

# ADOPTED OPERATING BUDGET AND CAPITAL IMPROVEMENT PLAN

FISCAL YEAR 2024 - 2025



SEE WHAT  
TORRANCE IS DOING



CITY OF TORRANCE • DEPARTMENT OF FINANCE

# Table of Contents

|  |           |  |            |
|--|-----------|--|------------|
| <b>Budget Message.....</b>                               | <b>1</b>  | City Council .....                           | 95         |
| Message from the City Manager .....                      | 1         | City Manager .....                           | 97         |
| <b>Executive Summary .....</b>                           | <b>13</b> | City Treasurer.....                          | 100        |
| Budget Outlook.....                                      | 13        | Civil Service.....                           | 102        |
| Citywide Budget Summary.....                             | 14        | Communications & Information Technology..... | 104        |
| Citywide Staffing Summary by Fund.....                   | 22        | Community Development .....                  | 107        |
| Staffing Changes Summary by Department.....              | 22        | Community Services.....                      | 114        |
| Non-Wage Program-Level Budget Changes Summary by         |           | Finance.....                                 | 119        |
| Department.....  | 23        | Fire.....                                    | 123        |
| Fund Balance Summary by Fund .....                       | 24        | General Services.....                        | 127        |
| Five-Year Capital Improvement Plan.....                  | 25        | Human Resources.....                         | 132        |
| <b>City Overview .....</b>                               | <b>26</b> | Police.....                                  | 135        |
| About Our City.....                                      | 26        | Public Works .....                           | 139        |
| Community Profile.....                                   | 27        | Transit .....                                | 147        |
| Citywide Organizational Structure.....                   | 29        | Non-Departmental.....                        | 151        |
| City Commissions and Advisory Boards.....                | 30        | <b>Five-Year Fund Projections .....</b>      | <b>156</b> |
| <b>Budget Development .....</b>                          | <b>31</b> | General Fund.....                            | 156        |
| Budget Process and Timeline.....                         | 31        | Airport Fund .....                           | 157        |
| Budget Changes.....                                      | 33        | Sanitation Fund .....                        | 158        |
| Budget Priorities.....                                   | 33        | Sewer Fund .....                             | 159        |
| Torrance Strategic Plan.....                             | 34        | Transit Fund .....                           | 159        |
| Strategic Plan Performance Indicators by Department..... | 47        | Water Fund.....                              | 160        |
| Operational Efficiencies.....                            | 49        | Fleet Services Fund.....                     | 161        |
| Areas of Focus.....                                      | 50        | Self-Insurance Fund.....                     | 162        |
| Financial Key Performance Indicators .....               | 53        | <b>Capital Improvement Plan.....</b>         | <b>163</b> |
| Economic Data.....                                       | 65        | CIP Structure.....                           | 163        |
| <b>Revenues .....</b>                                    | <b>71</b> | Budget Process .....                         | 163        |
| Citywide Revenue Summary by Fund .....                   | 71        | CIP Summary by Project Type .....            | 164        |
| Citywide Revenue Summary by Classification.....          | 72        | CIP Summary by Funding Source .....          | 166        |
| General Fund-Operating Fund Revenue Summary by           |           | Measure SST.....                             | 167        |
| Classification.....                                      | 73        | Parks.....                                   | 168        |
| General Fund-Measure SST Fund Revenue Summary by         |           | Facilities .....                             | 177        |
| Classification.....                                      | 78        | IT Infrastructure .....                      | 185        |
| <b>Expenditures.....</b>                                 | <b>79</b> | Public Right of Way (Streets) .....          | 186        |
| Citywide Expenditures Summary by Fund .....              | 79        | Sewer/Water Utilities .....                  | 190        |
| Citywide Expenditures Summary by Classification .....    | 80        | Storm Drains/Basins .....                    | 193        |
| Citywide Expenditures Summary by Department .....        | 82        | Other Projects .....                         | 194        |
| Staffing Changes Summary by Department.....              | 82        | <b>Appendix .....</b>                        | <b>199</b> |
| Non-Wage Program-Level Budget Changes Summary by         |           | Classification of Funds.....                 | 199        |
| Department.....  | 84        | Employee Compensation and Benefits .....     | 200        |
| General Fund-Operating Fund Expenditures Summary by      |           | Fiscal Policies.....                         | 204        |
| Department.....  | 86        | Fund and Reserve Policies.....               | 210        |
| General Fund-Operating Fund Expenditure Summary by       |           | Debt Policies .....                          | 211        |
| Classification.....                                      | 87        | Investment Policy .....                      | 214        |
| General Fund-Measure SST Fund Expenditure Summary by     |           | Budget Appropriations Resolutions .....      | 214        |
| Classification.....                                      | 87        | Debt Financing Information.....              | 220        |
| <b>Departments .....</b>                                 | <b>89</b> | Credit Ratings.....                          | 222        |
| City Attorney .....                                      | 89        | Debt Service Schedules .....                 | 223        |
| City Clerk.....  | 92        | <b>Glossary .....</b>                        | <b>229</b> |



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

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**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 Adopted 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*

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 Adopted 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, likely in Los Angeles, showing traffic, buildings, and a large circular structure. The image is overlaid with a semi-transparent blue filter. The text "BUDGET MESSAGE" is centered in the middle of the image in a bold, white, sans-serif font.

# BUDGET MESSAGE

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# 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 Adopted 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 adopted 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

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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](http://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.

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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.

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## Economic Development

[www.torranceca.gov/whytorrance](http://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

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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.

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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](http://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

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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

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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)**

This 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.

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### **Legacy Development (21507 Hawthorne Boulevard)**

This 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.

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## **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](http://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](http://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.

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## City Website and Digital Signs

### **[www.TorranceCA.Gov](http://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](http://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](http://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](http://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](http://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 Adopted 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. On the left is a tall, cylindrical tower with a conical top and a mesh-like structure. A slide extends from the base of the tower towards the right. In the background, a tall palm tree stands prominently. The ground is sandy, and there are some benches and a stroller visible. The sky is blue with some clouds. The text "EXECUTIVE SUMMARY" is overlaid in white, bold, uppercase letters across the middle of the image.

# EXECUTIVE SUMMARY

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# Executive Summary

## Budget Outlook

The City's Adopted 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<br>Actual    | FY21-22<br>Actual    | FY22-23<br>Actual    | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(Decrease) |
|-----------------------------------|----------------------|----------------------|----------------------|------------------------------|------------------------------|------------------------------------|
| Revenues                          | 1,144,048,525        | 446,340,126          | 527,347,580          | 529,854,729                  | 541,288,460                  | 11,433,731                         |
| Expenditures                      | 1,110,319,256        | 401,976,226          | 454,417,189          | 508,969,475                  | 525,407,237                  | 16,437,762                         |
| <b>Revenues Less Expenditures</b> | <b>\$ 33,729,269</b> | <b>\$ 44,363,900</b> | <b>\$ 72,930,391</b> | <b>\$ 20,885,254</b>         | <b>\$ 15,881,223</b>         |                                    |

The FY24-25 citywide revenue budget will **increase by \$11.4 million (+2.2%)**, and the expenditure budget will **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<br>Actual    | FY21-22<br>Actual    | FY22-23<br>Actual    | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(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                         |
| <b>Revenues Less Expenditures</b> | <b>\$ 23,323,967</b> | <b>\$ 23,026,030</b> | <b>\$ 18,179,455</b> | <b>\$ (246,012)</b>          | <b>\$ -</b>                  |                                    |

The General Fund-Operating Fund’s FY24-25 revenue budget will **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 will **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 adopted 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 Adopted 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%                                      |
| <b>Total</b>           | <b>\$ 206,265,906</b>  | <b>\$ 201,887,776</b>   | <b>\$ 215,030,205</b>  | <b>6.5%</b>                      | <b>4.2%</b>                                |

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-SST Fund             | FY20-21<br>Actual | FY21-22<br>Actual | FY22-23<br>Actual | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(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                          |
| <b>Revenues Less Expenditures</b> | <b>\$ -</b>       | <b>\$ -</b>       | <b>\$ 514,074</b> | <b>\$ -</b>                  | <b>\$ (2,327,858)</b>        |                                    |

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 will **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<br>Projection | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget |
|---|------------------------|------------------------------|------------------------------|
| <b>Quality of Life</b>  |                        |                              |                              |
| 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                    |
| <b>Fiscal Sustainability</b>                                  |                        |                              |                              |
| CEPPT Contribution  | -                      | 2,500,000                    | -                            |
| Reserve Contribution  | 5,000,000              | 4,802,423                    | 5,000,000                    |
| Self-Insurance Contribution                                   | -                      | 1,000,000                    | -                            |
| <b>Deferred Maintenance &amp; Community Services/Programs</b> |                        |                              |                              |
| Capital Contribution  | 1,000,000              | 2,070,000                    | 8,620,160                    |
| <b>Emergency Responsiveness</b>                               |                        |                              |                              |
| Cyber Security Upgrades                                       | 1,000,000              | 1,000,000                    | 1,025,415                    |
| <b>Total Expense</b>  | <b>\$ 18,000,000</b>   | <b>\$ 23,027,688</b>         | <b>\$ 27,495,124</b>         |

The fund’s FY24-25 expenditure budget will **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 adopted 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-SST Fund             | FY20-21<br>Actual   | FY21-22<br>Actual   | FY22-23<br>Actual   | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(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)                        |
| <b>Revenues Less Expenditures</b> | <b>\$ 1,460,160</b> | <b>\$ 2,564,505</b> | <b>\$ 3,727,686</b> | <b>\$ 23,164,419</b>         | <b>\$ 11,712,638</b>         |                                    |

The General Fund-Restricted/Assigned Fund’s FY24-25 revenue budget will **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 will **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 adopted 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-SST Fund             | FY20-21<br>Actual     | FY21-22<br>Actual   | FY22-23<br>Actual | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(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                          |
| <b>Revenues Less Expenditures</b> | <b>\$ (2,896,182)</b> | <b>\$ (146,776)</b> | <b>\$ -</b>       | <b>\$ 4,802,423</b>          | <b>\$ -</b>                  |                                    |

The General Fund-Unassigned Fund’s FY24-25 revenue budget will **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 will **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 adopted 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<br>Actual | FY21-22<br>Actual | FY22-23<br>Actual    | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(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)                          |
| <b>Revenues Less Expenditures</b> | <b>\$ 762,503</b> | <b>\$ 758,421</b> | <b>\$ 20,584,032</b> | <b>\$ 3,512,122</b>          | <b>\$ 4,817,099</b>          |                                    |

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

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

As a result of the adopted 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<br>Actual   | FY21-22<br>Actual     | FY22-23<br>Actual   | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(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)                        |
| <b>Revenues Less Expenditures</b> | <b>\$ (670,042)</b> | <b>\$ (5,594,361)</b> | <b>\$ 8,099,555</b> | <b>\$ (7,825,790)</b>        | <b>\$ 226,817</b>            |                                    |

The Self-Insurance Fund’s FY24-25 revenue budget will **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 will **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<br>Actual   | FY21-22<br>Actual   | FY22-23<br>Actual | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(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)                          |
| <b>Revenues Less Expenditures</b> | <b>\$ 1,307,895</b> | <b>\$ 5,369,573</b> | <b>\$ 211,722</b> | <b>\$ (31,452)</b>           | <b>\$ 2,171,252</b>          |                                    |

The Airport Fund’s FY24-25 revenue budget will **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 will **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 will **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<br>Actual | FY21-22<br>Actual   | FY22-23<br>Actual   | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(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)                           |
| <b>Revenues Less Expenditures</b> | <b>\$ 564,875</b> | <b>\$ 1,742,688</b> | <b>\$ 1,837,727</b> | <b>\$ (3,999,159)</b>        | <b>\$ (1,143,850)</b>        |                                    |

The Sanitation Fund’s FY24-25 revenue budget will **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 will **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<br>Actual  | FY21-22<br>Actual | FY22-23<br>Actual   | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(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)                          |
| <b>Revenues Less Expenditures</b> | <b>\$ (35,213)</b> | <b>\$ 205,674</b> | <b>\$ 1,339,162</b> | <b>\$ 1,731,412</b>          | <b>\$ 1,828,638</b>          |                                    |

The Sewer Fund’s FY24-25 budget will **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 will **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 adopted 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<br>Actual   | FY21-22<br>Actual   | FY22-23<br>Actual   | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(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                          |
| <b>Revenues Less Expenditures</b> | <b>\$ 2,689,543</b> | <b>\$ 8,197,478</b> | <b>\$ 7,241,545</b> | <b>\$ (1,236,512)</b>        | <b>\$ (4,962,677)</b>        |                                    |

The Transit Fund’s FY24-25 revenue budget will **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 will **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<br>Actual   | FY21-22<br>Actual   | FY22-23<br>Actual   | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(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)                        |
| <b>Revenues Less Expenditures</b> | <b>\$ 6,919,401</b> | <b>\$ 6,819,786</b> | <b>\$ 7,966,901</b> | <b>\$ (1,680,586)</b>        | <b>\$ 833,282</b>            |                                    |

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

The fund’s FY24-25 expenditure budget will **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<br>Actual | FY21-22<br>Actual | FY22-23<br>Actual | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>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)                           |
| <b>Total FTE Count</b>             | <b>1,469.53</b>   | <b>1,532.06</b>   | <b>1,529.99</b>   | <b>1,528.84</b>              | <b>1,529.84</b>              | <b>1.00</b>                      |

The adopted 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<br>FTE Budget | FY24-25<br>FTE Budget | FY24-25<br>FTE Increase/<br>(Decrease) | FY24-25<br>Expenditure/<br>(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)                             |
| <b>Total</b>          |                       |                       | <b>1.00</b>                            | <b>\$ 64,510</b>                     |

As shown in the receding table, the City’s FY24-25 operating budget includes a projected 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  |
| <b>Total</b>                              | <b>\$ 1,354,000</b>                           |

In addition to staffing changes, the adopted 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<br>Projected<br>Fund Balance | FY24-25<br>Adopted<br>Revenue Budget | FY24-25<br>Adopted<br>Expenditure<br>Budget | FY24-25<br>Projected<br>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)                         |
| <b>Total Fund Balance</b>   | <b>Total Fund Balance</b>        | <b>\$ 359,774,963</b>                | <b>\$ 541,288,396</b>                | <b>\$ 525,409,673</b>                       | <b>\$ 375,653,686</b>                |

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<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>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                      |
| <b>Total Expenditures</b> | <b>\$ 66,795,590</b>         | <b>\$ 37,830,497</b>           | <b>\$ 41,095,437</b>           | <b>\$36,337,836</b>            |

As the second year of the Five-Year Capital Improvement Plan, the adopted 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

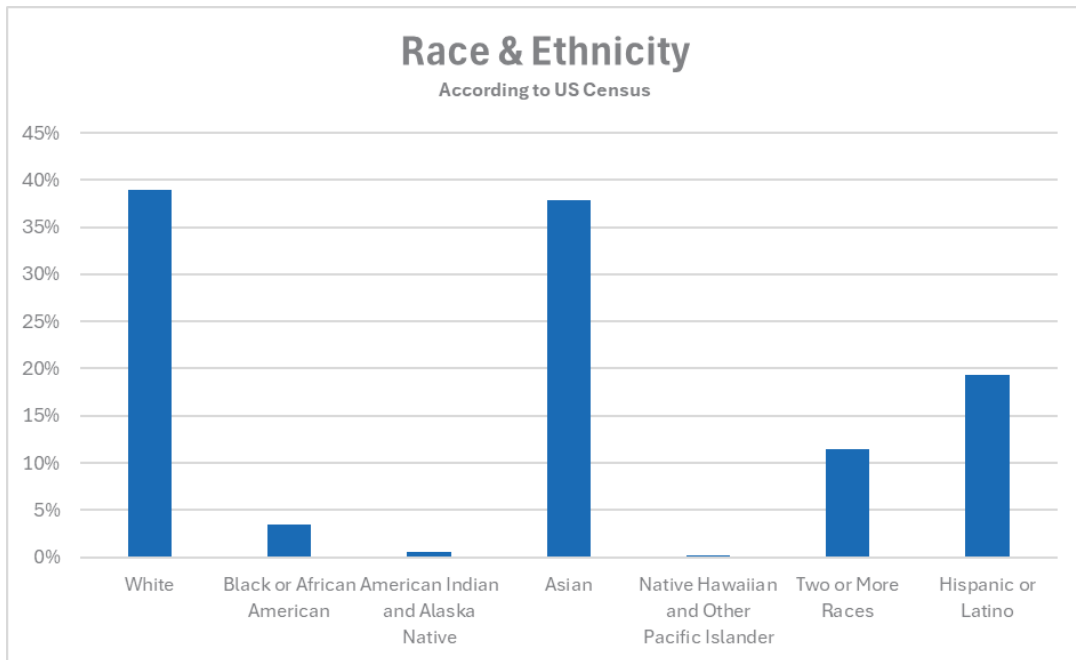
# City Overview

## About Our City

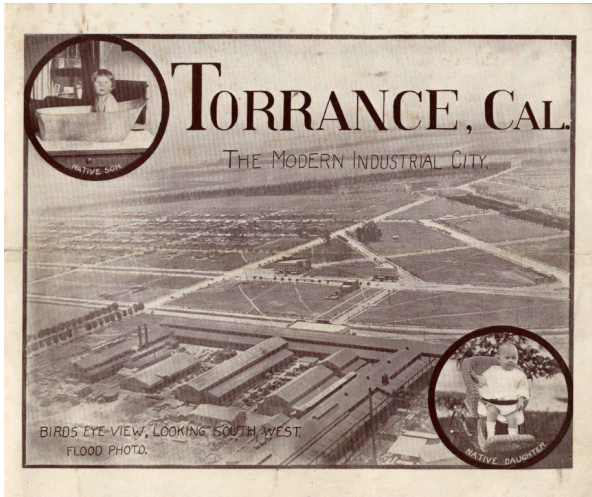
|  |                           |
|--|---------------------------|
| <b>Population**</b>                    | 143,057                   |
| <b>Population per square mile</b>      | 7,167.2                   |
| <b>Year of Incorporation</b>           | 1921                      |
| <b>Governance Structure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

\* US Department of Finance

\*\* According to HdL Companies



## Community Profile

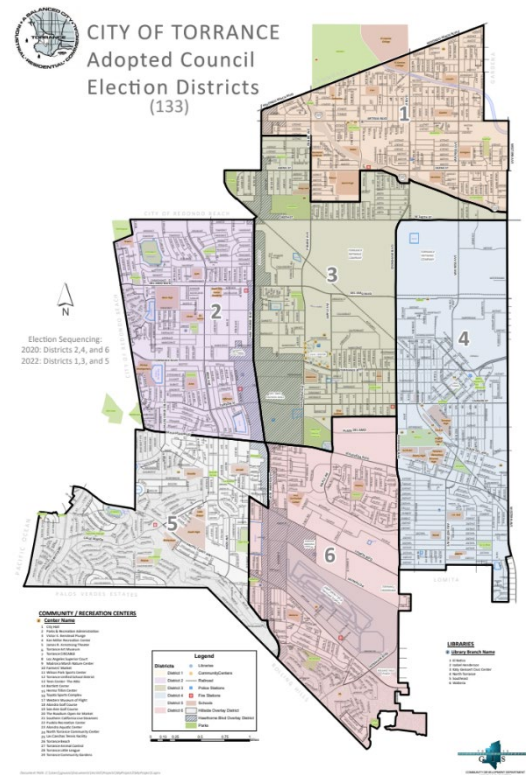


The City of Torrance (“City”) was first developed in the early 1900s as a planned garden-industrial community. The plan by Frederick Law Olmstead Jr., with Irving Gill as Chief Architect, provided a balance for industrial, commercial, and residential uses. The City was incorporated in May 1921, one year after the death of its founder and namesake, Jared Sydney Torrance, with a land area of 3.8 square miles and a population of 1,800. Rapid growth occurred during the 1950s and 1960s and the majority of the housing stock was built during those two decades. The city is now largely built-out and has had a relatively stable population for the last two decades.

The City is governed by an elected mayor and a six-member council. While the Mayor is elected at large, councilmembers must reside in one of the established districts. On June 19, 2018, the City Council adopted an ordinance establishing by-district elections and approved an election calendar for these newly created districts. Districts 2, 4, and 6 were phased in during the 2020 election, and Districts 1, 3, and 5 were phased during the 2022 election.

In addition to the Mayor and Council, the City Clerk and the City Treasurer are also elected positions. The City Clerk is Clerk of the Council and keeper of the City Seal and is responsible for the safekeeping of the official records. The Clerk accepts claims, administers oaths, conducts municipal elections, maintains the Municipal Code, attests all City documents, and prepares and publicly posts agendas for City Council meetings.

The City Treasurer is responsible for the investment of idle funds, administers the City’s deferred compensation plan, and the Public Agency Retirement System (“PARS”) supplemental employee pension plan for the City.





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.

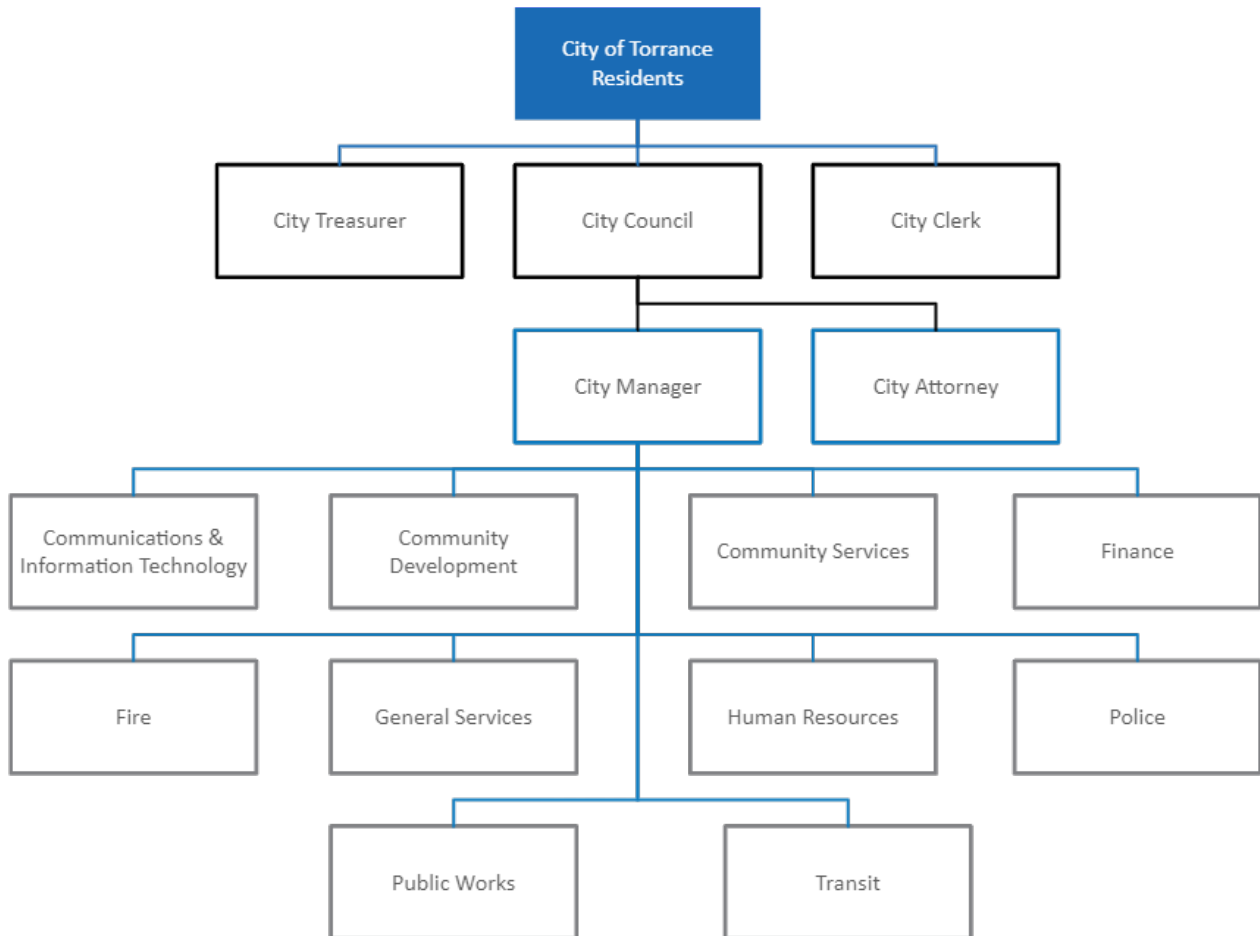
### Organizational Profile Comparison

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.

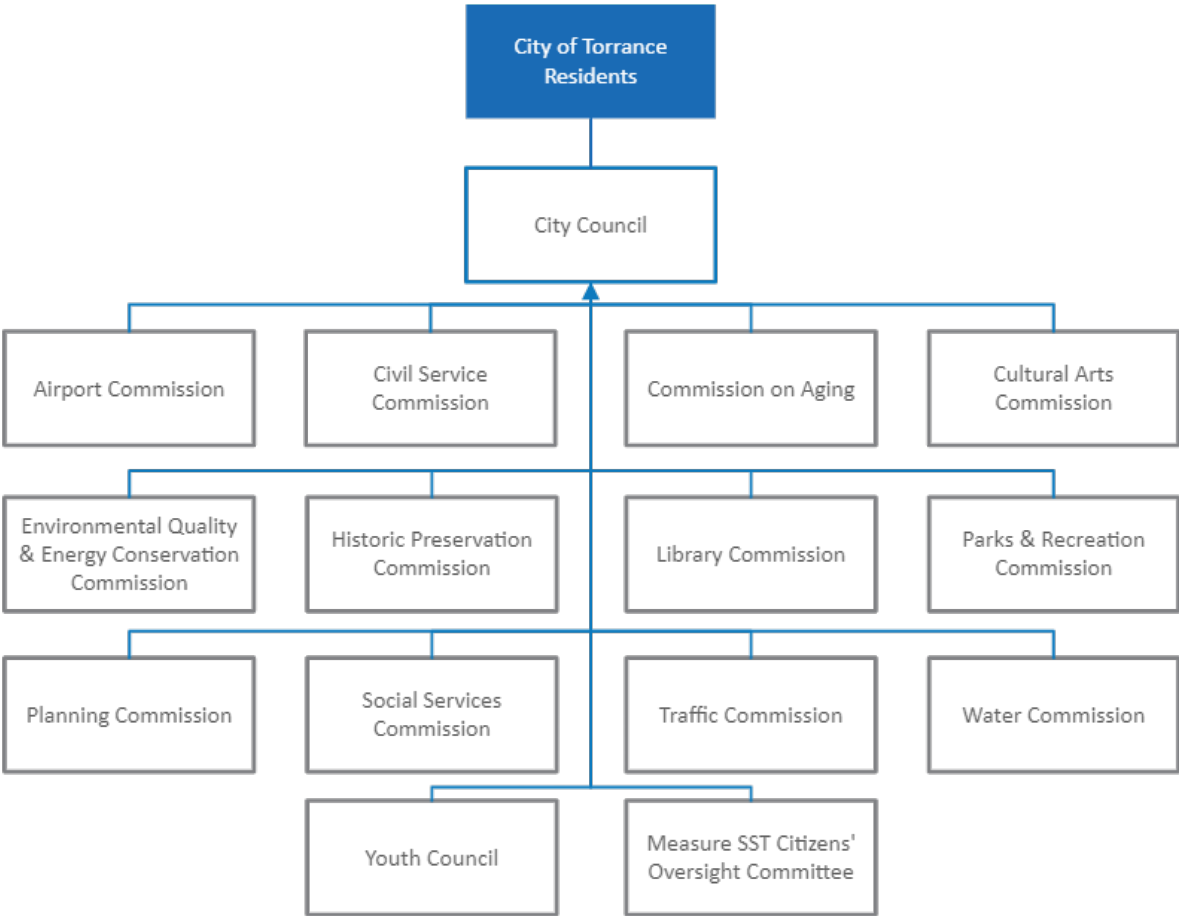
| FY23-24 Organizational Profile Comparison     | Torrance       | Glendale         | Burbank        | Pasadena         |
|---|----------------|------------------|----------------|------------------|
| Total Population                              | 143,057        | 191,284          | 103,920        | 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

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# 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 the City Charter (Article 9 and Article 14), which requires a fiscal year period beginning July 1 and ending June 30; a proposed budget prepared by the City Manager and submitted 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.

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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.

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## Budget Changes

After the first public hearing on May 7, 2024, the citywide FY24-25 revenue budget increased by \$64 for the Meadow Park Parking Lot District Fund, and the expenditure budget decreased from \$31,500 to \$29,064. These changes were the result of the following updates:

- **Meadow Park Parking Lot District Fund** – The revenue budget is being updated from \$40,000 to \$40,064 and the expenditure budget is being updated from \$31,500 to \$29,064 to align with the latest maintenance fee and cost estimates approved by City Council on May 7, 2024.

## 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:

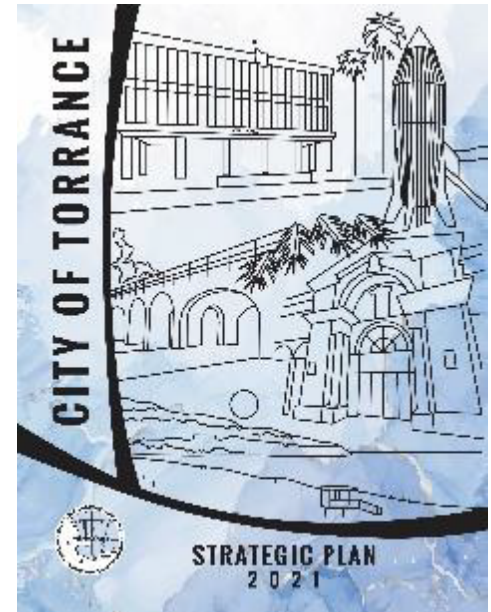
1. Develop a balanced budget including 10-year projection compliant with City's financial policies.
2. Identify strategies and new revenue sources to resolve identified Areas of Focus.
3. Attract and retain a highly skilled workforce to deliver critical city services.
4. Prioritize investments in parks, 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.

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## 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.



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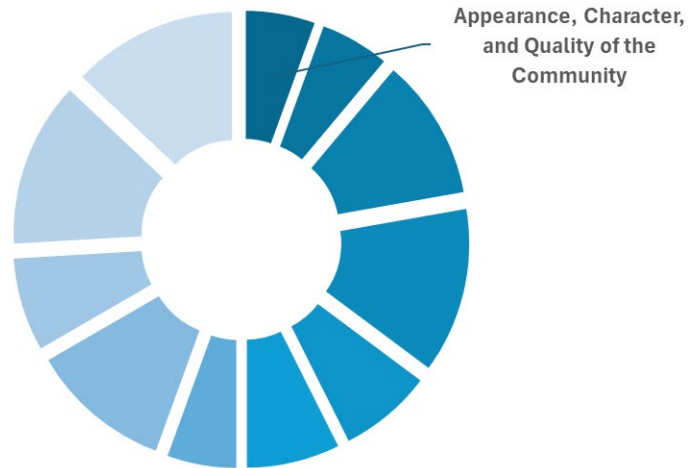
As a result of the Committee’s work, the 2021 Strategic Plan (full document and process available [here](#)) was published with the following strategic plan priorities:

- 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.

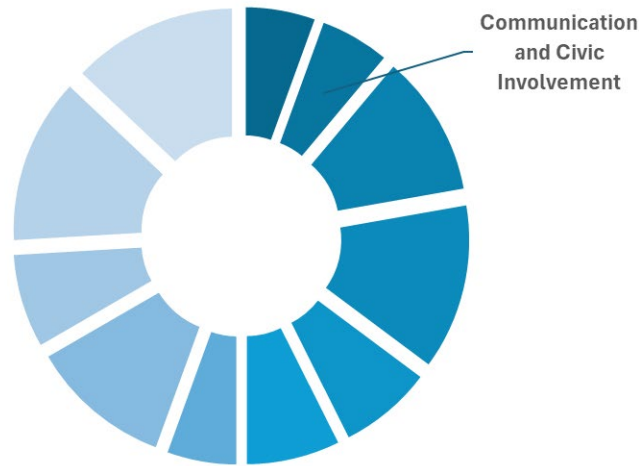


The table below outlines each goal under this Strategic Plan Priority and the respective departments associated with each goal.

| 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/<br>Community Development/<br>Community Services/<br>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/<br>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.

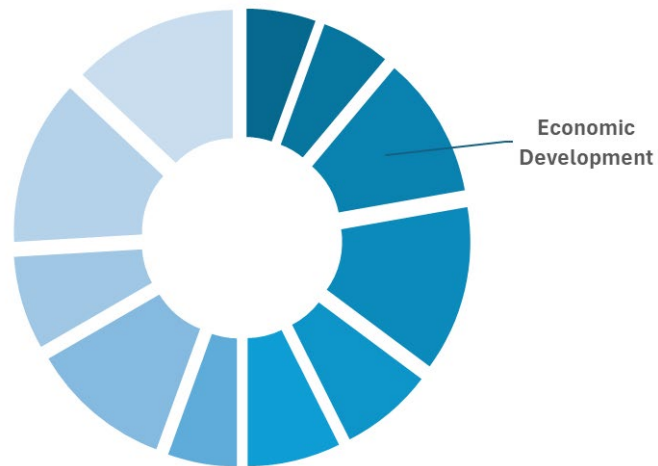


The table below outlines each goal under this Strategic Plan Priority and the respective departments associated with each goal.

| Goals  | Department(s)  |
|--|--|
| 1. Utilize a full range of information resources to share local issues with the community  | City Clerk's Office/<br>City Manager's Office                        |
| 2. Engage citizens in all aspects of civic decision-making   | City Clerk's Office/<br>City Manager's Office/<br>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.

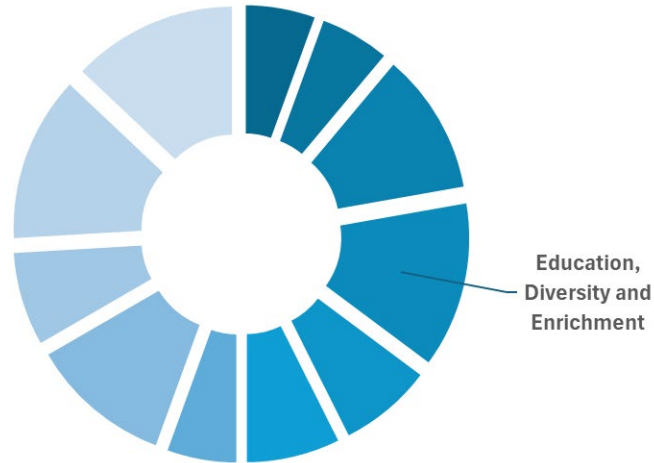


The table below outlines each goal under this Strategic Plan Priority and the respective departments associated with each goal.

| Goals   | Department(s)                                   |
|---|---|
| 1. Enhance regional, national, and international market development   | City Manager's Office                           |
| 2. Attract and retain businesses  | City Manager's Office/<br>Community Development |
| 3. Provide a supportive environment for entrepreneurial endeavors   | City Manager's Office/<br>Community Development |
| 4. Maintain a residential and commercial/industrial balance that supports the economic needs of the community | City Manager's Office/<br>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/<br>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.

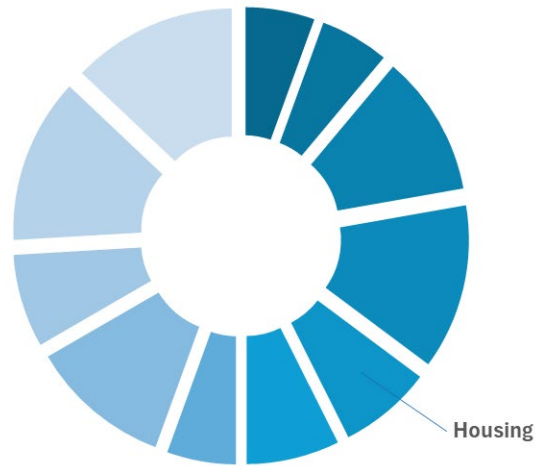


The table below outlines each goal under this Strategic Plan Priority and the respective departments associated with each goal.

| Goals  | Department(s)  |
|--|--|
| 1. Strengthen the commitment for collaboration between the City and Torrance Unified School District (TUSD)                        | City Manager's Office/<br>Community Services/<br>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/<br>City Manager's Office/<br>Community Services/<br>Human Resources |
| 4. Establish the City as a center of culture   | Community Services/<br>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.

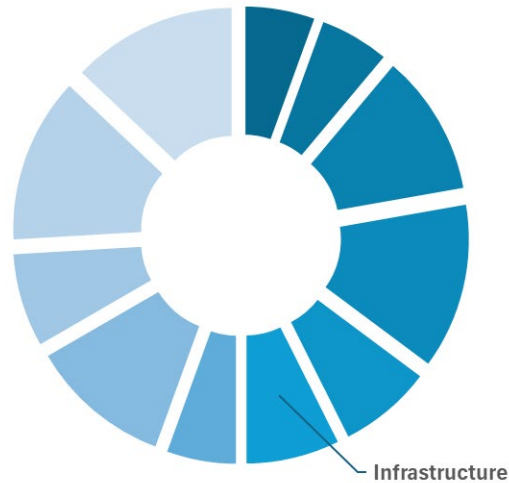


The table below outlines each goal under this Strategic Plan Priority and the respective departments associated with each goal.

| 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.

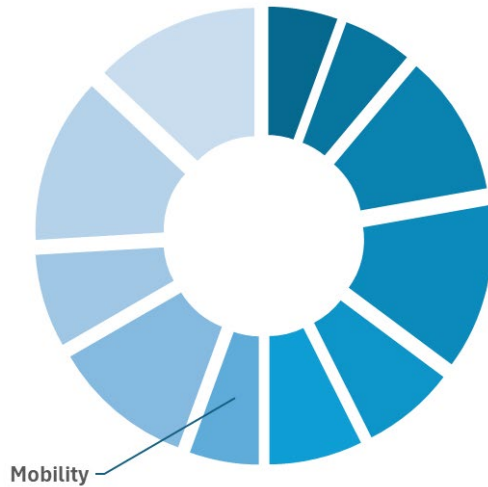


The table below outlines each goal under this Strategic Plan Priority and the respective departments associated with each goal.

| Goals   | Department(s)   |
|---|---|
| 1. Communicate and coordinate with end-users and stakeholders when prioritizing and designing infrastructure projects | City Manager's Office/<br>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 &<br>Information Technology                  |
| 4. Establish an infrastructure road map that encourages an ecosystem for technology development and implementation    | Communications &<br>Information Technology/<br>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.

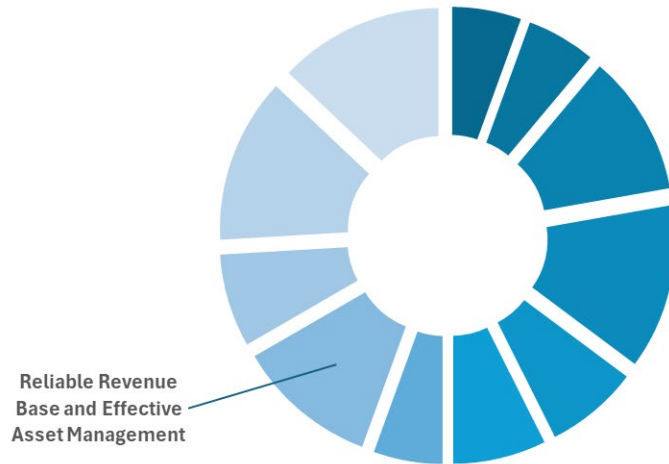


The table below outlines each goal under this Strategic Plan Priority and the respective departments associated with each goal.

| 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/<br>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.

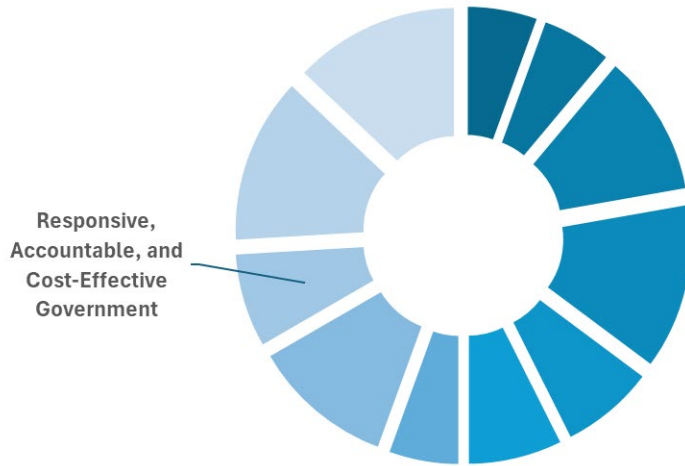


The table below outlines each goal under this Strategic Plan Priority and the respective departments associated with each goal.

| 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/<br>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.

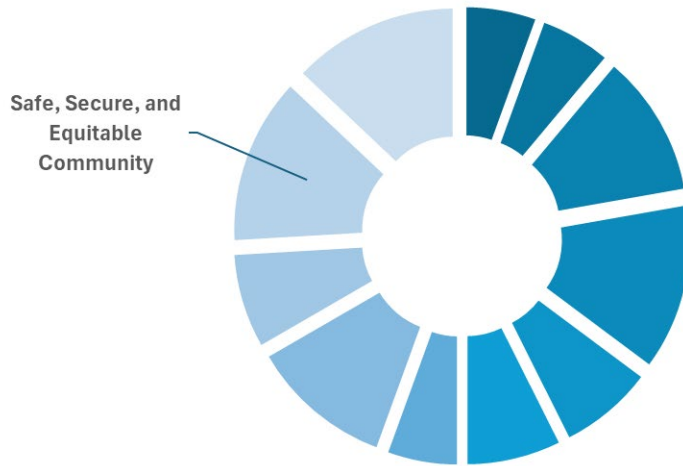


The table below outlines each goal under this Strategic Plan Priority and the respective departments associated with each goal.

| 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/<br>City Manager's Office/<br>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/<br>City Manager's Office             |
| 5. Maintain a skilled, knowledgeable, creative, and well-trained workforce. | City Manager's Office/<br>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.

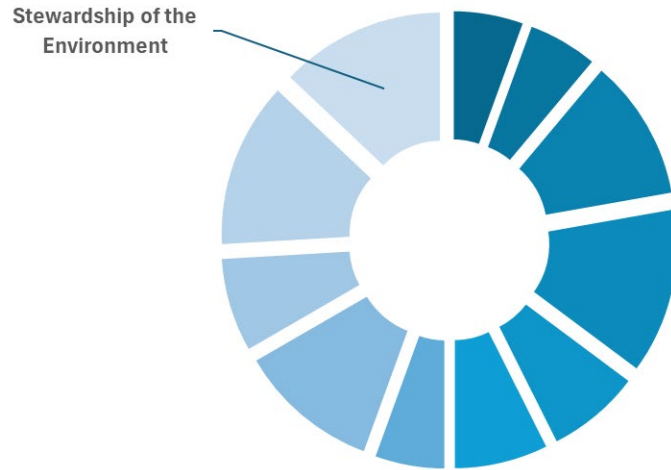


The table below outlines each goal under this Strategic Plan Priority and the respective departments associated with each goal.

| Goals   | Department(s)                                      |
|---|--|
| 1. Promote a safe community environment   | Community Development/<br>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/<br>Community Development/<br>General Services/<br>Public Works   |
| 2. Actively inform, educate, and motivate the community regarding the value and benefit of environmental stewardship           | Community Development/<br>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/<br>Community Development/<br>Community Services/<br>Public Works |
| 4. Create and promote sustainable/green practices for use in daily life  | Community Development/<br>Public Works  |
| 5. Strive for water reliability through the preservation and conservation of water resources                                   | Community Development/<br>Public Works  |
| 6. Preserve and protect the natural environment and the benefits provided by well-functioning ecosystems                       | Community Development/<br>Community Services/<br>Fire/Public Works                      |
| 7. Create a positive environment for business and industries to adopt sustainable/green practices                              | City Manager's Office/<br>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 |

| <b>Community Development</b>                 | <b>2022</b> | <b>2023</b> |
|--|-------------|-------------|
| 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%         |

| <b>Community Services</b>                                   | <b>2022</b> | <b>2023</b> |
|---|-------------|-------------|
| 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     |

| <b>Finance</b>                                      | <b>2022</b> | <b>2023</b> |
|---|-------------|-------------|
| 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           |

| <b>Fire</b>  | <b>2022</b> | <b>2023</b> |
|--|-------------|-------------|
| 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         |

| <b>General Services</b>                               | <b>2022</b> | <b>2023</b> |
|---|-------------|-------------|
| 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       |

| <b>Human Resources</b>   | <b>2022</b> | <b>2023</b> |
|--|-------------|-------------|
| 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         |

| <b>Police</b>                                    | <b>2022</b> | <b>2023</b> |
|--|-------------|-------------|
| 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         |

| <b>Public Works</b>                           | <b>2022</b> | <b>2023</b> |
|---|-------------|-------------|
| 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          |

| <b>Transit</b>                         | <b>2022</b> | <b>2023</b> |
|--|-------------|-------------|
| 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.

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## 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 FY21-22, 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 FY24-25.

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

### 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 FY23-24. 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.

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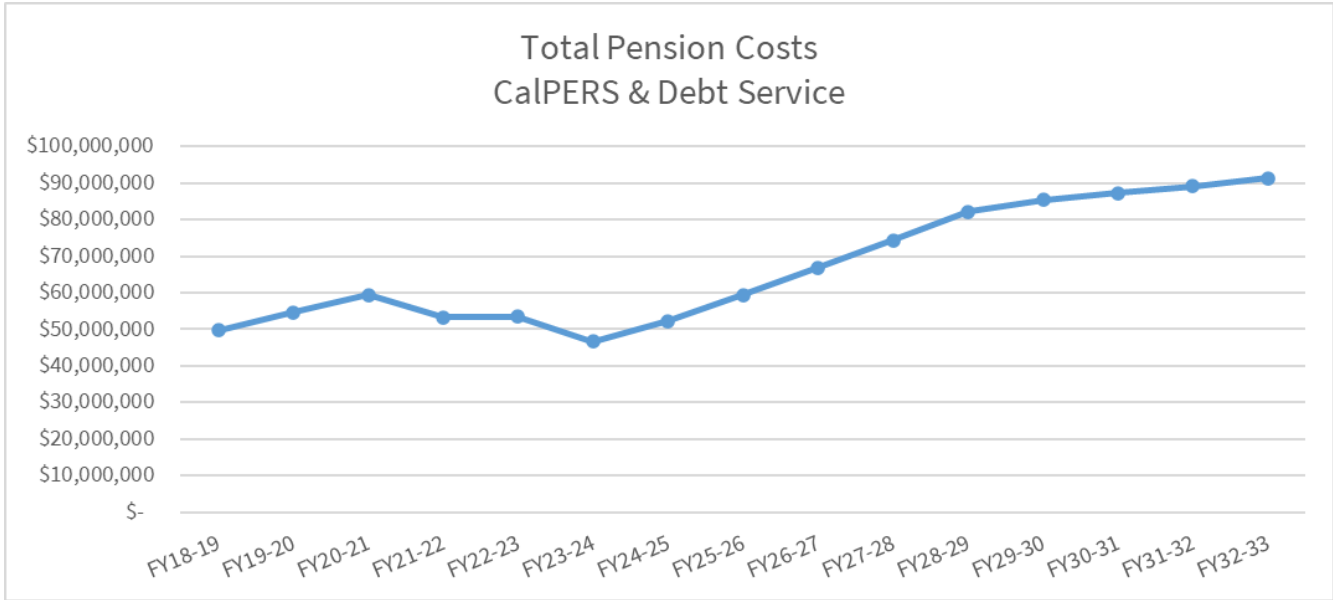
## **Pension/OPEB Benefits Liability Management**

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 FY20-21, 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 FY20-21, 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 FY21-22, 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 FY24-25.

The UAL payment increases from \$12 million in FY25-26 to \$36.5 million in FY33-34. 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 FY25-26. 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 FY24-25 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              | ●       | ●       | ●       | ●       | ●       |

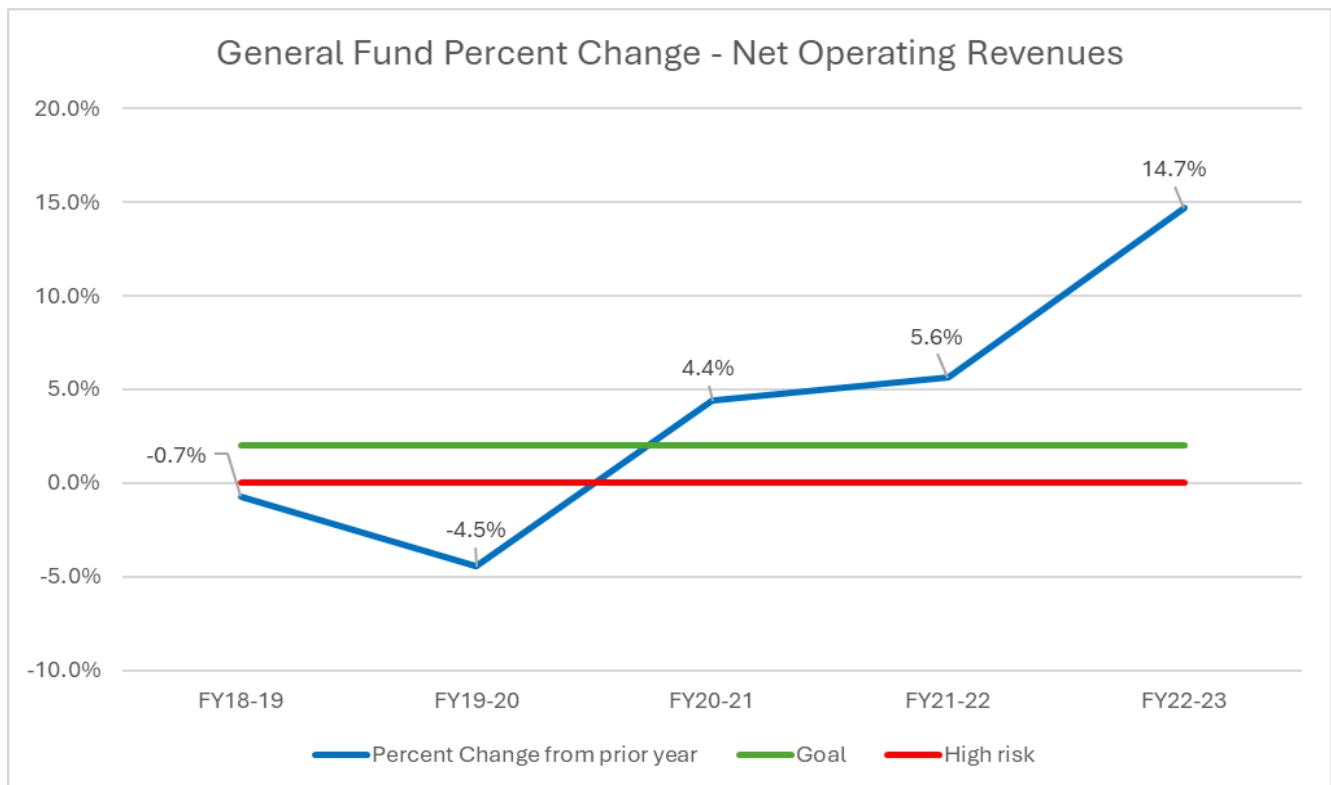
## Revenue Trends

**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%    |



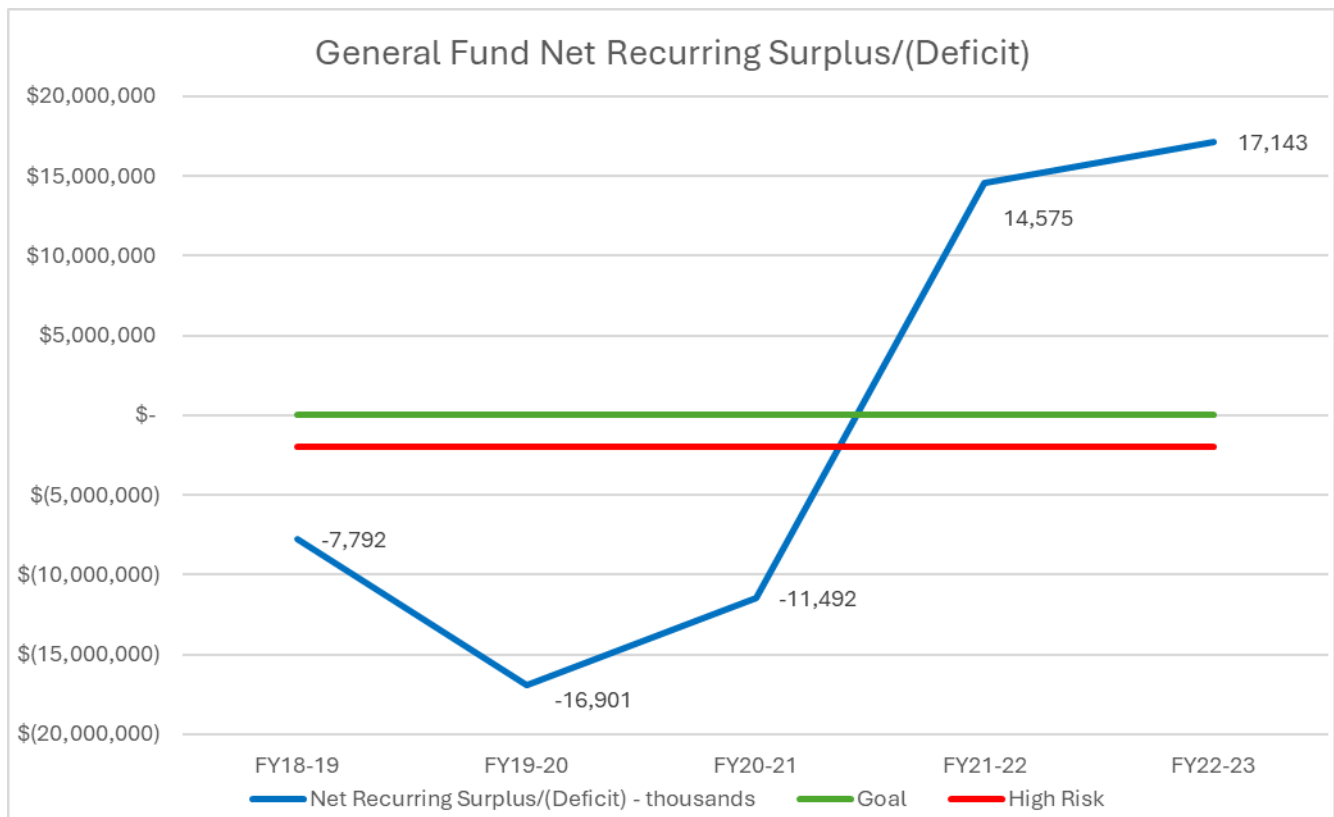
## Net True Operating Surplus/(Deficit)

**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

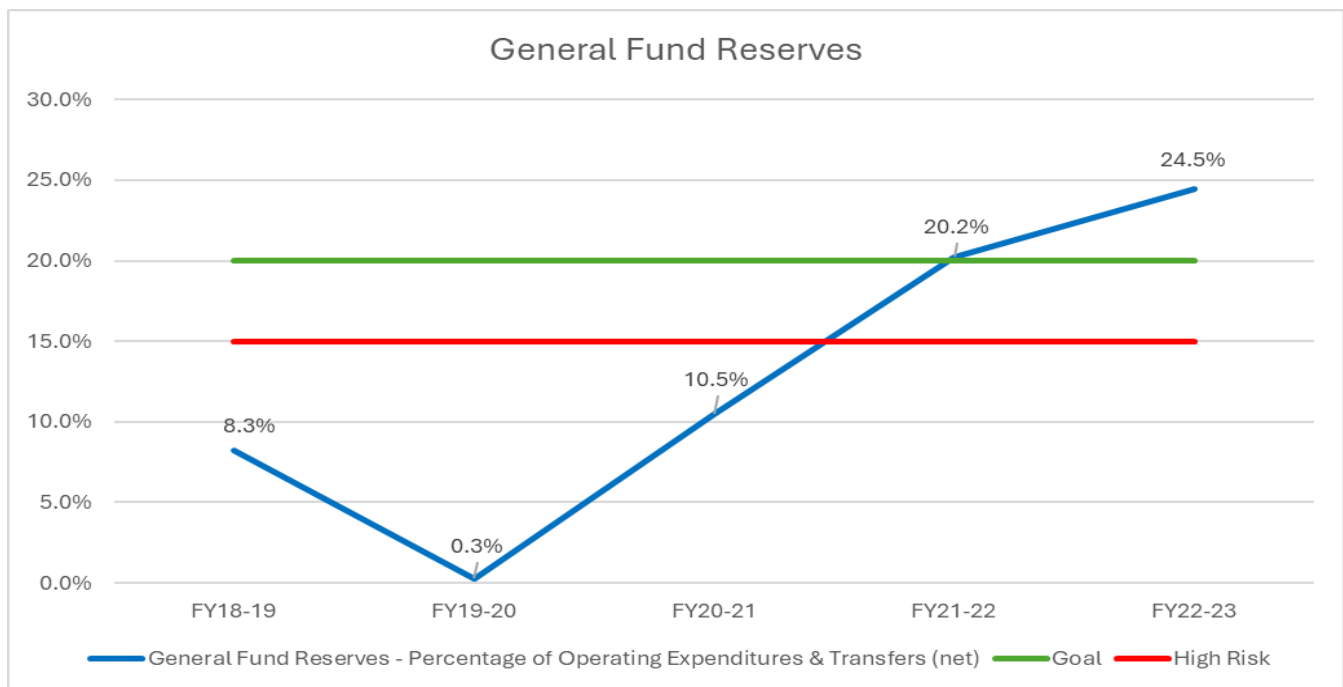
**Current Status: Low Risk**

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

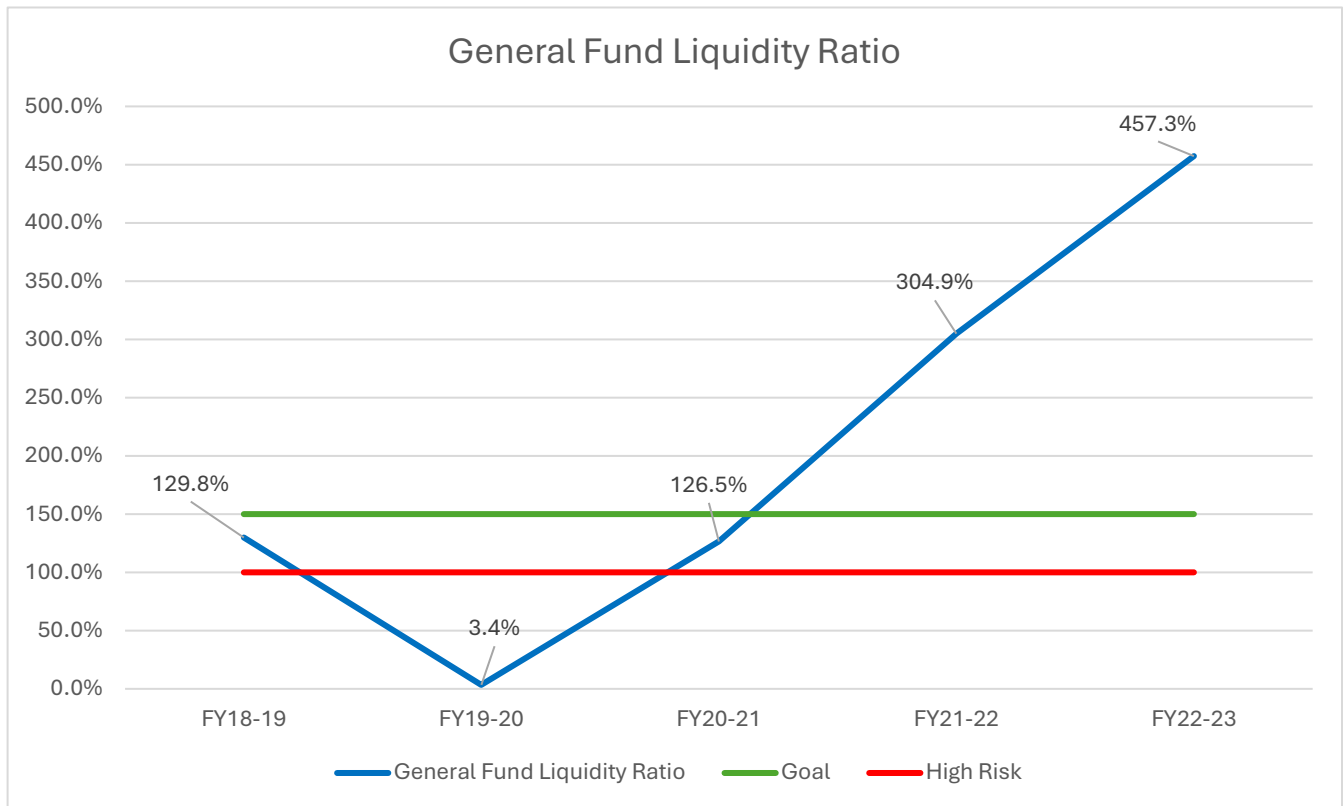
**Current Status: Low Risk**

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%  |



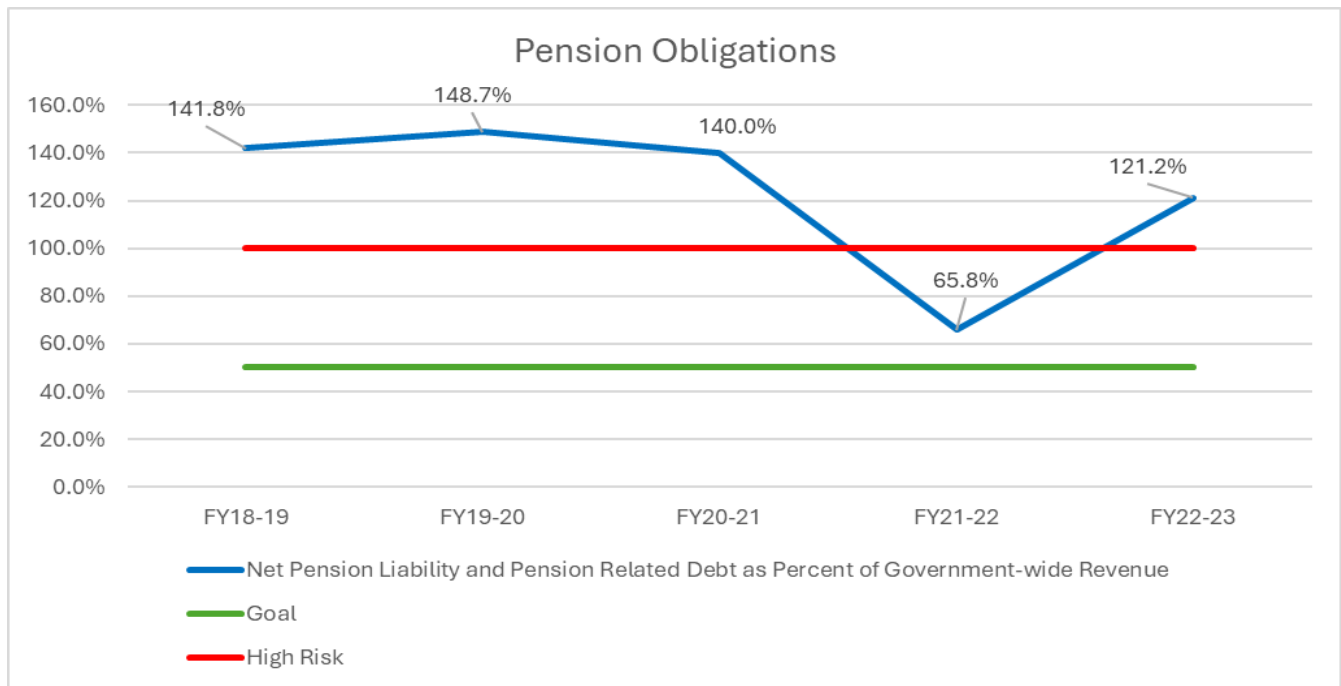
## Pension Obligations

**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

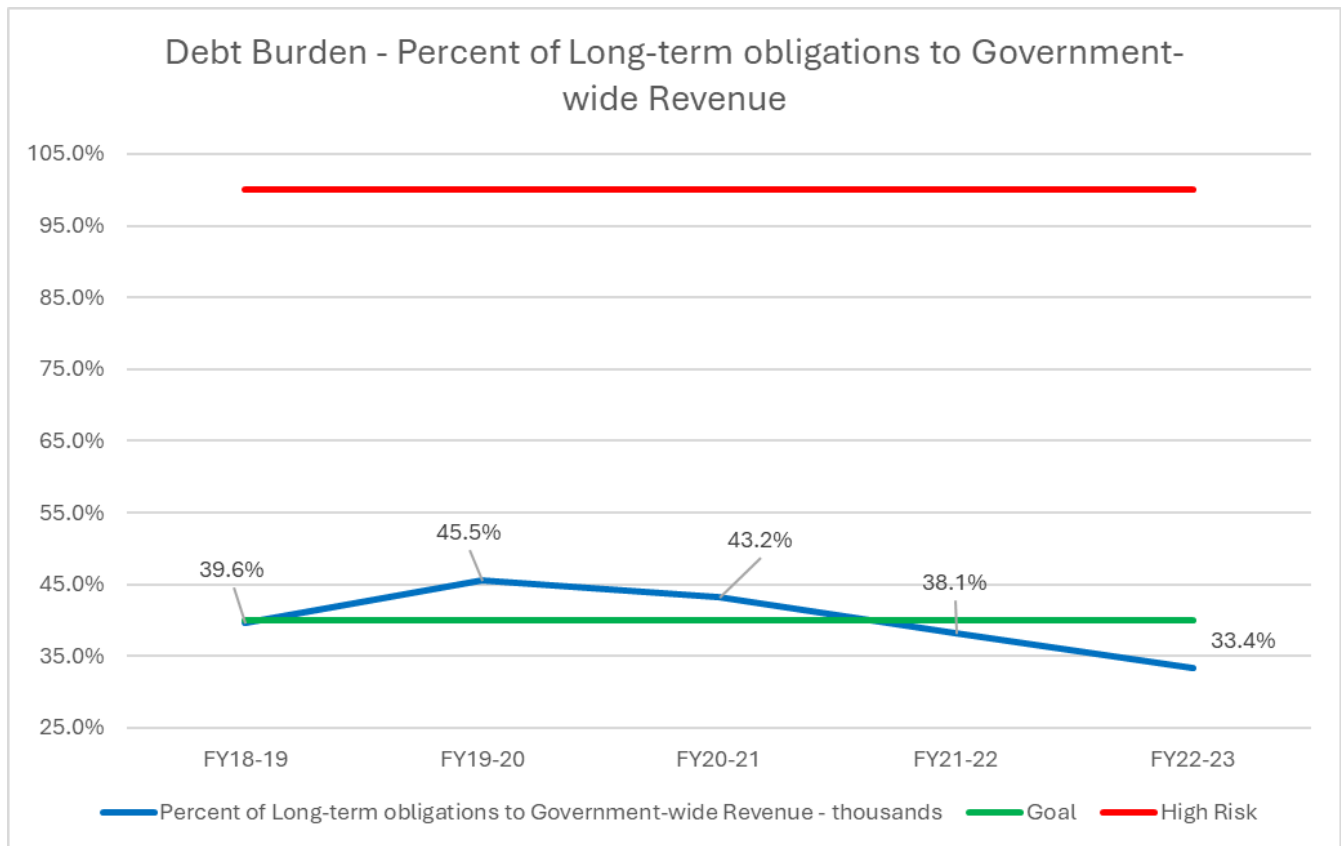
**Current Status: Low Risk**

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

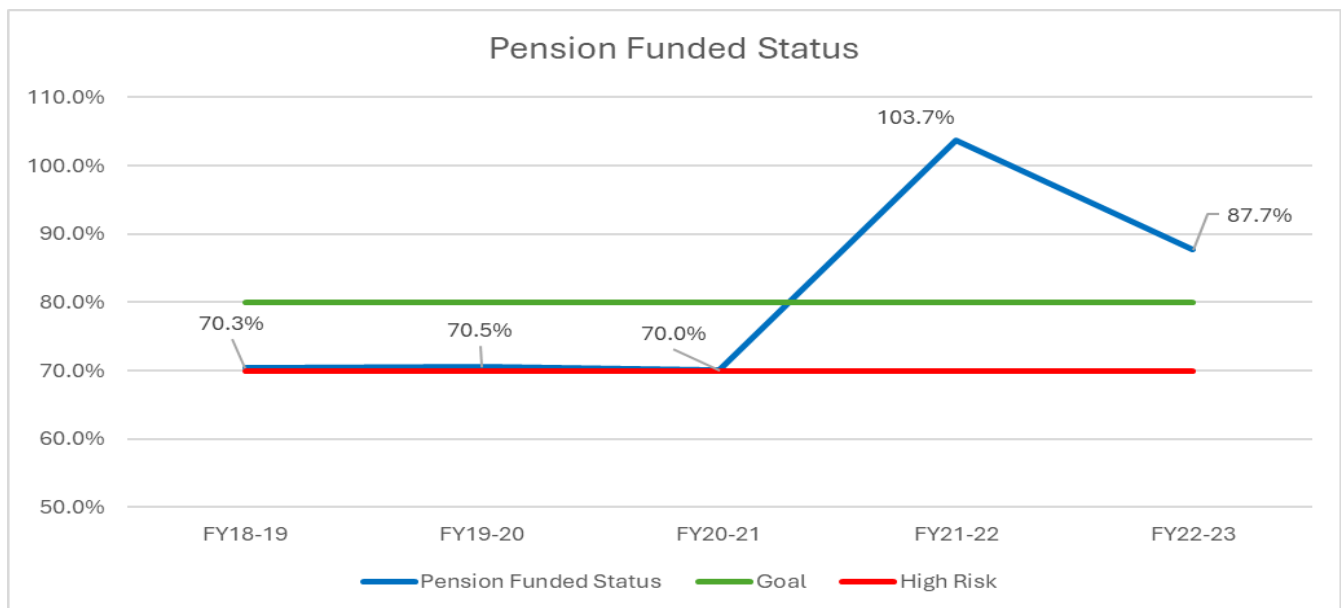
**Current Status: Low Risk**

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%     |



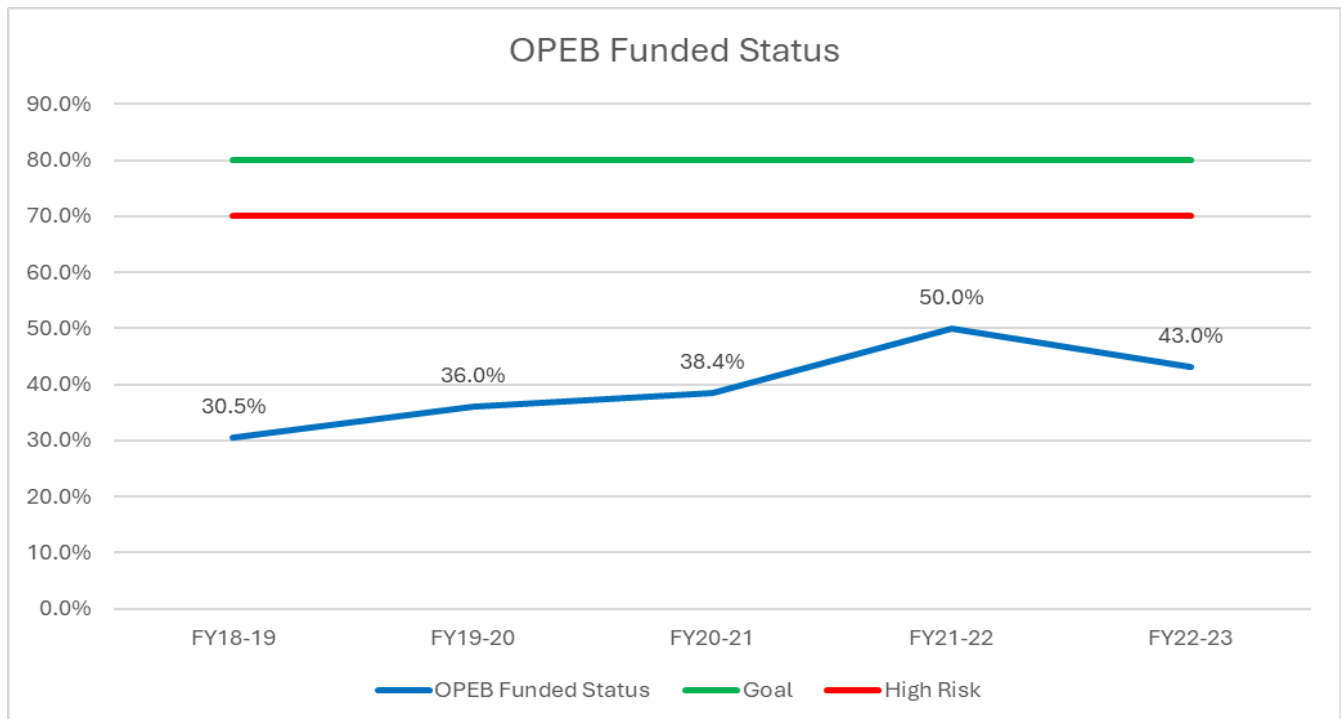
## OPEB Funded Status

**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%   |



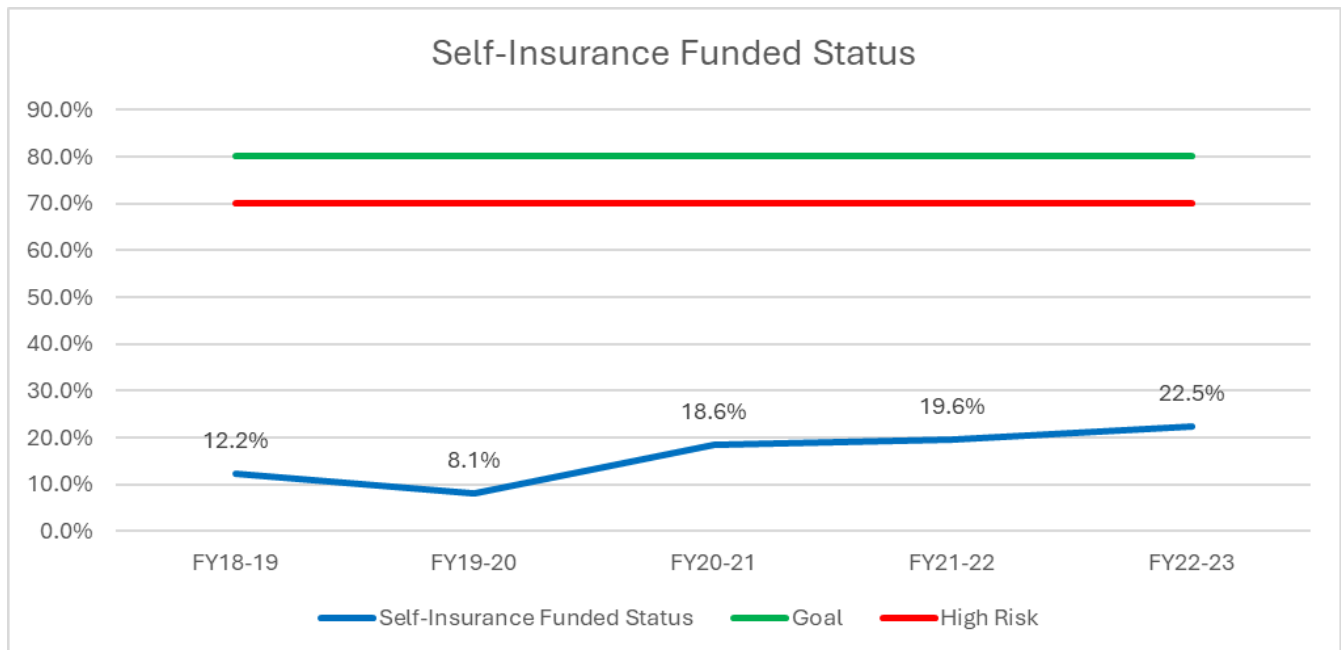
## Self-Insurance Funded Status

**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%   |



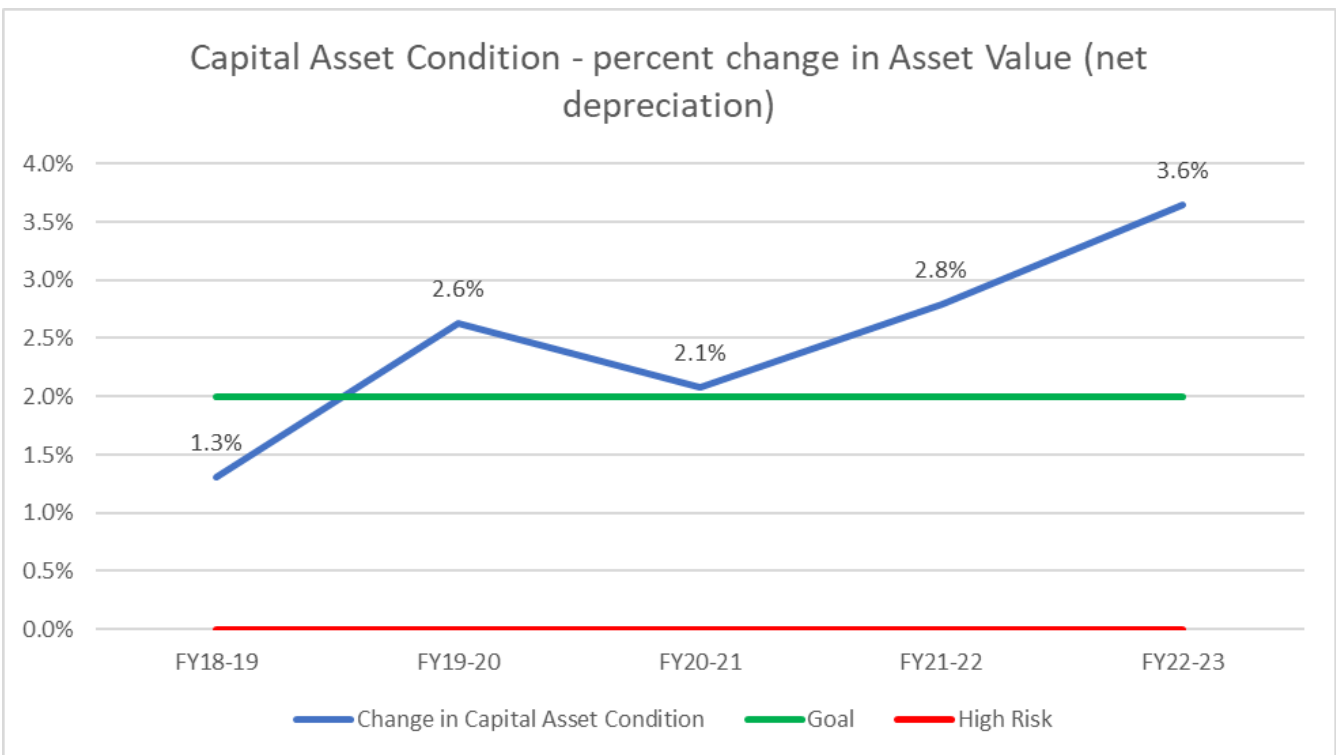
## Capital Asset Condition

**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%      |



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## Economic Data

The City's adopted 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

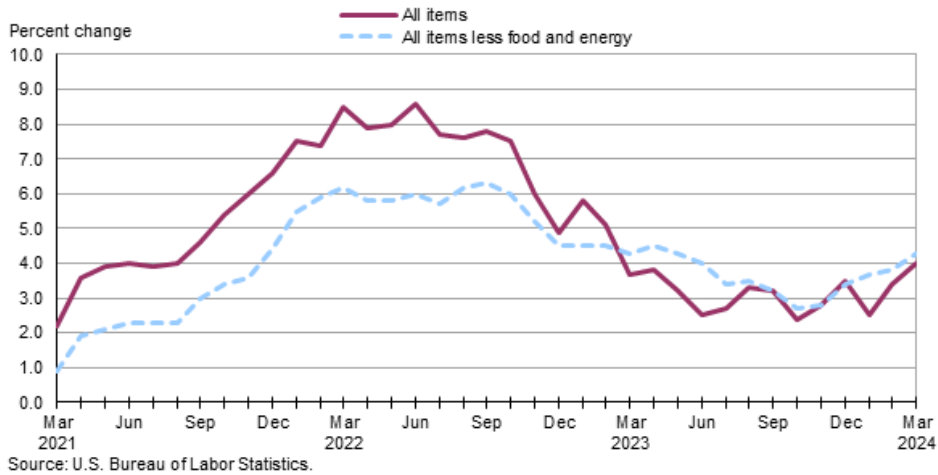
The Federal Funds Rate is the benchmark borrowing rate set by the U.S. Federal Reserve System (Fed) from which fixed income instruments, auto loans, mortgages, and credit card rates are based. As a result of spikes in inflation nationwide, the Fed began leveraging policy decisions in March 2022 to try 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)

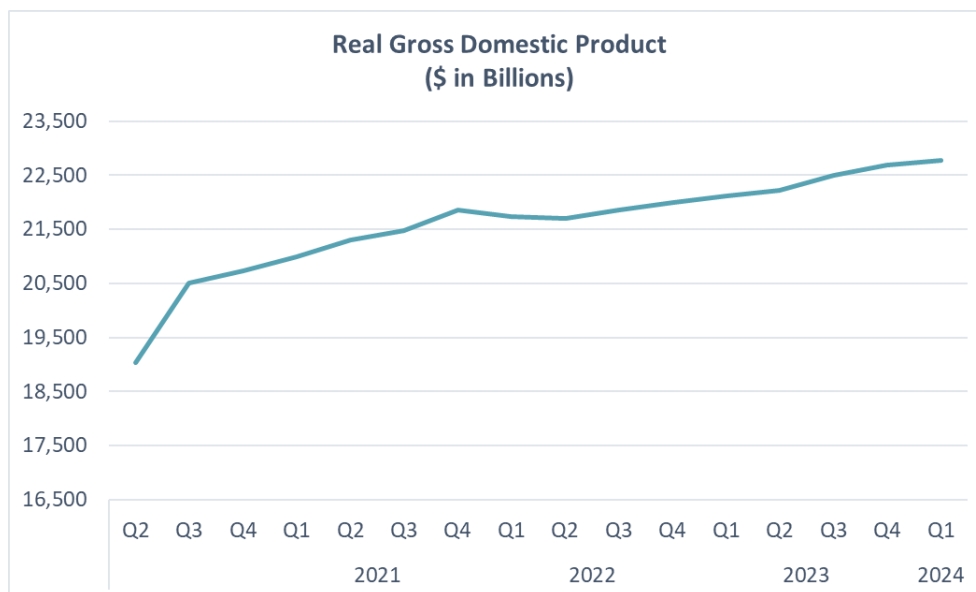
The Consumer Price Index (CPI-U) tracks the cost increase of goods, with the chart below more specifically focusing on our local region. As seen below, the CPI-U (CPI for All Urban Consumers) climbed to a peak of 9.1% in June 2022. Policymakers came into 2024 expecting that inflation would continue to 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**



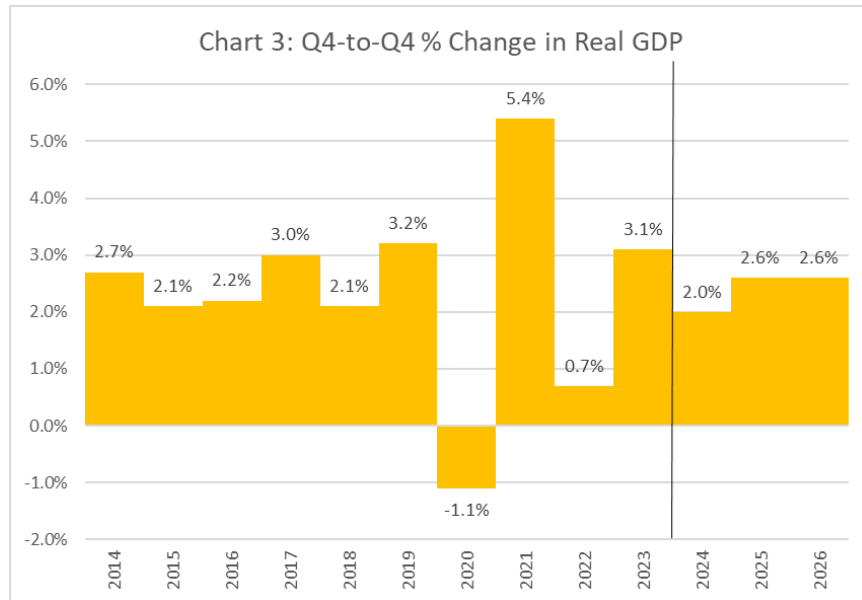
### Real Gross Domestic Product

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

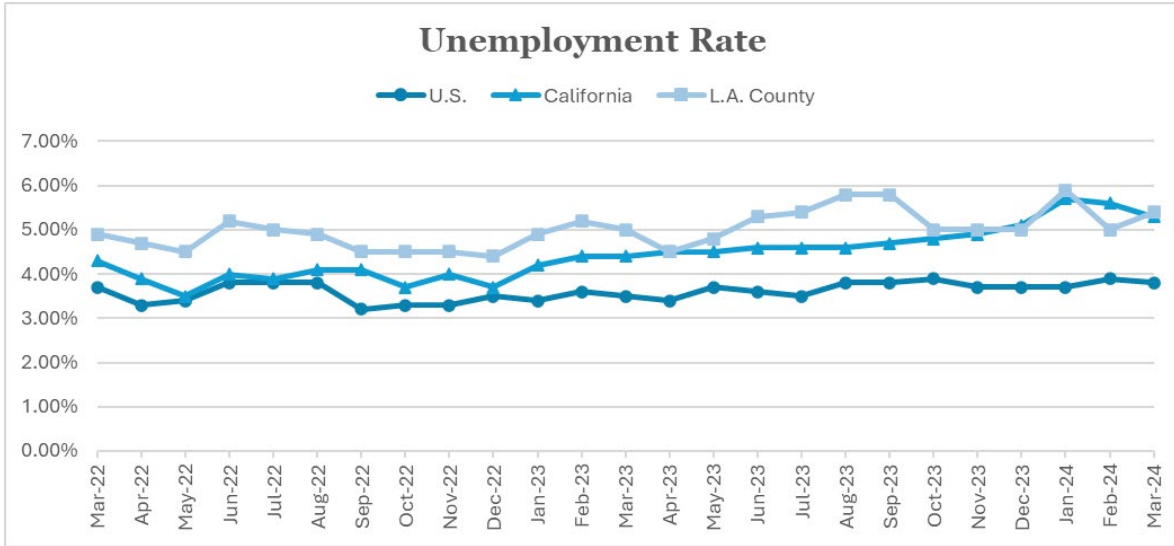
According to the March 2024 UCLA Anderson Forecast, annualized projections currently anticipate a growth rate of 2% in 2024, 2.6% in 2025, and 2.6% in 2026.



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%        |  |
| <b>Torrance</b>                | <b>3.7%</b> | <b>3.2%</b> | <b>3.4%</b> | <b>4.1%</b> | <b>3.8%</b> | <b>4.3%</b> | <b>3.8%</b> | <b>4.2%</b> |  |

### 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

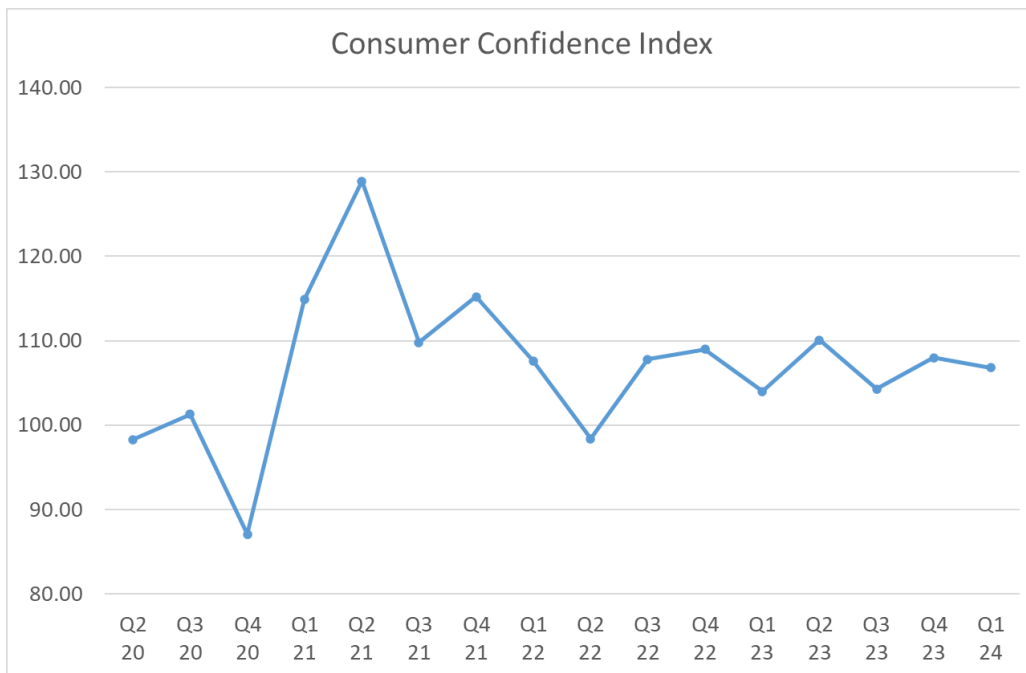
sales, or an increase of inventory on hand. Although this ratio displays an uptick, it is still lower than the 5-year pre-pandemic average (2015-2019) of 1.40.



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

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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<br>Actual       | FY21-22<br>Actual     | FY22-23<br>Actual     | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(Decrease) | FY24-25<br>Percent<br>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                       | 40,064                       | (3,139)                            | -7.3%                        |
| 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%                        |
| <b>Total Revenues</b>            | <b>\$ 1,144,048,525</b> | <b>\$ 446,340,126</b> | <b>\$ 527,347,580</b> | <b>\$ 529,854,729</b>        | <b>\$ 541,288,460</b>        | <b>\$ 11,433,731</b>               | <b>2.2%</b>                  |

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

- The **General Fund-Operating Fund** will **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** will **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** will **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** will **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** will **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** will **decrease by \$2.0 million (-5.4%)** mainly due to a decrease in Transportation Development Act funding.
- The **Fleet Services Fund** will **increase by \$1.0 million (+8.2%)**, mainly due to an increase in department contributions made towards future vehicle replacement.
- The **Self-Insurance Fund** will **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<br>Actual       | FY21-22<br>Actual     | FY22-23<br>Actual     | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(Decrease) | FY24-25<br>Percent<br>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                   | 41,402,054                   | 4,917,658                          | 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%                         |
| <b>Total Revenues</b>            | <b>\$ 1,144,048,525</b> | <b>\$ 446,340,126</b> | <b>\$ 527,347,580</b> | <b>\$ 529,854,729</b>        | <b>\$ 541,288,460</b>        | <b>\$ 11,433,731</b>               | <b>2.2%</b>                  |

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

- The **Charges for Services** classification will **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 will **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 will **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 will **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 will **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<br>Actual     | FY21-22<br>Actual     | FY22-23<br>Actual     | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(Decrease) | FY24-25<br>Percent<br>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%                         |
| <b>Total Revenues</b>            | <b>\$ 566,798,013</b> | <b>\$ 247,019,455</b> | <b>\$ 279,771,398</b> | <b>\$ 271,744,666</b>        | <b>\$ 286,824,553</b>        | <b>\$ 15,079,887</b>               | <b>5.5%</b>                  |

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<br>Actual     | FY21-22<br>Actual     | FY22-23<br>Actual     | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(Decrease) | FY24-25<br>Percent<br>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%                       |
| <b>Total Revenues</b>  | <b>\$ 170,493,435</b> | <b>\$ 191,931,103</b> | <b>\$ 202,796,702</b> | <b>\$ 209,861,473</b>        | <b>\$ 214,595,854</b>        | <b>\$ 4,734,381</b>                | <b>2.3%</b>                  |

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

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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 (8<sup>th</sup>). 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<br>Actual    | FY21-22<br>Actual    | FY22-23<br>Actual    | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(Decrease) | FY24-25<br>Percent<br>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%                        |
| <b>Total Revenues</b> | <b>\$ 32,521,999</b> | <b>\$ 37,379,434</b> | <b>\$ 44,115,725</b> | <b>\$ 44,465,104</b>         | <b>\$ 46,002,866</b>         | <b>\$ 1,537,762</b>                | <b>3.5%</b>                  |

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 adopted 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<br>Actual    | FY21-22<br>Actual    | FY22-23<br>Actual    | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(Decrease) | FY24-25<br>Percent<br>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%                        |
| <b>Total Revenues</b> | <b>\$ 10,701,208</b> | <b>\$ 19,058,438</b> | <b>\$ 21,010,365</b> | <b>\$ 23,965,796</b>         | <b>\$ 25,217,466</b>         | <b>\$ 1,251,670</b>                | <b>5.2%</b>                  |

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 will 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 will 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 will 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

| Revenues                  | FY20-21<br>Actual | FY21-22<br>Actual | FY22-23<br>Actual | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(Decrease) | FY24-25<br>Percent<br>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%                      |
| <b>Total Revenues</b>     | \$ -              | \$ -              | \$ 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 will **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 building with a red roof. In the background, a dense urban area is visible under a clear sky. 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<br>Actual       | FY21-22<br>Actual     | FY22-23<br>Actual     | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(Decrease) | FY24-25<br>Percent<br>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                       | 29,064                       | (3,139)                            | -9.7%                        |
| 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%                       |
| <b>Total Expenditures</b>        | <b>\$ 1,110,319,256</b> | <b>\$ 401,976,226</b> | <b>\$ 454,417,189</b> | <b>\$ 508,969,475</b>        | <b>\$ 525,407,237</b>        | <b>\$ 16,437,762</b>               | <b>3.2%</b>                  |

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

- The **General Fund-Operating Fund** will **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** will **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** will **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** will **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** will **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** will **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** will **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** will **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<br>Actual       | FY21-22<br>Actual     | FY22-23<br>Actual     | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(Decrease) | FY24-25<br>Percent<br>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                   | 29,009,572                   | (5,212,045)                        | -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%                         |
| <b>Total Expenditures</b>                    | <b>\$ 1,110,319,256</b> | <b>\$ 401,976,226</b> | <b>\$ 454,417,189</b> | <b>\$ 508,969,475</b>        | <b>\$ 525,407,237</b>        | <b>\$ 16,437,762</b>               | <b>3.2%</b>                  |

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 will **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

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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 will **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 will **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 adopted budget to align with anticipated needs.
- The **Interdepartmental Charges** classification will **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 will be \$2.0 million in FY24-25 budget.
- The **Bad Debts and Other Losses** classification will **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 will **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<br>Actual       | FY21-22<br>Actual     | FY22-23<br>Actual     | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(Decrease) | FY24-25<br>Percent<br>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                   | 21,346,880                   | 965,781                            | 4.7%                         |
| 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%                         |
| <b>Total Expenditures</b> | <b>\$ 1,110,319,256</b> | <b>\$ 401,976,226</b> | <b>\$ 454,417,189</b> | <b>\$ 508,969,475</b>        | <b>\$ 525,407,237</b>        | <b>\$ 16,437,762</b>               | <b>3.2%</b>                  |

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<br>FTE Budget | FY24-25<br>FTE Budget | FY24-25<br>FTE Increase/<br>(Decrease) | FY24-25<br>Expenditure/<br>(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)                             |
| <b>Total</b>          |                       |                       | <b>1.00</b>                            | <b>\$ 64,510</b>                     |

As shown in the table above, the City's FY24-25 operating budget includes a projected 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.

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## 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  |
| <b>Total</b>                              | <b>\$ 1,354,000</b>                           |

In addition to staffing changes, the adopted 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<br>Actual     | FY21-22<br>Actual     | FY22-23<br>Actual     | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(Decrease) | FY24-25<br>Percent<br>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%                         |
| <b>Total Expenditures</b> | <b>\$ 543,474,046</b> | <b>\$ 223,993,425</b> | <b>\$ 261,591,943</b> | <b>\$ 271,990,678</b>        | <b>\$ 286,824,553</b>        | <b>\$ 14,833,875</b>               | <b>5.5%</b>                  |

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<br>Actual     | FY21-22<br>Actual     | FY22-23<br>Actual     | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(Decrease) | FY24-25<br>Percent<br>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 Reimbursements | (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%                       |
| <b>Total Expenditures</b>            | <b>\$ 543,474,046</b> | <b>\$ 223,993,425</b> | <b>\$ 261,591,943</b> | <b>\$ 271,990,678</b>        | <b>\$ 286,824,553</b>        | <b>\$ 14,833,875</b>               | <b>5.5%</b>                  |

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<br>Actual | FY21-22<br>Actual | FY22-23<br>Actual    | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(Decrease) | FY24-25<br>Percent<br>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%                        |
| <b>Total Expenditures</b>         | <b>\$ -</b>       | <b>\$ -</b>       | <b>\$ 17,550,521</b> | <b>\$ 23,027,688</b>         | <b>\$ 27,495,124</b>         | <b>\$ 4,467,436</b>                | <b>19.4%</b>                 |

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 will **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.

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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 in a batting stance on a baseball field, wearing a helmet and holding a bat. The scene is overlaid with a blue tint. The word "DEPARTMENTS" is written in large, white, bold letters across the center of the image.

# DEPARTMENTS

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# Departments

## City Attorney

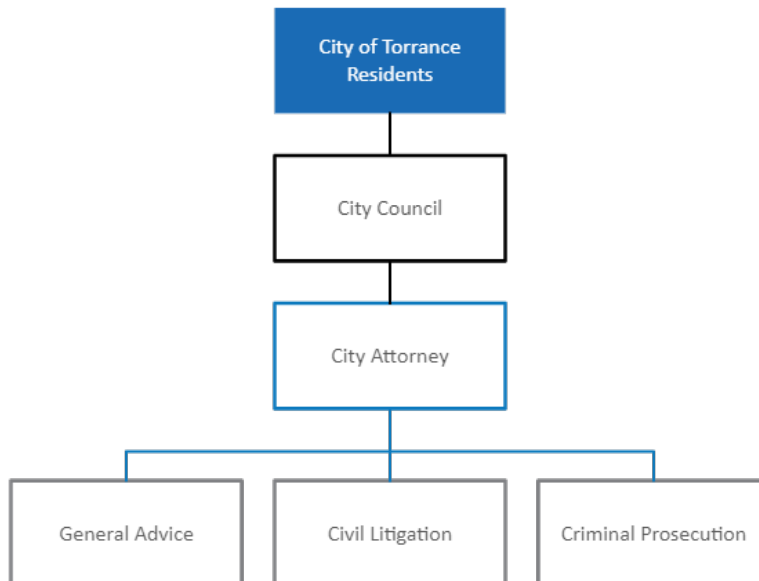
### Mission Statement

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<br>Actual | FY21-22<br>Actual | FY22-23<br>Actual | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(Decrease) | FY24-25<br>Percent<br>Change |
|--------------------------------------|-------------------|-------------------|-------------------|------------------------------|------------------------------|------------------------------------|------------------------------|
| Other Revenues                       | -                 | -                 | 24,609            | -                            | -                            | -                                  | 0.0%                         |
| <b>Total Revenues</b>                | \$ -              | \$ -              | \$ 24,609         | \$ -                         | \$ -                         | \$ -                               | 0.0%                         |
| Expenditures                         | FY20-21<br>Actual | FY21-22<br>Actual | FY22-23<br>Actual | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(Decrease) | FY24-25<br>Percent<br>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%                      |
| <b>Total Expenditures</b>            | \$ 4,675,148      | \$ 2,557,846      | \$ 2,796,409      | \$ 3,133,064                 | \$ 3,347,091                 | \$ 214,027                         | 6.8%                         |
| <b>Revenues Less Expenditures</b>    | \$ (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 will 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 will 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 adopted FY24-25 operating budget. As shown in the summary table above, the projected 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 | Adopted 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         | -            | -            | -              | -              | -                    |
| <b>Total FTE</b>         | <b>13.60</b> | <b>13.00</b> | <b>13.00</b> | <b>15.00</b>   | <b>14.00</b>   | <b>(1.00)</b>        |

The City Attorney’s Office is will 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.

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## City Clerk

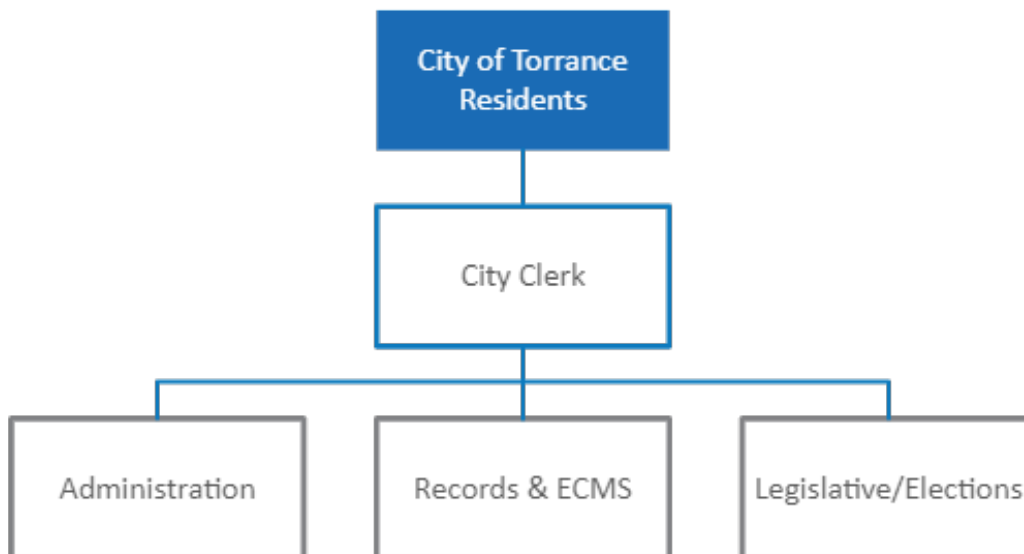
### Mission Statement

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<br>Actual     | FY21-22<br>Actual     | FY22-23<br>Actual   | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(Decrease) | FY24-25<br>Percent<br>Change |
|--------------------------------------|-----------------------|-----------------------|---------------------|------------------------------|------------------------------|------------------------------------|------------------------------|
| <b>Revenues</b>                      |                       |                       |                     |                              |                              |                                    |                              |
| Other Revenues                       | 60                    | 85                    | 105                 | -                            | -                            | -                                  | 0.0%                         |
| Charges for Services                 | 5,756                 | 9,888                 | 10,815              | 4,430                        | 16,117                       | 11,687                             | 263.8%                       |
| <b>Total Revenues</b>                | <b>\$ 5,816</b>       | <b>\$ 9,973</b>       | <b>\$ 10,920</b>    | <b>\$ 4,430</b>              | <b>\$ 16,117</b>             | <b>\$ 11,687</b>                   | <b>263.8%</b>                |
| <b>Expenditures</b>                  |                       |                       |                     |                              |                              |                                    |                              |
| 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%                      |
| <b>Total Expenditures</b>            | <b>\$ 1,717,814</b>   | <b>\$ 1,661,121</b>   | <b>\$ 877,877</b>   | <b>\$ 1,359,558</b>          | <b>\$ 1,598,328</b>          | <b>\$ 238,770</b>                  | <b>17.6%</b>                 |
| <b>Revenues Less Expenditures</b>    | <b>\$ (1,711,998)</b> | <b>\$ (1,651,148)</b> | <b>\$ (866,957)</b> | <b>\$ (1,355,128)</b>        | <b>\$ (1,582,211)</b>        |                                    |                              |

As shown in the summary table above, the **Salaries and Employee Benefits** expenditure classification will 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 will 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 adopted FY24-25 operating budget. As shown in the summary table above, the projected 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<br>Actual | FY21-22<br>Actual | FY22-23<br>Actual | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(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              | -                            | -                            | -                                  |
| <b>Total FTE</b>              | <b>8.00</b>       | <b>8.00</b>       | <b>8.00</b>       | <b>9.00</b>                  | <b>9.00</b>                  | <b>-</b>                           |

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

## City Council

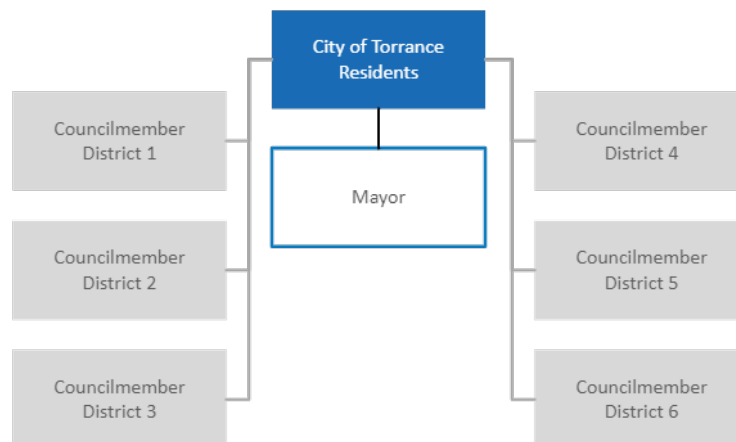
### Mission Statement

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<br>Actual   | FY21-22<br>Actual   | FY22-23<br>Actual   | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(Decrease) | FY24-25<br>Percent<br>Change |
|------------------------------------|---------------------|---------------------|---------------------|------------------------------|------------------------------|------------------------------------|------------------------------|
| Other Revenues                     | 12,974              | 10,385              | 6,210               | -                            | -                            | -                                  | 0.0%                         |
| <b>Total Revenues</b>              | <b>\$ 12,974</b>    | <b>\$ 10,385</b>    | <b>\$ 6,210</b>     | <b>\$ -</b>                  | <b>\$ -</b>                  | <b>\$ -</b>                        | <b>0.0%</b>                  |
| Expenditures                       | FY20-21<br>Actual   | FY21-22<br>Actual   | FY22-23<br>Actual   | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(Decrease) | FY24-25<br>Percent<br>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%                      |
| <b>Total Expenditures</b>          | <b>\$ 484,094</b>   | <b>\$ 390,766</b>   | <b>\$ 485,730</b>   | <b>\$ 621,134</b>            | <b>\$ 604,508</b>            | <b>\$ (16,626)</b>                 | <b>-2.7%</b>                 |
| <b>Revenues Less Expenditures</b>  | <b>\$ (471,120)</b> | <b>\$ (380,381)</b> | <b>\$ (479,520)</b> | <b>\$ (621,134)</b>          | <b>\$ (604,508)</b>          |                                    |                              |

As shown in the summary table above, the **Salaries and Employee Benefits** expenditure classification will 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 adopted FY24-25 operating budget. As shown in the summary table above, the projected 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<br>Actual | FY21-22<br>Actual | FY22-23<br>Actual | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(Decrease) |
|--------------------|-------------------|-------------------|-------------------|------------------------------|------------------------------|------------------------------------|
| City Council       | 7.00              | 7.00              | 7.00              | 7.00                         | 7.00                         | -                                  |
| <b>Total FTE</b>   | <b>7.00</b>       | <b>7.00</b>       | <b>7.00</b>       | <b>7.00</b>                  | <b>7.00</b>                  | <b>-</b>                           |

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

## City Manager

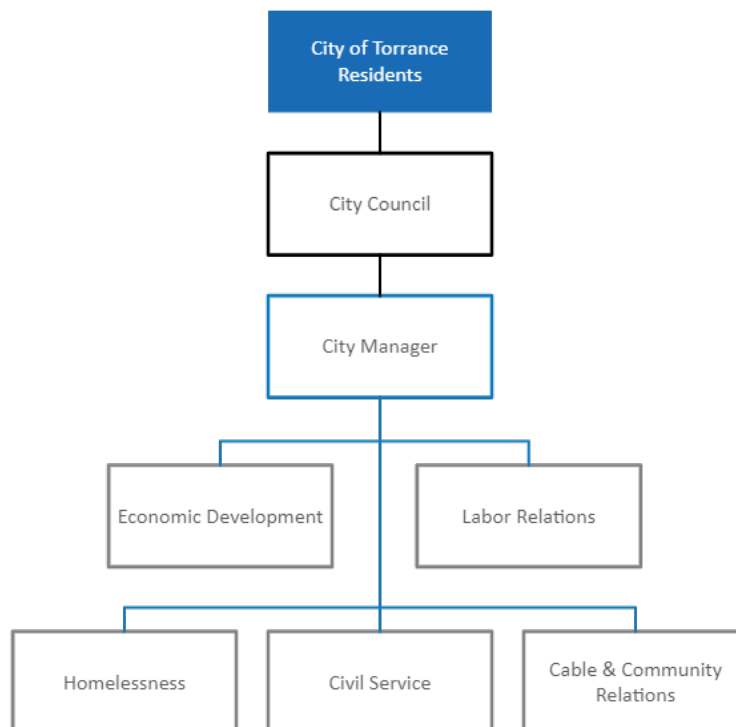
### Mission Statement

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)

|                                      | FY20-21<br>Actual     | FY21-22<br>Actual     | FY22-23<br>Actual     | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(Decrease) | FY24-25<br>Percent<br>Change |
|--------------------------------------|-----------------------|-----------------------|-----------------------|------------------------------|------------------------------|------------------------------------|------------------------------|
| <b>Revenues</b>                      |                       |                       |                       |                              |                              |                                    |                              |
| 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%                         |
| <b>Total Revenues</b>                | <b>\$ 1,740,998</b>   | <b>\$ 2,338,092</b>   | <b>\$ 2,344,119</b>   | <b>\$ 2,730,496</b>          | <b>\$ 2,411,579</b>          | <b>\$ (318,917)</b>                | <b>-11.7%</b>                |
| <b>Expenditures</b>                  |                       |                       |                       |                              |                              |                                    |                              |
| 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%                      |
| <b>Total Expenditures</b>            | <b>\$ 7,686,988</b>   | <b>\$ 5,142,707</b>   | <b>\$ 6,338,429</b>   | <b>\$ 6,690,115</b>          | <b>\$ 7,195,281</b>          | <b>\$ 505,166</b>                  | <b>7.6%</b>                  |
| <b>Revenues Less Expenditures</b>    | <b>\$ (5,945,990)</b> | <b>\$ (2,804,615)</b> | <b>\$ (3,994,310)</b> | <b>\$ (3,959,619)</b>        | <b>\$ (4,783,702)</b>        |                                    |                              |

As shown in the summary table above, revenues are projected 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 will 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 will 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 adopted 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<br>Actual | FY21-22<br>Actual | FY22-23<br>Actual | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(Decrease) | FY24-25<br>Percent<br>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%                      |
| <b>Total Expenditures</b>         | <b>\$ -</b>       | <b>\$ -</b>       | <b>\$ -</b>       | <b>\$ 1,000,000</b>          | <b>\$ 1,000,000</b>          | <b>\$ -</b>                        | <b>0.0%</b>                  |

As shown in the summary table above, the \$1.0 million in the **Materials, Supplies and Maintenance** and **Professional/Contract Services** expenditure classifications will 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<br>Actual | FY21-22<br>Actual | FY22-23<br>Actual | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(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                         | -                                  |
| <b>Total FTE</b>                | <b>35.30</b>      | <b>38.55</b>      | <b>39.48</b>      | <b>40.30</b>                 | <b>40.30</b>                 | <b>-</b>                           |

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

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## City Treasurer

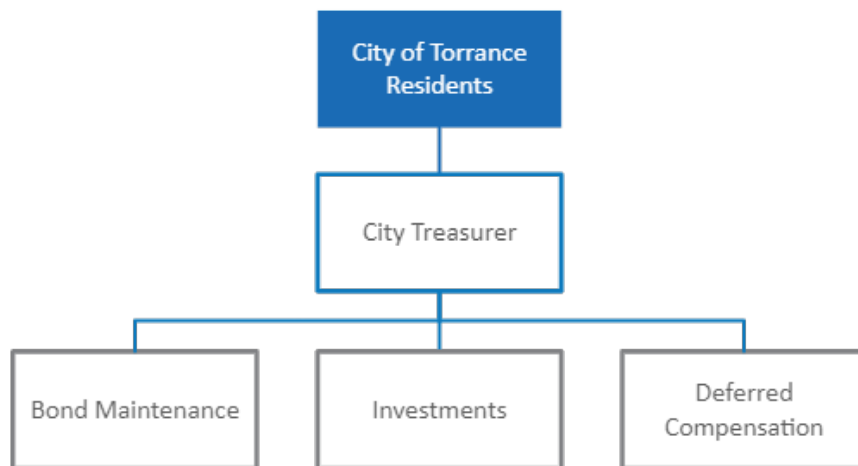
### Mission Statement

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<br>Actual | FY21-22<br>Actual | FY22-23<br>Actual | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(Decrease) | FY24-25<br>Percent<br>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%                      |
| <b>Total Expenditures</b>            | <b>\$ 579,323</b> | <b>\$ 304,785</b> | <b>\$ 338,794</b> | <b>\$ 366,088</b>            | <b>\$ 483,686</b>            | <b>\$ 117,598</b>                  | <b>32.1%</b>                 |

As shown in the summary table above, the **Salaries and Employee Benefits** expenditure classification will 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 will 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 adopted FY24-25 operating budget. As shown in the summary table above, the projected increase in the **Professional/Contract Services** expenditure classification is primarily due to a one-time Treasury/Finance checks and balances audit (+\$75,000). The projected 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<br>Actual | FY21-22<br>Actual | FY22-23<br>Actual | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(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                         | -                                  |
| <b>Total FTE</b>      | <b>2.00</b>       | <b>2.00</b>       | <b>2.00</b>       | <b>2.00</b>                  | <b>2.00</b>                  | <b>-</b>                           |

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

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## Civil Service

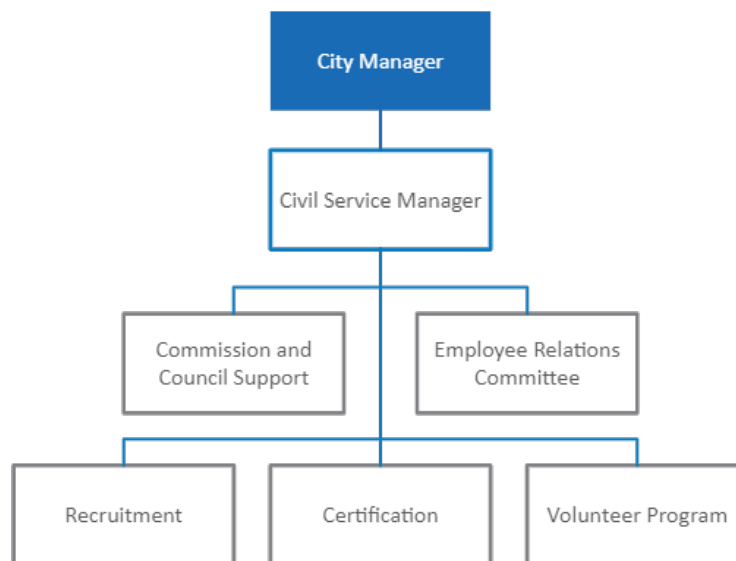
### Mission Statement

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<br>Actual | FY21-22<br>Actual | FY22-23<br>Actual | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(Decrease) | FY24-25<br>Percent<br>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%                      |
| <b>Total Expenditures</b>            | <b>\$ 915,162</b> | <b>\$ 537,116</b> | <b>\$ 737,818</b> | <b>\$ 1,038,510</b>          | <b>\$ 1,147,201</b>          | <b>\$ 108,691</b>                  | <b>10.5%</b>                 |

As shown in the summary table above, the **Salaries and Employee Benefits** expenditure classification will 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 will 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 adopted 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 adopted FY24-25 budget based on currently projected FY23-24 year-end outcomes.

## Civil Service Staffing Budget Summary (General Fund)

| Job Classification         | FY20-21<br>Actual | FY21-22<br>Actual | FY22-23<br>Actual | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(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                         | -                                  |
| <b>Total FTE</b>           | <b>3.80</b>       | <b>3.80</b>       | <b>3.80</b>       | <b>5.00</b>                  | <b>5.00</b>                  | <b>-</b>                           |

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

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## Communications & Information Technology

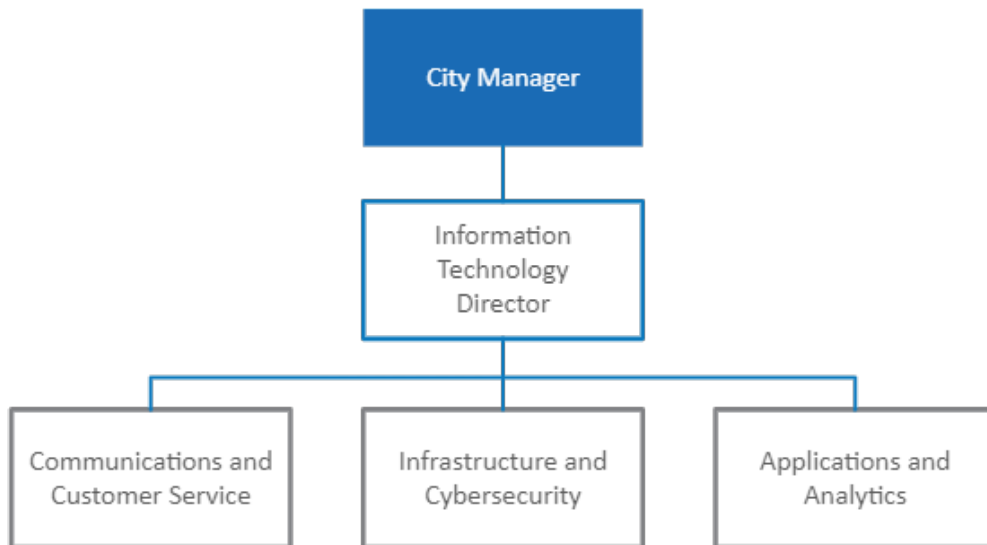
### Mission Statement

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<br>Actual | FY21-22<br>Actual | FY22-23<br>Actual | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(Decrease) | FY24-25<br>Percent<br>Change |
|--------------------------------------|-------------------|-------------------|-------------------|------------------------------|------------------------------|------------------------------------|------------------------------|
| <b>Revenues</b>                      |                   |                   |                   |                              |                              |                                    |                              |
| Operating Transfers In               | -                 | -                 | -                 | 175,000                      | 200,415                      | 25,415                             | 14.5%                        |
| <b>Total Revenues</b>                | \$ -              | \$ -              | \$ -              | \$ 175,000                   | \$ 200,415                   | \$ 25,415                          | 14.5%                        |
| <b>Expenditures</b>                  |                   |                   |                   |                              |                              |                                    |                              |
| 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%                      |
| <b>Total Expenditures</b>            | \$ 9,632,101      | \$ 7,640,300      | \$ 7,486,251      | \$ 8,741,967                 | \$ 9,249,449                 | \$ 507,482                         | 5.8%                         |
| <b>Revenues Less Expenditures</b>    | \$ (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 will 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 will 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 will 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 adopted FY24-25 operating budget. As shown in the summary table above, the projected 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 projected 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<br>Actual | FY21-22<br>Actual | FY22-23<br>Actual | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(Decrease) | FY24-25<br>Percent<br>Change |
|--------------------------------|-------------------|-------------------|-------------------|------------------------------|------------------------------|------------------------------------|------------------------------|
| Professional/Contract Services | -                 | -                 | 158,705           | 825,000                      | 825,000                      | -                                  | 0.0%                         |
| <b>Total Expenditures</b>      | \$ -              | \$ -              | \$ 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 will 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<br>Actual | FY21-22<br>Actual | FY22-23<br>Actual | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(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                         | -                                  |
| <b>Total FTE</b>               | <b>41.00</b>      | <b>40.00</b>      | <b>37.50</b>      | <b>38.00</b>                 | <b>38.00</b>                 | <b>-</b>                           |

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

## Community Development

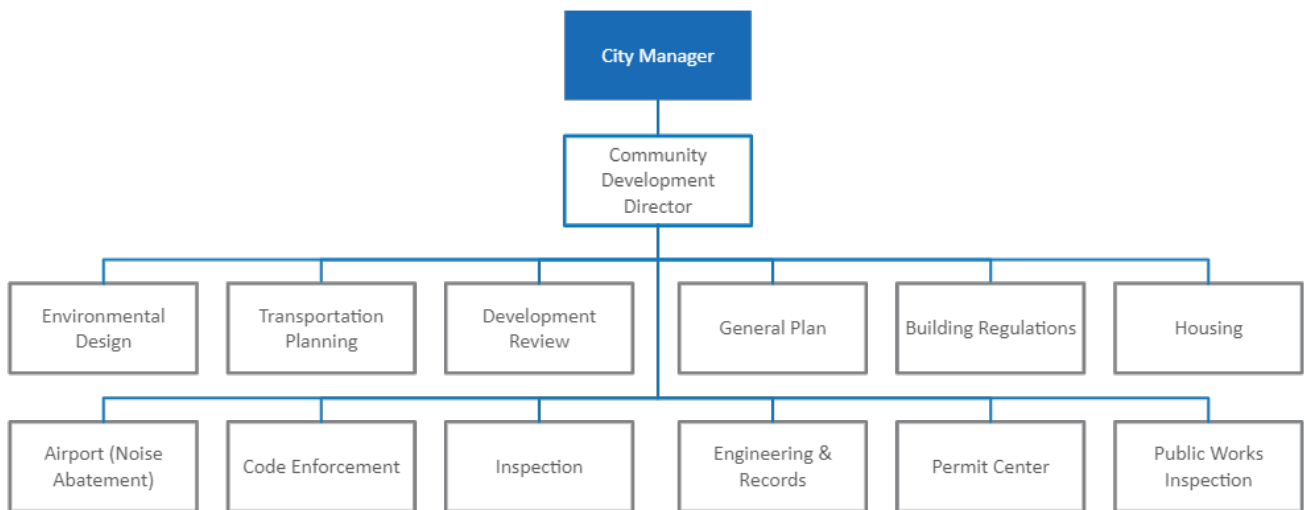
### Mission Statement

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<br>Actual     | FY21-22<br>Actual    | FY22-23<br>Actual    | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(Decrease) | FY24-25<br>Percent<br>Change |
|--------------------------------------|-----------------------|----------------------|----------------------|------------------------------|------------------------------|------------------------------------|------------------------------|
| <b>Revenues</b>                      |                       |                      |                      |                              |                              |                                    |                              |
| 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%                         |
| <b>Total Revenues</b>                | <b>\$ 8,797,746</b>   | <b>\$ 10,056,882</b> | <b>\$ 11,025,424</b> | <b>\$ 11,728,562</b>         | <b>\$ 11,080,481</b>         | <b>\$ (648,081)</b>                | <b>-5.5%</b>                 |
| <b>Expenditures</b>                  |                       |                      |                      |                              |                              |                                    |                              |
| 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%                      |
| <b>Total Expenditures</b>            | <b>\$ 15,972,755</b>  | <b>\$ 7,525,886</b>  | <b>\$ 8,341,425</b>  | <b>\$ 9,815,788</b>          | <b>\$ 10,600,313</b>         | <b>\$ 784,525</b>                  | <b>8.0%</b>                  |
| <b>Revenues Less Expenditures</b>    | <b>\$ (7,175,009)</b> | <b>\$ 2,530,996</b>  | <b>\$ 2,683,999</b>  | <b>\$ 1,912,774</b>          | <b>\$ 480,168</b>            |                                    |                              |

As shown in the summary table above, the **License, Fees and Permits** and **Charges for Services** revenue classifications are projected 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 will 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 will 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 will 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 adopted FY24-25 operating budget. As shown in the summary table above, the projected 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<br>Actual | FY21-22<br>Actual | FY22-23<br>Actual | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(Decrease) | FY24-25<br>Percent<br>Change |
|------------------------------------|-------------------|-------------------|-------------------|------------------------------|------------------------------|------------------------------------|------------------------------|
| <b>Revenues</b>                    |                   |                   |                   |                              |                              |                                    |                              |
| 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%                         |
| <b>Total Revenues</b>              | <b>\$ 256,219</b> | <b>\$ 141,614</b> | <b>\$ 198,640</b> | <b>\$ 208,296</b>            | <b>\$ 208,296</b>            | <b>\$ -</b>                        | <b>0.0%</b>                  |
| <b>Expenditures</b>                |                   |                   |                   |                              |                              |                                    |                              |
| 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%                         |
| <b>Total Expenditures</b>          | <b>\$ 151,441</b> | <b>\$ 108,160</b> | <b>\$ 185,581</b> | <b>\$ 175,185</b>            | <b>\$ 178,939</b>            | <b>\$ 3,754</b>                    | <b>2.1%</b>                  |
| <b>Revenues Less Expenditures</b>  | <b>\$ 104,778</b> | <b>\$ 33,454</b>  | <b>\$ 13,059</b>  | <b>\$ 33,111</b>             | <b>\$ 29,357</b>             |                                    |                              |

The Air Quality Management District (AQMD) Fund summary table above shows a projected 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 adopted 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<br>Actual  | FY21-22<br>Actual | FY22-23<br>Actual   | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(Decrease) | FY24-25<br>Percent<br>Change |
|-----------------------------------|--------------------|-------------------|---------------------|------------------------------|------------------------------|------------------------------------|------------------------------|
| <b>Revenues</b>                   |                    |                   |                     |                              |                              |                                    |                              |
| 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%                         |
| <b>Total Revenues</b>             | <b>\$ 97,251</b>   | <b>\$ 91,468</b>  | <b>\$ 1,429,993</b> | <b>\$ 90,000</b>             | <b>\$ 40,450</b>             | <b>\$ (49,550)</b>                 | <b>-55.1%</b>                |
| <b>Expenditures</b>               |                    |                   |                     |                              |                              |                                    |                              |
| 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%                         |
| <b>Total Expenditures</b>         | <b>\$ 145,479</b>  | <b>\$ 63,981</b>  | <b>\$ 56,255</b>    | <b>\$ 61,780</b>             | <b>\$ 65,061</b>             | <b>\$ 3,281</b>                    | <b>5.3%</b>                  |
| <b>Revenues Less Expenditures</b> | <b>\$ (48,228)</b> | <b>\$ 27,487</b>  | <b>\$ 1,373,738</b> | <b>\$ 28,220</b>             | <b>\$ (24,611)</b>           |                                    |                              |

As shown in the summary table above, the Low Mod Fund's projected 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 adopted 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<br>Actual | FY21-22<br>Actual | FY22-23<br>Actual | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(Decrease) | FY24-25<br>Percent<br>Change |
|---------------------------|-------------------|-------------------|-------------------|------------------------------|------------------------------|------------------------------------|------------------------------|
| Use of Money and Property | 4,500             | 30,010            | 48,796            | 43,203                       | 40,064                       | (3,139)                            | -7.3%                        |
| Operating Transfers In    | 28,861            | -                 | 104,070           | -                            | -                            | -                                  | 0.0%                         |
| <b>Total Revenue</b>      | <b>\$ 33,361</b>  | <b>\$ 30,010</b>  | <b>\$ 152,866</b> | <b>\$ 43,203</b>             | <b>\$ 40,064</b>             | <b>\$ (3,139)</b>                  | <b>-7.3%</b>                 |

| Expenses                       | FY20-21<br>Actual | FY21-22<br>Actual | FY22-23<br>Actual | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(Decrease) | FY24-25<br>Percent<br>Change |
|--------------------------------|-------------------|-------------------|-------------------|------------------------------|------------------------------|------------------------------------|------------------------------|
| Professional/Contract Services | 14,287            | 15,053            | 24,744            | 30,703                       | 28,564                       | (2,139)                            | -7.0%                        |
| Utilities                      | 1,265             | 213               | 223               | 1,500                        | 500                          | (1,000)                            | -66.7%                       |
| Other Operating Transfers Out  | 10,407            | 10,407            | -                 | -                            | -                            | -                                  | 0.0%                         |
| <b>Total Expense</b>           | <b>\$ 25,959</b>  | <b>\$ 25,673</b>  | <b>\$ 24,967</b>  | <b>\$ 32,203</b>             | <b>\$ 29,064</b>             | <b>\$ (3,139)</b>                  | <b>-9.7%</b>                 |

|                                   |                 |                 |                   |                  |                  |  |  |
|-----------------------------------|-----------------|-----------------|-------------------|------------------|------------------|--|--|
| <b>Revenues Less Expenditures</b> | <b>\$ 7,402</b> | <b>\$ 4,337</b> | <b>\$ 127,899</b> | <b>\$ 11,000</b> | <b>\$ 11,000</b> |  |  |
|-----------------------------------|-----------------|-----------------|-------------------|------------------|------------------|--|--|

The Meadow Park Parking Lot District Fund summary table above includes several projected 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<br>Actual   | FY21-22<br>Actual   | FY22-23<br>Actual   | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(Decrease) | FY24-25<br>Percent<br>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%                         |
| <b>Total Revenues</b>     | <b>\$ 6,983,258</b> | <b>\$ 6,867,691</b> | <b>\$ 6,823,779</b> | <b>\$ 8,493,403</b>          | <b>\$ 8,949,500</b>          | <b>\$ 456,097</b>                  | <b>5.4%</b>                  |

| Expenditures                       | FY20-21<br>Actual   | FY21-22<br>Actual   | FY22-23<br>Actual   | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(Decrease) | FY24-25<br>Percent<br>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%                      |
| <b>Total Expenditures</b>          | <b>\$ 6,800,151</b> | <b>\$ 6,708,014</b> | <b>\$ 6,969,159</b> | <b>\$ 8,367,410</b>          | <b>\$ 8,825,679</b>          | <b>\$ 458,269</b>                  | <b>5.5%</b>                  |

|                                   |                   |                   |                     |                   |                   |  |  |
|-----------------------------------|-------------------|-------------------|---------------------|-------------------|-------------------|--|--|
| <b>Revenues Less Expenditures</b> | <b>\$ 183,107</b> | <b>\$ 159,677</b> | <b>\$ (145,380)</b> | <b>\$ 125,993</b> | <b>\$ 123,821</b> |  |  |
|-----------------------------------|-------------------|-------------------|---------------------|-------------------|-------------------|--|--|

As shown in the summary table above, the Section 8 Housing Fund's projected 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 projected 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<br>Actual   | FY21-22<br>Actual   | FY22-23<br>Actual   | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(Decrease) | FY24-25<br>Percent<br>Change |
|-----------------------------------|---------------------|---------------------|---------------------|------------------------------|------------------------------|------------------------------------|------------------------------|
| <b>Revenues</b>                   |                     |                     |                     |                              |                              |                                    |                              |
| 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%                         |
| <b>Total Revenue</b>              | <b>\$ 3,380,709</b> | <b>\$ 4,248,716</b> | <b>\$ 3,597,670</b> | <b>\$ 4,196,768</b>          | <b>\$ 3,988,268</b>          | <b>\$ (208,500)</b>                | <b>-5.0%</b>                 |
| <b>Expenses</b>                   |                     |                     |                     |                              |                              |                                    |                              |
| 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%                       |
| <b>Total Expense</b>              | <b>\$ 1,888,685</b> | <b>\$ 1,846,552</b> | <b>\$ 1,739,425</b> | <b>\$ 1,700,703</b>          | <b>\$ 1,401,953</b>          | <b>\$ (298,750)</b>                | <b>-17.6%</b>                |
| <b>Revenues Less Expenditures</b> | <b>\$ 1,492,024</b> | <b>\$ 2,402,164</b> | <b>\$ 1,858,245</b> | <b>\$ 2,496,065</b>          | <b>\$ 2,586,315</b>          |                                    |                              |

The Redevelopment Agency Fund summary table above shows several projected 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** will decrease to align with the ROPS for the Successor Agency to the Former Redevelopment Agency Fund.

## CDD Operating Budget Summary (Vanpool Fund)

|                                    | FY20-21<br>Actual | FY21-22<br>Actual | FY22-23<br>Actual | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(Decrease) | FY24-25<br>Percent<br>Change |
|------------------------------------|-------------------|-------------------|-------------------|------------------------------|------------------------------|------------------------------------|------------------------------|
| <b>Revenues</b>                    |                   |                   |                   |                              |                              |                                    |                              |
| 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%                        |
| <b>Total Revenues</b>              | <b>\$ 123,030</b> | <b>\$ 137,451</b> | <b>\$ 240,548</b> | <b>\$ 228,030</b>            | <b>\$ 245,871</b>            | <b>\$ 17,841</b>                   | <b>7.8%</b>                  |
| <b>Expenditures</b>                |                   |                   |                   |                              |                              |                                    |                              |
| 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%                         |
| <b>Total Expenditures</b>          | <b>\$ 123,030</b> | <b>\$ 137,452</b> | <b>\$ 240,547</b> | <b>\$ 228,030</b>            | <b>\$ 245,871</b>            | <b>\$ 17,841</b>                   | <b>7.8%</b>                  |
| <b>Revenues Less Expenditures</b>  | <b>\$ -</b>       | <b>\$ (1)</b>     | <b>\$ 1</b>       | <b>\$ -</b>                  | <b>\$ -</b>                  |                                    |                              |

As shown in the summary table above, the Vanpool Fund's projected 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 | Adopted 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           | -                    |
| <b>Total FTE</b>                   | <b>64.50</b> | <b>67.25</b> | <b>69.00</b> | <b>72.50</b>   | <b>74.00</b>   | <b>1.50</b>          |

The CDD staffing budget will 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

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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.

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## 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<br>Actual      | FY21-22<br>Actual      | FY22-23<br>Actual      | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(Decrease) | FY24-25<br>Percent<br>Change |
|--------------------------------------|------------------------|------------------------|------------------------|------------------------------|------------------------------|------------------------------------|------------------------------|
| <b>Revenues</b>                      |                        |                        |                        |                              |                              |                                    |                              |
| 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%                      |
| <b>Total Revenues</b>                | <b>\$ 2,300,656</b>    | <b>\$ 4,973,748</b>    | <b>\$ 5,249,429</b>    | <b>\$ 5,295,381</b>          | <b>\$ 6,046,757</b>          | <b>\$ 751,376</b>                  | <b>14.2%</b>                 |
| <b>Expenditures</b>                  |                        |                        |                        |                              |                              |                                    |                              |
| 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%                      |
| <b>Total Expenditures</b>            | <b>\$ 31,683,646</b>   | <b>\$ 20,668,332</b>   | <b>\$ 21,358,014</b>   | <b>\$ 24,214,375</b>         | <b>\$ 26,598,270</b>         | <b>\$ 2,383,895</b>                | <b>9.8%</b>                  |
| <b>Revenues Less Expenditures</b>    | <b>\$ (29,382,990)</b> | <b>\$ (15,694,584)</b> | <b>\$ (16,108,585)</b> | <b>\$ (18,918,994)</b>       | <b>\$ (20,551,513)</b>       |                                    |                              |

As shown in the summary table above, the Use of Money and Property and Charges for Services revenue classifications are projected to increase by \$91,700 (+17.2%) and \$671,500 (14.8%), respectively. This is primarily the result of aligning the adopted FY24-25 budget in accordance with currently projected FY23-24 year-end outcomes. The Salaries and Employee Benefits expenditure classification will 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 will 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 adopted FY24-25 operating budget. As shown in the summary table above, the projected 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 projected

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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<br>Actual | FY21-22<br>Actual | FY22-23<br>Actual | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(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                         | -                                  |
| <b>Total FTE</b>             | <b>225.93</b>     | <b>230.86</b>     | <b>227.36</b>     | <b>204.19</b>                | <b>204.19</b>                | <b>0.00</b>                        |

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The Community Services staffing budget has several projected 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<br>Actual | FY21-22<br>Actual | FY22-23<br>Actual | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(Decrease) | FY24-25<br>Percent<br>Change |
|--------------------------------------|-------------------|-------------------|-------------------|------------------------------|------------------------------|------------------------------------|------------------------------|
| <b>Revenues</b>                      |                   |                   |                   |                              |                              |                                    |                              |
| Other Revenues                       | -                 | 16                | -                 | -                            | -                            | -                                  | 0.0%                         |
| <b>Total Revenues</b>                | \$ -              | \$ 16             | \$ -              | \$ -                         | \$ -                         | \$ -                               | 0.0%                         |
| <b>Expenditures</b>                  |                   |                   |                   |                              |                              |                                    |                              |
| 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%                      |
| <b>Total Expenditures</b>            | \$ 9,201,969      | \$ 5,217,200      | \$ 5,389,529      | \$ 6,251,439                 | \$ 6,336,896                 | \$ 85,457                          | 1.4%                         |
| <b>Revenues Less Expenditures</b>    | \$ (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 will 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 will 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 will 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 adopted FY24-25 operating budget. As shown in the summary table above, the projected 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<br>Actual    | FY21-22<br>Actual     | FY22-23<br>Actual    | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(Decrease) | FY24-25<br>Percent<br>Change |
|--------------------------------------|----------------------|-----------------------|----------------------|------------------------------|------------------------------|------------------------------------|------------------------------|
| <b>Revenues</b>                      |                      |                       |                      |                              |                              |                                    |                              |
| 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%                         |
| <b>Total Revenues</b>                | <b>\$ 14,068,155</b> | <b>\$ 23,575,399</b>  | <b>\$ 24,309,720</b> | <b>\$ 20,668,500</b>         | <b>\$ 23,659,000</b>         | <b>\$ 2,990,500</b>                | <b>14.5%</b>                 |
| <b>Expenditures</b>                  |                      |                       |                      |                              |                              |                                    |                              |
| 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%                       |
| <b>Total Expenditures</b>            | <b>\$ 14,738,197</b> | <b>\$ 29,169,760</b>  | <b>\$ 16,210,165</b> | <b>\$ 28,494,290</b>         | <b>\$ 23,432,183</b>         | <b>\$ (5,062,107)</b>              | <b>-17.8%</b>                |
| <b>Revenues Less Expenditures</b>    | <b>\$ (670,042)</b>  | <b>\$ (5,594,361)</b> | <b>\$ 8,099,555</b>  | <b>\$ (7,825,790)</b>        | <b>\$ 226,817</b>            |                                    |                              |

As shown in the summary table above, the **Charges for Services** revenue classification will 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 will 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 adopted FY24-25 operating budget. As shown in the summary table above, the projected 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 | Adopted 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           | -                    |
| <b>Total FTE</b>              | <b>46.00</b> | <b>46.00</b> | <b>40.75</b> | <b>40.75</b>   | <b>38.75</b>   | <b>(2.00)</b>        |

The Finance staffing budget will 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.

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## 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)

|                                      | FY20-21<br>Actual       | FY21-22<br>Actual      | FY22-23<br>Actual      | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(Decrease) | FY24-25<br>Percent<br>Change |
|--------------------------------------|-------------------------|------------------------|------------------------|------------------------------|------------------------------|------------------------------------|------------------------------|
| <b>Revenues</b>                      |                         |                        |                        |                              |                              |                                    |                              |
| 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%                         |
| <b>Total Revenues</b>                | <b>\$ 4,276,723</b>     | <b>\$ 9,904,371</b>    | <b>\$ 10,545,121</b>   | <b>\$ 12,118,811</b>         | <b>\$ 13,470,132</b>         | <b>\$ 1,351,321</b>                | <b>11.2%</b>                 |
| <b>Expenditures</b>                  |                         |                        |                        |                              |                              |                                    |                              |
| 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%                      |
| <b>Total Expenditures</b>            | <b>\$ 149,654,245</b>   | <b>\$ 52,490,599</b>   | <b>\$ 56,677,236</b>   | <b>\$ 59,354,384</b>         | <b>\$ 69,295,045</b>         | <b>\$ 9,940,661</b>                | <b>16.7%</b>                 |
| <b>Revenues Less Expenditures</b>    | <b>\$ (145,377,522)</b> | <b>\$ (42,586,228)</b> | <b>\$ (46,132,115)</b> | <b>\$ (47,235,573)</b>       | <b>\$ (55,824,913)</b>       |                                    |                              |

As shown in the summary table above, the **Charges for Services** revenue classification will increase by \$1.1 million (+10.5%), primarily driven by aligning the adopted 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 will 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 will 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 will 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 adopted FY24-25 operating budget. As shown in the summary table above, the projected 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 projected 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 | Adopted 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          | -             | -              | -              | -                    |
| <b>Total FTE</b>                      | <b>164.50</b> | <b>189.50</b> | <b>194.50</b> | <b>201.50</b>  | <b>203.00</b>  | <b>1.50</b>          |

The Fire staffing budget will 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

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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<br>Actual      | FY21-22<br>Actual     | FY22-23<br>Actual     | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(Decrease) | FY24-25<br>Percent<br>Change |
|--------------------------------------|------------------------|-----------------------|-----------------------|------------------------------|------------------------------|------------------------------------|------------------------------|
| <b>Revenues</b>                      |                        |                       |                       |                              |                              |                                    |                              |
| 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%                         |
| <b>Total Revenues</b>                | <b>\$ 100,290</b>      | <b>\$ 874,461</b>     | <b>\$ 981,678</b>     | <b>\$ 1,222,919</b>          | <b>\$ 1,136,049</b>          | <b>\$ (86,870)</b>                 | <b>-7.1%</b>                 |
| <b>Expenditures</b>                  |                        |                       |                       |                              |                              |                                    |                              |
| 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%                      |
| <b>Total Expenditures</b>            | <b>\$ 10,137,885</b>   | <b>\$ 8,581,550</b>   | <b>\$ 9,456,227</b>   | <b>\$ 10,773,872</b>         | <b>\$ 11,926,519</b>         | <b>\$ 1,152,647</b>                | <b>10.7%</b>                 |
| <b>Revenues Less Expenditures</b>    | <b>\$ (10,037,595)</b> | <b>\$ (7,707,089)</b> | <b>\$ (8,474,549)</b> | <b>\$ (9,550,953)</b>        | <b>\$ (10,790,470)</b>       |                                    |                              |

As shown in the summary table above, the **Charges for Services** revenue classification will decrease by \$86,900 (-7.1%), primarily driven by aligning the adopted FY24-25 budget in accordance with currently projected FY23-24 year-end outcomes. The **Salaries and Employee Benefits** expenditure classification will 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 will 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 adopted 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)

|                                      | FY20-21              | FY21-22              | FY22-23              | FY23-24              | FY24-25              | FY24-25              | FY24-25        |
|--------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------|
| Revenues                             | Actual               | Actual               | Actual               | Amended Budget       | Adopted Budget       | Increase/ (Decrease) | 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%           |
| <b>Total Revenues</b>                | <b>\$ 16,531,183</b> | <b>\$ 20,107,973</b> | <b>\$ 23,886,882</b> | <b>\$ 17,024,729</b> | <b>\$ 18,342,326</b> | <b>\$ 1,317,597</b>  | <b>7.7%</b>    |
| Expenditures                         | Actual               | Actual               | Actual               | Amended Budget       | Adopted Budget       | Increase/ (Decrease) | 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%           |
| <b>Total Expenditures</b>            | <b>\$ 15,223,288</b> | <b>\$ 14,738,400</b> | <b>\$ 23,675,160</b> | <b>\$ 17,056,181</b> | <b>\$ 16,171,074</b> | <b>\$ (885,107)</b>  | <b>-5.2%</b>   |
| <b>Revenues Less Expenditures</b>    | <b>\$ 1,307,895</b>  | <b>\$ 5,369,573</b>  | <b>\$ 211,722</b>    | <b>\$ (31,452)</b>   | <b>\$ 2,171,252</b>  |                      |                |

As shown in the Airport Fund summary table above, the **Other Revenues** classification will increase by \$250,000 (+100.0%) due to anticipated litigation claim reimbursements. The **Charges for Services** revenue classification will increase by \$927,000 (+5.6%), primarily driven by increases in rent from ground leases, hangar storage and landing fees to align the adopted FY24-25 budget in accordance with currently projected FY23-24 year-end outcomes. The **Salaries and Employee Benefits** expenditure classification will 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 will 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)

| Revenues                                     | FY20-21<br>Actual   | FY21-22<br>Actual   | FY22-23<br>Actual    | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(Decrease) | FY24-25<br>Percent<br>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%                         |
| <b>Total Revenue</b>                         | <b>\$ 8,879,788</b> | <b>\$ 6,176,488</b> | <b>\$ 25,854,360</b> | <b>\$ 12,121,697</b>         | <b>\$ 13,115,875</b>         | <b>\$ 994,178</b>                  | <b>8.2%</b>                  |
| Expenses                                     | FY20-21<br>Actual   | FY21-22<br>Actual   | FY22-23<br>Actual    | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(Decrease) | FY24-25<br>Percent<br>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%                         |
| <b>Total Expense</b>                         | <b>\$ 8,117,285</b> | <b>\$ 5,418,067</b> | <b>\$ 5,270,328</b>  | <b>\$ 8,609,575</b>          | <b>\$ 8,298,776</b>          | <b>\$ (310,799)</b>                | <b>-3.6%</b>                 |
| <b>Revenues Less Expenditures</b>            | <b>\$ 762,503</b>   | <b>\$ 758,421</b>   | <b>\$ 20,584,032</b> | <b>\$ 3,512,122</b>          | <b>\$ 4,817,099</b>          |                                    |                              |

As shown in the Fleet Services Fund summary table above, the **Use of Money and Property** revenue classification will 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 will 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<br>Actual | FY21-22<br>Actual | FY22-23<br>Actual | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(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                         | -                                  |
| <b>Total FTE</b>                         | <b>122.30</b>     | <b>123.30</b>     | <b>120.80</b>     | <b>119.80</b>                | <b>119.80</b>                | <b>-</b>                           |

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

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## 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<br>Actual   | FY21-22<br>Actual   | FY22-23<br>Actual   | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(Decrease) | FY24-25<br>Percent<br>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%                      |
| <b>Total Expenditures</b>            | <b>\$ 2,841,996</b> | <b>\$ 1,800,666</b> | <b>\$ 2,110,571</b> | <b>\$ 2,494,941</b>          | <b>\$ 2,994,183</b>          | <b>\$ 499,242</b>                  | <b>20.0%</b>                 |

As shown in the summary table above, the **Salaries and Employee Benefits** expenditure classification will 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 will 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 adopted FY24-25 operating budget. As shown in the summary table above, the projected 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<br>Actual | FY21-22<br>Actual | FY22-23<br>Actual | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(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                         | -                                  |
| <b>Total FTE</b>                  | <b>11.00</b>      | <b>11.00</b>      | <b>11.00</b>      | <b>12.00</b>                 | <b>14.00</b>                 | <b>2.00</b>                        |

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The Human Resources staffing budget will 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 adopted 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<br>Actual       | FY21-22<br>Actual      | FY22-23<br>Actual      | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(Decrease) | FY24-25<br>Percent<br>Change |
|--------------------------------------|-------------------------|------------------------|------------------------|------------------------------|------------------------------|------------------------------------|------------------------------|
| <b>Revenues</b>                      |                         |                        |                        |                              |                              |                                    |                              |
| 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%                        |
| <b>Total Revenues</b>                | <b>\$ 484,497</b>       | <b>\$ 545,447</b>      | <b>\$ 9,336,197</b>    | <b>\$ 9,568,102</b>          | <b>\$ 10,438,103</b>         | <b>\$ 870,001</b>                  | <b>9.1%</b>                  |
| <b>Expenditures</b>                  |                         |                        |                        |                              |                              |                                    |                              |
| 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%                      |
| <b>Total Expenditures</b>            | <b>\$ 262,256,437</b>   | <b>\$ 85,006,138</b>   | <b>\$ 86,678,247</b>   | <b>\$ 95,529,919</b>         | <b>\$ 101,838,716</b>        | <b>\$ 6,308,797</b>                | <b>6.6%</b>                  |
| <b>Revenues Less Expenditures</b>    | <b>\$ (261,771,940)</b> | <b>\$ (84,460,691)</b> | <b>\$ (77,342,050)</b> | <b>\$ (85,961,817)</b>       | <b>\$ (91,400,613)</b>       |                                    |                              |

The **Operating Transfers In** revenue classification will 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 will 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 will 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 adopted FY24-25 operating budget. The projected 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 projected 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 projected

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<br>Actual | FY21-22<br>Actual | FY22-23<br>Actual | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(Decrease) | FY24-25<br>Percent<br>Change |
|----------------------------------|-------------------|-------------------|-------------------|------------------------------|------------------------------|------------------------------------|------------------------------|
| Fines, Forfeitures and Penalties | -                 | -                 | -                 | 180,000                      | 180,000                      | -                                  | 0.0%                         |
| <b>Total Revenues</b>            | \$ -              | \$ -              | \$ -              | \$ 180,000                   | \$ 180,000                   | \$ -                               | 0.0%                         |

| Expenditures                      | FY20-21<br>Actual | FY21-22<br>Actual | FY22-23<br>Actual | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(Decrease) | FY24-25<br>Percent<br>Change |
|-----------------------------------|-------------------|-------------------|-------------------|------------------------------|------------------------------|------------------------------------|------------------------------|
| Professional/Contract Services    | -                 | -                 | -                 | 180,000                      | 180,000                      | -                                  | 0.0%                         |
| <b>Total Expenditures</b>         | \$ -              | \$ -              | \$ -              | \$ 180,000                   | \$ 180,000                   | \$ -                               | 0.0%                         |
| <b>Revenues Less Expenditures</b> | \$ -              | \$ -              | \$ -              | \$ -                         | \$ -                         |                                    |                              |

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 adopted 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 | Adopted 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           | -                    |
| <b>Total FTE</b>               | <b>348.80</b> | <b>347.00</b> | <b>351.00</b> | <b>359.00</b>  | <b>359.00</b>  | <b>-</b>             |

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

## Public Works

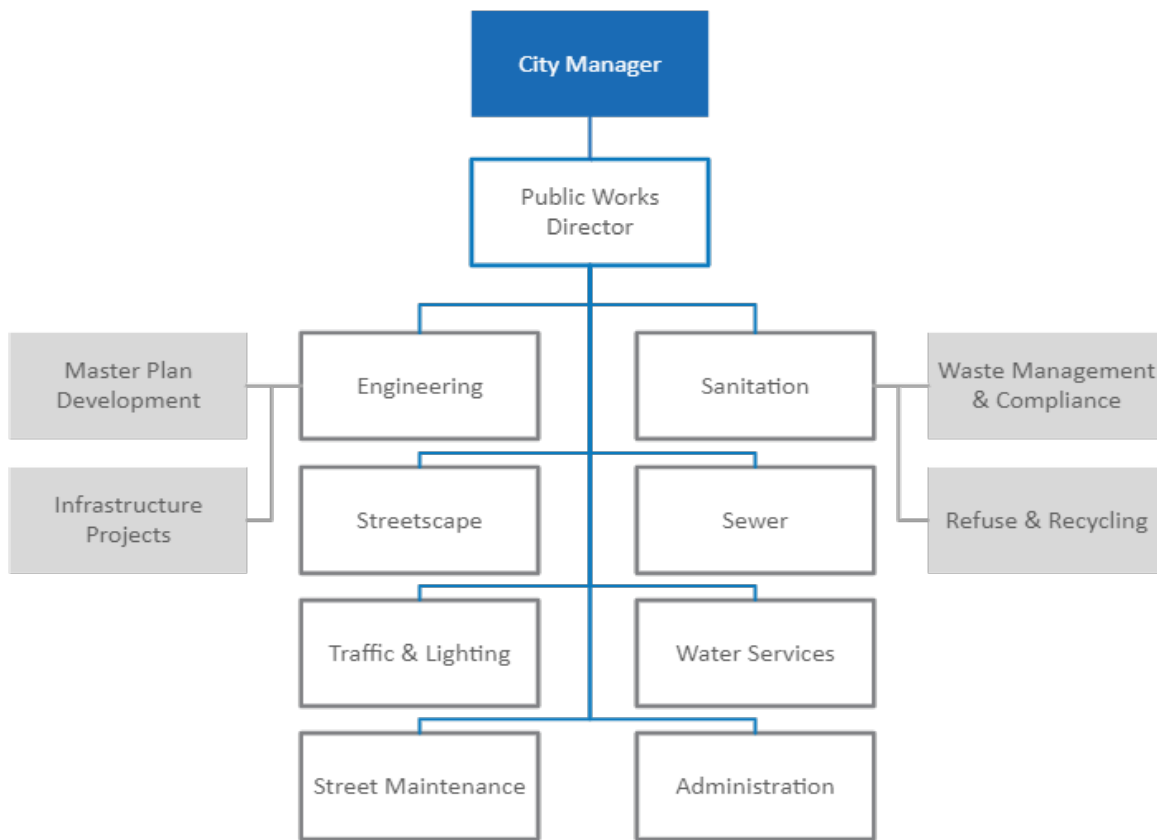
### Mission Statement

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<br>Actual      | FY21-22<br>Actual      | FY22-23<br>Actual      | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(Decrease) | FY24-25<br>Percent<br>Change |
|--------------------------------------|------------------------|------------------------|------------------------|------------------------------|------------------------------|------------------------------------|------------------------------|
| <b>Revenues</b>                      |                        |                        |                        |                              |                              |                                    |                              |
| 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%                         |
| <b>Total Revenues</b>                | <b>\$ 2,899,594</b>    | <b>\$ 2,465,632</b>    | <b>\$ 3,729,703</b>    | <b>\$ 4,525,325</b>          | <b>\$ 4,501,305</b>          | <b>\$ (24,020)</b>                 | <b>-0.5%</b>                 |
| <b>Expenditures</b>                  |                        |                        |                        |                              |                              |                                    |                              |
| 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%                      |
| <b>Total Expenditures</b>            | <b>\$ 18,157,103</b>   | <b>\$ 12,763,675</b>   | <b>\$ 16,270,511</b>   | <b>\$ 19,689,162</b>         | <b>\$ 21,122,469</b>         | <b>\$ 1,433,307</b>                | <b>7.3%</b>                  |
| <b>Revenues Less Expenditures</b>    | <b>\$ (15,257,509)</b> | <b>\$ (10,298,043)</b> | <b>\$ (12,540,808)</b> | <b>\$ (15,163,837)</b>       | <b>\$ (16,621,164)</b>       |                                    |                              |

The decrease in revenue budget of \$24,000 is mainly due to the **Other Revenues** and **Operating Transfers In** classifications. The 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 will 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 will 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 adopted 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 projected 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)

| Revenues                             | FY20-21<br>Actual    | FY21-22<br>Actual    | FY22-23<br>Actual    | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(Decrease) | FY24-25<br>Percent<br>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%                        |
| <b>Total Revenue</b>                 | <b>\$ 18,217,039</b> | <b>\$ 17,818,176</b> | <b>\$ 16,649,110</b> | <b>\$ 16,156,401</b>         | <b>\$ 18,918,815</b>         | <b>\$ 2,762,414</b>                | <b>17.1%</b>                 |
| Expenses                             | FY20-21<br>Actual    | FY21-22<br>Actual    | FY22-23<br>Actual    | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(Decrease) | FY24-25<br>Percent<br>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%                       |
| <b>Total Expense</b>                 | <b>\$ 17,652,164</b> | <b>\$ 16,075,488</b> | <b>\$ 14,811,383</b> | <b>\$ 20,155,560</b>         | <b>\$ 20,062,665</b>         | <b>\$ (92,895)</b>                 | <b>-0.5%</b>                 |
| <b>Revenues Less Expenditures</b>    | <b>\$ 564,875</b>    | <b>\$ 1,742,688</b>  | <b>\$ 1,837,727</b>  | <b>\$ (3,999,159)</b>        | <b>\$ (1,143,850)</b>        |                                    |                              |

As shown in the summary table above, the Sanitation Fund’s **Charges for Services** revenue classification will 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 will 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 will 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 adopted FY24-25 operating budget. As shown in the summary table above, the projected 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<br>Actual   | FY21-22<br>Actual   | FY22-23<br>Actual   | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(Decrease) | FY24-25<br>Percent<br>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%                       |
| <b>Total Revenue</b>                 | <b>\$ 8,025,561</b> | <b>\$ 7,460,680</b> | <b>\$ 6,569,643</b> | <b>\$ 8,622,923</b>          | <b>\$ 8,616,082</b>          | <b>\$ (6,841)</b>                  | <b>-0.1%</b>                 |
| Expenses                             | FY20-21<br>Actual   | FY21-22<br>Actual   | FY22-23<br>Actual   | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(Decrease) | FY24-25<br>Percent<br>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%                       |
| <b>Total Expense</b>                 | <b>\$ 8,060,774</b> | <b>\$ 7,255,006</b> | <b>\$ 5,230,481</b> | <b>\$ 6,891,511</b>          | <b>\$ 6,787,444</b>          | <b>\$ (104,067)</b>                | <b>-1.5%</b>                 |
| <b>Revenues Less Expenditures</b>    | <b>\$ (35,213)</b>  | <b>\$ 205,674</b>   | <b>\$ 1,339,162</b> | <b>\$ 1,731,412</b>          | <b>\$ 1,828,638</b>          |                                    |                              |

As shown in the summary table above, the Sewer Fund’s revenue will 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 projected increase of \$1.0 million in the **Depreciation and Amortization** expenditure classification occurs each fiscal year as part of the Sewer Fund’s projected 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<br>Actual    | FY21-22<br>Actual    | FY22-23<br>Actual    | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(Decrease) | FY24-25<br>Percent<br>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%                         |
| <b>Total Revenue</b>                         | <b>\$ 53,785,443</b> | <b>\$ 51,617,763</b> | <b>\$ 55,377,877</b> | <b>\$ 54,827,481</b>         | <b>\$ 54,803,501</b>         | <b>\$ (23,980)</b>                 | <b>0.0%</b>                  |
| Expenses                                     | FY20-21<br>Actual    | FY21-22<br>Actual    | FY22-23<br>Actual    | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(Decrease) | FY24-25<br>Percent<br>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%                         |
| <b>Total Expense</b>                         | <b>\$ 46,866,042</b> | <b>\$ 44,797,977</b> | <b>\$ 47,410,976</b> | <b>\$ 56,508,067</b>         | <b>\$ 53,970,219</b>         | <b>\$ (2,537,848)</b>              | <b>-4.5%</b>                 |
| <b>Revenues Less Expenditures</b>            | <b>\$ 6,919,401</b>  | <b>\$ 6,819,786</b>  | <b>\$ 7,966,901</b>  | <b>\$ (1,680,586)</b>        | <b>\$ 833,282</b>            |                                    |                              |

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 will 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 will 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 will 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 projected increase of \$2.1 million reflected in the **Depreciation and Amortization** expenditure classification occurs each fiscal year as

part of the Water Fund’s projected 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 projected 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<br>Actual   | FY21-22<br>Actual   | FY22-23<br>Actual   | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(Decrease) | FY24-25<br>Percent<br>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%                        |
| <b>Total Revenues</b>             | <b>\$ 2,731,993</b> | <b>\$ 2,428,066</b> | <b>\$ 1,710,391</b> | <b>\$ 1,806,995</b>          | <b>\$ 1,866,272</b>          | <b>\$ 59,277</b>                   | <b>3.3%</b>                  |
| Expenditures                      | FY20-21<br>Actual   | FY21-22<br>Actual   | FY22-23<br>Actual   | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(Decrease) | FY24-25<br>Percent<br>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%                         |
| <b>Total Expenditures</b>         | <b>\$ 2,760,097</b> | <b>\$ 2,428,066</b> | <b>\$ 1,710,390</b> | <b>\$ 1,806,995</b>          | <b>\$ 1,866,272</b>          | <b>\$ 59,277</b>                   | <b>3.3%</b>                  |
| <b>Revenues Less Expenditures</b> | <b>\$ (28,104)</b>  | <b>\$ -</b>         | <b>\$ 1</b>         | <b>\$ -</b>                  | <b>\$ -</b>                  |                                    |                              |

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 | Adopted 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          | -                    |
| <b>Total FTE</b>                  | <b>206.00</b> | <b>209.00</b> | <b>208.00</b> | <b>206.00</b>  | <b>205.00</b>  | <b>(1.00)</b>        |

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The Public Works staffing budget will 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 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.

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## Transit

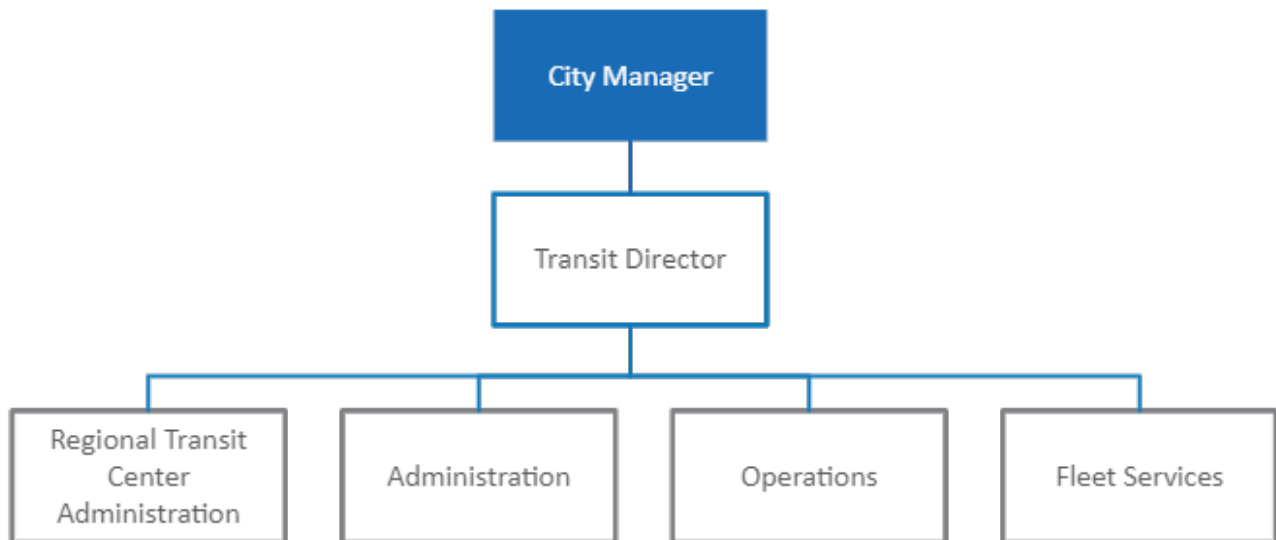
### Mission Statement

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)

|  | FY20-21<br>Actual    | FY21-22<br>Actual    | FY22-23<br>Actual    | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(Decrease) | FY24-25<br>Percent<br>Change |
|--|----------------------|----------------------|----------------------|------------------------------|------------------------------|------------------------------------|------------------------------|
| <b>Revenues</b>                              |                      |                      |                      |                              |                              |                                    |                              |
| 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%                         |
| <b>Total Revenue</b>                         | <b>\$ 40,454,749</b> | <b>\$ 35,621,601</b> | <b>\$ 35,962,667</b> | <b>\$ 37,254,922</b>         | <b>\$ 35,233,572</b>         | <b>\$ (2,021,350)</b>              | <b>-5.4%</b>                 |
| <b>Expenses</b>                              |                      |                      |                      |                              |                              |                                    |                              |
| 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 Purchases | 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%                       |
| <b>Total Expense</b>                         | <b>\$ 37,765,206</b> | <b>\$ 27,424,123</b> | <b>\$ 28,721,122</b> | <b>\$ 38,491,434</b>         | <b>\$ 40,196,249</b>         | <b>\$ 1,704,815</b>                | <b>4.4%</b>                  |
| <b>Revenues Less Expenditures</b>            | <b>\$ 2,689,543</b>  | <b>\$ 8,197,478</b>  | <b>\$ 7,241,545</b>  | <b>\$ (1,236,512)</b>        | <b>\$ (4,962,677)</b>        |                                    |                              |

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 will 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 projected increase of \$506,100 (+7.6%) in the **Interdepartmental Charges** expenditure classification is primarily driven by the recalculation of Transit's contributions to the Self-Insurance Fund and reallocation of indirect cost rates.

The projected 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 projected 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 | Adopted 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           | -                    |
| <b>Total FTE</b>                           | <b>169.80</b> | <b>195.80</b> | <b>196.80</b> | <b>196.80</b>  | <b>196.80</b>  | <b>-</b>             |

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The Transit staffing budget has a projected 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<br>Actual    | FY21-22<br>Actual    | FY22-23<br>Actual    | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(Decrease) | FY24-25<br>Percent<br>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%                         |
| <b>Total Expenditures</b>          | <b>\$ 17,877,380</b> | <b>\$ 11,704,738</b> | <b>\$ 36,248,875</b> | <b>\$ 21,916,362</b>         | <b>\$ 12,486,598</b>         | <b>\$ (9,429,764)</b>              |                              |

### 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 projected programs and budgets FY24-25:

| Programs                                       | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>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                       |
| <b>Total External Subsidies</b>                | <b>\$ 564,363</b>            | <b>\$ 604,890</b>            |

### 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<br>Actual   | FY21-22<br>Actual   | FY22-23<br>Actual   | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(Decrease) | FY24-25<br>Percent<br>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%                         |
| <b>Total Indirect Cost</b> | <b>\$ 7,610,489</b> | <b>\$ 7,114,694</b> | <b>\$ 6,320,271</b> | <b>\$ 8,557,193</b>          | <b>\$ 9,147,553</b>          | <b>\$ 590,360</b>                  |                              |

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<br>Amended<br>Budget | FY24-25<br>Adopted<br>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                       |
| <b>Total Transfers</b>             |  |   | <b>\$ 24,238,349</b>         | <b>\$ 14,744,570</b>         |

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<br>Amended<br>Budget | FY24-25<br>Adopted<br>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                    |
| <b>Total Transfers</b>             |  |   | <b>\$ 21,202,688</b>         | <b>\$ 25,670,124</b>         |

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

|                                   | FY20-21<br>Actual   | FY21-22<br>Actual   | FY22-23<br>Actual   | FY23-24<br>Amended<br>Budget | FY24-25<br>Adopted<br>Budget | FY24-25<br>Increase/<br>(Decrease) | FY24-25<br>Percent<br>Change |
|-----------------------------------|---------------------|---------------------|---------------------|------------------------------|------------------------------|------------------------------------|------------------------------|
| <b>Revenues</b>                   |                     |                     |                     |                              |                              |                                    |                              |
| 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%                       |
| <b>Total Revenue</b>              | <b>\$ 2,296,122</b> | <b>\$ 3,900,269</b> | <b>\$ 4,648,221</b> | <b>\$ 25,763,426</b>         | <b>\$ 12,981,411</b>         | <b>\$ (12,782,015)</b>             |                              |
| <b>Expenditures</b>               |                     |                     |                     |                              |                              |                                    |                              |
| 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%                      |
| <b>Total Expense</b>              | <b>\$ 835,962</b>   | <b>\$ 1,335,764</b> | <b>\$ 920,535</b>   | <b>\$ 2,599,007</b>          | <b>\$ 1,268,773</b>          | <b>\$ (1,330,234)</b>              |                              |
| <b>Revenues Less Expenditures</b> | <b>\$ 1,460,160</b> | <b>\$ 2,564,505</b> | <b>\$ 3,727,686</b> | <b>\$ 23,164,419</b>         | <b>\$ 11,712,638</b>         | <b>\$ (11,451,781)</b>             |                              |

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

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

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         | Adopted 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%                   |
| <b>Total Revenue</b>              | <b>\$ 393,885,656</b> | <b>\$ 19,097,306</b>  | <b>\$ 22,099,220</b> | <b>\$ 22,593,178</b>   | <b>\$ 23,107,338</b>   | <b>\$ 514,160</b>            |                        |
| Expenditures                      | FY20-21 Actual        | FY21-22 Actual        | FY22-23 Actual       | FY23-24 Amended Budget | FY24-25 Adopted Budget | FY24-25 Increase/ (Decrease) | FY24-25 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%                   |
| <b>Total Expense</b>              | <b>\$ 395,294,273</b> | <b>\$ 20,303,542</b>  | <b>\$ 22,098,251</b> | <b>\$ 22,593,178</b>   | <b>\$ 23,107,338</b>   | <b>\$ 514,160</b>            |                        |
| <b>Revenues Less Expenditures</b> | <b>\$ (1,408,617)</b> | <b>\$ (1,206,236)</b> | <b>\$ 969</b>        | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>                  |                        |

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               |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Beginning Fund Balance</b>                     | 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           |
| <b>Net Change Operating Activities</b>            | <b>\$ 9,384,780</b>   | <b>\$ 9,907,514</b>   | <b>\$ 1,242,803</b>   | <b>\$ 3,362,875</b>   | <b>\$ 36,755</b>      |
| <b>Ending Fund Balance</b>                        | <b>\$ 124,117,104</b> | <b>\$ 134,024,618</b> | <b>\$ 135,267,421</b> | <b>\$ 138,630,296</b> | <b>\$ 138,667,051</b> |
| Reserved for Capital Improvement Projects         | 10,620,160            | 8,076,831             | 7,109,948             | 7,116,455             | 7,172,854             |
| <b>Fund Balance Detail</b>                        |                       |                       |                       |                       |                       |
| 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            |
| <b>20% Reserve (Unassigned) Threshold</b>         | <b>\$ 57,364,911</b>  | <b>\$ 59,628,346</b>  | <b>\$ 62,099,024</b>  | <b>\$ 64,737,888</b>  | <b>\$ 67,651,249</b>  |
| <b>Projected Reserves as Percentage of Budget</b> | <b>25.3%</b>          | <b>25.0%</b>          | <b>25.2%</b>          | <b>25.1%</b>          | <b>24.9%</b>          |

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              |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Beginning Fund Balance</b>             | 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           |
| <b>Net Change Operating Activities</b>    | <b>\$ 2,171,252</b>  | <b>\$ 1,800,055</b>  | <b>\$ 2,635,676</b>  | <b>\$ 2,671,290</b>  | <b>\$ 2,322,367</b>  |
| Reserved for Capital Improvement Projects | 500,000              | 900,000              | 100,000              | 100,000              | 500,000              |
| <b>Ending Fund Balance</b>                | <b>\$ 36,740,581</b> | <b>\$ 39,440,636</b> | <b>\$ 42,176,312</b> | <b>\$ 44,947,602</b> | <b>\$ 47,769,969</b> |

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       |
|---|----------------|---------------|---------------|---------------|---------------|
| <b>Beginning Fund Balance</b>             | 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    |
| <b>Net Change Operating Activities</b>    | \$ (1,143,850) | \$ (297,282)  | \$ 472,896    | \$ 1,335,589  | \$ 1,283,305  |
| Reserved for Capital Improvement Projects | -              | -             | -             | -             | -             |
| <b>Ending Fund Balance</b>                | \$ 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              |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Beginning Fund Balance</b>             | 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            |
| <b>Net Change Operating Activities</b>    | <b>\$ 1,828,638</b>  | <b>\$ 1,895,828</b>  | <b>\$ 1,965,312</b>  | <b>\$ 2,035,494</b>  | <b>\$ 2,083,860</b>  |
| Reserved for Capital Improvement Projects | 1,917,662            | 1,943,545            | 1,970,722            | 1,999,258            | 2,071,221            |
| <b>Ending Fund Balance</b>                | <b>\$ 53,112,971</b> | <b>\$ 56,952,344</b> | <b>\$ 60,888,378</b> | <b>\$ 64,923,130</b> | <b>\$ 69,078,211</b> |

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               |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Beginning Fund Balance</b>             | 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            |
| <b>Net Change Operating Activities</b>    | <b>\$ (4,962,677)</b> | <b>\$ (5,706,121)</b> | <b>\$ (6,498,512)</b> | <b>\$ (7,318,458)</b> | <b>\$ (7,937,004)</b> |
| <b>Ending Fund Balance</b>                | <b>\$ 49,724,366</b>  | <b>\$ 47,256,464</b>  | <b>\$ 43,996,171</b>  | <b>\$ 39,915,932</b>  | <b>\$ 35,217,147</b>  |
| Reserved for Capital Improvement Projects | -                     | -                     | -                     | -                     | -                     |
| Adjustment for Non-Cash                   | 3,238,219             | 3,238,219             | 3,238,219             | 3,238,219             | 3,238,219             |
| <b>Ending Fund Balance (adj)</b>          | <b>\$ 52,962,585</b>  | <b>\$ 50,494,683</b>  | <b>\$ 47,234,390</b>  | <b>\$ 43,154,151</b>  | <b>\$ 38,455,366</b>  |

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               |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Beginning Fund Balance</b>             | 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            |
| <b>Net Change Operating Activities</b>    | <b>\$ 833,282</b>     | <b>\$ 837,731</b>     | <b>\$ (1,259,038)</b> | <b>\$ (1,457,947)</b> | <b>\$ (111,534)</b>   |
| Reserved for Capital Improvement Projects | 2,500,000             | 2,500,000             | 4,600,000             | 4,800,000             | 3,500,000             |
| <b>Ending Fund Balance</b>                | <b>\$ 137,019,363</b> | <b>\$ 140,357,094</b> | <b>\$ 143,698,056</b> | <b>\$ 147,040,109</b> | <b>\$ 150,428,575</b> |

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 adopted Capital Improvement Plan

## Fleet Services Fund

|   | FY24-25              | FY25-26              | FY26-27              | FY27-28              | FY28-29              |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Beginning Fund Balance</b>             | 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            |
| <b>Net Change Operating Activities</b>    | <b>\$ 4,817,099</b>  | <b>\$ 5,089,841</b>  | <b>\$ 5,403,871</b>  | <b>\$ 5,737,254</b>  | <b>\$ 6,064,034</b>  |
| Reserved for Capital Improvement Projects | -                    | -                    | -                    | -                    | -                    |
| <b>Ending Fund Balance</b>                | <b>\$ 48,275,758</b> | <b>\$ 53,365,599</b> | <b>\$ 58,769,470</b> | <b>\$ 64,506,724</b> | <b>\$ 70,570,758</b> |

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         |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Beginning Fund Balance</b>             | (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      |
| <b>Net Change Operating Activities</b>    | \$ 226,817      | \$ (80,010)     | \$ (93,004)     | \$ 142,264      | \$ 667,994      |
| Reserved for Capital Improvement Projects | -               | -               | -               | -               | -               |
| <b>Ending Fund Balance</b>                | \$ (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 and a large tree. In the background, there is a utility pole with power lines, a fence, and a hillside with more trees. The sky is clear and blue.

# **CAPITAL IMPROVEMENT PLAN**

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# 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 projected 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<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>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                      |
| <b>Total Expenditures</b> | <b>\$ 66,795,590</b>         | <b>\$ 37,830,497</b>           | <b>\$ 41,095,437</b>           | <b>\$36,337,836</b>            |

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The City is adopting 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<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>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                      |
| <b>Total Expenditures</b>                  | <b>\$66,795,590</b>          | <b>\$37,830,497</b>            | <b>\$ 41,095,437</b>           | <b>\$36,337,836</b>            |

The table above summarizes all the various funding sources for the adopted 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<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>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                        | -                              |
| <b>Total Expenditures</b> |                                | <b>\$7,826,007</b>           | <b>\$3,444,833</b>             | <b>\$8,094,915</b>             | <b>\$6,413,233</b>             |

## 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 million 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 Adopted 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                  | -                        |
| <b>Total Expenditures</b>   |            | <b>\$ 12,764,164</b>   | <b>\$ 5,744,423</b>      | <b>\$ 3,796,980</b>      | <b>\$ 1,825,565</b>      |

## Individual Project Details

### Alta Loma Park

26126 Delos Drive, Torrance, CA 90505 | District 6

|                              | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>Budget |
|------------------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|
| <b>Alta Loma Park</b>        |                              |                                |                                |                                |
| Replace Playground Equipment | 375,000                      | -                              | -                              | -                              |
| <b>Total Expenditures</b>    | <b>\$ 375,000</b>            | <b>\$ -</b>                    | <b>\$ -</b>                    | <b>\$ -</b>                    |
| <b>Funding Source(s)</b>     |                              |                                |                                |                                |
| Measure SST Fund             | 375,000                      | -                              | -                              | -                              |
| <b>Total Expenditures</b>    | <b>\$ 375,000</b>            | <b>\$ -</b>                    | <b>\$ -</b>                    | <b>\$ -</b>                    |

### Columbia Park

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

|   | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>Budget |
|---|------------------------------|--------------------------------|--------------------------------|--------------------------------|
| <b>Columbia Park</b>                    |                              |                                |                                |                                |
| 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                    | -                              | -                              | -                              |
| <b>Total Expenditures</b>               | <b>\$ 6,121,840</b>          | <b>\$ 3,750,000</b>            | <b>\$ -</b>                    | <b>\$ -</b>                    |
| <b>Funding Source(s)</b>                |                              |                                |                                |                                |
| Measure A Annual Allocation             | -                            | 250,000                        | -                              | -                              |
| Other Grants                            | 5,000,000                    | 3,500,000                      | -                              | -                              |
| Measure SST Fund                        | 1,121,840                    | -                              | -                              | -                              |
| <b>Total Expenditures</b>               | <b>\$ 6,121,840</b>          | <b>\$ 3,750,000</b>            | <b>\$ -</b>                    | <b>\$ -</b>                    |

## De Portola Park

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

| De Portola Park             | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>Budget |
|-----------------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Renovate Park Restroom      | -                            | -                              | -                              | 24,090                         |
| <b>Total Expenditures</b>   | <b>\$ -</b>                  | <b>\$ -</b>                    | <b>\$ -</b>                    | <b>\$ 24,090</b>               |
| Funding Source(s)           |                              |                                |                                |                                |
| Parks & Rec Open Space Fund | -                            | -                              | -                              | 24,090                         |
| <b>Total Expenditures</b>   | <b>\$ -</b>                  | <b>\$ -</b>                    | <b>\$ -</b>                    | <b>\$ 24,090</b>               |

## Delthorne Park

3401 Spencer Street, Torrance, CA 90503 | District 3

| Delthorne Park            | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>Budget |
|---------------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Renovate Park Restroom    | 381,269                      | -                              | -                              | -                              |
| <b>Total Expenditures</b> | <b>\$ 381,269</b>            | <b>\$ -</b>                    | <b>\$ -</b>                    | <b>\$ -</b>                    |
| Funding Source(s)         |                              |                                |                                |                                |
| Measure SST Fund          | 381,269                      | -                              | -                              | -                              |
| <b>Total Expenditures</b> | <b>\$ 381,269</b>            | <b>\$ -</b>                    | <b>\$ -</b>                    | <b>\$ -</b>                    |

## Discovery Park

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

| Discovery Park            | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>Budget |
|---------------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Landscaping Improvements  | 100,000                      | -                              | -                              | -                              |
| <b>Total Expenditures</b> | <b>\$ 100,000</b>            | <b>\$ -</b>                    | <b>\$ -</b>                    | <b>\$ -</b>                    |
| Funding Source(s)         |                              |                                |                                |                                |
| Other Grants              | 100,000                      | -                              | -                              | -                              |
| <b>Total Expenditures</b> | <b>\$ 100,000</b>            | <b>\$ -</b>                    | <b>\$ -</b>                    | <b>\$ -</b>                    |

## El Nido Park

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

| El Nido Park                 | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>Budget |
|------------------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Replace Playground Equipment | 400,000                      | -                              | -                              | -                              |
| <b>Total Expenditures</b>    | <b>\$ 400,000</b>            | <b>\$ -</b>                    | <b>\$ -</b>                    | <b>\$ -</b>                    |
| Funding Source(s)            |                              |                                |                                |                                |
| Measure SST Fund             | 400,000                      | -                              | -                              | -                              |
| <b>Total Expenditures</b>    | <b>\$ 400,000</b>            | <b>\$ -</b>                    | <b>\$ -</b>                    | <b>\$ -</b>                    |

## Entradero Park

5500 Towers Street, Torrance, CA 90503 | District 2

| Entradero Park              | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>Budget |
|-----------------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Renovate Restroom           | -                            | -                              | -                              | 438,808                        |
| <b>Total Expenditures</b>   | <b>\$ -</b>                  | <b>\$ -</b>                    | <b>\$ -</b>                    | <b>\$ 438,808</b>              |
| Funding Source(s)           |                              |                                |                                |                                |
| Parks & Rec Open Space Fund | -                            | -                              | -                              | 438,808                        |
| <b>Total Expenditures</b>   | <b>\$ -</b>                  | <b>\$ -</b>                    | <b>\$ -</b>                    | <b>\$ 438,808</b>              |

## Guenser Park

17800 Gramercy Place, Torrance, CA 90504 | District 1

| Guenser Park              | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>Budget |
|---------------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Walking Path Replacement  | 197,750                      | -                              | -                              | -                              |
| <b>Total Expenditures</b> | <b>\$ 197,750</b>            | <b>\$ -</b>                    | <b>\$ -</b>                    | <b>\$ -</b>                    |
| Funding Source(s)         |                              |                                |                                |                                |
| Measure SST Fund          | 197,750                      | -                              | -                              | -                              |
| <b>Total Expenditures</b> | <b>\$ 197,750</b>            | <b>\$ -</b>                    | <b>\$ -</b>                    | <b>\$ -</b>                    |

## Hickory Park

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

| Hickory Park                | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>Budget |
|-----------------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Renovate Park Restrooms     | -                            | -                              | -                              | 43,420                         |
| <b>Total Expenditures</b>   | <b>\$ -</b>                  | <b>\$ -</b>                    | <b>\$ -</b>                    | <b>\$ 43,420</b>               |
| Funding Source(s)           |                              |                                |                                |                                |
| Parks & Rec Open Space Fund | -                            | -                              | -                              | 43,420                         |
| <b>Total Expenditures</b>   | <b>\$ -</b>                  | <b>\$ -</b>                    | <b>\$ -</b>                    | <b>\$ 43,420</b>               |

## La Romeria Park

19501 Inglewood Avenue, Torrance, CA 90503 | District 2

| La Romeria Park                   | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>Budget |
|-----------------------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Renovate Park Recreation Building | -                            | -                              | -                              | 608,076                        |
| Renovate Park Restrooms & Storage | -                            | -                              | -                              | 100,520                        |
| <b>Total Expenditures</b>         | <b>\$ -</b>                  | <b>\$ -</b>                    | <b>\$ -</b>                    | <b>\$ 708,596</b>              |
| Funding Source(s)                 |                              |                                |                                |                                |
| General Fund                      | -                            | -                              | -                              | 100,520                        |
| Measure A Annual Allocation       | -                            | -                              | -                              | 608,076                        |
| <b>Total Expenditures</b>         | <b>\$ -</b>                  | <b>\$ -</b>                    | <b>\$ -</b>                    | <b>\$ 708,596</b>              |

## Lago Seco Park

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

| Lago Seco Park            | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>Budget |
|---------------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Renovate Park Restrooms   | -                            | 148,255                        | -                              | -                              |
| <b>Total Expenditures</b> | <b>\$ -</b>                  | <b>\$ 148,255</b>              | <b>\$ -</b>                    | <b>\$ -</b>                    |
| Funding Source(s)         |                              |                                |                                |                                |
| Measure SST Fund          | -                            | 148,255                        | -                              | -                              |
| <b>Total Expenditures</b> | <b>\$ -</b>                  | <b>\$ 148,255</b>              | <b>\$ -</b>                    | <b>\$ -</b>                    |

## Madrona Marsh Nature Center

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

| Madrona Marsh Nature Center | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>Budget |
|-----------------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Replace Perimeter Fence     | 65,000                       | -                              | -                              | -                              |
| Replace Sump Pump           | 90,000                       | -                              | -                              | -                              |
| <b>Total Expenditures</b>   | <b>\$ 155,000</b>            | <b>\$ -</b>                    | <b>\$ -</b>                    | <b>\$ -</b>                    |
| Funding Source(s)           |                              |                                |                                |                                |
| Measure SST Fund            | 155,000                      | -                              | -                              | -                              |
| <b>Total Expenditures</b>   | <b>\$ 155,000</b>            | <b>\$ -</b>                    | <b>\$ -</b>                    | <b>\$ -</b>                    |

## McMaster Park

3624 Artesia Boulevard, Torrance, CA 90504 | District 1

| McMaster Park                | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>Budget |
|------------------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Renovate Park Building       | -                            | 301,328                        | -                              | -                              |
| Renovate Recreation Building | -                            | 372,990                        | -                              | -                              |
| <b>Total Expenditures</b>    | <b>\$ -</b>                  | <b>\$ 674,318</b>              | <b>\$ -</b>                    | <b>\$ -</b>                    |
| Funding Source(s)            |                              |                                |                                |                                |
| Measure A Annual Allocation  | -                            | 674,318                        | -                              | -                              |
| <b>Total Expenditures</b>    | <b>\$ -</b>                  | <b>\$ 674,318</b>              | <b>\$ -</b>                    | <b>\$ -</b>                    |

## Paradise Park

5006 Lee Street, Torrance, CA 90503 | District 2

| Paradise Park                             | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>Budget |
|---|------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Redesign/Replace Picnic Shelter & Storage | 711,000                      | -                              | -                              | -                              |
| Redesign/Replace Recreation Center        | 911,000                      | -                              | -                              | -                              |
| Redesign/Replace Restrooms                | 815,000                      | -                              | -                              | -                              |
| Replace Playground Equipment              | 350,000                      | -                              | -                              | -                              |
| <b>Total Expenditures</b>                 | <b>\$ 2,787,000</b>          | <b>\$ -</b>                    | <b>\$ -</b>                    | <b>\$ -</b>                    |
| Funding Source(s)                         |                              |                                |                                |                                |
| Donations                                 | 100,000                      | -                              | -                              | -                              |
| Prop A M&S                                | 850,000                      | -                              | -                              | -                              |
| Measure SST Fund                          | 1,837,000                    | -                              | -                              | -                              |
| <b>Total Expenditures</b>                 | <b>\$ 2,787,000</b>          | <b>\$ -</b>                    | <b>\$ -</b>                    | <b>\$ -</b>                    |

## Pequeno Park

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

| Pequeno Park                | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>Budget |
|-----------------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Replace Park Fence          | -                            | -                              | 200,000                        | -                              |
| <b>Total Expenditures</b>   | <b>\$ -</b>                  | <b>\$ -</b>                    | <b>\$ 200,000</b>              | <b>\$ -</b>                    |
| Funding Source(s)           |                              |                                |                                |                                |
| Measure A Annual Allocation | -                            | -                              | 200,000                        | -                              |
| <b>Total Expenditures</b>   | <b>\$ -</b>                  | <b>\$ -</b>                    | <b>\$ 200,000</b>              | <b>\$ -</b>                    |

## Sea-Aire Park

22730 Lupine Drive, Torrance, CA 90505 | District 5

| Sea-Aire Park                 | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>Budget |
|-------------------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Renovate Maintenance Building | -                            | -                              | 65,360                         | -                              |
| Renovate Recreation Building  | -                            | -                              | 758,210                        | -                              |
| Replace Playground Equipment  | -                            | -                              | 250,000                        | -                              |
| <b>Total Expenditures</b>     | <b>\$ -</b>                  | <b>\$ -</b>                    | <b>\$ 1,073,570</b>            | <b>\$ -</b>                    |
| Funding Source(s)             |                              |                                |                                |                                |
| Measure A Annual Allocation   | -                            | -                              | 1,073,570                      | -                              |
| <b>Total Expenditures</b>     | <b>\$ -</b>                  | <b>\$ -</b>                    | <b>\$ 1,073,570</b>            | <b>\$ -</b>                    |

## Sunnyglen Park

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

| Sunnyglen Park              | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>Budget |
|-----------------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Walking Path Replacement    | -                            | -                              | 110,000                        | -                              |
| <b>Total Expenditures</b>   | <b>\$ -</b>                  | <b>\$ -</b>                    | <b>\$ 110,000</b>              | <b>\$ -</b>                    |
| Funding Source(s)           |                              |                                |                                |                                |
| Measure A Annual Allocation | -                            | -                              | 110,000                        | -                              |
| <b>Total Expenditures</b>   | <b>\$ -</b>                  | <b>\$ -</b>                    | <b>\$ 110,000</b>              | <b>\$ -</b>                    |

## Sur La Brea Park

23610 Cabrillo Avenue, Torrance, CA 90501 | District 4

| Sur La Brea Park             | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>Budget |
|------------------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Renovate Recreation Building | -                            | -                              | -                              | 562,791                        |
| Renovate Restroom            | -                            | -                              | -                              | 47,860                         |
| <b>Total Expenditures</b>    | <b>\$ -</b>                  | <b>\$ -</b>                    | <b>\$ -</b>                    | <b>\$ 610,651</b>              |
| Funding Source(s)            |                              |                                |                                |                                |
| General Fund                 | -                            | -                              | -                              | 47,860                         |
| Measure A Annual Allocation  | -                            | -                              | -                              | 562,791                        |
| <b>Total Expenditures</b>    | <b>\$ -</b>                  | <b>\$ -</b>                    | <b>\$ -</b>                    | <b>\$ 610,651</b>              |

## Torrance Park

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

| Torrance Park                | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>Budget |
|------------------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Refurbish Park Amenities     | 268,440                      | -                              | -                              | -                              |
| Replace Playground Equipment | 375,000                      | -                              | -                              | -                              |
| <b>Total Expenditures</b>    | <b>\$ 643,440</b>            | <b>\$ -</b>                    | <b>\$ -</b>                    | <b>\$ -</b>                    |
| Funding Source(s)            |                              |                                |                                |                                |
| Other Grants                 | 268,440                      | -                              | -                              | -                              |
| Measure SST Fund             | 375,000                      | -                              | -                              | -                              |
| <b>Total Expenditures</b>    | <b>\$ 643,440</b>            | <b>\$ -</b>                    | <b>\$ -</b>                    | <b>\$ -</b>                    |

## Walteria Park

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

| Walteria Park  | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>Budget |
|--|------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Construct New Park Picnic Shelter and Maintenance Building | -                            | -                              | 1,592,000                      | -                              |
| Park Design Development                                    | -                            | 1,000,000                      | -                              | -                              |
| Refurbish Roadways   | -                            | -                              | 100,000                        | -                              |
| <b>Total Expenditures</b>                                  | <b>\$ -</b>                  | <b>\$ 1,000,000</b>            | <b>\$ 1,692,000</b>            | <b>\$ -</b>                    |
| Funding Source(s)  |                              |                                |                                |                                |
| Measure A Annual Allocation                                | -                            | -                              | 1,692,000                      | -                              |
| Measure SST Fund   | -                            | 1,000,000                      | -                              | -                              |
| <b>Total Expenditures</b>                                  | <b>\$ -</b>                  | <b>\$ 1,000,000</b>            | <b>\$ 1,692,000</b>            | <b>\$ -</b>                    |

## Wilson Park

2200 Crenshaw Boulevard, Torrance, CA 90501 | District 4

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

## 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 Adopted 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                |
| <b>Total Expenditures</b>     |            | <b>\$ 9,541,060</b>    | <b>\$ 5,083,308</b>      | <b>\$ 12,890,316</b>     | <b>\$ 10,623,093</b>     |

## Individual Project Details

### Attic Teen Center

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

| Attic Teen Center           | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>Budget |
|-----------------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Refurbish Roadways          | -                            | -                              | -                              | 59,880                         |
| Renovate Center Facilities  | -                            | -                              | -                              | 746,590                        |
| <b>Total Expenditures</b>   | <b>\$ -</b>                  | <b>\$ -</b>                    | <b>\$ -</b>                    | <b>\$ 806,470</b>              |
| Funding Source(s)           |                              |                                |                                |                                |
| Parks & Rec Facilities Fund | -                            | -                              | -                              | 806,470                        |
| <b>Total Expenditures</b>   | <b>\$ -</b>                  | <b>\$ -</b>                    | <b>\$ -</b>                    | <b>\$ 806,470</b>              |

### Bartlett Senior Center

1318 Cravens Ave, Torrance, CA 90501 | District 4

| Bartlett Senior Center        | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>Budget |
|-------------------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Renovate Center Facilities    | -                            | -                              | -                              | 917,860                        |
| Second Story Walk Deck Repair | 100,600                      | -                              | -                              | -                              |
| <b>Total Expenditures</b>     | <b>\$ 100,600</b>            | <b>\$ -</b>                    | <b>\$ -</b>                    | <b>\$ 917,860</b>              |
| Funding Source(s)             |                              |                                |                                |                                |
| Parks & Rec Open Space Fund   | -                            | -                              | -                              | 917,860                        |
| Measure SST Fund              | 100,600                      | -                              | -                              | -                              |
| <b>Total Expenditures</b>     | <b>\$ 100,600</b>            | <b>\$ -</b>                    | <b>\$ -</b>                    | <b>\$ 917,860</b>              |

### Dee Hardison Sports Center

2400 Jefferson St, Torrance, CA 90501 | District 4

| Dee Hardison Sports Center | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>Budget |
|----------------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Renovate Center Facilities | -                            | 153,460                        | -                              | -                              |
| <b>Total Expenditures</b>  | <b>\$ -</b>                  | <b>\$ 153,460</b>              | <b>\$ -</b>                    | <b>\$ -</b>                    |
| Funding Source(s)          |                              |                                |                                |                                |
| Measure SST Fund           | -                            | 153,460                        | -                              | -                              |
| <b>Total Expenditures</b>  | <b>\$ -</b>                  | <b>\$ 153,460</b>              | <b>\$ -</b>                    | <b>\$ -</b>                    |

## Fire Station 1

1701 Crenshaw Blvd, Torrance, CA 90501 | District 3

| Fire Station 1            | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>Budget |
|---------------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Renovate Fire Station     | 1,054,950                    | -                              | -                              | -                              |
| Replace Generator         | 69,273                       | -                              | -                              | -                              |
| <b>Total Expenditures</b> | <b>\$ 1,124,223</b>          | <b>\$ -</b>                    | <b>\$ -</b>                    | <b>\$ -</b>                    |
| Funding Source(s)         |                              |                                |                                |                                |
| Measure SST Fund          | 1,124,223                    | -                              | -                              | -                              |
| <b>Total Expenditures</b> | <b>\$ 1,124,223</b>          | <b>\$ -</b>                    | <b>\$ -</b>                    | <b>\$ -</b>                    |

## Fire Station 4

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

| Fire Station 4            | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>Budget |
|---------------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Renovate Fire Station     | 109,820                      | -                              | -                              | -                              |
| <b>Total Expenditures</b> | <b>\$ 109,820</b>            | <b>\$ -</b>                    | <b>\$ -</b>                    | <b>\$ -</b>                    |
| Funding Source(s)         |                              |                                |                                |                                |
| Measure SST Fund          | 109,820                      | -                              | -                              | -                              |
| <b>Total Expenditures</b> | <b>\$ 109,820</b>            | <b>\$ -</b>                    | <b>\$ -</b>                    | <b>\$ -</b>                    |

## Fire Station 5

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

| Fire Station 5            | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>Budget |
|---------------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Refurbish Roadways        | -                            | -                              | 375,100                        | -                              |
| Renovate Fire Station     | -                            | -                              | 1,745,642                      | -                              |
| <b>Total Expenditures</b> | <b>\$ -</b>                  | <b>\$ -</b>                    | <b>\$ 2,120,742</b>            | <b>\$ -</b>                    |
| Funding Source(s)         |                              |                                |                                |                                |
| Measure SST Fund          | -                            | -                              | 2,120,742                      | -                              |
| <b>Total Expenditures</b> | <b>\$ -</b>                  | <b>\$ -</b>                    | <b>\$ 2,120,742</b>            | <b>\$ -</b>                    |

## Herma Tillim Senior Center

3612 Artesia Blvd, Torrance, CA 90504 | District 1

| Herma Tillim Senior Center  | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>Budget |
|-----------------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Renovate Center Facilities  | 970,663                      | -                              | -                              | -                              |
| <b>Total Expenditures</b>   | <b>\$ 970,663</b>            | <b>\$ -</b>                    | <b>\$ -</b>                    | <b>\$ -</b>                    |
| Funding Source(s)           |                              |                                |                                |                                |
| Parks & Rec Open Space Fund | 970,663                      | -                              | -                              | -                              |
| <b>Total Expenditures</b>   | <b>\$ 970,663</b>            | <b>\$ -</b>                    | <b>\$ -</b>                    | <b>\$ -</b>                    |

## Las Canchas Tennis Center

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

| Las Canchas Tennis Center   | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>Budget |
|-----------------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Renovate Center Facilities  | -                            | -                              | -                              | 322,350                        |
| <b>Total Expenditures</b>   | <b>\$ -</b>                  | <b>\$ -</b>                    | <b>\$ -</b>                    | <b>\$ 322,350</b>              |
| Funding Source(s)           |                              |                                |                                |                                |
| Parks & Rec Open Space Fund | -                            | -                              | -                              | 322,350                        |
| <b>Total Expenditures</b>   | <b>\$ -</b>                  | <b>\$ -</b>                    | <b>\$ -</b>                    | <b>\$ 322,350</b>              |

## North Torrance Library

3604 Artesia Blvd, Torrance, CA 90504 | District 1

| North Torrance Library    | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>Budget |
|---------------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Facade Improvements       | 138,287                      | -                              | -                              | -                              |
| <b>Total Expenditures</b> | <b>\$ 138,287</b>            | <b>\$ -</b>                    | <b>\$ -</b>                    | <b>\$ -</b>                    |
| Funding Source(s)         |                              |                                |                                |                                |
| Measure SST Fund          | 138,287                      | -                              | -                              | -                              |
| <b>Total Expenditures</b> | <b>\$ 138,287</b>            | <b>\$ -</b>                    | <b>\$ -</b>                    | <b>\$ -</b>                    |

## Ruben Ordaz Community Center

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

| Ruben Ordaz Community Center | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>Budget |
|------------------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Renovate Center Facilities   | -                            | -                              | 264,621                        | -                              |
| <b>Total Expenditures</b>    | <b>\$ -</b>                  | <b>\$ -</b>                    | <b>\$ 264,621</b>              | <b>\$ -</b>                    |
| Funding Source(s)            |                              |                                |                                |                                |
| Measure A Annual Allocation  | -                            | -                              | 264,621                        | -                              |
| <b>Total Expenditures</b>    | <b>\$ -</b>                  | <b>\$ -</b>                    | <b>\$ 264,621</b>              | <b>\$ -</b>                    |

## Russ Nolte Annex

1339 Post Ave, Torrance, CA 90501 | District 4

| Russ Nolte Annex          | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>Budget |
|---------------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Renovate Annex Building   | -                            | -                              | -                              | 699,363                        |
| <b>Total Expenditures</b> | <b>\$ -</b>                  | <b>\$ -</b>                    | <b>\$ -</b>                    | <b>\$ 699,363</b>              |
| Funding Source(s)         |                              |                                |                                |                                |
| Measure SST Fund          | -                            | -                              | -                              | 699,363                        |
| <b>Total Expenditures</b> | <b>\$ -</b>                  | <b>\$ -</b>                    | <b>\$ -</b>                    | <b>\$ 699,363</b>              |

## Southeast Library

23115 Arlington Ave, Torrance, CA 90501 | District 4

| Southeast Library           | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>Budget |
|-----------------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Refurbish Roadways          | -                            | 149,720                        | -                              | -                              |
| Renovate Library Facilities | -                            | 1,166,398                      | -                              | -                              |
| <b>Total Expenditures</b>   | <b>\$ -</b>                  | <b>\$ 1,316,118</b>            | <b>\$ -</b>                    | <b>\$ -</b>                    |
| Funding Source(s)           |                              |                                |                                |                                |
| Measure SST Fund            | -                            | 1,316,118                      | -                              | -                              |
| <b>Total Expenditures</b>   | <b>\$ -</b>                  | <b>\$ 1,316,118</b>            | <b>\$ -</b>                    | <b>\$ -</b>                    |

## Torrance City Hall

3031 Torrance Blvd, Torrance, CA 90503 | District 3

| Torrance City Hall                          | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>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                      | -                              | -                              | -                              |
| <b>Total Expenditures</b>                   | <b>\$ 1,897,036</b>          | <b>\$ 99,450</b>               | <b>\$ -</b>                    | <b>\$ -</b>                    |
| Funding Source(s)                           |                              |                                |                                |                                |
| General Fund                                | 1,897,036                    | 99,450                         | -                              | -                              |
| <b>Total Expenditures</b>                   | <b>\$ 1,897,036</b>          | <b>\$ 99,450</b>               | <b>\$ -</b>                    | <b>\$ -</b>                    |

## Torrance City Yard

20500 Madrona Ave, Torrance, CA 90503 | District 3

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

## Torrance Cultural Arts Center

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

| Torrance Cultural Arts Center | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>Budget |
|-------------------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Renovate Center Facilities    | 116,504                      | -                              | -                              | -                              |
| Renovate Toyota Meeting Hall  | 173,364                      | -                              | -                              | -                              |
| <b>Total Expenditures</b>     | <b>\$ 289,868</b>            | <b>\$ -</b>                    | <b>\$ -</b>                    | <b>\$ -</b>                    |
| Funding Source(s)             |                              |                                |                                |                                |
| Measure SST Fund              | 289,868                      | -                              | -                              | -                              |
| <b>Total Expenditures</b>     | <b>\$ 289,868</b>            | <b>\$ -</b>                    | <b>\$ -</b>                    | <b>\$ -</b>                    |

## Torrance Historical Museum

1345 Post Ave, Torrance, CA 90501 | District 4

| Torrance Historical Museum | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>Budget |
|----------------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Renovate Museum Facilities | 593,350                      | -                              | -                              | -                              |
| <b>Total Expenditures</b>  | <b>\$ 593,350</b>            | <b>\$ -</b>                    | <b>\$ -</b>                    | <b>\$ -</b>                    |
| Funding Source(s)          |                              |                                |                                |                                |
| Measure SST Fund           | 593,350                      | -                              | -                              | -                              |
| <b>Total Expenditures</b>  | <b>\$ 593,350</b>            | <b>\$ -</b>                    | <b>\$ -</b>                    | <b>\$ -</b>                    |

## Torrance Municipal Airport

3301 Airport Dr, Torrance, CA 90505 | District 6

| Torrance Municipal Airport                    | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>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                    | -                              | -                              | -                              |
| <b>Total Expenditures</b>                     | <b>\$ 2,102,298</b>          | <b>\$ 730,850</b>              | <b>\$ 2,494,220</b>            | <b>\$ 1,370,210</b>            |
| Funding Source(s)                             |                              |                                |                                |                                |
| Airport Capital Project Fund                  | 2,102,298                    | 730,850                        | 2,494,220                      | 1,370,210                      |
| <b>Total Expenditures</b>                     | <b>\$ 2,102,298</b>          | <b>\$ 730,850</b>              | <b>\$ 2,494,220</b>            | <b>\$ 1,370,210</b>            |

## Torrance Police Department

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

| Torrance Police Department     | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>Budget |
|--------------------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Implement Jail Upgrades        | 150,000                      | -                              | -                              | -                              |
| Renovate Department Facilities | 200,000                      | 400,000                        | 539,210                        | 713,870                        |
| <b>Total Expenditures</b>      | <b>\$ 350,000</b>            | <b>\$ 400,000</b>              | <b>\$ 539,210</b>              | <b>\$ 713,870</b>              |
| Funding Source(s)              |                              |                                |                                |                                |
| General Fund                   | 150,000                      | -                              | -                              | -                              |
| Measure SST Fund               | 200,000                      | 400,000                        | 539,210                        | 713,870                        |
| <b>Total Expenditures</b>      | <b>\$ 350,000</b>            | <b>\$ 400,000</b>              | <b>\$ 539,210</b>              | <b>\$ 713,870</b>              |

## Torrance Theatre

1316 Cabrillo Ave, Torrance, CA 90501 | District 4

| Torrance Theatre          | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>Budget |
|---------------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Refurbish Roadways        | -                            | -                              | -                              | 70,810                         |
| Renovate Theatre Building | -                            | -                              | -                              | 722,160                        |
| <b>Total Expenditures</b> | <b>\$ -</b>                  | <b>\$ -</b>                    | <b>\$ -</b>                    | <b>\$ 792,970</b>              |
| Funding Source(s)         |                              |                                |                                |                                |
| General Fund              | -                            | -                              | -                              | 792,970                        |
| <b>Total Expenditures</b> | <b>\$ -</b>                  | <b>\$ -</b>                    | <b>\$ -</b>                    | <b>\$ 792,970</b>              |

## Walteria Library

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

| Walteria Library                                     | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>Budget |
|--|------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Construct New Library, Restrooms & Recreation Center | -                            | -                              | 5,007,963                      | 5,000,000                      |
| <b>Total Expenditures</b>                            | <b>\$ -</b>                  | <b>\$ -</b>                    | <b>\$ 5,007,963</b>            | <b>\$ 5,000,000</b>            |
| Funding Source(s)                                    |                              |                                |                                |                                |
| Measure SST Fund                                     | -                            | -                              | 5,007,963                      | 5,000,000                      |
| <b>Total Expenditures</b>                            | <b>\$ -</b>                  | <b>\$ -</b>                    | <b>\$ 5,007,963</b>            | <b>\$ 5,000,000</b>            |

## 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

|                           | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>Budget |
|---------------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|
| <b>IT Infrastructure</b>  |                              |                                |                                |                                |
| CBRS Private Cell Network | 170,000                      | -                              | -                              | -                              |
| <b>Total Expenditures</b> | \$ 170,000                   | \$ -                           | \$ -                           | \$ -                           |
| <b>Funding Source(s)</b>  |                              |                                |                                |                                |
| DIF - Police              | 170,000                      | -                              | -                              | -                              |
| <b>Total Expenditures</b> | \$ 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 Adopted 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             | -                        | -                        | -                        |
| <b>Total Expenditures</b>                        |            | <b>\$32,512,454</b>    | <b>\$14,058,833</b>      | <b>\$13,395,833</b>      | <b>\$13,370,833</b>      |

## Individual Project Details

### Arterial Pavement Improvement Program (I 139)

| Funding Source(s)         | FY24-25 Adopted 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                |
| <b>Total Expenditures</b> | <b>\$ 3,600,000</b>    | <b>\$3,525,000</b>       | <b>\$3,700,000</b>       | <b>\$3,675,000</b>       |

## Beach Cities Green Streets Project (S 194)

| Funding Source(s)         | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>Budget |
|---------------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Measure W Grant           | 5,366,000                    | -                              | -                              | -                              |
| <b>Total Expenditures</b> | <b>\$ 5,366,000</b>          | <b>\$ -</b>                    | <b>\$ -</b>                    | <b>\$ -</b>                    |

## Cabrillo Ave Redesign (ROW0001)

| Funding Source(s)         | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>Budget |
|---------------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|
| General Fund              | -                            | 300,000                        | -                              | -                              |
| <b>Total Expenditures</b> | <b>\$ -</b>                  | <b>\$ 300,000</b>              | <b>\$ -</b>                    | <b>\$ -</b>                    |

## Citywide Sidewalk Ramping/Grinding Program (I 152)

| Funding Source(s)         | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>Budget |
|---------------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Measure R Local Return    | 200,000                      | 200,000                        | 200,000                        | 200,000                        |
| <b>Total Expenditures</b> | <b>\$ 200,000</b>            | <b>\$ 200,000</b>              | <b>\$ 200,000</b>              | <b>\$ 200,000</b>              |

## Citywide Traffic Engineering and Improvements (T 190)

| Funding Source(s)         | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>Budget |
|---------------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Gas Tax                   | 150,000                      | 150,000                        | 150,000                        | 150,000                        |
| Measure M Local Return    | 200,000                      | 200,000                        | 200,000                        | 200,000                        |
| <b>Total Expenditures</b> | <b>\$ 350,000</b>            | <b>\$ 350,000</b>              | <b>\$ 350,000</b>              | <b>\$ 350,000</b>              |

## Citywide Traffic Signal Improvements (T 171)

| Funding Source(s)         | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>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                        |
| <b>Total Expenditures</b> | <b>\$ 350,000</b>            | <b>\$ 350,000</b>              | <b>\$ 412,500</b>              | <b>\$ 412,500</b>              |

## Hawthorne Boulevard Right-Turn Lanes (T 196)

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

## Prairie Avenue Bridge Rehabilitations (I 148)

| Funding Source(s)         | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>Budget |
|---------------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Prop C Local Return       | 2,400,000                    | -                              | -                              | -                              |
| <b>Total Expenditures</b> | <b>\$ 2,400,000</b>          | <b>\$ -</b>                    | <b>\$ -</b>                    | <b>\$ -</b>                    |

## Residential Pavement Improvement Program (I 159)

| Funding Source(s)         | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>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                      |
| <b>Total Expenditures</b> | <b>\$ 7,060,000</b>          | <b>\$7,725,000</b>             | <b>\$7,600,000</b>             | <b>\$7,600,000</b>             |

## Sidewalk Repair for Handicap Accessibility (I 135)

| Funding Source(s)          | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>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                        | -                              | -                              |
| <b>Total Expenditures</b>  | <b>\$ 1,133,333</b>          | <b>\$1,339,333</b>             | <b>\$1,133,333</b>             | <b>\$1,133,333</b>             |

## Torrance School Safety and Accessibility Program (I 188)

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

## 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 Adopted 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                |
| <b>Total Expenditures</b>                    |            | <b>\$ 3,400,000</b>    | <b>\$ 4,700,000</b>      | <b>\$ 4,600,000</b>      | <b>\$ 6,200,000</b>      |

### Individual Project Details

#### Airport Emergency Water Supply Line (UTL0001)

| Funding Source(s)            | FY24-25 Adopted Budget | FY25-26 Projected Budget | FY26-27 Projected Budget | FY27-28 Projected Budget |
|------------------------------|------------------------|--------------------------|--------------------------|--------------------------|
| Airport Capital Project Fund | -                      | 800,000                  | -                        | -                        |
| <b>Total Expenditures</b>    | <b>\$ -</b>            | <b>\$ 800,000</b>        | <b>\$ -</b>              | <b>\$ -</b>              |

#### Citywide Sewer System Improvements (I 191)

| Funding Source(s)          | FY24-25 Adopted 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                |
| <b>Total Expenditures</b>  | <b>\$ 900,000</b>      | <b>\$1,300,000</b>       | <b>\$1,400,000</b>       | <b>\$1,400,000</b>       |

### Del Amo 5 Sewer Project (I 176)

| Funding Source(s)          | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>Budget |
|----------------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Sewer Capital Project Fund | 500,000                      | -                              | -                              | -                              |
| <b>Total Expenditures</b>  | <b>\$ 500,000</b>            | <b>\$ -</b>                    | <b>\$ -</b>                    | <b>\$ -</b>                    |

### High Pressure Zone Modifications (I 186)

| Funding Source(s)         | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>Budget |
|---------------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Water Capital Fund        | 1,000,000                    | 1,000,000                      | 1,000,000                      | -                              |
| <b>Total Expenditures</b> | <b>\$ 1,000,000</b>          | <b>\$1,000,000</b>             | <b>\$1,000,000</b>             | <b>\$ -</b>                    |

### Sewer System Master Plan/Hydraulic Model (I 168)

| Funding Source(s)          | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>Budget |
|----------------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Sewer Capital Project Fund | -                            | 100,000                        | -                              | -                              |
| <b>Total Expenditures</b>  | <b>\$ -</b>                  | <b>\$ 100,000</b>              | <b>\$ -</b>                    | <b>\$ -</b>                    |

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

| Funding Source(s)         | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>Budget |
|---------------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Water Capital Fund        | 1,000,000                    | 1,000,000                      | 2,000,000                      | 2,000,000                      |
| <b>Total Expenditures</b> | <b>\$ 1,000,000</b>          | <b>\$1,000,000</b>             | <b>\$2,000,000</b>             | <b>\$2,000,000</b>             |

### Park Improvements for Well Field Project (A 183)

| Funding Source(s)         | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>Budget |
|---------------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Water Capital Fund        | -                            | 500,000                        | -                              | -                              |
| <b>Total Expenditures</b> | <b>\$ -</b>                  | <b>\$ 500,000</b>              | <b>\$ -</b>                    | <b>\$ -</b>                    |

## Miscellaneous Water Main Replacements (I 153)

| Funding Source(s)         | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>Budget |
|---------------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Water Capital Fund        | -                            | -                              | 200,000                        | 2,800,000                      |
| <b>Total Expenditures</b> | \$ -                         | \$ -                           | \$ 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 Adopted 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                | -                        | -                        |
| <b>Total Expenditures</b>                         |            | <b>\$2,250,000</b>     | <b>\$4,250,000</b>       | <b>\$2,250,000</b>       | <b>\$2,250,000</b>       |

### Individual Project Details

#### Citywide Storm Drain Replacement and Installation (I 192)

| Funding Source(s)         | FY24-25 Adopted 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                  |
| <b>Total Expenditures</b> | <b>\$ 2,250,000</b>    | <b>\$2,250,000</b>       | <b>\$2,250,000</b>       | <b>\$2,250,000</b>       |

#### Torrance Airport Storm Water Basin Project (I 174)

| Funding Source(s)         | FY24-25 Adopted Budget | FY25-26 Projected Budget | FY26-27 Projected Budget | FY27-28 Projected Budget |
|---------------------------|------------------------|--------------------------|--------------------------|--------------------------|
| Other Grants              | -                      | 2,000,000                | -                        | -                        |
| <b>Total Expenditures</b> | <b>\$ -</b>            | <b>\$2,000,000</b>       | <b>\$ -</b>              | <b>\$ -</b>              |

## 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<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>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                      | -                              |
| <b>Total Expenditures</b>                           |            | <b>\$ 4,859,455</b>          | <b>\$3,492,000</b>             | <b>\$2,737,000</b>             | <b>\$ 955,000</b>              |

## Individual Project Details

### Downtown Torrance

| Downtown Torrance                        | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>Budget |
|--|------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Downtown Parking Structure               | 125,000                      | -                              | -                              | -                              |
| Rehabilitate Downtown Torrance Amenities | -                            | 50,000                         | -                              | 50,000                         |
| Upgrade Downtown Torrance Lights to LED  | 500,000                      | -                              | -                              | -                              |
| <b>Total Expenditures</b>                | <b>\$ 625,000</b>            | <b>\$ 50,000</b>               | <b>\$ -</b>                    | <b>\$ 50,000</b>               |
| Funding Source(s)                        |                              |                                |                                |                                |
| General Fund                             | 625,000                      | 50,000                         | -                              | 50,000                         |
| <b>Total Expenditures</b>                | <b>\$ 625,000</b>            | <b>\$ 50,000</b>               | <b>\$ -</b>                    | <b>\$ 50,000</b>               |

## Airport Pavement Maintenance Program (I 126)

| Funding Source(s)            | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>Budget |
|------------------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Airport Capital Project Fund | 100,000                      | 100,000                        | 100,000                        | 100,000                        |
| <b>Total Expenditures</b>    | <b>\$ 100,000</b>            | <b>\$ 100,000</b>              | <b>\$ 100,000</b>              | <b>\$ 100,000</b>              |

## Utility Undergrounding Administration (I 182)

| Funding Source(s)         | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>Budget |
|---------------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|
| DIF - Utility Underground | 50,000                       | 50,000                         | 50,000                         | 50,000                         |
| <b>Total Expenditures</b> | <b>\$ 50,000</b>             | <b>\$ 50,000</b>               | <b>\$ 50,000</b>               | <b>\$ 50,000</b>               |

## Undergrounding of Utilities Along Palos Verdes Blvd (I 156)

| Funding Source(s)         | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>Budget |
|---------------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|
| DIF - Utility Underground | 700,000                      | 700,000                        | 700,000                        | 700,000                        |
| <b>Total Expenditures</b> | <b>\$ 700,000</b>            | <b>\$ 700,000</b>              | <b>\$ 700,000</b>              | <b>\$ 700,000</b>              |

## Operating Projects - CIT

| Operating Projects - CIT                        | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>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                       | -                              | -                              | -                              |
| <b>Total Expenditures</b>                       | <b>\$ 972,455</b>            | <b>\$ 2,000,000</b>            | <b>\$ -</b>                    | <b>\$ -</b>                    |
| Funding Source(s)                               |                              |                                |                                |                                |
| DIF - Fire                                      | 199,555                      | -                              | -                              | -                              |
| General Fund                                    | 734,900                      | 2,000,000                      | -                              | -                              |
| Fleet Services Fund                             | 19,000                       | -                              | -                              | -                              |
| Transit Capital Fund                            | 19,000                       | -                              | -                              | -                              |
| <b>Total Expenditures</b>                       | <b>\$ 972,455</b>            | <b>\$ 2,000,000</b>            | <b>\$ -</b>                    | <b>\$ -</b>                    |

## Operating Projects - Community Development

| Operating Projects - Community Development                   | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>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                      | -                              | -                              | -                              |
| <b>Total Expenditures</b>                                    | <b>\$ 1,045,000</b>          | <b>\$ 140,000</b>              | <b>\$ -</b>                    | <b>\$ -</b>                    |
| Funding Source(s)  |                              |                                |                                |                                |
| General Fund   | 1,045,000                    | 140,000                        | -                              | -                              |
| <b>Total Expenditures</b>                                    | <b>\$ 1,045,000</b>          | <b>\$ 140,000</b>              | <b>\$ -</b>                    | <b>\$ -</b>                    |

## Operating Projects - Community Services

| Operating Projects - Community Services           | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>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                       | -                              | -                              | -                              |
| <b>Total Expenditures</b>                         | <b>\$ 265,000</b>            | <b>\$ 25,000</b>               | <b>\$ 60,000</b>               | <b>\$ 55,000</b>               |
| Funding Source(s)                                 |                              |                                |                                |                                |
| General Fund                                      | 265,000                      | 25,000                         | 60,000                         | 55,000                         |
| <b>Total Expenditures</b>                         | <b>\$ 265,000</b>            | <b>\$ 25,000</b>               | <b>\$ 60,000</b>               | <b>\$ 55,000</b>               |

## Operating Projects - Police

| Operating Projects - Police               | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>Budget |
|---|------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Del Amo Fashion Center PCC                | 100,000                      | -                              | -                              | -                              |
| Emergency Operations Center (EOC) Upgrade | 75,000                       | -                              | -                              | -                              |
| <b>Total Expenditures</b>                 | <b>\$ 175,000</b>            | <b>\$ -</b>                    | <b>\$ -</b>                    | <b>\$ -</b>                    |
| Funding Source(s)                         |                              |                                |                                |                                |
| General Fund                              | 175,000                      | -                              | -                              | -                              |
| <b>Total Expenditures</b>                 | <b>\$ 175,000</b>            | <b>\$ -</b>                    | <b>\$ -</b>                    | <b>\$ -</b>                    |

## Operating Projects - Public Works

| Operating Projects - Public Works   | FY24-25<br>Adopted<br>Budget | FY25-26<br>Projected<br>Budget | FY26-27<br>Projected<br>Budget | FY27-28<br>Projected<br>Budget |
|-------------------------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Automated Meter Integration Upgrade | -                            | -                              | 1,400,000                      | -                              |
| Citywide Tree Planting Program      | 427,000                      | 427,000                        | 427,000                        | -                              |
| Water System Master Plan            | 500,000                      | -                              | -                              | -                              |
| <b>Total Expenditures</b>           | <b>\$ 927,000</b>            | <b>\$ 427,000</b>              | <b>\$ 1,827,000</b>            | <b>\$ -</b>                    |
| Funding Source(s)                   |                              |                                |                                |                                |
| Water Capital Fund                  | 500,000                      | -                              | 1,400,000                      | -                              |
| Measure SST Fund                    | 427,000                      | 427,000                        | 427,000                        | -                              |
| <b>Total Expenditures</b>           | <b>\$ 927,000</b>            | <b>\$ 427,000</b>              | <b>\$ 1,827,000</b>            | <b>\$ -</b>                    |

An aerial night view of a city, likely Los Angeles, with a coastline visible in the foreground. The city is illuminated with various lights, and the word "APPENDIX" is overlaid in the center in a large, white, sans-serif font. The background shows a dark blue sky and a cityscape with numerous lights and buildings.

# APPENDIX

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# 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

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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.

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## 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.

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- 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:

| <b>Plan</b>   | <b>Tier 1: Classic</b> | <b>Tier 2: 2010</b> | <b>Tier 3: PEPR</b> |
|---------------|------------------------|---------------------|---------------------|
| 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.

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## 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.

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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.

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- 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 requires 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

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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.

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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.

**CITY OF TORRANCE  
FY 2025 APPROPRIATIONS SUBJECT TO LIMITATION**

**Appropriations Subject to Limitation**

|  |             |                    |
|--|-------------|--------------------|
| Property Tax   | \$          | 66,657,117         |
| Sales & Use Tax  |             | 62,525,957         |
| Utility Users' Tax (UUT)                                     |             | 46,002,866         |
| Business License Tax   |             | 11,314,290         |
| Construction Tax   |             | 1,572,661          |
| Transient Occupancy Tax (TOT)                                |             | 13,815,041         |
| Real Property Transfer Tax                                   |             | 1,016,061          |
| Oil Severance Tax  |             | 7,000              |
| Aircraft Assessment Tax                                      |             | 177,312            |
| State Motor Vehicle License Tax                              |             | 140,461            |
| State Gasoline Tax   |             | 2,743,121          |
| State Homeowners' Property Tax Relief                        |             | 162,201            |
| Interest Earnings  |             | 2,370,642          |
| <b>Total Unadjusted Appropriations subject to Limitation</b> | <b>A \$</b> | <b>208,504,744</b> |

**Adjustment for Appropriations Not Subject to Limitation**

|  |                  |                       |
|--|------------------|-----------------------|
| <b>Federal Mandates</b>                                    |                  |                       |
| Increase in FICA Taxes                                     | \$               | 4,674,961             |
| FLSA Adjustment 2024-25                                    |                  | 28,397                |
| <b>Total Federal Mandates</b>                              | <b>B</b>         | <b>4,703,358</b>      |
| <b>Qualified Debt Service</b>                              |                  |                       |
| 2016 Public Property Financing COP                         |                  | 1,257,644             |
| 2020 Lease Revenue Bonds                                   |                  | 19,341,206            |
| 2021 Lease Revenue Bonds                                   |                  | 2,508,488             |
| <b>Total Qualified Debt Service</b>                        | <b>C</b>         | <b>23,107,338</b>     |
| <b>Total Adjustment</b>                                    | <b>D = B + C</b> | <b>27,810,696</b>     |
| <b>Total Adjusted Appropriations subject to Limitation</b> | <b>E = A - D</b> | <b>\$ 180,694,048</b> |

**Calculation of Appropriations Limit and Difference between the Limit and Appropriations Subject to Limitation**

|   |                  |                        |
|---|------------------|------------------------|
| Prior Year (FY 2024) Appropriations Limit           | F                | \$ 4,891,195,305       |
| Recommended Adjustment Factor                       | G                | 1.0625                 |
| <b>Appropriations Limit for FY 2025</b>             | <b>H = F x G</b> | <b>\$5,196,895,011</b> |
| <b>Projected Appropriations are Below Limit by:</b> | <b>H - E</b>     | <b>\$5,016,200,963</b> |

**5-Year Price & Population Factors and Difference Between the Limit and Appropriations Subject to Limitation**

| Fiscal Year | Price Adjustment | X | Population Adjustment | = | Total Adjustment | Appropriations Limit | Appropriations Subject to Limitation | Amount (Over) Under Limit |
|-------------|------------------|---|-----------------------|---|------------------|----------------------|--------------------------------------|---------------------------|
| 2021        | 1.0373           | X | 0.9989                | = | 1.0362           | \$ 3,867,347,117     | \$ 169,062,684                       | \$ 3,698,284,433          |
| 2022        | 1.0573           | X | 0.9935                | = | 1.0504           | \$ 4,062,261,412     | \$ 135,077,934                       | \$ 3,927,183,478          |
| 2023        | 1.0755           | X | 0.9929                | = | 1.0679           | \$ 4,338,088,962     | \$ 163,679,977                       | \$ 4,174,408,985          |
| 2024        | 1.136            | X | 0.9925                | = | 1.1275           | \$ 4,891,195,305     | \$ 177,558,654                       | \$ 4,713,636,651          |
| 2025        | 1.0620           | X | 1.0005                | = | 1.0625           | \$ 5,196,895,011     | \$ 180,694,048                       | \$ 5,016,200,963          |

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## **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 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

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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.

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- 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.

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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

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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.

### **Budget Appropriations Resolutions**

The citywide annual budget is formally adopted by the City Council via two separate resolutions. The first resolution addresses the financial needs of the operating budget including the transfers to fund anticipated CIP needs, and the second resolution addresses the financial needs of the CIP budget. In addition, 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.

**RESOLUTION NO. 2024-37**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TORRANCE, CALIFORNIA, ESTABLISHING THE ANNUAL APPROPRIATION FOR THE SECOND FISCAL YEAR (2024-25) OF THE CITY'S 2023-2025 OPERATING BUDGET**

**WHEREAS**, the City Manager of the City of Torrance, in accordance with the provisions of the City Charter, does hereby submit to the City Council for the fiscal year 2024-25 a City operating budget which consists of:

| <b>Fund Type</b>                           | <b>Fund Name</b>                 | <b>2024-25</b>        |
|--|----------------------------------|-----------------------|
| General Fund                               | General Fund - Operating Fund    | \$ 286,824,553        |
| General Fund                               | General Fund - Measure SST       | \$ 27,495,124         |
| General Fund                               | General Fund - Rest/Assigned     | \$ 1,268,773          |
| General Fund                               | General Fund - Unassigned        | \$ 5,000,000          |
| Nonmajor Governmental Funds                | AQMD Fund                        | \$ 178,939            |
| Nonmajor Governmental Funds                | Debt Service Fund                | \$ 23,107,338         |
| Nonmajor Governmental Funds                | Meadow Park Parking Lot District | \$ 29,064             |
| Nonmajor Governmental Funds                | Low Mod Fund                     | \$ 65,061             |
| Nonmajor Governmental Funds                | Section 8 Housing                | \$ 8,825,679          |
| Nonmajor Governmental Funds                | Street Lighting Fund             | \$ 1,866,272          |
| Nonmajor Governmental Funds                | Traffic Safety Fund              | \$ 180,000            |
| Nonmajor Governmental Funds                | Vanpool Fund                     | \$ 245,871            |
| Enterprise Funds                           | Airport Fund                     | \$ 16,171,074         |
| Enterprise Funds                           | Sanitation Fund                  | \$ 20,062,665         |
| Enterprise Funds                           | Sewer Fund                       | \$ 6,787,444          |
| Enterprise Funds                           | Transit Fund                     | \$ 40,196,249         |
| Enterprise Funds                           | Water Fund                       | \$ 53,970,219         |
| Internal Service Funds                     | Fleet Services Fund              | \$ 8,298,776          |
| Internal Service Funds                     | Self-Insurance Fund              | \$ 23,432,183         |
| Fiduciary Funds                            | Redevelopment Agency Fund        | \$ 1,401,953          |
| <b>Total Operating Budget Expenditures</b> |                                  | <b>\$ 525,407,237</b> |

| <b>Other Funds as a Source to Operating Budget</b> | <b>Fund Name</b>   | <b>2024-25</b> |
|--|--------------------|----------------|
| Nonmajor Special Revenue Funds                     | Proposition A Fund | \$ 3,000,000   |
| Nonmajor Special Revenue Funds                     | Proposition C Fund | \$ 179,906     |
| Nonmajor Special Revenue Funds                     | Gas Tax Fund       | \$ 3,220,784   |

**WHEREAS**, the City Council set May 7, 2024 and June 4, 2024 as the dates for the public budget hearing on the proposed City budget, and adopted the City budget on June 4, 2024;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF TORRANCE, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:**

**SECTION 1**

That the City Manager's proposed General Fund Operating Fund Budget, General Fund Measure SST Budget, General Fund Restricted/Assigned Budget, General Fund Unassigned Budget, Air Quality Management District (AQMD) Fund Budget, Debt Service Fund Budget, Meadow Park Parking Lot District Fund Budget, Low Mod Fund Budget, Section 8 Housing Fund Budget, Street Lighting District Fund Budget, Traffic Safety Fund Budget, Vanpool Fund Budget, Airport Fund Budget, Sanitation Fund Budget, Sewer Fund Budget, Transit Fund Budget, Water Fund Budget, Fleet Services Fund Budget, Self-Insurance Fund Budget, Redevelopment Agency Fund Budget, Proposition A Fund Budget, Proposition C Fund Budget, and Gas Tax Fund Budget, and expenditures authorized inclusive of specific items as set forth in Section 1 of this Resolution, and as now on file with the Finance Director, be and hereby are adopted.


**SECTION 2**

That the City Manager may make any adjustments within the total operating budget allocations as deemed desirable and necessary during the fiscal year in order to meet the City's needs, goals and objectives. However, the funds allocated by the City to each fund of the City are to be used solely for the purposes associated with that fund and formal legal action by City council is required to redirect such funds to another purpose. Further, the City Manager is granted authority to appropriate additional funds as necessary to meet the needs, goal, and objectives of the City under City Council Policy 3. The City Manager is hereby delegated authority to assign the unrestricted and uncommitted fund balance of the General Fund to specified purposes that reflect the plans and intentions of the City.

**INTRODUCED, APPROVED, and ADOPTED** this 4th day of June 2024.

  
\_\_\_\_\_  
Mayor George K. Chen

APPROVED AS TO FORM:  
PATRICK Q. SULLIVAN

  
\_\_\_\_\_  
By: Tatia Y. Strader,  
Assistant City Attorney

ATTEST:

  
\_\_\_\_\_  
Rebecca Poirier, MMC, City Clerk

**RESOLUTION NO. 2024-38**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
TORRANCE, CALIFORNIA, ESTABLISHING THE ANNUAL  
APPROPRIATION FOR THE SECOND FISCAL YEAR  
(2024-25) OF THE CITY'S 2023-2028 CAPITAL BUDGET**

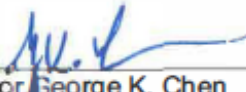
**WHEREAS**, the City Manager of the City of Torrance, in accordance with the provisions of the City Charter, does hereby submit to the City Council for the fiscal year 2024-25 a City capital budget which consists of:

| <b>Funding Source</b>                      | <b>2024-25</b>       | <b>2025-26<br/>(information only)</b> | <b>2026-27<br/>(information only)</b> | <b>2027-28<br/>(information only)</b> |
|--|----------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| 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           | \$ -                                  | \$ -                                  | \$ -                                  |
| DF - Storm Drain                           | \$ 100,000           | \$ 100,000                            | \$ 100,000                            | \$ 100,000                            |
| DF - 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                          |
| <b>Total</b>                               | <b>\$ 66,795,590</b> | <b>\$ 37,830,497</b>                  | <b>\$ 41,095,437</b>                  | <b>\$ 36,337,836</b>                  |


**SECTION 1**

That the City Manager may make any adjustments to individual project budgets within the total capital budget allocations as deemed desirable and necessary during the fiscal year in order to meet the City's needs, goals and objectives.

**INTRODUCED, APPROVED, and ADOPTED** this 4th day of June 2024.

  
\_\_\_\_\_  
Mayor George K. Chen

APPROVED AS TO FORM:  
PATRICK Q. SULLIVAN

  
\_\_\_\_\_  
By: Tatia Y. Strader,  
Assistant City Attorney

ATTEST:

  
\_\_\_\_\_  
Rebecca Poirier, MMC, City Clerk

**RESOLUTION NO. 2024-39**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TORRANCE, CALIFORNIA, ESTABLISHING THE ANNUAL APPROPRIATION LIMIT AND SELECTION OF THE ANNUAL ADJUSTMENT FACTORS FOR FISCAL YEAR 2024-25**

**WHEREAS**, the voters of the State of California on November 6, 1979, added Article XIII B to the State Constitution, placing various limitations on the appropriations of the State and local governments; and

**WHEREAS**, in June 1990, the voters of the State of California approved Proposition 111, permitting entities of government to select alternative growth factors by a recorded vote of its governing body; and

**WHEREAS**, the City of Torrance has complied with all the provisions of Article XIII B, as amended by Proposition 111, in determining the appropriations limit for fiscal year 2024-25; and

**WHEREAS**, all calculations for fiscal year 2024-25 were necessary to arrive at an accurate limit; and

**WHEREAS**, all calculations necessary to arrive at the appropriations limit for fiscal year 2024-25 are attached as Exhibit A;


**NOW, THEREFORE**, the City Council of the City of Torrance does hereby resolve that:

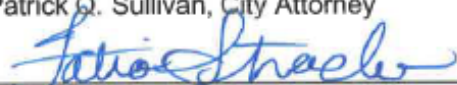
- (1) It selects the following growth factors for fiscal year 2024-25
- (2)

|                               |   |
|-------------------------------|---|
| Population Factor<br>(County) | Price Factor<br>(Change in Assessed Valuation<br>in non-residential new construction) |
| 0.05%                         | 6.20%   |

- (2) It accepts the appropriations limit for fiscal year 2024-25 in the amount of \$5,196,895,011

**INTRODUCED, APPROVED, and ADOPTED** this 4th day of June, 2024.

  
\_\_\_\_\_  
Mayor George K. Chen

APPROVED AS TO FORM:  
Patrick Q. Sullivan, City Attorney  
  
\_\_\_\_\_  
Tatia Y. Strader, Assistant City Attorney

ATTEST:  
  
\_\_\_\_\_  
Rebecca Poirier, MMC, City Clerk

## 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            |
| <b>Total</b>  |             | <b>\$ 26,606,224</b> | <b>\$ 27,123,840</b> | <b>\$ 27,649,853</b> | <b>\$ 28,004,115</b> | <b>\$ 28,134,165</b> | <b>\$ 437,682,287</b> |

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

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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.

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## 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 |
| <b>Torrance Jt Pwrs Finncg Auth, California</b>  |           |          |
| 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            |
| <b>Total</b> | <b>\$ 22,135,000</b> |               | <b>\$ 15,989,308</b> | <b>\$ 38,124,308</b> |

## 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             |
| <b>Total</b> | <b>\$ 5,749,428</b> |               | <b>\$ 587,571</b> | <b>\$ 6,336,999</b> |

## 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          |
| <b>Total</b> | <b>\$ 3,665,000.00</b> |        | <b>\$ 1,018,127.50</b> | <b>\$ 4,683,127.50</b> | <b>\$ 4,683,127.50</b> |

## 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         |
| <b>Total</b> | <b>\$ 11,505,000.00</b> |        | <b>\$ 3,193,592.50</b> | <b>\$ 14,698,592.50</b> | <b>\$ 14,698,592.50</b> |

## 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            |
| <b>Total</b> | <b>\$ 349,515,000</b> |               | <b>\$ 172,137,247</b> | <b>\$ 521,652,247</b> |

## 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            |
| <b>Total</b> | <b>\$ 39,725,000</b> |               | <b>\$ 16,558,944</b> | <b>\$ 56,283,944</b> |

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# 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.

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**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.

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**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).

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**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.

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**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.