



CITY OF
EL SEGUNDO

FY 2023-2024 Second Quarter Financial Report & Mid-Year Budget

February 20, 2024

PRESENTATION AGENDA

- 1. FY 2023-2024 Second Quarter (Q2) - Financial Report**
- 2. FY 2023-2024 Mid-Year Review & Adjustments**
- 3. Staff Recommendations**



FY 2023-24 Q2 - Financial Report

Q2: GENERAL FUND – REVENUE (HIGHLIGHTS)

- General Fund had realized **\$23.9M** or **27%** revenues versus **\$30M** or **37%**
- The big 5 revenues sources are on pace to meet or exceed budget
- Q3 Financial Report will provide better financial picture

FY 2023-2024 GENERAL FUND REVENUES (6 MONTHS)

Fiscal Year 2023-2024			
	Revenue Source	Actual Revenues Received Through Q2	Full Year Budget
1	Sales & Use Tax	\$5,341,906	\$14,750,000
2	Business License	2,821,181	14,300,000
3	Transient Occupancy Tax	3,905,880	12,750,000
4	Property Tax	169,528	12,539,805
5	Chevron Tax Reso Agreement	0	5,500,000
6	Utility User Tax (UUT)	5,519,821	10,634,000
7	Charges for Services	1,692,651	4,952,040
8	Transfers In	0	50,000
9	Franchise Tax	66,108	4,200,000
10	Other Revenues	1,403,522	3,112,944
11	Intergovernmental	48,031	130,000
12	License & Permits	980,413	2,182,000
13	Interest & Rental Income	1,759,855	2,867,620
14	Fines & Forfeitures	162,300	327,101
Total General Fund Expenditures		\$23,871,196	\$88,295,510

27% OF BUDGETED GENERAL FUND REVENUE RECEIVED (6 MONTHS)



SALES & USE TAX,
36%
Trending on budget.



TRANSIENT OCCUPANCY TAX,
31%
Trending on budget.



UTILITY USER TAX,
52%
Trending above the adopted budget.



CHARGES FOR SERVICES,
34%
Planning/Building-Safety Fees;
Paramedic Transport;
Recreation & Cultural Arts programming.



TRANSFERS-IN,
0%
Traffic Safety Fund transfer to occur later in the Fiscal Year.



FRANCHISE TAX,
2%
Annual payments from SCE & The Gas Co. received in April.



OTHER REVENUE,
45%
Traffic Control Plan Checks revenue is exceeding budget due to a street repaving project and a large fiber project.



INTERGOVERNMENTAL,
37%
Reimbursement from ESUSD for school librarians and commercial hauling permits.



LICENSES & PERMITS,
45%
Trending close to budget in Building-Safety permits.



FINES & FORFEITURES,
50%
Trending in line with budget for City Code Fines; Parking Fines; Towing Services Fines.



INTEREST & RENTAL INCOME,
61%
Includes the City's investment earnings, leased property, and the TopGolf ground lease.



BUSINESS LICENSE TAX,
20%
Assessed and collected December 1-January 31.



PROPERTY TAX,
1%
Payments received in December & January, and April & May. Future reports should reflect a January payment



TAX RESOLUTION AGREEMENT,
0%
Chevron TRA is remitted each year and is due March 31st.

Q2: GENERAL FUND – EXPENDITURE (HIGHLIGHTS)

- General Fund has expended **\$45.6M** or **47%** versus **\$41M** or **41%**
- Departmental vacancies continues to be high, vacancy rate close to 10%+
- OT budget for Fire Department is being re-evaluated
- O&M costs are on pace with budget

FY 2023-2024 GENERAL FUND EXPENDITURES (6 MONTHS)

Fiscal Year 2023-2024			
	Expenditure Source	Actual Expenditures Through Q2	Full Year Budget
1	Police	\$10,901,515	\$21,672,638
2	Fire	6,748,214	14,089,002
3	Transfers Out	9,895,993	17,930,206
4	Public Works	3,610,646	8,953,951
5	Non-departmental	4,547,741	6,745,052
6	Recreation, Parks & Library	3,886,288	10,372,344
7	Community Development	1,157,784	3,802,120
8	Information Technology	1,543,498	3,953,008
9	City Manager	1,159,390	2,903,270
10	Finance	1,281,039	2,754,376
11	Human Resources	449,602	2,116,401
12	City Attorney	200,802	835,450
13	City Clerk	166,231	516,545
14	City Council	90,133	235,329
Total General Fund Expenditures		\$45,638,875	\$96,879,693



FY 2023-24 Mid-Year Review & Adjustments

MID-YEAR ADJUSTMENTS - SUMMARY

- Revenues & Expenditure changes less than **1%** of adopted budget
 - Revenue adjustment: **\$16,980**
 - Expenditure adjustment: **\$309,914**
 - Net Change in budget: **\$117,315** (General Fund)
\$292,934 (All Funds)

RECOMMENDED ADJUSTMENTS - REVENUES

	Fund Name	FY 2023-24 Budget to Date	FY 2023-24 Recommended Adjustments	FY 2023-24 Revised Year-End Budget with Recommended Adjustments	% change
1	General Fund	\$88,295,510	\$0	\$88,295,510	0.00%
2	Water Fund	36,850,000	0	36,850,000	0.00%
3	Transportation Funds	2,254,935	0	2,254,935	0.00%
4	Debt Service POBs	9,497,716	0	9,497,716	0.00%
5	Wastewater Fund	5,200,000	0	5,200,000	0.00%
6	General Fund CIP	8,432,500	0	8,432,500	0.00%
7	Equip. Replcmt. Fund	2,261,969	0	2,261,969	0.00%
8	Workers Comp. Fund	3,235,881	0	3,235,881	0.00%
9	General Liability Fund	3,115,000	0	3,115,000	0.00%
10	Dev. Services Trust	270,000	0	270,000	0.00%
11	Public Safety Spcl. Rev.	1,266,231	0	1,266,231	0.00%
12	Other Special Rev.	795,700	0	795,700	0.00%
13	Rec & Econ Dev Trust	1,050,000	16,980	1,066,980	1.62%
14	Cultural Dev. Trust Fund	500,000	0	500,000	0.00%
15	Debt Service Fund	367,200	0	367,200	0.00%
16	Solid Waste Fund	600,000	0	600,000	0.00%
17	Senior Housing Fund	203,099	0	203,099	0.00%
18	Golf Fund	0	0	-	0.00%
19	Economic Uncertainty	0	0	-	0.00%
	Total	\$164,195,741	\$16,980	\$164,212,721	0.01%

RECOMMENDED ADJUSTMENTS - EXPENDITURES

	Fund Name	FY 2023-24 Budget to Date	FY 2023-24 Recommended Adjustments	FY 2023-24 Revised Year-End Budget with Recommended Adjustments	% change
1	General Fund	\$96,879,693	\$117,315	\$96,997,008	0.12%
2	Water Fund	31,837,693	0	31,837,693	0.00%
3	Transportation Funds	16,725,802	50,000	16,775,802	0.30%
4	Debt Service POBs	9,497,706	0	9,497,706	0.00%
5	Wastewater Fund	6,875,554	0	6,875,554	0.00%
6	General Fund CIP	17,608,913	0	17,608,913	0.00%
7	Equip. Replcmt. Fund	18,233,737	0	18,233,737	0.00%
8	Workers Comp. Fund	3,405,200	0	3,405,200	0.00%
9	General Liability Fund	3,222,127	0	3,222,127	0.00%
10	Dev. Services Trust	519,522	19,668	539,190	3.79%
11	Public Safety Spcl. Rev.	3,816,591	0	3,816,591	0.00%
12	Other Special Rev.	1,232,605	26,400	1,259,005	2.14%
13	Rec & Econ Dev Trust	188,400	96,531	284,931	51.24%
14	Cultural Dev. Trust Fund	298,196	0	298,196	0.00%
15	Debt Service Fund	603,300	0	603,300	0.00%
16	Solid Waste Fund	300,000	0	300,000	0.00%
17	Senior Housing Fund	963,461	0	963,461	0.00%
18	Golf Fund	0	0	-	0.00%
19	Economic Uncertainty	0	0	-	0.00%
	Total	\$212,208,504	\$309,914	\$212,518,418	0.15%

MID-YEAR ADJUSTMENT (NON-DEPARTMENTAL)

General Fund:

Crossing guard services for the El Segundo Unified School District. The amount approved in the Fiscal Year 2023-2024 adopted budget was an estimate, as staff did not receive the proposal from All City Management (crossing guard service provider) until after the budget was adopted.

- Expenditure: **\$17,315**

MID-YEAR ADJUSTMENT (PUBLIC WORKS)

General Fund:

Aquatic Center Supplies and Maintenance expenditures for a vendor to service the filters at the Aquatic Center. Additional maintenance for future new heaters. Increase to cost of pool chemical supplies.

- Expenditure: **\$100,000**

Other Special Revenue:

CalGreen Grant from the previous Fiscal Year.

- Expenditure: **\$26,400**

Transportation Funds:

Increased inspection contracted services on more third-party projects than anticipated for the fiscal year, including on-call services for the Douglas Street sinkhole in September 2023.

- Expenditure: **\$50,000**

MID-YEAR ADJUSTMENT (RECREATION, PARKS AND LIBRARY)

Recreation and Economic Development Trust Funds:

At the September 5, 2023 City Council meeting, City Council approved a resolution (Staff Presentation D.9) to waive fees associated with the World Series Championship Parade and Team Recognition Ceremony for the El Segundo Little League, with a not-to-exceed amount of \$200,000.

- Revenue: **\$16,980**
- Expenditure: **\$96,531**

MID-YEAR ADJUSTMENT (COMMUNITY DEVELOPMENT)

Development Services Trust:

Increased agreement with RRM Design Group at the May 3, 2022 City Council Meeting (Consent B.12) and requests the appropriation of the amended contract amount to be used in this fiscal year.

- Expenditure: **\$19,668**

STAFF RECOMMENDATIONS

1. **Approve** to amend the FY 2023-2024 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 2023-2024 Financial Report.
2. **Approve** to reclassify \$42,423 from 001-264-0000-8840 Designated Smoky Hollow Parking In-Lieu to 001-299-0000-2990 General Fund Unassigned Fund Balance.
3. **Approve** the All City Management Crossing Guard Services Amendment #13 which will increase the not-to-exceed amount to total \$164,037.