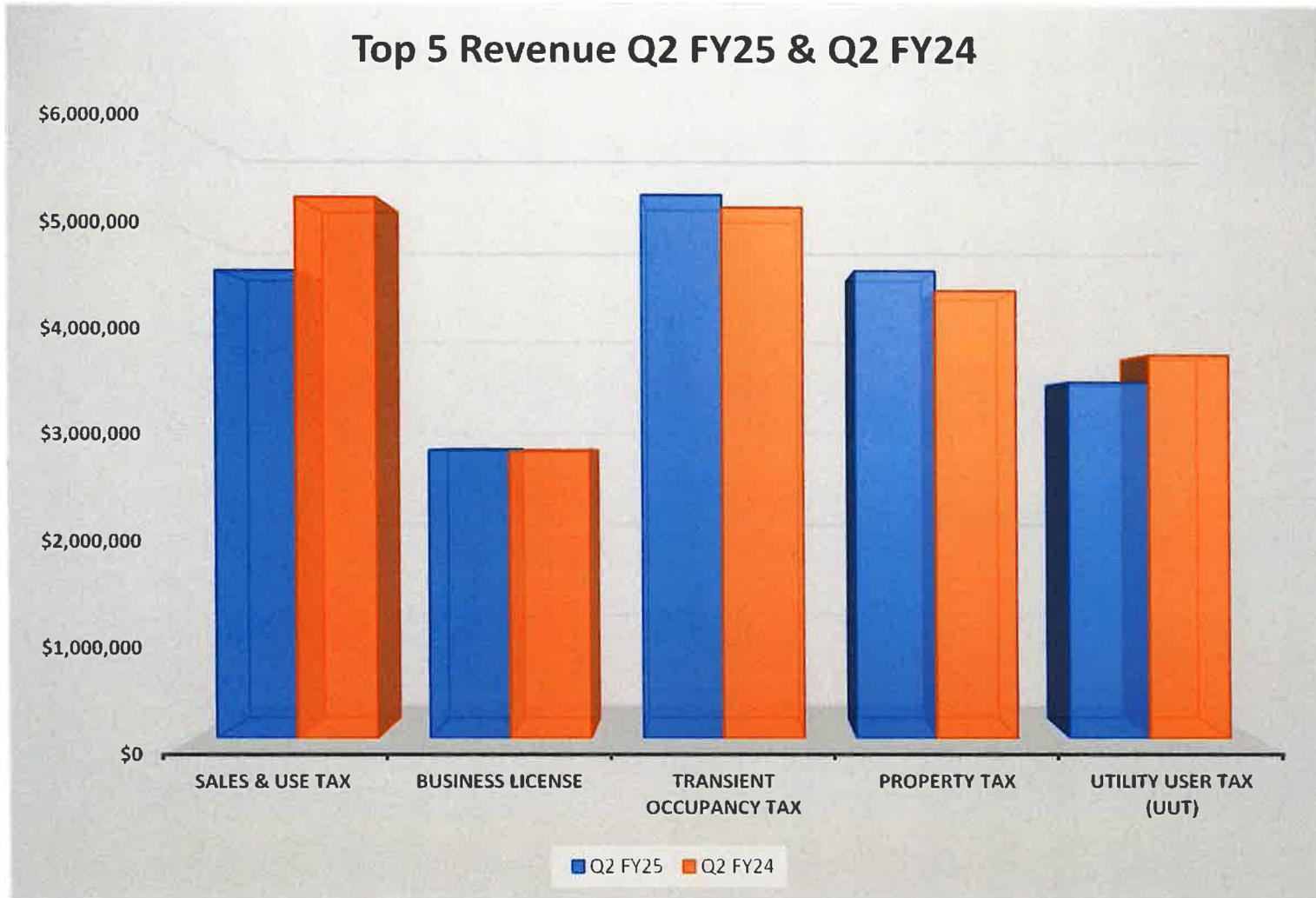
- General Fund had realized **\$29.9M** or **32%** current year revenues versus **\$29M** or **33%** prior year
- The big 5 revenues sources are on pace to meet or exceed budget
- Q3 Financial Report will provide better financial picture

Q2: GENERAL FUND REVENUE

Q2 General Fund Revenues Actuals: \$29,875,433



Q2: GENERAL FUND REVENUE



FY 2024-25 GENERAL FUND REVENUES (6 MONTHS)

Fiscal Year 2024-25					
	Revenue Source	Actual Revenues Received Through Q2	Revised Full Year Budget	Variance in Dollar - Budget to Actuals	Percentage Received
1	Sales & Use Tax	\$4,626,390	\$15,487,500	(\$10,861,110)	30%
2	Business License	2,831,454	14,000,000	(11,168,546)	20%
3	Transient Occupancy Tax	5,364,115	13,387,500	(8,023,385)	40%
4	Property Tax	4,624,424	13,391,758	(8,767,334)	35%
5	Chevron Tax Reso Agreement	0	5,500,000	(5,500,000)	0%
6	Utility User Tax (UUT)	3,508,702	11,165,700	(7,656,998)	31%
7	Charges for Services	2,449,531	5,150,122	(2,700,591)	48%
8	Transfers In	0	36,000	(36,000)	0%
9	Franchise Tax	21,251	4,536,000	(4,514,749)	0.5%
10	Other Revenues	1,545,186	2,513,657	(968,471)	61%
11	Intergovernmental	18,407	200,000	(181,593)	9%
12	License & Permits	1,177,282	2,582,372	(1,405,090)	46%
13	Interest & Rental Income	3,507,736	4,736,926	(1,229,190)	74%
14	Fines & Forfeitures	200,953	346,727	(145,774)	58%
Total General Fund Revenues		\$29,875,433	\$93,034,263	(\$63,158,830)	32.11%

FY 2024-25 ALL FUND REVENUES (6 MONTHS)

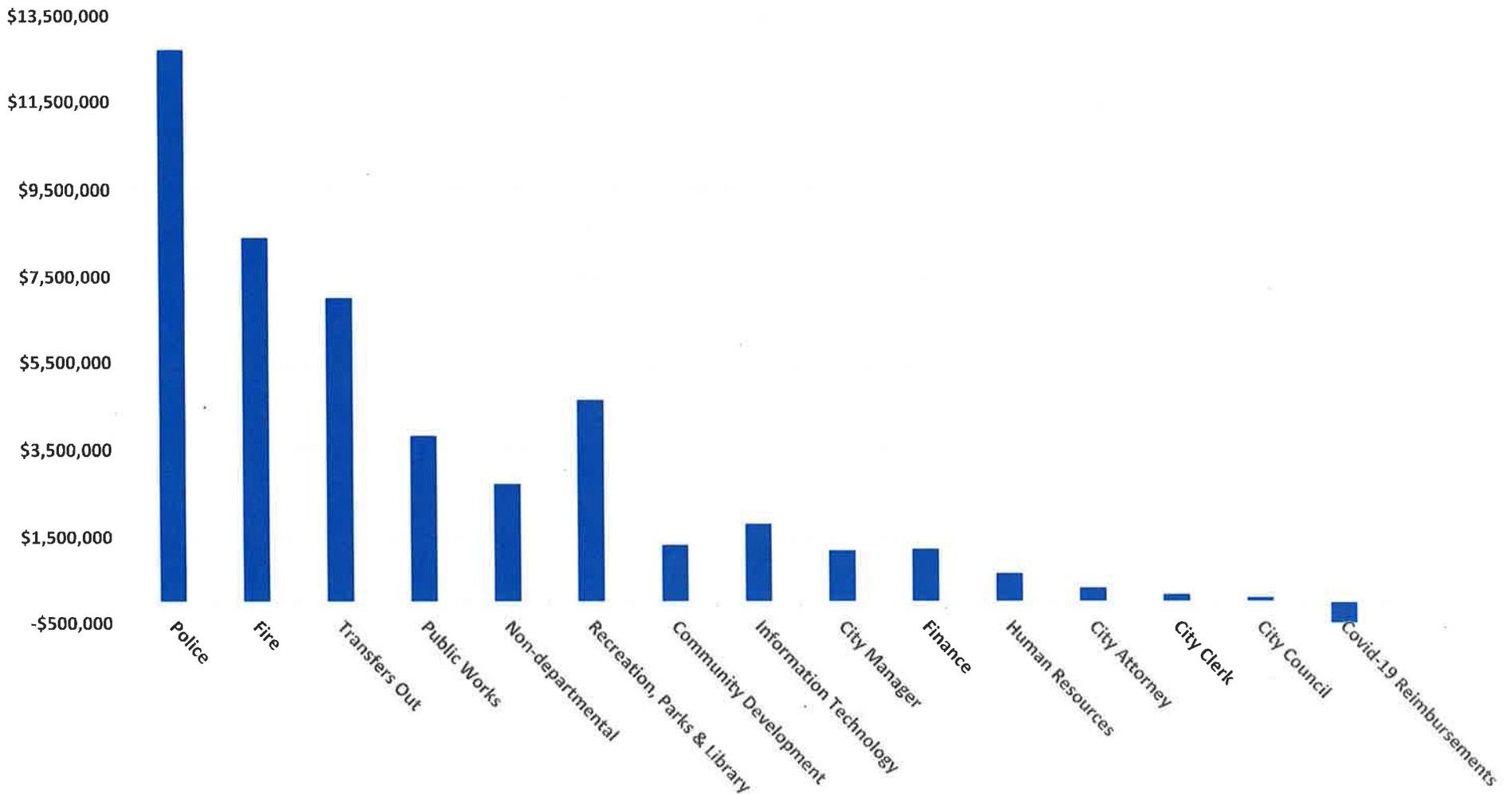
Fiscal Year 2024-25					
	Fund Name	Actual Revenues to Date	Revised Full Year Budget	Variance in Dollar	Percentage Received
1	General Fund	\$29,875,433	\$93,034,263	(\$63,158,830)	32%
2	Water Fund	20,134,501	34,630,327	(14,495,826)	58%
3	Transportation Funds	4,387,077	2,604,345	1,782,731	168%
4	Debt Service POBs	1,442,927	9,500,324	(8,057,397)	15%
5	Wastewater Fund	3,136,505	5,742,073	(2,605,569)	55%
6	General Fund CIP	5,145,629	5,245,732	(100,103)	98%
7	Equip. Replacement Fund	1,686,456	1,686,456	(0.89)	100%
8	Workers Comp. Fund	1,870,758	3,542,207	(1,671,450)	53%
9	General Liability Fund	1,550,000	3,105,000	(1,555,000)	50%
10	Dev. Services Trust	115,174	270,000	(154,826)	43%
11	Public Safety Special Rev.	555,605	2,521,934	(1,966,329)	22%
12	Other Special Rev.	124,005	977,364	(853,359)	13%
13	Rec & Econ Dev Trust Fund	121,835	1,124,250	(1,002,415)	11%
14	Cultural Development Fund	346,462	250,000	96,462	139%
15	Debt Service Fund	2,835	35,000	(32,165)	8%
16	Solid Waste Fund	300,000	300,000	0	100%
17	Senior Housing Fund	1,014,110	1,038,771	(24,662)	98%
18	Golf Fund	0	0	0	0%
19	Economic Uncertainty	0	0	0	0%
	Total	\$71,809,310	\$165,608,046	(\$93,798,737)	43.36%

Q2: GENERAL FUND – EXPENDITURE (HIGHLIGHTS)

- General Fund has expended **\$45.8M** or **46%** current year versus **\$45M** or **47%** prior year
- Departmental vacancies continues to be high, vacancy rate close to 10%+
- O&M costs are on pace with budget

Q2: GENERAL FUND EXPENDITURES

Q2 General Fund Expenditures Actuals: \$45,822,471



FY 2024-25 GENERAL FUND EXPENDITURES (6 MONTHS)

Fiscal Year 2024-25

	Expenditure Source	Actual Appropriations Expended Through Q2*	Revised Full Year Budget	Variance in Dollar - Budget to Actuals	Percentage Expended*
1	Police	\$12,733,764	\$22,381,342	(\$9,647,577)	57%
2	Fire	8,431,631	16,132,214	(7,700,583)	52%
3	Transfers Out	7,024,159	15,081,546	(8,057,387)	47%
4	Public Works	3,832,645	10,250,794	(6,418,148)	37%
5	Non-departmental	2,758,629	6,785,227	(4,026,598)	41%
6	Recreation, Parks & Library	4,651,871	10,889,279	(6,237,408)	43%
7	Community Development	1,332,479	3,994,592	(2,662,113)	33%
8	Information Technology	1,825,282	3,911,403	(2,086,121)	47%
9	City Manager	1,197,920	2,882,713	(1,684,793)	42%
10	Finance	1,239,199	2,766,646	(1,527,446)	45%
11	Human Resources	666,552	2,134,785	(1,468,233)	31%
12	City Attorney	333,568	897,450	(563,882)	37%
13	City Clerk	179,511	658,095	(478,584)	27%
14	City Council	104,165	224,272	(120,107)	46%
15	Covid-19 Reimbursements	(488,905)	0	(488,905)	0%
Total General Fund Expenditures		\$45,822,471	\$98,990,357	(\$53,167,886)	46.29%

*Does not include encumbrances

FY 2024-25 ALL FUND EXPENDITURES (6 MONTHS)

Fiscal Year 2024-25					
	Fund Name	Actual Expenditures to Date	Revised Full Year Budget	Variance in Dollar*	Percentage Expended*
1	General Fund	\$45,822,471	\$98,990,357	(\$53,167,886)	46%
2	Water Fund	13,459,654	39,333,606	(25,873,951)	34%
3	Transportation Funds	1,767,306	4,797,863	(3,030,557)	37%
4	Debt Service POBs	9,477,140	9,500,314	(23,174)	99.8%
5	Wastewater Fund	2,434,752	8,792,426	(6,357,674)	28%
6	General Fund CIP	2,806,743	30,357,549	(27,550,806)	9%
7	Equip. Replacement Fund	737,358	10,072,525	(9,335,167)	7%
8	Workers Comp. Fund	1,896,200	3,418,321	(1,522,121)	55%
9	General Liability Fund	2,777,995	3,769,563	(991,568)	74%
10	Dev. Services Trust	0	800,000	(800,000)	0%
11	Public Safety Special Rev.	611,940	2,961,575	(2,349,635)	21%
12	Other Special Rev.	148,826	2,232,535	(2,083,709)	7%
13	Rec & Econ Dev Trust Fund	21,104	136,000	(114,896)	16%
14	Cultural Dev. Trust Fund	115,619	272,604	(156,985)	42%
15	Debt Service Fund	454,290	542,851	(88,561)	84%
16	Solid Waste Fund	147,398	330,000	(182,602)	45%
17	Senior Housing Fund	5,095	194,295	(189,201)	3%
	Total	\$82,683,891	\$216,502,383	(\$133,818,492)	38.19%
*Does not include encumbrances					

ESTIMATED FUND BALANCE (GENERAL FUND)

<u>Description</u>	<u>Estimated</u>
Beginning Unassigned Fund Balance on July 1, 2024	\$40,701,761
Estimated FY 2024-25 <u>Revenues</u>	\$93,034,263
Estimated FY 2024-25 <u>Expenditures</u>	\$(98,990,357)
Estimated Ending Fund Balance (June 30, 2025)	\$34,745,667
25% Reserve Requirement	\$24,747,589
Estimated Available Unassigned Reserve	\$9,998,078



FY 2024-25 Mid-Year Adjustment Requests

MID-YEAR ADJUSTMENTS - SUMMARY

- Revenues & Expenditure changes less than 1% of adopted budget
 - Revenue adjustment: **\$5,000**
 - Expenditure adjustment: **\$406,294**
 - Net Change in budget: **\$396,294** (General Fund)
\$401,294 (All Funds)

RECOMMENDED ADJUSTMENTS - REVENUES

	Fund Name	Revised Budget	Mid-Year Recommended Changes	Revised Budget with Recommended Additions	% Increase
1	General Fund*	\$93,034,263	\$0	\$93,034,263	0%
2	Water Fund	34,630,327	0	34,630,327	0%
3	Transportation Funds	2,604,345	0	2,604,345	0%
4	Debt Service POBs	9,500,324	0	9,500,324	0%
5	Wastewater Fund	5,742,073	0	5,742,073	0%
6	General Fund CIP	5,245,732	0	5,245,732	0%
7	Equip. Replacement Fund	1,686,456	0	1,686,456	0%
8	Workers Comp. Fund	3,542,207	0	3,542,207	0%
9	General Liability Fund	3,105,000	0	3,105,000	0%
10	Dev. Services Trust	270,000	0	270,000	0%
11	Public Safety Special Rev.	2,521,934	0	2,521,934	0%
12	Other Special Rev.	977,364	0	977,364	0%
13	Rec & Econ Dev Trust Fund	1,124,250	0	1,124,250	0%
14	Cultural Development Fund	250,000	5,000	255,000	2.0%
15	Debt Service Fund	35,000	0	35,000	0%
16	Solid Waste Fund	300,000	0	300,000	0%
17	Senior Housing Fund	1,038,771	0	1,038,771	0%
18	Golf Fund	0	0	0	0%
19	Economic Uncertainty	0	0	0	0%
	Total	\$165,608,046	\$5,000	\$165,613,046	0.003%

*There are no recommended General Fund Revenue adjustments.

RECOMMENDED ADJUSTMENTS - EXPENDITURES

	Expenditure Source	Revised Budget	Mid-Year Recommended Changes	Revised Budget with Recommended Additions	% Increase
1	General Fund	\$98,990,357	\$396,294	\$99,386,651	0.40%
2	Water Fund	39,333,606	0	39,333,606	0.00%
3	Transportation Funds	4,797,863	0	4,797,863	0.00%
4	Debt Service POBs	9,500,314	0	9,500,314	0.00%
5	Wastewater Fund	8,792,426	0	8,792,426	0.00%
6	General Fund CIP	30,357,549	0	30,357,549	0.00%
7	Equip. Replacement Fund	10,072,525	0	10,072,525	0.00%
8	Workers Comp. Fund	3,418,321	0	3,418,321	0.00%
9	General Liability Fund	3,769,563	0	3,769,563	0.00%
10	Dev. Services Trust	800,000	0	800,000	0.00%
11	Public Safety Special Rev.	2,961,575	0	2,961,575	0.00%
12	Other Special Rev.	2,232,535	5,000	2,237,535	0.22%
13	Rec & Econ Dev Trust Fund	136,000	0	136,000	0.00%
14	Cultural Dev. Trust Fund	272,604	5,000	277,604	1.83%
15	Debt Service Fund	542,851	0	542,851	0.00%
16	Solid Waste Fund	330,000	0	330,000	0.00%
17	Senior Housing Fund	194,295	0	194,295	0.00%
	Total	\$216,502,383	\$406,294	\$216,908,677	0.19%

MID-YEAR SUMMARY BY DEPARTMENT

<u>Department / Request</u>	<u>Amount</u>
City Manager: Add (1) back Executive Assistant position (frozen during budget) and convert to Management Analyst	\$43,561
Police: Add (3) Officers, (4) Trainee, O&M budget for new Officers	\$239,022
Fire: Firefighter salaries to Paramedic pay following promotion	\$68,711
Public Works: Pump Station 16 Repairs (maintenance), CalRecycle Grant	\$50,000
RPL: Friends of the Library donation for music programming*	\$5,000
Total Mid-Year Adjustment Request:	\$406,294

* \$5,000 revenue adjustment not reflected in total

MID-YEAR ADJUSTMENT

City Manager:

Add back Executive Assistant position (frozen during budget preparation and adoption), but convert to Management Analyst (9% increase)

- Total Expenditure: \$43,561 (4 months Salaries & Benefits budget)

MID-YEAR ADJUSTMENT

Police Department:

Add (3) officers of the 10 over hires: As of September 2024, the department has staffed 62 sworn officers, and 3 additional officers are anticipated to be hired by May 2025: **\$48,645** (2 months budget)

4 Trainees: **\$50,377** (4 months budget)

Uniform Replacement: **\$50,000**

Training Materials and Supplies (ammunition): **\$15,000**

Professional & Technical (Polygraph, Psych, Backgrounds): **\$15,000**

Contractual Services (5 Radios): **\$60,000**

- Total Expenditure: **\$239,022**

MID-YEAR ADJUSTMENT

Fire Department

Salaries related to increasing Firefighter salaries to Paramedic pay following the promotion of Firefighters to medic rank

- Total Expenditure: \$68,711

MID-YEAR ADJUSTMENT

Public Works:

O&M - Pump Station 16 Repairs (maintenance)

- Total Expenditure: \$45,000

CalRecycle Grant (Other Special Revenue Fund)

- Total Expenditure: \$5,000

MID-YEAR ADJUSTMENT

Recreation, Park and Library:

\$5,000 donation to the Friends of the Library for music programming at the Library (Cultural Development Fund)

- Revenue: \$5,000
- Expenditure: \$5,000

STAFF RECOMMENDATIONS

1. **Approve** to amend the FY 2024-25 Budget to reflect the revised year-end revenue estimates and year-end expenditures, which were noted in this Mid-Year Budget and Second Quarter Fiscal Year 2024-25 Financial Report.
2. **Receive and File** the Second Quarter Fiscal Year 2024-25 Financial Report.

NEXT STEPS

Proposed Fiscal Year 2025-26 Budget Calendar:

- Budget Study Session #1 (**April 29, 2025**)
- Budget Study Session #2 (**May 6, 2025**)
- 5-year Capital Improvement Program (**May 6, 2025**)
- Master Fee Schedule to be updated by CPI-U (**April 2025**)
- Public Hearing and Adoption for the Budget (**June 3, 2025**)
- Beginning of FY 2025-26 (**July 1, 2025**)