



CITY OF  
**EL SEGUNDO**

**2022-2023**

**MID-YEAR**

**BUDGET**

**REVIEW**

**February 21, 2023**

# FY 2022-2023 GENERAL FUND REVENUES

No.	Revenue Source	<i>FY 2022-2023 Budget</i>	<i>FY 2022-23 Revenues Actual Through 12/31/2022</i>	<i>% of Budget Received</i>	<i>Prior Year Actual Through 12/31/2021</i>
1	Sales & Use Tax	\$12,950,000	\$5,685,037	43.9%	\$3,873,490
2	Business License	\$11,935,200	\$2,052,076	17.2%	\$1,290,694
3	Transient Occupancy Tax	\$11,040,000	\$4,905,164	44.4%	\$4,340,647
4	Property Tax	\$10,145,860	\$4,049,476	39.9%	\$3,805,389
5	Chevron Tax Reso Agreement	\$7,578,805	\$0	0.0%	\$0
6	Utility User Tax (UUT)	\$7,269,908	\$3,743,362	51.5%	\$2,984,880
7	Charges for Services	\$4,797,150	\$2,753,526	57.4%	\$2,360,574
8	Transfers In	\$3,052,390	\$2,146,733	70.4%	\$2,011,733
9	Franchise Tax	\$3,300,000	\$125,323	3.8%	\$76,454
10	Other Revenues	\$2,163,683	\$1,080,316	26.2%	\$1,020,365
11	Intergovernmental	\$2,231,761	\$46,959	2.1%	\$79,142
12	License & Permits	\$2,100,000	\$1,518,646	72.3%	\$1,049,274
13	Interest & Rental Income	\$2,874,000	\$1,411,802	47.0%	\$238,296
14	Fines & Forfeitures	\$311,766	\$266,313	85.4%	\$196,193
<b>Total General Fund Revenues</b>		<b>\$81,750,523</b>	<b>\$29,784,733</b>	<b>36.5%</b>	<b>\$23,327,131</b>

# 36% OF BUDGETED GENERAL FUND REVENUE RECEIVED, FIRST SIXTH MONTHS OF FY 2022-23



**SALES & USE TAX,**  
43.9%:  
Trending above the  
adopted budget.



**TRANSIENT OCCUPANCY TAX,**  
44.4%:  
Increase due to increased  
occupancy rates.



**UTILITY USER TAX,**  
51.5%:  
Trending above the  
adopted budget.



**CHARGES FOR SERVICES,**  
57.4%:  
Planning Fees; Paramedic  
Transport; Recreation &  
Cultural Arts programming.



**TRANSFERS-IN,**  
70.4%:  
Includes ARPA Funds  
and a transfer for the  
Aquatic Center heater  
repair project in the first  
quarter.



**FRANCHISE TAX,**  
3.8%:  
Annual payments from  
SCE & The Gas Co.  
received in April.



**OTHER REVENUE,**  
26.2%:  
Developer contributions,  
internal administrative  
charges to other funds,  
SB90 reimbursements.



**INTERGOVERNMENTAL,**  
2.1%:  
Reimbursement from ESUSD  
for school librarians. VLF  
payments to be received in  
future quarters.



**LICENSES & PERMITS,**  
72.3%:  
Trending high due to  
increases in building  
permits.



**FINES & FORFEITURES,**  
85.4%:  
Increased revenue in  
City Code Fines;  
Parking Fines; Towing  
Services Fines.



**INTEREST & RENTAL INCOME,**  
47%:  
Includes the City's investment  
earnings, leased property, and the  
TopGolf ground lease.



**BUSINESS LICENSE TAX,**  
17.2%:  
Assessed and collected  
December 1-January 31.



**PROPERTY TAX,**  
39.9%:  
City receives payments in  
December & January, and  
April & May.



**TAX RESOLUTION AGREEMENT,**  
0%:  
Chevron TRA is remitted each  
year and is due March 31<sup>st</sup>.

# REVISED GENERAL FUND REVENUES

No.	General Fund Revenue	FY 2022-2023 Adopted Revenue	FY 2022-2023 Year-End Est.	Dollar Change	% Change
1	Sales & Use Tax	\$12,950,000	\$14,600,000	\$1,650,000	12.7%
2	Business License	11,935,200	11,300,000	(635,200)	-5.3%
3	Transient Occupancy Tax	11,040,000	12,500,000	1,460,000	13.2%
4	Property Tax	10,145,860	10,145,860	0	-
5	Chevron Tax Reso Agreement	7,578,805	7,578,805	0	-
6	Utility User Tax (UUT)	7,269,908	7,431,908	162,000	2.2%
7	Charges for Services	4,797,150	4,797,150	0	-
8	Transfers In	3,052,390	2,191,733	(860,657)	-28.2%
9	Franchise Tax	3,300,000	3,500,000	200,000	6.1%
10	Other Revenues	2,163,683	2,163,683	0	-
11	Intergovernmental	2,231,761	2,258,306	26,545	1.2%
12	License & Permits	2,100,000	2,200,000	100,000	4.8%
13	Interest & Rental Income	2,874,000	2,874,000	0	-
14	Fines & Forfeitures	311,766	376,766	65,000	20.8%
<b>Total General Fund Revenues</b>		<b>\$81,750,523</b>	<b>\$83,918,210</b>	<b>\$2,167,688</b>	<b>2.7%</b>

# FY 2022-23 EXPENDITURES FIRST SIXTH MONTHS

	Expenditure Source	FY 2022-23 Adopted Budget	Expenditures July 1- December 31, 2022	% of Budget Expensed	Expenditures July 1 – December 31, 2021
1	Police	\$20,378,246	\$10,704,351	53%	\$9,102,103
2	Fire	13,564,268	6,876,286	51%	7,019,026
3	Transfers Out	13,985,120	1,825,637	13%	12,586,208
4	Public Works	7,154,856	3,123,145	44%	3,696,957
5	Non-departmental	6,128,801	3,271,567	53%	3,177,894
6	Community Services	8,685,569	3,953,414	46%	2,176,431
7	Community Development	3,828,987	1,241,478	32%	1,133,094
8	Information Technology	3,741,130	1,151,900	31%	1,254,571
9	City Manager	2,850,000	1,008,218	35%	1,079,781
10	Finance	2,576,681	1,107,519	43%	1,015,285
11	Human Resources	1,492,491	546,088	37%	388,155
12	City Attorney	770,450	316,031	41%	227,876
13	City Clerk	568,511	163,989	29%	216,166
14	City Council	216,018	126,583	59%	151,251
15	COVID-19	-	-	0%	264,815
16	COVID-19 Reimbursements	-	<b>\$(168,651.58)</b>	-	<b>\$ (125,535)</b>
	<b>Total General Fund Expenditures</b>	<b>\$85,941,128</b>	<b>\$35,247,554</b>	<b>41%</b>	<b>\$43,364,079</b>

# GENERAL FUND APPROPRIATIONS

## General Fund Appropriations

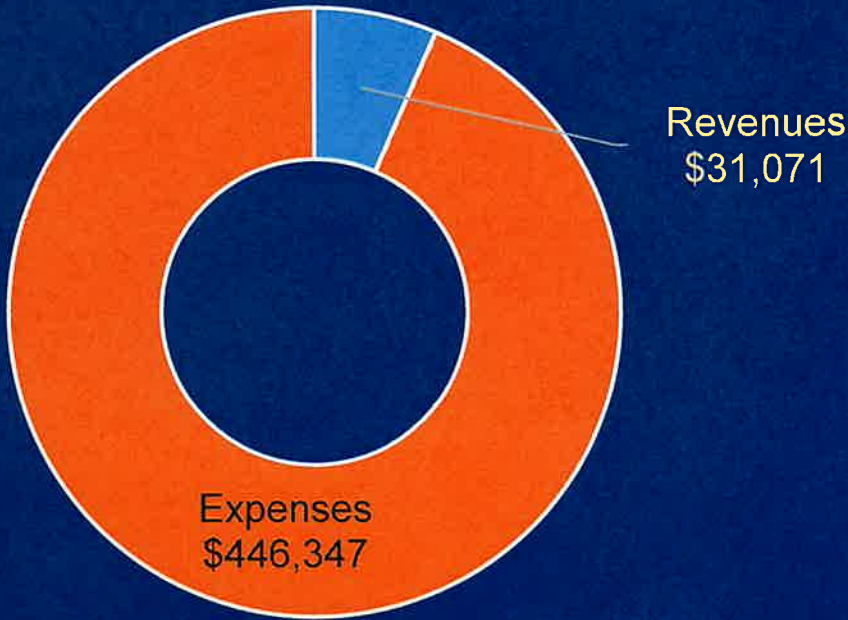
No.	Department	FY 2022-23 Adopted Budget	FY 2022-23 Year-end Estimate	\$ Change	% Change
1	Police	\$20,378,246	\$20,628,246	\$250,000	1%
2	Fire	13,564,268	14,374,268	810,000	6%
3	Transfers Out	13,985,120	13,985,120	0	0%
4	Public Works	7,154,856	7,504,856	350,000	5%
5	Non-Departmental	6,128,801	6,328,801	200,000	3%
6	Recreation, Park and Library	8,685,569	8,722,569	37,000	0%
7	Community Development Department	3,828,987	3,828,987	0	0%
8	Information Technology	3,741,130	3,741,130	0	0%
9	City Manager	2,850,000	2,850,000	0	0%
10	Finance	2,576,681	2,576,681	0	0%
11	Human Resources	1,492,491	1,659,391	166,900	11%
12	City Attorney	770,450	770,450	0	0%
13	City Clerk	568,511	568,511	0	0%
14	City Council	216,018	216,018	0	0%
<b>Total</b>		<b>\$85,941,128</b>	<b>\$87,755,028</b>	<b>\$1,813,900</b>	<b>2.1%</b>

# Estimated Fund Balance for General Fund

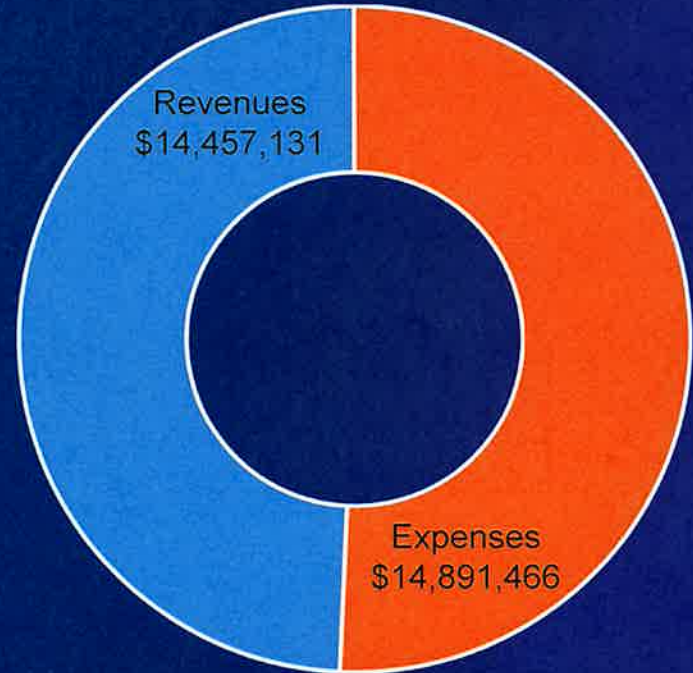
Description	7/1/2022 (estimated)	Revised FY 2022-23 Year-end Estimate (based on FY 2021-22 ACFR)
Beginning Unassigned Fund Balance on July 1, 2022	\$27,898,675	\$31,974,382
FY 2022-23 Revenues	\$81,750,523	\$83,918,210
FY 2022-23 Expenditures	-\$85,941,128	-\$87,518,028
Estimated Ending Unassigned Fund Balance (June 30, 2022)	\$23,708,070	\$28,374,564
20% - 25% Reserve Policy	\$17,188,226 - \$21,485,282	\$17,503,606 - \$21,879,507
<b>Available Unassigned Reserves</b>	<b>\$6,519,844 - \$2,222,788</b>	<b>\$10,870,958 - \$6,495,057</b>
Actual Reserves	28%	33%

# Other Funds for FY 2022-2023

Debt Service Fund: FY 2022-23 First Six Months



Water Utility Fund: FY 2022-23 First Six Months



**Debt Service Fund:** Revenue in the second quarter comes from development impact fees – STS Signals and Bridges.

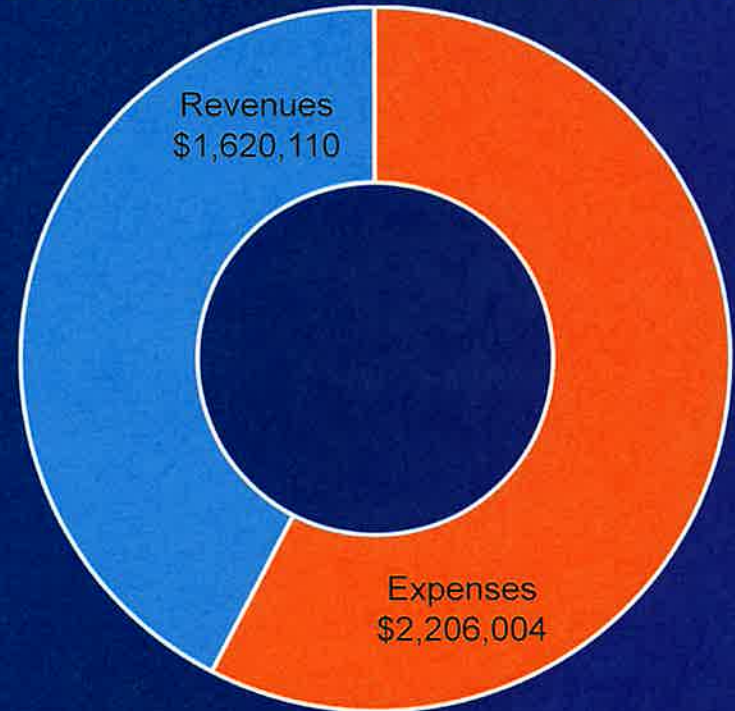
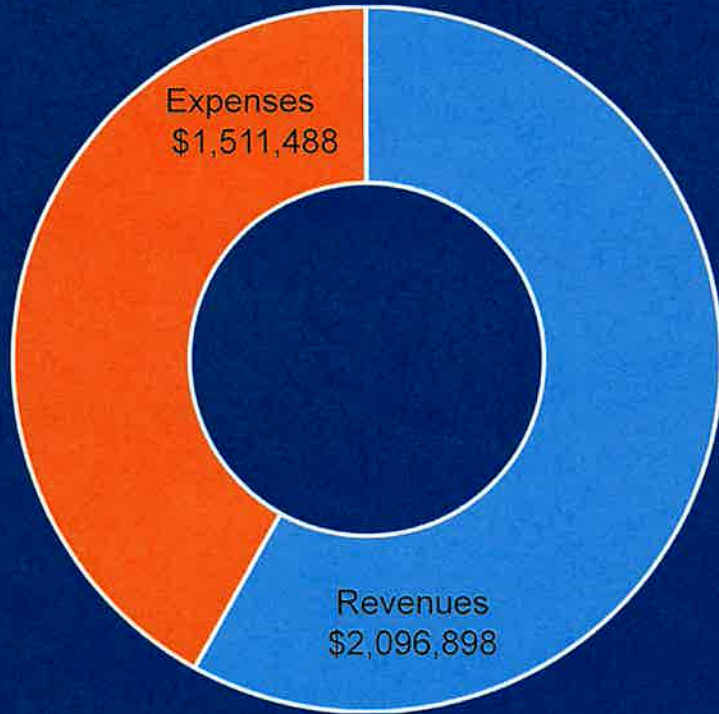
**Water Fund:** Revenues are trending close to but slightly under the adopted budget due to mandated water conservation. Water expenses include the purchase of potable and recycled water.



# Other Funds for FY 2022-2023 (cont'd)

Wastewater Fund: FY 2022-23 First Sixth Months

General Liability Fund: FY 2022-23 First Six Months

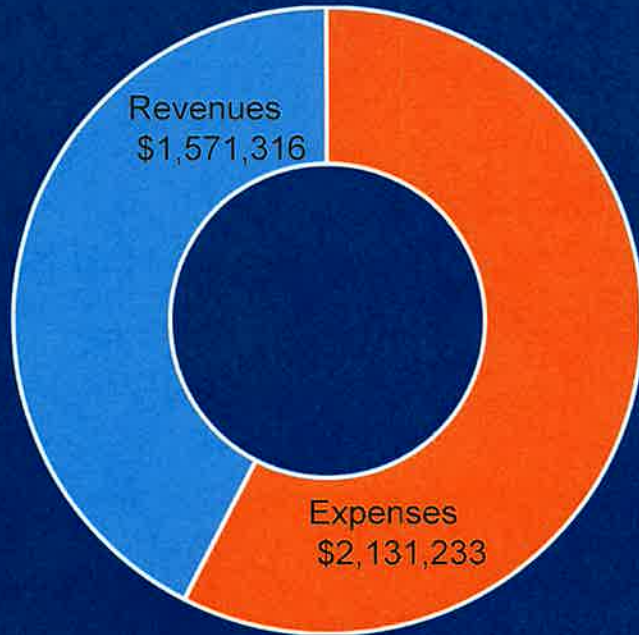


**Wastewater Fund:** Revenues are trending with the adopted revenues. The expenses are trending below budget.

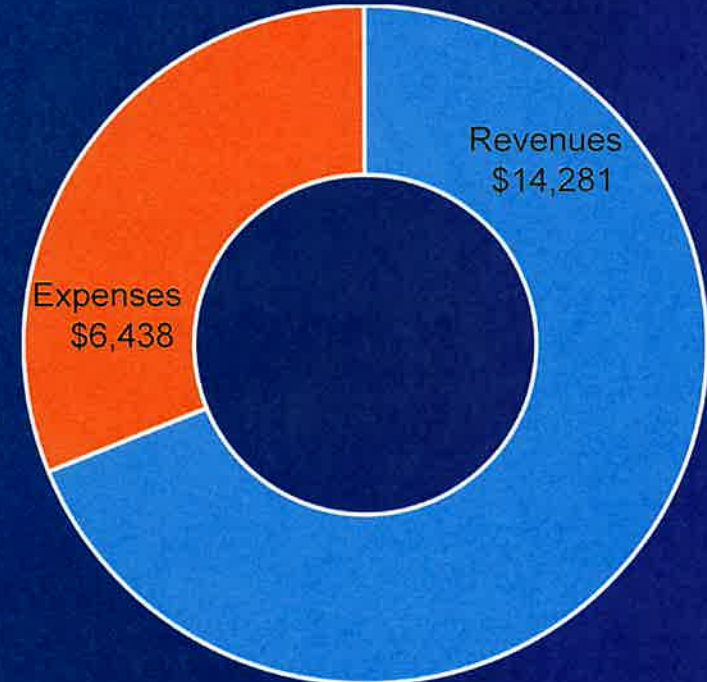
**General Liability Fund:** Revenues are expected to trend with the approved revenue budget, and expenses are lower than the approved budget, as the primary expense for the fund is the annual insurance premium paid each July.

# Other Funds for FY 2022-2023 (cont'd)

**Workers' Compensation Fund: First Sixth Months**



**Senior Housing Fund: FY 2022-23 First Six Months**



**Workers' Compensation Fund:** Revenues and expenses are in trend with the adopted budget. Expenses are primarily the annual insurance premium paid and claims paid. The annual premium is paid each July (\$1M for FY 2022-23), and claims are paid as they occur.

**Senior Housing Fund:** Revenues reflected in the second quarter are related to interest in investments, and expenses are related to administrative and legal counsel activity.

# Projected Year End Appropriations by Fund

No.	Fund Name	FY 2022-23 Adopted Budget	FY 2022-23 Year-end Projected Budget	\$ change	% change
1	General Fund	\$85,941,128	\$87,755,028	\$1,813,900	2.1%
2	Water Fund	31,359,005	31,359,005	\$0	0.0%
3	Transportation Funds	4,840,258	5,089,664	\$249,406	5.2%
4	Debt Service POBs	9,800,000	9,800,000	\$0	0.0%
5	Wastewater Fund	6,500,017	6,500,017	\$0	0.0%
6	General Fund CIP	7,870,893	7,870,893	\$0	0.0%
7	Equip. Replacement Fund	1,386,989	1,386,989	\$0	0.0%
8	Workers Comp. Fund	3,263,365	3,263,365	\$0	0.0%
9	General Liability Fund	3,572,125	3,572,125	\$0	0.0%
10	Dev. Services Trust	-	-	-	-
11	Public Safety Special Rev.	1,782,642	1,784,642	\$2,000	0.1%
12	Other Special Rev.	1,350,800	1,370,800	\$20,000	1.5%
13	Rec & Econ Dev Trust Fund	0	5,971	\$5,971	-
14	Cultural Dev. Trust Fund	326,000	326,000	\$0	0.0%
15	Debt Service Fund	545,000	545,000	\$0	0.0%
16	Solid Waste Fund	270,000	310,000	\$40,000	14.8%
17	Senior Housing Fund	75,313	75,313	\$0	0.0%
18	Golf Fund	10,000	10,000	\$0	0.0%
19	Economic Uncertainty	0-	-	-	-
<b>Total</b>		<b>\$158,893,535</b>	<b>\$161,024,812</b>	<b>\$2,131,277</b>	<b>1.4%</b>

# Mid-Year Budget Appropriations: Personnel Discussion & Requests

## Fire

Request: Convert the part-time Fire Prevention Specialist I position to full-time Fire Prevention Specialist I.

## Human Resources

Request: Add one (1) full-time Human Resources Analyst

## Information Technology

Request: Eliminate one Technical Services Analyst position and establish one new Information Technology Services Manager position.

## Police

### Modification Request One

Request: Reclassify one (1) Police Assistant II position assigned to the Traffic Division to an Administrative Specialist position.

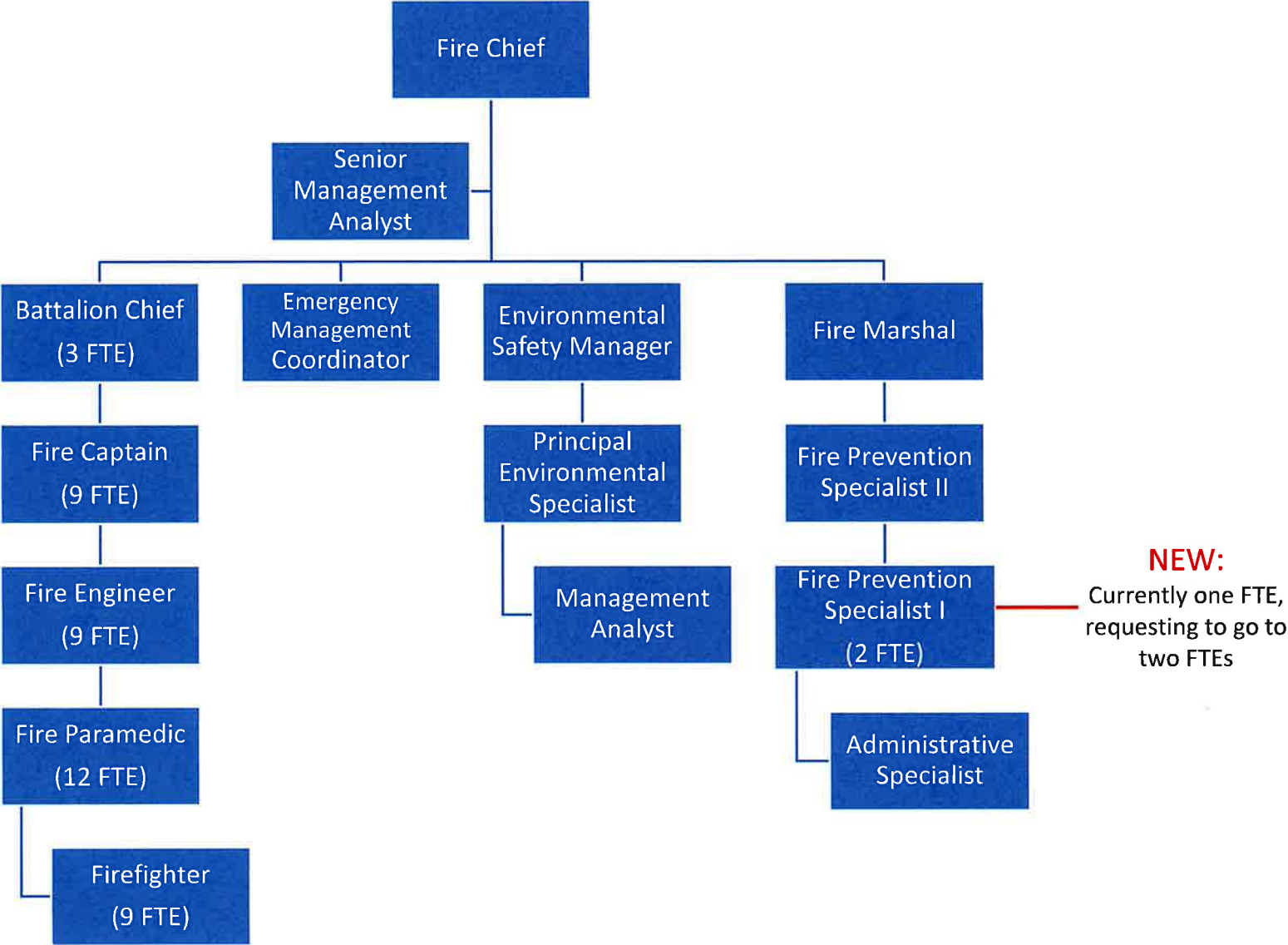
### Modification Request Two

Request: Reclassify one (1) Management Analyst position assigned to the Administrative Services Division to a Senior Management Analyst position.

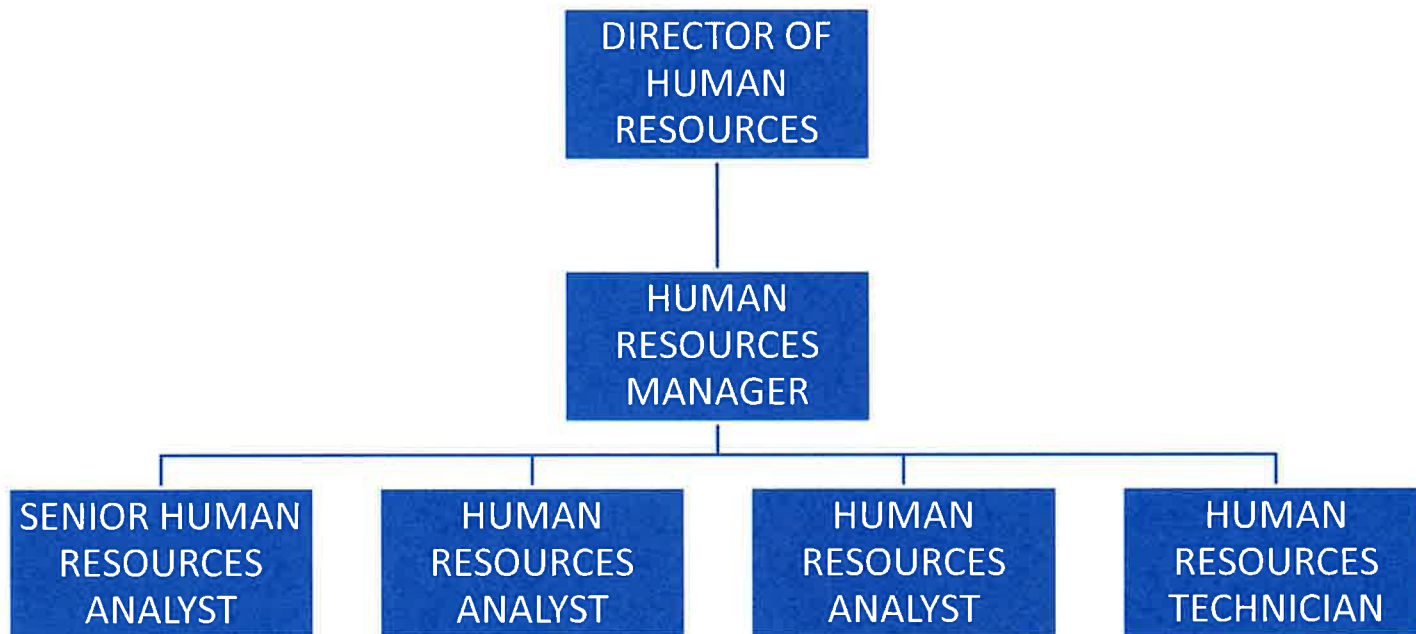
## Public Works

Request: Establish one (1) Utilities Superintendent (At-will) to oversee both water and wastewater functions.

# El Segundo Fire Department Organization Chart



CITY OF EL SEGUNDO  
HUMAN RESOURCES DEPARTMENT  
PROPOSED ORGANIZATION CHART  
FISCAL YEAR 2022 - 2023

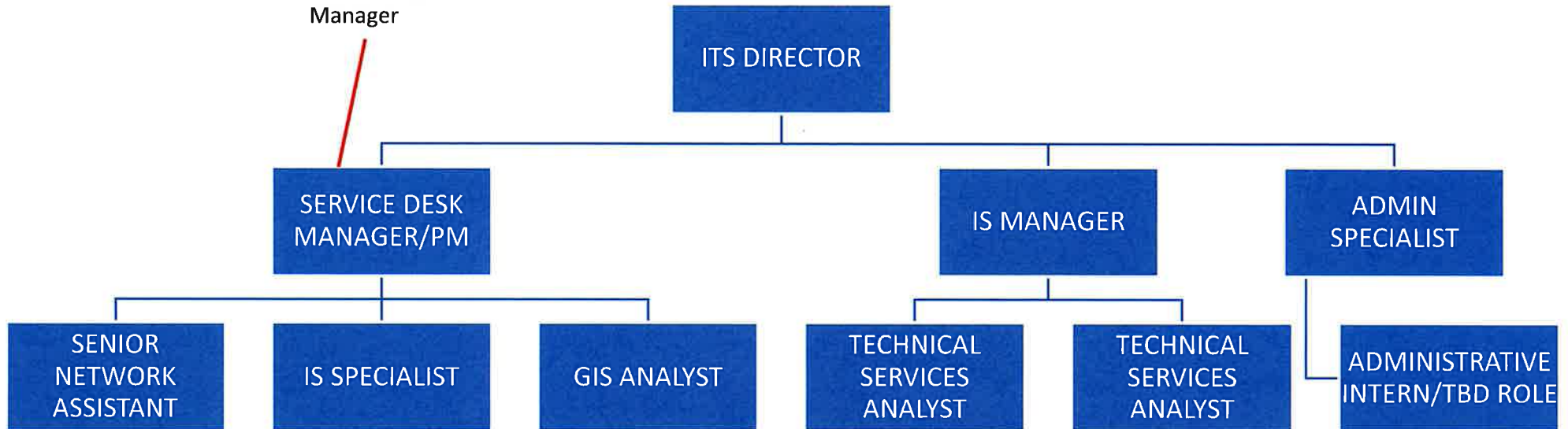


**NEW:**  
Currently one Analyst,  
requesting to go to two  
Analysts: going from 5 FTEs to  
6 FTEs in HR

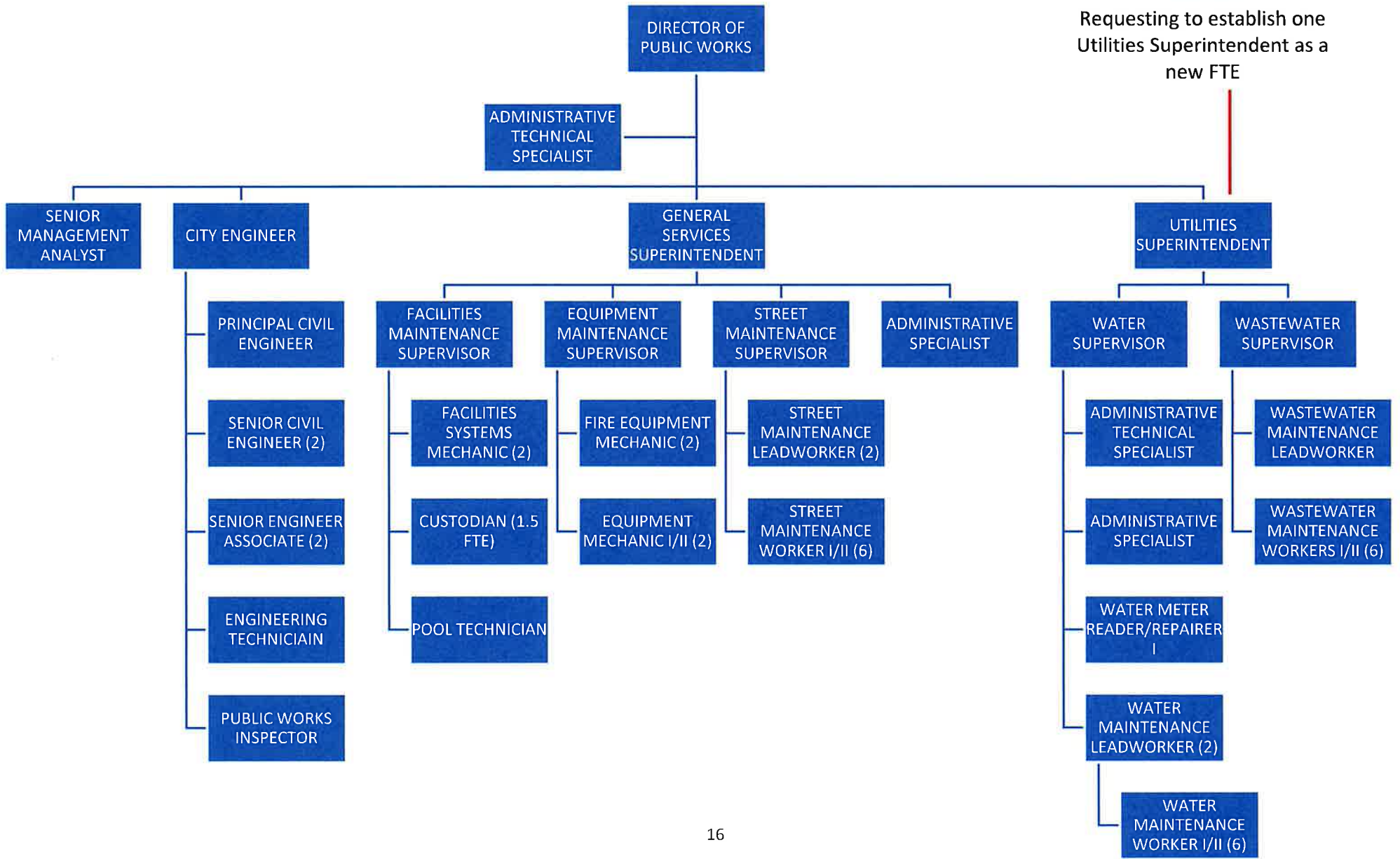
CITY OF EL SEGUNDO  
INFORMATION SYSTEMS DEPARTMENT  
PROPOSED ORGANIZATION CHART  
FISCAL YEAR 2022 - 2023

**NEW:**

Requesting to reorganize Dept.  
structure & replace one Technical  
Services Analyst with one new  
Information Technology Services  
Manager



**CITY OF EL SEGUNDO  
PUBLIC WORKS DEPARTMENT  
PROPOSED ORGANIZATION CHART  
FISCAL YEAR 2022 - 2023**



**NEW:**  
Requesting to establish one  
Utilities Superintendent as a  
new FTE



# Projected Year End Appropriations Fire Department

**Plan Check Consultant Fees**

**\$75,000**

**Increase in Leave Replacement**

**\$698,000**

**Fire Prevention Specialist I**

**\$37,000**

**Funding for Accreditation (non-General Fund)**

**\$2,000**

**Total: \$812,000**

# Projected Year End Appropriations Human Resources

**Employee Recognition**

\$5,000

**Legal Fees**

\$65,000

**Executive Coaching**

\$50,000

**New analyst position**

\$10,000

**Employee Investigations**

\$25,000

**Livescan**

\$9,800

**Operating Supplies**

\$2,100

**Total: \$166,900**

# Projected Year End Appropriations Nondepartmental

Increase in cost for retiree medical  
\$200,000

**Total: \$200,000**



# Projected Year End Appropriations Public Works

## Engineering

\$125,000 for the following:

- \$45,000 for additional inspections
- \$25,000 for architectural services
- \$20,000 for grant application assistance
- \$35,000 for EV station evaluation and grant assistance

## Govt. Buildings

\$20,000 for library boiler repair

\$120,00 for the following:

- \$60,000 for pool covers
- \$50,000 for chlorine purchase
- \$10,000 for general maintenance of pools (labor & parts)

\$35,000 for temp staffing services

# Projected Year End Appropriations Public Works (cont'd)

## **Street Maintenance**

\$30,000 for asphalt

## **Traffic Safety**

\$20,000 for new street signage

## **Solid Waste Fund (non-General Fund)**

\$40,000 for SB 1383, compliance with CalRecycle requirements (to be offset with raising permit fee for haulers)

## **CalGreen Business Grant (non-General Fund)**

\$15,000 Move grant funds from revenue account into expenditure account

## **California Beverage Grant (non-General Fund)**

\$5,000 Appropriate grant funds

**Total: \$410,000**

# Projected Year End Appropriations Police

Increase in Patrol overtime  
\$250,000

**Total: \$250,000**

# Projected Year End Appropriations Recreation, Park & Library

**Tennis Court & Volleyball resurfacing**  
\$20,000

**Brett Field scoreboard wiring to Announcers Booth**  
\$7,000

**Refurnish/Refurbish Teen Center**  
\$10,000

**Transportation Funds (Prop A) (non-General Fund)**  
\$249,406

**St. Vincent Meals on Wheels (non-General Fund)**  
\$5,971

**Total: \$292,377**

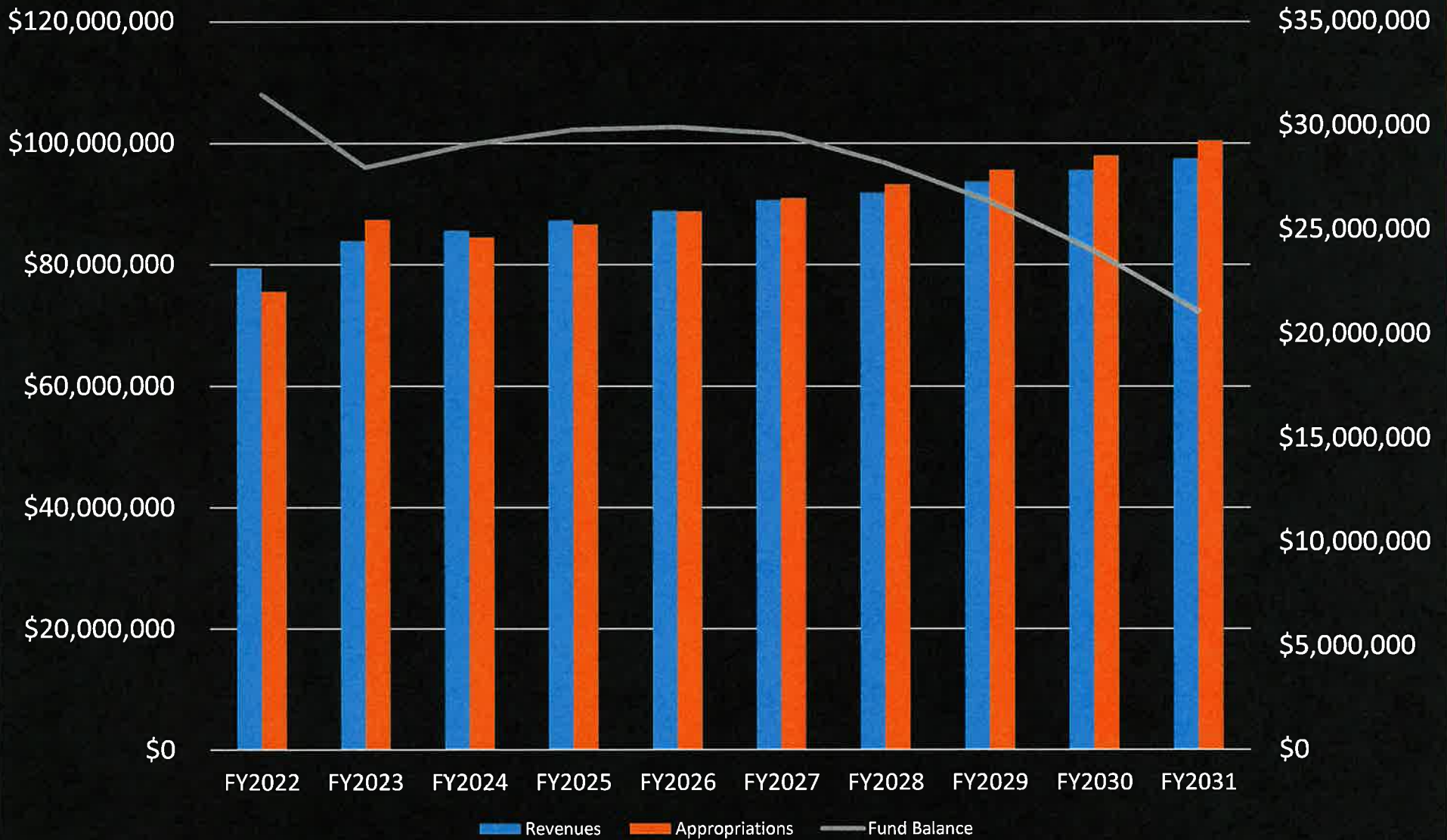
## Trust Balances

- OPEB Trust: \$30 million as of Jan. 31, 2023 (50% funded)
- Pension Trust: \$4.7 million as of Dec. 31, 2022
- PARS Retirement Enhancement Plan: \$1.5 million as of Dec. 31, 2022 (59% funded)



# General Fund Financial Forecast

General Fund Ten-Year Projection



# Recommendations

1. Receive FY 2022-2023 Citywide Mid-Year Budget Update.
2. Amend FY 2022-2023 General Fund Revenues from \$81,750,523 to \$83,918,210 and Appropriations from \$85,941,128 to \$86,603,028 (see exhibit A for details).
3. Amend FY 2022-2023 CUPA Fund Appropriations from \$557,643 to \$559,643 (see exhibit A for details).
4. Amend FY 2022-2023 State Grants Fund Appropriations from \$0 to \$20,000 (see exhibit A for details).

# Recommendations

5. Amend FY 2022-2023 Solid Waste Fund Appropriations from \$270,000 to \$310,000 (see exhibit A for details).
6. Amend FY 2022-2023 Transportation Fund Appropriations from \$4,840,258 to \$11,360,413 (see exhibit A for details).
7. Amend FY 2022-2023 Trust Funds – Special Revenue/Donations from \$0 to \$5,970.90 (see exhibit A for details).
8. Adopt the proposed Resolution to Establish a Basic Salary Range for the Human Resources Analyst and Utilities Superintendent Classifications.

# Next Steps

## FY 2022-2023 Budget

- End of Fiscal Year (June 30, 2023)
- FY 2022-2023 Year-end Audit (June 2023 – November 2023)
- FY 2022-2023 ACFR Presentation to City Council (December 2023)

## FY 2023-2024 Budget

- Strategic Planning Study Session (March 2023)
- Proposed FY 2023-2024 Budget Study Session (April 2023)
- There will be an opportunity to conduct a 2nd Budget Study Session in May if necessary
- FY 2023-2024 Budget Public Hearing and Adoption (June 6, 2023)
- Beginning of FY 2023-2024 (July 1, 2023)
- Submit Adopted FY 2023-24 Budget for CSMFO Budget award (July 2023)