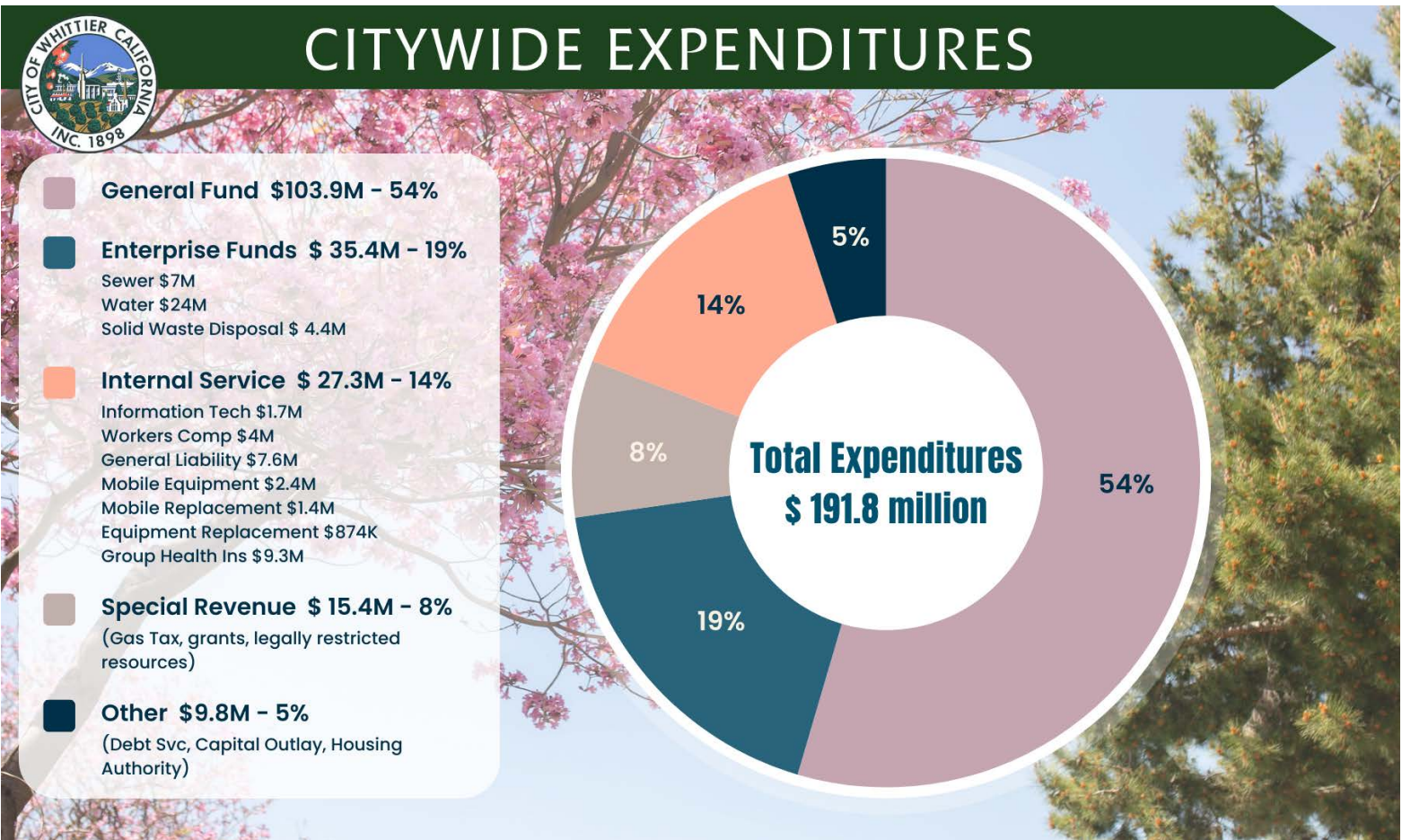


BUDGET-IN-BRIEF

Forecasted City revenues total \$155,382,636 and expenditures total \$156,053,632 and consist of \$145,092,653 in expenditures and \$10,960,979 for capital improvements/projects.

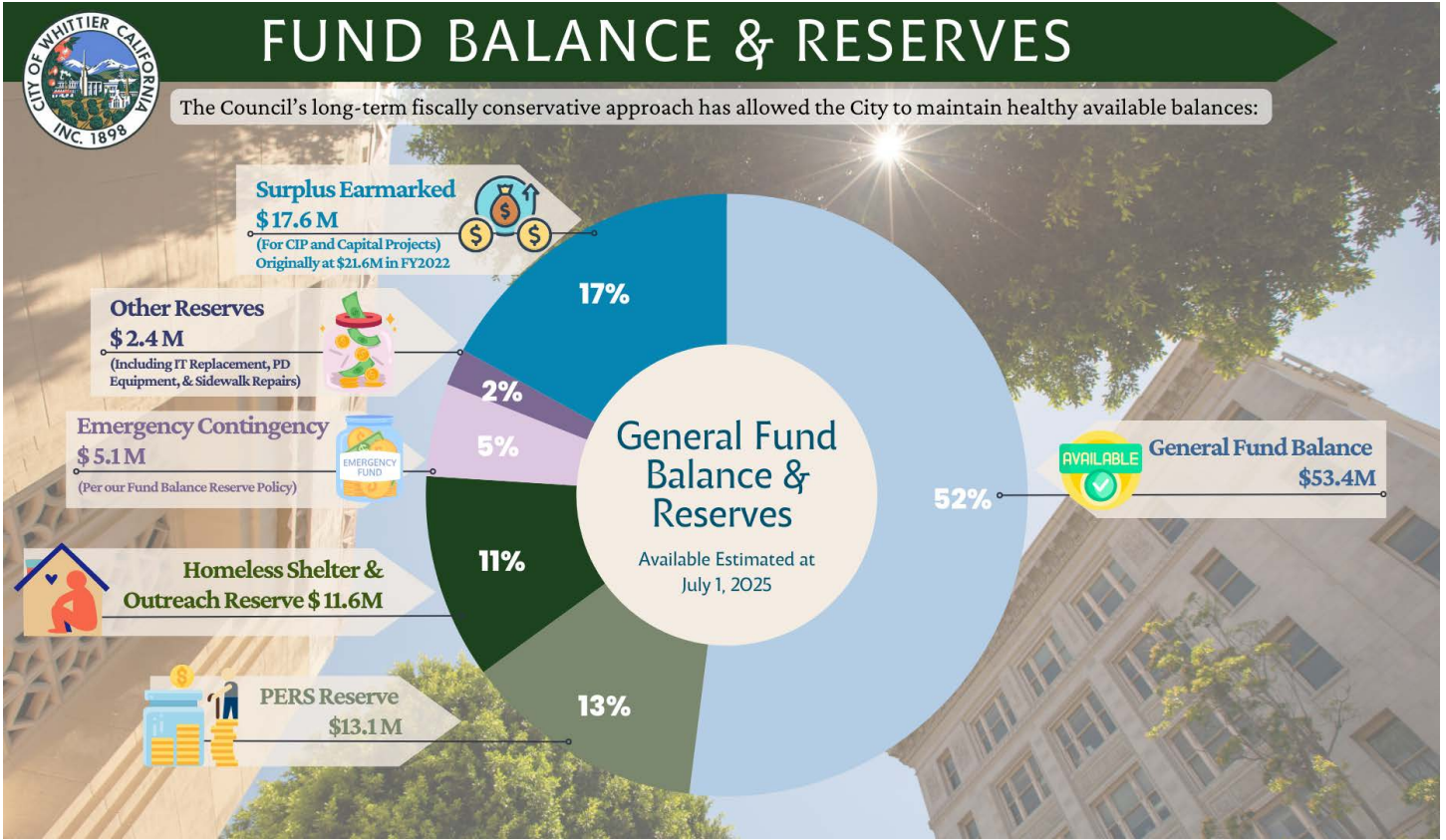
Total revenues and expenditures by fund type are as follows:

City of Whittier	Projected Revenues	Projected Expenditures
General	\$ 104,336,823	\$ 103,949,026
Special Revenues	16,151,468	15,364,222
Debt Service	7,885,402	7,885,402
Fiduciary		888,471
Capital	630,389	630,389
Internal Services	26,378,354	27,336,122
City Total	\$ 155,382,636	\$ 156,053,632
Whittier Utility Authority Total	32,945,648	35,414,847
Whittier Housing Authority Total	120,000	348,806
Grand Total	\$ 188,448,284	\$ 191,817,285



BUDGET-IN-BRIEF

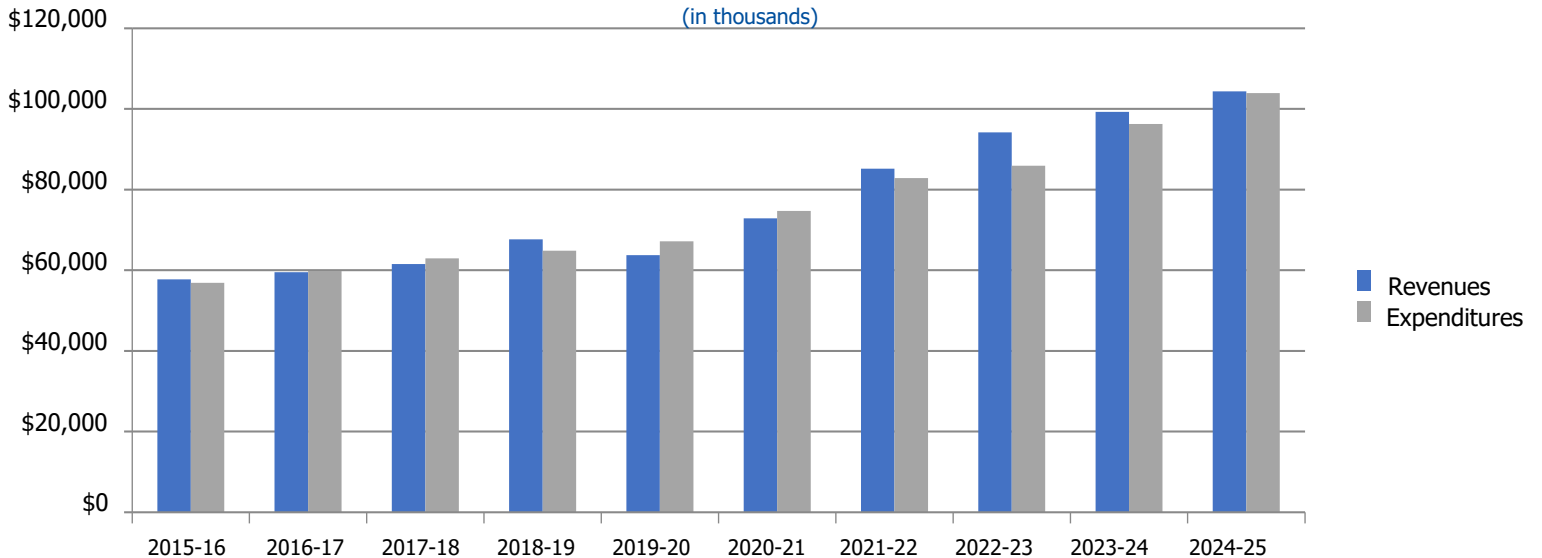
General Fund



The adopted General Fund budget for 2024-25 reflects a projected surplus balance of \$38,056, net of designated revenues and reserves adjustments of \$349,741. Total Estimated Revenues are \$104,336,823, an increase of \$5,059,756 or approximately 5.1%. Non-operating revenues total \$650,000, including non-recurring transfers. Appropriations for expenditures are projected at \$103,949,026, an increase of \$7,700,479 or approximately 8%. Non-operating expenditures total \$1,779,723, primarily consist of one-time capital and equipment expenses.

The General Fund is expected to end the year with an available fund balance of \$53,313,662. Additional projected reserves of \$40,007,563 are also available. **Refer to "Summary of Total of Reserved Monies".**

General Fund Adopted Budget Ten Year Trend Lines
(in thousands)



BUDGET-IN-BRIEF

General Fund

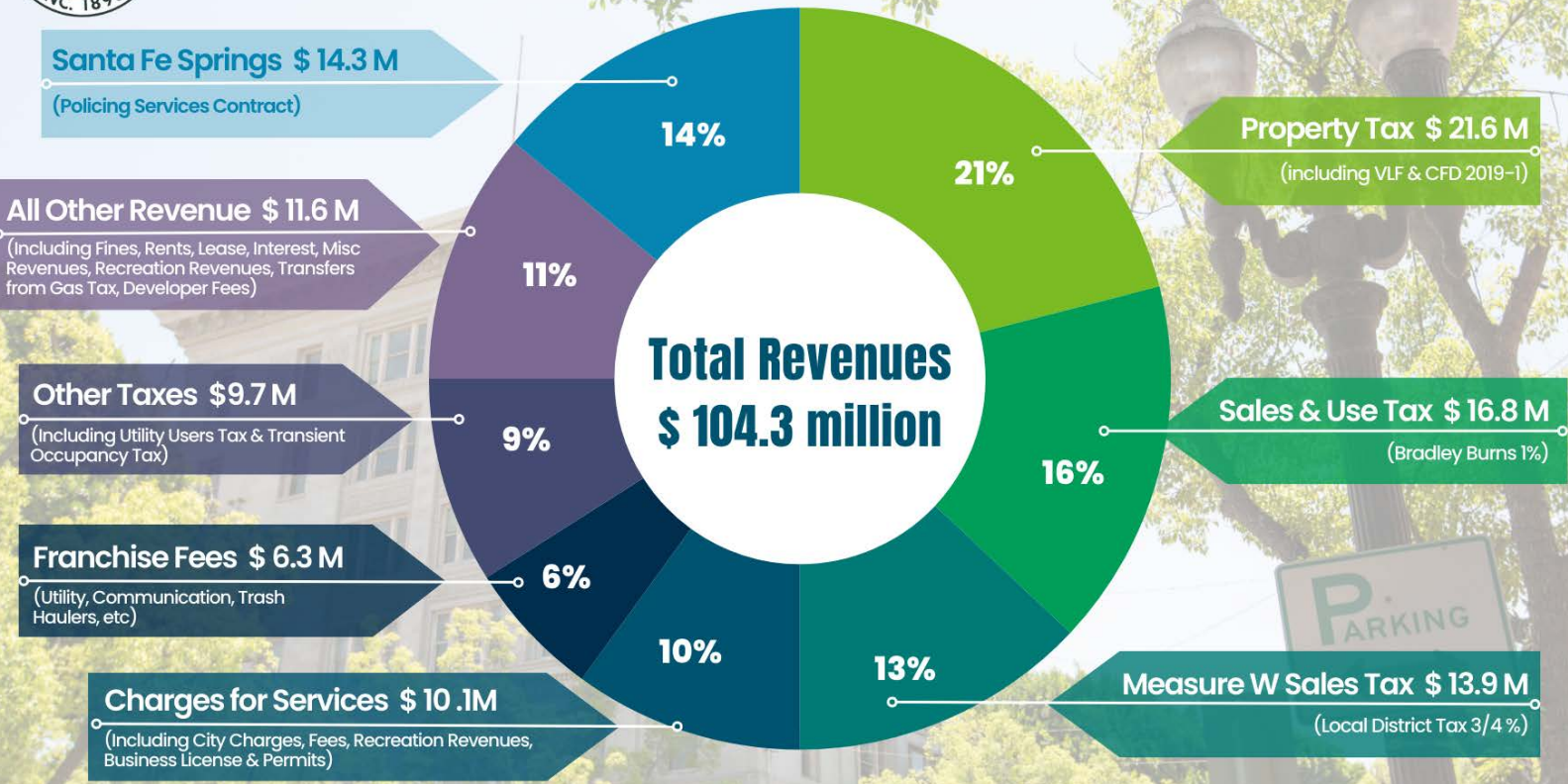
Major revenues projections are calculated based on a number of factors, including prior year budget amounts, year-end projections, current economic factors and consultant recommendations. The City's revenue streams are expected to remain stable in the upcoming fiscal year, with slight increases in some areas due to moderate economic growth. Consumer spending is expected to remain steady due to the City's diverse local economy. FY 2024-25 budgetary adjustments include the following, which account for majority of the General Fund's budget changes from the FY 2023-24 adopted budget.

General Fund Revenues



GENERAL FUND SOURCES

**Total Revenues
\$ 104.3 million**



BUDGET-IN-BRIEF

General Fund

Property Tax: The budget amount of \$8,399,992 represents an increase of 2.2% from the 2023-24 adopted revenue amount of \$8,221,590. The projection is obtained from our property tax consultant. Property Tax continues to grow with increase in residential and commercial property values. The estimated Property Tax revenues also include the community facilities district at The Groves (CFD No. 2019-1).

Sales Use Tax: For 2024-25, sales tax revenue is estimated to decrease 9.2% or \$1,708,661 compared to the 2023-24 adopted revenue amount of \$18,508,209. During the fourth quarter of 2023, the City experienced a significant decline in sales tax revenues, mirroring the trend across Los Angeles County and Southern California. The downturn in the City was influenced by a range of economic factors including uncertainties and rising material costs, which particularly impacted the building-construction sector. The auto-transportation sector also saw a significant decrease in revenue due to a business closure. While sales in the general consumer goods group remained flat, the business-industry sector outperformed with strong sales. The restaurant-hotel sector in the City benefited from several new dining options that helped boost total sales.

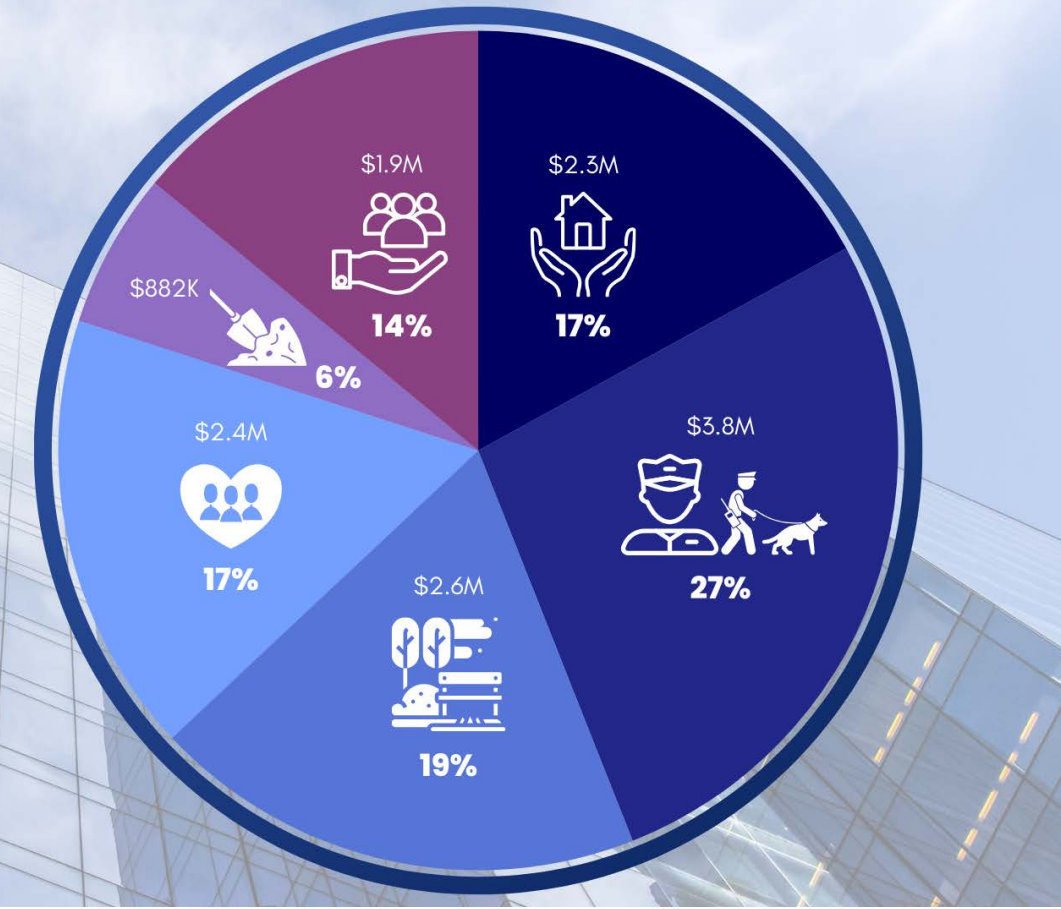
Measure W Sales Tax: For 2024-25, the local sales tax revenue is estimated to decrease 0.8% or \$106,000 compared to the 2023-24 adopted revenue amount of \$14,002,000. Despite these mixed results, Measure W, the City's voter-approval transactions and use tax, was not heavily impacted by the business closure.



MEASURE W FUNDING

Whittier Neighborhood Safety And Community Services Measure (Ballot)

-  Hire/retain police officers to reduce crime/ gangs/ drugs/ graffiti; reduce 911 response times;
-  Address homelessness;
-  Increase neighborhood/ park/ business patrols;
-  Maintain streets, sidewalks, parks
-  Maintain senior services, afterschool programs, and
-  Provide general services



BUDGET-IN-BRIEF

General Fund

Franchise Tax: The adopted amount of \$6,289,228 represents an increase of 14.9% or \$813,228 from the 2023-24 adopted revenue amount of \$5,476,000.

Utility Users Tax (UUT): The 2024-25 revenue is estimated at \$8,500,000, which represents an increase of 11.8% or \$900,000 from the prior year's adopted budget amount. Increases in the UUT receipts primarily result from higher utility consumption coupled with rate increases by utility companies.

Motor Vehicle In-lieu: The 2024-25 revenue of \$13,231,446 represents an increase of 5.3% or \$662,827 compared to the 2023-24 adopted budget. The increase in Motor Vehicle In-Lieu, also known as Vehicle License Fee Adjustment Amount (VLFAA), is attributed to the growth in our Citywide gross assessed valuation within the City. Additionally, the projection is obtained from our property tax consultant.

Contribution for General Government: This is the cost allocation charged by the General Fund to other funds for administrative overhead. The cost allocation plan is updated by our consultant on an annual basis. The estimated revenue for 2024-25 is \$1,827,640 which is a 2% decrease from 2023-24. The change is primarily attributed to the decrease in CPI.

Santa Fe Springs Policing: The budget associated with the Police services contract includes an increase attributed to rising retirement, health insurance costs, salary increases and shared administrative labor costs. For fiscal year 2024-25, the contract base revenue amount including budgeted overtime is \$14,292,069.

Finally, the projected decrease in **Building Permit Fees** is attributed to the leveling down from the significant increases in previous years due to the Groves development. Changes in the real estate market and fluctuations in interest rates also had a negative impact on construction activities resulting in lower projected building permits.

In addition to the major revenue sources noted above, the City is leveraging funds from the American Rescue Plan Act (ARPA) to support the operations of the homeless shelter and outreach. Since ARPA funds have a period of performance date until December 31, 2026 (all funds must be obligated by December 31, 2024), the annual cost of services addressing homelessness of \$2.12 million has been set-aside since FY 2021-22. During FY 2023-24 adopted budget, the Council also adopted the election to accept the \$10 million standard allowance to be used on Public Safety Payroll to streamline financial reporting and compliance requirements & to prevent duplication of federal funds usage (*mix of HUD CDBG funds on the Navigation Center*). Additionally, it eliminates the time constraints of period of performance requirement. Furthermore, this budget proposes the use of the reserve in the amount of \$500,000, resulting in a projected reserve balance of \$11,614,608 at the end of FY 2024-25.

The **General Fund Five-Year Projection Financial Plan (Financial Summaries Section)** reflects slightly increasing revenues and the rising employee service costs and insurance & professional contract costs. The five-year financial projections present a seemingly positive outlook, yet the economic outlook remains uncertain as stated above. Estimating future year deficits or surpluses is less certain, as the timing of one-time revenues become less predictable, as do the City's obligations under negotiated collective bargaining agreements.

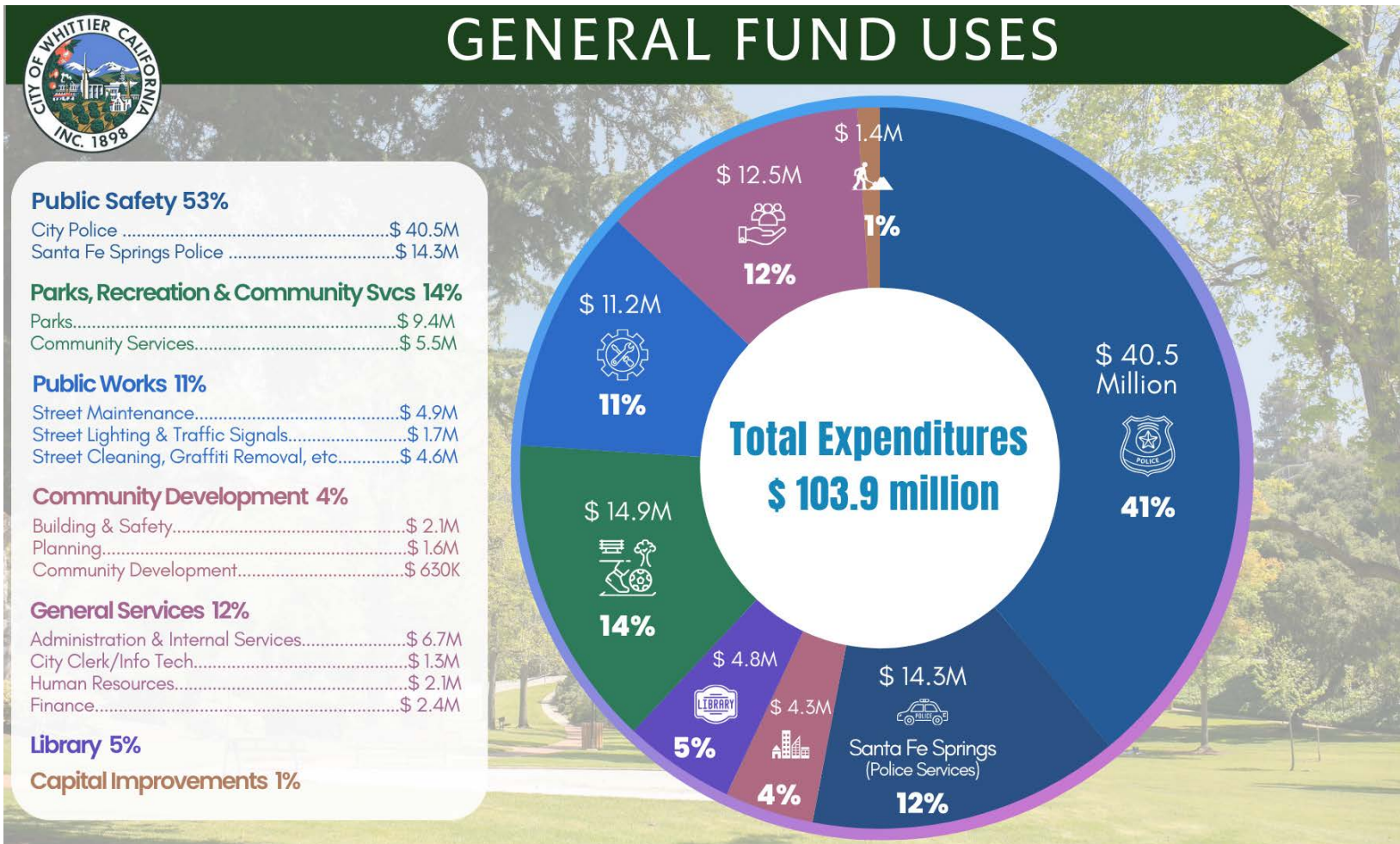
BUDGET-IN-BRIEF

General Fund

General Fund Expenditures

Municipal services, including public safety, library services, building and planning, parks maintenance, community recreational activities, and internal services such as accounting, constitute the majority of General Fund Expenditures. Although inflation has begun to moderate, it remains above the Federal Reserve's target rate of 2%. This persistent high inflation has led to a significant increase in costs for City infrastructure projects, routine supply purchases, and service contracts that are essential for maintaining the City's basic functions. The ongoing inflationary pressure affects not only the immediate costs but also complicates financial planning and budgeting for future city needs. Overall Operating Expenditures are estimated to increase by 12% in the next fiscal year due to addition of new positions, increased insurance costs, including general liability, workers' compensation, and healthcare, as well as overall inflation and negotiated obligations with bargaining units.

The General Fund budget proposes continuation of high-quality services for the community, despite increasing costs due to inflation, supply chain interruptions and labor shortages. The budget includes many Measure W funded programs and initiatives, and also provides continuation of social services funding to support community initiatives and the Whittier Historical Society & Museum.



BUDGET-IN-BRIEF

Special Revenue Funds

Special Revenue Funds include grant funds, federal funds, various tax funds and special district funds. Each fund represents a revenue stream collected or received for a restricted purpose.

State COPS Program Fund (220) funds two part-time Community Service Officers and one full-time Police Officer. Revenue consists of the Citizens' Option for Public Safety Program funding. This fund has a projected 2024-25 ending fund balance of \$802,025.

Asset Forfeiture Fund (250) has become an unsteady revenue source. All costs, including the officer previously assigned to this fund, have been reallocated to General Fund. This fund has a projected 2024-25 ending fund balance of \$411,385.

HUD Grant funds (CDBG 267 and HOME 269) will see CDBG revenue decrease of \$38,916 (-5.5%) and HOME revenue decrease of \$108,316 (-22.9%) in 2024-25. Revenues for CDBG will be \$670,883, while HOME will be \$363,946.

The Los Angeles County Metropolitan Transit Authority (Metro) distributes monies to cities within Los Angeles County to finance transit development programs approved by voters under **Proposition A (270), Proposition A Incentive (275), and Proposition C (280) funds, which** produce a combined annual revenue of \$4,944,110 and have a projected year-end 2024-25 fund balance of \$12,248,929. There is an additional \$1,659,170 in the Reserve for Greenway Trail rentals account. These funds account for the receipt and expenditure of Metro Prop A and C funds restricted for transit and transit related costs and improvement projects.

Road and Rehab (271) The Road Repair and Accountability Act of 2017 (SB 1) is a long-term transportation funding source for road safety improvements such as filling potholes and repairing local streets, highways, and bridges. The City is expecting to receive \$2,250,029 in 2024-25, and the fund is estimated to have an ending fund balance of \$2,226,958.

Measure R Fund (285) was established by Los Angeles County voters in 2008 and increased the sales tax rate in Los Angeles County by one-half ($\frac{1}{2}$) cent. The tax expires June 30, 2039. The City is expecting to receive \$1,531,394 in 2024-25 with pending street and transportation projects expected to utilize the entire amount. The estimated 2024-25 ending fund balance is \$2,325,467.

Measure M Fund (286) was established by Los Angeles County voters in 2016 and is part of Metro's Long Range Transportation Plan to improve mobility and provide more transportation options, which are expected to stimulate the local economy and create jobs. When Measure R sunsets in 2039, Measure M will increase from a one-half cent tax to a one-cent sales tax County-wide. The City is expecting to receive projected revenues of \$1,731,047 with an estimated 2024-25 ending fund balance of \$1,882,035.

The City's approved Pavement Management Plan requires the utilization of all transportation funding sources to properly maintain roadways throughout the City.

County Measure W Fund (287) The Safe, Clean Water Act was passed in November 2018 and is a special tax for parcels located in the Los Angeles County Flood Control District to fund for projects, infrastructure and programs to capture, treat and recycle rainwater. The City is expecting to receive and expend \$351,400 in 2024-25.

Uptown Parking District No. 1 Fund (291) was established to fund the operation of the City owned multi-deck parking structure. Major operating revenue sources are property tax assessments, rental income and parking fees. The projected fund balance at 2024-25 year-end is estimated at \$16,111.

Uptown Parking District No. 2 Fund (292) was established to fund the operation of City owned surface parking lots. Major operating revenue sources are property tax assessments, rental income and meter fees. The projected fund balance at the 2024-25 year-end is \$865,644. Available funding will be utilized to address parking and related infrastructure improvements, including the removal and replacement of trees where unavoidable, repaving, ADA improvements and lighting upgrades, throughout the District.

Uptown Maintenance District Fund (294) is continuing to be subsidized by the General Fund in the amount of \$51,448 annually. This District was formed over three decades ago and its ability to assess property owners ended in 2007. At existing service levels and with no source of revenue, this operation is funded solely with General Fund monies.

BUDGET-IN-BRIEF

Whittier Utility Authority

The Change in Financial Position schedules for the Whittier Utility Authority and Internal Service Funds differ slightly from those of the General and Special Revenue Funds. Emphasis is placed on net operating income and available working capital. The term "Available Working Capital" refers essentially to ending fund balances.

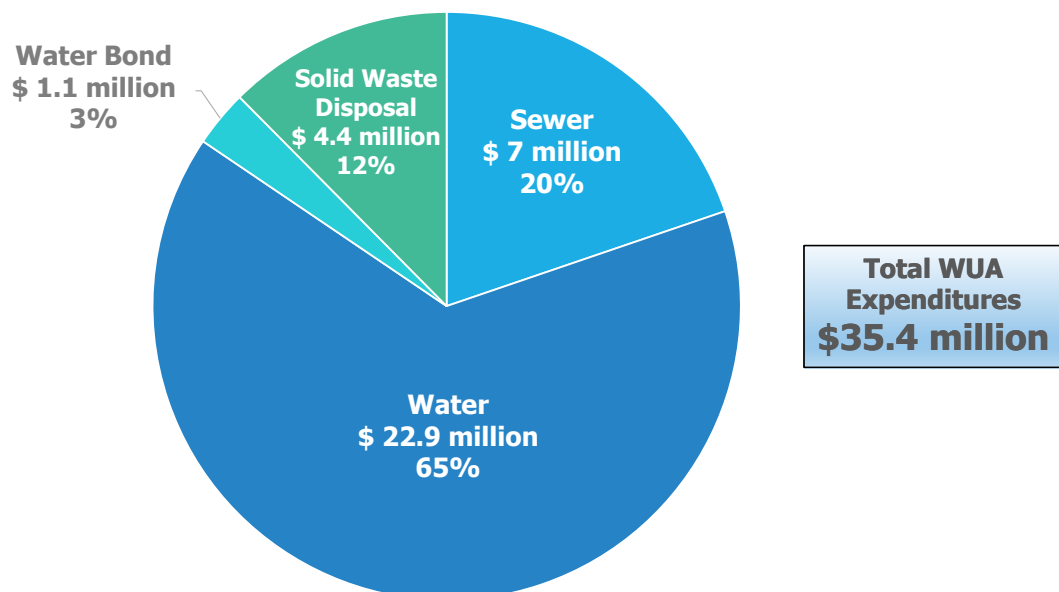
The Sewer Fund (410) is projected to have total revenues of \$5,852,208, total expenditures of \$3,334,496 and CIP of \$3,731,622. For 2024-25, sewer fees for residential customers will remain at \$1.17 per billing unit as a new Rate and Fee Study is currently underway. New rates will be established once the study has been adopted. Available net working capital at year-end is estimated to be \$4,537,592 and will be used to fund future capital projects.

The Water (420), Water Facility Replacement (450) and Water Bond Funds (470) are projected to have total revenues of \$21,637,627. For 2024-25, fees for Single Family Residential customers with a ¾" meter will remain at \$2.54 per billing unit for the first 22 BU (Tier 1) and \$4.15 per billing unit for 22 BU and over (Tier 2). The Service Charge will also remain at \$80.03 per month. A new Rate and Fee Study is currently underway, new rates will be established based on its findings. The proposed budget includes capital expenditures of \$8,225,783, and a projected available net working capital balance on June 30, 2025 of \$5,707,967. This working balance is critical to the WUA's ability to address new state mandates and emerging contaminants. It includes future multi-million dollar cash-funded projects as approved and adopted in the Water Master Plan.

In addition, the Water Fund includes the following reserve funds:

Lease Repayment	\$ 1,300,000
Emergency Capital Repairs	2,000,000
Reserve for Operating Capital	2,385,562
Water Connection Fee	3,079,010
Inventory	350,953
Total Water Fund Reserves	<u>\$ 9,115,525</u>

The Solid Waste Disposal Fund (440) is projected to have total revenues of \$4,996,613, total expenditures of \$4,374,019. The landfill tipping fee will increase from \$57.30 to \$59.31 per ton in 2024-25. Available net working capital at year-end is estimated to be \$110,527 and will be used to fund future capital projects. The existing franchise agreements expiring in FY 2025-26 and thus there is a City Council appointed Ad Hoc evaluating a proposer package that would result in a new contract being negotiated before the end of the fiscal year.



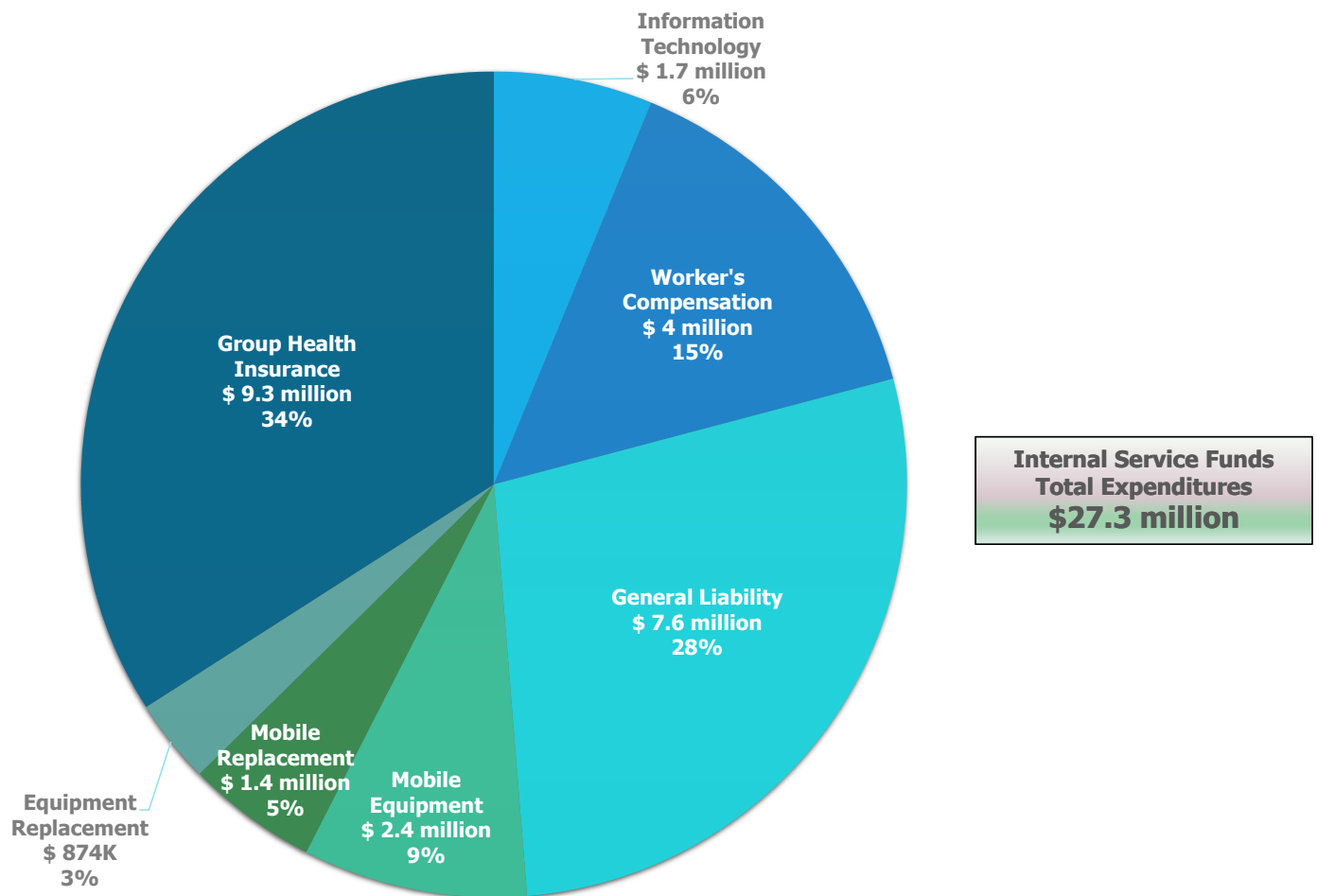
BUDGET-IN-BRIEF

Internal Service Funds

The Workers' Compensation (720), General Liability (730) and Group Health Insurance Funds (780) are internal service funds used to provide various insurance related services between departments on a cost allocation and reimbursement basis. The adopted combined expenditures of \$20,865,958 increased by \$3,412,407 or 19.5% compared to FY 2023-24 budgets of \$17,453,551, due to significant increase in city liability related premiums and projected loss runs. Additionally, costs were adjusted due to negotiated health insurance benefit changes wherein employees are now paying 20% of their health insurance premiums. The adopted budgets reflect a combined fund balance of \$4,649,408 in the Workers' Compensation, General Liability, and Group Health Insurance funds.

The Mobile Equipment Replacement Fund (750) budget includes appropriations of \$1,415,000 for a total of 26 mobile equipment replacements, two of which were funded with Proposition A transit funds. The fund began with an available fund balance of \$4,575,655 on July 1, 2024. The projected fund balance on June 30, 2025 is \$4,740,643.

Other (non-mobile) equipment replacements are budgeted in the **Equipment Replacement Fund (770)**. Reflected in the adopted budget for Fund 770 are estimated revenues of \$347,719 and appropriations for expenditures of \$874,444.



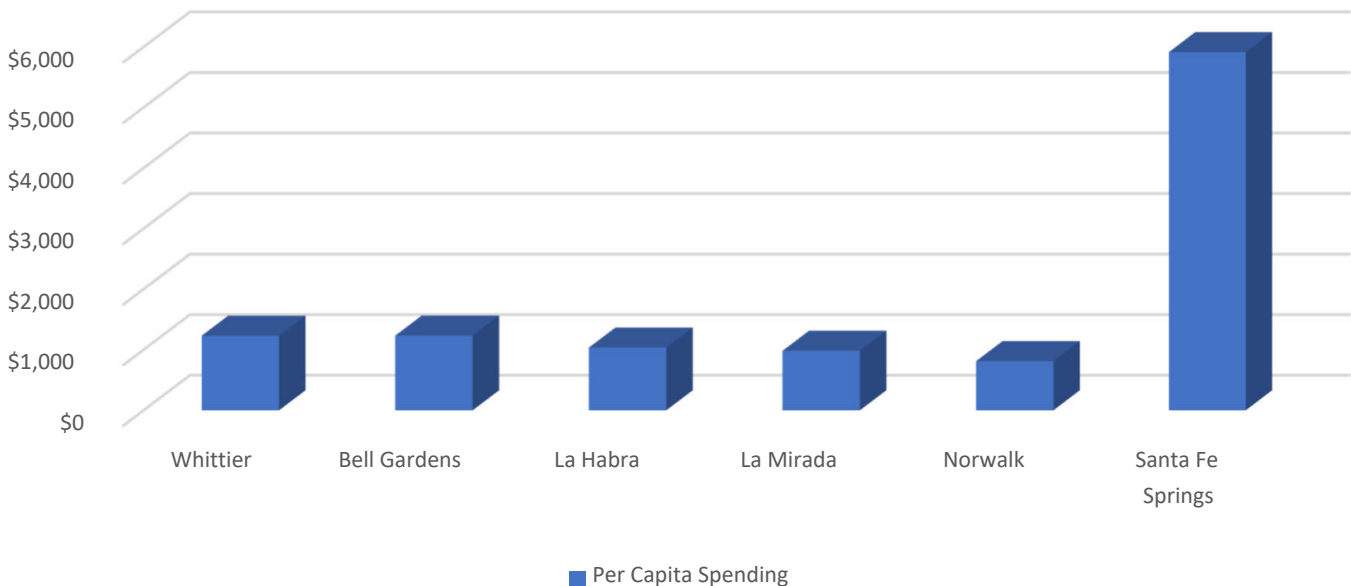
BUDGET-IN-BRIEF

Comparative Budget Survey

In a per capita comparison of expenditures for 2024-2025 General Fund Budgets, the City’s spending aligns closely with other cities in Los Angeles County in terms of municipal services provided per capita while also reflecting the local investment residents have made in fully funding City services through Measure W.

Cities		General Fund Budget	Total Budget	Population	Per Capita Spending
Whittier	Appropriations	\$ 103,949,026	\$ 191,817,285	84,421	\$ 1,231.32
	Revenues	104,336,823	188,448,284		
Bell Gardens	Appropriations	47,485,958	80,408,663	38,500	1,233.40
	Revenues	46,236,251	66,505,487		
La Habra	Appropriations	62,123,965	182,639,102	60,000	1,035.40
	Revenues	62,123,965	155,251,339		
La Mirada	Appropriations	48,124,144	110,227,945	49,000	982.13
	Revenues	51,453,581	96,202,559		
Norwalk	Appropriations	82,820,569	301,087,357	102,000	811.97
	Revenues	75,722,656	216,490,184		
Santa Fe Springs	Appropriations	100,552,620	121,130,774	17,000	5,914.86
	Revenues	102,818,350	127,642,254		

**General Fund
Per Capital Spending Comparisons**
(in thousands)



BUDGET-IN-BRIEF

Five-Year Capital Improvement Program

The Capital Improvement Projects list includes all capital projects, their applicable funding sources, and indicates which projects are recommended for funding in 2024-25. Although the list provides total expenditure information for numerous years, only the appropriations as of June 30, 2025, are fully funded. The future years' amounts are estimates and provided solely for informational and planning purposes. Projects identified for future years are subject to change and are not considered approved or funded until they are presented to the City Council during budget proceedings in their respective years. Total CIP for FY 2024-25 is \$22,356,256 of which \$2,387,200 consists of capital replacement funds.

Major Priorities and Funding Sources

New CIP projects in the adopted budget consist of projects related to the sewer repair program, water improvements, mobile equipment replacement, traffic signal improvements, street resurfacing, and park master plan. Funding for these projects are listed in the Five-Year Capital Improvement Program section of the budget.

Conclusion

Staff will begin reviewing future budgeting strategies and closely monitor the City's financial position. The condition of critical infrastructure to meet current and future needs of the community remains of high importance to the organization. For this purpose, the City remains on course with future strategies and improvements to attain these goals.

We want to thank the City Council for their policy guidance and support. This budget reflects your leadership and concern for the financial stability of the City. In addition, we would like to thank Department Directors and their staff for their participation and assistance in this process.

Sincerely,



Brian Saeki
City Manager