

PROPOSED OPERATING BUDGET AND CAPITAL IMPROVEMENT PLAN

FISCAL YEAR 2024 - 2025



SEE WHAT
TORRANCE IS DOING



CITY OF TORRANCE • DEPARTMENT OF FINANCE

Table of Contents

Budget Message	1	City Council	94
Message from the City Manager	1	City Manager	96
Executive Summary	13	City Treasurer.....	99
Budget Outlook.....	13	Civil Service	101
Citywide Budget Summary.....	14	Communications & Information Technology.....	103
Citywide Staffing Summary by Fund.....	22	Community Development	106
Staffing Changes Summary by Department	22	Community Services	113
Non-Wage Program-Level Budget Changes Summary by Department.....	23	Finance	118
Fund Balance Summary by Fund	24	Fire.....	122
Five-Year Capital Improvement Plan	25	General Services.....	126
City Overview	26	Human Resources	131
About Our City.....	26	Police.....	134
Community Profile.....	27	Public Works.....	138
Citywide Organizational Structure.....	29	Transit	146
City Commissions and Advisory Boards.....	30	Non-Departmental.....	150
Budget Development	31	Five-Year Fund Projections	155
Budget Process and Timeline	31	General Fund.....	155
Budget Priorities	32	Airport Fund	156
Torrance Strategic Plan	33	Sanitation Fund	157
Strategic Plan Performance Indicators by Department ..	46	Sewer Fund	158
Operational Efficiencies.....	48	Transit Fund	158
Areas of Focus	49	Water Fund	159
Financial Key Performance Indicators	52	Fleet Services Fund	160
Economic Data.....	64	Self-Insurance Fund	161
Revenues	70	Capital Improvement Plan	162
Citywide Revenue Summary by Fund	70	CIP Structure	162
Citywide Revenue Summary by Classification.....	71	Budget Process	162
General Fund-Operating Fund Revenue Summary by Classification.....	72	CIP Summary by Project Type	163
General Fund-Measure SST Fund Revenue Summary by Classification.....	77	CIP Summary by Funding Source	165
Expenditures	78	Measure SST	166
Citywide Expenditures Summary by Fund	78	Parks.....	167
Citywide Expenditures Summary by Classification	79	Facilities	177
Citywide Expenditures Summary by Department	81	IT Infrastructure	186
Staffing Changes Summary by Department	81	Public Right of Way (Streets)	187
Non-Wage Program-Level Budget Changes Summary by Department.....	83	Sewer/Water Utilities.....	191
General Fund-Operating Fund Expenditures Summary by Department.....	85	Storm Drains/Basins	194
General Fund-Operating Fund Expenditure Summary by Classification.....	86	Other Projects	195
General Fund-Measure SST Fund Expenditure Summary by Classification.....	86	Appendix	200
Departments	88	Classification of Funds.....	200
City Attorney	88	Employee Compensation and Benefits.....	201
City Clerk	91	Fiscal Policies	205
		Fund and Reserve Policies	209
		Debt Policies	211
		Investment Policy	214
		Debt Financing Information	215
		Credit Ratings.....	217
		Debt Service Schedules	218
		Glossary	224



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Torrance
California**

For the Biennium Beginning

July 01, 2023

Christopher P. Morill

Executive Director

Last year's Adopted Fiscal Year 2023-24 Operating Budget and Capital Improvement Plan received an award from the Government Finance Officers Association of the United States and Canada (GFOA). The GFOA presented the Distinguished Budget Presentation Award to the City of Torrance for its annual budget document for the fiscal year beginning July 1, 2023. To receive this award, a governmental entity must publish a budget document that acts as a policy document, operations guide, financial plan, and communications device. This award is valid for a period of one year. In preparing the Proposed Fiscal Year 2024-25 Operating Budget and Capital Improvement Plan, staff have once again followed the GFOA's program rating criteria. This document will be submitted for award consideration for the period beginning July 1, 2024.

*California Society of Municipal
Finance Officers*

Certificate of Award

***Operating Budget Excellence Award
Fiscal Year 2023-2024***

Presented to the

City of Torrance

For meeting the criteria established to achieve a CSMFO Award in Budgeting.

January 29, 2024



Rich Lee

*Rich Lee
2023 CSMFO President*

James Russell-Field

*James Russell-Field, Chair
Recognition Committee*

Dedicated to Excellence in Municipal Financial Reporting

Additionally, last year's Adopted Fiscal Year 2023-24 Operating Budget and Capital Improvement Plan also received an award from the California Society of Municipal Finance Officers (CSMFO). The CSMFO presented the Operating Budget Excellence Award to the City of Torrance for its annual budget document for the fiscal year beginning July 1, 2023. This award recognizes public sector agencies with well-presented budget documents, best practices, processes, and procedures and is valid for a one-year period. In preparing the Proposed Fiscal Year 2024-25 Operating Budget and Capital Improvement Plan, staff have once again followed the CSMFO's program rating criteria. This document will be submitted for award consideration for the period beginning July 1, 2024.

An aerial photograph of a city street scene, overlaid with a semi-transparent blue filter. The image shows a multi-lane road with traffic, including cars and a FedEx truck. In the background, there are several buildings, including a prominent circular structure and a taller modern building with vertical glass panels. The text "BUDGET MESSAGE" is centered in the middle of the image in a bold, white, sans-serif font.

BUDGET MESSAGE

Budget Message

Message from the City Manager

To Mayor, City Council, and the Torrance Community,

I am pleased to present a balanced budget for the Proposed Fiscal Year 2024-25 Operating Budget and Capital Improvement Plan for the City of Torrance.

Many economists ended 2023 asserting that the lingering possibility of a recession has since faded due to the Federal Reserve's (Fed) fiscal policy moves, and a national consumer base that continues to spend, despite economic uncertainty. Following the first calendar quarter of 2024, we continue to see the same themes, with hiring remaining strong, but stubborn interest rates remaining high. The impact of higher interest rates will be felt in restraining growth in 2024 as inflation slowly works its way back to the neighborhood of 2.5% to 3.0% per annum — kept high primarily because of residential rents and new health insurance premiums. Economists expect Fed policy to adopt a neutral stance through the end of the year and GDP growth to rebound to trend rates.

Based on an economic landscape that predicts slow growth, the proposed fiscal year 2024-25 General Fund-Operating Fund budget is expected to increase by 5.5%. This includes a modest 2.3% growth factor in the core revenue categories (Taxes), which includes sales tax, property tax, utility users' tax, occupancy tax, and business license tax. Additionally, there are projected increases in the Operating Transfers In, Use of Money & Property and Charges for Services categories. These increases are primarily driven by increased transfers from the General Fund-Unassigned (Reserves) and Airport Funds, higher investment earnings caused by both higher interest rates and higher reserve (cash) balances, and the Fire Department's participation in the enhanced Public Provider Ground Emergency Medical Transport (PP-GEMT) program. This State program provides per-transport basis reimbursements to emergency medical transport providers. Fiscal year 2024-25 will be the first full year of PP-GEMT program participation, prompting increased revenues for the department.

The City's overall staffing budget will increase by a net 1.0 full-time equivalent (FTE) employee, resulting from a combination of program changes explained in the **Staffing Changes Summary by Department** section of this document.

Measure SST funds continue to contribute to the City's long-term financial stability by allocating \$11.8 million towards public safety, \$1.0 million towards quality-of-life programs such as homeless response, \$1.0 million towards emergency responsiveness and cyber security, and \$5.0 million to General Fund reserves. For fiscal year 2024-25, the \$5.0 million contribution to Reserves will be

utilized to offset public safety wage increases in the General Fund-Operating Fund. Additionally, this year substantial emphasis is placed on addressing deferred maintenance of community facilities, with an \$8.6 million planned investment into capital projects. Examples of projects to be funded by Measure SST include park playground equipment, picnic areas, tennis courts, park restroom replacements at Alta Loma, Columbia, Delthorne, El Nido, Paradise, Torrance Parks, and improvements to the Torrance Historical Museum. In total, Measure SST will invest \$25.8 million in priority projects identified through FY27-28 in the Capital Improvement Plan.

As always, we continue to monitor important economic indicators and trends, and adjust expectations accordingly. The budget before you prioritizes top notch customer service to our residents, businesses, employers and visitors; focuses on employee retention and recruitment; cultural and recreational programming; strategic planning; addresses homelessness; and makes substantial new investments in infrastructure repairs and public safety.

Homelessness

www.torranceca.gov/services/homeless-services

The City of Torrance, like many other communities in California and the nation, has experienced increased challenges and numbers of those experiencing homelessness. As such, the City continues to closely monitor the number of people experiencing homelessness in Los Angeles County and in Torrance, to guide the City's response. Based on the annual Los Angeles Homeless Services Authority homeless count, the overall number of people experiencing homelessness in Torrance in 2022 was 306 and in 2023 was 398. This number does represent an overall increase of 30% in the number of people experiencing homelessness. The increase can be attributed entirely to the increase in vehicular homelessness. In 2022, 113 individuals experienced vehicular homelessness, while in the 2023 homeless count, 223 individuals were identified as experiencing vehicular homelessness. Notable in the 2023 count was the significant decline in those experiencing unsheltered street homelessness (individuals counted on sidewalks, in parks, and in makeshift shelters and tents). In the 2022 homeless count, 124 individuals were identified as experiencing unsheltered street homelessness, while in the 2023 homeless count, 68 individuals were identified in the unsheltered street number.

Since July 5, 2022, the 3290 Temporary Housing Village has been fully activated as an interim housing site and is currently being operated by Harbor Interfaith Services, a nonprofit organization with over 30 years of experience in running programs for homeless services. The site includes forty 64-square foot temporary housing units (tiny homes), one guard booth, three 100-square foot staff trailers, two restroom/shower facilities (one ADA accessible), and a laundry facility.

3290 Temporary Housing Village at Civic Center Drive (3290) couples temporary housing in the form of a tiny home for people experiencing homelessness with case management, housing navigation, and support services. The goal of the program is for participants to achieve permanent housing solutions, such as family reunification, subsidized housing, or permanent supportive housing. The site serves 40 people. As of April 23, 2024, 31 individuals have attained permanent housing, and additionally eight individuals have a voucher currently in hand and are searching for a suitable unit, and five individuals have potential matches and are undergoing applications. The site continues to be at full capacity, and there is a waitlist of individuals experiencing homelessness who are seeking to be part of the temporary housing program. At their meeting on April 11, 2023, the City Council approved the extension of the 3290 Temporary Housing Village for 24 months.

In addition to the temporary housing program, the City continues to operate a street outreach program, connecting unhoused individuals with services to attain permanent housing. The City currently has two Outreach Coordinators who are directly hired by the City. Street outreach becomes critical in connecting people with services, particularly because the 3290 Temporary Housing Village is at capacity and is anticipated to remain at capacity for the foreseeable future. Because 3290 addresses individuals with the greatest barriers to attaining permanent housing, the Outreach Coordinators are able to focus on individuals who have fewer barriers. Since July 2022, the Outreach Coordinators have connected 23 individuals directly to permanent housing.

The City Manager's Office continues to lead the Homeless Response Team, which includes key City departments to strategize solutions for a coordinated response to specific community concerns. The City partners with regional agencies, such as Caltrans, BNSF Railway, the Los Angeles Homeless Services Authority, LA County Homeless Initiative, South Bay Cities Council of Governments, and nonprofit homeless service providers to take a collaborative approach to addressing homelessness. Furthermore, the City Manager's Office supports the efforts of the Social Services Commission in addressing issues impacting individuals experiencing homelessness.

To address this growing issue, approximately \$3.4 million supports the operating costs of the 3290 Temporary Housing Village and homelessness outreach efforts. An estimated \$2.2 million is funded by intergovernmental grants and the remaining \$1.2 million will be funded through the General Fund Operating Fund and Measure SST Fund.

Lastly, the City continues to balance the needs of all segments of the community. Through the work of the Torrance Police Department's Community Lead Officers, and in conjunction with the City's Outreach Coordinator, the City regularly responds to resident and business concerns regarding homelessness by offering services, reducing encampments, and strengthening City infrastructure.

Economic Development

www.torranceca.gov/whytorrance

Torrance continues to maintain economic growth and development in a rapidly changing economic landscape. While businesses may be challenged by various factors including workforce recruitment and retention along with increased labor and material costs, Torrance remains a place for businesses to grow and thrive. While the strong resurgence of housing and industrial sectors has resulted in limited inventories, several industrial developments have recently been completed, are under construction or currently in the planning stages. In 2023 the valuation of permits totaled more than \$136 million.

New businesses have started up or relocated to Torrance, breweries have changed hands, and new restaurants have replaced those that have closed, as is evident at Del Amo Fashion Center (DAFC). With no shortage of restaurants to experience or retailers to visit, it's no surprise, according to the General Manager of DAFC, this was the most visited mall in the country during the most recent holiday season. Recently opened restaurants include Shake Shack, Philz Coffee and SweetGreen, with more to come. The Community Development Department has established regular meetings with DAFC management to expedite business openings and quickly fill any vacancies that exist or may arise with the changing retail landscape.

Torrance also continues to be seen as a tourist destination. A key indicator of Torrance's attractiveness and its ability to support a thriving tourism industry is the overall increase in hotel occupancy. The number of individuals visiting the California Welcome Center at Del Amo Fashion Center to collect information about the local area, as well as to make plans for other travel throughout the state of California, is ever growing as thousands stop by to visit each month.

Torrance has been actively working to expand its international economic footprint. In 2023, the City signed three Friendship Cities Designations with cities of Hwaseong, South Korea, Changhua, Taiwan, and Tainan, Taiwan. These agreements were approved by City Council on February 28, 2023. Information on the Friendship Cities Program and the application can be found on the City's Office of Economic Development website to allow members of the community to recommend additional cities for consideration for designation under the program. The focus of the program is international business development and investment into the City of Torrance as well as increasing opportunities to learn more about efficiencies in technology and transportation. A total of \$70,000 from the General Fund has been allocated to support this new program and its related activities in FY24-25.

After much property owner and business engagement, efforts to establish a Business Improvement District (BID) in the Downtown Torrance have taken a significant step forward with property owners currently voting on the BID formation and self-assessment concept. This initiative will help to carry

out the elements of the Downtown Revitalization Plan by bringing in another funding stream and more fully engaging the business community directly impacted by attracting more visitors/customers to the area. A total of \$35,000 from the General Fund has been allocated to cover the City's portion of BID membership dues. Several beautification efforts underway include new string lights and gateway entry signs to welcome visitors and business owners alike.

The Office of Economic Development has established quarterly events such as a "Pitch Torrance" program where Torrance based businesses were able to pitch ideas for projects that may provide solutions to civic challenges and communicate with City Departments as to City procurement needs. Along with a planned Select Torrance event planned for June 21st, these events will further the concept of allowing Torrance to be both a "testbed" for homegrown products and services but also inviting regional and international investment interests by connecting them with Torrance Developments and existing businesses. Similar initiatives have already been explored or implemented such as projects involving traffic monitoring, flood and weather sensors, alternative fuel technologies, and biomass conversion. By collaborating with various organizations like the Torrance Tech Committee, El Camino's Small Business Development Center, California State Dominguez Hills Innovation Incubator, the Torrance Area Chamber of Commerce, and others, there is an increased opportunity to further this effort.

At Council's suggestion, the Office of Economic Development formulated plans for a Business Recruiter Program that will aid in an "outside sales" capacity to assist Economic Development in business attraction by proactively identifying and recruiting specific businesses that may be a beneficial addition to the Torrance community. In late Fall 2023, the City launched this new Business Attraction Incentive Program to incentivize businesses that choose to relocate to Torrance with measurable and meaningful rewards to companies that boost Torrance's employment base and sales tax revenue. To incentivize businesses to remain as an attractive place to live, work, and play, the Mayor and Council also approved the Commercial Façade Improvement Program where property owners and small businesses could qualify for a one-time reimbursement of up to \$40,000 for completing eligible activities, including façade improvements.

In addition, the Office of Economic Development has enhanced the Economic Development section of the City's website by introducing a "Locate" feature. This includes a Site Selection Assistance form, allowing interested parties to easily provide basic information about their space requirements. There's also an interactive "Hot Properties" map where businesses considering coming to Torrance can conduct initial site searches. They can connect with the Office of Economic Development for further support. To ensure the map is comprehensive, the Office of Economic Development will collaborate with real estate brokers and property owners to populate it.

Lastly, staff is ramping up our marketing efforts with a focused “Why Torrance” campaign aimed at attracting businesses and potential investors to choose Torrance. Through this initiative, we’ve developed a dynamic storyboard to engage viewers more effectively. This storyboard incorporates interactive elements such as video testimonials, updated demographics, eye-catching infographics, all designed to showcase the unique advantage of doing business in Torrance. This platform streamlines information, creating a unified look and feel across the Economic Development website, subsite, mobile application, signage, and other marketing channels. To make access even easier, a QR code is available on all City marketing materials that directs users to our site. Through strategic initiatives, collaborative partnerships, and dynamic marketing endeavors, the City of Torrance’s Economic Development outreach efforts represent a steadfast commitment to fostering growth, innovation, and continued economic vitality for our community.

Capital Investments & Civic Center Master Plan

www.torranceca.gov/our-city/civic-center-master-plan

The City of Torrance owns and operates over \$500 million worth of buildings, public facilities, and infrastructure. With every year passing these buildings age and deteriorate, many of which are still in their original condition. Currently the City’s capital assets have well surpassed their half-life mark, requiring heavy maintenance and upgrade. In December 2023, the City amended a contract with Kitchell/GEM, Inc. of Los Angeles, CA, for additional facility assessment services, in order to provide a full study that includes all City facilities. This building index study was completed in March 2024, and identified roughly \$205 million in needed repairs and upgrades, which are recommended to be completed in 10 years. The report included items such as ADA, HVAC, plumbing, electrical, roofing, playground equipment, and other various infrastructure items. Interior and exterior elements such as windows, doors, paint, flooring, and roofs were also surveyed. Note that this estimate only considers repairs and upgrades, not complete replacement of buildings. Given the magnitude of the needs identified, City staff have made a concentrated effort to allocate as much funding as possible towards capital projects. Starting in fiscal year 2024-25, the General Fund-Operating Fund and General Fund-Measure SST Fund are contributing a combined \$10.6 million, with lower amounts committed in future budget cycles. As the recommended timeframe for completion is ten years, additional funding would need to be identified to make the estimated \$20.5 million per year investment per the index report (~\$13.0 million per year in additional funding).

The Torrance Civic Center, an integral part of the community since its development in 1956, has the largest concentration of City buildings including the main City Hall building with East and West Annexes, Human Resources Building, Katy Geissert Library, the Benstead Plunge, Torrance Cultural Arts Center, and Police Department Headquarters. These structures also represent \$74.8 million of the previously identified \$205 million in future capital obligations. Recognizing the challenges posed by the aging infrastructure, the City Council initiated the process of developing a new master plan, to

assess various factors, including costs, building conditions, operational limitations, aesthetics, and community programming needs. In pursuit of a reimagined Civic Center, the City Council awarded a Consulting Services Agreement to Gruen Associates of Los Angeles, California to develop a Civic Center Master Plan and Economic Feasibility Study. This comprehensive plan intends to look beyond the aging structures but also explore opportunities to efficiently utilize the Civic Center campus to enhance the Civic Center’s functionality, creating a cohesive and modernized aesthetic appeal.

In Fall of 2023, Gruen met with Councilmembers and each city department and toured each City building in their entirety, every parking lot, walkway, and perimeter of the Civic Center. In Summer 2024, City staff will be presenting an overview of community input received from 19 Commission presentations, Community meetings, Community Pop-ups and Employee engagement events completed between January and March 2024, that resulted in over 1500 completed community engagement surveys. Master Plan consultants are currently reviewing the community feedback in order to develop conceptual master plan concepts that will include multiple redevelopment scenarios made possible under consolidated City footprint(s). The scenarios will aim to incorporate public feedback balanced with opportunities to introduce new uses and seek additional recreational activation scenarios. Through a comprehensive public outreach program, the City of Torrance will seek community input to ensure the reimagined Civic Center meets the needs and aspirations of its residents, accounts for potential future service delivery needs and identifies revenue generation opportunities to assist with those associated costs.

Major Development Projects

Development in the City continues to flourish, with the Permit Center serving roughly 27,000 customers a year, and a job valuation of \$136 million. Below are examples of projects underway and potential projects in the pipeline.

Projects Under Construction

Acoya of Torrance, LLC (Del Amo Circle between Carson Street and Hawthorne Boulevard)

Construction is officially underway on a new 4-story, 159-unit senior living community near the Del Amo Fashion Center. Of the 159 units, 137 will be offered as market rate independent living units and 22 as assisted living units. The property will also feature a semi-underground parking garage with 161 spots. The project is on track for completion in May 2024.

Gable House Redevelopment Project (22501 Hawthorne Boulevard)

This development is a mixed-use project that will be comprised of 218 apartment units (of which 17 will be reserved for very low-income) and 12,000 square feet of commercial floor area. The project is representative of current housing development trends in urbanized areas and features a mixture of commercial uses located at ground level and residential uses located above in four and five-story

apartment buildings, all wrapped around a seven-level parking structure. The project would replace the Gable House bowling center and existing commercial center with new structures, onsite circulation and parking, and open space amenities. The demolition of the existing building on the site, including the bowling alley building has been completed. Construction of the new buildings is tentatively scheduled to commence Summer 2024.

Torrance Gateway (Former Toyota Headquarters – SWC of 190th Street & Western Avenue)

In 2022, the Planning Commission approved redevelopment of the former Toyota Headquarters with the new Torrance Gateway project. Phases 1 – 3 are being built on the southside of 190th Street and include a total of 12 tilt-up light industrial buildings, while Phase 4 will be built on the northside of 190th street and include up to 2 tilt-up light industrial buildings. The 1st and 2nd phases have been completed and consist of 7 buildings at 1,060,000 square feet. The 3rd phase will include 5 buildings at 730,000 square feet, while it goes through the final phase of the City’s plan review process. The expected use of the buildings includes office, manufacturing, and warehouse. The project is representative of recent trends in industrial development, which is described as replacing underutilized professional office space with new concrete tilt-up light industrial buildings that have large footprints, loading docks, and truck courts.

Rexford Industrial (21515 South Western Avenue)

This development includes the demolition of an existing market building, formerly Mitsuwa Market, and the construction of an 84,100 square foot industrial building consisting of 72,100 square feet of warehouse space and 12,000 square feet of office space. The demolition has been completed and the construction plans for the new industrial building are in the plan review process.

Future/Potential Projects

Lennar Homes (Former Montgomery Wards Store Site – 21515 Madrona Avenue)

Request for approval of a Conditional Use Permit, a Development Permit, and a Tentative Tract Map to allow the construction of a 274-unit townhome development on property located in the H-DA1 Zone at 21515 Madrona Avenue has been filed with the Community Development Department. The townhome development consists of several buildings that measure three to five stories in height and would be developed with onsite parking and shared common areas including a pool and recreation room. The project development application is in the submittal phase.

Prologis (Northeast corner of Prairie/Madrona Avenue and Del Amo Boulevard)

The proposed project is a new industrial warehouse building and some office space with a total square footage of 403,000 square feet. The project is in the entitlement process.

Legacy Development (21507 Hawthorne Boulevard)

The proposed project is for a new 200-unit apartment complex along with a multi-story parking structure and has a total square footage is 235,000. The project is currently in the plan review phase.

Torrance Transit

On June 9, 2023, the Mary K. Giordano Regional Transit Center (RTC) completed construction and was opened to the public. The facility is now in operation seven days a week and provides connectivity to several bus routes operated by Torrance Transit. In addition, the RTC hosted special event service to several Taylor Swift Concerts and all 2023 NFL home games for the Rams and Chargers. The Hollywood Bowl Concert season has begun, and shuttle service is being provided to and from the RTC.

A second phase of construction at the RTC entails the design and installation of a multi-level parking structure. The cost is estimated at \$35 million, in which Transit secured funding through Los Angeles County's Measure R Grant. The parking structure will provide much needed spaces for commuters who are seeking an efficient location to safely park vehicles while traveling. As more regional and charter transportation providers begin to utilize the RTC, additional parking will be necessary to meet the demands of the facility. Transit staff have launched the project with an anticipated project completion of 24 months.

Transit has also initiated efforts to modernize the bus fleet. Torrance Transit was awarded funding from the California State Transportation Agency's (CalSTA) Transit Intercity Rail and Capital Program (TIRCP), Measure R and the Federal Transit Administration to purchase alternative fuel and zero emission buses, along with all-electric trolleys.

Per the California Air Resources Board's mandate, Transit will begin its transition to a zero-emission bus fleet with the goal of attaining a 100% zero-emission fleet by 2040. Transit will be working with SoCal Edison to develop charging infrastructure for the City Yard to ensure timely construction in time for the arrival of these new vehicles.

Torrance Transit staff continues to research and plan a micro-transit program in the City of Torrance. In studying the operating protocols and scope of most current and prior micro-transit projects, Torrance Transit strongly believes there is a need for on-demand micro-transit in the South Bay service area. Torrance Transit received funding through local Measure M funds for a micro-transit pilot program. Planning is underway to design a network for the program within the City of Torrance.

Finally, Transit will be enhancing service on Lines 1 and Line 6 to increase frequency and connectivity to regional points of interest and destinations in the South Bay.

Torrance Police Department and Department of Justice and Collaborative Reform

The City of Torrance and its Police Department (TPD) continues to work closely with the Department of Justice on its collaborative reform efforts aimed at fostering a safer and more equitable society for all. Investments in training programs, technology upgrades, and community outreach initiatives will enhance the effectiveness of our law enforcement efforts while fostering stronger relationships between the police and the community. We are dedicated to equipping our officers with the necessary tools and resources to uphold the highest standards of professionalism and to embrace the principles of 21st Century Policing. A total of \$546,000 from the General Fund is allocated to support these efforts.

Staying Connected/Addressing Rumors and Concerns

The City of Torrance is committed to staying engaged and connected with its residents and community members through various digital platforms, promoting transparency and fostering engagement.

myTorranceCA Mobile App

Residents can download this free app on their smartphones or digital devices to access a wide range of city services with just a tap. From making payments to submitting service requests, the app streamlines interactions with the City.

Business Partnerships

www.TorranceCA.Gov/WhyTorrance

The website highlights the advantages and reasons why numerous businesses choose to partner with the City of Torrance.

Year in Review

www.TorranceCA.Gov/YearInReview

The annual website showcases the various City services and accomplishments from the previous calendar year, keeping residents informed about the progress and achievements made by the City.

Social Media Presence

The City actively engages with the community through social media platforms like Instagram (@CityofTorranceCA), Facebook (Facebook.com/TorranceCA), and Twitter (@TorranceCA). Residents can follow, like, and share City updates to stay connected.

City Website and Digital Signs

www.TorranceCA.Gov

The City's official website serves as a comprehensive resource for information about City services, events, and news. Additionally, three digital signs located at the Torrance Civic Center, North Torrance Library, and Charles H. Wilson Park display important updates and announcements.

Emergency Notifications

www.TorranceCA.Gov/TorranceAlerts

Residents can register for TorranceAlerts to receive early warning notifications about emergency events, such as earthquakes, fires, public health concerns, traffic incidents, and more.

Traffic Impact Map

www.TorranceCA.Gov/TrafficImpacts

The City's Traffic Impact Map provides real-time information about traffic conditions and road closures, helping residents plan their routes effectively.

CitiCABLE

The City's award-winning television channel, CitiCABLE, is available on cable services and on-demand through **www.YouTube.com/CitiCABLE**. It features a weekly news magazine, "Weekends in Torrance," and a robust lineup of programming tailored to the Torrance community.

eNewsletter

www.TorranceCA.Gov/eNewsletter

Residents can subscribe to the City's weekly eNewsletter to receive highlights of activities and events happening each week in Torrance.

By leveraging these various digital platforms and communication channels, the City of Torrance aims to keep its residents informed, engaged, and connected with the latest news, services, and community initiatives.

Conclusion

Going forward, we will continue to emphasize transparency, accountability, and budget stewardship. Though the Feds continue to moderate inflation with interest rates and the economy is softening, the City is able to maintain a balanced budget that incorporates elements of our Strategic Plan.

Our long-term financial goals are to maintain our AA credit rating, healthy reserve balances and a structurally balanced long-term forecast. The below key information is made available, and presented to, the City Council and the community during several City Council meetings and public workshops.

-
- Financial Key Performance Indicators – details included in the **Budget Development** section of this document
 - Annual Comprehensive Financial Report (ACFR) and external Auditors’ annual presentation
 - Access to OpenGov, an online dashboard linked to the City’s financial system, that allows the public to filter and navigate the City’s finances and transform raw data into intuitive charts and graphs
 - Links to annual pension workshops and updates and quarterly budget review presentations

The Proposed Fiscal Year 2024-25 Operating Budget and Capital Improvement Plan is balanced, and it is forecasted to remain balanced for the next 10 years. As City Manager, alongside the dedicated staff of all departments, it is my responsibility and privilege to serve this wonderful city. My appreciation and thanks go out to our residents, businesses, and stakeholders, for continuing to be engaged and supportive. A heartfelt thanks to Mayor and City Council for your continued leadership. Thank you to our Departments and dedicated employees for their dedication, and their efforts to maintain a balanced budget.

Sincerely,



Aram Chaparyan
City Manager

A blue-tinted photograph of a playground. In the foreground, there is a grassy area. The middle ground shows a sandy playground with a tall, blue, conical tower structure on the left, a slide in the center, and a bench on the right. A tall palm tree stands in the background. The sky is blue with some clouds. The text "EXECUTIVE SUMMARY" is overlaid in white, bold, uppercase letters across the center of the image.

EXECUTIVE SUMMARY

Executive Summary

Budget Outlook

The City's Proposed Fiscal Year 2024-25 Operating Budget and Capital Improvement Plan was developed with national and local economic trend considerations in mind, such as the federal funds rate, the Consumer Price Index, Real Gross Domestic Product, and labor market trends. The budget is designed to be a financial representation of the City's priorities as outlined in the Strategic Plan and City Council's budget priorities approved on December 19, 2023. The full listing of these City Council priorities is listed below:

1. Develop a balanced budget including 10-year projection compliant with City's financial policies.
2. Identify strategies and new revenue sources to resolve identified Areas of Focus.
3. Attract and retain a highly skilled workforce to deliver critical city services.
4. Prioritize investments in parks, buildings, and public right of way.
5. Expand business attraction and overall economic development efforts.
6. Explore alternative methods that improve cost effectiveness and service delivery of city operations.
7. Expand investment in technology to proactively address cybersecurity resiliency and improve customer experience.
8. Research approaches for potential City Charter amendment.
9. Plan for future electrification of City's fleet of vehicles compliant with recent CARB guidance.
10. Identify plan to return Transit Department operations to pre-pandemic levels.

Finally, the City continues to highlight multiple Areas of Focus to ensure continued progress is made in these areas. To ensure the City remains on a solid fiscal path, the City monitors a set of financial key performance indicators to objectively confirm its status. The City continues to make progress on these benchmarks with seven of ten indicators receiving a passing score, up from one indicator three years ago.

The following Executive Summary outlines the City's overall budget strategy designed to address or make progress on all of these factors.

Citywide Budget Summary

All Funds Citywide	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)
Revenues	1,144,048,525	446,340,126	527,347,580	529,854,729	541,288,396	11,433,667
Expenditures	1,110,319,256	401,976,226	454,417,189	508,969,475	525,409,673	16,440,198
Revenues Less Expenditures	\$ 33,729,269	\$ 44,363,900	\$ 72,930,391	\$ 20,885,254	\$ 15,878,723	

The FY24-25 citywide revenue budget is proposed to **increase by \$11.4 million (+2.2%)**, and the expenditure budget is proposed to **increase by \$16.4 million (+3.2%)**. Overall, the citywide budget is projected to operate at a **surplus of \$15.9 million**, increasing the City’s overall fund balance accordingly. The budget surplus is primarily driven by the following:

- General Fund-Measure SST Fund – \$2.3 million decrease in fund balance
- General Fund-Restricted/Assigned Fund – \$11.7 million increase in fund balance
- Fleet Services Fund – \$4.8 million increase in fund balance
- Self-Insurance Fund – \$227,000 increase in fund balance
- Airport Fund – \$2.2 million increase in fund balance
- Sanitation Fund – \$1.1 million decrease in fund balance
- Sewer Fund – \$1.8 million increase in fund balance
- Transit Fund – \$5.0 million decrease in fund balance
- Water Fund – \$833,000 increase in fund balance

General Fund-Operating Fund Budget Summary

General Fund-Operating Fund	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)
Revenues	566,798,013	247,019,455	279,771,398	271,744,666	286,824,553	15,079,887
Expenditures	543,474,046	223,993,425	261,591,943	271,990,678	286,824,553	14,833,875
Revenues Less Expenditures	\$ 23,323,967	\$ 23,026,030	\$ 18,179,455	\$ (246,012)	\$ -	

The General Fund-Operating Fund’s FY24-25 revenue budget is proposed to **increase by \$15.1 million (+5.5%)**. This increase is mainly due to a \$5.0 million contribution from the General Fund-Unassigned (Reserves) Fund due to planned increases in public safety salaries and benefits to address two of the City’s **Areas of Focus** pertaining to labor relations; \$1.5 million in land lease revenue growth transferred from the Airport Fund; a projected increase of \$5.5 million from Franchise Tax, Utility Users’ Tax, Property Tax, and Business License Tax receipts; and a projected increase of \$2.2 million from investment earnings.

The fund’s expenditure budget is proposed to **increase by \$14.8 million (+5.5%)**. This is primarily the result of increases in employee salaries and benefits as well as increased contributions to the Self-Insurance Fund to address its negative fund balance. To offset these expenditure increases, the annual contribution to the City’s CEPPT Fund will decrease by \$10.5 million.

As a result of these proposed changes, the General Fund-Operating Fund’s FY24-25 budget of \$286.8 million is balanced and is anticipated to remain balanced in future budget cycles. Based on current assumptions, overall General Fund revenues (General Fund-Operating Fund, General Fund-Measure SST, General Fund-Restricted/Assigned, and General Fund-Unassigned) are projected to increase by approximately 3.7% annually through FY28-29 and expenditures are projected to increase by 4.4% annually through FY28-29. While expenditures are growing at a higher rate than expenditures during the first four years of the five-year forecast, this trend reverses in FY28-29, and is projected to continue on this path for the remainder of the City’s 10-year projection. This peak is a direct result of the 5-year ramp up for CalPERS UAL payments (loss in FY21-22 and shortfall in FY22-23) coupled with settled/anticipated labor agreements, which have growth rates projected to plateau in FY28-29. Additional details can be found in the **Five-Year Fund Projections** section of this document.

General Fund-Operating Fund Major Revenues

Revenue Type	FY23-24 Amended Budget	FY23-24 Projected Total	FY24-25 Proposed Budget	Percent Change from FY23-24 Mid-Year Projection	Percent Change from FY23-24 Amended Budget
Sales and Use Tax	64,400,972	61,179,997	62,525,957	2.2%	-2.9%
Property Tax	47,137,917	46,588,250	48,288,709	3.6%	2.4%
Utility Users Tax	44,465,104	43,815,940	46,002,866	5.0%	3.5%
Charges for Services	23,965,796	25,018,330	25,217,466	0.8%	5.2%
Operating Transfers In	26,296,117	25,285,259	32,995,207	30.5%	25.5%
Total	\$ 206,265,906	\$ 201,887,776	\$ 215,030,205	6.5%	4.2%

Listed above are the General Fund-Operating Fund’s top five revenue sources which account for 75% of the budget. A summary of the General Fund-Operating Fund’s major revenue sources and drivers of change are summarized below.

- **Sales and Use Tax** revenues are **decreasing by \$1.9 million (-2.9%)**, primarily because the Federal Reserve’s monetary policy to slow inflation continues which has adversely affected short-term borrowing and nationwide sales tax trends.
- **Property Tax** revenues are **increasing by \$1.2 million (+2.4%)**, largely due to steady growth in the City’s net taxable assessed property values and number of residential sales transactions.
- **Utility Users’ Tax** revenues are **increasing by \$1.5 million (+3.5%)** based on currently projected electricity, gas, cable, cellular, and telecommunications consumption and use rates.
- **Business License Tax** revenues are **increasing by \$1.1 million (+11.0%)**, mainly due to revenue growth resulting from business license tax audit and recovery efforts.
- **Charges for Services** revenues are **increasing by \$1.3 million (+5.2%)**, primarily due to revenue growth from services provided by the Fire and Community Services Departments.
- **Operating Transfers In** revenues are **increasing by \$6.7 million (+25.5%)**, largely due to the \$5.0 million contribution from the General Fund-Unassigned (Reserves) Fund to address two

of the City’s **Areas of Focus** pertaining to labor relations and \$1.5 million in land lease revenue growth transferred from the Airport Fund.

General Fund-Measure SST Fund Budget Summary

General Fund-Measure SST Fund	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)
Revenues	-	-	18,064,595	23,027,688	25,167,266	2,139,578
Expenditures	-	-	17,550,521	23,027,688	27,495,124	4,467,436
Revenues Less Expenditures	\$ -	\$ -	\$ 514,074	\$ -	\$ (2,327,858)	

The General Fund-Measure SST Fund comprises approximately 8.6% of the General Fund’s overall expenditure budget. This fund separately accounts for the 0.50% transaction and use tax (sales tax) approved by the Torrance voters in June 2022. This measure, titled **Safe Strong Torrance**, included four main funding priorities: **Quality of Life; Fiscal Sustainability; Deferred Maintenance & Community Services/Programs;** and **Emergency Responsiveness**. As the City’s governing body, City Council will continue to approve the budgeted use of these funds; the Measure SST Citizens’ Oversight Committee will ensure funds are utilized in accordance with the spending plan as approved by City Council and review the fund’s annual audited financials.

The General Fund-Measure SST Fund’s FY24-25 revenue budget is proposed to **increase by \$2.1 million (+9.3%)** after projections were adjusted in accordance with FY23-24 actuals and current consumer spending trends.

General Fund-Measure SST Fund	Original Projection	FY23-24 Amended Budget	FY24-25 Proposed Budget
Quality of Life			
Restore/Maintain Public Safety	10,000,000	10,655,265	11,849,549
Homelessness Response Efforts	1,000,000	1,000,000	1,000,000
Fiscal Sustainability			
CEPPT Contribution	-	2,500,000	-
Reserve Contribution	5,000,000	4,802,423	5,000,000
Self-Insurance Contribution	-	1,000,000	-
Deferred Maintenance & Community Services/Programs			
Capital Contribution	1,000,000	2,070,000	8,620,160
Emergency Responsiveness			
Cyber Security Upgrades	1,000,000	1,000,000	1,025,415
Total Expense	\$ 18,000,000	\$ 23,027,688	\$ 27,495,124

The fund’s FY24-25 expenditure budget is proposed to **increase by \$4.5 million (+19.4%)** to maintain adequate funding for homelessness response efforts, cybersecurity enhancements, public safety staffing levels, Reserves contributions, and capital contributions. However, these increases are partially offset by reducing the annual contributions to the City’s CEPPT Fund and Self-Insurance Fund.

As a result of these proposed budget changes, the General Fund-Measure SST Fund’s FY24-25 budget will operate at a deficit of \$2.3 million due to a planned use of fund balance. This will allow the City to leverage savings from prior fiscal years to support the City’s Capital Improvement Plan. Additionally, the City will continue to set aside unspent funding dedicated to homelessness response efforts in the event that grant funding is depleted in future budget cycles.

General Fund-Restricted/Assigned Fund Budget Summary

General Fund-Restricted/Assigned Fund	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)
Revenues	2,296,122	3,900,269	4,648,221	25,763,426	12,981,411	(12,782,015)
Expenditures	835,962	1,335,764	920,535	2,599,007	1,268,773	(1,330,234)
Revenues Less Expenditures	\$ 1,460,160	\$ 2,564,505	\$ 3,727,686	\$ 23,164,419	\$ 11,712,638	

The General Fund-Restricted/Assigned Fund’s FY24-25 revenue budget is proposed to **decrease by \$12.8 million (-49.6%)**, primarily the result of reducing the annual contribution to the City’s CEPPT Fund by \$13.0 million. This reduction will allow the City to fund increases in its CalPERS UAL payment in FY24-25.

The fund’s FY24-25 expenditure budget is proposed to **decrease by \$1.3 million (-51.2%)**, largely attributable to a one-time capital equipment purchase in FY23-24 from the Public, Education, and Government Access Fund for audio visual and control system upgrades in the LeRoy J. Jackson Council Chamber.

As a result of these proposed changes, the General Fund-Restricted/Assigned Fund’s FY24-25 budget will operate at a surplus of \$11.7 million. This surplus will be used to continue building the balance in the City’s CEPPT Fund to smooth additional projected increases in CalPERS UAL payments in future budget cycles.

General Fund-Unassigned Fund Budget Summary

General Fund-Unassigned Fund	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)
Revenues	7,500,995	-	-	4,802,423	5,000,000	197,577
Expenditures	10,397,177	146,776	-	-	5,000,000	5,000,000
Revenues Less Expenditures	\$ (2,896,182)	\$ (146,776)	\$ -	\$ 4,802,423	\$ -	

The General Fund-Unassigned Fund’s FY24-25 revenue budget is proposed to **increase by \$198,000 (+4.1%)** due to an additional contribution to Reserves from the Measure SST Fund.

The fund’s FY24-25 expenditure budget is proposed to **increase by \$5.0 million** due to a contribution to the General Fund-Operating Fund for planned increases in public safety salaries and benefits to address two of the City’s **Areas of Focus** pertaining to labor relations.

As a result of these proposed changes, the General Fund-Unassigned Fund’s FY24-25 budget is balanced. Although the planned use of Reserves will cover anticipated increases in public safety salaries and benefits, the City’s reliance on Reserves will cease in FY33-34 in accordance with current 10-year projections.

Fleet Services Fund Budget Summary

Fleet Services Fund	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)
Revenues	8,879,788	6,176,488	25,854,360	12,121,697	13,115,875	994,178
Expenditures	8,117,285	5,418,067	5,270,328	8,609,575	8,298,776	(310,799)
Revenues Less Expenditures	\$ 762,503	\$ 758,421	\$ 20,584,032	\$ 3,512,122	\$ 4,817,099	

The Fleet Services Fund’s FY24-25 revenue budget is proposed to **increase by \$994,000 (+8.2%)** from contributions towards planned future vehicle replacements.

The fund’s FY24-25 expenditure budget is proposed to **decrease by \$311,000 (-3.6%)**, mainly due to reduced contributions to the Fleet Services Capital Project Fund.

As a result of the proposed budget changes, the FY24-25 Fleet Services Fund budget will operate at a surplus of \$4.8 million, which will allow the City’s to continue replacing its vehicular assets. Based on current assumptions, the beginning fund balance going into FY24-25 will be \$43.5 million with an ending fund balance of \$70.6 million by FY28-29. Additional details can be found in the **Five-Year Fund Projections** section of this document.

Self-Insurance Fund Budget Summary

Self-Insurance Fund	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)
Revenues	14,068,155	23,575,399	24,309,720	20,668,500	23,659,000	2,990,500
Expenditures	14,738,197	29,169,760	16,210,165	28,494,290	23,432,183	(5,062,107)
Revenues Less Expenditures	\$ (670,042)	\$ (5,594,361)	\$ 8,099,555	\$ (7,825,790)	\$ 226,817	

The Self-Insurance Fund’s FY24-25 revenue budget is proposed to **increase by \$3.0 million (+14.5%)** after recalculating contributions from departments to maintain adequate funding for anticipated settlements and workers compensation claims cases.

The fund’s FY24-25 expenditure budget is proposed to **decrease by \$5.1 million (-17.8%)**, primarily due to the anticipated actuarial adjustments based on recent results.

As a result of the aforementioned budget changes, the FY24-25 Self Insurance Fund budget will operate at a surplus of \$227,000. This marks the first time this budget is projected to stabilize its overall fund balance, partially addressing a significant **Area of Focus** that has been tracked for

multiple years. Based on current assumptions, the beginning fund balance going into FY24-25 will be -\$46.4 million with an ending fund balance of -\$45.5 million by FY28-29. Additional details can be found in the **Five-Year Fund Projections** section of this document.

Airport Fund Budget Summary

Airport Fund	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)
Revenues	16,531,183	20,107,973	23,886,882	17,024,729	18,342,326	1,317,597
Expenditures	15,223,288	14,738,400	23,675,160	17,056,181	16,171,074	(885,107)
Revenues Less Expenditures	\$ 1,307,895	\$ 5,369,573	\$ 211,722	\$ (31,452)	\$ 2,171,252	

The Airport Fund’s FY24-25 revenue budget is proposed to **increase by \$1.3 million (+7.7%)**, mainly the result of increases in ground lease rent, hangar storage fees, and landing fees.

The fund’s FY24-25 expenditure budget is proposed to **decrease by \$885,000 (-5.2%)**, primarily due to anticipated reductions in professional legal costs, partially offset by increase in contribution to General Fund-Operating Fund. The fund’s FY24-25 expenditure budget is proposed to **decrease by \$885,000 (-5.2%)**, primarily due to anticipated reductions in professional legal costs and partially offset by the increased contribution of \$1.5 million to the General Fund-Operating Fund.

As a result of the aforementioned budget changes, the FY24-25 Airport Fund budget will operate at a surplus of \$2.2 million. Based on current assumptions, the beginning fund balance going into FY24-25 will be \$34.1 million with an ending fund balance of \$47.8 million by FY28-29. Additional details can be found in the **Five-Year Fund Projections** section of this document.

Sanitation Fund Budget Summary

Sanitation Fund	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)
Revenues	18,217,039	17,818,176	16,649,110	16,156,401	18,918,815	2,762,414
Expenditures	17,652,164	16,075,488	14,811,383	20,155,560	20,062,665	(92,895)
Revenues Less Expenditures	\$ 564,875	\$ 1,742,688	\$ 1,837,727	\$ (3,999,159)	\$ (1,143,850)	

The Sanitation Fund’s FY24-25 revenue budget is proposed to **increase by \$2.8 million (+17.1%)**, largely due to the 9.0% rate increase for refuse fees that will take effect on July 1, 2024.

The fund’s FY24-25 expenditure budget is proposed to **decrease by \$93,000 (-0.5%)**, as a result of decreased contributions to the Self-Insurance Fund, which are partially offset by planned increases in employee salaries and benefits and contributions to the Sanitation Replacement Fund.

As a result of the aforementioned budget changes, the FY24-25 Sanitation Fund budget will operate at a deficit of \$1.1 million. Based on current assumptions, the beginning fund balance going into FY24-

25 will be \$11.7 million with an ending fund balance of \$13.4 million by FY28-29. Additional details can be found in the **Five-Year Fund Projections** section of this document.

Sewer Fund Budget Summary

Sewer Fund	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)
Revenues	8,025,561	7,460,680	6,569,643	8,622,923	8,616,082	(6,841)
Expenditures	8,060,774	7,255,006	5,230,481	6,891,511	6,787,444	(104,067)
Revenues Less Expenditures	\$ (35,213)	\$ 205,674	\$ 1,339,162	\$ 1,731,412	\$ 1,828,638	

The Sewer Fund’s FY24-25 budget is proposed to **decrease by \$6,800 (-0.1%)**, primarily due to a projected increase of \$419,000 from investment earnings, offset by projected decreases in sewer fees and reduced contributions to the Sewer Vehicle Replacement Fund.

The fund’s FY24-25 expenditure budget is proposed to **decrease by \$104,000 (-1.5%)**, largely due to adjustments in depreciation of capital assets, reduced contributions to the Sewer Capital Project Fund to align the fund’s FY24-25 operating budget with the proposed FY24-28 Capital Improvement Plan, and reduced contributions to the Sewer Vehicle Replacement Fund.

As a result of the aforementioned budget changes, the FY24-25 Sewer Fund budget will operate at a surplus of \$1.8 million. Based on current assumptions, the beginning fund balance going into FY24-25 will be \$49.4 million with an ending fund balance of \$69.1 million by FY28-29. Additional details can be found in the **Five-Year Fund Projections** section of this document.

Transit Fund Budget Summary

Transit Fund	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)
Revenues	40,454,749	35,621,601	35,962,667	37,254,922	35,233,572	(2,021,350)
Expenditures	37,765,206	27,424,123	28,721,122	38,491,434	40,196,249	1,704,815
Revenues Less Expenditures	\$ 2,689,543	\$ 8,197,478	\$ 7,241,545	\$ (1,236,512)	\$ (4,962,677)	

The Transit Fund’s FY24-25 revenue budget is proposed to **decrease by \$2.0 million (-5.4%)** due to reductions in Transportation Development Act and Measure M funding allocations. However, these reductions are partially offset by an increase in State Transit Assistance funding.

The Fund’s FY24-25 expenditure budget is proposed to **increase by \$1.7 million (+4.4%)**, mainly due to planned increases in employee salaries and benefits and increases for general operations costs in accordance with the Transit Department’s aim to achieve pre-pandemic service levels, which are being partially offset by decreases in depreciation of capital assets.

As a result of the aforementioned budget changes, the FY24-25 Transit Fund budget will operate at a deficit of \$5.0 million. Based on current assumptions, the beginning fund balance going into FY24-25 will be \$54.7 million with an ending fund balance of \$38.5 million by FY28-29. Additional details can be found in the **Five-Year Fund Projections** section of this document.

Water Fund Budget Summary

Water Fund	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)
Revenues	53,785,443	51,617,763	55,377,877	54,827,481	54,803,501	(23,980)
Expenditures	46,866,042	44,797,977	47,410,976	56,508,067	53,970,219	(2,537,848)
Revenues Less Expenditures	\$ 6,919,401	\$ 6,819,786	\$ 7,966,901	\$ (1,680,586)	\$ 833,282	

The Water Fund’s FY24-25 revenue budget is proposed to remain relatively consistent with the FY23-24 amended budget.

The fund’s FY24-25 expenditure budget is proposed to **decrease by \$2.5 million (-4.5%)**, primarily due to the reduced contributions to the Water Capital Project fund and Water Vehicle replacement, partially offset by adjustments in depreciation of capital assets and water supply costs.

As a result of the aforementioned budget changes, the FY24-25 Water Fund budget will operate at a surplus of \$0.8 million. Based on current assumptions, the beginning fund balance going into FY24-25 will be \$133.7 million with an ending fund balance of \$150.4 million by FY28-29. Additional details can be found in the **Five-Year Fund Projections** section of this document.

Citywide Staffing Summary by Fund

Fund Type	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY24-25
	Actual	Actual	Actual	Amended Budget	Proposed Budget	Increase/Decrease
General Fund	1,137.98	1,139.93	1,149.41	1,150.39	1,155.14	4.75
Airport Fund	9.50	11.28	12.07	12.37	12.17	(0.20)
Animal Control Fund	3.80	-	-	-	-	-
AQMD	-	0.20	0.75	0.90	0.90	-
Area G Fund	-	1.00	1.00	1.00	1.00	-
Fleet Services Fund	33.50	33.60	34.60	33.60	33.60	-
HOME Investment Partnership	-	-	2.50	-	-	-
Low Mod Fund	0.30	0.40	0.35	0.30	0.30	-
Sanitation Fund	40.25	43.12	38.95	38.95	38.90	(0.05)
Section 8 Housing	6.00	5.75	4.58	4.58	5.33	0.75
Self-Insurance Fund	-	7.50	8.50	8.50	6.50	(2.00)
Sewer Fund	26.85	25.02	15.90	15.90	15.80	(0.10)
Transit Fund	169.90	196.10	196.80	196.80	196.80	-
Vanpool Fund	-	0.50	0.70	0.70	0.70	-
Water Fund	41.45	46.47	40.45	39.45	38.40	(1.05)
Other - Capital Improvement/Grants	-	21.19	23.43	25.40	24.30	(1.10)
Total FTE Count	1,469.53	1,532.06	1,529.99	1,528.84	1,529.84	1.00

The proposed FY24-25 citywide staffing budget will increase by 1.0 full-time equivalent (FTE) position. The FTE figures reflected in the Other - Capital Improvement/Grants row separately tracks FTE allocations for positions that are funded through the Capital Improvement Plan or non-recurring grant sources. Additional details can be found in the **Expenditures** and **Departments** sections of this document.

Staffing Changes Summary by Department

Department	FY23-24	FY24-25	FY24-25	FY24-25
	FTE Budget	FTE Budget	FTE Increase/ (Decrease)	Expenditure/ (Savings)
City Attorney	15.00	14.00	(1.00)	(135,924)
Community Development	72.50	74.00	1.50	156,503
Community Services	204.19	204.19	-	24,741
Finance	40.75	38.75	(2.00)	(199,313)
Fire	201.50	203.00	1.50	42,166
Human Resources	12.00	14.00	2.00	237,111
Public Works	206.00	205.00	(1.00)	(60,774)
Total			1.00	\$ 64,510

As shown in the receding table, the City’s FY24-25 operating budget includes a proposed increase of 1.0 FTE position, the net result of various departmental staffing modifications requests. Additional details can be found in the **Expenditures** and **Departments** sections of this document.

Non-Wage Program-Level Budget Changes Summary by Department

Department	FY24-25 Non-Wage Program-Level Budget Changes
City Manager	33,000
City Treasurer	100,000
Communications and Information Technology	415,000
Community Development	(125,000)
Community Services	412,000
Finance	(210,000)
Fire	177,000
General Services	500,000
Police	52,000
Total	\$ 1,354,000

In addition to staffing changes, the proposed FY24-25 operating budget also includes non-wage modifications. Staff utilized a zero-based budgeting strategy and examined all non-wage expenditure classifications to properly allocate resources based on anticipated activity for the coming fiscal year.

The table above highlights the changes in non-wage expenditures related to new or expanded program initiatives, while ignoring budget changes that are primarily the result of fluctuations in cost or changes in the overall budget structure. This is discussed in further detail in the **Expenditures** and **Departments** sections of this document.

Fund Balance Summary by Fund

Fund Type	Fund Name	FY23-24 Projected Fund Balance	FY24-25 Proposed Revenue Budget	FY24-25 Proposed Expenditure Budget	FY24-25 Projected Fund Balance
General Fund	General Fund - Operating Fund	59,851,971	286,824,553	286,824,553	59,851,971
General Fund	General Fund - Measure SST	3,174,534	25,167,266	27,495,124	846,676
General Fund	General Fund - Rest/Assigned	38,821,549	12,981,411	1,268,773	50,534,187
General Fund	General Fund - Unassigned	12,884,270	5,000,000	5,000,000	12,884,270
Nonmajor Governmental Funds	AQMD Fund	474,489	208,296	178,939	503,846
Nonmajor Governmental Funds	Debt Service Fund	6,292	23,107,338	23,107,338	6,292
Nonmajor Governmental Funds	Inmate Welfare Fund	29,202	-	-	29,202
Nonmajor Governmental Funds	Meadow Park Parking Lot District	250,566	40,000	31,500	259,066
Nonmajor Governmental Funds	Low Mod Fund	4,015,750	40,450	65,061	3,991,139
Nonmajor Governmental Funds	Section 8 Housing	903,549	8,949,500	8,825,679	1,027,370
Nonmajor Governmental Funds	Street Lighting Fund	-	1,866,272	1,866,272	-
Nonmajor Governmental Funds	Traffic Safety Fund	-	180,000	180,000	-
Nonmajor Governmental Funds	Vanpool Fund	-	245,871	245,871	-
Enterprise Funds	Airport Fund	34,069,329	18,342,326	16,171,074	36,240,581
Enterprise Funds	Sanitation Fund	11,744,304	18,918,815	20,062,665	10,600,454
Enterprise Funds	Sewer Fund	49,366,671	8,616,082	6,787,444	51,195,309
Enterprise Funds	Transit Fund	54,687,043	35,233,572	40,196,249	49,724,366
Enterprise Funds	Water Fund	133,686,081	54,803,501	53,970,219	134,519,363
Internal Service Funds	Fleet Services Fund	43,458,659	13,115,875	8,298,776	48,275,758
Internal Service Funds	Self-Insurance Fund	(46,362,572)	23,659,000	23,432,183	(46,135,755)
Fiduciary Funds	Redevelopment Agency Fund	(41,286,724)	3,988,268	1,401,953	(38,700,409)
Total Fund Balance	Total Fund Balance	\$ 359,774,963	\$ 541,288,396	\$ 525,409,673	\$ 375,653,686

The summary schedule above shows the citywide projected fund balance by fund through the end of FY24-25. Further details are provided in the **Departments** and **Five-Year Fund Projections** sections of this document.

Five-Year Capital Improvement Plan

Capital Project Type	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Parks	12,764,164	5,744,423	3,796,980	1,825,565
Facilities	9,541,060	5,083,308	12,890,316	10,623,093
IT Infrastructure	170,000	-	-	-
Public Right of Way	32,512,454	14,058,833	13,395,833	13,370,833
Sewer/Water Utilities	3,400,000	4,700,000	4,600,000	6,200,000
Storm Drain/Basins	2,250,000	4,250,000	2,250,000	2,250,000
Other	4,859,455	3,492,000	2,737,000	955,000
Contingency	1,298,457	501,933	1,425,308	1,113,345
Total Expenditures	\$ 66,795,590	\$ 37,830,497	\$ 41,095,437	\$36,337,836

As the second year of the Five-Year Capital Improvement Plan, the proposed FY24-25 expenditure budget is \$66.8 million and totals \$182.1 million through FY27-28. A detailed breakdown of all projects is provided in the **Capital Improvement Plan** section of this document.



CITY OVERVIEW

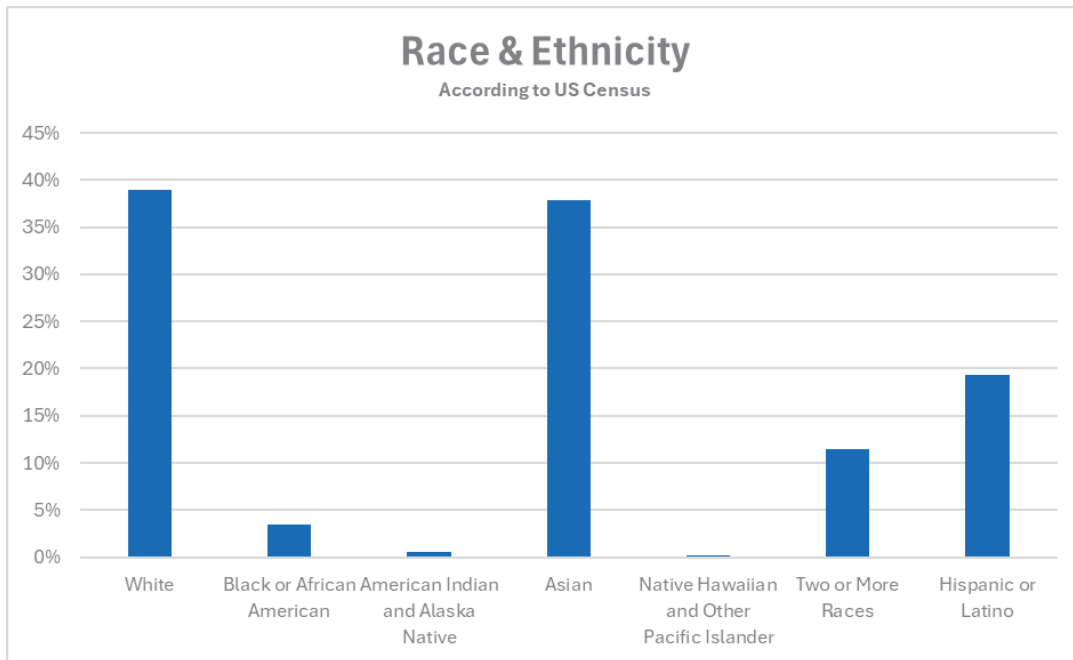
City Overview

About Our City

Population**	143,057
Population per square mile	7,167.2
Year of Incorporation	1921
Governance Structure	City Council/City Manager
Area	21 square miles
Assessed Value, September 2023*	\$38.2 billion
Median Household Income*	\$109,554
Number of Businesses*	13,439
Commercial Parcels*	1,447
Net Taxable Value	\$6.2 billion
Residential Parcels*	37,876
Net Taxable Value	\$25.6 billion
Industrial Parcels*	539
Net Taxable Value	\$3.1 billion

* US Department of Finance

** According to HdL Companies





As a full-service city, Torrance prides itself on the wide range of services to its residents including police and fire protection, sanitation and water services, airport and bus transit services, construction and maintenance of streets and infrastructure, and recreational activities. The City is located in southwest Los Angeles County in the heart of the South Bay, with 1.5 miles of beautiful coastline.

The City is home to the Torrance Unified School District, which consists of 17 elementary, 8 middle, 4 high schools, and 1 continuation and 1 alternative high school, and 3 adult school campuses, and is one of the largest employers in the City. Torrance is also home to El Camino Community College that boasts a 126-acre campus.

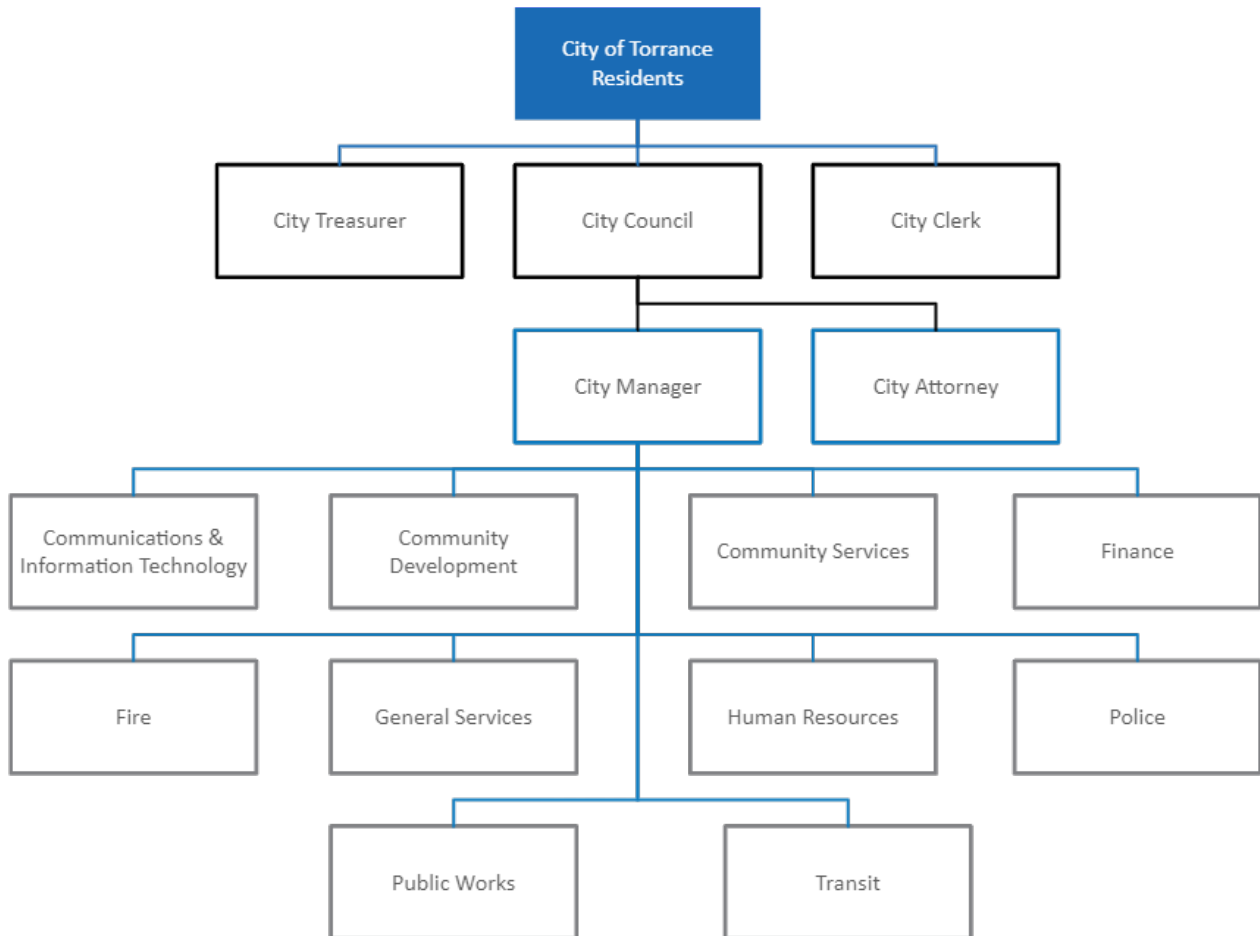
Organizational Profile Comparison

The City of Torrance collects information from comparison cities that are similar in population size, geography, number of full-time equivalent employees, total adopted budget, and are full-service cities. Full-service cities include their own police and fire departments as well as providing utilities such as water and wastewater services.

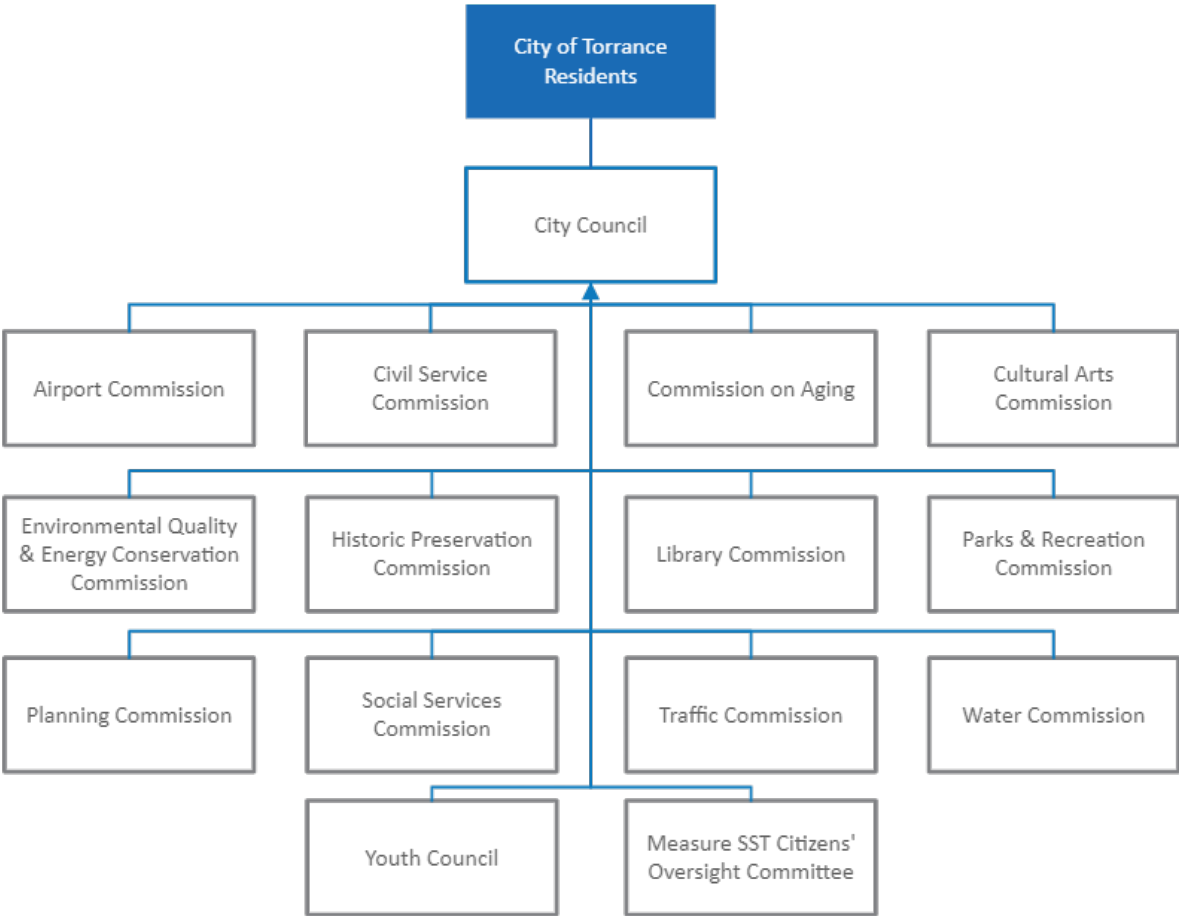
FY23-24 Organizational Profile Comparison	Torrance	Glendale	Burbank	Pasadena
Total Population	143,057	191,284	103,920	134,211
Total Citywide Adopted FTE	1,525.3	1,972.0	1,502.6	2,321.4
Total General Fund Adopted FTE	1,146.9	1,106.0	960.6	1,090.5
Total General Fund Adopted Expenditure Budget	\$ 295,981,989	\$ 314,845,000	\$ 217,705,000	\$ 295,393,806
Total Citywide Adopted Budget	\$ 504,995,284	\$ 1,172,779,000	\$ 848,315,000	\$ 1,243,018,000
Residents serviced per FTE (General Fund)	125	173	108	123
Total Budget Per Capita (General Fund)	\$ 3,530	\$ 6,131	\$ 8,163	\$ 9,262

Citywide Organizational Structure

The following charts illustrate the citywide organizational structure including elected positions, City Departments, City Commissions and Advisory Boards.



City Commissions and Advisory Boards





BUDGET DEVELOPMENT

Budget Development

Budget Process and Timeline

The City follows a biennial budget development process which allows for effective short-term program management and long-range planning. The City's use of the biennial budget process also complies with City Charter (Article 9 and Article 14) which requires a fiscal year period beginning July 1 and ending June 30; a proposed budget preparation by the City Manager; a proposed budget submission by City Manager to City Council on or before June 1, and budget adoption by City Council (at least 4 affirmative votes) by June 30 after completing two public hearings to give an opportunity for community input. The City has continued its use of OpenGov as a means of maintaining transparency during the budget development process. OpenGov is an online dashboard linked to the City's financial system which allows the public to review the City's annual budget information and actual financial performance.

The City budget is comprised of a biennial operating budget and five-year capital improvement plan. The biennial operating budget funds the core day-to-day operations and the City's five-year capital improvement plan funds major facility, equipment, and infrastructure investments. The City's biennial operating budget and five-year capital improvement plan are developed, proposed, and adopted every two years. However, the City Council only approves the annual appropriations for the upcoming fiscal year. This highly collaborative and public process engages the City Council, City staff, and the community at large. The City Manager is tasked with developing a budget that advances the City in concert with the outlined policy objectives of the City Council as well as the goals of the Strategic Plan. The City Council is responsible for reviewing and approving the budget along with adopting the appropriations resolution to establish expenditure limits. The Finance Department Budget Division is responsible for coordinating, developing, and monitoring the annual budget process.

The City must maintain a balanced budget each year as required by the State. The City defines a balanced budget as a budget in which all sources meet or exceed the adopted appropriations resolution. Each year, a planned use of fund balance (source) may be identified as a balancing measure though is not a preferred long-term solution and should not be utilized for recurring expenditures. The City's goal is to produce a structurally balanced budget where recurring revenues meet or exceed recurring expenditure levels. In addition to the annual budget process, staff develop and prepare First Quarter and Mid-Year Budget Review Reports to provide budget updates throughout the year. These reports will analyze budget status, provide an opportunity to adjust revenue or expenditure budgets as well as the approval of any program modifications. Moreover, staff also incorporate multi-year projections to ensure the long-term strategy is balanced and achievable.

November/
December

- Due to the high level of complexity involved with developing a comprehensive budget plan, the City’s Finance Department begins preparations for the budget development process in early November. A schedule of deliverables is created and distributed to departments to facilitate a citywide collaborative approach.
- The Finance Department receives direction from Council on budget priorities and elicits feedback from stakeholders on the upcoming budget cycle.

January/
February

- Finance Department conducts meetings with all departments to determine operating and capital needs. These discussions include a detailed review of budgeted staffing level and an assessment of non-wage expenditures.

March/April

- Finance Department conducts meetings with all departments to determine revenue projections for the next year.
- Finance Department begins drafting the proposed operating budget and capital improvement plan.

May/June

- To provide the public with an opportunity to participate in the budget development process, two public hearings are held when presenting the proposed operating and capital budgets.
- During the second public hearing, City Council formerly adopts resolutions approving the City's operating and capital budgets, annual appropriations limit (Gann limit) and adjustment factors and the investment policy for the coming fiscal year.

Budget Priorities

On an annual basis, the Finance and Governmental Operations Committee and City Council have the opportunity to provide direction on budget initiatives that should be prioritized in order to achieve the City’s overarching Strategic plan objectives.

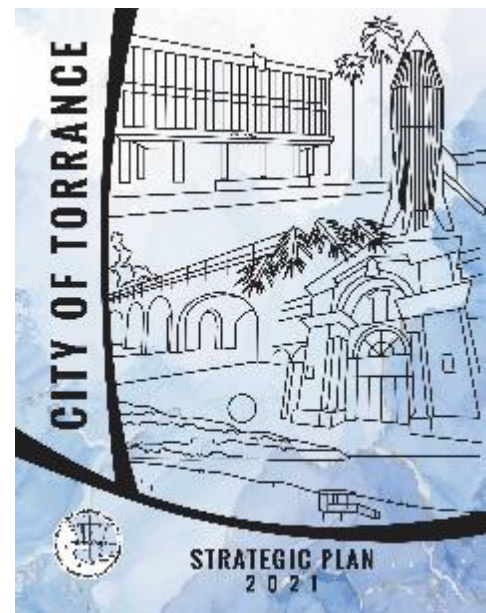
On December 19, 2023, City Council approved the following budget priorities:

1. Develop a balanced budget including 10-year projection compliant with City's financial policies.
2. Identify strategies and new revenue sources to resolve identified Areas of Focus.
3. Attract and retain a highly skilled workforce to deliver critical city services.
4. Prioritize investments in parks, buildings, and public right of way.
5. Expand business attraction and overall economic development efforts.
6. Explore alternative methods that improve cost effectiveness and service delivery of city operations.
7. Expand investment in technology to proactively address cybersecurity resiliency and improve customer experience.
8. Research approaches for potential City Charter amendment.
9. Plan for future electrification of City's fleet of vehicles compliant with recent CARB guidance.
10. Identify plan to return Transit Department operations to pre-pandemic levels.

Torrance Strategic Plan

The City of Torrance continues to invest in key areas that connect services provided to the needs of the community served. The City's first Strategic Plan was adopted in 1996 to create a common vision and a process for anticipating the future based on input from throughout the community. The City Council aimed to develop clear direction for the City's strategic priorities based upon the realities we had experienced and could anticipate, as well as the hopes, aspiration and best judgement of the residents, businesses, and employees of the City.

For each of the strategic plan priorities, a set of goals were developed to direct future actions to achieve the vision of the Plan. The goals are the heart of the Strategic Plan because they describe the end result towards which all efforts are directed. This provides the basis for future decisions about the nature, scope, and significance of actions which are necessary to carry out the Strategic Plan.



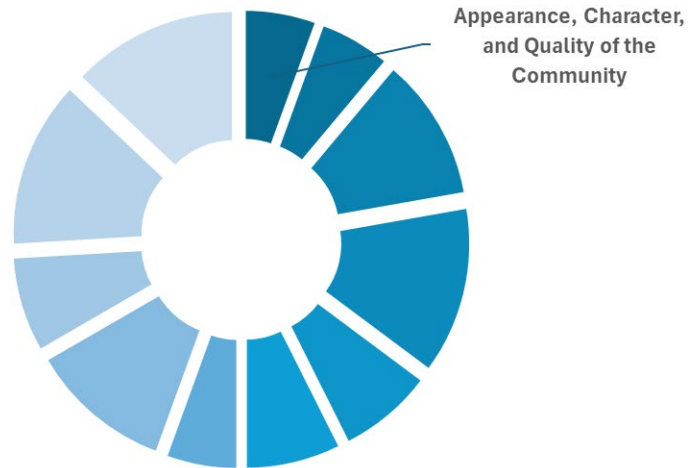
As a result of the Committee’s work, the 2021 Strategic Plan (full document and process available [here](#)) was published with the following strategic plan priorities:

- Appearance, Character, and Quality of the Community
- Communication and Civic Involvement
- Economic Development
- Education, Diversity and Enrichment
- Housing
- Infrastructure
- Mobility
- Reliable Revenue Base and Effective Asset Management
- Responsive, Accountable and Cost-Effective Government
- Safe, Secure and Equitable Community
- Stewardship of the Environment



Strategic Plan Priority 1 – Appearance, Character, and Quality of the Community

The goals of this Strategic Plan Priority focus on enhancing the City’s image while preserving the rich heritage of Torrance. It also emphasizes the shared responsibility of all stakeholders to ensure the highest standards of a well-designed and thoughtfully maintained City are continuously met.

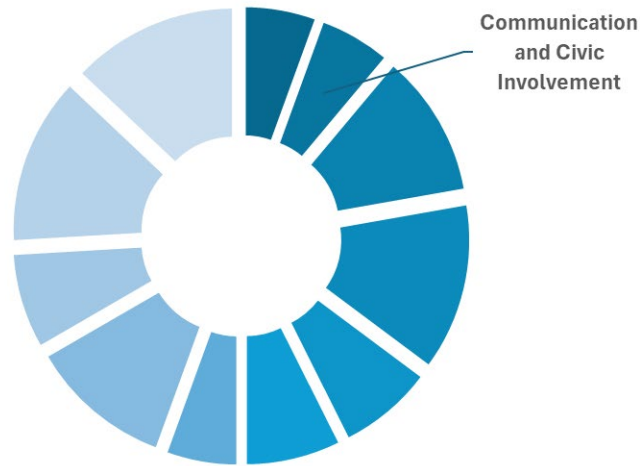


The table below outlines each goal under this Strategic Plan Priority and the respective departments associated with each goal.

Goals	Department(s)
1. Achieve and maintain a distinctive appearance that reflects the character and high standards of the entire community and its unique neighborhoods.	City Manager's Office/ Community Development/ Community Services/ Public Works
2. Achieve a community design that exemplifies balanced land usage in a manner that recognizes and optimizes the changing nature of retail, industry, employment, an age diverse population and other factors that impact land uses.	City Manager's Office/ Community Development
3. Preserve and celebrate the heritage of historic sites throughout the City.	Community Development

Strategic Plan Priority 2 – Communication and Civic Involvement

The goals of this Strategic Plan Priority emphasize the importance of clear and transparent communication to facilitate community participation in civic affairs. The collaboration of government and citizens requires active involvement through a variety of accessible sources.

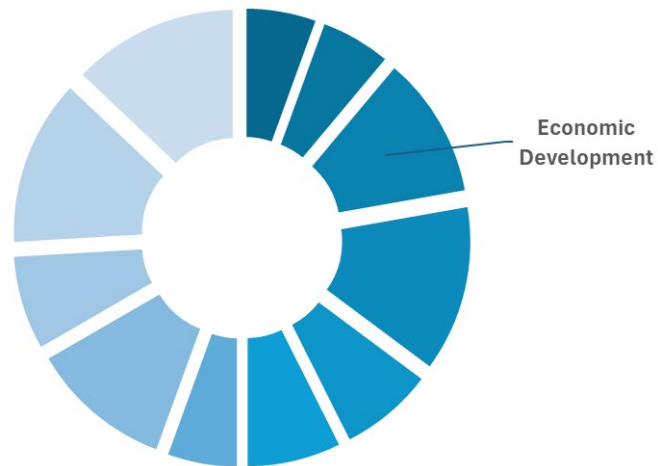


The table below outlines each goal under this Strategic Plan Priority and the respective departments associated with each goal.

Goals	Department(s)
1. Utilize a full range of information resources to share local issues with the community	City Clerk's Office/ City Manager's Office
2. Engage citizens in all aspects of civic decision-making	City Clerk's Office/ City Manager's Office/ Community Services
3. Strengthen the relationship between the City, residents, and community-based organizations with emphasis on measurable outreach to under-served populations	City Manager's Office
4. Promote opportunities for civic and public/private collaboration and partnerships	City Manager's Office

Strategic Plan Priority 3 – Economic Development

The goals of this Strategic Plan Priority encompass a full range of economic activity, including business retention and attracting new businesses to the City. A growing component for maintaining a balanced economic base includes knowledge of global commerce, emerging markets, rapidly changing technology, and political trends.

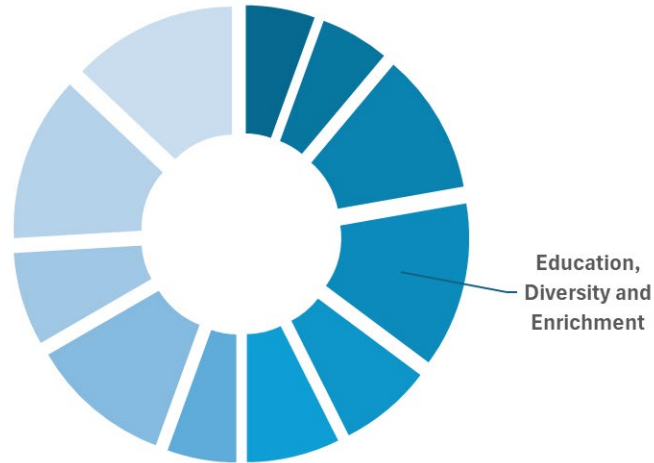


The table below outlines each goal under this Strategic Plan Priority and the respective departments associated with each goal.

Goals	Department(s)
1. Enhance regional, national, and international market development	City Manager's Office
2. Attract and retain businesses	City Manager's Office/ Community Development
3. Provide a supportive environment for entrepreneurial endeavors	City Manager's Office/ Community Development
4. Maintain a residential and commercial/industrial balance that supports the economic needs of the community	City Manager's Office/ Community Development
5. Promote economic health through education and training	City Manager's Office
6. Promote economic disaster preparedness and recovery	City Manager's Office/ Community Development

Strategic Plan Priority 4 – Education, Diversity, and Enrichment

The goals of this Strategic Plan Priority recognize the importance of acknowledging the City’s highly diverse population for addressing the unique needs of the community in a variety of ways.

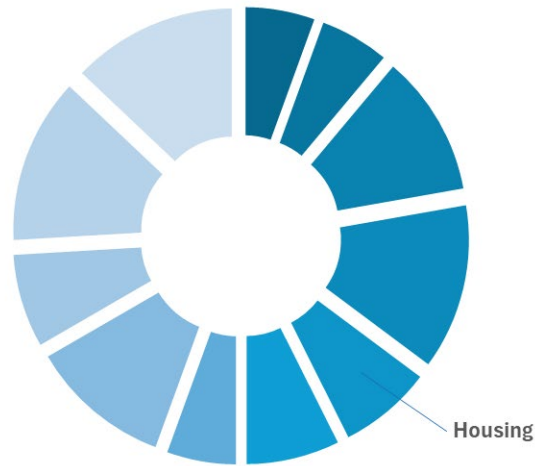


The table below outlines each goal under this Strategic Plan Priority and the respective departments associated with each goal.

Goals	Department(s)
1. Strengthen the commitment for collaboration between the City and Torrance Unified School District (TUSD)	City Manager's Office/ Community Services/ Police
2. Expand the educational opportunities for development of the individual potential of youth, adults, and seniors of all abilities	Community Services
3. Encourage and embrace benefits of a diverse and inclusive community	City Clerk's Office/ City Manager's Office/ Community Services/ Human Resources
4. Establish the City as a center of culture	Community Services/ General Services
5. Strive to be a leader in the creation of current and relevant recreational opportunities that meet the needs of all citizens	Community Services
6. Strengthen and develop the Youth Development Programs	Community Services
7. Promote public services through volunteer opportunities	City Manager's Office

Strategic Plan Priority 5 – Housing

The goals of this Strategic Plan Priority address the issue of homelessness and the increasing need for affordable housing. With this priority, attention is focused on developing solutions for housing-related issues with care and consideration.

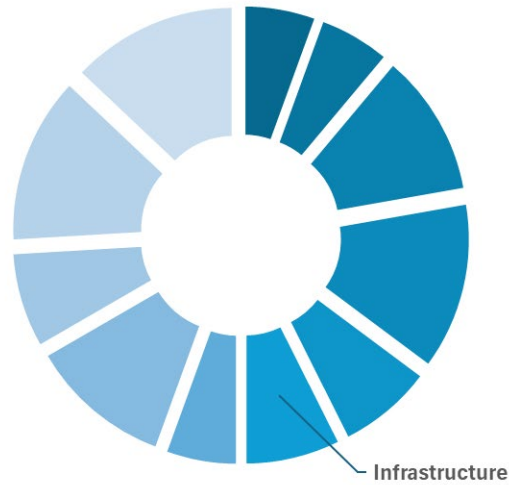


The table below outlines each goal under this Strategic Plan Priority and the respective departments associated with each goal.

Goals	Department(s)
1. Promote a diversity of housing types and affordability levels to meet the needs of a wide range of Torrance citizens	Community Development
2. Take a holistic approach to address homelessness in the City acknowledging and understanding that homelessness is a complex issue with multiple causes and that there is no one-size-fits-all solution	City Manager's Office
3. Preserve and protect the integrity of Torrance’s existing single-family neighborhoods while accommodating future housing needs	Community Development
4. Ensure the Housing Element and federal, state, and local legislation reflect the values of Torrance to the greatest extent possible	Community Development

Strategic Plan Priority 6 – Infrastructure

The goals of this Strategic Plan Priority focus on an efficiently functioning, well-maintained infrastructure that supports our present and future needs. This is a vital component for the continued well-being of residential and business communities as well as the overall economic health of the City.

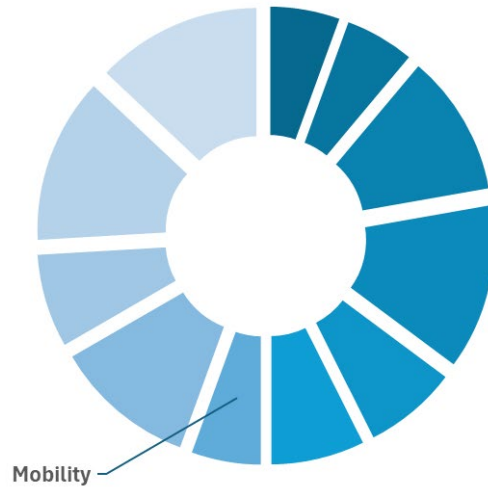


The table below outlines each goal under this Strategic Plan Priority and the respective departments associated with each goal.

Goals	Department(s)
1. Communicate and coordinate with end-users and stakeholders when prioritizing and designing infrastructure projects	City Manager's Office/ Public Works
2. Develop, maintain, and protect an efficiently functioning infrastructure	Public Works
3. Establish Torrance as a premier 21st century City through the dynamic and secure usage of digital technologies	Communications & Information Technology
4. Establish an infrastructure road map that encourages an ecosystem for technology development and implementation	Communications & Information Technology/ Public Works

Strategic Plan Priority 7 – Mobility

The goals of this Strategic Plan Priority emphasize congestion management, protection of residential neighborhoods from the impacts intrusive traffic patterns, and exploration of emerging public transportation alternatives. The safe, convenient, and efficient mobility of people and goods is critical for residents’ quality of life and vitality of the local economy.

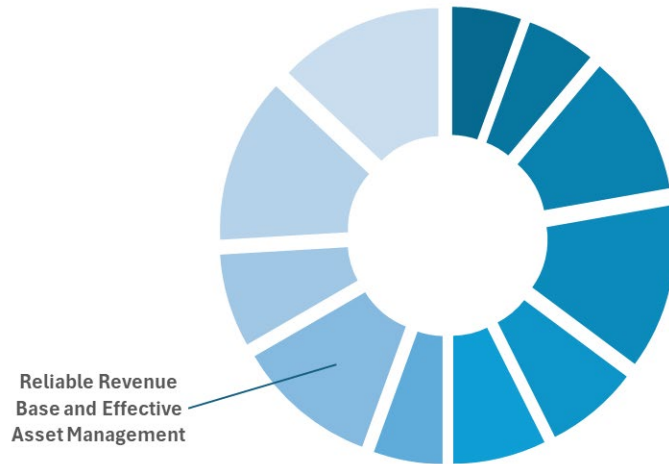


The table below outlines each goal under this Strategic Plan Priority and the respective departments associated with each goal.

Goals	Department(s)
1. Maximize the safe, convenient, and efficient movement of people, goods, and traffic	Public Works/Transit
2. Balance land use practices for mobility management	Community Development/ Public Works/Transit
3. Provide a full range of mobility options and infrastructure	Public Works/Transit

Strategic Plan Priority 8 – Reliable Revenue Base and Effective Asset Management

The goals of this Strategic Plan Priority address the importance of monitoring fiscal conditions both within the City and beyond. This will inform policy decision-making and ensure that appropriate adjustments are made to maintain the financial health and stability of the City.

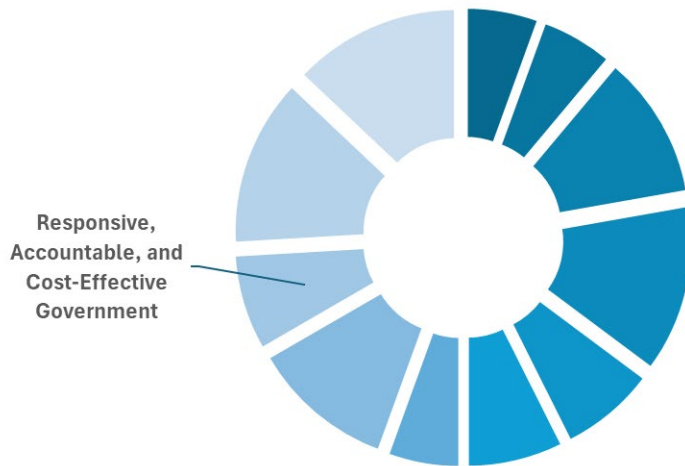


The table below outlines each goal under this Strategic Plan Priority and the respective departments associated with each goal.

Goals	Department(s)
1. Employ a realistic, transparent, and conservative fiscal investment strategy	City Treasurer's Office
2. Expand the City's revenue base	City Manager's Office/ Finance
3. Ensure effective land and property management programs for City-owned properties and buildings	City Manager's Office
4. Maintain adequate funding and planning for ongoing maintenance and replacement of City's physical assets	General Services
5. Monitor and review all fiscal matters	Finance
6. Pursue vigorous interaction with County, State, Federal and other governmental agencies regarding revenue decisions and fiscal impacts	City Manager's Office

Strategic Plan Priority 9 – Responsive, Accountable, and Cost-Effective Government

The goals of this Strategic Plan Priority recognize the importance of the City’s responsibility to manage in a manner which seeks out and responds to community input and is held accountable for the efficient delivery of services.

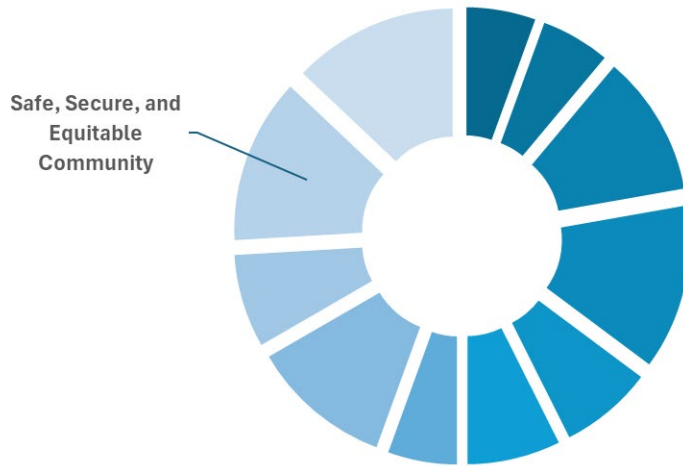


The table below outlines each goal under this Strategic Plan Priority and the respective departments associated with each goal.

Goals	Department(s)
1. Emphasize city governance accountability and responsiveness	City Manager's Office/
2. Delivery high quality services in a timely and cost effective manner	Communications & Information Technology/ City Manager's Office/ Finance
3. Provide outstanding communication with the community	City Manager's Office
4. Provide basic civic literacy resources for ease of process navigation	Communications & Information Technology/ City Manager's Office
5. Maintain a skilled, knowledgeable, creative, and well-trained workforce.	City Manager's Office/ Human Resources
6. Continue organizational development for each department and division.	City Manager's Office

Strategic Plan Priority 10 – Safe, Secure, and Equitable Community

The goals of this Strategic Plan Priority focus on all aspects of public safety, including crime, environmental hazards, and disaster preparedness, as well as ensuring information is readily available and communicated to the community.

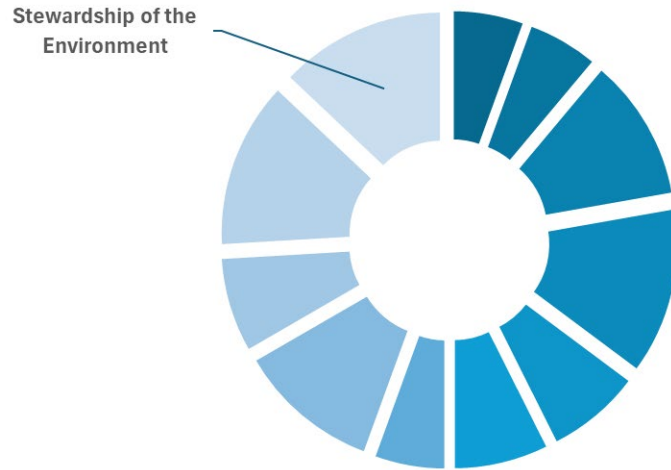


The table below outlines each goal under this Strategic Plan Priority and the respective departments associated with each goal.

Goals	Department(s)
1. Promote a safe community environment	Community Development/ Fire/Police/Public Works
2. Protect persons and property from criminal activity	Police
3. Promote a safe and secure community for youth	Police
4. Provide up-to-date information and educational opportunities that encourage safety and crime prevention	Police
5. Promote and establish a community that is prepared for natural or human made disasters, pandemics, or communicable diseases, cyber security incidents or other emergencies that affect the community	City Manager's Office/Fire
6. Provide a safe and supportive environment for the economic vitality of the business community	City Manager's Office/Police
7. Mitigate public health and safety risks from the use of Hydrofluoric/Modified Hydrofluoric Acid (HF/MHF) in the alkylation process at Torrance Refinery	Fire

Strategic Plan Priority 11 – Stewardship of the Environment

The goals of this Strategic Plan Priority address the ongoing concerns regarding climate change and the need for the City to be aware of, and proactively respond to, a wide variety of issues concerning the physical environment on the local, national, and global scale.



The table below outlines each goal under this Strategic Plan Priority and the respective departments associated with each goal.

Goals	Department(s)
1. Establish Torrance as a leader in environmental responsibility and sustainability	City Manager's Office/ Community Development/ General Services/ Public Works
2. Actively inform, educate, and motivate the community regarding the value and benefit of environmental stewardship	Community Development/ Public Works
3. Aggressively plan and act to enable all city stakeholders to mitigate and adapt to the climate change and ecological crisis	City Manager's Office/ Community Development/ Community Services/ Public Works
4. Create and promote sustainable/green practices for use in daily life	Community Development/ Public Works
5. Strive for water reliability through the preservation and conservation of water resources	Community Development/ Public Works
6. Preserve and protect the natural environment and the benefits provided by well-functioning ecosystems	Community Development/ Community Services/ Fire/Public Works
7. Create a positive environment for business and industries to adopt sustainable/green practices	City Manager's Office/ Community Development/

Strategic Plan Performance Indicators by Department

The City monitors key performance indicators to objectively benchmark the performance of each Department in accordance with Strategic Plan priorities and goals.

City Attorney	2022	2023
Total number of work requests processed	842	1,040
Total number of contracts reviewed	321	343
Total number of ordinances reviewed	18	12
Total number of resolutions reviewed	58	74

City Clerk	2022	2023
Total number of City Council, Commission, and other agendas posted	389	313
Total number of public records requests processed	1,426	1,681
Total number of contracts processed	228	231
Total number of documents digitized	2,464	4,252
Total number of subpoenas processed	213	245

City Manager	2022	2023
Total number of people experiencing homelessness placed in permanent housing	14	14
Total number of myTorranceCA App Downloads (App launched 10/15/22)	962	2,689
Total number of eNewsletter subscribers	1,883	3,112
Total number of Facebook, Instagram, and Twitter followers	38,012	42,600
Total number of YouTube views	151,136	113,800
Total number of Torrance Alerts subscribers	19,108	20,602
Total number of public preparedness events, exercises and outreach efforts.	4	5
Total numbers of emergency incident response and deployment	5	9

City Treasurer	2022	2023
Total investments earnings	\$2,400,000	\$9,455,887
Total Investment portfolio yield	3.46%	4.39%

Communications and Information Technology	2022	2023
Total number of emails blocked	41,979	73,576
Total number of emails quarantined	1,535	139,564
Total number of advanced threats detected	382	316
Total number of viruses detected	17	13
Total number of emails received	-	7,185,088
Total number of emails sent	-	1,421,401

Community Development	2022	2023
Total number of visitors to Permit Center	24,533	37,658
Total number of Planning Permits	551	587
Total number of Building & Safety Permits	8,364	9,318
Total number of online issued Permits	885	921
Average Customer Service Satisfaction Rating	95%	94%

Community Services	2022	2023
Total number of customers served at Torrance Farmers Market	51,228	274,652
Total number of Youth Sports participants	1,765	1,852
Total number of Registration Transactions processed	15,818	16,230
Total number of drop-in lap swim participants	25,647	21,987
Total number of library visitors	137,076	360,035

Finance	2022	2023
Total number of accounts payable invoices processed	16,736	19,012
Total number of payroll payments issued	36,994	37,678
Total number of W-2s issued	1,889	1,927
Total number of business license issued	13,727	13,439
Total number of purchase orders issued	641	709
Total number of financial awards received	2	3

Fire	2022	2023
Total number of rescue and emergency medical service incidents	12,433	11,887
Total number of fire incidents	174	148
Total number of fire and life safety inspections performed	949	913

General Services	2022	2023
Total number of work orders completed	2,000	2,407
Total number of events at Cultural Arts Center	342	377
Total number of calls for graffiti abatement services	6,000	6,728

Human Resources	2022	2023
Total number of employee applications received	9,645	16,670
Total number of new hires	556	687
Total number of employees participating in Employee Wellness Program	117	192

Police	2022	2023
Total number of 911 calls received	70,343	111,308
Percentage of calls answered in under 10 seconds	1	1
Total number of vacation-check site visits	767	372

Public Works	2022	2023
Total number of potholes filled	7,600	11,706
Total tons of recycling collected	8,304	7,940
Total number of large item pickups scheduled	4,638	4,221
Total number of trees plans (net of removals)	125	37
Total number of water meters replaced	336	92

Transit	2022	2023
Total number of passenger boarding	1,828,807	1,840,079
Total number of revenue miles	1,521,332	1,402,852
Total number of revenue hours	114,358	103,526
Total number of alternative-fuel buses	63	63

Operational Efficiencies

As part of this year’s budget planning and development process for the FY23-25 budget cycle, the City Manager’s Office reinstated the Budget Review Team for a comprehensive approach towards assessing citywide operations. The City’s Budget Review Team is comprised of the City Manager, Department Heads, Managers, Supervisors, and Budget Analysis Team members assigned from each department. Three Budget Review Team meetings were held in November 2023, January 2024, and April 2024 to discuss multi-year projections; budget timeline; Budget Analysis Team’s involvement; City Council Budget Priorities; operational efficiencies; status of labor relations; vacant positions; new capital projects mapping; staffing and non-wage budget changes; capital improvement plan; and set the stage for the coming year’s budget process.

The below topics are related to operational efficiencies and remain open as they require further research and evaluation for determining a recommended path of implementation, including:

- Analyze branch library operations to determine if consolidation is viable in light of Civic Center Master Plan and significant backlog of capital investment required citywide; and
- Analyze Fire headquarters and fire stations citywide, to determine alternative sites for consideration in the City (southeast) and its impacts to staffing and land management; and
- Evaluate staffing levels in Community Services and General Services to ensure parks and facility assets are sufficiently maintained with future capital improvement plan investments.

Additionally, as an effort to identify strategies and new revenue sources, which is defined as one of the City Council Budget Priorities, the City departments, including Community Development, Fire, General Services, Public Works, and Transit, are currently in the process of fee study updates on certain fees.

Areas of Focus

There are multiple areas that staff are tracking closely that will require attention in the near term and over the coming budget cycles. These will be a topic of focus highlighted during First Quarter and Mid-Year Budget Review reports and continue to be monitored going forward.

Self-Insurance Fund

The City's Self-Insurance Fund covers expenditures in the following areas: non-litigated claims, liability claims and associated settlements, workers' compensation cases, and unemployment Insurance payments. It is funded by contributions from the General Fund, Enterprise Funds, and Internal Service Funds, and over the last several years has experienced a deterioration of its fund balance. As of June 30, 2023, the fund balance is (-\$54.1) million. This is driven by existing outstanding liabilities in workers' compensation of \$50.6 million and Liability Claims of \$18.2 million. As of June 30, 2023, the cash balance in this fund stands at only \$14.3 million.

Given the aforementioned trends, the FY24-25 budget ramps up contributions by 14.5% to restore structural balance to this fund and rebuild its balance to a positive status. Additional one-time transfers will be recommended when budget savings are available to help address this shortfall in a more timely manner.

Cash Balances by Fund

The City continues its focus to improve the General Fund's cash balance. As the City improves its **General Fund Reserves** and **Liquidity** ranking in the **Financial Key Performance Indicator** section of this document, this will improve the Cash Balances by Fund concern raised in prior reports. This effort will take multiple years to resolve through the monitoring of these financial KPIs each year.

Labor Trends

A complex state of trends, including changing demographics, technological change, and a reevaluation of the contract between employer and worker, has brought about the tightest labor market of modern times. During FY20-21 and FY21-22, the City held positions vacant to weather the COVID-19 pandemic. With the impacts of the pandemic behind the City, and the passage of Measure SST allowing public safety positions to remain whole, the City is working hard to attract and retain high quality talent. It is proving to be an extremely challenging time to fill positions and will be the focus for months to come to stabilize the workforce.

As of March 2024, 244 employees are eligible for retirement (based 55 years of age; Employee Classification A), as compared to 221 as of March 2023. As the workforce ages, City staff will continue to monitor retirement eligibility for proper succession planning. Beginning in FY 2021-22, the City has

sustained a significant spike in retirements and voluntary resignations. The most commonly cited reasons for recent departures have been **better salaries and benefits** and **flexibility**. While the trend has started to improve, it still remains as an area of focus, and employee retention will continue to be a challenge as the City works to settle labor contracts through the end of FY 2024-25.

	Fiscal Years Ending				9-Months
	2020	2021	2022	2023	2024
Retirements	42	57	72	59	27
Voluntary Resignations	46	42	133	121	73
Departures or Death	11	11	13	21	13
Total Separations	99	110	218	201	113

Status of Labor Agreements

The City’s labor agreements with the various union groups follow different terms. The City’s Miscellaneous labor groups are set to expire in June 2024. The Torrance Fire Fighters Association and Torrance Police Officers Association have recently settled with expiration dates of December 2027 and December 2025, respectively. Torrance Police Commander’ Association and all miscellaneous groups’ labor agreements are currently in negotiations and expected to settle by the end of FY 23-24. For reference, it is estimated that it costs the city, across all Funds, approximately \$2.1 million for every 1% negotiated wage increase for all unions/bargaining units. In order for the City to attract the necessary talent to combat the aforementioned departures, adjustments to salaries and benefits will be an important focus.

Aging Buildings and Infrastructure

The City of Torrance owns and operates over \$500 million worth of buildings, public facilities, and infrastructure. With every year passing these buildings age and deteriorate, many of which are still in their original condition. Currently the City’s capital assets have reached their half-life mark, requiring heavy maintenance and upgrade. General Services has contracted a firm to index all city-owned facilities, and the firm issued a comprehensive facility assessment report.

This assessment report covered items such as ADA and seismic upgrades, HVAC, plumbing, electrical, various infrastructure items, and other interior and exterior elements such as windows, doors, paint, flooring and roofs, and the report provided rating for conditions for each building. This assessment report, along with the feedback from the General Services department and Community Services department, was utilized as a basis to develop the capital improvement plan for FY24-25 to FY27-28. Additional information on this index study can be found in the **Capital Improvement Plan** section.

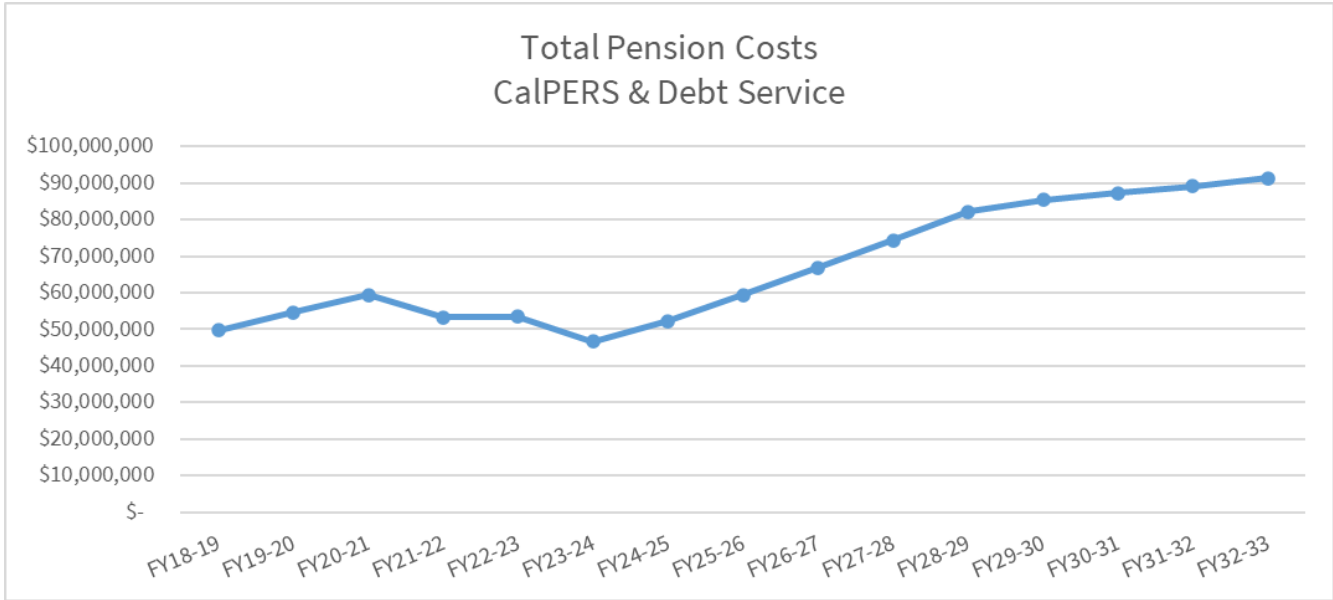
Pension/OPEB Benefits Liability Management

In an effort to manage rising pension costs, the city took action in October 2020. They used \$338.4 million from the 2020 Lease Revenue Bonds to pay down a portion of their unfunded liability. This reduced the peak of their future payments and provided some financial relief. At that time, the city had an unfunded liability of \$497 million. This additional payment, along with the city's planned contributions for fiscal year 2021, was expected to increase the city's CalPERS funded level from about 71.4% to 92%. On top of this payment, CalPERS earned a 21.3% return on investments over the course of FY 2020-21, which set the funded status at 104%.

It is important to note that this high return triggered a reduction in the CalPERS discount rate from 7.0% to 6.8%. Despite this reduction, the impact of the returns outweighed the negative effect of the discount rate in future years. Additionally, in FY 2021-22, CalPERS experienced investment loss of 7.5%, which reduced the funding status and increased future annual Unfunded Actuarial Liability (UAL) payment. This loss means that the fund didn't make as much money as expected, resulting in a shortfall. As a consequence, the amount of money needed to cover future pension obligations, known as UAL, has increased. This shortfall will need to be paid off over the next 20 years, starting in the fiscal year 2024-25.

The UAL payment increases from \$12 million in FY 2025-26 to \$33 million in FY 2031-32. The city has been planning for these increased costs by incorporating them into its 10-year financial forecast, which includes the utilization of savings from the Section 115 Fund that the City funds on an annual basis. It is anticipated that the City will need to make its first drawdown in FY24-25. The assumptions used in the 10-Year forecast will be refreshed semi-annually to use the most recent returns data from CalPERS.

In order to prepare for potential increases in pension costs from CalPERS, the City is planning to allocate \$9.4 million in the fiscal year 2024-25 into the Section 115 Trust. This fund is specifically designated to cover future rises in CalPERS expenses. The exact amount contributed will be reassessed each year based on available funds and projected CalPERS costs. Additionally, the City will always reserve at least 20% of the savings from the 2020 Lease Revenue Bonds towards this purpose. These funds are expected to be utilized within the next 10 years to help manage the anticipated growth in pension costs, which have been impacted by recent underperformance from CalPERS. For FY23-24, the City's CalPERS and CalPERS related debt costs are estimated to be 17.3% of the City's General Fund-Operating Fund's budget. The City continues to monitor CalPERS performance, projecting its effects up to 30 years and incorporating these amounts in our 10-year projection models.



Financial Key Performance Indicators

The City of Torrance monitors financial key performance indicators (KPI) to objectively benchmark the financial performance of the City and align its budget with Strategic Plan priorities, including Reliable Revenue Base & Effective Asset Management, and Responsive, Accountable & Cost-Effective Government. While many of the key performance indicators included in this budget document also align with metrics previously utilized by the California State Auditor and currently recommended by the Government Finance Officers Association, others are used to help round out the City’s finances overall. Using the City’s audited Annual Comprehensive Financial Report (“ACFR”) as the primary source, the City’s key performance indicators and corresponding grading criteria are as follows:

Financial Key Performance Indicators	Grading Criteria		
	High Risk	Moderate Risk	Low Risk
Revenue Trends	< 0%	0% - 2%	2% or >
Net True Operating Surplus/(Deficit)	-\$2M or > deficit	-\$2M to +\$2M	+ \$2M
General Fund Reserves	< 15%	15% - 20%	20%+
Liquidity	< 100%	100% - 150%	150%+
Pension Obligations	> 100%	50% - 100%	< 50%
Debt Burden	> 100%	40% - 100%	< 40%
Pension Funded Status	< 70%	70% - 80%	80%+
OPEB Funded Status	< 70%	70% - 80%	80%+
Self Insurance Funded Status	< 70%	70% - 80%	80%+
Capital Asset Condition	< 0%	0% - 2%	2% or >

Below provides an analysis for the City’s performance, based on the aforementioned grading criteria using the last five years of data:

Financial Key Performance Indicators	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23
Revenue Trends	●	●	●	●	●
Net True Operating Surplus/(Deficit)	●	●	●	●	●
General Fund Reserves	●	●	●	●	●
Liquidity	●	●	●	●	●
Pension Obligations	●	●	●	●	●
Debt Burden	●	●	●	●	●
Pension Funded Status	●	●	●	●	●
OPEB Funded Status	●	●	●	●	●
Self Insurance Funded Status	●	●	●	●	●
Capital Asset Condition	●	●	●	●	●

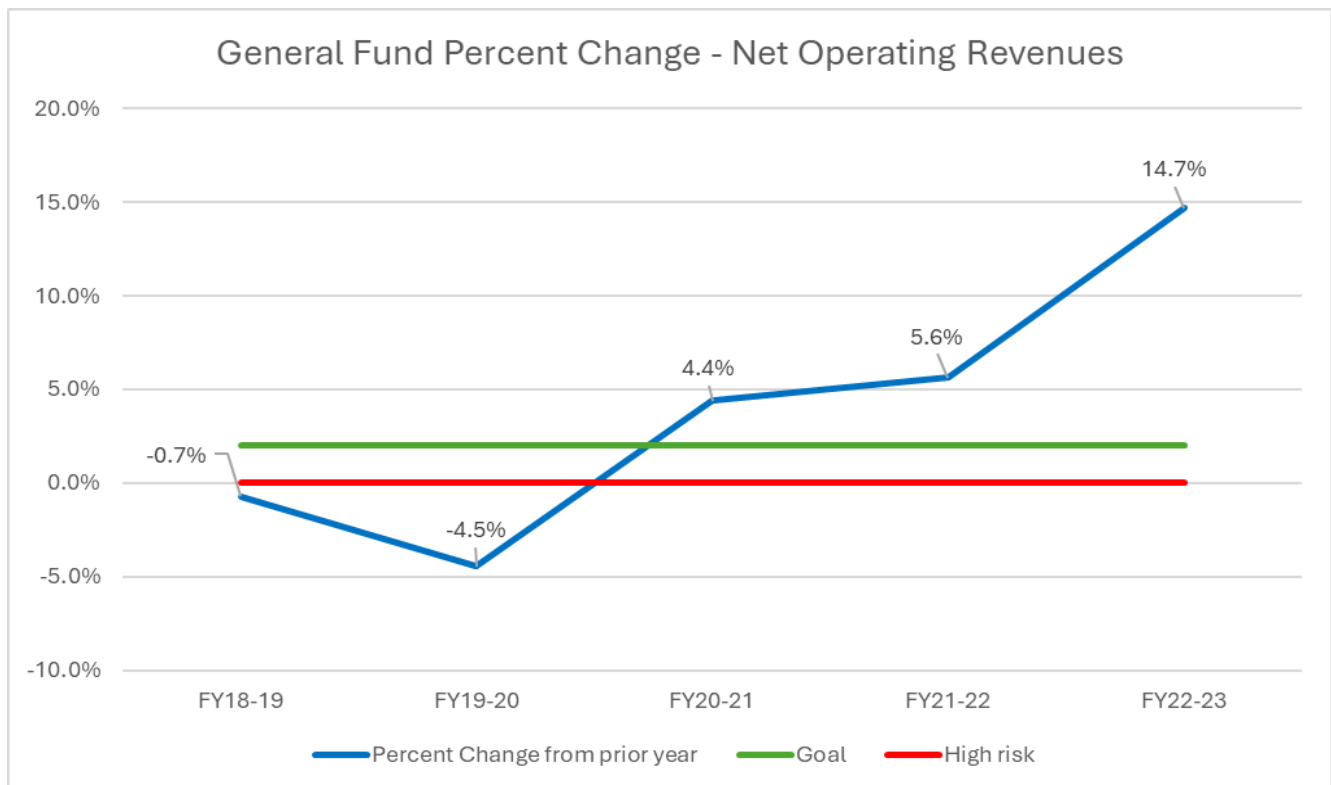
Revenue Trends

Current Status: Low Risk

This key performance indicator monitors the year-over-year changes in Operating Revenues and Transfers-In for the City's General Fund, controlled for one-time sources and inflation. The City uses the June Consumer Price Index for all Urban Consumers (CPI-U) to control for inflation factors to accurately capture recurring revenue growth.

From FY18-19 to FY19-20, the City's General Fund revenues underperformed and did not meet the 2% year-over-year growth goal. However, as the economy rebounded from the COVID-19 pandemic, the City's revenues experienced 4.4% growth in FY20-21, a 5.6% growth in FY21-22, and a 14.7% growth in FY22-23, shifting the City's position to the low-risk category.

Revenue Trends	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23
Operating Revenues & Transfers In (net) - thousands	194,731	188,597	204,735	234,839	276,189
CPI-U (as of June 30)	274.4	278.1	289.2	314.1	322.1
CPI-U (adjustment for constant dollars-2012 basis)	86.0%	84.9%	81.6%	75.1%	73.3%
Operating Revenues & Transfers In (net) - thousands	167,510	160,051	167,080	176,481	202,411
Percent Change from prior year	-0.7%	-4.5%	4.4%	5.6%	14.7%
Goal	2.0%	2.0%	2.0%	2.0%	2.0%
5-Year Average Change					4.2%



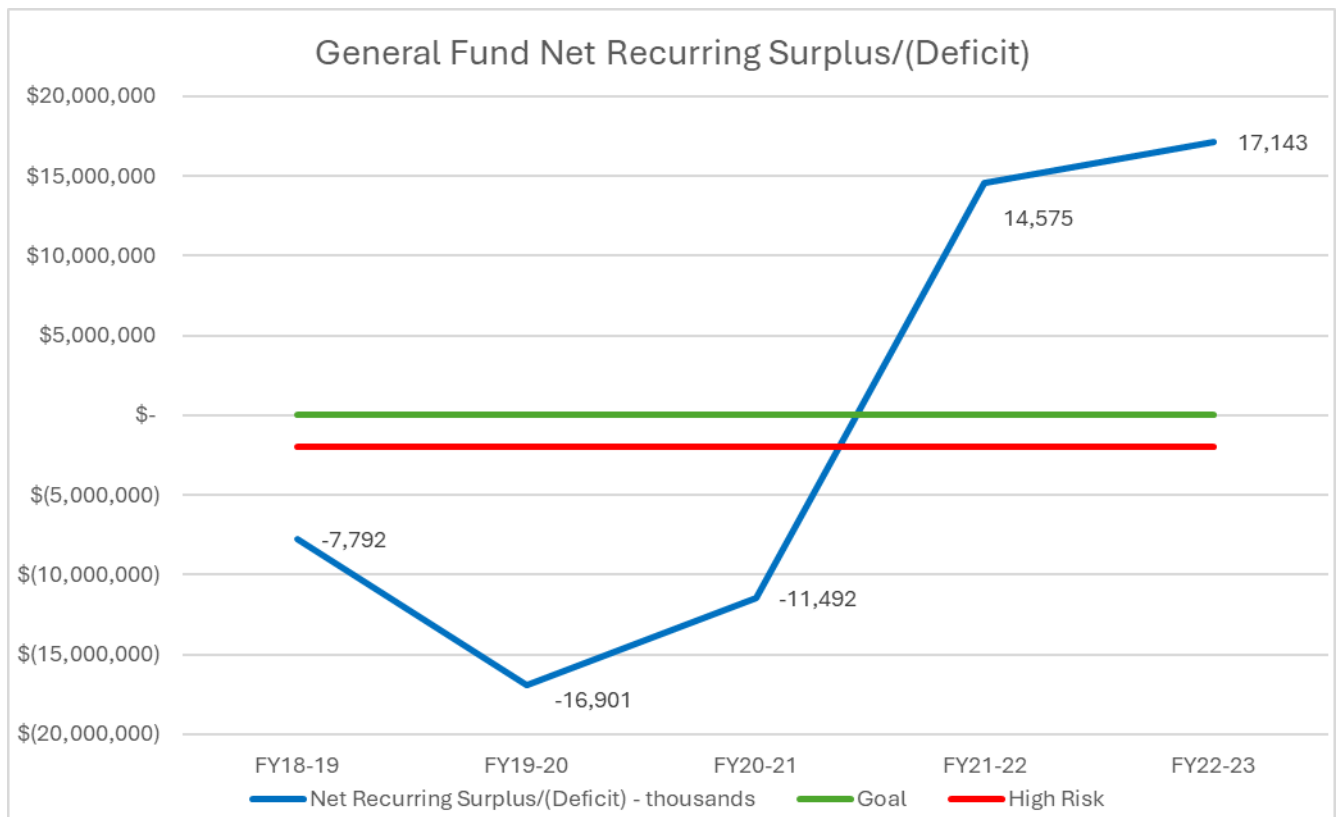
Net True Operating Surplus/(Deficit)

Current Status: Low Risk

The Net True Operating Surplus/(Deficit) KPI monitors the result of all recurring revenues against recurring expenditures in the General Fund. The City controls for one-time activities to accurately monitor recurring outcomes and identify any structural imbalances each year.

After controlling for one-time activities, the City’s General Fund was operating at a structural loss between FY18-19 and FY20-21. This underperformance was exacerbated by the onset of the COVID-19 pandemic which adversely affected financial performance in FY19-20. As shown below, the City’s General Fund revenues experienced marginal improvement in FY20-21 followed by a structural operating surplus of \$14.6 million in FY21-22 and increased again to \$17.1 million in FY22-23.

Net True Operating Surplus / (Deficit)	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23
Net Operating Revenues & Transfers In - thousands	194,731	188,597	204,735	234,839	276,189
Net Operating Expenditures & Transfers Out - thousands	202,523	205,498	216,226	220,264	259,046
Net Recurring Surplus/(Deficit) - thousands	-7,792	-16,901	-11,492	14,575	17,143
Goal	0	0	0	0	0
5-Year Average Change					-894



General Fund Reserves

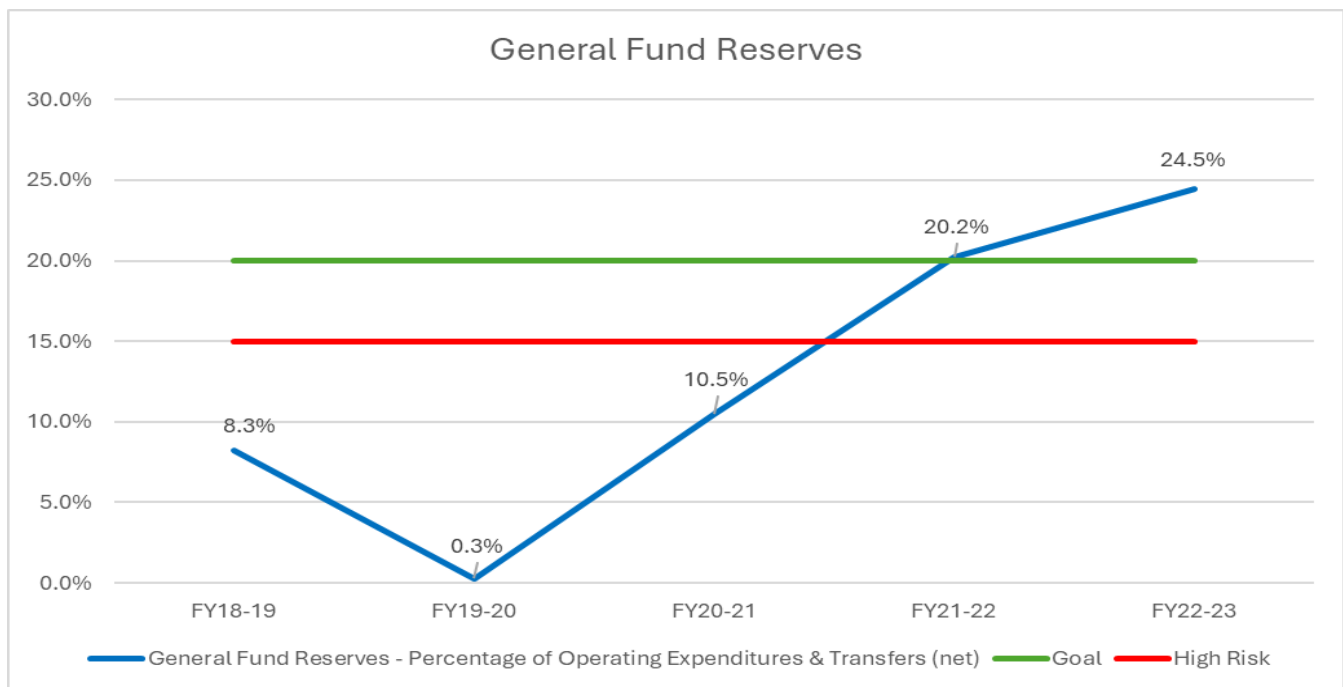
Current Status: Low Risk

The General Fund Reserves KPI monitors the Unassigned Fund Balance as a percentage of the General Fund's Operating Expenditures and Transfers Out. The City controls for one-time activities in the Expenditures and Transfers classifications to accurately capture recurring outcomes and monitor the City's unassigned fund balance each year.

In FY18-19, the City's General Fund-Unassigned fund balance remained stable but below the established 20% goal. This was exacerbated by the onset of the COVID-19 pandemic which adversely affected the City's ranking for this metric. As shown below, the City's General Fund-Unassigned fund balance reached a record low in FY19-20. However, the City was able to significantly improve its fund balance status in FY20-21 after receiving \$22.8 million in one-time funds, and in FY21-22, surpassed its reserve balance goal of 20%. As of FY22-23, the City increased its reserve balance to 24.5%.

General Fund Reserves

	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23
General Fund Unassigned Fund Balance - thousands	16,725	581	22,633	44,727	63,420
Operating Expenditures & Transfers (net) - thousands	202,523	205,498	216,226	221,218	259,046
General Fund Reserves - Percentage of Operating Expenditures & Transfers (net)	8.3%	0.3%	10.5%	20.2%	24.5%
Goal	20.0%	20.0%	20.0%	20.0%	20.0%
5-Year Average				9.5%	12.7%



Liquidity

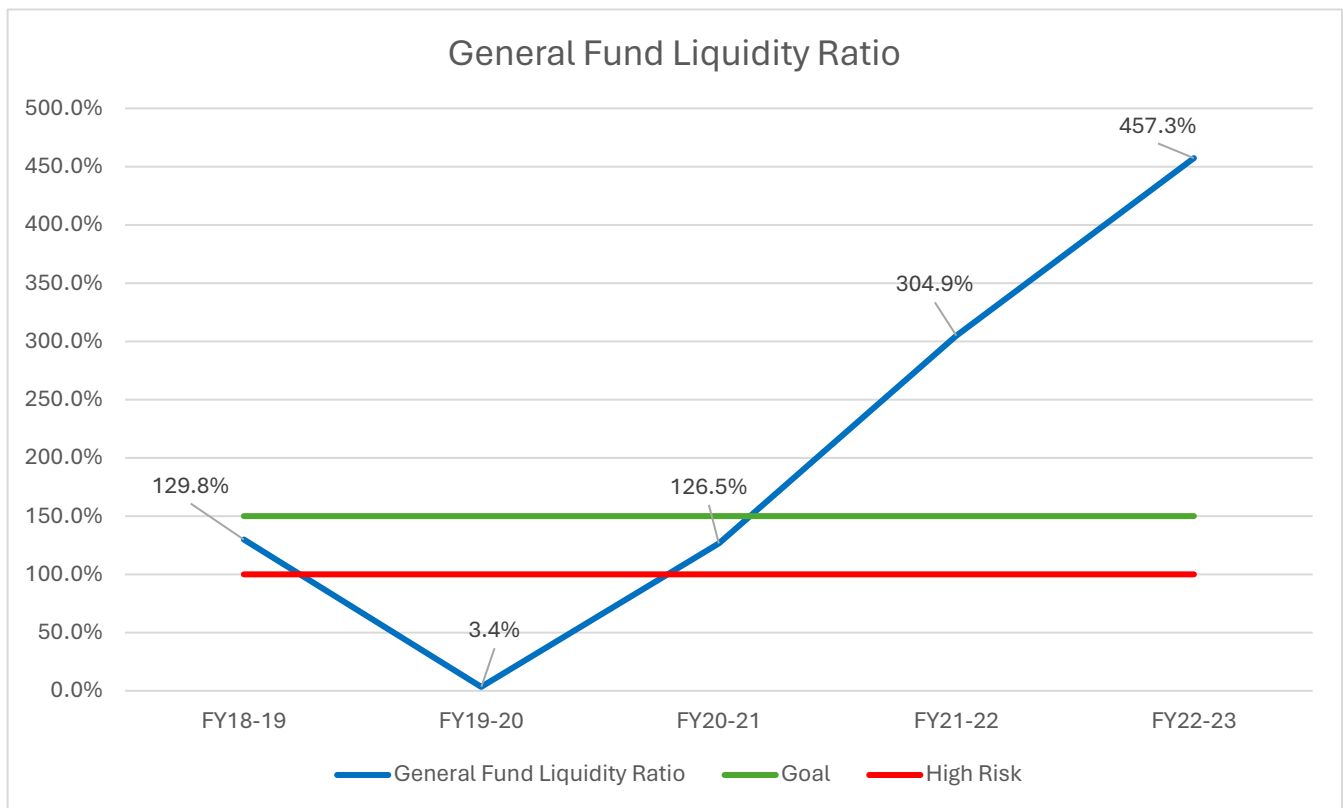
Current Status: Low Risk

The Liquidity KPI monitors the City’s General Fund cash and investment balances relative to General Fund liabilities. The City utilizes this metric to determine how much cash is on hand to cover near-term liabilities and other General Fund activities.

As shown below, the City’s Liquidity indicator performed moderately in FY18-19. Exacerbated by the onset of the COVID-19 pandemic, this metric was adversely affected in FY19-20. However, the City was able to significantly improve its liquidity in FY20-21 after receiving \$22.8 million in one-time funds. In FY21-22, the City surpassed its liquidity goal of 150% for the first time, which was partially due to receiving an additional \$12.0 million in one-time funds. As shown below, the City surpassed its liquidity goal of 150% in FY22-23.

Liquidity

	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23
General Fund Cash & Investments - thousands	10,782	623	11,550	32,150	44,339
General Fund Liabilities - thousands	8,304	18,319	9,131	10,545	9,695
General Fund Liquidity Ratio	129.8%	3.4%	126.5%	304.9%	457.3%
Goal	150.0%	150.0%	150.0%	150.0%	150.0%
5-Year Average				135.8%	204.4%



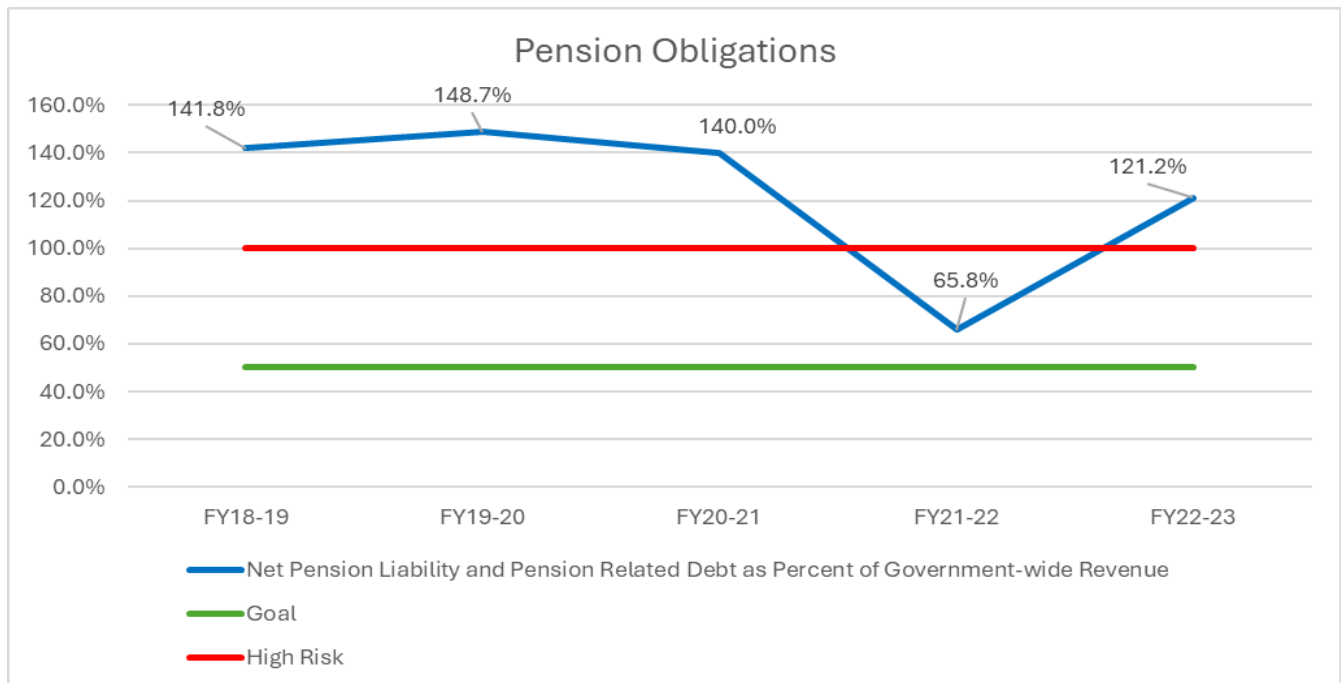
Pension Obligations

Current Status: High Risk

The Pension Obligations KPI monitors the City’s total pension related liabilities including CalPERS, PARS, or any other pension-related debt as a percentage of the City’s total revenues. The City uses this metric to monitor how much of its revenue stream is burdened by its outstanding pension-related liabilities. Since FY18-19, the City’s pension obligations as a percentage of citywide revenues have experienced a downward trend. The City’s score in this indicator improved significantly in FY21-22, a combined result of issuing the 2020 Lease Revenue Bonds to pay down a significant portion of the City’s Unfunded Actuarial Liability and a 21.3% CalPERS investment return. However, this indicator was adversely impacted by a 7.5% CalPERS investment loss in FY22-23. Despite these recent events, the City will remain diligent in strategically lowering this ratio to achieve the 50% goal.

Pension Obligations

	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23
Net Pension Liability/(Asset) - thousands	473,395	487,649	510,899	-65,133	229,370
Pension-Related Debt - thousands	0	0	0	347,500	340,085
Governmentwide Revenues - thousands	333,806	327,990	364,924	428,920	469,825
Net Pension Liability and Pension Related Debt as Percent of Government-wide Revenue	141.8%	148.7%	140.0%	65.8%	121.2%
Goal	50.0%	50.0%	50.0%	50.0%	50.0%
5-Year Average				131.1%	123.5%



Debt Burden

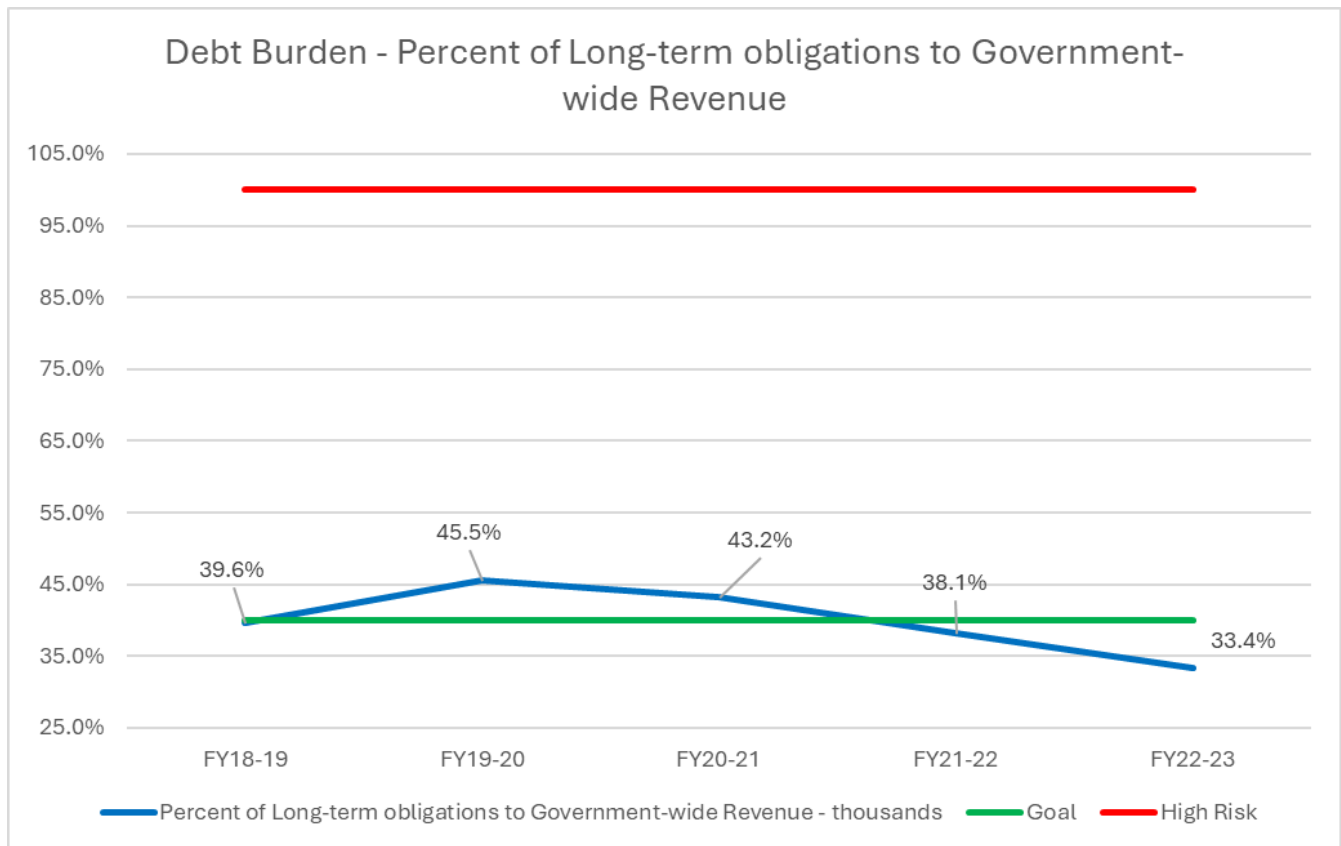
Current Status: Low Risk

The Debt Burden KPI monitors the City’s total long-term obligations, excluding all pension and OPEB-related debt, as a percentage of the City’s total revenues. The City uses this metric to determine how much of its revenue stream is burdened by its outstanding general debt-related obligations.

The City’s total long-term liability (excluding pensions and OPEB) as a percentage of citywide revenues has fluctuated between 40% and 43% since FY17-18. This indicator fell below the 40% goal in FY21-22. The indicator continued to decrease in FY22-23, falling to 33%. The City will remain focused on paying down its existing obligations to maintain the 40% threshold.

Debt Burden

	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23
Long-Term Obligations (excluding pension debt) - thousands	132,073	149,313	157,722	163,534	157,025
Governmentwide Revenues - thousands	333,806	327,990	364,924	428,920	469,825
Percent of Long-term obligations to Government-wide Revenue - thousands	39.6%	45.5%	43.2%	38.1%	33.4%
Goal	40.0%	40.0%	40.0%	40.0%	40.0%
5-Year Average				41.6%	40.0%



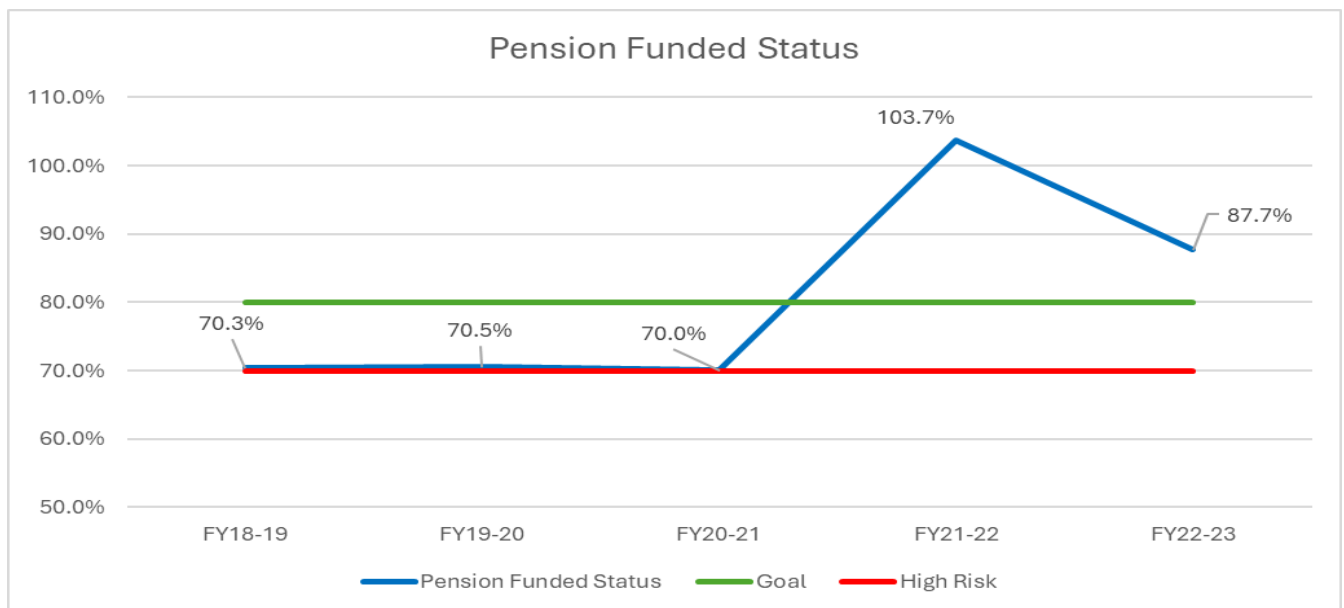
Pension Funded Status

Current Status: Low Risk

The Pension Funded Status KPI monitors the funding status of the City’s two pension plans, CalPERS and PARS, though the PARS pension plan is no longer offered to employees hired after January 2013 when the California Public Employees' Pension Reform Act (“PEPRA”) went into effect. This metric is used to determine the overall financial health of its pension plans and monitor funding needs for the future.

Although the City’s strives to maintain a fully funded pension system, the State Auditor provides the highest scoring for meeting an 80% threshold. To estimate future returns, CalPERS has implemented discount rate reductions and provided more reliable actuarial contribution amounts to anticipate annual outcomes more realistically. As a result, this has increased City contributions and lowered the City’s funded status. In FY20-21, the City issued \$349.5 million in bonds to pay down a significant portion of the City’s Unfunded Actuarial Liability. Additionally, CalPERS experienced a 21.3% investment return in the same year, allowing the City to surpass 100% funded status in FY21-22. However, this indicator was adversely impacted by a 7.5% CalPERS investment loss in FY22-23.

Pension (CalPERS & PARS) Funded Status	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23
Fiduciary Net Position - thousands	1,123,052	1,166,458	1,194,336	1,824,991	1,629,239
Total Pension Liability - thousands	1,596,447	1,654,107	1,705,235	1,759,858	1,858,609
Pension Funded Status	70.3%	70.5%	70.0%	103.7%	87.7%
Goal	80.0%	80.0%	80.0%	80.0%	80.0%
5-Year Average					80.5%



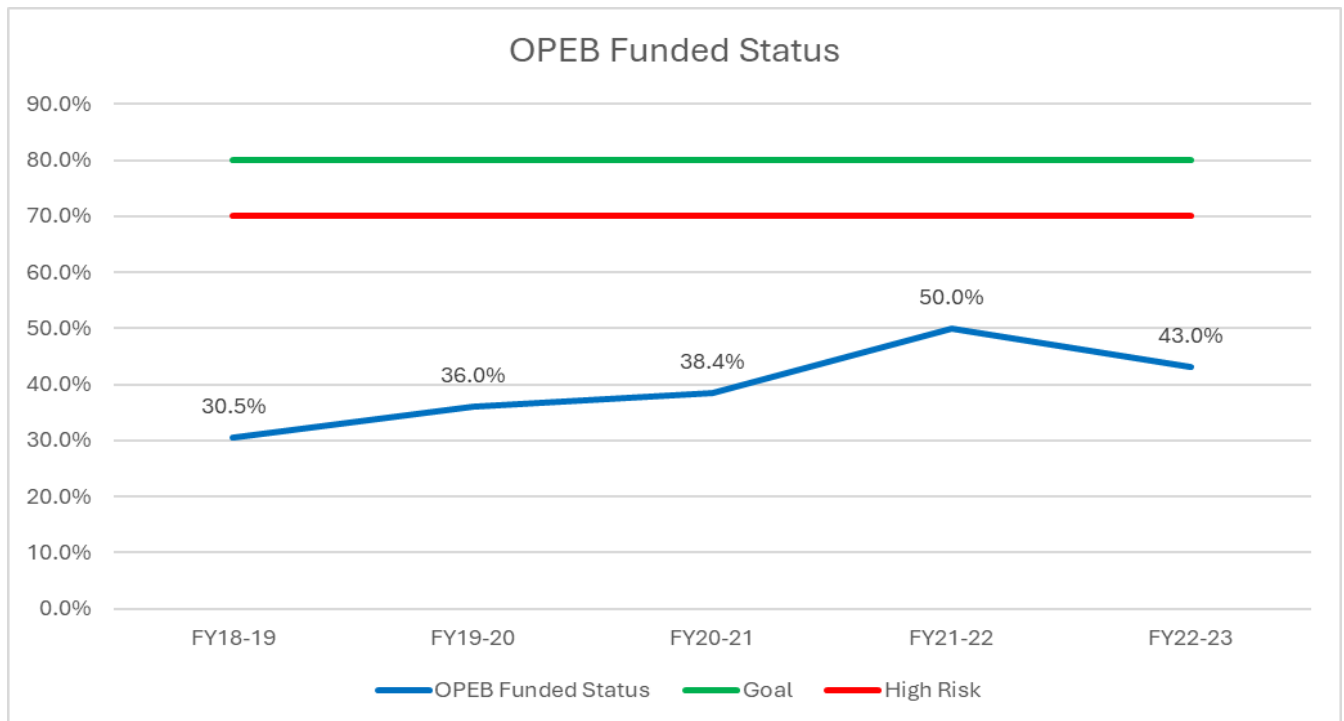
OPEB Funded Status

Current Status: High Risk

The Other Postemployment Benefits (OPEB) Funded Status KPI monitors the City’s funding status of its postemployment benefits (outside of pension). This typically includes retiree medical costs and this metric monitors the health of its OPEB trust fund to pay for future retiree medical costs. The City’s funds are currently held in the CalPERS Employers' Retiree Benefit Trust (“CERBT”) Fund.

The City’s OPEB funded status has improved since the CERBT account was established in FY15-16 with actuarially determined (net of pay as you go costs) contributions made each year. Although the City strives to maintain a fully funded post-employment benefits system, the State Auditor provides the highest scoring for meeting an 80% threshold. The City continues to make its annual payments as determined through regular actuarial reports and is expected to improve its funding status for this metric in future years. As such, it is important to continue sufficiently funding these contributions to stay on this path.

OPEB Funded Status	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23
Fiduciary Net Position - thousands	21,032	25,039	27,848	38,802	34,481
Total OPEB Liability - thousands	68,885	69,583	72,460	77,616	80,138
OPEB Funded Status	30.5%	36.0%	38.4%	50.0%	43.0%
Goal	80.0%	80.0%	80.0%	80.0%	80.0%
4-Year Average					39.6%



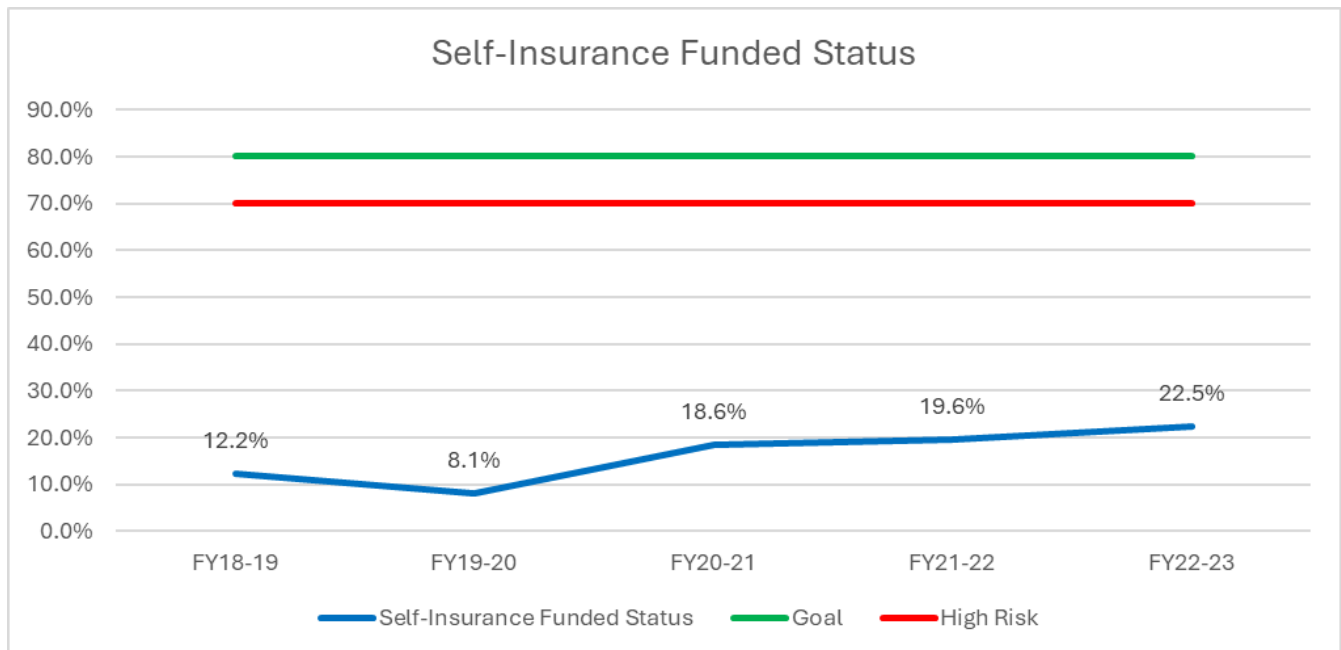
Self-Insurance Funded Status

Current Status: High Risk

The Self-Insurance Funded Status KPI monitors the City’s funding status of its Self-Insurance Fund, which pays for open litigation liabilities and workers compensation claims. The City uses this metric to monitor the financial health of the Self-Insurance Fund against outstanding claims.

Since FY17-18, the City’s Self-Insurance funded status has remained below 20%. Historically, the City has operated on a pay-as-you-go basis when funding this internal service fund. The City’s strives to fund 100% of its open liabilities though the goal for this metric has been set to 80% for consistency with pension and OPEB thresholds. As the City continues to increase its contributions to the Self-Insurance Fund, the Self-Insurance Fund’s FY24-25 budget has stabilized and is anticipated to remain balanced. However, given the low funded status and negative fund balance, additional one-time transfers will be recommended in the interim when budget savings are available to help address this shortfall.

Self-Insurance Funded Status	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23
Self-Insurance Assets - thousands	5,216	4,822	12,743	15,159	15,724
Self-Insurance Liabilities - thousands	42,717	59,815	68,570	77,326	69,790
Self-Insurance Funded Status	12.2%	8.1%	18.6%	19.6%	22.5%
Goal	80.0%	80.0%	80.0%	80.0%	80.0%
5-Year Average					16.2%



Capital Asset Condition

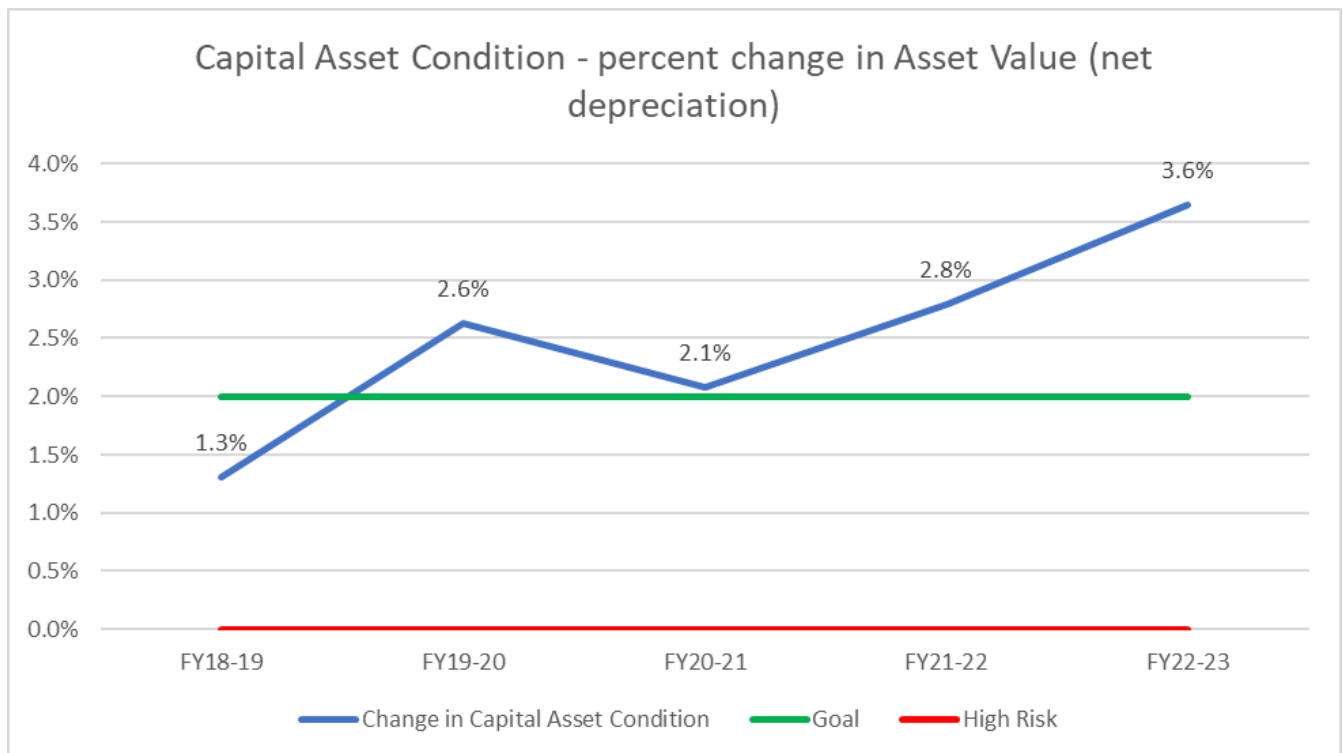
Current Status: Low Risk

The Capital Asset Condition KPI monitors the City’s investments in capital assets over time. The City uses this metric to determine the overall health of its assets and ensure that investments are made to properly maintain them.

The City’s change in total invested capital assets has generally increased each year. It is important to monitor this trend over time to ensure that the City does not experience a declining asset balance which would indicate accelerated deterioration of assets as they depreciate. As shown below, the change in net Capital Assets (net of depreciation) has been largely positive over the last five years. However, it is also important to monitor at Capital Asset Condition (amount remaining) which has been in decline since FY18-19. The City will continue to remain focused on improving this trend by investing more in its assets to ensure they are well-maintained.

Capital Asset Condition

	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23
Citywide Capital Asset Value - thousands	922,522	956,310	977,471	1,013,034	1,055,059
Accumulated Depreciation - thousands	-431,019	-451,887	-462,557	-483,760	-506,488
Citywide Capital Asset Value (net of depreciation) - thousands	491,503	504,423	514,914	529,274	548,571
Citywide Capital Asset Condition (amount remaining)	53.3%	52.7%	52.7%	52.2%	52.0%
Change in Capital Asset Condition	1.3%	2.6%	2.1%	2.8%	3.6%
Goal	2.0%	2.0%	2.0%	2.0%	2.0%
5-Year Average					2.5%



Economic Data

The City’s proposed FY24-25 operating budget was developed with consideration of both national and local economic trends. Staff have been monitoring economic indicators such as the federal funds rate, the Consumer Price Index, Real Gross Domestic Product, labor market trends, inventories to sales ratio, and consumer confidence.

Federal Funds Rate

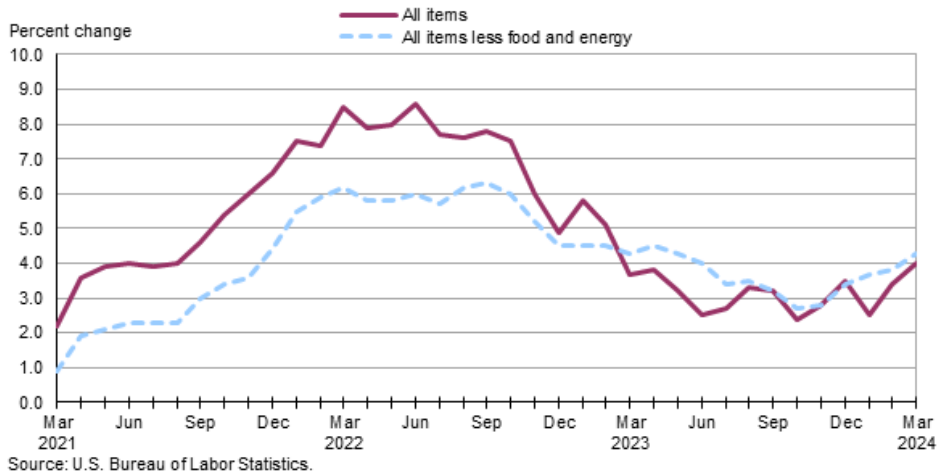
The Federal Funds Rate is the benchmark borrowing rate set by the U.S. Federal Reserve System (Fed) from which fixed income instruments, auto loans, mortgages, and credit card rates are based. As a result of spikes in inflation nationwide, the Fed began leveraging policy decisions in March 2022 to try and temper the economy and “cool” inflation trends. While down from a 40-year-high of 9.1% in June-2022, the inflation is still relatively high at 3.5% as of March 2024 and the Fed is truly on a path to its goal of 2% inflation rate.

The Fed last month kept its policy rate in the 5.25% to 5.5% range, where it has been since last July. Fed Vice Chair Phillip Jefferson in mid-April quoted saying, "my baseline outlook continues to be that inflation will decline further, with the policy rate held steady at its current level, and that the labor market will remain strong, with labor demand and supply continuing to rebalance". A strong labor market and slowly declining inflation still above Fed goals gives the U.S. central bank little reason to rush on rate cuts. Economists are currently betting on no rate cuts until the Fed's September 2024 meeting. These high borrowing rates create a significant headwind for the broader economy, adversely affecting the cost of investment for business as well as the cost of home ownership. This has directly affected home sales prices in Torrance, which have been steadily increasing since calendar Q1 2023 through Q1 2024.

Consumer Price Index (Inflation)

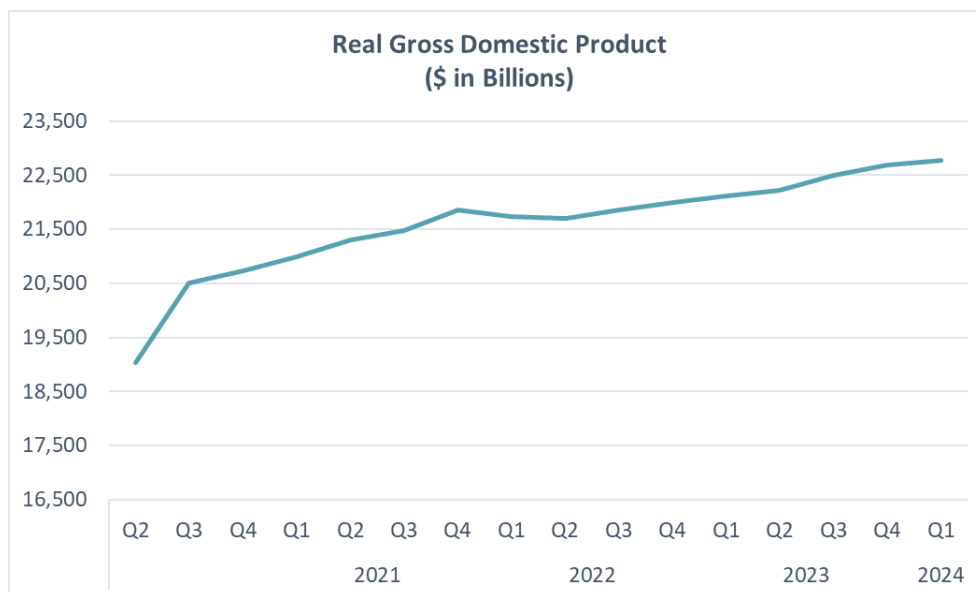
The Consumer Price Index (CPI-U) tracks the cost increase of goods, with the chart below more specifically focusing on our local region. As seen below, the CPI-U (CPI for All Urban Consumers) climbed to a peak of 9.1% in June 2022. Policymakers came into 2024 expecting that inflation would continue to cool rapidly, as it did late last year. However, progress on inflation has stalled or even reversed, as the inflation rate rose to 3.5% in March 2024. As a result, investors have repeatedly pushed back their estimates for when the first-rate cut will occur, and many are expecting to wait until September or even longer.

Chart 1. Over-the-year percent change in CPI-U, Los Angeles-Long Beach-Anaheim, CA, March 2021–March 2024



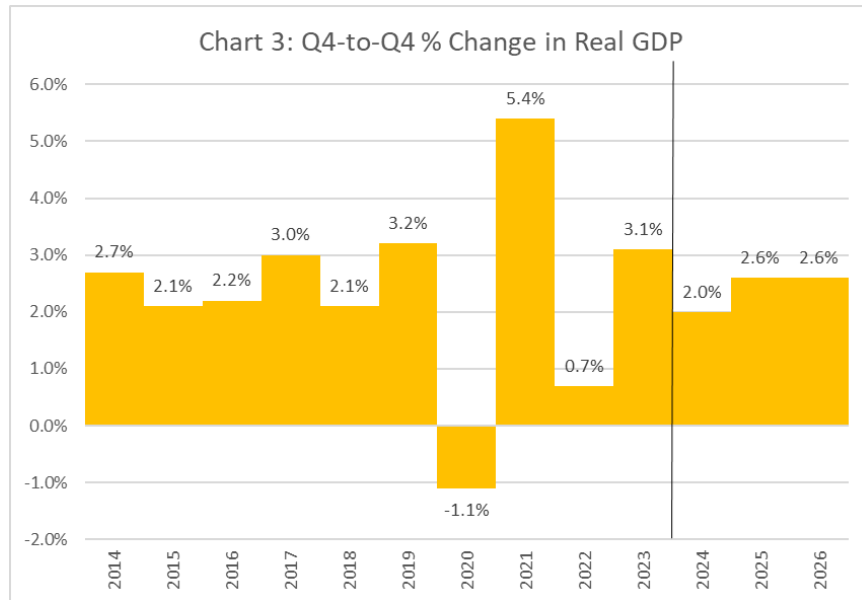
Real Gross Domestic Product

Real GDP is a measure that reflects the value of all goods and services produced by an economy in a given year and controlled for annual inflation figures. Essentially, it measures a country's total economic output. Real GDP metrics are used for analyzing economic growth over time. According to the most recent data available from the U.S. Bureau of Economic Analysis, the national GDP increased by 2.4% in the second calendar quarter, 2.9% in the third calendar quarter, and 3.1% in the fourth calendar quarter of 2023. Finally, an increase of 3% can be seen in the first quarter of 2024. These increases in real GDP reflect increases in consumer spending, private inventory investments, exports, state and local government spending, federal government spending, and residential fixed investments.



Source: United States Bureau of Economic Analysis

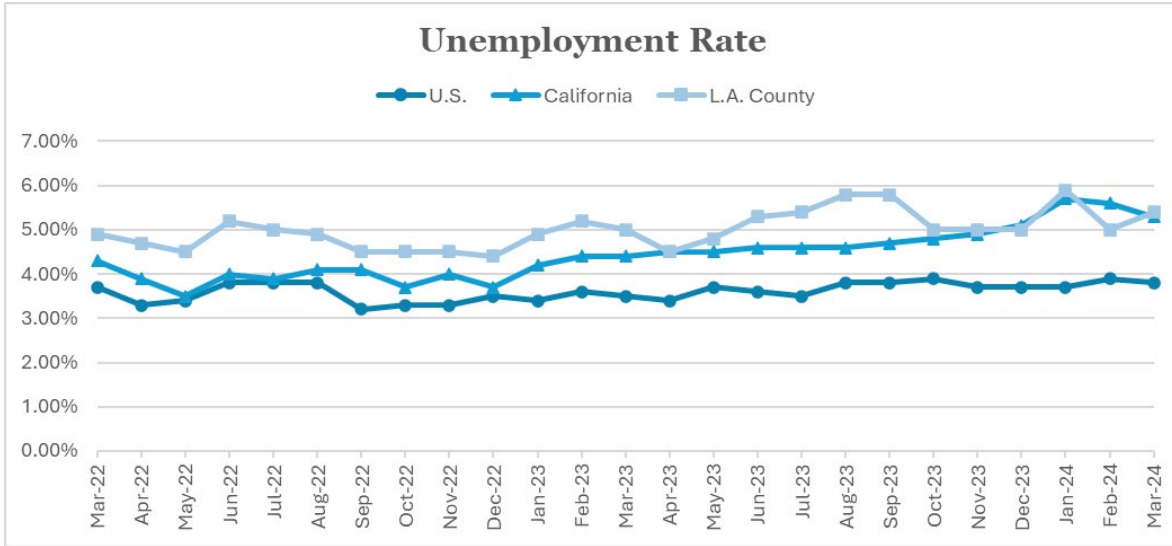
According to the March 2024 UCLA Anderson Forecast, annualized projections currently anticipate a growth rate of 2% in 2024, 2.6% in 2025, and 2.6% in 2026.



Source: The UCLA Anderson Forecast for the Nation and California: March 2024 Report

Labor Market Trends

As of March 2024, the U.S. unemployment rate was 3.8%; California’s was 5.3%; and Los Angeles (L.A.) County’s was 5.4%. Like national, state, and county results, local unemployment rates have started to tick upwards but remained low. While California and L.A. County unemployment rates are higher than the national level, Torrance unemployment levels fare better with an unemployment rate of 4.2% as of March 2024, which increased from 3.8% as of December 2023. This indicator will be of continued focus since economic activity is heavily driven by consumer demand and increases in unemployment rates will contribute to the overall headwinds facing the broader economy. California has added new jobs since the pandemic, but there are fewer active workers in the economy so labor shortages will likely impede job growth in the state, especially due to California’s severe housing shortage. Economists anticipate unemployment to mildly increase in 2024 and 2025, but anticipate unemployment levels to gradually come down to pre-pandemic level over the next few years.



Local Unemployment Rate Trends									
	2022			2023				2024	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	
National	3.6%	3.5%	3.5%	3.5%	3.6%	3.7%	3.8%	3.8%	
California	4.2%	3.9%	4.1%	4.3%	4.5%	4.6%	4.9%	5.3%	
Los Angeles County	5.1%	4.8%	4.7%	5.3%	4.9%	5.0%	5.0%	5.4%	
Carson	5.2%	4.8%	4.9%	5.4%	4.7%	5.3%	4.9%	5.3%	
Gardena	5.6%	4.8%	4.5%	5.0%	4.8%	5.4%	4.7%	4.8%	
Glendale	4.9%	4.3%	4.2%	5.2%	4.7%	5.7%	4.9%	5.0%	
Hawthorne	5.3%	4.4%	4.3%	5.2%	4.8%	5.3%	4.7%	5.2%	
Inglewood	6.1%	5.3%	5.0%	5.8%	5.3%	6.1%	5.5%	5.9%	
Santa Monica	4.7%	4.3%	4.4%	5.4%	5.1%	5.9%	5.0%	5.4%	
Torrance	3.7%	3.2%	3.4%	4.1%	3.8%	4.3%	3.8%	4.2%	

Inventories to Sales Ratio

The Inventory to Sales Ratio metric measures the amount of inventory being carried compared to the number of sales orders being fulfilled. Business inventories spiked in the peak of the COVID-19 pandemic at 1.74 briefly when the economy came to an immediate halt. As the economy partially reopened in 2021 and business resumed, the nation experienced a significant spike in demand and economic activity as restrictions continued to be lowered and interest rates dropped. This in turn placed great strain on the overall supply chain. The inventories to sales ratio hit a low of 1.25 in October 2021, which has had an impact on price of goods and overall inflation rates. Since that time, the balance has improved and begun to return to pre-pandemic levels as of the period ending February 2024 at 1.38. From an economist’s perspective, an upward trend reflects a deceleration of

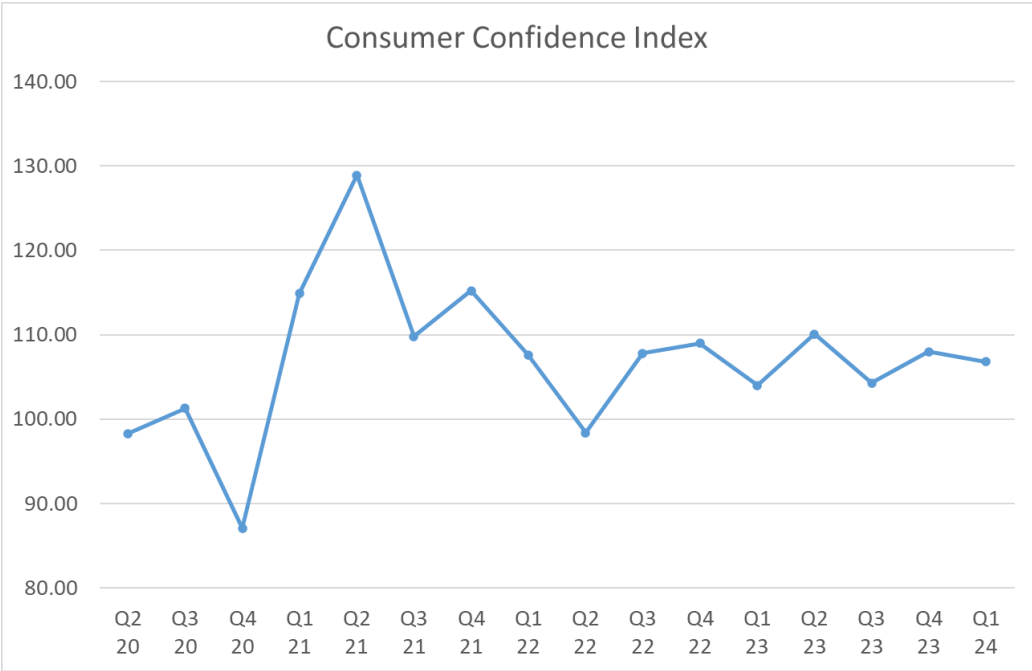
sales, or an increase of inventory on hand. Although this ratio displays an uptick, it is still lower than the 5-year pre-pandemic average (2015-2019) of 1.40.



Source: Federal Reserve Economic Data

Consumer Confidence Index

Consumer confidence index (“CCI”) is a critical driver of the U.S. and local economy which measure consumer confidence levels regarding their financial situation, sentiment about the general economic situation, unemployment, and capability of savings. According to the Conference Board Consumer Confidence Index survey, the CCI decreased in the first calendar quarter of 2024 to 106.8, from 108.00 in the fourth calendar quarter of 2023.



Source: Conference Board Consumer Confidence Index Survey

Dana Peterson, Chief Economist at the Conference Board, states that “Consumers remained concerned with elevated price levels, which predominated write-in responses. March’s write-in responses showed an uptick in concerns about food and gas prices, but in general complaints about gas prices have been trending downward. Indeed, average 12-month inflation expectations came in at 5.3 percent—barely changed from February’s four-year low of 5.2 percent. Recession fears continued to trend downward both in write-in responses and as measured by consumers’ perceived likelihood of a U.S. recession over the next 12 months. Meanwhile, consumers expressed more concern about the U.S. political environment compared to prior months.”

This is a metric the City will continue to monitor closely as sales and use tax is the City’s largest core revenue source, followed by property tax. With these figures falling below post-pandemic levels, it is anticipated that the City will experience a change in its sales tax growth trajectory.

REVENUES

LORRANCE TRANSIT STORE

485-B

485-A

485



Revenues

Citywide Revenue Summary by Fund

Fund Name	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
General Fund - Operating Fund	566,798,013	247,019,455	279,771,398	271,744,666	286,824,553	15,079,887	5.5%
General Fund - Measure SST	-	-	18,064,595	23,027,688	25,167,266	2,139,578	9.3%
General Fund - Rest/Assigned	2,296,122	3,900,269	4,648,221	25,763,426	12,981,411	(12,782,015)	-49.6%
General Fund - Unassigned	7,500,995	-	-	4,802,423	5,000,000	197,577	4.1%
AQMD Fund	256,219	141,614	198,640	208,296	208,296	-	0.0%
Debt Service Fund	393,885,656	19,097,306	22,099,220	22,593,178	23,107,338	514,160	2.3%
Meadow Park Parking Lot District	33,361	30,010	152,866	43,203	40,000	(3,203)	-7.4%
Low Mod Fund	97,251	91,468	1,429,993	90,000	40,450	(49,550)	-55.1%
Section 8 Housing	6,983,258	6,867,691	6,823,779	8,493,403	8,949,500	456,097	5.4%
Street Lighting Fund	2,731,993	2,428,066	1,710,391	1,806,995	1,866,272	59,277	3.3%
Traffic Safety Fund	-	-	-	180,000	180,000	-	0.0%
Vanpool Fund	123,030	137,451	240,548	228,030	245,871	17,841	7.8%
Airport Fund	16,531,183	20,107,973	23,886,882	17,024,729	18,342,326	1,317,597	7.7%
Sanitation Fund	18,217,039	17,818,176	16,649,110	16,156,401	18,918,815	2,762,414	17.1%
Sewer Fund	8,025,561	7,460,680	6,569,643	8,622,923	8,616,082	(6,841)	-0.1%
Transit Fund	40,454,749	35,621,601	35,962,667	37,254,922	35,233,572	(2,021,350)	-5.4%
Water Fund	53,785,443	51,617,763	55,377,877	54,827,481	54,803,501	(23,980)	0.0%
Fleet Services Fund	8,879,788	6,176,488	25,854,360	12,121,697	13,115,875	994,178	8.2%
Self-Insurance Fund	14,068,155	23,575,399	24,309,720	20,668,500	23,659,000	2,990,500	14.5%
Redevelopment Agency Fund	3,380,709	4,248,716	3,597,670	4,196,768	3,988,268	(208,500)	-5.0%
Total Revenues	\$ 1,144,048,525	\$ 446,340,126	\$ 527,347,580	\$ 529,854,729	\$ 541,288,396	\$ 11,433,667	2.2%

The citywide revenue budget is proposed to **increase by \$11.4 million (+2.2%)** in FY24-25. This increase is driven by the following factors:

- The **General Fund-Operating Fund** is proposed to **increase by \$15.1 million (+5.5%)**. The increase is mainly due to Operating Transfers-In from the Reserve Fund of \$5.0 million and from the Airport Fund of \$1.5 million; anticipated increase in tax receipts from franchise taxes, utility user's tax, property taxes and business license tax totaling \$5.5 million; and an increase in investment earnings of \$2.2. million.
- The **General Fund-Measure SST Fund** is proposed to **increase by \$2.1 million (+9.3%)**. The initial year of receipts collected from Measure SST totaled \$18.1 million for the period beginning October 2022 through June 2023. The FY23-24 budget was conservative in estimating the full year's revenue and the increase in the FY24-25 has been adjusted for prior year actuals with the current consumer spending trends.
- The **General Fund-Restricted/Assigned Fund** is proposed to **decrease by \$12.8 million (-49.6%)**. This is due to decreased transfers of \$10.5 million from the General Fund Operating Fund to the CEPPT Fund and \$2.5 million from the Measure SST fund to the CEPPT Fund. The total \$13.0 million decrease in transfers to the CEPPT fund is primarily due to increase in the UAL payment required in FY24-25.

- The **Airport Fund** is proposed to **increase by \$1.3 million (+7.7%)**, mainly due to an increase in rent from ground leases, hangar storage and landing fees.
- The **Sanitation Fund** is proposed to **increase by \$2.8 million (+17.1%)** due to a recent series of annual rate increases for refuse fees approved by Council through the Proposition 218 process. Beginning July 1, 2023, fees increased by 16% and by 9% annually starting on July 1, 2024. Since the FY2023-24 amended budget did not include any of these rate changes, this budget change represents the newly adjusted revenue base.
- The **Transit Fund** is proposed to **decrease by \$2.0 million (-5.4%)** mainly due to a decrease in Transportation Development Act funding.
- The **Fleet Services Fund** is proposed to **increase by \$1.0 million (+8.2%)**, mainly due to an increase in department contributions made towards future vehicle replacement.
- The **Self-Insurance Fund** is proposed to **increase by \$3.0 million (+14.5%)** due to increased contributions necessary to maintain adequate funding levels for settlements and workers compensation claims cases. As shown in the **Financial Key Performance Indicators (Self-Insurance Funded Status)** section of this document, this fund has been inadequately budgeted for historically, requiring additional increases in subsequent budget cycles.

Citywide Revenue Summary by Classification

Revenues	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
Taxes	174,949,183	197,270,248	225,603,439	238,154,262	245,022,470	6,868,208	2.9%
Licenses, Fees and Permits	4,438,358	5,439,912	6,030,909	5,773,777	5,429,133	(344,644)	-6.0%
Fines, Forfeitures and Penalties	648,759	740,948	676,656	940,672	822,774	(117,898)	-12.5%
Use of Money and Property	7,921,375	36,385,198	32,745,258	36,484,396	41,401,990	4,917,594	13.5%
Intergovernmental	39,217,688	40,222,593	39,053,710	40,922,386	39,195,088	(1,727,298)	-4.2%
Charges for Services	99,389,443	108,152,093	139,332,108	143,615,153	150,981,011	7,365,858	5.1%
Other Revenues	15,386,638	17,359,424	6,093,823	649,380	1,106,068	456,688	70.3%
Operating Transfers In	412,667,315	39,019,416	76,564,095	63,124,935	57,140,094	(5,984,841)	-9.5%
Other Financing Sources	389,429,766	1,750,294	1,247,582	189,768	189,768	-	0.0%
Total Revenues	\$ 1,144,048,525	\$ 446,340,126	\$ 527,347,580	\$ 529,854,729	\$ 541,288,396	\$ 11,433,667	2.2%

The primary drivers for the projected **increase of \$11.4 million** in FY24-25 are as follows:

- The **Charges for Services** classification is proposed to **increase by \$7.4 million** from various changes across multiple funds, mainly driven by increases from the Self-Insurance Fund of \$3.0 million, Sanitation Fund of \$2.5 million and General Fund-Operating Fund of \$1.3 million. The increase in the Self-Insurance Fund is mainly due to additional contributions from all departments to restore balance in its budget. The increase in the Sanitation Fund relates to the recent series of annual rate increases for refuse fees approved by Council through the Proposition 218 process. The increase from the General Fund-Operating Fund is primarily driven by the Public Provider Ground Emergency Medical Transport program fees of \$1.1

million from the EMT program and additional programming from Community Services totaling \$0.7 million.

- The **Taxes** classification is proposed to **increase by \$6.9 million**. This is mainly due to anticipated increases from multiple sources including franchise tax, utility user’s tax, property tax and business license tax totaling \$5.5 million. Additionally, Sales tax shows increase of \$0.5 million, which is due to increase of \$2.3 million in the General Fund-Measure SST Fund, partially offset by a decrease of \$1.9 million in the General Fund-Operating Fund.
- The **Use of Money and Property** classification is proposed to **increase by \$4.9 million** due to projected increases in investment earnings as a result of increase in the federal funds rate and increase in department contributions in the Fleet Services Fund made towards future vehicle replacement.
- The **Operating Transfers In** classification is proposed to **decrease by \$6.0 million** mainly due to a decrease in transfers to the City’s CEPPT Fund totaling \$13.0 million, offset by an increase in transfers to the General Fund-Operating Fund from the Reserve Fund of \$5.0 million and Airport Fund of \$1.5 million.
- The **Intergovernmental** classification is proposed to **decrease by \$1.7 million** primarily due to a decrease in funding receipts in the Transit Fund from the Transportation Development Act of \$2.0 million.

General Fund-Operating Fund Revenue Summary by Classification

Revenues	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
Taxes	170,493,435	191,931,102	202,796,701	209,861,473	214,595,854	4,734,381	2.3%
Licenses, Fees and Permits	4,438,358	5,439,912	6,030,909	5,773,777	5,429,133	(344,644)	-6.0%
Fines, Forfeitures and Penalties	648,759	740,948	676,656	760,672	642,774	(117,898)	-15.5%
Use of Money and Property	2,035,499	1,333,834	4,677,227	4,527,970	7,154,388	2,626,418	58.0%
Intergovernmental	351,755	598,758	521,909	349,501	490,127	140,626	40.2%
Charges for Services	10,701,208	19,058,438	21,010,365	23,965,796	25,217,466	1,251,670	5.2%
Other Revenues	14,403,629	12,727,548	4,638,132	209,360	299,604	90,244	43.1%
Operating Transfers In	363,725,370	13,628,387	38,361,683	26,296,117	32,995,207	6,699,090	25.5%
Other Financing Sources	-	1,560,528	1,057,816	-	-	-	0.0%
Total Revenues	\$ 566,798,013	\$ 247,019,455	\$ 279,771,398	\$ 271,744,666	\$ 286,824,553	\$ 15,079,887	5.5%

The **Taxes**, **Charges for Services**, and **Operating Transfers In** classifications are the primary sources of revenue for the City’s General Fund-Operating Fund and account for 95% of the revenues. The **Taxes** classification is comprised of the following three major sources: sales and use tax, property tax, and utility users’ tax. The **Charges for Services** classification includes user fees charged by city departments such as Community Development, Fire, General Services, and Community Services. Finally, the **Operating Transfers In** classification represents transfers mainly from the Airport Fund,

General Fund-Measure SST Fund, General Fund-Unassigned (Reserves) Fund, Sanitation Fund, and funding from Gas Tax to support the City’s day-to-day operations.

General Fund-Operating Fund Tax Revenue Summary by Classification

Revenues	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
Sales and Use Tax	54,756,028	63,634,583	62,610,106	64,400,972	62,525,957	(1,875,015)	-2.9%
Property Tax	40,891,279	42,087,215	44,156,785	47,137,917	48,288,709	1,150,792	2.4%
Real Prop Transfer Tax	1,005,082	1,412,032	943,943	828,540	1,016,060	187,520	22.6%
VLF Swap & Repayment	15,631,754	16,131,699	17,004,729	17,826,057	18,545,720	719,663	4.0%
Utility Users Tax	32,521,996	37,379,435	44,115,724	44,465,104	46,002,866	1,537,762	3.5%
Business License Tax	9,077,847	9,373,923	10,067,200	10,197,549	11,314,294	1,116,745	11.0%
Occupancy Tax	6,031,651	10,275,248	12,058,112	13,126,729	13,815,048	688,319	5.2%
Franchise Tax	8,668,584	9,226,855	10,750,647	9,831,080	11,507,535	1,676,455	17.1%
Construction Tax	1,902,424	2,401,910	1,082,781	2,033,484	1,572,665	(460,819)	-22.7%
Oil Severance Tax	6,790	8,203	6,675	14,041	7,000	(7,041)	-50.1%
Total Revenues	\$ 170,493,435	\$ 191,931,103	\$ 202,796,702	\$ 209,861,473	\$ 214,595,854	\$ 4,734,381	2.3%

As shown in the summary table above, the General Fund’s three core tax revenue sources are **Sales and Use Tax**, **Property Tax** (including Property Transfers and VLF Swap), and **Utility Users’ Tax**. These tax categories typically represent approximately 82% of the tax classification budget and about 62% of the overall General Fund-Operating Fund revenue budget.

Sales and Use Tax

The budget in this classification is projected to **decrease by \$1.9 million (-2.9%)** in FY24-25. This classification has continued to decrease from the peak in FY21-22 of \$63.6 million and staff continues to be cautious with forecasting for several reasons. The Federal Reserve’s monetary policy to slow inflation continues to adversely affect short-term borrowing and sales tax revenue trends. As of March 2024, the Federal Reserve maintained the Federal Funds Rate in a range of 5.25-5.5%.

As of the latest available data from calendar Q4 2023 for the last four quarters, the California Department of Tax & Fee Administration reported sales tax revenue growth in the following major industry groups: 18.1% in Business and Industry; 5.2% in Fuel and Service Stations; and 4.9% in Restaurants and Hotels. Conversely, Autos and Transportation experienced a decrease of 14.4%, Food and Drugs a decrease of 7.4%, and Building and Construction a decline of 6.8%. With core inflation above the federal reserve’s target level still a factor in the latest sales tax results, receipts from general consumer goods, specialty and department stores, and fuel and service stations grew. The receipts from auto sales, building materials, and grocery stores declined during this period. It is anticipated there will be a flattening in receipts from projected FY23-24 actuals of \$61.2 million as of the Mid-Year Budget Report, which is reflected in the City’s FY24-25 budget. Auto leases, home furnishings, convenience stores, heavy industrial/printers, and the state and county pools were

challenged in the last twelve months offsetting some of the gains. The City of Torrance has a well-diversified mix of sales tax producers with the top 25 generating 41% of sales tax receipts and the top 100 generating 65% of sales tax receipts.

Property Tax, Property Transfer Tax, and VLF Swap & Repayment

The budget in this classification is projected to **increase by \$1.2 million (+2.4%)** in FY24-25. The City's property tax base consists of a healthy mix of residential, commercial, and industrial properties. According to property tax consultants, HdL Coren & Cone, the City's net taxable assessed values grew by 5.3%, increasing from \$36.3 billion to \$38.2 billion in FY23-24 and placing Torrance in the top 10 highest value cities in Los Angeles County (8th). When examining the changes in net taxable assessed values, the largest contributors to this change were the residential and commercial categories. The residential market experienced the highest growth, increasing by 5.6% and adding \$1.4 billion in net taxable assessed value. The industrial category experienced the second largest increase of 3.6%, adding \$109 million in net taxable assessed value. Currently, the FY24-25 budget for property tax revenues is anticipated to surpass FY23-24 mid-year projections by 3.7%.

Based on the latest available calendar Q4 2023 data, the median sales price of a Torrance single-family detached home was \$1,150,000, an increase of 1.3% when compared to the median sales price of \$1,135,000 in the same quarter for 2022. During Q2 2022, the median sales price in Torrance hit an all-time high of \$1,295,000, followed by a 12.8% decline in Q3 2022. However, the residential market has since stabilized, with median home sales prices holding steady at \$1,135,000 in both Q4 2022 and Q1 2023. An increase of 4.0% and 1.3% was experienced during Q2 2023 and Q3 2023, respectively. Q4 2023 has shown 3.8% decrease, which was followed by 6.00% increase in Q1 2024.

In addition to sales price, property tax revenues are also affected by the number of residential sales transactions. During the last quarter of 2022, 151 homes were sold, while 150 homes were sold during the same period in 2023. This is indicative of a stabilization of buyer demand and reassessments under Proposition 13, which directly impact property tax revenue trends.

The California Legislature approved a property tax swap of Vehicle License Fees (VLF) in 2004 as part of a budget agreement between state and local jurisdictions. The centerpiece of this legislation was the permanent reduction of the VLF rate and more than 90% of the City's Motor License Vehicle Fund was eliminated and replaced by property taxes. In FY24-25, a 4.0% growth is anticipated from this revenue source.

Utility Users' Tax Revenue Summary by Classification

Revenues	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
Electricity	14,858,149	17,096,440	20,215,595	20,912,992	21,080,357	167,365	0.8%
Gas	3,815,319	4,429,206	5,757,504	5,401,540	6,003,793	602,253	11.1%
Refinery: Co-gen	877,568	581,580	856,944	757,698	893,601	135,903	17.9%
Refinery: Gas	3,897,948	6,004,803	8,295,360	8,304,467	8,650,211	345,744	4.2%
Water	3,606,414	3,780,966	3,605,812	4,163,445	3,760,058	(403,387)	-9.7%
Cable	1,683,538	1,738,884	1,666,102	1,575,385	1,737,373	161,988	10.3%
Cellular	1,057,511	1,122,572	1,245,623	1,296,803	1,298,908	2,105	0.2%
Telecom	2,725,552	2,624,983	2,472,785	2,052,774	2,578,565	525,791	25.6%
Total Revenues	\$ 32,521,999	\$ 37,379,434	\$ 44,115,725	\$ 44,465,104	\$ 46,002,866	\$ 1,537,762	3.5%

The UUT budget is projected to **increase by \$1.5 million (+3.5%)** in FY24-25. The City's UUT rate for electricity, telecommunications, gas, and cable is set at 6.5% and water is currently set at 6.0%.

The source categories driving the change from the prior period budget are increases from Gas, Telecom, and Refinery: Gas totaling \$1.5 million, offset by a decrease in Water of \$0.4 million. The Gas, Refinery: Gas, and Water categories are driven by the current rates and consumption. The Telecom category has seen fluctuation in the prior years due to revenue allocation between Cellular by carriers and the anticipated budget of \$2.6 million looks to be the expected base going forward. Currently, the FY24-25 budget for UUT revenues is anticipated to surpass FY23-24 mid-year projections by 5.0%

Business License Tax

The Business License Tax budget is projected to **increase by \$1.1 million (+11.0%)** in FY24-25. The proposed FY24-25 budget has been re-aligned with actuals and includes additional revenues due to the approved agreement for business license tax recovery and audit services with HdL Companies. Annual renewals for approximately 13,400 businesses (including outside contractors) are billed in December, due on January 1, and become delinquent on February 1. Currently, the FY24-25 budget for Business License Tax is anticipated to surpass FY23-24 mid-year projections by 6.0%.

Occupancy Tax

The Occupancy Tax budget is projected to **increase by \$688,000 (+5.2%)** in FY24-25. According to STR Global, an industry leader in hospitality data and analytics, occupancy rates reached a high of 86.9% for the month ending October 2023 and a low of 71.9% for December 2023 for the 12-month period ending February 2024. As of the latest report for the month ending February 2024, the calendar year-to-date occupancy tax rate is 78.1%, which is consistent with the prior year's rate of 78.5%. In addition, the average daily rate per room has increased by \$1.89, going from \$157.25 per night to \$159.14 per night. With the steady return of travel and tourism, the City's occupancy rates have

leveled off after exceeding pre-pandemic levels (FY18-19) during FY22-23. Currently, the FY24-25 budget for Occupancy Tax is anticipated to surpass FY23-24 mid-year projections by 3.0%.

Licenses, Fees & Permits

The budget in this classification is projected to **decrease by \$345,000 (-6.0%)** in FY24-25. This revenue source consists primarily of development-related fees such as building, engineering, and fire inspection fees, which has normalized. Currently, the FY24-25 budget for this classification is anticipated to surpass FY23-24 mid-year projections by 3.5%.

Use of Money and Property

The Use of Money and Property budget is projected to **increase by \$2.6 million (+58.0%)** in FY24-25. This revenue source includes investment income from interest earnings, rents, and other assets. The primary drivers for the projected increase in FY24-25 include growth in reserve balances and higher investment earnings from increases in the federal funds rate. However, these positive trends will be partially offset by a decline in interest income related to advances between the General Fund and the Successor Agency to the Former Redevelopment Agency. Currently, the FY24-25 budget for this classification is anticipated to surpass FY23-24 mid-year projections by 13.8%.

Fines and Forfeitures

The Fines and Forfeitures budget is projected to **decrease by \$118,000 (-15.5%)** in FY24-25. The Fines and Forfeitures revenue source mainly includes general court fees, traffic fines, parking fines, and administrative citations. While the City has begun to see incremental increases, this revenue classification remains below pre-pandemic levels due to challenges in staffing levels. Currently, the FY24-25 budget for this classification is anticipated to surpass FY23-24 mid-year projections by 6.8%.

Charges for Services Revenue Summary by Department

Charges for Services	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
City Manager	128,356	225,894	806,164	846,330	765,661	(80,669)	-9.5%
City Clerk	5,756	9,888	10,815	4,430	16,117	11,687	263.8%
Community Development	4,759,976	5,125,144	5,730,923	6,474,902	6,220,288	(254,614)	-3.9%
General Services	84,899	874,461	981,678	1,222,919	1,136,049	(86,870)	-7.1%
Non-Departmental	15,639	16,452	15,389	14,899	16,491	1,592	10.7%
Police	240,658	279,573	304,754	539,468	448,673	(90,795)	-16.8%
Fire	3,397,471	8,089,610	8,513,144	10,084,175	11,139,044	1,054,869	10.5%
Public Works	215,950	225,507	230,762	242,177	267,151	24,974	10.3%
Community Services	1,852,503	4,211,909	4,416,736	4,536,496	5,207,992	671,496	14.8%
Total Revenues	\$ 10,701,208	\$ 19,058,438	\$ 21,010,365	\$ 23,965,796	\$ 25,217,466	\$ 1,251,670	5.2%

The Charges for Services budget is projected to **increase by \$1.3 million (+5.2%)** in FY24-25. Currently, the FY24-25 budget for this classification is anticipated to surpass FY23-24 mid-year projections by 0.8%.

This revenue source represents general government charges for an array of services such as construction related fees (e.g. plan checks), green building code fees, inspection fees, emergency transport fees, and various participant fees (Community Services and General Services). The major changes in this revenue category for FY24-25 are driven by the following factors:

- **Fire** – The department’s revenue budget is proposed to increase by \$1.1 million (+10.5%) in FY24-25. This is the result of the City’s participation in the enhanced PP-GEMT program. In addition, FY24-25 will be the first full year of PP-GEMT program participation, prompting increased revenues for the department.
- **Community Services** – The department’s revenue budget is proposed to increase by \$0.7 million (+14.8%) in FY24-25. While most programs have returned since the onset of COVID-19, overall revenues continue to lag. Based on a recent trend analysis, the budget in this classification is projected to operate at 93% of pre-pandemic level of \$5.6 million.
- **Community Development** – The department’s revenue budget is proposed to decrease by \$0.3 million (-3.9%) in FY24-25 due to a stabilization in development-related activity.

General Fund-Measure SST Fund Revenue Summary by Classification

Expenditures	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
Taxes	-	-	18,120,402	23,002,688	25,345,116	2,342,428	10.2%
Use of Money and Property	-	-	(55,807)	25,000	(177,850)	(202,850)	-811.4%
Total Expenditures	\$ -	\$ -	\$ 18,064,595	\$ 23,027,688	\$ 25,167,266	\$ 2,139,578	9.3%

The General Fund-Measure SST Fund comprises approximately 7.6% of the General Fund’s overall revenue budget. This fund separately accounts for the 0.50% transaction and use tax (sales tax) approved by the Torrance voters in June 2022. This measure, titled **Safe Strong Torrance**, included four main funding priorities: **Quality of Life; Fiscal Sustainability; Deferred Maintenance & Community Services/Programs;** and **Emergency Responsiveness**. As the City’s governing body, City Council will continue to approve the budgeted use of these funds; the Measure SST Citizens’ Oversight Committee will ensure funds are utilized in accordance with the spending plan as approved by City Council and review the fund’s annual audited financials.

The General Fund-Measure SST Fund’s revenue budget is proposed to **increase by \$2.1 million (+9.3%)** in FY24-25, primarily due to the projected **increase of \$2.3 million** in the **Taxes** classification. The initial year of sales tax receipts collected from Measure SST totaled \$18.1 million for the period beginning October 2022 through June 2023. The FY23-24 budget was conservative in estimating the full year’s revenue and the increase in the FY24-25 has been adjusted for prior year actuals with the current consumer spending trends.

An aerial photograph of a coastal city and beach, overlaid with a semi-transparent blue filter. The image shows a wide sandy beach on the left, with waves breaking onto the shore. To the right of the beach is a road with cars and a cityscape in the background. In the foreground, there is a lifeguard stand and a small building with a red roof. The word "EXPENDITURES" is written in large, white, bold, sans-serif capital letters across the center of the image.

EXPENDITURES

Expenditures

Citywide Expenditures Summary by Fund

Fund Name	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
General Fund - Operating Fund	543,474,046	223,993,425	261,591,943	271,990,678	286,824,553	14,833,875	5.5%
General Fund - Measure SST	-	-	17,550,521	23,027,688	27,495,124	4,467,436	19.4%
General Fund - Rest/Assigned	835,962	1,335,764	920,535	2,599,007	1,268,773	(1,330,234)	-51.2%
General Fund - Unassigned	10,397,177	146,776	-	-	5,000,000	5,000,000	0.0%
AQMD Fund	151,441	108,160	185,581	175,185	178,939	3,754	2.1%
Debt Service Fund	395,294,273	20,303,542	22,098,251	22,593,178	23,107,338	514,160	2.3%
Meadow Park Parking Lot District	25,959	25,673	24,967	32,203	31,500	(703)	-2.2%
Low Mod Fund	145,479	63,981	56,255	61,780	65,061	3,281	5.3%
Section 8 Housing	6,800,151	6,708,014	6,969,159	8,367,410	8,825,679	458,269	5.5%
Street Lighting Fund	2,760,097	2,428,066	1,710,390	1,806,995	1,866,272	59,277	3.3%
Traffic Safety Fund	-	-	-	180,000	180,000	-	0.0%
Vanpool Fund	123,030	137,452	240,547	228,030	245,871	17,841	7.8%
Airport Fund	15,223,288	14,738,400	23,675,160	17,056,181	16,171,074	(885,107)	-5.2%
Sanitation Fund	17,652,164	16,075,488	14,811,383	20,155,560	20,062,665	(92,895)	-0.5%
Sewer Fund	8,060,774	7,255,006	5,230,481	6,891,511	6,787,444	(104,067)	-1.5%
Transit Fund	37,765,206	27,424,123	28,721,122	38,491,434	40,196,249	1,704,815	4.4%
Water Fund	46,866,042	44,797,977	47,410,976	56,508,067	53,970,219	(2,537,848)	-4.5%
Fleet Services Fund	8,117,285	5,418,067	5,270,328	8,609,575	8,298,776	(310,799)	-3.6%
Self-Insurance Fund	14,738,197	29,169,760	16,210,165	28,494,290	23,432,183	(5,062,107)	-17.8%
Redevelopment Agency Fund	1,888,685	1,846,552	1,739,425	1,700,703	1,401,953	(298,750)	-17.6%
Total Expenditures	\$ 1,110,319,256	\$ 401,976,226	\$ 454,417,189	\$ 508,969,475	\$ 525,409,673	\$ 16,440,198	3.2%

The summary table above shows the citywide expenditure budget by fund. The citywide expenditure budget is proposed to **increase by \$16.4 million (+3.2%)** in FY24-25. This increase is primarily driven by the following factors:

- The **General Fund-Operating Fund** is proposed to **increase by \$14.8 million (+5.5%)**. This is the result of planned increases in salaries and employee benefits, UAL payment, and contribution to the Self-Insurance Fund. This increase is partially offset by the decrease of \$10.5 million in the transfers to the CEPPT Fund. Further expenditure details for this fund are provided in the **Departments** section of this document.
- The **General Fund-Measure SST Fund** is proposed to **increase by \$4.5 million (+19.4%)**. This budget increase is the result of revenue trends exceeding original projections for this fund. Further expenditure details for this fund are provided in the **Departments** section of this document.
- The **General Fund-Restricted/Assigned Fund** is proposed to **decrease by \$1.3 million (-51.2%)**. This is primarily attributable to one-time funding for the Public, Education, and Government Access Fund necessary in FY23-24 to purchase capital equipment.

- The **General Fund-Unassigned Fund** is proposed to **increase by \$5.0 million**. This is attributable to anticipated transfers to the General Fund-Operating Fund for \$5.0 million to support public safety wage increases and balance the FY24-25 budget.
- The **Airport Fund** is proposed to **decrease by \$900,000 (-5.2%)**. This is due to reduced professional legal fees as a result of one-time expenses in FY23-24, which was partially offset by the increase in the transfers to General Fund.
- The **Transit Fund** is proposed to **increase by \$1.7 million (+4.4%)**. This is due to salaries and employee benefits as a net result of changes in the department’s budgeted staffing levels, recently approved or anticipated pay and benefit adjustments, CalPERS rates, and other various employee-related cost elements.
- The **Water Fund** is proposed to **decrease by \$2.5 million (-4.5%)**. This is due to reduced contributions to the Water Capital Project Fund and Water Vehicle Replacement Fund, partially offset by the increase in Depreciation and Water Supply Costs.
- The **Self-Insurance Fund** is proposed to **decrease by \$5.1 million (-17.8%)**. This is due to decreases in anticipated actuarial adjustments based on the fund’s recent trends.

Citywide Expenditures Summary by Classification

Expenditures	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
Salaries and Employee Benefits	563,195,969	213,075,106	211,708,796	234,907,086	257,243,716	22,336,630	9.5%
Salaries and Benefits Reimbursements	(7,431,566)	(1,472,756)	(748,267)	(1,446,294)	(1,628,794)	(182,500)	12.6%
Materials, Supplies & Maintenance	21,707,654	23,325,382	26,337,899	35,093,853	37,094,909	2,001,056	5.7%
Materials Reimbursements	(3,527,052)	(1,036,267)	(819,740)	(657,751)	(770,142)	(112,391)	17.1%
Parts, Fuel & Lubricants Inventory Purchases	3,116,303	3,932,554	4,418,625	5,052,179	5,509,548	457,369	9.1%
Parts, Fuel & Lubricants Contra	(3,116,303)	(3,932,554)	(4,419,137)	(5,052,179)	(5,509,548)	(457,369)	9.1%
Stored Water Rights Inventory Purchases	411,611	430,781	444,314	471,699	-	(471,699)	-100.0%
Stored Water Rights Contra	(411,610)	(430,781)	(444,314)	(471,699)	-	471,699	-100.0%
Professional/Contract Services	13,820,005	16,765,325	21,640,976	34,221,617	29,012,008	(5,209,609)	-15.2%
Water Supply Costs	26,301,940	28,323,919	32,958,829	33,350,000	34,785,000	1,435,000	4.3%
Training, Travel & Membership Dues	636,910	956,940	1,431,486	2,002,824	2,298,500	295,676	14.8%
Depreciation and Amortization	7,295,636	6,549,625	5,835,513	7,224,224	9,490,877	2,266,653	31.4%
Liabilities, Settlements & Insurance	9,784,785	20,917,953	20,271,898	18,939,450	19,151,676	212,226	1.1%
Utilities	5,700,950	6,703,458	6,654,239	6,778,604	7,291,634	513,030	7.6%
Interdepartmental Charges	18,061,285	18,631,011	27,536,949	35,024,049	41,036,346	6,012,297	17.2%
Debt Service	9,461,087	43,151,329	48,353,553	49,993,150	50,104,749	111,599	0.2%
Debt Service Reimbursements	(1,811,273)	(19,728,483)	(20,275,020)	(21,547,281)	(21,436,950)	110,331	-0.5%
Capital Acquisitions	2,312,444	3,685,302	3,126,260	29,545,269	23,628,639	(5,916,630)	-20.0%
Asset Contra Account	(3,596,417)	(2,316,847)	(2,172,019)	(26,855,130)	(21,796,866)	5,058,264	-18.8%
Bad Debts and Other Losses	5,582,822	8,875,680	(4,139,979)	8,501,319	3,238,860	(5,262,459)	-61.9%
Other Expenditures	254,781	299,838	254,532	278,800	53,500	(225,300)	-80.8%
Reimbursements-Indirect Costs	(7,610,489)	(7,114,694)	(6,320,271)	(8,557,193)	(9,147,553)	(590,360)	6.9%
Other Operating Transfers Out	409,535,559	42,384,405	82,782,067	72,172,879	65,759,564	(6,413,315)	-8.9%
Other Financing Uses	40,644,225	-	-	-	-	-	0.0%
Total Expenditures	\$ 1,110,319,256	\$ 401,976,226	\$ 454,417,189	\$ 508,969,475	\$ 525,409,673	\$ 16,440,198	3.2%

The summary table above shows citywide expenditure budget by classification. For FY24-25, the **increase of \$16.4 million** is driven by the following factors:

-
- The **Salaries and Employee Benefits** classification is proposed to **increase by \$22.3 million**, a net result of changes in the department’s budgeted staffing levels, recently renewed or anticipated labor contracts, salary grid modifications, longevity pay adjustments, CalPERS rates, benefits elections, and other various employee-related cost elements. \$6.2 million of this increase is directly attributable to payments towards the City’s unfunded actuarial liability (UAL).
 - The **Materials, Supplies & Maintenance** classification is proposed to **increase by \$2.0 million**, as a result of an anticipated increase in facility and vehicle repair and maintenance and program and maintenance supplies in various departments, as well as an increase in anticipated Section 8 Housing Rental Assistance Payments. Further expenditure details for this classification are provided in the **Departments** section of this document.
 - The **Professional/Contract Services** classification is proposed to **decrease by \$5.2 million**, primarily due to decrease in Airport Fund’s legal expenditures. During FY23-24, expenditure budget of \$3.5 million was transferred from the **Transfers Out** classification to **Professional/Contract Service** classification in order to cover costs related to a legal matter, which has been restored in the FY24-25 proposed budget to align with anticipated needs.
 - The **Interdepartmental Charges** classification is proposed to **increase by \$6.0 million**, a result of increased contributions by \$3.0 million to the City’s Self-Insurance Fund which are necessary to maintain adequate funding levels for settlements and workers’ compensation claims cases. Additionally, City’s internal rent charges to departments have been reclassified from **Materials, Supplies & Maintenance** classification to the **Interdepartmental Charges** classification, which is proposed to be \$2.0 million in FY24-25 budget.
 - The **Bad Debts and Other Losses** classification is proposed to **decrease by \$5.3 million**, as a result of revised assumptions pertaining to future actuarial adjustments based on the Self Insurance Fund’s recent performance for liabilities and workers’ compensation claims.
 - The **Other Operating Transfers Out** classification is proposed to **decrease by \$6.4 million**, primarily as a result of decrease in contributions to the CEPPT Fund by \$13.0 million and transfers to the Water Capital Projects Fund by \$7.1 million, partially offset by increase in transfers to General Fund by \$8.1 million (mainly from the CEPPT Fund and Airport Fund) and transfers to Capital Improvement by \$6.7 million.

Citywide Expenditures Summary by Department

Expenditures	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
Council	484,094	390,766	485,730	621,134	604,508	(16,626)	-2.7%
City Manager	7,686,988	5,142,707	6,338,429	7,690,115	8,195,281	505,166	6.6%
City Attorney	4,675,148	2,557,846	2,796,409	3,133,064	3,347,091	214,027	6.8%
City Clerk	1,717,814	1,661,121	877,877	1,359,558	1,598,328	238,770	17.6%
City Treasurer	579,323	304,785	338,794	366,088	483,686	117,598	32.1%
Finance	23,940,166	34,386,960	21,599,694	34,745,729	29,769,079	(4,976,650)	-14.3%
Human Resources	2,841,996	1,800,666	2,110,571	2,494,941	2,994,183	499,242	20.0%
Civil Service	915,162	537,116	737,818	1,038,510	1,147,201	108,691	10.5%
Community Development	25,107,500	16,415,718	17,557,359	20,381,099	21,349,316	968,217	4.8%
CIT	9,632,101	7,640,300	7,644,956	9,566,967	10,074,449	507,482	5.3%
General Services	33,478,458	28,738,017	38,401,715	36,439,628	36,396,369	(43,259)	-0.1%
Non-Departmental	424,404,792	33,490,820	76,659,477	68,311,235	67,532,833	(778,402)	-1.1%
Police	262,256,437	85,006,138	86,678,247	95,709,919	102,018,716	6,308,797	6.6%
Fire	149,654,245	52,490,599	56,677,236	59,354,384	69,295,045	9,940,661	16.7%
Public Works	93,496,180	83,320,212	85,433,741	105,051,295	103,809,069	(1,242,226)	-1.2%
Community Services	31,683,646	20,668,332	21,358,014	24,214,375	26,598,270	2,383,895	9.8%
Transit	37,765,206	27,424,123	28,721,122	38,491,434	40,196,249	1,704,815	4.4%
Total Expenditures	\$ 1,110,319,256	\$ 401,976,226	\$ 454,417,189	\$ 508,969,475	\$ 525,409,673	\$ 16,440,198	3.2%

The summary table above shows the citywide expenditure budget by department. Further details are provided in the **Departments** section of this document.

Staffing Changes Summary by Department

Department	FY23-24 FTE Budget	FY24-25 FTE Budget	FY24-25 FTE Increase/ (Decrease)	FY24-25 Expenditure/ (Savings)
City Attorney	15.00	14.00	(1.00)	(135,924)
Community Development	72.50	74.00	1.50	156,503
Community Services	204.19	204.19	-	24,741
Finance	40.75	38.75	(2.00)	(199,313)
Fire	201.50	203.00	1.50	42,166
Human Resources	12.00	14.00	2.00	237,111
Public Works	206.00	205.00	(1.00)	(60,774)
Total			1.00	\$ 64,510

As shown in the table above, the City's FY24-25 operating budget includes a proposed increase of 1.0 FTE position, the net result of various departmental staffing modifications which are described in the following sections.

City Attorney

- **Delete a 1.0 FTE Deputy City Attorney I** since grant funding intended to help cover costs for the implementation of LA County's Homeless Court Program is no longer available.

Community Development

- **Delete a 0.5 FTE Administrative Project Aide** position to focus on the staffing needs of other divisions within the department.
- **Add a 1.0 FTE Housing Specialist** to support the department's successful efforts in expanding the City's Section 8 Housing program. This position will oversee case management, review and approval of program applications, issuance of vouchers, preparation of new housing contracts, and Housing Quality Standard inspections.
- **Add a 1.0 FTE Planning Associate** to support the increased workload in the Planning Division. This position will assist with processing permit applications, environmental reviews, and help ensure state-mandated permit review timelines are met.

Community Services

- **Convert a 1.0 FTE Senior Library Technician** to a **1.0 FTE Senior Librarian** to re-establish a library management model that allows Senior Librarian to focus on the development of quality programs and outreach services that better serve the Torrance community.

Finance

- **Delete a 1.0 FTE Workers' Compensation Claims Examiner and a 1.0 FTE Claims Technician** due to reduced staffing needs after the implementation of a third-party agreement to outsource workers' compensation claims administration services.

Fire

- **Add 2.0 FTE Ambulance Operators** to implement a 24-hour Basic Life Support ambulance unit (BLS-92) to enhance the department's citywide BLS response times and address the growing demand for medical transport services.
- **Delete a 1.0 FTE Business Manager** since BLS Coordinator duties were assigned to an incumbent Fire Captain as a result of several unsuccessful attempts to fill the position.
- **Convert a 0.5 FTE Intern to a 1.0 FTE Fire Cadet** to match current staffing needs and provide added exposure for the department's "Grow Our Own" program.

Human Resources

- **Add a 1.0 FTE Human Resources Analyst** to provide much-needed support to city departments, including job classification and compensation analysis, workplace investigations, and employee engagement initiatives.
- **Add a 1.0 FTE Human Resources Technician** to assist with the increasing number of active recruitments as well as the registration and onboarding of newly hired employees.

Public Works

- **Convert a 1.0 FTE Engineering Manager – Major Projects to 1.0 FTE Engineering Manager** to align job duties with the department’s current staffing needs.
- **Delete a 1.0 FTE Water Service Intern** due to low retention after completion of apprenticeship training.

Non-Wage Program-Level Budget Changes Summary by Department

Department	FY24-25 Non-Wage Program-Level Budget Changes
City Manager	33,000
City Treasurer	100,000
Communications and Information Technology	415,000
Community Development	(125,000)
Community Services	412,000
Finance	(210,000)
Fire	177,000
General Services	500,000
Police	52,000
Total	\$ 1,354,000

In addition to staffing changes, the proposed FY24-25 operating budget also includes non-wage modifications. Staff utilized a zero-based budgeting strategy and examined all non-wage expenditure classifications to properly allocate resources based on anticipated activity for the coming fiscal year which are described in the following sections. The table above is intended to highlight the cost of non-wage expenditures related to new or expanded program initiatives, while ignoring budget changes that are primarily the result of fluctuations in cost or changes in overall budget structure.

City Manager

- **Professional/Contract Services** increases due to Civic Center Master Plan costs (+\$63,000) and other economic development/land management initiatives (+\$100,000). However, these new activities are largely offset by the elimination of one-time budget associated with city charter amendments (-\$130,000).

City Treasurer

- **Professional/Contract Services** increases due to a one-time Treasury/Finance checks and balances audit (+\$75,000).

-
- **Training, Travel & Membership Dues** increases to cover a one-time leadership course for the City Treasurer (+\$25,000).

Communications and Information Technology

- **Materials, Supplies & Maintenance** increases due to the addition of a new Multiprotocol Label Switching (MPLS) contract to support citywide network and connectivity enhancements (+\$158,000).
- **Professional/Contract Services** increases by costs associated with the implementation and/or enhancement of citywide software solutions, such as an Extra, Load, Transform (ELT) data integration suite (+\$60,000), enterprise cashiering software (+\$145,000), Fire-critical asset management software (+\$19,000), and fleet management software (+\$33,000); however, these costs are partially offset by the reduced need to renew other types of software licenses.

Community Development

- **Professional/Contract Services** decreases due to the reduced need for one-time code enforcement consulting services (-\$75,000) and other various consulting services (-\$50,000).

Community Services

- **Materials, Supplies & Maintenance** increases due to supplies for various community-based programs (+\$50,000), recreation services programs (+\$100,000), cultural services programs (+\$30,000), and library programs (+\$50,000). Additional adjustments account for increased investments in park services supplies (+\$100,000).
- **Professional/Contract Services** increases from addition and expansion of park operations contracts (+\$82,000).

Finance

- **Professional/Contract Services** decreases due to the reduced need for legal services related to issues that were resolved in FY23-24 (-\$100,000) and revised projections for business license audit contract costs (-\$110,000).

Fire

- **Materials, Supplies & Maintenance** increases due to the need for additional fire turnout gear replacements (+\$77,000).
- **Capital Acquisitions** increases from additional capital equipment investments (+\$100,000).

General Services

- **Materials, Supplies & Maintenance** increase due to expenses for routine facility maintenance being shifted from the City’s capital budget to the department’s operating budget (+\$500,000).

Police

- **Training, Travel & Membership Dues** increases due to the department’s continued efforts to invest in training and development for staff (+\$52,000).

General Fund-Operating Fund Expenditures Summary by Department

Expenditures	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
Council	484,094	390,766	485,730	621,134	604,508	(16,626)	-2.7%
City Manager	7,686,988	5,142,707	6,338,429	6,690,115	7,195,281	505,166	7.6%
City Attorney	4,675,148	2,557,846	2,796,409	3,133,064	3,347,091	214,027	6.8%
City Clerk	1,717,814	1,661,121	877,877	1,359,558	1,598,328	238,770	17.6%
City Treasurer	579,323	304,785	338,794	366,088	483,686	117,598	32.1%
Finance	9,201,969	5,217,200	5,389,529	6,251,439	6,336,896	85,457	1.4%
Human Resources	2,841,996	1,800,666	2,110,571	2,494,941	2,994,183	499,242	20.0%
Civil Service	915,162	537,116	737,818	1,038,510	1,147,201	108,691	10.5%
Community Development	15,972,755	7,525,886	8,341,425	9,815,788	10,600,313	784,525	8.0%
CIT	9,632,101	7,640,300	7,486,251	8,741,967	9,249,449	507,482	5.8%
General Services	10,137,885	8,581,550	9,456,227	10,773,872	11,926,519	1,152,647	10.7%
Non-Departmental	17,877,380	11,704,738	36,248,875	21,916,362	12,486,598	(9,429,764)	-43.0%
Police	262,256,437	85,006,138	86,678,247	95,529,919	101,838,716	6,308,797	6.6%
Fire	149,654,245	52,490,599	56,677,236	59,354,384	69,295,045	9,940,661	16.7%
Public Works	18,157,103	12,763,675	16,270,511	19,689,162	21,122,469	1,433,307	7.3%
Community Services	31,683,646	20,668,332	21,358,014	24,214,375	26,598,270	2,383,895	9.8%
Total Expenditures	\$ 543,474,046	\$ 223,993,425	\$ 261,591,943	\$ 271,990,678	\$ 286,824,553	\$ 14,833,875	5.5%

The summary table above shows the General Fund-Operating Fund expenditure budget by department. The General Fund-Operating Fund expenditure budget is projected to **increase by \$14.8 million** in FY24-25. Further details explaining the increase in FY24-25 are provided in the **Departments** section of this document.

General Fund-Operating Fund Expenditure Summary by Classification

Expenditures	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
Salaries and Employee Benefits	506,983,880	178,895,240	181,083,666	194,774,835	213,878,787	19,103,952	9.8%
Salaries and Benefits Reimbursement	(7,363,682)	(1,456,149)	(738,235)	(1,446,294)	(1,628,794)	(182,500)	12.6%
Materials, Supplies & Maintenance	8,044,070	9,297,067	10,964,025	15,664,232	17,758,683	2,094,451	13.4%
Materials Reimbursements	(3,061,504)	(767,892)	(432,584)	(362,751)	(370,142)	(7,391)	2.0%
Professional/Contract Services	6,805,178	9,887,332	12,357,349	16,960,456	16,001,376	(959,080)	-5.7%
Training, Travel & Membership Dues	569,435	854,259	1,296,267	1,661,305	1,939,208	277,903	16.7%
Liabilities, Settlements & Insurance	1,174,725	500,358	679,787	186,581	186,680	99	0.1%
Utilities	3,658,614	4,407,579	4,391,513	4,373,378	4,681,683	308,305	7.0%
Interdepartmental Charges	8,179,350	8,265,264	15,835,770	19,314,421	24,144,320	4,829,899	25.0%
Debt Service	2,048,047	19,346,092	22,646,082	22,855,281	23,369,441	514,160	2.2%
Debt Service Reimbursements	-	(17,854,361)	(18,337,743)	(18,832,766)	(19,341,206)	(508,440)	2.7%
Capital Acquisitions	389,900	2,090,644	1,360,558	801,143	606,500	(194,643)	-24.3%
Asset Contra Account	-	-	(300,812)	-	-	-	0.0%
Bad Debts and Other Losses	216	51	-	1,000	1,000	-	0.0%
Other Expenditures	4,781	-	-	-	-	-	0.0%
Reimbursements-Indirect Costs	(7,610,489)	(7,114,694)	(6,320,271)	(8,557,193)	(9,147,553)	(590,360)	6.9%
Other Operating Transfers Out	23,651,525	17,642,635	37,106,571	24,597,050	14,744,570	(9,852,480)	-40.1%
Total Expenditures	\$ 543,474,046	\$ 223,993,425	\$ 261,591,943	\$ 271,990,678	\$ 286,824,553	\$ 14,833,875	5.5%

The summary table above shows the General Fund-Operating Fund expenditure budget by classification. The General Fund-Operating Fund expenditure budget is projected to **increase by \$14.8 million** in FY24-25. Further details explaining the increase in FY24-25 are provided in the **Departments** section of this document.

General Fund-Measure SST Fund Expenditure Summary by Classification

Expenditures	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
Materials, Supplies & Maintenance	-	-	-	855,500	965,500	110,000	12.9%
Professional/Contract Services	-	-	158,705	859,500	859,500	-	0.0%
Capital Acquisitions	-	-	-	110,000	-	(110,000)	-100.0%
Other Operating Transfers Out	-	-	17,391,816	21,202,688	25,670,124	4,467,436	21.1%
Total Expenditures	\$ -	\$ -	\$ 17,550,521	\$ 23,027,688	\$ 27,495,124	\$ 4,467,436	19.4%

The General Fund-Measure SST Fund comprises approximately 8.6% of the General Fund's overall expenditure budget. This fund separately accounts for the 0.50% transaction and use tax (sales tax) approved by the Torrance voters in June 2022. This measure, titled **Safe Strong Torrance**, included four main funding priorities: **Quality of Life; Fiscal Sustainability; Deferred Maintenance & Community Services/Programs;** and **Emergency Responsiveness**. As the City's governing body, City Council will continue to approve the budgeted use of these funds; the Measure SST Citizens' Oversight Committee will ensure funds are utilized in accordance with the spending plan as approved by City Council and review the fund's annual audited financials.

The General Fund-Measure SST Fund's expenditure budget is proposed to **increase by \$4.5 million (+19.4%)** in FY24-25 to maintain adequate funding for homelessness response efforts, cybersecurity

enhancements, sworn position staffing levels, Reserves contributions, and capital contributions. However, these increases are partially offset by reducing the annual contributions to the City's CEPPT Fund and Self-Insurance Fund. Further details explaining the increase in FY24-25 are provided in the **Departments** section of this document.

A person wearing a batting helmet and holding a bat is in a ready stance on a baseball field. The scene is overlaid with a semi-transparent blue filter. In the background, another person is visible near a chain-link fence. The word "DEPARTMENTS" is centered in white, bold, uppercase letters.

DEPARTMENTS

Departments

City Attorney

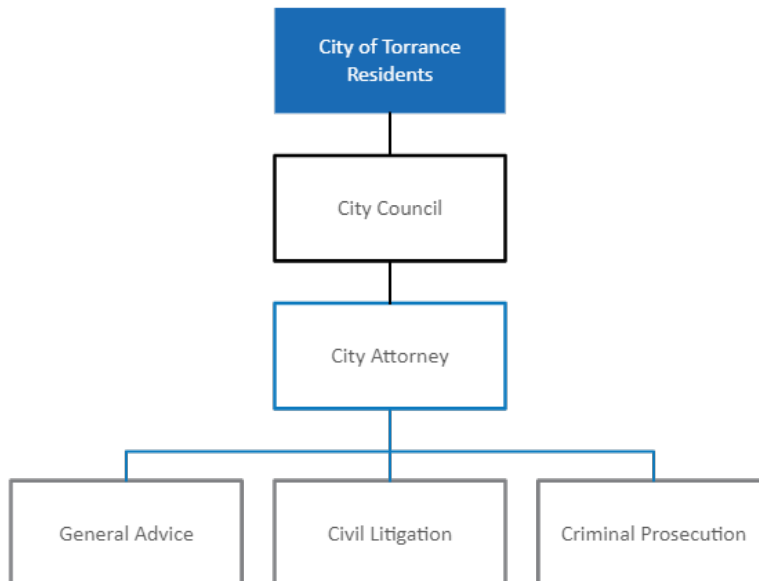
Mission Statement

The mission of the City Attorney is to advise and represent the City Council and City departments on all legal matters in a professional and timely manner. The City Attorney is committed to serving the public fairly and justly.

Functional Responsibilities

The City Attorney is responsible for advising and representing the City Council, City departments, the Successor Agency to the former Redevelopment Agency, and all employees on legal matters related to their offices and duties and the prosecution of state law misdemeanors and Municipal Code violations that occur within the City of Torrance. The office is divided into three divisions: General Advice, Civil Litigation, and Criminal Prosecution.

Department Organization



City Attorney Operating Budget Summary (General Fund-Operating Fund)

Revenues	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
Other Revenues	-	-	24,609	-	-	-	0.0%
Total Revenues	\$ -	\$ -	\$ 24,609	\$ -	\$ -	\$ -	0.0%
Expenditures	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
Salaries and Employee Benefits	4,497,855	2,267,384	2,436,514	2,652,979	2,933,694	280,715	10.6%
Salaries and Benefits Reimbursements	(126,125)	-	-	-	-	-	0.0%
Materials, Supplies & Maintenance	33,605	36,077	39,050	54,601	54,601	-	0.0%
Professional/Contract Services	172,824	194,512	224,278	317,151	249,975	(67,176)	-21.2%
Training, Travel & Membership Dues	18,730	21,601	34,928	55,790	47,775	(8,015)	-14.4%
Liabilities, Settlements & Insurance	4,090	4,985	-	-	-	-	0.0%
Utilities	-	-	4,677	4,718	5,250	532	11.3%
Interdepartmental Charges	55,929	19,064	47,936	40,768	55,796	15,028	36.9%
Other Operating Transfers Out	18,240	14,223	9,026	7,057	-	(7,057)	-100.0%
Total Expenditures	\$ 4,675,148	\$ 2,557,846	\$ 2,796,409	\$ 3,133,064	\$ 3,347,091	\$ 214,027	6.8%
Revenues Less Expenditures	\$ (4,675,148)	\$ (2,557,846)	\$ (2,771,800)	\$ (3,133,064)	\$ (3,347,091)		

As shown in the summary table above, the **Salaries and Employee Benefits** expenditure classification is proposed to increase by \$280,700 (+10.6%). This increase is a net result of changes in the department's budgeted staffing levels, recently approved or anticipated pay and benefit adjustments, CalPERS rates, and the restoration of salary budget that was transferred to the **Professional/Contract Services** expenditure classification in FY23-24 to cover the cost of temporary legal assistance and additional outside legal counseling services while vacant positions were being filled. The **Interdepartmental Charges** expenditure classification is proposed to increase by \$15,000 (+36.9%) due to the City's continued efforts to ramp up Self-Insurance Fund contributions to address its negative fund balance. The **Other Operating Transfers Out** expenditure classification is being reduced to zero to enhance operational efficiencies by consolidating IT Replacement Fund contributions in the Non-Departmental section of the City budget.

While standardized adjustments for annual CPI increases were made, modifications to the **Professional/Contract Services** expenditure classification are also reflected in the department's proposed FY24-25 operating budget. As shown in the summary table above, the proposed decrease in the **Professional/Contract Services** expenditure classification is largely due to the reduced need for temporary legal services (-\$40,000) after the department successfully filled several vacant positions in FY23-24.

City Attorney Staffing Budget Summary (General Fund)

Job Classification	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY24-25
	Actual	Actual	Actual	Amended Budget	Proposed Budget	Increase/ (Decrease)
Assistant City Attorney	1.00	1.00	1.00	1.00	1.00	-
City Attorney	1.00	1.00	1.00	1.00	1.00	-
Deputy City Attorney I	3.00	3.00	3.00	4.00	3.00	(1.00)
Deputy City Attorney II	1.00	1.00	2.00	1.00	1.00	-
Deputy City Attorney III	2.00	2.00	1.00	3.00	3.00	-
Law Office Administrator	1.00	1.00	1.00	1.00	1.00	-
Legal Assistant I	2.00	2.00	2.00	-	-	-
Legal Assistant II	2.00	2.00	2.00	4.00	4.00	-
Office Assistant	0.60	-	-	-	-	-
Total FTE	13.60	13.00	13.00	15.00	14.00	(1.00)

The City Attorney’s Office is proposing to decrease its FY24-25 staffing budget by 1.0 FTE Deputy City Attorney I since an anticipated grant allocation to fund the position for implementation of the Homeless Court Program did not materialize.

City Clerk

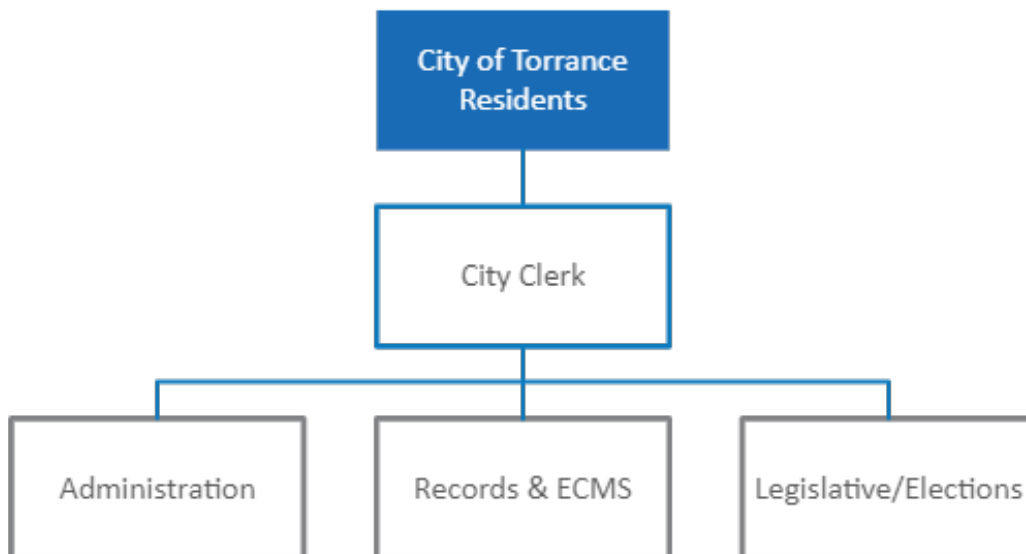
Mission Statement

The mission of the City Clerk's Office is to be the driver for open and transparent government, caretaker and custodian of public records, steward for the elections process, and ambassador to and conduit for the democratic processes of the City. The City Clerk's Office balances the public's need to know with the individual's right to privacy.

Functional Responsibilities

Elected by the citizens of Torrance, the City Clerk is the custodian of City records and keeper of the City Seal; agent for service of legal processes and accepts claims in actions against the City, administers oaths or affirmations, maintains the City's Records Retention Schedule, and serves as Clerk of the City Council; City's Elections Officer who conducts municipal elections; and the filing officer for the City for Conflict of Interest and Campaign Statement Forms. The City Clerk's Office provides minute secretarial services for City Council and advisory commission meetings, maintenance of the Municipal Code, and conducts the opening of all formal City bids.

Department Organization



City Clerk Operating Budget Summary (General Fund-Operating Fund)

	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
Revenues							
Other Revenues	60	85	105	-	-	-	0.0%
Charges for Services	5,756	9,888	10,815	4,430	16,117	11,687	263.8%
Total Revenues	\$ 5,816	\$ 9,973	\$ 10,920	\$ 4,430	\$ 16,117	\$ 11,687	263.8%
Expenditures							
Salaries and Employee Benefits	1,575,298	859,986	871,581	943,350	1,126,334	182,984	19.4%
Salaries and Benefits Reimbursements	-	(1,375)	(15)	-	-	-	0.0%
Materials, Supplies & Maintenance	19,062	8,997	17,610	25,200	24,885	(315)	-1.3%
Professional/Contract Services	26,923	759,432	(72,100)	327,913	374,023	46,110	14.1%
Training, Travel & Membership Dues	3,547	3,180	12,096	17,499	15,225	(2,274)	-13.0%
Liabilities, Settlements & Insurance	2,454	2,623	-	-	-	-	0.0%
Interdepartmental Charges	73,894	10,737	34,754	34,406	57,861	23,455	68.2%
Other Operating Transfers Out	16,636	17,541	13,951	11,190	-	(11,190)	-100.0%
Total Expenditures	\$ 1,717,814	\$ 1,661,121	\$ 877,877	\$ 1,359,558	\$ 1,598,328	\$ 238,770	17.6%
Revenues Less Expenditures	\$ (1,711,998)	\$ (1,651,148)	\$ (866,957)	\$ (1,355,128)	\$ (1,582,211)		

As shown in the summary table above, the **Salaries and Employee Benefits** expenditure classification is proposed to increase by \$183,000 (+19.4%), a net result of changes in the department's budgeted staffing levels, recently approved or anticipated pay and benefit adjustments, CalPERS rates, and other various employee-related cost elements. The **Interdepartmental Charges** expenditure classification is proposed to increase by \$23,500 (+68.2%) due to the City's continued efforts to ramp up Self-Insurance Fund contributions to address its negative fund balance. The **Other Operating Transfers Out** expenditure classification is being reduced to zero to enhance operational efficiencies by consolidating citywide IT Replacement Fund contributions in the Non-Departmental section of the City budget.

While standardized adjustments for annual CPI increases were made, modifications to the **Professional/Contract Services** expenditure classification are also reflected in the department's proposed FY24-25 operating budget. As shown in the summary table above, the proposed increase in the **Professional/Contract Services** expenditure classification is largely the result of efforts to enhance operations by consolidating citywide legal publication expenses in the City Clerk's budget (+\$80,000), a portion of this additional expense was offset by reductions in other areas.

City Clerk Staffing Budget Summary (General Fund)

Job Classification	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)
Administrative Assistant	-	-	-	2.00	2.00	-
City Clerk	1.00	1.00	1.00	1.00	1.00	-
Deputy City Clerk I	2.00	2.00	2.00	3.00	3.00	-
Deputy City Clerk II	1.00	1.00	1.00	2.00	2.00	-
Deputy City Clerk III	1.00	1.00	1.00	1.00	1.00	-
Office Assistant	2.00	2.00	2.00	-	-	-
Records Management Specialist	1.00	1.00	1.00	-	-	-
Total FTE	8.00	8.00	8.00	9.00	9.00	-

The City Clerk’s staffing budget has no newly proposed changes going into FY24-25.

City Council

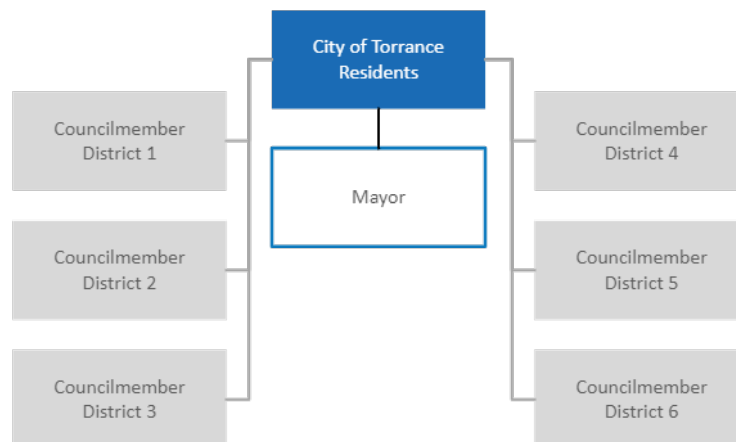
Mission Statement

The mission of the City Council is to adopt legislation, set policy, resolve issues, and establish the budget of the City. City Council is directly accountable to the electorate and must constantly balance the views of individuals and groups with the needs of the entire community.

Functional Responsibilities

The City Council consists of one Mayor and six Council members who represent six districts. The Mayor is elected at-large while Council members are elected by residents in their districts. They establish policy; levy taxes; authorize expenditures; adopt an annual budget; conduct weekly City Council meetings, various workshops, and committee meetings; and appoint volunteers to serve on advisory boards, commissions, and committees. Mayor and Councilmembers may serve as representatives on intergovernmental and regional boards, commissions, and committees.

Department Organization



City Council Operating Budget Summary (General Fund-Operating Fund)

Revenues	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
Other Revenues	12,974	10,385	6,210	-	-	-	0.0%
Total Revenues	\$ 12,974	\$ 10,385	\$ 6,210	\$ -	\$ -	\$ -	0.0%
Expenditures	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
Salaries and Employee Benefits	103,738	92,650	152,330	198,102	177,968	(20,134)	-10.2%
Materials, Supplies & Maintenance	24,288	22,975	23,442	40,676	46,561	5,885	14.5%
Professional/Contract Services	102,200	78,712	87,417	100,485	94,591	(5,894)	-5.9%
Training, Travel & Membership Dues	153,350	183,361	208,989	266,382	274,876	8,494	3.2%
Utilities	8,080	7,336	8,042	10,522	10,512	(10)	-0.1%
Interdepartmental Charges	85,797	-	-	-	-	-	0.0%
Other Operating Transfers Out	6,641	5,732	5,510	4,967	-	(4,967)	-100.0%
Total Expenditures	\$ 484,094	\$ 390,766	\$ 485,730	\$ 621,134	\$ 604,508	\$ (16,626)	-2.7%
Revenues Less Expenditures	\$ (471,120)	\$ (380,381)	\$ (479,520)	\$ (621,134)	\$ (604,508)		

As shown in the summary table above, the **Salaries and Employee Benefits** expenditure classification is proposed to decrease by \$20,100 (-10.2%), primarily due to changes in benefit elections, CalPERS rates, and other various employee-related cost elements. The **Other Operating Transfers Out** expenditure classification is being reduced to zero to enhance operational efficiencies by consolidating citywide IT Replacement Fund contributions in the Non-Departmental section of the City budget.

While standardized adjustments for annual CPI increases were made, modifications to the department's **Professional/Contract Services** expenditure classification are also reflected in the department's proposed FY24-25 operating budget. As shown in the summary table above, the proposed decrease in the **Professional/Contract Services** expenditure classification is due to the consolidation of citywide legal publication expenses in the City Clerk's budget.

City Council Staffing Budget Summary (General Fund)

Job Classification	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)
City Council	7.00	7.00	7.00	7.00	7.00	-
Total FTE	7.00	7.00	7.00	7.00	7.00	-

The City Council's staffing budget has no newly proposed changes going into FY24-25.

City Manager

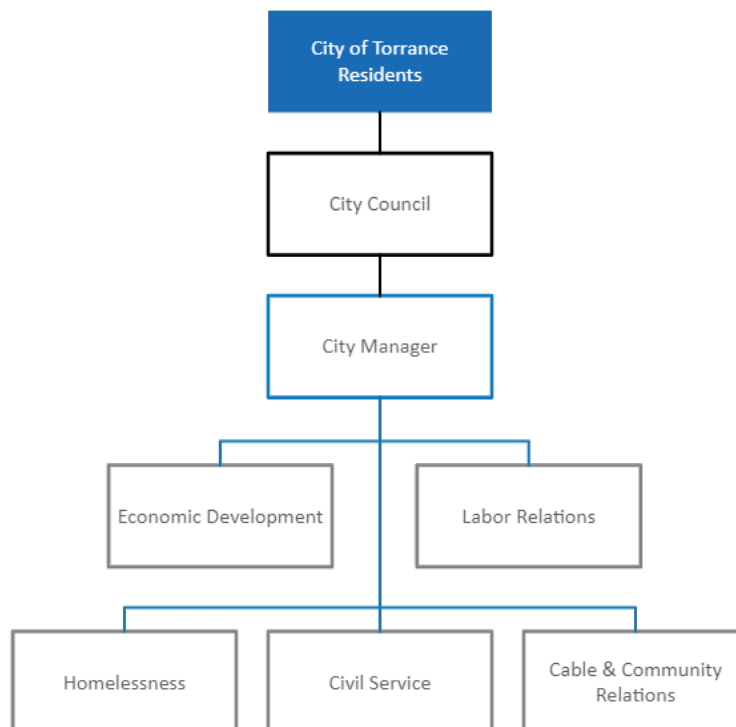
Mission Statement

The mission of the City Manager and the City Manager's Office is to guide and coordinate the efforts of City departments in carrying out policies adopted by the City Council. The City Manager develops and implements a strategic plan that provides a maximum quality of life for the residents of the community at the optimum cost, and to implement the City's mission statement, General Plan, and the priorities of the Strategic Plan.

Functional Responsibilities

The City Manager manages all municipal activities as provided by the City Charter; to advise the City Council on the City's financial and capital improvement needs and other municipal matters; ensures the enforcement of all City laws and ordinances; manages the City's properties; submits a balanced budget; directs all City departments; appoints department heads and authorizes appointment of all other City employees; directs the City's capital improvement projects; informs the public of City activities and services through the media; and represents management in employer-employee relations matters. The City Manager directs activities of the Cable Television Division and is the focal point for economic development and community relations.

Department Organization



City Manager Operating Budget Summary (General Fund-Operating Fund)

Revenues	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
Taxes	1,612,297	1,596,055	1,537,660	1,788,591	1,645,918	(142,673)	-8.0%
Intergovernmental	-	50,000	-	95,575	-	(95,575)	-100.0%
Other Revenues	345	319,367	295	-	-	-	0.0%
Charges for Services	128,356	225,894	806,164	846,330	765,661	(80,669)	-9.5%
Operating Transfers In	-	146,776	-	-	-	-	0.0%
Total Revenues	\$ 1,740,998	\$ 2,338,092	\$ 2,344,119	\$ 2,730,496	\$ 2,411,579	\$ (318,917)	-11.7%
Expenditures	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
Salaries and Employee Benefits	7,155,822	4,441,230	4,917,649	4,924,703	5,285,244	360,541	7.3%
Salaries and Benefits Reimbursements	(197,789)	-	-	-	-	-	0.0%
Materials, Supplies & Maintenance	69,074	77,085	134,997	193,635	198,656	5,021	2.6%
Materials Reimbursements	(22,200)	-	-	-	-	-	0.0%
Professional/Contract Services	306,736	425,489	968,549	1,209,336	1,290,597	81,261	6.7%
Training, Travel & Membership Dues	42,488	51,230	120,327	141,335	156,800	15,465	10.9%
Liabilities, Settlements & Insurance	11,013	-	6,500	-	-	-	0.0%
Utilities	70,140	63,472	67,028	75,746	86,826	11,080	14.6%
Interdepartmental Charges	209,614	30,794	91,453	112,938	157,158	44,220	39.2%
Capital Acquisitions	17,839	4,505	13,608	14,016	20,000	5,984	42.7%
Other Operating Transfers Out	24,251	48,902	18,318	18,406	-	(18,406)	-100.0%
Total Expenditures	\$ 7,686,988	\$ 5,142,707	\$ 6,338,429	\$ 6,690,115	\$ 7,195,281	\$ 505,166	7.6%
Revenues Less Expenditures	\$ (5,945,990)	\$ (2,804,615)	\$ (3,994,310)	\$ (3,959,619)	\$ (4,768,702)		

As shown in the summary table above, revenues are proposed to decrease by \$319,000 (-11.7%) mainly due to lower receipts from franchise taxes and other grants for homelessness initiatives. The **Salaries and Employee Benefits** expenditure classification is proposed to increase by \$360,500 (+7.3%), a net result of changes in the department's budgeted staffing levels, recently approved or anticipated pay and benefit adjustments, CalPERS rates, and other various employee-related cost elements. The **Interdepartmental Charges** expenditure classification is proposed to increase by \$44,200 (+39.2%) due to the City's continued efforts to ramp up Self-Insurance Fund contributions to address its negative fund balance. The **Other Operating Transfers Out** expenditure classification is being reduced to zero to enhance operational efficiencies by consolidating citywide IT Replacement Fund contributions in the Non-Departmental section of the City budget.

While standardized adjustments for annual CPI increases were made, modifications to the **Professional/Contract Services** expenditure classification are also reflected in the department's proposed FY24-25 operating budget for consulting services associated with the Civic Center Master Plan (+\$63,000) and other economic development/land management initiatives (+\$100,000). However, these new activities are largely offset by the elimination of one-time budget associated with city charter amendments (-\$130,000).

City Manager Operating Budget Summary (General Fund-Measure SST Fund)

Expenditures	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
Materials, Supplies & Maintenance	-	-	-	855,500	965,500	110,000	12.9%
Professional/Contract Services	-	-	-	34,500	34,500	-	0.0%
Capital Acquisitions	-	-	-	110,000	-	(110,000)	-100.0%
Total Expenditures	\$ -	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000	\$ -	0.0%

As shown in the summary table above, the \$1.0 million in the **Materials, Supplies and Maintenance** and **Professional/Contract Services** expenditure classifications is proposed to be maintained going into FY24-25 to cover the non-wage costs associated with increased efforts dedicated to addressing homelessness.

City Manager Staffing Budget Summary (General Fund)

Job Classification	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)
Administrative Assistant	3.00	3.00	3.00	1.00	1.00	-
Area G Executive Director	1.00	1.00	1.00	1.00	1.00	-
Assistant City Manager	1.00	1.00	1.00	1.00	1.00	-
Assistant to the City Manager	1.00	2.00	2.00	1.00	1.00	-
Cable & Comm Relations Manager	1.00	1.00	1.00	-	-	-
Cable TV Announcer	1.80	1.80	1.80	1.80	1.80	-
Cable TV Operations Asst	3.00	3.00	1.00	1.00	1.00	-
Cable TV Production Assis	4.50	4.50	4.50	4.50	4.50	-
Cable TV Production Supervisor	1.00	1.00	1.00	1.00	1.00	-
City Manager	1.00	1.00	1.00	1.00	1.00	-
Community Television Supervisor	-	-	1.00	1.00	1.00	-
Deputy City Manager	-	-	-	2.00	2.00	-
Deputy Finance Director	-	-	0.25	0.25	0.25	-
Economic Development Manager	1.00	1.00	1.00	1.00	1.00	-
Intern	2.00	2.00	2.00	1.00	1.00	-
Management Assistant	-	2.00	2.00	2.00	2.00	-
Management Associate	4.00	3.00	4.00	4.00	4.00	-
Office Assistant	2.00	2.25	2.25	2.25	2.25	-
Producer Writer, Asst	1.00	1.00	1.00	1.00	1.00	-
Senior Admin Assistant	-	-	-	1.00	1.00	-
Senior Business Manager	-	-	-	1.00	1.00	-
Staff Assistant	5.00	6.00	6.68	9.50	9.50	-
Supervising Admin Assistant	1.00	1.00	1.00	-	-	-
Supervising Producer/Writer	1.00	1.00	1.00	1.00	1.00	-
Total FTE	35.30	38.55	39.48	40.30	40.30	-

The City Manager's staffing budget has no newly proposed changes going into FY24-25.

City Treasurer

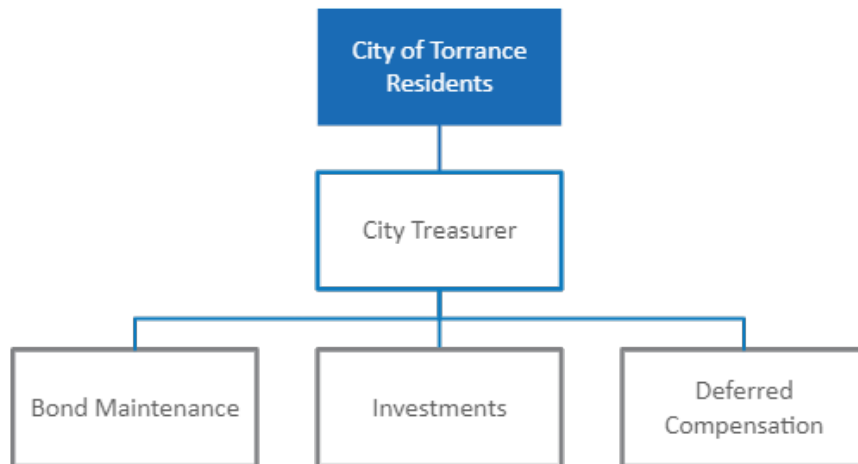
Mission Statement

The mission of the City Treasurer is to safeguard all City funds and manage the investment of surplus cash in accordance with the City's investment policy.

Functional Responsibilities

Elected by the residents of Torrance, the City Treasurer is responsible for the investment of idle funds and for receiving and depositing all monies.

Department Organization



City Treasurer Operating Budget Summary (General Fund-Operating Fund)

Expenditures	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
Salaries and Employee Benefits	541,051	281,723	262,000	318,742	334,159	15,417	4.8%
Materials, Supplies & Maintenance	259	1,460	2,264	2,835	3,045	210	7.4%
Professional/Contract Services	17,201	12,231	50,843	15,015	101,010	85,995	572.7%
Training, Travel & Membership Dues	1,020	860	7,156	15,610	40,530	24,920	159.6%
Liabilities, Settlements & Insurance	1,636	-	-	-	-	-	0.0%
Utilities	535	349	29	525	500	(25)	-4.8%
Interdepartmental Charges	14,654	4,940	11,092	8,292	4,442	(3,850)	-46.4%
Capital Acquisitions	-	-	3,898	3,898	-	(3,898)	-100.0%
Other Operating Transfers Out	2,967	3,222	1,512	1,171	-	(1,171)	-100.0%
Total Expenditures	\$ 579,323	\$ 304,785	\$ 338,794	\$ 366,088	\$ 483,686	\$ 117,598	32.1%

As shown in the summary table above, the **Salaries and Employee Benefits** expenditure classification is proposed to increase by \$15,400 (+4.8%), a net result of recently approved or anticipated pay and benefit adjustments, CalPERS rates, and other various employee-related cost elements. The **Interdepartmental Charges** expenditure classification is proposed to decrease by \$3,900 (-46.4%) due to recalculating the department's contributions to the City's Self-Insurance Fund. The **Other Operating Transfers Out** expenditure classification is being reduced to zero to enhance operational efficiencies by consolidating citywide IT Replacement Fund contributions in the Non-Departmental section of the City budget.

While standardized adjustments for annual CPI increases were made, modifications to the **Professional/Contract Services** and **Training, Travel & Membership Dues** expenditure classifications are also reflected in the department's proposed FY24-25 operating budget. As shown in the summary table above, the proposed increase in the **Professional/Contract Services** expenditure classification is primarily due to a one-time Treasury/Finance checks and balances audit (+\$75,000). The proposed increase in the **Training, Travel & Membership Dues** expenditure classification is due to a one-time leadership course for the City Treasurer (+\$25,000).

City Treasurer Staffing Budget Summary (General Fund)

Job Classification	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)
City Treasurer	1.00	1.00	1.00	1.00	1.00	-
Deputy City Treasurer	1.00	1.00	1.00	1.00	1.00	-
Total FTE	2.00	2.00	2.00	2.00	2.00	-

The City Treasurer's staffing budget has no newly proposed changes going into FY24-25.

Civil Service

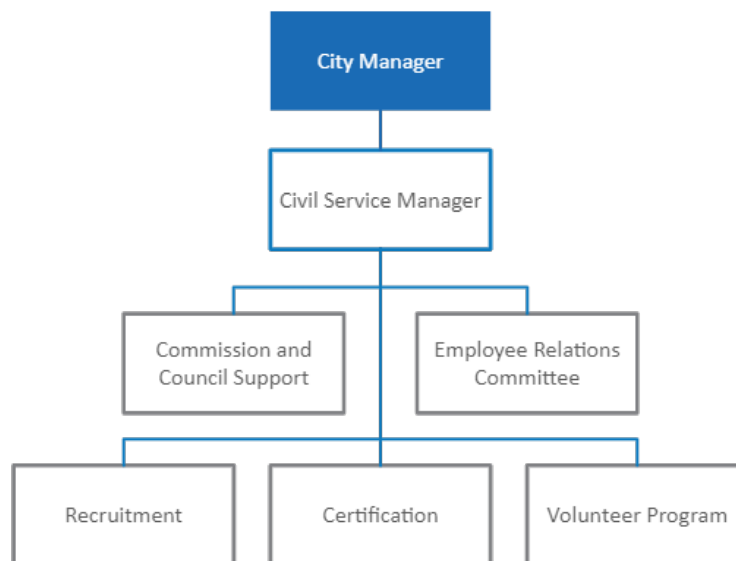
Mission Statement

The mission of the Civil Service Department is to provide a quality work force through timely and effective selection processes within the structure of consistently administered policies and procedures. The Civil Service Department works with the Civil Service Commission to resolve issues and communicate standards of clarity, openness, and support.

Functional Responsibilities

The Civil Service Department assists and acts as a liaison to the Civil Service Commission. Appointed by City Council, the Civil Service Commission is a seven-member governing body with authority over Civil Service positions. The Commission acts as a board of review in all employee disciplinary cases where a hearing is requested. The Employee Relations Committee is a sub-committee of the Commission that administers the City's Employee Relations Ordinance. The Commission advises the City Council on all personnel related matters. Commission staff recruit applicants, prepares and conducts examinations, reviews new and revised classifications, interprets policies and rules, prepares Commission meeting agendas, implements Commission actions, and maintains liaison with all City departments.

Department Organization



Civil Service Operating Budget Summary (General Fund-Operating Fund)

Expenditures	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
Salaries and Employee Benefits	892,605	495,243	562,970	593,066	741,998	148,932	25.1%
Salaries and Benefits Reimbursements	(29,161)	-	-	-	-	-	0.0%
Materials, Supplies & Maintenance	2,083	5,128	6,467	15,564	14,558	(1,006)	-6.5%
Professional/Contract Services	24,260	23,105	149,100	368,104	351,383	(16,721)	-4.5%
Training, Travel & Membership Dues	1,682	3,614	5,902	4,999	6,947	1,948	39.0%
Liabilities, Settlements & Insurance	3,237	4,659	4,881	6,180	6,180	-	0.0%
Interdepartmental Charges	18,630	2,736	6,477	48,390	26,135	(22,255)	-46.0%
Other Operating Transfers Out	1,826	2,631	2,021	2,207	-	(2,207)	-100.0%
Total Expenditures	\$ 915,162	\$ 537,116	\$ 737,818	\$ 1,038,510	\$ 1,147,201	\$ 108,691	10.5%

As shown in the summary table above, the **Salaries and Employee Benefits** expenditure classification is proposed to increase by \$148,900 (+25.1%), a net result of changes in the department's budgeted staffing levels, recently approved or anticipated pay and benefit adjustments, CalPERS rates, and other various employee-related cost elements. The **Interdepartmental Charges** classification is proposed to decrease by \$22,300 (-46.0%) due to the Self-Insurance Fund contribution, as the contribution factor for each department is updated based on the historical claim counts and expenditures during the five-year lookback period. The **Other Operating Transfers Out** expenditure classification is being reduced to zero to enhance operational efficiencies by consolidating citywide IT Replacement Fund contributions in the Non-Departmental section of the City budget.

While standardized adjustments for annual CPI increases were made, modifications to the **Professional/Contract Services** expenditure classification are also reflected in the department's proposed FY24-25 operating budget. As shown in the summary table above, the **Professional/Contract Services** expenditure classification is anticipated to continue experiencing increased activity due to arbitration transcription services related to Civil Service Commission grievances and appeals but is being offset by budget reductions to align the proposed FY24-25 budget based on currently projected FY23-24 year-end outcomes.

Civil Service Staffing Budget Summary (General Fund)

Job Classification	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)
Civil Service Manager	1.00	1.00	1.00	1.00	1.00	-
Human Resources Analyst	1.00	1.00	1.00	1.00	1.00	-
Human Resources Technician	1.00	1.00	1.00	2.00	2.00	-
Staff Assistant	0.80	0.80	0.80	1.00	1.00	-
Total FTE	3.80	3.80	3.80	5.00	5.00	-

The Civil Service's staffing budget has no newly proposed changes going into FY24-25.

Communications & Information Technology

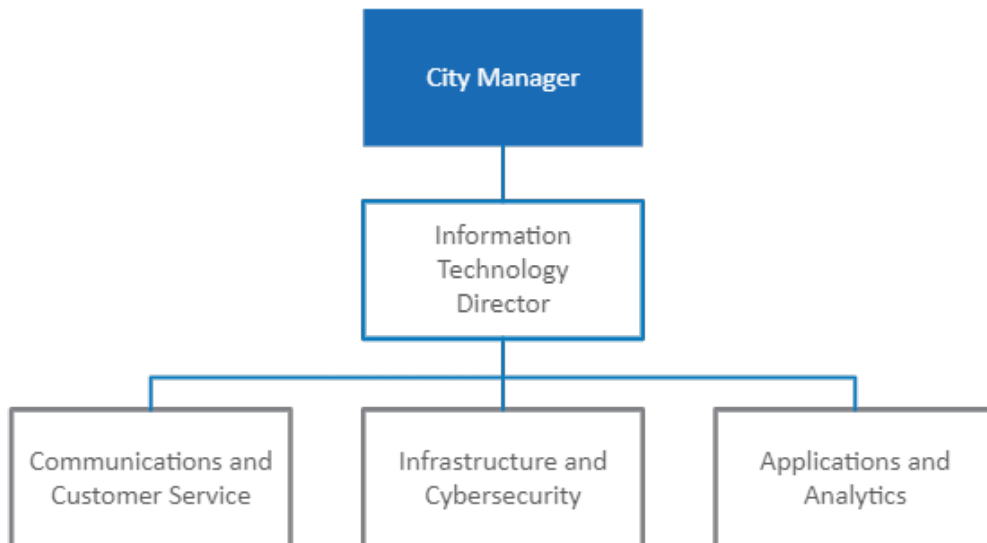
Mission Statement

The mission of the Communications and Information Technology Department (“CIT”) is to strategically plan and support all communication and automation needs of the City in an accountable and responsive manner. They provide effective technology solutions to serve the dynamic and diverse needs of the community and City of Torrance employees.

Functional Responsibilities

The Communications and Information Technology Department is responsible for administering the City’s information and communications systems and infrastructure. The Department oversees computer hardware systems, data and telecommunications infrastructure, data management, information security, radio and wireless communications, software and applications, and telephone and voice systems.

Department Organization



CIT Operating Budget Summary (General Fund-Operating Fund)

	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
Revenues							
Operating Transfers In	-	-	-	175,000	200,415	25,415	14.5%
Total Revenues	\$ -	\$ -	\$ -	\$ 175,000	\$ 200,415	\$ 25,415	14.5%
Expenditures							
Salaries and Employee Benefits	11,334,246	5,922,975	5,235,686	5,972,691	6,202,337	229,646	3.8%
Salaries and Benefits Reimbursements	(2,340,692)	(10,159)	-	-	-	-	0.0%
Materials, Supplies & Maintenance	716,823	779,097	206,793	278,841	415,416	136,575	49.0%
Materials Reimbursements	(1,106,749)	-	-	-	-	-	0.0%
Professional/Contract Services	534,818	680,618	1,717,822	2,193,199	2,334,068	140,869	6.4%
Training, Travel & Membership Dues	62,445	62,914	91,045	50,266	52,500	2,234	4.4%
Liabilities, Settlements & Insurance	9,804	-	-	-	-	-	0.0%
Utilities	19,198	11,466	12,557	17,962	16,899	(1,063)	-5.9%
Interdepartmental Charges	254,537	54,516	139,739	136,438	198,229	61,791	45.3%
Capital Acquisitions	-	-	800	30,000	30,000	-	0.0%
Other Operating Transfers Out	147,671	138,873	81,809	62,570	-	(62,570)	-100.0%
Total Expenditures	\$ 9,632,101	\$ 7,640,300	\$ 7,486,251	\$ 8,741,967	\$ 9,249,449	\$ 507,482	5.8%
Revenues Less Expenditures	\$ (9,632,101)	\$ (7,640,300)	\$ (7,486,251)	\$ (8,566,967)	\$ (9,049,034)		

As shown in the summary table above, the **Operating Transfers In** revenue classification is proposed to increase by \$25,400 (+14.5%) for the labor costs associated with increased efforts dedicated to cybersecurity covered by the Measure SST Fund. The **Salaries and Employee Benefits** expenditure classification is proposed to increase by \$229,700 (+3.8%), a net result of changes in the department's budgeted staffing levels, recently approved or anticipated pay and benefit adjustments, CalPERS rates, and other various employee-related cost elements. The **Interdepartmental Charges** expenditure classification is proposed to increase by \$61,800 (+45.3%) due to the City's continued efforts to ramp up Self-Insurance Fund contributions to address its negative fund balance. The **Other Operating Transfers Out** expenditure classification is being reduced to zero to enhance operational efficiencies by consolidating citywide IT Replacement Fund contributions in the Non-Departmental section of the City budget.

While standardized adjustments for annual CPI increases were made, modifications to the **Materials, Supplies & Maintenance** and **Professional/Contract Services** expenditure classifications are also reflected in the department's proposed FY24-25 operating budget. As shown in the summary table above, the proposed increase in the **Materials, Supplies & Maintenance** expenditure classification are primarily due to the addition of a new Multiprotocol Label Switching (MPLS) contract to support citywide network and connectivity enhancements (+\$158,000). The proposed increase in **Professional/Contract Services** classification are being driven by additional licensing costs associated with the implementation and/or enhancement of citywide software solutions, such as an Extra, Load, Transform (ELT) data integration suite (+\$60,000), enterprise cashing software (+\$145,000), Fire-critical asset management software (+\$19,000), fleet management software

(+\$33,000), and so on; these licensing costs are partially offset by the reduced need to renew other types of software licenses, resulting in a net increase of approximately \$140,900.

CIT Operating Budget Summary (General Fund-Measure SST Fund)

Expenditures	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
Professional/Contract Services	-	-	158,705	825,000	825,000	-	0.0%
Total Expenditures	\$ -	\$ -	\$ 158,705	\$ 825,000	\$ 825,000	\$ -	0.0%

As shown in the summary table above, the \$825,000 in the **Professional/Contract Services** expenditure classification is proposed to be maintained going into FY24-25 to cover the non-wage costs associated with increased efforts dedicated to addressing cybersecurity.

CIT Staffing Budget Summary (General Fund)

Job Classification	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)
Administrative Analyst	1.00	1.00	1.00	1.00	1.00	-
Administrative Assistant	1.00	1.00	1.00	1.00	1.00	-
Communication Supv/Wireless	1.00	1.00	1.00	1.00	1.00	-
Communications Manager	1.00	1.00	1.00	-	-	-
Communications Supv/Telecomm	1.00	1.00	1.00	1.00	1.00	-
Driver/Clerk, Delivery	1.00	-	-	-	-	-
Info Tech Specialist	7.00	7.00	6.00	5.00	5.00	-
Info Technology Analyst	8.00	8.00	7.00	6.00	6.00	-
Info Technology Director	1.00	1.00	1.00	1.00	1.00	-
Information Technology Manager	1.00	1.00	1.00	3.00	3.00	-
Intern	1.00	1.00	0.50	1.00	1.00	-
Office Assistant	1.00	1.00	-	-	-	-
Senior Admin Assistant	1.00	1.00	1.00	1.00	1.00	-
Storekeeper	-	1.00	1.00	1.00	1.00	-
Systems Analyst	9.00	8.00	9.00	10.00	10.00	-
Telecommunications Tech	2.00	2.00	2.00	2.00	2.00	-
Wireless Technician	4.00	4.00	4.00	4.00	4.00	-
Total FTE	41.00	40.00	37.50	38.00	38.00	-

The CIT staffing budget has no newly proposed changes going into FY24-25.

Community Development

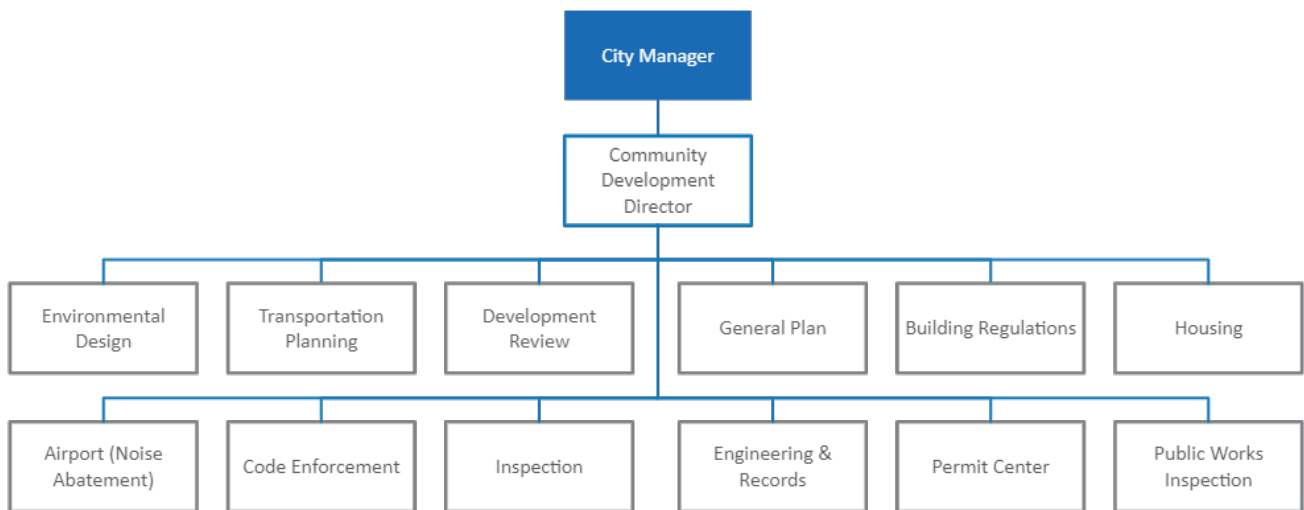
Mission Statement

The mission of the Community Development Department (“CDD”) is to guide and support the orderly development of the City and the City infrastructure and the continued revitalization of the City to maintain a balanced community to meet present and future needs.

Functional Responsibilities

The Community Development Department manages all City building and planning activities including building permits, environmental duties, downtown Torrance, engineering permits and records, GIS, mapping and survey information, and housing activities. They are responsible for Advance Planning, Building Permits & Online Permitting, Code Enforcement, Construction Plan Check and Inspections, Development Review, Engineering Permits and Records, GIS, Housing Programs, NPDES Administration, Successor Agency to the Former Redevelopment Agency of the City of Torrance, Survey Information, and Transportation Planning.

Department Organization



CDD Operating Budget Summary (General Fund-Operating Fund)

	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
Revenues							
Licenses, Fees and Permits	4,010,977	4,894,366	5,222,123	5,250,736	4,809,133	(441,603)	-8.4%
Fines, Forfeitures and Penalties	-	-	2,125	-	25,000	25,000	0.0%
Use of Money and Property	(2,725)	2,875	20,250	2,924	22,752	19,828	678.1%
Other Revenues	-	11,097	50,003	-	3,308	3,308	0.0%
Charges for Services	4,759,976	5,125,144	5,730,923	6,474,902	6,220,288	(254,614)	-3.9%
Operating Transfers In	29,518	23,400	-	-	-	-	0.0%
Total Revenues	\$ 8,797,746	\$ 10,056,882	\$ 11,025,424	\$ 11,728,562	\$ 11,080,481	\$ (648,081)	-5.5%
Expenditures							
Salaries and Employee Benefits	15,448,683	7,292,406	7,701,694	8,718,342	9,431,801	713,459	8.2%
Salaries and Benefits Reimbursements	(548,328)	(469,615)	(339,190)	(168,294)	(57,294)	111,000	-66.0%
Materials, Supplies & Maintenance	89,099	104,173	98,471	165,807	178,436	12,629	7.6%
Professional/Contract Services	293,392	214,830	364,519	519,418	388,248	(131,170)	-25.3%
Training, Travel & Membership Dues	38,031	36,312	37,935	52,440	45,776	(6,664)	-12.7%
Liabilities, Settlements & Insurance	99,243	1,063	-	2,000	2,000	-	0.0%
Utilities	48,808	75,691	26,403	28,253	28,097	(156)	-0.6%
Interdepartmental Charges	442,429	183,464	402,925	459,028	583,249	124,221	27.1%
Capital Acquisitions	-	-	2,199	-	-	-	0.0%
Other Operating Transfers Out	61,398	87,562	46,469	38,794	-	(38,794)	-100.0%
Total Expenditures	\$ 15,972,755	\$ 7,525,886	\$ 8,341,425	\$ 9,815,788	\$ 10,600,313	\$ 784,525	8.0%
Revenues Less Expenditures	\$ (7,175,009)	\$ 2,530,996	\$ 2,683,999	\$ 1,912,774	\$ 480,168		

As shown in the summary table above, the **License, Fees and Permits** and **Charges for Services** revenue classifications are proposed to decrease by \$441,600 (-8.4%) and \$254,600 (-3.9%), respectively. This is primarily driven by a stabilization of development-related activity. The **Salaries and Employee Benefits** expenditure classification is proposed to increase by \$713,500 (+8.2%), a net result of changes in the department's budgeted staffing levels, recently approved or anticipated pay and benefit adjustments, CalPERS rates, and other various employee-related cost elements. The **Salaries and Benefits Reimbursements** expenditure classification is proposed to decrease by \$111,000 (-66.0%) based on the Recognized Obligation Payment Schedule (ROPS) for the Successor Agency to the Former Redevelopment Agency Fund. The **Interdepartmental Charges** expenditure classification is proposed to increase by \$124,200 (+27.1%) due to the City's continued efforts to ramp up Self-Insurance Fund contributions to address its negative fund balance. The **Other Operating Transfers Out** expenditure classification is being reduced to zero to enhance operational efficiencies by consolidating citywide IT Replacement Fund contributions in the Non-Departmental section of the City budget.

While standardized adjustments for annual CPI increases were made, modifications to the **Professional/Contract Services** expenditure classification are also reflected in the department's proposed FY24-25 operating budget. As shown in the summary table above, the proposed decrease in the **Professional/Contract Services expenditure** classification is primarily driven by the reduced budget associated with one-time code enforcement consulting services (-\$75,000) and reduced budget for other various consulting services (-\$50,000).

CDD Operating Budget Summary (Air Quality Management District Fund)

	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
Revenues							
Use of Money and Property	3,382	2,076	8,516	11,906	11,906	-	0.0%
Intergovernmental	236,387	139,538	190,124	196,390	196,390	-	0.0%
Operating Transfers In	16,450	-	-	-	-	-	0.0%
Total Revenues	\$ 256,219	\$ 141,614	\$ 198,640	\$ 208,296	\$ 208,296	\$ -	0.0%
Expenditures							
Salaries and Employee Benefits	67,877	22,795	121,799	119,847	123,639	3,792	3.2%
Materials, Supplies & Maintenance	15,911	16,689	27,780	33,338	46,000	12,662	38.0%
Professional/Contract Services	67,654	68,478	36,002	21,000	8,300	(12,700)	-60.5%
Training, Travel & Membership Dues	-	198	-	1,000	1,000	-	0.0%
Other Operating Transfers Out	(1)	-	-	-	-	-	0.0%
Total Expenditures	\$ 151,441	\$ 108,160	\$ 185,581	\$ 175,185	\$ 178,939	\$ 3,754	2.1%
Revenues Less Expenditures	\$ 104,778	\$ 33,454	\$ 13,059	\$ 33,111	\$ 29,357		

The Air Quality Management District (AQMD) Fund summary table above shows a proposed increase of \$3,800 (+3.2%) in the **Salaries and Employee Benefits** expenditure classification, a net result of recently approved or anticipated pay and benefit adjustments, CalPERS rates, and other various employee-related cost elements. Adjustments were also made to the fund's proposed FY24-25 operating budget in the **Materials, Supplies & Maintenance** and **Professional/Contract Services** expenditure classifications to align the budget with anticipated FY24-25 activity.

CDD Operating Budget Summary (Low Mod Fund)

	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
Revenues							
Use of Money and Property	42,760	91,468	179,323	90,000	40,450	(49,550)	-55.1%
Operating Transfers In	54,491	-	1,250,670	-	-	-	0.0%
Total Revenues	\$ 97,251	\$ 91,468	\$ 1,429,993	\$ 90,000	\$ 40,450	\$ (49,550)	-55.1%
Expenditures							
Salaries and Employee Benefits	137,312	56,481	53,255	53,780	61,061	7,281	13.5%
Materials, Supplies & Maintenance	6,000	7,500	3,000	8,000	4,000	(4,000)	-50.0%
Professional/Contract Services	2,167	-	-	-	-	-	0.0%
Total Expenditures	\$ 145,479	\$ 63,981	\$ 56,255	\$ 61,780	\$ 65,061	\$ 3,281	5.3%
Revenues Less Expenditures	\$ (48,228)	\$ 27,487	\$ 1,373,738	\$ 28,220	\$ (24,611)		

As shown in the summary table above, the Low Mod Fund's proposed increase of \$7,300 (+13.5%) in the **Salaries and Employee Benefits** expenditure classification is a net result of recently approved or anticipated pay and benefit adjustments, CalPERS rates, and other various employee-related cost elements. Adjustments were also made to the fund's proposed FY24-25 operating budget in the **Materials, Supplies & Maintenance** expenditure classification to align the budget with anticipated activity in the coming fiscal year.

CDD Operating Budget Summary (Meadow Park Parking Lot District Fund)

Revenues	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
Use of Money and Property	4,500	30,010	48,796	43,203	40,000	(3,203)	-7.4%
Operating Transfers In	28,861	-	104,070	-	-	-	0.0%
Total Revenues	\$ 33,361	\$ 30,010	\$ 152,866	\$ 43,203	\$ 40,000	\$ (3,203)	-7.4%
Expenditures	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
Professional/Contract Services	14,287	15,053	24,744	30,703	31,000	297	1.0%
Utilities	1,265	213	223	1,500	500	(1,000)	-66.7%
Other Operating Transfers Out	10,407	10,407	-	-	-	-	0.0%
Total Expenditures	\$ 25,959	\$ 25,673	\$ 24,967	\$ 32,203	\$ 31,500	\$ (703)	-2.2%
Revenues Less Expenditures	\$ 7,402	\$ 4,337	\$ 127,899	\$ 11,000	\$ 8,500		

The Meadow Park Parking Lot District Fund summary table above includes several proposed adjustments in the **Professional/Contract Services** and **Utilities** expenditure classifications. These changes align the budget with anticipated FY24-25 activity.

CDD Operating Budget Summary (Section 8 Housing Fund)

Revenues	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
Use of Money and Property	7,213	4,053	9,036	5,500	5,500	-	0.0%
Intergovernmental	6,941,581	6,844,157	6,808,227	8,471,903	8,928,000	456,097	5.4%
Other Revenues	34,464	19,481	6,516	16,000	16,000	-	0.0%
Total Revenues	\$ 6,983,258	\$ 6,867,691	\$ 6,823,779	\$ 8,493,403	\$ 8,949,500	\$ 456,097	5.4%
Expenditures	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
Salaries and Employee Benefits	637,067	575,890	487,871	549,775	648,922	99,147	18.0%
Materials, Supplies & Maintenance	5,974,915	5,947,903	6,327,056	7,591,284	7,931,986	340,702	4.5%
Professional/Contract Services	27,463	36,626	36,278	70,027	79,590	9,563	13.7%
Training, Travel & Membership Dues	219	400	1,135	5,000	5,132	132	2.6%
Interdepartmental Charges	156,599	145,070	116,819	128,960	160,049	31,089	24.1%
Capital Acquisitions	3,888	2,125	-	22,364	-	(22,364)	-100.0%
Total Expenditures	\$ 6,800,151	\$ 6,708,014	\$ 6,969,159	\$ 8,367,410	\$ 8,825,679	\$ 458,269	5.5%
Revenues Less Expenditures	\$ 183,107	\$ 159,677	\$ (145,380)	\$ 125,993	\$ 123,821		

As shown in the summary table above, the Section 8 Housing Fund's proposed increase of \$456,100 (+5.4%) in the **Intergovernmental** revenue classification is due to department's successful efforts to expand the program and take full advantage of available HUD funding and facilitate the issuance of additional housing vouchers to the Torrance community. The proposed increase of \$99,100 (+18.0%) in the **Salaries and Employee Benefits** expenditure classification is a net result of changes in the department's budgeted staffing levels, recently approved or anticipated pay and benefit adjustments, CalPERS rates, and other various employee-related cost elements. Adjustments were also made in the **Materials, Supplies & Maintenance** expenditure classification for anticipated increases in Rental Assistance Payments due to the program expansion mentioned above.

CDD Operating Budget Summary (Redevelopment Agency Fund)

	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
Revenues							
Taxes	3,187,503	4,058,695	3,406,911	4,000,000	3,790,000	(210,000)	-5.3%
Use of Money and Property	3,440	255	993	7,000	8,500	1,500	21.4%
Other Financing Sources	189,766	189,766	189,766	189,768	189,768	-	0.0%
Total Revenue	\$ 3,380,709	\$ 4,248,716	\$ 3,597,670	\$ 4,196,768	\$ 3,988,268	\$ (208,500)	-5.0%
Expenses							
Professional/Contract Services	9,423	-	6,130	13,500	13,500	-	0.0%
Debt Service	2,899,262	2,869,178	2,853,295	2,872,203	2,878,453	6,250	0.2%
Debt Service Reimbursements	(1,270,000)	(1,320,000)	(1,370,000)	(1,435,000)	(1,515,000)	(80,000)	5.6%
Other Expenditures	250,000	297,374	250,000	250,000	25,000	(225,000)	-90.0%
Total Expense	\$ 1,888,685	\$ 1,846,552	\$ 1,739,425	\$ 1,700,703	\$ 1,401,953	\$ (298,750)	-17.6%
Revenues Less Expenditures	\$ 1,492,024	\$ 2,402,164	\$ 1,858,245	\$ 2,496,065	\$ 2,586,315		

The Redevelopment Agency Fund summary table above shows several proposed adjustments in the **Taxes** revenue classification, **Debt Services** and **Debt Service Reimbursements** expenditure classifications. These changes align the budget with anticipated FY24-25 activity. The **Other Expenditures** is proposed to decrease to align with the ROPS for the Successor Agency to the Former Redevelopment Agency Fund.

CDD Operating Budget Summary (Vanpool Fund)

	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
Revenues							
Use of Money and Property	954	104	(10)	965	965	-	0.0%
Intergovernmental	19,982	30,162	40,201	34,825	35,000	175	0.5%
Charges for Services	5,811	20,827	26,634	34,650	30,000	(4,650)	-13.4%
Operating Transfers In	96,283	86,358	173,723	157,590	179,906	22,316	14.2%
Total Revenues	\$ 123,030	\$ 137,451	\$ 240,548	\$ 228,030	\$ 245,871	\$ 17,841	7.8%
Expenditures							
Salaries and Employee Benefits	73,337	50,232	121,096	109,030	111,092	2,062	1.9%
Materials, Supplies & Maintenance	49,502	86,561	113,125	117,500	132,930	15,430	13.1%
Professional/Contract Services	-	560	6,180	1,000	1,323	323	32.3%
Training, Travel & Membership Dues	191	99	146	500	526	26	5.2%
Total Expenditures	\$ 123,030	\$ 137,452	\$ 240,547	\$ 228,030	\$ 245,871	\$ 17,841	7.8%
Revenues Less Expenditures	\$ -	\$ (1)	\$ 1	\$ -	\$ -		

As shown in the summary table above, the Vanpool Fund's proposed increase of \$17,800 (+7.8%) across the various revenue classifications aligns the budget with projected figures for FY24-25. The increase of \$2,100 (+1.9%) in the **Salaries and Employee Benefits** expenditure classification is a net result of changes in the department's budgeted staffing levels, recently approved or anticipated pay and benefit adjustments, CalPERS rates, and other various employee-related cost elements. Adjustments were also made in the **Materials, Supplies & Maintenance**, **Professional/Contract Services**, and **Training, Travel & Membership Dues** expenditure classifications to align the budget with anticipated FY24-25 activity.

CDD Staffing Budget Summary (General Fund and Non-General Funds)

Job Classification	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY24-25
	Actual	Actual	Actual	Amended Budget	Proposed Budget	Increase/ (Decrease)
Admin Project Aide	-	0.75	0.50	0.50	-	(0.50)
Administrative Analyst	1.00	1.00	1.00	1.00	1.00	-
Administrative Assistant	3.00	3.00	3.00	3.00	3.00	-
Assistant Bldg Regulations Manager	1.00	1.00	1.00	1.00	1.00	-
Assistant Engineer	5.00	5.00	5.00	5.00	5.00	-
Associate Engineer	1.00	1.00	1.00	1.00	1.00	-
Bldg Inspection Supervisor	1.00	1.00	1.00	1.00	1.00	-
Building Regulations Administrator	1.00	1.00	1.00	1.00	1.00	-
Business Manager	-	-	1.00	1.00	1.00	-
Code Enforcement Officer	-	-	-	4.00	3.00	(1.00)
Code Enforcement Officer, Sr	-	-	-	2.00	1.00	(1.00)
Community Development Director	1.00	1.00	1.00	1.00	1.00	-
Deputy Comm Development Dir	1.00	1.00	-	-	-	-
Electrical Inspector, Sr	1.00	1.00	1.00	1.00	1.00	-
Engineering Technician I	3.00	4.00	3.00	3.00	3.00	-
Engineering Technician III	1.00	1.00	1.00	1.00	1.00	-
Environmental Qual Officer	4.00	4.00	5.00	2.00	3.00	1.00
Environmental Qual Officer, Sr	2.00	2.00	2.00	-	1.00	1.00
Housing Specialist	3.00	3.00	3.00	3.00	4.00	1.00
Housing Supervisor	-	-	1.00	1.00	1.00	-
Inspector, Building	2.00	2.00	2.00	2.00	2.00	-
Inspector, Mech & Plumbing, Sr	1.00	2.00	2.00	2.00	2.00	-
Inspector, Public Works	2.00	2.00	3.00	3.00	3.00	-
Neighborhood Services Manager	-	-	1.00	1.00	1.00	-
Permit Center Supervisor	1.00	1.00	1.00	1.00	1.00	-
Permit Technician I	4.00	4.00	4.00	4.00	4.00	-
Permit Technician II	2.00	2.00	2.00	3.00	3.00	-
Planning Assistant	4.00	4.00	4.00	4.00	4.00	-
Planning Associate	8.50	8.50	7.50	8.00	9.00	1.00
Planning Manager	-	-	-	2.00	2.00	-
Plans Examiner	3.00	3.00	3.00	4.00	4.00	-
Principal Planner	2.00	2.00	2.00	-	-	-
Rehabilitation Specialist	1.00	-	-	-	-	-
Senior Building Inspector	3.00	3.00	3.00	3.00	3.00	-
Supervising Admin Assistant	1.00	1.00	1.00	1.00	1.00	-
Supervising Plans Examiner	1.00	1.00	1.00	1.00	1.00	-
Systems Analyst	-	1.00	1.00	1.00	1.00	-
Total FTE	64.50	67.25	69.00	72.50	74.00	1.50

The CDD staffing budget is proposed to increase by 1.5 FTE positions going into FY24-25, a net result of eliminating a longstanding vacant 0.5 FTE Administrative Project Aide position, reclassification of

Code Enforcement Officers to Environmental Quality Officers, the addition of a 1.0 FTE Housing Specialist position, and addition of 1.0 FTE Planning Associate position.

The addition of a 1.0 FTE Housing Specialist position is needed to support the department's successful efforts in expanding the City's Section 8 Housing program. This position will assist with the increased demand for additional housing vouchers in Torrance and oversee case management, review and approval of program applications, issuance of vouchers, preparation of new contracts, and Housing Quality Standard inspections.

The addition of a 1.0 FTE Planning Associate position is needed to support the increased workload in the Planning Division due to the recent surge in the number of entitlement and wireless telecommunication facility permit applications. This position will also assist with environmental reviews required under the California Environmental Quality Act and help ensure state-mandated permit review timelines are met.

Community Services

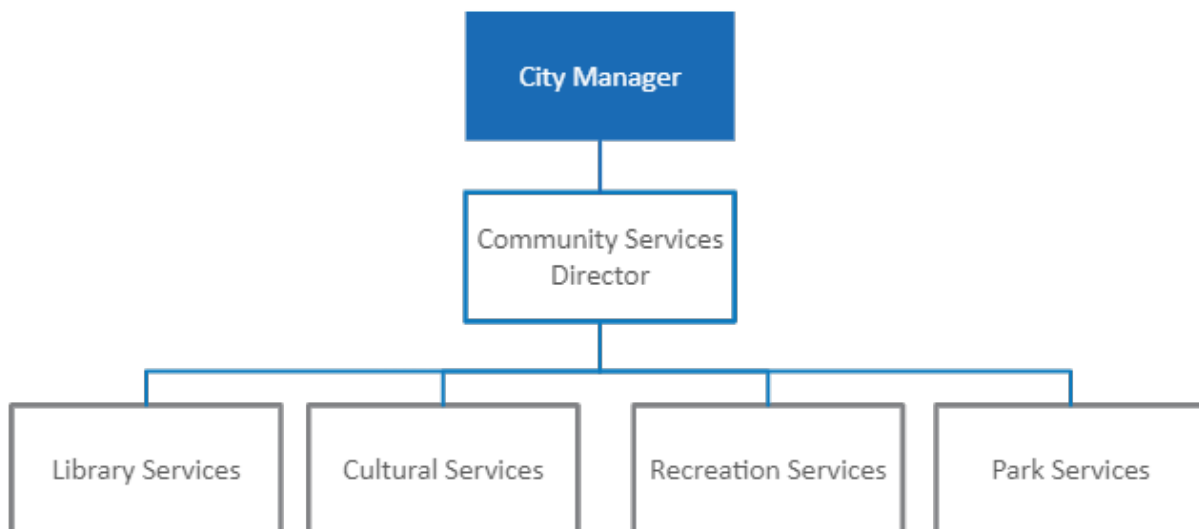
Mission Statement

The mission of the Community Services Department is to enrich the community through recreational, cultural, and educational opportunities for persons of all ages, abilities, and backgrounds. The Community Services Department provides management, maintenance, and stewardship of the City's public open space including parks, landscaped areas, and natural resources. They provide quality service in a cooperative, responsive, and cost-effective manner.

Functional Responsibilities

The Community Services Department's responsibilities include the provision of affordable leisure and learning opportunities for all citizens with an emphasis on serving the City's youth; the management and maintenance of public facilities and open space that result in a safe and enriching environment; and the delivery of a wide range of services and programs that recognize and respect the differences that exist in Torrance's diverse population, foster a sense of personal growth and belonging, and contribute to an improved quality of life within the community. The Community Services Department manages areas in Cultural Arts, Library, and Parks and Recreation.

Department Organization



Community Services Operating Budget Summary (General Fund-Operating Fund)

	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
Revenues							
Licenses, Fees and Permits	235,486	151,162	225,098	152,923	215,000	62,077	40.6%
Use of Money and Property	158,995	446,770	547,535	532,052	623,765	91,713	17.2%
Intergovernmental	9,738	20,000	(3,379)	35,650	-	(35,650)	-100.0%
Other Revenues	27,434	99,404	63,439	-	-	-	0.0%
Charges for Services	1,852,503	4,211,909	4,416,736	4,536,496	5,207,992	671,496	14.8%
Operating Transfers In	16,500	44,503	-	38,260	-	(38,260)	-100.0%
Total Revenues	\$ 2,300,656	\$ 4,973,748	\$ 5,249,429	\$ 5,295,381	\$ 6,046,757	\$ 751,376	14.2%
Expenditures							
Salaries and Employee Benefits	26,042,045	14,568,563	13,867,422	15,983,162	17,407,134	1,423,972	8.9%
Salaries and Benefits Reimbursements	(126)	(1,563)	(8,058)	-	-	-	0.0%
Materials, Supplies & Maintenance	1,512,197	2,164,442	2,652,798	3,421,115	4,065,316	644,201	18.8%
Materials Reimbursements	(79,413)	(64,926)	(172,785)	(93,351)	(138,334)	(44,983)	48.2%
Professional/Contract Services	633,522	1,034,207	1,218,107	1,708,610	1,855,533	146,923	8.6%
Training, Travel & Membership Dues	17,379	13,418	14,764	38,972	72,459	33,487	85.9%
Liabilities, Settlements & Insurance	85,860	63,316	60,277	28,401	28,500	99	0.3%
Utilities	1,692,887	2,008,873	1,951,923	1,736,330	1,792,121	55,791	3.2%
Interdepartmental Charges	1,618,695	716,014	1,656,013	1,235,801	1,442,041	206,240	16.7%
Capital Acquisitions	20,874	19,271	20,837	78,477	73,500	(4,977)	-6.3%
Other Operating Transfers Out	139,726	146,717	96,716	76,858	-	(76,858)	-100.0%
Total Expenditures	\$ 31,683,646	\$ 20,668,332	\$ 21,358,014	\$ 24,214,375	\$ 26,598,270	\$ 2,383,895	9.8%
Revenues Less Expenditures	\$ (29,382,990)	\$ (15,694,584)	\$ (16,108,585)	\$ (18,918,994)	\$ (20,551,513)		

As shown in the summary table above, the **Use of Money and Property** and **Charges for Services** revenue classifications are proposed to increase by \$91,700 (+17.2%) and \$671,500 (14.8%), respectively. This is primarily the result of aligning the proposed FY24-25 budget in accordance with currently projected FY23-24 year-end outcomes. The **Salaries and Employee Benefits** expenditure classification is proposed to increase by \$1.4 million (+8.9%), a net result of changes in the department's budgeted staffing levels, recently approved or anticipated pay and benefit adjustments, CalPERS rates, and other various employee-related cost elements. The **Interdepartmental Charges** expenditure classification is proposed to increase by \$206,200 (+16.7%) due to the City's continued efforts to ramp up Self-Insurance Fund contributions to address its negative fund balance. The **Other Operating Transfers Out** expenditure classification is being reduced to zero to enhance operational efficiencies by consolidating IT Replacement Fund contributions in the Non-Departmental section of the City budget.

While standardized adjustments for annual CPI increases were made, modifications to the **Materials, Supplies & Maintenance** and **Professional/Contract Services** expenditure classifications are also reflected in the department's proposed FY24-25 operating budget. As shown in the summary table above, the proposed increase in the **Materials, Supplies and Maintenance** expenditure classification is primarily driven by supplies for various community-based programs (+\$50,000), recreation services programs (+\$100,000), cultural services programs (+\$30,000), and library programs (+\$50,000). Additional adjustments account for increased investments in park services supplies (+\$100,000) and maintenance of the department's Park Services Division vehicle fleet (+\$270,000). The proposed

increase in the **Professional/Contract Services** expenditure classification is primarily driven by the addition and expansion of park operations contracts (+\$82,000) and anticipated cost increases for animal control services (+\$22,000).

Community Services Staffing Budget Summary (General Fund)

Job Classification	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)
Admin Services Manager	1.00	1.00	-	-	-	-
Administrative Analyst	1.00	1.00	1.00	1.00	1.00	-
Administrative Assistant	4.00	4.00	4.00	5.00	5.00	-
Aide, Environmental	1.00	1.00	0.50	-	-	-
Animal Control Officer	-	3.00	2.00	-	-	-
Aquatics Instructor	4.70	4.70	4.70	1.68	1.68	-
Aquatics Program Coordinator	1.00	1.00	1.00	-	-	-
Assistant City Librarian	2.00	2.00	2.00	2.00	2.00	-
City Librarian	1.00	1.00	1.00	1.00	1.00	-
Community Services Director	1.00	1.00	1.00	1.00	1.00	-
Community Svcs Ldr I	16.25	17.02	-	-	-	-
Community Svcs Ldr II	28.38	28.94	-	-	-	-
Community Svcs Ldr III	18.20	17.96	-	-	-	-
Community Svcs Ldr IV	7.80	7.84	-	-	-	-
Cultural Services Manager	1.00	1.00	1.00	1.00	1.00	-
Farmers' Market Manager	1.00	1.00	1.00	1.00	1.00	-
Home Impr Prog Coordinator	1.00	1.00	1.00	1.00	1.00	-
Home Impr Prog Supervisor	1.00	1.00	1.00	1.00	1.00	-
Instructor I	3.10	3.10	3.10	1.00	1.00	-
Instructor II	1.20	1.20	1.20	0.43	0.43	-
Lead Maintenance Worker	15.00	15.00	15.00	15.00	15.00	-
Lead Ranger	-	-	-	2.00	2.00	-
Librarian	13.00	13.00	13.00	13.00	13.00	-
Library Page	13.50	13.50	13.50	10.50	10.50	-
Library Technician	13.50	13.50	13.50	13.50	13.50	-
Lifeguard	3.10	3.10	3.10	5.77	5.77	-
Maintenance Worker	20.50	20.50	20.50	20.50	20.50	-
Nature Center Mgr/Naturalist	1.00	1.00	1.00	1.00	1.00	-
Office Assistant	1.00	1.00	1.00	-	-	-
Park Services Supervisor	3.00	3.00	3.00	3.00	3.00	-
Parks Services Manager	1.00	1.00	1.00	1.00	1.00	-
Pest Control Technician	1.00	1.00	1.00	1.00	1.00	-
Pool Cashier - Clerk	0.40	0.40	0.40	-	-	-
Pool Locker Room Attendant	3.00	3.00	3.00	-	-	-
Pool Manager, Assistant	2.00	2.00	2.00	1.06	1.06	-
Program Coordinator	6.80	6.80	5.80	6.00	6.00	-
Program Leader	-	-	45.96	36.16	30.21	(5.95)
Program Specialist	-	-	17.96	17.73	18.00	0.27
Ranger Supervisor	-	-	1.00	1.00	1.00	-
Recreation Services Manager	1.00	1.00	1.00	1.00	1.00	-
Recreation Supervisor	6.00	6.00	6.00	5.00	5.00	-
Recreation Supvsr, Sr	6.00	6.00	5.00	4.00	4.00	-
Senior Admin Assistant	1.00	1.00	1.00	-	-	-
Senior Business Manager	-	-	-	1.00	1.00	-
Senior Librarian	4.00	4.00	4.00	4.00	5.00	1.00
Senior Library Page	5.50	5.50	5.50	5.50	5.50	-
Senior Library Technician	9.00	9.00	9.00	9.00	8.00	(1.00)
Senior Program Specialist	-	-	7.84	7.57	13.25	5.68
Staff Assistant	-	0.80	0.80	0.80	0.80	-
Supervising Admin Assistant	-	-	-	1.00	1.00	-
Total FTE	225.93	230.86	227.36	204.19	204.19	0.00

The Community Services staffing budget has several proposed position modifications resulting in a net zero FTE change going into FY24-25, including the elimination of a 1.0 FTE Senior Library Technician, addition of a 1.0 FTE Senior Librarian, and adjustments to various pooled classifications to align with anticipated FY24-25 program activity.

The conversion of a 1.0 FTE Senior Library Technician position to a 1.0 FTE Senior Librarian position will re-establish a more successful library management model and allow each Senior Librarian to focus their respective duties on developing effective community programming, outreach services, and a more comprehensive collection of books for public access. Moreover, the additional Senior Librarian position will facilitate the ongoing development and growth of the organization. Having another voice in this area is particularly important as we make significant changes in library operations to better serve the community.

Finance

Mission Statement

The mission of the Finance Department is to provide financial administration and protect the City's assets while providing and supporting the Torrance community with sound financial advice in a timely, cost-effective, and professional manner.

Functional Responsibilities

The Finance Department is responsible for financial administration, budgeting, purchasing, accounting, and auditing for City fiscal resources, the issuing of business licenses, and the billing and collection of all monies due to the City. The Finance Director assists the City Manager with preparing and administering the operating and capital improvement budgets, serves as an advisor to the Land Management Team, and presents an annual audited statement of the City's financial condition to City Council that is prepared in accordance with governmental reporting standards according to the Governmental Accounting Standards Board (GASB). The Finance Department also administers risk management programs whose objectives are to contain costs related to liability and worker's compensation loss.

Department Organization



Finance Operating Budget Summary (General Fund-Operating Fund)

	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
Revenues							
Other Revenues	-	16	-	-	-	-	0.0%
Total Revenues	\$ -	\$ 16	\$ -	\$ -	\$ -	\$ -	0.0%
Expenditures							
Salaries and Employee Benefits	8,398,386	3,693,215	3,925,220	4,430,541	4,632,898	202,357	4.6%
Salaries and Benefits Reimbursements	(780,882)	(130,803)	(81,000)	(133,000)	(19,000)	114,000	-85.7%
Materials, Supplies & Maintenance	52,918	84,915	57,773	68,546	70,512	1,966	2.9%
Materials Reimbursements	(121,992)	(117,515)	(122)	-	-	-	0.0%
Professional/Contract Services	1,322,697	1,591,688	1,267,686	1,649,411	1,413,280	(236,131)	-14.3%
Training, Travel & Membership Dues	8,603	8,699	21,881	36,158	42,608	6,450	17.8%
Liabilities, Settlements & Insurance	13,939	-	-	-	-	-	0.0%
Utilities	2,501	1,745	1,554	2,644	2,088	(556)	-21.0%
Interdepartmental Charges	256,600	37,663	138,333	141,694	179,510	37,816	26.7%
Capital Acquisitions	8,178	6,773	31,254	32,301	15,000	(17,301)	-53.6%
Other Operating Transfers Out	41,021	40,820	26,950	23,144	-	(23,144)	-100.0%
Total Expenditures	\$ 9,201,969	\$ 5,217,200	\$ 5,389,529	\$ 6,251,439	\$ 6,336,896	\$ 85,457	1.4%
Revenues Less Expenditures	\$ (9,201,969)	\$ (5,217,184)	\$ (5,389,529)	\$ (6,251,439)	\$ (6,336,896)		

As shown in the summary table above, the **Salaries and Employee Benefits** expenditure classification is proposed to increase by \$202,400 (+4.6%), a net result of changes in the department's budgeted staffing levels, recently approved or anticipated pay and benefit adjustments, CalPERS rates, and other various employee-related cost elements. The **Salaries and Benefits Reimbursements** expenditure classification is proposed to decrease by \$114,000 (-85.7%) due to changes in the Recognized Obligation Payment Schedule (ROPS) for the Successor Agency to the Former Redevelopment Agency Fund. The **Interdepartmental Charges** expenditure classification is proposed to increase by \$37,800 (+26.7%) due to the City's continued efforts to ramp up Self-Insurance Fund contributions to address its negative fund balance. The **Other Operating Transfers Out** expenditure classification is being reduced to zero to enhance operational efficiencies by consolidating citywide IT Replacement Fund contributions in the Non-Departmental section of the City budget.

While standardized adjustments for annual CPI increases were made, modifications to the **Professional/Contract Services** expenditure classification are also reflected in the department's proposed FY24-25 operating budget. As shown in the summary table above, the proposed decrease in the **Professional/Contract Services** expenditure classification is primarily driven by the reduction of excess budget for legal services related to issues that were resolved in FY23-24 (-\$100,000) and revised projections for business license audit contract costs (-\$110,000).

Finance Operating Budget Summary (Self-Insurance Fund)

	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
Revenues							
Other Revenues	9,267	3,352,492	188,193	-	-	-	0.0%
Charges for Services	2,739,843	8,222,907	17,121,527	20,668,500	23,659,000	2,990,500	14.5%
Operating Transfers In	11,319,045	12,000,000	7,000,000	-	-	-	0.0%
Total Revenues	\$ 14,068,155	\$ 23,575,399	\$ 24,309,720	\$ 20,668,500	\$ 23,659,000	\$ 2,990,500	14.5%
Expenditures							
Salaries and Employee Benefits	841,556	914,278	801,646	1,022,902	1,000,474	(22,428)	-2.2%
Materials, Supplies & Maintenance	12,906	16,929	7,696	25,725	24,000	(1,725)	-6.7%
Professional/Contract Services	130,047	61,511	507,107	648,280	505,000	(143,280)	-22.1%
Training, Travel & Membership Dues	1,324	4,081	5,628	19,500	11,600	(7,900)	-40.5%
Liabilities, Settlements & Insurance	8,164,442	20,012,571	19,078,985	18,344,252	18,654,469	310,217	1.7%
Utilities	-	-	220	750	750	-	0.0%
Interdepartmental Charges	27,276	-	-	228,527	235,890	7,363	3.2%
Other Operating Transfers Out	8,985	9,725	6,951	4,354	-	(4,354)	-100.0%
Bad Debts and Other Losses	5,551,661	8,150,665	(4,198,068)	8,200,000	3,000,000	(5,200,000)	-63.4%
Total Expenditures	\$ 14,738,197	\$ 29,169,760	\$ 16,210,165	\$ 28,494,290	\$ 23,432,183	\$ (5,062,107)	-17.8%
Revenues Less Expenditures	\$ (670,042)	\$ (5,594,361)	\$ 8,099,555	\$ (7,825,790)	\$ 226,817		

As shown in the summary table above, the **Charges for Services** revenue classification is proposed to increase by \$3.0 million (+14.5%) due to additional contributions from all departments to balance the overall budget. The **Salaries and Employee Benefits** expenditure classification is proposed to decrease by \$22,400 (-2.2%), a net result of changes in the department's budgeted staffing levels, recently approved or anticipated pay and benefit adjustments, CalPERS rates, and other various employee-related cost elements. The decrease of \$5.2 million (-63.4%) in the **Bad Debts and Other Losses** expenditure classification reflects revised assumptions pertaining to future actuarial adjustments based on recent outcomes. The **Other Operating Transfers Out** expenditure classification is being reduced to zero to enhance operational efficiencies by consolidating IT Replacement Fund contributions in the Non-Departmental section of the City budget.

While standardized adjustments for annual CPI increases were made, modifications to the **Liabilities, Settlements & Insurance** expenditure classification are also reflected in the department's proposed FY24-25 operating budget. As shown in the summary table above, the proposed increase in the **Liabilities, Settlements & Insurance** expenditure classification is largely due to anticipated increases in liability insurance premiums and workers' compensation claims in FY24-25 offset by reduced costs related to outside counsel and anticipated legal settlements.

Finance Staffing Budget Summary (General Fund and Non-General Fund)

Job Classification	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY24-25
	Actual	Actual	Actual	Amended Budget	Proposed Budget	Increase/ (Decrease)
Account Clerk	6.00	6.00	5.00	4.00	4.00	-
Account Clerk, Senior	7.00	7.00	-	-	-	-
Accountant	6.00	6.00	6.00	5.00	5.00	-
Accountant, Senior	3.00	3.00	3.00	3.00	3.00	-
Accounting Manager	1.00	1.00	1.00	1.00	1.00	-
Accounting Technician	-	-	5.00	4.00	4.00	-
Administrative Analyst	1.00	1.00	1.00	1.00	1.00	-
Administrative Assistant	1.00	1.00	1.00	1.00	1.00	-
Assistant Finance Director	1.00	1.00	1.00	1.00	1.00	-
Audit Manager	1.00	1.00	-	-	-	-
Budget Supervisor	-	-	-	1.00	1.00	-
Buyer	1.00	1.00	1.00	1.00	1.00	-
Claims Technician	3.00	3.00	3.00	3.00	2.00	(1.00)
Deputy Finance Director	-	-	0.75	0.75	0.75	-
Finance Director	1.00	1.00	1.00	1.00	1.00	-
Intern	2.00	2.00	-	-	-	-
License Supervisor	1.00	1.00	1.00	1.00	1.00	-
Payroll Specialist	-	-	2.00	3.00	3.00	-
Revenue Manager	1.00	1.00	1.00	1.00	1.00	-
Risk Manager	-	-	-	1.00	1.00	-
Senior Admin Assistant	1.00	1.00	1.00	1.00	1.00	-
Senior Business Manager	3.00	3.00	3.00	2.00	2.00	-
Senior Buyer	1.00	1.00	1.00	1.00	1.00	-
Staff Assistant	1.00	1.00	-	1.00	1.00	-
Systems Analyst	1.00	1.00	-	-	-	-
Workers' Comp Claims Examiner	2.00	2.00	2.00	2.00	1.00	(1.00)
Workers Comp Manager	1.00	1.00	1.00	1.00	1.00	-
Total FTE	46.00	46.00	40.75	40.75	38.75	(2.00)

The Finance staffing budget is proposed to decrease by 2.0 FTE positions going into FY24-25, resulting from the elimination of a 1.0 FTE Claims Technician position and a 1.0 FTE Workers' Compensation Claims Examiner position. These adjustments align with current staffing needs now that the department has outsourced workers' compensation claims administration services to a third-party consulting firm for the police and fire departments.

Fire

Mission Statement

The mission of the Fire Department is to protect, serve, and improve the quality of life for the entire community through proactive emergency response, risk reduction, and community engagement.

Functional Responsibilities

The Fire Department is responsible for ensuring the safety of life and property from fires, explosions, hazardous conditions, and natural disasters occurring within the City of Torrance; the inspection and correction of any fire or life hazard found; the enforcement of the penal provisions of ordinances of the city and laws of the State and Federal governments; the investigation, gathering, and preservation evidence; apprehension and prosecution of arsonists; education of the public on fire prevention, fire safety, cardiopulmonary resuscitation (CPR), and first aid; and providing emergency medical care for life-threatening or traumatic injuries.

Department Organization



Fire Operating Budget Summary (General Fund-Operating Fund)

Revenues	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
Licenses, Fees and Permits	52,231	247,954	212,986	181,656	210,000	28,344	15.6%
Other Revenues	125,453	-	11,206	-	-	-	0.0%
Charges for Services	3,397,471	8,089,610	8,513,144	10,084,175	11,139,044	1,054,869	10.5%
Operating Transfers In	701,568	6,279	1,807,785	1,852,980	2,121,088	268,108	14.5%
Other Financing Sources	-	1,560,528	-	-	-	-	0.0%
Total Revenues	\$ 4,276,723	\$ 9,904,371	\$ 10,545,121	\$ 12,118,811	\$ 13,470,132	\$ 1,351,321	11.2%
Expenditures	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
Salaries and Employee Benefits	146,419,333	46,717,906	49,212,061	51,192,578	58,086,588	6,894,010	13.5%
Salaries and Benefits Reimbursements	(1,425)	(1,375)	(1,375)	(1,000,000)	(1,000,000)	-	0.0%
Materials, Supplies & Maintenance	1,130,908	1,388,150	2,135,237	2,756,244	2,814,631	58,387	2.1%
Materials Reimbursements	(50,000)	(2,096)	(1,140)	(75,000)	(75,000)	-	0.0%
Professional/Contract Services	373,678	781,016	886,053	1,163,727	1,381,545	217,818	18.7%
Training, Travel & Membership Dues	77,651	116,746	101,204	142,063	172,200	30,137	21.2%
Liabilities, Settlements & Insurance	51,382	34,657	36,794	10,000	10,000	-	0.0%
Utilities	175,835	221,985	220,310	234,779	252,470	17,691	7.5%
Interdepartmental Charges	845,165	1,080,874	3,604,987	4,480,437	7,146,908	2,666,471	59.5%
Debt Service	-	242,703	242,703	242,703	242,703	-	0.0%
Capital Acquisitions	337,888	1,747,987	179,610	151,658	263,000	111,342	73.4%
Other Operating Transfers Out	293,830	162,046	60,792	55,195	-	(55,195)	-100.0%
Total Expenditures	\$ 149,654,245	\$ 52,490,599	\$ 56,677,236	\$ 59,354,384	\$ 69,295,045	\$ 9,940,661	16.7%
Revenues Less Expenditures	\$ (145,377,522)	\$ (42,586,228)	\$ (46,132,115)	\$ (47,235,573)	\$ (55,824,913)		

As shown in the summary table above, the **Charges for Services** revenue classification is proposed to increase by \$1.1 million (+10.5%), primarily driven by aligning the proposed FY24-25 budget in accordance with current revenue projections for the emergency transport receipts related to the new Ground Emergency Medical Transport (PP-GEMT) program which will include twelve months of receipts in the next fiscal year. The **Operating Transfers In** revenue classification is proposed to increase by \$268,100 (+14.5%), which represents the funding allocations from the Measure SST Fund to sustain the Fire Department's FY24-25 staffing levels. The **Salaries and Employee Benefits** expenditure classification is proposed to increase by \$6.9 million (+13.5%), a net result of changes in the department's budgeted staffing levels, recently approved or anticipated pay and benefit adjustments, CalPERS rates, and other various employee-related cost elements. The **Interdepartmental Charges** expenditure classification is proposed to increase by \$2.7 million (+59.5%) due to the City's continued efforts to ramp up Self-Insurance Fund contributions to address its negative fund balance. Additionally, the contribution factor for each department is updated based on the historical claim counts and expenditures during the five-year lookback period. The **Other Operating Transfers Out** expenditure classification is being reduced to zero to enhance operational efficiencies by consolidating citywide IT Replacement Fund contributions in the Non-Departmental section of the City budget.

While standardized adjustments for annual CPI increases were made, modifications to the **Professional/Contract Services, Materials, Supplies & Maintenance, and Capital Acquisitions** expenditure classifications are also reflected in the department's proposed FY24-25 operating

budget. As shown in the summary table above, the proposed increase in the **Professional/Contract Services & Utilities** expenditure classification is primarily driven by costs associated with the Ground Emergency Medical Transportation contract (+\$99,000), third-party EMS billing services (+\$20,000), and cost of employee medical services (+\$17,000). The proposed increases in the **Capital Acquisitions** and **Materials, Supplies & Maintenance** expense classifications are due to increased investments in capital equipment (+\$100,000) and fire turnout gear replacements (+\$77,000).

Fire Staffing Budget Summary (General Fund)

Job Classification	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY24-25
	Actual	Actual	Actual	Amended Budget	Proposed Budget	Increase/ (Decrease)
Admin Services Manager	1.00	1.00	1.00	1.00	1.00	-
Administrative Analyst	2.00	3.00	2.00	2.00	2.00	-
Administrative Assistant	2.00	3.00	2.00	2.00	2.00	-
Ambulance Operator	-	22.00	29.00	35.00	37.00	2.00
Business Manager	-	-	1.00	1.00	-	(1.00)
Deputy Fire Chief	1.00	1.00	1.00	-	-	-
Emergency Med Svcs Coordinator	1.00	1.00	1.00	1.00	1.00	-
Emergency Services Manager	1.00	1.00	-	-	-	-
Fire Battalion Chief-Manager	6.00	6.00	6.00	6.00	6.00	-
Fire Cadet	-	-	-	-	1.00	1.00
Fire Captain	28.00	28.00	28.00	29.00	29.00	-
Fire Chief	1.00	1.00	1.00	1.00	1.00	-
Fire Engineer	27.00	27.00	27.00	27.00	27.00	-
Fire Fighter	81.00	81.00	81.00	81.00	81.00	-
Fire Prevention Manager	1.00	1.00	1.00	1.00	1.00	-
Fire Prevention Specialist	7.00	7.00	6.00	6.00	6.00	-
Fire Prevention Specialist Supervisor	-	-	-	1.00	1.00	-
Fire Prevention Specialist, Sr	2.00	2.00	3.00	3.00	3.00	-
Intern	0.50	0.50	0.50	0.50	-	(0.50)
Office Assistant	2.00	2.00	2.00	2.00	2.00	-
Policy & Resources Specialist	-	-	1.00	1.00	1.00	-
Senior Admin Assistant	1.00	1.00	1.00	1.00	1.00	-
Staff Assistant	-	1.00	-	-	-	-
Total FTE	164.50	189.50	194.50	201.50	203.00	1.50

The Fire staffing budget is proposed to increase by 1.5 FTE positions going into FY24-25, a net result of the addition of 2.0 FTE Ambulance Operator positions, elimination of a 1.0 FTE Business Manager position, elimination of a 0.5 FTE Intern position, and addition of a 1.0 FTE Fire Cadet position.

The additional 2.0 FTE Ambulance Operator positions will allow a Basic Life Support ambulance (BLS-92) to be upgraded to a 24-hour unit, addressing performance gaps in the department's citywide BLS response times and the growing demand for medical transport services. The reduction of a 1.0 FTE

Business Manager is being recommended since BLS program coordination duties have been reassigned to an incumbent Fire Captain after several unsuccessful attempts to fill the position. Lastly, the conversion of a 0.5 FTE Intern position to a 1.0 FTE Fire Cadet position will better suit the current needs of the department and provide added exposure for Fire's "Grow Our Own" program.

General Services

Mission Statement

The mission of the Department of General Services is to provide quality services that support City departments in a manner which enable them to carry-out their community missions and to provide these services at a cost-effective and efficient manner which best serves the operational needs of City departments and the community.

Functional Responsibilities

The Department of General Services maintains all City building and building systems in a good, presentable, and clean condition and provides a healthy and comfortable environment within the buildings in a manner which meets the operational needs for City departments the community. The Department of General Services is also responsible for airport administration, building maintenance, central services, Cultural Arts Center administration, custodial services, fleet services, graffiti abatement program, HVAC/electrical services, and warehouse services. All of these services are provided in an efficient and cost-effective manner.

Department Organization



General Services Operating Budget Summary (General Fund-Operating Fund)

	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
Revenues							
Other Revenues	4,891	-	-	-	-	-	0.0%
Charges for Services	84,899	874,461	981,678	1,222,919	1,136,049	(86,870)	-7.1%
Operating Transfers In	10,500	-	-	-	-	-	0.0%
Total Revenues	\$ 100,290	\$ 874,461	\$ 981,678	\$ 1,222,919	\$ 1,136,049	\$ (86,870)	-7.1%
Expenditures							
Salaries and Employee Benefits	10,761,066	5,893,129	6,094,573	6,790,819	7,399,570	608,751	9.0%
Salaries and Benefits Reimbursements	(2,027,167)	(19,659)	(40,608)	-	(70,000)	(70,000)	0.0%
Materials, Supplies & Maintenance	997,103	1,099,200	1,206,484	1,761,922	2,087,016	325,094	18.5%
Materials Reimbursements	(1,044,359)	(106,512)	(131,931)	(117,000)	(75,000)	42,000	-35.9%
Professional/Contract Services	544,709	654,318	926,703	739,989	726,138	(13,851)	-1.9%
Training, Travel & Membership Dues	1,251	2,080	3,294	10,831	13,230	2,399	22.1%
Liabilities, Settlements & Insurance	15,767	-	-	-	-	-	0.0%
Utilities	508,097	816,808	803,348	902,821	977,377	74,556	8.3%
Interdepartmental Charges	294,039	207,125	570,440	563,301	868,188	304,887	54.1%
Capital Acquisitions	4,487	-	4,500	105,500	-	(105,500)	-100.0%
Other Operating Transfers Out	82,892	35,061	19,424	15,689	-	(15,689)	-100.0%
Total Revenues	\$ 10,137,885	\$ 8,581,550	\$ 9,456,227	\$ 10,773,872	\$ 11,926,519	\$ 1,152,647	10.7%
Revenues Less Expenditures	\$ (10,037,595)	\$ (7,707,089)	\$ (8,474,549)	\$ (9,550,953)	\$ (10,790,470)		

As shown in the summary table above, the **Charges for Services** revenue classification is proposed to decrease by \$86,900 (-7.1%), primarily driven by aligning the proposed FY24-25 budget in accordance with currently projected FY23-24 year-end outcomes. The **Salaries and Employee Benefits** expenditure classification is proposed to increase by \$608,800 (+9.0%), a net result of changes in the department's budgeted staffing levels, recently approved or anticipated pay and benefit adjustments, CalPERS rates, and other various employee-related cost elements. The **Interdepartmental Charges** classification is proposed to increase by \$304,900 (+54.1%) due to the City's continued efforts to ramp up Self-Insurance Fund contributions to address its negative fund balance. Additionally, the contribution factor for each department is updated based on the historical claim counts and expenditures during the five-year lookback period. The **Other Operating Transfers Out** expenditure classification is being reduced to zero to enhance operational efficiencies by consolidating citywide IT Replacement Fund contributions in the Non-Departmental section of the City budget.

While standardized adjustments for annual CPI increases were made, modifications to the **Materials, Supplies & Maintenance** expenditure classification are also reflected in the department's proposed FY24-25 operating budget. As shown in the summary table above, the increase of \$325,100 (+18.5%) in the **Materials, Supplies & Maintenance** expenditure classification is primarily due to expenses for routine facility maintenance being shifted from the City's capital budget to the department's operating budget (+\$500,000) a portion of this additional expense was offset by reductions in other areas.

General Services Operating Budget Summary (Airport Fund)

Revenues	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
Use of Money and Property	60,644	13,443,648	168,171	341,485	482,000	140,515	41.1%
Other Revenues	469,720	-	1,001,657	250,000	500,000	250,000	100.0%
Charges for Services	15,027,751	6,664,325	22,717,054	16,433,244	17,360,326	927,082	5.6%
Operating Transfers In	973,068	-	-	-	-	-	0.0%
Total Revenues	\$ 16,531,183	\$ 20,107,973	\$ 23,886,882	\$ 17,024,729	\$ 18,342,326	\$ 1,317,597	7.7%
Expenditures	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
Salaries and Employee Benefits	2,473,424	1,417,278	1,396,320	1,514,167	1,556,604	42,437	2.8%
Salaries and Benefits Reimbursements	(27,375)	(8,023)	-	-	-	-	0.0%
Materials, Supplies & Maintenance	63,259	142,326	85,596	179,928	144,887	(35,041)	-19.5%
Materials Reimbursements	(71)	(808)	(652)	-	-	-	0.0%
Professional/Contract Services	344,353	433,811	1,332,785	4,753,914	1,021,300	(3,732,614)	-78.5%
Training, Travel & Membership Dues	850	1,051	5,152	10,815	11,923	1,108	10.2%
Depreciation and Amortization	221,988	213,461	240,600	283,250	260,582	(22,668)	-8.0%
Liabilities, Settlements & Insurance	16,280	12,393	6,291	14,536	-	(14,536)	-100.0%
Utilities	173,988	199,645	203,921	207,699	220,946	13,247	6.4%
Interdepartmental Charges	486,336	374,241	557,362	724,441	624,115	(100,326)	-13.8%
Asset Contra Account	(21,810)	-	-	-	-	-	0.0%
Other Operating Transfers Out	11,491,875	11,917,606	19,824,107	9,352,431	12,315,717	2,963,286	31.7%
Bad Debts and Other Losses	191	35,419	23,678	15,000	15,000	-	0.0%
Total Expenditures	\$ 15,223,288	\$ 14,738,400	\$ 23,675,160	\$ 17,056,181	\$ 16,171,074	\$ (885,107)	-5.2%
Revenues Less Expenditures	\$ 1,307,895	\$ 5,369,573	\$ 211,722	\$ (31,452)	\$ 2,171,252		

As shown in the Airport Fund summary table above, the **Other Revenues** classification is proposed to increase by \$250,000 (+100.0%) due to anticipated litigation claim reimbursements. The **Charges for Services** revenue classification is proposed to increase by \$927,000 (+5.6%), primarily driven by increases in rent from ground leases, hangar storage and landing fees to align the proposed FY24-25 budget in accordance with currently projected FY23-24 year-end outcomes. The **Salaries and Employee Benefits** expenditure classification is proposed to increase by \$42,400 (+2.8%), a net result of changes in the department's budgeted staffing levels, recently approved or anticipated pay and benefit adjustments, CalPERS rates, and other various employee-related cost elements. The **Interdepartmental Charges** expenditure classification is proposed to decrease by \$100,300 (-13.8%) due to recalculating the department's contributions to the Fleet Vehicle Replacement Fund. The **Other Operating Transfers Out** expenditure is projected to increase by \$3.0 million (+31.7%) as a result of restoring budget that was transferred to the **Professional/Contract Services** expenditure classification in FY23-24 for one-time expenses related to on-going legal matters.

General Services Operating Budget Summary (Fleet Services Fund)

	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY24-25	FY24-25
Revenues	Actual	Actual	Actual	Amended Budget	Proposed Budget	Increase/ (Decrease)	Percent Change
Use of Money and Property	3,023,942	2,877,726	3,481,962	5,347,909	6,138,735	790,826	14.8%
Other Revenues	342,141	327,947	59,264	80,464	80,464	-	0.0%
Charges for Services	2,756,372	2,970,815	3,838,860	6,693,324	6,896,676	203,352	3.0%
Operating Transfers In	2,757,333	-	18,474,274	-	-	-	0.0%
Total Revenue	\$ 8,879,788	\$ 6,176,488	\$ 25,854,360	\$ 12,121,697	\$ 13,115,875	\$ 994,178	8.2%

	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY24-25	FY24-25
Expenses	Actual	Actual	Actual	Amended Budget	Proposed Budget	Increase/ (Decrease)	Percent Change
Salaries and Employee Benefits	6,276,465	3,234,433	2,768,033	3,822,706	4,069,608	246,902	6.5%
Materials, Supplies & Maintenance	27,022	(1,392)	218,319	1,517,195	269,487	(1,247,708)	-82.2%
Parts, Fuel & Lubricants Inventory Purchases	2,169,199	2,652,577	2,646,366	2,938,693	3,085,628	146,935	5.0%
Parts, Fuel & Lubricants Contra	(2,169,199)	(2,652,577)	(2,646,366)	(2,938,693)	(3,085,628)	(146,935)	5.0%
Professional/Contract Services	51,889	67,656	65,471	241,570	133,224	(108,346)	-44.9%
Training, Travel & Membership Dues	9,001	27,715	22,655	51,809	54,075	2,266	4.4%
Depreciation and Amortization	1,350,270	1,171,923	1,199,372	1,469,460	1,497,016	27,556	1.9%
Liabilities, Settlements & Insurance	7,555	-	-	16,880	16,880	-	0.0%
Utilities	1,277	2,596	1,909	2,730	2,600	(130)	-4.8%
Interdepartmental Charges	143,046	164,942	432,983	1,065,142	2,237,427	1,172,285	110.1%
Debt Service	(920)	(2,449)	30,445	-	-	-	0.0%
Capital Acquisitions	1,079,932	280,242	966,226	15,145,909	13,512,513	(1,633,396)	-10.8%
Asset Contra Account	(1,074,022)	(280,242)	(966,226)	(15,398,406)	(13,512,513)	1,885,893	-12.2%
Other Operating Transfers Out	234,662	727,739	496,730	674,580	18,459	(656,121)	-97.3%
Bad Debts and Other Losses	11,108	24,904	34,411	-	-	-	0.0%
Total Expense	\$ 8,117,285	\$ 5,418,067	\$ 5,270,328	\$ 8,609,575	\$ 8,298,776	\$ (310,799)	-3.6%

Revenues Less Expenditures	\$ 762,503	\$ 758,421	\$ 20,584,032	\$ 3,512,122	\$ 4,817,099		
-----------------------------------	-------------------	-------------------	----------------------	---------------------	---------------------	--	--

As shown in the Fleet Services Fund summary table above, the **Use of Money and Property** revenue classification is proposed to increase by \$790,800 (+14.8%). This is mainly due to an increase in the department contribution made towards future vehicle replacement. The **Salaries and Employee Benefits** expenditure classification is proposed to increase by \$246,900 (+6.5%), a net result of changes in the department's budgeted staffing levels, recently approved or anticipated pay and benefit adjustments, CalPERS rates, and other various employee-related cost elements. The **Interdepartmental Charges** classification is projected to increase by \$1.2 million (+110.1%) due to the reclassification of expenses for the rent of City-owned land and buildings from **Materials, Supplies & Maintenance** to **Interdepartmental Charges**. The **Other Operating Transfers Out** expenditure is projected to decrease by \$656,100 (-97.3%), primarily due to decrease in transfers to Fleet Capital Project fund to align the FY24-25 budget with the Capital Improvement Plan.

General Services Staffing Budget Summary (General Fund and Non-General Funds)

Job Classification	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)
Account Clerk, Senior	1.00	1.00	-	-	-	-
Accounting Technician	-	-	1.00	1.00	1.00	-
Admin Services Manager	-	-	1.00	1.00	1.00	-
Administrative Analyst	1.00	1.00	1.00	1.00	1.00	-
Administrative Assistant	3.00	3.00	3.00	3.00	3.00	-
Air Con/Heat/Elec Supervisor	1.00	1.00	1.00	1.00	1.00	-
Air Condition/Heat Technician	3.00	3.00	3.00	3.00	3.00	-
Airport Worker	4.00	4.00	4.00	4.00	4.00	-
Booking Manager	1.00	1.00	1.00	1.00	1.00	-
Booking Manager, Asst	2.00	2.00	0.50	0.50	0.50	-
Bookkeeper	1.00	1.00	1.00	1.00	1.00	-
Box Office Attendant	2.10	2.10	2.10	2.10	2.10	-
Box Office Manager	1.00	1.00	1.00	1.00	1.00	-
Building Maintainer	6.00	6.00	6.00	6.00	6.00	-
Building Maintainer, Sr	1.00	1.00	1.00	1.00	1.00	-
Building Maintenance Supervisor	1.00	1.00	1.00	1.00	1.00	-
Capital Projects Construction Supervisor	-	-	-	1.00	1.00	-
Central Services Coordinator	-	1.00	1.00	1.00	1.00	-
Central Services Supervisor	1.00	1.00	1.00	1.00	1.00	-
Custodian	20.00	20.00	18.00	17.00	17.00	-
Custodian, Senior	2.00	2.00	2.00	2.00	2.00	-
Customer Service Rep	2.00	2.00	2.00	2.00	2.00	-
Driver/Clerk, Delivery	1.50	1.50	1.50	1.50	1.50	-
Electrician	2.00	2.00	2.00	2.00	2.00	-
Equipment Attendant	4.00	4.00	4.00	4.00	4.00	-
Facilities Service Supervisor	1.00	1.00	1.00	1.00	1.00	-
Facilities Services Manager	1.00	1.00	-	-	-	-
Facility Operations Attend, Sr	4.00	4.00	4.00	4.00	4.00	-
Facility Operations Attendant	6.00	6.00	6.00	5.00	5.00	-
Facility Operations Chief	1.50	1.50	1.50	1.50	1.50	-
Facility Operations Manager	1.00	1.00	1.00	1.00	1.00	-
Fleet Services Manager	1.00	1.00	1.00	1.00	1.00	-
Fleet Services Supervisor	2.00	2.00	2.00	2.00	2.00	-
General Services Director	1.00	1.00	1.00	1.00	1.00	-
Graphic Designer	2.00	2.00	2.00	2.00	2.00	-
Intern II	-	-	-	1.00	1.00	-
Lead Airport Worker	1.00	1.00	1.00	1.00	1.00	-
Mechanic	7.00	7.00	7.00	7.00	7.00	-
Mechanic, Senior	9.00	9.00	9.00	9.00	9.00	-
Office Assistant	3.00	3.00	3.00	2.00	2.00	-
Program Coordinator	-	-	1.00	1.00	1.00	-
Reprographic Specialist	3.00	3.00	3.00	3.00	3.00	-
Senior Admin Assistant	1.00	1.00	1.00	1.00	1.00	-
Senior Box Office Attendant	1.60	1.60	1.60	1.60	1.60	-
Senior Building Inspector	1.00	1.00	1.00	-	-	-
Senior Business Manager	4.00	4.00	4.00	4.00	4.00	-
Staff Assistant	1.00	1.00	1.00	1.00	1.00	-
Stage Manager	1.10	1.10	1.10	1.10	1.10	-
Storekeeper	2.00	2.00	2.00	3.00	3.00	-
Storekeeper, Auto Parts	1.00	1.00	1.00	1.00	1.00	-
Theater Technician	1.30	1.30	1.30	1.30	1.30	-
Theatre Technical Coord	1.20	1.20	1.20	1.20	1.20	-
Theatre Technical Director	1.00	1.00	1.00	1.00	1.00	-
Warehouse Supervisor	1.00	1.00	1.00	1.00	1.00	-
Welder, Senior	1.00	1.00	1.00	1.00	1.00	-
Total FTE	122.30	123.30	120.80	119.80	119.80	-

The General Services staffing budget has no newly proposed changes going into FY24-25.

Human Resources

Mission Statement

The mission of the Human Resources Department is to attract, develop, and retain an exceptional workforce in partnership with all city departments. The Human Resources Department promotes organizational effectiveness by providing quality human resource services and programs to line departments, employees, and the public and business community.

Functional Responsibilities

The Human Resources Department manages a comprehensive human resources program that provides support to the employee workforce and the City's line departments. They are responsible for recruitment and selection, classification and compensation, performance management, labor and employee relations, policy and program compliance, benefit administration, employee recognition, and organization and staff development.

Department Organization



Human Resources Operating Budget Summary (General Fund-Operating Fund)

Expenditures	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
Salaries and Employee Benefits	2,228,500	1,097,052	1,376,018	1,469,752	1,998,080	528,328	35.9%
Salaries and Benefits Reimbursements	(44,063)	1,246	-	-	-	-	0.0%
Materials, Supplies & Maintenance	157,226	235,440	220,558	262,751	311,041	48,290	18.4%
Materials Reimbursements	(7,383)	(10,819)	(5,990)	-	-	-	0.0%
Professional/Contract Services	355,112	334,341	435,756	545,547	536,099	(9,448)	-1.7%
Training, Travel & Membership Dues	33,697	25,030	49,744	62,001	66,780	4,779	7.7%
Liabilities, Settlements & Insurance	3,917	-	-	-	-	-	0.0%
Utilities	-	1,079	2,391	3,198	3,780	582	18.2%
Interdepartmental Charges	101,631	103,270	23,370	145,160	78,403	(66,757)	-46.0%
Other Operating Transfers Out	13,359	14,027	8,724	6,532	-	(6,532)	-100.0%
Total Expenditures	\$ 2,841,996	\$ 1,800,666	\$ 2,110,571	\$ 2,494,941	\$ 2,994,183	\$ 499,242	20.0%

As shown in the summary table above, the **Salaries and Employee Benefits** expenditure classification is proposed to increase by \$528,300 (+35.9%), a net result of changes in the department's budgeted staffing levels, recently approved or anticipated pay and benefit adjustments, CalPERS rates, and other various employee-related cost elements. The **Interdepartmental Charges** classification is proposed to decrease by \$66,800 (-46.0%) due to the Self-Insurance Fund contribution, as the contribution factor for each department is updated based on the historical claim counts and expenditures during the five-year lookback period. The **Other Operating Transfers Out** expenditure classification is being reduced to zero to enhance operational efficiencies by consolidating citywide IT Replacement Fund contributions in the Non-Departmental section of the City budget.

While standardized adjustments for annual CPI increases were made, modifications to the **Materials, Supplies & Maintenance** expenditure classification are also reflected in the department's proposed FY24-25 operating budget. As shown in the summary table above, the proposed increase in the **Materials, Supplies & Maintenance** expenditure classification is primarily driven by cost associated with employee medical evaluation services (+\$25,000).

Human Resources Staffing Budget Summary (General Fund)

Job Classification	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY24-25
	Actual	Actual	Actual	Amended Budget	Proposed Budget	Increase/ (Decrease)
Administrative Assistant	2.00	2.00	2.00	1.00	1.00	-
HR Senior Management Associate	1.00	1.00	-	-	-	-
Human Resources Analyst	4.00	4.00	4.00	2.00	3.00	1.00
Human Resources Director	-	-	1.00	1.00	1.00	-
Human Resources Technician	3.00	3.00	2.00	4.00	5.00	1.00
Office Assistant	1.00	1.00	1.00	1.00	1.00	-
Principal Human Resources Analyst	-	-	1.00	2.00	2.00	-
Staff Assistant	-	-	-	1.00	1.00	-
Total FTE	11.00	11.00	11.00	12.00	14.00	2.00

The Human Resources staffing budget is proposed to increase by 2.0 FTE positions going into FY24-25, including the addition of a 1.0 FTE Human Resources Analyst position and addition of a 1.0 FTE Human Resources Technician. These position modifications will allow the department to function more effectively in providing services to City departments.

Since FY22-23, there has been an increase in workload due to the high volume of recruitments (the number of job applications requiring review to fill vacant positions has increased from 9,645 in 2022 to 16,670 in 2023) as well as increases in new employee registration and onboarding, personnel investigations, and employee engagement activities. Moreover, the proposed adjustments allow the department to better coordinate and support citywide human resources needs, ensure appropriate staffing levels are in place, and address classification, compensation, recruitment, and selection efforts.

Police

Mission Statement

The mission of the Torrance Police Department is to preserve public safety and quality of life within the City of Torrance, respond effectively to the changing needs of the community, and promote mutual respect between the Police Department and the community.

Functional Responsibilities

The Police Department is responsible for enforcing the penal provisions of the City Charter, City ordinances, and State and Federal laws for the purpose of protecting persons and property and the preservation of peace within the community. The Department engages in patrol, crime prevention, investigation of crimes, apprehension of criminals, gathering of evidence, custody of prisoners, rehabilitation of offenders, regulation of traffic, investigation of traffic collisions, custody of property, coordination of all major disaster plans, and all such training and support necessary for these activities.

Department Organization



Police Operating Budget Summary (General Fund-Operating Fund)

	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
Revenues							
Licenses, Fees and Permits	139,664	146,430	370,702	188,462	195,000	6,538	3.5%
Intergovernmental	56,826	115,338	70,701	37,887	65,969	28,082	74.1%
Other Revenues	47,349	4,106	2,445	-	-	-	0.0%
Charges for Services	240,658	279,573	304,754	539,468	448,673	(90,795)	-16.8%
Operating Transfers In	-	-	8,587,595	8,802,285	9,728,461	926,176	10.5%
Total Revenues	\$ 484,497	\$ 545,447	\$ 9,336,197	\$ 9,568,102	\$ 10,438,103	\$ 870,001	9.1%
Expenditures							
Salaries and Employee Benefits	256,427,961	77,812,040	75,954,731	81,610,299	87,926,900	6,316,601	7.7%
Salaries and Benefits Reimbursements	(190,031)	(329,304)	(112,612)	(145,000)	(310,000)	(165,000)	113.8%
Materials, Supplies & Maintenance	1,536,964	1,650,847	1,639,675	2,490,573	2,596,602	106,029	4.3%
Materials Reimbursements	(47,445)	(14,403)	(22,328)	(12,400)	(11,397)	1,003	-8.1%
Professional/Contract Services	816,117	1,534,169	2,219,325	2,986,305	2,035,224	(951,081)	-31.8%
Training, Travel & Membership Dues	62,032	268,936	497,349	430,548	482,500	51,952	12.1%
Liabilities, Settlements & Insurance	392,737	243,697	289,050	40,000	40,000	-	0.0%
Utilities	408,173	436,054	431,711	436,614	514,564	77,950	17.9%
Interdepartmental Charges	2,654,996	3,208,667	5,777,273	7,689,892	8,564,323	874,431	11.4%
Other Operating Transfers Out	194,933	195,435	4,073	3,088	-	(3,088)	-100.0%
Total Expenditures	\$ 262,256,437	\$ 85,006,138	\$ 86,678,247	\$ 95,529,919	\$ 101,838,716	\$ 6,308,797	6.6%
Revenues Less Expenditures	\$ (261,771,940)	\$ (84,460,691)	\$ (77,342,050)	\$ (85,961,817)	\$ (91,400,613)		

The **Operating Transfers In** revenue classification is proposed to increase by \$926,200 (+10.5%), which represents the funding allocations from the Measure SST Fund to maintain sworn position staffing levels. The **Salaries and Employee Benefits** expenditure classification is proposed to increase by \$6.3 million (+7.7%), a net result of changes in the department's budgeted staffing levels, recently approved or anticipated pay and benefit adjustments, CalPERS rates, and other various employee-related cost elements. A portion of the increase in the **Salaries and Employee Benefits** expenditure classification is also the result of restoring the department's salary budgets that were used to fund **Professional/Contract Services** activity in FY23-24. The **Interdepartmental Charges** expenditure classification is proposed to increase by \$874,400 (+11.4%) due to the Self-Insurance Fund contribution, as the contribution factor for each department is updated based on the historical claim counts and expenditures during the five-year lookback period. The **Other Operating Transfers Out** expenditure classification is being reduced to zero to enhance operational efficiencies by consolidating IT Replacement Fund contributions in the Non-Departmental section of the City budget.

While standardized adjustments for annual CPI increases were made, modifications to the **Materials, Supplies & Maintenance, Professional/Contract Services** and **Training, Travel & Membership Dues** expenditure classifications are also reflected in the department's proposed FY24-25 operating budget. The proposed increase in the **Materials, Supplies & Maintenance** expenditure classification is primarily the result of anticipated repair and maintenance costs for the department's vehicle fleet. The proposed increase in the **Training, Travel, & Membership Dues** expenditure classification is due to the department's continued efforts to invest in training and development for staff. The proposed

decrease in the **Professional/Contract Services** expenditure classification is primarily the result of one-time professional service costs being covered by salary savings in FY23-24.

Police Operating Budget Summary (Traffic Safety Fund)

Revenues	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
Fines, Forfeitures and Penalties	-	-	-	180,000	180,000	-	0.0%
Total Revenues	\$ -	\$ -	\$ -	\$ 180,000	\$ 180,000	\$ -	0.0%
Expenditures	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
Professional/Contract Services	-	-	-	180,000	180,000	-	0.0%
Total Expenditures	\$ -	\$ -	\$ -	\$ 180,000	\$ 180,000	\$ -	0.0%
Revenues Less Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -		

The Traffic Safety Fund was established to separately account for remittances from the County of Los Angeles for court, traffic, and general fines revenues. The operating budget for this new fund is balanced with proposed FY24-25 revenue and expenditure budgets set at \$180,000 to fund contract services related to the **Professional/Contract Services** expenditure classification for as-needed crossing guard services.

Police Staffing Budget Summary (General Fund)

Job Classification	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY24-25
	Actual	Actual	Actual	Amended Budget	Proposed Budget	Increase/ (Decrease)
Admin Services Manager	1.00	3.00	4.00	4.00	4.00	-
Administrative Analyst	3.00	3.00	3.00	5.00	5.00	-
Administrative Assistant	10.00	10.00	10.00	10.00	10.00	-
Animal Control Officer	3.00	-	-	-	-	-
Assistant Police Chief	-	-	1.00	1.00	1.00	-
Crossing Guard	13.00	13.00	13.00	16.00	16.00	-
Forensic ID Specialist	4.00	1.00	1.00	1.00	1.00	-
Forensic Supervisor	1.00	1.00	1.00	1.00	1.00	-
Info Tech Specialist	2.00	2.00	2.00	2.00	2.00	-
Info Technology Analyst	2.00	2.00	2.00	2.00	2.00	-
Juvenile Diversion Case Worker	1.00	1.00	1.00	1.00	1.00	-
Juvenile Diversion Coordinator	1.00	1.00	1.00	1.00	1.00	-
Police Captain	4.00	4.00	3.00	3.00	3.00	-
Police Chief	1.00	1.00	1.00	1.00	1.00	-
Police Lieutenant	13.00	13.00	12.00	12.00	12.00	-
Police Officer	172.00	172.00	170.00	170.00	170.00	-
Police Records Technician	17.00	17.00	17.00	17.00	17.00	-
Police Sergeant	33.00	31.00	30.00	32.00	32.00	-
Police Services Administrator	-	-	1.00	1.00	1.00	-
Police Services Officer	30.00	30.00	30.00	30.00	30.00	-
Police Services Supervisor	3.00	5.00	6.00	7.00	7.00	-
Public Safety Comm Supvr	2.00	3.00	3.00	3.00	3.00	-
Public Safety Dispatcher	23.00	23.00	28.00	28.00	28.00	-
Senior Admin Assistant	1.00	1.00	1.00	1.00	1.00	-
Senior Business Manager	1.00	1.00	1.00	1.00	1.00	-
Sr. Forensic ID Specialist	2.00	4.00	4.00	4.00	4.00	-
Staff Assistant	4.80	4.00	4.00	4.00	4.00	-
Systems Analyst	1.00	1.00	1.00	1.00	1.00	-
Total FTE	348.80	347.00	351.00	359.00	359.00	-

The Police Department's staffing budget has no newly proposed changes going into FY24-25.

Public Works

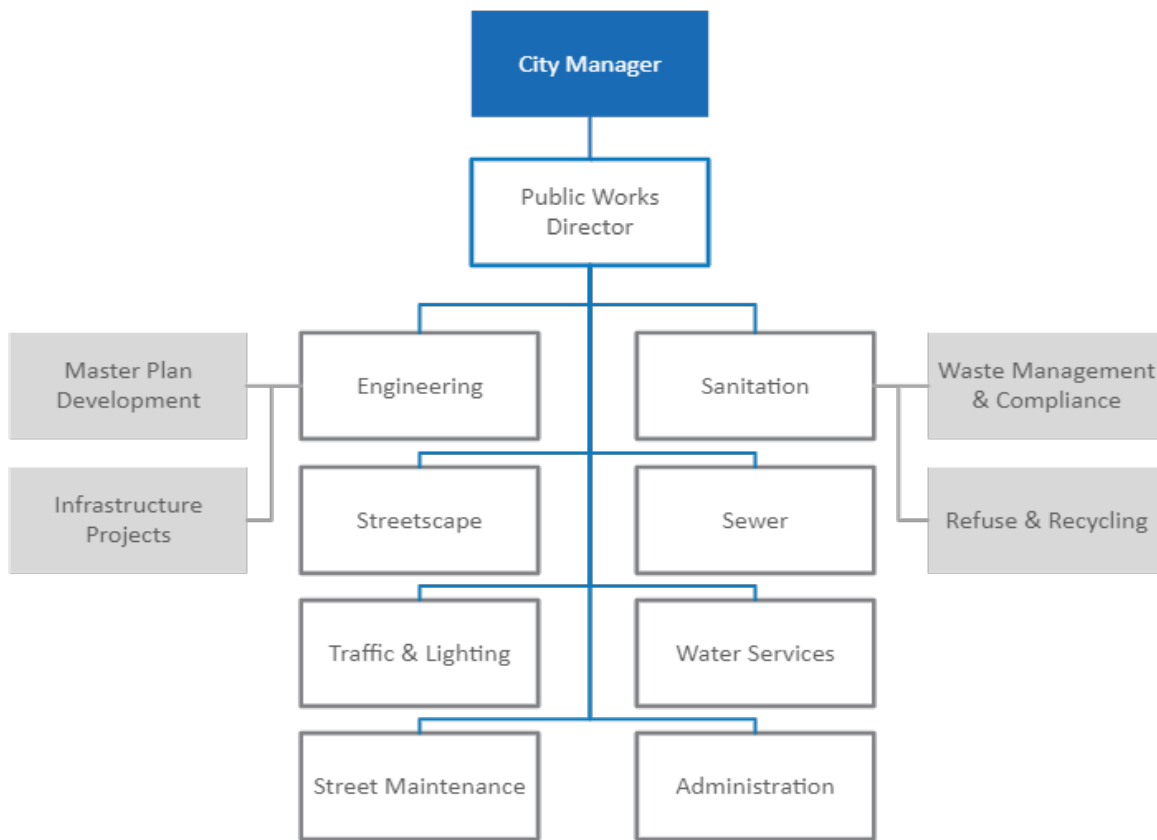
Mission Statement

The mission of the Public Works Department is to provide a superior level of public service and interdepartmental support in the most practical and competent manner possible. Through innovative methods, the Public Works Department seeks to ensure a sound infrastructure and a healthy environment that contributes to the overall mission of the City.

Functional Responsibilities

The Public Works Department provides services to Torrance residents, businesses, and other City departments to improve and maintain the City's streets, sidewalks, landscaping, traffic sewers, and water system. The Department is responsible for civil and traffic engineering, trash and recycling, sewer and wastewater, street sweeping, street operations, city trees and landscapes, and water services.

Department Organization



Public Works Operating Budget Summary (General Fund-Operating Fund)

	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
Revenues							
Other Revenues	(33,753)	11,463	91,961	103,790	6,083	(97,707)	-94.1%
Charges for Services	215,950	225,507	230,762	242,177	267,151	24,974	10.3%
Operating Transfers In	2,717,397	2,228,662	3,406,980	4,179,358	4,228,071	48,713	1.2%
Total Revenues	\$ 2,899,594	\$ 2,465,632	\$ 3,729,703	\$ 4,525,325	\$ 4,501,305	\$ (24,020)	-0.5%
Expenditures							
Salaries and Employee Benefits	14,989,855	7,344,082	8,420,944	8,775,992	9,994,365	1,218,373	13.9%
Salaries and Benefits Reimbursements	(1,077,893)	(493,542)	(155,377)	-	(172,500)	(172,500)	0.0%
Materials, Supplies & Maintenance	1,696,461	1,629,737	2,448,203	3,162,363	3,334,607	172,244	5.4%
Materials Reimbursements	(570,145)	(443,920)	(90,290)	(65,000)	(65,000)	-	0.0%
Professional/Contract Services	608,330	839,328	1,026,614	2,142,791	1,891,360	(251,431)	-11.7%
Training, Travel & Membership Dues	2,529	4,424	6,891	18,748	61,361	42,613	227.3%
Liabilities, Settlements & Insurance	479,646	145,358	282,285	100,000	100,000	-	0.0%
Utilities	724,360	762,721	861,540	919,266	991,199	71,933	7.8%
Interdepartmental Charges	1,252,740	2,605,400	3,330,978	4,217,876	4,782,077	564,201	13.4%
Capital Acquisitions	634	312,108	46,036	385,293	205,000	(180,293)	-46.8%
Other Operating Transfers Out	50,586	57,979	92,687	31,833	-	(31,833)	-100.0%
Total Expenditures	\$ 18,157,103	\$ 12,763,675	\$ 16,270,511	\$ 19,689,162	\$ 21,122,469	\$ 1,433,307	7.3%
Revenues Less Expenditures	\$ (15,257,509)	\$ (10,298,043)	\$ (12,540,808)	\$ (15,163,837)	\$ (16,621,164)		

The decrease in revenue budget of \$24,000 is mainly due to the **Other Revenues** and **Operating Transfers In** classifications. A decrease of \$97,700 in **Other Revenues** is mainly due to an anticipated reduction in subrogation effort collections. The increase of \$48,700 in **Operating Transfers In** is mainly due to an increase of \$256,400 from the Sanitation Fund to support the City's street sweeping program. The **Salaries and Employee Benefits** expenditure classification is proposed to increase by \$1.2 million (+13.9%), a net result of changes in the department's budgeted staffing levels, recently approved or anticipated pay and benefit adjustments, CalPERS rates, and other various employee-related cost elements. A portion of the increase in the **Salaries and Employee Benefits** expenditure classification is also the result of realigning the FY24-25 budget after salary savings from vacant positions were utilized to fund one-time **Professional/Contract Services** and **Capital Acquisitions** activities in FY23-24. The **Interdepartmental Charges** classification is proposed to increase by \$564,200 (+13.4%) due to the City's continued efforts to ramp up Self-Insurance Fund contributions to address its negative fund balance. The **Other Operating Transfers Out** expenditure classification is being reduced to zero to enhance operational efficiencies by consolidating IT Replacement Fund contributions in the Non-Departmental section of the City budget.

While standardized adjustments for annual CPI increases were made, modifications to the **Materials, Supplies & Maintenance, Professional/Contract Services** and **Capital Acquisitions** expenditure classifications are also reflected in the department's proposed FY24-25 operating budget. The increase in the **Materials, Supplies & Maintenance** expenditure classification is primarily the result of anticipated repair and maintenance costs for the Public Works vehicle fleet (+\$220,000). The proposed decreases in the **Professional/Contract Services** and **Capital Acquisitions** expenditure

classifications are primarily the result of realigning the FY24-25 budgets after salary savings from vacant positions were utilized to fund additional tree maintenance services costs and capital equipment purchases in FY23-24.

Public Works Operating Budget Summary (Sanitation Fund)

	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY24-25	FY24-25
Revenues	Actual	Actual	Actual	Amended Budget	Proposed Budget	Increase/ (Decrease)	Percent Change
Use of Money and Property	39,897	22,943	250,977	375,589	294,000	(81,589)	-21.7%
Other Revenues	45,131	154,925	114,770	50,000	125,000	75,000	150.0%
Charges for Services	12,883,355	13,798,273	13,584,401	13,927,864	16,467,469	2,539,605	18.2%
Operating Transfers In	5,248,656	3,842,035	2,698,962	1,802,948	2,032,346	229,398	12.7%
Total Revenue	\$ 18,217,039	\$ 17,818,176	\$ 16,649,110	\$ 16,156,401	\$ 18,918,815	\$ 2,762,414	17.1%
Expenses	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY24-25	FY24-25
	Actual	Actual	Actual	Amended Budget	Proposed Budget	Increase/ (Decrease)	Percent Change
Salaries and Employee Benefits	7,851,779	4,437,233	3,888,009	4,127,511	4,716,434	588,923	14.3%
Salaries and Benefits Reimbursements	(10,481)	(8,584)	(10,032)	-	-	-	0.0%
Materials, Supplies & Maintenance	2,788,298	2,917,391	3,284,641	3,599,132	3,886,729	287,597	8.0%
Materials Reimbursements	(170,074)	(113,070)	(185,905)	(50,000)	(150,000)	(100,000)	200.0%
Professional/Contract Services	2,721,682	2,655,697	2,812,667	4,977,374	5,022,008	44,634	0.9%
Training, Travel & Membership Dues	1,332	603	2,610	33,471	82,300	48,829	145.9%
Depreciation and Amortization	1,044,749	978,757	945,178	1,168,733	1,095,493	(73,240)	-6.3%
Liabilities, Settlements & Insurance	92,932	15,355	26,672	68,083	60,000	(8,083)	-11.9%
Utilities	3,495	3,743	3,004	3,990	4,190	200	5.0%
Interdepartmental Charges	1,583,205	1,569,285	1,560,630	3,272,232	2,067,676	(1,204,556)	-36.8%
Debt Service	(4,378)	(8,642)	79,852	90,000	90,000	-	0.0%
Capital Acquisitions	-	771,561	446,737	7,937,288	5,190,727	(2,746,561)	-34.6%
Asset Contra Account	(65,853)	(780,792)	(446,737)	(7,937,288)	(5,190,727)	2,746,561	-34.6%
Other Operating Transfers Out	1,814,852	3,593,870	2,404,057	2,766,174	3,134,975	368,801	13.3%
Bad Debts and Other Losses	626	43,081	-	98,860	52,860	(46,000)	-46.5%
Total Expense	\$ 17,652,164	\$ 16,075,488	\$ 14,811,383	\$ 20,155,560	\$ 20,062,665	\$ (92,895)	-0.5%
Revenues Less Expenditures	\$ 564,875	\$ 1,742,688	\$ 1,837,727	\$ (3,999,159)	\$ (1,143,850)		

As shown in the summary table above, the Sanitation Fund’s **Charges for Services** revenue classification is proposed to increase by \$2.5 million (+18.2%), primarily due to a recent series of annual rate increases for refuse fees approved by Council through the Proposition 218 process. Beginning July 1, 2023, fees increased by 16% and by 9% annually starting on July 1, 2024. Since the FY2023-24 amended budget did not include any of these rate changes, this budget change represents the newly adjusted revenue base. The **Operating Transfers In** classification is anticipated to increase by \$229,400 (+12.7%) and is mainly due to an increase to the vehicle replacement fund for vehicle purchases. The **Salaries and Employee Benefits** expenditure classification is proposed to increase by \$588,900 (+14.3%), a net result of changes in the department’s budgeted staffing levels, recently approved or anticipated pay and benefit adjustments, CalPERS rates, and other various employee-related cost elements. The **Interdepartmental Charges** expenditure classification is proposed to decrease by \$1.2 million (-36.8%) due to the recalculation of the Sanitation Division’s contributions to the Self-Insurance Fund. The **Other Operating Transfers Out** expenditure is projected to increase

by \$368,800 (+13.3%) as a result of recalculating contributions to the Sanitation Vehicle Replacement Fund and General Fund for the City’s street sweeping program.

While standardized adjustments for annual CPI increases were made, modifications to the **Materials, Supplies & Maintenance** expenditure classification are also reflected in the department’s proposed FY24-25 operating budget. As shown in the summary table above, the proposed increase in the **Materials, Supplies & Maintenance** expenditure classification is primarily the result of anticipated vehicle repair and maintenance costs for the Sanitation Division’s vehicle fleet (+\$310,000).

Public Works Operating Budget Summary (Sewer Fund)

Revenues	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
Use of Money and Property	45,726	(69,041)	142,924	279,849	699,000	419,151	149.8%
Other Revenues	28,214	100,428	13,459	13,556	50,000	36,444	268.8%
Charges for Services	6,021,285	6,004,945	5,885,583	7,495,161	7,315,073	(180,088)	-2.4%
Operating Transfers In	1,930,336	1,424,348	527,677	834,357	552,009	(282,348)	-33.8%
Total Revenue	\$ 8,025,561	\$ 7,460,680	\$ 6,569,643	\$ 8,622,923	\$ 8,616,082	\$ (6,841)	-0.1%

Expenses	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
Salaries and Employee Benefits	4,207,974	2,051,010	1,675,358	1,702,959	1,956,558	253,599	14.9%
Materials, Supplies & Maintenance	198,538	248,217	295,645	332,840	348,642	15,802	4.7%
Materials Reimbursements	-	-	(72)	-	-	-	0.0%
Professional/Contract Services	739,550	571,519	661,238	598,677	509,250	(89,427)	-14.9%
Training, Travel & Membership Dues	2,102	1,710	1,918	10,447	15,246	4,799	45.9%
Depreciation and Amortization	161,319	166,969	134,931	176,227	1,178,476	1,002,249	568.7%
Liabilities, Settlements & Insurance	-	3,667	-	-	-	-	0.0%
Utilities	54,797	73,926	60,888	93,917	97,557	3,640	3.9%
Interdepartmental Charges	730,572	743,216	653,523	765,634	744,053	(21,581)	-2.8%
Capital Acquisitions	462,605	-	-	2,527,010	2,445,104	(81,906)	-3.2%
Asset Contra Account	(455,994)	-	-	(2,524,804)	(2,445,104)	79,700	-3.2%
Other Operating Transfers Out	1,959,152	3,295,835	1,747,052	3,172,145	1,917,662	(1,254,483)	-39.5%
Bad Debts and Other Losses	159	98,937	-	36,459	20,000	(16,459)	-45.1%
Total Expense	\$ 8,060,774	\$ 7,255,006	\$ 5,230,481	\$ 6,891,511	\$ 6,787,444	\$ (104,067)	-1.5%

Revenues Less Expenditures	\$ (35,213)	\$ 205,674	\$ 1,339,162	\$ 1,731,412	\$ 1,828,638		
-----------------------------------	--------------------	-------------------	---------------------	---------------------	---------------------	--	--

As shown in the summary table above, the Sewer Fund’s revenue is proposed to remain consistent with the prior year’s budget with an increase to the **Use of Money and Property** classification, offset by decreases in the **Charges for Services** and **Operating Transfers In** classifications. The increase of \$419,200 in the **Use of Money and Property** classification is due to anticipated increases in investment returns resulting from higher yields. The decrease in the **Operating Transfers In** classification is mainly from a decrease of \$294,500 to the Sewer Vehicle Replacement fund. The decrease of \$180,000 in the **Charges for Services** classification is mainly due to lower receipts from sewer discharge fees. The **Salaries and Employee Benefits** expenditure classification is projected to increase by \$253,600 (+14.9%), a net result of changes in the department’s budgeted staffing levels, recently approved or anticipated pay and benefit adjustments, CalPERS rates, and other various employee-related cost elements. The **Interdepartmental Charges** classification is projected to

decrease by \$21,600 (-2.8%) due to recalculation of the Sewer Division’s contributions to the Self-Insurance Fund. The **Other Operating Transfers Out** expenditure is projected to decrease by \$1.3 million (-39.5%) as a result of recalculating contributions to the Sewer Capital Projects Fund and Sewer Vehicle Replacement Fund. It should be noted that the proposed increase of \$1.0 million in the **Depreciation and Amortization** expenditure classification occurs each fiscal year as part of the Sewer Fund’s proposed operating budget for depreciation expenses and is then transferred back to the Sewer Capital Projects Fund.

Public Works Operating Budget Summary (Water Fund)

Revenues	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
Use of Money and Property	200,542	(277,370)	727,785	1,347,657	1,281,000	(66,657)	-4.9%
Other Revenues	45,200	589,457	67,060	-	5,000	5,000	0.0%
Charges for Services	49,197,792	50,942,552	54,187,955	53,070,586	53,095,000	24,414	0.0%
Operating Transfers In	4,341,909	363,124	395,077	409,238	422,501	13,263	3.2%
Total Revenue	\$ 53,785,443	\$ 51,617,763	\$ 55,377,877	\$ 54,827,481	\$ 54,803,501	\$ (23,980)	0.0%
Expenses	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
Salaries and Employee Benefits	10,004,120	5,523,650	4,853,701	5,732,781	5,949,210	216,429	3.8%
Salaries and Benefits Reimbursements	(30,028)	-	-	-	-	-	0.0%
Materials, Supplies & Maintenance	1,912,313	1,963,448	2,297,674	1,973,066	1,938,160	(34,906)	-1.8%
Materials Reimbursements	(14,555)	-	(10)	5,000	-	(5,000)	-100.0%
Parts, Fuel & Lubricants Inventory Purchases	312,650	390,903	526,980	583,495	612,670	29,175	5.0%
Parts, Fuel & Lubricants Contra	(312,650)	(390,903)	(526,980)	(583,495)	(612,670)	(29,175)	5.0%
Stored Water Rights Inventory Purchases	411,611	430,781	444,314	471,699	-	(471,699)	-100.0%
Stored Water Rights Contra	(411,610)	(430,781)	(444,314)	(471,699)	-	471,699	-100.0%
Professional/Contract Services	1,250,147	1,121,243	1,255,614	1,676,431	2,031,344	354,913	21.2%
Water Supply Costs	26,301,940	28,323,919	32,958,829	33,350,000	34,785,000	1,435,000	4.3%
Training, Travel & Membership Dues	6,371	8,172	9,633	49,955	52,453	2,498	5.0%
Depreciation and Amortization	121,003	120,868	126,742	162,465	2,221,091	2,058,626	1267.1%
Liabilities, Settlements & Insurance	51,758	133,868	3,624	91,479	16,008	(75,471)	-82.5%
Utilities	153,979	226,977	175,800	164,950	205,820	40,870	24.8%
Interdepartmental Charges	2,498,511	2,399,304	2,497,907	2,858,400	3,650,457	792,057	27.7%
Debt Service	642,387	642,336	642,285	1,567,288	644,517	(922,771)	-58.9%
Debt Service Reimbursements	(541,273)	(554,122)	(567,277)	(1,279,515)	(580,744)	698,771	-54.6%
Capital Acquisitions	-	60,195	31,027	994,723	648,522	(346,201)	-34.8%
Asset Contra Account	-	(60,195)	(45,605)	(994,632)	(648,522)	346,110	-34.8%
Other Operating Transfers Out	4,490,507	4,365,691	3,171,032	10,005,676	2,906,903	(7,098,773)	-70.9%
Bad Debts and Other Losses	18,861	522,623	-	150,000	150,000	-	0.0%
Total Expense	\$ 46,866,042	\$ 44,797,977	\$ 47,410,976	\$ 56,508,067	\$ 53,970,219	\$ (2,537,848)	-4.5%
Revenues Less Expenditures	\$ 6,919,401	\$ 6,819,786	\$ 7,966,901	\$ (1,680,586)	\$ 833,282		

As shown in the summary table above, the Water Fund’s revenue budget is consistent with the prior year’s amended budget. The **Salaries and Employee Benefits** expenditure classification is proposed to increase by \$216,400 (+3.8%), a net result of changes in the department’s budgeted staffing levels, recently approved or anticipated pay and benefit adjustments, CalPERS rates, and other various employee-related cost elements. The **Interdepartmental Charges** expenditure classification is proposed to increase by \$792,000 (+27.7%) due to rental charges for City-owned land and buildings being reclassified from **Materials, Supplies & Maintenance**. The **Other Operating Transfers Out**

classification is proposed to decrease by \$7.1 million (-70.9%) as a result of recalculating contributions to the Water Capital Projects Fund and Water Vehicle Replacement Fund. It should be noted that the proposed increase of \$2.1 million reflected in the **Depreciation and Amortization** expenditure classification occurs each fiscal year as part of the Water Fund’s proposed operating budget for depreciation expenses and is then transferred back to the Water Capital Projects Fund.

The decrease in the **Materials, Supplies & Maintenance** expenditure classification is primarily the result of rental charges reclassification mentioned above, partially offset by the anticipated water meter replacements (+\$500,000) and vehicle repair and maintenance costs for the Water Division’s vehicle fleet (+\$150,000). The increase in the **Professional/Contract Services** expenditure classification is primarily due to automated meter licensing costs (+\$225,000) and increased budget for emergency water repairs (+\$100,000). The proposed increase of \$1.4 million (+4.3%) in the **Water Supply Costs** expenditure classification is intended to better align the FY24-25 operating budget based on anticipated FY24-25 needs.

Public Works Operating Budget Summary (Street Lighting District Fund)

Revenues	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
Taxes	1,268,245	1,280,451	1,279,425	1,290,101	1,291,500	1,399	0.1%
Operating Transfers In	1,463,748	1,147,615	430,966	516,894	574,772	57,878	11.2%
Total Revenues	\$ 2,731,993	\$ 2,428,066	\$ 1,710,391	\$ 1,806,995	\$ 1,866,272	\$ 59,277	3.3%
Expenditures	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
Salaries and Employee Benefits	691,770	344,109	-	-	-	-	0.0%
Materials, Supplies & Maintenance	485,269	380,837	-	-	-	-	0.0%
Professional/Contract Services	33,722	32,762	19,148	22,150	22,150	-	0.0%
Utilities	1,549,336	1,670,358	1,691,242	1,784,845	1,844,122	59,277	3.3%
Total Expenditures	\$ 2,760,097	\$ 2,428,066	\$ 1,710,390	\$ 1,806,995	\$ 1,866,272	\$ 59,277	3.3%
Revenues Less Expenditures	\$ (28,104)	\$ -	\$ 1	\$ -	\$ -		

As shown in the summary table above, the Street Lighting District Fund’s **Utilities** expenditure classification will be increased by \$59,300 (+3.3%) to align the budget with anticipated FY24-25 needs.

Public Works Personnel Summary (General Fund and Non-General Funds)

Job Classification	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY24-25
	Actual	Actual	Actual	Amended Budget	Proposed Budget	Increase/ (Decrease)
Admin Services Manager	-	1.00	1.00	1.00	1.00	-
Administrative Analyst	3.00	2.00	2.00	2.00	2.00	-
Administrative Assistant	5.00	5.00	5.00	5.00	5.00	-
Assistant Engineer	4.00	4.00	4.00	4.00	4.00	-
Associate Engineer	9.00	9.00	9.00	10.00	10.00	-
Cement Finisher	2.00	2.00	2.00	2.00	2.00	-
Deputy Public Works Director	1.00	1.00	1.00	1.00	1.00	-
Deputy Public Works Dir-Ops	1.00	1.00	1.00	1.00	1.00	-
Engineering Manager	3.00	3.00	3.00	3.00	4.00	1.00
Engineering Manager-Major Proj	1.00	1.00	1.00	1.00	-	(1.00)
Engineering Technician III	3.00	3.00	3.00	2.00	2.00	-
Equipment Operator	11.00	11.00	9.00	9.00	9.00	-
HR Senior Management Associate	1.00	1.00	-	-	-	-
Inspector, Public Works-Cap Proj	2.00	3.00	3.00	3.00	3.00	-
Landscape Mgr/City Arborist	1.00	1.00	1.00	1.00	1.00	-
Lead Maintenance Worker	14.00	16.00	15.00	15.00	15.00	-
Maintenance Worker	43.00	44.00	44.00	40.00	40.00	-
Pest Control Technician	1.00	1.00	1.00	1.00	1.00	-
Policy & Resources Specialist	-	2.00	2.00	2.00	2.00	-
Principal Human Resources Analyst	-	-	1.00	1.00	1.00	-
Public Works Director	1.00	1.00	1.00	1.00	1.00	-
Public Works Supervisor	7.00	7.00	8.00	8.00	8.00	-
Sanitation Equipment Operator	30.00	30.00	31.00	35.00	35.00	-
Sanitation Services Manager	1.00	1.00	1.00	1.00	1.00	-
Senior Business Manager	1.00	1.00	1.00	1.00	1.00	-
Street Maintenance Leader	2.00	-	-	-	-	-
Street Operations Manager	1.00	1.00	1.00	1.00	1.00	-
Supervising Admin Assistant	1.00	1.00	1.00	1.00	1.00	-
Traffic & Lighting Superv	1.00	1.00	1.00	1.00	1.00	-
Traffic Painter	3.00	3.00	3.00	2.00	2.00	-
Traffic Signal Technician	4.00	4.00	4.00	4.00	4.00	-
Tree Trimmer	6.00	6.00	5.00	5.00	5.00	-
Waste Mgmt Coordinator	1.00	-	-	-	-	-
Wastewater Technician	7.00	7.00	7.00	7.00	7.00	-
Water Operations Manager	1.00	1.00	1.00	1.00	1.00	-
Water Operations Supervisor	3.00	3.00	3.00	3.00	3.00	-
Water Service Intern	2.00	2.00	2.00	1.00	-	(1.00)
Water System Operator I	13.00	13.00	13.00	9.00	9.00	-
Water System Operator II	5.00	5.00	5.00	9.00	9.00	-
Water System Operator III	11.00	11.00	12.00	12.00	12.00	-
Total FTE	206.00	209.00	208.00	206.00	205.00	(1.00)

The Public Works staffing budget is proposed to decrease by 1.0 FTE position going into FY24-25. This includes the reallocation of a 1.0 FTE position from the Engineering Manager-Major Projects classification to the Engineering Manager classification to better suit the needs of the department and job duties with a more appropriate job title.

The elimination of the 1.0 FTE Water Service Intern is being recommended due to low retention rates after apprenticeship training is completed and promotional opportunities become available. Additionally, since a D1 Water Distribution Operator Certification is no longer required for a Water System Operator I position, the department is now able to recruit and train full-time employees while they obtain their D1 Water Distribution Operator Certification.

Transit

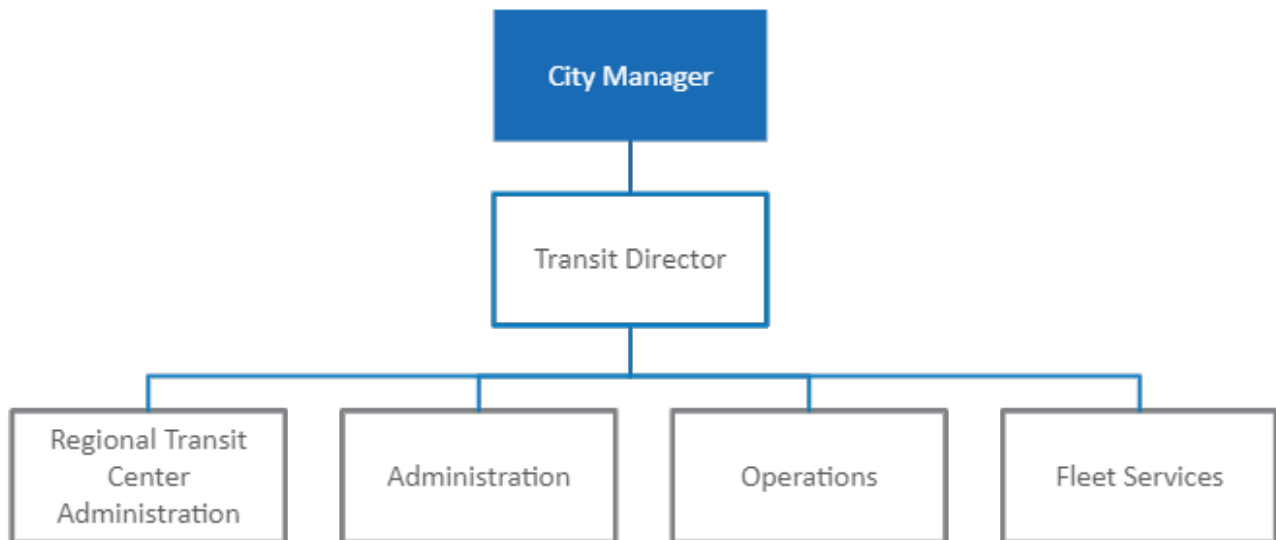
Mission Statement

The mission of the Torrance Transit System is to provide reliable, safe, inexpensive, and courteous transportation to customers which includes the people who live, work, and do business in the City of Torrance and the region.

Functional Responsibilities

The Torrance Transit System's responsibilities include securing its own local, state and federal funding for the department; financial monitoring and reporting; grants administration; transit scheduling; supervision and administration of all privately contracted transit services; planning and marketing tracking and analyzing service statistics; providing staff for city and regional committees or task forces; monitoring and participating in regional and federal transportation legislation, issues, projects, and activities; maintenance of its own fleet of buses; development and implementation of service changes; and general oversight of the bus operations for the City of Torrance.

Department Organization



Transit Operating Budget Summary (Transit Fund)

Revenues	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
Use of Money and Property	76,870	(218,857)	506,189	1,029,127	1,718,000	688,873	66.9%
Intergovernmental	31,667,983	32,609,978	31,493,249	31,869,767	29,545,571	(2,324,196)	-7.3%
Other Revenues	7,009	87,146	3,500	30,000	30,000	-	0.0%
Charges for Services	56,026	469,011	959,729	1,326,028	940,001	(386,027)	-29.1%
Operating Transfers In	8,646,861	2,674,323	3,000,000	3,000,000	3,000,000	-	0.0%
Total Revenues	\$ 40,454,749	\$ 35,621,601	\$ 35,962,667	\$ 37,254,922	\$ 35,233,572	\$ (2,021,350)	-5.4%
Expenditures	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
Salaries and Employee Benefits	22,949,408	15,552,477	14,458,042	21,376,793	23,171,327	1,794,534	8.4%
Materials, Supplies & Maintenance	2,070,587	2,240,255	2,708,360	3,196,113	3,643,905	447,792	14.0%
Materials Reimbursements	(280,848)	(154,497)	(200,517)	(250,000)	(250,000)	-	0.0%
Parts, Fuel & Lubricants Inventory Purchas	634,454	889,074	1,245,279	1,529,991	1,811,250	281,259	18.4%
Parts, Fuel & Lubricants Contra	(634,454)	(889,074)	(1,245,791)	(1,529,991)	(1,811,250)	(281,259)	18.4%
Professional/Contract Services	1,538,773	1,619,514	2,303,061	2,910,863	2,593,143	(317,720)	-10.9%
Training, Travel & Membership Dues	46,085	58,652	86,342	159,022	125,037	(33,985)	-21.4%
Depreciation and Amortization	4,167,954	3,897,647	3,188,690	3,964,089	3,238,219	(725,870)	-18.3%
Liabilities, Settlements & Insurance	277,093	239,741	476,539	217,639	217,639	-	0.0%
Utilities	104,199	118,421	125,519	144,845	233,466	88,621	61.2%
Interdepartmental Charges	4,256,390	4,969,689	5,881,955	6,666,292	7,172,359	506,067	7.6%
Capital Acquisitions	-	8,210	8,487	29,200	-	(29,200)	-100.0%
Asset Contra Account	(1,978,738)	(1,195,618)	(412,639)	-	-	-	0.0%
Other Operating Transfers Out	4,614,303	69,632	97,795	76,578	51,154	(25,424)	-33.2%
Total Expenditures	\$ 37,765,206	\$ 27,424,123	\$ 28,721,122	\$ 38,491,434	\$ 40,196,249	\$ 1,704,815	4.4%
Revenues Less Expenditures	\$ 2,689,543	\$ 8,197,478	\$ 7,241,545	\$ (1,236,512)	\$ (4,962,677)		

As shown in the Transit Fund summary table above, the **Intergovernmental** revenue classification is anticipated to decrease by \$2.3 million (-7.3%), primarily driven by decreases in the Transportation Development Act of \$2.0 million and Measure M funding of \$0.5 million, offset by an increase from State Transit Assistance funding of \$0.4 million. The **Salaries and Employee Benefits** expenditure classification is proposed to increase by \$1.8 million (+8.4%), a net result of changes in the department's budgeted staffing levels, recently approved or anticipated pay and benefit adjustments, CalPERS rates, and other various employee-related cost elements. The proposed increase of \$506,100 (+7.6%) in the **Interdepartmental Charges** expenditure classification is primarily driven by the recalculation of Transit's contributions the Self-Insurance Fund and reallocation of indirect cost rates.

The proposed decrease of \$725,900 (-18.3%) in the **Depreciation and Amortization** expenditure classification is intended to better align the FY24-25 operating budget based on current trends. In addition, the proposed increase in the **Materials, Supplies & Maintenance** expenditure classification is primarily driven by maintenance and repair costs for the Transit vehicle fleet and increased operations costs as they strive to achieve pre-pandemic service levels.

Transit Staffing Budget Summary (Non-General Fund)

Job Classification	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY24-25
	Actual	Actual	Actual	Amended Budget	Proposed Budget	Increase/ (Decrease)
Administrative Analyst	5.00	4.00	4.00	4.00	4.00	-
Administrative Assistant	1.00	1.00	1.00	1.00	1.00	-
Apprentice Relief Bus Operator	-	-	-	-	3.75	3.75
Bus Operator	88.00	93.00	93.00	93.00	93.00	-
Custodian	-	-	1.00	1.00	1.00	-
Customer Service Rep	2.80	2.80	2.80	2.80	2.80	-
Deputy Transit Director	1.00	1.00	1.00	1.00	1.00	-
Driver/Clerk, Delivery	0.50	0.50	0.50	0.50	0.50	-
Equipment Attendant	13.00	13.00	13.00	-	-	-
Facilities Service Supervisor	1.00	1.00	1.00	1.00	1.00	-
Fleet Services Manager	1.00	1.00	1.00	1.00	1.00	-
Fleet Services Supervisor	1.00	2.00	2.00	2.00	2.00	-
Human Resources Analyst	1.00	1.00	-	-	-	-
Human Resources Technician	1.00	1.00	1.00	1.00	1.00	-
Info Technology Analyst	-	1.00	1.00	1.00	1.00	-
Intern	-	2.00	2.00	2.00	2.00	-
Maintenance Worker	1.00	1.00	1.00	1.00	1.00	-
Mechanic	3.00	3.00	3.00	-	-	-
Mechanic, Senior	11.00	12.00	12.00	-	-	-
Office Assistant	2.00	3.00	3.00	3.00	3.00	-
Principal Human Resources Analyst	-	-	1.00	1.00	1.00	-
Relief Bus Operator	11.50	21.00	21.00	21.00	17.25	(3.75)
Senior Business Manager	2.00	3.00	3.00	3.00	3.00	-
Senior Business Manager - Transit Planning	-	1.00	1.00	-	-	-
Staff Assistant	2.00	2.00	2.00	2.00	2.00	-
Storekeeper	1.00	1.50	1.50	1.50	1.50	-
Storekeeper, Auto Parts	1.00	1.00	1.00	1.00	1.00	-
Systems Analyst	-	1.00	1.00	1.00	1.00	-
Transit Director	1.00	1.00	1.00	1.00	1.00	-
Transit Dispatcher	3.00	4.00	4.00	4.00	4.00	-
Transit Equipment Attendant	-	-	-	13.00	13.00	-
Transit Manager - Admin	1.00	1.00	1.00	1.00	1.00	-
Transit Manager - Operations	1.00	1.00	1.00	1.00	1.00	-
Transit Manager - Planning	-	-	-	1.00	1.00	-
Transit Manager - Services	1.00	1.00	1.00	1.00	1.00	-
Transit Marketing Specialist	-	1.00	1.00	1.00	1.00	-
Transit Mechanic	-	-	-	3.00	3.00	-
Transit Senior Mechanic	-	-	-	12.00	12.00	-
Transit Supervisor	11.00	12.00	12.00	12.00	12.00	-
Transit Training Coordinator	1.00	1.00	1.00	1.00	1.00	-
Total FTE	169.80	195.80	196.80	196.80	196.80	-

The Transit staffing budget has a proposed position modification resulting in a net zero FTE change going into FY24-25. This includes the reallocation of 3.75 FTE positions from the Relief Bus Operator classification to the Apprentice Relief Bus Operator classification to better align the staffing budget with anticipated FY24-25 program activity.

Non-Departmental

The Non-Departmental programs provide specialized budgetary services to citizens and City departments.

Non-Departmental Operating Budget Summary (General Fund-Operating Fund)

Expenditures	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
Salaries and Employee Benefits	167,436	115,656	92,273	199,717	199,717	-	0.0%
Reimbursements-Indirect Costs	(7,610,489)	(7,114,694)	(6,320,271)	(8,557,193)	(9,147,553)	(590,360)	6.9%
Materials, Supplies & Maintenance	6,000	9,344	74,203	963,559	1,542,800	579,241	60.1%
Materials Reimbursements	(11,818)	(7,701)	(7,998)	-	(5,411)	(5,411)	0.0%
Professional/Contract Services	672,659	729,336	886,677	973,455	978,302	4,847	0.5%
Training, Travel & Membership Dues	45,000	51,854	82,762	317,663	387,641	69,978	22.0%
Debt Service	2,048,047	19,103,389	22,403,379	22,612,578	23,126,738	514,160	2.3%
Debt Service Reimbursements	-	(17,854,361)	(18,337,743)	(18,832,766)	(19,341,206)	(508,440)	2.7%
Other Expenditures	4,781	-	-	-	-	-	0.0%
Capital Acquisitions	-	-	1,057,816	-	-	-	0.0%
Asset Contra Account	-	-	(300,812)	-	-	-	0.0%
Other Operating Transfers Out	22,555,548	16,671,864	36,618,589	24,238,349	14,744,570	(9,493,779)	-39.2%
Bad Debts and Other Losses	216	51	-	1,000	1,000	-	0.0%
Total Expenditures	\$ 17,877,380	\$ 11,704,738	\$ 36,248,875	\$ 21,916,362	\$ 12,486,598	\$ (9,429,764)	

Community Programs (General Fund-Operating Fund)

Expenditures related to community outreach programs and events are classified under various line items above. The following are the proposed programs and budgets FY24-25:

Programs	FY23-24 Amended Budget	FY24-25 Proposed Budget
Artesia Lights	31,050	36,000
TOCA Subsidy	74,400	74,400
Sister City Activities	10,900	10,000
Friendship City Activities	35,220	70,000
Armed Forces Parade	148,193	143,890
Tournament of Roses Float	127,400	127,400
Discover Torrance TBID & Downtown Torrance BID	76,000	80,000
Fourth of July Celebration	48,000	50,000
Youth in Government Activities	3,200	3,200
Community Clean Up	10,000	10,000
Total External Subsidies	\$ 564,363	\$ 604,890

Debt Service Lease Payments (General Fund-Operating Fund)

The Non-Departmental Budget also houses all of the lease payments made by the General Fund to the City’s Debt Service Fund. The increase in FY24-25 is related to planned growth for the 2020 Lease Revenue Bond debt service costs. The cost of this debt service is allocated out to all funds and departments within the Salaries and Employee Benefits classification. As payroll is processed, similar to CalPERS costs, these costs are distributed accordingly. These charges reimburse (Debt Service Reimbursements) the General Fund to offset the lease payment made to the Debt Service Fund. The full detail of the City’s debt can be found in the **Debt Financing Information** section in the **Appendix** of this document.

Indirect Cost Reimbursement Summary by Fund (General Fund-Operating Fund)

Fund	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
Airport Fund	348,327	327,796	333,263	347,941	339,083	(8,858)	-2.5%
Fleet Fund	-	-	-	835,425	925,358	89,933	10.8%
Sanitation Fund	1,089,378	1,043,120	926,133	966,460	1,024,593	58,133	6.0%
Section 8 Housing Fund	151,240	139,711	115,381	123,960	156,072	32,112	25.9%
Self-Insurance Fund	-	-	-	228,527	235,890	7,363	3.2%
Sewer Fund	584,604	520,089	377,744	375,427	441,116	65,689	17.5%
Transit Fund	4,028,913	3,772,092	3,419,327	4,495,127	4,731,897	236,770	5.3%
Water Fund	1,408,027	1,311,886	1,148,423	1,184,326	1,293,544	109,218	9.2%
Total Indirect Cost	\$ 7,610,489	\$ 7,114,694	\$ 6,320,271	\$ 8,557,193	\$ 9,147,553	\$ 590,360	

The city charges certain Enterprise, Non-major Governmental Funds, and Internal Service Funds an indirect cost rate to recover a portion of general government services provided to these funds in supporting their daily operation. The departments supporting these funds, for which the indirect rate is seeking a proportional reimbursement are: City Manager, City Attorney, City Clerk, City Treasurer, Finance, Human Resources, Civil Service, CIT, and General Services. Every year a calculation is performed to determine the proportion of costs that can be charged to these funds. For FY24-25, a charge equal to 30.66% of a subset of Salaries & Employee Benefits is assessed. Further, this rate is eligible for use against certain grant funds (including federal sources subject to OMB A-133 Single Audits), where appropriate. Additional details regarding the City’s indirect cost allocation methodology can be found in the **Cost Allocation Plan/Indirect Cost Rate** section in the **Appendix** of this document.

Other Operating Transfers Out (General Fund-Operating Fund)

Receiving Fund(s)	Description	FY23-24 Amended Budget	FY24-25 Proposed Budget
Capital Project Funds	Capital Improvement Projects	1,558,107	2,000,000
General Fund - Restricted/Assigned	CEPPT Contribution	19,818,938	9,360,267
General Fund - Restricted/Assigned	Asset Replacement Contributions	2,513,638	2,987,362
Street Light District Fund	Street Lighting District Assessment	30,109	30,109
Santiation Fund	Citywide Refuse Collection Reimbursement; Senior Discount Subsidy	282,915	314,201
Sewer Fund	Senior/Low-Income Wastewater Discount Subsidy	22,212	18,284
Water Fund	Senior/Low-Income Water Discount Subsidy	12,430	34,347
Total Transfers		\$ 24,238,349	\$ 14,744,570

This classification houses the miscellaneous transfers from the City’s General Fund-Operating Fund to other funds across the City.

Other Operating Transfers Out (General Fund-Measure SST Fund)

Receiving Fund(s)	Description	FY23-24 Amended Budget	FY24-25 Proposed Budget
General Fund - Operating Fund	Police Positions Offset	8,802,285	9,728,461
General Fund - Operating Fund	Fire Positions Offset	1,852,980	2,121,088
General Fund - Operating Fund	CIT Positions Offset	175,000	200,415
General Fund - Operating Fund	Self-Insurance Fund Balance Reserves Contribution	1,000,000	-
General Fund - Unassigned	General Fund Reserve Contribution	4,802,423	5,000,000
General Fund - Restricted/Assigned	CEPPT Contribution	2,500,000	-
Capital Project Funds	Capital Improvement Projects	2,070,000	8,620,160
Total Transfers		\$ 21,202,688	\$ 25,670,124

This classification houses the miscellaneous transfers from the City’s General Fund-Measure SST Fund to other funds across the City. Transfers to the General Fund-Operating Fund for the position offsets listed above relate to the sworn safety and CIT positions which would otherwise have been eliminated in FY22-23, should Measure SST have not passed.

General Fund-Restricted/Assigned Fund Operating Budget

Revenues	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
Use of Money and Property	342,290	47,043	499,956	458,058	598,058	140,000	30.6%
Other Revenues	1,863	-	1,272	-	-	-	0.0%
Operating Transfers In	1,951,969	3,853,226	4,146,993	25,305,368	12,383,353	(12,922,015)	-51.1%
Total Revenue	\$ 2,296,122	\$ 3,900,269	\$ 4,648,221	\$ 25,763,426	\$ 12,981,411	\$ (12,782,015)	
Expenses	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
Materials, Supplies & Maintenance	59,064	61,651	4,982	-	-	-	0.0%
Professional/Contract Services	83,670	193,563	58,497	256,172	-	(256,172)	-100.0%
Debt Service	-	1,272	3,343	15,200	15,000	(200)	-1.3%
Other Expenditures	-	2,464	4,532	28,800	28,500	(300)	-1.0%
Capital Acquisitions	376,119	472,325	313,225	1,977,632	1,225,273	(752,359)	-38.0%
Other Operating Transfers Out	317,109	604,489	535,956	321,203	-	(321,203)	-100.0%
Total Expense	\$ 835,962	\$ 1,335,764	\$ 920,535	\$ 2,599,007	\$ 1,268,773	\$ (1,330,234)	
Revenues Less Expenditures	\$ 1,460,160	\$ 2,564,505	\$ 3,727,686	\$ 23,164,419	\$ 11,712,638	\$ (11,451,781)	

This contains information on the City's Restricted/Assigned Funds, which are included in the overall General Fund. For FY24-25, the City's contribution to its CEPPT Fund is decreasing by \$13.0 million. The expenditure budget represents budget amounts set annually to allow the City to spend from Replacement Funds to replace equipment across the departments. The decrease in expenditures is attributable to a one-time budget for the Public, Education, and Government Access Fund necessary in FY23-24 to purchase capital equipment.

General Fund-Unassigned Fund Operating Budget

Revenues	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
Operating Transfers In	7,500,995	-	-	4,802,423	5,000,000	197,577	4.1%
Total Revenue	\$ 7,500,995	\$ -	\$ -	\$ 4,802,423	\$ 5,000,000	\$ 197,577	
Expenses	FY20-21 Actual	FY21-22 Actual	FY22-23 Actual	FY23-24 Amended Budget	FY24-25 Proposed Budget	FY24-25 Increase/ (Decrease)	FY24-25 Percent Change
Other Operating Transfers Out	10,397,177	146,776	-	-	5,000,000	5,000,000	0.0%
Total Expense	\$ 10,397,177	\$ 146,776	\$ -	\$ -	\$ 5,000,000	\$ 5,000,000	
Revenues Less Expenditures	\$ (2,896,182)	\$ (146,776)	\$ -	\$ 4,802,423	\$ -	\$ (4,802,423)	

This contains information on the City's Unassigned Funds, which are included in the overall General Fund. For FY24-25, the **Operating Transfer In** of \$5 million represents the contribution from the City's General Fund-Measure SST Fund to Reserves. The expenditure budget amount of \$5.0 million represents a use of this set aside to offset public safety wage increases in the General Fund-Operating Fund, which helps the **Status of Labor Agreements** and **Labor Trends** Area of Focus. The City's 10-year projection reduces its reliance incrementally over time with no use of Reserves in FY33-34.

Debt Service Fund Operating Budget

	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY24-25	FY24-25
Revenues	Actual	Actual	Actual	Amended Budget	Proposed Budget	Increase/ (Decrease)	Percent Change
Use of Money and Property	2,033,716	19,097,306	22,099,220	22,593,178	23,107,338	514,160	2.3%
Operating Transfers In	2,611,940	-	-	-	-	-	0.0%
Other Financing Sources	389,240,000	-	-	-	-	-	0.0%
Total Revenue	\$ 393,885,656	\$ 19,097,306	\$ 22,099,220	\$ 22,593,178	\$ 23,107,338	\$ 514,160	
Expenses	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY24-25	FY24-25
	Actual	Actual	Actual	Amended Budget	Proposed Budget	Increase/ (Decrease)	Percent Change
Depreciation and Amortization	228,353	-	-	-	-	-	0.0%
Debt Service	3,876,689	20,303,542	22,098,251	22,593,178	23,107,338	514,160	2.3%
Other Operating Transfers Out	350,545,006	-	-	-	-	-	0.0%
Other Financing Uses	40,644,225	-	-	-	-	-	0.0%
Total Expense	\$ 395,294,273	\$ 20,303,542	\$ 22,098,251	\$ 22,593,178	\$ 23,107,338	\$ 514,160	
Revenues Less Expenditures	\$ (1,408,617)	\$ (1,206,236)	\$ 969	\$ -	\$ -	\$ -	

This represents the City's Debt Service fund, which is where Lease payments from the General Fund are transferred so that payments can be tracked for the actual debt payments.



FIVE-YEAR FUND PROJECTIONS

Five-Year Fund Projections

General Fund

	FY24-25	FY25-26	FY26-27	FY27-28	FY28-29
Beginning Fund Balance	114,732,324	124,117,104	134,024,618	135,267,421	138,630,296
Revenues	329,973,230	338,445,798	347,400,930	358,227,725	370,259,001
Expenses	320,588,450	328,538,284	346,158,127	354,864,850	370,222,246
Net Change Operating Activities	\$ 9,384,780	\$ 9,907,514	\$ 1,242,803	\$ 3,362,875	\$ 36,755
Ending Fund Balance	\$ 124,117,104	\$ 134,024,618	\$ 135,267,421	\$ 138,630,296	\$ 138,667,051
Reserved for Capital Improvement Projects	10,620,160	8,076,831	7,109,948	7,116,455	7,172,854
Fund Balance Detail					
Nonspendable	985,621	405,621	417,621	429,981	442,712
Restricted	40,657,103	46,876,411	47,862,587	45,650,142	40,048,879
Assigned	9,877,084	12,308,142	8,821,917	11,397,237	14,035,255
Unassigned	72,597,296	74,434,444	78,165,296	81,152,936	84,140,206
20% Reserve (Unassigned) Threshold	\$ 57,364,911	\$ 59,628,346	\$ 62,099,024	\$ 64,737,888	\$ 67,651,249
Projected Reserves as Percentage of Budget	25.3%	25.0%	25.2%	25.1%	24.9%

As previously mentioned, the City's General Fund is comprised of the Operating, Measure SST, Restricted/Assigned, and Unassigned sub-funds.

The City is projecting that the General Fund total fund balance will end FY24-25 at \$124.1 million. It is anticipated that this figure will increase to \$138.7 million in FY28-29. Further, it is projected that the Unassigned fund balance will end FY24-25 at \$72.6 million. It is anticipated that this figure will climb to \$84.1 million in FY28-29, which maintains the City's reserve ratio around the 25.0% figure as shown above. While expenditures are growing at a higher rate than expenditures during the first four years of the five-year forecast above, this trend reverses in FY28-29, and is projected to reverse after peaking for the remainder of a 10-year projection that was conducted. This is a direct result of the 5-year ramp up for CalPERS UAL payments (loss in FY21-22 and shortfall in FY22-23) coupled with settled/anticipated labor agreements, which have growth rates projected to plateau in FY28-29. The City is projecting a strategic drawdown of its CEPPT Fund to smooth the impacts of these CalPERS UAL payments, as shown in the Restricted line of the Fund Balance Detail. When examining the General Fund over the 10-year horizon, revenues and expenditures are projected to both grow at an average rate of 3.0% over this period. To arrive at these results a comprehensive projection was conducted, which includes (but is not limited to) the following major assumptions for the General Fund:

- Overall **Revenue growth** of approximately 3.7% per year, using the following average annual assumptions in the out years (years 2-5):
 - Sales Tax: 2.9%
 - Property Tax: 3.6%

- Utility Users Tax: 4.5%
- Occupancy Tax: 3.0%
- Charges for Services: 3.5%
- Overall **Expenditure growth** of approximately 4.4% per year, using the following assumptions:
 - Annual wage growth factor for settled and unsettled labor agreements, including CalPERS contribution projection adjustments each year based on projection modeling (6.8% discount rate; 6.2% annual returns)
 - 3% CPI adjustments for Materials, Supplies & Maintenance; Professional/Contract Services & Utilities; Training, Travel & Membership Dues; Liabilities, Settlements & Insurance
 - Additional 3% CPI adjustments for Utility and Fuel budgets
 - Additional 2% CPI adjustments for Fleet Labor and Vehicle Replacement budgets
 - Increased Self-Insurance contributions to stabilize this Fund’s performance (increased citywide allocations)
 - CEPPT contributions totaling: \$9,360,267 in FY24-25; \$4,871,612 in FY25-26; \$2,314,800 in FY26-27; \$2,376,579 in FY27-28; and \$2,441,077 in FY28-29 to mitigate forthcoming CalPERS rate increases

Airport Fund

	FY24-25	FY25-26	FY26-27	FY27-28	FY28-29
Beginning Fund Balance	34,069,329	36,740,581	39,440,636	42,176,312	44,947,602
Revenues	18,342,326	18,877,595	19,428,925	19,996,793	20,581,697
Expenses	16,171,074	17,077,540	16,793,249	17,325,503	18,259,330
Net Change Operating Activities	\$ 2,171,252	\$ 1,800,055	\$ 2,635,676	\$ 2,671,290	\$ 2,322,367
Reserved for Capital Improvement Projects	500,000	900,000	100,000	100,000	500,000
Ending Fund Balance	\$ 36,740,581	\$ 39,440,636	\$ 42,176,312	\$ 44,947,602	\$ 47,769,969

The City is projecting that the fund balance will end FY24-25 at \$36.7 million. It is anticipated that this figure will climb to \$47.8 million in FY28-29. To arrive at these results a comprehensive projection was conducted, which includes (but is not limited to) the following major assumptions for the Airport Operations Fund:

- Overall **Revenue growth** of approximately 2.9% annually
- Overall **Expenditure growth** of approximately 3.1% annually
 - Annual wage growth factor for settled and unsettled labor agreements, including CalPERS contribution projection adjustments each year based on projection modeling (6.8% discount rate; 6.2% annual returns)
 - 3% CPI adjustments for Materials, Supplies & Maintenance; Professional/Contract Services & Utilities; Training, Travel & Membership Dues; Liabilities, Settlements & Insurance

- Additional 3% CPI adjustments for Utility and Fuel budgets
- Additional 2% CPI adjustments for Fleet Labor and Vehicle Replacement budgets
- Increased Self-Insurance contributions to stabilize this Fund’s performance (increased citywide allocations)
- Capital Improvement Plan contributions

Sanitation Fund

	FY24-25	FY25-26	FY26-27	FY27-28	FY28-29
Beginning Fund Balance	11,744,304	10,600,454	10,303,172	10,776,068	12,111,657
Revenues	18,918,815	20,489,208	22,014,787	23,659,003	24,368,774
Expenses	20,062,665	20,786,490	21,541,891	22,323,414	23,085,469
Net Change Operating Activities	\$ (1,143,850)	\$ (297,282)	\$ 472,896	\$ 1,335,589	\$ 1,283,305
Reserved for Capital Improvement Projects	-	-	-	-	-
Ending Fund Balance	\$ 10,600,454	\$ 10,303,172	\$ 10,776,068	\$ 12,111,657	\$ 13,394,962

The City is projecting that the fund balance will end FY24-25 at \$10.6 million. It is anticipated that this figure will climb to \$13.4 million in FY28-29. To arrive at these results a comprehensive projection was conducted, which includes (but is not limited to) the following major assumptions for the Sanitation Operations Fund:

- Overall **Revenue growth** of approximately 6.6% annually
 - As a result of the resolution adopted on June 6, 2023, annual revenues for refuse and recycling collection services are assumed to increase by 9% in FY24-25 and FY25-26 and to increase by 8% in FY26-27 and FY27-28.
- Overall **Expenditure growth** of approximately 3.6% annually
 - Annual wage growth factor for settled and unsettled labor agreements, including CalPERS contribution projection adjustments each year based on projection modeling (6.8% discount rate; 6.2% annual returns)
 - 3% CPI adjustments for Materials, Supplies & Maintenance; Professional/Contract Services & Utilities; Training, Travel & Membership Dues; Liabilities, Settlements & Insurance
 - Additional 3% CPI adjustments for Utility and Fuel budgets
 - Additional 2% CPI adjustments for Fleet Labor and Vehicle Replacement budgets
 - Increased Self-Insurance contributions to stabilize this Fund’s performance (increased citywide allocations)

Sewer Fund

	FY24-25	FY25-26	FY26-27	FY27-28	FY28-29
Beginning Fund Balance	49,366,671	53,112,971	56,952,344	60,888,378	64,923,130
Revenues	8,616,082	8,874,564	9,140,801	9,415,025	9,697,475
Expenses	6,787,444	6,978,736	7,175,489	7,379,531	7,613,615
Net Change Operating Activities	\$ 1,828,638	\$ 1,895,828	\$ 1,965,312	\$ 2,035,494	\$ 2,083,860
Reserved for Capital Improvement Projects	1,917,662	1,943,545	1,970,722	1,999,258	2,071,221
Ending Fund Balance	\$ 53,112,971	\$ 56,952,344	\$ 60,888,378	\$ 64,923,130	\$ 69,078,211

The City is projecting that the fund balance will end FY24-25 at \$53.1 million. It is anticipated that this figure will climb to \$69.1 million in FY28-29. To arrive at these results a comprehensive projection was conducted, which includes (but is not limited to) the following major assumptions for the Sewer Operations Fund:

- Overall **Revenue growth** of approximately 3.0% annually
- Overall **Expenditure growth** of approximately 2.9% annually
 - Annual wage growth factor for settled and unsettled labor agreements, including CalPERS contribution projection adjustments each year based on projection modeling (6.8% discount rate; 6.2% annual returns)
 - 3% CPI adjustments for Materials, Supplies & Maintenance; Professional/Contract Services & Utilities; Training, Travel & Membership Dues; Liabilities, Settlements & Insurance
 - Additional 3% CPI adjustments for Utility and Fuel budgets
 - Additional 2% CPI adjustments for Fleet Labor and Vehicle Replacement budgets
 - Increased Self-Insurance contributions to stabilize this Fund's performance (increased citywide allocations)
 - Capital Improvement Plan contributions

Transit Fund

	FY24-25	FY25-26	FY26-27	FY27-28	FY28-29
Beginning Fund Balance	54,687,043	52,962,585	50,494,683	47,234,390	43,154,151
Revenues	35,233,572	36,133,080	37,059,573	38,013,861	38,996,777
Expenses	40,196,249	41,839,201	43,558,085	45,332,319	46,933,781
Net Change Operating Activities	\$ (4,962,677)	\$ (5,706,121)	\$ (6,498,512)	\$ (7,318,458)	\$ (7,937,004)
Ending Fund Balance	\$ 49,724,366	\$ 47,256,464	\$ 43,996,171	\$ 39,915,932	\$ 35,217,147
Reserved for Capital Improvement Projects	-	-	-	-	-
Adjustment for Non-Cash	3,238,219	3,238,219	3,238,219	3,238,219	3,238,219
Ending Fund Balance (adj)	\$ 52,962,585	\$ 50,494,683	\$ 47,234,390	\$ 43,154,151	\$ 38,455,366

The Transit Fund's projection is unique from other enterprise funds in that the City controls for non-cash depreciation entries since Transit receives separate federal grants, outside of this projection to fund capital investment in these assets. It is therefore assumed the value of these annual grants and the depreciation expense controlled should typically balance overtime to maintain the capital asset

condition. In the other enterprise funds, since the revenues received in this projection cover that investment, it is not controlled for in those projections. The City is projecting that the fund balance will end FY24-25 at \$53.0 million, as adjusted. It is anticipated that this figure will decrease to \$38.5 million in FY28-29, as adjusted.

To arrive at these results a comprehensive projection was conducted, which includes (but is not limited to) the following major assumptions for the Transit Operations Fund:

- Overall **Revenue growth** of approximately 2.6% annually
- Overall **Expenditure growth** of approximately 4.0% annually
 - Annual wage growth factor for settled and unsettled labor agreements, including CalPERS contribution projection adjustments each year based on projection modeling (6.8% discount rate; 6.2% annual returns)
 - 3% CPI adjustments for Materials, Supplies & Maintenance; Professional/Contract Services & Utilities; Training, Travel & Membership Dues; Liabilities, Settlements & Insurance
 - Additional 3% CPI adjustments for Utility and Fuel budgets
 - Additional 2% CPI adjustments for Fleet Labor and Vehicle Replacement budgets
 - Increased Self-Insurance contributions to stabilize this Fund’s performance (increased citywide allocations)

Water Fund

	FY24-25	FY25-26	FY26-27	FY27-28	FY28-29
Beginning Fund Balance	133,686,081	137,019,363	140,357,094	143,698,056	147,040,109
Revenues	54,803,501	56,447,607	58,141,037	59,885,269	61,681,830
Expenses	53,970,219	55,609,876	59,400,075	61,343,216	61,793,364
Net Change Operating Activities	\$ 833,282	\$ 837,731	\$ (1,259,038)	\$ (1,457,947)	\$ (111,534)
Reserved for Capital Improvement Projects	2,500,000	2,500,000	4,600,000	4,800,000	3,500,000
Ending Fund Balance	\$ 137,019,363	\$ 140,357,094	\$ 143,698,056	\$ 147,040,109	\$ 150,428,575

The City is projecting that the fund balance will end FY24-25 at \$137.0 million. It is anticipated that this figure will climb to \$150.4 million in FY28-29. To arrive at these results a comprehensive projection was conducted, which includes (but is not limited to) the following major assumptions for the Water Operations Fund:

- Overall **Revenue growth** of approximately 3.0% annually
- Overall **Expenditure growth** of approximately 3.5% annually
 - Annual wage growth factor for settled and unsettled labor agreements, including CalPERS contribution projection adjustments each year based on projection modeling (6.8% discount rate; 6.2% annual returns)

- 3% CPI adjustments for Materials, Supplies & Maintenance; Professional/Contract Services & Utilities; Training, Travel & Membership Dues; Liabilities, Settlements & Insurance; Water Supply Costs
- Additional 3% CPI adjustments for Utility and Fuel budgets
- Additional 2% CPI adjustments for Fleet Labor and Vehicle Replacement budgets
- Increased Self-Insurance contributions to stabilize this Fund’s performance (increased citywide allocations)
- Capital contributions based on the proposed Capital Improvement Plan

Fleet Services Fund

	FY24-25	FY25-26	FY26-27	FY27-28	FY28-29
Beginning Fund Balance	43,458,659	48,275,758	53,365,599	58,769,470	64,506,724
Revenues	13,115,875	13,681,468	14,303,303	14,953,741	15,566,794
Expenses	8,298,776	8,591,627	8,899,432	9,216,487	9,502,760
Net Change Operating Activities	\$ 4,817,099	\$ 5,089,841	\$ 5,403,871	\$ 5,737,254	\$ 6,064,034
Reserved for Capital Improvement Projects	-	-	-	-	-
Ending Fund Balance	\$ 48,275,758	\$ 53,365,599	\$ 58,769,470	\$ 64,506,724	\$ 70,570,758

The City is projecting that the fund balance will end FY24-25 at \$48.3 million. It is anticipated that this figure will increase to \$70.6 million in FY28-29. To arrive at these results a comprehensive projection was conducted, which includes (but is not limited to) the following major assumptions for the Fleet Operations Fund:

- Overall **Revenue growth** of approximately 4.4% annually
- Overall **Expenditure growth** of approximately 3.4% annually
 - Annual wage growth factor for settled and unsettled labor agreements, including CalPERS contribution projection adjustments each year based on projection modeling (6.8% discount rate; 6.2% annual returns)
 - 3% CPI adjustments for Materials, Supplies & Maintenance; Professional/Contract Services & Utilities; Training, Travel & Membership Dues; Liabilities, Settlements & Insurance
 - Additional 3% CPI adjustments for Utility and Fuel budgets
 - Additional 2% CPI adjustments for Fleet Labor and Vehicle Replacement budgets
 - Increased Self-Insurance contributions to stabilize this Fund’s performance (increased citywide allocations)

Self-Insurance Fund

	FY24-25	FY25-26	FY26-27	FY27-28	FY28-29
Beginning Fund Balance	(46,362,572)	(46,135,755)	(46,215,765)	(46,308,769)	(46,166,505)
Revenues	23,659,000	24,841,950	26,084,048	27,388,250	28,757,662
Expenses	23,432,183	24,921,960	26,177,052	27,245,986	28,089,668
Net Change Operating Activities	\$ 226,817	\$ (80,010)	\$ (93,004)	\$ 142,264	\$ 667,994
Reserved for Capital Improvement Projects	-	-	-	-	-
Ending Fund Balance	\$ (46,135,755)	\$ (46,215,765)	\$ (46,308,769)	\$ (46,166,505)	\$ (45,498,511)

The City is projecting that the fund balance will end FY24-25 at (-\$46.1 million). It is anticipated that this figure will slightly increase to (-\$45.5 million) in FY28-29. FY24-25 marks the first year that the Self Insurance operating budget is balanced, which is earlier than previously projected (FY27-28). This return to budget stability, as previously described, ensures the fund balance is no longer deteriorating further. It is anticipated that one-time contributions can be made over time to rebuild this fund balance. To arrive at these results, a comprehensive projection was conducted, which includes (but is not limited to) the following major assumptions for the Self-Insurance Fund:

- Overall **Revenue growth** of approximately 14.5% in FY24-25 then 5.0% annually thereafter
 - In an effort to keep pace with the anticipated increases in insurance premiums, anticipated legal expenses, and workers compensation costs, contributions are increasing each year.
- Overall **Expenditure growth** of approximately 4.6% annually
 - Annual wage growth factor for settled and unsettled labor agreements, including CalPERS contribution projection adjustments each year based on projection modeling (6.8% discount rate; 6.2% annual returns)
 - 3% CPI adjustments for Materials, Supplies & Maintenance; Professional/Contract Services & Utilities; Training, Travel & Membership Dues; Liabilities, Settlements & Insurance
 - Projected costs of insurance premiums, settlements, and external attorney fees

A blue-tinted photograph of a park area. In the foreground, there is a paved walkway made of rectangular stones. Behind it is a landscaped area with several agave-like plants. In the background, there are trees, a utility pole with power lines, and a fence. The sky is clear and blue.

CAPITAL IMPROVEMENT PLAN

Capital Improvement Plan

The City of Torrance biennially develops a five-year Capital Improvement Plan (CIP) budget, with annual adjustments made during the interim budget years. Although the program spans multiple years, only funds for the current year (FY24-25) are appropriated as part of the budget process. This Capital Improvement Plan represents the second year of the FY23-28 five-year plan. The years beyond any current budget year are included as a planning tool to



demonstrate total anticipated capital funding needs. Project needs are evaluated annually to ensure that budgets fall within available funding limits and best reflect current City priorities.

CIP Structure

The CIP is a five-year financial plan for the acquisition, expansion or rehabilitation of land, buildings, and other major infrastructure. Each Capital Project is organized by Capital Project Type (i.e. Parks, Facilities, Public Right of Way) and then by Project Location. Historically, projects were organized by the department responsible for implementing the activities. In an effort to better serve the community and provide the public with enhanced access to City efforts underway, an online ArcGIS Capital Improvement Projects Dashboard displaying the location and current status for each Capital Project will be made available beginning FY24-25. In addition to major capital investments in parks, recreation facilities, service facilities, roads, sidewalks, public utility components, and other city-owned property the City includes a section titled **Other Projects** in the City's Capital Improvement Plan. This section includes additional one-time funding needs of the City to address various initiatives that are not necessarily capital in nature, but do not have a recurring funding requirement, so are therefore not included in the City's operating budget. Since these efforts do not require ongoing funding, these projects are included and explained in this section.

Budget Process

The Capital Improvement Plan (CIP) budget process is a five-year planning cycle, updated biennially. The goal is to re-develop and establish a five-year plan, every two years, to ensure projects and funding availability are regularly evaluated and align with current priorities. While a five-year plan is presented, City Council only appropriates the first year of funding. Year 2 is appropriated in the mid-cycle update, with years 3-5 of the plan being included for planning purposes. This cycle then repeats

itself when entering a new two-year budget cycle. This plan presents all planned major capital investments in city-owned parks, facilities, and other infrastructure over the next four years.

Before initiating the budget process for FY24-25, General Services embarked on a Facility Index Study to assess the current state of the City’s buildings and park assets. This project allowed the City to obtain a complete building and property deficiency evaluation, including proposed corrective action, budget estimates, and maintenance recommendations. This informed the City’s budget planning process in multiple ways. Going forward, additional funding is being added to the General Services Department to fund ongoing and recurring maintenance at City facilities, which previously was allocated through multiple projects. This will allow the Department to better address the ongoing needs at buildings every year.

Further, this study serves as the backbone for the City’s recommended Capital Improvement Plan as it is designed. The City elected to conduct a zero-based budget exercise for all non-infrastructure projects and establish a new naming convention with a location-based approach for projects. The results of this study informed the priority, scale, scope, and timing of these projects citywide. The Building Index Study identified approximately \$204.7 million in funding needs to be addressed in the coming ten years, or approximately \$20.5 million annually on average. Staff have identified a sustainable commitment of \$7.5 million beyond the current CIP for these efforts through the General Fund, Measure SST Fund, Measure A Annual Allocation, Parks & Recreation Facilities Fund, and Parks & Recreation Open Space Fund, which leaves a shortfall of approximately \$13.0 million annually.

CIP Summary by Project Type

Capital Project Type	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Parks	12,764,164	5,744,423	3,796,980	1,825,565
Facilities	9,541,060	5,083,308	12,890,316	10,623,093
IT Infrastructure	170,000	-	-	-
Public Right of Way	32,512,454	14,058,833	13,395,833	13,370,833
Sewer/Water Utilities	3,400,000	4,700,000	4,600,000	6,200,000
Storm Drain/Basins	2,250,000	4,250,000	2,250,000	2,250,000
Other	4,859,455	3,492,000	2,737,000	955,000
Contingency	1,298,457	501,933	1,425,308	1,113,345
Total Expenditures	\$ 66,795,590	\$ 37,830,497	\$ 41,095,437	\$36,337,836

The City is proposing a Capital Improvement Plan (CIP) that will invest \$182.1 million over the next four years to maintain and improve the quality and functionality of its capital infrastructure. Capital infrastructure includes city parks, recreation facilities, service facilities, roads, sidewalks, public utility components, and other city-owned property that are central to the character and quality of our community and the services that we provide. In addition, the City included two categories for other purposes: **Other** and **Contingency**. The **Other** Capital Project Type includes funding needs for various departments or topics that do not qualify as a capital investment in a depreciable asset. This could include one-time consulting services needs or one-time repairs and upkeep on smaller scale assets.

For the first time, the City is including a **Contingency** line item in the City's CIP to help provide additional flexibility addressing any funding gaps that arise when completing these efforts. This figure represents 10% of the City's General Fund, Measure SST Fund, Measure A Annual Allocation, Parks & Recreation Facilities Fund, and Parks & Recreation Open Space Fund commitments identified in the Building Index Study under the Parks and Facilities Capital Project Types of the CIP. This contingency is funded through the City's General Fund allocation and will be utilized, when necessary, under the City Manager's authority, to fund any shortfalls in a particular project to ensure timely advancement of these efforts.

CIP Summary by Funding Source

Funding Source	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
AQMD	-	174,800	-	-
2016 Certificate of Participation Proceeds	-	1,427,755	-	-
Airport Capital Project Fund	2,202,298	1,630,850	2,594,220	1,470,210
CDBG Fund	683,333	683,333	683,333	683,333
DIF - Fire	199,555	-	-	-
DIF - Police	170,000	-	-	-
DIF - Storm Drain	100,000	100,000	100,000	100,000
DIF - Utility Underground	750,000	750,000	750,000	750,000
Donations	100,000	-	-	-
Fleet Services Fund	1,883,915	-	-	-
Gas Tax	750,000	750,000	750,000	750,000
General Fund	7,743,258	3,997,258	4,289,888	2,259,695
Measure A Annual Allocation	-	924,318	3,340,191	1,170,867
Measure M Grant	10,852,609	245,000	-	-
Measure M Local Return	3,500,512	2,989,500	3,000,000	3,000,000
Measure R Local Return	2,922,500	2,847,500	2,862,500	2,837,500
Measure SST Fund	7,826,007	3,444,833	8,094,915	6,413,233
Measure W	2,150,000	2,150,000	2,150,000	2,150,000
Measure W Grant	5,366,000	-	-	-
Other Grants	5,368,440	5,500,000	-	-
Parks & Rec Facilities Fund	-	-	-	806,470
Parks & Rec Open Space Fund	1,120,663	171,850	480,390	1,746,528
Prop A M&S	850,000	-	-	-
Prop C Local Return	4,887,500	2,487,500	2,550,000	2,550,000
SB1	3,450,000	3,450,000	3,450,000	3,450,000
Seismic Education Fund	-	-	-	-
Sewer Capital Project Fund	1,400,000	1,400,000	1,400,000	1,400,000
TDA Article 3 Bicycle Fund	-	206,000	-	-
Transit Capital Fund	19,000	-	-	-
Water Capital Fund	2,500,000	2,500,000	4,600,000	4,800,000
Total Expenditures	\$66,795,590	\$37,830,497	\$ 41,095,437	\$36,337,836

The table above summarizes all the various funding sources for the proposed CIP.

Measure SST

A large part of the City’s long-term financial stability is attributable to the Torrance community’s support of the passage of Measure SST (Safe, Strong Torrance). As of FY24-25, it is now projected that Measure SST will generate \$25.2 million annually. With additional revenue available, capital investments are being prioritized in the CIP to begin addressing portions of the Building Index Study completed in 2024. In the coming fiscal year, this CIP commits \$7.8 million from Measure SST for parks and libraries, the Bartlett Senior Center, the Torrance Historical Museum, investments in police and fire stations, and planting of 7,000 trees citywide. Ultimately, the city plans to invest a total of \$25.8 million from Measure SST over the next four years.



Project Type	Project Location	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Facilities	Bartlett Senior Center	100,600	-	-	-
Facilities	Dee Hardison Sports Center	-	153,460	-	-
Facilities	Fire Station 1	1,124,223	-	-	-
Facilities	Fire Station 2	-	-	-	-
Facilities	Fire Station 4	109,820	-	-	-
Facilities	Fire Station 5	-	-	2,120,742	-
Facilities	North Torrance Library	138,287	-	-	-
Facilities	Russ Nolte Annex	-	-	-	699,363
Facilities	Southeast Library	-	1,316,118	-	-
Facilities	Torrance Cultural Arts Center	289,868	-	-	-
Facilities	Torrance Historical Museum	593,350	-	-	-
Facilities	Torrance Police Department	200,000	400,000	539,210	713,870
Facilities	Walteria Library	-	-	5,007,963	5,000,000
Parks	Alta Loma Park	375,000	-	-	-
Parks	Columbia Park	1,121,840	-	-	-
Parks	Delthorne Park	381,269	-	-	-
Parks	El Nido Park	400,000	-	-	-
Parks	Guenser Park	197,750	-	-	-
Parks	Lago Seco Park	-	148,255	-	-
Parks	Madrona Marsh Nature Center	155,000	-	-	-
Parks	Paradise Park	1,837,000	-	-	-
Parks	Torrance Park	375,000	-	-	-
Parks	Walteria Park	-	1,000,000	-	-
Other	Citywide Tree Planting Program	427,000	427,000	427,000	-
Total Expenditures		\$7,826,007	\$3,444,833	\$8,094,915	\$6,413,233

Parks

The following section summarizes the planned capital investments at parks across the city, summarized by location. The City is planning to invest \$24.1 milli over the next four years in order to refurbish and improve our park’s playgrounds, bathrooms, recreation areas and other park amenities. As mentioned in the Measure SST section of the Capital Improvement Plan, a significant portion of this investment is made possible by the additional revenues generated by Measure SST.



Project Location	Project ID	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Alta Loma Park	PRK0001	375,000	-	-	-
Columbia Park	PRK0002	6,121,840	3,750,000	-	-
De Portola Park	PRK0003	-	-	-	24,090
Delthorne Park	PRK0004	381,269	-	-	-
Discovery Park	PRK0006	100,000	-	-	-
El Nido Park	PRK0007	400,000	-	-	-
Entradero Park	PRK0010	-	-	-	438,808
Guenser Park	PRK0012	197,750	-	-	-
Hickory Park	PRK0013	-	-	-	43,420
La Romeria Park	PRK0016	-	-	-	708,596
Lago Seco Park	PRK0017	-	148,255	-	-
Madrona Marsh Nature Center	PRK0034	155,000	-	-	-
McMaster Park	PRK0019	-	674,318	-	-
Paradise Park	PRK0022	2,787,000	-	-	-
Pequeno Park	PRK0023	-	-	200,000	-
Sea-Aire Park	PRK0026	-	-	1,073,570	-
Sunnyglen Park	PRK0028	-	-	110,000	-
Sur La Brea Park	PRK0029	-	-	-	610,651
Torrance Park	PRK0030	643,440	-	-	-
Walteria Park	PRK0032	-	1,000,000	1,692,000	-
Wilson Park	PRK0033	1,602,865	171,850	721,410	-
Total Expenditures		\$ 12,764,164	\$ 5,744,423	\$ 3,796,980	\$ 1,825,565

Individual Project Details

Alta Loma Park

26126 Delos Drive, Torrance, CA 90505 | District 6

Alta Loma Park	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Replace Playground Equipment	375,000	-	-	-
Total Expenditures	\$ 375,000	\$ -	\$ -	\$ -

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Measure SST Fund	375,000	-	-	-
Total Expenditures	\$ 375,000	\$ -	\$ -	\$ -

Columbia Park

4045 190th Street, Torrance, CA 90504 | District 3

Columbia Park	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Construct Dog Park	60,000	-	-	-
Construct Pickleball Courts	-	250,000	-	-
Develop New Turf Sport Fields	-	3,500,000	-	-
Renovate Picnic Shelters	586,310	-	-	-
Renovate Restrooms	300,530	-	-	-
Walking Path Replacement	175,000	-	-	-
WWII Memorial Construction	4,000,000	-	-	-
WWII Memorial Supporting Infrastructure	1,000,000	-	-	-
Total Expenditures	\$ 6,121,840	\$ 3,750,000	\$ -	\$ -

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Measure A Annual Allocation	-	250,000	-	-
Other Grants	5,000,000	3,500,000	-	-
Measure SST Fund	1,121,840	-	-	-
Total Expenditures	\$ 6,121,840	\$ 3,750,000	\$ -	\$ -

De Portola Park

25615 Lazy Meadow Drive, Torrance, CA 90505 | District 6

De Portola Park	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Renovate Park Restroom	-	-	-	24,090
Total Expenditures	\$ -	\$ -	\$ -	\$ 24,090

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Parks & Rec Open Space Fund	-	-	-	24,090
Total Expenditures	\$ -	\$ -	\$ -	\$ 24,090

Delthorne Park

3401 Spencer Street, Torrance, CA 90503 | District 3

Delthorne Park	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Renovate Park Restroom	381,269	-	-	-
Total Expenditures	\$ 381,269	\$ -	\$ -	\$ -

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Measure SST Fund	381,269	-	-	-
Total Expenditures	\$ 381,269	\$ -	\$ -	\$ -

Discovery Park

Ocean Avenue and 226th Street, Torrance, CA 90505 | District 6

Discovery Park	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Landscaping Improvements	100,000	-	-	-
Total Expenditures	\$ 100,000	\$ -	\$ -	\$ -

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Other Grants	100,000	-	-	-
Total Expenditures	\$ 100,000	\$ -	\$ -	\$ -

El Nido Park

18301 Kingsdale Avenue, Redondo Beach, CA 90278 | District 3

El Nido Park	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Replace Playground Equipment	400,000	-	-	-
Total Expenditures	\$ 400,000	\$ -	\$ -	\$ -

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Measure SST Fund	400,000	-	-	-
Total Expenditures	\$ 400,000	\$ -	\$ -	\$ -

Entradero Park

5500 Towers Street, Torrance, CA 90503 | District 2

Entradero Park	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Renovate Restroom	-	-	-	438,808
Total Expenditures	\$ -	\$ -	\$ -	\$ 438,808

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Parks & Rec Open Space Fund	-	-	-	438,808
Total Expenditures	\$ -	\$ -	\$ -	\$ 438,808

Guenser Park

17800 Gramercy Place, Torrance, CA 90504 | District 1

Guenser Park	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Walking Path Replacement	197,750	-	-	-
Total Expenditures	\$ 197,750	\$ -	\$ -	\$ -

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Measure SST Fund	197,750	-	-	-
Total Expenditures	\$ 197,750	\$ -	\$ -	\$ -

Hickory Park

2850 232nd Street, Torrance, CA 90503 | District 6

Hickory Park	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Renovate Park Restrooms	-	-	-	43,420
Total Expenditures	\$ -	\$ -	\$ -	\$ 43,420

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Parks & Rec Open Space Fund	-	-	-	43,420
Total Expenditures	\$ -	\$ -	\$ -	\$ 43,420

La Romeria Park

19501 Inglewood Avenue, Torrance, CA 90503 | District 2

La Romeria Park	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Renovate Park Recreation Building	-	-	-	608,076
Renovate Park Restrooms & Storage	-	-	-	100,520
Total Expenditures	\$ -	\$ -	\$ -	\$ 708,596

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
General Fund	-	-	-	100,520
Measure A Annual Allocation	-	-	-	608,076
Total Expenditures	\$ -	\$ -	\$ -	\$ 708,596

Lago Seco Park

3920 235th Street, Torrance, CA 90505 | District 5

Lago Seco Park	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Renovate Park Restrooms	-	148,255	-	-
Total Expenditures	\$ -	\$ 148,255	\$ -	\$ -

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Measure SST Fund	-	148,255	-	-
Total Expenditures	\$ -	\$ 148,255	\$ -	\$ -

Madrona Marsh Nature Center

3201 Plaza del Amo, Torrance, CA 90503 | District 3

Madrona Marsh Nature Center	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Replace Perimeter Fence	65,000	-	-	-
Replace Sump Pump	90,000	-	-	-
Total Expenditures	\$ 155,000	\$ -	\$ -	\$ -

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Measure SST Fund	155,000	-	-	-
Total Expenditures	\$ 155,000	\$ -	\$ -	\$ -

McMaster Park

3624 Artesia Boulevard, Torrance, CA 90504 | District 1

McMaster Park	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Renovate Park Building	-	301,328	-	-
Renovate Recreation Building	-	372,990	-	-
Total Expenditures	\$ -	\$ 674,318	\$ -	\$ -

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Measure A Annual Allocation	-	674,318	-	-
Total Expenditures	\$ -	\$ 674,318	\$ -	\$ -

Paradise Park

5006 Lee Street, Torrance, CA 90503 | District 2

Paradise Park	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Redesign/Replace Picnic Shelter & Storage	711,000	-	-	-
Redesign/Replace Recreation Center	911,000	-	-	-
Redesign/Replace Restrooms	815,000	-	-	-
Replace Playground Equipment	350,000	-	-	-
Total Expenditures	\$ 2,787,000	\$ -	\$ -	\$ -

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Donations	100,000	-	-	-
Prop A M&S	850,000	-	-	-
Measure SST Fund	1,837,000	-	-	-
Total Expenditures	\$ 2,787,000	\$ -	\$ -	\$ -

Pequeno Park

Regina Avenue and 180th Street, Torrance, CA 90504 | District 3

Pequeno Park	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Replace Park Fence	-	-	200,000	-
Total Expenditures	\$ -	\$ -	\$ 200,000	\$ -

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Measure A Annual Allocation	-	-	200,000	-
Total Expenditures	\$ -	\$ -	\$ 200,000	\$ -

Sea-Aire Park

22730 Lupine Drive, Torrance, CA 90505 | District 5

Sea-Aire Park	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Renovate Maintenance Building	-	-	65,360	-
Renovate Recreation Building	-	-	758,210	-
Replace Playground Equipment	-	-	250,000	-
Total Expenditures	\$ -	\$ -	\$ 1,073,570	\$ -

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Measure A Annual Allocation	-	-	1,073,570	-
Total Expenditures	\$ -	\$ -	\$ 1,073,570	\$ -

Sunnyglen Park

5525 Del Amo Boulevard, Torrance, CA 90503 | District 2

Sunnyglen Park	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Walking Path Replacement	-	-	110,000	-
Total Expenditures	\$ -	\$ -	\$ 110,000	\$ -

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Measure A Annual Allocation	-	-	110,000	-
Total Expenditures	\$ -	\$ -	\$ 110,000	\$ -

Sur La Brea Park

23610 Cabrillo Avenue, Torrance, CA 90501 | District 4

Sur La Brea Park	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Renovate Recreation Building	-	-	-	562,791
Renovate Restroom	-	-	-	47,860
Total Expenditures	\$ -	\$ -	\$ -	\$ 610,651

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
General Fund	-	-	-	47,860
Measure A Annual Allocation	-	-	-	562,791
Total Expenditures	\$ -	\$ -	\$ -	\$ 610,651

Torrance Park

2001 Santa Fe Avenue, Torrance, CA 90501 | District 4

Torrance Park	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Refurbish Park Amenities	268,440	-	-	-
Replace Playground Equipment	375,000	-	-	-
Total Expenditures	\$ 643,440	\$ -	\$ -	\$ -

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Other Grants	268,440	-	-	-
Measure SST Fund	375,000	-	-	-
Total Expenditures	\$ 643,440	\$ -	\$ -	\$ -

Walteria Park

3855 242nd Street, Torrance, CA 90505 | District 6

Walteria Park	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Construct New Park Picnic Shelter and Maintenance Building	-	-	1,592,000	-
Park Design Development	-	1,000,000	-	-
Refurbish Roadways	-	-	100,000	-
Total Expenditures	\$ -	\$ 1,000,000	\$ 1,692,000	\$ -

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Measure A Annual Allocation	-	-	1,692,000	-
Measure SST Fund	-	1,000,000	-	-
Total Expenditures	\$ -	\$ 1,000,000	\$ 1,692,000	\$ -

Wilson Park

2200 Crenshaw Boulevard, Torrance, CA 90501 | District 4

Wilson Park	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Redevelopment of Building 8	1,452,865	-	-	-
Refurbish Roadways	-	-	44,380	-
Renovate Animal Control Trailer	-	-	196,640	-
Renovate Park Kitchen & Restrooms	-	78,690	342,740	-
Renovate Park Maintenance Building	-	47,870	91,490	-
Renovate Park Picnic Shelter & Pumphouse	-	45,290	46,160	-
Street Frontage Improvements	150,000	-	-	-
Total Expenditures	\$ 1,602,865	\$ 171,850	\$ 721,410	\$ -

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
General Fund	1,452,865	-	241,020	-
Parks & Rec Open Space Fund	150,000	171,850	480,390	-
Total Expenditures	\$ 1,602,865	\$ 171,850	\$ 721,410	\$ -

Facilities

The following section summarizes the planned capital investments at recreation facilities, service facilities, and other public facilities across the city, summarized by location. The City is planning to invest \$38.1 million over the next four years in order to maintain and modernize these facilities in order to ensure that our community can continue to benefit from the valuable services that they provide. As



mentioned in the Measure SST section of the Capital Improvement Plan, a significant portion of this investment is made possible by the additional revenues generated by Measure SST.

Project Location	Project ID	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Attic Teen Center	FAC0025	-	-	-	806,470
Bartlett Senior Center	FAC0019	100,600	-	-	917,860
Dee Hardison Sports Center	FAC0030	-	153,460	-	-
Fire Station 1	FAC0010	1,124,223	-	-	-
Fire Station 4	FAC0013	109,820	-	-	-
Fire Station 5	FAC0014	-	-	2,120,742	-
Herma Tillim Senior Center	FAC0023	970,663	-	-	-
Las Canchas Tennis Center	FAC0027	-	-	-	322,350
North Torrance Library	FAC0004	138,287	-	-	-
Ruben Ordaz Community Center	FAC0031	-	-	264,621	-
Russ Nolte Annex	FAC0028	-	-	-	699,363
Southeast Library	FAC0005	-	1,316,118	-	-
Torrance City Hall	FAC0007	1,897,036	99,450	-	-
Torrance City Yard	FAC0021	1,864,915	2,383,430	2,463,560	-
Torrance Cultural Arts Center	FAC0009	289,868	-	-	-
Torrance Historical Museum	FAC0026	593,350	-	-	-
Torrance Municipal Airport	FAC0017	2,102,298	730,850	2,494,220	1,370,210
Torrance Police Department	FAC0016	350,000	400,000	539,210	713,870
Torrance Theatre	FAC0029	-	-	-	792,970
Walteria Library	FAC0006	-	-	5,007,963	5,000,000
Total Expenditures		\$ 9,541,060	\$ 5,083,308	\$ 12,890,316	\$ 10,623,093

Individual Project Details

Attic Teen Center

2320 W Carson St, Torrance, CA 90501 | District 4

Attic Teen Center	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Refurbish Roadways	-	-	-	59,880
Renovate Center Facilities	-	-	-	746,590
Total Expenditures	\$ -	\$ -	\$ -	\$ 806,470

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Parks & Rec Facilities Fund	-	-	-	806,470
Total Expenditures	\$ -	\$ -	\$ -	\$ 806,470

Bartlett Senior Center

1318 Cravens Ave, Torrance, CA 90501 | District 4

Bartlett Senior Center	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Renovate Center Facilities	-	-	-	917,860
Second Story Walk Deck Repair	100,600	-	-	-
Total Expenditures	\$ 100,600	\$ -	\$ -	\$ 917,860

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Parks & Rec Open Space Fund	-	-	-	917,860
Measure SST Fund	100,600	-	-	-
Total Expenditures	\$ 100,600	\$ -	\$ -	\$ 917,860

Dee Hardison Sports Center

2400 Jefferson St, Torrance, CA 90501 | District 4

Dee Hardison Sports Center	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Renovate Center Facilities	-	153,460	-	-
Total Expenditures	\$ -	\$ 153,460	\$ -	\$ -

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Measure SST Fund	-	153,460	-	-
Total Expenditures	\$ -	\$ 153,460	\$ -	\$ -

Fire Station 1

1701 Crenshaw Blvd, Torrance, CA 90501 | District 3

Fire Station 1	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Renovate Fire Station	1,054,950	-	-	-
Replace Generator	69,273	-	-	-
Total Expenditures	\$ 1,124,223	\$ -	\$ -	\$ -

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Measure SST Fund	1,124,223	-	-	-
Total Expenditures	\$ 1,124,223	\$ -	\$ -	\$ -

Fire Station 4

5205 C. Mayor, Torrance, CA 90505 | District 5

Fire Station 4	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Renovate Fire Station	109,820	-	-	-
Total Expenditures	\$ 109,820	\$ -	\$ -	\$ -

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Measure SST Fund	109,820	-	-	-
Total Expenditures	\$ 109,820	\$ -	\$ -	\$ -

Fire Station 5

3940 Del Amo Blvd, Torrance, CA 90503 | District 2

Fire Station 5	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Refurbish Roadways	-	-	375,100	-
Renovate Fire Station	-	-	1,745,642	-
Total Expenditures	\$ -	\$ -	\$ 2,120,742	\$ -

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Measure SST Fund	-	-	2,120,742	-
Total Expenditures	\$ -	\$ -	\$ 2,120,742	\$ -

Herma Tillim Senior Center

3612 Artesia Blvd, Torrance, CA 90504 | District 1

Herma Tillim Senior Center	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Renovate Center Facilities	970,663	-	-	-
Total Expenditures	\$ 970,663	\$ -	\$ -	\$ -

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Parks & Rec Open Space Fund	970,663	-	-	-
Total Expenditures	\$ 970,663	\$ -	\$ -	\$ -

Las Canchas Tennis Center

25924 Rolling Hills Rd, Torrance, CA 90505 | District 6

Las Canchas Tennis Center	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Renovate Center Facilities	-	-	-	322,350
Total Expenditures	\$ -	\$ -	\$ -	\$ 322,350

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Parks & Rec Open Space Fund	-	-	-	322,350
Total Expenditures	\$ -	\$ -	\$ -	\$ 322,350

North Torrance Library

3604 Artesia Blvd, Torrance, CA 90504 | District 1

North Torrance Library	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Facade Improvements	138,287	-	-	-
Total Expenditures	\$ 138,287	\$ -	\$ -	\$ -

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Measure SST Fund	138,287	-	-	-
Total Expenditures	\$ 138,287	\$ -	\$ -	\$ -

Ruben Ordaz Community Center

2254 Del Amo Blvd, Torrance, CA 90501 | District 4

Ruben Ordaz Community Center	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Renovate Center Facilities	-	-	264,621	-
Total Expenditures	\$ -	\$ -	\$ 264,621	\$ -

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Measure A Annual Allocation	-	-	264,621	-
Total Expenditures	\$ -	\$ -	\$ 264,621	\$ -

Russ Nolte Annex

1339 Post Ave, Torrance, CA 90501 | District 4

Russ Nolte Annex	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Renovate Annex Building	-	-	-	699,363
Total Expenditures	\$ -	\$ -	\$ -	\$ 699,363

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Measure SST Fund	-	-	-	699,363
Total Expenditures	\$ -	\$ -	\$ -	\$ 699,363

Southeast Library

23115 Arlington Ave, Torrance, CA 90501 | District 4

Southeast Library	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Refurbish Roadways	-	149,720	-	-
Renovate Library Facilities	-	1,166,398	-	-
Total Expenditures	\$ -	\$ 1,316,118	\$ -	\$ -

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Measure SST Fund	-	1,316,118	-	-
Total Expenditures	\$ -	\$ 1,316,118	\$ -	\$ -

Torrance City Hall

3031 Torrance Blvd, Torrance, CA 90503 | District 3

Torrance City Hall	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Refurbish Roadways	-	10,640	-	-
Renovate Fire Prevention Building	111,535	-	-	-
Renovate GIS and Building & Safety Building	1,397,100	-	-	-
Renovate Human Resources Office Building	-	88,810	-	-
Renovate Main Building	388,401	-	-	-
Total Expenditures	\$ 1,897,036	\$ 99,450	\$ -	\$ -

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
General Fund	1,897,036	99,450	-	-
Total Expenditures	\$ 1,897,036	\$ 99,450	\$ -	\$ -

Torrance City Yard

20500 Madrona Ave, Torrance, CA 90503 | District 3

Torrance City Yard	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Alternative Fueling Infrastructure	-	174,800	-	-
Renovate City Services Building	-	613,210	2,451,580	-
Renovate City Yard Auxiliary Buildings	-	25,420	11,980	-
Replace Heavy Duty Vehicle Lift	1,864,915	-	-	-
Roof Replacement	-	1,570,000	-	-
Total Expenditures	\$ 1,864,915	\$ 2,383,430	\$ 2,463,560	\$ -

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
AQMD	-	174,800	-	-
General Fund	-	780,875	2,463,560	-
Fleet Services Fund	1,864,915	-	-	-
2016 Certificatie of Participation Proceeds	-	1,427,755	-	-
Total Expenditures	\$ 1,864,915	\$ 2,383,430	\$ 2,463,560	\$ -

Torrance Cultural Arts Center

3330 Civic Center Dr, Torrance, CA 90503 | District 3

Torrance Cultural Arts Center	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Renovate Center Facilities	116,504	-	-	-
Renovate Toyota Meeting Hall	173,364	-	-	-
Total Expenditures	\$ 289,868	\$ -	\$ -	\$ -

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Measure SST Fund	289,868	-	-	-
Total Expenditures	\$ 289,868	\$ -	\$ -	\$ -

Torrance Historical Museum

1345 Post Ave, Torrance, CA 90501 | District 4

Torrance History Museum	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Renovate Museum Facilities	593,350	-	-	-
Total Expenditures	\$ 593,350	\$ -	\$ -	\$ -

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Measure SST Fund	593,350	-	-	-
Total Expenditures	\$ 593,350	\$ -	\$ -	\$ -

Torrance Municipal Airport

3301 Airport Dr, Torrance, CA 90505 | District 6

Torrance Municipal Airport	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Airport Taxiway Lighting and Wire Replacement	427,888	-	-	-
Implement Automated Weather Observing System	352,000	-	-	-
Refurbish Roadways	29,940	-	-	-
Renovate Airport Hangars	-	730,850	2,494,220	1,370,210
Renovate Airport Traffic Control Tower	1,292,470	-	-	-
Total Expenditures	\$ 2,102,298	\$ 730,850	\$ 2,494,220	\$ 1,370,210

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Airport Capital Project Fund	2,102,298	730,850	2,494,220	1,370,210
Total Expenditures	\$ 2,102,298	\$ 730,850	\$ 2,494,220	\$ 1,370,210

Torrance Police Department

3300 Civic Center Dr N, Torrance, CA 90503 | District 3

Torrance Police Department	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Implement Jail Upgrades	150,000	-	-	-
Renovate Department Facilities	200,000	400,000	539,210	713,870
Total Expenditures	\$ 350,000	\$ 400,000	\$ 539,210	\$ 713,870

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
General Fund	150,000	-	-	-
Measure SST Fund	200,000	400,000	539,210	713,870
Total Expenditures	\$ 350,000	\$ 400,000	\$ 539,210	\$ 713,870

Torrance Theatre

1316 Cabrillo Ave, Torrance, CA 90501 | District 4

Torrance Theatre	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Refurbish Roadways	-	-	-	70,810
Renovate Theatre Building	-	-	-	722,160
Total Expenditures	\$ -	\$ -	\$ -	\$ 792,970

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
General Fund	-	-	-	792,970
Total Expenditures	\$ -	\$ -	\$ -	\$ 792,970

Walteria Library

3815 242nd St, Torrance, CA 90505 | District 6

Walteria Library	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Construct New Library, Restrooms & Recreation Center	-	-	5,007,963	5,000,000
Total Expenditures	\$ -	\$ -	\$ 5,007,963	\$ 5,000,000

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Measure SST Fund	-	-	5,007,963	5,000,000
Total Expenditures	\$ -	\$ -	\$ 5,007,963	\$ 5,000,000

IT Infrastructure

The following section summarizes the planned capital investments in the physical infrastructure and major architecture needed to support the City’s communication and information systems. The City is planning to invest \$170,000 in these assets in FY24-25. There are currently no major planned IT infrastructure projects planned beyond FY24-25.



IT Infrastructure

IT Infrastructure	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
CBRS Private Cell Network	170,000	-	-	-
Total Expenditures	\$ 170,000	\$ -	\$ -	\$ -

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
DIF - Police	170,000	-	-	-
Total Expenditures	\$ 170,000	\$ -	\$ -	\$ -

Public Right of Way (Streets)

This section summarizes the planned capital investment in the public right of way areas such as streets and sidewalks, in the City. The City is planning to invest \$73.3 million over the next four years in order to maintain and improve the safety and accessibility of our streets for all users.



Project Title	Project ID	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Arterial Pavement Improvement Program	I 139	3,600,000	3,525,000	3,700,000	3,675,000
Beach Cities Green Streets Project	S 194	5,366,000	-	-	-
Cabrillo Ave Redesign	ROW0001	-	300,000	-	-
Citywide Sidewalk Ramping/Grinding Program	I 152	200,000	200,000	200,000	200,000
Citywide Traffic Engineering and Improvements	T 190	350,000	350,000	350,000	350,000
Citywide Traffic Signal Improvements	T 171	350,000	350,000	412,500	412,500
Hawthorne Boulevard Right-Turn Lanes	T 196	528,000	269,500	-	-
Prairie Avenue Bridge Rehabilitations	I 148	2,400,000	-	-	-
Residential Pavement Improvement Program	I 159	7,060,000	7,725,000	7,600,000	7,600,000
Sidewalk Repair for handicap accessibility	I 135	1,133,333	1,339,333	1,133,333	1,133,333
Torrance School Safety and Accessibility Program	I 188	11,525,121	-	-	-
Total Expenditures		\$32,512,454	\$14,058,833	\$13,395,833	\$13,370,833

Individual Project Details

Arterial Pavement Improvement Program (I 139)

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Measure R Local Return	1,300,000	1,225,000	1,400,000	1,375,000
Prop C Local Return	2,300,000	2,300,000	2,300,000	2,300,000
Total Expenditures	\$ 3,600,000	\$3,525,000	\$3,700,000	\$3,675,000

Beach Cities Green Streets Project (S 194)

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Measure W Grant	5,366,000	-	-	-
Total Expenditures	\$ 5,366,000	\$ -	\$ -	\$ -

Cabrillo Ave Redesign (ROW0001)

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
General Fund	-	300,000	-	-
Total Expenditures	\$ -	\$ 300,000	\$ -	\$ -

Citywide Sidewalk Ramping/Grinding Program (I 152)

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Measure R Local Return	200,000	200,000	200,000	200,000
Total Expenditures	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000

Citywide Traffic Engineering and Improvements (T 190)

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Gas Tax	150,000	150,000	150,000	150,000
Measure M Local Return	200,000	200,000	200,000	200,000
Total Expenditures	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000

Citywide Traffic Signal Improvements (T 171)

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Gas Tax	100,000	100,000	100,000	100,000
Measure R Local Return	62,500	62,500	62,500	62,500
Prop C Local Return	187,500	187,500	250,000	250,000
Total Expenditures	\$ 350,000	\$ 350,000	\$ 412,500	\$ 412,500

Hawthorne Boulevard Right-Turn Lanes (T 196)

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Measure M Local Return	48,000	24,500	-	-
Measure M Grant	480,000	245,000	-	-
Total Expenditures	\$ 528,000	\$ 269,500	\$ -	\$ -

Prairie Avenue Bridge Rehabilitations (I 148)

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Prop C Local Return	2,400,000	-	-	-
Total Expenditures	\$ 2,400,000	\$ -	\$ -	\$ -

Residential Pavement Improvement Program (I 159)

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Gas Tax	500,000	500,000	500,000	500,000
General Fund	100,000	100,000	100,000	100,000
Measure M Local Return	1,650,000	2,315,000	2,350,000	2,350,000
Measure R Local Return	1,360,000	1,360,000	1,200,000	1,200,000
SB1	3,450,000	3,450,000	3,450,000	3,450,000
Total Expenditures	\$ 7,060,000	\$7,725,000	\$7,600,000	\$7,600,000

Sidewalk Repair for Handicap Accessibility (I 135)

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
CDBG Fund	683,333	683,333	683,333	683,333
Measure M Local Return	450,000	450,000	450,000	450,000
TDA Article 3 Bicycle Fund	-	206,000	-	-
Total Expenditures	\$ 1,133,333	\$1,339,333	\$1,133,333	\$1,133,333

Torrance School Safety and Accessibility Program (I 188)

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Measure M Local Return	1,152,512	-	-	-
Measure M Grant	10,372,609	-	-	-
Total Expenditures	\$11,525,121	\$ -	\$ -	\$ -

Sewer/Water Utilities

This section summarizes the planned capital investment in the Sewer and Water utilities throughout the city. The City is planning to invest \$18.9 million over the next four years to support the infrastructure that ensures the quality and reliability of our utility services.



Project Title	Project ID	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Airport Emergency Water Supply Line	UTL0001	-	800,000	-	-
Citywide Sewer System Improvements	I 191	900,000	1,300,000	1,400,000	1,400,000
Del Amo 5 Sewer Project	I 176	500,000	-	-	-
High Pressure Zone Modifications	I 186	1,000,000	1,000,000	1,000,000	-
Sewer System Master Plan/Hydraulic Model	I 168	-	100,000	-	-
Van Ness Ave Water Wells & Transmission Main	I 145	1,000,000	1,000,000	2,000,000	2,000,000
Park Improvements for Well Field Project	A 183	-	500,000	-	-
Miscellaneous Water Main Replacements	I 153	-	-	200,000	2,800,000
Total Expenditures		\$ 3,400,000	\$ 4,700,000	\$ 4,600,000	\$ 6,200,000

Individual Project Details

Airport Emergency Water Supply Line (UTL0001)

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Airport Capital Project Fund	-	800,000	-	-
Total Expenditures	\$ -	\$ 800,000	\$ -	\$ -

Citywide Sewer System Improvements (I 191)

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Sewer Capital Project Fund	900,000	1,300,000	1,400,000	1,400,000
Total Expenditures	\$ 900,000	\$1,300,000	\$1,400,000	\$1,400,000

Del Amo 5 Sewer Project (I 176)

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Sewer Capital Project Fund	500,000	-	-	-
Total Expenditures	\$ 500,000	\$ -	\$ -	\$ -

High Pressure Zone Modifications (I 186)

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Water Capital Fund	1,000,000	1,000,000	1,000,000	-
Total Expenditures	\$ 1,000,000	\$1,000,000	\$1,000,000	\$ -

Sewer System Master Plan/Hydraulic Model (I 168)

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Sewer Capital Project Fund	-	100,000	-	-
Total Expenditures	\$ -	\$ 100,000	\$ -	\$ -

Van Ness Ave Water Wells & Transmission Main (I 145)

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Water Capital Fund	1,000,000	1,000,000	2,000,000	2,000,000
Total Expenditures	\$ 1,000,000	\$1,000,000	\$2,000,000	\$2,000,000

Park Improvements for Well Field Project (A 183)

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Water Capital Fund	-	500,000	-	-
Total Expenditures	\$ -	\$ 500,000	\$ -	\$ -

Miscellaneous Water Main Replacements (I 153)

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Water Capital Fund	-	-	200,000	2,800,000
Total Expenditures	\$ -	\$ -	\$ 200,000	\$2,800,000

Storm Drains/Basins

This section summarizes the planned capital investment in our storm drain and storm water basin infrastructure. The City is planning to invest \$11.0 million over the next four years to ensure that our storm water infrastructure is prepared to handle the increasing severity of climate events.



Project Title	Project ID	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Citywide Storm Drain Replacement and Installation	I 192	2,250,000	2,250,000	2,250,000	2,250,000
Torrance Airport Storm Water Basin Project	I 174	-	2,000,000	-	-
Total Expenditures		\$2,250,000	\$4,250,000	\$2,250,000	\$2,250,000

Individual Project Details

Citywide Storm Drain Replacement and Installation (I 192)

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Measure W	2,150,000	2,150,000	2,150,000	2,150,000
DIF - Storm Drain	100,000	100,000	100,000	100,000
Total Expenditures	\$ 2,250,000	\$2,250,000	\$2,250,000	\$2,250,000

Torrance Airport Storm Water Basin Project (I 174)

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Other Grants	-	2,000,000	-	-
Total Expenditures	\$ -	\$2,000,000	\$ -	\$ -

Other Projects

This section summarizes planned capital investment in other areas that do not fit the scope or scale of the other capital investment categories included in this plan, but still represent a significant investment in our community. The City is planning to dedicate \$12.0 million over the next four years to address these other areas of needed investment.



Project Title	Project ID	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Downtown Torrance	OTR0001	625,000	50,000	-	50,000
Airport Pavement Maintenance Program	I 126	100,000	100,000	100,000	100,000
Utility Undergrounding Administration	I 182	50,000	50,000	50,000	50,000
Undergrounding of Utilities along Palos Verdes Blvd	I 156	700,000	700,000	700,000	700,000
Operating Projects - CIT	OP50	972,455	2,000,000	-	-
Operating Projects - Community Development	OP49	1,045,000	140,000	-	-
Operating Projects - Community Services	OP93	265,000	25,000	60,000	55,000
Operating Projects - Police	OP70	175,000	-	-	-
Operating Projects - Public Works	OP83	927,000	427,000	1,827,000	-
Total Expenditures		\$ 4,859,455	\$3,492,000	\$2,737,000	\$ 955,000

Individual Project Details

Downtown Torrance

Downtown Torrance	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Downtown Parking Structure	125,000	-	-	-
Rehabilitate Downtown Torrance Amenities	-	50,000	-	50,000
Upgrade Downtown Torrance Lights to LED	500,000	-	-	-
Total Expenditures	\$ 625,000	\$ 50,000	\$ -	\$ 50,000

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
General Fund	625,000	50,000	-	50,000
Total Expenditures	\$ 625,000	\$ 50,000	\$ -	\$ 50,000

Airport Pavement Maintenance Program (I 126)

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Airport Capital Project Fund	100,000	100,000	100,000	100,000
Total Expenditures	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000

Utility Undergrounding Administration (I 182)

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
DIF - Utility Underground	50,000	50,000	50,000	50,000
Total Expenditures	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000

Undergrounding of Utilities Along Palos Verdes Blvd (I 156)

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
DIF - Utility Underground	700,000	700,000	700,000	700,000
Total Expenditures	\$ 700,000	\$ 700,000	\$ 700,000	\$ 700,000

Operating Projects - CIT

Operating Projects - CIT	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Accela Continuous Improvement Initiatives	50,000	-	-	-
AssetWorks Software Implementation	121,000	-	-	-
Citywide Web Redesign	150,000	-	-	-
Enterprise Resource Planning System Replacement	-	2,000,000	-	-
Enterprise Cashiering	135,000	-	-	-
GIS System Upgrade	75,000	-	-	-
Locution Fire Alerting System/Zoning	199,555	-	-	-
Electronic Content Management Enhancement	19,000	-	-	-
PROSECUTOR Software Implementation	157,900	-	-	-
New Citizen Engagement for Web & Mobile	65,000	-	-	-
Total Expenditures	\$ 972,455	\$ 2,000,000	\$ -	\$ -

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
DIF - Fire	199,555	-	-	-
General Fund	734,900	2,000,000	-	-
Fleet Services Fund	19,000	-	-	-
Transit Capital Fund	19,000	-	-	-
Total Expenditures	\$ 972,455	\$ 2,000,000	\$ -	\$ -

Operating Projects - Community Development

Operating Projects - Community Development	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
3D GIS Mapping/Cyclomedia	-	140,000	-	-
Electronic Plan Submittal and Review	500,000	-	-	-
Public Safety Element Update / Environmental Justice	245,000	-	-	-
Strategic Plan Survey & Community Profile/Environmental Scan	200,000	-	-	-
Zoning Code Update	100,000	-	-	-
Total Expenditures	\$ 1,045,000	\$ 140,000	\$ -	\$ -

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
General Fund	1,045,000	140,000	-	-
Total Expenditures	\$ 1,045,000	\$ 140,000	\$ -	\$ -

Operating Projects - Community Services

Operating Projects - Community Services	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Refurbish Play Areas at Delthorne Park	60,000	-	-	-
Refurbish Play Areas at Descanso Park	-	25,000	-	-
Refurbish Play Areas at El Nido Park	30,000	-	-	-
Refurbish Play Areas at La Carretera Park	30,000	-	-	-
Refurbish Play Areas at La Romeria Park	-	-	-	55,000
Refurbish Play Areas at Torrance Park	30,000	-	-	-
Refurbish Playing Courts at Paradise Park	55,000	-	-	-
Refurbish Playing Courts at Victor Park	30,000	-	-	-
Refurbish Playing Courts at Walteria Park/Library	-	-	60,000	-
Replace Exercise Equipment at Victor Park	30,000	-	-	-
Total Expenditures	\$ 265,000	\$ 25,000	\$ 60,000	\$ 55,000

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
General Fund	265,000	25,000	60,000	55,000
Total Expenditures	\$ 265,000	\$ 25,000	\$ 60,000	\$ 55,000

Operating Projects - Police

Operating Projects - Police	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Del Amo Fashion Center PCC	100,000	-	-	-
Emergency Operations Center (EOC) Upgrade	75,000	-	-	-
Total Expenditures	\$ 175,000	\$ -	\$ -	\$ -

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
General Fund	175,000	-	-	-
Total Expenditures	\$ 175,000	\$ -	\$ -	\$ -

Operating Projects - Public Works

Operating Projects - Public Works	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Automated Meter Integration Upgrade	-	-	1,400,000	-
Citywide Tree Planting Program	427,000	427,000	427,000	-
Water System Master Plan	500,000	-	-	-
Total Expenditures	\$ 927,000	\$ 427,000	\$ 1,827,000	\$ -

Funding Source(s)	FY24-25 Proposed Budget	FY25-26 Projected Budget	FY26-27 Projected Budget	FY27-28 Projected Budget
Water Capital Fund	500,000	-	1,400,000	-
Measure SST Fund	427,000	427,000	427,000	-
Total Expenditures	\$ 927,000	\$ 427,000	\$ 1,827,000	\$ -

An aerial night view of a city, heavily obscured by a semi-transparent blue overlay. The city lights are visible as a dense pattern of small white and yellow dots, with some larger, brighter spots. The foreground shows a dark, textured surface, possibly water or a road, with some faint light trails. The overall mood is dark and atmospheric.

APPENDIX

Appendix

Classification of Funds

The City follows all Government Finance Officers' Association (GFOA) best practices and pronouncements as it pertains to its overall fund structure. Below is an explanation of the major fund categories, which includes a description and purpose, along with examples of funds included in each respective group.

Governmental Funds are used to account for activities supported by taxes and intergovernmental revenues. Governmental activities include all the City's basic services, such as general government, public safety (police and fire), public works, community development, and culture and recreation. Included in this classification are the General Fund-Operating Fund; General Fund-Measure SST Fund; General Fund-Restricted/Assigned Funds (focuses mainly on the City's various General Fund Replacement Funds, including associated Capital Project funds, the CEPPT Section 115 Fund, Cable's PEG Funds, and other assigned/restricted sub-funds of the overall General fund); and General Fund-Unassigned Funds (focuses mainly on the City's General Fund-Reserve Fund and any other unassigned (as reported in the Annual Report) sub-funds of the overall General Fund).

Nonmajor Governmental Funds are governmental funds which do not meet the fund asset or fund revenue threshold to be considered a major governmental fund for reporting in the Annual Comprehensive Financial Report (ACFR). The City presents the budgets on the fund level for this classification for review by Council and the public. Included in this classification are the Air Quality Management District, Debt Service, Meadow Park Parking Lot District, Low Mod Fund, Section 8 Housing, Street Lighting, Traffic Safety and Vanpool Funds.

Enterprise Funds are used to account for fee-supported businesses operated by the City. Net earnings of these funds provide working capital for maintenance and betterment of the equipment and fixed assets of the business. Included in this classification are the Airport, Sanitation, Sewer, Transit and Water Funds.

Internal Service Funds are used to account for financing of goods and services provided by one city department to other departments of the city and to other governmental units on a cost-reimbursement basis. Included in this classification are the Self-Insurance and Fleet Services Funds.

Fiduciary Funds consist of private-purpose trust funds and custodial funds. The City is the trustee, or fiduciary, for its employees' pension plans. It is also responsible for other assets that, because of a

trust arrangement, can be used only for the trust beneficiaries. Included in this classification are the Area G, Interoperability Network South Bay, and Redevelopment Agency Funds. The City Council is not responsible for appropriating the Area G and Interoperability Network South Bay operating budgets as these have separate Boards responsible for budget appropriation, therefore they are not shown in this budget document.

Employee Compensation and Benefits

Background

The City of Torrance (City) has 11 represented labor unions and 10 unrepresented labor groups. Each labor union has a Memorandum of Understanding (MOU) that is used to outline the compensation and benefits provided to each employee, and each labor group has a resolution that defines that outlines compensation and benefits. The City strives to provide competitive compensation packages in alignment with comparison cities, while balancing other financial demands on the organization. Below are the various forms of compensation and benefits which are provided to employees based on their MOU.

Administrative Leave

Employees in the City of Torrance Executive and Management Employees Resolution, depending on their category, are provided up to eight (8) days of administrative leave per fiscal year.

Annual Leave

Certain employees represented by the Police Officers Association and Police Commanders Association accrue annual leave monthly, with the maximum amount determined by the MOUs, and the accrual rate varies based on the months of service.

Sick Leave

Full-time employees typically accrue sick (6) hours of sick leave per month. For seasonal-recurrent employees the amount of sick leave complies with state law.

Vacation

Employees in the City of Torrance accrue vacation leave on an hour for hour basis, with the maximum amount determined by their associated MOU/Resolution.

Section 125 Plan

The City of Torrance offers a variety of medical, dental, and vision plans to employees. City contribution rates, and any opt-out incentives, are determined in their respective MOU/Resolutions.

Medicare

All newly hired employees contribute a portion of gross salary for Medicare coverage through a dedicated payroll tax, as determined by Federal regulations.

Social Security

All full-time, non-sworn safety employees, at the City of Torrance pay into Social Security through a dedicated payroll tax.

Flexible Spending Account

Employees may sign up for a flexible spending account (FSA) related to medical reimbursement or childcare reimbursement during an open enrollment period. An exception to this would be a change in the family, such as the birth of a child.

Educational Incentive Program/Tuition Reimbursement

City of Torrance employees in certain MOU/Resolutions are eligible for educational incentive pay premiums and/or tuition reimbursements (up to \$1,500 per year). Employees who apply for educational incentives and complete the requirement will receive a premium pay based on rates determined in their respective MOU/Resolution.

PARS

PARS is a supplemental retirement plan administered by Public Agency Retirement Services (PARS). Certain employees in the Engineers and Fiscal Employees Association and Professional and Supervisory Association that meet the requirement defined by the plan are eligible for this additional benefit.

CalPERS

The City participates in CalPERS' agency multiple-employer, defined-benefit (DB) pension plan, which guarantees a set retirement benefit based on years of service, highest CalPERS eligible compensation, and age upon retirement. Employees fall into four tiers based on hire date and employment status:

1. **Tier 1 (Classic):** In this group, employees are eligible for the Employer Paid Member Contribution (EPMC). The CalPERS benefit is calculated using the highest single year of CalPERS eligible compensation. If an employee was hired before July 1996 there is no limit on CalPERS eligible compensation limits.
 - a. **Miscellaneous Employees:** The City contributes 7% for EPMC on behalf of the employees.

-
- b. **Safety Employees:** The City contributes 9% for EPMC on behalf of the employees.
1. **Tier 2 (2010):** These employees are part of the Classic benefit structure but were hired after the City amended its MOU/Resolutions to remove the Employer Paid Member Contribution (EPMC) as a benefit. This meant the City would no longer contribute on behalf of the employee and rather the amount would be deducted from employees' paychecks.
 2. **Tier 3 (PEPRA):** This group was created in January 2013 as a result of Pension Reform legislation at the state level and created an entirely new benefit structure. Employees in this group have a different retirement age, contribute 50% of the normal cost of the pension plan, and have their retirement benefit calculated using the highest three-year period of CalPERS eligible compensation. Further, there are reduced CalPERS eligible compensation limits. These amounts are typically adjusted annually. Additionally, there are two sub-tiers within the safety plan: 90% Industrial Disability Retirement (IDR) and 50% Industrial Disability Retirement (IDR). The 90% IDR benefit started 1/1/2013 and then the 50% IDR benefit took over starting 1/1/14.
 - a. **Miscellaneous Employees:** For employees participating in social security, the CalPERS eligible compensation limit is set at \$151,446 in 2024. Rather than contribute a fixed 7%, these employees contribute half of the normal cost of this pension plan, which is currently 8%.
 - b. **Safety Employees:** For employees not participating in social security (safety employees), the CalPERS eligible compensation limit is set at \$181,734 for 2024. Rather than contribute a fixed 9%, these employees contribute half of the normal cost of this pension plan.
 - i. For Fire Safety employees in the 90% IDR benefit structure, the employee contributes 12% and for those in the 50% IDR benefit structure, the employee contributes 11.25%.
 - ii. For Police safety employees in the 90% IDR benefit structure, the employee contributes 15.50% and for those in the 50% IDR benefit structure, the employee contributes 13.00%
 3. **Tier 4 (Part-Time/Post-Tax):** Reserved for part-time or seasonal workers logging over 1,000 hours annually, their participation and associated liability in the pension plan are comparatively minor and thus not detailed in headcount tables.

Based on the Tier in which an employee falls and the Plan in which they are enrolled, they qualify for one of the below retirement benefit formulas:

Plan	Tier 1: Classic	Tier 2: 2010	Tier 3: PEPR
Miscellaneous	2% @ 55	2% @ 55	2% @ 62
Fire Safety	3% @ 50	3% @ 50	2.7% @ 57
Police Safety	3% @ 50	3% @ 50	2.7% @ 57

When an individual retires, the above table provides a guideline for the amount of benefit they would receive annually if they retired at the plan’s “normal” retirement age. CalPERS has a sliding scale for those that retire earlier/later. An employee would take their CalPERS eligible compensation (either highest 1- or 3-year period depending on plan up to the Tier limit) and multiply that against their respective percentage multiplier (i.e. 2%, 3%, 2.7%) and then multiply that against their years of service with CalPERS. As a simple example, this would determine their benefit under the CalPERS system. There are many different considerations that would affect the end result including: service in different cities, exact age, years of service, or death benefit selected.

Fiscal Policies

General Policies

The City will maintain sound financial practices in accordance with all Federal, State, and local laws and direct its financial resources towards meeting the City's long-term goals.

The City will maintain and further develop programs to assure its long-term ability to pay the costs necessary to provide the level and quality of service required by its citizens.

The City annually adopts a budget for the upcoming fiscal year. Through this budget document, the City Council establishes public policy by setting funding levels for all funds and exercises control over City spending. The budget further serves as a financial planning tool to ensure that the inflow of resources (revenues) is adequate to meet both anticipated and unanticipated needs (expenditures).

The City is committed to fiscal sustainability. This is defined as maintaining a long-term view of financial planning that anticipates and proactively addresses risks to preserve and enhance quality of life and service provision as identified and prioritized through community input. The City is committed to:

- **Informed Decision-Making** – Staff will identify and evaluate immediate and long-term economic, social, and environmental impacts of all issues provided for Council consideration.
- **Transparency** – The City will conduct all business with transparency pursuant to applicable laws and regulations. The City will proactively pursue ways to make financial information publicly available, accessible, and easy to understand.
- **Pursuing Diversified Revenue Sources** – The City will pursue diversified revenue sources that align with community priorities and support expenditures.
- **Managing Long-Term Liabilities** – The City will proactively identify and monitor long-term financial liabilities, including unfunded pension and OPEB obligations, and commits to taking actions to manage these commitments that prioritize the City's long-term financial sustainability.
- **Shared Responsibility** – The City recognizes a shared responsibility between the employee and employer to appropriately fund employee benefits to attract and retain high-performing employees while maintaining a long-term sustainable and balanced budget.
- **Seeking Efficiency and Effectiveness** – Staff will continuously explore ways to operate more efficiently while preserving effectiveness.

Operating Budget

The City will follow a biennial budget process, emphasizing long-range planning and effective program management. The biennial budget process allows staff to plan ahead for future years. In addition to planning a two-year budget, staff will incorporate multi-year projections to ensure the long-term strategy is balanced and achievable.

The City's use of the biennial budget process complies with Torrance City Charter (Article 9 and Article 14), which includes the following requirements:

- Definition of the fiscal year (July 1-June 30)
- Proposed budget preparation by the City Manager
- Proposed budget submission by City Manager to City Council on or before June 1
- Budget adoption by City Council (at least 4 affirmative votes) by June 30 after completing two public hearings to give an opportunity for community input

In addition to the annual budget process staff will complete two interim budget review reports, a First Quarter and Mid-Year Budget Review Report. These reports will analyze budget status at these two different points, provide an opportunity to adjust revenue or expenditure budgets as well as the approval of any program modifications.

Budget modifications may occur as necessary at any City Council meeting through staff reports that receive affirmative votes from the members of Council.

Each year, during the budget process, the following will be addressed:

- The City will adopt a balanced budget by June 30.
- The City will make all current, ongoing expenditures with current, ongoing revenues, avoiding procedures that balance current budgets by postponing needed expenditures or accruing future revenues.
- The City will estimate revenues using an objective and analytical process utilizing both past experiences and known variables; in the case of assumption uncertainty, conservative projections will be used.
- The City will maintain a level of expenditure that supports essential services and promotes quality of life for the citizens of Torrance.
- The City will forecast General Fund and other major internal services and enterprise funds for a five-year period and will update the forecast at least annually. The forecast will guide budget recommendations for Council consideration.
- The City will endeavor to maintain a diversified and stable revenue stream to minimize the impact of short-term fluctuations in any one revenue source.
- The City will avoid targeting revenues for specific purposes wherever possible, allowing maximum flexibility in funding decisions on an annual basis.
- One-time revenues will not be regularly utilized for recurring expenditures.

-
- The City will endeavor to pay down its unfunded liabilities in the areas of pension, OPEB, and long-term debt. For the purposes of pension and OPEB, the City will utilize trust funds (Section 115 Trust) to assist in managing these long-term liabilities.

Capital Improvement Plan (CIP) Budget

The City will biennially plan for capital improvements for a 5-year period. The CIP budget will incorporate Council priorities, community objectives, and projects that will improve operational efficiency. The first year of the CIP will be presented along with the Biennial Operating Budget. In the interim year, the CIP budget will be amended as needed and recommended for Council approval.

The operating impacts of any CIP budget item will be incorporated into the operating budget to demonstrate the full cost of implementation. The City will maintain all assets at a sufficient level to protect the City's capital investment and to minimize future maintenance and replacement costs.

Budgetary Control

The City Council is responsible for adopting an annual budget for all funds of the City. The budgets of the City will be appropriated via two separate resolutions. The first resolution shall address the financial needs of the operating budget including any transfers to fund anticipated CIP needs. The second resolution shall address the financial needs of the CIP budget. The City is a Fiduciary for two funds that are outside of the purview of the City Council, which includes the Interoperability Network South Bay and the Area G Budget. These budgets are adopted by their respective Boards. The City Council also serves as the governing body for the Successor Agency to the Former Redevelopment Agency, the Housing Authority, and the Public Financing Authority, which addresses budgets for the Successor Agency to the Former Redevelopment Agency, Section 8 Housing, and Debt Service Funds. Beginning in FY22-23, the City separately tracks revenues and expenditures of Measure SST, a ½ cent transactions and use tax, approved by Torrance voters in June 2022. This measure included strict accountability requirements with a 7-member oversight committee being established. This Committee is charged with reviewing the activity of the Measure SST Fund during the year, along with audited financial statements ensuring that funds are spent in accordance with the City Council approved spending plan.

The budget adoption for both resolutions require a majority vote, which includes at least 4 of 7 Council members. The City Council approves any revisions that increase the total budgeted expenditures or revenues for any funds, as appropriated, in the operating or CIP budgets. The City Council also approves any changes to staffing levels, including budgeted permanent and as-needed full-time equivalent positions. The City Manager is authorized by the City Council to allocate the budget to more detailed levels of control for administrative purposes within each of the respective

budgets (operating and CIP). This includes changes between major projects, departments (TMC 12.1.8), programs, or object categories (i.e. salaries & benefits versus materials) within a given fund's appropriation limit for each respective budget (operating and CIP).

The City Manager is also delegated authority for periodic appropriations as outlined in the Torrance Municipal Code (TMC) section 12.1.8 and further explained in City Council Policy 3. In addition, changes to the budget shall take place during regularly scheduled Council meetings as recommended. Changes to any budget requires a majority vote of the Council (4 of 7 members).

Basis of Budgeting

The City of Torrance's budget is consistent with the Annual Comprehensive Financial Report (ACFR). Governmental funds, including general, special revenue and capital project funds, are budgeted on a modified accrual basis with a focus on near-term inflows and outflows of financial resources. Revenues are recognized when measurable and available, while expenditures are recognized as soon as liabilities are incurred, except for debt service, capital lease obligations, inventories, and prepaid items. Year-end encumbrances are included in the fiscal year's expenditures (actual, budgetary basis), as they represent financial resources committed for goods or services to be delivered in the near future (usually within one or two months). However, many multi-year capital projects are budgeted on a full cost basis which spans multiple years. Budgets for capital projects remaining at year-end for active projects are continued to the next fiscal year until the completion of the project.

Proprietary funds, including enterprise funds and internal service funds, are budgeted on an accrual basis similar to private-sector businesses, with a focus on total economic resources. Revenues are recognized when they are earned, while expenses are recognized when the liability is incurred. Year-end encumbrances are excluded from the fiscal year's expenses, for the transactions that have not occurred. The City budgets for all non-cash related items such as investment adjustments to market value, depreciation, amortization, and bad debt expense. Similar to governmental funds, multi-year capital projects are often budgeted on a full cost basis and the year-end active project budgets are continued to the next fiscal year until the completion of the project.

Appropriations Limit (Gann Limit)

In November 1979, the voters of the State of California approved Proposition 4, commonly known as the Gann Initiative. Proposition 4 created Article XIII B of the State Constitution, requiring each local jurisdiction to establish its appropriation limit by resolution each year. The appropriation limit does not apply to the entire City budget or to the City's entire General Fund, but only to the appropriation of "proceeds of taxes" in the City's "general government" type funds.

Proposition 4 became effective in FY 1980-81. From FY 1980-81 to 1989-90, each year's appropriation was based on the previous year's limit, multiplied by the percentage change in population and the percentage change in the United States Consumer Price Index or the change in California per capita income, whichever was less.

In June 1990, the voters approved Proposition 111, which amended Proposition 4 and the factors used in the calculation of each year's limit. The factors to use are the Population Factor and Price Factor. For the Population Factor, the City can select the annual change in city or county population. For the Price Factor, the City can select the change in California per capita income or increase in non-residential assessed valuation due to new construction.

The City Council annually adopts a resolution establishing the City's appropriations limit calculated in accordance with Article XIII-B (Proposition 4) of the Constitution of the State of California, Section 7900 et seq. of the State of California Government Code, and any other voter approved amendments or state legislation that affect the City's appropriations limit. Under the Gann Limit, a maximum amount is established for tax-funded government services. That amount is to be adjusted each year depending on the city population, changes in non-residential assessed value, and the transfer of financial responsibility for various governmental activities from one level of government to another. Any significant amount of state tax revenue received above the Gann Limit is to lead to future tax rebates or cuts.

The supporting documentation used in calculating the City's appropriations limit and projected appropriations subject to the limit will be available for public and Council review at least 15 days before Council consideration of a resolution to adopt an appropriations limit. The Council will generally consider this resolution in connection with (or as reasonably possible based on information availability from the State) the annual budget.

Fund and Reserve Policies

General Fund

The City will maintain at the end of each fiscal year a General Fund Unassigned fund balance at a level that is equal to at least 20% of the fiscal year's General Fund-Operating Fund operating budget appropriation, as amended (controlling for one-time expenditures). In a year in which the City falls short a plan shall be identified to meet the 20% policy. Within this amount, City Council may set a portion aside under an Economic Anomaly Reserve. As of June 30, 2024, it is projected that \$12,884,270 of the City's Unassigned fund balance is set aside in the City's Economic Anomaly Reserve. Council approval is required before expending funds from the Economic Anomaly Reserve.

Internal Service Funds

The City will maintain a Fleet Replacement Fund to provide for timely replacement of vehicles and related equipment. To the extent possible, the City will maintain a balance that is equivalent to the amortized replacement cost of each vehicle at a given point in its lifecycle, including anticipated growth in replacement costs. This will ensure the timely replacement of vehicles when they have met their useful life. Interest earnings and the sale of surplus equipment along with insurance recoveries will be credited to the Fleet Replacement Fund.

The City will maintain a Self-Insurance Fund to provide centralized funding for the City's workers compensation, litigated/non-litigated claims, and unemployment claims costs. To the extent possible, the City will set funds aside in a manner that will cover the annual costs of the fund as well as the actuarially determined liabilities of the City's workers' compensation and liability claims.

Enterprise Funds

The City will maintain operating and capital reserves in these funds such that they are sufficient to cover the operating working capital needs, vehicle replacement requirements, and capital infrastructure investment needs. The levels will ensure that a proper state of good repair is maintained on the overall infrastructure (where applicable) to ensure reliable and dependable service for customers.

Cost Allocation Plan/Indirect Cost Rate

The City of Torrance prepares a cost allocation plan annually to identify the General Fund costs associated with providing certain services to proprietary and special revenue fund programs (i.e. Section 8, Airport, Sanitation, Sewer, Water, Transit, Fleet, Self-Insurance), which are financed by user fees, grant funding, or other internal charges. These indirect charges reimburse the administration and overhead service provided by departments such as Council, City Manager, City Attorney, City Clerk, City Treasurer, Finance, General Services, Human Resources, Civil Service, and Communications & Informational Technology, which is directly applicable to these operations. These indirect charges are assessed to reflect the true costs of doing business through the City's indirect cost allocation plan.

Data used in determining the cost allocation is gathered from the year's most recent audited financial statements and applied to the coming budget year (i.e. FY22-23 audited financials for the FY24-25 budget). This is revised annually with FY24-25 assessing a charge equal to 30.66% of a subset of Salaries & Employee Benefits costs.

Debt Policies

Findings

These Debt Management Policies are intended to comply with Government Code Section 8855(i) and shall govern all debt undertaken by the City.

The City hereby recognizes that a fiscally prudent debt policy is required to:

- Maintain the City's sound financial position.
- Ensure the City has the flexibility to respond to changes in future service priorities, revenue levels, and operating expenses.
- Protect the City's creditworthiness.
- Ensure that all debt is structured to protect both current and future taxpayers, ratepayers, and constituents of the City.
- Ensure that the City's debt is consistent with the City's planning goals and objectives and capital improvement program or budget, as applicable.

Policies

Purposes for which debt may be issued:

- **Long-Term Debt** – Long-term debt may be issued to finance the construction, acquisition, and rehabilitation of capital improvements facilities, equipment, and land to be owned and operated by the City.
 - (a) Long-term debt financings are appropriate when the following conditions exist:
 - When the project to be financed provides a community benefit.
 - When the project to be financed will provide benefit to constituents over multiple years.
 - When total debt does not constitute an unreasonable burden to the City and its taxpayers and ratepayers.
 - When the debt is used to refinance outstanding debt to produce debt service savings or to realize the benefits of a debt restructuring.
 - b) Long-term debt financings are not appropriate for current operating expenses and routine maintenance expenses.
 - c) The City may use long-term debt financings subject to the following conditions:
 - The project to be financed must be approved by the City Council.
 - The weighted average maturity of the debt (or the portion of the debt allocated to the project) will not exceed the average useful life of the project.
 - The City estimates that sufficient revenues will be available to service the debt through its maturity.
 - The City determines that the issuance of the debt will comply with the applicable state and federal law.

-
- **Short-Term Debt** – Short-term debt may be issued to provide financing for the City's operational cash flows to maintain a steady and even cash flow balance. Short-term debt may also be used to finance short-lived capital projects; for example, the City may undertake lease-purchase financing for equipment.
 - **Financing on Behalf of Other Entities** – The City may also find it beneficial to issue debt on behalf of other governmental agencies or private third parties to further the public purposes of the City. In such cases, the City shall take reasonable steps to confirm the financial feasibility of the project to be financed and the financial solvency of any borrower and that the issuance of such debt is consistent with the policies set forth herein.

Types of Debt

The following types of debt are allowable under these Debt Management Policies:

- General obligation bonds
- bond or grant anticipation notes
- tax and revenue anticipation notes
- lease revenue bonds, certificates of participation and lease-purchase transactions
- other revenue bonds (including sales tax revenue bonds) and certificates of participation
- pension obligation bonds
- land-secured financings, such as special tax revenue bonds issued under the Mello-Roos Community Facilities Act of 1982, as amended, and limited obligation bonds issued under applicable assessment statutes
- tax increment financing to the extent permitted under state law
- conduit financings, such as financings for affordable rental housing and qualified 501(c)(3) organizations

The City may from time to time find that other forms of debt would be beneficial to further its public purposes and the City Council may approve such debt without an amendment of these Debt Management Policies.

Debt shall be issued as fixed rate debt unless the City makes a specific determination as to why a variable rate issue would be beneficial to the City in a specific circumstance.

Relationship of Debt to Operating and Capital Improvement Budgets

The City is committed to long-term capital planning. The City intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the City's capital budget and the capital improvement plan.

The City shall strive to fund the upkeep and maintenance of its infrastructure and facilities due to normal wear and tear through the expenditure of available operating revenues.

The City shall integrate its debt issuances with the goals of its capital improvement program by timing the issuance of debt to ensure that projects are available when needed in furtherance of the City's public purposes.

The City shall seek to avoid the use of debt to fund infrastructure and facilities improvements in circumstances when the sole purpose of such debt financing is to reduce annual budgetary expenditures.

The City shall seek to keep general fund supported debt service at no greater than the lesser of 10% of available general fund revenues or expenditures.

Policy Goals Related to Planning Goals and Objectives

The City is committed to long-term financial planning, maintaining appropriate reserves levels, and employing prudent practices in governance, management, and budget administration. The City intends to issue debt for the purposes stated in this Policy and to implement policy decisions incorporated in the City's operating and capital budgets.

It is a policy goal of the City to protect taxpayers, ratepayers, and constituents by utilizing conservative financing methods and techniques to obtain the highest practical credit ratings (if applicable) and the lowest practical borrowing costs.

The City will comply with applicable state and federal law as it pertains to the maximum term of debt and the procedures for levying and imposing any related taxes, assessments, rates, and charges.

When refinancing debt, it shall be the policy goal of the City to realize, whenever possible, and subject to any overriding non-financial policy considerations, (i) minimum net present value debt service savings equal to or greater than 3.0% of the refunded principal amount, and (ii) present value debt service savings equal to or greater than 100% of any escrow fund negative arbitrage.

Internal Control Procedures

When issuing debt, in addition to complying with the terms of these Debt Management Policies, the City shall comply with any other applicable policies regarding initial bond disclosure, continuing disclosure, post-issuance compliance, and investment of bond proceeds.

The City will periodically review the requirements of and will remain in compliance with the following:

- any continuing disclosure undertakings under SEC Rule 15c2-12,

-
- any federal tax compliance requirements, including without limitation arbitrage and rebate compliance, related to any prior bond issues, and
 - the City's Investment Policy as they relate to the investment of bond proceeds.

It is the policy of the City to ensure that proceeds of debt are spent only on lawful and intended uses. Whenever reasonably possible, and for the purpose of ensuring that proceeds of debt will be used for their intended purpose, proceeds of debt will be held by a third-party trustee and the City will submit written requisitions for such proceeds.

Debt Limits

The outstanding principal amount of debt described will not exceed five percent (5%) of the total assessed value of property in the City, and debt service and lease payments incurred for financing purposes that are payable from the City's general fund will not exceed 10% of annual appropriations.

Investment Policy

The Investment Policy is approved annually by Resolution by the City Treasurer. As such, this policy is not included in the City's budget.

Debt Financing Information

Debt Issuance	Date Issued	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	Thereafter
2016 Certificate of Participation	11/15/2016	1,257,644	1,256,844	1,255,244	1,259,744	1,259,994	22,640,021
Opus Bank Loan	10/1/2017	644,515	644,517	644,516	446,197	-	-
2018 Tax Allocation Refunding Bonds (Downtown Redevelopment Project)	10/25/2018	469,950	467,550	464,750	463,250	466,000	-
2018 Tax Allocation Refunding Bonds (Torrance Industrial Redevelopment Project)	10/25/2018	1,461,650	1,463,250	1,463,250	1,461,250	1,466,750	-
Lease Revenue Bonds Series 2020	10/22/2020	19,341,206	19,862,722	20,397,834	20,949,950	21,511,699	364,563,967
Lease Revenue Bonds Series 2021	4/15/2021	2,508,488	2,506,186	2,501,488	2,500,953	2,506,951	37,559,509
Total		\$ 26,606,224	\$ 27,123,840	\$ 27,649,853	\$ 28,004,115	\$ 28,134,165	\$ 437,682,287

The City's debt service costs for the next five years and thereafter are presented in the table above and the details of each debt issuance showing the principal and interest payments are in the following tables.

2016 Certificates of Participation

In 2016, the City of Torrance, with the Public Property Financing Corporation of California, issued \$22.1 million of refunding certificates of participation to refinance the 2009 Certificates of Participation issued by the Torrance Public Financing Authority to finance the acquisition of approximately 15 acres of real property for the Regional Transit Center and other City uses. A portion (\$6.1 million) of the 2016 Refunding Certificates of Participation was set aside for the construction of capital improvements selected by the City. The refunding certificates of participation debt is considered to be capital related.

Opus Bank Loan

In 2017, the City of Torrance entered into an installment sale agreement with the Public Property Financing Corporation of California, for the purpose of financing the drilling and construction of a new water well, the North Torrance Well Field Project. The proceeds from the agreement were \$5.8 million for construction of the project. The installment sale agreement debt is considered to be capital related.

2018 Tax Allocation Refunding Bonds (Downtown Redevelopment Project)

In October 2018, the Former Redevelopment Agency issued \$3,665,000 Tax Allocation Refunding Bonds. Proceeds of the Bonds were used to refund the Agency's outstanding Downtown Redevelopment Project Tax Allocation Refunding Bonds, 1998 Series A, to fund a reserve for the Bonds, to pay premium of the 2018 Insurance Policy, and to pay the costs of issuing the Bonds. Starting from September 2019 and continuing through 2028, the principal on the term bonds matures at variable amounts ranging from \$310,000 to \$445,000. Interest is payable on March 1 and September

1 of each year with rates ranging from 3.0% to 5.0%. Principal and interest are to be repaid directly from the tax increments accruing to the Agency.

2018 Tax Allocation Refunding Bonds (Torrance Industrial Redevelopment Project)

In October 2018, the Former Redevelopment Agency issued \$11,505,000 Tax Allocation Refunding Bonds. Proceeds of the Bonds were used to refund the Agency's outstanding Industrial Redevelopment Project Tax Allocation Refunding Bonds, 1998 Series A and B, and 1999 Series C, to fund a reserve for the Bonds, to pay premium of the 2018 Insurance Policy, and to pay the costs of issuing the Bonds. Starting from September 2019 and continuing through 2028, the principal on the term bonds matures at variable amounts ranging from \$960,000 to \$1,390,000. Interest is payable on March 1 and September 1 of each year with rates ranging from 3.0% to 5.0%. Principal and interest are to be repaid directly from the tax increments accruing to the Agency.

Lease Revenue Bonds Series 2020

In July 2020, as one component of the City's budget revisions for FY20-21, the City refinanced a portion of the Unfunded Accrued Liability ("UAL") of the City's Miscellaneous, Fire Safety, and Police Safety pension plans with CalPERS. The City refinancing would accomplish three goals: to generate cash flow savings to the City and taxpayers through historically low interest rates relative to the CalPERS discount rate assumption; create a repayment schedule for the City's pension liabilities that increases more gradually; and set aside 20% of the savings into a Trust to mitigate future pension cost increases. The refinancing was achieved through the issuance of \$349.5 million of lease revenue bonds by the Torrance Joint Powers Financing Authority, which are expected to have an all-in cost of financing between 3.0% and 4.0% (versus 6.8% CalPERS charges the City on the outstanding UAL debt) based on anticipated market conditions. The City makes lease payments from its general fund under a lease/leaseback of certain real property consisting of most of the City's streets.

Lease Revenue Bonds Series 2021

In March 2021, as one component of the City's ongoing efforts to reduce near-term expenditures in response to the COVID-19 pandemic, the City restructured and refinanced its outstanding Certificates of Participation (Refunding and Capital Projects), Series 2014 ("2014 COPs"). The City's primary goal for the financing was to reduce principal lease payments related to the 2014 COPs in FYs 2020-21 and 2021-22, but the City also reduced financing costs using lower interest rates available. The financing was achieved through the issuance of \$39.7 million of lease revenue bonds by the Torrance Joint Powers Financing Authority. The City makes lease payments from its general fund under a lease/leaseback of certain real property consisting of the City Yard and Transit Facility.

Credit Ratings

Below is an excerpt from the November 18, 2022 Standard & Poors (S&P) Rating Report. This report is updated when the City of Torrance has new borrowing and remains the same “AA/Stable” rating as of April 2024.

Credit Profile		
Torrance rfdg certs of part		
<i>Long Term Rating</i>	AA/Stable	Affirmed
Torrance taxable lse rev bnds		
<i>Long Term Rating</i>	AA/Stable	Affirmed
Torrance Jt Pwrs Finncg Auth, California		
Torrance, California		
Torrance Jt Pwrs Finncg Auth (Torrance) 2021 taxable rfdg certs of part (Torrance) ser 2021 due 06/01/2044		
<i>Long Term Rating</i>	AA/Stable	Affirmed

Outlook

The stable outlook reflects our expectation that the city's financial position will continue to improve in the near-term as the recent sales tax increase generates new revenues and the tax base continues to recover.

Downside scenario

We could lower the ratings if the city were to underperform its current projections and return to negative operations without a plan to correct the imbalance, or should long-term liabilities increase.

Upside scenario

While unlikely within the two-year outlook horizon, we could raise the rating if the city were to sustain its reserves at a level commensurate with those of higher-rated peers, while its debt burden moderates.

Debt Service Schedules

2016 Certificate of Participation

Date	Principal	Interest Rate	Interest	Total Debt Service
5/1/2017			\$ 398,535	\$ 398,535
11/1/2017	395,000	2.000%	432,147	827,147
5/1/2018			428,197	428,197
11/1/2018	405,000	3.000%	428,197	833,197
5/1/2019			422,122	422,122
11/1/2019	420,000	3.000%	422,122	842,122
5/1/2020			415,822	415,822
11/1/2020	435,000	4.000%	415,822	850,822
5/1/2021			407,122	407,122
11/1/2021	450,000	4.000%	407,122	857,122
5/1/2022			398,122	398,122
11/1/2022	470,000	4.000%	398,122	868,122
5/1/2023			388,722	388,722
11/1/2023	490,000	4.000%	388,722	878,722
5/1/2024			378,922	378,922
11/1/2024	510,000	4.000%	378,922	888,922
5/1/2025			368,722	368,722
11/1/2025	530,000	4.000%	368,722	898,722
5/1/2026			358,122	358,122
11/1/2026	550,000	4.000%	358,122	908,122
5/1/2027			347,122	347,122
11/1/2027	580,000	5.000%	347,122	927,122
5/1/2028			332,622	332,622
11/1/2028	610,000	5.000%	332,622	942,622
5/1/2029			317,372	317,372
11/1/2029	640,000	5.000%	317,372	957,372
5/1/2030			301,372	301,372
11/1/2030	670,000	5.000%	301,372	971,372
5/1/2031			284,622	284,622
11/1/2031	705,000	5.000%	284,622	989,622
5/1/2032			266,997	266,997
11/1/2032	735,000	3.000%	266,997	1,001,997
5/1/2033			255,972	255,972
11/1/2033	755,000	3.000%	255,972	1,010,972
5/1/2034			244,647	244,647
11/1/2034	780,000	3.000%	244,647	1,024,647
5/1/2035			232,947	232,947
11/1/2035	805,000	3.125%	232,947	1,037,947
5/1/2036			220,369	220,369
11/1/2036	830,000	3.125%	220,369	1,050,369
5/1/2037			207,400	207,400
11/1/2037	860,000	4.000%	207,400	1,067,400
5/1/2038			190,200	190,200
11/1/2038	895,000	4.000%	190,200	1,085,200
5/1/2039			172,300	172,300
11/1/2039	930,000	4.000%	172,300	1,102,300
5/1/2040			153,700	153,700
11/1/2040	970,000	4.000%	153,700	1,123,700
5/1/2041			134,300	134,300
11/1/2041	1,010,000	4.000%	134,300	1,144,300
5/1/2042			114,100	114,100
11/1/2042	1,050,000	4.000%	114,100	1,164,100
5/1/2043			93,100	93,100
11/1/2043	1,095,000	4.000%	93,100	1,188,100
5/1/2044			71,200	71,200
11/1/2044	1,140,000	4.000%	71,200	1,211,200
5/1/2045			48,400	48,400
11/1/2045	1,185,000	1.000%	48,400	1,233,400
5/1/2046			24,700	24,700
11/1/2046	1,235,000	4.000%	24,700	1,259,700
Total	\$ 22,135,000		\$ 15,989,308	\$ 38,124,308

Opus Bank Loan – Water Fund

Date	Principal	Interest Rate	Interest	Debt Service
5/1/2018	\$ 195,000	2.360%	\$ 6,064	\$ 201,064
11/1/2018	256,716	2.360%	3,599	260,315
5/1/2019	259,745	2.360%	10,400	270,145
11/1/2019	262,810	2.360%	62,596	325,406
5/1/2020	265,911	2.360%	56,347	322,258
11/1/2020	269,049	2.360%	53,209	322,258
5/1/2021	272,224	2.360%	50,034	322,258
11/1/2021	275,436	2.360%	46,822	322,259
5/1/2022	278,686	2.360%	43,572	322,258
11/1/2022	281,975	2.360%	40,283	322,258
5/1/2023	285,302	2.360%	36,956	322,258
11/1/2023	288,669	2.360%	33,590	322,259
5/1/2024	292,075	2.360%	30,183	322,258
11/1/2024	295,521	2.360%	26,737	322,258
5/1/2025	299,008	2.360%	23,250	322,258
11/1/2025	302,537	2.360%	19,721	322,258
5/1/2026	306,107	2.360%	16,151	322,258
11/1/2026	309,719	2.360%	12,539	322,258
5/1/2027	313,373	2.360%	8,885	322,258
11/1/2027	317,071	2.360%	5,187	322,258
5/1/2028	122,494	2.360%	1,445	123,939
Total	\$ 5,749,428		\$ 587,571	\$ 6,336,999

2018 Tax Allocation Refunding Bonds (Downtown Redevelopment Project)

Date	Principal	Coupon	Interest	Debt Service	Annual Debt Service
3/1/2019			\$ 59,552.50	\$ 59,552.50	
9/1/2019	\$ 340,000.00	3.0%	\$ 85,075.00	\$ 425,075.00	\$ 484,627.50
3/1/2020			\$ 79,975.00	\$ 79,975.00	
9/1/2020	\$ 310,000.00	4.0%	\$ 79,975.00	\$ 389,975.00	\$ 469,950.00
3/1/2021			\$ 73,775.00	\$ 73,775.00	
9/1/2021	\$ 320,000.00	4.0%	\$ 73,775.00	\$ 393,775.00	\$ 467,550.00
3/1/2022			\$ 67,375.00	\$ 67,375.00	
9/1/2022	\$ 330,000.00	5.0%	\$ 67,375.00	\$ 397,375.00	\$ 464,750.00
3/1/2023			\$ 59,125.00	\$ 59,125.00	
9/1/2023	\$ 345,000.00	5.0%	\$ 59,125.00	\$ 404,125.00	\$ 463,250.00
3/1/2024			\$ 50,500.00	\$ 50,500.00	
9/1/2024	\$ 365,000.00	5.0%	\$ 50,500.00	\$ 415,500.00	\$ 466,000.00
3/1/2025			\$ 41,375.00	\$ 41,375.00	
9/1/2025	\$ 385,000.00	5.0%	\$ 41,375.00	\$ 426,375.00	\$ 467,750.00
3/1/2026			\$ 31,750.00	\$ 31,750.00	
9/1/2026	\$ 400,000.00	5.0%	\$ 31,750.00	\$ 431,750.00	\$ 463,500.00
3/1/2027			\$ 21,750.00	\$ 21,750.00	
9/1/2027	\$ 425,000.00	5.0%	\$ 21,750.00	\$ 446,750.00	\$ 468,500.00
3/1/2028			\$ 11,125.00	\$ 11,125.00	
9/1/2028	\$ 445,000.00	5.0%	\$ 11,125.00	\$ 456,125.00	\$ 467,250.00
Total	\$ 3,665,000.00		\$ 1,018,127.50	\$ 4,683,127.50	\$ 4,683,127.50

2018 Tax Allocation Refunding Bonds (Torrance Industrial Redevelopment Project)

Date	Principal	Coupon	Interest	Debt Service	Annual Debt Service
3/1/2019			\$ 186,917.50	\$ 186,917.50	
9/1/2019	\$ 1,080,000.00	3.0%	\$ 267,025.00	\$ 1,347,025.00	\$ 1,533,942.50
3/1/2020			\$ 250,825.00	\$ 250,825.00	
9/1/2020	\$ 960,000.00	4.0%	\$ 250,825.00	\$ 1,210,825.00	\$ 1,461,650.00
3/1/2021			\$ 231,625.00	\$ 231,625.00	
9/1/2021	\$ 1,000,000.00	4.0%	\$ 231,625.00	\$ 1,231,625.00	\$ 1,463,250.00
3/1/2022			\$ 211,625.00	\$ 211,625.00	
9/1/2022	\$ 1,040,000.00	5.0%	\$ 211,625.00	\$ 1,251,625.00	\$ 1,463,250.00
3/1/2023			\$ 185,625.00	\$ 185,625.00	
9/1/2023	\$ 1,090,000.00	5.0%	\$ 185,625.00	\$ 1,275,625.00	\$ 1,461,250.00
3/1/2024			\$ 158,375.00	\$ 158,375.00	
9/1/2024	\$ 1,150,000.00	5.0%	\$ 158,375.00	\$ 1,308,375.00	\$ 1,466,750.00
3/1/2025			\$ 129,625.00	\$ 129,625.00	
9/1/2025	\$ 1,205,000.00	5.0%	\$ 129,625.00	\$ 1,334,625.00	\$ 1,464,250.00
3/1/2026			\$ 99,500.00	\$ 99,500.00	
9/1/2026	\$ 1,265,000.00	5.0%	\$ 99,500.00	\$ 1,364,500.00	\$ 1,464,000.00
3/1/2027			\$ 67,875.00	\$ 67,875.00	
9/1/2027	\$ 1,325,000.00	5.0%	\$ 67,875.00	\$ 1,392,875.00	\$ 1,460,750.00
3/1/2028			\$ 34,750.00	\$ 34,750.00	
9/1/2028	\$ 1,390,000.00	5.0%	\$ 34,750.00	\$ 1,424,750.00	\$ 1,459,500.00
Total	\$ 11,505,000.00		\$ 3,193,592.50	\$ 14,698,592.50	\$ 14,698,592.50

Lease Revenue Bonds Series 2020

Date	Principal	Interest Rate	Interest	Debt Service
10/1/2021	\$ 2,015,000	1.239%	\$ 10,354,094	\$ 12,369,094
4/1/2022			5,485,266	5,485,266
10/1/2022	7,415,000	1.289%	5,485,266	12,900,266
4/1/2023			5,437,477	5,437,477
10/1/2023	8,015,000	1.427%	5,437,477	13,452,477
4/1/2024			5,380,290	5,380,290
10/1/2024	8,650,000	1.604%	5,380,290	14,030,290
4/1/2025			5,310,917	5,310,917
10/1/2025	9,325,000	1.804%	5,310,917	14,635,917
4/1/2026			5,226,805	5,226,805
10/1/2026	10,050,000	2.105%	5,226,805	15,276,805
4/1/2027			5,121,029	5,121,029
10/1/2027	10,830,000	2.255%	5,121,029	15,951,029
4/1/2028			4,998,921	4,998,921
10/1/2028	11,655,000	2.422%	4,998,921	16,653,921
4/1/2029			4,857,779	4,857,779
10/1/2029	12,535,000	2.522%	4,857,779	17,392,779
4/1/2030			4,699,712	4,699,712
10/1/2030	13,470,000	2.622%	4,699,712	18,169,712
4/1/2031			4,523,121	4,523,121
10/1/2031	14,460,000	2.772%	4,523,121	18,983,121
4/1/2032			4,322,705	4,322,705
10/1/2032	15,510,000	2.872%	4,322,705	19,832,705
4/1/2033			4,099,981	4,099,981
10/1/2033	16,625,000	2.972%	4,099,981	20,724,981
4/1/2034			3,852,934	3,852,934
10/1/2034	17,810,000	3.072%	3,852,934	21,662,934
4/1/2035			3,579,372	3,579,372
10/1/2035	19,120,000	3.703%	3,579,372	22,699,372
4/1/2036			3,225,365	3,225,365
10/1/2036	20,555,000	3.703%	3,225,365	23,780,365
4/1/2037			2,844,790	2,844,790
10/1/2037	22,060,000	3.703%	2,844,790	24,904,790
4/1/2038			2,436,349	2,436,349
10/1/2038	23,645,000	3.703%	2,436,349	26,081,349
4/1/2039			1,998,562	1,998,562
10/1/2039	25,310,000	3.703%	1,998,562	27,308,562
4/1/2040			1,529,947	1,529,947
10/1/2040	26,590,000	3.803%	1,529,947	28,119,947
4/1/2041			1,024,338	1,024,338
10/1/2041	19,535,000	3.803%	1,024,338	20,559,338
4/1/2042			652,880	652,880
10/1/2042	19,450,000	3.803%	652,880	20,102,880
4/1/2043			283,038	283,038
10/1/2043	14,885,000	3.803%	283,038	15,168,038
Total	\$ 349,515,000		\$ 172,137,247	\$ 521,652,247

Lease Revenue Bonds Series 2021

Date	Principal	Interest Rate	Interest	Debt Service
12/1/2021			\$ 664,606	\$ 664,606
6/1/2022			529,332	529,332
12/1/2022			529,332	529,332
6/1/2023	1,445,000	0.408%	529,332	1,974,332
12/1/2023			526,384	526,384
6/1/2024	1,450,000	0.640%	526,384	1,976,384
12/1/2024			521,744	521,744
6/1/2025	1,465,000	1.181%	521,744	1,986,744
12/1/2025			513,093	513,093
6/1/2026	1,480,000	1.331%	513,093	1,993,093
12/1/2026			503,244	503,244
6/1/2027	1,495,000	1.708%	503,244	1,998,244
12/1/2027			490,477	490,477
6/1/2028	1,520,000	1.908%	490,477	2,010,477
12/1/2028			475,976	475,976
6/1/2029	1,555,000	2.187%	475,976	2,030,976
12/1/2029			458,972	458,972
6/1/2030	1,590,000	2.287%	458,972	2,048,972
12/1/2030			440,790	440,790
6/1/2031	1,625,000	2.487%	440,790	2,065,790
12/1/2031			420,583	420,583
6/1/2032	1,665,000	2.637%	420,583	2,085,583
12/1/2032			398,630	398,630
6/1/2033	1,705,000	2.837%	398,630	2,103,630
12/1/2033			374,445	374,445
6/1/2034	1,755,000	2.837%	374,445	2,129,445
12/1/2034			349,550	349,550
6/1/2035	1,805,000	3.279%	349,550	2,154,550
12/1/2035			319,957	319,957
6/1/2036	1,865,000	3.279%	319,957	2,184,957
12/1/2036			289,380	289,380
6/1/2037	1,925,000	3.279%	289,380	2,214,380
12/1/2037			257,820	257,820
6/1/2038	1,990,000	3.279%	257,820	2,247,820
12/1/2038			225,194	225,194
6/1/2039	2,060,000	3.279%	225,194	2,285,194
12/1/2039			191,420	191,420
6/1/2040	2,115,000	3.379%	191,420	2,306,420
12/1/2040			155,687	155,687
6/1/2041	2,190,000	3.379%	155,687	2,345,687
12/1/2041			118,687	118,687
6/1/2042	2,270,000	3.379%	118,687	2,388,687
12/1/2042			80,336	80,336
6/1/2043	2,340,000	3.379%	80,336	2,420,336
12/1/2043			40,801	40,801
6/1/2044	2,415,000	3.379%	40,801	2,455,801
Total	\$ 39,725,000		\$ 16,558,944	\$ 56,283,944

Glossary

Asset Contra Account – This account is used to offset expenses that are capitalized and thus treated as fixed assets in the City’s balance sheet. As such, this classification is an offset to expense for capital acquisitions and results in a net zero effect on operating activities.

Bad Debts and Other Losses – This classification represents the noncash costs of writing off a receivable (asset) from the balance sheet and the noncash value lost below the book value (typically purchase price) for the sale of fixed assets or investments.

Balanced Budget – a balanced budget as a budget in which all sources meet or exceed the adopted appropriations resolution. In a given year, a planned use of fund balance (source) may be identified as a balancing measure though is not a preferred long-term solution over multiple years and should be avoided for a recurring expenditure.

Capital Acquisitions – This classification represents the asset purchases which are capitalized to the balance sheet but are budgeted for purchase requisition purposes and are offset by the corresponding contra classification to have a net zero effect on operating activities (refer to Asset Contra Account). The expense is recognized in the depreciation and amortization classification when placed in use.

Capital Asset Condition – Financial measure calculating the annual change in net asset value.

Charges for Services – This classification represents cash receipts from business-type activities. Included in this classification are revenue from the Enterprise Funds, planning and zoning fees, inspection fees and internal service fees charged to city departments.

Debt Burden Ratio – Financial measure calculating long-term liabilities (excluding pension obligation) as a percentage of revenues.

Debt Service – This classification represents the costs to issue debt, the principal and interest payments made on the borrowings and capital lease payments.

Debt Service Reimbursements – This classification is an offset to debt services costs to show a net zero effect on the statement of operations.

Depreciation and Amortization – This classification represents the noncash costs of fixed or intangible assets (buildings, utility, machinery and equipment, furniture and fixtures, vehicles, and infrastructure improvements) over its useful life.

Extraordinary Gain – This classification represents monetary value received greater than the book value (typically purchase price) for the sale of an asset or group of assets and is considered infrequent and unusual.

Extraordinary Loss – This classification represents noncash value lost below the book value (typically purchase price) for the sale of an asset or group of assets and is considered infrequent and unusual.

Fines, Forfeitures and Penalties – This classification represents cash receipts from general fines, parking citations, and traffic fines.

Fund Balance – This is defined as the balance for a given fund of all assets minus all liabilities. Within fund balance the balance is broken into main categories such as Non-Spendable, Restricted, Assigned, and Unassigned. When examining proprietary funds (i.e. internal service funds and enterprise funds) this is often referred to as net position. This can serve as a source in a year when expenditures would exceed budgeted revenues to balance the budget.

General Fund Reserve Ratio – Financial measure calculating the unassigned portion of the fund balance as a percentage of budgeted expenditures.

Interdepartmental Charges – This classification represents internal expense allocations across various funds and General Fund programs. This includes charges from the Self-Insurance Fund for worker's compensation related administrative and insurance costs, from various General Fund programs to the Enterprise Funds for administrative costs (indirect costs) and from the Enterprise Funds to the General Fund for right-of-way franchise fees.

Intergovernmental – This classification represents cash funding received from state, federal and other municipalities.

Liabilities, Settlements & Insurance – This classification represents the costs of litigation, settlements, worker's compensation and insurance premiums and deductibles.

Licenses, Fees, and Permits – This classification represents cash receipts from construction permits, building permits, animal licenses and fire permits.

Liquidity Ratio – Financial measure calculating the cash and investments as a percentage of liabilities.

Materials Reimbursements – This classification represents an offset to Materials, Supplies & Maintenance expense classification for a department or fund’s non-wage resources used by or transferred to another department or fund. The City has changed to directly charging departments and has discontinued the use of reimbursements in most departments.

Materials, Supplies & Maintenance – This classification represents non-wage costs for department operations and includes office supplies, construction materials, recreation program supplies, building maintenance, Fleet warehouse and labor charges and vehicle parts and replacement charges.

Net Operating Activity – The excess or deficit of sources (revenues) less uses (expenditures).

Operating Transfers In – This classification represents contributions/transfers from other funds within the city.

Other Expenditures – This classification represents costs which are not classified under other areas and considered one-time in nature.

Other Financing Sources – This classification represents proceeds from bonds and tax revenue anticipation notes.

Other Operating Transfers Out – This classification represents contributions/transfers to other funds within the city.

Other Post-Employment Benefits (OPEB) Funded Status – Financial measure calculating the total plan assets as a percentage of plan liabilities.

Other Revenues – This classification represents cash receipts or funding which are not classified under other areas and considered one-time in nature (donations).

Parts, Fuel & Lubricants Contra – This account is used to offset expenses that are treated as inventory assets in the City’s balance sheet. As such, this classification is an offset to expense for Fleet warehouse parts and vehicle fuel and result in a net zero effect on operating activities.

Parts, Fuel & Lubricants Inventory Purchases – This classification represents Fleet warehouse parts, vehicle fuel and lubricant costs which are classified as inventory assets on the balance sheet but are budgeted for purchase requisition purposes and are offset by the corresponding contra classification to have a net zero effect on operating activities (refer to Parts, Fuel & Lubricants Contra). The expense is incurred upon use of the inventory and recognized in the statement of operations.

Pension Funded Status – Financial measure calculating the total plan assets as a percentage of plan liabilities.

Pension Obligation Ratio – Financial measure calculating net pension liability and pension related debt as a percentage of revenues.

Professional/Contract Services & Utilities – This classification represents costs for third-party services and utilities. Included in this classification are software licenses, electricity, gas, and water.

Reimbursements-Indirect Costs – This classification represents the reimbursement received as a result of the indirect costs charged by the General Fund to various funds receiving benefits that proportionately offset administrative costs.

Salaries and Benefits Reimbursements – This classification represents an offset to expense for an employee’s resources used by another department or fund. The City has changed to directly charging funds and has discontinued the use of reimbursements in most departments.

Salaries and Employee Benefits – This classification represents costs from base wages, overtime, pension costs and employee benefits.

Self-Insurance Funded Status – Financial measure calculating the fund assets as a percentage of liabilities.

Stored Water Rights Contra – This account is used to offset expenses that are treated as inventory assets in the City’s balance sheet. As such, this classification is an offset to expense for payment of the replenishment assessment to convert or bank unused groundwater pumping rights to carryover storage.

Stored Water Rights Inventory Purchases – This classification represents costs for converting or banking unused groundwater pumping rights to carryover storage. This is treated as an inventory asset of the City but is budgeted for purchase requisition purposes and is offset by the corresponding contra classification to have a net zero effect on operating activities (refer to Stored Water Rights Contra).

Structurally Balanced Budget –The City defines a structurally balanced budget as one where recurring revenues meet or exceed recurring expenditure appropriation levels.

Taxes – This classification represents cash receipts from levied taxes and includes sales tax, property tax, business license tax, utility users' tax and franchise fees.

Training, Travel & Membership Dues – This classification relates to costs incurred from employee training, tuition reimbursement, continuing education, out of town travel and professional membership dues.

Use of Money and Property – This classification represents cash receipts from rental income on city property, change in market value from investments and accrued interest.

Unfunded Accrued Liability – In a defined benefit pension plan, unfunded accrued liability (UAL) is the difference between the actuarially determined estimated cost of future benefit and the assets that have been set aside to pay for those benefits.

Water Supply Costs –This classification represents costs for water supply (i.e. groundwater and desalinated water) provided by the West Basin Municipal Water District, the Metropolitan Water District, and the Water Replenishment District.