

# Operating Budget

## FY 2024-25 & FY 2025-26

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Finance & Budget Subcommittee

4/24/2024

# Agenda

- Overview
- Preliminary Budget Estimates
- Economic Indicators
- Next Steps & Discussion

# Budget Overview

- **FINANCIAL PLAN** for the operation of the City
- **FUND SUMMARIES & FINANCIAL FORECAST** provide insight regarding funding sources and expenditures
- **ACCOMPLISHMENTS** document achievements from prior year activities
- **WORK PLANS** set out departmental goals and activities for the next two years
- **TWO-YEAR OPERATING BUDGET**
  - FY25 is July 1, 2024 to June 30, 2025
  - FY26 is July 1, 2025 to June 30, 2026
- **FIVE-YEAR CAPITAL PLAN** guides major capital investment and maintenance program

# Fiscal Policy Requirements

- **Operating Budget must be balanced** - annual, ongoing revenues are greater than or equal to annual, ongoing expenditures
- Proprietary funds (Sewer, Solid Waste, Street Maintenance) must be **self-supporting**
- Major capital investments will be made **using long-term financing**
- **Comparable increases for revenue and expenditures:** new spending must have new funding or operating offsets
- **Adequate reserves must be maintained:** at least 25% of the General Fund Budget
- Maintain a long-range fiscal perspective

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# FY25 & FY26 Budget Elements

**Preliminary Revenue Budget: \$160M**

**Base Expenditure Budget: \$156M**

**Preliminary Operating Budget Requests: \$4M**

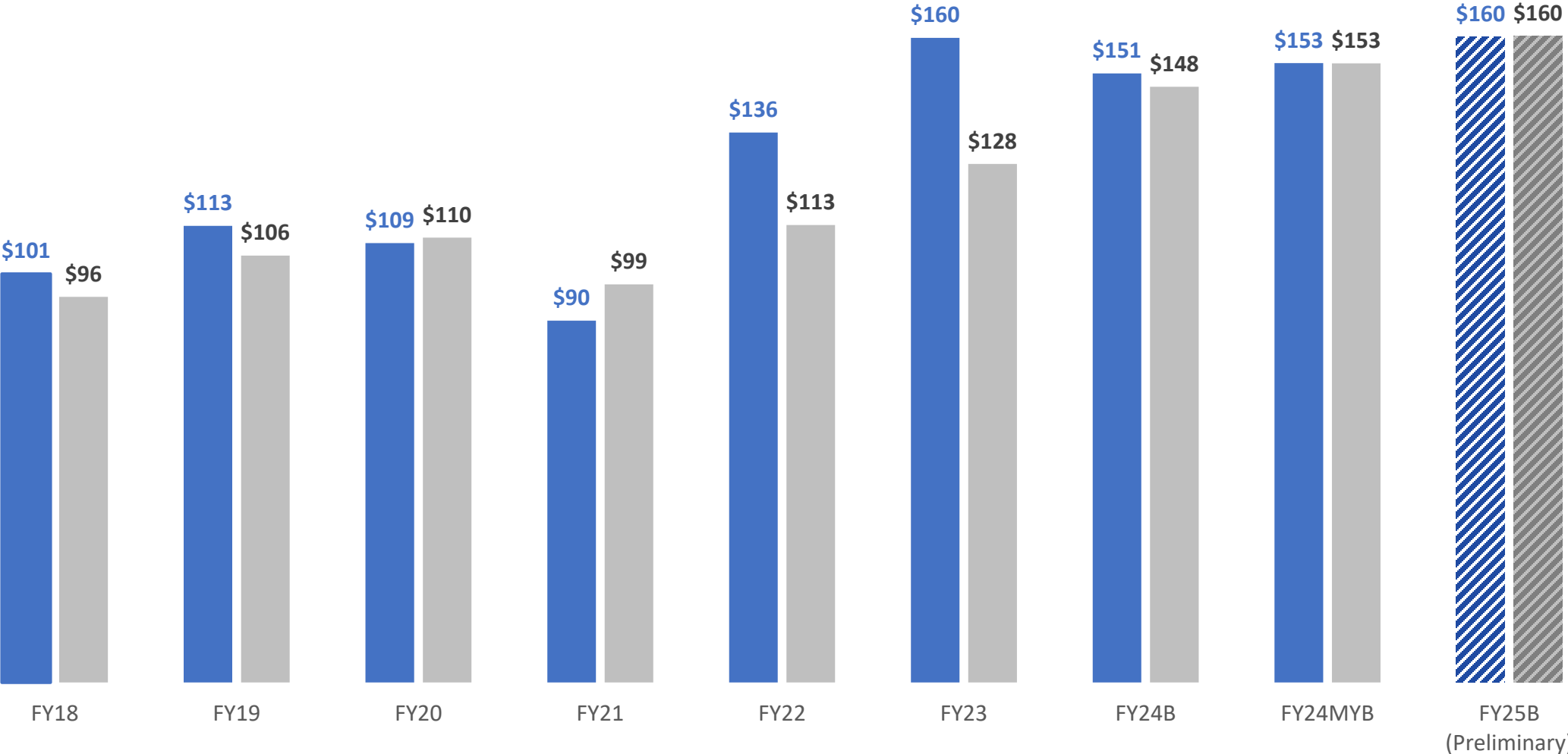
**May 9<sup>th</sup> Finance & Budget Subcommittee meeting:**

- Refined Revenue and Expenditure Budgets
- Personnel and Capital Budget Requests

# Projected Revenues

	FY24 (Original)	FY24 (Mid-Year)	FY25/26 (Preliminary)	FY25/26 vs. FY24 (Original)
<b>Total</b>	<b>\$150,936,245</b>	<b>\$153,486,245</b>	<b>\$160,000,000</b>	<b>5%</b>
Sales Taxes	36,400,000	36,400,000	37,000,000	2%
Transient Occupancy Tax	31,835,000	31,835,000	33,000,000	10%
Property Taxes	25,325,690	27,875,690	28,000,000	1%
Other Taxes	13,980,000	11,980,000	15,000,000	4%
Parking Fines	7,500,000	7,500,000	7,000,000	-3%
Parking Meters	7,250,000	7,250,000	7,000,000	-3%
City Permits	7,619,805	8,119,805	8,000,000	1%
All Other Revenue	21,025,750	22,252,750	25,000,000	17%

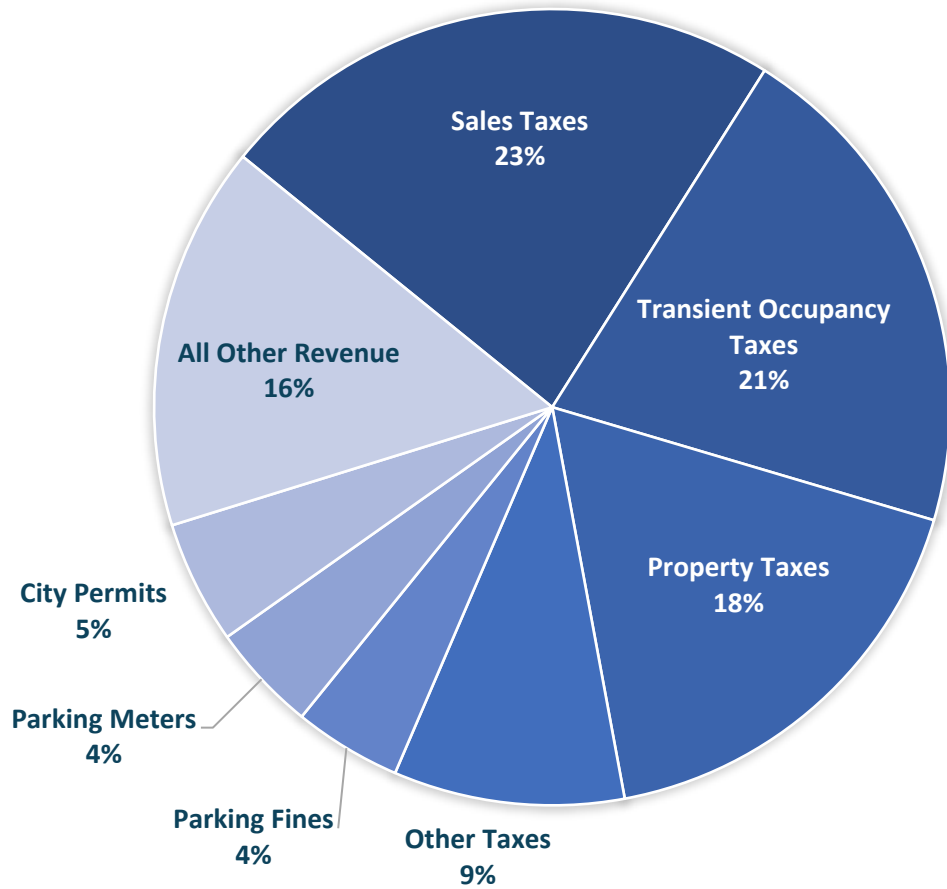
# General Fund Revenues & Expenditures



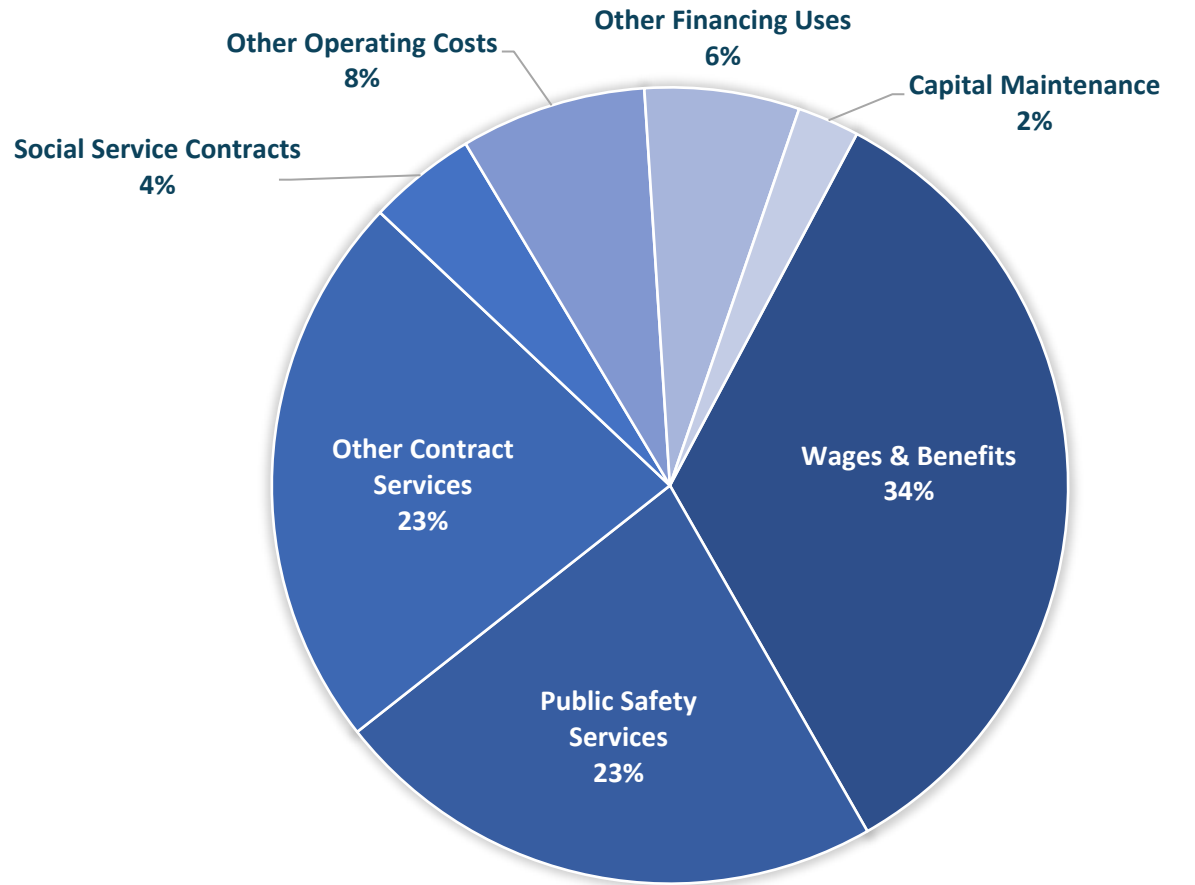
■ Revenues (in Millions)    ■ Expenditures (in Millions)



# Sources & Uses of General Funds



Sources



Uses

# New Expenditures

## **Human Services & Rent Stabilization**

- Social Services Contracts Annual Increase
- Contract Hearing Examiners
- Supplies and Communications Materials for Homeless Initiatives

## **Community Safety**

- Sherriff's Contract Anticipated COLA/Liability
- Ambassador Services COLA
- Supplemental Patrol Operations
- Additional residential activations for National Night Out

## **Community Services**

- Production & Traffic Control Costs for Halloween Carnaval
- Specialized Aquatics Trainings
- Expanded Community Events

## **Economic Development & Arts**

- Increased Arts Program Funding
- Programming Related to City's 40<sup>th</sup> Anniversary
- Special 40<sup>th</sup> Anniversary Arts Grant
- MIMA Digital Art for Sunset Arts and Advertising Program

## **Community Development**

- Funding related to studies & plans development & implementation
- Seismic Retrofit Program

## **Public Works**

- Traffic Services at Intersections & Bus Lanes
- Third Party Review of Parking Enforcement Program
- Hearing Examiner Costs
- Maintenance Contract Annual Increases

## **Administrative Services**

- Citywide Classification and Compensation Study
- Election Costs
- Russian-Speaking Community Cultural Heritage Month Events
- Expansion of Disability Awareness Month Events, Human Rights Speaker Series, Rainbow Key Awards, and Transgender Day of Visibility Events

## **Finance & Technology**

- Comprehensive Fee Study

## **Communications**

- Historian Laureate Program
- Communications for the City's 40<sup>th</sup> Anniversary
- Platforms, equipment and content development

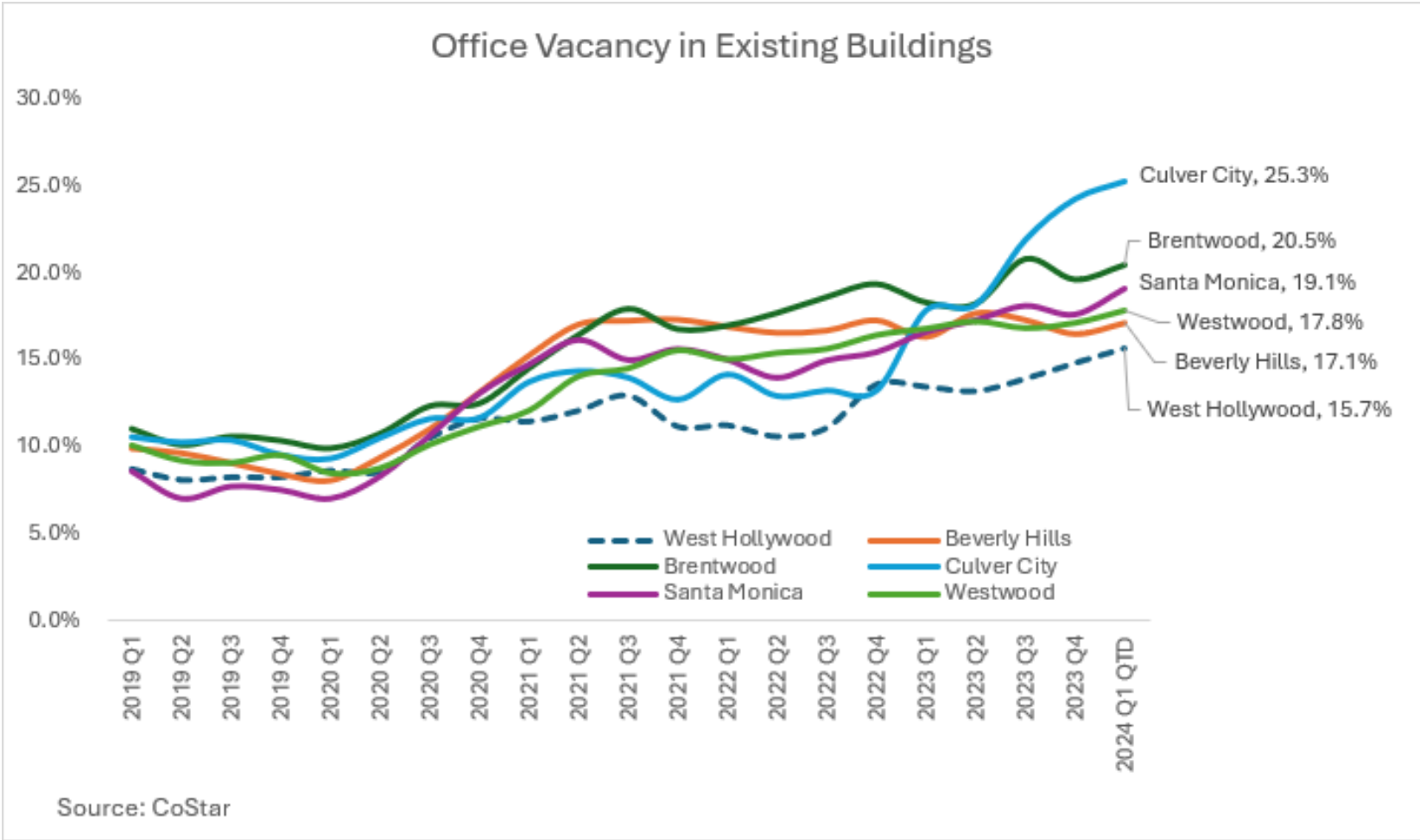
## **General Operations**

- Wages & Benefits
- Property & Earthquake Insurance

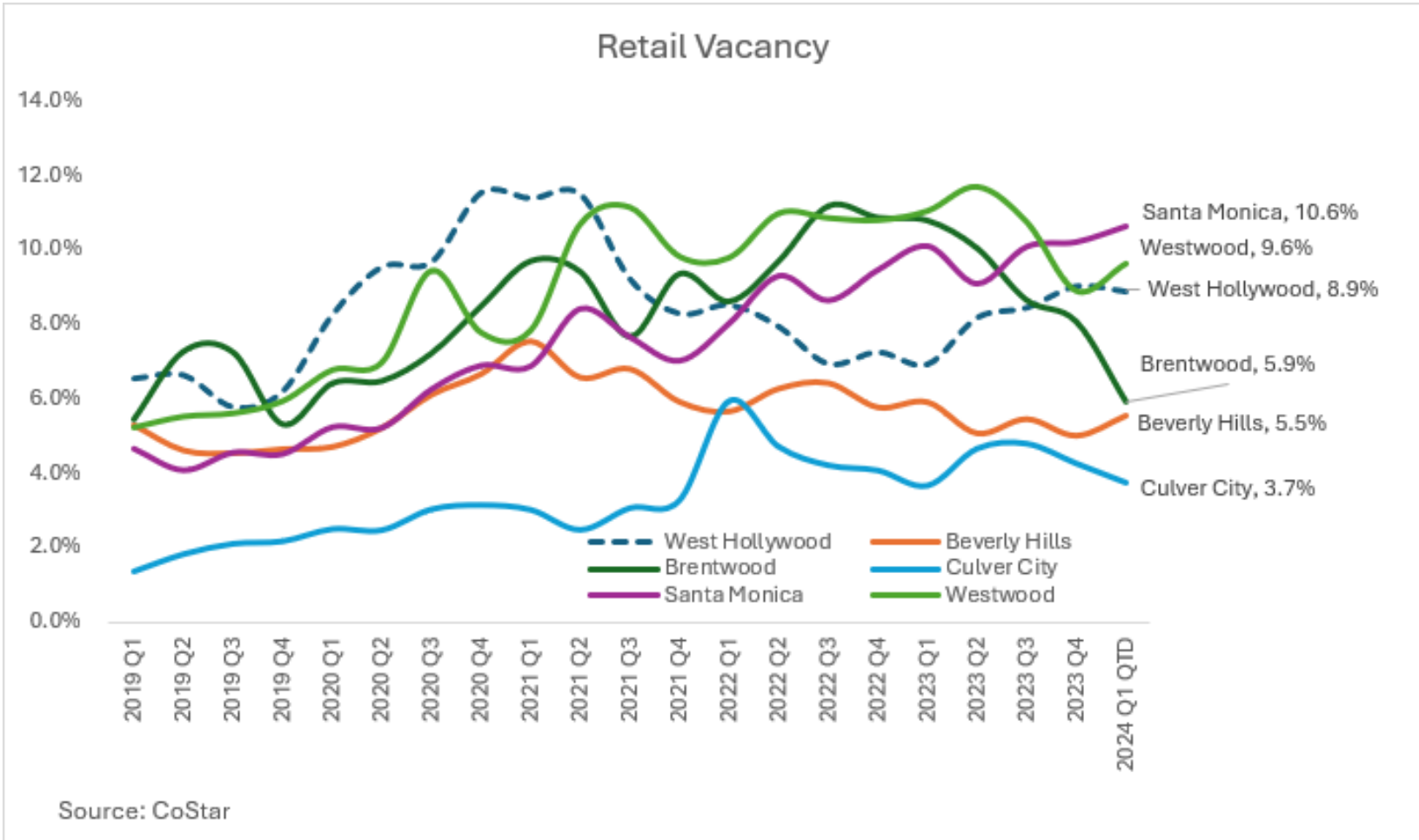
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# Office Vacancy



# Retail Vacancy



# Hotel Performance

Year	Occupancy	ADR	Total Revenue (Lodging)
2013	81%	\$244	\$146,000,000
2014	84%	\$260	\$161,000,000
2015	82%	\$280	\$171,000,000
2016	86%	\$297	\$188,000,000
2017	83%	\$293	\$188,000,000
2018	80%	\$295	\$209,000,000
2019	79%	\$300	\$214,000,000
2020	35%	\$293	\$76,000,000
2021	52%	\$332	\$157,000,000
2022	69%	\$408	\$264,000,000
2023	71%	\$382	\$255,000,000

Source:

West Hollywood Travel & Tourism Board

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(Total Revenue rounded to nearest \$million)

# Business License Tax Certificates

Calendar Year	Total Business License Tax Certificates
2013	4,200
2014	4,105
2015	4,087
2016	4,051
2017	3,984
2018	4,077
2019	3,939
2020	3,450
2021	3,114
2022	3,204
2023	3,941*

Source: City of West Hollywood

\*Estimate based on renewal notices sent

# Home Prices

Median home price of existing SFH (**Single-family homes only**)

Year	Median Price	Sales
2019	\$2,000,000	469
2020	\$2,181,000	502
2021	\$2,537,500	717
2022	\$2,597,500	432
2023	\$2,475,000	362

Median home price of existing SFH (**Condos**)

Year	Median Price	Sales
2019	\$805,000	454
2020	\$795,750	466
2021	\$821,750	671
2022	\$1,000,000	546
2023	\$992,000	428

Median home price of existing SFH (**All**)

Year	Median Price	Sales
2019	\$1,300,000	923
2020	\$1,390,000	968
2021	\$1,444,722	1,388
2022	\$1,562,500	978
2023	\$1,595,000	790

Median Home Prices for Single Family Homes & Condominiums for ZIP codes 90046, 90048, 90069

Source: Greater Los Angeles REALTORS

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# Next Steps

May 9, 2024  
Subcommittee  
Meeting #3

May 20, 2024  
Council Item:  
Budget Receive &  
File

June 10, 2024  
Council Budget  
Discussion &  
Adoption

July 1, 2024  
Budget  
Implementation



# Subcommittee Questions & Discussion

Thank you

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