HOW WILL CITY SERVICES BE FUNDED IN 2014?

General Fund Revenue $56,743,600

Other Revenue $1,540,100

Taxes $41,703,500

Quick Facts on Taxes:
Tax Revenue is 74% of total General Fund Revenue
Property Tax – El Segundo receives an estimated 6 cents of every dollar of property tax paid to the County by property owners
Sales Tax – El Segundo receives 1 cent of every taxable retail sale dollar spent in the City
Utility User Tax Rate (Commercial/Industrial Customers Only) – 3%, 2% for Telecommunication Utilities
TOT Rate – 8%

WHERE WILL THE MONEY GO IN 2014?

General Fund Expenditures $59,417,000

60% 
$27,090,700

Benefits - 31% 
$18,317,000

14% 
$8,348,000

15% 
$8,842,300

Quick Facts on Taxes:
Tax Revenue is 74% of total General Fund Revenue
Property Tax – El Segundo receives an estimated 6 cents of every dollar of property tax paid to the County by property owners
Sales Tax – El Segundo receives 1 cent of every taxable retail sale dollar spent in the City
Utility User Tax Rate (Commercial/Industrial Customers Only) – 3%, 2% for Telecommunication Utilities
TOT Rate – 8%

City Council
Bill Fisher Mayor
Carl Jacobson Mayor Pro-Tem
Suzanne Fuentes Councilmember
Dave Atkinson Councilmember
Marie Fellhauer Councilmember

City Officials
Crista Binder City Treasurer
Tracy Weaver City Clerk
Mark Hensley City Attorney
Greg Carpenter City Manager

City Administration
Deborah Cullen Finance Director
Mitch Tavera Chief of Police
Kevin Smith Fire Chief
Debra Brighten Library Director
Bob Cummings Rec/Parks Director
Stephanie Katsouleas Public Works Director
Martha Dijkstra Human Resources Director
Sam Lee Director of Planning & Building

City of El Segundo
Budget-at-a-Glance
2013-2014 Operating Budget

Incorporated January 18, 1917
Incorporated Area 5.465 sq miles
Population 16,720
Dwelling Units 7,010
Number of Households 7,281
Full-Time Employees 264
City Parks 22
Recreational Facilities 13
The Mission of the City of El Segundo is to “Provide a great place to live, work and visit”. This serves as the “destination” that our related expenditures are estimated to increase by 13%

Using the mission statement as the foundation, the City Council developed the following guiding principles:

• Focus on Customer and Community Service
• Provide Quality Public Safety
• Maintain Quality Facilities, Infrastructure and Equipment
• Ensure Financial Stability
• Focus on Maintaining a Quality Workforce

The fiscal year (FY) 2013-2014 budget was prepared with these guidelines.

**General Fund Revenue Highlights**

General Fund revenues for FY 2013-2014 are projected at $56.7 million, $2.7 million or 4.6% lower than the FY 2012-2013 Yearend Estimate, primarily due to the one-time monies used to balance the FY 2012-2013 budget. Overall, the General Fund’s core tax revenues are estimated to grow 2.58% or $929,000 compared to FY 12-

Below is a summary of the revenue assumptions as compared to yearend estimates:

- Business License Tax – $352,000 net increase over yearend estimates; 3.5% Growth due to annual CPI change and anticipated reduction of sales and use tax credits which result in a higher Business License Tax
- Property Tax – Current projection is flat based on pending reassessment appeals
- Transient Occupancy Tax (TOT) – Current projection is flat based on uncertainty with one of the City’s largest hotels and the impact of increased long term stay exemptions
- Sales Tax – $700,000 or 10.3% increase from 2013 estimated yearend; this increase is primarily due to the resolution of a large misallocation to the City
- Charges for Services – ($145,000) or 3.3% decrease from yearend estimates based on a forecasted reduction of planning and building safety fees
- Interest on Investments – ($30,000) or 14.3% decrease from yearend estimates primarily due to low Federal Reserve Rate
- Utility Users’ Tax – $256,000 or 3.5% increase from yearend estimates. This revenue category is still being impacted from the fluctuation of the price of natural gas
- Tax Resolution Agreement – Based on an executed agreement with Chevron USA, the City is estimating a resolution payment of $5,906,900 in FY 13-14
- All other revenues remain flat or have very little growth compared to yearend estimates

**General Fund Expenditure Highlights**

General Fund expenditures are projected at $59.4 million in FY 2013-2014, up $5.5 million or 10.3% from the FY 2012-2013 yearend estimates. Labor-related expenditures are estimated to increase by $2.8 million or 6% over yearend estimates, primarily due to the following:

- Salaries – increase of $324,200 due to:
  - COLA Increase - $174,200
  - Step increases and longevity/educational incentive premiums
  - $150,000
- California Public Employees’ Retirement System (CalPERS) Rate Increases – $840,000 increase in the discount rate, going from 7.75% return to 7.5%. This impacts both rates, safety and non-safety:
  - Safety Rate Increase: $427,300
  - Misc Group Rate Increase: $412,700
- Other Post-Employment Benefits (OPEB)
  - Increase due to updated valuation - $239,000
- Workers’ Compensation – Increase in the insurance premium and a rising cost of currently open claims - $546,000
- Reinstatement of 401(a) Match - $214,500 required to be paid out in December of 2013. This is for one labor group and consistent with the terms of the MOU.
- Increase in Vacation/Sick Leave Payouts - $375,000; it is anticipated that more employees will participate in the 3-year buy back option which reduces the City’s leave liability.

**General Fund Expenditures by Service – FY 2013-2014**

- Transient Occupancy (TOT) $4,229,800 7%
- Business License $10,294,500 18%
- Sales & & Use Tax $10,294,500 18%
- Transfers In 400,000 1%
- Property Tax $6,537,500 12%
- UUT & Cogenerat $8,830,000 16%
- Fees $5,693,400 10%
- Other Revenues $5,125,000 9%
- California Public Employees’ Retirement System (CalPERS) Rate Increases – $840,000 increase in the discount rate, going from 7.75% return to 7.5%. This impacts both rates, safety and non-safety:
- Safety Rate Increase: $427,300
- Misc Group Rate Increase: $412,700
- Other Post-Employment Benefits (OPEB)
  - Increase due to updated valuation - $239,000
- Workers’ Compensation – Increase in the insurance premium and a rising cost of currently open claims - $546,000
- Reinstatement of 401(a) Match - $214,500 required to be paid out in December of 2013. This is for one labor group and consistent with the terms of the MOU.

**The complete FY 2013-2014 Adopted Operating Budget can be found at the City’s website: www.elsegundo.org.**