

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

Fiscal Year 2024-25  
Second  
Budget Study Session  
May 21, 2024

# Presentation Agenda

1. Overview of Proposed-Revised Revenues, Expenditures, and Fund Balance
2. Updated Departmental Budgets with Reductions
3. Revised CIP

# Changes from 1<sup>st</sup> Budget Study Session to 2<sup>nd</sup> Budget Study Session

1. Updated revenues budget
2. Departmental expenditure reductions
3. Main Street Banner Poles Replacement project to \$100,000
4. Arts & Culture Advisory Committee Budget (May 7, 2024 CC Meeting)
5. Firefighter to Paramedic salaries (May 7, 2024 CC Meeting)
6. Cancellation of Park Place Extension Transportation Project Design contract of \$2,600,000 (May 7, 2024 CC Meeting)

# FY 2024-25 Proposed-Revised Revenues (All Funds)

No.	Fund Name	FY 2023-2024 Adopted Revenues	FY 2023-2024 % of Budget	FY 2024-2025 Proposed Revenues	FY 2024-2025 % of Budget
1	General Fund	\$88,295,510	53.8%	\$93,034,263	56.1%
2	Water Fund	36,850,000	22.5%	34,630,327	20.9%
3	Transportation Funds	2,229,935	1.4%	2,604,345	1.6%
4	Debt Service POBs	9,497,716	5.8%	9,500,324	5.7%
5	Wastewater Fund	5,200,000	3.2%	5,742,073	3.5%
6	General Fund CIP	8,432,500	5.1%	5,360,732	3.2%
7	Equipment Replacement Fund	2,261,969	1.4%	2,228,986	1.3%
8	Workers Compensation Fund	3,235,881	2.0%	3,424,172	2.1%
9	General Liability Fund	3,115,000	1.9%	3,105,000	1.9%
10	Dev. Services Trust	270,000	0.2%	270,000	0.2%
11	Public Safety Special Rev.	1,056,120	0.6%	2,326,200	1.4%
12	Other Special Rev.	935,811	0.6%	977,363	0.6%
13	Rec & Econ Dev Trust Funds	1,050,000	0.6%	1,124,250	0.7%
14	Cultural Dev. Trust Fund	500,000	0.3%	250,000	0.2%
15	Debt Service Fund	367,200	0.2%	35,000	0.0%
16	Solid Waste Fund	600,000	0.4%	300,000	0.2%
17	Senior Housing Fund	203,099	0.1%	1,038,771	0.6%
18	Golf Fund	0	0.0%	0	0.0%
19	Economic Uncertainty	0	0.0%	0	0.0%
<b>Total</b>		<b>164,100,741</b>	<b>100.0%</b>	<b>\$165,951,808</b>	<b>100.0%</b>

# FY 2024-25 Proposed-Revised Revenue (General Fund)

No.	General Fund Revenue	FY 2023-2024 Adopted Budget	FY 2023-24 YTD Actuals	Months Collected	FY 2023-24 Year-End Est.	FY 2024-2025 Proposed Budget	\$ Change	% Change
1	Sales & Use Tax	\$14,750,000	\$11,133,191	9	\$15,487,500	\$15,487,500	0	0.0%
2	Business License	14,300,000	13,918,801	9	14,000,000	14,000,000	0	0.0%
3	Transient Occupancy Tax	12,750,000	10,413,213	9	13,387,500	13,387,500	0	0.0%
4	Property Tax	12,539,805	10,378,665	9	13,129,176	13,391,759	262,584	2.0%
5	Chevron Tax Reso Agreement	5,500,000	3,476,513	10	5,500,000	5,500,000	0	0.0%
6	Utility User Tax (UUT)	10,634,000	9,199,810	9	11,165,700	11,165,700	0	0.0%
7	Charges for Services	4,952,040	3,876,852	10	5,150,122	5,150,122	0	0.0%
8	Transfers In	50,000	50,000	12	36,000	36,000	0	0.0%
9	Franchise Tax	4,200,000	1,615,333	9	4,536,000	4,536,000	0	0.0%
10	Other Revenues	3,112,944	3,179,296	10	3,379,296	3,379,296	0	0.0%
11	Intergovernmental	130,000	190,604	10	200,000	200,000	0	0.0%
12	License & Permits	2,182,000	2,037,445	9	2,282,372	2,582,372	300,000	13.1%
13	Interest & Rental Income	2,867,620	2,197,496	9	3,871,287	3,871,287	0	0.0%
14	Fines & Forfeitures	327,101	281,033	9	346,727	346,727	0	0.0%
<b>Total:</b>		<b>\$88,295,510</b>	<b>\$71,948,251</b>		<b>\$92,471,679</b>	<b>\$93,034,263</b>	<b>\$562,584</b>	<b>0.6%</b>

# Proposed-Revised FY 2024-25 Appropriations (All Funds)

No.	Fund Name	FY 2024-25 Proposed Budget 1st Budget Session	FY 2024-25 Proposed Budget 2nd Budget Session	\$ Change Between Study Sessions	% Change Between Study Sessions
1	General Fund	\$98,704,537	\$95,281,277	(\$3,423,260)	-3.5%
2	Water Fund	39,315,822	39,315,822	0	0.0%
3	Transportation Funds	6,557,036	3,957,036	(2,600,000)	-39.7%
4	Debt Service POBs	9,500,314	9,500,314	0	0.0%
5	Wastewater Fund	7,837,440	7,837,440	0	0.0%
6	General Fund/Special Revenue CIP	30,312,501	30,112,501	(200,000)	-0.7%
7	Equip. Replcmt. Fund	9,674,613	9,674,613	0	0.0%
8	Workers Comp. Fund	3,418,321	3,418,321	0	0.0%
9	General Liability Fund	3,769,563	3,769,563	0	0.0%
10	Dev. Services Trust	800,000	800,000	0	0.0%
11	Public Safety Spcl. Rev.	2,541,360	2,541,360	0	0.0%
12	Other Special Rev.	1,253,035	1,253,035	0	0.0%
13	Rec & Econ Dev Trust	136,000	136,000	0	0.0%
14	Cultural Dev. Trust Fund	304,604	272,604	(32,000)	-10.5%
15	Debt Service Fund	542,851	542,851	0	0.0%
16	Solid Waste Fund	330,000	330,000	0	0.0%
17	Senior Housing Fund	16,295	16,295	0	0.0%
18	Golf Fund	0	0	0	0.0%
19	Economic Uncertainty	0	0	0	0.0%
	<b>Total</b>	<b>\$215,014,292</b>	<b>\$208,759,032</b>	<b>(\$6,255,260)</b>	<b>-2.9%</b>

# FY 2024-25 Proposed-Revised Appropriations (General Fund)

## *Excluding Transfers-Out*

No.	Department	FY 2024-25 Proposed Budget 1st Budget Session	FY 2024-25 Proposed Budget 2nd Budget Session	\$ Change	% Change
1	Police	\$22,734,009	\$21,839,001	(\$895,008)	-4%
2	Fire*	15,043,226	14,531,892	(511,334)	-3%
5	Recreation, Park and Library	10,937,426	10,553,181	(384,245)	-4%
3	Public Works	9,887,258	9,497,292	(389,966)	-4%
4	Non-Departmental	7,067,945	6,785,227	(282,718)	-4%
7	Information Technology	4,072,086	3,912,086	(160,000)	-4%
6	Community Development	3,909,187	3,745,094	(164,093)	-4%
8	City Manager	2,926,007	2,807,177	(118,830)	-4%
9	Finance	2,895,246	2,767,246	(128,000)	-4%
10	Human Resources	2,194,785	2,066,720	(128,065)	-6%
11	City Attorney	935,450	897,450	(38,000)	-4%
12	City Clerk	676,095	658,095	(18,000)	-3%
13	City Council	229,272	224,272	(5,000)	-2%
<b>Total</b>		<b>\$83,507,991</b>	<b>\$80,284,732</b>	<b>(\$3,223,260)</b>	<b>-4%</b>

\* Fire: Department budget includes \$50,208 for Fire Fighter to Paramedic recruitment



**PROPOSED-REVISED GENERAL FUND UNASSIGNED BALANCE FOR FY 2024-25**

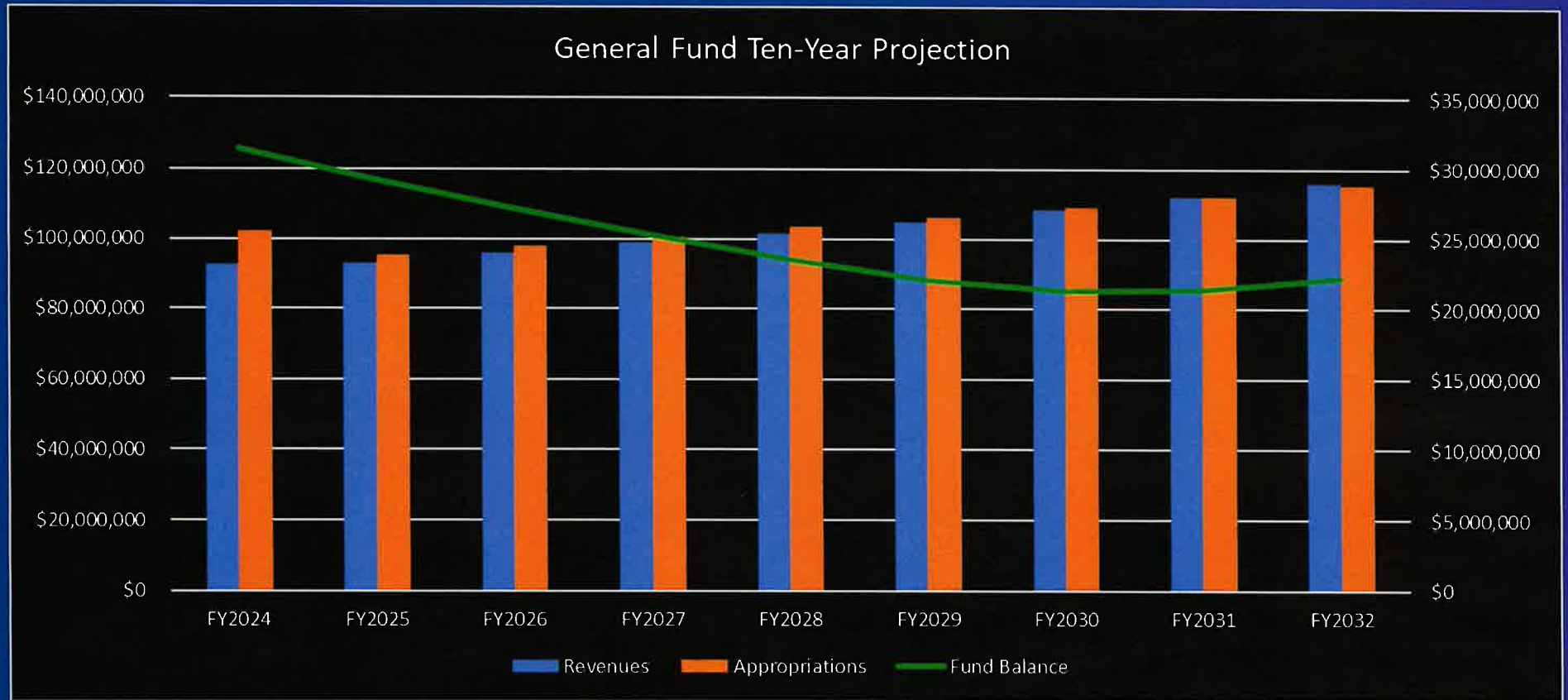
<u>Description</u>	<u>Proposed</u>
Estimated Beginning <b>Unassigned Fund Balance</b> on July 1, 2024	<b>\$29,669,350</b>
Proposed FY 2024-25 Revenues	<b>\$93,034,263</b>
Proposed FY 2024-25 Appropriations (Net of GF CIP)	<b>(\$90,285,046)</b>
Estimated Ending Fund Balance (June 30, 2025)	\$32,418,567
25% Reserve Requirement (based on proposed recurring appropriations)	\$22,571,262
<b>Estimated Ending Unassigned Fund Balance after meeting 25% reserve</b>	<b>\$7,098,089</b>



# FY 2024-25 Proposed-Revised Unassigned Fund Balance Reserves

- Recommended use of **\$7,098,089**
  - **\$4,996,232** for Proposed GF CIP projects
  - **\$2,101,857** remaining reserves / surplus

# 10-Year Proposed-Revised General Fund Financial Forecast



# Proposed-Revised FY 2024-25 Department Budget



# City Council

Budget	Expenditures	Personnel	M&O
FY 2024-25 (Proposed-Revised)	\$224,272	\$177,116	\$47,156
FY 2024-25 (Proposed)	\$229,272	\$177,116	\$52,156
Change +/-	-\$5,000	N/A	-\$5,000

## Proposed-Revised Budget Changes

- **Personnel / M&O decrease:**
  - Removed Sister City budget
- **Impact to Services:**
  - Cannot offer Sister City program in upcoming fiscal year



# City Attorney

Budget	Expenditures	Personnel	M&O
FY 2024-25 (Proposed-Revised)	\$897,450	N/A	\$897,450
FY 2024-25 (Proposed)	\$935,450	N/A	\$935,450
Change +/-	-\$38,000	N/A	-\$38,000

## Proposed-Revised Budget Changes

- **Personnel / M&O decrease:**
  - Decreased labor negotiation
- **Impact to Services:**
  - Dependent on pace of outstanding labor negotiations



# City Clerk

Budget	Expenditures	Personnel	M&O
FY 2024-25 (Proposed-Revised)	\$658,095	\$487,752	\$170,343
FY 2024-25 (Proposed)	\$676,095	\$487,752	\$188,343
Change +/-	-\$18,000	\$0	-\$18,000

## Proposed-Revised Budget Changes

- **Personnel / M&O decrease:**
  - Various M&O decreases (ie: Operating Supplies, Advertising/Publishing, Meetings & Travel, Training & Education)
- **Impact to Services:**
  - Impacts departmental operations; may result in requesting appropriation at Mid-Year to fulfill services



# City Manager

Budget	Expenditures	Personnel	M&O
FY 2024-25 (Proposed-Revised)	\$2,807,176	\$1,837,691	\$969,485
FY 2024-25 (Proposed)	\$2,926,007	\$1,956,522	\$969,485
Change +/-	-\$118,831	-\$118,831	\$0

## Proposed-Revised Budget Changes

- **Personnel / M&O decrease:**
  - Freeze Executive Assistant position for 12 months
- **Impact to Services:**
  - Increases work for existing departmental staff



## Finance & Treasury; Non-Departmental

Budget	Expenditures	Personnel	M&O
FY 2024-25 (Proposed-Revised)	\$2,767,246	\$2,277,922	\$489,323
FY 2024-25 (Proposed)	\$2,895,246	\$2,277,922	\$617,323
Change +/-	-\$128,000	\$0	-\$128,000

### Proposed-Revised Budget Changes

- **Personnel / M&O decrease:**
  - Contracted Services reduction: Temporary employees during ERP implementation; GASB 96 Implementation; HdL Sales Tax; UUT Compliance
- **Impact to Services:**
  - Staff time will be needed to fulfill services instead of contracting out, reducing staff time spent on other/additional support or services;
  - Reducing HdL Sales Tax and UUT Compliance will limit the City in finding potential additional revenue through third-party audit services
- **Non-Departmental: -\$282,718 (-4%)**
  - Reduction of budgeted vacation and sick pay termination; may result in requesting appropriation at Mid-Year





# Human Resources

Budget	Expenditures	Personnel	M&O
FY 2024-25 (Proposed-Revised)	\$2,066,720	\$790,455	\$1,276,265
FY 2024-25 (Proposed)	\$2,194,785	\$918,519	\$1,276,265
Change +/-	-\$128,065	-\$128,065	\$0

## Proposed-Revised Budget Changes

- **Personnel / M&O decrease:**

- Freeze HR Analyst Position for 12 months

- **Impact to Services:**

- Staff reduction impacts recruitments; creates delays in filling vacant positions; reduces the number of Citywide training and wellness initiatives



# Information Systems

Budget	Expenditures	Personnel	M&O
FY 2024-25 (Proposed-Revised)	\$3,912,086	\$1,482,785	\$2,429,301
FY 2024-25 (Proposed)	\$4,072,086	\$1,482,785	\$2,589,301
Change +/-	-\$160,000	\$0	-\$160,000

## Proposed-Revised Budget Changes

- **Personnel / M&O decrease:**

- Reduction in computer and computer supplies, contract services, training, repairs and maintenance

- **Impact to Services:**

- Limits ability to purchase new software solutions;
- Impacts operations when new vendor support contracts are needed.
- Reduced education and training opportunities;



# Community Development

Budget	Expenditures	Personnel	M&O
FY 2024-25 (Proposed-Revised)	\$3,745,094	\$2,813,822	\$931,272
FY 2024-25 (Proposed)	\$3,909,187	\$2,977,915	\$931,272
Change +/-	-\$164,093	-\$164,093	\$0

## Proposed-Revised Budget Changes

- **Personnel / M&O decrease:**

- Freeze Plan Check Engineer Position for 12 months

- **Change to Services:**

- Reduction in staff results in delays of processing plan checks and planning entitlements. Contract services will be used instead, which reduces the revenues generated by plan checks and planning entitlements.



# Police Department

Budget	Expenditures	Personnel	M&O
FY 2024-25 (Proposed-Revised)	\$21,839,001	\$17,507,627	\$4,331,374
FY 2024-25 (Proposed)	\$22,734,009	\$18,057,775	\$4,676,234
Change +/-	-\$895,008	-\$550,148	-\$344,860

## Proposed-Revised Budget Changes

- **Personnel / M&O decrease:**

- Freeze two (2) Police Officer positions for 12 months
- Reduce overtime in all divisions
- Decrease multiple operating expenses
- Reduction in Equipment Replacement Charge

- **Impact to Services:**

- Reduction in deployment of an adequate number of officers to keep the City safe, to investigate crimes, and for community engagement.
- Reducing overtime limits officer participation in special events and special operations.
- M&O decreases impact equipment and training needs for the department.
- Equipment Replacement Fund reduction requires the extension of the life of equipment for another year, which may result in a decrease in officer safety.



# Fire Department

Budget	Expenditures	Personnel	M&O
FY 2024-25 (Proposed-Revised)	\$14,531,892	\$12,531,935*	\$1,999,957
FY 2024-25 (Proposed)	\$15,043,226	\$12,673,269	\$2,369,957
Change +/-	-\$511,334	-\$141,334	-\$370,000

## Proposed-Revised Budget Changes

- **Personnel / M&O decrease:**

- Freeze Fire Marshal Position for 12 months
- Reduce contract services
- Reduction in Equipment Replacement Charge

- **Impact to Services:**

- Freezing Fire Marshal position will result in the Fire Chief performing the services of the Fire Marshal, reducing time dedicated to Chief duties.
- Fire Plan check services will be reduced, which will reduce revenues generated by plan checks.
- Equipment Replacement Fund reduction requires the extension of the life of equipment for another year, which may result in a decrease in providing emergency services when needed

\* Department budget includes \$50,208 for Fire Fighter to Paramedic recruitment





# Public Works

Budget	Expenditures	Personnel	M&O
FY 2024-25 (Proposed-Revised)	\$9,497,292	\$4,022,886	\$5,474,406
FY 2024-25 (Proposed)	\$9,887,258	\$4,370,388	\$5,516,870
Change +/-	-\$389,966	-\$347,502	-\$42,464

## Proposed-Revised Budget Changes

- **Personnel / M&O decrease:**
  - Freeze three (3) positions for 12 months: Facilities Systems Mechanic, Engineering Technician, Inspector
  - Decrease Vehicle Operating Charge
- **Impact to Services:**
  - Reduction in staffing and operations will potentially delay CIP projects; delay the department's response time to other City needs and to engineering services for development.



## Recreation, Park and Library

Budget	Expenditures	Personnel	M&O
FY 2024-25 (Proposed-Revised)	\$10,553,181	\$7,282,929	\$3,270,252
FY 2024-25 (Proposed)	\$10,937,426	\$7,474,644	\$3,462,782
Change +/-	-\$384,245	-\$191,715	-\$192,530

## Proposed-Revised Budget Changes

- **Personnel / M&O decrease:**

- Freeze Aquatics Manager position for 12 months
- Delay various equipment purchases
- Pause or cease purchase for Garden Plot project, Stump Cutter, and Library children's computers

- **Impact to Services:**

- Reduction of Aquatic staffing and planning; delay in Aquatics business plan development and Plunge Capital Funding Campaign
- Delay in replacing equipment

# Proposed-Revised FY 2024-25 CIP Projects for All Funds

- Carryover projects in progress or about to begin = \$24,034,150
- New Projects = \$15,137,732
  - \$3,250,000 Proposed Transportation Funds Appropriations (*updated*)
  - \$5,500,000 Proposed Enterprise Funds Appropriations
  - \$ 991,500 Proposed Special Revenue Funds Appropriations
  - \$ 400,000 Proposed Stormwater Fund Appropriations
  - \$4,996,232 Proposed General Fund Appropriations (*updated*)

**\$39,171,882 (Total)**



# Proposed-Revised FY 2024-25 General Fund CIP

- (#25) \$ 21,232 Library Southwall Waterproofing
- (#27) \$ 100,000 EV Charging Station
- (#29) \$ 250,000 HVAC (Citywide)
- (#32) \$ 100,000 Main Street Banner Poles Replacement *(updated)*
- (#35) \$ 80,000 Fire Alarm Panels (Citywide)
- (#36) \$ 100,000 Citywide Misc. Repair
- (#37) \$ 100,000 Plumbing (Citywide)
- (#38) \$ 130,000 Miscellaneous Electrical (Citywide)
- (#39) \$ 50,000 Miscellaneous Equipment (Citywide)
- (#45) \$ 4,000,000 Recreation Park Projects Phase I Reserve
- (#51) \$ 65,000 Downtown Beautification

**\$4,966,232 (Total)**

## Proposed FY 2024-25 Next Steps

- FY 2024-25 Budget Public Hearing and Adoption (June 4, 2024)
- Beginning of FY 2024-25 (July 1, 2024)

# Questions

5/21/2024

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

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