

The logo of the City of El Segundo, featuring a circular seal with a building and the text "CITY OF EL SEGUNDO" around the perimeter.

CITY OF  
**EL SEGUNDO**

**Public Hearing & Adoption  
of the  
Proposed Fiscal Year 2025-26  
Annual Operating & CIP Budget**

**June 3, 2025**

# Budget Adoption Timeline



# Presentation Agenda

1. Changes from Budget Study Session
2. Overview of Revenues, Expenditures, Fund Balance, and 5 Year Forecast
3. Capital Improvement Program (CIP)

*California Society of Municipal  
Finance Officers*

*Certificate of Award*

***Operating Budget Meritorious Award  
Fiscal Year 2024-2025***

*Presented to the*

***City of El Segundo***

For meeting the criteria established to achieve a CSMFO Award in Budgeting.

*February 7, 2025*



*Ernie Reyna*

Ernie Reyna  
2024 CSMFO President

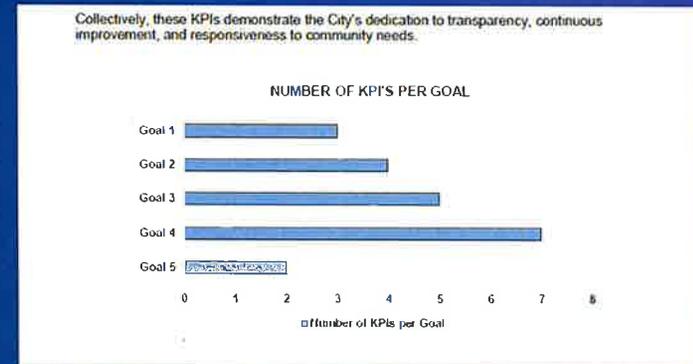
*James Russell-Field*

James Russell-Field, Chair  
Recognition Committee

*Dedicated to Excellence in Municipal Financial Reporting*

# Updates to FY 2025-26 Budget Book

- ✓ Department narratives & Org Chart
- ✓ El Segundo Demographics
- ✓ El Segundo History
- ✓ GANN Appropriations Limit
- ✓ KPI's
- ✓ Other jurisdiction comparables



# El Segundo Budgetary Strengths



- ✓ Diverse revenue stream
- ✓ Location, location, location
- ✓ AAA Rating
- ✓ Low debt
- ✓ POB @ 2.7%
- ✓ General Fund Reserves @ 25%
- ✓ Strong reserves



## Budget Highlights for FY 2025-26

1. Revenues remain flat
2. Additional police officers previously approved by City Council
3. \$2.9M Unfunded Accrued Liability (UAL)
4. POA MOU expires June 2025
5. Plunge Construction & Operations (6 months)
6. \$5.2M (General Fund) Capital projects
7. Public Safety Overtime budget
8. 5% vacancy rate used for Personnel Budget
9. Potential structural deficit starting FY 2027-28

# Changes from Budget Study Session to Budget Proposal

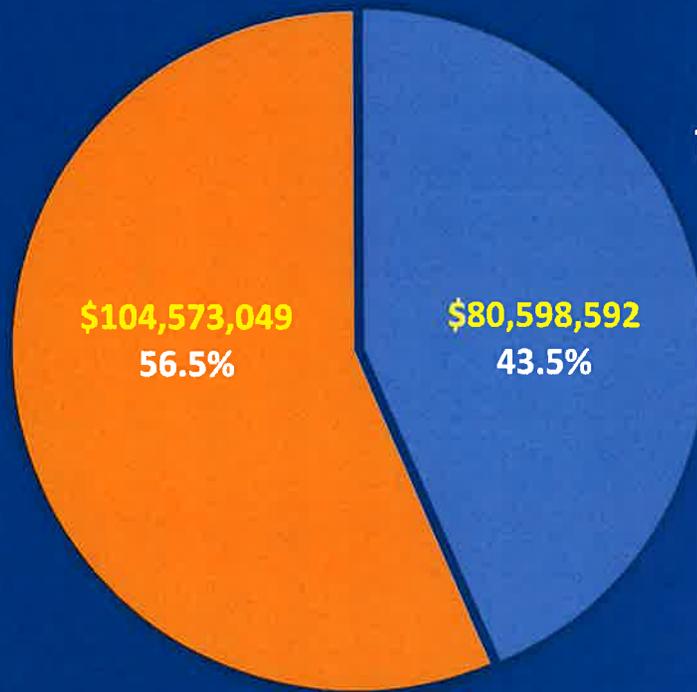
Description	Salaries & Benefits	M&O	FTE	Revenues
PD - Decrease officers from 69 to 67 and M&O	-\$314,898	-\$10,082	-2.0	N/A
RPL - Add Club Cowabunga	+\$79,568	+\$15,001	+1.6	\$90,000
<b>Total Changes</b>	<b>-\$235,330</b>	<b>\$4,919</b>	<b>-0.40</b>	<b>\$90,000</b>

# FY 2025-26 Proposed Full-Time Equivalent (FTE)

Department	FY 2024-26 Proposed Personnel (Study Session)	FY 2025-26 Proposed Personnel	FTE Change
<b>Total Full-Time FTE</b>	300	<b>298</b>	-2.0
<b>Total Part-Time FTE</b>	78.71	<b>80.31</b>	1.6
<b>Total FTE</b>	378.71	<b>378.31</b>	-0.4



# FY 2025-26 Proposed Revenues



**TOTAL ALL FUNDS REVENUES:**  
**\$185,171,641**

- Non-General Funds
- General Fund

# FY 2025-26 Proposed Revenues (All Funds)

No.	Fund Name	FY 2024-25 Estimated Actuals	FY 2024-25 Estimated Actuals % of Budget	FY 2025-26 Proposed Revenues	FY 2025-26 Proposed % of Budget
1	General Fund	\$103,459,641	58.9%	\$104,573,049	56.5%
2	Water Fund	34,630,327	19.7%	37,223,245	20.1%
3	Transportation Funds	2,604,345	1.5%	2,646,436	1.4%
4	Debt Service POBs	9,500,324	5.4%	9,505,304	5.1%
5	Wastewater Fund	5,742,073	3.3%	6,214,470	3.4%
6	General Fund CIP	5,160,732	2.9%	5,302,000	2.9%
7	Equipment Replacement Fund	1,686,456	1.0%	2,027,142	1.1%
8	Workers Compensation Fund	3,542,207	2.0%	3,597,350	1.9%
9	General Liability Fund	3,105,000	1.8%	3,687,030	2.0%
10	Dev. Services Trust	270,000	0.2%	250,000	0.1%
11	Public Safety Special Rev.	2,326,200	1.3%	3,084,987	1.7%
12	Other Special Rev.	977,363	0.6%	1,124,263	0.6%
13	Rec & Econ Dev Trust Funds	1,124,250	0.6%	5,144,400	2.8%
14	Cultural Dev. Trust Fund	250,000	0.1%	257,500	0.1%
15	Debt Service Fund	35,000	0.0%	36,050	0.0%
16	Solid Waste Fund	300,000	0.2%	211,000	0.1%
17	Senior Housing Fund	1,038,771	0.6%	287,414	0.2%
<b>Total</b>		<b>\$175,752,689</b>	<b>100.0%</b>	<b>\$185,171,641</b>	<b>100.0%</b>

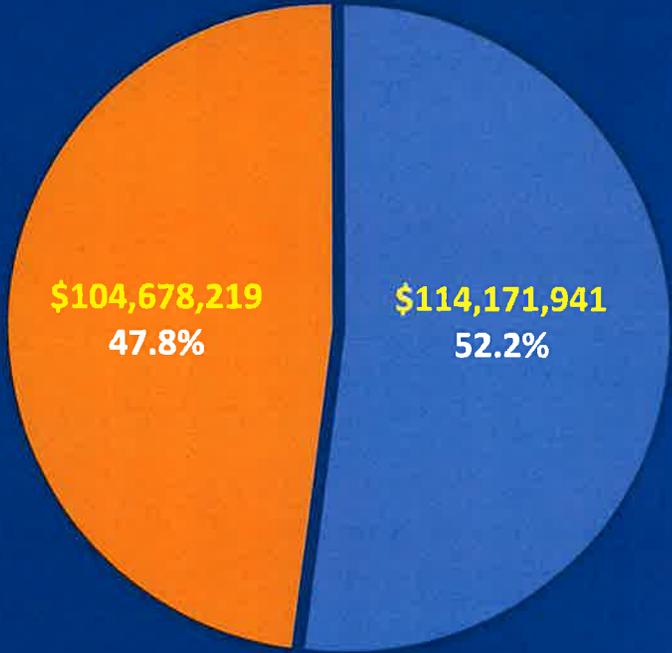


# FY 2025-26 Proposed Revenue (General Fund)

No.	General Fund Revenue	FY 2024-25 Estimated Actuals	FY 2025-26 Proposed Budget	\$ Change	% Change
1	Sales & Use Tax	\$16,805,000	\$16,804,178	(\$822)	-0.005%
2	Business License	14,090,976	14,090,976	0	0.0%
3	Transient Occupancy Tax	14,800,000	14,800,000	0	0.0%
4	Property Tax	13,775,000	14,037,884	262,884	1.9%
5	Chevron Tax Reso Agreement	5,600,000	6,100,000	500,000	8.9%
6	Utility User Tax (UUT)	11,065,700	11,093,769	28,069	0.3%
7	Charges for Services	5,878,000	5,900,748	22,748	0.4%
8	Transfers In	4,754,994	4,754,994	0	0.0%
9	Franchise Tax	5,125,000	5,200,000	75,000	1.5%
10	Other Revenues	2,875,178	2,875,178	0	0.0%
11	Intergovernmental	355,000	355,000	0	0.0%
12	License & Permits	2,282,500	2,329,000	46,500	2.0%
13	Interest & Rental Income	5,707,000	5,886,646	179,646	3.1%
14	Fines & Forfeitures	344,677	344,677	0	0.0%
<b>Total</b>		<b>\$103,459,025</b>	<b>\$104,573,049</b>	<b>\$1,114,025</b>	<b>1.1%</b>



# FY 2025-26 Proposed Appropriations



TOTAL ALL FUNDS APPROPRIATIONS:  
\$218,850,160

- Non-General Funds
- General Fund



# FY 2025-26 Proposed Appropriations (All Funds)

No.	Fund Name	FY 2024-25 Adopted Budget	% of FY 2024-25 Adopted Budget	FY 2025-26 Proposed Budget	% of FY 2025-26 Proposed Budget
1	General Fund	\$97,472,672	46.2%	\$104,678,219	47.8%
2	Water Fund	39,315,822	18.6%	39,449,617	18.0%
3	Transportation Funds	3,957,036	1.9%	2,020,037	0.9%
4	Debt Service POBs	9,500,314	4.5%	9,497,648	4.3%
5	Wastewater Fund	7,837,440	3.7%	7,962,952	3.6%
6	General Fund CIP + DIF	30,112,501	14.3%	28,830,349	13.2%
7	Equip. Replcmt. Fund	9,674,613	4.6%	7,539,900	3.4%
8	Workers Comp. Fund	3,418,321	1.6%	3,498,108	1.6%
9	General Liability Fund	3,769,563	1.8%	3,777,967	1.7%
10	Dev. Services Trust	800,000	0.4%	975,000	0.4%
11	Public Safety Spcl. Rev.	2,541,360	1.2%	3,135,849	1.4%
12	Other Special Rev.	1,253,035	0.6%	1,381,277	0.6%
13	Rec & Econ Dev Trust	136,000	0.1%	4,948,394	2.3%
14	Cultural Dev. Trust Fund	272,604	0.1%	251,617	0.1%
15	Debt Service Fund	542,851	0.3%	541,606	0.2%
16	Solid Waste Fund	330,000	0.2%	346,000	0.2%
17	Senior Housing Fund	16,295	0.0%	15,621	0.0%
<b>Total</b>		<b>\$210,950,427</b>	<b>100%</b>	<b>\$218,850,160</b>	<b>100.0%</b>

# FY 2025-26 Proposed General Fund Appropriations

No.	Department	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Budget	\$ Change	% Change
1	Police	\$22,231,649	<b>\$24,867,038</b>	\$2,635,389	11.9%
2	Fire	15,663,956	<b>18,231,095</b>	2,567,139	16.4%
3	Transfers Out	14,996,546	<b>15,138,648</b>	142,102	0.9%
4	Public Works	9,844,794	<b>9,916,735</b>	71,941	0.7%
5	Non-Departmental	6,785,227	<b>7,508,339</b>	723,112	10.7%
6	Recreation, Park and Library	10,744,896	<b>11,294,648</b>	549,752	5.1%
7	Community Development Department	3,745,094	<b>3,957,955</b>	212,861	5.7%
8	Information Technology	3,912,086	<b>4,107,350</b>	195,264	5.0%
9	City Manager	2,807,177	<b>3,140,747</b>	333,570	11.9%
10	Finance	2,766,646	<b>2,807,702</b>	41,056	1.5%
11	Human Resources	2,194,785	<b>2,059,083</b>	(135,702)	(6.2%)
12	City Attorney	897,450	<b>825,000</b>	(72,450)	(8.1%)
13	City Clerk	658,095	<b>596,780</b>	(61,315)	(9.3%)
14	City Council	224,272	<b>227,098</b>	2,826	1.3%
<b>Total</b>		<b>\$97,472,672</b>	<b>\$104,678,219</b>	<b>\$7,205,546</b>	<b>7.4%</b>



# Proposed FY 2025-26 General Fund

General Fund  
Revenues  
\$104,573,049

General Fund  
Expenditures  
\$104,678,219

\$99,448,219  
Departmental  
General Fund  
Expenditures

\$5,230,000  
Transfer for CIP  
Projects and General  
CIP Reserve

# FY 2025-26 Proposed Appropriations (General Fund)

## Summary of General Fund Appropriations (Excluding Capital Outlay & Transfers Out)

	FY 2025-26 Proposed (Study Session)	FY 2025-26 Proposed	\$ Change	% Change
Salaries	\$42,005,458	<b>\$41,862,657</b>	-\$142,801	-0.3%
Retirements* & Benefits	\$21,319,575	<b>\$21,227,046</b>	-\$92,529	-0.4%
Maintenance & Operations (M&O)	\$26,444,950	<b>\$26,449,868</b>	\$4,918	0.02%
<b>Grand Total</b>	<b>\$89,769,982</b>	<b>\$89,539,570</b>	<b>-\$230,412</b>	<b>-0.3%</b>

\* UAL payment of \$2.9M

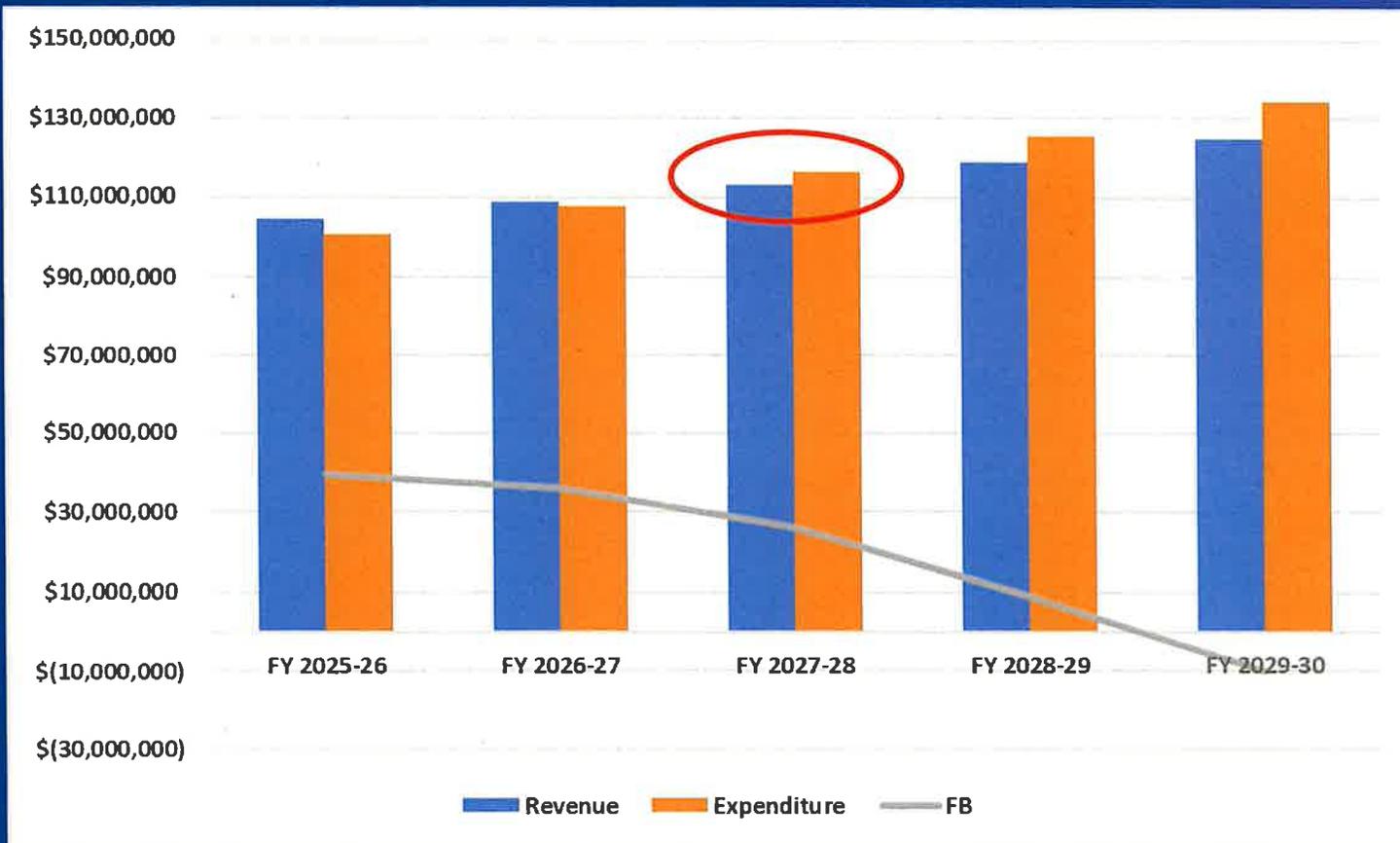
# FY 2025-26 Proposed Appropriations (General Fund) – Transfers Out

- Transfers Out = **\$15,138,648**
  - Debt Service Fund (POB Payments): **\$9,497,648**
  - GF CIP Fund: **\$5,230,000**
  - Solid Waste Fund: **\$211,000**
  - Senior Housing Fund: **\$200,000**

**PROPOSED GENERAL FUND UNASSIGNED BALANCE FOR FY 2025-26**

<u>Description</u>	<u>Proposed</u>
Estimated Beginning <b>Unassigned Fund Balance</b> on July 1, 2025	<b>\$33,053,905</b>
Proposed FY 2025-26 Revenues	\$104,573,049
Proposed FY 2025-26 Appropriations (Net of GF CIP)	<b>\$(99,448,219)</b>
Estimated Ending Fund Balance (June 30, 2026)	\$38,178,735
25% Reserve Requirement (based on proposed recurring appropriations)	\$24,862,055
<b>Estimated Ending Unassigned Fund Balance after meeting 25% reserve</b>	<b>\$13,316,680</b>

# 5-Year General Fund Financial Forecast



## Revenue Options

- Sales Tax Measure C, currently at 9.75%
  - ✓ 0.75% increase: **additional \$9M annually**
- Transient Occupancy Tax rate (TOT), currently at 12%
  - ✓ 1% increase: **additional \$1M annually**
- Utility Users Tax, currently at 3%
  - ✓ 1% increase: **additional \$500k-\$1M annually**
- Chevron TRA (agreement expires Sept 27')

## FY 2025-26 Reserves

- General Fund Reserve: 25% (\$24.9M)
- Economic Uncertainty Reserve: \$2M
- OPEB Reserve: \$36.7M
- Pension Trust Reserve: \$6.3M
- General Fund CIP Reserve: \$400k

## Proposed FY 2025-26 CIP Projects for All Funds

- Carryover projects in progress or about to begin = \$14,316,666
- New Projects = \$14,455,000
  - \$2,125,000 Proposed Transportation Funds Appropriations
  - \$5,800,000 Proposed Enterprise Funds Appropriations
  - \$ 500,000 Proposed Special Revenue Funds Appropriations
  - \$ 800,000 Proposed Stormwater Fund Appropriations
  - \$5,230,000 Proposed General Fund Appropriations

**\$28,771,666 (Total)**

## Proposed FY 2025-26 General Fund CIP

- (#25) \$ 250,000 HVAC (Citywide)
- (#27A) \$ 300,000 Dog Park Hillside Stabilization
- (#27B) \$ 200,000 Dog Park Fence and Drainage Improvements
- (#32) \$ 100,000 Citywide Misc. Repair
- (#33) \$ 100,000 Plumbing (Citywide)
- (#34) \$ 130,000 Miscellaneous Electrical (Citywide)
- (#35) \$ 50,000 Miscellaneous Equipment (Citywide)
- (#37) \$ 250,000 Main Facilities ADA Compliance Projects
- (#41) \$ 1,000,000 The Plunge Rehabilitation
- (#42) \$ 1,000,000 Recreation Park Projects Phase I Reserve
- (#43 ) \$ 1,200,000 Recreation Park Projects Phase II Reserve
- (#49) \$ 200,000 Downtown Beautification
- (#50) \$ 150,000 Finance Office remodel
- (#52) \$ 300,000 Police Department Elevator

**\$5,230,000 (Total)**

## Recommended Actions:

*Adopt resolution approving the proposed FY 2025-26 Citywide operating budget, capital improvement program budget, various financial policies, and Gann appropriations limit.*

# Questions

5/28/2025

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

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