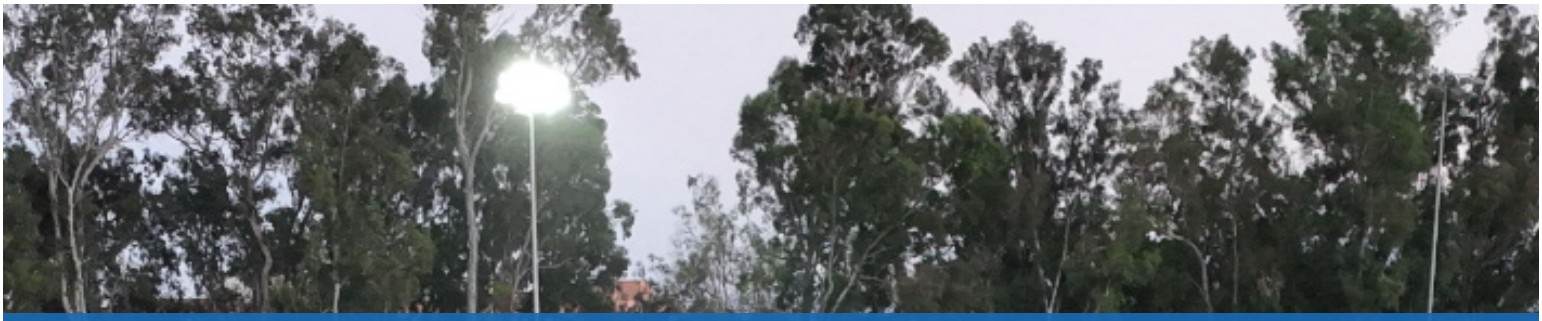

PROPOSED

BIENNIUM OPERATING BUDGET

AND CAPITAL IMPROVEMENT PLAN

FISCAL YEAR 2025 - 2027

SEE WHAT TORRANCE IS DOING

CITY OF TORRANCE • DEPARTMENT OF FINANCE

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

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July 01, 2024

Christopher P. Morrill

Executive Director

Last year's Adopted Fiscal Year 2024-25 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, 2024. To receive this award, a governmental entity must publish a budget document that acts as a policy document, operations guide, financial plan, and communications device. This award is valid for a period of one year. In preparing the Proposed Fiscal Year 2025-27 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, 2025.

California Society of Municipal Finance Officers

Certificate of Award

Operating Budget Excellence Award
Fiscal Year 2024-2025

Presented to the

City of Torrance

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

February 7, 2025

Ernie Reyna
2024 CSMFO President

James Russell-Field
James Russell-Field, Chair
Recognition Committee

Dedicated to Excellence in Municipal Financial Reporting

Additionally, last year's Adopted Fiscal Year 2024-25 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, 2024. This award recognizes public sector agencies with well-presented budget documents, best practices, processes, and procedures and is valid for a one-year period. In preparing the Proposed Fiscal Year 2025-27 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, 2025.

BUDGET MESSAGE

Budget Message

Message from the City Manager

To Mayor, City Council, and the Torrance Community,

I am pleased to present the Proposed Fiscal Year 2025-2027 Operating Budget and Capital Improvement Plan. This balanced financial roadmap reflects our commitment to fiscal stewardship while delivering exceptional services and investing in Torrance's future.

Our City's Position: Torrance stands financially resilient amidst an evolving economic landscape. Our property values continue to rise, major development projects are underway. Our downtown revitalization efforts are progressing with enhanced lighting, improved parklets, and new gateway signage to be installed this year.

Fiscal Planning Framework: The proposed $586.5 million budget prioritizes core service delivery while making strategic investments in infrastructure. This includes $354.2 million for the General Fund and $85.5 million for capital improvements. This budget is grounded in our core fiscal planning framework, which aligns resource allocation consistent with the City's Strategic Plan, Budget Priorities set by City Council, and our Key Performance Indicators. Our strategy deliberately utilizes accumulated resources for targeted investments that will enhance service delivery and reduce future maintenance costs. This careful approach addresses immediate needs while preserving our long-term financial health and protecting the General Fund's reserve in compliance with our fiscal policies.

Understanding Our Financial Approach: This year's budget includes a planned use of fund balance totaling $15.7 million across various funds. This isn't a structural shortfall or funding gap, but rather a strategic decision to use savings we've built up for specific purposes:

- **General Fund Operating Fund:** we're investing **$8.1 million** from the General Fund unassigned fund balance to help support a **$14.6 million** commitment for one-time infrastructure improvements that will serve our community for years to come while leaving our reserves untouched and in compliance with our Fiscal Policy
- **General Fund Restricted Fund:** We're using **$2.9 million** from our pension trust account to smooth the rise in increased retirement costs
- **Airport Fund:** We're investing **$3.0 million** in unassigned fund balance to help support a **$6.1 million** commitment to the capital plan for one-time infrastructure improvements

- **Transit Fund:** We're directing **$7.8 million** toward service improvements and vehicle replacements supported by federal funding
- These investments are partially offset by planned savings in other funds including **$2.2 million** for the Fleet Services Fund, **$1.1 million** for the Sewer Fund, and **$0.5 million** for the Water Fund.

This approach is similar to a family using some of their checking account, after setting enough aside for retirement planning purposes, for a home improvement project that will increase their property's value and reduce future maintenance costs.

Future Year Outlook and Challenges: Looking beyond this budget cycle, several fiscal challenges will require careful navigation. Federal tariffs and monetary policies continue to create economic uncertainty that could impact consumer spending and sales tax revenues. Rising pension obligations will place increasing demands on the budget while the City's Revenue Trends key performance indicator shifting from "green" to "yellow" indicates a softening of revenue growth and an end to the post pandemic spike. The City's Capital Asset Condition indicator has also shifted from "green" to "yellow," signaling the need for sustained reinvestment in infrastructure. Compliance with zero-emission fleet mandates by 2040 will require significant capital investment and operational planning. Additionally, the aging civic center facilities, many built in the 1950s and 1960s, will necessitate major capital decisions in the coming years.

Mitigating Measures: The City has already taken proactive steps to address these challenges. Our ten-year financial forecast demonstrates long-term structural balance. The City's Economic Anomaly Reserve stands at 22% of operating expenditures—exceeding policy requirements—and is projected to continue growing during the forecast period. The pension prefunding trust was established to stabilize future retirement costs, and the City's diversified revenue base, with property tax revenue now surpassing sales tax, enhances financial stability. Targeted economic development efforts continue to yield positive results, and regular monitoring of Financial Key Performance Indicators ensures that emerging fiscal issues are identified early and addressed strategically.

Key Investments: This proposed budget also reflects the City Council's priorities by directing strategic investments into public safety, infrastructure maintenance, technology modernization, zero-emission fleet transition efforts, homelessness response initiatives, and employee recruitment and retention programs. It underscores the City's commitment to operational excellence, community engagement, and prudent financial management.

The detailed budget reflects our commitment to transparency, accountability, and service excellence. I extend my appreciation to our dedicated staff and to you, our community partners, as we work together to ensure Torrance remains a premier place to live, work, and visit.

Budget Overview

Across all departments, funds, and programs, the proposed FY 2025–26 citywide budget totals $586.5 million. Of this amount, $354.2 million is allocated to the General Fund to support core public services such as public safety, community development, parks and recreation, and public works. In addition to the operating budget, the proposed five-year Capital Improvement Plan outlines $249.6 million in infrastructure investments, with $85.5 million being proposed for appropriation in FY 2025-26. These investments support the maintenance and modernization of public facilities, utilities, and other essential city assets.

In addition to the overall budgetary drivers of change, the proposed FY 2025-26 operating budget reflects a net increase of 13.95 full-time equivalent (FTE) positions citywide, totaling approximately $1.6 million. This includes 4.95 FTEs in the General Fund and 9.0 FTEs in the Transit Fund. Of the General Fund increase, 3.0 FTEs are internal transfers from the Transit Fund, consolidating administrative responsibilities under the appropriate departments—General Services and Human Resources. These transferred positions are subject to the City's indirect cost rate allocation and eligible for reimbursement through applicable cost recovery mechanisms. Details of all staffing changes are provided in the **Expenditures** section of this document.

In addition to staffing adjustments, the General Fund includes $723,000 in targeted investments aligned with City Council budget priorities. These include:

- **$150,000** for land lease audit services for city owned properties to ensure accuracy and fiscal accountability
- **$404,000** to enhance the General Services maintenance budget, supporting the long-term care of City-owned facilities and equipment
- **$484,000** to bolster parks maintenance to improve community spaces and ensure consistent upkeep
- **$100,000** for a comprehensive library operations assessment to benchmark against modern service delivery standards
- **$50,000** to support employee engagement and retention efforts within the Human Resources Department

These investments reflect a continued commitment to operational excellence and the proactive management of City assets and services.

Effects of the Economy

As the City transitions into FY 2025-26, economic conditions are expected to moderate, with muted revenue growth anticipated across key sectors. Following a period of strong post-pandemic recovery, both at the local and national levels, the broader economy is now showing signs of stabilization. In response, the City is approaching financial planning with a prudent and forward-looking strategy to safeguard long-term fiscal sustainability.

The General Fund Operating Budget remains heavily reliant on tax revenues, which comprise 66.8% of total projected revenues ($203.8 million of the $305.1 million total revenue budget) for FY 2025-26. While tax revenues are expected to increase modestly by $0.7 million (0.4%), this growth reflects a cautious outlook, tempered by downward adjustments in several major revenue categories, including the Utility Users' Tax, Sales Tax, and Transient Occupancy Tax.

While overall tax revenues for Fiscal Year 2025–26 are projected to remain relatively flat compared to FY 2024–25, Property Tax revenue stands out as a reliable source of growth, with an estimated increase of $4.2 million (6.1%). For the second consecutive year, Property Tax revenue surpasses Sales Tax as the City's largest tax revenue source, outpacing it by $10.3 million in the FY 2025–26 budget. According to the City's property tax consultant, HdL Coren & Cone, net taxable assessed values in Torrance grew by 5.3%, from $38.2 billion to $40.2 billion, positioning Torrance among the top eight highest-assessed cities in Los Angeles County. The residential sector was the primary contributor to this growth, adding $1.3 billion in assessed value, despite higher mortgage rates driven by federal interest rate adjustments. These trends, combined with property reassessments triggered by turnover under Proposition 13 and ongoing residential development, continue to bolster the City's property tax base amid broader economic uncertainty.

In contrast, Sales Tax revenue has experienced a gradual decline since peaking at $63.6 million in FY 2021–22. The primary driver of this trend is the Autos & Transportation sector, the City's second-largest sales tax category. Following pandemic-era supply constraints and elevated prices, rising interest rates (Federal Funds rate is currently ranging from 4.25% to 4.50% as of March 2025) have contributed to a slowdown in vehicle purchases and leasing. Despite these headwinds, Torrance benefits from a diversified sales tax base. The top 25 sales tax producers account for 39% of total receipts, while the top 100 account for 64%, helping to mitigate over-reliance on any single business or sector. Torrance remains a strong performer statewide, ranking in the top 5% in California and third in Los Angeles County, behind only Los Angeles and Long Beach.

Recent federal trade policy developments—particularly new or adjusted tariffs—have introduced uncertainty into financial markets. These fluctuations could affect the City's direct investment returns and contribute to volatility in the CalPERS pension system, which remains sensitive to broader market conditions. Additionally, the impact of tariffs on the cost of goods may result in higher prices for construction materials and imported automobiles, which could adversely affect both the City's Capital Improvement Program (CIP) and its Autos & Transportation tax base. Continued monitoring of these developments is essential to ensure that the City can respond strategically to inflationary pressures and supply chain disruptions.

Legislative Impacts

The City of Torrance actively monitors federal and state legislation and participates in advocacy efforts to secure funding and shape policy in alignment with local priorities. The City's Legislative Platform, approved by City Council, provides a strategic framework for engagement and ensures timely responses to proposed legislation.

A notable new legislative requirement that affects the budget process is Assembly Bill 2561 (AB 2561), which amends the Meyers-Milias-Brown Act effective January 1, 2025. The law mandates that agencies publicly report annual vacancy data (excluding seasonal/recurrent positions), including recruitment metrics and challenges. If any bargaining unit's vacancy rate exceeds 20%, additional data must be presented in a public meeting.

Separately, recent federal budget actions resulted in the removal of City-submitted federal funding requests from 2024, despite initial legislative support. These funding losses may require the City to identify alternative sources or leverage the General Fund to advance priority initiatives.

Major Development Projects

The City continues to experience robust development across residential, commercial, and industrial sectors, signaling investor confidence and community vitality. In calendar year 2024, Community Development processed $222 million in permit valuations, up from $157 million in 2023. These projects are strengthening the City's tax base and delivering new housing and commercial opportunities. Below is a list of major projects:

- **Gable House Redevelopment Project (22501 Hawthorne Boulevard)**: 218 mixed-income apartments with 12,000 sq. ft. of commercial space; construction underway.
- **Del Amo Circle Apartments (21507 Hawthorne Boulevard)**: 200-unit, five-story complex with rooftop amenities; construction underway.

- **Lennar Homes (21515 Madrona Avenue)**: 274-unit townhome community; in plan check phase.
- **Rose Equities (2325 Crenshaw Boulevard):** 272-unit apartment complex with subterranean parking; in plan check phase.
- **City Ventures (1407-1455 Crenshaw Boulevard)**: 35-unit townhome development; in plan check phase.
- **Prologis (Northeast corner of Prairie/Madrona Avenue and Del Amo Boulevard)**: 403,000 sq. ft. industrial warehouse with office space; in entitlement phase.
- **The Brookhollow Group (KP Torrance Commerce Center, LLC)**: 132,425 sq. ft. industrial/cold storage facility; in entitlement phase.

These projects align with the City's goals of promoting sustainable development, supporting job creation, and expanding housing options—including dedicated units for very low-income households. They are also projected to contribute positively to property tax growth and long-term economic resilience.

Economic Development Highlights

The City of Torrance continues to take a proactive, strategic approach to business attraction, retention, and revitalization. While the retail sector continues to face national headwinds—evidenced by planned closures of JoAnn's, Forever 21, and VinFast at Del Amo Fashion Center—new tenants are actively filling these spaces. Anticipated openings at Del Amo Fashion Center include Dr. Martens, Popeyes, Big Blue Swim School, Vuori, Mumu Hot Pot, Chagee, Pro Image Sports Los Angeles, Origami Handroll, Soragumi, ChilimBalam, and Q Clothing, which will occupy the former Forever 21 space. Additional leases have been executed, with announcements expected later this year.

Torrance has also welcomed innovative businesses across multiple sectors, including:

- **Sony Honda Mobility's AFEELA** – U.S. headquarters for electric vehicle development,
- **Antares** – a leader in energy storage for aerospace and defense, and
- **Northwood Space** – advancing global satellite communications from Torrance.

The City continues to strengthen international economic ties and attract foreign direct investment by leveraging relationships with Friendship Cities, the Los Angeles Consular Corps, and global trade organizations. The City is actively pursuing business development opportunities in advanced manufacturing, healthcare technologies, and retail. Through programs such as the Business Attraction Incentive (BAIT) Program and the Commercial Façade Improvement Program, the City is investing in both catalytic growth and placemaking. For example, lighting and paint enhancements

were recently approved for a Downtown Torrance parking structure as part of broader revitalization efforts.

Torrance continues to promote its competitive advantages, under the "#WhyTorrance" campaign, by participating in national real estate and retail conferences in New York and Las Vegas. The City also hosted the Los Angeles County Economic Development Corporation's 88 Cities Summit, bringing nearly 250 public and private sector leaders to the Torrance Cultural Arts Center. International economic development efforts also continue, leveraging relationships with global trade organizations, consular officials, and Friendship Cities. Participation in events such as the Select LA Investment Summit and Biocom's "Spotlight on Torrance" webinar has further elevated the City's profile in emerging sectors, including life sciences and healthcare technology.

The City is actively investing in Downtown Torrance, with targeted enhancements including upgraded lighting, refreshed planters, new gateway signage, and a signature archway sign scheduled for installation in summer 2025. Public Works has also secured grant funding for median improvements along Cabrillo Avenue, with construction expected to begin this year. Concurrently, efforts to establish a Business Improvement District (BID) in collaboration with the Downtown Torrance Association are ongoing to ensure long-term vitality and sustainability in the area.

Community Areas of Focus

Responsible Use of Artificial Intelligence in Government

To ensure thoughtful implementation of emerging technologies, the City has established an Information Technology Governance Committee, tasked with providing policy direction and oversight for citywide IT initiatives. A primary focus of the Committee is the development of a policy for the responsible use of artificial intelligence (AI) in City operations. As a member of the GovAI Coalition, Torrance is learning from peer agencies and leveraging draft policy templates to shape its approach. City staff are also evaluating AI tools that could enhance service delivery, such as a chatbot feature being explored for the City's website redesign project.

Community Engagement

In August 2024, the City conducted a statistically valid community survey to better understand how residents and businesses prefer to engage with City services and communications. The results revealed a strong preference for platforms such as YouTube followed by Instagram and Facebook. The Community also finds TorranceAlerts very valuable as a reliable tool to receive information from the City, coming in just above the City's website. With respect to the City's website, most people use it less than once a month, indicating this platform needs to be simplified so it is intuitive and easily navigable for users that are unfamiliar. Of those using the website, people are most interested in safety messages; municipal services such as trash, street sweeping and water; city events; hot topics;

and Recreation classes. As a result, these topics must remain front and center in the city's new website, so the information is easily accessible to end users. These findings are shaping a comprehensive website and mobile app overhaul, emphasizing intuitive navigation and simplified access to services and information.

The City is working with OpenCities (a Granicus product) and user experience design experts to transition to a topic-based, user-centered design. This project also includes an Application Programming Interface (API) integration with platforms such as Accela to streamline business license processing, improving both functionality and efficiency. Staff are also working to improve the facility and space rental experience. This will provide a one-stop shop to book rather than needing to know what department and/or division is responsible for the task, streamlining the experience, with the hopes of also boosting revenue through ease of use. This project is a three-phase project, which is anticipated to have Phase I live by the end of calendar year 2025 (including City's main website).

Complementing these efforts, Torrance is finalizing implementation of ZenCity, a robust engagement tool that provides real-time sentiment analysis and project dashboards. Early data indicate a 10:1 ratio of positive to negative sentiment across City channels, reinforcing community confidence and satisfaction.

Homelessness

Torrance continues to implement a comprehensive, compassionate response to homelessness. According to the 2024 LAHSA point-in-time count, there were 38 unsheltered individuals in Torrance, a slight decrease from the prior year (41). The total number of makeshift shelters and tents counted in 2023 was 16 dwellings, and in 2024 it was 25 dwellings. The total number of cars, vans, and RVs being used as shelter that were counted in 2023 was 139 dwellings, and in 2024 was 90 dwellings. As with previous homeless count data releases, the City continues to remind the Torrance community the count simply represents a point-in-time estimate of the number of people sheltered, unsheltered, or in an improvised dwelling counted during one evening and that data from the count is most appropriately interpreted at the County level.

The City's 3290 Temporary Housing Village, operated by Harbor Interfaith Services, remains at full capacity and has successfully transitioned 41 individuals into permanent housing as of March 2025. The site includes forty 64-square feet temporary housing units (tiny homes), one guard booth, three 100-square feet staff trailers, two restroom/shower facilities (one ADA accessible), and a laundry facility.

In addition to interim housing, the City's Street Outreach Program—now operating six days per week—has connected another 41 individuals to permanent housing solutions since July 2022. The

City's Homeless Response Team, led by the City Manager's Office, coordinates cross-departmental efforts and collaborates with regional partners to balance public safety and service delivery.
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 Coordinators, the City regularly responds to residents and business concerns regarding homelessness by offering services, reducing encampments, and strengthening City infrastructure.

Transit Department

In January 2025, Torrance Transit celebrated 85 years of service with a commemorative event and the launch of the Connect Torrance Microtransit Pilot, expanding service access within designated zones. The Transit Department is also preparing for the future, with the second phase of the Mary K. Giordano Regional Transit Center (RTC) underway, which includes plans for a multi-level parking structure funded through Measure R.

In line with the State's zero-emission mandates, the City is acquiring 24 new buses, including four zero-emission vehicles, and collaborating with Southern California Edison to develop charging infrastructure at the Torrance City Yard. Torrance Transit is expanding regional connectivity through partnerships with FlixBus (RTC–San Diego route), Hollywood Bowl Shuttle service, Line 1 and 6 frequency enhancements, and plans for the Return of the Red Car Trolley, with a prototype in testing and full launch anticipated by late 2025.

Police Department and Department of Justice and Collaborative Reform

The City's Police Department continues to work closely with the California 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.

Conclusion: A Vision for a Resilient Future

As Torrance enters Fiscal Years 2025–27, the City remains committed to fiscal discipline, community-centered investments, and long-term sustainability. Despite economic headwinds—including persistent inflation, evolving labor markets, and federal trade uncertainties, the City has produced a budget that reflects a balance of both fiscal discipline and meeting community priorities.

The City is committed to prudent operational improvements that yield long-term cost savings and service delivery enhancements. The Capital Improvement Plan spanning Fiscal Year 2025-26 through

Fiscal Year 2029-30 was informed by a comprehensive building condition assessment of over $500 million in city assets (net of accumulated depreciation). The resulting plan emphasizes ADA compliance, seismic upgrades, and urgent infrastructure repairs. The next phase includes a Parks Master Plan that will engage the community to shape the future of the City's parks and better define the scale of investment required in these assets for decades to come.

The Capital Improvement Plan, informed by a detailed $500 million building condition assessment, prioritizes ADA compliance, seismic safety, and critical infrastructure needs. The upcoming Parks Master Plan will further define long-term investment needs and engage the community in shaping the future of Torrance's public spaces. This budget reflects a thoughtful and transparent financial strategy that balances current service delivery with long-term planning. Key pillars include:

- Strategic use of pension prefunding reserves;
- Proactive liability and risk management;
- Continuous monitoring of Key Performance Indicators (KPIs); and
- Enhanced transparency through financial dashboards and public engagement tools, including OpenGov.

It is my privilege to present a budget that represents a careful balance of fiscal responsibility, innovation, and responsiveness to community needs. I extend sincere gratitude to the Mayor and City Council for your vision and leadership, to City staff for your dedication, and to our residents and business community for your ongoing partnership. Together, we are building a more resilient and forward-thinking Torrance.

Sincerely,

Aram Chaparyan
City Manager

EXECUTIVE SUMMARY

Executive Summary

Fiscal Planning Framework

The City's fiscal planning process is guided by a combination of the City's Strategic Plan, annual budget priorities, and key performance indicators. Together, these elements provide a comprehensive framework to ensure that the City's financial resources are allocated in alignment with community needs and policy direction set by the City Council. The Proposed Fiscal Year 2025–2027 Operating Budget and Capital Improvement Plan have been developed within this framework to support continued progress on key priorities and organizational goals.

Strategic Plan

Adopted on May 18, 2021, the City's 10-year Strategic Plan outlines eleven strategic priorities that continue to guide City operations and resource allocations. To support progress tracking and transparency, the City utilizes AchieveIt, an automated software platform that publishes live updates to a publicly accessible dashboard on the City's website.

As of the most recent Strategic Plan Committee meeting on November 6, 2024, staff reported that out of the 249 sub-goals included in the plan, 131 have been completed, 116 are on track, and 2 are pending initiation. Staff have employed a "tags" methodology to ensure that high-impact projects contribute to multiple strategic objectives, thereby maximizing efficiency and measurable outcomes. Semi-annual updates to the City Council Strategic Plan Committee continue to serve as a mechanism for monitoring progress and maintaining accountability. Staff is currently developing the statistically valid mid-cycle survey that will evaluate progress on the City's Strategic Plan.

Budget Priorities

Each year, the Finance and Governmental Operations Committee and City Council establish budget priorities to guide the development of the annual budget. These priorities serve as a roadmap for aligning departmental initiatives with broader City objectives. For the FY 2025-27 budget cycle, the City has maintained its commitment to the ten adopted priorities outlined in the **Budget Development** section of this document. These priorities provide continuity and ensure that financial planning supports key strategic outcomes.

Key Performance Indicators

The City monitors two complementary sets of Key Performance Indicators (KPIs) to assess operational effectiveness and fiscal health. The first set evaluates departmental outcomes in relation to the Strategic Plan, ensuring that service delivery is both effective and aligned with community expectations.

The second set includes ten Financial KPIs that use audited financial data to provide a dashboard view of the City's fiscal condition. Each indicator is assigned a status of red (fail), yellow (monitor), or green (pass). Since FY 2019-20, the City has made notable improvements: transitioning from seven indicators in the red category to five in green, two in yellow, and three in red. However, the Revenue Trends and Capital Asset Condition indicators recently shifted from green to yellow, signaling the need for conservative revenue projections and renewed investment in infrastructure to maintain service levels and asset integrity. These key performance indicators can be found in the summary table below:

Financial Key Performance Indicators	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24
Revenue Trends	🔴	🟢	🟢	🟢	🟡
Net True Operating Surplus/(Deficit)	🔴	🔴	🟢	🟢	🟢
General Fund Unrestricted Fund Balance	🔴	🔴	🟢	🟢	🟢
Liquidity	🔴	🟡	🟢	🟢	🟢
Pension Obligations	🔴	🔴	🟡	🔴	🔴
Debt Burden	🟡	🟡	🟢	🟢	🟢
Pension Funded Status	🟡	🟡	🟢	🟢	🟢
OPEB Funded Status	🔴	🔴	🔴	🔴	🔴
Self Insurance Funded Status	🔴	🔴	🔴	🔴	🔴
Capital Asset Condition	🟢	🟢	🟢	🟢	🟡

As shown above, the Capital Asset Condition and Revenue Trends indicators recently shifted from green to yellow, prompting budget recommendations to maintain conservative revenue projections and expand investment in infrastructure to maintain service levels and asset integrity.

Citywide Budget Summary

All Funds Citywide	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY26-27 Increase/ (Decrease)
Revenues	527,347,573	558,052,467	542,466,105	570,740,878	593,492,499	28,274,773	22,751,621
Expenditures	454,417,189	501,668,108	529,580,101	586,451,086	605,958,815	56,870,985	19,507,729
Revenues Less Expenditures	$ 72,930,384	$ 56,384,359	$ 12,886,004	$ (15,710,208)	$ (12,466,316)		

The FY25-26 citywide revenue budget is proposed to **increase by $28.3 million (+5.2%)**, and the expenditure budget is proposed to **increase by $56.9 million (+10.7%)**. Overall, the citywide budget is projected to utilize **$15.7 million** of its fund balance as broken down below:

- **General Fund-Operating Fund – $8.1 million decrease in fund balance:** This is the result of additional one-time investments ($14.6 million) through the City's Capital Improvement Plan and does not recur in FY2026-27.

- **General Fund-Restricted Fund – $2.9 million decrease in fund balance:** This is the result of strategic use of the City's pension prefunding trust to smooth the rising costs of the City's CalPERS pension costs.
- **Fleet Services Fund – $2.2 million increase in fund balance:** This is the result of planned contributions to the fund for future vehicle replacements.
- **Airport Fund – $3.0 million decrease in fund balance:** This is the result of additional one-time investments through the City's Capital Improvement Plan ($6.1 million) and does not recur in FY2026-27.
- **Sewer Fund – $1.1 million increase in fund balance:** This is the result of planned increases in fund balance for future investment in the Capital Improvement Plan.
- **Transit Fund – $7.8 million decrease in fund balance:** The Transit Fund is generally adopted with a planned use of fund balance attributed to the Depreciation of its assets due to outside federal funding for their replacement. The deficit is elevated due to additional service enhancements (Microtransit demonstration project), which will also facilitate a planned draw on accumulated balances with Los Angeles Metro.
- **Water Fund – $513,000 increase in fund balance:** This is the result of planned increases in fund balance for future investment in the Capital Improvement Plan.

General Fund-Operating Fund Budget Summary

General Fund-Operating Fund	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY26-27 Increase/ (Decrease)
Revenues	279,771,399	278,113,129	287,478,655	305,105,660	316,386,588	17,627,005	11,280,928
Expenditures	261,591,946	271,555,577	288,107,707	313,210,035	316,386,588	25,102,328	3,176,553
Revenues Less Expenditures	$ 18,179,453	$ 6,557,552	$ (629,052)	$ (8,104,375)	$ -		

The General Fund-Operating Fund's FY25-26 revenue budget is proposed to **increase by $17.6 million (+6.1%).** This increase is due to a $10.0 million increase in the Operating Transfers In classification, primarily due to a $7.3 million increased transfer from the CalPERS Pension Prefunding Trust (CEPPT) Fund to mitigate rising pension costs, a $1.1 million increased transfer from the Airport Fund resulting from land lease revenue growth and a $1.4 million increased transfer from the Measure SST Fund resulting from rising police & fire position costs. Additionally, the Licenses, Fees & Permits revenue classification is projected to increase $4.4 million due to increased waste hauler fees, and Use of Money & Property is projected to increase $1.9 million from investment earnings.

The fund's expenditure budget is proposed to **increase by $25.1 million (+8.7%)**. This is primarily the result of increases in employee salaries and benefits, UAL payments, as well as increased contributions to the Fleet Services Fund and the Capital Improvement Fund to prioritize much needed capital repairs and improvements. To offset these expenditure increases, the annual contribution to the City's CEPPT Fund will decrease by $7.1 million.

As a result of these proposed changes, the General Fund-Operating Fund's FY25-26 budget of $313.2 million is expected to operate at a $8.1 million deficit, due to an additional one-time contribution to the Capital Improvement Fund and is anticipated to be balanced in future budget cycles.

Additional details can be found in the **Five-Year Fund Projections** section of this document.

General Fund-Operating Fund Major Revenues

Revenue Type	FY24-25 Amended Budget	FY24-25 Projected Total	FY25-26 Proposed Budget	Percent Change from FY24-25 Mid-Year Projection	Percent Change from FY24-25 Amended Budget
Sales and Use Tax	62,525,957	61,487,941	61,701,050	0.3%	-1.3%
Property Tax	67,850,489	68,738,568	72,011,450	4.8%	6.1%
Utility Users Tax	46,002,866	43,535,600	43,313,300	-0.5%	-5.8%
Charges for Services	25,630,466	24,332,220	25,928,210	6.6%	1.2%
Operating Transfers In	33,216,309	34,502,640	43,227,317	25.3%	30.1%
Total	**$ 235,226,087**	**$ 232,596,969**	**$ 246,181,327**	**5.8%**	**4.7%**

Listed above are the General Fund-Operating Fund's top five revenue sources which account for 81% 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 $825,000 (-1.3%)**, primarily due to the Federal Reserve's monetary policy negatively affecting short-term borrowing and nationwide sales tax trends. Additionally, recently enacted international tariffs are anticipated to have an adverse impact on customer discretionary income levels, which directly impacts sales tax.
- **Property Tax** revenues are **increasing by $4.2 million (+6.1%)**, 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 **decreasing by $2.7 million (+5.8%)** based on currently projected electricity, gas, cable, cellular, and telecommunications consumption and use rates. The primary driver of change is a reduction in the gas consumption at the refinery, which is highly erratic based on refinery activity.
- **Charges for Services** revenues are **increasing by $298,000 (+1.2%)**, primarily due to revenue growth from services provided by the Fire and Community Services Departments.
- **Operating Transfers In** revenues are **increasing by $10.0 million (+30.1%)**, largely due to the $7.3 million transfer from the CEPPT Fund, $1.1 million in land lease revenue growth transferred from the Airport Fund, and $1.4 million related to Measure SST Fund support offsetting wage growth in police and fire positions.

General Fund-Measure SST Fund Budget Summary

General Fund-Measure SST Fund	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY26-27 Increase/ (Decrease)
Revenues	18,064,595	25,577,251	25,167,266	26,183,606	26,948,494	1,016,340	764,888
Expenditures	17,550,521	21,467,563	27,495,124	26,183,606	26,948,494	(1,311,518)	764,888
Revenues Less Expenditures	**$ 514,074**	**$ 4,109,688**	**$ (2,327,858)**	**$ -**	**$ -**		

The General Fund-Measure SST Fund comprises approximately 7.4% 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 FY25-26 revenue budget is proposed to **increase by $1.0 million (+4.0%)** based on FY24-25 consumer spending trends.

General Fund-Measure SST Fund	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget
Quality of Life			
Restore/Maintain Public Safety	11,968,204	13,181,051	13,866,637
Homelessness Response Efforts	881,345	1,003,519	1,017,163
Fiscal Sustainability			
Reserve Contribution	5,000,000	5,000,000	5,000,000
Deferred Maintenance & Community Services/Programs			
Capital Contribution	8,620,160	5,978,715	6,034,192
Emergency Responsiveness			
Cyber Security Upgrades	1,025,415	1,020,320	1,030,502
Total Expense	**$ 27,495,124**	**$ 26,183,606**	**$ 26,948,494**

The fund's FY25-26 expenditure budget is proposed to **decrease by $1.3 million (-4.8%)** primarily due to a reduction in capital contributions. As a result of these proposed budget changes, the General Fund-Measure SST Fund's budget is balanced for FY25-26 and FY26-27.

General Fund-Restricted Fund Budget Summary

General Fund-Restricted	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY26-27 Increase/ (Decrease)
Revenues	2,452,281	24,831,322	9,958,325	4,416,579	4,242,582	(5,541,746)	(173,997)
Expenditures	(799,059)	601,045	166,175	7,346,489	8,792,810	7,180,314	1,446,321
Revenues Less Expenditures	**$ 3,251,340**	**$ 24,230,277**	**$ 9,792,150**	**$ (2,929,910)**	**$ (4,550,228)**		

The General Fund-Restricted Fund includes Cable's Public, Education, and Governmental Access (PEG) funding and the CalPERS CEPPT Section 115 Trust Fund. This fund's FY25-26 revenue budget is proposed to **decrease by $5.5 million (-55.6%)**, primarily the result of a reduced contribution from the General Fund Operating Fund to the City's CEPPT Fund by $7.1 million, offset by a $1.7 million increase in the Use of Money & Property category due to increased investment earnings.

The fund's FY25-26 expenditure budget is proposed to **increase by $7.2 million (+4320.9%)**, primarily attributable to a $7.3 million transfer from the CEPPT Fund to the General Fund Operating Fund, to mitigate the growth in rising UAL payment contributions. This is the first year since establishing the CEPPT Fund that transfers are being made to the General Fund Operating Fund.

As a result of these proposed changes, the General Fund-Restricted Fund's FY25-26 budget will operate at a deficit of $2.9 million. While it is planned to strategically draw on this fund's balance to mitigate the growth in CalPERS UAL payments, the City is committed to making annual contributions to this fund to ensure a healthy balance in the long-term to protect from future pension spikes.

General Fund-Assigned Fund Budget Summary

General Fund-Assigned Fund	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY26-27 Increase/ (Decrease)
Revenues	2,195,940	10,852,404	8,282,505	7,396,091	7,396,091	(886,414)	-
Expenditures	1,719,593	4,211,216	6,827,203	7,502,816	11,571,849	675,613	4,069,033
Revenues Less Expenditures	**$ 476,347**	**$ 6,641,188**	**$ 1,455,302**	**$ (106,725)**	**$ (4,175,758)**		

The General Fund-Assigned Fund includes Replacement Funds and the City's Economic Anomaly Reserve Fund. Following a recommendation from a third-party consultant, Reserve Fund, formerly classified under the "Unassigned" line in the City's balance sheet will now be classified as "Assigned" to enhance fiscal transparency and improve oversight. This fund's FY25-26 revenue budget is proposed to **decrease by $886,000 (-10.7%)** due to a reduction in contributions to replacement funds (annual "set aside" funding for planned future equipment purchases).

The fund's expenditure budget is proposed to **increase by $676,000 (+9.9%)** in FY25-26 and **$4.1 million (54.2%)** in FY26-27 primarily due to planned replacements of aging telecom, network and radio equipment.

As a result of these proposed changes, the General Fund-Assigned Fund's budget will operate at a deficit of $107,000 in FY25-26 and a deficit of $4.2 million in FY26-27. It is anticipated that fiscal years 2027-35 will operate at a surplus, which will continue to build the balance for future replacements.

General Fund Reserves

Beginning in FY 2024-25, the City will update its accounting treatment of the Economic Anomaly Reserve Fund (Reserve Fund). Historically reported within the City's Unassigned Fund Balance in the Annual Comprehensive Financial Report (ACFR), the Reserve Fund will now be categorized as part of the Assigned Fund Balance, enhancing transparency and reinforcing City Council oversight. Any allocation to or use of the Reserve Fund will require explicit City Council approval. As a result, the Unassigned Fund Balance will reflect the City's most flexible, unallocated financial resources, providing a clearer picture of available discretionary funds.

Staff recommend setting the Reserve Fund at **$68.9 million** as of June 30, 2025, which represents **22% of the General Fund** operating expenditure budget for FY 2025-26. This exceeds the City Council's Fiscal Policy reserve requirement by 2%, or approximately $6.3 million, and reflects the City's continued focus on long-term financial resilience.

To align with this change in accounting, one of the City's ten Financial Key Performance Indicators (KPIs) has been updated. The previous indicator monitoring General Fund Reserves now evaluates the Unrestricted Fund Balance Ratio, incorporating both Assigned and Unassigned Fund Balances. This adjustment is consistent with best practices and correlates with the former State Auditor's Local Government High-Risk Dashboard methodology.

Fleet Services Fund Budget Summary

Fleet Services Fund	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY26-27 Increase/ (Decrease)
Revenues	25,854,359	13,976,329	13,339,999	15,269,616	15,728,552	1,929,617	458,936
Expenditures	5,270,328	8,849,664	8,761,355	13,049,141	14,110,080	4,287,786	1,060,939
Revenues Less Expenditures	**$ 20,584,031**	**$ 5,126,665**	**$ 4,578,644**	**$ 2,220,475**	**$ 1,618,472**		

The Fleet Services Fund's FY25-26 revenue budget is proposed to **increase by $1.9 million (+14.5%)** due to a change in accounting for the maintenance of city vehicles that centralizes these costs and for the increasing cost of parts, fuel, and labor.

The fund's FY25-26 expenditure budget is proposed to **increase by $4.3 million (+48.9%)**, mainly due to the change in accounting for the maintenance of city vehicles that centralizes these costs, the depreciation for new vehicles added to the fleet, and rising labor costs.

As a result of the proposed budget changes, the FY25-26 Fleet Services Fund budget will operate at a surplus of $2.2 million, which will allow the City's to continue replacing its vehicular assets. Based on current assumptions, the beginning fund balance going into FY25-26 will be $50.0 million with an ending fund balance of $65.9 million by FY29-30. Additional details can be found in the **Five-Year Fund Projections** section of this document.

Self-Insurance Fund Budget Summary

Self-Insurance Fund	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY26-27 Increase/ (Decrease)
Revenues	24,309,720	23,070,808	23,659,000	24,178,667	25,778,667	519,667	1,600,000
Expenditures	16,210,166	21,074,360	23,514,888	24,301,818	25,760,086	786,930	1,458,268
Revenues Less Expenditures	**$ 8,099,554**	**$ 1,996,448**	**$ 144,112**	**$ (123,151)**	**$ 18,581**		

The Self-Insurance Fund's FY25-26 revenue budget is proposed to **increase by $520,000 (+2.2%)** after recalculating contributions from departments to maintain adequate funding for anticipated settlements and workers compensation claims cases.

The fund's FY25-26 expenditure budget is proposed to **increase by $787,000 (+3.3%)**, primarily due to anticipated increases in insurance premiums and costs pertaining to future claims and settlements.

As a result of the budget changes, the FY25-26 Self Insurance Fund budget will operate at a deficit of $123,000. Over the last 5 years the City has successfully ramped up contributions to this fund restoring balance and making incremental progress on its overall deficit fund balance. Beginning FY26-27, it is anticipated that the fund will be operating at a small surplus through FY34-35. Based on current assumptions, the beginning fund balance going into FY25-26 will be -$50.8 million with an ending fund balance of -$50.6 million by FY29-30. Additional details can be found in the **Five-Year Fund Projections** section of this document.

Airport Fund Budget Summary

Airport Fund	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY26-27 Increase/ (Decrease)
Revenues	23,886,882	20,292,508	18,342,326	21,044,124	21,607,369	2,701,798	563,245
Expenditures	23,675,161	17,586,133	18,119,142	24,002,581	21,759,455	5,883,439	(2,243,126)
Revenues Less Expenditures	**$ 211,721**	**$ 2,706,375**	**$ 223,184**	**$ (2,958,457)**	**$ (152,086)**		

The Airport Fund's FY25-26 revenue budget is proposed to **increase by $2.7 million (+14.7%)**, mainly the result of increases in ground lease rent, hangar storage fees, and landing fees, and increased reimbursements related to on-going legal matters.

The fund's FY25-26 expenditure budget is proposed to **increase by $5.9 million (+32.5%)**, primarily due to increased transfers to the General Fund related to non-aeronautical lease revenues and an increase in transfers to the Airport Capital Fund for the renovation of airport hangars and taxiway lighting replacement.

As a result of the budget changes, the FY25-26 Airport Fund budget will operate at a deficit of $3.0 million. Based on current assumptions, the beginning fund balance going into FY25-26 will be $39.2 million with an ending fund balance of $55.6 million by FY29-30. Additional details can be found in the **Five-Year Fund Projections** section of this document.

Sanitation Fund Budget Summary

Sanitation Fund	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY26-27 Increase/ (Decrease)
Revenues	16,649,110	26,869,750	18,918,815	18,859,697	20,287,133	(59,118)	1,427,436
Expenditures	14,811,382	26,435,711	20,106,241	19,329,652	19,951,107	(776,589)	621,455
Revenues Less Expenditures	**$ 1,837,728**	**$ 434,039**	**$ (1,187,426)**	**$ (469,955)**	**$ 336,026**		

The Sanitation Fund's FY25-26 revenue budget is proposed to **decrease by $59,000 (-0.3%)**, largely due to a decrease in transfers because of the consolidation of the Sanitation Vehicle Replacement Fund into the Sanitation Operating Fund and a reduction in solid waste franchise fees, which are partially offset by the increase in the charges for services due to the annual rate increase.

The fund's FY25-26 expenditure budget is proposed to **decrease by $777,000 (-3.9%)**, due to a reduction in the Other Operating Transfers Out category, as a result of the consolidation of the Vehicle Replacement Fund into the Operating Fund.

As a result of the budget changes, the FY25-26 Sanitation Fund budget will operate at a deficit of $470,000. Based on current assumptions, the beginning fund balance going into FY25-26 will be $14.6 million with an ending fund balance of $18.2 million by FY29-30. Additional details can be found in the **Five-Year Fund Projections** section of this document.

Sewer Fund Budget Summary

Sewer Fund	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY26-27 Increase/ (Decrease)
Revenues	6,569,642	8,050,200	8,616,082	8,201,108	8,447,146	(414,974)	246,038
Expenditures	5,230,480	6,172,449	5,823,593	7,131,592	6,847,734	1,307,999	(283,858)
Revenues Less Expenditures	**$ 1,339,162**	**$ 1,877,751**	**$ 2,792,489**	**$ 1,069,516**	**$ 1,599,412**		

The Sewer Fund's FY25-26 revenue budget is proposed to **decrease by $415,000 (-4.8%)**, primarily due to the consolidation of the Sewer Vehicle Replacement Fund into the Sewer Operating Fund. This decrease was partially offset by increase in charges for services driven by higher sewer charges.

The fund's FY25-26 expenditure budget is proposed to **increase by $1.3 million (+22.5%)**, primarily due to an increase in depreciation of added capital assets.

As a result of the budget changes, the FY25-26 Sewer Fund budget will operate at a surplus of $1.1 million. Based on current assumptions, the beginning fund balance going into FY25-26 will be $53.6 million with an ending fund balance of $69.1 million by FY29-30. Additional details can be found in the **Five-Year Fund Projections** section of this document.

Transit Fund Budget Summary

Transit Fund	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY26-27 Increase/ (Decrease)
Revenues	35,962,667	32,367,583	35,233,572	38,508,429	39,441,739	3,274,857	933,310
Expenditures	28,721,123	33,137,906	41,472,492	46,301,919	48,750,749	4,829,427	2,448,830
Revenues Less Expenditures	**$ 7,241,544**	**$ (770,323)**	**$ (6,238,920)**	**$ (7,793,490)**	**$ (9,309,010)**		

The Transit Fund's FY25-26 revenue budget is proposed to **increase by $3.3 million (+9.3%)** due to increases in Net Toll grant funding for Line 1 and Line 6 Express Lanes, Senate Bill 1, Prop A 40% Discretionary fund, and allocations from Proposition A.

The Fund's FY25-26 expenditure budget is proposed to **increase by $4.8 million (+11.6%)**, mainly due to planned increases in employee salaries and benefits, an increase in contract services for the MicroTransit Pilot project (approved by City Council in August 2024), and increased contributions to the Self-Insurance Fund and indirect cost rate charges.

As a result of the budget changes, the FY25-26 Transit Fund budget will operate at a deficit of $7.8 million. The Transit Fund is generally adopted with a planned use of fund balance attributed to the Depreciation of its assets due to outside federal funding for their replacement. The deficit is elevated due to additional service enhancements (Microtransit demonstration project) and a planned draw on accumulated balances with Los Angeles Metro. Staff will closely monitor this fund and make adjustments where necessary to ensure long-term balance. Based on current assumptions, the

beginning fund balance going into FY25-26 will be $41.4 million with an ending fund balance of $16.2 million by FY29-30. Additional details can be found in the **Five-Year Fund Projections** section of this document.

Water Fund Budget Summary

Water Fund	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY26-27 Increase/ (Decrease)
Revenues	55,377,876	56,262,311	54,803,501	61,768,887	65,894,566	6,965,386	4,125,679
Expenditures	47,410,975	55,758,171	53,147,802	61,256,156	67,024,281	8,108,354	5,768,125
Revenues Less Expenditures	**$ 7,966,901**	**$ 504,140**	**$ 1,655,699**	**$ 512,731**	**$ (1,129,715)**		

The Water Fund's FY25-26 revenue budget is proposed to **increase by $7.0 million (+12.7%)**, primarily due to increased demand/usage and a water rate increase of 6.5% that will take effect on January 1, 2026.

The fund's FY25-26 expenditure budget is proposed to **increase by $8.1 million (+15.3%)**, primarily due to the Water Supply Costs expenditure classification increasing from both demand/usage and cost of water. Prior years conservation restrictions and practices have reversed, and household usage is up. Additionally, the Desalter plant is being temporarily decommissioned, requiring the need to purchase more water from the Metropolitan Water District (which is more costly), until the plant comes back online.

As a result of the budget changes, the FY25-26 Water Fund budget will operate at a surplus of $513,000. Based on current assumptions, the beginning fund balance going into FY25-26 will be $150.0 million with an ending fund balance of $180.1 million by FY29-30. Additional details can be found in the **Five-Year Fund Projections** section of this document.

Citywide Staffing Summary by Fund

Fund Type	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Increase/ (Decrease)
General Fund	1,149.41	1,149.39	1,156.55	1,161.50	1,161.50	4.95	-
Airport Fund	12.07	12.37	12.17	12.17	12.17	-	-
AQMD	0.75	0.90	0.90	0.90	0.90	-	-
Area G Fund	1.00	1.00	1.00	1.00	1.00	-	-
Fleet Services Fund	34.60	33.60	33.60	33.60	33.60	-	-
HOME Investment Partnership	2.50	-	-	-	-	-	-
Low Mod Fund	0.35	0.30	0.30	0.30	0.30	-	-
Sanitation Fund	38.95	38.95	39.90	39.90	39.90	-	-
Section 8 Housing	4.58	4.58	5.33	5.33	5.33	-	-
Self-Insurance Fund	8.50	9.50	7.50	7.50	7.50	-	-
Sewer Fund	15.90	15.90	15.80	15.80	15.80	-	-
Transit Fund	196.80	196.80	196.80	205.80	205.80	9.00	-
Vanpool Fund	0.70	0.70	0.70	0.70	0.70	-	-
Water Fund	40.45	39.45	38.40	38.40	38.40	-	-
Other - Capital Improvement/Grants	23.43	25.40	24.30	24.30	24.30	-	-
Total FTE Count	**1,529.99**	**1,528.84**	**1,533.25**	**1,547.20**	**1,547.20**	**13.95**	**-**

The proposed FY25-26 citywide staffing budget will increase by 13.95 full-time equivalent (FTE) position. The FTE figures reflected in the Other - Capital Improvement/Grants row separately track 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

	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 FTE Increase/ (Decrease)	FY26-27 FTE Increase/ (Decrease)	FY25-26 Expenditure/ (Savings)	FY26-27 Expenditure/ (Savings)
City Manager	47.30	45.25	45.25	(2.05)	-	(83,700)	-
Community Development	74.00	77.00	77.00	3.00	-	301,225	-
Finance	38.25	38.25	38.25	-	-	10,413	-
General Services	116.75	117.75	117.75	1.00	-	62,000	-
Human Resources	14.00	16.00	16.00	2.00	-	190,975	-
Information Technology	39.00	44.00	44.00	5.00	-	983,500	-
Police	359.00	354.00	354.00	(5.00)	-	(632,550)	-
Public Works	208.00	209.00	209.00	1.00	-	62,285	-
Transit	196.80	205.80	205.80	9.00	-	750,025	-
Total				**13.95**	**-**	**$ 1,644,173**	**-**

As shown in the preceding table, the City's FY25-26 operating budget includes a proposed increase of 13.95 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	FY25-26 Non-Wage Program-level Budget Changes
City Manager	230,000
City Treasurer	(75,000)
Community Development	50,000
Community Services	484,000
General Services	404,000
Human Resources	(15,000)
Information Technology	25,000
Police	(200,000)
Public Works	(200,000)
Total	**$ 703,000**

In addition to staffing changes, the proposed FY25-26 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	FY24-25 Projected Fund Balance	FY25-26 Proposed Revenue Budget	FY25-26 Proposed Expenditure Budget	FY25-26 Projected Fund Balance	FY26-27 Proposed Revenue Budget	FY26-27 Proposed Expenditure Budget	FY26-27 Projected Fund Balance
General Fund	General Fund - Operating Fund	11,185,803	305,105,660	313,210,035	3,081,428	316,386,588	316,386,588	3,081,428
General Fund	General Fund - Measure SST	3,668,173	26,183,606	26,183,606	3,668,173	26,948,494	26,948,494	3,668,173
General Fund	General Fund - Restricted	43,442,715	4,416,579	7,346,489	40,512,805	4,242,582	8,792,810	35,962,577
General Fund	General Fund - Assigned	76,483,350	7,396,091	7,502,816	76,376,625	7,396,091	11,571,849	72,200,867
Nonmajor Govtl Funds	AQMD Fund	435,328	211,134	360,478	285,984	217,468	415,305	88,147
Nonmajor Govtl Funds	Debt Service Fund	6,808	23,625,753	23,625,753	6,808	24,154,567	24,154,567	6,808
Nonmajor Govtl Funds	Meadow Park Parking Lot District	276,021	41,205	30,205	287,021	41,205	30,230	297,996
Nonmajor Govtl Funds	Low Mod Fund	4,076,536	-	70,338	4,006,198	228,623	65,719	4,169,102
Nonmajor Govtl Funds	Section 8 Housing	698,436	9,345,309	9,250,801	792,944	10,090,382	9,976,195	907,131
Nonmajor Govtl Funds	Street Lighting Fund	-	1,912,828	1,912,828	-	1,912,828	1,912,828	-
Nonmajor Govtl Funds	Traffic Safety Fund	7,750	70,950	70,950	7,750	73,080	73,080	7,750
Nonmajor Govtl Funds	Vanpool Fund	-	261,749	261,749	-	264,205	264,205	-
Enterprise Funds	Airport Fund	39,224,564	21,044,124	24,002,581	36,266,107	21,607,369	21,759,455	36,114,021
Enterprise Funds	Sanitation Fund	14,605,735	18,859,697	19,329,652	14,135,780	20,287,133	19,951,107	14,471,806
Enterprise Funds	Sewer Fund	53,622,107	8,201,108	7,131,592	54,691,623	8,447,146	6,847,734	56,291,035
Enterprise Funds	Transit Fund	41,441,563	38,508,429	46,301,919	33,648,073	39,441,739	48,750,749	24,339,063
Enterprise Funds	Water Fund	150,083,005	61,768,887	61,256,156	150,595,736	65,894,566	67,024,281	149,466,021
Internal Service Funds	Fleet Services Fund	50,043,874	15,269,616	13,049,141	52,264,349	15,728,552	14,110,080	53,882,821
Internal Service Funds	Self-Insurance Fund	(50,798,208)	24,178,667	24,301,818	(50,921,359)	25,778,667	25,760,086	(50,902,778)
Fiduciary Funds	Redevelopment Agency Fund	(38,550,768)	4,339,486	1,252,179	(35,463,461)	4,351,214	1,163,453	(32,275,700)
Total Fund Balance		**$399,952,792**	**$ 570,740,878**	**$ 586,451,086**	**$384,242,584**	**$ 593,492,499**	**$ 605,958,815**	**$371,776,268**

The summary schedule above shows the citywide projected fund balance by fund through the end of FY26-27. Further details are provided in the **Departments** and **Five-Year Fund Projections** sections of this document.

Five-Year Capital Improvement Plan

The table below summarizes the proposed capital budget appropriations for FY 2025-26 through FY 2029-30. The proposed FY 2025-26 capital budget includes **$85.5 million in appropriations**, with planned capital expenditures totaling **$249.6 million over the five-year** planning period. Capital investments continue to focus on sustaining and improving essential infrastructure, including public facilities, parks, utilities, and transportation systems. These investments are aligned with the City's Strategic Plan and financial indicators, and are made possible in part through revenue generated by Measure SST. To date, $6.3 million in SST revenue has been committed to various projects, with an additional $8.2 million planned in FY 2025-26 for upgrades to City facilities and parks.

Of note, the City's Financial KPI for Capital Asset Condition declined from "green" to "yellow" in FY 2023-24. This change was the result of a 1.1% increase in the value of capital assets, which fell short of the 2% annual benchmark. While some progress was made, renewed focus has been placed on addressing this performance gap. The Proposed Fiscal Year 2025–26 Capital Improvement Plan prioritizes reinvestment in City assets to improve this indicator and return it to the green category.

Capital Project Type	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Parks	12,948,354	11,379,430	14,827,313	3,075,000	5,095,000	6,308,842	1,000,000
Facilities	10,104,270	7,380,348	9,741,490	5,169,500	6,897,792	9,632,971	1,240,210
IT Infrastructure	170,000	170,000	225,000	145,000	-	-	-
Public Right of Way	73,916,685	38,167,261	35,133,833	23,886,131	14,071,600	12,969,333	13,164,333
Sewer/Water Utilities	49,665,333	22,034,284	6,450,000	5,550,000	16,543,306	8,350,000	1,850,000
Storm Drain/Basins	13,379,438	7,778,708	9,688,000	8,705,000	6,489,402	1,611,000	1,355,000
Operating Project	15,358,661	5,784,906	4,669,554	4,527,000	1,025,000	140,000	-
Other	1,754,917	1,680,917	2,000,000	1,000,000	250,000	250,000	250,000
Contingency	-	-	2,772,037	1,067,118	1,171,369	1,092,675	254,021
Total Expenditures	**$ 177,297,658**	**$ 94,375,854**	**$ 85,507,227**	**$ 53,124,749**	**$ 51,543,469**	**$ 40,354,821**	**$ 19,113,564**

As previously mentioned, the proposed FY 2025-26 capital budget prioritizes strategic investments in the City's infrastructure, community assets, and public facilities to ensure long-term service delivery, accessibility, and safety across Torrance. The plan reflects a balanced approach that addresses immediate needs while supporting the City's broader goals for resilience, equity, and modernization.

The largest share of capital investment is allocated to Public Right-of-Way projects, with a total appropriation of $35.1 million dedicated to enhancing the City's roadways and sidewalk infrastructure. These projects are designed to maintain and improve street conditions, enhance pedestrian safety, and extend the life of existing transportation infrastructure throughout the community. The three most significant projects in this category include:

- **School Safety and Accessibility Program – $19.1 million**
- **Residential Slurry Seal Program – $7.4 million**
- **Arterial Street Pavement Sealing Program – $3.5 million**

The second largest capital investment area is Parks, with $14.8 million allocated to park improvements across the City. Key projects include:

- **Paradise Park Rehabilitation – $6.9 million**: This project includes comprehensive upgrades to irrigation, utility infrastructure, ADA access, playgrounds, picnic areas, restrooms, and tennis courts.
- **Columbia Park Enhancements – $3.9 million**: A multi-phase initiative that includes the WWII Memorial Wall, a new dog park, turf soccer fields, and renovations to playgrounds, bocce courts, restrooms, and picnic areas. The current appropriation supports Phase 2 funding and additional costs associated with the memorial project.
- **Walteria Park Improvements – $1.7 million**: Rehabilitation of playing courts, perimeter fencing, and wind screens to ensure functionality and safety.

Additional investments include enhancements at Wilson Park (street frontage improvements), Alta Loma Park (playground upgrades), and Guenser Park (walking path repairs). The budget also includes $300,000 for the development of a citywide Parks Master Plan, which will provide a long-term vision for park improvements and gather community input to align future investments with public expectations. It is anticipated that the cost implications identified through this planning effort may exceed currently available resources, underscoring the importance of pursuing external funding such as grants and partnerships.

Investments in municipal facilities total $9.7 million, with major projects at:

- **Torrance Municipal Airport – $3.3 million:** Upgrades include improvements to taxiway lighting systems and hangar facilities.
- **Torrance City Yard – $2.4 million:** Includes roof replacement at the City Services Building, Fleet Services renovations, and the first phase of electric vehicle charging infrastructure—aligned with City Council's FY 2025–26 budget priorities.
- **Torrance Regional Transit Center – $1.25 million:** Funding to support capital improvements that enhance transit operations and connectivity.

As part of the City's forward-looking capital improvement strategy, efforts are underway to advance the Torrance Civic Center Master Plan—a comprehensive vision to reimagine and modernize the City's civic core. Many of the existing buildings date back to the 1950s and 1960s and have surpassed their intended service life. Master plan alternatives under development consider consolidation of government services; adaptive reuse of aging facilities; improved pedestrian circulation and access; and integration of new community amenities. The planning process also includes an evaluation of potential revenue-generating opportunities and public-private partnerships to help finance future capital investment.

CITY OVERVIEW

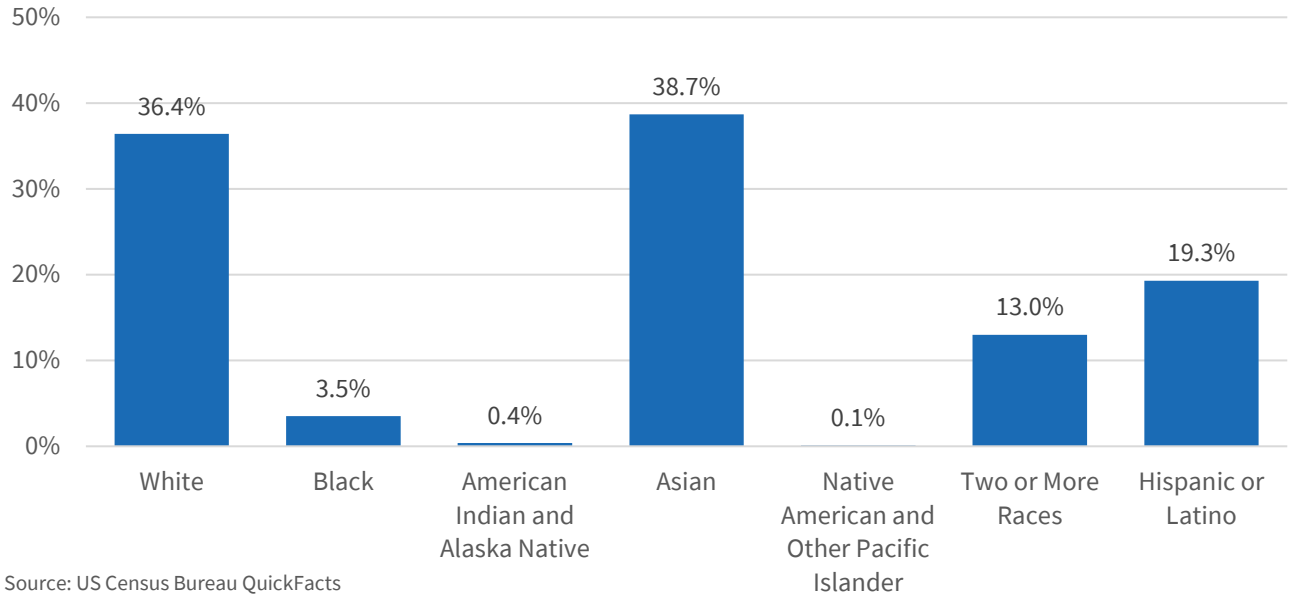
City Overview

About Our City

	2023	2024
Population*	143,057	142,910
Population per square mile	6,978.4	6,971.2
Year of Incorporation	1921	
Governance Structure	Council-Manager	
Area (square miles)**	20.5	
Median Household Income**	$109,554	$113,105
Number of Businesses***	13,439	13,987
Assessed Value†	$38.2 billion	$40.2 billion
Commercial Parcels†	1,447	1,445
Net Table Value	$6.2 billion	$6.5 billion
Residential Parcels†	37,876	37,948
Net Taxable Value	$25.6 billion	$26.9 billion
Industrial Parcels†	539	539
Net Taxable Value	$3.1 billion	$3.4 billion

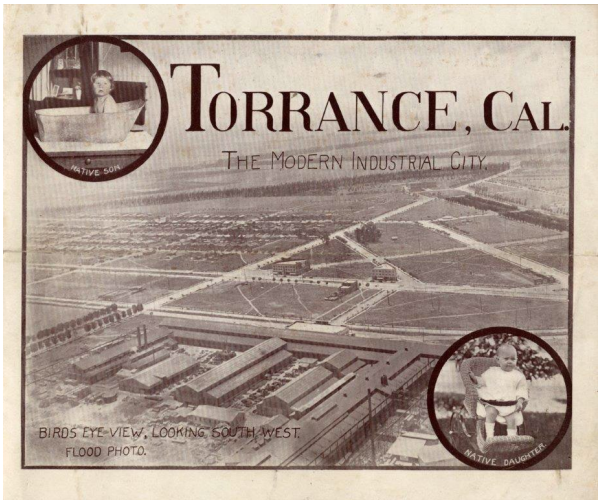
*State of California Finance Department, Demographic Research Unit
**US Census Bureau
***US Department of Finance
† HdL Companies

Race and Hispanic Origin of Residents



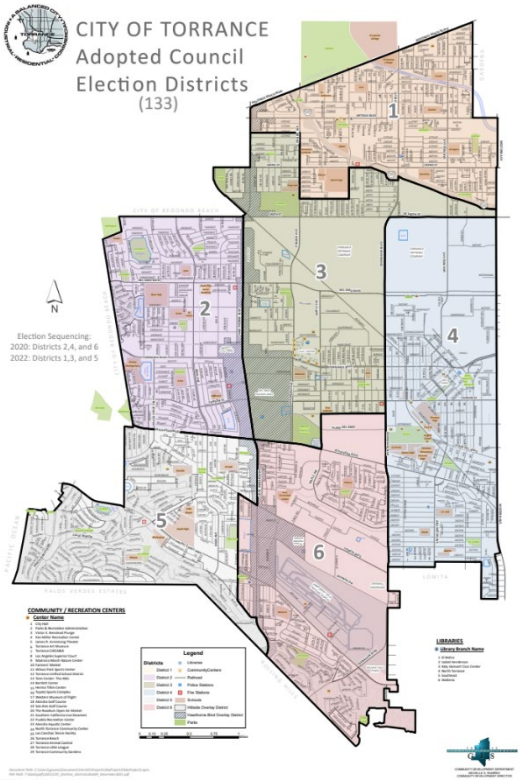
Source: US Census Bureau QuickFacts

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 a seven-member City Council, comprised of an elected mayor and six councilmembers. While the Mayor is elected at large, councilmembers are elected by district, and they must reside in their district. 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 and administers the City's deferred compensation plan and the Public Agency Retirement System ("PARS") supplemental employee pension plan.

As a full-service city, Torrance prides itself on the wide range of services it provides to 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. Torrance enjoys a pleasant year-round climate with warm temperatures, sea breezes, and low humidity. Temperatures average within the low 60s and high 70s °F in summer months and high 40s and high 60s °F in winter months.

The City is home to the Torrance Unified School District, which consists of 17 elementary, 8 middle, 4 high schools, 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.

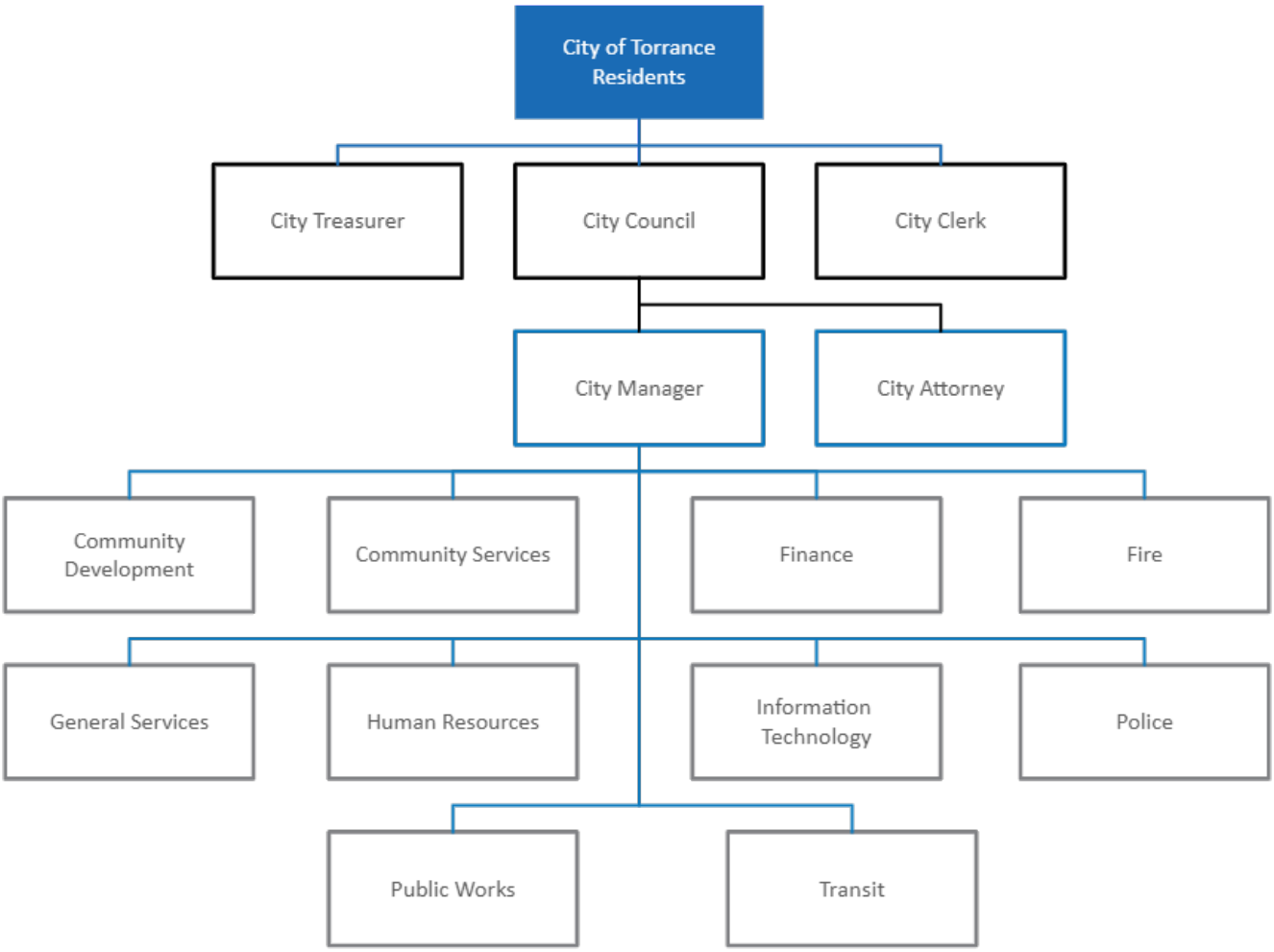
FY24-25 Organizational Profile Comparison	Torrance	Glendale	Burbank	Pasadena
Population*	142,910	191,586	105,603	139,692
Citywide Adopted FTE	1,529.8	1,963.2	1,535.7	2,406.9
General Fund Adopted FTE	1,155.1	1,106.0	988.3	1,081.3
General Fund Adopted Budget (Expenditures)	$ 286,824,553	$ 325,659,744	$ 258,693,806	$ 341,950,039
Citywide Adopted Budget (Expenditures)	$ 525,407,237	$ 1,204,386,024	$ 872,003,825	$1,156,600,000
Residents serviced per FTE (General Fund)	**124**	**173**	**107**	**129**
Total General Fund Budget Per Capita	**$ 2,007**	**$ 1,700**	**$ 2,450**	**$ 2,448**

Source: Cities' fiscal year 2024-2025 budgets

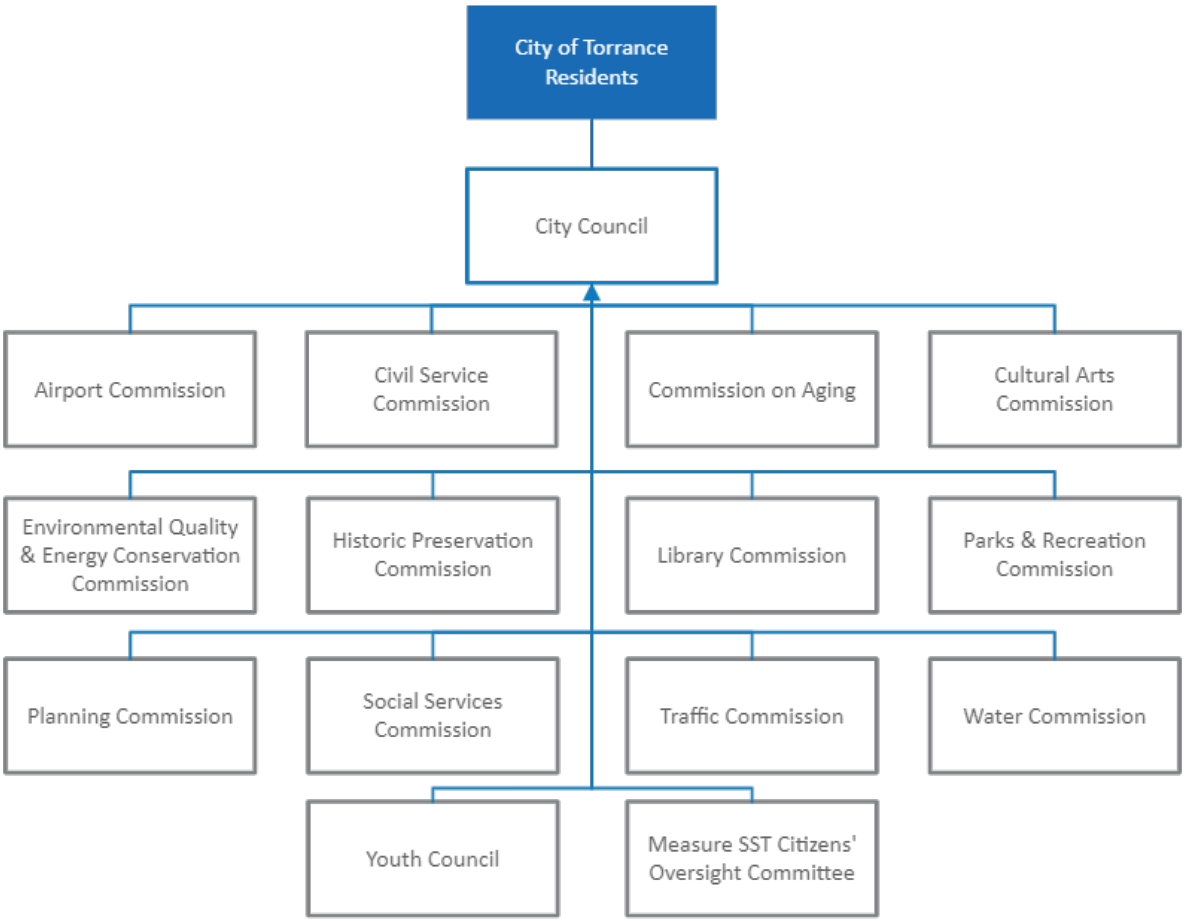
*State of California, Finance Department, Demographic Research Unit

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



2025

BUDGET DEVELOPMENT

Budget Development

Budget Process and Timeline

The City follows a biennial budget development process which allows for effective short-term program management and long-range planning. The City's use of the biennial budget process also complies with the City Charter (Article 11) which requires a fiscal year period beginning July 1 and ending June 30; a proposed budget preparation by the City Manager; a proposed budget submission by City Manager to City Council on or before June 1, and budget adoption by City Council (at least 4 affirmative votes) by June 30 after completing two public hearings to give an opportunity for community input. The City has continued its use of OpenGov as a means of maintaining transparency during the budget development process. OpenGov is an online dashboard linked to the City's financial system that 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's Budget Division is responsible for coordinating, developing, and monitoring the annual budget process.

The City is required by the State to maintain a balanced budget each year. A balanced budget is defined as one in which total revenues meet or exceed the approved spending levels. While the use of fund balance may be considered to balance the budget in a given year, it is not a preferred long-term solution and should not be used for ongoing expenses. The City aims to achieve a structurally balanced budget, where recurring revenues consistently cover recurring expenditures. In addition to the annual budget, staff prepare and present First Quarter and Mid-Year Budget Review Reports to provide updates on the budget throughout the year. These reports analyze budget performance and offer an opportunity to adjust revenue or expenditure budgets, as well as include any approved program modifications. Moreover, staff also incorporates multi-year projections to ensure the long-term strategy is balanced and achievable.

November/ December

- Due to the high level of complexity involved with developing a comprehensive budget, the City's Finance Department begins preparations 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 City 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 requirements. 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 encourage public participation in the budget development process, two public hearings are held during the presentation of the proposed operating and capital budgets.
- During the second public hearing, City Council formerly adopts resolutions approving the City's operating and capital budgets, annual appropriations limit (GANN limit) and adjustment factors and the investment policy for the coming fiscal year.

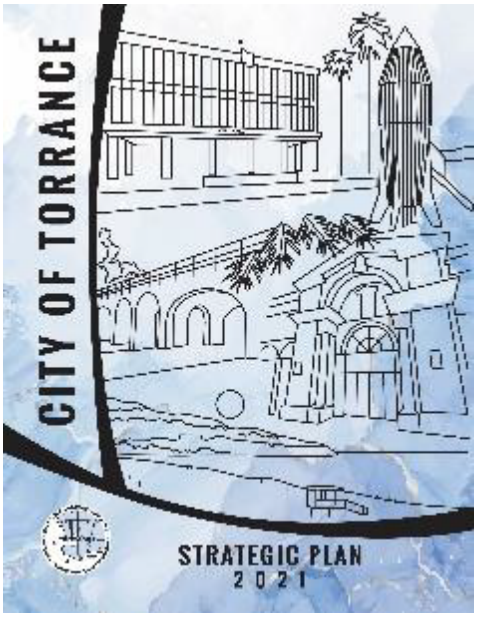
Budget Priorities

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

On December 17, 2024, 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. Plan for expanded use of alternative fuel vehicles compliant with recent California Air Resources Board (CARB) guidance.
9. Determine resources needed to implement impacts of Park Services Operational Assessment.
10. Identify resources and strategies to begin implementation of findings from the City's Forensic Review of Fiscal Management Processes.

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

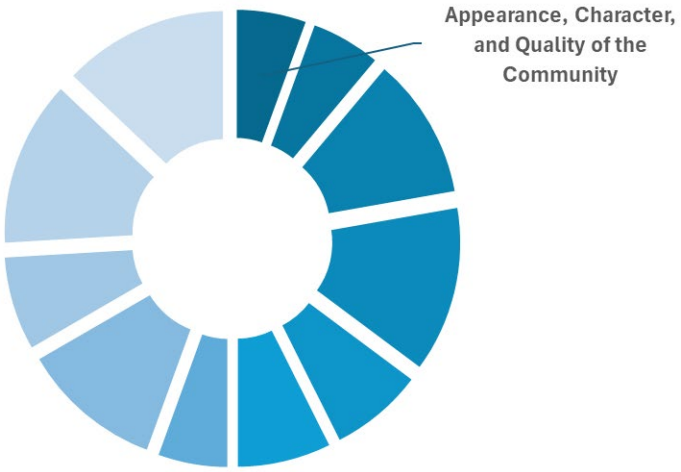
As a result of the City Council Strategic Plan Committee's efforts, the 2021 Strategic Plan (full document and process available here) was published, outlining the following strategic priorities that remain in effect today:

- 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 Priorities Summary

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

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

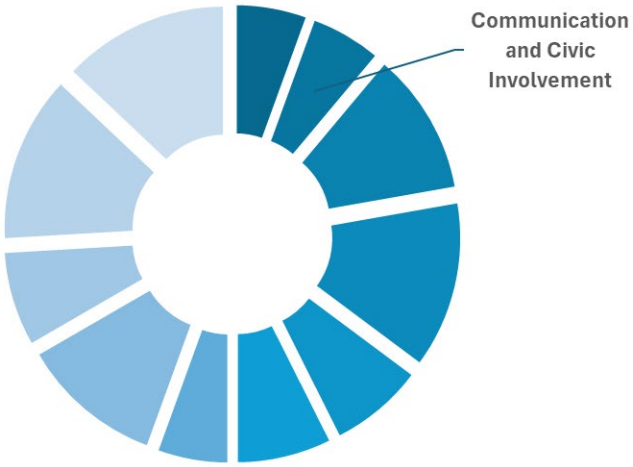


The table below outlines each goal under this Strategic Plan Priority and the respective departments associated with each goal.

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

Strategic Plan Priority 2 – Communication and Civic Involvement

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

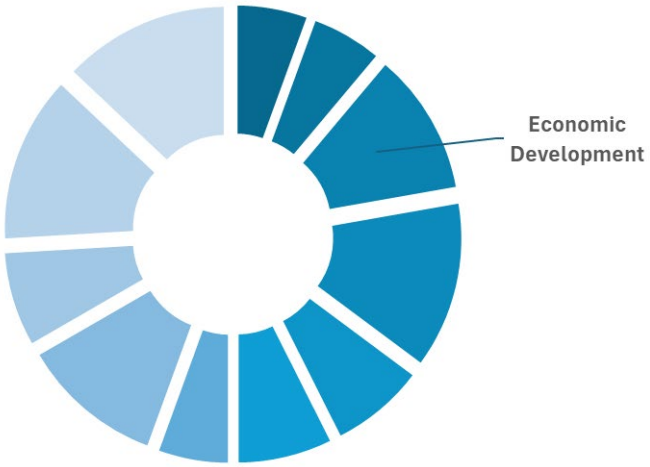


The table below outlines each goal under this Strategic Plan Priority and the respective departments associated with each goal.

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

Strategic Plan Priority 3 – Economic Development

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

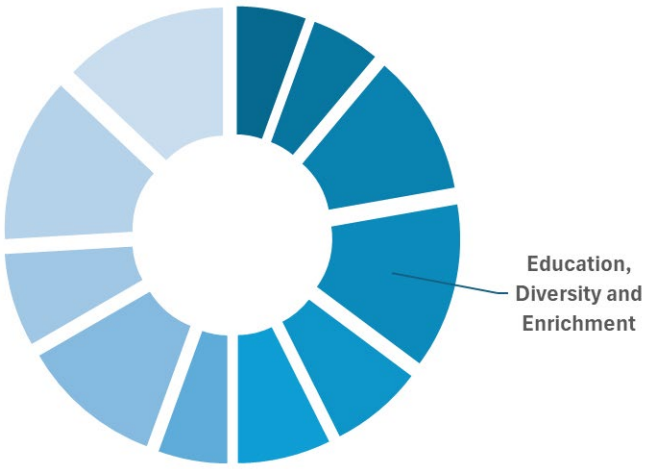


The table below outlines each goal under this Strategic Plan Priority and the respective departments associated with each goal.

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

Strategic Plan Priority 4 – Education, Diversity, and Enrichment

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

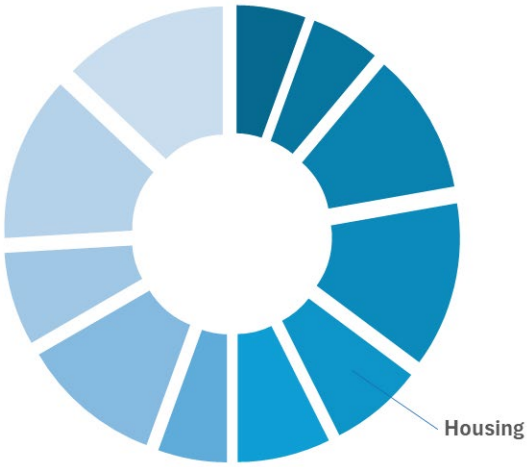


The table below outlines each goal under this Strategic Plan Priority and the respective departments associated with each goal.

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

Strategic Plan Priority 5 – Housing

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

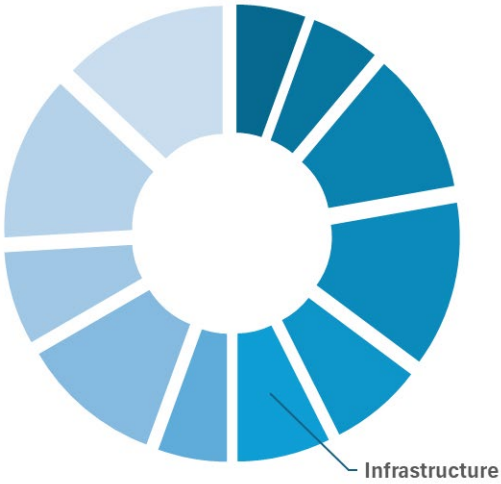


The table below outlines each goal under this Strategic Plan Priority and the respective departments associated with each goal.

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

Strategic Plan Priority 6 – Infrastructure

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

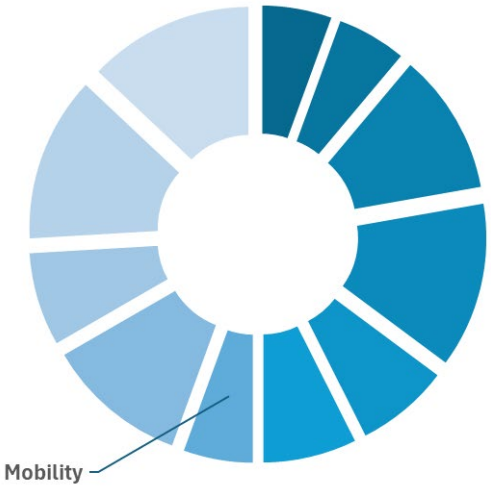


The table below outlines each goal under this Strategic Plan Priority and the respective departments associated with each goal.

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

Strategic Plan Priority 7 – Mobility

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

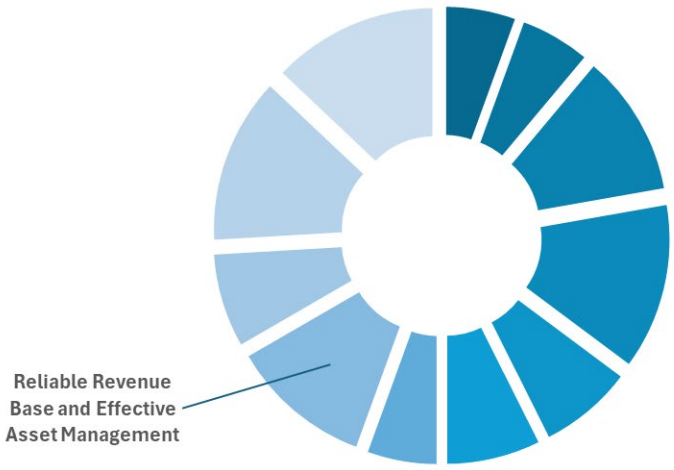


The table below outlines each goal under this Strategic Plan Priority and the respective departments associated with each goal.

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

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

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

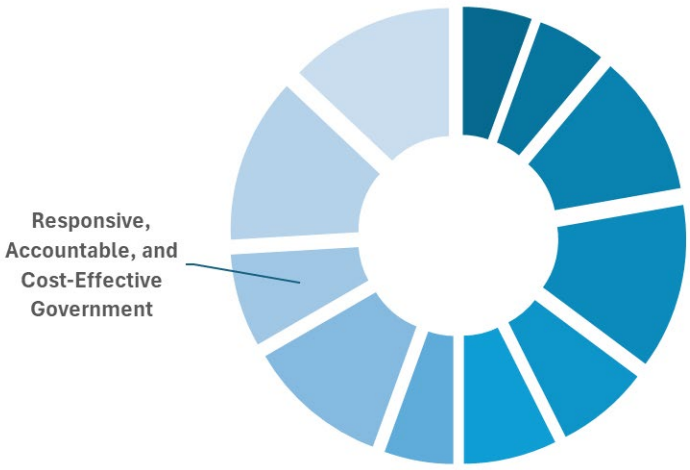


The table below outlines each goal under this Strategic Plan Priority and the respective departments associated with each goal.

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

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

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

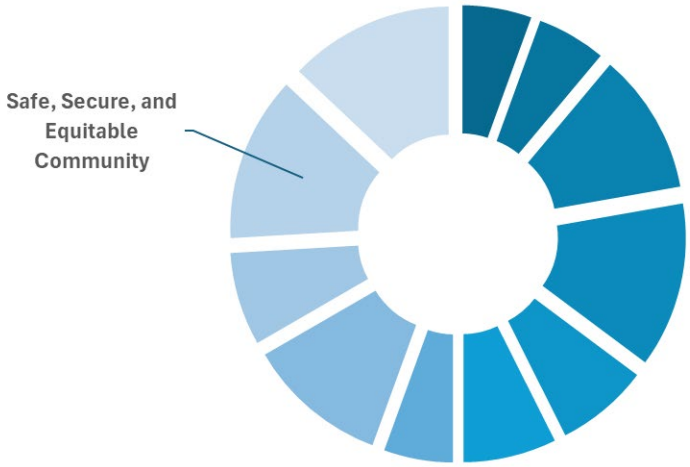


The table below outlines each goal under this Strategic Plan Priority and the respective departments associated with each goal.

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

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

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

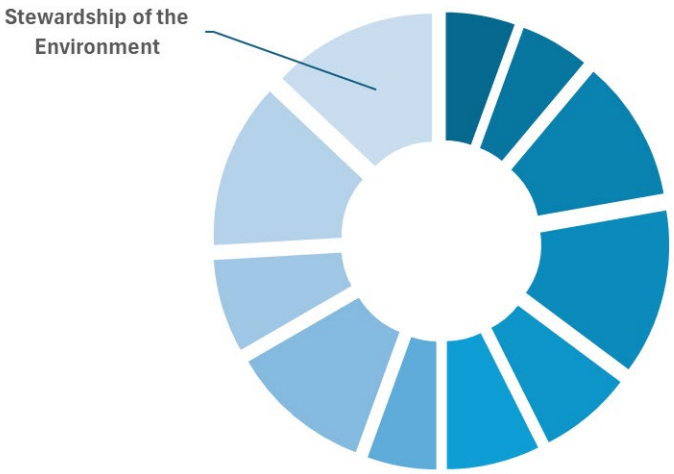


The table below outlines each goal under this Strategic Plan Priority and the respective departments associated with each goal.

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

Strategic Plan Priority 11 – Stewardship of the Environment

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



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

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

Strategic Plan Performance Indicators by Department

On an annual basis, the Finance and Governmental Operations Committee and City Council meet to provide direction on the budget initiatives, and this year as part of the Budget Development process, the City developed new key performance indicators (KPI) and received City Council approval on December 17, 2024.

These newly developed KPIs provide improved objective benchmarks based on the goals of each Department and at least one KPI per Department is in accordance with their assigned Strategic Plan priorities and goals. Each Department has at least one sub-goal in the Strategic Plan, which in turn links Department strategic goal performance to an ongoing and measurable objective.

The City will monitor the KPIs on a quarterly basis and provide the updates to the public in an online KPI Dashboard, which will be made available in FY25-26.

In the tables below, each department has listed their approved KPIs, their KPI benchmarks, and actuals from January 1, 2025, to March 31, 2025.

Strategic Plan Sub-Goals(s)	Department	Key Performance Indicator (KPI)	Target Value (Quarterly)	Value as of March 31, 2025
N/A	City Attorney	% of civil litigation cases received and closed within same fiscal year	70%	33% (15 Open/5 Closed)
N/A	City Attorney	% of work requests received and closed within 90 days	60%	66% (258 Open/170 Closed)
N/A	City Attorney	Total number of training opportunities provided by the City Attorney's Office	1	1
N/A	City Manager	Percentage of Strategic Plan Subgoals Off Track	<=5%	0%
5.2.1	City Manager	Number change of unhoused individuals within the City	<=0 *	0
11.7.4	City Manager	Viewer Retention Rate	>=70% watch 15 seconds of content	69.37%
3.2.2	Community Development	Number of revitalized and redeveloped commercial properties through the City's Commercial Facade Improvement Program.	3	0
3.6.2	Community Development	Percentage of Code Compliance	Achieve 85% code compliance through the closing of code enforcement cases	81%
3.6.2	Community Development	Customer Satisfaction Rate at Permit Center	Achieve 90% customer satisfaction rate and 20% reduction in wait times	91% Customer Satisfaction Rate at Satisfactory or higher 16% Reduction in Wait Times

Strategic Plan Sub-Goals(s)	Department	Key Performance Indicator (KPI)	Target Value (Quarterly)	Value as of March 31, 2025
1.1.7	Community Services	Number of public art pieces installed	2	6
4.4.3	Community Services	Number of library visitors	1,125	3,656
4.5.1	Community Services	Average enrollment rates of offered classes	75%	75%
N/A	Community Services	Percentage of natural urban ecosystem and new green spaces and/or open spaces enhanced	1	4
1.1.4	Community Services	Number of days to close a Community Services Service Requests	5 days	5 days
9.2.3	Finance	Percentage of internal audit recommendations implemented	100%	100%
9.2.6	Finance	Total percentage of cooperative purchase agreements as a percentage of total purchase orders	33%	21%
N/A	Finance	Average number of days to complete requested change orders	3 days	10.4
8.5.1	Finance	Number of audit findings from 3rd party independent audits	<=1	3
8.5.2, 8.5.3	Finance	Number of public engagement meetings	>3 per year	2
8.2.3	Finance	Net change of new business added to the City	Net positive	560
N/A	Finance	Average number of days to complete a Budget Transfer	3 days	6.2
10.5.4	Fire	Performance of 1st unit on-scene for all Fire incidents at the 90th percentile	6 min 24 secs	9 min 34 secs
10.5.4	Fire	Performance of 1st unit on-scene for all EMS incidents at the 90th percentile.	6 min 4 secs	7 min 30 secs
10.1.1	Fire	Percentage of initiated (performed) state-mandated inspection annually	100%	100%
N/A	Fire	Percentage of planned training at TUSD campuses that received fire and life safety training	100%	100%
8.4	General Services	Average time elapsed from submittal of facility work orders until project completed.	<=3 days	2.5 days
11.1	General Services	Number of gallons reduced through purchases of alternative fuel (green) vehicles	Reduce fuel by 5,000 – 7,000 gallons annually.	Fuel increased 15,000
N/A	General Services	Average time elapsed from Dept. approval of Central Services work orders until project completed.	<=3 days	Less than 3 days
N/A	General Services	Average time elapsed from submittal of graffiti work orders until abatement completed.	<=2 days	Less than 24 hrs.
9.5.2	Human Resources	Percentage of employees who attend the Benefits Fair	Annual participation increase of 10%	35%
9.5	Human Resources	Number of days to hire (Safety/Non-Safety)	90 days	182 / 92
9.5	Human Resources	Average number of days to complete processing PAFs per pay period	3 days	4
9.5	Human Resources	Average number of days to complete NeoGov Req	2 days	1
9.5.2	Human Resources	Average number of days to enroll employees in benefits	30 days	22

Strategic Plan Sub-Goals(s)	Department	Key Performance Indicator (KPI)	Target Value (Quarterly)	Value as of March 31, 2025
N/A	Information Technology	Average amount of time to complete service requests	Achieve a 2-hour target in responding to critical service requests for a 98.5% service level	96.70%
N/A	Information Technology	Percentage of unplanned maintenance incidents	Achieve less than 10% of unplanned incidents	22%
N/A	Information Technology	Percentage of Cyber Security Incidents investigated and closed	100% of incidents investigated and closed	100%
N/A	Information Technology	Percentage of Cyber Security threats prevented	100% of threats prevented	100%
9.4.2	Information Technology	Percentage of employees who complete cybersecurity training	100% employees complete the training	95%
10.2.1,10.2.2	Police Department	Average Police Response Time to Emergency Priority One Calls	Improve response times by 10%*	4.8%
10.2.1, 10.2.3, 10.2.5	Police Department	Increase Hiring of Police and Professional Staff	Reduce vacancies by 50%*	6.8%
10.2.1, 10.2.4, 10.4.1	Police Department	Felony Charges Filed	Increase filings by over 5%*	-30.8%
N/A	Police Department	Number of community engagement meetings/events/forums	12	17
7.3.1	Public Works	City's Pavement Condition Index (PCI) rating	Sustain a minimum PCI rating of 70	75
11.5.1	Public Works	Percent of local water supply sold	7 to 10% annual increase of local water sold through 2029, with an overall goal of 70%	Local water supply for 1st quarter of 2025 is at 38% Local water supply for 1st quarter of 2024 was at 31%
11.3.6	Public Works	Number of trees planted	Plant 1,750 new trees each year through June 2027, for a total of 7,000 new trees	885
7.1.2	Transit	Percent of Bus On-time Performance	80%	81.4%
7.1.2 , 7.3.2 , 7.3.4 , 7.3.6	Transit	Total Transit Ridership (All Bus, TCTP and future Micro Transit) by annual passenger trips	2,000,000 passenger trips	592,149
N/A	Transit	Average vehicle revenue miles between mechanical failures	6,000 miles	35,913 miles
N/A	Transit	Percentage value of fare box recovery	2%	3.7%

**denotes annual target and scoring is year-to-date*

Operational Efficiencies

As part of the FY25–27 budget planning process, the City Manager's Office continued to emphasize a comprehensive review of citywide operations. The Budget Review Team—made up of the City Manager, Department Heads, Managers, Supervisors, and Budget Analysis Team members from each department—met twice, in November 2024 and April 2025. These meetings covered the budget timeline, City Council priorities, status of labor relations, staffing needs, operational efficiencies, capital project planning, and multi-year financial projections. The discussions helped lay the groundwork for the upcoming budget cycle.

The following 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 different service delivery methods are available 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 impact on staffing and land management.

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. This fund has accumulated a negative fund balance over the years, which has been gradually improving over the last four years. As of June 30, 2024, the fund's net position is (-$52.1) million. This is driven by existing outstanding liabilities in workers' compensation of $52.7 million and Liability Claims of $14.8 million. As of June 30, 2024, the cash balance in this fund stands at only $21.5 million. Given the trends, the FY25-26 and FY26-27 budget includes contributions from all departments to maintain a balanced budget for the next 10 years. Additional one-time transfers will be recommended when budget savings are available to help address this shortfall and rebuild its balance to a positive status.

Cash Balances by Fund

The City continues its focus on improving the General Fund's cash balance. As the City improves its **General Fund Unrestricted Fund Balance** 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

In recent years the City has experienced one of 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, the passage of Measure SST allowing public safety positions to remain whole, and the multi-year labor agreements recently approved, the City is working hard to attract and retain high quality talent. It is proving to be a challenging time to fill positions and will be the focus for months to come to stabilize the workforce.

As of March 2025, 248 employees are eligible for retirement (based on 55 years of age; Employee Classification A), as compared to 244 as of March 2024. As the workforce ages, City staff will continue to monitor retirement eligibility for proper succession planning. Beginning in FY21-22, the City sustained a significant spike in retirements and voluntary resignations, which has since begun to wane beginning in FY23-24. 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 an area of focus, and employee retention will continue to be a challenge and will be monitored closely.

	FY20-21	FY21-22	FY22-23	FY23-24	9 Months of FY24-25
Retirements	57	**72**	**59**	**33**	**36**
Voluntary Resignations	42	**133**	**121**	**96**	**61**
Departures or Death	11	13	21	18	15
Total Separations	**110**	**218**	**201**	**147**	**112**

Status of Labor Agreements

An important focus was placed on attracting and retaining necessary talent to combat departures. By securing multi-year contract agreements, the City benefits from long-term cost predictability, enhanced stability for employees, and more accurate budget planning. The City's labor agreements with the various union groups follow different terms. The Torrance Fire Fighters Association settled with expiration dates of December 2027 and Torrance Police Officers Association and Torrance Police Commanders Association with December 2025. The City's Miscellaneous labor groups expire June

2028. For reference, it is estimated that it costs the city, across all Funds, approximately $2.2 million for every 1% negotiated wage increase for all unions/bargaining units.

Aging Buildings and Infrastructure

The City of Torrance owns and operates over $500 million worth of buildings, public facilities, and infrastructure (net of accumulated depreciation). With every year passing these buildings age and deteriorate, many of which are still in their original condition. The City's capital assets have either reached or exceeded their half-life mark, requiring heavy maintenance and upgrade. In FY23-24, the City contracted a firm to index all city-owned facilities, and the firm issued a comprehensive facility assessment report covering items such as 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 FY25-26 to FY29-30. The next phase of refining required investment through the Capital Improvement Plan will be achieved through a Parks Master Plan funded in FY25-26 that will further inform the necessary capital investments required in our city parks after engaging with the community. Additional information on this index study can be found in the **Capital Improvement Plan** section.

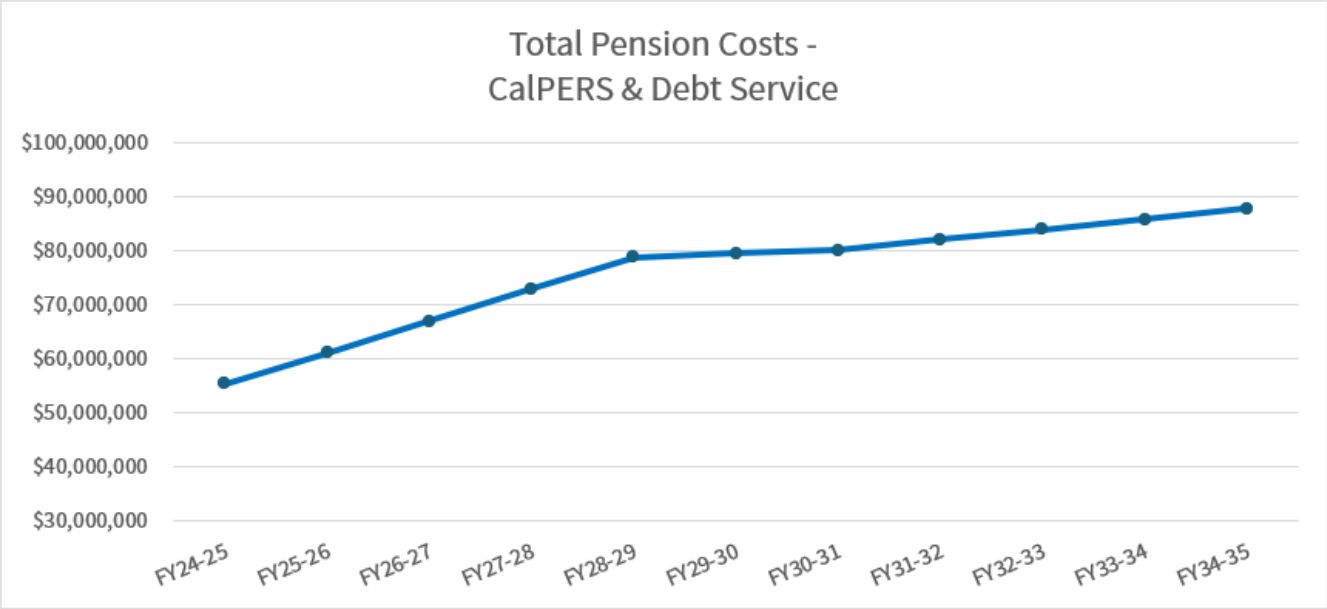
Pension/OPEB Benefits Liability Management

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

It is important to note that this high return triggered a reduction in the CalPERS discount rate from 7.0% to 6.8%. Despite this reduction, the impact of the returns outweighed the negative effect of the discount rate in future years. During fiscal years ending 2022 through 2024, CalPERS investment returns fluctuated between losses and positive returns, with the ultimate impact reducing the funding status and increasing future annual Unfunded Actuarial Liability (UAL) payment. 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.

The UAL payment increases from $13 million in FY 2025-26 to $33 million in FY 2034-35. 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 CEPPT Section 115 Fund that the City funds on an annual basis. The City sees its first drawdown in the FY25-26 budget, in the amount of $7.3 million.

The City is planning to allocate $2.3 million in the fiscal year 2025-26 into the Section 115 Trust. The exact amount contributed will be reassessed each year based on available funds and projected CalPERS costs. 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 FY25-26, the City's CalPERS and CalPERS related debt costs are estimated to be 17.5% 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 into 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:

	Grading Criteria		
Financial Key Performance Indicators	**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 Unrestricted Fund Balance	< 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 of the City's performance, based on the grading criteria using the last five years of data:

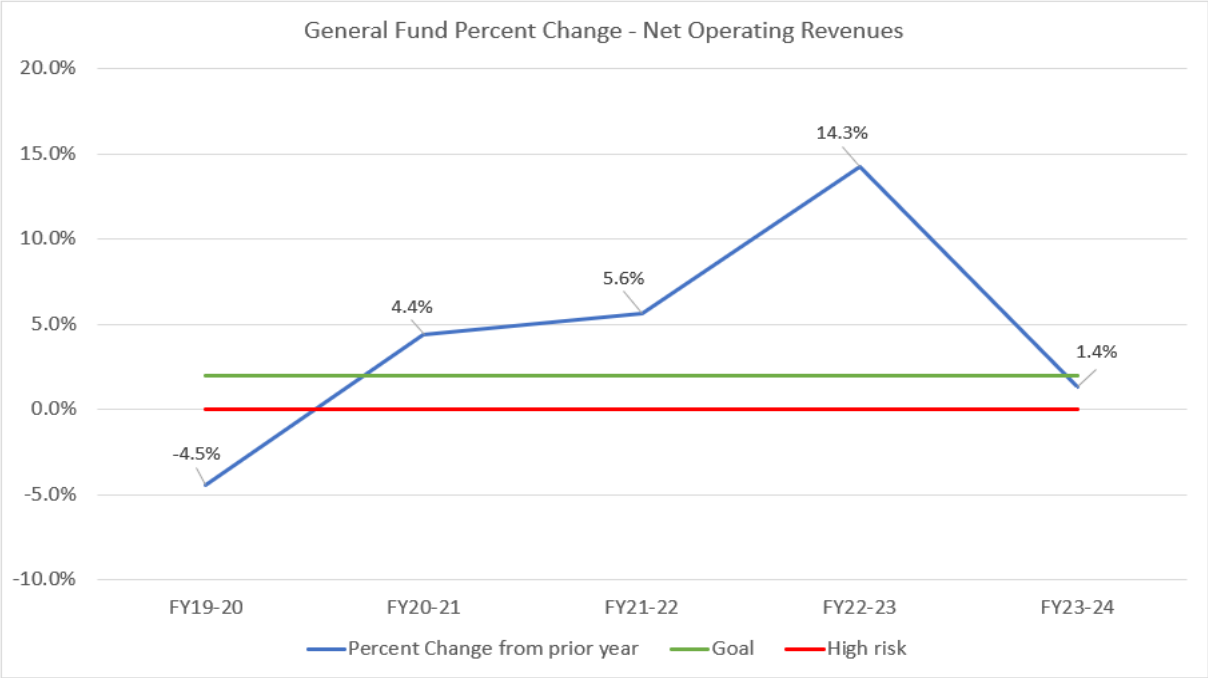
Financial Key Performance Indicators	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24
Revenue Trends	🔴	🟢	🟢	🟢	🟡
Net True Operating Surplus/(Deficit)	🔴	🔴	🟢	🟢	🟢
General Fund Unrestricted Fund Balance	🔴	🔴	🟢	🟢	🟢
Liquidity	🔴	🟡	🟢	🟢	🟢
Pension Obligations	🔴	🔴	🟡	🔴	🔴
Debt Burden	🟡	🟡	🟢	🟢	🟢
Pension Funded Status	🟡	🟡	🟢	🟢	🟢
OPEB Funded Status	🔴	🔴	🔴	🔴	🔴
Self Insurance Funded Status	🔴	🔴	🔴	🔴	🔴
Capital Asset Condition	🟢	🟢	🟢	🟢	🟡

Revenue Trends

Current Status: Moderate

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. In 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, continuing to grow until a peak of 14.3% in FY22-23, shifting the City's position to the low-risk category for all those years. Such levels of growth are not typical, and represent recovery, and a pent-up demand for goods, services, and entertainment that followed the "stay-at-home" orders from the pandemic. In FY23-24, in response to the post-pandemic spike in inflation, the Federal Reserve raised the federal funds rate by 0.25 basis points, incentivizing saving rather than spending. As of June 30, 2024, the City's Revenue Trends KPI fell to the Moderate-Risk category and is cautious about future headwinds and uncertainty around the impact that newly implemented international tariffs may have on the local economy.

Revenue Trends	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24
Operating Revenues & Transfers In (net) - thousands	188,597	204,735	234,839	275,131	287,795
CPI-U (as of June 30)	278.1	289.2	314.1	322.1	332.4
CPI-U (adjustment for constant dollars-2012 basis)	84.9%	81.6%	75.1%	73.3%	71.0%
Operating Revenues & Transfers In (net) - thousands	160,051	167,080	176,481	201,636	204,379
Percent Change from prior year	-4.5%	4.4%	5.6%	14.3%	1.4%
Goal	2.0%	2.0%	2.0%	2.0%	2.0%
5-Year Average Change					5.5%



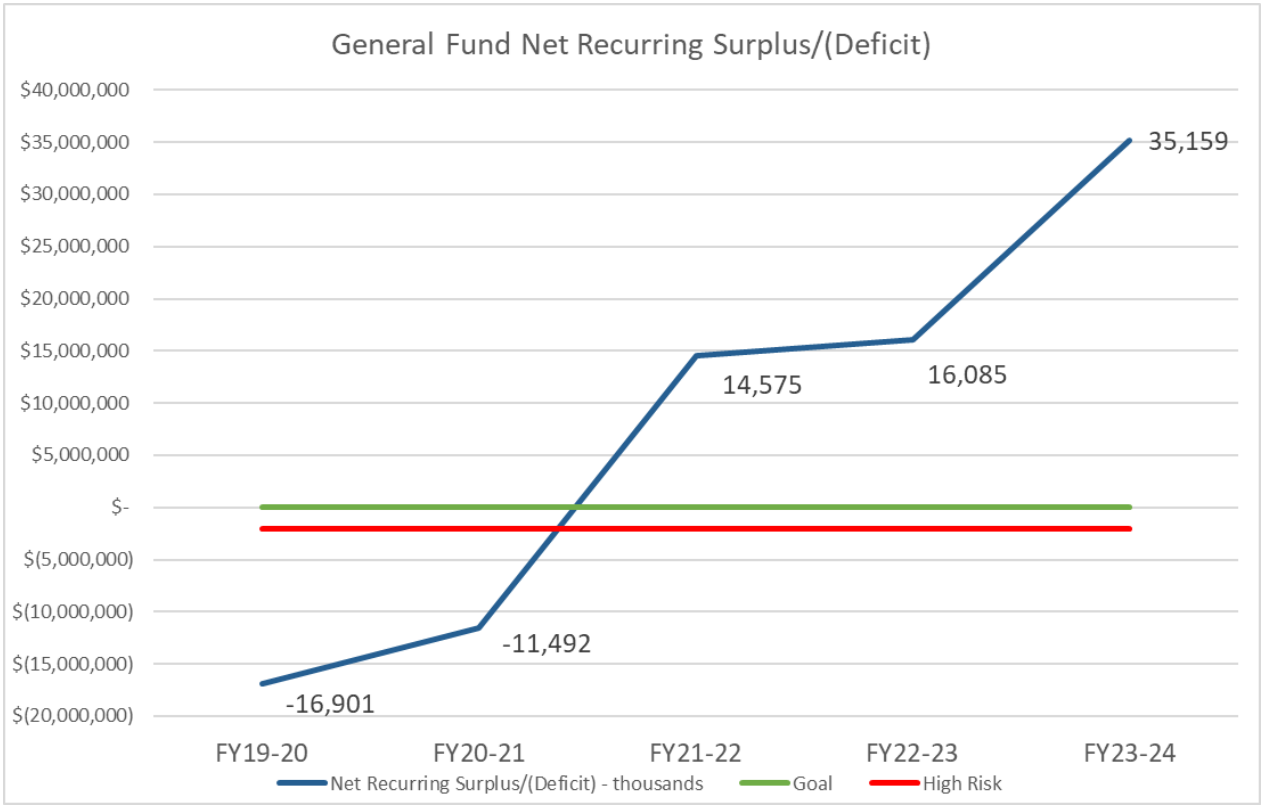
Net True Operating Surplus/(Deficit)

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 FY19-20 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 structural operating surplus every year since.

Net True Operating Surplus / (Deficit)	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24
Net Operating Revenues & Transfers In - thousands	188,597	204,735	234,839	275,131	287,795
Net Operating Expenditures & Transfers Out - thousands	205,498	216,226	220,264	259,046	252,637
Net Recurring Surplus/(Deficit) - thousands	-16,901	-11,492	14,575	16,085	35,159
Goal	0	0	0	0	0
5-Year Average Change					7,485



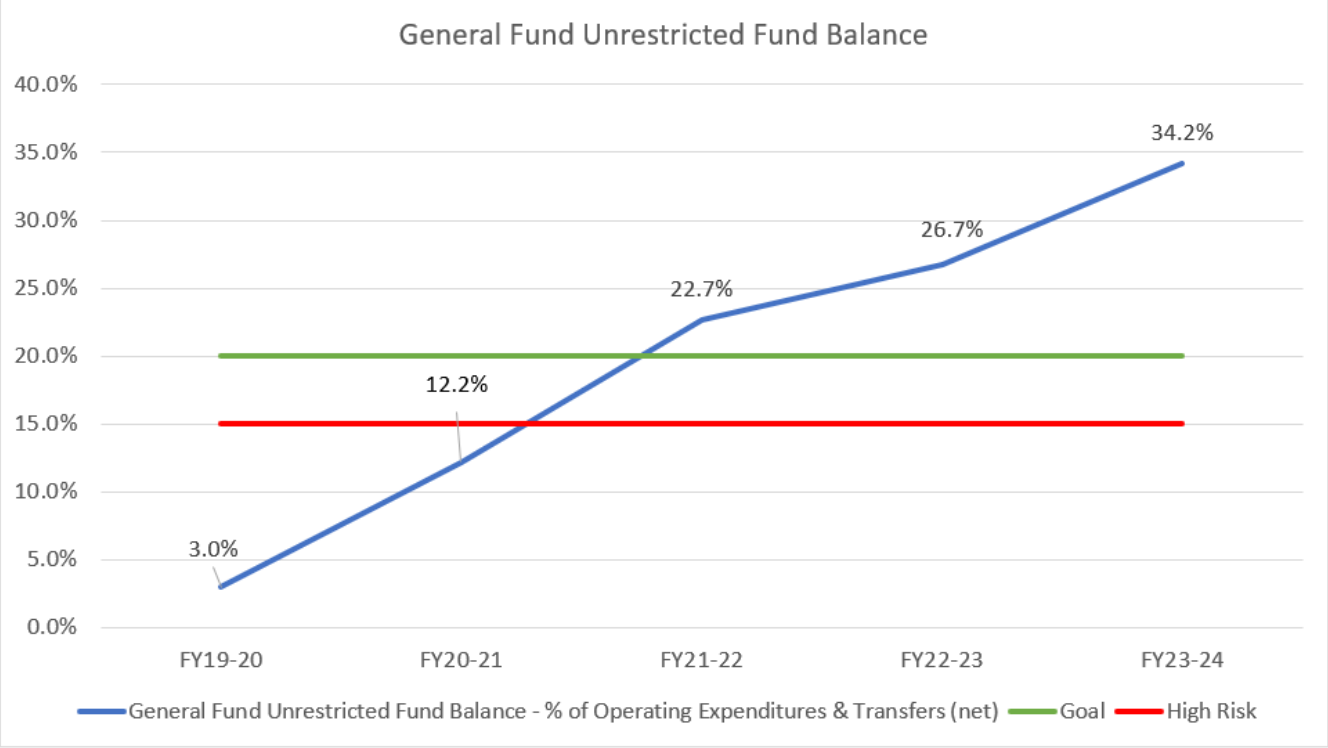
General Fund Unrestricted Fund Balance

Current Status: Low Risk

The General Fund Unrestricted Fund Balance KPI monitors the Assigned and 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.

As shown below, the City's Unrestricted General Fund fund balance reached a record low in FY19-20 due to the COVID-19 pandemic. Since that time, 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 goal of 20%. As of FY23-24, the City's unrestricted balance stands at 34.2%.

General Fund Unrestricted Fund Balance	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24
General Fund Unrestricted Fund Balance - thousands	6,079	26,401	50,210	69,269	86,434
Operating Expenditures & Transfers (net) - thousands	205,498	216,226	221,218	259,046	252,637
General Fund Unrestricted Fund Balance - % of Operating Expenditures & Transfers (net)	3.0%	12.2%	22.7%	26.7%	34.2%
Goal	20.0%	20.0%	20.0%	20.0%	20.0%
5-Year Average					19.8%



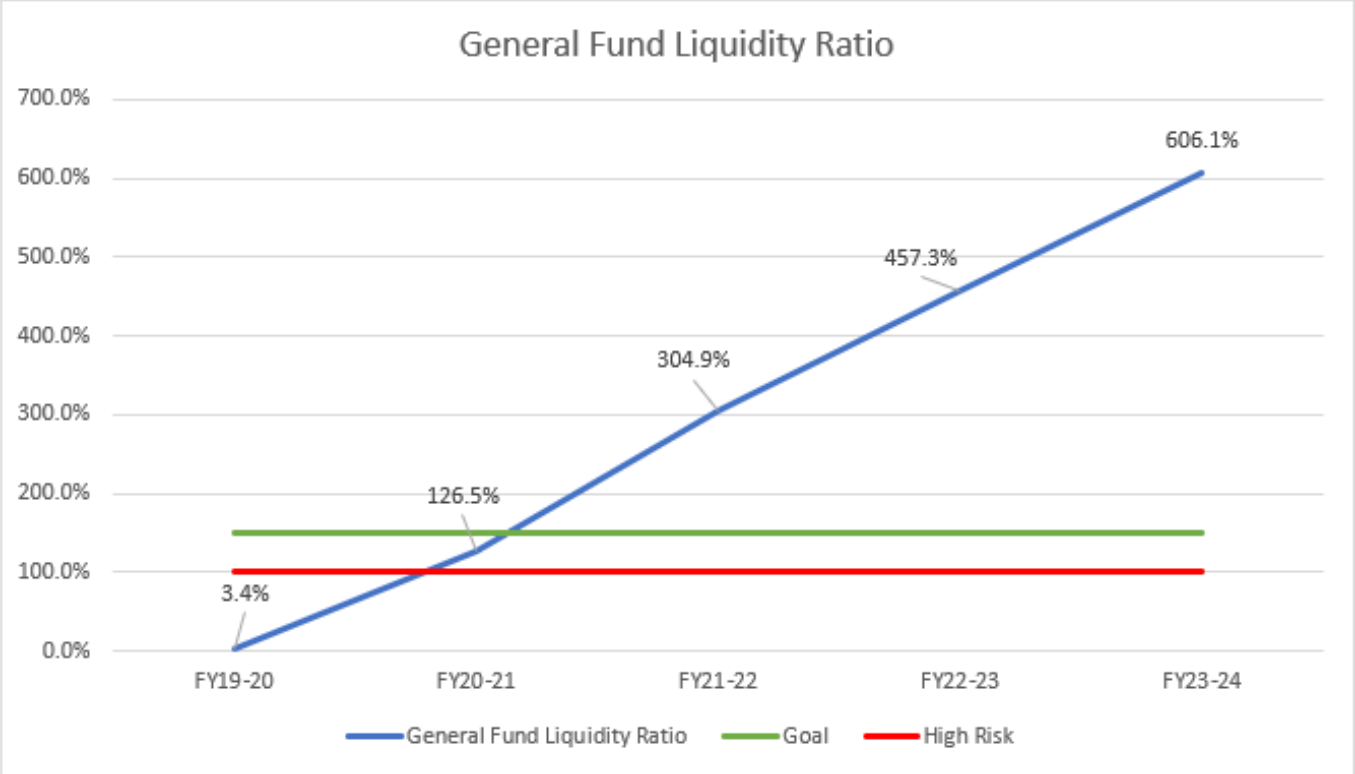
Liquidity

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.

Exacerbated by the onset of the COVID-19 pandemic, this metric was adversely affected in FY19-20, while the indicator performed moderately in FY18-19. 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 continues to exceed its liquidity goal of 150% in FY23-24.

Liquidity	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24
General Fund Cash & Investments - thousands	623	11,550	32,150	44,339	66,829
General Fund Liabilities - thousands	18,319	9,131	10,545	9,695	11,025
General Fund Liquidity Ratio	3.4%	126.5%	304.9%	457.3%	606.1%
Goal	150.0%	150.0%	150.0%	150.0%	150.0%
5-Year Average					299.7%

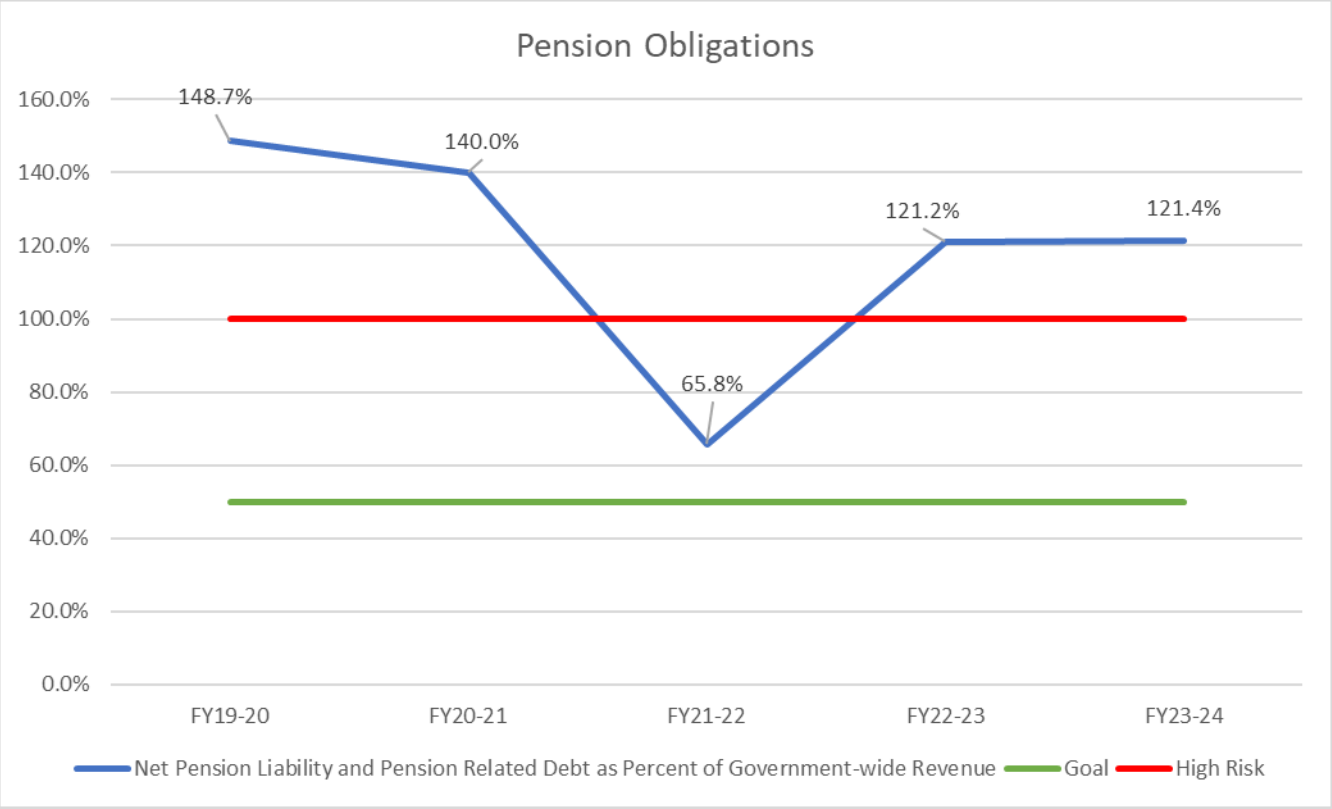


Pension Obligations

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 FY19-20, 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	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24
Net Pension Liability/(Asset) - thousands	487,649	510,899	-65,133	229,370	250,457
Pension-Related Debt - thousands	0	0	347,500	340,085	332,070
Governmentwide Revenues - thousands	327,990	364,924	428,920	469,825	479,918
Net Pension Liability and Pension Related Debt as Percent of Government-wide Revenue	148.7%	140.0%	65.8%	121.2%	121.4%
Goal	50.0%	50.0%	50.0%	50.0%	50.0%
5-Year Average					119.4%



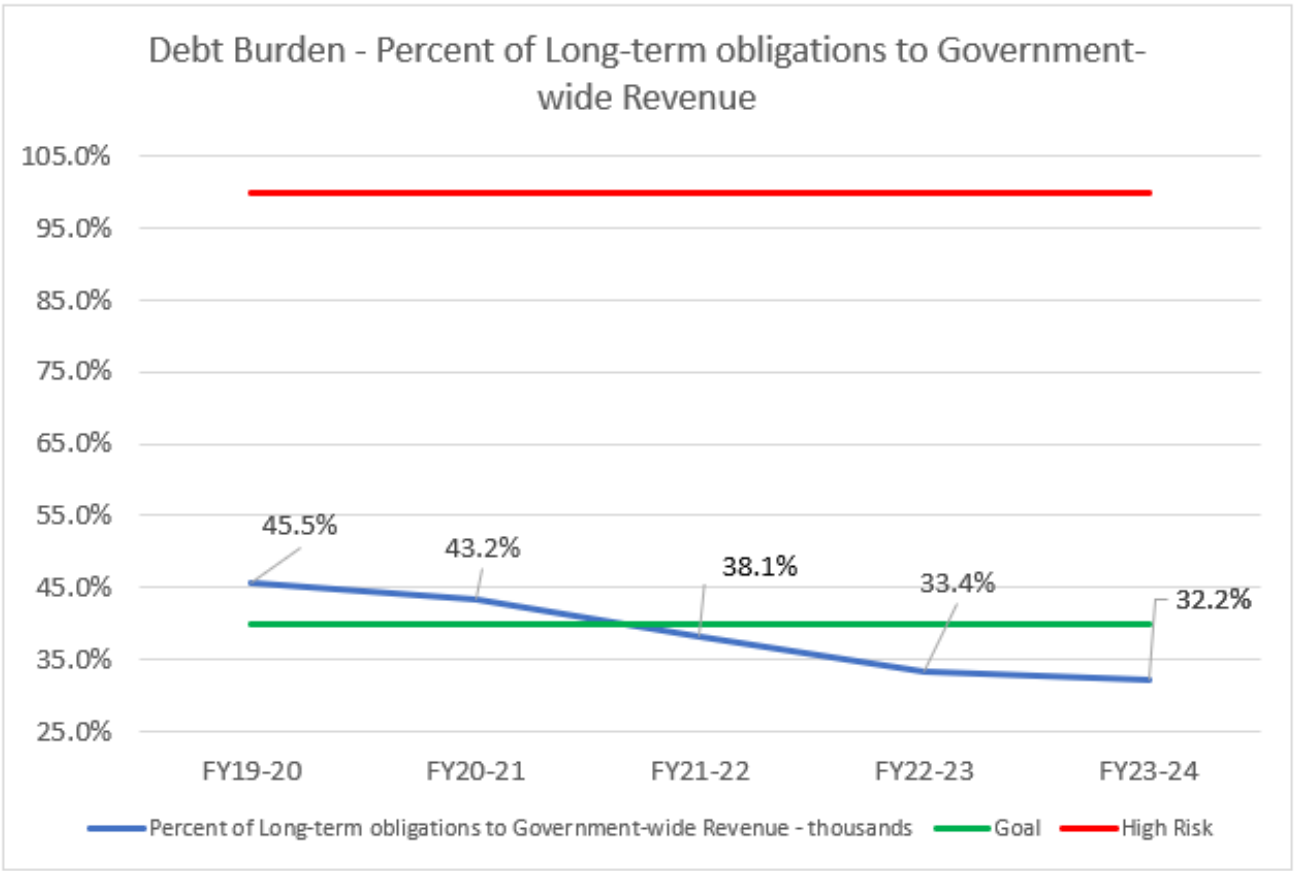
Debt Burden

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. This indicator continues to decrease, falling to 32.2% in FY23-24. The City will remain focused on paying down its existing obligations to maintain the 40% threshold.

Debt Burden	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24
Long-Term Obligations (excluding pension debt) - thousands	149,313	157,722	163,534	157,025	154,317
Governmentwide Revenues - thousands	327,990	364,924	428,920	469,825	479,918
Percent of Long-term obligations to Government-wide Revenue - thousands	45.5%	43.2%	38.1%	33.4%	32.2%
Goal	40.0%	40.0%	40.0%	40.0%	40.0%
5-Year Average					38.5%



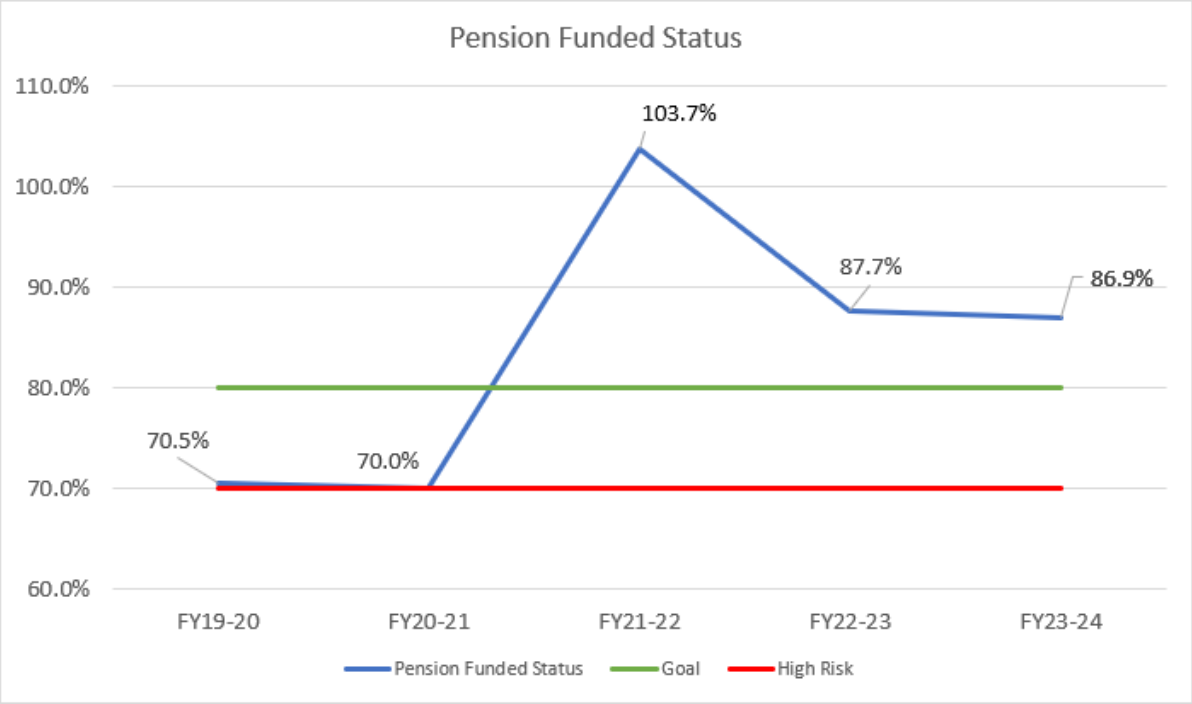
Pension Funded Status

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, followed by modest 9.3% returns in FY23-24.

Pension (CalPERS & PARS) Funded Status	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24
Fiduciary Net Position - thousands	1,166,458	1,194,336	1,824,991	1,629,239	1,662,337
Total Pension Liability - thousands	1,654,107	1,705,235	1,759,858	1,858,609	1,912,794
Pension Funded Status	70.5%	70.0%	103.7%	87.7%	86.9%
Goal	80.0%	80.0%	80.0%	80.0%	80.0%
5-Year Average					83.8%



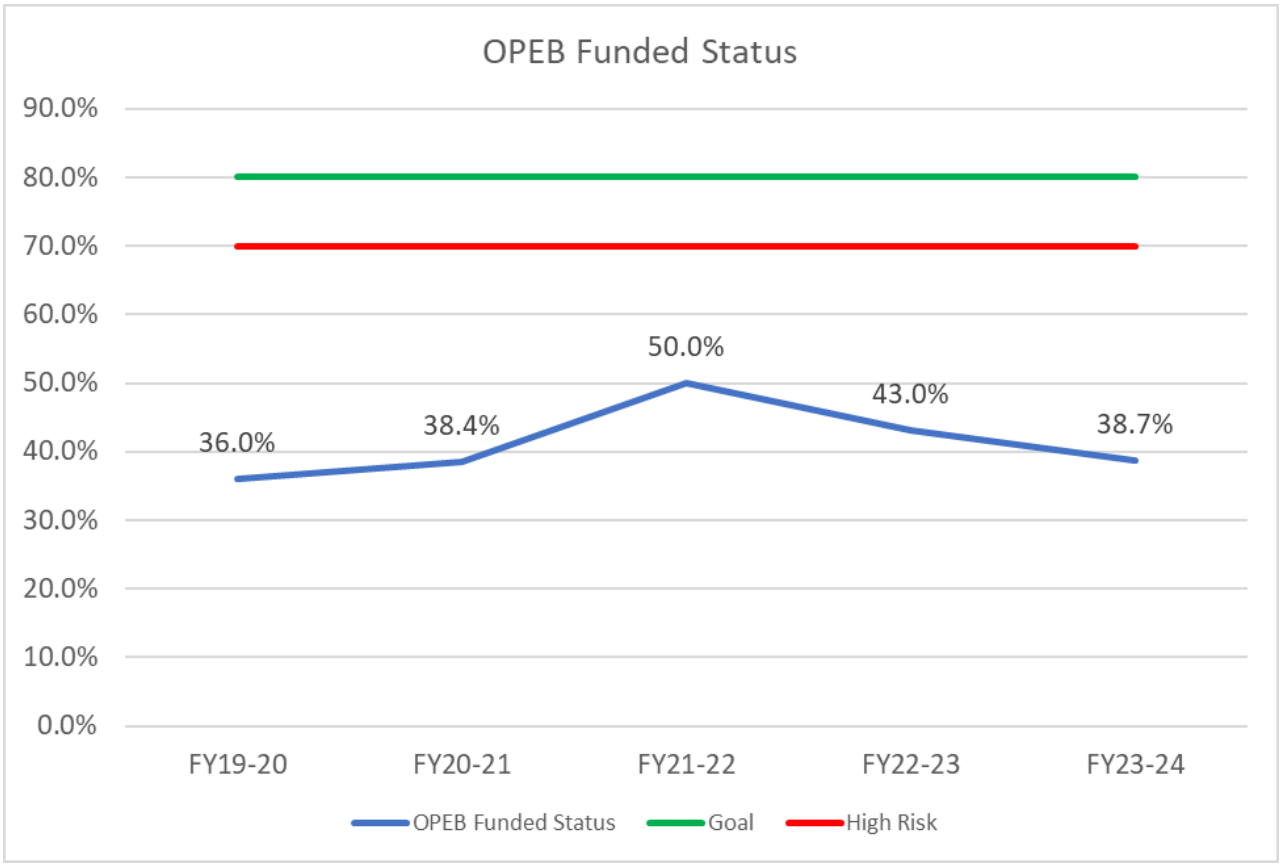
OPEB Funded Status

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	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24
Fiduciary Net Position - thousands	25,039	27,848	38,802	34,481	38,988
Total OPEB Liability - thousands	69,583	72,460	77,616	80,138	100,668
OPEB Funded Status	36.0%	38.4%	50.0%	43.0%	38.7%
Goal	80.0%	80.0%	80.0%	80.0%	80.0%
5-Year Average					41.2%



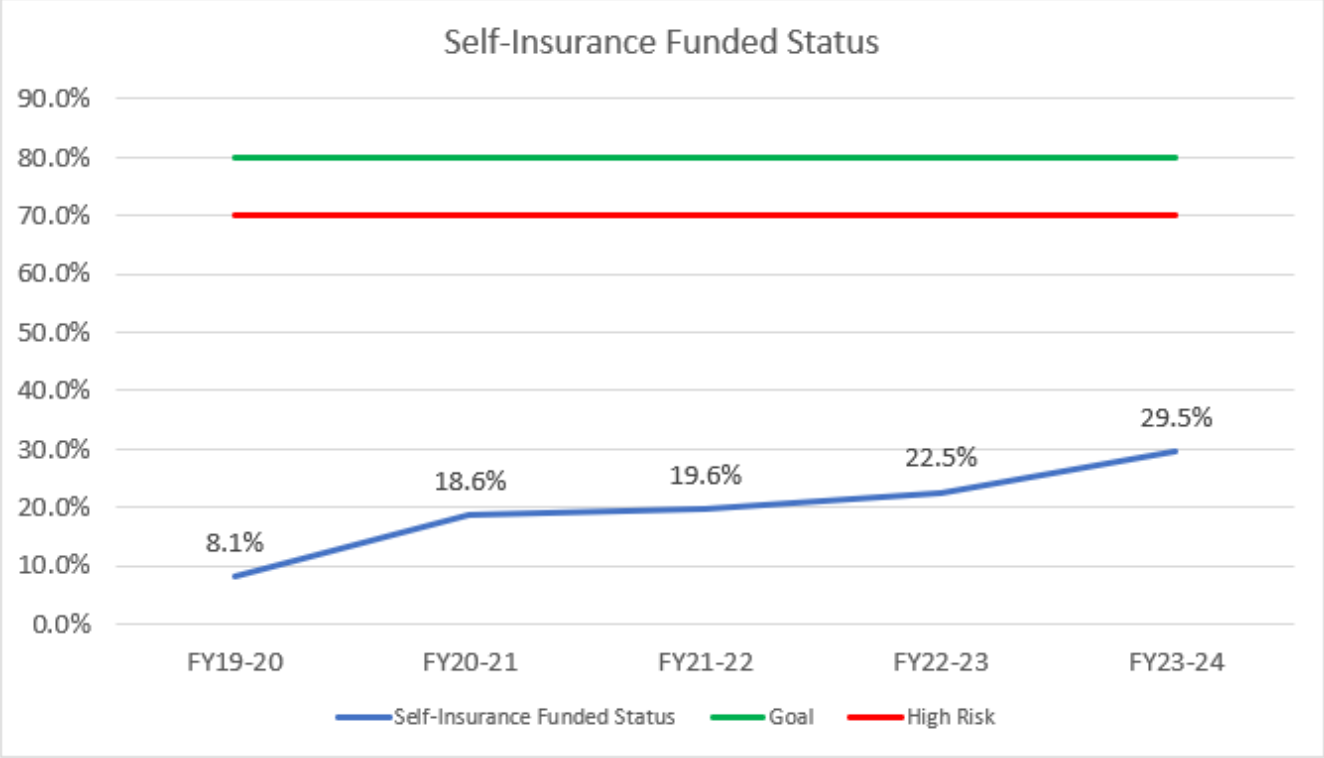
Self-Insurance Funded Status

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 operated on a pay-as-you-go basis when funding this internal service fund. The City 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 FY25-26 budget has stabilized and is anticipated to remain balanced for future years. 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	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24
Self-Insurance Assets - thousands	4,822	12,743	15,159	15,724	21,757
Self-Insurance Liabilities - thousands	59,815	68,570	77,326	69,790	73,813
Self-Insurance Funded Status	8.1%	18.6%	19.6%	22.5%	29.5%
Goal	80.0%	80.0%	80.0%	80.0%	80.0%
5-Year Average					19.7%



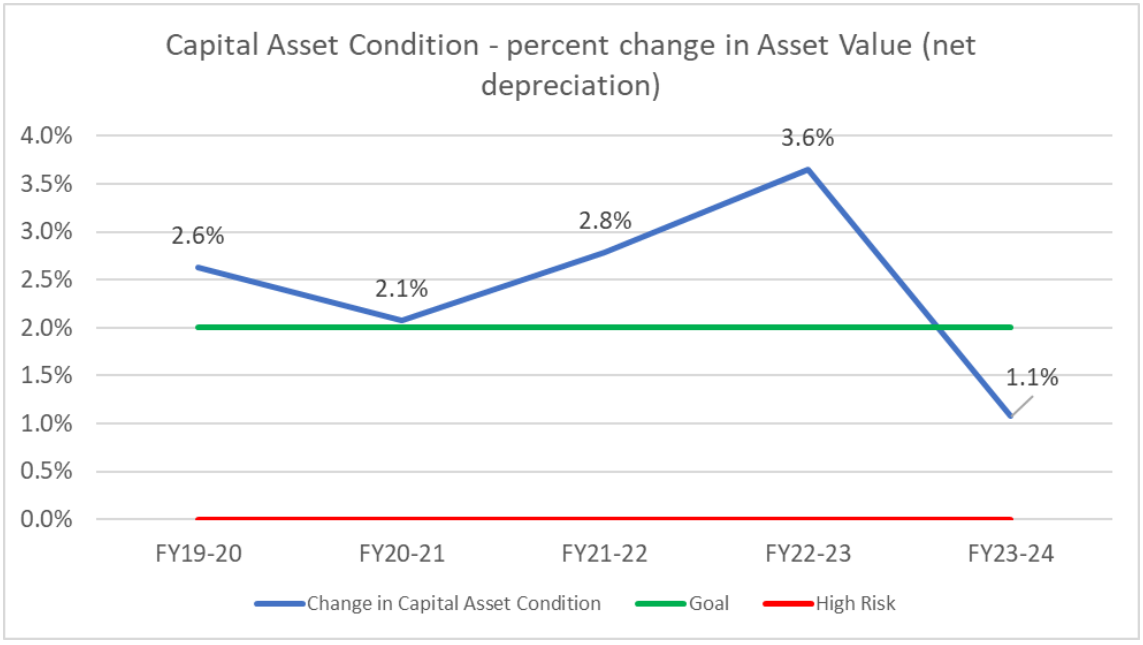
Capital Asset Condition

Current Status: Moderate

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. For the first time in FY23-24, the City has fallen to the Moderate Risk category, affirming that more capital investment is necessary. In FY23-24, the City completed a Facilities Index study, which identified over $200 million in needed capital investments. The City currently has $94.4 million dedicated to capital projects and is investing an additional $85.5 in FY25-26 into capital improvements. The FY25-26 budget includes $300,000 to allow for a Parks Master Plan effort to be completed. This effort will provide the community the opportunity for input to shape the future of the City's parks and help shed light on the cost implications.

Capital Asset Condition	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24
Citywide Capital Asset Value - thousands	956,310	977,471	1,013,034	1,055,059	1,081,495
Accumulated Depreciation - thousands	-451,887	-462,557	-483,760	-506,488	-527,033
Citywide Capital Asset Value (net of depreciation) - thousands	504,423	514,914	529,274	548,571	554,462
Citywide Capital Asset Condition (amount remaining)	52.7%	52.7%	52.2%	52.0%	51.3%
Change in Capital Asset Condition	2.6%	2.1%	2.8%	3.6%	1.1%
Goal	2.0%	2.0%	2.0%	2.0%	2.0%
5-Year Average					2.4%



Economic Outlook

The City's proposed FY25-26 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 largely determined by the U.S. Federal Reserve System (Fed) from which fixed income instrument, loan, mortgage, and credit card rates are based. Typically, a higher federal funds rate incentivizes saving while a lower rate incentivizes spending and borrowing. For city governments, a lower federal funds rate—coupled with a low inflation rate—could mean increased tax revenues from economic growth as well as more affordable borrowing for critical projects.

The Fed's preferred inflation measure is the Bureau of Economic Analysis's (BEA) Personal Consumption Expenditures (PCE) price index, which captures inflation and reflects changes in consumer behavior. The CPE index is similar to the Bureau of Labor Statistics (BLS) Consumer Price Index for All Urban Consumers (CPI-U), as both measures of inflation, but differ in scope and calculation. The CPI is limited to urban households and out-of-pocket spending, while the PCE covers all households (urban and rural) and includes spending by employers and governments, providing a broader view of inflation. The Federal Reserve targets for an inflation rate of 2%, and as of February 2025, the PCE index is 2.5%.

The Fed significantly raised its target federal funds rate between March 2022 and July 2023, aiming to reduce post-pandemic inflation by incentivizing saving rather than spending. Since inflation successfully began to fall, the Fed maintained its 5.25% - 5.50% target rate until September 2024, at which point it began to slightly lower the rate. The Fed has followed with two more rate cuts in November and December 2024 but has since maintained a 4.25% - 4.50% target rate. Presently, there is an evolving landscape of federal policy changes regarding trade, immigration, fiscal policy, and regulation. As a result, Fed Chair Jerome Powell notes that "we face a highly uncertain outlook with elevated risks of both higher unemployment and higher inflation." The Fed will "wait for greater clarity before considering any adjustments to [their] policy stance." The Fed's three most recent target federal funds rate actions are summarized below:

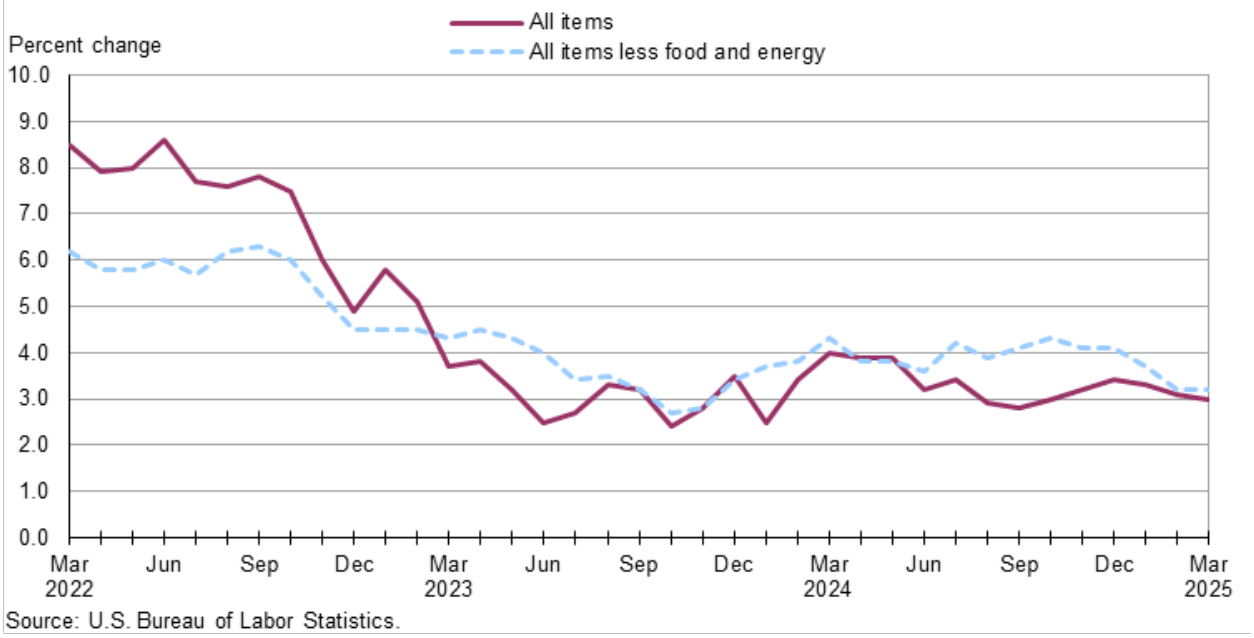
Federal Reserve Meeting	Action Taken	Target Fed Fund Rate
December 19, 2024	-25 basis points	4.25% - 4.50%
November 8, 2024	-25 basis points	4.50% - 4.75%
September 19, 2024	- 50 basis points	4.75% - 5.00%

Consumer Price Index (Inflation)

The Consumer Price Index (CPI) tracks changes in the average prices of consumer goods and services. Annualized percentage changes in CPI reflect a measure of inflation. The U.S. Federal Reserve System (Fed) has a target inflation rate of 2.0%. Inflation that is substantially higher or lower reflects unstable prices that make financial planning more difficult and often hinders economic growth.

The chart below shows inflation for the local region using CPI-U, CPI for All Urban Consumers. As shown below, inflation climbed to a peak of 8.6% in June 2022, but federal funds target rate increases helped move inflation down to 2.8% by September 2024. However, as of March 2025, CPI rose again to 3.0%. The Fed recognizes that "inflation remains somewhat elevated" and that "uncertainty around the economic outlook has increased." Fed Chair Jerome Powell does note that if enacted, "tariffs are highly likely to generate at least a temporary rise in inflation," but that the Fed's "obligation is to keep longer-term inflation expectations well anchored and to make certain that a one-time increase in the price level does not become an ongoing inflation problem."

Chart 1. Over-the-year percent change in CPI-U, Los Angeles-Long Beach-Anaheim, CA, March 2022–March 2025

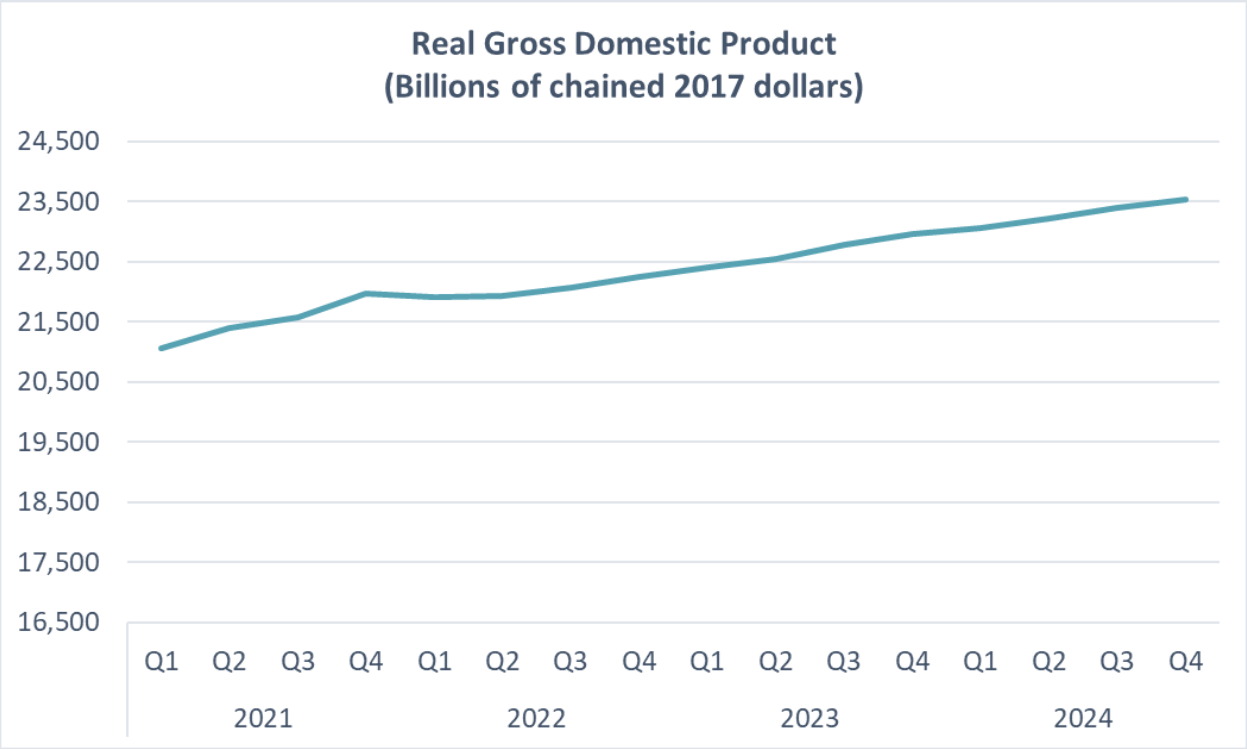


Source: U.S. Bureau of Labor Statistics.

Real Gross Domestic Product

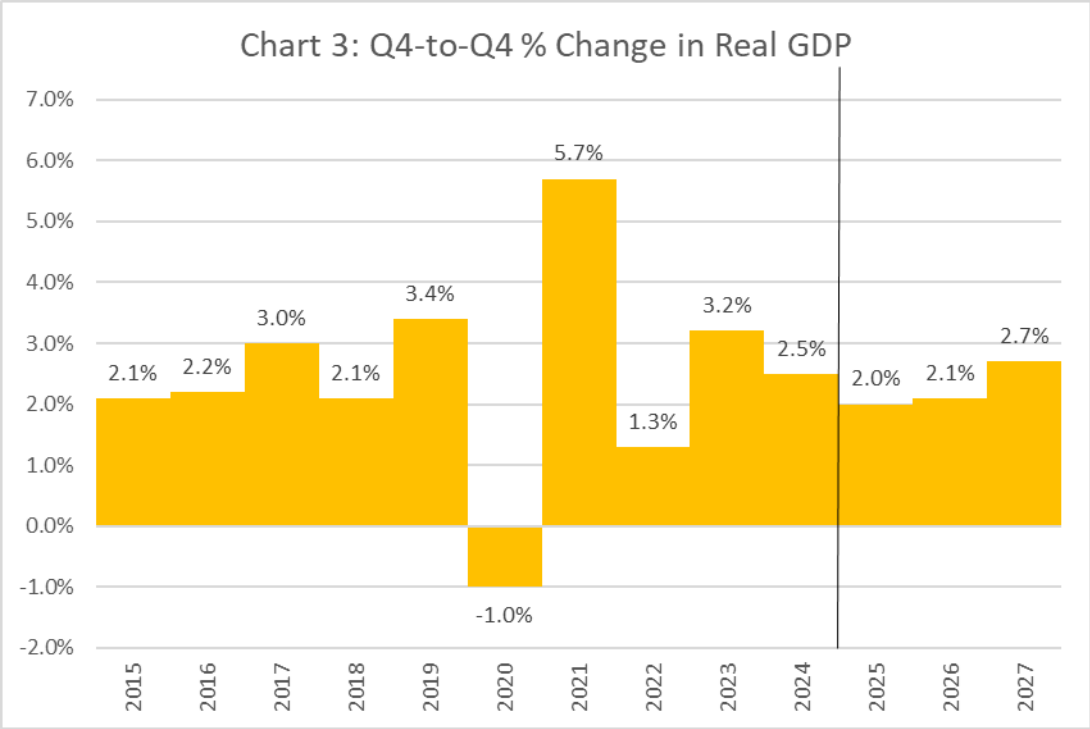
Real GDP reflects the value of all goods and services produced by an economy each year controlled for inflation. Essentially, it measures a country's total economic output and is particularly useful for analyzing economic growth over time. According to the most recent data available from the U.S. Bureau of Economic Analysis (released March 27, 2025), national real GDP is up by 2.7% in the third calendar quarter of 2024 compared to the same period last year, and it is up by 2.5% in the fourth calendar quarter compared to the same period last year. The latter increase is primarily due to increased consumer and government spending that is partly offset by decreased investment.

The increase in consumer spending reflected increases in both goods and services. According to the U.S. Bureau of Economic Analysis' press release, the increase in goods were led by spending on information processing equipment and new light trucks, goods that could potentially be affected by the imposition of tariffs, and services growth was led by hospital and nursing home services and outpatient services. State and local government spending was driven by increases in employee compensation, while defense spending drove federal government spending.



Source: Bureau of Economic Analysis

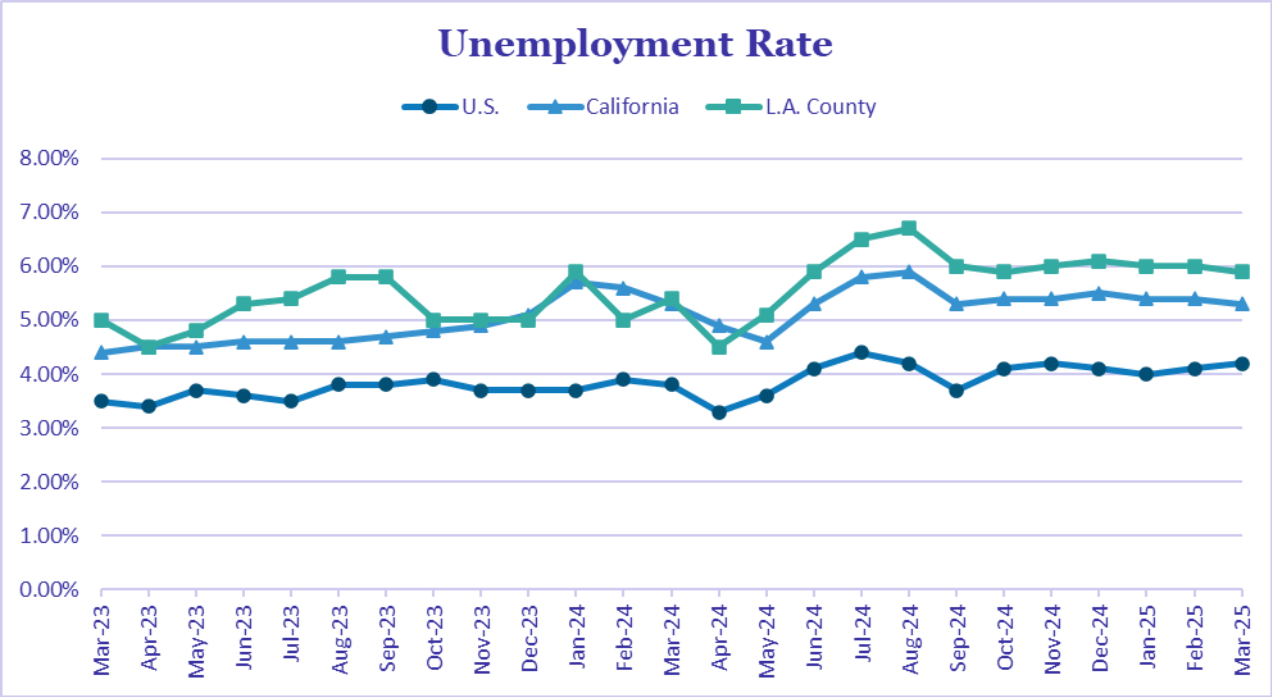
According to the Spring 2025 UCLA Anderson Forecast, annualized projections currently anticipate a growth rate (Q4 to Q4 percentage change in real GDP) of 2.0% in 2025, 2.1% in 2026, and 2.7% in 2027.



Source: The UCLA Anderson Forecast for the Nation and California: Spring 2025 Report

Labor Market Trends

The unemployment rate indicates the percentage of people who are unemployed out of the total number of people working or actively seeking work. As of March 2025, the U.S. unemployment rate was 4.2%; California's was 5.3%; and Los Angeles (L.A.) County's was 5.9%. The first quarter of 2025 saw the national unemployment rate slightly increase, although consistently within the 4.0% - 4.2% range, while the state and county have seen a slight decrease. The local unemployment rates for L.A. County have seen some recent variance with some cities experiencing a decrease in the unemployment rate while others are experiencing an increase. Overall, the local unemployment rates are generally higher than what was experienced a year ago. The U.S. Department of Labor's Employment Situation report for March 2025 highlighted that despite the little change in the unemployment rate, there were job gains in health care, social assistance, transportation, and warehousing along with employment increases in retail trade. The report also affirmed that federal government employment declined in March following the loss of 11,000 jobs in February.



Source: State of California, Employment Development Department

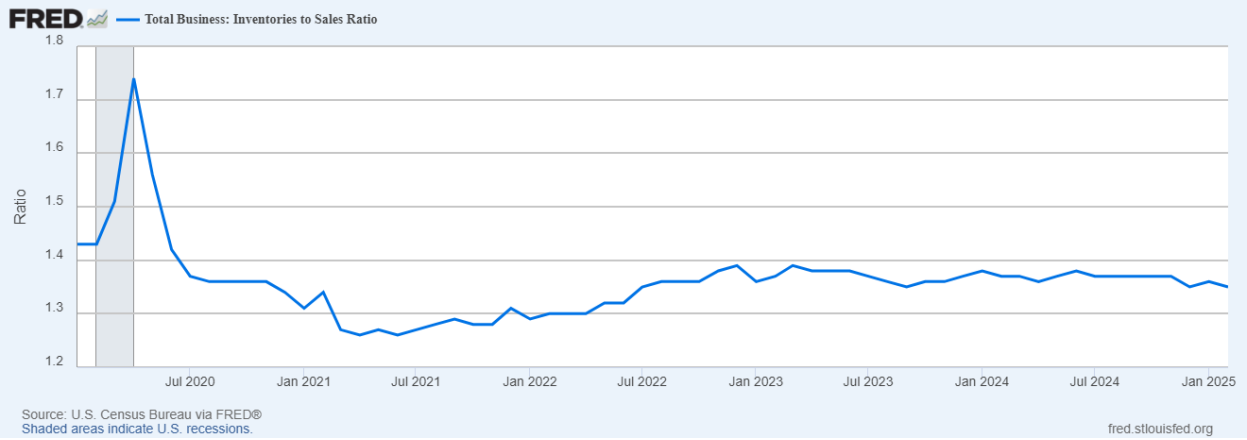
California, L.A. County, and Torrance have an unemployment rate higher than the national level. However, Torrance remains at a lower rate than California, L.A. County, and comparable nearby cities. The Employment Development Department's labor force and unemployment rate data release for March 2025 details Torrance having a 4.7% unemployment rate, which is a slight increase from the end of 2024.

Local Unemployment Rate Trends								
	2023			**2024**				**2025**
	Q2	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**
National*	3.6%	3.7%	3.8%	3.8%	4.1%	3.7%	4.1%	4.2%
California*	4.5%	4.6%	4.9%	5.3%	5.2%	5.3%	5.5%	5.3%
Los Angeles County*	4.9%	5.0%	5.0%	5.4%	5.3%	6.0%	6.0%	5.9%
Carson	4.7%	5.3%	4.9%	5.3%	5.9%	6.0%	5.5%	5.3%
Gardena	4.8%	5.4%	4.7%	4.8%	5.7%	6.1%	5.6%	5.2%
Glendale	4.7%	5.7%	4.9%	5.0%	5.7%	5.8%	5.6%	5.7%
Hawthorne	4.8%	5.3%	4.7%	5.2%	5.7%	5.8%	5.6%	5.4%
Inglewood	5.3%	6.1%	5.5%	5.9%	6.8%	7.1%	6.3%	5.8%
Santa Monica	5.1%	5.9%	5.0%	5.4%	5.8%	5.8%	5.6%	5.9%
Torrance	**3.8%**	**4.3%**	**3.8%**	**4.2%**	**4.9%**	**4.9%**	**4.5%**	**4.7%**

Source: State of California, Employment Development Department

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 re-opened 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 2025 at 1.35. From an economist's perspective, an upward trend reflects a deceleration of sales, or an increase in inventory on hand. This ratio is lower than the 5-year pre-pandemic average (2015-2019) of 1.40 and there has been a slight general decrease in the past few months.



Source: Federal Reserve Economic Data

Consumer Confidence Index

Consumer confidence index ("CCI") is a critical driver of the U.S. and local economy which measures 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 March 2025 to 92.9.

Source: Conference Board Consumer Confidence Index Survey

"Consumer confidence declined for a fourth consecutive month in March, falling below the relatively narrow range that had prevailed since 2022," said Stephanie Guichard, Senior Economist, Global Indicators at The Conference Board. "Of the Index's five components, only consumers' assessment of present labor market conditions improved, albeit slightly. Views of current business conditions have weakened to close to neutral. Consumers' expectations were especially gloomy, with pessimism about future business conditions deepening and confidence about future employment prospects falling to a 12-year low. Meanwhile, consumers' optimism about future income—which had held up quite strongly in the past few months—largely vanished, suggesting worries about the economy and labor market have started to spread into consumers' assessments of their personal situations."

REVENUES

Revenues

Citywide Revenue Summary by Fund

Fund Name	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
General Fund - Operating Fund	279,771,399	278,113,129	287,478,655	305,105,660	316,386,588	17,627,005	6.1%	11,280,928	3.7%
General Fund - Measure SST	18,064,595	25,577,251	25,167,266	26,183,606	26,948,494	1,016,340	4.0%	764,888	2.9%
General Fund - Restricted	2,452,281	24,831,322	9,958,325	4,416,579	4,242,582	(5,541,746)	-55.6%	(173,997)	-3.9%
General Fund - Assigned	2,195,940	10,852,404	8,282,505	7,396,091	7,396,091	(886,414)	-10.7%	-	0.0%
AQMD Fund	198,639	206,313	208,296	211,134	217,468	2,838	1.4%	6,334	3.0%
Debt Service Fund	22,099,220	22,593,694	23,107,338	23,625,753	24,154,567	518,415	2.2%	528,814	2.2%
Meadow Park Parking Lot District	152,865	50,248	40,064	41,205	41,205	1,141	2.8%	-	0.0%
Low Mod Fund	1,429,993	168,411	40,450	-	228,623	(40,450)	-100.0%	228,623	0.0%
Section 8 Housing	6,823,779	8,312,839	8,989,500	9,345,309	10,090,382	355,809	4.0%	745,073	8.0%
Street Lighting Fund	1,710,390	1,846,644	1,866,272	1,912,828	1,912,828	46,556	2.5%	-	0.0%
Traffic Safety Fund	-	82,366	180,000	70,950	73,080	(109,050)	-60.6%	2,130	3.0%
Vanpool Fund	240,547	210,075	245,871	261,749	264,205	15,878	6.5%	2,456	0.9%
Airport Fund	23,886,882	20,292,508	18,342,326	21,044,124	21,607,369	2,701,798	14.7%	563,245	2.7%
Sanitation Fund	16,649,110	26,869,750	18,918,815	18,859,697	20,287,133	(59,118)	-0.3%	1,427,436	7.6%
Sewer Fund	6,569,642	8,050,200	8,616,082	8,201,108	8,447,146	(414,974)	-4.8%	246,038	3.0%
Transit Fund	35,962,667	32,367,583	35,233,572	38,508,429	39,441,739	3,274,857	9.3%	933,310	2.4%
Water Fund	55,377,876	56,262,311	54,803,501	61,768,887	65,894,566	6,965,386	12.7%	4,125,679	6.7%
Fleet Services Fund	25,854,359	13,976,329	13,339,999	15,269,616	15,728,552	1,929,617	14.5%	458,936	3.0%
Self-Insurance Fund	24,309,720	23,070,808	23,659,000	24,178,667	25,778,667	519,667	2.2%	1,600,000	6.6%
Redevelopment Agency Fund	3,597,669	4,318,282	3,988,268	4,339,486	4,351,214	351,218	8.8%	11,728	0.3%
Total Revenues	**$ 527,347,573**	**$ 558,052,467**	**$ 542,466,105**	**$570,740,878**	**$ 593,492,499**	**$ 28,274,773**	**5.2%**	**$ 22,751,621**	**4.0%**

The citywide revenue budget is proposed to **increase by $28.3 million (+5.2%)** in FY25-26, and an **increase of $22.8 million (+4.0%)** is anticipated for FY26-27. For FY25-26, the increase of $28.3 million is driven by the following factors:

- The **General Fund-Operating Fund** is projected to **increase by $17.6 million (+6.1%)**, primarily due to Operating Transfers-In of $7.3 million from the CEPPT Fund, $1.3 million from the Measure SST Fund and $1.1 million from the Airport Fund; a $4.4 million anticipated increase in Licenses, Fees and Permits; and a $1.9 million expected rise in investment earnings.
- The **General Fund-Measure SST Fund** is proposed to **increase by $1.0 million (+4.0%)**, primarily due to a rise in the taxes classification. The FY25-26 budget has been adjusted to reflect current consumer spending trends.
- The **General Fund-Restricted Fund** is proposed to **decrease by $5.5 million (-55.6%)**. This is due to decreased transfers of $7.1 million from the General Fund Operating Fund to the CEPPT Fund resulting from increased UAL payments required in FY25-26, offset by a $1.7 million increase in the Use of Money and Property classification, attributable to increased investment earnings.
- The **Airport Fund** is proposed to **increase by $2.7 million (+14.7%)**, mainly due to an increase in rent from ground lease activity totaling $2.0 million.

- The **Water Fund** is proposed to **increase by $7.0 million (+12.7%),** driven by both increased demand/water usage, and a series of annual water fee rate increases approved by Council through the Proposition 218 process. Rates rose by 6.5% on January 1, 2025, and are scheduled to increase by an additional 6.5% on January 1, 2026, followed by 6.0% increases on January 1, 2027, 2028, and 2029.
- The **Transit Fund** is proposed to **increase by $3.3 million (+9.3%)**, primarily due to additional Intergovernmental revenues of $1.5 million for Line 1 and Line 6 service expansion; a $1.0 million increase in Proposition A Operating Transfers In; and a $0.8 million increase in Charges for Services driven by increased ridership revenues.
- The **Fleet Services Fund** is proposed to **increase by $1.9 million (+14.5%)**, ensuring the cost of parts, fuel, and labor are covered for all necessary vehicle maintenance and repair. Increased charges also include contributions made towards future vehicle replacement.

Citywide Revenue Summary by Classification

Revenues	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Taxes	214,852,792	224,088,526	233,514,935	235,400,519	242,106,736	1,885,584	0.8%	6,706,217	2.8%
Licenses, Fees and Permits	18,091,998	19,033,128	18,414,731	22,195,580	22,890,060	3,780,849	20.5%	694,480	3.1%
Fines, Forfeitures and Penalties	676,656	810,647	822,774	1,341,040	1,381,280	518,266	63.0%	40,240	3.0%
Use of Money and Property	54,884,436	62,858,371	58,166,651	64,133,499	66,726,551	5,966,848	10.3%	2,593,052	4.0%
Intergovernmental	39,053,709	34,424,398	39,235,088	40,979,972	42,571,692	1,744,884	4.4%	1,591,720	3.9%
Charges for Services	115,882,487	129,081,951	133,375,475	146,469,175	154,935,516	13,093,700	9.8%	8,466,341	5.8%
Other Revenues	6,093,821	3,053,379	1,126,068	1,918,110	1,923,960	792,042	70.3%	5,850	0.3%
Operating Transfers In	76,564,093	79,476,304	57,620,615	58,113,215	60,766,936	492,600	0.9%	2,653,721	4.6%
Other Financing Sources	1,247,581	5,225,763	189,768	189,768	189,768	-	0.0%	-	0.0%
Total Revenues	**$ 527,347,573**	**$ 558,052,467**	**$ 542,466,105**	**$570,740,878**	**$ 593,492,499**	**$ 28,274,773**	**5.2%**	**$ 22,751,621**	**4.0%**

The primary drivers for the projected **increase of $28.3 million (+5.2%)** in FY25-26 are as follows:

- The **Taxes** classification is proposed to **increase by $1.9 million (+0.8%).** This is mainly due to an anticipated increase from property taxes totaling $4.5 million, partially offset by a decrease in utility users' tax of $2.7 million.
- The **Licenses, Fees and Permits** classification is proposed to **increase by $3.8 million (+20.5%)** due to a $2.7 million increase in refuse franchise fees, based on a waste hauler fee study nearing completion. Additional increases of $0.6 million, $0.2 million, and $0.1 million are expected from development-related fees, water franchise fees, and sanitation franchise fees, respectively.
- The **Use of Money and Property** classification is proposed to **increase by $6.0 million (+10.3%)** driven by projected growth in investment earnings resulting from a higher federal funds rate and increased cash balances, as well as anticipated increases in rental revenue within the Airport Fund.

- The **Charges for Services** classification is proposed to **increase by $13.1 million (+9.8%)** due to various changes across multiple funds. This increase is primarily driven by the Water Operations Fund of $6.6 million, Fleet Services Fund of $2.5 million, Sanitation Operations Fund of $2.1 million, and the Transit Fund of $0.8 million. The increases in the Water and Sanitation Operations Funds are related to the recent series of annual water and refuse rate adjustments approved by the Council through Prop 218 process. The Fleet Services Fund increase is due to the implementation of flat rates for vehicle maintenance, fuel, labor, and parts, as well as non-vehicle maintenance activities such as rent and administrative services. The Transit Fund increase is primarily driven by additional Transit Access Pass (TAP) revenue, revenue from Advertising on Shelters, and Passenger Cash Fares.
- The **Other Revenues** classification is proposed to **increase by $0.8 million (+70.3%)**, primarily due to a $1.1 million rise in reimbursements related to an ongoing legal matter within the Airport Fund. This increase is partially offset by a $0.2 million decrease in the General Fund-Operating Fund, to better align the budget with actuals.

General Fund-Operating Fund Revenue Summary by Classification

Revenues	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Taxes	192,046,055	192,971,891	203,088,319	203,810,470	209,741,110	722,151	0.4%	5,930,640	2.9%
Licenses, Fees and Permits	16,781,556	17,618,841	16,936,668	21,365,230	22,054,560	4,428,562	26.1%	689,330	3.2%
Fines, Forfeitures and Penalties	676,656	726,785	642,774	1,270,090	1,308,200	627,316	97.6%	38,110	3.0%
Use of Money and Property	4,677,227	8,898,762	7,154,388	9,014,403	10,199,331	1,860,015	26.0%	1,184,928	13.1%
Intergovernmental	521,909	368,968	490,127	435,630	442,070	(54,497)	-11.1%	6,440	1.5%
Other Revenues	4,638,131	676,712	319,604	54,310	54,310	(265,294)	-83.0%	-	0.0%
Charges for Services	21,010,365	25,447,954	25,630,466	25,928,210	26,779,480	297,744	1.2%	851,270	3.3%
Operating Transfers In	38,361,683	26,367,219	33,216,309	43,227,317	45,807,527	10,011,008	30.1%	2,580,210	6.0%
Other Financing Sources	1,057,816	5,035,998	-	-	-	-	0.0%	-	0.0%
Total Revenues	**$ 279,771,398**	**$ 278,113,130**	**$ 287,478,655**	**$305,105,660**	**$ 316,386,588**	**$ 17,627,005**	**6.1%**	**$ 11,280,928**	**3.7%**

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 89% 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-Assigned (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	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Sales and Use Tax	62,610,106	61,931,074	62,525,957	61,701,050	63,463,250	(824,907)	-1.3%	1,762,200	2.9%
Property Tax	62,105,457	65,094,737	67,850,489	72,011,450	73,949,510	4,160,961	6.1%	1,938,060	2.7%
Utility Users Tax	44,115,724	41,289,435	46,002,866	43,313,300	44,808,730	(2,689,566)	-5.8%	1,495,430	3.5%
Business License Tax	10,067,200	10,763,541	11,314,294	11,644,650	11,993,990	330,356	2.9%	349,340	3.0%
Occupancy Tax	12,058,112	12,580,760	13,815,048	13,305,020	13,635,730	(510,028)	-3.7%	330,710	2.5%
Construction Tax	1,082,781	1,307,345	1,572,665	1,830,000	1,884,900	257,335	16.4%	54,900	3.0%
Oil Severance Tax	6,675	4,998	7,000	5,000	5,000	(2,000)	-28.6%	-	0.0%
Total Revenues	**$ 192,046,055**	**$ 192,971,890**	**$ 203,088,319**	**$ 203,810,470**	**$ 209,741,110**	**$ 722,151**	**0.4%**	**$ 5,930,640**	**2.9%**

As shown in the summary table above, the General Fund's three core tax revenue sources are **Sales and Use Tax**, **Property Tax**, and **Utility Users' Tax**. These tax categories typically represent approximately 87% of the tax classification budget and about 58% of the overall General Fund-Operating Fund revenue budget.

Sales and Use Tax

The budget in this classification is projected to **decrease by $0.8 million (-1.3%)** in FY25-26, and an **increase of $1.8 million (+2.9%)** is anticipated for FY26-27. 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 2025, the Federal Reserve maintained the Federal Funds Rate in a range of 4.25-4.5%.

As for the latest available data from calendar Q4 2024, for the last four quarters, the California Department of Tax & Fee Administration reported sales tax revenue growth in the following major industry groups: 4.0% in Restaurants and Hotels and 2.8% in Building and Construction. Conversely, Fuel and Service Stations experienced a decrease of 15.4%, Autos and Transportation a decrease of 9.5%, Business and Industry a decrease of 2.0%, General Consumer Goods a decrease of 3.0%, and Food and Drugs a decline of 0.7%. With core inflation above the federal reserve's target level still a factor in the latest sales tax results, receipts from general consumer goods, such as specialty and department stores, and autos declined. It is anticipated there will be a further decline in sales, which is reflected in the City's FY25-26 budget. Auto leases, home furnishings, convenience stores, heavy industrial/printers, and the state and county pools were challenged in the last twelve months offsetting some of the gains. The City of Torrance has a well-diversified mix of sales tax producers with the top 25 generating 39% of sales tax receipts and the top 100 generating 64% of sales tax receipts.

Property Tax

The budget in this classification is projected to **increase by $4.2 million (+6.1%)** in FY25-26, and an **increase of $1.9 million (+2.7%)** is anticipated for FY26-27. 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 $38.2 billion to $40.2 billion in FY24-25 and placing Torrance in the top 10 highest value cities in Los Angeles County (8th). When examining the changes in net taxable assessed values, the largest contributors to this change were the residential and industrial categories. The residential market experienced the highest growth, increasing by 5.2% and adding $1.3 billion in net taxable assessed value. The industrial category experienced the second largest increase of 11.1%, adding $343.3 million in net taxable assessed value. Currently, the FY25-26 budget for property tax revenues is anticipated to surpass FY24-25 mid-year projections by 4.8%.

Based on the latest available calendar Q4 2024 data, the median sales price of a Torrance single-family detached home was $1,205,000, an increase of 5.0% when compared to the median sales price of $1,147,500 in the same quarter for 2023. During Q3 2024, the median sales price in Torrance hit an all-time high of $1,300,000, followed by a 7.3% decline in Q4 2024.

In addition to sales price, property tax revenues are also affected by the number of residential sales transactions. 171 homes were sold during the fourth quarter of 2024, 148 homes were sold during the same period in 2023. This is indicative of an increase in buyer demand and reassessments under Proposition 13, which directly impacts property tax revenue trends.

Utility Users' Tax Revenue Summary by Classification

Revenues	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Electricty	20,215,595	21,800,381	21,080,357	23,690,150	24,637,760	2,609,793	12.4%	947,610	4.0%
Gas	5,757,504	4,771,722	6,003,793	5,475,770	5,631,470	(528,023)	-8.8%	155,700	2.8%
Refinery: Co-gen	856,944	605,914	893,601	718,020	739,560	(175,581)	-19.6%	21,540	3.0%
Refinery: Gas	8,295,360	4,532,115	8,650,211	3,775,320	3,888,580	(4,874,891)	-56.4%	113,260	3.0%
Water	3,605,812	3,759,495	3,760,058	4,087,660	4,305,840	327,602	8.7%	218,180	5.3%
Cable	1,666,102	1,440,881	1,737,373	1,315,050	1,334,480	(422,323)	-24.3%	19,430	1.5%
Cellular	1,245,623	2,014,883	1,298,908	2,056,840	2,117,480	757,932	58.4%	60,640	2.9%
Telecom	2,472,785	2,364,043	2,578,565	2,194,490	2,153,560	(384,075)	-14.9%	(40,930)	-1.9%
Total Revenues	**$ 44,115,725**	**$ 41,289,434**	**$ 46,002,866**	**$ 43,313,300**	**$ 44,808,730**	**$ (2,689,566)**	**-5.8%**	**$ 1,495,430**	**3.5%**

The budget in Utility Users' Tax (UUT) classification is projected to **decrease by $2.7 million (-5.8%)** in FY25-26, and an **increase of $1.5 million (+3.5%)** is anticipated for FY26-27. The City's UUT rate for electricity, telecommunications, gas, and cables are set at 6.5% and water is currently set at 6.0%.

The primary driver of change from the prior period's budget is a $4.9 million decrease in the Refinery: Gas category, partially offset by a $2.6 million increase in the Electricity category. The Electricity and Refinery: Gas categories are influenced by current rates and consumption levels. Receipts from the Torrance Refinery experienced a decrease in gas during FY23-24 and FY24-25 as production continues to normalize following planned maintenance in the second fiscal quarter of 2024. For FY25-26, UUT revenues are anticipated to fall short of the FY24-25 mid-year projections by $0.2 million (0.5%).

Business License Tax

The Business License Tax budget is projected to **increase by $0.3 million (+2.9%)** in FY25-26, and an **increase of $0.3 million (+3.0%)** is anticipated for FY26-27. The proposed FY25-26 budget has been re-aligned with FY24-25 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 14,000 businesses (including outside contractors) are billed in December, due on January 1, and become delinquent on February 1. Currently, the FY25-26 budget for Business License Tax is anticipated to surpass FY24-25 mid-year projections by 3.0%.

Occupancy Tax

The Occupancy Tax budget is projected to **decrease by $510,000 (-3.7%)** in FY25-26, followed by an anticipated **increase of $331,000 (+2.5%)** in FY26-27. According to STR Global, an industry leader in hospitality data and analytics, occupancy rates hovered around 81.2% from February 1, 2024, to March 31, 2025, unchanged from the same period the previous year. In addition, the average daily rate per room has increased by $4.18 (+2.6%), from $160.60 per night to $164.78 per night. With the steady return of travel and tourism, the City's occupancy rates are stabilizing after having exceeded pre-pandemic levels (FY18-19) during FY22-23. Currently, the FY25-26 budget for Occupancy Tax is expected to surpass FY24-25 mid-year projections by 1.5%.

Licenses, Fees & Permits

The Licenses, Fees, and Permits budget is projected to **increase by $4.4 million (+26.1%)** in FY25-26, and an **increase of $0.7 million (+3.2%)** is anticipated for FY26-27. Beginning in FY25-26, this revenue classification will include not only development-related fees—such as building, engineering, and fire inspection fees—but also franchise fees, which were previously reported as Franchise Tax, included in the Taxes classification. The primary driver of this change is a $2.7 million increase in refuse franchise fees, based on a waste hauler fee study nearing completion. Additional increases of $0.6 million, $0.2 million, and $0.1 million are expected from development-related fees, water franchise

fees, and sanitation franchise fees, respectively. Overall, the FY25-26 budget for this classification is anticipated to exceed FY24-25 mid-year projections by 13.6%.

Use of Money and Property

The Use of Money and Property budget is projected to **increase by $1.9 million (+26.0%)** in FY25-26, and an **increase of $1.2 million (+13.1%)** is anticipated for FY26-27. This revenue source includes investment income from interest earnings, rents, and other assets. The primary factors driving the projected increase in FY25-26 are the growth in reserve balances and higher investment earnings resulting from an increase in the federal funds rate. However, these gains will be partially offset by a decline in interest income from advances between the General Fund and the Successor Agency to the former Redevelopment Agency. Currently, the FY25-26 budget for this classification is expected to exceed FY24-25 mid-year projections by 36.3%.

Fines and Forfeitures

The Fines and Forfeitures budget is projected to **increase by $627,000 (+97.6%)** in FY25-26, and an **increase of $38,000 (+3.0%)** is anticipated for FY26-27. The Fines and Forfeitures revenue source primarily includes general court fees, traffic fines, parking fines, and administrative citations. The main driver of the FY25-26 increase is a $570,000 rise in parking citation revenue, resulting from a newly established agreement with a company contracted to issue street sweeping citations. There is an offsetting expenditure for this contract, budgeted in the Police Department. Currently, the FY25-26 budget for this classification is anticipated to surpass FY24-25 mid-year projections by 78.3%.

Charges for Services Revenue Summary by Department

Charges for Services	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
City Manager	806,164	696,740	765,661	746,710	782,040	(18,951)	-2.5%	35,330	4.7%
City Clerk	10,815	4,186	16,117	5,790	5,960	(10,327)	-64.1%	170	2.9%
Community Development	5,730,923	7,002,970	6,559,288	5,753,410	5,925,620	(805,878)	-12.3%	172,210	3.0%
General Services	981,678	978,228	1,136,049	1,016,700	1,047,200	(119,349)	-10.5%	30,500	3.0%
Non-Departmental	15,389	19,282	16,491	17,050	17,530	559	3.4%	480	2.8%
Police	304,754	368,818	483,673	369,200	380,300	(114,473)	-23.7%	11,100	3.0%
Fire	8,513,144	10,846,381	11,178,044	11,620,500	12,057,430	442,456	4.0%	436,930	3.8%
Public Works	230,762	252,073	267,151	560,110	576,910	292,959	109.7%	16,800	3.0%
Community Services	4,416,736	5,269,886	5,207,992	5,838,740	5,986,490	630,748	12.1%	147,750	2.5%
Finance	-	9,390	-	-	-	-	0.0%	-	0.0%
Total Revenues	**$ 21,010,365**	**$ 25,447,954**	**$ 25,630,466**	**$ 25,928,210**	**$ 26,779,480**	**$ 297,744**	**1.2%**	**$ 851,270**	**3.3%**

The Charges for Services budget is projected to **increase by $0.3 million (+1.2%)** in FY25-26, and an **increase of $0.9 million (+3.3%)** is anticipated for FY26-27. Currently, the FY25-26 budget for this classification is anticipated to surpass FY24-25 mid-year projections by 6.6%.

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 FY25-26 are driven by the following factors:

- **Community Services** – The department's revenue budget is proposed to increase by $0.7 million (+12.1%) in FY25-26, largely due to anticipated increases in recreation services, farmers' market activity, and contract class fees.
- **Fire** – The department's revenue budget is proposed to increase by $0.4 million (+4.0%) in FY25-26, mainly due to higher revenues in emergency transport and annual fire inspection fees.
- **Community Development** – The department's revenue budget is proposed to decrease by $0.8 million (-12.3%) in FY25-26, primarily due to a realignment of the budget with actual receipts for plan check and inspection fees.

General Fund-Measure SST Fund Revenue Summary by Classification

Revenues	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY25-26 Percent Change
Taxes	18,120,402	25,712,422	25,345,116	26,154,000	26,918,000	808,884	3.2%	764,000	2.9%
Use of Money and Property	(55,807)	(135,171)	(177,850)	29,606	30,494	207,456	-116.6%	888	3.0%
Total Revenue	**$ 18,064,595**	**$ 25,577,251**	**$ 25,167,266**	**$ 26,183,606**	**$ 26,948,494**	**$ 1,016,340**	**4.0%**	**$ 764,888**	**2.9%**

The General Fund-Measure SST Fund accounts for approximately 7.6% of the General Fund's total revenue budget. This fund specifically tracks revenue from the 0.50% transaction and use tax (sales tax) approved by 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, the 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 the City Council and review the fund's annual audited financials.

The General Fund-Measure SST Fund's revenue budget is proposed to **increase by $1.0 million (+4.0%)** in FY25-26, and an **increase of $0.8 million (+2.9%)** is anticipated for FY26-27. The primary driver of the FY25-26 increase is an expected $0.8 million rise in the **Taxes** classification. The FY25-26 budget has been adjusted to reflect current consumer spending trends.

EXPENDITURES

Expenditures

Citywide Expenditures Summary by Fund

Fund Name	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
General Fund - Operating Fund	261,591,946	271,555,577	288,107,707	313,210,035	316,386,588	25,102,328	8.7%	3,176,553	1.0%
General Fund - Measure SST	17,550,521	21,467,563	27,495,124	26,183,606	26,948,494	(1,311,518)	-4.8%	764,888	2.9%
General Fund - Restricted	(799,059)	601,045	166,175	7,346,489	8,792,810	7,180,314	4320.9%	1,446,321	19.7%
General Fund - Assigned	1,719,593	4,211,216	6,827,203	7,502,816	11,571,849	675,613	9.9%	4,069,033	54.2%
AQMD Fund	185,580	154,656	277,141	360,478	415,305	83,337	30.1%	54,827	15.2%
Debt Service Fund	22,098,251	22,593,178	23,107,338	23,625,753	24,154,567	518,415	2.2%	528,814	2.2%
Meadow Park Parking Lot District	24,967	24,792	29,064	30,205	30,230	1,141	3.9%	25	0.1%
Low Mod Fund	56,255	54,794	65,061	70,338	65,719	5,277	8.1%	(4,619)	-6.6%
Section 8 Housing	6,969,158	8,186,982	8,865,679	9,250,801	9,976,195	385,122	4.3%	725,394	7.8%
Street Lighting Fund	1,710,390	1,846,644	1,866,272	1,912,828	1,912,828	46,556	2.5%	-	0.0%
Traffic Safety Fund	-	74,616	180,000	70,950	73,080	(109,050)	-60.6%	2,130	3.0%
Vanpool Fund	240,547	210,075	245,871	261,749	264,205	15,878	6.5%	2,456	0.9%
Airport Fund	23,675,161	17,586,133	18,119,142	24,002,581	21,759,455	5,883,439	32.5%	(2,243,126)	-9.3%
Sanitation Fund	14,811,382	26,435,711	20,106,241	19,329,652	19,951,107	(776,589)	-3.9%	621,455	3.2%
Sewer Fund	5,230,480	6,172,449	5,823,593	7,131,592	6,847,734	1,307,999	22.5%	(283,858)	-4.0%
Transit Fund	28,721,123	33,137,906	41,472,492	46,301,919	48,750,749	4,829,427	11.6%	2,448,830	5.3%
Water Fund	47,410,975	55,758,171	53,147,802	61,256,156	67,024,281	8,108,354	15.3%	5,768,125	9.4%
Fleet Services Fund	5,270,328	8,849,664	8,761,355	13,049,141	14,110,080	4,287,786	48.9%	1,060,939	8.1%
Self-Insurance Fund	16,210,166	21,074,360	23,514,888	24,301,818	25,760,086	786,930	3.3%	1,458,268	6.0%
Redevelopment Agency Fund	1,739,425	1,672,576	1,401,953	1,252,179	1,163,453	(149,774)	-10.7%	(88,726)	-7.1%
Total Expenditures	**$ 454,417,189**	**$ 501,668,108**	**$ 529,580,101**	**$ 586,451,086**	**$ 605,958,815**	**$ 56,870,985**	**10.7%**	**$ 19,507,729**	**3.3%**

The summary table above shows the citywide expenditure budget by fund. The citywide expenditure budget is proposed to **increase by $56.9 million (+10.7%)** in FY25-26. This increase is primarily driven by the following factors:

- The **General Fund-Operating Fund** is proposed to **increase by $25.1 million (+8.7%)**. This is the result of planned increases in salaries and employee benefits, UAL payments, and the transfers to the Capital Improvement Fund. This increase is partially offset by a decrease of $7.1 million in the transfers to the CEPPT Fund. Further expenditure details for this fund are provided in the **Departments** section of this document.
- The **General Fund-Measure SST Fund** is proposed to **decrease by $1.3 million (-4.8%)**. This budget increase is the result of a reduction of $2.6 million in the transfer to the Capital Improvement Fund, partially offset by a $1.3 million increase in transfers to the General Fund Operating Fund related to increases in Salaries & Employee Benefits to the City Manager, Information Technology, Police, and Fire departments. Further expenditure details for this fund are provided in the **Departments** section of this document.
- The **General Fund-Restricted Fund** is proposed to **increase by $7.2 million (+4320.9%)** due to a transfer of $7.3 million from the CEPPT Fund to the General Fund Operating Fund, to address rising UAL payment contributions and mitigate the deficit. This is the first year since establishing the CEPPT Fund that a transfer is being made to the General Fund Operating Fund to mitigate rising pension costs.

- The **General Fund-Assigned Fund** is proposed to **increase by $676,000 (+9.9%)** for needed asset replacements.
- The **Airport Fund** is proposed to **increase by $5.9 million (+32.5%)**. This is due to increased transfers to the General Fund for non-aeronautical lease revenues and the Airport Capital Fund for the renovation of airport hangars and taxiway lighting replacement.
- The **Transit Fund** is proposed to **increase by $4.8 million (+11.6%)**. This is due to salaries and employee benefits as a net result of changes in the department's budgeted staffing levels, recently approved pay and benefit adjustments, CalPERS rates, and other various employee-related cost elements, as well as interdepartmental charges related to contributions to the Self-Insurance Fund and allocation of indirect cost.
- The **Water Fund** is proposed to **increase by $8.1 million (+15.3%)**. This is due to increased Water Supply Costs being offset by decreased contributions to the Water Capital Project Fund.
- The **Fleet Services Fund** is proposed to **increase by $4.3 million (+48.9%)**. This is partially due to a change to the consolidated flat rate approach, as well as increased costs related to parts, fuel, and labor associated with servicing the City Fleet. Additionally, increase in depreciation of $1.0 million is proposed due to newly acquired vehicles.

Citywide Expenditures Summary by Classification

Expenditures	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Salaries and Employee Benefits	211,708,794	221,126,899	254,172,030	278,080,874	291,390,070	23,908,844	9.4%	13,309,196	4.8%
Salaries and Benefits Reimbursements	(748,267)	(973,039)	(2,400,500)	(1,770,500)	(1,770,500)	630,000	-26.2%	-	0.0%
Materials, Supplies & Maintenance	26,337,898	31,983,377	36,087,128	31,761,069	32,519,503	(4,326,059)	-12.0%	758,434	2.4%
Materials Reimbursements	(819,739)	(866,701)	(1,385,142)	(1,175,231)	(1,175,231)	209,911	-15.2%	-	0.0%
Parts, Fuel & Lubricants Inventory Purchases	4,418,626	5,605,552	5,637,548	5,637,548	5,607,548	-	0.0%	(30,000)	-0.5%
Parts, Fuel & Lubricants Contra	(4,419,138)	(5,337,716)	(5,634,548)	(5,637,548)	(5,607,548)	(3,000)	0.1%	30,000	-0.5%
Stored Water Rights Inventory Purchases	444,314	-	-	-	-	-	0.0%	-	0.0%
Stored Water Rights Contra	(444,314)	-	-	-	-	-	0.0%	-	0.0%
Professional/Contract Services	21,416,329	27,136,514	36,013,315	34,316,936	33,892,186	(1,696,379)	-4.7%	(424,750)	-1.2%
Water Supply Costs	32,958,829	33,568,387	34,785,000	41,177,000	44,877,000	6,392,000	18.4%	3,700,000	9.0%
Training, Travel & Membership Dues	1,431,488	1,846,728	2,406,353	2,633,155	2,629,605	226,802	9.4%	(3,550)	-0.1%
Depreciation and Amortization	5,835,513	5,260,916	6,677,026	11,226,518	12,670,861	4,549,492	68.1%	1,444,343	12.9%
Liabilities, Settlements & Insurance	20,271,898	21,226,947	19,159,902	19,344,404	20,626,036	184,502	1.0%	1,281,632	6.6%
Utilities	6,878,887	7,166,185	7,699,083	8,031,923	8,338,303	332,840	4.3%	306,380	3.8%
Interdepartmental Charges	27,536,950	34,163,647	41,293,652	53,467,730	55,983,497	12,174,078	29.5%	2,515,767	4.7%
Debt Service	48,353,551	49,620,857	50,104,749	51,916,257	52,962,691	1,811,508	3.6%	1,046,434	2.0%
Debt Service Reimbursements	(20,275,020)	(20,848,510)	(21,436,950)	(22,760,135)	(23,394,479)	(1,323,185)	6.2%	(634,344)	2.8%
Capital Acquisitions	3,126,260	12,380,757	43,661,847	20,722,991	16,354,974	(22,938,856)	-52.5%	(4,368,017)	-21.1%
Asset Contra Account	(2,172,019)	(5,250,654)	(41,288,841)	(17,459,500)	(9,034,000)	23,829,341	-57.7%	8,425,500	-48.3%
Bad Debts and Other Losses	(4,139,978)	(1,039,536)	3,238,860	3,256,000	3,353,680	17,140	0.5%	97,680	3.0%
Other Expenditures	254,532	287,206	53,500	53,500	53,500	-	0.0%	-	0.0%
Reimbursements-Indirect Costs	(6,320,271)	(7,901,694)	(9,147,553)	(10,741,685)	(11,102,923)	(1,594,132)	17.4%	(361,238)	3.4%
Other Operating Transfers Out	82,782,066	92,511,989	69,883,641	84,369,780	76,784,042	14,486,139	20.7%	(7,585,738)	-9.0%
Total Expenditures	**$ 454,417,189**	**$ 501,668,111**	**$ 529,580,100**	**$ 586,451,086**	**$ 605,958,815**	**$ 56,870,986**	**10.7%**	**$ 19,507,729**	**3.3%**

The summary table above shows citywide expenditure budget by classification. For FY25-26, the **increase of $56.9 million** is driven by the following factors:

- The **Salaries and Employee Benefits** classification is proposed to **increase by $23.9 million**, a net result of changes in the department's budgeted staffing levels, recently renewed or

anticipated labor contracts, salary grid modifications, longevity pay adjustments, CalPERS rates, benefits elections, and other various employee-related cost elements. $6.8 million of this increase is directly attributable to payments towards the City's unfunded actuarial liability (UAL).

- The **Water Supply Costs** classification is proposed to **increase by $6.4 million** due to increases in both demand/usage and cost of water.
- The **Interdepartmental Charges** classification is proposed to **increase by $12.2 million**, as the City's internal fleet charges to departments were reclassified from **Materials, Supplies & Maintenance** classification to the **Interdepartmental Charges** classification, which represents $9.4 million of the increase in FY25-26 budget.
- The **Other Operating Transfers Out** classification is proposed to **increase by $14.5 million**, as a result of a $10.0 million increase in transfers to the General Fund Operating Fund (mainly from the CEPPT Fund, Airport Fund and General Fund Measure SST Fund), increase of $9.8 million to the Capital Improvement Fund, and a $5.3 million increase to the Airport Capital Fund. These increases were partially offset by a $7.1 million decrease in contributions from the General Fund Operating Fund to the CEPPT Fund.

Citywide Expenditures Summary by Department

Expenditures	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Council	485,730	532,783	577,734	869,510	869,910	291,776	50.5%	400	0.0%
City Manager	6,338,430	6,346,152	8,481,408	9,932,665	10,244,868	1,451,257	17.1%	312,203	3.1%
City Attorney	2,796,410	2,989,171	3,397,091	3,538,490	3,702,707	141,399	4.2%	164,217	4.6%
City Clerk	877,876	1,350,517	1,664,355	1,619,159	1,439,929	(45,196)	-2.7%	(179,230)	-11.1%
City Treasurer	338,794	343,136	483,686	419,207	404,190	(64,479)	-13.3%	(15,017)	-3.6%
Finance	21,599,694	26,799,379	29,777,976	30,612,906	32,280,855	834,930	2.8%	1,667,949	5.4%
Human Resources	2,110,571	2,410,154	3,244,183	3,355,429	3,479,198	111,246	3.4%	123,769	3.7%
Civil Service	737,818	1,013,510	1,144,051	-	-	(1,144,051)	-100.0%	-	0.0%
Community Development	17,557,358	18,945,010	21,799,082	23,082,876	24,238,639	1,283,795	5.9%	1,155,763	5.0%
IT	7,644,957	7,886,232	10,139,911	11,866,674	12,053,056	1,726,763	17.0%	186,382	1.6%
General Services	38,401,715	36,507,987	38,880,650	49,852,085	49,185,008	10,971,435	28.2%	(667,077)	-1.3%
Non-Departmental	76,659,477	82,865,615	68,721,146	81,664,903	79,066,743	12,943,757	18.8%	(2,598,160)	-3.2%
Police	86,678,247	88,039,686	101,909,294	110,718,770	116,382,903	8,809,476	8.6%	5,664,133	5.1%
Fire	56,677,236	60,516,311	69,354,045	71,105,261	74,373,321	1,751,216	2.5%	3,268,060	4.6%
Public Works	85,433,742	108,789,667	101,955,402	112,967,250	119,944,714	11,011,848	10.8%	6,977,464	6.2%
Community Services	21,358,014	23,194,892	26,577,596	28,543,982	29,542,025	1,966,386	7.4%	998,043	3.5%
Transit	28,721,122	33,137,904	41,472,492	46,301,919	48,750,749	4,829,427	11.6%	2,448,830	5.3%
Total Expenditures	**$ 454,417,191**	**$ 501,668,106**	**$ 529,580,102**	**$ 586,451,086**	**$ 605,958,815**	**$ 56,870,984**	**10.7%**	**$ 19,507,729**	**3.3%**

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

	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 FTE Increase/ (Decrease)	FY26-27 FTE Increase/ (Decrease)	FY25-26 Expenditure/ (Savings)	FY26-27 Expenditure/ (Savings)
City Manager	47.30	45.25	45.25	(2.05)	-	(83,700)	-
Community Development	74.00	77.00	77.00	3.00	-	301,225	-
Finance	38.25	38.25	38.25	-	-	10,413	-
General Services	116.75	117.75	117.75	1.00	-	62,000	-
Human Resources	14.00	16.00	16.00	2.00	-	190,975	-
Information Technology	39.00	44.00	44.00	5.00	-	983,500	-
Police	359.00	354.00	354.00	(5.00)	-	(632,550)	-
Public Works	208.00	209.00	209.00	1.00	-	62,285	-
Transit	196.80	205.80	205.80	9.00	-	750,025	-
Total				**13.95**	**-**	**$ 1,644,173**	**-**

As shown in the table above, the City's FY25-26 operating budget includes a proposed increase of 13.95 FTE position, the net result of various departmental staffing modifications which are described in the following sections.

City Manager

- **Delete 0.25 FTE Administrative Assistant** to streamline the budget to better reflect on actual administrative activities in the City Manager's Office.

The Communications Division (formerly known as the Cable Division) is proposing a reorganization that will change the duties of the employees and expand its focus and efforts towards expanding content creation duties, as well as better align with the City's interests regarding public media.

- **Add 1.0 FTE Management Associate** to support the operations of the division during the reorganization process as well as improve internal workflows and enhance service delivery.

The following position conversions were part of the evaluation of the new Communications Division and will align with the Division's new goals and responsibilities:

- **Convert 1.0 FTE Supervising Producer/Writer to 1.0 FTE Supervising Content Creator**
- **Convert 1.0 FTE Producer Writer Assistant to 2.0 FTE Content Creator**
- **Convert 1.0 FTE Cable TV Operations Assistant to 1.0 FTE Multimedia Production Coordinator**
- **Convert 4.50 FTE Cable TV Production Assistants to 4.50 FTE Production Assistants**

The following positions are vacant and are proposed to be eliminated as their duties do not align with the new vision of the Communications Division.

- **Delete 1.0 FTE Cable TV Production Supervisor**
- **Delete 1.0 FTE Community Television Supervisor**
- **Delete 1.80 FTE Cable TV Announcer**

Community Development

- **Add 1.0 FTE Permit Technician I** to support the increased workload related to running the Permit Center and to ensure state-mandated permit review timelines are met.
- **Add 1.0 FTE Senior Building Inspector** to be assigned to seismic inspections and as time allows overflow inspections.
- **Add 1.0 FTE Plans Examiner** to assist with added workload related to the number of projects being submitted to the Permit Center.

Finance

- **Convert 1.0 FTE Accountant, Senior** to **1.0 FTE Accounting Supervisor** as part of organization adjustment driven by recruitment challenges and will update the position description to improve hiring outcomes.

General Services

- **Transfer 1.0 FTE Custodian** from the Transit Department as part of a functional reassessment of the role and its ability to assist citywide. This results in a zero net impact to the City.

Human Resources

The following positions were transferred from the Transit Department as part of an existing functional reassessment of the role and its ability to support citywide. This results in a zero net impact to the City.

- **Transfer 1.0 FTE HR Technician**
- **Transfer 1.0 FTE Principal HR Analyst**

Information Technology

The following positions were transferred from the Police Department as part of an existing functional reassessment of the department's role and its ability to support public safety citywide. This results in a zero net impact to the City.

- **Add 2.0 FTE Information Technology Specialist**
- **Add 2.0 FTE Information Technology Analyst**
- **Add 1.0 FTE Systems Analyst**

The following positions below are part of the IT Department's restructuring based on the increased responsibilities of the Department related to citywide software management, maintenance of cyber infrastructure, and public safety.

- **Convert 1.0 FTE Communication Supervisor (Wireless)** and **1.0 FTE Communication Supervisor (Telecomm)** into a single **1.0 FTE Communications Supervisor**
- **Convert 2.0 FTE Telecommunications Technicians** to **2.0 FTE Wireless Technicians** to better define the duties and responsibilities of the role following the Department's restructuring.
- **Convert 1.0 FTE Storekeeper** to **1.0 FTE Information Technology Specialist**
- **Add 1.0 FTE Information Technology Manager** and **add 1.0 FTE Project Manager** to meet increasing demands in customer service, cybersecurity, and GIS, and implement the City's upcoming Enterprise Resource Planning (ERP) project among other projects.
- **Delete 1.0 FTE Senior Admin Assistant** vacant position as part of an identified efficiency improvement related to decreased administrative workload.

Public Works

- **Add 1.0 FTE Maintenance Worker** to support the Citywide Tree Planting program with the Streetscape Division to maintain the newly planted trees by assisting with the trees' establishment and trimming.

Transit

- **Add 12.0 FTE Bus Operators** to better align the staffing budget with anticipated FY25-26 program activity.

Non-Wage Program-Level Budget Changes Summary by Department

Department	FY25-26 Non-Wage Program-level Budget Changes
City Manager	230,000
City Treasurer	(75,000)
Community Development	50,000
Community Services	484,000
General Services	404,000
Human Resources	(15,000)
Information Technology	25,000
Police	(200,000)
Public Works	(200,000)
Total	**$ 703,000**

In addition to staffing changes, the proposed FY25-26 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 for Civic Center Master Plan Survey Work (+65k) and for a land lease audit program (+150k), partially offset by decreases due to a one-time consulting contract related to land development (-$105k).
- **Training, Travel & Membership Dues** increases for RTC Emergency Alert training (+$50k), conferences (+$50k), and travel to local conferences such as CALPELRA and ICMA (+$20k).

City Treasurer

- **Professional/Contract Services** decreases due to one-time Treasury/Finance checks and balances audit (-$75k) in FY24-25.

Community Development

- **Professional/Contract Services** increases for oil well environmental assessment (+$50k).

Community Services

- **Materials, Supplies & Maintenance** increases due to the need for citywide turf seeds, fertilizer, and topper for sports fields (+$45k) and weed abatement (+$39k).
- **Professional/Contract Services** increases for tree trimming services in the City's parks (+$250k), increases for capital project cost estimating services (+$50K), and a non-recurring operational assessment study on Library Services (+$100K).

General Services

- **Materials, Supplies & Maintenance** increases for various services related to building maintenance to address needed city repairs and improvements such as HVAC and plumbing maintenance and repair and paint (+$404k).

Human Resources

- **Materials, Supplies & Maintenance** increases due to the addition of the Employee Picnic (+$50k), which offset with decreases due to the removal of employee medical services for the onboarding process (-$50k).
- **Professional/Contract Services** decreases for fingerprinting services related to the onboarding process (-$15k).

Information Technology

- **Professional/Contract Services** increases for a new feature in the Accela software related to Coyote Reporting (+$25k).

Police

- **Professional/Contract Services** decreases due to the removal of various legal services related to previously ongoing internal investigations (-$300k), partially offset by increases for a new feature in the CAD software related to public safety (+50k) and increased costs for the drones program (+$50k).

Public Works

- **Professional/Contract Services** decreases (-$200k) for various professional services related to the Street Lights and Signals program that were revised for costs.

General Fund-Operating Fund Expenditures Summary by Department

Expenditures	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Council	485,730	532,783	577,734	869,510	869,910	291,776	50.5%	400	0.0%
City Manager	6,338,430	6,192,829	7,702,510	9,161,411	9,473,614	1,458,901	18.9%	312,203	3.4%
City Attorney	2,796,410	2,989,171	3,397,091	3,538,490	3,702,707	141,399	4.2%	164,217	4.6%
City Clerk	877,876	1,350,517	1,664,355	1,619,159	1,439,929	(45,196)	-2.7%	(179,230)	-11.1%
City Treasurer	338,794	343,136	483,686	419,207	404,190	(64,479)	-13.3%	(15,017)	-3.6%
Finance	5,389,530	5,725,018	6,263,088	6,311,088	6,520,769	48,000	0.8%	209,681	3.3%
Human Resources	2,110,570	2,410,154	3,244,183	3,355,429	3,479,198	111,246	3.4%	123,769	3.7%
Civil Service	737,818	1,013,511	1,144,051	-	-	(1,144,051)	-100.0%	-	0.0%
Community Development	8,341,425	8,641,134	10,914,313	11,857,126	12,323,532	942,813	8.6%	466,406	3.9%
CIT	7,486,252	7,524,680	9,314,911	11,051,874	11,238,256	1,736,963	18.6%	186,382	1.7%
General Services	9,456,227	10,072,190	12,000,153	12,800,363	13,315,473	800,210	6.7%	515,110	4.0%
Non-Departmental	36,248,874	34,507,488	12,729,204	18,592,293	9,185,077	5,863,089	46.1%	(9,407,216)	-50.6%
Police	86,678,248	87,965,069	101,729,294	110,647,820	116,309,823	8,918,526	8.8%	5,662,003	5.1%
Fire	56,677,235	60,516,312	69,354,045	71,105,261	74,373,321	1,751,216	2.5%	3,268,060	4.6%
Public Works	16,270,511	18,576,693	21,011,493	23,337,022	24,208,764	2,325,529	11.1%	871,742	3.7%
Community Services	21,358,015	23,194,892	26,577,596	28,543,982	29,542,025	1,966,386	7.4%	998,043	3.5%
Total Expenditures	**$ 261,591,945**	**$ 271,555,577**	**$ 288,107,707**	**$ 313,210,035**	**$ 316,386,588**	**$ 25,102,328**	**8.7%**	**$ 3,176,553**	**1.0%**

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 $25.1 million** in FY25-26. Further details explaining the increase in FY25-26 are provided in the **Departments** section of this document.

General Fund-Operating Fund Expenditure Summary by Classification

Expenditures	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Salaries and Employee Benefits	181,083,665	185,533,350	211,000,334	231,201,342	242,493,622	20,201,008	9.6%	11,292,280	4.9%
Salaries and Benefits Reimbursements	(738,235)	(963,531)	(2,400,500)	(1,770,500)	(1,770,500)	630,000	-26.2%	-	0.0%
Materials, Supplies & Maintenance	10,964,026	13,444,399	16,489,304	12,869,292	12,901,936	(3,620,012)	-22.0%	32,644	0.3%
Materials Reimbursements	(432,584)	(324,623)	(485,142)	(475,231)	(475,231)	9,911	-2.0%	-	0.0%
Professional/Contract Services	12,132,703	13,961,387	20,428,493	18,934,499	18,350,448	(1,493,994)	-7.3%	(584,051)	-3.1%
Training, Travel & Membership Dues	1,296,268	1,685,763	2,047,061	2,323,361	2,319,811	276,300	13.5%	(3,550)	-0.2%
Liabilities, Settlements & Insurance	679,787	148,684	221,680	6,180	6,489	(215,500)	-97.2%	309	5.0%
Utilities	4,616,160	4,667,172	5,089,132	5,202,950	5,462,500	113,818	2.2%	259,550	5.0%
Interdepartmental Charges	15,835,772	19,134,445	24,303,425	30,274,558	31,865,565	5,971,133	24.6%	1,591,007	5.3%
Debt Service	22,646,081	23,578,848	23,369,441	23,874,385	24,403,199	504,944	2.2%	528,814	2.2%
Debt Service Reimbursements	(18,337,743)	(18,832,766)	(19,341,206)	(19,862,721)	(20,397,834)	(521,515)	2.7%	(535,113)	2.7%
Capital Acquisitions	1,360,558	5,688,425	591,109	710,675	699,125	119,566	20.2%	(11,550)	-1.6%
Asset Contra Account	(300,812)	(740,544)	-	-	-	-	0.0%	-	0.0%
Bad Debts and Other Losses	-	43	1,000	1,000	1,030	-	0.0%	30	3.0%
Reimbursements-Indirect Costs	(6,320,271)	(7,901,694)	(9,147,553)	(10,741,685)	(11,102,923)	(1,594,132)	17.4%	(361,238)	3.4%
Other Operating Transfers Out	37,106,571	32,476,219	15,941,129	20,661,930	11,629,351	4,720,801	29.6%	(9,032,579)	-43.7%
Total Expenditures	**$ 261,591,946**	**$ 271,555,577**	**$ 288,107,707**	**$ 313,210,035**	**$ 316,386,588**	**$ 25,102,328**	**8.7%**	**$ 3,176,553**	**1.0%**

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 $25.1 million** in FY25-26. Further details explaining the increase in FY25-26 are provided in the **Departments** section of this document.

General Fund-Measure SST Fund Expenditure Summary by Classification

Expenditures	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY25-26 Percent Change
Materials, Supplies & Maintenance	-	9,796	727,398	771,254	771,254	43,856	6.0%	-	0.0%
Professional/Contract Services	158,705	396,052	876,500	814,800	814,800	(61,700)	-7.0%	-	0.0%
Capital Acquisitions	-	109,028	-	-	-	-	0.0%	-	0.0%
Other Operating Transfers Out	17,391,816	20,952,688	25,891,226	24,597,552	25,362,440	(1,293,674)	-5.0%	764,888	3.1%
Total Expenditures	**$ 17,550,521**	**$ 21,467,564**	**$ 27,495,124**	**$ 26,183,606**	**$ 26,948,494**	**$ (1,311,518)**	**-4.8%**	**$ 764,888**	**2.9%**

The General Fund-Measure SST Fund comprises approximately 7.4% of the General Fund's overall expenditure budget. This fund separately accounts for the 0.50% transaction and use tax (sales tax) approved by the Torrance voters in June 2022. This measure, titled **Safe Strong Torrance,** included four main funding priorities: **Quality of Life; Fiscal Sustainability; Deferred Maintenance & Community Services/Programs;** and **Emergency Responsiveness**. As the City's governing body, City Council will continue to approve the budgeted use of these funds; the Measure SST Citizens' Oversight Committee will ensure funds are utilized in accordance with the spending plan as approved by City Council and review the fund's annual audited financials.

The General Fund-Measure SST Fund's expenditure budget is proposed to **decrease by $1.3 million (-4.8%)** in FY25-26 and **increase by $765,00 (+2.9%)** in FY26-27. The decrease in FY25-26 is primarily attributable to a decrease in transfers to the Capital Improvement Fund in the **Other Operating Transfers Out** classification, in order to maintain adequate funding for homelessness response efforts, cybersecurity enhancements, public safety sworn position staffing levels, and reserves contributions.

DEPARTMENTS

Departments

City Attorney

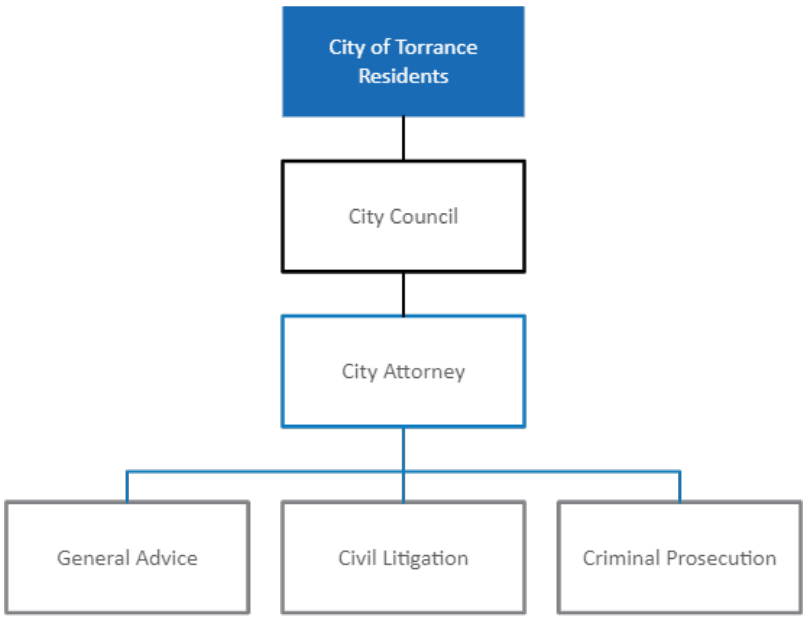
Mission Statement

The mission of the Torrance City Attorney's Office is to provide the highest quality legal services to the City of Torrance with integrity, professionalism, and dedication. We are committed to protecting the City's legal interests, promoting justice and fairness, supporting the effective delivery of public services, and ensuring compliance with the law. Through sound legal advice, ethical advocacy, and collaborative problem-solving, we strive to enhance public trust and contribute to the well-being and safety of the Torrance community.

Functional Responsibilities

Through its Civil Division, the Office acts as legal counsel to the City Council, City Manager, and all City departments, boards, commissions, and committees in litigation matters. The responsibilities of the General Advice Division include providing proactive legal advice, interpreting, and advising on laws related to city governance, drafting, and reviewing ordinances, resolutions, contracts, and policies, and supporting the City's goals while minimizing legal risk. The Criminal Division prosecutes state law and municipal code violations, and working with law enforcement to uphold public safety and ensure justice.

Department Organization



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

Revenues	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Other Revenues	24,609	-	-	-	-	-	0.0%	-	0.0%
Total Revenues	**$ 24,609**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**	**$ -**	**0.0%**

Expenditures	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change
Salaries and Employee Benefits	2,436,514	2,623,689	2,933,694	3,093,230	3,278,984	159,536	5.4%	185,754	6.0%
Salaries and Benefits Reimbursements	-	-	-	-	-	-	0.0%	-	0.0%
Materials, Supplies & Maintenance	39,050	43,590	54,601	49,885	49,885	(4,716)	-8.6%	-	0.0%
Professional/Contract Services	224,278	230,872	299,975	292,122	266,902	(7,853)	-2.6%	(25,220)	-8.6%
Training, Travel & Membership Dues	34,928	37,934	47,775	46,346	46,346	(1,429)	-3.0%	-	0.0%
Liabilities, Settlements & Insurance	-	-	-	-	-	-	0.0%	-	0.0%
Utilities	4,677	5,261	5,250	7,600	8,000	2,350	44.8%	400	5.3%
Interdepartmental Charges	47,936	40,768	55,796	49,307	52,590	(6,489)	-11.6%	3,283	6.7%
Other Operating Transfers Out	9,026	7,057	-	-	-	-	0.0%	-	0.0%
Total Expenditures	**$ 2,796,410**	**$ 2,989,171**	**$ 3,397,091**	**$ 3,538,490**	**$ 3,702,707**	**$ 141,399**	**4.2%**	**$ 164,217**	**4.6%**
Revenues Less Expenditures	**$ (2,771,801)**	**$ (2,989,171)**	**$ (3,397,091)**	**$ (3,538,490)**	**$ (3,702,707)**				

As shown in the summary table above, the **Salaries and Employee Benefits** expenditure classification is proposed to increase by $160,000 (+5.4%) in FY25-26 and $186,000 (+6.0%) in FY26-27. This increase is a result of changes in recently approved pay and benefit adjustments and increasing CalPERS rates. The **Professional/Contract Services** expenditure classifications in FY25-26 and FY26-27 is proposed to decrease by $7,900 (-2.6%) and $25,200 (-8.6%) respectively, due to the reduction of temporary legal assistance and outside legal counseling services while vacant positions were being filled. The **Interdepartmental Charges** expenditure classification is proposed to decrease by $6,500 (-11.6%) in FY25-26 and increase by $3,300 (+6.7%) in FY26-27 due to changes in the City's Self-Insurance Fund departmental allocations, which are updated annually based on the 5-year history of each department's claim counts and claim costs.

City Attorney Staffing Budget Summary (General Fund)

Job Classification	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY26-27 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	4.00	3.00	3.00	3.00	-	-
Deputy City Attorney II	2.00	1.00	1.00	1.00	1.00	-	-
Deputy City Attorney III	1.00	3.00	3.00	3.00	3.00	-	-
Law Office Administrator	1.00	1.00	1.00	1.00	1.00	-	-
Legal Assistant I	2.00	-	-	-	-	-	-
Legal Assistant II	2.00	4.00	4.00	4.00	4.00	-	-
Office Assistant	-	-	-	-	-	-	-
Total FTE	**13.00**	**15.00**	**14.00**	**14.00**	**14.00**	**-**	**-**

The City Attorney's Office staffing budget has no newly proposed changes, remaining at 14.0 FTE

City Clerk

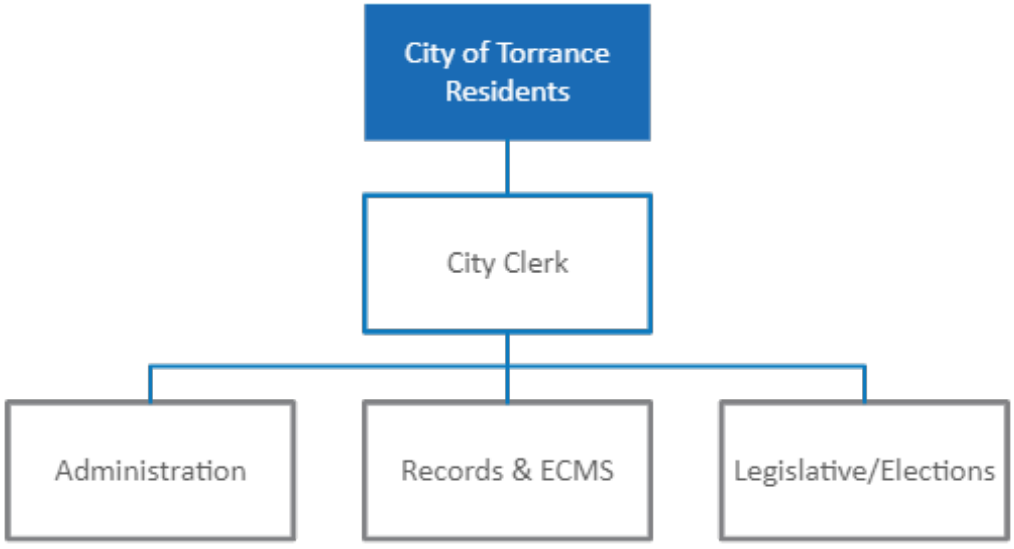
Mission Statement

The City Clerk's Office is the heart and hub of the City – connecting the Community to the services of the City. 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; serves the City's Elections Officer who conducts municipal elections; and is the filing officer for the City for Conflict of Interest and Campaign Statement Forms. The City Clerk's Office creates and maintains the official minutes from City Council and 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)

Revenues	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Other Revenues	105	105	-	-	-	-	0.0%	-	0.0%
Charges for Services	10,815	4,186	16,117	5,790	5,960	(10,327)	-64.1%	170	2.9%
Total Revenues	**$ 10,920**	**$ 4,291**	**$ 16,117**	**$ 5,790**	**$ 5,960**	**$ (10,327)**	**-64.1%**	**$ 170**	**2.9%**

Expenditures	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Salaries and Employee Benefits	871,581	950,316	1,126,334	1,115,872	1,163,945	(10,462)	-0.9%	48,073	4.3%
Salaries and Benefits Reimbursements	(15)	(45)	-	-	-	-	0.0%	-	0.0%
Materials, Supplies & Maintenance	17,610	14,391	24,885	16,854	16,854	(8,031)	-32.3%	-	0.0%
Professional/Contract Services	(72,100)	322,915	440,050	413,075	182,215	(26,975)	-6.1%	(230,860)	-55.9%
Training, Travel & Membership Dues	12,096	17,344	15,225	19,983	19,983	4,758	31.3%	-	0.0%
Liabilities, Settlements & Insurance	-	-	-	-	-	-	0.0%	-	0.0%
Interdepartmental Charges	34,754	34,406	57,861	53,375	56,932	(4,486)	-7.8%	3,557	6.7%
Other Operating Transfers Out	13,951	11,190	-	-	-	-	0.0%	-	0.0%
Total Expenditures	**$ 877,876**	**$ 1,350,517**	**$ 1,664,355**	**$ 1,619,159**	**$ 1,439,929**	**$ (45,196)**	**-2.7%**	**$(179,230)**	**-11.1%**
Revenues Less Expenditures	**$ (866,957)**	**$(1,346,226)**	**$(1,648,238)**	**$(1,613,369)**	**$(1,433,969)**				

Revenues in FY25-26 are expected to decrease by $10,300 (64.1%) and are mainly due to the **Charges for Services** revenue classification. This is driven by the need to realign the budget for appeal fees to better match actual receipts. In FY26-27, charges for services are anticipated to remain fairly consistent.

As shown in the summary table above, the **Salaries and Employee Benefits** expenditure classification is proposed to decrease by $10,500 (-0.9%) in FY25-26 and increase by $48,000 (+4.3%) in FY26-27, which is a result of changes in the department's recently approved pay and benefit adjustments, CalPERS rates, and other various employee-related cost elements. The **Professional/Contract Services** expenditure classification is proposed to decrease $27,000 (-6.1%) in FY25-26 from the consolidation of software contracts to the Information Technology Department. This classification is proposed to also decrease $231,000 (55.9%) in FY26-27 from the reduction of election costs in FY26-27 as it is not an election year and therefore will not incur any election-related costs. The **Interdepartmental Charges** expenditure classification is proposed to decrease by $4,500 (-7.8%) and increase in FY26-27 by $3,600 (+6.7%) due to the City's continued efforts to ramp up Self-Insurance Fund contributions to address its negative fund balance.

City Clerk Staffing Budget Summary (General Fund)

Job Classification	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY26-27 Increase/ (Decrease)
Administrative Assistant	-	2.00	2.00	2.00	2.00	-	-
City Clerk	1.00	1.00	1.00	1.00	1.00	-	-
Deputy City Clerk I	2.00	3.00	3.00	3.00	3.00	-	-
Deputy City Clerk II	1.00	2.00	2.00	2.00	2.00	-	-
Deputy City Clerk III	1.00	1.00	1.00	1.00	1.00	-	-
Office Assistant	2.00	-	-	-	-	-	-
Records Management Specialist	1.00	-	-	-	-	-	-
Total FTE	**8.00**	**9.00**	**9.00**	**9.00**	**9.00**	**-**	**-**

The City Clerk's staffing budget has no newly proposed changes, remaining at 9.0 FTE.

City Council

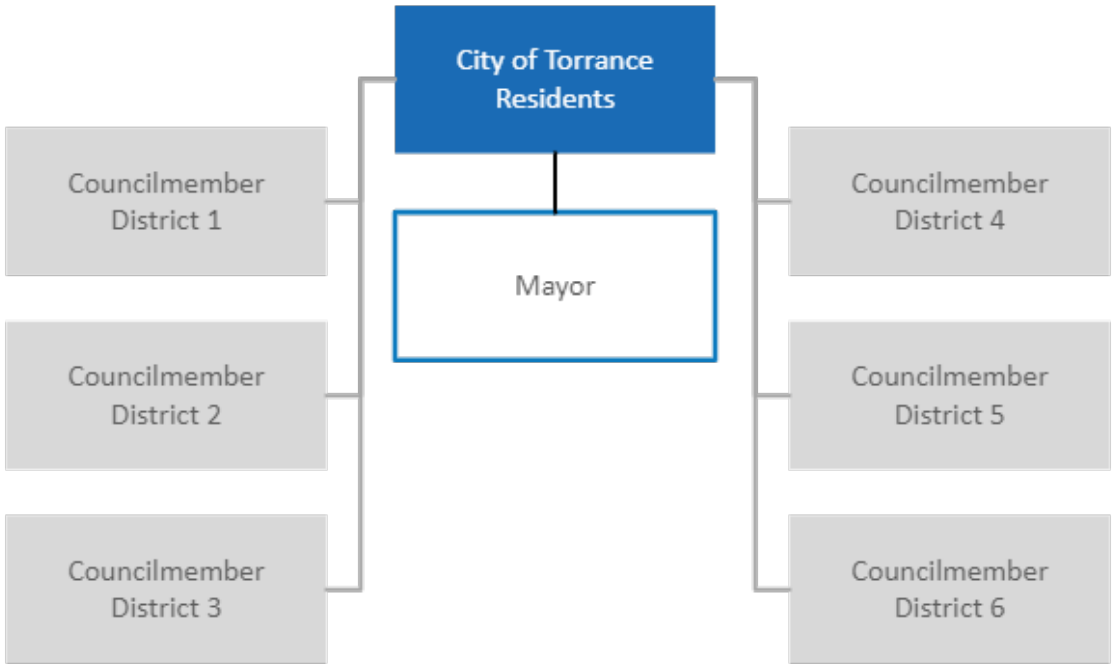
Mission Statement

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; authorize expenditures; adopt an annual budget; conduct 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	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Other Revenues	6,210	-	-	-	-	-	0.0%	-	0.0%
Total Revenues	**$ 6,210**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**	**$ -**	**0.0%**

Expenditures	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Salaries and Employee Benefits	152,330	181,082	187,968	417,108	417,108	229,140	121.9%	-	0.0%
Materials, Supplies & Maintenance	23,442	36,887	46,561	40,755	40,755	(5,806)	-12.5%	-	0.0%
Professional/Contract Services	87,417	70,585	56,817	45,550	45,550	(11,267)	-19.8%	-	0.0%
Training, Travel & Membership Dues	208,989	229,881	275,876	357,697	357,697	81,821	29.7%	-	0.0%
Utilities	8,042	9,380	10,512	8,400	8,800	(2,112)	-20.1%	400	4.8%
Other Operating Transfers Out	5,510	4,967	-	-	-	-	0.0%	-	0.0%
Total Expenditures	**$ 485,730**	**$ 532,783**	**$ 577,734**	**$ 869,510**	**$ 869,910**	**$ 291,776**	**50.5%**	**$ 400**	**0.0%**
Revenues Less Expenditures	**$ (479,520)**	**$ (532,783)**	**$ (577,734)**	**$ (869,510)**	**$ (869,910)**				

As shown in the summary table above, the **Salaries and Employee Benefits** expenditure classification is proposed to increase by $229,100 (+121.9%), due to voter approval of Measure TC on November 4, 2024, which modified the Torrance City Charter to set City Council compensation equal to the current minimum wage of the State of California, as well as changes in CalPERS rates and other various employee-related cost elements.

The proposed decrease of $11,300 (-19.8%) in FY25-26 in the **Professional/Contract Services** expenditure classification is due to the reclassification of certain expenses to the City Council's **Training, Travel & Membership Dues** expenditure classification to better align with Council activities. The **Training, Travel & Membership Dues** expenditure classification is proposed to increase by $81,800 (+29.7%) in FY25-26, partially due to the reclassification of expenses from the Professional/Contract Services classification, and partially due to an expected increase in travel related to State Advocacy, Federal Advocacy, and Economic Development efforts.

City Council Staffing Budget Summary (General Fund)

Job Classification	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY26-27 Increase/ (Decrease)
City Council	7.00	7.00	7.00	7.00	7.00	-	-
Total FTE	**7.00**	**7.00**	**7.00**	**7.00**	**7.00**	**-**	**-**

The City Council's staffing budget has no newly proposed changes, remaining at 7.0 FTE.

City Manager

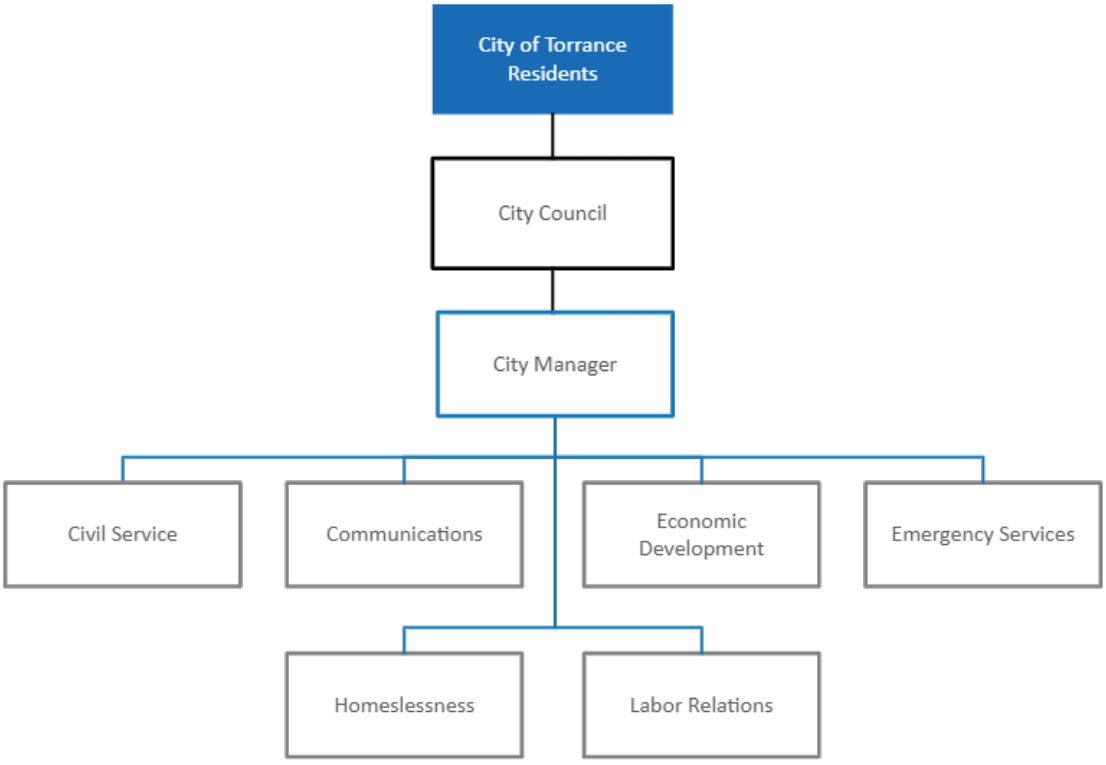
Mission Statement

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 Office of Emergency Services, the Communications Division and the Civil Service Division, and is the focal point for economic development and community relations.

Department Organization



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

Revenues	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Licenses, Fees and Permits	1,537,660	1,378,445	1,645,918	1,316,120	1,355,600	(329,798)	-20.0%	39,480	3.0%
Intergovernmental	-	-	-	-	-	-	0.0%	-	0.0%
Other Revenues	295	55,066	-	-	-	-	0.0%	-	0.0%
Charges for Services	806,164	696,740	765,661	746,710	782,040	(18,951)	-2.5%	35,330	4.7%
Operating Transfers In	-	-	102,447	232,266	245,909	129,819	126.7%	13,643	5.9%
Total Revenues	**$ 2,344,119**	**$ 2,130,251**	**$ 2,514,026**	**$ 2,295,096**	**$ 2,383,549**	**$ (218,930)**	**-8.7%**	**$ 88,453**	**3.9%**
Expenditures	**FY22-23 Actual**	**FY23-24 Actual**	**FY24-25 Amended Budget**	**FY25-26 Proposed Budget**	**FY26-27 Proposed Budget**	**FY25-26 Increase/ (Decrease)**	**FY25-26 Percent Change**	**FY26-27 Increase/ (Decrease)**	**FY26-27 Percent Change**
Salaries and Employee Benefits	4,917,649	4,567,975	5,231,105	6,396,450	6,731,140	1,165,345	22.3%	334,690	5.2%
Salaries and Benefits Reimbursements	-	-	-	-	-	-	0.0%	-	0.0%
Materials, Supplies & Maintenance	134,997	180,925	218,430	191,026	200,726	(27,404)	-12.5%	9,700	5.1%
Materials Reimbursements	-	-	-	-	-	-	0.0%	-	0.0%
Professional/Contract Services	968,549	1,036,003	1,821,191	1,959,890	1,908,965	138,699	7.6%	(50,925)	-2.6%
Training, Travel & Membership Dues	120,327	155,025	156,800	265,974	265,974	109,174	69.6%	-	0.0%
Liabilities, Settlements & Insurance	6,500	-	-	6,180	6,489	6,180	0.0%	309	5.0%
Utilities	67,028	71,301	86,826	89,300	93,800	2,474	2.8%	4,500	5.0%
Interdepartmental Charges	91,453	121,855	168,158	235,091	249,020	66,933	39.8%	13,929	5.9%
Capital Acquisitions	13,608	41,339	20,000	17,500	17,500	(2,500)	-12.5%	-	0.0%
Other Operating Transfers Out	18,318	18,406	-	-	-	-	0.0%	-	0.0%
Total Expenditures	**$ 6,338,430**	**$ 6,192,829**	**$ 7,702,510**	**$ 9,161,411**	**$ 9,473,614**	**$ 1,458,901**	**18.9%**	**$312,203**	**3.4%**
Revenues Less Expenditures	**$ (3,994,310)**	**$ (4,062,578)**	**$(5,188,484)**	**$ (6,866,315)**	**$ (7,090,065)**				

The City Manager's Office revenue and expenditure budgets are now fully reflective of the Civil Service Division, including the alignment of staffing levels and non-wage expenditures, whose FY25-26 and FY26-27 fiscal updates are listed below.

Revenue sources in FY25-26 are expected to decrease by $219,000 (-8.7%). This is primarily due to a decrease in the **Licenses, Fees and Permits** revenue classification, partially offset by an increase in the **Operating Transfers In** revenue classification. The **Licenses, Fees and Permits** revenue classification for FY25-26 is anticipated to decrease by $330,000 (-20.0%), primarily driven by decreases in franchise fee revenues. An increase of $130,000 (+126.7%) in FY25-26 from sources in the **Operating Transfers In** revenue classification is due to transfers from the Measure SST Fund, for positions related to homeless outreach.

The **Salaries and Employee Benefits** expenditure classification is proposed to increase by $1,165,300 (+22.3%), primarily due to the consolidation of the Civil Service Division into this department. Additionally, this increase includes the net result of proposed changes in the department's budgeted staffing levels, recently approved pay and benefit adjustments, CalPERS rates, and other various employee-related cost elements. The **Professional/Contract Services** expenditure classification is proposed to increase by $138,700 (+7.6%) as a net result of consolidating the Civil Service Division Budget, a decrease in one-time consulting contract related to land development (-$105k), and increases in contract services related to land lease audits (+$150k) and homelessness (+$64k). The **Training, Travel & Membership Dues** expenditure classification is

proposed to increase by $109,000 (+69.6%) as a net result of consolidating the Civil Service Division Budget as well as increased training relating to the emergency communications alert system (+$49k) and professional development training (+$40k).

The **Interdepartmental Charges** expenditure classification is proposed to increase by $66,900 (+39.8%) primarily due to a reclassification of Fleet Service Fund charges to the Interdepartmental Charges classification of $24,000. As such, there is a corresponding decrease in the Materials classification of $40,400. In an effort to centralize the variability of fleet charges to the Fleet Services Fund, the city will be charging departments an annual flat rate (rather than an hourly based rate) based on average annual service cost and replacement cost for vehicles assigned to their departments. The additional increase is 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.

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

Revenues	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Operating Transfers In	-	-	-	-	-	-	0.0%	-	0.0%
Total Revenues	$ -	$ -	$ -	$ -	$ -	$ -	0.0%	$ -	0.0%
Expenditures	**FY22-23 Actual**	**FY23-24 Actual**	**FY24-25 Amended Budget**	**FY25-26 Proposed Budget**	**FY26-27 Proposed Budget**	**FY25-26 Increase/ (Decrease)**	**FY25-26 Percent Change**	**FY26-27 Increase/ (Decrease)**	**FY26-27 Percent Change**
Salaries and Employee Benefits	562,970	598,654	741,998	-	-	(741,998)	-100.0%	-	0.0%
Salaries and Benefits Reimbursements	-	-	-	-	-	-	0.0%	-	0.0%
Materials, Supplies & Maintenance	6,467	15,811	14,558	-	-	(14,558)	-100.0%	-	0.0%
Professional/Contract Services	147,788	336,952	348,233	-	-	(348,233)	-100.0%	-	0.0%
Training, Travel & Membership Dues	5,902	5,046	6,947	-	-	(6,947)	-100.0%	-	0.0%
Liabilities, Settlements & Insurance	4,881	5,110	6,180	-	-	(6,180)	-100.0%	-	0.0%
Utilities	1,312	1,340	-	-	-	-	0.0%	-	0.0%
Interdepartmental Charges	6,477	48,390	26,135	-	-	(26,135)	-100.0%	-	0.0%
Other Operating Transfers Out	2,021	2,207	-	-	-	-	0.0%	-	0.0%
Total Expenditures	$ 737,818	$ 1,013,510	$ 1,144,051	$ -	$ -	$ (1,144,051)	-100.0%	$ -	0.0%
Revenues Less Expenditures	$ (737,818)	$ (1,013,510)	$ (1,144,051)	$ -	$ -				

The Civil Service Division was previously presented as a separate Department in the FY24-25 Operating Budget Book. As part of ongoing realignments to better present data to the public, the Civil Service Division's budget is now reflected in the City Manager's Office Operating Budget Summary Table above.

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

Expenditures	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Materials, Supplies & Maintenance	-	9,796	727,398	771,254	771,254	43,856	6.0%	-	0.0%
Professional/Contract Services	-	34,500	51,500	-	-	(51,500)	-100.0%	-	0.0%
Capital Acquisitions	-	109,028	-	-	-	-	0.0%	-	0.0%
Total Expenditures	$ -	$ 153,323	$ 778,898	$ 771,254	$ 771,254	$ (7,644)	-1.0%	$ -	0.0%

As shown in the summary table above, the $771,000 in the **Materials, Supplies & Maintenance** expenditure classification is proposed going into FY25-26 to cover the non-wage costs associated with increased efforts dedicated to addressing homelessness.

City Manager Staffing Budget Summary (General Fund and Non-General Funds)

Job Classification	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY26-27 Increase/ (Decrease)
Administrative Assistant	3.00	1.00	3.25	3.00	3.00	(0.25)	-
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	2.00	1.00	1.00	1.00	1.00	-	-
Cable & Comm Relations Manager	1.00	-	-	-	-	-	-
Cable TV Announcer	1.80	1.80	1.80	-	-	(1.80)	-
Cable TV Operations Asst	1.00	1.00	1.00	-	-	(1.00)	-
Cable TV Production Assis	4.50	4.50	4.50	-	-	(4.50)	-
Cable TV Production Supervisor	1.00	1.00	1.00	-	-	(1.00)	-
City Manager	1.00	1.00	1.00	1.00	1.00	-	-
Civil Service Manager	1.00	1.00	1.00	1.00	1.00	-	-
Community Television Supervisor	1.00	1.00	1.00	-	-	(1.00)	-
Content Creator	-	-	-	2.00	2.00	2.00	-
Deputy City Manager	-	2.00	2.00	2.00	2.00	-	-
Deputy Finance Director	0.25	0.25	0.25	0.25	0.25	-	-
Economic Development 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	2.00	2.00	2.00	2.00	-	-
Intern II	2.00	1.00	1.00	1.00	1.00	-	-
Management Assistant	2.00	2.00	2.00	2.00	2.00	-	-
Management Associate	4.00	4.00	4.00	5.00	5.00	1.00	-
Multimedia Production Coordinator	-	-	-	1.00	1.00	1.00	-
Office Assistant	2.25	2.25	-	-	-	-	-
Producer Writer, Asst	1.00	1.00	1.00	-	-	(1.00)	-
Production Assistant	-	-	-	4.50	4.50	4.50	-
Senior Admin Assistant	-	1.00	1.00	1.00	1.00	-	-
Senior Business Manager	-	1.00	1.00	1.00	1.00	-	-
Staff Assistant	7.68	10.20	12.50	12.50	12.50	-	-
Supervising Admin Assistant	1.00	-	-	-	-	-	-
Supervising Content Creator	-	-	-	1.00	1.00	1.00	-
Supervising Producer/Writer	1.00	1.00	1.00	-	-	(1.00)	-
Total FTE	**43.48**	**45.00**	**47.30**	**45.25**	**45.25**	**(2.05)**	**-**

The City Manager's staffing budget is proposed a decrease of 2.05 FTE going into FY25-56, a net result of reorganization of the Communications Division (formerly known as the Cable Division).

The City Manager's Communication Division is proposed to expand its focus on social media and other content creator duties better aligning with the current media environment. The Division proposes adding 1.0 FTE Management Associate position to support the operations of the division through the reorganization process as well as improve internal workflows and enhance service

delivery. As well, the Division proposes the conversion of 1.0 FTE Supervising Producer/Writer to a 1.0 FTE Supervising Content Creator, the conversion of 1.0 FTE Producer Writer, Assistant to 2.0 FTE Content Creators (addition of 1.0 FTE), the conversion of 1.0 FTE Cable TV Operations Assistant to 1.0 FTE Multimedia Production Coordinator, and the conversion of 4.50 FTE Cable TV Production Assistants to 4.50 FTE Production Assistants to realign these positions with their new duties and prioritize growth within the division. Finally, the Division is proposing the elimination of 1.0 FTE Cable TV Production Supervisor, 1.0 FTE Community Television Supervisor, and 1.80 FTE Cable TV Announcer as these positions are vacant and no longer needed in the new vision of the Division's reorganization.

Lastly, the proposed elimination of the 0.25 FTE Administrative Assistant is to re-align the budget to better reflect actual administrative activities in the City Manager's Office.

City Treasurer

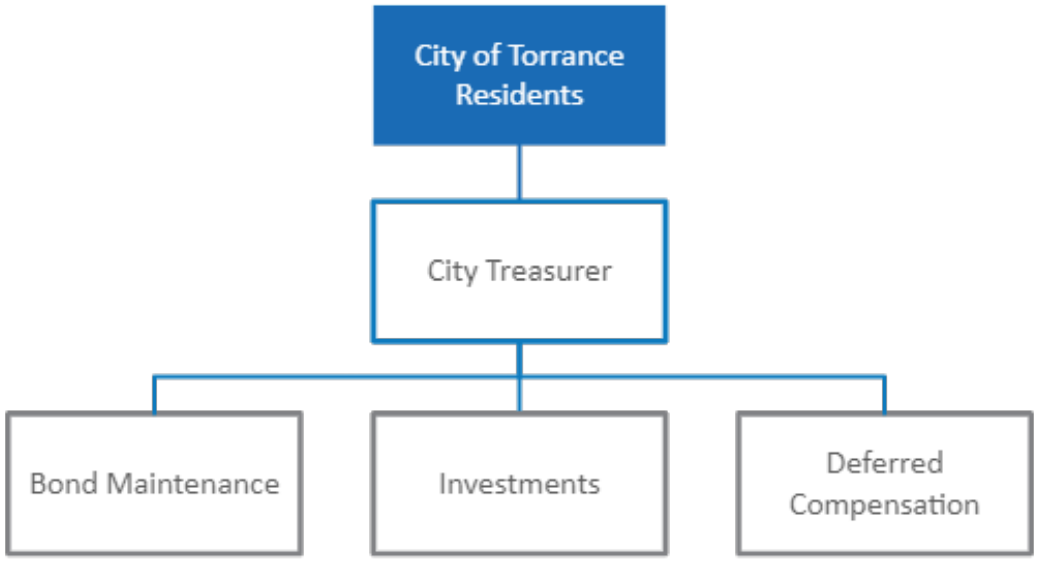
Mission Statement

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	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Salaries and Employee Benefits	262,000	312,521	334,159	350,296	368,857	16,137	4.8%	18,561	5.3%
Materials, Supplies & Maintenance	2,264	1,936	3,045	2,910	2,910	(135)	-4.4%	-	0.0%
Professional/Contract Services	50,843	5,932	101,010	46,609	12,659	(54,401)	-53.9%	(33,950)	-72.8%
Training, Travel & Membership Dues	7,156	13,284	40,530	13,854	13,854	(26,676)	-65.8%	-	0.0%
Liabilities, Settlements & Insurance	-	-	-	-	-	-	0.0%	-	0.0%
Utilities	29	-	500	-	-	(500)	-100.0%	-	0.0%
Interdepartmental Charges	11,092	8,292	4,442	5,538	5,910	1,096	24.7%	372	6.7%
Capital Acquisitions	3,898	-	-	-	-	-	0.0%	-	0.0%
Other Operating Transfers Out	1,512	1,171	-	-	-	-	0.0%	-	0.0%
Total Expenditures	**$ 338,794**	**$ 343,136**	**$ 483,686**	**$ 419,207**	**$ 404,190**	**$ (64,479)**	**-13.3%**	**$ (15,017)**	**-3.6%**

As shown in the summary table above, the **Salaries and Employee Benefits** expenditure classification is proposed to increase by $16,100 (+4.8%) in FY25-26 and by $18,600 (+5.3%) in FY26-27, a net result of recently approved pay and benefit adjustments, CalPERS rates, and other various employee-related cost elements. The **Professional/Contract Services** classification is proposed to decrease by $54,400 (-53.9%) in FY25-26 and $33,950 (-72.8%) in FY26-27 primarily due to a one-time Treasury audit in FY24-25. The proposed decrease in the **Training, Travel & Membership Dues** expenditure classification by $26,700 (-65.8%) in FY25-26 is due to a one-time leadership course for the City Treasurer that was budgeted in FY24-25, which was not expended and is not needed going forward.

City Treasurer Staffing Budget Summary (General Fund)

Job Classification	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY26-27 Increase/ (Decrease)
City Treasurer	1.00	1.00	1.00	1.00	1.00	-	-
Deputy City Treasurer	1.00	1.00	1.00	1.00	1.00	-	-
Total FTE	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**	**-**	**-**

The City Treasurer's staffing budget has no newly proposed changes, remaining at 2.0 FTE.

Community Development

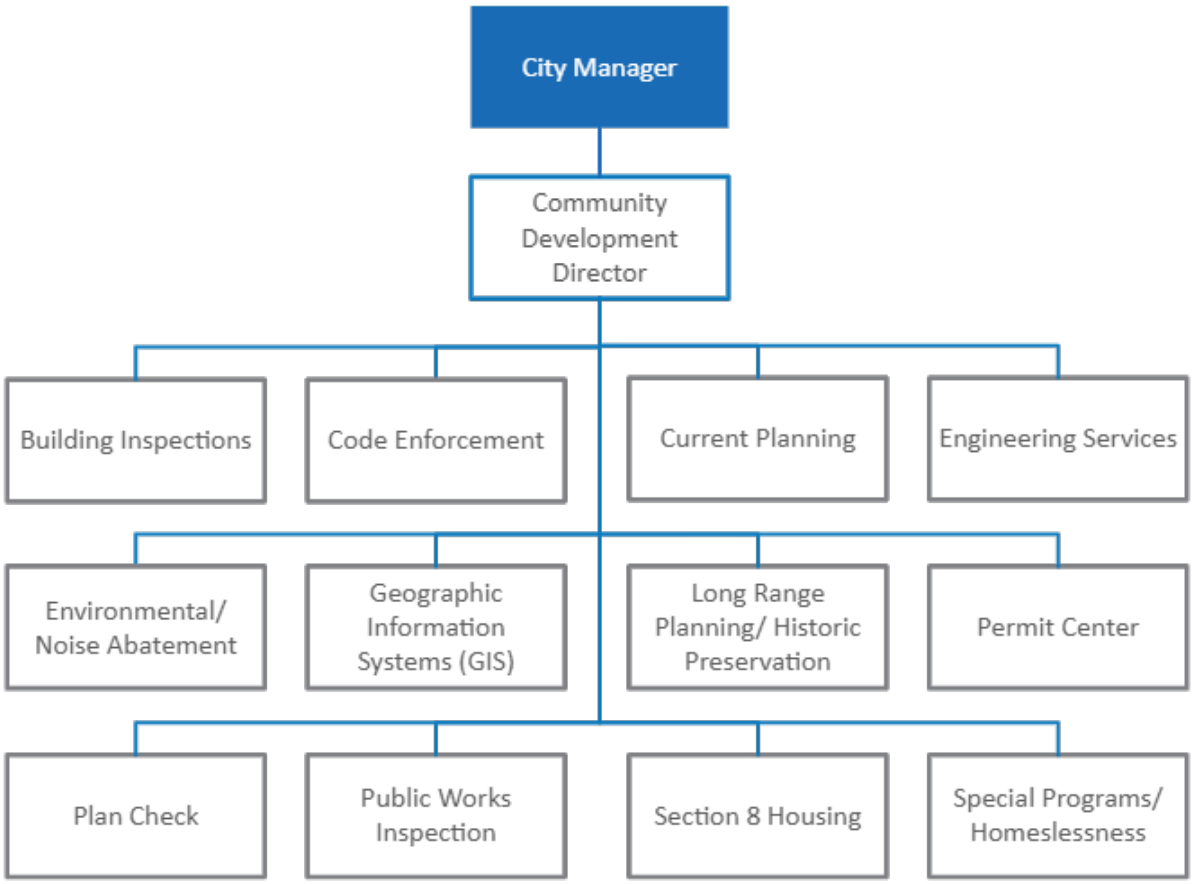
Mission Statement

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

Functional Responsibilities

The Community Development Department delivers a wide variety of programs and services related to planning, building & safety, engineering services, and neighborhood services to help create and maintain more safe, sustainable, and livable neighborhoods. They are responsible for overseeing Current and Long-Range Planning/Historic Preservation, Construction Plans, Building Permits & Inspections, Engineering Services, Public Works Inspections, Geographic Information System (GIS), Code Enforcement, Environmental/Noise Abatement, and Housing.

Department Organization



CDD Operating Budget Summary (General Fund-Operating Fund)

Revenues	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Licenses, Fees and Permits	5,222,123	4,917,685	4,809,133	5,411,000	5,573,330	601,867	12.5%	162,330	3.0%
Fines, Forfeitures and Penalties	2,125	55,763	25,000	14,500	14,940	(10,500)	-42.0%	440	3.0%
Use of Money and Property	20,250	18,732	22,752	22,000	22,660	(752)	-3.3%	660	3.0%
Other Revenues	50,003	2,298	3,308	-	-	(3,308)	-100.0%	-	0.0%
Charges for Services	5,730,923	7,002,970	6,559,288	5,753,410	5,925,620	(805,878)	-12.3%	172,210	3.0%
Operating Transfers In	-	-	-	-	-	-	0.0%	-	0.0%
Total Revenues	**$ 11,025,424**	**$ 11,997,447**	**$ 11,419,481**	**$ 11,200,910**	**$ 11,536,550**	**$ (218,571)**	**-1.9%**	**$ 335,640**	**3.0%**

Expenditures	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Salaries and Employee Benefits	7,701,694	8,092,505	9,322,319	10,524,469	10,953,209	1,202,150	12.9%	428,740	4.1%
Salaries and Benefits Reimbursements	(339,190)	(394,384)	(249,000)	(249,000)	(249,000)	-	0.0%	-	0.0%
Materials, Supplies & Maintenance	98,471	139,864	235,142	67,080	67,080	(168,062)	-71.5%	-	0.0%
Professional/Contract Services	364,519	231,815	889,548	665,231	665,231	(224,317)	-25.2%	-	0.0%
Training, Travel & Membership Dues	37,935	43,667	45,776	30,575	28,635	(15,201)	-33.2%	(1,940)	-6.3%
Liabilities, Settlements & Insurance	-	1,531	37,000	-	-	(37,000)	-100.0%	-	0.0%
Utilities	26,403	22,098	28,097	26,800	28,000	(1,297)	-4.6%	1,200	4.5%
Interdepartmental Charges	402,925	465,244	605,431	791,971	830,377	186,540	30.8%	38,406	4.8%
Capital Acquisitions	2,199	-	-	-	-	-	0.0%	-	0.0%
Other Operating Transfers Out	46,469	38,794	-	-	-	-	0.0%	-	0.0%
Total Expenditures	**$ 8,341,425**	**$ 8,641,135**	**$ 10,914,313**	**$ 11,857,126**	**$ 12,323,532**	**$ 942,813**	**8.6%**	**$ 466,406**	**3.9%**
Revenues Less Expenditures	**$ 2,683,999**	**$ 3,356,313**	**$ 505,168**	**$ (656,216)**	**$ (786,982)**				

As shown in the table above, total revenue sources in FY25-26 are expected to decrease by $219,000 (-1.9%). This is primarily due to a decrease in the **Charges for Services** revenue classification, partially offset by an increase in the **Licenses, Fees and Permits** revenue classification. The **Charges for Services** revenue classification for FY25-26 is anticipated to decrease by $806,000 (12.3%), primarily due to a realignment of the budget with actual receipts for plan check and inspection fees. An increase of $602,000 (+12.5%) in FY25-26 from sources in the **Licenses, Fees and Permits** revenue classification is due to increases in plumbing, building, and electrical permit fees.

The **Salaries and Employee Benefits** expenditure classification is proposed to increase by $1,2 million (+12.9%), a net result of changes in the department's budgeted staffing levels, recently approved pay and benefit adjustments, CalPERS rates, and other various employee-related cost elements. The **Interdepartmental Charges** expenditure classification is proposed to increase by $186,500 (+30.8%) primarily due to a reclassification of Fleet Service Fund charges to the Interdepartmental Charges classification. As such, there is a corresponding decrease in the **Materials, Supplies & Maintenance** classification of $168,000 (-71.5%). In an effort to centralize the variability of fleet charges to the Fleet Services Fund, the City will be charging departments an annual flat rate (rather than an hourly based rate) based on average annual service cost and replacement cost for vehicles assigned to their departments.

The **Professional/Contract Services** expenditure classification is proposed to decrease $224,300 (-25.2%) due to a reduction in the contract for expedited plan checks (-$120,000) and a reclassification

of a contract for Geographic Information System (GIS) street imaging (-$100,000) into the Capital Improvement Plan as a one-time effort cost.

CDD Operating Budget Summary (Air Quality Management District Fund)

Revenues	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Use of Money and Property	8,516	13,843	11,906	16,134	16,618	4,228	35.5%	484	3.0%
Intergovernmental	190,124	192,470	196,390	195,000	200,850	(1,390)	-0.7%	5,850	3.0%
Operating Transfers In	-	-	-	-	-	-	0.0%	-	0.0%
Total Revenues	**$ 198,639**	**$ 206,313**	**$ 208,296**	**$ 211,134**	**$ 217,468**	**$ 2,838**	**1.4%**	**$ 6,334**	**3.0%**

Expenditures	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Salaries and Employee Benefits	121,799	117,951	123,639	131,837	136,664	8,198	6.6%	4,827	3.7%
Materials, Supplies & Maintenanc	27,780	33,276	46,000	44,620	44,620	(1,380)	-3.0%	-	0.0%
Professional/Contract Services	36,001	3,162	8,300	8,051	8,051	(249)	-3.0%	-	0.0%
Training, Travel & Membership Du	-	267	1,000	970	970	(30)	-3.0%	-	0.0%
Interdepartmental Charges	-	-	98,202	-	-	(98,202)	-100.0%	-	0.0%
Other Operating Transfers Out	-	-	-	175,000	225,000	175,000	100.0%	50,000	28.6%
Total Expenditures	**$ 185,580**	**$ 154,656**	**$ 277,141**	**$ 360,478**	**$ 415,305**	**$ 83,337**	**30.1%**	**$ 54,827**	**15.2%**
Revenues Less Expenditures	**$ 13,059**	**$ 51,657**	**$ (68,845)**	**$ (149,344)**	**$ (197,837)**	**$ (80,499)**	**117%**	**$ (48,493)**	**32%**

The Air Quality Management District (AQMD) Fund summary table above shows a proposed increase of $2,800 (+1.4%) in total revenue sources, primarily driven by an increase in the **Use of Money and Property** revenue classification. This increase is partially offset by a decrease in the **Intergovernmental** revenue classification. The **Use of Money and Property** revenue classification for FY25-26 is anticipated to grow by $4,200 (+35.5%), mainly due to higher Investment Earnings. **Intergovernmental** revenues are projected to decrease by $1,400 (-0.7%) in FY25-26, primarily due to lower anticipated AQMD revenues.

The **Salaries and Employee Benefits** expenditure classification is projected to increase $8,200 (+6.6%), a net result of recently approved pay and benefit adjustments, CalPERS rates, and other various employee-related cost elements. Adjustments were also made to the fund's proposed FY25-26 operating budget in the **Other Operating Transfers Out** classification to fund capital investments in alternative fueling fleet and infrastructure.

CDD Operating Budget Summary (Low Mod Fund)

Revenues	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Use of Money and Property	179,323	168,411	40,450	-	228,623	(40,450)	-100.0%	228,623	100.0%
Operating Transfers In	1,250,670	-	-	-	-	-	0.0%	-	0.0%
Total Revenues	**$ 1,429,993**	**$ 168,411**	**$ 40,450**	**$ -**	**$ 228,623**	**$ (40,450)**	**-100.0%**	**$ 228,623**	**100.0%**

Expenditures	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Salaries and Employee Benefits	53,255	51,794	61,061	62,578	65,719	1,517	2.5%	3,141	5.0%
Materials, Supplies & Maintenance	3,000	3,000	4,000	7,760	-	3,760	94.0%	(7,760)	-100.0%
Professional/Contract Services	-	-	-	-	-	-	0.0%	-	0.0%
Total Expenditures	**$ 56,255**	**$ 54,794**	**$ 65,061**	**$ 70,338**	**$ 65,719**	**$ 5,277**	**8.1%**	**$ (4,619)**	**-6.6%**
Revenues Less Expenditures	**$ 1,373,738**	**$ 113,617**	**$ (24,611)**	**$ (70,338)**	**$ 162,904**				

As shown in the summary table above, the Low Mod Fund's total revenue is proposed to decrease by $40,000 (-100.0%) in FY25-26 and increase by $229,000 (100.0%) in FY26-27, which represents interest income related to Loans from the Low Mod Fund to Redevelopment Agency (RDA) Fund. Out of three remaining loans to RDA Fund, the first loan was paid off during FY24-25. Payments are required to be first applied to pay down principal before any interest is paid off, and one loan needs to be fully paid before payments are applied to the next loan. Because of this requirement, some years will only have principal payments, interest payments, or a combination of both. During FY25-26, only principal payments are anticipated, thus, there is no budgeted interest income. As all the principal on the second loan will be fully paid off during FY26-27, it is expected that payments will start to be applied partially to interest during FY26-27; thus, there is budgeted interest income during FY26-27.

The proposed increase of $1,500 (+2.5%) in the **Salaries and Employee Benefits** expenditure classification is a net result of recently approved pay and benefit adjustments, CalPERS rates, and other various employee-related cost elements. Adjustments were also made to the fund's proposed FY25-26 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	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Use of Money and Property	48,796	50,248	40,064	41,205	41,205	1,141	2.8%	-	0.0%
Operating Transfers In	104,070	-	-	-	-	-	0.0%	-	0.0%
Total Revenues	**$ 152,866**	**$ 50,248**	**$ 40,064**	**$ 41,205**	**$ 41,205**	**$ 1,141**	**2.8%**	**$ -**	**0.0%**

Expenditures	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Professional/Contract Services	24,744	24,573	28,564	29,705	29,705	1,141	4.0%	-	0.0%
Utilities	223	220	500	500	525	-	0.0%	25	5.0%
Other Operating Transfers Out	-	-	-	-	-	-	0.0%	-	0.0%
Total Expenditures	**$ 24,967**	**$ 24,792**	**$ 29,064**	**$ 30,205**	**$ 30,230**	**$ 1,141**	**3.9%**	**$ 25**	**0.1%**
Revenues Less Expenditures	**$ 127,899**	**$ 25,456**	**$ 11,000**	**$ 11,000**	**$ 10,975**				

The Meadow Park Parking Lot District Fund summary table above includes minor adjustments in the **Professional/Contract Services** and **Utilities** expenditure classifications. These changes align the budget with anticipated FY25-26 activity.

CDD Operating Budget Summary (Section 8 Housing Fund)

Revenues	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Use of Money and Property	9,036	18,712	5,500	25,009	25,760	19,509	354.7%	751	3.0%
Intergovernmental	6,808,227	8,272,478	8,968,000	9,304,000	10,048,322	336,000	3.7%	744,322	8.0%
Other Revenues	6,516	21,649	16,000	16,300	16,300	300	1.9%	-	0.0%
Total Revenues	**$ 6,823,779**	**$ 8,312,839**	**$ 8,989,500**	**$ 9,345,309**	**$ 10,090,382**	**$ 355,809**	**4.0%**	**$ 745,073**	**8.0%**

Expenditures	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Salaries and Employee Benefits	487,871	592,594	648,922	707,169	736,933	58,247	9.0%	29,764	4.2%
Materials, Supplies & Maintenance	6,327,056	7,416,193	7,971,986	8,296,821	9,017,572	324,835	4.1%	720,751	8.7%
Professional/Contract Services	36,278	35,718	79,590	75,815	45,421	(3,775)	-4.7%	(30,394)	-40.1%
Training, Travel & Membership Dues	1,135	2,421	5,132	4,982	4,982	(150)	-2.9%	-	0.0%
Interdepartmental Charges	116,819	140,057	160,049	166,014	171,287	5,965	3.7%	5,273	3.2%
Capital Acquisitions	-	-	-	-	-	-	0.0%	-	0.0%
Total Expenditures	**$ 6,969,159**	**$ 8,186,983**	**$ 8,865,679**	**$ 9,250,801**	**$ 9,976,195**	**$ 385,122**	**4.3%**	**$ 725,394**	**7.8%**
Revenues Less Expenditures	**$ (145,380)**	**$ 125,856**	**$ 123,821**	**$ 94,508**	**$ 114,187**				

As shown in the summary table above, total revenue sources for FY25-26 and FY26-27 are anticipated to increase by $356,000 (+4.0%) and $745,000 (+8.0%), respectively. These increases are primarily due to growth in the **Intergovernmental** revenue classification. **Intergovernmental** revenues are expected to rise by $336,000 (+3.7%) in FY25-26 and by $744,000 (+8.0%) in FY26-27, reflecting the department's successful efforts to expand its program, fully leveraging available HUD funding, and facilitating the issuance of additional housing vouchers for the Torrance community.

The proposed increase of $58,000 (+9.0%) in the **Salaries and Employee Benefits** expenditure classification is a net result of changes in the department's budgeted staffing levels, recently approved pay and benefit adjustments, CalPERS rates, and other various employee-related cost

elements. The **Materials, Supplies & Maintenance** expenditure classification is proposed to increase $325,000 (4.1%) due to anticipated increases in Rental Assistance Payments as a result of the program expansion mentioned above.

CDD Operating Budget Summary (Redevelopment Agency Fund)

Revenues	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Taxes	3,406,911	4,126,386	3,790,000	4,144,678	4,156,255	354,678	9.4%	11,577	0.3%
Use of Money and Property	993	2,130	8,500	5,040	5,191	(3,460)	-40.7%	151	3.0%
Other Financing Sources	189,766	189,766	189,768	189,768	189,768	-	0.0%	-	0.0%
Total Revenues	**$ 3,597,670**	**$ 4,318,282**	**$ 3,988,268**	**$ 4,339,486**	**$ 4,351,214**	**$ 351,218**	**8.8%**	**$ 11,728**	**0.3%**

Expenditures	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Professional/Contract Services	6,130	10,490	13,500	-	-	(13,500)	-100.0%	-	0.0%
Debt Service	2,853,295	2,847,086	2,878,453	2,817,179	2,803,453	(61,274)	-2.1%	(13,726)	-0.5%
Debt Service Reimbursements	(1,370,000)	(1,435,000)	(1,515,000)	(1,590,000)	(1,665,000)	(75,000)	5.0%	(75,000)	4.7%
Other Expenditures	250,000	250,000	25,000	25,000	25,000	-	0.0%	-	0.0%
Total Expenditures	**$ 1,739,425**	**$ 1,672,576**	**$ 1,401,953**	**$ 1,252,179**	**$ 1,163,453**	**$ (149,774)**	**-10.7%**	**$ (88,726)**	**-7.1%**
Revenues Less Expenditures	**$ 1,858,245**	**$ 2,645,706**	**$ 2,586,315**	**$ 3,087,307**	**$ 3,187,761**				

As shown in the Redevelopment Agency Fund summary table above, total revenue sources for FY25-26 and FY26-27 are anticipated to increase by $351,000 (+8.8%) and $12,000 (+0.3%), respectively. These increases are primarily driven by growth in the **Taxes** revenue classification. Tax revenues are expected to rise by $355,000 (+9.4%) in FY25-26 and by $12,000 (+0.3%) in FY26-27, reflecting anticipated growth in current secured property taxes related to the City's redevelopment area.

Proposed adjustments are being made in the **Debt Service** and **Debt Service Reimbursements** expenditure classifications to align the budget with anticipated FY25-26 activity.

CDD Operating Budget Summary (Vanpool Fund)

Revenues	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Use of Money and Property	(10)	(76)	965	(157)	(161)	(1,122)	-116.3%	(4)	2.5%
Intergovernmental	40,201	33,033	35,000	50,000	51,500	15,000	42.9%	1,500	3.0%
Charges for Services	26,634	35,015	30,000	32,000	32,960	2,000	6.7%	960	3.0%
Operating Transfers In	173,723	142,102	179,906	179,906	179,906	-	0.0%	-	0.0%
Total Revenues	**$ 240,548**	**$ 210,074**	**$ 245,871**	**$ 261,749**	**$ 264,205**	**$ 15,878**	**6.5%**	**$ 2,456**	**0.9%**

Expenditures	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Salaries and Employee Benefits	121,096	110,104	111,092	123,367	127,944	12,275	11.0%	4,577	3.7%
Materials, Supplies & Maintenance	113,125	98,955	132,930	136,587	134,466	3,657	2.8%	(2,121)	-1.6%
Professional/Contract Services	6,180	1,015	1,323	1,284	1,284	(39)	-2.9%	-	0.0%
Training, Travel & Membership Dues	146	-	526	511	511	(15)	-2.9%	-	0.0%
Total Expenditures	**$ 240,547**	**$ 210,074**	**$ 245,871**	**$ 261,749**	**$ 264,205**	**$ 15,878**	**6.5%**	**$ 2,456**	**0.9%**
Revenues Less Expenditures	**$ 1**	**$ -**	**$ -**	**$ -**	**$ -**				

As shown in the summary table above, total revenue sources for FY25-26 and FY26-27 are anticipated to increase by $16,000 (+6.5%) and $2,500 (+0.9%), respectively. These increases are primarily driven by growth in the **Intergovernmental** revenue classification. **Intergovernmental** revenues are expected to rise by $15,000 (+42.9%) in FY25-26 and by $1,500 (+3.0%) in FY26-27, reflecting anticipated growth in grant receipts.

The proposed increase of $12,000 (+11%) in the **Salaries and Employee Benefits** expenditure classification is a net result of changes in the department's budgeted staffing levels, recently approved pay and benefit adjustments, CalPERS rates, and other various employee-related cost elements.

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

Job Classification	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY26-27 Increase/ (Decrease)
Admin Project Aide	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	-	-	-	-	-
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	-	-	-	-	-
Business Manager	1.00	1.00	-	-	-	-	-
Building Official	-	-	1.00	1.00	1.00	-	-
Code Enforcement Officer	-	4.00	3.00	3.00	3.00	-	-
Code Enforcement Officer, Sr	-	2.00	1.00	1.00	1.00	-	-
Community Development Director	1.00	1.00	1.00	1.00	1.00	-	-
Electrical Inspector, Sr	1.00	1.00	1.00	1.00	1.00	-	-
Engineering Services Manager	-	-	1.00	1.00	1.00	-	
Engineering Technician I	3.00	3.00	3.00	3.00	3.00	-	-
Engineering Technician III	1.00	1.00	1.00	1.00	1.00	-	-
Environmental Qual Officer	5.00	2.00	3.00	3.00	3.00	-	-
Environmental Qual Officer, Sr	2.00	-	1.00	1.00	1.00	-	-
Housing Specialist	3.00	3.00	4.00	4.00	4.00	-	-
Housing Supervisor	1.00	1.00	1.00	1.00	1.00	-	-
Inspector, Building	2.00	2.00	2.00	2.00	2.00	-	-
Inspector, Mech & Plumbing, Sr	2.00	2.00	2.00	2.00	2.00	-	-
Inspector, Public Works	3.00	3.00	3.00	3.00	3.00	-	-
Neighborhood Services Manager	1.00	1.00	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	5.00	5.00	1.00	-
Permit Technician II	2.00	3.00	3.00	3.00	3.00	-	-
Planning Assistant	4.00	4.00	4.00	4.00	4.00	-	-
Planning Associate	7.50	8.00	8.00	8.00	8.00	-	-
Planning Manager	-	2.00	2.00	2.00	2.00	-	-
Plans Examiner	3.00	4.00	4.00	5.00	5.00	1.00	-
Principal Planner	2.00	-	-	-	-	-	-
Senior Building Inspector	3.00	3.00	3.00	4.00	4.00	1.00	-
Senior Business Manager	-	-	1.00	1.00	1.00	-	-
Senior Planner	-	-	1.00	1.00	1.00	-	-
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	1.00	-	-
Total FTE	**69.00**	**72.50**	**74.00**	**77.00**	**77.00**	**3.00**	**-**

The CDD staffing budget is proposed to increase by 3.0 FTE positions going into FY25-26, including the addition of 1.0 FTE Permit Technician I position, 1.0 FTE Plans Examiner position, and 1.0 FTE Senior Building Inspector position. The Permit Technician I and Plans Examiner will assist the Permit Center, and its increased workload based on the number projects being submitted as well as ensuring

the state-mandated permit review timelines are met. Finally, the Senior Building Inspector will be assigned to seismic inspections and, as time allows overflow inspections.

Community Services

Mission Statement

The Community Services Department is committed to providing quality services, activities, programs and facilities for all those who live, learn, work and play in the City of Torrance, creating and enriching community through people, programs and partnerships.

Functional Responsibilities

The Community Services Department offers Torrance residents the unique opportunity to help achieve a sense of purpose, identity, self-worth and improved self-esteem within the specialized areas of Cultural Arts, Library, Parks and Recreation. As a professional organization, each of our dedicated team members strive daily to deliver services to our community with integrity, honesty, and respect for all users. In all our services, we strive to foster lifelong learning and personal development, with a goal of cultivating joy, delight and wonder. In addition, we embrace the vision that "Parks Make Life Better" for everyone.

Department Organization

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

Revenues	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Licenses, Fees and Permits	225,098	106,059	215,000	120,000	120,000	(95,000)	-44.2%	-	0.0%
Use of Money and Property	547,535	623,507	623,765	671,400	691,550	47,635	7.6%	20,150	3.0%
Intergovernmental	(3,379)	-	-	-	-	-	0.0%	-	0.0%
Other Revenues	63,439	79,737	-	-	-	-	0.0%	-	0.0%
Charges for Services	4,416,736	5,269,886	5,207,992	5,838,740	5,986,490	630,748	12.1%	147,750	2.5%
Operating Transfers In	-	38,260	-	-	-	-	0.0%	-	0.0%
Total Revenues	**$ 5,249,429**	**$ 6,117,449**	**$ 6,046,757**	**$ 6,630,140**	**$ 6,798,040**	**$ 583,383**	**9.6%**	**$ 167,900**	**2.5%**

Expenditures	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Salaries and Employee Benefits	13,867,422	15,220,961	17,219,354	18,526,530	19,333,479	1,307,176	7.6%	806,949	4.4%
Salaries and Benefits Reimbursements	(8,058)	(5,731)	-	-	-	-	0.0%	-	0.0%
Materials, Supplies & Maintenance	2,652,798	3,258,368	4,149,145	3,166,510	3,192,203	(982,635)	-23.7%	25,693	0.8%
Materials Reimbursements	(172,785)	(69,952)	(138,334)	(138,334)	(138,334)	-	0.0%	-	0.0%
Professional/Contract Services	1,218,107	1,610,918	1,916,180	2,446,310	2,397,772	530,130	27.7%	(48,538)	-2.0%
Training, Travel & Membership Dues	14,764	39,594	94,459	89,721	88,786	(4,738)	-5.0%	(935)	-1.0%
Liabilities, Settlements & Insurance	60,277	12,857	28,500	-	-	(28,500)	-100.0%	-	0.0%
Utilities	1,951,923	1,844,175	1,792,751	2,084,500	2,188,600	291,749	16.3%	104,100	5.0%
Interdepartmental Charges	1,656,013	1,197,153	1,442,041	2,295,995	2,406,769	853,954	59.2%	110,774	4.8%
Capital Acquisitions	20,837	9,691	73,500	72,750	72,750	(750)	-1.0%	-	0.0%
Other Operating Transfers Out	96,716	76,858	-	-	-	-	0.0%	-	0.0%
Total Expenditures	**$ 21,358,014**	**$ 23,194,892**	**$ 26,577,596**	**$ 28,543,982**	**$ 29,542,025**	**$1,966,386**	**7.4%**	**$ 998,043**	**3.5%**
Revenues Less Expenditures	**$(16,108,585)**	**$(17,077,443)**	**$(20,530,839)**	**$(21,913,842)**	**$(22,743,985)**				

As shown in the table above, total revenue sources in FY25-26 are anticipated to increase by $583,000 (+9.6%). This is primarily driven by an increase in the **Charges for Services** revenue classification, partially offset by a decrease in the **Licenses, Fees and Permits** revenue classification. The **Charges for Services** revenue classification for FY25-26 is expected to rise by $631,000 (+12.1%), largely due to anticipated increases in recreation services, farmers' market activity, and contract class fees. Conversely, revenue from the **Licenses, Fees and Permits** revenue classification is projected to decrease by $95,000 (-44.2%) in FY25-26 to better align budget with actual receipts.

The **Salaries and Employee Benefits** expenditure classification is proposed to increase by $1.3 million (+7.6%), as a net result of recently approved pay and benefit adjustments, CalPERS rates, and other various employee-related cost elements. The **Interdepartmental Charges** expenditure classification is proposed to increase by $854,000 (+59.2%) primarily due to a reclassification of Fleet Service Fund charges to the Interdepartmental Charges classification. As such, there is a corresponding decrease in the **Materials, Supplies & Maintenance** classification of $983,000 (-23.7%). In an effort to centralize the variability of fleet charges to the Fleet Services Fund, the city will be charging departments an annual flat rate (rather than an hourly based rate) based on average annual service cost and replacement cost for vehicles assigned to their departments.

The **Professional/Contract Services** expenditure classification is proposed to increase by $530,000 (27.7%) to reflect increases in costs of $145,000 for Animal Control services from the Los Angeles Department of Animal Control Services, $250,000 for deferred tree maintenance, $50,000 for capital

project cost estimating services, and $100,000 for a non-recurring operational assessment study on Library Services.

The **Utilities** expenditure classification is proposed to increase by $292,000 (+16.3%) to fund additional wireless network hotspots supporting the Library Outreach programs and forecasted increases to utility consumption and rates.

Community Services Staffing Budget Summary (General Fund)

Job Classification	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY26-27 Increase/ (Decrease)
Administrative Analyst	1.00	1.00	1.00	1.00	1.00	-	-
Administrative Assistant	4.00	5.00	5.00	5.00	5.00	-	-
Aide, Environmental	0.50	-	-	-	-	-	-
Animal Control Officer	2.00	-	-	-	-	-	-
Aquatics Instructor	4.70	1.68	1.68	1.68	1.68	-	-
Aquatics Program Coordinator	1.00	-	-	-	-	-	-
Assistant City Librarian	2.00	2.00	1.00	1.00	1.00	-	-
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	-	-
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	1.00	1.00	1.00	1.00	-	-
Instructor II	1.20	0.43	1.43	1.43	1.43	-	-
Lead Maintenance Worker	15.00	15.00	15.00	15.00	15.00	-	-
Lead Ranger	-	2.00	2.00	2.00	2.00	-	-
Librarian	13.00	13.00	13.00	13.00	13.00	-	-
Library Page	13.50	10.50	10.50	10.50	10.50	-	-
Library Technician	13.50	13.50	13.50	13.50	13.50	-	-
Lifeguard	3.10	5.77	5.77	5.77	5.77	-	-
Maintenance Worker	20.50	20.50	21.00	21.00	21.00	-	-
Nature Center Mgr/Naturalist	1.00	1.00	1.00	1.00	1.00	-	-
Office Assistant	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	-	-	-	-	-	-
Pool Locker Room Attendant	3.00	-	-	-	-	-	-
Pool Manager, Assistant	2.00	1.06	1.06	1.06	1.06	-	-
Program Coordinator	5.80	6.00	4.00	4.00	4.00	-	-
Program Leader	45.96	36.16	20.99	20.99	20.99	-	-
Program Specialist	17.96	17.73	21.04	21.04	21.04	-	-
Ranger Supervisor	1.00	1.00	1.00	1.00	1.00	-	-
Recreation Services Manager	1.00	1.00	1.00	1.00	1.00	-	-
Recreation Supervisor	6.00	5.00	7.00	7.00	7.00	-	-
Recreation Supvsr, Sr	5.00	4.00	4.00	4.00	4.00	-	-
Senior Admin Assistant	1.00	-	-	-	-	-	-
Senior Business Manager	-	1.00	1.00	1.00	1.00	-	-
Senior Librarian	4.00	4.00	6.00	6.00	6.00	-	-
Senior Library Page	5.50	5.50	5.50	5.50	5.50	-	-
Senior Library Technician	9.00	9.00	8.00	8.00	8.00	-	-
Senior Program Specialist	7.84	7.57	18.89	18.89	18.89	-	-
Staff Assistant	0.80	0.80	0.80	0.80	0.80	-	-
Supervising Admin Assistant	-	1.00	1.00	1.00	1.00	-	-
Total FTE	**227.36**	**204.19**	**205.15**	**205.15**	**205.15**	**-**	**-**

The Community Services staffing budget has no newly proposed changes, remaining at 205.15 FTE.

Finance

Mission Statement

The mission of the Finance Department is to safeguard the City's fiscal health and stability by managing resources responsibly and delivering timely, accurate financial guidance and reporting to the City Council, staff, and the broader Torrance community.

Functional Responsibilities

The Finance Department is charged with preserving the City's fiscal health and long-term stability by overseeing key financial operations. These responsibilities include budgeting, accounting, and auditing of City funds; procuring goods and services through an open and competitive process; issuing business licenses; and managing the billing and collection of revenues owed to the City. The department develops and administers both the operating and capital improvement budgets and prepares the City's Annual Comprehensive Financial Report (ACFR) in accordance with Governmental Accounting Standards Board (GASB) guidelines. In addition, the Finance Department manages the City's risk management and workers' compensation programs, with a focus on minimizing financial exposure and controlling costs.

Department Organization

Finance Operating Budget Summary (General Fund-Operating Fund)

Revenues	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Charges for Services	-	9,390	-	-	-	-	0.0%	-	0.0%
Total Revenues	$ -	$ 9,390	$ -	$ -	$ -	$ -	0.0%	$ -	0.0%
Expenditures	**FY22-23 Actual**	**FY23-24 Actual**	**FY24-25 Amended Budget**	**FY25-26 Proposed Budget**	**FY26-27 Proposed Budget**	**FY25-26 Increase/ (Decrease)**	**FY25-26 Percent Change**	**FY26-27 Increase/ (Decrease)**	**FY26-27 Percent Change**
Salaries and Employee Benefits	3,925,220	4,132,138	4,521,193	5,206,311	5,433,495	685,118	15.2%	227,184	4.4%
Salaries and Benefits Reimbursements	(81,000)	(133,000)	(19,000)	(19,000)	(19,000)	-	0.0%	-	0.0%
Materials, Supplies & Maintenance	57,773	62,655	80,512	75,463	74,008	(5,049)	-6.3%	(1,455)	-1.9%
Materials Reimbursements	(122)	(34)	-	-	-	-	0.0%	-	0.0%
Professional/Contract Services	1,267,686	1,448,191	1,441,177	777,515	747,032	(663,662)	-46.0%	(30,483)	-3.9%
Training, Travel & Membership Dues	21,881	27,216	42,608	61,207	62,662	18,599	43.7%	1,455	2.4%
Utilities	1,554	1,176	2,088	1,400	1,500	(688)	-33.0%	100	7.1%
Interdepartmental Charges	138,333	141,694	179,510	193,192	206,072	13,682	7.6%	12,880	6.7%
Capital Acquisitions	31,254	22,807	15,000	15,000	15,000	-	0.0%	-	0.0%
Other Operating Transfers Out	26,950	22,176	-	-	-	-	0.0%	-	0.0%
Total Expenditures	$ 5,389,529	$ 5,725,019	$ 6,263,088	$ 6,311,088	$ 6,520,769	$ 48,000	0.8%	$ 209,681	3.3%
Revenues Less Expenditures	$ (5,389,529)	$ (5,715,629)	$ (6,263,088)	$ (6,311,088)	$ (6,520,769)				

As shown in the summary table above, the **Salaries and Employee Benefits** expenditure classification is proposed to increase by $685,000 (+15.2%), a net result of changes in the department's staffing modification, recently approved pay and benefit adjustments, CalPERS rates, and other various employee-related cost elements. The **Professional/Contract Services** expenditure classification is proposed to decrease by $664,000 (-46.0%) due to changes in the transfer of software contracts to the IT Department as part of a software consolidation plan to better support city wide software maintenance and cybersecurity threats (-$420k), the elimination of a one-time forensic review requested by Council for FY24-25 (-$45k), and a transfer of court fees related to parking tickets to the Police Department, who now processes the fees (-$157k). The **Training, Travel & Membership Dues** expenditure classification is proposed to increase by $19,000 (+43.7%) as part of efforts in the Strategic Plan to support staff training.

Finance Operating Budget Summary (Self-Insurance Fund)

Revenues	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Other Revenues	188,193	142,795	-	-	-	-	0.0%	-	0.0%
Charges for Services	17,121,527	20,928,012	23,659,000	24,178,667	25,778,667	519,667	2.2%	1,600,000	6.6%
Operating Transfers In	7,000,000	2,000,000	-	-	-	-	0.0%	-	0.0%
Total Revenues	**$24,309,720**	**$23,070,807**	**$23,659,000**	**$24,178,667**	**$25,778,667**	**$ 519,667**	**2.2%**	**$1,600,000**	**6.6%**

Expenditures	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Salaries and Employee Benefits	801,646	841,389	1,083,179	1,104,986	1,161,910	21,807	2.0%	56,924	5.2%
Materials, Supplies & Maintenance	7,696	7,833	24,000	24,000	21,000	-	0.0%	(3,000)	-12.5%
Professional/Contract Services	507,107	495,796	505,000	512,250	531,938	7,250	1.4%	19,688	3.8%
Training, Travel & Membership Dues	5,628	11,745	11,600	16,000	16,000	4,400	37.9%	-	0.0%
Liabilities, Settlements & Insurance	19,078,985	20,843,692	18,654,469	19,338,224	20,619,547	683,755	3.7%	1,281,323	6.6%
Utilities	220	565	750	700	700	(50)	-6.7%	-	0.0%
Interdepartmental Charges	-	205,161	235,890	305,658	318,991	69,768	29.6%	13,333	4.4%
Other Operating Transfers Out	6,951	4,354	-	-	-	-	0.0%	-	0.0%
Bad Debts and Other Losses	(4,198,068)	(1,336,175)	3,000,000	3,000,000	3,090,000	-	0.0%	90,000	3.0%
Total Expenditures	**$16,210,165**	**$21,074,360**	**$23,514,888**	**$24,301,818**	**$25,760,086**	**$ 786,930**	**3.3%**	**$1,458,268**	**6.0%**
Revenues Less Expenditures	**$ 8,099,555**	**$ 1,996,447**	**$ 144,112**	**$ (123,151)**	**$ 18,581**				

As shown in the summary table above, the **Charges for Services** revenue classification is proposed to increase by $520,000 (+2.2%) due to additional contributions from all departments to balance the overall budget. The **Salaries and Employee Benefits** expenditure classification is proposed to increase by $22,000 (2.0%), a net result of recently approved pay and benefit adjustments, CalPERS rates, and other various employee-related cost elements. The increase of $684,000 (+3.7%) in the **Liabilities, Settlements & Insurance** expenditure classification reflects anticipated increases in insurance premiums and costs pertaining to future claims and settlements.

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

Job Classification	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY26-27 Increase/ (Decrease)
Account Clerk	5.00	4.00	4.00	4.00	4.00	-	-
Accountant	6.00	5.00	5.00	5.00	5.00	-	-
Accountant, Senior	3.00	3.00	3.00	2.00	2.00	(1.00)	-
Accounting Manager	1.00	1.00	1.00	1.00	1.00	-	-
Accounting Supervisor	-	-	-	1.00	1.00	1.00	-
Accounting Technician	5.00	4.00	4.00	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	-	-
Budget Supervisor	-	1.00	1.00	1.00	1.00	-	-
Buyer	1.00	1.00	1.00	1.00	1.00	-	-
Claims Technician	3.00	3.00	2.00	2.00	2.00	-	-
Deputy Finance Director	0.75	0.75	1.25	1.25	1.25	-	-
Finance Director	1.00	1.00	1.00	1.00	1.00	-	-
License Supervisor	1.00	1.00	1.00	1.00	1.00	-	-
Payroll Specialist	2.00	3.00	3.00	3.00	3.00	-	-
Revenue Manager	1.00	1.00	1.00	1.00	1.00	-	-
Risk Manager	-	1.00	1.00	1.00	1.00	-	-
Senior Admin Assistant	1.00	1.00	1.00	1.00	1.00	-	-
Senior Business Manager	3.00	2.00	1.00	1.00	1.00	-	-
Senior Buyer	1.00	1.00	1.00	1.00	1.00	-	-
Staff Assistant	-	1.00	1.00	1.00	1.00	-	-
Workers' Comp Claims Examiner	2.00	2.00	1.00	1.00	1.00	-	-
Workers Comp Manager	1.00	1.00	1.00	1.00	1.00	-	-
Total FTE	**40.75**	**40.75**	**38.25**	**38.25**	**38.25**	**-**	**-**

The Finance staffing budget has a proposed position modification resulting in a net zero FTE change for FY25-26, including the elimination of 1.0 FTE Senior Accountant position and the addition of 1.0 FTE Accounting Supervisor position. The Finance Department has struggled to hire for the Senior Accountant position and has worked to update the title and position duties to better attract capable candidates to the City.

Fire

Mission Statement

The mission of the Fire Department is to serve with excellence through preparedness, response, and engagement.

Functional Responsibilities

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

Department Organization

Fire Operating Budget Summary (General Fund-Operating Fund)

Revenues	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Licenses, Fees and Permits	212,986	230,474	210,000	250,000	257,500	40,000	19.0%	7,500	3.0%
Other Revenues	11,206	-	20,000	-	-	(20,000)	-100.0%	-	0.0%
Charges for Services	8,513,144	10,846,381	11,178,044	11,620,500	12,057,430	442,456	4.0%	436,930	3.8%
Operating Transfers In	1,807,785	1,852,980	2,121,088	2,214,815	2,319,083	93,727	4.4%	104,268	4.7%
Total Revenues	**$ 10,545,121**	**$ 12,929,835**	**$ 13,529,132**	**$ 14,085,315**	**$ 14,634,013**	**$ 556,183**	**4.1%**	**$ 548,698**	**3.9%**

Expenditures	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Salaries and Employee Benefits	49,212,061	51,928,553	58,666,588	61,261,397	64,145,982	2,594,809	4.4%	2,884,585	4.7%
Salaries and Benefits Reimbursements	(1,375)	(26,049)	(1,580,000)	(1,000,000)	(1,000,000)	580,000	-36.7%	-	0.0%
Materials, Supplies & Maintenance	2,135,237	2,278,957	2,934,631	1,195,220	1,198,615	(1,739,411)	-59.3%	3,395	0.3%
Materials Reimbursements	(1,140)	(2,078)	(175,000)	(75,000)	(75,000)	100,000	-57.1%	-	0.0%
Professional/Contract Services	886,053	1,108,876	1,420,545	1,375,026	1,375,026	(45,519)	-3.2%	-	0.0%
Training, Travel & Membership Dues	101,204	148,217	172,200	167,041	167,041	(5,159)	-3.0%	-	0.0%
Liabilities, Settlements & Insurance	36,794	-	10,000	-	-	(10,000)	-100.0%	-	0.0%
Utilities	220,310	238,760	252,470	249,600	262,000	(2,870)	-1.1%	12,400	5.0%
Interdepartmental Charges	3,604,987	4,411,183	7,146,908	7,449,774	7,817,454	302,866	4.2%	367,680	4.9%
Debt Service	242,703	242,703	242,703	242,703	242,703	-	0.0%	-	0.0%
Capital Acquisitions	179,610	131,994	263,000	239,500	239,500	(23,500)	-8.9%	-	0.0%
Other Operating Transfers Out	60,792	55,195	-	-	-	-	0.0%	-	0.0%
Total Expenditures	**$ 56,677,236**	**$ 60,516,311**	**$ 69,354,045**	**$ 71,105,261**	**$ 74,373,321**	**$1,751,216**	**2.5%**	**$3,268,060**	**4.6%**
Revenues Less Expenditures	**$(46,132,115)**	**$(47,586,476)**	**$(55,824,913)**	**$(57,019,946)**	**$(59,739,308)**				

As shown in the table above, total revenue sources for FY25-26 and FY26-27 are expected to increase by $556,000 (+4.1%) and $549,000 (+3.9%), respectively. These increases are primarily attributable to anticipated growth in the **Charges for Services** and **Operating Transfers In** revenue classifications. The **Charges for Services** revenue classification is expected to rise by $443,000 (+4.0%) in FY25-26 and $437,000 (+3.8%) in FY26-27. This is mainly due to higher revenues in emergency transport, plan check, and annual fire inspection fees. **Operating Transfers In** are anticipated to increase by $94,000 (+4.4%) and $104,000 (+4.7%) in FY25-26 and FY26-27, respectively, driven by increased transfers from Measure SST.

The **Salaries and Employee Benefits** expenditure classification is proposed to increase by $2.6 million (+4.4%), a net result of recently approved pay and benefit adjustments, CalPERS rates, and other various employee-related cost elements. The **Interdepartmental Charges** expenditure classification is proposed to increase by $303,000 (+4.2%) primarily due to a reclassification of Fleet Service Fund charges of $1.7 million to the **Interdepartmental Charges** classification. As such, there is a corresponding decrease in the **Materials, Supplies & Maintenance** classification. In an effort to centralize the variability of fleet charges to the Fleet Services Fund, the city will be charging departments an annual flat rate (rather than an hourly based rate) based on average annual service cost and replacement cost for vehicles assigned to their departments. This increase is partially offset by a $1.4 million reduction in Self-Insurance Fund contributions resulting from lower claim counts and claim costs during the five-year lookback period.

Fire Staffing Budget Summary (General Fund)

Job Classification	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY26-27 Increase/ (Decrease)
Admin Services Manager	1.00	1.00	1.00	1.00	1.00	-	-
Administrative Analyst	2.00	2.00	2.00	2.00	2.00	-	
Administrative Assistant	2.00	2.00	2.00	2.00	2.00	-	-
Ambulance Operator	29.00	35.00	37.00	37.00	37.00	-	-
Business Manager	1.00	1.00	-	-	-	-	-
Deputy Fire Chief	1.00	1.00	1.00	1.00	1.00	-	-
Emergency Med Svcs Coordinator	1.00	1.00	1.00	1.00	1.00	-	-
Fire Battalion Chief-Manager	6.00	5.00	5.00	5.00	5.00	-	-
Fire Cadet	-	-	1.00	1.00	1.00	-	
Fire Captain	28.00	29.00	29.00	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	6.00	6.00	6.00	6.00	6.00	-	
Fire Prevention Specialist Supervisor	-	1.00	1.00	1.00	1.00	-	-
Fire Prevention Specialist, Sr	3.00	3.00	3.00	3.00	3.00	-	-
Intern	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	1.00	1.00	-	-
Senior Admin Assistant	1.00	1.00	1.00	1.00	1.00	-	-
Total FTE	**194.50**	**201.50**	**203.00**	**203.00**	**203.00**	**-**	**-**

The Fire staffing budget has no newly proposed changes, remaining at 203.0 FTE.

General Services

Mission Statement

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

Functional Responsibilities

The General Services Department maintains all City buildings and building systems in a presentable and clean condition and provides a healthy and comfortable environment within the buildings that meets the operational needs for City Departments and the community. The General Services Department is also responsible for Airport Administration, Building Maintenance, Central Services, Cultural Arts Center Administration, Custodial Services, Fleet Services/ Warehouse, Graffiti Abatement Program, HVAC/Electrical Services, and Capital Projects.

Department Organization

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

Revenues	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Other Revenues	-	-	-	-	-	-	0.0%	-	0.0%
Charges for Services	981,678	978,228	1,136,049	1,016,700	1,047,200	(119,349)	-10.5%	30,500	3.0%
Operating Transfers In	-	-	-	-	-	-	0.0%	-	0.0%
Total Revenues	**$ 981,678**	**$ 978,228**	**$ 1,136,049**	**$ 1,016,700**	**$ 1,047,200**	**$ (119,349)**	**-10.5%**	**$ 30,500**	**3.0%**

Expenditures	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Salaries and Employee Benefits	6,094,573	6,183,119	7,199,570	7,986,709	8,321,026	787,139	10.9%	334,317	4.2%
Salaries and Benefits Reimbursements	(40,608)	(56,741)	(70,000)	(70,000)	(70,000)	-	0.0%	-	0.0%
Materials, Supplies & Maintenance	1,206,484	1,695,465	1,966,166	2,232,594	2,232,594	266,428	13.6%	-	0.0%
Materials Reimbursements	(131,931)	(170,897)	(90,000)	(180,000)	(180,000)	(90,000)	100.0%	-	0.0%
Professional/Contract Services	926,703	746,256	1,058,138	817,150	902,025	(240,988)	-22.8%	84,875	10.4%
Training, Travel & Membership Dues	3,294	8,819	17,080	25,784	25,784	8,704	51.0%	-	0.0%
Utilities	803,348	942,799	977,377	1,012,550	1,063,000	35,173	3.6%	50,450	5.0%
Interdepartmental Charges	570,440	578,008	868,188	825,576	871,044	(42,612)	-4.9%	45,468	5.5%
Capital Acquisitions	4,500	129,672	73,634	150,000	150,000	76,366	103.7%	-	0.0%
Other Operating Transfers Out	19,424	15,689	-	-	-	-	0.0%	-	0.0%
Total Expenditures	**$ 9,456,227**	**$ 10,072,189**	**$ 12,000,153**	**$ 12,800,363**	**$ 13,315,473**	**$ 800,210**	**6.7%**	**$ 515,110**	**4.0%**
Revenues Less Expenditures	**$ (8,474,549)**	**$ (9,093,961)**	**$(10,864,104)**	**$(11,783,663)**	**$(12,268,273)**				

As shown in the table above, total revenue sources for FY25-26 and FY26-27 are anticipated to decrease by $119,000 (-10.5%) and increase by $31,000 (+3.0%), respectively. These fluctuations are due to changes within the **Charges for Services** revenue classification. This trend is largely driven by anticipated changes in rental activity for meeting rooms and theaters at the Cultural Arts Center.

The **Salaries and Employee Benefits** expenditure classification is proposed to increase by $787,000 (+10.9%). This reflects net changes in the department's budgeted staffing levels, recently approved or anticipated adjustments to pay and benefits, updated CalPERS rates, and other employee-related cost factors. The **Materials, Supplies & Maintenance** expenditure classification is proposed to increase by $266,000 (+13.6%), due to an increase of $404,000 to address needed city repairs and improvements (paint, maintenance and repair for HVAC, plumbing, and elevators), partially offset by a decrease of $122,000 due to a reclassification of Fleet Service Fund charges to the **Interdepartmental Charges** classification. There is a corresponding $135,000 increase in the **Interdepartmental Charges** classification, as an effort to centralize the variability of fleet charges to the Fleet Services Fund. This increase in **Interdepartmental Charges** is offset by a $177,000 decrease in Self Insurance Fund contributions resulting from lower claim counts and claim costs during the five-year lookback period.

The **Professional/Contract Services** classification is proposed to decrease $241,000 (-22.8%) in FY25–26, with $90,000 of the reduction attributed to decreased theater production support, and $140,000 related to a one-time expense related to a contract for El Nido Park design that occurred in FY24-25. Lastly, the **Capital Acquisitions** expenditure classification is proposed to increase by

$76,000 (+103.7%) to fund the purchase of additional portable generators for emergency power generation at selected City facilities.

General Services Operating Budget Summary (Airport Fund)

Revenues	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Use of Money and Property	22,615,645	18,770,802	17,372,473	18,943,864	19,498,549	1,571,391	9.0%	554,685	2.9%
Other Revenues	1,001,657	1,213,766	500,000	1,600,000	1,600,000	1,100,000	220.0%	-	0.0%
Charges for Services	269,580	307,940	469,853	500,260	508,820	30,407	6.5%	8,560	1.7%
Operating Transfers In	-	-	-	-	-	-	0.0%	-	0.0%
Total Revenues	**$ 23,886,882**	**$ 20,292,508**	**$ 18,342,326**	**$ 21,044,124**	**$ 21,607,369**	**$ 2,701,798**	**14.7%**	**$ 563,245**	**2.7%**

Expenditures	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Salaries and Employee Benefits	1,396,320	1,294,117	1,556,604	1,622,106	1,696,177	65,502	4.2%	74,071	4.6%
Salaries and Benefits Reimbursements	-	-	-	-	-	-	0.0%	-	0.0%
Materials, Supplies & Maintenance	85,596	201,454	136,587	121,667	126,517	(14,920)	-10.9%	4,850	4.0%
Materials Reimbursements	(652)	-	-	-	-	-	0.0%	-	0.0%
Professional/Contract Services	1,332,785	4,342,187	2,551,600	1,919,249	1,924,099	(632,351)	-24.8%	4,850	0.3%
Training, Travel & Membership Dues	5,152	1,096	11,923	13,551	13,551	1,628	13.7%	-	0.0%
Depreciation and Amortization	240,600	260,581	260,582	275,000	283,250	14,418	5.5%	8,250	3.0%
Liabilities, Settlements & Insurance	6,291	-	-	-	-	-	0.0%	-	0.0%
Utilities	203,921	218,768	220,946	271,100	284,600	50,154	22.7%	13,500	5.0%
Interdepartmental Charges	557,362	668,916	624,115	703,892	734,450	79,777	12.8%	30,558	4.3%
Asset Contra Account	-	-	-	-	-	-	0.0%	-	0.0%
Other Operating Transfers Out	19,824,107	10,599,014	12,741,785	19,051,016	16,671,061	6,309,231	49.5%	(2,379,955)	-12.5%
Bad Debts and Other Losses	23,678	-	15,000	25,000	25,750	10,000	66.7%	750	3.0%
Total Expenditures	**$ 23,675,160**	**$ 17,586,133**	**$ 18,119,142**	**$ 24,002,581**	**$ 21,759,455**	**$ 5,883,439**	**32.5%**	**$ (2,243,126)**	**-9.3%**
Revenues Less Expenditures	**$ 211,722**	**$ 2,706,375**	**$ 223,184**	**$ (2,958,457)**	**$ (152,086)**				

As shown in the summary table above, total revenue sources for FY25-26 are anticipated to increase by $2.7 million (+14.7%), primarily driven by growth in the **Use of Money and Property** and **Other Revenues** revenue classifications. The **Use of Money and Property** revenue classification for FY25-26 is expected to rise by $1.6 million (+9.0%), mainly due to higher basic rent payments required from auto agencies and increased investment earnings. An increase of $1.1 million (+220.0%) from sources in the **Other Revenues** classification is largely due to increased reimbursements related to on-going legal matters.

The **Salaries and Employee Benefits** expenditure classification is proposed to increase by $66,000 (+4.2%), a net result of recently approved pay and benefit adjustments, CalPERS rates, and other various employee-related cost elements. The **Professional/Contract Services** expenditure classification is proposed to decrease in FY25-26 by $632,000 (-24.8%) for expenses related to the legal matters. The **Utilities** expenditure classification is proposed to increase by $50,000 (+22.7%) due to expected electricity rate and consumption increases. The **Interdepartmental Charges** expenditure classification is proposed to increase by $80,000 (+12.8%) due to a reclassification of Fleet Service Fund charges that were previously budgeted in the **Materials, Supply & Maintenance** expenditure classification, as an effort to centralize the variability of fleet charges to the Fleet Services Fund. The

Other Operating Transfers Out expenditure is projected to increase by $6.3 million (+49.5%) due to a $1.1 million increase in transfers to the General Fund related to an increase in non-aeronautical lease revenues, and a $5.3 million increase in transfers to the Airport Capital Fund for the renovation of airport hangars and taxiway lighting replacement.

General Services Operating Budget Summary (Fleet Services Fund)

Revenues	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Use of Money and Property	3,481,962	5,851,896	6,362,859	5,782,968	5,957,303	(579,891)	-9.1%	174,335	3.0%
Other Revenues	59,264	88,276	80,464	75,000	77,250	(5,464)	-6.8%	2,250	3.0%
Charges for Services	3,838,860	5,836,156	6,896,676	9,411,648	9,693,999	2,514,972	36.5%	282,351	3.0%
Operating Transfers In	18,474,274	2,200,000	-	-	-	-	0.0%	-	0.0%
Total Revenues	**$ 25,854,360**	**$ 13,976,328**	**$ 13,339,999**	**$ 15,269,616**	**$ 15,728,552**	**$ 1,929,617**	**14.5%**	**$ 458,936**	**3.0%**

Expenditures	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Salaries and Employee Benefits	2,768,033	3,303,960	3,977,670	4,458,515	4,650,038	480,845	12.1%	191,523	4.3%
Materials, Supplies & Maintenance	218,319	1,643,087	787,487	2,898,477	2,903,327	2,110,990	268.1%	4,850	0.2%
Materials Reimbursements	-	-	(500,000)	(200,000)	(200,000)	300,000	-60.0%	-	0.0%
Parts, Fuel & Lubricants Inventory Purchases	2,646,366	3,264,332	3,213,628	3,213,628	3,213,628	-	0.0%	-	0.0%
Parts, Fuel & Lubricants Contra	(2,646,366)	(3,089,192)	(3,210,628)	(3,213,628)	(3,213,628)	(3,000)	0.1%	-	0.0%
Professional/Contract Services	65,471	184,867	205,334	40,691	40,691	(164,643)	-80.2%	-	0.0%
Training, Travel & Membership Dues	22,655	14,135	54,075	29,585	29,585	(24,490)	-45.3%	-	0.0%
Depreciation and Amortization	1,199,372	1,363,228	1,712,016	2,750,000	2,832,500	1,037,984	60.6%	82,500	3.0%
Liabilities, Settlements & Insurance	-	-	16,880	-	-	(16,880)	-100.0%	-	0.0%
Utilities	1,909	2,182	2,600	1,200	1,200	(1,400)	-53.8%	-	0.0%
Interdepartmental Charges	432,983	1,001,375	2,237,427	2,292,195	2,333,857	54,768	2.4%	41,662	1.8%
Debt Service	30,445	(21,047)	-	-	-	-	0.0%	-	0.0%
Capital Acquisitions	966,226	3,947,199	26,453,133	9,533,500	4,935,000	(16,919,633)	-64.0%	(4,598,500)	-48.2%
Asset Contra Account	(966,226)	(3,471,678)	(26,548,410)	(9,483,500)	(4,885,000)	17,064,910	-64.3%	4,598,500	-48.5%
Other Operating Transfers Out	496,730	674,580	360,143	728,478	1,468,882	368,335	102.3%	740,404	101.6%
Bad Debts and Other Losses	34,411	32,637	-	-	-	-	0.0%	-	0.0%
Total Expenditures	**$ 5,270,328**	**$ 8,849,665**	**$ 8,761,355**	**$ 13,049,141**	**$ 14,110,080**	**$ 4,287,786**	**48.9%**	**$ 1,060,939**	**8.1%**
Revenues Less Expenditures	**$ 20,584,032**	**$ 5,126,663**	**$ 4,578,644**	**$ 2,220,475**	**$ 1,618,472**				

As shown in the summary table above, total revenue sources are proposed to increase by $1.9 million (14.5%), primarily due to a $2.5 million (36.5%) increase in the **Charges for Services** revenue classification, offset by a $580,000 decrease (-9.1%) in the **Use of Money and Property** revenue classification. The increase in **Charges for Services** is proposed primarily due to a change in accounting for the maintenance of city vehicles that centralizes these costs and cover the increasing cost of parts, fuel, and labor. Beginning in FY25–26, the City is proposing a revised approach to charging departments for fleet vehicle costs. Rather than passing through individual expenses for parts, fuel, maintenance labor, and other materials, departments are now assessed a single, consolidated monthly vehicle usage (rental) charge (flat rate). This change simplifies accounting, improves cost predictability, and streamlines the budgeting and forecasting process across all departments. The decrease in **Use of Money and Property** reflects a $1.1 million decrease in Investment Earnings due to a reclassification of investment earnings to be recognized in the General Fund rather than the Fleet Services Fund. This decrease is partially offset by a $485,000 increase in vehicle “rent” charged to the departments.

The **Salaries and Employee Benefits** expenditure classification is proposed to increase by $481,000 (+12.1%), a net result of recently approved pay and benefit adjustments, CalPERS rates, and other various employee-related cost elements. The **Materials, Supplies & Maintenance** expenditure classification is projected to increase by $2.1 million (+268.1%), mainly due to the change in accounting for the maintenance of city vehicles that centralizes these costs, to fund increased parts and fuel costs associated with added vehicles to the fleet, and the anticipated increases in the cost of parts and fuel. The **Professional/Contract Services** classification is proposed to decrease by $165,000 (-80.2%) due to the reduction of one-time expenditures related to electrical vehicle charger installations and consolidation of software programs with the IT Department. **Depreciation & Amortization** is proposed to increase by $1.0 million (60.6%) due to newly acquired vehicles.

The **Capital Acquisitions** and **Asset Contra Account** expenditure classifications reflect the purchase of replacement and additional vehicles required by the City departments. A summary of the proposed vehicle purchases in FY25-56 is as follows:

• Police	36 vehicles (SUV's, sedans, other)
• Public Works	28 vehicles (dump tracks, sweepers, aerial lifts, other)
• Fire	8 vehicles (Heavy fire truck, ambulances, other)
• Transit	5 vehicles (vans, utility, other)
• Community Services	4 vehicles (utility, pickup truck)
• Community Development	3 vehicles (sedans)
• General Services	3 vehicles (utility, pickup truck)
• City Manager	2 vehicles (vans)
Total	**89 vehicles**

The **Other Operating Transfers Out** expenditure is projected to increase by $368,000 (+102.3%), primarily due to the increase in transfers to Fleet Capital Project Fund for motor and mower shop exhaust installation and the removal/replacement of the vehicle loading dock.

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

Job Classification	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY26-27 Increase/ (Decrease)
Accounting Technician	1.00	1.00	1.00	1.00	1.00	-	-
Admin Services Manager	1.00	1.00	1.00	1.00	1.00	-	-
Administrative Analyst	1.00	1.00	1.00	1.00	1.00	-	-
Administrative Assistant	3.00	3.00	5.00	5.00	5.00	-	-
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	0.50	0.50	0.50	0.50	0.50	-	-
Bookkeeper	1.00	1.00	1.00	1.00	1.00	-	-
Box Office Attendant	2.10	2.10	0.75	0.75	0.75	-	-
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 Superintendent	-	1.00	2.00	2.00	2.00	-	-
Central Services Coordinator	1.00	1.00	1.00	1.00	1.00	-	-
Central Services Supervisor	1.00	1.00	1.00	1.00	1.00	-	-
Custodian	18.00	17.00	17.00	18.00	18.00	1.00	-
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	-	-
Facility Operations Attend, Sr	4.00	4.00	3.00	3.00	3.00	-	-
Facility Operations Attendant	6.00	5.00	5.00	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	-	-	-	-	-
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	2.00	-	-	-	-	-
Program Coordinator	1.00	1.00	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	0.40	0.40	0.40	-	-
Senior Building Inspector	1.00	-	-	-	-	-	-
Senior Business Manager	4.00	4.00	4.00	4.00	4.00	-	-
Staff Assistant	1.00	1.00	2.00	2.00	2.00	-	-
Stage Manager	1.10	1.10	0.10	0.10	0.10	-	-
Storekeeper	2.00	3.00	3.00	3.00	3.00	-	-
Storekeeper, Auto Parts	1.00	1.00	1.00	1.00	1.00	-	-
Theater Technician	1.30	1.30	3.00	3.00	3.00	-	-
Theatre Technical Coord	1.20	1.20	-	-	-	-	-
Theatre Technical Director	1.00	1.00	1.00	1.00	1.00	-	-
Warehouse Supervisor	1.00	1.00	1.00	1.00	1.00	-	-
Welder, Senior	1.00	1.00	1.00	1.00	1.00	-	-
Total FTE	**120.80**	**119.80**	**116.75**	**117.75**	**117.75**	**1.00**	**-**

The General Services staffing budget is proposed to increase by 1.0 FTE Custodian that is being transferred from the Transit Department. This results in a net zero impact to the City.

Human Resources

Mission Statement

The mission of the Human Resources Department is to attract, develop, and retain an exceptional workforce in partnership with other City departments.

Functional Responsibilities

The Human Resources (HR) Department is responsible for managing the employee lifecycle, from recruitment to retirement. It encompasses a wide range of functions aimed at maximizing employee performance and ensuring that the organization can achieve its goals effectively. HR involves onboarding, strategic planning, employee development, benefits, compensation, employee wellness, employee relations and engagement, retention, compliance with labor laws, strategic workforce planning, diversity and inclusion, and fostering a positive workplace culture.

Department Organization

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

Expenditures	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Salaries and Employee Benefits	1,376,018	1,395,430	1,998,080	2,320,767	2,433,395	322,687	16.1%	112,628	4.9%
Materials, Supplies & Maintenance	220,558	249,352	311,041	332,073	332,073	21,032	6.8%	-	0.0%
Materials Reimbursements	(5,990)	-	-	-	-	-	0.0%	-	0.0%
Professional/Contract Services	435,756	553,153	786,099	465,074	465,074	(321,025)	-40.8%	-	0.0%
Training, Travel & Membership Dues	49,744	57,689	66,780	69,840	69,840	3,060	4.6%	-	0.0%
Utilities	2,391	2,838	3,780	2,000	2,100	(1,780)	-47.1%	100	5.0%
Interdepartmental Charges	23,370	145,160	78,403	165,675	176,716	87,272	111.3%	11,041	6.7%
Other Operating Transfers Out	8,724	6,532	-	-	-	-	0.0%	-	0.0%
Total Expenditures	**$ 2,110,571**	**$ 2,410,154**	**$ 3,244,183**	**$ 3,355,429**	**$ 3,479,198**	**$ 111,246**	**3.4%**	**$ 123,769**	**3.7%**

As shown in the summary table above, the **Salaries and Employee Benefits** expenditure classification is proposed to increase by $323,000 (+16.1%), a net result of changes in the department's budgeted staffing levels, recently approved pay and benefit adjustments, CalPERS rates, and other various employee-related cost elements. The proposed increase in the **Materials, Supplies & Maintenance** expenditure classification is primarily driven by costs associated with employee-related city-wide events such as the annual employee recognition picnic, health fair, and service awards. The **Professional/Contract Services** expenditure classification is proposed to decrease by $321,000 (40.8%) due to a reduction in expected investigation costs based on historical and projected activities. The **Interdepartmental Charges** expenditure classification is proposed to increase by $87,300 (+111.3%) 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.

Human Resources Staffing Budget Summary (General Fund)

Job Classification	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY26-27 Increase/ (Decrease)
Administrative Assistant	2.00	1.00	2.00	2.00	2.00	-	-
Human Resources Analyst	4.00	2.00	3.00	3.00	3.00	-	-
Human Resources Director	1.00	1.00	1.00	1.00	1.00	-	-
Human Resources Technician	2.00	4.00	5.00	6.00	6.00	1.00	-
Office Assistant	1.00	1.00	-	-	-	-	-
Principal Human Resources Analyst	1.00	2.00	2.00	3.00	3.00	1.00	-
Staff Assistant	-	1.00	1.00	1.00	1.00	-	-
Total FTE	**11.00**	**12.00**	**14.00**	**16.00**	**16.00**	**2.00**	**-**

The Human Resources staffing budget is proposed to increase by 2.0 FTE positions going into FY25-26, including the addition of a 1.0 FTE Principal Human Resources Analyst position and a 1.0 FTE Human Resources Technician. These positions are being transferred from the Transit Department and have a zero net impact to the City.

Information Technology

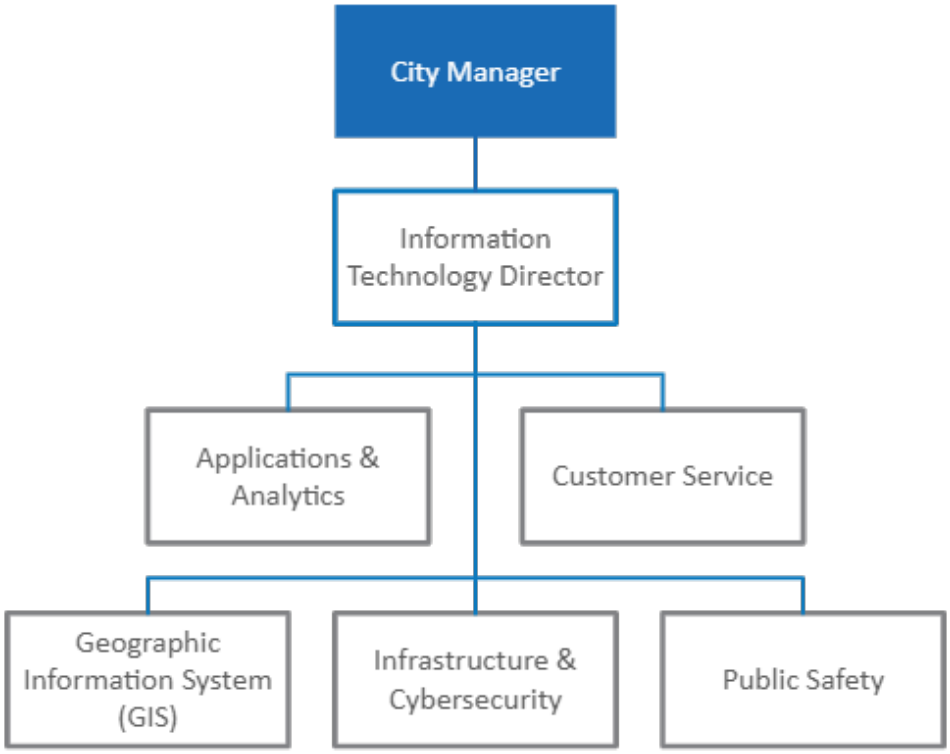
Mission Statement

The mission of the Information Technology Department ("IT") 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 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



IT Operating Budget Summary (General Fund-Operating Fund)

Revenues	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Operating Transfers In	-	175,000	200,415	205,520	215,703	5,105	2.5%	10,183	5.0%
Total Revenues	**$ -**	**$ 175,000**	**$ 200,415**	**$ 205,520**	**$ 215,703**	**$ 5,105**	**2.5%**	**$ 10,183**	**5.0%**

Expenditures	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Salaries and Employee Benefits	5,235,686	5,239,041	6,046,087	7,408,221	7,729,389	1,362,134	22.5%	321,168	4.3%
Salaries and Benefits Reimbursements	-	-	-	-	-	-	0.0%	-	0.0%
Materials, Supplies & Maintenance	206,793	193,566	249,516	244,478	246,923	(5,038)	-2.0%	2,445	1.0%
Materials Reimbursements	-	-	-	-	-	-	0.0%	-	0.0%
Professional/Contract Services	1,494,487	1,591,969	2,293,885	2,808,904	2,656,857	515,019	22.5%	(152,047)	-5.4%
Training, Travel & Membership Dues	91,045	31,313	52,500	60,626	60,626	8,126	15.5%	-	0.0%
Liabilities, Settlements & Insurance	-	-	-	-	-	-	0.0%	-	0.0%
Utilities	235,892	240,351	433,718	274,500	288,100	(159,218)	-36.7%	13,600	5.0%
Interdepartmental Charges	139,739	138,635	198,229	243,595	256,361	45,366	22.9%	12,766	5.2%
Capital Acquisitions	800	27,235	40,976	11,550	-	(29,426)	-71.8%	(11,550)	-100.0%
Other Operating Transfers Out	81,809	62,570	-	-	-	-	0.0%	-	0.0%
Total Expenditures	**$ 7,486,252**	**$ 7,524,680**	**$ 9,314,911**	**$ 11,051,874**	**$ 11,238,256**	**$1,736,963**	**18.6%**	**$186,382**	**1.7%**
Revenues Less Expenditures	**$ (7,486,252)**	**$ (7,349,680)**	**$ (9,114,496)**	**$(10,846,354)**	**$(11,022,553)**				

As shown in the summary table above, the **Operating Transfers In** revenue source for FY25-26 and FY26-27 are expected to increase by $5,000 (+2.5%) and by $10,000 (+5.0%), respectively. These increases are driven by anticipated transfers from the Measure SST Fund.

The **Salaries and Employee Benefits** expenditure classification is proposed to increase by $1.4 million (+22.5%), a net result of changes in the Department's budgeted staffing levels, recently approved pay and benefit adjustments, CalPERS rates, and other various employee-related cost elements. The **Professional/Contract Services** expenditure classification is proposed to increase $515,000 (+22.5%) due to the consolidation of software programs from various departments including the City Manager's Office, Finance, and Human Resources that will allow the IT Department to better manage the infrastructure and cybersecurity impact to the City. The **Utilities** expenditure classification is proposed to decrease by $159,200 (-36.7%) to better align budget with actuals. The **Interdepartmental Charges** expenditure classification is proposed to increase by $45,000 (+22.9%) due to a reclassification of Fleet Service Fund charges that were previously budgeted in the **Materials, Supply & Maintenance** expenditure classification, as an effort to centralize the variability of fleet charges to the Fleet Services Fund.

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

Expenditures	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Professional/Contract Services	158,705	361,552	825,000	814,800	814,800	(10,200)	-1.2%	-	0.0%
Total Expenditures	**$ 158,705**	**$ 361,552**	**$ 825,000**	**$ 814,800**	**$ 814,800**	**$ (10,200)**	**-1.2%**	**$ -**	**0.0%**

As shown in the summary table above, the $815,000 (-1.2%) for FY25-26 in the **Professional/Contract Services** expenditure classification is proposed to cover the non-wage costs associated with efforts dedicated to addressing cybersecurity.

IT Staffing Budget Summary (General Fund)

Job Classification	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY26-27 Increase/ (Decrease)
Administrative Analyst	1.00	1.00	1.00	1.00	1.00	-	-
Administrative Assistant	1.00	1.00	-	-	-	-	-
Communication Supv/Wireless	1.00	1.00	1.00	-	-	(1.00)	-
Communications Supv/Telecomm	1.00	1.00	1.00	-	-	(1.00)	-
Communications Manager	1.00	-	-	-	-	-	-
Communications Supervisor	-	-	-	1.00	1.00	1.00	-
Info Tech Specialist	6.00	5.00	5.00	8.00	8.00	3.00	-
Info Technology Analyst	7.00	6.00	6.00	8.00	8.00	2.00	-
Info Technology Director	1.00	1.00	1.00	1.00	1.00	-	-
Information Technology Manager	1.00	3.00	4.00	5.00	5.00	1.00	-
Intern	0.50	1.00	1.00	1.00	1.00	-	-
Project Manager	-	-	-	1.00	1.00	1.00	-
Senior Admin Assistant	1.00	1.00	2.00	1.00	1.00	(1.00)	-
Storekeeper	1.00	1.00	1.00	-	-	(1.00)	-
Systems Analyst	9.00	10.00	10.00	11.00	11.00	1.00	-
Telecommunications Tech	2.00	2.00	2.00	-	-	(2.00)	-
Wireless Technician	4.00	4.00	4.00	6.00	6.00	2.00	-
Total FTE	**37.50**	**38.00**	**39.00**	**44.00**	**44.00**	**5.00**	**-**

The Information Technology Department proposes a net increase of 5.0 Full-Time Equivalent (FTE) positions through strategic realignment with the Police Department and internal restructuring to enhance operational efficiency. This includes transferring 5.0 FTE positions from the Police Department - comprising 2.0 Information Technology Specialists, 2.0 Information Technology Analysts, and 1.0 Systems Analyst.

Internally, the department will consolidate its Communications Divisions by merging Wireless and Telecom Communication Supervisor roles (2.0) into a single 1.0 FTE Communications Supervisor position. Additional adjustments include converting a 1.0 Storekeeper position into a 1.0 Information Technology Specialist, replacing 2.0 Telecommunications Technicians with 2.0 Wireless Technicians, and adding new roles of 1.0 Information Technology Manager and 1.0 Project Manager to meet

increasing demands in customer service, cybersecurity, and GIS, and implementing the City's upcoming Enterprise Resource Planning (ERP) project along with several other efforts. Furthermore, the elimination of 1.0 Senior Administrative Assistant position underscores the department's commitment to administrative efficiency. Collectively, these changes reflect a focused effort to streamline operations, align staffing with evolving citywide needs, and enhance the department's effectiveness.

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)

Revenues	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Licenses, Fees and Permits	370,702	319,059	195,000	314,000	323,420	119,000	61.0%	9,420	3.0%
Intergovernmental	70,701	18,875	65,969	19,750	20,340	(46,219)	-70.1%	590	3.0%
Other Revenues	2,445	2,118	-	-	-	-	0.0%	-	0.0%
Charges for Services	304,754	368,818	483,673	369,200	380,300	(114,473)	-23.7%	11,100	3.0%
Operating Transfers In	8,587,595	8,802,285	9,847,116	10,966,238	11,547,555	1,119,122	11.4%	581,317	5.3%
Total Revenues	**$ 9,336,197**	**$ 9,511,155**	**$ 10,591,758**	**$ 11,669,188**	**$ 12,271,615**	**$ 1,077,430**	**10.2%**	**$ 602,427**	**5.2%**

Expenditures	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Salaries and Employee Benefits	75,954,731	75,257,758	85,671,803	95,608,248	100,731,855	9,936,445	11.6%	5,123,607	5.4%
Salaries and Benefits Reimbursements	(112,612)	(226,631)	(310,000)	(260,000)	(260,000)	50,000	-16.1%	-	0.0%
Materials, Supplies & Maintenance	1,639,675	2,239,506	2,586,602	714,938	714,938	(1,871,664)	-72.4%	-	0.0%
Materials Reimbursements	(22,328)	(17,085)	(11,397)	(11,397)	(11,397)	-	0.0%	-	0.0%
Professional/Contract Services	2,219,325	2,066,707	4,084,976	3,272,935	3,176,032	(812,041)	-19.9%	(96,903)	-3.0%
Training, Travel & Membership Dues	497,349	540,261	462,500	468,025	468,025	5,525	1.2%	-	0.0%
Liabilities, Settlements & Insurance	289,050	49,235	40,000	-	-	(40,000)	-100.0%	-	0.0%
Utilities	431,711	433,404	514,564	509,600	535,100	(4,964)	-1.0%	25,500	5.0%
Interdepartmental Charges	5,777,273	7,618,827	8,690,246	10,345,471	10,955,270	1,655,225	19.0%	609,799	5.9%
Other Operating Transfers Out	4,073	3,088	-	-	-	-	0.0%	-	0.0%
Total Expenditures	**$ 86,678,247**	**$ 87,965,070**	**$ 101,729,294**	**$ 110,647,820**	**$ 116,309,823**	**$ 8,918,526**	**8.8%**	**$ 5,662,003**	**5.1%**
Revenues Less Expenditures	**$ (77,342,050)**	**$ (78,453,915)**	**$ (91,137,536)**	**$ (98,978,632)**	**$ (104,038,208)**				

As shown in the summary table above, total revenue sources for FY25-26 and FY26-27 are expected to increase by $1.1 million (+10.2%) and by $0.6 million (+5.2%), respectively. These increases are primarily attributed to increases within the **Operating Transfers In** revenue classification, largely driven by anticipated transfers from Measure SST to maintain sworn position staffing levels. The **Charges for Services** revenue classification for FY25-26 is anticipated to decrease by $0.1 million (-23.7%), primarily due to a realignment of the budget with actual receipts for residential false alarm fees.

The **Salaries and Employee Benefits** expenditure classification is proposed to increase by $9.9 million (+11.6%) in FY25-26, and $5.1 million (+5.4%) in FY26-27, and is a net result of changes in the department's budgeted staffing levels, recently approved pay and benefit adjustments, as well as CalPERS rates increase, and other various employee-related cost elements. The proposed decrease of $1.9 million (-72.4%) in the **Materials, Supplies & Maintenance** expenditure classification is due to a reclassification of Fleet Service Fund charges to the **Interdepartmental Charges** classification. As such, there is a corresponding increase of $1.3 million in the **Interdepartmental Charges** expenditure classification. In an effort to centralize the variability of fleet charges to the Fleet Services Fund, the City will be charging departments an annual flat rate (rather than an hourly based rate) based on average annual service cost and replacement cost for vehicles assigned to their departments.

The **Interdepartmental Charges** increase is also due to increase in 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. Lastly, the proposed decrease in the

Professional/Contract Services expenditure classification of $812,000 (-19.9%) is due to $204,000 of software costs being reclassed to the IT department, and $300,000 of one-time legal costs that occurred in FY2024-25.

Police Operating Budget Summary (Traffic Safety Fund)

Revenues	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Fines, Forfeitures and Penalties	-	83,863	180,000	70,950	73,080	(109,050)	-60.6%	2,130	3.0%
Use of Money and Property	-	(1,497)	-	-	-	-	0.0%	-	0.0%
Total Revenues	**$ -**	**$ 82,366**	**$ 180,000**	**$ 70,950**	**$ 73,080**	**$ (109,050)**	**-60.6%**	**$ 2,130**	**3.0%**

Expenditures	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Professional/Contract Services	-	74,616	180,000	70,950	73,080	(109,050)	-60.6%	2,130	3.0%
Total Expenditures	**$ -**	**$ 74,616**	**$ 180,000**	**$ 70,950**	**$ 73,080**	**$ (109,050)**	**-60.6%**	**$ 2,130**	**3.0%**
Revenues Less Expenditures	**$ -**	**$ 7,750**	**$ -**	**$ -**	**$ -**				

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 fund is balanced with proposed FY25-26 revenue and expenditure budgets set at $70,950 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	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY26-27 Increase/ (Decrease)
Admin Services Manager	4.00	4.00	4.00	4.00	4.00	-	-
Administrative Analyst	3.00	5.00	5.00	5.00	5.00	-	-
Administrative Assistant	10.00	10.00	10.00	10.00	10.00	-	-
Assistant Police Chief	1.00	1.00	1.00	1.00	1.00	-	-
Crossing Guard	13.00	16.00	16.00	16.00	16.00	-	-
Forensic ID Specialist	1.00	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)	-
Info Technology Analyst	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	3.00	3.00	3.00	3.00	3.00	-	-
Police Chief	1.00	1.00	1.00	1.00	1.00	-	-
Police Lieutenant	12.00	12.00	12.00	12.00	12.00	-	-
Police Officer	170.00	170.00	170.00	170.00	170.00	-	-
Police Records Technician	17.00	17.00	17.00	17.00	17.00	-	-
Police Sergeant	30.00	32.00	32.00	32.00	32.00	-	-
Police Services Administrator	1.00	1.00	1.00	1.00	1.00	-	-
Police Services Officer	30.00	30.00	30.00	30.00	30.00	-	-
Police Services Supervisor	6.00	7.00	7.00	7.00	7.00	-	-
Public Safety Comm Supvr	3.00	3.00	3.00	3.00	3.00	-	-
Public Safety Dispatcher	28.00	28.00	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	4.00	4.00	4.00	4.00	4.00	-	-
Staff Assistant	4.00	4.00	4.00	4.00	4.00	-	
Systems Analyst	1.00	1.00	1.00	-	-	(1.00)	
Total FTE	**351.00**	**359.00**	**359.00**	**354.00**	**354.00**	**(5.00)**	**-**

The Police Department's staffing budget is proposed to decrease by 5.0 FTE as part of the realignment with the IT Department to better support public safety city-wide. This will result in a net zero impact to the City's budget.

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 reliable infrastructure systems and a healthy environment that collectively contribute to the overall mission of the City.

Functional Responsibilities

The Public Works Department provides services to Torrance residents, businesses, and other City departments via six (6) Divisions: Administration; Engineering; Sanitation; Streetscape; Street Operations; and Water Operations. The Department is responsible for: customer service and funding management; civil and traffic engineering; refuse and recycling; sewer and wastewater systems; street sweeping; city trees and landscaping; traffic signals; street maintenance; and potable water quality and distribution. The Department also oversees the Traffic Commission and Water Commission.

Department Organization

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

Revenues	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Other Revenues	91,961	120,056	6,083	-	-	(6,083)	-100.0%	-	0.0%
Charges for Services	230,762	252,073	267,151	560,110	576,910	292,959	109.7%	16,800	3.0%
Operating Transfers In	3,406,980	4,179,358	4,228,071	4,489,141	4,516,151	261,070	6.2%	27,010	0.6%
Total Revenues	**$ 3,729,703**	**$ 4,551,487**	**$ 4,501,305**	**$ 5,049,251**	**$ 5,093,061**	**$ 547,946**	**12.2%**	**$ 43,810**	**0.9%**

Expenditures	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Salaries and Employee Benefits	8,420,944	8,716,569	9,600,365	10,786,017	11,252,041	1,185,652	12.4%	466,024	4.3%
Salaries and Benefits Reimbursements	(155,377)	(120,950)	(172,500)	(172,500)	(172,500)	-	0.0%	-	0.0%
Materials, Supplies & Maintenance	2,448,203	2,967,244	3,381,431	1,747,306	1,745,172	(1,634,125)	-48.3%	(2,134)	-0.1%
Materials Reimbursements	(90,290)	(59,271)	(65,000)	(65,000)	(65,000)	-	0.0%	-	0.0%
Professional/Contract Services	1,026,614	1,628,721	2,237,560	2,224,397	2,224,397	(13,163)	-0.6%	-	0.0%
Training, Travel & Membership Dues	6,891	3,792	61,361	55,729	55,729	(5,632)	-9.2%	-	0.0%
Liabilities, Settlements & Insurance	282,285	79,950	100,000	-	-	(100,000)	-100.0%	-	0.0%
Utilities	861,540	854,288	981,199	936,700	983,500	(44,499)	-4.5%	46,800	5.0%
Interdepartmental Charges	3,330,978	4,184,830	4,782,077	7,619,998	7,981,050	2,837,921	59.3%	361,052	4.7%
Capital Acquisitions	46,036	289,689	105,000	204,375	204,375	99,375	94.6%	-	0.0%
Other Operating Transfers Out	92,687	31,833	-	-	-	-	0.0%	-	0.0%
Total Expenditures	**$ 16,270,511**	**$ 18,576,695**	**$ 21,011,493**	**$ 23,337,022**	**$ 24,208,764**	**$ 2,325,529**	**11.1%**	**$ 871,742**	**3.7%**
Revenues Less Expenditures	**$(12,540,808)**	**$(14,025,208)**	**$(16,510,188)**	**$(18,287,771)**	**$(19,115,703)**				

As shown in the summary table above, total revenue sources for FY25-26 and FY26-27 are expected to increase by $548,000 (+12.2%) and $44,000 (+0.9%), respectively. These increases are primarily driven by anticipated growth in the **Charges for Services** and **Operating Transfers In** revenue classifications. The **Charges for Services** revenue classification is expected to rise by $293,000 (+109.7%) in FY25-26 and by $17,000 (+3.0%) in FY26-27, largely due to higher revenues from traffic signal maintenance fees. The **Operating Transfers In** revenue classification is expected to increase by $261,000 (+6.2%) in FY25-26 and by $27,000 (+0.6%) in FY26-27, primarily reflecting additional transfers from the Sanitation Fund to support the City's street sweeping program.

The **Salaries and Employee Benefits** expenditure classification is proposed to increase by $1.2 million (+12.4%), a net result of changes in the department's budgeted staffing levels, recently approved pay and benefit adjustments, CalPERS rates, and other various employee-related cost elements. A reduction of $100,000 (-100.0%) in the **Liabilities, Settlements & Insurance** expenditure classification is being proposed in an effort to centralize claims and settlement costs in the Self-Insurance Fund. The proposed decrease of $1.6 million (-48.3%) in the **Materials, Supplies & Maintenance** expenditure classification is due to a reclassification of Fleet Service Fund charges to the **Interdepartmental Charges** classification. As such, there is a corresponding increase of $2.2 million in the **Interdepartmental Charges** expenditure classification. In an effort to centralize the variability of fleet charges to the Fleet Services Fund, the city will be charging departments an annual flat rate (rather than an hourly based rate) based on average annual service cost and replacement cost for vehicles assigned to their departments. The additional increase in **Interdepartmental Charges** is due to a $630,000 increase in 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.

Public Works Operating Budget Summary (Sanitation Fund)

Revenues	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Licenses, Fees and Permits	1,002,147	1,137,249	1,128,063	583,350	600,850	(544,713)	-48.3%	17,500	3.0%
Use of Money and Property	250,977	115,071	294,000	335,298	345,357	41,298	14.0%	10,059	3.0%
Other Revenues	114,770	148,604	125,000	110,000	113,300	(15,000)	-12.0%	3,300	3.0%
Charges for Services	12,582,254	14,629,714	15,339,406	17,457,220	18,842,580	2,117,814	13.8%	1,385,360	7.9%
Operating Transfers In	2,698,962	10,839,111	2,032,346	373,829	385,046	(1,658,517)	-81.6%	11,217	3.0%
Total Revenues	**$ 16,649,110**	**$ 26,869,749**	**$ 18,918,815**	**$ 18,859,697**	**$ 20,287,133**	**$ (59,118)**	**-0.3%**	**$ 1,427,436**	**7.6%**

Expenditures	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Salaries and Employee Benefits	3,888,009	3,926,386	4,716,434	4,832,863	5,041,968	116,429	2.5%	209,105	4.3%
Salaries and Benefits Reimbursements	(10,032)	(9,509)	-	-	-	-	0.0%	-	0.0%
Materials, Supplies & Maintenance	3,284,641	3,157,704	3,886,729	1,271,962	1,267,597	(2,614,767)	-67.3%	(4,365)	-0.3%
Materials Reimbursements	(185,905)	(247,758)	(150,000)	(250,000)	(250,000)	(100,000)	66.7%	-	0.0%
Professional/Contract Services	2,812,667	3,725,720	5,022,008	4,669,139	4,779,088	(352,869)	-7.0%	109,949	2.4%
Training, Travel & Membership Dues	2,610	1,323	82,300	69,355	69,355	(12,945)	-15.7%	-	0.0%
Depreciation and Amortization	945,178	873,796	1,095,493	1,200,000	1,236,000	104,507	9.5%	36,000	3.0%
Liabilities, Settlements & Insurance	26,672	41,780	60,000	-	-	(60,000)	-100.0%	-	0.0%
Utilities	3,004	1,567	4,190	4,400	4,600	210	5.0%	200	4.5%
Interdepartmental Charges	1,560,630	3,211,434	2,067,676	5,735,913	5,977,969	3,668,237	177.4%	242,056	4.2%
Debt Service	79,852	(38,645)	90,000	-	-	(90,000)	-100.0%	-	0.0%
Capital Acquisitions	446,737	446,737	9,426,543	6,288,000	2,505,000	(3,138,543)	-33.3%	(3,783,000)	-60.2%
Asset Contra Account	(446,737)	(470,592)	(9,382,966)	(6,288,000)	(2,505,000)	3,094,966	-33.0%	3,783,000	-60.2%
Other Operating Transfers Out	2,404,057	11,718,337	3,134,975	1,746,020	1,773,030	(1,388,955)	-44.3%	27,010	1.5%
Bad Debts and Other Losses	-	97,430	52,860	50,000	51,500	(2,860)	-5.4%	1,500	3.0%
Total Expenditures	**$ 14,811,383**	**$ 26,435,710**	**$ 20,106,242**	**$ 19,329,652**	**$ 19,951,107**	**$ (776,590)**	**-3.9%**	**$ 621,455**	**3.2%**
Revenues Less Expenditures	**$ 1,837,727**	**$ 434,039**	**$ (1,187,427)**	**$ (469,955)**	**$ 336,026**				

As shown in the summary table above, total revenue sources in FY25-26 are expected to decrease by $59,000 (-0.3%), primarily due to changes in the **Charges for Services**, **Operating Transfers In**, and **Licenses, Fees and Permits** revenue classifications. While the **Charges for Services** revenue classification is expected to increase by $2.1 million (+13.8%) in FY25-26, largely driven by higher rubbish charges, this gain is offset by declines in the other two classifications. The **Operating Transfers In** revenue classification is anticipated to decrease by $1.7 million (-81.6%) due to the consolidation of the Sanitation Vehicle Replacement Fund into the Sanitation Operating Fund. The **Licenses, Fees and Permits** revenue classification is expected to decline by $0.5 million (-48.3%), mainly due to a reduction in solid waste franchise fees.

The **Salaries and Employee Benefits** expenditure classification is proposed to increase by $116,000 (+2.5%), a net result of recently approved pay and benefit adjustments, CalPERS rates, and other various employee-related cost elements. The proposed decrease of $2.6 million (-67.3%) in the **Materials, Supplies & Maintenance** expenditure classification is due to a reclassification of Fleet Service Fund charges to the **Interdepartmental Charges** classification. As such, there is a corresponding increase in the **Interdepartmental Charges** expenditure classification of $2.8 million.

In an effort to centralize the variability of fleet charges to the Fleet Services Fund, the City will be charging departments an annual flat rate (rather than an hourly based rate) based on average annual service cost and replacement cost for vehicles assigned to their departments. The additional increase in **Interdepartmental Charges** is due to a $0.7 million increase in 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.

A decrease of $3.1 million (-33.3%) in the **Capital Acquisitions** is to align the budget with planned asset purchases and a decrease of $1.4 million (-44.3%) in the **Other Operating Transfers Out** expenditure classification is due to the consolidation of the vehicle replacement fund into the operating fund.

Public Works Operating Budget Summary (Sewer Fund)

Revenues	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Use of Money and Property	142,924	531,746	699,000	601,771	619,824	(97,229)	-13.9%	18,053	3.0%
Other Revenues	13,459	31,327	50,000	10,000	10,300	(40,000)	-80.0%	300	3.0%
Charges for Services	5,885,583	6,875,943	7,315,073	7,553,510	7,780,120	238,437	3.3%	226,610	3.0%
Operating Transfers In	527,677	611,184	552,009	35,827	36,902	(516,182)	-93.5%	1,075	3.0%
Total Revenues	**$ 6,569,643**	**$ 8,050,200**	**$ 8,616,082**	**$ 8,201,108**	**$ 8,447,146**	**$ (414,974)**	**-4.8%**	**$ 246,038**	**3.0%**

Expenditures	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Salaries and Employee Benefits	1,675,358	1,612,081	1,956,558	2,065,769	2,160,178	109,211	5.6%	94,409	4.6%
Materials, Supplies & Maintenance	295,645	329,093	348,642	196,305	197,275	(152,337)	-43.7%	970	0.5%
Materials Reimbursements	(72)	(5,892)	-	-	-	-	0.0%	-	0.0%
Professional/Contract Services	661,238	323,518	509,250	456,871	492,761	(52,379)	-10.3%	35,890	7.9%
Training, Travel & Membership Dues	1,918	1,754	15,246	12,368	12,368	(2,878)	-18.9%	-	0.0%
Depreciation and Amortization	134,931	93,094	214,625	1,350,000	1,390,500	1,135,375	529.0%	40,500	3.0%
Utilities	60,888	85,296	97,557	93,083	97,800	(4,474)	-4.6%	4,717	5.1%
Interdepartmental Charges	653,523	713,950	744,053	1,027,196	1,065,952	283,143	38.1%	38,756	3.8%
Capital Acquisitions	-	249,747	4,423,355	69,000	25,000	(4,354,355)	-98.4%	(44,000)	-63.8%
Asset Contra Account	-	(249,747)	(4,423,355)	(69,000)	(25,000)	4,354,355	-98.4%	44,000	-63.8%
Other Operating Transfers Out	1,747,052	2,988,972	1,917,662	1,900,000	1,400,000	(17,662)	-0.9%	(500,000)	-26.3%
Bad Debts and Other Losses	-	30,583	20,000	30,000	30,900	10,000	50.0%	900	3.0%
Total Expenditures	**$ 5,230,481**	**$ 6,172,449**	**$ 5,823,593**	**$ 7,131,592**	**$ 6,847,734**	**$ 1,307,999**	**22.5%**	**$ (283,858)**	**-4.0%**
Revenues Less Expenditures	**$ 1,339,162**	**$ 1,877,751**	**$ 2,792,489**	**$ 1,069,516**	**$ 1,599,412**				

As shown in the table above, total revenue sources in FY25-26 are expected to decrease by $415,000 (-4.8%), primarily due to changes in the **Charges for Services**, **Operating Transfers In**, and **Use of Money and Property** revenue classifications. While the **Charges for Services** revenue classification is expected to increase by $238,000 (+3.3%) in FY25-26, largely driven by higher sewer charges, this gain is offset by declines in the other two classifications. The **Operating Transfers In** revenue classification is anticipated to decrease by $516,200 (-93.5%) due to the consolidation of the Sewer Vehicle Replacement Fund into the Sewer Operating Fund. The **Use of Money and Property** revenue classification is expected to decline by $97,000 million (-13.9%), mainly due to a reduction in investment earnings.

The **Salaries and Employee Benefits** expenditure classification is projected to increase by $109,000 (+5.6%), a net result of recently approved pay and benefit adjustments, CalPERS rates, and other various employee-related cost elements. The proposed decrease of $152,000 (-43.7%) in the **Materials, Supplies & Maintenance** expenditure classification is due to a reclassification of Fleet Service Fund charges to the **Interdepartmental Charges** classification. As such, there is a corresponding increase in the **Interdepartmental Charges** expenditure classification of $187,000. The **Capital Acquisitions** and **Asset Contra Account** classifications are proposed to decrease by $4.4 million to align the budget with planned asset purchase level.

It should be noted that the proposed increase of $1.1 million in the **Depreciation and Amortization** expenditure classification occurs each fiscal year as part of the Sewer Fund's proposed operating budget for depreciation expenses and has then transferred back to the Sewer Capital Fund. Going forward, the depreciation expense will be recorded in the operating fund to better represent the cost of the fund.

Public Works Operating Budget Summary (Water Fund)

Revenues	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Use of Money and Property	727,785	1,927,037	1,281,000	2,005,039	2,064,686	724,039	56.5%	59,647	3.0%
Other Revenues	67,060	157,891	5,000	50,000	50,000	45,000	900.0%	-	0.0%
Charges for Services	54,187,955	53,815,855	53,095,000	59,689,460	63,754,760	6,594,460	12.4%	4,065,300	6.8%
Operating Transfers In	395,077	361,528	422,501	24,388	25,120	(398,113)	-94.2%	732	3.0%
Total Revenues	**$ 55,377,877**	**$ 56,262,311**	**$ 54,803,501**	**$ 61,768,887**	**$ 65,894,566**	**$ 6,965,386**	**12.7%**	**$ 4,125,679**	**6.7%**
Expenditures	**FY22-23 Actual**	**FY23-24 Actual**	**FY24-25 Amended Budget**	**FY25-26 Proposed Budget**	**FY26-27 Proposed Budget**	**FY25-26 Increase/ (Decrease)**	**FY25-26 Percent Change**	**FY26-27 Increase/ (Decrease)**	**FY26-27 Percent Change**
Salaries and Employee Benefits	4,853,701	5,168,438	5,949,210	6,212,724	6,489,104	263,514	4.4%	276,380	4.4%
Materials, Supplies & Maintenance	2,297,674	2,379,178	1,938,160	1,625,164	1,636,779	(312,996)	-16.1%	11,615	0.7%
Materials Reimbursements	(10)	(1,174)	-	-	-	-	0.0%	-	0.0%
Parts, Fuel & Lubricants Inventory Purchases	526,980	849,597	612,670	612,670	612,670	-	0.0%	-	0.0%
Parts, Fuel & Lubricants Contra	(526,980)	(807,713)	(612,670)	(612,670)	(612,670)	-	0.0%	-	0.0%
Stored Water Rights Inventory Purchases	444,314	-	-	-	-	-	0.0%	-	0.0%
Stored Water Rights Contra	(444,314)	-	-	-	-	-	0.0%	-	0.0%
Professional/Contract Services	1,255,614	1,217,459	2,031,344	2,120,640	2,115,790	89,296	4.4%	(4,850)	-0.2%
Water Supply Costs	32,958,829	33,568,387	34,785,000	41,177,000	44,877,000	6,392,000	18.4%	3,700,000	9.0%
Training, Travel & Membership Dues	9,633	16,257	52,453	41,183	41,183	(11,270)	-21.5%	-	0.0%
Depreciation and Amortization	126,742	139,091	156,091	2,250,000	2,317,500	2,093,909	1341.5%	67,500	3.0%
Liabilities, Settlements & Insurance	3,624	32,439	16,008	-	-	(16,008)	-100.0%	-	0.0%
Utilities	175,800	180,077	205,820	216,112	226,900	10,292	5.0%	10,788	5.0%
Interdepartmental Charges	2,497,907	2,860,822	3,650,457	4,249,952	4,426,269	599,495	16.4%	176,317	4.1%
Debt Service	642,285	642,233	644,517	1,567,288	1,567,288	922,771	143.2%	-	0.0%
Debt Service Reimbursements	(567,277)	(580,744)	(580,744)	(1,307,414)	(1,331,645)	(726,670)	125.1%	(24,231)	1.9%
Capital Acquisitions	31,027	218,933	884,109	1,569,000	1,569,000	684,891	77.5%	-	0.0%
Asset Contra Account	(45,605)	(218,933)	(884,109)	(1,569,000)	(1,569,000)	(684,891)	77.5%	-	0.0%
Other Operating Transfers Out	3,171,032	9,957,878	4,149,486	2,953,507	4,503,613	(1,195,979)	-28.8%	1,550,106	52.5%
Bad Debts and Other Losses	-	135,944	150,000	150,000	154,500	-	0.0%	4,500	3.0%
Total Expenditures	**$ 47,410,976**	**$ 55,758,169**	**$ 53,147,802**	**$ 61,256,156**	**$ 67,024,281**	**$ 8,108,354**	**15.3%**	**$ 5,768,125**	**9.4%**
Revenues Less Expenditures	**$ 7,966,901**	**$ 504,142**	**$ 1,655,699**	**$ 512,731**	**$ (1,129,715)**				

As shown in the summary table above, total revenue sources for FY25-26 and FY26-27 are anticipated to increase by $7.0 million (+12.7%) and $4.1 million (+6.7%), respectively. These increases are primarily driven by changes in the **Charges for Services** revenue classification, which is expected to

grow by $6.6 million (+12.4%) in FY25-26 and by $4.1 million (+6.8%) in FY26-27. In FY24-25, the City Council approved annual water rate increases over five years, with rates rising by 6.5% on January 1, 2025, and 2026, and by 6% on January 1, 2027, 2028, and 2029. As a result, water charges for residents, commercial buildings, and the refinery are expected to rise.

The **Salaries and Employee Benefits** expenditure classification is proposed to increase by $264,000 (+4.4%), a net result of recently approved pay and benefit adjustments, CalPERS rates, and other various employee-related cost elements. The proposed decrease of $313,000 (-16.1%) in the **Materials, Supplies & Maintenance** expenditure classification is due to a reclassification of Fleet Service Fund charges to the Interdepartmental Charges classification. As such, there is a corresponding increase in the **Interdepartmental Charges** expenditure classification of $278,000. The proposed increase of $6.4 million (+18.4%) in the **Water Supply Costs** expenditure classification is due to increases in both demand/usage, and cost of water. Prior years conservation restrictions and practices have reversed, and household usage is up. Additionally, the Desalter plant is being temporarily decommissioned, requiring the need to purchase more water from the Metropolitan Water District, which is more costly, until the plant comes back online.

The **Other Operating Transfers Out** classification is proposed to decrease by $1.2 million (-28.8%) as a result of consolidating the Water vehicle Replacement Fund into the Water Operating Fund and a decrease in transfers to the Water Capital Fund. The **Capital Acquisitions** and **Asset Contra Account** classifications are proposed to increase by $685,000 to align the budget with planned asset purchase level. The **Debt Service** and **Debt Service Reimbursement** classifications increased primarily due to scheduled principal and interest payments because of the drawdown from the State Revolving Fund Loan for $14.4 million during FY24-25 to finance the cost related to Van Ness Avenue Water Wells and Transmission Main project.

It should be noted that the proposed increase of $2.1 million reflected in the **Depreciation and Amortization** expenditure classification occurs each fiscal year as part of the Water Fund's proposed operating budget for depreciation expenses and has then transferred back to the Water Capital Fund. Going forward, the depreciation expense will be recorded in the operating fund to better represent the cost of the fund.

Public Works Operating Budget Summary (Street Lighting District Fund)

Revenues	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Taxes	1,279,425	1,277,827	1,291,500	1,291,371	1,291,371	(129)	0.0%	-	0.0%
Operating Transfers In	430,966	568,817	574,772	621,457	621,457	46,685	8.1%	-	0.0%
Total Revenues	**$ 1,710,391**	**$ 1,846,644**	**$ 1,866,272**	**$ 1,912,828**	**$ 1,912,828**	**$ 46,556**	**2.5%**	**$ -**	**0.0%**
Expenditures	**FY22-23 Actual**	**FY23-24 Actual**	**FY24-25 Amended Budget**	**FY25-26 Proposed Budget**	**FY26-27 Proposed Budget**	**FY25-26 Increase/ (Decrease)**	**FY25-26 Percent Change**	**FY26-27 Increase/ (Decrease)**	**FY26-27 Percent Change**
Salaries and Employee Benefits	-	-	-	-	-	-	0.0%	-	0.0%
Materials, Supplies & Maintenance	-	-	-	-	-	-	0.0%	-	0.0%
Professional/Contract Services	19,149	46,882	22,150	22,150	22,150	-	0.0%	-	0.0%
Utilities	1,691,242	1,799,762	1,844,122	1,890,678	1,890,678	46,556	2.5%	-	0.0%
Total Expenditures	**$ 1,710,391**	**$ 1,846,644**	**$ 1,866,272**	**$ 1,912,828**	**$ 1,912,828**	**$ 46,556**	**2.5%**	**$ -**	**0.0%**
Revenues Less Expenditures	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**				

As shown in the summary table above, the Street Lighting District Fund's **Utilities** expenditure classification will be increased by $46,00 (+2.5%) to align the budget with anticipated FY25-26 needs.

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

Job Classification	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY26-27 Increase/ (Decrease)
Admin Services Manager	1.00	1.00	1.00	1.00	1.00	-	-
Administrative Analyst	2.00	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	10.00	10.00	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	4.00	4.00	4.00	-	-
Engineering Manager-Major Proj	1.00	1.00	-	-	-	-	-
Engineering Technician III	3.00	2.00	2.00	2.00	2.00	-	-
Equipment Operator	9.00	9.00	9.00	9.00	9.00	-	-
Inspector, Public Works-Cap Proj	3.00	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	15.00	15.00	16.00	16.00	16.00	-	-
Maintenance Worker	44.00	40.00	41.00	42.00	42.00	1.00	-
Pest Control Technician	1.00	1.00	1.00	1.00	1.00	-	-
Policy & Resources Specialist	2.00	2.00	2.00	2.00	2.00	-	-
Principal Human Resources Analyst	1.00	1.00	1.00	1.00	1.00	-	-
Public Works Director	1.00	1.00	1.00	1.00	1.00	-	-
Public Works Supervisor	8.00	8.00	8.00	8.00	8.00	-	-
Sanitation Equipment Operator	31.00	35.00	35.00	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 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	2.00	2.00	2.00	2.00	-	-
Traffic Signal Technician	4.00	4.00	4.00	4.00	4.00	-	-
Tree Trimmer	5.00	5.00	5.00	5.00	5.00	-	-
Waste Management Coordinator	-	-	1.00	1.00	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	1.00	-	-	-	-	-
Water System Operator I	13.00	9.00	9.00	9.00	9.00	-	-
Water System Operator II	5.00	9.00	9.00	9.00	9.00	-	-
Water System Operator III	12.00	12.00	12.00	12.00	12.00	-	-
Total FTE	**208.00**	**206.00**	**208.00**	**209.00**	**209.00**	**1.00**	**-**

The Public Works staffing budget will increase by 1.0 FTE Maintenance Worker position going into FY25-26. The addition of the 1.0 FTE Maintenance Worker will support the Citywide Tree Planting program with the Streetscape Division to maintain the newly planted trees by assisting with the trees' establishment and trimming.

Transit

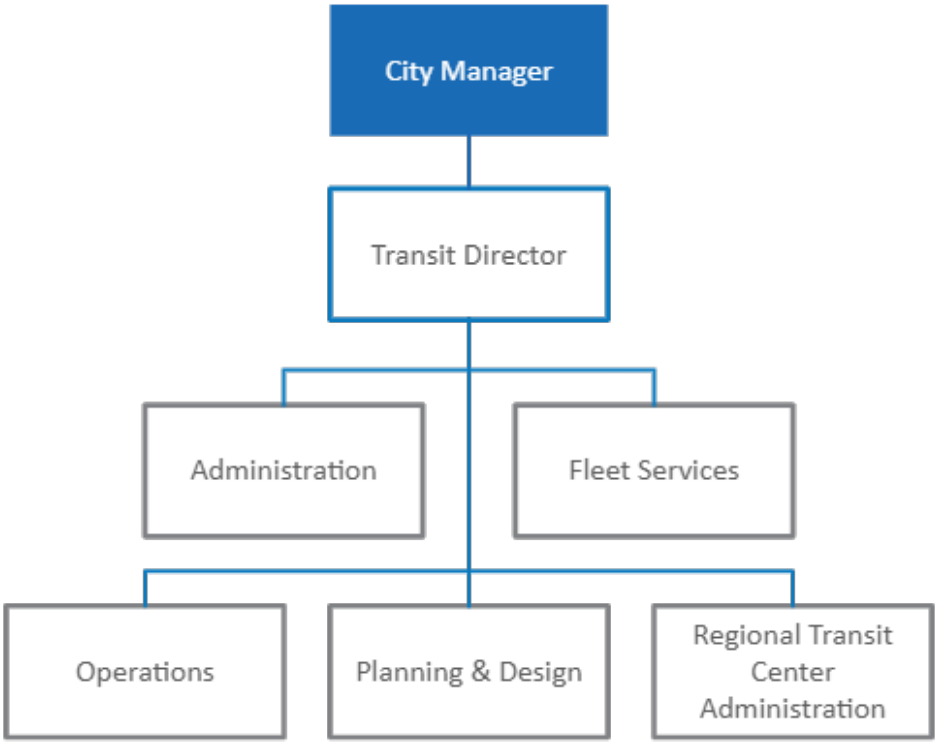
Mission Statement

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

Functional Responsibilities

The Torrance Transit System's primary responsibilities include providing quality transportation services to its customers; maintaining and repairing of all transit vehicles; securing its own local, state and federal funding for the department; financial monitoring and reporting; grants administration; 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; development and implementation of service changes; and general oversight of the bus operations for the City of Torrance.

Department Organization



Transit Operating Budget Summary (Transit Fund)

Revenues	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Use of Money and Property	506,189	2,032,415	1,718,000	1,792,387	1,846,159	74,387	4.3%	53,772	3.0%
Intergovernmental	31,493,249	25,557,449	29,545,571	30,995,342	31,828,950	1,449,771	4.9%	833,608	2.7%
Other Revenues	3,500	572,358	30,000	2,500	2,500	(27,500)	-91.7%	-	0.0%
Charges for Services	959,729	1,205,361	940,001	1,718,200	1,764,130	778,199	82.8%	45,930	2.7%
Operating Transfers In	3,000,000	3,000,000	3,000,000	4,000,000	4,000,000	1,000,000	33.3%	-	0.0%
Total Revenue	**$35,962,667**	**$32,367,583**	**$35,233,572**	**$38,508,429**	**$39,441,739**	**$ 3,274,857**	**9.3%**	**$ 933,310**	**2.4%**

Expenses	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Salaries and Employee Benefits	14,458,042	18,574,735	22,987,327	25,557,618	26,629,813	2,570,291	11.2%	1,072,195	4.2%
Materials, Supplies & Maintenance	2,708,360	3,259,410	3,593,905	3,497,160	3,497,160	(96,745)	-2.7%	-	0.0%
Materials Reimbursements	(200,517)	(287,254)	(250,000)	(250,000)	(250,000)	-	0.0%	-	0.0%
Parts, Fuel & Lubricants Inventory Purchases	1,245,279	1,491,622	1,811,250	1,811,250	1,781,250	-	0.0%	(30,000)	-1.7%
Parts, Fuel & Lubricants Contra	(1,245,791)	(1,440,811)	(1,811,250)	(1,811,250)	(1,781,250)	-	0.0%	30,000	-1.7%
Professional/Contract Services	2,303,061	2,293,072	3,523,586	4,640,842	4,662,880	1,117,256	31.7%	22,038	0.5%
Training, Travel & Membership Dues	86,342	111,967	125,037	121,289	121,289	(3,748)	-3.0%	-	0.0%
Depreciation and Amortization	3,188,690	2,531,126	3,238,219	3,401,518	4,611,111	163,299	5.0%	1,209,593	35.6%
Liabilities, Settlements & Insurance	476,539	160,351	217,639	-	-	(217,639)	-100.0%	-	0.0%
Utilities	125,519	210,575	233,466	351,200	368,800	117,734	50.4%	17,600	5.0%
Interdepartmental Charges	5,881,955	6,227,487	7,172,359	8,712,352	9,089,157	1,539,993	21.5%	376,805	4.3%
Capital Acquisitions	8,487	28,205	50,000	50,000	50,000	-	0.0%	-	0.0%
Asset Contra Account	(412,639)	(99,159)	(50,000)	(50,000)	(50,000)	-	0.0%	-	0.0%
Other Operating Transfers Out	97,795	76,578	630,954	269,940	20,539	(361,014)	-57.2%	(249,401)	-92.4%
Total Expense	**$28,721,122**	**$33,137,904**	**$41,472,492**	**$46,301,919**	**$48,750,749**	**$ 4,829,427**	**11.6%**	**$ 2,448,830**	**5.3%**
Revenues Less Expenditures	**$ 7,241,545**	**$ (770,321)**	**$ (6,238,920)**	**$ (7,793,490)**	**$ (9,309,010)**				

As shown in the summary table above, total revenue sources for FY25-26 are anticipated to increase by $3.3 million (+9.3%), primarily due to growth in the **Intergovernmental**, **Operating Transfers In**, and **Charges for Services** revenue classifications. The **Intergovernmental** revenue classification for FY25-26 is expected to increase by $1.5 million (+4.9%). This increase is largely attributed to a $1.5 million rise in Net Toll funding for Line 1 and Line 6 Express Lanes, $0.5 million from Senate Bill 1, and $0.4 million from Proposition A 40% Discretionary fund. These gains are partially offset by an anticipated decrease of $1.1 million in Transportation Development Act (TDA) receipts. The **Operating Transfers In** revenue classification is expected to grow by $1.0 million (+33.3%), due to increased allocations from Proposition A. The **Charges for Services** revenue classification is anticipated to increase by $0.8 million (+82.8%), primarily driven by increases of $0.2 million in Transit Access Pass (TAP) revenue, $0.2 million in Advertising on Shelters, and $0.2 million in Passenger Cash Fares.

The **Salaries and Employee Benefits** expenditure classification is proposed to increase by $2.6 million (+11.2%), as a net result of changes in the department's budgeted staffing levels and recently approved pay and benefit adjustments, CalPERS rates, and other various employee-related cost elements. The proposed increase of $1.1 million (+31.7%) in **Professional/Contract Services** is due to an increase in contract services for the MicroTransit Pilot project, approved by City Council in August 2024. The proposed increase of $1.5 million (+21.5%) 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.

Transit Staffing Budget Summary (Non-General Fund)

Job Classification	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY26-27 Increase/ (Decrease)
Administrative Analyst	4.00	4.00	4.00	4.00	4.00	-	-
Administrative Assistant	1.00	1.00	4.00	4.00	4.00	-	-
Apprentice Relief Bus Operator	-	-	3.75	3.75	3.75	-	-
Bus Operator	93.00	93.00	93.00	105.00	105.00	12.00	-
Custodian	1.00	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	-	-	-	-	-	-
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	2.00	2.00	2.00	2.00	2.00	-	-
Human Resources Technician	1.00	1.00	1.00	-	-	(1.00)	-
Info Technology Analyst	1.00	1.00	1.00	1.00	1.00	-	-
Intern	2.00	2.00	2.00	2.00	2.00	-	-
Maintenance Worker	1.00	1.00	1.00	1.00	1.00	-	-
Mechanic	3.00	-	-	-	-	-	-
Mechanic, Senior	12.00	-	-	-	-	-	-
Office Assistant	3.00	3.00	-	-	-	-	-
Principal Human Resources Analyst	1.00	1.00	1.00	-	-	(1.00)	-
Relief Bus Operator	21.00	21.00	17.25	17.25	17.25	-	-
Senior Business Manager	3.00	3.00	3.00	3.00	3.00	-	-
Senior Business Manager - Transit Planning	1.00	-	-	-	-	-	-
Staff Assistant	2.00	2.00	2.00	2.00	2.00	-	-
Storekeeper	1.50	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	1.00	-	-
Transit Director	1.00	1.00	1.00	1.00	1.00	-	-
Transit Dispatcher	4.00	4.00	4.00	4.00	4.00	-	-
Transit Equipment Attendant	-	13.00	13.00	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	-	-
Tranist Manager - Planning	-	1.00	1.00	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	1.00	-	-
Transit Mechanic	-	3.00	3.00	3.00	3.00	-	-
Transit Senior Mechanic	-	12.00	12.00	12.00	12.00	-	-
Transit Supervisor	12.00	12.00	12.00	12.00	12.00	-	-
Transit Training Coordinator	1.00	1.00	1.00	1.00	1.00	-	-
Total FTE	**196.80**	**196.80**	**196.80**	**205.80**	**205.80**	**9.00**	**-**

The Transit staffing budget will increase by 9.0 FTE going into FY25-26, as a result of the addition of 12.0 FTE Bus Operator positions, partially offset by transferring out 1.0 FTE Human Resources

Technician position and 1.0 FTE Human Resources Analyst position to the Human Resources Department and 1.0 FTE Custodian position to the General Services Department.

The addition of 12.0 FTE Bus Operator positions is to better align the staffing budget with anticipated FY25-26 program activity. The reduction of 1.0 FTE Human Resources Technician position and 1.0 FTE Human Resources Analyst position are a transfer to the Human Resources Department, resulting in a net zero impact on the City. Finally, the reduction of 1.0 FTE Custodian position is also a transfer to the General Services Department, which has net zero impact on the City. These positions will continue to service the Transit Department but are now reflected in the departments in which their duties are aligned.

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	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Salaries and Employee Benefits	92,273	133,040	199,717	199,717	199,717	-	0.0%	-	0.0%
Materials, Supplies & Maintenance	74,203	65,883	233,038	2,792,200	2,787,200	2,559,162	1098.2%	(5,000)	-0.2%
Materials Reimbursements	(7,998)	(5,306)	(5,411)	(5,500)	(5,500)	(89)	1.6%	-	0.0%
Professional/Contract Services	886,677	971,522	1,233,108	1,324,711	1,324,711	91,603	7.4%	-	0.0%
Training, Travel & Membership Dues	82,762	326,680	488,644	590,959	588,829	102,315	20.9%	(2,130)	-0.4%
Debt Service	22,403,379	23,336,145	23,126,738	23,631,682	24,160,496	504,944	2.2%	528,814	2.2%
Debt Service Reimbursements	(18,337,743)	(18,832,766)	(19,341,206)	(19,862,721)	(20,397,834)	(521,515)	2.7%	(535,113)	2.7%
Capital Acquisitions	1,057,816	5,035,998	-	-	-	-	0.0%	-	0.0%
Asset Contra Account	(300,812)	(740,544)	-	-	-	-	0.0%	-	0.0%
Bad Debts and Other Losses	-	43	1,000	1,000	1,030	-	0.0%	30	3.0%
Reimbursements-Indirect Costs	(6,320,271)	(7,901,694)	(9,147,553)	(10,741,685)	(11,102,923)	(1,594,132)	17.4%	(361,238)	3.4%
Other Operating Transfers Out	36,618,589	32,118,487	15,941,129	20,661,930	11,629,351	4,720,801	29.6%	(9,032,579)	-43.7%
Total Expenditures	**$ 36,248,875**	**$ 34,507,488**	**$ 12,729,204**	**$ 18,592,293**	**$ 9,185,077**	**$ 5,863,089**	**46.1%**	**$ (9,407,216)**	**-50.6%**

Community Programs (General Fund-Operating Fund)

Expenditures related to community outreach programs and events are classified under various line items above. The following are the proposed programs and budgets for both fiscal years:

Programs	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget
Artesia Lights	36,000	36,000	36,000
TOCA Subsidy	74,400	74,400	74,400
Sister City Activities	10,000	10,000	10,000
Friendship City Activities	70,000	70,000	70,000
Armed Forces Parade	323,890	323,890	323,890
Tournament of Roses Float	127,400	177,000	177,000
Discover Torrance TBID & Downtown Torrance BID	80,000	80,000	80,000
Fourth of July Celebration	50,000	50,000	50,000
Youth in Government Activities	3,200	3,200	3,200
Community Clean Up	10,000	10,000	10,000
City Yard Open House	22,000	-	22,000
Total External Subsidies	**$ 806,890**	**$ 834,490**	**$ 856,490**

Debt Service Lease Payments (General Fund-Operating Fund)

The Non-Departmental Budget also houses the lease payments made by the General Fund to the City's Debt Service Fund. The proposed budget in FY25-26 and FY26-27 for $3.8 million is fairly consistent from FY24-25 amended budget. This includes budgets related to 2016 Certification of Participation and 2020 and 2021 Lease Revenue Bonds. The cost of 2020 Lease Revenue Bond is allocated 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	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Airport Fund	333,263	292,723	339,083	379,796	393,395	40,713	12.0%	13,599	3.6%
Fleet Fund	-	729,648	925,358	1,016,630	1,050,053	91,272	9.9%	33,423	3.3%
Sanitation Fund	926,133	898,577	1,024,593	1,132,535	1,170,817	107,942	10.5%	38,282	3.4%
Section 8 Housing Fund	115,381	140,057	156,072	166,013	171,286	9,941	6.4%	5,273	3.2%
Self-Insurance Fund	-	246,111	235,890	305,657	318,990	69,767	29.6%	13,333	4.4%
Sewer Fund	377,744	365,665	441,116	479,539	496,975	38,423	8.7%	17,436	3.6%
Transit Fund	3,419,327	4,056,322	4,731,897	5,835,816	6,026,039	1,103,919	23.3%	190,223	3.3%
Water Fund	1,148,423	1,172,591	1,293,544	1,425,699	1,475,368	132,155	10.2%	49,669	3.5%
Total Indirect Cost	**$ 6,320,271**	**$ 7,901,694**	**$ 9,147,553**	**$ 10,741,685**	**$ 11,102,923**	**$ 1,594,132**	**17.4%**	**$ 361,238**	**3.4%**

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 proportional reimbursement are: City Manager, City Attorney, City Clerk, City Treasurer, Finance, Human Resources, Civil Service, IT, and General Services. Every year a calculation is performed to determine the proportion of costs that can be charged to these funds. For FY25-26 and FY26-27, a charge equal to 29.06% 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	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Amended Budget
Capital Project Funds	Capital Improvement Projects	3,196,559	15,604,375	6,500,000
General Fund - Restricted/Assigned	CEPPT Contribution	9,360,267	2,254,400	2,314,887
General Fund - Restricted/Assigned	Asset Replacement Contributions	2,987,362	2,396,091	2,396,091
Street Light District Fund	Street Lighting District Assessment	30,109	30,109	30,109
Santiation Fund	Citywide Refuse Collection Reimbursement; Senior Discount Subsidy	314,201	316,739	326,241
Sewer Fund	Senior/Low-Income Wastewater Discount	34,347	35,827	36,902
Water Fund	Senior/Low-Income Water Discount Subsidy	18,284	24,388	25,120
Total Transfers		**$ 15,941,129**	**$ 20,661,929**	**$ 11,629,350**

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	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Amended Budget
General Fund - Operating Fund	City Manager Positions Offset	102,447	232,265	245,909
General Fund - Operating Fund	Police Positions Offset	9,847,116	10,966,237	11,547,555
General Fund - Operating Fund	Fire Positions Offset	2,121,088	2,214,814	2,319,082
General Fund - Operating Fund	CIT Positions Offset	200,415	205,520	215,702
General Fund - Assigned	General Fund Reserve Contribution	5,000,000	5,000,000	5,000,000
Capital Project Funds	Capital Improvement Projects	8,620,160	5,978,715	6,034,192
Total Transfers		**$ 25,891,226**	**$ 24,597,552**	**$ 25,362,440**

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, IT, and homelessness response positions which would otherwise have been eliminated in FY22-23, should Measure SST have not passed.

General Fund-Restricted Fund Operating Budget

Revenues	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Licenses, Fees and Permits	308,295	277,038	350,000	247,000	234,650	(103,000)	-29.4%	(12,350)	-5.0%
Use of Money and Property	191,662	2,020,345	248,058	1,915,179	1,693,045	1,667,121	672.1%	(222,134)	-11.6%
Operating Transfers In	1,952,325	22,533,938	9,360,267	2,254,400	2,314,887	(7,105,867)	-75.9%	60,487	2.7%
Total Revenue	**$ 2,452,282**	**$ 24,831,321**	**$ 9,958,325**	**$ 4,416,579**	**$ 4,242,582**	**$ (5,541,746)**	**-55.6%**	**$ (173,997)**	**-3.9%**
Expenses	**FY22-23 Actual**	**FY23-24 Actual**	**FY24-25 Amended Budget**	**FY25-26 Proposed Budget**	**FY26-27 Proposed Budget**	**FY25-26 Increase/ (Decrease)**	**FY25-26 Percent Change**	**FY26-27 Increase/ (Decrease)**	**FY26-27 Percent Change**
Debt Service	3,343	19,204	15,000	31,652	34,184	16,652	111.0%	2,532	8.0%
Other Expenditures	4,532	37,206	28,500	28,500	28,500	-	0.0%	-	0.0%
Capital Acquisitions	16,536	544,635	122,675	-	-	(122,675)	-100.0%	-	0.0%
Other Operating Transfers Out	(823,470)	-	-	7,286,337	8,730,126	7,286,337	0.0%	1,443,789	19.8%
Total Expense	**$ (799,059)**	**$ 601,045**	**$ 166,175**	**$ 7,346,489**	**$ 8,792,810**	**$ 7,180,314**	**4320.9%**	**$ 1,446,321**	**19.7%**
Revenues Less Expenditures	**$ 3,251,341**	**$ 24,230,276**	**$ 9,792,150**	**$ (2,929,910)**	**$ (4,550,228)**	**$ (12,722,060)**	**-130%**	**$ (1,620,318)**	**55%**

This contains information on the City's **Restricted Funds**, which include Cable's Public, Education, and Governmental Access (PEG) Fund and the CalPERS CEPPT Section 115 Fund. Contributions from the General Fund Operating Fund to the CEPPT Fund are proposed to decrease by $7.1 million in FY25-26.

Other **Operating Transfers Out** expenditures classification reflect transfers from the CEPPT Fund to the General Fund Operating Fund, to address rising UAL payment contributions. This is the first year since establishing the CEPPT Fund that transfers are being made to the General Fund Operating Fund.

General Fund-Assigned Fund Operating Budget

Revenues	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Other Revenues	1,272	-	-	-	-	-	0.0%	-	0.0%
Operating Transfers In	2,194,668	10,852,404	8,282,505	7,396,091	7,396,091	(886,414)	-10.7%	-	0.0%
Total Revenue	**$ 2,195,940**	**$ 10,852,404**	**$ 8,282,505**	**$ 7,396,091**	**$ 7,396,091**	**$ (886,414)**	**-10.7%**	**$ -**	**0.0%**
Expenses	**FY22-23 Actual**	**FY23-24 Actual**	**FY24-25 Amended Budget**	**FY25-26 Proposed Budget**	**FY26-27 Proposed Budget**	**FY25-26 Increase/ (Decrease)**	**FY25-26 Percent Change**	**FY26-27 Increase/ (Decrease)**	**FY26-27 Percent Change**
Materials, Supplies & Maintenance	4,982	-	-	-	-	-	0.0%	-	0.0%
Professional/Contract Services	58,497	-	-	-	-	-	0.0%	-	0.0%
Capital Acquisitions	296,689	1,147,848	1,710,923	2,502,816	6,571,849	791,893	46.3%	4,069,033	162.6%
Other Operating Transfers Out	1,359,426	3,063,368	5,116,280	5,000,000	5,000,000	(116,280)	-2.3%	-	0.0%
Total Expense	**$ 1,719,594**	**$ 4,211,216**	**$ 6,827,203**	**$ 7,502,816**	**$ 11,571,849**	**$ 675,613**	**9.9%**	**$ 4,069,033**	**54.2%**
Revenues Less Expenditures	**$ 476,346**	**$ 6,641,188**	**$ 1,455,302**	**$ (106,725)**	**$ (4,175,758)**	**$ (1,562,027)**	**-107%**	**$ (4,069,033)**	**3813%**

This table provides information on the City's **Assigned Funds**, which include Replacement Funds and Reserve Funds, and are part of the overall General Fund. Following a recommendation from a third-party consultant, Reserve Fund, formerly classified as "Unassigned" will now be classified as "Assigned" to enhance fiscal transparency and improve oversight. For FY25-26 and FY26-27, **Operating Transfers In** revenues total $7.4 million. This includes a $5.0 million contribution from the City's General Fund–Measure SST Fund to the City's Reserve Fund, and a $2.4 million transfer from the General Fund to set aside funding each year for planned future equipment purchases. This helps

smooth spending across multiple years and creates a dedicated source for these different replacement activities, which include the Defibrillator Replacement Fund, Drone/ALPR Replacement Fund, and the IT Replacement Fund.

The **Capital Acquisitions** expenditures classification is budgeted to increase $792,000 in FY25-26 and $4.1 million in FY26-27 to fund replacement of aging telecom, network and radio equipment. The **Other Operating Transfers Out** expenditure classification budgeted amount of $5.0 million represents a use of Reserves 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 FY34-35.

Debt Service Fund Operating Budget

Revenues	FY22-23 Actual	FY23-24 Actual	FY24-25 Amended Budget	FY25-26 Proposed Budget	FY26-27 Proposed Budget	FY25-26 Increase/ (Decrease)	FY25-26 Percent Change	FY26-27 Increase/ (Decrease)	FY26-27 Percent Change
Use of Money and Property	22,099,220	22,593,694	23,107,338	23,625,753	24,154,567	518,415	2.2%	528,814	2.2%
Other Financing Sources	-	-	-	-	-	-	0.0%	-	0.0%
Total Revenue	**$ 22,099,220**	**$ 22,593,694**	**$ 23,107,338**	**$ 23,625,753**	**$ 24,154,567**	**$ 518,415**	**2.2%**	**$ 528,814**	**2.2%**
Expenses	**FY22-23 Actual**	**FY23-24 Actual**	**FY24-25 Amended Budget**	**FY25-26 Proposed Budget**	**FY26-27 Proposed Budget**	**FY25-26 Increase/ (Decrease)**	**FY25-26 Percent Change**	**FY26-27 Increase/ (Decrease)**	**FY26-27 Percent Change**
Depreciation and Amortization	-	-	-	-	-	-	0.0%	-	0.0%
Debt Service	22,098,251	22,593,178	23,107,338	23,625,753	24,154,567	518,415	2.2%	528,814	2.2%
Other Operating Transfers Out	-	-	-	-	-	-	0.0%	-	0.0%
Other Financing Uses	-	-	-	-	-	-	0.0%	-	0.0%
Total Expense	**$ 22,098,251**	**$ 22,593,178**	**$ 23,107,338**	**$ 23,625,753**	**$ 24,154,567**	**$ 518,415**	**2.2%**	**$ 528,814**	**2.2%**
Revenues Less Expenditures	**$ 969**	**$ 516**	**$ -**	**$ -**	**$ -**	**$ -**	**0%**	**$ -**	**0%**

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

	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30
Beginning Fund Balance	134,780,041	123,639,031	114,913,045	109,410,592	102,507,037
Revenues	343,101,936	354,973,755	367,642,982	379,857,804	386,834,936
Expenses	354,242,946	363,699,741	373,145,435	386,761,359	389,502,944
Net Change Operating Activities	$ (11,141,010)	$ (8,725,986)	$ (5,502,453)	$ (6,903,555)	$ (2,668,008)
Ending Fund Balance	$ 123,639,031	$ 114,913,045	$ 109,410,592	$ 102,507,037	$ 99,839,029
Fund Balance Detail					
Nonspendable	1,661,453	1,311,453	961,453	961,453	961,453
Restricted	40,512,805	35,962,577	28,910,383	20,215,844	14,415,695
Assigned	76,376,625	72,200,867	73,750,608	75,541,592	78,673,733
Unassigned	5,088,148	5,438,148	5,788,148	5,788,148	5,788,148
20% Unrestricted Threshold	$ 62,642,007	$ 63,277,318	$ 65,734,680	$ 68,081,334	$ 69,347,608
Unrestricted as Percentage of Budget	26.0%	24.5%	24.2%	23.9%	24.4%

As previously mentioned, the City's General Fund is comprised of the Operating, Measure SST, Restricted, and Assigned sub-funds. Following a recommendation from a third-party consultant, the Reserve Fund, formerly classified as "Unassigned" will now be classified as "Assigned" to enhance fiscal transparency and improve oversight.

The City is projecting that the General Fund total fund balance will end FY25-26 at $123.6 million. It is anticipated that this figure will decrease to $99.8 million in FY29-30, primarily due to the use of funds in the CalPERS CEPPT Section 115 Trust Fund (Restricted) to mitigate the impact of increases in UAL costs. Further, the unrestricted fund balance is projected to remain relatively stable at $81.5 million at the end of FY25-26 to $84.5 million at the end of FY29-30, which maintains the City's unrestricted fund balance at approximately 25.0% of the General Fund Operating Fund's expenditure budget.

As shown in the table above, expenditures are exceeding revenues during the 5-year period presented and is projected to continue on this path until FY31-32, where revenues exceed expenditures and fund balance is projected to increase thereafter. This trend 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 by FY28-29. As previously mentioned, the City is projecting a strategic drawdown of its CEPPT Fund starting in FY25-26 to smooth the impacts of these CalPERS UAL payments, as shown in the Restricted line of the Fund Balance Detail. Additionally, the deficit experienced in FY25-26 is largely due to significant contributions from the General Fund Operating and General Fund SST funds to the Capital Fund, exceeding $21 million.

To arrive at the 5-year projection, 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 3.0% per year, using the following average annual assumptions in the out years (years 3-5):
  - Sales Tax: 3.0%
  - Property Tax: 3.5%
  - Utility Users Tax: 3.5%
  - Occupancy Tax: 2.5%
  - Charges for Services: 3.5%
- Overall **Expenditure growth** of approximately 2.4% 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; Training, Travel & Membership Dues; Liabilities, Settlements & Insurance
  - Additional 3% CPI adjustments for Utilities, Fuel, Fleet Labor and Vehicle Replacement budgets
  - Increased Self-Insurance contributions to stabilize this Fund's performance (increased citywide allocations)
  - CEPPT contributions of the following, to mitigate forthcoming CalPERS rate increases:
    - $2,254,400 in FY25-26;
    - $2,314,887 in FY26-27;
    - $2,376,579 in FY27-28;
    - $2,441,077 in FY28-29; and
    - $2,506,631 in FY29-30.
  - Capital contributions of the following, to address needs identified in the Facilities Index Study:
    - $21,583,090 in FY25-26;
    - $12,534,192 in FY26-27;
    - $11,597,209 in FY27-28;
    - $11,714,811 in FY28-29; and
    - $11,180,971 in FY29-30.

Airport Fund

	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30
Beginning Net Position	39,224,564	42,396,957	45,595,161	48,838,576	52,156,396
Revenues	21,044,124	21,607,369	22,204,752	22,819,333	23,453,329
Expenses	24,002,581	21,759,455	20,581,547	22,815,173	20,286,688
Net Change Operating Activities	$ (2,958,457)	$ (152,086)	$ 1,623,205	$ 4,160	$ 3,166,641
Reserved for Capital Improvement Projects	6,130,850	3,350,290	1,620,210	3,313,660	250,000
Ending Net Position	$ 42,396,957	$ 45,595,161	$ 48,838,576	$ 52,156,396	$ 55,573,037

The City is projecting that the fund's net position will end FY25-26 at $42.4 million. It is anticipated that this figure will climb to $55.6 million in FY29-30. 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 2.7% annually
- Overall **Expenditure growth** of approximately -3.7% annually (excluding the variability of transfers to the Airport Capital Fund, growth of recurring expenses is 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; Training, Travel & Membership Dues; Liabilities, Settlements & Insurance
  - Additional 3% CPI adjustments for Utilities, Fuel, Fleet Labor and Vehicle Replacement budgets
  - Adjusted Self-Insurance contributions to stabilize the Fund's performance (increased citywide allocations)
  - Capital Improvement Plan contributions

Sanitation Fund

	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30
Beginning Net Position	14,605,735	14,135,780	14,471,806	15,666,235	16,890,758
Revenues	18,859,697	20,287,133	21,824,085	22,478,447	23,152,434
Expenses	19,329,652	19,951,107	20,629,656	21,253,924	21,819,879
Net Change Operating Activities	$ (469,955)	$ 336,026	$ 1,194,429	$ 1,224,523	$ 1,332,555
Reserved for Capital Improvement Projects	-	-	-	-	-
Ending Net Position	$ 14,135,780	$ 14,471,806	$ 15,666,235	$ 16,890,758	$ 18,223,313

The City is projecting that the fund's net position will end FY25-26 at $14.1 million. It is anticipated that this figure will climb to $18.2 million in FY29-30. 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 5.3% 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 FY25-26, 8.0% in FY26-27 and FY27-28.
- 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; Training, Travel & Membership Dues; Liabilities, Settlements & Insurance
    - Additional 3% CPI adjustments for Utilities, Fuel, Fleet Labor and Vehicle Replacement budgets
    - Adjusted Self-Insurance contributions to stabilize the Fund's performance (increased citywide allocations)

Sewer Fund

	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30
Beginning Net Position	53,622,107	56,591,623	59,591,035	62,653,824	65,809,278
Revenues	8,201,108	8,447,146	8,709,553	8,980,252	9,259,509
Expenses	7,131,592	6,847,734	7,046,764	7,224,798	7,385,328
Net Change Operating Activities	**$ 1,069,516**	**$ 1,599,412**	**$ 1,662,789**	**$ 1,755,454**	**$ 1,874,181**
Reserved for Capital Improvement Projects	1,900,000	1,400,000	1,400,000	1,400,000	1,400,000
Ending Net Position	**$ 56,591,623**	**$ 59,591,035**	**$ 62,653,824**	**$ 65,809,278**	**$ 69,083,459**

The City is projecting that the fund's net position will end FY25-26 at $56.6 million. It is anticipated that this figure will climb to $69.1 million in FY29-30. 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 3.1% annually
- Overall **Expenditure growth** of approximately 0.9% annually (excluding the variability of transfers to the Sewer Capital Fund, growth of recurring expenses is approximately 3.3% 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; Training, Travel & Membership Dues; Liabilities, Settlements & Insurance
- Additional 3% CPI adjustments for Utilities, Fuel, Fleet Labor and Vehicle Replacement budgets
- Adjusted Self-Insurance contributions to stabilize this Fund's performance (increased citywide allocations)
- Capital Improvement Plan contributions

Transit Fund

	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30
Beginning Net Position	41,441,563	37,299,591	32,601,692	27,366,090	21,806,666
Revenues	38,508,429	39,441,739	40,629,325	41,759,700	42,856,915
Expenses	46,301,919	48,750,749	50,614,372	52,211,053	53,528,387
Net Change Operating Activities	$ (7,793,490)	$ (9,309,010)	$ (9,985,047)	$ (10,451,353)	$ (10,671,472)
Ending Net Position	$ 33,648,073	$ 27,990,581	$ 22,616,645	$ 16,914,737	$ 11,135,194
Reserved for Capital Improvement Projects	250,000	-	-	-	-
Adjustment for Non-Cash	3,401,518	4,611,111	4,749,445	4,891,929	5,038,687
Ending Net Position (adj)	$ 37,299,591	$ 32,601,692	$ 27,366,090	$ 21,806,666	$ 16,173,881

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's net position will end FY25-26 at $37.3 million, as adjusted. It is anticipated that this figure will decrease to $16.2 million in FY29-30, 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 2.7% annually
- Overall **Expenditure growth** of approximately 3.7% 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; Training, Travel & Membership Dues; Liabilities, Settlements & Insurance

- Additional 3% CPI adjustments for Utilities, Fuel, Fleet Labor and Vehicle Replacement budgets
- Adjusted Self-Insurance contributions to stabilize the Fund's performance (increased citywide allocations)

Water Fund

	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30
Beginning Net Position	150,083,005	153,545,736	156,916,021	163,637,190	171,717,731
Revenues	61,768,887	65,894,566	71,158,243	74,413,999	76,644,661
Expenses	61,256,156	67,024,281	70,237,074	70,333,458	68,213,607
Net Change Operating Activities	**$ 512,731**	**$ (1,129,715)**	**$ 921,169**	**$ 4,080,541**	**$ 8,431,054**
Reserved for Capital Improvement Projects	2,950,000	4,500,000	5,800,000	4,000,000	-
Ending Net Position	**$ 153,545,736**	**$ 156,916,021**	**$ 163,637,190**	**$ 171,717,731**	**$ 180,148,785**

The City is projecting that the fund's net position will end FY25-26 at $153.5 million. It is anticipated that this figure will climb to $180.1 million in FY29-30. 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 5.6% annually
- Overall **Expenditure growth** of approximately 2.8% annually (excluding the variability of transfers to the Water Capital Fund, growth of recurring expenses is 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; Training, Travel & Membership Dues; Liabilities, Settlements & Insurance; Water Supply Costs
  - Additional 3% CPI adjustments for Utilities, Fuel, Fleet Labor and Vehicle Replacement budgets
  - Adjusted Self-Insurance contributions to stabilize this Fund's performance (increased citywide allocations)
  - Capital contributions based on the proposed Capital Improvement Plan

Fleet Services Fund

	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30
Beginning Net Position	50,043,874	52,979,349	56,052,821	59,185,701	62,433,083
Revenues	15,269,616	15,728,552	16,200,411	16,686,426	17,187,021
Expenses	13,049,141	14,110,080	14,567,531	13,439,044	13,763,151
Net Change Operating Activities	$ 2,220,475	$ 1,618,472	$ 1,632,880	$ 3,247,382	$ 3,423,870
Reserved for Capital Improvement Projects	715,000	1,455,000	1,500,000	-	-
Ending Net Position	$ 52,979,349	$ 56,052,821	$ 59,185,701	$ 62,433,083	$ 65,856,953

The City is projecting that the fund's net position will end FY25-26 at $53.0 million. It is anticipated that this figure will increase to $65.9 million in FY29-30. 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 3.0% annually
- Overall **Expenditure growth** of approximately 1.5% annually (excluding the variability of transfers to the Fleet Capital Fund, growth of recurring expenses is approximately 2.8% 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; Training, Travel & Membership Dues; Liabilities, Settlements & Insurance
  - Additional 3% CPI adjustments for Utilities, Fuel, Fleet Labor and Vehicle Replacement budgets
  - Adjusted Self-Insurance contributions to stabilize this Fund's performance (increased citywide allocations)

Self-Insurance Fund

	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30
Beginning Net Position	(50,798,208)	(50,921,359)	(50,902,778)	(50,819,279)	(50,702,552)
Revenues	24,178,667	25,778,667	27,058,667	28,133,868	28,972,525
Expenses	24,301,818	25,760,086	26,975,168	28,017,141	28,862,336
Net Change Operating Activities	$ (123,151)	$ 18,581	$ 83,499	$ 116,727	$ 110,189
Reserved for Capital Improvement Projects	-	-	-	-	-
Ending Net Position	$ (50,921,359)	$ (50,902,778)	$ (50,819,279)	$ (50,702,552)	$ (50,592,363)

The City is projecting that the fund's net position will end FY25-26 at (-$50.9 million). It is anticipated that this figure will slightly increase to (-$50.6 million) in FY29-30. 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, however given the

anticipated lag in General Fund revenue growth, these one-time contributions may wane over time. 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 4.6% annually.
- Overall **Expenditure growth** of approximately 4.4% 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 Projected costs of insurance premiums, settlements, and external attorney fees Nonmajor Governmental Funds and Fiduciary Funds The below financial statements are based on the projected beginning fund balance in FY25-26 and are adjusted based on the proposed budgets for FY25-30. Further details are available in their respective Department sections.

Non-Major Governmental Funds

Air Quality Management District (AQMD) Fund

	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30
Beginning Fund Balance	435,328	285,984	88,147	115,199	142,805
Revenues	211,134	217,468	224,000	230,700	237,600
Expenses	360,478	415,305	196,948	203,094	207,733
Net Change Operating Activities	$ (149,344)	$ (197,837)	$ 27,052	$ 27,606	$ 29,867
Ending Fund Balance	$ 285,984	$ 88,147	$ 115,199	$ 142,805	$ 172,672

Debt Service Fund

	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30
Beginning Fund Balance	6,808	6,808	6,808	6,808	6,808
Revenues	23,625,753	24,154,567	24,710,647	25,278,646	25,859,179
Expenses	23,625,753	24,154,567	24,710,647	25,278,646	25,859,179
Net Change Operating Activities	$ -	$ -	$ -	$ -	$ -
Ending Fund Balance	$ 6,808	$ 6,808	$ 6,808	$ 6,808	$ 6,808

Low Mod Fund

	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30
Beginning Fund Balance	4,076,536	4,006,198	4,169,102	4,100,057	4,028,075
Revenues	-	228,623	-	-	-
Expenses	70,338	65,719	69,045	71,982	74,210
Net Change Operating Activities	$ (70,338)	$ 162,904	$ (69,045)	$ (71,982)	$ (74,210)
Ending Fund Balance	$ 4,006,198	$ 4,169,102	$ 4,100,057	$ 4,028,075	$ 3,953,865

Meadow Park Parking Lot District Fund

	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30
Beginning Fund Balance	276,021	287,021	297,996	309,300	320,943
Revenues	41,205	41,205	42,442	43,716	45,028
Expenses	30,205	30,230	31,138	32,073	33,036
Net Change Operating Activities	$ 11,000	$ 10,975	$ 11,304	$ 11,643	$ 11,992
Ending Fund Balance	$ 287,021	$ 297,996	$ 309,300	$ 320,943	$ 332,935

Redevelopment Agency (RDA) Fund

	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30
Beginning Fund Balance	(38,550,768)	(35,463,461)	(32,275,700)	(29,197,523)	(26,014,502)
Revenues	4,339,486	4,351,214	4,156,255	4,156,255	4,156,255
Expenses	1,252,179	1,163,453	1,078,078	973,234	916,378
Net Change Operating Activities	$ 3,087,307	$ 3,187,761	$ 3,078,177	$ 3,183,021	$ 3,239,877
Ending Fund Balance	$ (35,463,461)	$ (32,275,700)	$ (29,197,523)	$ (26,014,502)	$ (22,774,625)

Section 8 Housing Fund

	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30
Beginning Fund Balance	698,436	792,944	907,131	1,015,386	1,122,064
Revenues	9,345,309	10,090,382	10,393,100	10,704,800	11,025,800
Expenses	9,250,801	9,976,195	10,284,845	10,598,122	10,911,131
Net Change Operating Activities	$ 94,508	$ 114,187	$ 108,255	$ 106,678	$ 114,669
Ending Fund Balance	$ 792,944	$ 907,131	$ 1,015,386	$ 1,122,064	$ 1,236,733

Street Lighting District Fund

	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30
Beginning Fund Balance	-	-	-	-	-
Revenues	1,912,828	1,912,828	1,970,215	2,029,324	2,090,206
Expenses	1,912,828	1,912,828	1,970,215	2,029,324	2,090,206
Net Change Operating Activities	$ -	$ -	$ -	$ -	$ -
Ending Fund Balance	$ -	$ -	$ -	$ -	$ -

Traffic Safety Fund

	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30
Beginning Fund Balance	7,750	7,750	7,750	7,750	7,750
Revenues	70,950	73,080	75,300	77,600	79,900
Expenses	70,950	73,080	75,300	77,600	79,900
Net Change Operating Activities	$ -	$ -	$ -	$ -	$ -
Ending Fund Balance	$ 7,750	$ 7,750	$ 7,750	$ 7,750	$ 7,750

Vanpool Fund

	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30
Beginning Fund Balance	-	-	-	-	-
Revenues	261,749	264,205	266,734	269,338	272,021
Expenses	261,749	264,205	266,734	269,338	272,021
Net Change Operating Activities	$ -	$ -	$ -	$ -	$ -
Ending Fund Balance	$ -	$ -	$ -	$ -	$ -

2025

CAPITAL IMPROVEMENT PLAN

Capital Improvement Plan

The City of Torrance biennially develops a five-year Capital Improvement Plan (CIP) budget, with annual adjustments made during the interim budget years. Although the program spans multiple years, only funds for the current year (FY25-26) are appropriated as part of the budget process. Next year, the plan will be revised again, and the revised FY26-27 plan will be approved and appropriated. This Capital Improvement Plan represents the first year of the FY26-30 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 description for each Capital Project was made available beginning FY24-25. Project updates are provided quarterly and include photographs.

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 **Operating Projects** in the City's Capital Improvement Plan. These are projects that are one-time costs related to a department's operations, or smaller projects that are one-time in nature that are not tied to a larger project. Examples include replacement of the City's Enterprise Resource Planning (ERP) system, or the relocation of the tar plant preserve. These projects are categorized by the department who is responsible for each project. Should the project require future maintenance, such maintenance will be budgeted in the responsible department's operating budget in the following year(s).

Finally, the last category, **Other Projects,** 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. Examples of projects in this category include the upgrade of Downtown Torrance lights and utility undergrounding administration.

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 five years.

In FY24-25, the General Services Department completed a Facility Index Study which assessed the current state of the City's building and park assets, thereby serving as the backbone for the City's recommended CIP as it was designed. The results of this study informed the priority, scale, scope, and timing of these projects citywide. The Building Index Study identified that over $200 million in funding needs to be addressed in the coming ten years, or approximately $20.5 million annually on average.

Additionally, the FY25-26 budget includes $300,000 to allow for a Parks Master Plan effort to be completed. This effort will provide the community with the opportunity for input to shape the future of the City's parks and help shed light on the cost implications of improving the conditions of parks consistent with community expectations. It is anticipated that the funding requirements resulting from this study will be in addition to the Facilities Index Study and far exceed the City's ability to pay. As a result, additional funding sources, including grants and outside sources, will become ever more critical.

CIP Summary by Project Type

Capital Project Type	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Parks	12,948,354	11,379,430	14,827,313	3,075,000	5,095,000	6,308,842	1,000,000
Facilities	10,104,270	7,380,348	9,741,490	5,169,500	6,897,792	9,632,971	1,240,210
IT Infrastructure	170,000	170,000	225,000	145,000	-	-	-
Public Right of Way	73,916,685	38,167,261	35,133,833	23,886,131	14,071,600	12,969,333	13,164,333
Sewer/Water Utilities	49,665,333	22,034,284	6,450,000	5,550,000	16,543,306	8,350,000	1,850,000
Storm Drain/Basins	13,379,438	7,778,708	9,688,000	8,705,000	6,489,402	1,611,000	1,355,000
Operating Project	15,358,661	5,784,906	4,669,554	4,527,000	1,025,000	140,000	-
Other	1,754,917	1,680,917	2,000,000	1,000,000	250,000	250,000	250,000
Contingency	-	-	2,772,037	1,067,118	1,171,369	1,092,675	254,021
Total Expenditures	**$ 177,297,658**	**$ 94,375,854**	**$ 85,507,227**	**$ 53,124,749**	**$ 51,543,469**	**$ 40,354,821**	**$ 19,113,564**

The City is proposing a CIP that will invest $250 million over the next five 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 three categories for other purposes: **Operating Projects, Other** and **Contingency**. The **Operating Projects** and **Other** projects include funding needs for various departments or topics that do not qualify as a capital investment in a depreciable asset. This could include consulting services needs or one-time repairs and upkeep on smaller scale assets.

The City is also 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, Park Equipment Replacement Fund, and Parks & Recreation Open Space Fund commitments. 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 in these efforts.

CIP Summary by Funding Source

Funding Source	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
2016 Certificate of Participation	1,427,755	1,427,755	-	-	-	-	-
Airport Capital Project Fund	6,787,881	4,729,356	6,130,850	3,350,290	1,620,210	3,313,660	250,000
AQMD	-	-	175,000	225,000	-	-	-
CDBG Fund	64,855	2	683,333	683,333	683,333	683,333	683,333
DIF - Police	170,000	170,000	-	-	-	-	-
DIF - Sewer	9,000	9,000	-	-	-	-	-
DIF - Storm Drain	1,349,400	773,822	100,000	100,000	100,000	100,000	100,000
DIF - Transportation	1,177,495	1,177,495	-	-	-	-	-
DIF - Utility Underground	1,611,643	1,611,643	450,000	450,000	450,000	450,000	450,000
Donations	146,300	100,000	-	-	-	-	-
Fleet Services Capital Fund	19,000	19,000	400,000	1,455,000	1,500,000	-	-
Gas Tax	7,170,667	1,798,916	1,350,000	1,350,000	750,000	750,000	750,000
General Fund	9,915,435	7,328,755	14,604,375	2,767,118	2,496,369	2,451,485	554,021
Measure A	350,000	350,000	1,072,250	625,000	2,000,000	2,660,982	-
Measure M Grant	6,964,766	2,889,210	17,245,000	8,100,000	-	-	-
Measure M Local Return	9,280,799	5,611,240	4,039,500	2,850,000	2,550,000	2,550,000	2,350,000
Measure R Grant	7,928,550	4,417,134	-	-	-	-	-
Measure R Local Return	7,457,557	3,979,284	2,547,500	3,462,500	2,837,500	2,180,000	2,775,000
Measure SST Fund	6,299,615	4,364,481	8,228,715	5,161,210	6,027,582	5,641,891	917,860
Measure W	13,786,318	11,702,933	500,000	1,505,000	6,505,000	3,755,000	1,255,000
Measure W Grant	1,238,868	428,801	6,500,000	7,100,000	4,884,402	256,000	-
Other Grants	11,394,443	7,851,102	4,357,000	1,184,298	4,288,073	3,100,000	-
Park Equipment Replacement Fund	96,694	75,796	224,204	-	-	-	-
Parks & Rec Facilities Fund	-	-	300,000	-	250,000	556,470	-
Parks & Rec Open Space Fund	1,506,525	1,220,078	1,900,000	-	845,000	-	1,322,350
PEG Fund Capital	355,000	126,800	-	-	-	-	-
Prop A Local Return	263	263	-	-	-	-	-
Prop A M&S	350,000	350,000	350,000	-	-	-	-
Prop C Local Return	11,478,433	6,003,263	3,087,500	3,150,000	2,850,000	2,800,000	2,600,000
SB1	11,645,418	4,572,519	4,956,000	3,600,000	3,600,000	3,600,000	3,600,000
Sewer Capital Project Fund	8,071,036	8,039,929	1,900,000	1,400,000	1,400,000	1,400,000	1,400,000
TDA Article 3 Bicycle Fund	253,498	146,900	206,000	106,000	106,000	106,000	106,000
Transit Capital Fund	164,800	141,079	1,250,000	-	-	-	-
Water Capital Fund	32,825,643	12,155,589	2,950,000	4,500,000	5,800,000	4,000,000	-
Water State Revolving Fund	16,000,000	803,708	-	-	-	-	-
Total Expenditures	**$177,297,658**	**$ 94,375,854**	**$ 85,507,227**	**$ 53,124,749**	**$ 51,543,469**	**$ 40,354,821**	**$ 19,113,564**

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

Measure SST

A large part of the City's long-term financial stability is attributable to the Torrance community's support of the passage of Measure SST (Safe, Strong Torrance). As of FY25-26, it is now projected that Measure SST will generate at least $26.2 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 $8.2 million of cumulative Measure SST funds for parks and libraries, the Dee Hardison Sports Center, investments in public safety stations, and storm drains. Ultimately, the City plans to invest a total of $26.0 million in Measure SST over the next five years.

Project Type	Project Location	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Facilities	Attic Teen Center	-	-	-	-	-	250,000	-
Facilities	Bartlett Senior Center	100,600	69,600	-	-	-	-	917,860
Facilities	Fire Station 1	657,223	195,411	-	-	-	-	-
Facilities	Fire Station 2	-	-	-	-	-	2,701,913	-
Facilities	Fire Station 4	-	-	-	-	-	873,860	-
Facilities	Fire Station 5	-	-	-	-	2,120,742	-	-
Facilities	Southeast Library	-	-	-	-	-	1,316,118	-
Facilities	Torrance City Hall	225,000	713	-	-	-	-	-
Facilities	Torrance City Yard	-	-	-	500,000	-	-	-
Facilities	Torrance Cultural Arts Center	-	-	-	100,000	400,000	-	-
Facilities	Torrance Police Department	200,000	41,700	810,000	539,210	713,870	-	-
Facilities	Torrance Theatre	-	-	-	-	792,970	-	-
IT Infrastructure	Torrance Cultural Arts Center	-	-	-	145,000	-	-	-
Operating Project	CIT City-Wide	-	-	-	1,000,000	-	-	-
Operating Project	Operating Project - Community Services	-	-	1,280,000	-	-	-	-
Parks	Alta Loma Park	25,000	25,000	200,000	-	-	-	-
Parks	Columbia Park	1,283,773	1,270,648	(1,061,840)	750,000	2,000,000	500,000	-
Parks	Dee Hardison Sports Center	-	-	300,000	-	-	-	-
Parks	Delthorne Park	381,269	49,377	-	-	-	-	-
Parks	Guenser Park	197,750	171,050	-	-	-	-	-
Parks	Madrona Marsh Nature Center	90,000	90,000	-	-	-	-	-
Parks	Paradise Park	2,337,000	2,042,922	4,741,903	-	-	-	-
Parks	Torrance Park	375,000	375,000	(375,000)	1,700,000	-	-	-
Parks	Walteria Library	-	-	-	-	-	-	-
Parks	Walteria Park	-	-	1,700,000	-	-	-	-
Parks	Wilson Park	-	-	206,652	-	-	-	-
Storm Drain/Basins	Operating Project - Public Works	427,000	33,060	427,000	427,000	-	-	-
Total Expenditures		**$6,299,615**	**$4,364,481**	**$8,228,715**	**$5,161,210**	**$6,027,582**	**$5,641,891**	**$ 917,860**

Parks

The following section summarizes the planned capital investments at parks across the City, summarized by location. The City is planning to invest $30.3 million over the next five 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	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Alta Loma Park	PRK0001	375,000	375,000	570,000	-	-	-	-
Columbia Park	PRK0002	6,283,773	5,621,128	3,938,160	750,000	4,950,000	3,600,000	-
Delthorne Park	PRK0004	381,269	49,377	-	-	-	-	-
El Nido Park	PRK0007	-	-	400,000	-	-	-	-
Guenser Park	PRK0012	197,750	171,050	302,250	-	-	-	-
La Carretera Park	PRK0014	164,780	-	-	-	-	-	-
Lago Seco Park	PRK0017	146,358	135,908	-	-	-	-	-
Madrona Marsh Nature Center	PRK0034	90,000	90,000	-	-	-	-	-
Paradise Park	PRK0022	2,787,000	2,492,922	6,891,903	-	-	-	-
Pueblo Park	PRK0024	-	-	-	-	-	264,621	-
Sea-Aire Park	PRK0026	-	-	-	-	-	1,723,570	-
Sunnyglen Park	PRK0028	-	-	-	-	-	110,000	-
Sur La Brea Park	PRK0029	-	-	-	-	-	610,651	-
Torrance Park	PRK0030	375,000	375,000	(375,000)	2,325,000	-	-	-
Victor Park	PRK0031	-	-	-	-	145,000	-	-
Walteria Park	PRK0032	-	-	1,700,000	-	-	-	1,000,000
Wilson Park	PRK0033	1,878,984	1,800,605	1,400,000	-	-	-	-
Total Expenditures		**$ 12,679,914**	**$ 11,110,990**	**$ 14,827,313**	**$ 3,075,000**	**$ 5,095,000**	**$ 6,308,842**	**$ 1,000,000**

Individual Project Details

Alta Loma Park

26126 Delos Drive,Torrance, CA 90505 | District 6

Alta Loma Park	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Replace Playground Equipment	375,000	375,000	570,000	-	-	-	-
Total Expenditures	**$ 375,000**	**$ 375,000**	**$ 570,000**	**$ -**	**$ -**	**$ -**	**$ -**
Funding Source(s)							
Measure A	350,000	350,000	370,000	-	-	-	-
Measure SST Fund	25,000	25,000	200,000	-	-	-	-
Total Expenditures	**$ 375,000**	**$ 375,000**	**$ 570,000**	**$ -**	**$ -**	**$ -**	**$ -**

Columbia Park

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

Columbia Park	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Construct Dog Park	60,000	47,925	-	-	750,000	-	-
Construct Turf Sport Fields	-	-	-	-	-	3,100,000	-
Master Planning and Design Services	-	-	-	750,000	-	-	-
Refurbish Bocce Courts	161,933	160,883	-	-	-	-	-
Renovate Park Restrooms	300,530	300,530	(300,530)	-	500,000	-	-
Renovate Picnic Shelters	586,310	586,310	(586,310)	-	1,700,000	-	-
Replace Playground Equipment	-	-	-	-	2,000,000	-	-
Walking Path Replacement	175,000	175,000	(175,000)	-	-	500,000	-
World War ll Camp Wall Monument	4,000,000	3,481,400	5,000,000	-	-	-	-
WWII Memorial Supporting Infrastructure Improvements	1,000,000	869,080	-	-	-	-	-
Total Expenditures	**$ 6,283,773**	**$ 5,621,128**	**$ 3,938,160**	**$ 750,000**	**$ 4,950,000**	**$3,600,000**	**$ -**
Funding Source(s)							
Measure A	-	-	-	-	2,000,000	-	-
Other Grants	5,000,000	4,350,480	-	-	-	3,100,000	-
General Fund	-	-	5,000,000	-	-	-	-
Measure SST Fund	1,283,773	1,270,648	(1,061,840)	750,000	2,000,000	500,000	-
Parks & Rec Facilities Fund	-	-	-	-	250,000	-	-
Parks & Rec Open Space Fund	-	-	-	-	700,000	-	-
Total Expenditures	**$ 6,283,773**	**$ 5,621,128**	**$ 3,938,160**	**$ 750,000**	**$ 4,950,000**	**$3,600,000**	**$ -**

Delthorne Park

3401 Spencer Street,Torrance, CA 90503 | District 3

Delthorne Park	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Renovate Park Restrooms	381,269	49,377	-	-	-	-	-
Total Expenditures	**$ 381,269**	**$ 49,377**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Funding Source(s)							
Measure SST Fund	381,269	49,377	-	-	-	-	-
Total Expenditures	**$ 381,269**	**$ 49,377**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

El Nido Park

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

El Nido Park	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Renovate Park Switchhouse	-	-	400,000	-	-	-	-
Total Expenditures	**$ -**	**$ -**	**$ 400,000**	**$ -**	**$ -**	**$ -**	**$ -**
Funding Source(s)							
Measure A	-	-	400,000	-	-	-	-
Total Expenditures	**$ -**	**$ -**	**$ 400,000**	**$ -**	**$ -**	**$ -**	**$ -**

Guenser Park

17800 Gramercy Place,Torrance, CA 90504 | District 1

Guenser Park	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Walking Path Replacement	197,750	171,050	302,250	-	-	-	-
Total Expenditures	**$ 197,750**	**$ 171,050**	**$ 302,250**	**$ -**	**$ -**	**$ -**	**$ -**
Funding Source(s)							
Measure A	-	-	302,250	-	-	-	-
Measure SST Fund	197,750	171,050	-	-	-	-	-
Total Expenditures	**$ 197,750**	**$ 171,050**	**$ 302,250**	**$ -**	**$ -**	**$ -**	**$ -**

La Carretera Park

2040 186th St,Torrance, CA 90503 | District 1

La Carretera Park	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Block Wall Replacement	164,780	-	-	-	-	-	-
Total Expenditures	**$ 164,780**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Funding Source(s)							
General Fund	164,780	-	-	-	-	-	-
Total Expenditures	**$ 164,780**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Lago Seco Park

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

Lago Seco Park	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Sewer line installation	146,358	135,908	-	-	-	-	-
Total Expenditures	**$ 146,358**	**$ 135,908**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Funding Source(s)							
General Fund	146,358	135,908	-	-	-	-	-
Total Expenditures	**$ 146,358**	**$ 135,908**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Madrona Marsh Nature Center

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

Madrona Marsh Nature Center	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Replace Sump Pump	90,000	90,000	-	-	-	-	-
Total Expenditures	**$ 90,000**	**$ 90,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Funding Source(s)							
Measure SST Fund	90,000	90,000	-	-	-	-	-
Total Expenditures	**$ 90,000**	**$ 90,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Paradise Park

5006 Lee Street,Torrance, CA 90503 | District 2

Paradise Park	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Design, Site work, Utilities, and Irrigation	-	-	6,076,303	-	-	-	-
Redesign/Replace Recreation Center	911,000	911,000	(911,000)	-	-	-	-
Replace Picnic Shelter & Storage	711,000	416,922	(281,000)	-	-	-	-
Replace Playground Equipment	350,000	350,000	822,600	-	-	-	-
Replace Restrooms & Recreation Center	815,000	815,000	1,185,000	-	-	-	-
Total Expenditures	**$ 2,787,000**	**$ 2,492,922**	**$ 6,891,903**	**$ -**	**$ -**	**$ -**	**$ -**
Funding Source(s)							
Prop A M&S	350,000	350,000	350,000	-	-	-	-
Measure SST Fund	2,337,000	2,042,922	4,741,903	-	-	-	-
Parks & Rec Facilities Fund	-	-	300,000	-	-	-	-
Parks & Rec Open Space Fund	-	-	1,200,000	-	-	-	-
Donations	100,000	100,000	-	-	-	-	-
Park Equipment Replacement Fund	-	-	300,000	-	-	-	-
Total Expenditures	**$ 2,787,000**	**$ 2,492,922**	**$ 6,891,903**	**$ -**	**$ -**	**$ -**	**$ -**

Pueblo Park

2252 Del Amo Blvd,Torrance, CA 90504 | District 4

Pueblo Park	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Renovate Ruben Ordaz Community Center & Picnic Shelters	-	-	-	-	-	264,621	-
Total Expenditures	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 264,621**	**$ -**
Funding Source(s)							
Measure A	-	-	-	-	-	264,621	-
Total Expenditures	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 264,621**	**$ -**

Sea-Aire Park

22730 Lupine Drive,Torrance, CA 90505 | District 5

Sea-Aire Park	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Renovate Maintenance Building	-	-	-	-	-	65,360	-
Renovate Recreation Building	-	-	-	-	-	758,210	-
Replace Playground Equipment	-	-	-	-	-	900,000	-
Total Expenditures	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,723,570**	**$ -**
Funding Source(s)							
Measure A	-	-	-	-	-	1,723,570	-
Total Expenditures	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,723,570**	**$ -**

Sunnyglen Park

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

Sunnyglen Park	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Walking Path Replacement	-	-	-	-	-	110,000	-
Total Expenditures	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 110,000**	**$ -**
Funding Source(s)							
Measure A	-	-	-	-	-	110,000	-
Total Expenditures	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 110,000**	**$ -**

Sur La Brea Park

23610 Cabrillo Avenue,Torrance, CA 90501 | District 4

Sur La Brea Park	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Renovate Recreation Building	-	-	-	-	-	562,791	-
Renovate Restroom	-	-	-	-	-	47,860	-
Total Expenditures	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 610,651**	**$ -**
Funding Source(s)							
Measure A	-	-	-	-	-	562,791	-
General Fund	-	-	-	-	-	47,860	-
Total Expenditures	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 610,651**	**$ -**

Torrance Park

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

Torrance Park	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Reconstruct Playing Courts	-	-	-	1,325,000	-	-	-
Replace Playground Equipment	375,000	375,000	(375,000)	1,000,000	-	-	-
Torrance Park Revitalization	268,440	268,440	-	-	-	-	-
Total Expenditures	**$ 643,440**	**$ 643,440**	**$ (375,000)**	**$ 2,325,000**	**$ -**	**$ -**	**$ -**
Funding Source(s)							
Measure A	-	-	-	625,000	-	-	-
Other Grants	268,440	268,440	-	-	-	-	-
Measure SST Fund	375,000	375,000	(375,000)	1,700,000	-	-	-
Total Expenditures	**$ 643,440**	**$ 643,440**	**$ (375,000)**	**$ 2,325,000**	**$ -**	**$ -**	**$ -**

Victor Park

4727 Emerald St,Torrance, CA 90501 | District 2

Victor Park	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Replace Exercise Equipment at Victor Park	-	-	-	-	145,000	-	-
Total Expenditures	**$ -**	**$ -**	**$ -**	**$ -**	**$ 145,000**	**$ -**	**$ -**
Funding Source(s)							
Parks & Rec Open Space Fund	-	-	-	-	145,000	-	-
Total Expenditures	**$ -**	**$ -**	**$ -**	**$ -**	**$ 145,000**	**$ -**	**$ -**

Walteria Park

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

Walteria Park	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Park/Library Design Developmenet	-	-	-	-	-	-	1,000,000
Reconstruct Playing Courts	-	-	1,700,000	-	-	-	-
Total Expenditures	**$ -**	**$ -**	**$ 1,700,000**	**$ -**	**$ -**	**$ -**	**$1,000,000**
Funding Source(s)							
Measure SST Fund	-	-	1,700,000	-	-	-	-
Parks & Rec Open Space Fund	-	-	-	-	-	-	1,000,000
Total Expenditures	**$ -**	**$ -**	**$ 1,700,000**	**$ -**	**$ -**	**$ -**	**$1,000,000**

Wilson Park

2200 Crenshaw Boulevard,Torrance, CA 90501 | District 4

Wilson Park	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Construct Pickleball Courts	1,526,119	1,526,119	-	-	-	-	-
Redevelopment of Building 8	202,865	149,527	700,000	-	-	-	-
Street Frontage Improvements	150,000	124,959	700,000	-	-	-	-
Total Expenditures	**$ 1,878,984**	**$ 1,800,605**	**$ 1,400,000**	**$ -**	**$ -**	**$ -**	**$ -**
Funding Source(s)							
General Fund	1,728,984	1,675,646	493,348	-	-	-	-
Measure SST Fund	-	-	206,652	-	-	-	-
Parks & Rec Open Space Fund	150,000	124,959	700,000	-	-	-	-
Total Expenditures	**$ 1,878,984**	**$ 1,800,605**	**$ 1,400,000**	**$ -**	**$ -**	**$ -**	**$ -**

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 $32.7 million over the next five 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	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Attic Teen Center	FAC0025	-	-	-	-	-	806,470	-
Bartlett Senior Center	FAC0019	100,600	69,600	-	-	-	-	917,860
Dee Hardison Sports Center	FAC0030	-	-	300,000	-	-	-	-
Fire Station 1	FAC0010	961,723	445,441	450,000	-	-	-	-
Fire Station 2	FAC0011	-	-	-	-	-	2,701,913	-
Fire Station 4	FAC0013	-	-	-	-	-	873,860	-
Fire Station 5	FAC0014	-	-	-	-	2,120,742	-	-
Herma Tillim Senior Center	FAC0023	970,663	933,655	-	-	-	-	-
Las Canchas Tennis Center	FAC0027	-	-	-	-	-	-	322,350
Southeast Library	FAC0005	-	-	-	-	-	1,316,118	-
Torrance City Hall	FAC0007	4,053,791	2,985,382	685,640	500,000	-	870,950	
Torrance City Yard	FAC0021	-	-	2,440,000	1,680,000	1,500,000	-	
Torrance Cultural Arts Center	FAC0009	306,729	152,244	225,000	100,000	400,000	-	-
Torrance Municipal Airport	FAC0017	3,185,964	2,480,248	3,330,850	2,350,290	1,370,210	3,063,660	-
Torrance Police Department	FAC0016	379,000	191,700	1,060,000	539,210	713,870	-	-
Torrance Regional Transit Center	FAC0022	145,800	122,079	1,250,000	-	-	-	-
Torrance Theatre	FAC0029	-	-	-	-	792,970	-	-
Total Expenditures		**$ 10,104,270**	**$ 7,380,348**	**$ 9,741,490**	**$ 5,169,500**	**$ 6,897,792**	**$ 9,632,971**	**$ 1,240,210**

Individual Project Details

Attic Teen Center

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

Attic Teen Center	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Renovate Center Facilities	-	-	-	-	-	806,470	-
Total Expenditures	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 806,470**	**$ -**
Funding Source(s)							
Measure SST Fund	-	-	-	-	-	250,000	-
Parks & Rec Facilities Fund	-	-	-	-	-	556,470	-
Total Expenditures	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 806,470**	**$ -**

Bartlett Senior Center

1318 Cravens Ave, Torrance, CA 90501 | District 4

Bartlett Senior Center	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Renovate Center Facilities	-	-	-	-	-	-	917,860
Second Story Walk Deck Repair	100,600	69,600	-	-	-	-	-
Total Expenditures	**$ 100,600**	**$ 69,600**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 917,860**
Funding Source(s)							
Measure SST Fund	100,600	69,600	-	-	-	-	917,860
Total Expenditures	**$ 100,600**	**$ 69,600**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 917,860**

Dee Hardison Sports Center

2400 Jefferson St, Torrance, CA 90501 | District 4

Dee Hardison Sports Center	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Renovate Center Facilities	-	-	300,000	-	-	-	-
Total Expenditures	**$ -**	**$ -**	**$ 300,000**	**$ -**	**$ -**	**$ -**	**$ -**
Funding Source(s)							
Measure SST Fund	-	-	300,000	-	-	-	-
Total Expenditures	**$ -**	**$ -**	**$ 300,000**	**$ -**	**$ -**	**$ -**	**$ -**

Fire Station 1

1701 Crenshaw Blvd, Torrance, CA 90501 | District 3

Fire Station 1	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Renovate Fire Station	424,223	184,451	-	-	-	-	-
Replace Audio/Visual Equipment in Training Room	54,500	30	-	-	-	-	-
Replace Generator and Renovate EOC	483,000	260,960	450,000	-	-	-	-
Total Expenditures	**$ 961,723**	**$ 445,441**	**$ 450,000**	**$ -**	**$ -**	**$ -**	**$ -**
Funding Source(s)							
Other Grants	250,000	250,000	450,000	-	-	-	-
General Fund	54,500	30	-	-	-	-	-
Measure SST Fund	657,223	195,411	-	-	-	-	-
Total Expenditures	**$ 961,723**	**$ 445,441**	**$ 450,000**	**$ -**	**$ -**	**$ -**	**$ -**

Fire Station 2

25135 Robinson Way, Torrance, CA 90505 | District 6

Fire Station 2	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Renovate Fire Station	-	-	-	-	-	2,701,913	-
Total Expenditures	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$2,701,913**	**$ -**
Funding Source(s)							
Measure SST Fund	-	-	-	-	-	2,701,913	-
Total Expenditures	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$2,701,913**	**$ -**

Fire Station 4

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

Fire Station 4	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Renovate Fire Station	-	-	-	-	-	873,860	-
Total Expenditures	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 873,860**	**$ -**
Funding Source(s)							
Measure SST Fund	-	-	-	-	-	873,860	-
Total Expenditures	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 873,860**	**$ -**

Fire Station 5

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

Fire Station 5	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Renovate Fire Station	-	-	-	-	2,120,742	-	-
Total Expenditures	**$ -**	**$ -**	**$ -**	**$ -**	**$ 2,120,742**	**$ -**	**$ -**
Funding Source(s)							
Measure SST Fund	-	-	-	-	2,120,742	-	-
Total Expenditures	**$ -**	**$ -**	**$ -**	**$ -**	**$ 2,120,742**	**$ -**	**$ -**

Herma Tillim Senior Center

3612 Artesia Blvd, Torrance, CA 90504 | District 1

Herma Tillim Senior Center	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Renovate Center Facilities	970,663	933,655	-	-	-	-	-
Total Expenditures	**$ 970,663**	**$ 933,655**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Funding Source(s)							
Parks & Rec Open Space Fund	970,663	933,655	-	-	-	-	-
Total Expenditures	**$ 970,663**	**$ 933,655**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Las Canchas Tennis Center

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

Las Canchas Tennis Center	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Renovate Center Facilities	-	-	-	-	-	-	322,350
Total Expenditures	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 322,350**
Funding Source(s)							
Parks & Rec Open Space Fund	-	-	-	-	-	-	322,350
Total Expenditures	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 322,350**

Southeast Torrance Library

23115 Arlington Ave, Torrance, CA 90504 | District 4

Southeast Torrance Library	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Renovate Library Facilities	-	-	-	-	-	1,316,118	-
Total Expenditures	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$1,316,118**	**$ -**
Funding Source(s)							
Measure SST Fund	-	-	-	-	-	1,316,118	-
Total Expenditures	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$1,316,118**	**$ -**

Torrance City Hall

3031 Torrance Blvd, Torrance, CA 90503 | District 3

Torrance City Hall	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Cable Building Repipe	-	-	100,000				
City Manager's Office Kitchen Improvements	75,000	-					
Renovate City Attorney's Office	-	-	75,000				
Renovate Council Area	-	-	250,000				
Renovate Employee Lounge	-	-	250,000				
Renovate Fire Prevention Building	186,535	78,904					
Renovate GIS and Building & Safety Building	2,824,855	2,452,286					
Renovate Main Building	388,401	223,292	10,640	-	-	870,950	
Renovate Restrooms	-	-		500,000			
Renovate West Annex Roofing and Interiors	225,000	713					
Renovations for West Annex CIT Area	230,000	230,000					
Replace Audio/Visual Equipment in Meeting Rooms	124,000	186					
Total Expenditures	**$ 4,053,791**	**$ 2,985,382**	**$ 685,640**	**$ 500,000**	**$ -**	**$ 870,950**	**$ -**
Funding Source(s)							
2016 Certificate of Participation	1,427,755	1,427,755					
General Fund	2,401,036	1,556,914	685,640	-	-	870,950	
Measure SST Fund	225,000	713		500,000			
Total Expenditures	**$ 4,053,791**	**$ 2,985,382**	**$ 685,640**	**$ 500,000**	**$ -**	**$ 870,950**	**$ -**

Torrance City Yard

20500 Madrona Ave, Torrance, CA 90503 | District 3

Torrance City Yard	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Install EV Chargers	-	-	175,000	1,000,000	1,500,000	-	-
Motor and Mower Shop Exhaust Installation	-	-	150,000	-	-	-	-
Remove Loading Dock	-	-	200,000	-	-	-	-
Renovate Fleet Services Offices	-	-	315,000	-	-	-	-
Replace Car Wash	-	-	-	680,000	-	-	-
Replace Roof City Yard Services Building	-	-	1,600,000	-	-	-	-
Total Expenditures	**$ -**	**$ -**	**$ 2,440,000**	**$ 1,680,000**	**$ 1,500,000**	**$ -**	**$ -**
Funding Source(s)							
General Fund	-	-	1,915,000				
Fleet Services Capital Fund	-	-	350,000	1,455,000	1,500,000		
AQMD	-	-	175,000	225,000	-	-	
Total Expenditures	**$ -**	**$ -**	**$ 2,440,000**	**$ 1,680,000**	**$ 1,500,000**	**$ -**	**$ -**

Torrance Cultural Arts Center

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

Torrance Cultural Arts Center	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Armstrong Theatre Lobby Restroom Remodel	-	-	-	-	200,000	-	-
Armstrong Theatre Rigging System	-	-	125,000	-	-	-	-
Armstrong Theatre Sound & Lighting Upgrade	219,159	147,239	-	-	-	-	-
Exterior Lighting	-	-	100,000	-	-	-	-
Nakano Theater Roof Replacement	87,570	5,005	-	-	-	-	-
Nakano Theatre Curtain Replacement	-	-	-	100,000	-	-	-
Toyota Meeting Hall Restroom Remodel	-	-	-	-	200,000	-	-
Total Expenditures	**$ 306,729**	**$ 152,244**	**$ 225,000**	**$ 100,000**	**$ 400,000**	**$ -**	**$ -**
Funding Source(s)							
General Fund	306,729	152,244	225,000	-	-	-	-
Measure SST Fund	-	-	-	100,000	400,000	-	-
Total Expenditures	**$ 306,729**	**$ 152,244**	**$ 225,000**	**$ 100,000**	**$ 400,000**	**$ -**	**$ -**

Torrance Municipal Airport

3301 Airport Dr, Torrance, CA 90505 | District 6

Torrance Municipal Airport	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Airport Main Runway Rehabilitation	793,965	544,965	-	-	-	-	-
Airport Taxiway Lighting and Wire Replacement	573,660	498,270	-	-	-	-	-
Implement Automated Weather Observing System	352,000	120,658	-	-	-	-	-
Refurbish Roadways	29,940	12,040	-	-	-	108,890	-
Renovate Airport Hangars	143,930	11,845	730,850	2,350,290	1,370,210	772,520	-
Renovate Airport Traffic Control Tower	1,292,470	1,292,470	-	-	-	-	-
Renovate General Aviation Center	-	-	-	-	-	2,182,250	-
Taxiway Lighting Replacement	-	-	2,600,000	-	-	-	-
Total Expenditures	**$ 3,185,964**	**$ 2,480,248**	**$ 3,330,850**	**$ 2,350,290**	**$ 1,370,210**	**$3,063,660**	**$ -**
Funding Source(s)							
Airport Capital Project Fund	3,185,964	2,480,248	3,330,850	2,350,290	1,370,210	3,063,660	-
Total Expenditures	**$ 3,185,964**	**$ 2,480,248**	**$ 3,330,850**	**$ 2,350,290**	**$ 1,370,210**	**$3,063,660**	**$ -**

Torrance Police Department

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

Torrance Police Department	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Implement Jail Upgrades	150,000	150,000	-	-	-	-	-
Renovate Department Facilities	229,000	41,700	750,000	539,210	713,870	-	-
Replacement of HVAC Condenser	-	-	60,000	-	-	-	-
Uninterrupted Power Supply Replacement	-	-	250,000	-	-	-	-
Total Expenditures	**$ 379,000**	**$ 191,700**	**$ 1,060,000**	**$ 539,210**	**$ 713,870**	**$ -**	**$ -**
Funding Source(s)							
Other Grants	-	-	250,000	-	-	-	-
General Fund	179,000	150,000	-	-	-	-	-
Measure SST Fund	200,000	41,700	810,000	539,210	713,870	-	-
Total Expenditures	**$ 379,000**	**$ 191,700**	**$ 1,060,000**	**$ 539,210**	**$ 713,870**	**$ -**	**$ -**

Torrance Regional Transit Center

485 Crenshaw Blvd, Torrance, CA 90501 | District 3

Torrance Regional Transit Center	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Electrical upgrades	-	-	250,000	-	-	-	-
Tenant Space Enhancements	145,800	122,079	1,000,000	-	-	-	-
Total Expenditures	**$ 145,800**	**$ 122,079**	**$ 1,250,000**	**$ -**	**$ -**	**$ -**	**$ -**
Funding Source(s)							
Transit Capital Fund	145,800	122,079	1,250,000	-	-	-	-
Total Expenditures	**$ 145,800**	**$ 122,079**	**$ 1,250,000**	**$ -**	**$ -**	**$ -**	**$ -**

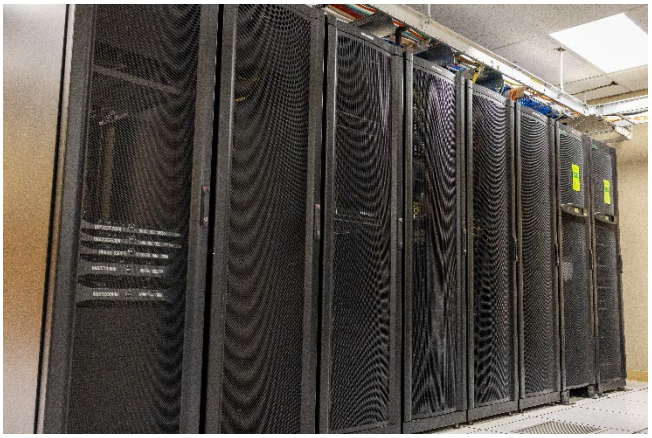
Torrance Theatre

1316 Cabrillo Ave, Torrance, CA 90501 | District 4

Torrance Theatre	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Renovate Theatre Building	-	-	-	-	792,970	-	-
Total Expenditures	**$ -**	**$ -**	**$ -**	**$ -**	**$ 792,970**	**$ -**	**$ -**
Funding Source(s)							
Measure SST Fund	-	-	-	-	792,970	-	-
Total Expenditures	**$ -**	**$ -**	**$ -**	**$ -**	**$ 792,970**	**$ -**	**$ -**

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 $370,000 over the next five years in order to maintain and modernize citywide IT infrastructure and ensure our community can continue to benefit from the valuable services that they provide.



Project Title	Project ID	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
CBRS Private Cell Network	CIT0001	170,000	170,000	-	-	-	-	-
Customer Service Enhancement	OP50	-	-	40,000	-	-	-	-
Garden Room Audio Visual	FAC0009	-	-	-	35,000	-	-	-
Ken Miller Auditorium and Assembly Room Audio Visual	FAC0009	-	-	-	110,000	-	-	-
Nakano Theater Audio Visual Renovation	FAC0009	-	-	100,000	-	-	-	-
Toyota Meeting Hall Audio Visual Renovation	FAC0009	-	-	85,000	-	-	-	-
Total Expenditures		**$ 170,000**	**$ 170,000**	**$ 225,000**	**$ 145,000**	**$ -**	**$ -**	**$ -**

Individual Project Details

Torrance Police Department

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

Torrance Police Department	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
CBRS Private Cell Network	170,000	170,000	-	-	-	-	-
Total Expenditures	**$ 170,000**	**$ 170,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Funding Source(s)							
DIF - Police	170,000	170,000	-	-	-	-	-
Total Expenditures	**$ 170,000**	**$ 170,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Torrance City Hall

3031 Torrance Blvd, Torrance, CA 90503 | District 3

Torrance City Hall	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Customer Service Enhancement	-	-	40,000	-	-	-	-
Total Expenditures	**$ -**	**$ -**	**$ 40,000**	**$ -**	**$ -**	**$ -**	**$ -**
Funding Source(s)							
General Fund	-	-	40,000	-	-	-	-
Total Expenditures	**$ -**	**$ -**	**$ 40,000**	**$ -**	**$ -**	**$ -**	**$ -**

Torrance Cultural Arts Center

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

Torrance Cultural Arts Center	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Garden Room Audio Visual	-	-	-	35,000	-	-	-
Ken Miller Auditorium and Assembly Room Audio Visual	-	-	-	110,000	-	-	-
Nakano Theater Audio Visual Renovation	-	-	100,000	-	-	-	-
Toyota Meeting Hall Audio Visual Renovation	-	-	85,000	-	-	-	-
Total Expenditures	**$ -**	**$ -**	**$ 185,000**	**$ 145,000**	**$ -**	**$ -**	**$ -**
Funding Source(s)							
General Fund	-	-	185,000	-	-	-	-
Measure SST Fund	-	-	-	145,000	-	-	-
Total Expenditures	**$ -**	**$ -**	**$ 185,000**	**$ 145,000**	**$ -**	**$ -**	**$ -**

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 $99.2 million over the next five years in order to maintain and improve the safety and accessibility of our streets for all users.

Project Title	Project ID	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Anza Ave Rehabilitation (190th to Sepulveda)	I 144	5,684,236	430,390	-	-	-	-	-
Anza/Vista Montana/PCH Intersection Improvements	T 154	640,152	277,158	-	-	-	-	-
Arterial Street Pavement Sealing Program	I 139	12,289,042	4,658,953	3,525,000	3,700,000	3,675,000	3,280,000	3,675,000
Beach Cities Green Streets Project	S 194	7,695,796	7,452,843	-	-	-	-	-
Bridge Preventative Maintenance Program	I 124	129,628	129,628	-	-	-	-	-
Cabrillo Ave Redesign	ROW0001	-	-	2,075,000	-	-	-	-
Citywide Sidewalk Ramping/Grinding Program	I 152	250,000	250,000	200,000	200,000	200,000	200,000	200,000
Citywide Traffic Engineering and Improvements	T 190	263,020	263,020	400,000	400,000	400,000	400,000	400,000
Citywide Traffic Signal Improvements	T 171	628,891	345,182	500,000	1,746,798	957,267	250,000	250,000
COT Fiber Network and Traffic Signal Optimization	T 195	716,162	716,162	200,000	200,000	200,000	-	-
Crenshaw Blvd & PCH Intersection Improvements-Phase 1	T 143	878,083	686,957	-	-	-	-	-
Hawthorne Blvd Right-Turn Lanes at Lomita Blvd & 182nd St	T 196	75,500	75,500	269,500	-	-	-	-
I-405 AT 182nd St/Crenshaw Blvd operational improvements	T 155	5,132,293	3,894,231	-	-	-	-	-
Intersection Improvements-Pacific Coast Hwy/Hawthorne Blvd	T 131	1,856,022	136,789	-	-	-	-	-
Prairie Avenue Bridge Rehabilitations	I 148	3,749,950	3,678,416	-	-	-	-	-
Residential Slurry Seal Program	I 159	20,135,924	7,994,942	7,425,000	7,300,000	7,400,000	7,600,000	7,400,000
Sepulveda Soundwall Repair	NEW	-	-	100,000	100,000	-	-	-
Sidewalk Improvements for Disabled Accessibility	I 135	3,099,072	1,229,636	1,339,333	1,239,333	1,239,333	1,239,333	1,239,333
T-45 Hawthorne Blvd Rehab (PCH to South City Limit)	T 045	286,227	280,687	-	-	-	-	-
Torrance School Safety and Accessibility Program	I 188	10,406,686	5,666,768	19,100,000	9,000,000	-	-	-
Total Expenditures		**$ 73,916,685**	**$38,167,261**	**$35,133,833**	**$23,886,131**	**$14,071,600**	**$12,969,333**	**$13,164,333**

Individual Project Details

Anza Ave Rehabilitation (190th to Sepulveda) (I 144)

Funding Source(s)	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Other Grants	2,365,737	4,472	-	-	-	-	-
Donations	44,800	-	-	-	-	-	-
Gas Tax	2,102,580	425,918	-	-	-	-	-
Measure R Local Return	250,000	-	-	-	-	-	-
Prop C Local Return	921,118	-	-	-	-	-	-
Total Expenditures	**$ 5,684,236**	**$ 430,390**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Anza/Vista Montana/PCH Intersection Improvements (T 154)

Funding Source(s)	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Measure R Grant	640,152	277,158	-	-	-	-	-
Total Expenditures	**$ 640,152**	**$ 277,158**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Arterial Street Pavement Sealing Program (I 139)

Funding Source(s)	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Airport Capital Project Fund	46,000	-	-	-	-	-	-
Measure R Local Return	5,460,960	2,243,800	625,000	800,000	1,075,000	480,000	1,075,000
Prop C Local Return	6,782,082	2,415,153	2,900,000	2,900,000	2,600,000	2,800,000	2,600,000
Total Expenditures	**$12,289,042**	**$4,658,953**	**$ 3,525,000**	**$3,700,000**	**$3,675,000**	**$ 3,280,000**	**$3,675,000**

Beach Cities Green Streets Project (S 194)

Funding Source(s)	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Other Grants	1,587,782	1,469,087	-	-	-	-	-
General Fund	144,124	50,972	-	-	-	-	-
Measure W	5,917,560	5,917,560	-	-	-	-	-
Sewer Capital Project Fund	46,330	15,224	-	-	-	-	-
Total Expenditures	**$ 7,695,796**	**$7,452,843**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Bridge Preventative Maintenance Program (I 124)

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Funding Source(s)	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Gas Tax	129,628	129,628	-	-	-	-	-
Total Expenditures	**$ 129,628**	**$ 129,628**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Cabrillo Ave Redesign (ROW0001)

Funding Source(s)	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Other Grants	-	-	719,000	-	-	-	-
SB1	-	-	1,356,000	-	-	-	-
Total Expenditures	**$ -**	**$ -**	**$ 2,075,000**	**$ -**	**$ -**	**$ -**	**$ -**

Citywide Sidewalk Ramping/Grinding Program (I 152)

Funding Source(s)	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Measure R Local Return	250,000	250,000	200,000	200,000	200,000	200,000	200,000
Total Expenditures	**$ 250,000**	**$ 250,000**	**$ 200,000**	**$ 200,000**	**$ 200,000**	**$ 200,000**	**$ 200,000**

Citywide Traffic Engineering and Improvements (T 190)

Funding Source(s)	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Gas Tax	263,020	263,020	400,000	400,000	400,000	400,000	400,000
Total Expenditures	**$ 263,020**	**$ 263,020**	**$ 400,000**	**$ 400,000**	**$ 400,000**	**$ 400,000**	**$ 400,000**

Citywide Traffic Signal Improvements (T 171)

Funding Source(s)	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Other Grants	-	-	-	1,184,298	394,767	-	-
Gas Tax	129,702	44,229	250,000	250,000	250,000	250,000	250,000
Measure R Local Return	123,955	112,842	62,500	62,500	62,500	-	-
Prop C Local Return	375,233	188,110	187,500	250,000	250,000	-	-
Total Expenditures	**$ 628,891**	**$ 345,182**	**$ 500,000**	**$1,746,798**	**$ 957,267**	**$ 250,000**	**$ 250,000**

Fiber Network and Traffic Signal Optimization (T 195)

Funding Source(s)	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Measure M Local Return	116,667	116,667	200,000	200,000	200,000	-	-
DIF - Transportation	599,495	599,495	-	-	-	-	-
Total Expenditures	**$ 716,162**	**$ 716,162**	**$ 200,000**	**$ 200,000**	**$ 200,000**	**$ -**	**$ -**

Crenshaw Blvd & PCH Intersection Improvements (T 195)

Funding Source(s)	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Measure R Grant	300,083	108,957	-	-	-	-	-
DIF - Transportation	578,000	578,000	-	-	-	-	-
Total Expenditures	**$ 878,083**	**$ 686,957**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Hawthorne Boulevard Right-Turn Lanes (T 196)

Funding Source(s)	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Measure M Grant	-	-	245,000	-	-	-	-
Measure M Local Return	75,500	75,500	24,500	-	-	-	-
Total Expenditures	**$ 75,500**	**$ 75,500**	**$ 269,500**	**$ -**	**$ -**	**$ -**	**$ -**

I-405 AT 182nd St/Crenshaw Blvd Operational Improvements (T 155)

Funding Source(s)	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Measure R Grant	5,132,293	3,894,231	-	-	-	-	-
Total Expenditures	**$ 5,132,293**	**$3,894,231**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Intersection Improvements-Pacific Coast Hwy/Hawthorne Blvd (T 131)

Funding Source(s)	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Measure R Grant	1,856,022	136,789	-	-	-	-	-
Total Expenditures	**$ 1,856,022**	**$ 136,789**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Prairie Avenue Bridge Rehabilitations (I 148)

Funding Source(s)	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Other Grants	17,540	82	-	-	-	-	-
Gas Tax	332,410	278,334	-	-	-	-	-
Prop C Local Return	3,400,000	3,400,000	-	-	-	-	-
Total Expenditures	**$ 3,749,950**	**$3,678,416**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Residential Slurry Seal Program (I 159)

Funding Source(s)	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
General Fund	327,627	118,256	300,000	300,000	300,000	300,000	300,000
Gas Tax	3,935,000	385,000	600,000	600,000	100,000	100,000	100,000
Measure R Local Return	1,360,000	1,360,000	1,660,000	1,500,000	1,500,000	1,500,000	1,500,000
SB1	11,566,585	4,493,686	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000
Measure M Local Return	2,946,712	1,638,000	1,265,000	1,300,000	1,900,000	2,100,000	1,900,000
Total Expenditures	**$20,135,924**	**$7,994,942**	**$ 7,425,000**	**$7,300,000**	**$7,400,000**	**$ 7,600,000**	**$7,400,000**

Sepulveda Soundwall Repair (New)

Funding Source(s)	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Gas Tax	-	-	100,000	100,000	-	-	-
Total Expenditures	**$ -**	**$ -**	**$ 100,000**	**$ 100,000**	**$ -**	**$ -**	**$ -**

Sidewalk Repair for Handicap Accessibility (I 135)

Funding Source(s)	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Other Grants	123	123	-	-	-	-	-
Donations	1,500	-	-	-	-	-	-
SB1	78,833	78,833	-	-	-	-	-
Measure M Local Return	2,700,000	1,003,515	450,000	450,000	450,000	450,000	450,000
Prop A Local Return	263	263	-	-	-	-	-
TDA Article 3 Bicycle Fund	253,498	146,900	206,000	106,000	106,000	106,000	106,000
CDBG Fund	64,855	2	683,333	683,333	683,333	683,333	683,333
Total Expenditures	**$ 3,099,072**	**$1,229,636**	**$ 1,339,333**	**$1,239,333**	**$1,239,333**	**$ 1,239,333**	**$1,239,333**

Hawthorne Blvd Rehab (PCH to South City Limit) (T 045)

Funding Source(s)	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
General Fund	7,900	7,900	-	-	-	-	-
Gas Tax	278,327	272,787	-	-	-	-	-
Total Expenditures	**$ 286,227**	**$ 280,687**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Torrance School Safety and Accessibility Program (I 188)

Funding Source(s)	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Measure M Grant	6,964,766	2,889,210	17,000,000	8,100,000	-	-	-
Measure M Local Return	3,441,920	2,777,558	2,100,000	900,000	-	-	-
Total Expenditures	**$10,406,686**	**$5,666,768**	**$19,100,000**	**$9,000,000**	**$ -**	**$ -**	**$ -**

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 $38.7 million over the next five years to support the infrastructure that ensures the quality and reliability of our utility services.

Project Title	Project ID	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Airport Emergency Water Supply Line	UTL0001	-	-	800,000	-	-	-	-
Citywide Sewer System Improvements	I 191	5,173,705	5,173,705	1,300,000	1,400,000	1,400,000	1,400,000	1,400,000
Del Amo 5 Sewer Project	I 176	1,814,409	1,814,409	500,000	-	-	-	-
Dominguez Channel BMP Project	I 185	3,821	3,821	500,000	-	5,000,000	2,500,000	-
High Pressure Zone Modifications	I 186	1,995,367	1,923,612	1,000,000	1,000,000	1,000,000	-	-
Madrona Ave Utility Undergrounding District	NEW	-	-	-	-	3,893,306	-	-
Misc Water Main Repl for Developer & Street Rehab Projects	I 153	18,500,000	7,136,998	-	200,000	2,800,000	200,000	-
On-Site Recycled Water Retrofits	I 184	487,399	487,399	300,000	-	-	-	-
Park Improvements for Well Field Project	PRK0014	-	-	-	500,000	-	-	-
Paseo de la Playa Residential Undergrounding	I 175	340,211	340,211	-	-	-	-	-
Sewer System Master Plan/Hydraulic Model	I 168	-	-	100,000	-	-	-	-
Undergrounding Overhd Util/Inst St Lights-PVBlvd bet. Torr/S	I 156	1,457,159	1,457,159	400,000	400,000	400,000	400,000	400,000
Utility Undergrounding Administration	I 182	154,485	154,485	50,000	50,000	50,000	50,000	50,000
Van Ness Ave Water Wells & Transmission Main	I 145	18,741,432	2,545,140	1,000,000	2,000,000	2,000,000	3,800,000	-
Walteria Slope Reservoir Repair	I 181	997,346	997,346	500,000	-	-	-	-
Total Expenditures		**$ 49,665,333**	**$ 22,034,284**	**$ 6,450,000**	**$ 5,550,000**	**$ 16,543,306**	**$ 8,350,000**	**$ 1,850,000**

Individual Project Details

Airport Emergency Water Supply Line (UTL0001)

Funding Source(s)	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Airport Capital Project Fund	-	-	800,000	-	-	-	-
Total Expenditures	**$ -**	**$ -**	**$ 800,000**	**$ -**	**$ -**	**$ -**	**$ -**

Citywide Sewer System Improvements (I 191)

Funding Source(s)	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Sewer Capital Project Fund	5,164,705	5,164,705	1,300,000	1,400,000	1,400,000	1,400,000	1,400,000
DIF - Sewer	9,000	9,000	-	-	-	-	-
Total Expenditures	**$ 5,173,705**	**$5,173,705**	**$ 1,300,000**	**$1,400,000**	**$1,400,000**	**$ 1,400,000**	**$1,400,000**

Del Amo 5 Sewer Project (I 176)

Funding Source(s)	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
General Fund	214,409	214,409	-	-	-	-	-
Sewer Capital Project Fund	1,600,000	1,600,000	500,000	-	-	-	-
Total Expenditures	**$ 1,814,409**	**$1,814,409**	**$ 500,000**	**$ -**	**$ -**	**$ -**	**$ -**

Dominguez Channel BMP Project (I 186)

Funding Source(s)	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Measure W	3,821	3,821	500,000	-	5,000,000	2,500,000	-
Total Expenditures	**$ 3,821**	**$ 3,821**	**$ 500,000**	**$ -**	**$5,000,000**	**$ 2,500,000**	**$ -**

High Pressure Zone Modifications (I 186)

Funding Source(s)	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Water Capital Fund	1,995,367	1,923,612	1,000,000	1,000,000	1,000,000	-	-
Total Expenditures	**$ 1,995,367**	**$1,923,612**	**$ 1,000,000**	**$1,000,000**	**$1,000,000**	**$ -**	**$ -**

Madrona Ave Utility Undergrounding District (NEW)

Funding Source(s)	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Other Grants	-	-	-	-	3,893,306	-	-
Total Expenditures	**$ -**	**$ -**	**$ -**	**$ -**	**$3,893,306**	**$ -**	**$ -**

Miscellaneous Water Main Replacements (I 153)

Funding Source(s)	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Water Capital Fund	18,500,000	7,136,998	-	200,000	2,800,000	200,000	-
Total Expenditures	**$18,500,000**	**$7,136,998**	**$ -**	**$ 200,000**	**$2,800,000**	**$ 200,000**	**$ -**

On-Site Recycled Water Retrofits (I 184)

Funding Source(s)	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Water Capital Fund	487,399	487,399	300,000	-	-	-	-
Total Expenditures	**$ 487,399**	**$ 487,399**	**$ 300,000**	**$ -**	**$ -**	**$ -**	**$ -**

Park Improvements for Well Field Project (PRK0014)

Funding Source(s)	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Water Capital Fund	-	-	-	500,000	-	-	-
Total Expenditures	**$ -**	**$ -**	**$ -**	**$ 500,000**	**$ -**	**$ -**	**$ -**

Paseo de la Playa Residential Undergrounding (I 175)

Funding Source(s)	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
General Fund	340,211	340,211	-	-	-	-	-
Total Expenditures	**$ 340,211**	**$ 340,211**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Sewer System Master Plan/Hydraulic Model (I 168)

Funding Source(s)	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Sewer Capital Project Fund	-	-	100,000	-	-	-	-
Total Expenditures	**$ -**	**$ -**	**$ 100,000**	**$ -**	**$ -**	**$ -**	**$ -**

Undergrounding Overhd Util/Inst St Lights-PVBlvd bet. Torr/Sepul (I 156)

Funding Source(s)	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
DIF - Utility Underground	1,457,159	1,457,159	400,000	400,000	400,000	400,000	400,000
Total Expenditures	**$ 1,457,159**	**$1,457,159**	**$ 400,000**	**$ 400,000**	**$ 400,000**	**$ 400,000**	**$ 400,000**

Utility Undergrounding Administration (I 182)

Funding Source(s)	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
DIF - Utility Underground	154,485	154,485	50,000	50,000	50,000	50,000	50,000
Total Expenditures	**$ 154,485**	**$ 154,485**	**$ 50,000**	**$ 50,000**	**$ 50,000**	**$ 50,000**	**$ 50,000**

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

Funding Source(s)	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Other Grants	740,000	740,000	-	-	-	-	-
Water Capital Fund	2,001,432	1,001,432	1,000,000	2,000,000	2,000,000	3,800,000	-
Water State Revolving Fund	16,000,000	803,708	-	-	-	-	-
Total Expenditures	**$18,741,432**	**$2,545,140**	**$ 1,000,000**	**$2,000,000**	**$2,000,000**	**$ 3,800,000**	**$ -**

Walteria Slope Reservoir Repair (I 181)

Funding Source(s)	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Water Capital Fund	997,346	997,346	500,000	-	-	-	-
Total Expenditures	**$ 997,346**	**$ 997,346**	**$ 500,000**	**$ -**	**$ -**	**$ -**	**$ -**

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 $27.8 million over the next five years to ensure that our storm water infrastructure is prepared to handle the increasing severity of climate events.

Project Title	Project ID	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Citywide Storm Drain Replacement & Installation	I 192	10,081,412	7,323,728	100,000	1,605,000	1,605,000	1,355,000	1,355,000
North Torrance Well Field-Predesign	I108	2,041,843	8,865	150,000	-	-	-	-
Paseo de la Playa Slope and Storm Drain Repair	I 180	12,642	12,642	-	-	-	-	-
Stormwater Basin Expansion Project	I 179	721,192	407,655	-	-	-	-	-
Torrance Airport Storm Water Basin Project	I 174	522,349	25,818	9,438,000	7,100,000	4,884,402	256,000	-
Total Expenditures		**$13,379,438**	**$ 7,778,708**	**$ 9,688,000**	**$8,705,000**	**$6,489,402**	**$1,611,000**	**$1,355,000**

Individual Project Details

Citywide Storm Drain Replacement and Installation (I 192)

Funding Source(s)	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Other Grants	867,075	768,354	-	-	-	-	-
Measure W	7,864,937	5,781,552	-	1,505,000	1,505,000	1,255,000	1,255,000
DIF - Storm Drain	1,349,400	773,822	100,000	100,000	100,000	100,000	100,000
Total Expenditures	**$10,081,412**	**$7,323,728**	**$ 100,000**	**$1,605,000**	**$1,605,000**	**$ 1,355,000**	**$1,355,000**

North Torrance Well Field-Predesign (I 108)

Funding Source(s)	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Other Grants	297,745	64	-	-	-	-	-
Water Capital Fund	1,744,098	8,801	150,000	-	-	-	-
Total Expenditures	**$ 2,041,843**	**$ 8,865**	**$ 150,000**	**$ -**	**$ -**	**$ -**	**$ -**

Paseo de la Playa Slope and Storm Drain Repair (I 180)

Funding Source(s)	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Measure R Local Return	12,642	12,642	-	-	-	-	-
Total Expenditures	**$ 12,642**	**$ 12,642**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Stormwater Basin Expansion Project (I 179)

Funding Source(s)	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Measure W Grant	721,192	407,655	-	-	-	-	-
Total Expenditures	**$ 721,192**	**$ 407,655**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Torrance Airport Storm Water Basin Project (I 174)

Funding Source(s)	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Other Grants	-	-	2,938,000	-	-	-	-
Measure W Grant	517,677	21,146	6,500,000	7,100,000	4,884,402	256,000	-
General Fund	4,673	4,673	-	-	-	-	-
Total Expenditures	**$ 522,349**	**$ 25,818**	**$ 9,438,000**	**$7,100,000**	**$4,884,402**	**$ 256,000**	**$ -**

Operating Projects

The following section summarizes projects that are categorized by the department who is responsible for each project and should the capital project require maintenance, will be budgeted in the respective department's operating budget in the following year(s). The City is planning to dedicate $10.4 million over the next five years to address these other areas of needed investment.

Project Title	Project ID	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
3D GIS Mapping/Cyclomedia	OP49	-	-	140,000	-	-	140,000	-
Accela Continuous Improvement Initatives	OP50	50,000	50,000	-	-	-	-	-
AssetWorks Software Implementation	OP50	121,000	121,000	-	-	-	-	-
Automated Meter Integration Upgrade	OP83	6,600,000	100,000	-	800,000	-	-	-
Bollard Replacement at Wilson Park	OP93	-	-	105,000	-	-	-	-
Citywide Asset Inventory	OP83	-	-		400,000	-	-	-
Citywide Event Perimeter Protection Measures	OP83	-	-	150,000	-	-	-	-
Citywide Facility Reservation System	OP50	-	-	100,000	-	-	-	-
Citywide Parks Master Plan	OP93	-	-	300,000	-	-	-	-
Citywide Traffic Analysis	OP83	-	-		500,000	-	-	-
Citywide Tree Planting Program	OP83	427,000	33,060	427,000	427,000	-	-	-
Citywide Web Redesign	OP50	450,000	318,779	70,000	-	-	-	-
Civic Center Master Plan	OP41	-	-	660,000	200,000	-	-	-
Del Amo Fashion Center PCC	OP70	100,000	100,000	393,350	-	-	-	-
EA Properties Remediation	OP95	2,500,000	1,193,191	-	-	-	-	-
Electronic Content Management Enhancement (Laserfiche)	OP50	102,861	102,861	-	-	-	-	-
Electronic Plan Submittal and Review	OP49	500,000	459,440	-	-	-	-	-
Emergency Operations Center (EOC) Upgrade	OP70	75,000	75,000	40,000	-	-	-	-
Emergency Slope Stabilization at 4812 Newton Street	OP83	200,000	75,815	-	-	-	-	-
Enterpise Resource Planning System Replacement	OP50	-	-	620,000	2,000,000	1,000,000	-	-
Enterprise Cashiering	OP50	195,000	195,000	-	-	-	-	-
EV Chargers For Park & Library Facilities	OP53	-	-	50,000	-	-	-	-
Fire Modernization	OP50	-	-	300,000	-	-	-	-
GIS System Upgrade	OP50	135,000	82,000	150,000	200,000	25,000	-	-
Land Use/Safety Element	OP49	146,012	146,012	100,000	-	-	-	-
New Citizen Engagement for Web & Mobile (Mobile App Development)	OP50	65,000	65,000	30,000	-	-	-	-
Park Lighting Replacement and Repair	OP93	385,862	161,464	-	-	-	-	-
Police IT Remediation	OP50	250,000	199,816	-	-	-	-	-
Public Safety Element Update / Environmental Justice	OP49	245,000	46,776	-	-	-	-	-
Refurbish Amenities at Sea-Aire Park	OP93	16,424	16,424	(16,424)	-	-	-	-
Refurbish Amenities at Sur La Brea Park	OP93	80,270	59,372	(59,372)	-	-	-	-
Relocate Tarplant Preserve	OP41	-	-	100,000	-	-	-	-
Remediate Soil at RTC Site	OP41	46,954	46,954	150,000	-	-	-	-
Replace Exercise Equipment at Victor Park	OP93	30,000	30,000	(30,000)	-	-	-	-
Replace Fence at 19301 - 19501 Prairie Avenue	OP83	150,000	4,480	-	-	-	-	-
Replacement of RightFax (OpenText)	OP50	-	-	15,000	-	-	-	-
Resurface Playing Courts	OP93	-	-	875,000	-	-	-	-
Sewer Lift Station Pump and Back-up Generator Replacements	OP83	1,260,000	1,260,000	-	-	-	-	-
Strategic Plan Survey & Community Profile/Environmental Scan	OP49	200,000	200,000	-	-	-	-	-
Street Name Sign Replacements	OP83	172,278	15,662	-	-	-	-	-
Upgrade Post Production and Asset Management Systems	OP41	355,000	126,800	-	-	-	-	-
Water System Master Plan	OP83	500,000	500,000	-	-	-	-	-
Total Expenditures		**$15,358,661**	**$ 5,784,906**	**$4,669,554**	**$4,527,000**	**$1,025,000**	**$ 140,000**	**$ -**

Individual Project Details

Operating Projects - CIT

Operating Projects - CIT	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Accela Continuous Improvement Initatives	50,000	50,000	-	-	-	-	-
AssetWorks Software Implementation	121,000	121,000	-	-	-	-	-
Citywide Facility Reservation System	-	-	100,000	-	-	-	-
Citywide Web Redesign	450,000	318,779	70,000	-	-	-	-
Electronic Content Management Enhancement (Laserfiche)	102,861	102,861	-	-	-	-	-
Enterpise Resource Planning System Replacement	-	-	620,000	2,000,000	1,000,000	-	-
Enterprise Cashiering	195,000	195,000	-	-	-	-	-
Fire Modernization	-	-	300,000	-	-	-	-
GIS System Upgrade	135,000	82,000	150,000	200,000	25,000	-	-
New Citizen Engagement for Web & Mobile (Mobile App Development)	65,000	65,000	30,000	-	-	-	-
Police IT Remediation	250,000	199,816	-	-	-	-	-
Replacement of RightFax (OpenText)	-	-	15,000	-	-	-	-
Total Expenditures	**$ 1,368,861**	**$ 1,134,456**	**$ 1,285,000**	**$ 2,200,000**	**$ 1,025,000**	**$ -**	**$ -**
Funding Source(s)							
General Fund	1,330,861	1,096,456	1,285,000	1,200,000	1,025,000	-	-
Transit Capital Fund	19,000	19,000	-	-	-	-	-
Fleet Services Capital Fund	19,000	19,000	-	-	-	-	-
Measure SST Fund	-	-	-	1,000,000	-	-	-
Total Expenditures	**$ 1,368,861**	**$ 1,134,456**	**$ 1,285,000**	**$ 2,200,000**	**$ 1,025,000**	**$ -**	**$ -**

Operating Projects - City Manager

Operating Projects - City Manager	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Civic Center Master Plan	-	-	660,000	200,000	-	-	-
Relocate Tarplant Preserve	-	-	100,000	-	-	-	-
Remediate Soil at RTC Site	46,954	46,954	150,000	-	-	-	-
Upgrade Post Production and Asset Management Systems	355,000	126,800	-	-	-	-	-
Total Expenditures	**$ 401,954**	**$ 173,754**	**$ 910,000**	**$ 200,000**	**$ -**	**$ -**	**$ -**
Funding Source(s)							
General Fund	46,954	46,954	910,000	200,000	-	-	-
PEG Fund Capital	355,000	126,800	-	-	-	-	-
Total Expenditures	**$ 401,954**	**$ 173,754**	**$ 910,000**	**$ 200,000**	**$ -**	**$ -**	**$ -**

Operating Projects - Community Development

Operating Projects - Community Development	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
3D GIS Mapping/Cyclomedia	-	-	140,000	-	-	140,000	-
Electronic Plan Submittal and Review	500,000	459,440	-	-	-	-	-
Land Use/Safety Element	146,012	146,012	100,000	-	-	-	-
Public Safety Element Update / Environmental Justice	245,000	46,776	-	-	-	-	-
Strategic Plan Survey & Community Profile/Environmental Scan	200,000	200,000	-	-	-	-	-
Total Expenditures	**$ 1,091,012**	**$ 852,228**	**$ 240,000**	**$ -**	**$ -**	**$ 140,000**	**$ -**
Funding Source(s)							
General Fund	1,091,012	852,228	240,000	-	-	140,000	-
Total Expenditures	**$ 1,091,012**	**$ 852,228**	**$ 240,000**	**$ -**	**$ -**	**$ 140,000**	**$ -**

Operating Projects - Community Services

Operating Projects - Community Services	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Bollard Replacement at Wilson Park	-	-	105,000	-	-	-	-
Citywide Parks Master Plan	-	-	300,000	-	-	-	-
Park Lighting Replacement and Repair	385,862	161,464	-	-	-	-	-
Refurbish Amenities at Sea-Aire Park	16,424	16,424	(16,424)	-	-	-	-
Refurbish Amenities at Sur La Brea Park	80,270	59,372	(59,372)	-	-	-	-
Replace Exercise Equipment at Victor Park	30,000	30,000	(30,000)	-	-	-	-
Resurface Playing Courts	-	-	875,000	-	-	-	-
Total Expenditures	**$ 512,556**	**$ 267,261**	**$ 1,174,204**	**$ -**	**$ -**	**$ -**	**$ -**
Funding Source(s)							
General Fund	30,000	30,000	(30,000)	-	-	-	-
Measure SST Fund	-	-	1,280,000	-	-	-	-
Parks & Rec Open Space Fund	385,862	161,464	-	-	-	-	-
Park Equipment Replacement Fund	96,694	75,796	(75,796)	-	-	-	-
Total Expenditures	**$ 512,556**	**$ 267,261**	**$ 1,174,204**	**$ -**	**$ -**	**$ -**	**$ -**

Operating Projects - General Services

Operating Projects - General Services	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
EA Properties Remediation	2,500,000	1,193,191	-	-	-	-	-
EV Chargers For Park & Library Facilities	-	-	50,000	-	-	-	-
Total Expenditures	**$ 2,500,000**	**$ 1,193,191**	**$ 50,000**	**$ -**	**$ -**	**$ -**	**$ -**
Funding Source(s)							
Fleet Services Capital Fund	-	-	50,000	-	-	-	-
Airport Capital Project Fund	2,500,000	1,193,191	-	-	-	-	-
Total Expenditures	**$ 2,500,000**	**$ 1,193,191**	**$ 50,000**	**$ -**	**$ -**	**$ -**	**$ -**

Operating Projects - Police

Operating Projects - Police	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Del Amo Fashion Center PCC	100,000	100,000	393,350	-	-	-	-
Emergency Operations Center (EOC) Upgrade	75,000	75,000	40,000	-	-	-	-
Total Expenditures	**$ 175,000**	**$ 175,000**	**$ 433,350**	**$ -**	**$ -**	**$ -**	**$ -**
Funding Source(s)							
General Fund	175,000	175,000	433,350	-	-	-	-
Total Expenditures	**$ 175,000**	**$ 175,000**	**$ 433,350**	**$ -**	**$ -**	**$ -**	**$ -**

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 $3.8 million over the next five years to address these other areas of needed investment.

Project Title	Project ID	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Airport Pavement Maintenance Program	I 126	1,055,917	1,055,917	2,000,000	1,000,000	250,000	250,000	250,000
Design and Construct Gateway Entry Signs	OTR0001	74,000	-	-	-	-	-	-
Downtown Parking Structure	OTR0001	125,000	125,000	-	-	-	-	-
Upgrade Downtown Torrance Lights to LED	OTR0001	500,000	500,000	-	-	-	-	-
Total Expenditures		**$ 1,754,917**	**$1,680,917**	**$2,000,000**	**$1,000,000**	**$ 250,000**	**$ 250,000**	**$ 250,000**

Individual Project Details

Downtown Torrance

Downtown Torrance	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Design and Construct Gateway Entry Signs	74,000	-	-	-	-	-	-
Downtown Parking Structure	125,000	125,000	-	-	-	-	-
Upgrade Downtown Torrance Lights to LED	500,000	500,000	-	-	-	-	-
Total Expenditures	**$ 699,000**	**$ 625,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Funding Source(s)							
General Fund	699,000	625,000	-	-	-	-	-
Total Expenditures	**$ 699,000**	**$ 625,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Torrance Municipal Airport

3301 Airport Drive,Torrance, CA 90505 | District 6

Torrance Municipal Airport	Life-to-Date Budget	Life-to-Date Balance	FY25-26 Proposed Budget	FY26-27 Projected Budget	FY27-28 Projected Budget	FY28-29 Projected Budget	FY29-30 Projected Budget
Airport Pavement Maintenance Program	1,055,917	1,055,917	2,000,000	1,000,000	250,000	250,000	250,000
Total Expenditures	**$ 1,055,917**	**$ 1,055,917**	**$ 2,000,000**	**$ 1,000,000**	**$ 250,000**	**$ 250,000**	**$ 250,000**
Funding Source(s)							
Airport Capital Project Fund	1,055,917	1,055,917	2,000,000	1,000,000	250,000	250,000	250,000
Total Expenditures	**$ 1,055,917**	**$ 1,055,917**	**$ 2,000,000**	**$ 1,000,000**	**$ 250,000**	**$ 250,000**	**$ 250,000**

APPENDIX

Appendix

Classification of Funds

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

Governmental Funds are used to account for activities supported by taxes and intergovernmental revenues. Governmental activities include all the City's basic services, such as general government, public safety (police and fire), public works, community development, and culture and recreation. Included in this classification are the General Fund-Operating Fund; General Fund-Measure SST Fund; General Fund-Restricted; and General Fund-Assigned Fund.

General Fund-Restricted includes CalPERS California Employers' Pension Prefunding Trust (CEPPT) Fund and Public, Educational, and Governmental (PEG) Fund, while General Fund-Assigned includes the City's various General Fund Replacement Funds and the City's Economic Anomaly Reserve 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 ACFR. The City presents the budgets on the fund level for this classification for review by Council and the public. Included in this classification are the Air Quality Management District, Debt Service, Meadow Park Parking Lot District, Low Mod Fund, Section 8 Housing, Street Lighting, Traffic Safety and Vanpool Funds.

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

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

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

trust arrangement, can be used only for 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 outlines compensation and benefits. The City strives to provide competitive compensation packages in alignment with comparison cities, while balancing other financial demands on the organization. Below are the various forms of compensation and benefits which are provided to employees based on their MOU.

Administrative Leave

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

Annual Leave

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

Sick Leave

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

Vacation

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

Section 125 Plan

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

Medicare

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

Social Security

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

Flexible Spending Account

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

Educational Incentive Program/Tuition Reimbursement

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

PARS

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

CalPERS

The City participates in CalPERS' agency multiple-employer, defined-benefit (DB) pension plan, which guarantees a set retirement benefit based on years of service, highest CalPERS eligible

compensation, and age upon retirement. Employees fall into four tiers based on hire date and employment status:

1. **Tier 1 (Classic):** In this group, employees are eligible for the Employer Paid Member Contribution (EPMC). The CalPERS benefit is calculated using the highest single year of CalPERS eligible compensation, limited to $350,000 in 2025. If an employee was hired before July 1996 there is no limit on CalPERS eligible compensation limits.
    a. **Miscellaneous Employees:** The City contributes 7% for EPMC on behalf of the employees.
    b. **Safety Employees:** The City contributes 9% for EPMC on behalf of the employees.

1. **Tier 2 (2010):** These employees are part of the Classic benefit structure but were hired after the City amended its MOU/Resolutions to remove the Employer Paid Member Contribution (EPMC) as a benefit. This meant the City would no longer contribute on behalf of the employee and rather the amount would be deducted from employees' paychecks.
2. **Tier 3 (PEPRA):** This group was created in January 2013 as a result of Pension Reform legislation at the state level and created an entirely new benefit structure. Employees in this group have a different retirement age, contribute 50% of the normal cost of the pension plan, and have their retirement benefit calculated using the highest three-year period of CalPERS eligible compensation. Further, there are reduced CalPERS eligible compensation limits. These amounts are typically adjusted annually. Additionally, there are two sub-tiers within the safety plan: 90% Industrial Disability Retirement (IDR) and 50% Industrial Disability Retirement (IDR). The 90% IDR benefit started 1/1/2013 and then the 50% IDR benefit took over starting 1/1/14.
    a. Miscellaneous Employees: For employees participating in social security, the CalPERS eligible compensation limit is set at $155,081 in 2025. 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 $186,096 for 2025. Rather than contribute a fixed 9%, these employees contribute half of the normal cost of this pension plan.
        i. For Fire Safety employees in the 90% IDR benefit structure, the employee contributes 12% and for those in the 50% IDR benefit structure, the employee contributes 11.25%.
        ii. For Police safety employees in the 90% IDR benefit structure, the employee contributes 15.50% and for those in the 50% IDR benefit structure, the employee contributes 13.00%

3. **Tier 4 (Part-Time/Post-Tax):** Reserved for part-time or seasonal workers logging over 1,000 hours annually, their participation and associated liability in the pension plan are comparatively minor and thus not detailed in headcount tables.

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

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

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

Fiscal Policies

General Policies

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

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

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

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

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

Operating Budget

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

The City's use of the biennial budget process complies with Torrance City Charter (Article 11), which includes the following requirements:

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

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

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

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

- The City will adopt a balanced budget by June 30.
- The City will make all current, ongoing expenditures with current, ongoing revenues, avoiding procedures that balance current budgets by postponing needed expenditures or accruing future revenues.
- The City will estimate revenues using an objective and analytical process utilizing both past experiences and known variables; in the case of assumption uncertainty, conservative projections will be used.
- The City will maintain a level of expenditure that supports essential services and promotes quality of life for the citizens of Torrance.
- The City will forecast General Fund and other major internal services and enterprise funds for a five-year period and will update the forecast at least annually. The forecast will guide budget recommendations for Council consideration.

- The City will endeavor to maintain a diversified and stable revenue stream to minimize the impact of short-term fluctuations in any one revenue source.
- The City will avoid targeting revenues for specific purposes wherever possible, allowing maximum flexibility in funding decisions on an annual basis.
- One-time revenues will not be regularly utilized for recurring expenditures.
- The City will endeavor to pay down its unfunded liabilities in the areas of pension, OPEB, and long-term debt. For the purposes of pension and OPEB, the City will utilize trust funds (Section 115 Trust) to assist in managing these long-term liabilities.

Capital Improvement Plan (CIP) Budget

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

The operating impacts of any CIP budget item will be incorporated into the operating budget to demonstrate the full cost of implementation. The City will maintain all assets at a sufficient level to protect the City's capital investment and to minimize future maintenance and replacement costs.

Budgetary Control

The City Council is responsible for adopting an annual budget for all funds of the City. The budgets of the City will be appropriated via two separate resolutions. The first resolution shall address the financial needs of the operating budget including any transfers to fund anticipated CIP needs. The second resolution shall address the financial needs of the CIP budget. The City is a Fiduciary for two funds that are outside of the purview of the City Council, which includes the Interoperability Network South Bay and the Area G Budget. These budgets are adopted by their respective Boards. The City Council also serves as the governing body for the Successor Agency to the Former Redevelopment Agency, the Housing Authority, and the Public Financing Authority, which addresses budgets for the Successor Agency to the Former Redevelopment Agency, Section 8 Housing, and Debt Service Funds. Beginning in FY22-23, the City separately tracks revenues and expenditures of Measure SST, a ½ cent transactions and use tax, approved by Torrance voters in June 2022. This measure included strict accountability requirements with a 7-member oversight committee being established. This Committee is charged with reviewing the activity of the Measure SST Fund during the year, along with audited financial statements ensuring that funds are spent in accordance with the City Council approved spending plan.

The budget adoption for both resolutions require a majority vote, which includes at least 4 of 7 Council members. The City Council approves any revisions that increase the total budgeted expenditures or revenues for any funds, as appropriated, in the operating or CIP budgets. The City Council also approves any changes to staffing levels, including budgeted permanent and as-needed full-time equivalent positions. The City Manager is authorized by the City Council to allocate the budget to more detailed levels of control for administrative purposes within each of the respective budgets (operating and CIP). This includes changes between major projects, departments (TMC 12.1.8), programs, or object categories (i.e. salaries & benefits versus materials) within a given fund's appropriation limit for each respective budget (operating and CIP).

The City Manager is also delegated authority for periodic appropriations as outlined in the Torrance Municipal Code (TMC) section 12.1.8 and further explained in City Council Policy 3. In addition, changes to the budget shall take place during regularly scheduled Council meetings as recommended. Changes to any budget requires a majority vote of the Council (4 of 7 members).

Basis of Budgeting

The City of Torrance's budget is consistent with the Annual Comprehensive Financial Report (ACFR). Governmental funds, including general, special revenue and capital project funds, are budgeted on a modified accrual basis with a focus on near-term inflows and outflows of financial resources. Revenues are recognized when measurable and available, while expenditures are recognized as soon as liabilities are incurred, except for debt service, capital lease obligations, inventories, and prepaid items. Year-end encumbrances are included in the fiscal year's expenditures (actual, budgetary basis), as they represent financial resources committed for goods or services to be delivered in the near future (usually within one or two months). However, many multi-year capital projects are budgeted on a full cost basis which spans multiple years. Budgets for capital projects remaining at year-end for active projects are continued to the next fiscal year until the completion of the project.

Proprietary funds, including enterprise funds and internal service funds, are budgeted on an accrual basis similar to private-sector businesses, with a focus on total economic resources. Revenues are recognized when they are earned, while expenses are recognized when the liability is incurred. Year-end encumbrances are excluded from the fiscal year's expenses, for the transactions that have not occurred. The City budgets for all non-cash related items such as investment adjustments to market value, depreciation, amortization, and bad debt expense. Similar to governmental funds, multi-year capital projects are often budgeted on a full cost basis and the year-end active project budgets are continued to the next fiscal year until the completion of the project.

Appropriations Limit (Gann Limit)

In November 1979, the voters of the State of California approved Proposition 4, commonly known as the Gann Initiative. Proposition 4 created Article XIIIB of the State Constitution, requiring each local jurisdiction to establish its appropriation limit by resolution each year. The appropriation limit does not apply to the entire City budget or to the City's entire General Fund, but only to the appropriation of "proceeds of taxes" in the City's "general government" type funds.

Proposition 4 became effective in FY 1980-81. From FY 1980-81 to 1989-90, each year's appropriation was based on the previous year's limit, multiplied by the percentage change in population and the percentage change in the United States Consumer Price Index or the change in California per capita income, whichever was less.

In June 1990, the voters approved Proposition 111, which amended Proposition 4, and the factors used in the calculation of each year's limit. The factors to use are the Population Factor and Price Factor. For the Population Factor, the City can select the annual change in city or county population. For the Price Factor, the City can select the change in California per capita income or increase in non-residential assessed valuation due to new construction.

The City Council annually adopts a resolution establishing the City's appropriations limit calculated in accordance with Article XIIIB (Proposition 4) of the Constitution of the State of California, Section 7900 et seq. of the State of California Government Code, and any other voter approved amendments or state legislation that affect the City's appropriations limit. Under the Gann Limit, a maximum amount is established for tax-funded government services. That amount is to be adjusted each year depending on the city population, changes in non-residential assessed value, and the transfer of financial responsibility for various governmental activities from one level of government to another. Any significant amount of state tax revenue received above the Gann Limit is to lead to future tax rebates or cuts.

The supporting documentation used in calculating the City's appropriations limit and projected appropriations subject to the limit will be available for public and Council review at least 15 days before Council consideration of a resolution to adopt an appropriations limit. The Council will generally consider this resolution in connection with (or as reasonably possible based on information availability from the State) the annual budget.

Fund and Reserve Policies

General Fund

Following a recommendation from a third-party consultant, Reserve Funds, formerly classified as "Unassigned" will now be classified as "Assigned" to enhance fiscal transparency and improve oversight. As of June 30, 2024, the total reserve balance (formerly referred to as Unassigned) was $78,749,461. Included in this total is the Economic Anomaly Reserve, whose balance was $12,884,270. As part of this budget cycle, Staff is proposing to set the Economic Anomaly Reserve to $68,906,208 on June 30, 2025.

Going forward, the City will maintain at the end of each fiscal year an **Economic Anomaly Reserve** balance at a level that is equal to at least 20% of the fiscal year's General Fund-Operating Fund operating budget appropriation, as amended (controlling for one-time expenditures). In a year in which the City falls short, a plan shall be identified to meet the 20% policy. Council approval is required before expending funds from the Economic Anomaly Reserve.

In addition to the **Economic Anomaly Reserve** policy of 20%, the City shall also maintain its unrestricted fund balance at a minimum of 20% of the fiscal year's General Fund-Operating Fund operating budget appropriation, as amended (controlling for one-time expenditures), while striving to maintain a 30% ratio.

Internal Service Funds

The City will maintain a **Fleet Services** Fund to provide centralized funding for the City's services related to the repair, maintenance, and replacement of city vehicles. The City will maintain at the end of each fiscal year an unrestricted net position at a level that is equal to at least 20% of the fiscal year's Fleet Services budget appropriation, as amended (controlling for one-time expenditures). 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.

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. As of June 30, 2024, the Self-Insurance Fund's unrestricted net position is -$52,056,248. The City has historically operated at a negative net position and in recent years has made significant contributions to reducing this negative balance. The City's strives to fund 100% of its open liabilities, though this policy is set to 80% for consistency with pension and OPEB goals. 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. The City will make additional contributions to the fund, if available, at year-end.

Enterprise Funds

The City will maintain at the end of each fiscal year an unrestricted net position that is equal to at least 20% of the fiscal year's operating budget appropriation, as amended (controlling for one-time expenditures). Such position is considered 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.

Interdepartmental Charges

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 with proprietary and special revenue fund programs (i.e. Section 8, Airport, Sanitation, Sewer, Water, Transit, Fleet, Self-Insurance), which are financed by user fees, grant funding, or other internal charges. These indirect charges reimburse the administration and overhead service provided by departments such as Council, City Manager, City Attorney, City Clerk, City Treasurer, Finance, General Services, Human Resources, Civil Service, and Information 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. FY23-24 audited financials for the FY25-26 budget). This is revised annually by FY25-26 assessing a charge equal to 29.06% of a subset of Salaries & Employee Benefits costs.

Vehicle Replacement/Vehicle Maintenance

In order to equitably assign the full cost of the Fleet Services Fund across all departments, the City of Torrance applies an allocation formula based on the historical cost of services, fuel and parts, by department. The replacement cost of vehicles are also assigned to each department, based on actual purchase price, an assumption of 5% cost increase per year, and useful life (varies by vehicle). This calculation will be refreshed annually, and amounts will fluctuate over the years. These charges are

reflected in the Interdepartmental Charges expense classification of each department, and the Charges for Services revenue classification in the Fleet Services Fund.

Self-Insurance Cost Allocation

In order to equitably assign the full cost of the Self Insurance Fund's liability program across all departments, the City of Torrance applies an allocation formula that incorporates a combination of the following: 1) Minimum Base (based on department budget), 2) Claims Frequency (based on the department's 5-year claim count), and 3) Claims Severity (based on the departments 5-year claim costs incurred). This calculation will be refreshed annually, and amounts will fluctuate over the years. These charges are reflected in the Interdepartmental Charges expense classification of each department, and the Charges for Services revenue classification in the Self Insurance Fund.

Enterprise Fund Franchise Fees

In August 2020, City Council approved a levy of franchise fees from the General Fund to the City's water, wastewater, and sanitation utilities for the use of the public right-of-way to provide their services to customers. The amount levied to the Public Works Water, Sewer, and Sanitation Funds is equal to 2% of gross revenues charged for utilities (Charges for Services revenue classification). These charges are reflected in the Interdepartmental Charges expense classification of each enterprise fund, and the Licenses, Fees, and Permits revenue classification in the General Fund Operating Fund.

Interfund Rent Allocation

In addition to franchise fees, the General Fund charges rent to the Fleet Services, Water, Sewer, and Sanitation Funds for use of buildings at the City Yard, which were financed, and whose debt service is paid for, by the General Fund Operating Fund. The calculation for rent is based on the square footage that each Fund/department occupies, and comparable commercial and warehouse rental market rates in the city of Torrance. Market rates are reviewed and adjusted annually, as needed. These charges are reflected in the Interdepartmental Charges expense classification of each enterprise fund, and the Use of Money & Property revenue classification in the General Fund Operating Fund.

Debt Policies

Findings

These Debt Management Policies are intended to comply with the Government Code Section 8855(i) and shall govern all debt undertaken by the City.

The City hereby recognizes that a fiscally prudent debt policy is required to:

- Maintain the City's sound financial position.
- Ensure the City has the flexibility to respond to changes in future service priorities, revenue levels, and operating expenses.
- Protect the City's creditworthiness.
- Ensure that all debt is structured to protect both current and future taxpayers, ratepayers, and constituents of the City.
- Ensure that the City's debt is consistent with the City's planning goals and objectives and capital improvement program or budget, as applicable.

Policies

Purposes for which debt may be issued:

- **Long-Term Debt** – Long-term debt may be issued to finance the construction, acquisition, and rehabilitation of capital improvements facilities, equipment, and land to be owned and operated by the City.

  (a) Long-term debt financings are appropriate when the following conditions exist:

  - When the project to be financed provides a community benefit.
  - When the project to be financed will provide benefit to constituents over multiple years.
  - When total debt does not constitute an unreasonable burden to the City and its taxpayers and ratepayers.
  - When the debt is used to refinance outstanding debt to produce debt service savings or to realize the benefits of a debt restructuring.

  b) Long-term debt financings are not appropriate for current operating expenses and routine maintenance expenses.

  c) The City may use long-term debt financings subject to the following conditions:

  - The project to be financed must be approved by the City Council.
  - The weighted average maturity of the debt (or the portion of the debt allocated to the project) will not exceed the average useful life of the project.
  - The City estimates that sufficient revenue will be available to service the debt through its maturity.
  - The City determines that the issuance of the debt will comply with the applicable state and federal law.

- **Short-Term Debt** – Short-term debt may be issued to provide financing for the City's operational cash flows to maintain a steady and even cash flow balance. Short-term debt may also be used to finance short-lived capital projects; for example, the City may undertake lease-purchase financing for equipment.

- **Financing on Behalf of Other Entities** – The City may also find it beneficial to issue debt on behalf of other governmental agencies or private third parties to further the public purposes of the City. In such cases, the City shall take reasonable steps to confirm the financial feasibility of the project to be financed and the financial solvency of any borrower and that the issuance of such debt is consistent with the policies set forth herein.

Types of Debt

The following types of debt are allowable under these Debt Management Policies:

- General obligation bonds
- Bond or grant anticipation notes
- Tax and revenue anticipation notes
- Lease revenue bonds, certificates of participation and lease-purchase transactions
- Other revenue bonds (including sales tax revenue bonds) and certificates of participation
- Pension obligation bonds
- Land-secured financings, such as special tax revenue bonds issued under the Mello-Roos Community Facilities Act of 1982, as amended, and limited obligation bonds issued under applicable assessment statutes
- Tax increment financing to the extent permitted under state law
- Conduit financings, such as financings for affordable rental housing and qualified 501(c)(3) organizations

The City may from time to time find that other forms of debt would be beneficial to further its public purposes, and the City Council may approve such debt without an amendment of these Debt Management Policies.

Debt shall be issued as fixed rate debt unless the City makes a specific determination as to why a variable rate issue would be beneficial to the City in specific circumstances.

Relationship of Debt to Operating and Capital Improvement Budgets

The City is committed to long-term capital planning. The City intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the City's capital budget and the capital improvement plan.

The City shall strive to fund the upkeep and maintenance of its infrastructure and facilities due to normal wear and tear through the expenditure of available operating revenues.

The City shall integrate its debt issuances with the goals of its capital improvement program by timing the issuance of debt to ensure that projects are available when needed in furtherance of the City's public purposes.

The City shall seek to avoid the use of debt to fund infrastructure and facilities improvements in circumstances when the sole purpose of such debt financing is to reduce annual budgetary expenditures.

The City shall seek to keep general fund supported debt service at no greater than the lesser of 10% of available general fund revenues or expenditures.

Policy Goals Related to Planning Goals and Objectives

The City is committed to long-term financial planning, maintaining appropriate reserves levels, and employing prudent practices in governance, management, and budget administration. The City intends to issue debt for the purposes stated in this Policy and to implement policy decisions incorporated in the City's operating and capital budgets.

It is a policy goal of the City to protect taxpayers, ratepayers, and constituents by utilizing conservative financing methods and techniques to obtain the highest practical credit ratings (if applicable) and the lowest practical borrowing costs.

The City will comply with applicable state and federal law as it pertains to the maximum term of debt and the procedures for levying and imposing any related taxes, assessments, rates, and charges.

When refinancing debt, it shall be the policy goal of the City to realize, whenever possible, and subject to any overriding non-financial policy considerations, (i) minimum net present value debt service savings equal to or greater than 3.0% of the refunded principal amount, and (ii) present value debt service savings equal to or greater than 100% of any escrow fund negative arbitrage.

Internal Control Procedures

When issuing debt, in addition to complying with the terms of these Debt Management Policies, the City shall comply with any other applicable policies regarding initial bond disclosure, continuing disclosure, post-issuance compliance, and investment of bond proceeds.

The City will periodically review the requirements of and will remain in compliance with the following:

- any continuing disclosure undertakings under SEC Rule 15c2-12,

- any federal tax compliance requirements, including without limitation arbitrage and rebate compliance, related to any prior bond issues, and
- the City's Investment Policy as they relate to the investment of bond proceeds.

It is the policy of the City to ensure that proceeds of debt are spent only on lawful and intended uses. Whenever reasonably possible, and for the purpose of ensuring that proceeds of debt will be used for their intended purpose, proceeds of debt will be held by a third-party trustee and the City will submit written requisitions for such proceeds.

Debt Limits

The outstanding principal amount of debt described will not exceed five percent (5%) of the total assessed value of property in the City, and debt service and lease payments incurred for financing purposes that are payable from the City's general fund will not exceed 10% of annual appropriations.

Investment Policy

The Investment Policy is approved annually by Resolution by the City Treasurer. As such, this policy is not included in the City’s budget.

Debt Financing Information

Debt Issuance	Date Issued	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	Thereafter
2016 Certificate of Participation	11/15/2016	1,256,844	1,255,244	1,259,744	1,259,994	1,258,743	21,381,277
Opus Bank Loan	10/1/2017	644,517	644,516	446,197	-	-	-
2018 Tax Allocation Refunding Bonds (Downtown Redevelopment Project)	10/25/2018	458,125	453,500	457,875	456,125	-	-
2018 Tax Allocation Refunding Bonds (Torrance Industrial Redevelopment Project)	10/25/2018	1,434,125	1,432,375	1,427,625	1,424,750	-	-
Lease Revenue Bonds Series 2020	10/22/2020	19,862,722	20,397,834	20,949,950	21,511,699	22,092,492	342,471,476
Lease Revenue Bonds Series 2021	4/15/2021	2,506,186	2,501,488	2,500,953	2,506,951	2,507,944	35,051,565
State Revolving Fund Loan	4/21/2025	850,181	850,181	850,181	850,181	850,181	11,902,536
Total		**$ 27,012,700**	**$ 27,535,138**	**$ 27,892,525**	**$ 28,009,700**	**$ 26,709,360**	**$ 410,806,854**

The City's debt service costs for the next five years and thereafter are presented in the table above and the details of each debt issuance showing the principal and interest payments are in the following tables.

2016 Certificates of Participation

In 2016, the City of Torrance, with the Public Property Financing Corporation of California, issued $22.1 million of refunding certificates of participation to refinance the 2009 Certificates of Participation issued by the Torrance Public Financing Authority to finance the acquisition of approximately 15 acres of real property for the Regional Transit Center and other City uses. A portion ($6.1 million) of the 2016 Refunding Certificates of Participation was set aside for the construction of capital improvements selected by the City. The refunding certificates of participation debt is considered to be capital related.

Opus Bank Loan

In 2017, the City of Torrance entered into an installment sale agreement with the Public Property Financing Corporation of California, for the purpose of financing the drilling and construction of a new water well, the North Torrance Well Field Project. The proceeds from the agreement were $5.8 million for construction of the project. The installment sale agreement debt is considered to be capital related.

2018 Tax Allocation Refunding Bonds (Downtown Redevelopment Project)

In October 2018, the Former Redevelopment Agency issued $3,665,000 Tax Allocation Refunding Bonds. Proceeds of the Bonds were used to refund the Agency's outstanding Downtown Redevelopment Project Tax Allocation Refunding Bonds, 1998 Series A, to fund a reserve for the

Bonds, to pay premium of the 2018 Insurance Policy, and to pay the costs of issuing the Bonds. Starting from September 2019 and continuing through 2028, the principal on the term bonds matures at variable amounts ranging from $310,000 to $445,000. Interest is payable on March 1 and September 1 of each year with rates ranging from 3.0% to 5.0%. Principal and interest are to be repaid directly from the tax increments accruing to the Agency.

2018 Tax Allocation Refunding Bonds (Torrance Industrial Redevelopment Project)

In October 2018, the Former Redevelopment Agency issued $11,505,000 Tax Allocation Refunding Bonds. Proceeds of the Bonds were used to refund the Agency's outstanding Industrial Redevelopment Project Tax Allocation Refunding Bonds, 1998 Series A and B, and 1999 Series C, to fund a reserve for the Bonds, to pay premium of the 2018 Insurance Policy, and to pay the costs of issuing the Bonds. Starting from September 2019 and continuing through 2028, the principal on the term bonds matures at variable amounts ranging from $960,000 to $1,390,000. Interest is payable on March 1 and September 1 of each year with rates ranging from 3.0% to 5.0%. Principal and interest are to be repaid directly from the tax increments accruing to the Agency.

Lease Revenue Bonds Series 2020

In July 2020, as one component of the City's budget revisions for FY20-21, the City refinanced a portion of the Unfunded Accrued Liability ("UAL") of the City's Miscellaneous, Fire Safety, and Police Safety pension plans with CalPERS. The City refinancing would accomplish three goals: to generate cash flow savings to the City and taxpayers through historically low interest rates relative to the CalPERS discount rate assumption; create a repayment schedule for the City's pension liabilities that increases more gradually; and set aside 20% of the savings into a Trust to mitigate future pension cost increases. The refinancing was achieved through the issuance of $349.5 million of lease revenue bonds by the Torrance Joint Powers Financing Authority, which are expected to have an all-in cost of financing between 3.0% and 4.0% (versus 6.8% CalPERS charges the City on the outstanding UAL debt) based on anticipated market conditions. The City makes lease payments from its General Fund under a lease/leaseback of certain real property consisting of most of the City's streets.

Lease Revenue Bonds Series 2021

In March 2021, as one component of the City's ongoing efforts to reduce near-term expenditures in response to the COVID-19 pandemic, the City restructured and refinanced its outstanding Certificates of Participation (Refunding and Capital Projects), Series 2014 ("2014 COPs"). The City's primary goal

for the financing was to reduce principal lease payments related to the 2014 COPs in FYs 2020-21 and 2021-22, but the City also reduced financing costs using lower interest rates available. The financing was achieved through the issuance of $39.7 million of lease revenue bonds by the Torrance Joint Powers Financing Authority. The City makes lease payments from its General Fund under a lease/leaseback of certain real property consisting of the City Yard and Transit Facility.

State Revolving Fund

The Drinking Water State Revolving Fund (DWSRF) program assists public water systems in financing the cost of drinking water infrastructure projects needed to achieve or maintain compliance with Safe Drinking Water Act (SDWA) requirements. On April 22, 2025, the City received $14.3 million of loan proceeds from the DWSRF to fund the City's Van Ness Ave Water Wells & Transmission Main Water Infrastructure project. The DWSRF loan will be repaid over a period of 20 years with a discounted interest rate of 1.4%

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 borrowings and remains the same “AA/Stable” rating as of April 2025.

Credit Profile		
Torrance rfdg certs of part		
Long Term Rating	AA/Stable	Affirmed
Torrance taxable lse rev bnds		
Long Term Rating	AA/Stable	Affirmed
Torrance Jt Pwrs Finncg Auth, California		
Torrance, California		
Torrance Jt Pwrs Finncg Auth (Torrance) 2021 taxable rfdg certs of part (Torrance) ser 2021 due 06/01/2044		
Long Term Rating	AA/Stable	Affirmed

Outlook

The stable outlook reflects our expectation that the city's financial position will continue to improve in the near-term as the recent sales tax increase generates new revenues and the tax base continues to recover.

Downside scenario

We could lower the ratings if the city were to underperform its current projections and return to negative operations without a plan to correct the imbalance, or should long-term liabilities increase.

Upside scenario

While unlikely within the two-year outlook horizon, we could raise the rating if the city were to sustain its reserves at a level commensurate with those of higher-rated peers, while its debt burden moderates.

Debt Service Schedules

2016 Certificate of Participation

Date	Principal	Interest Rate	Interest	Total Debt Service
5/1/2017			$ 398,535	$ 398,535
11/1/2017	395,000	2.000%	432,147	827,147
5/1/2018			428,197	428,197
11/1/2018	405,000	3.000%	428,197	833,197
5/1/2019			422,122	422,122
11/1/2019	420,000	3.000%	422,122	842,122
5/1/2020			415,822	415,822
11/1/2020	435,000	4.000%	415,822	850,822
5/1/2021			407,122	407,122
11/1/2021	450,000	4.000%	407,122	857,122
5/1/2022			398,122	398,122
11/1/2022	470,000	4.000%	398,122	868,122
5/1/2023			388,722	388,722
11/1/2023	490,000	4.000%	388,722	878,722
5/1/2024			378,922	378,922
11/1/2024	510,000	4.000%	378,922	888,922
5/1/2025			368,722	368,722
11/1/2025	530,000	4.000%	368,722	898,722
5/1/2026			358,122	358,122
11/1/2026	550,000	4.000%	358,122	908,122
5/1/2027			347,122	347,122
11/1/2027	580,000	5.000%	347,122	927,122
5/1/2028			332,622	332,622
11/1/2028	610,000	5.000%	332,622	942,622
5/1/2029			317,372	317,372
11/1/2029	640,000	5.000%	317,372	957,372
5/1/2030			301,372	301,372
11/1/2030	670,000	5.000%	301,372	971,372
5/1/2031			284,622	284,622
11/1/2031	705,000	5.000%	284,622	989,622
5/1/2032			266,997	266,997
11/1/2032	735,000	3.000%	266,997	1,001,997
5/1/2033			255,972	255,972
11/1/2033	755,000	3.000%	255,972	1,010,972
5/1/2034			244,647	244,647
11/1/2034	780,000	3.000%	244,647	1,024,647
5/1/2035			232,947	232,947
11/1/2035	805,000	3.125%	232,947	1,037,947
5/1/2036			220,369	220,369
11/1/2036	830,000	3.125%	220,369	1,050,369
5/1/2037			207,400	207,400
11/1/2037	860,000	4.000%	207,400	1,067,400
5/1/2038			190,200	190,200
11/1/2038	895,000	4.000%	190,200	1,085,200
5/1/2039			172,300	172,300
11/1/2039	930,000	4.000%	172,300	1,102,300
5/1/2040			153,700	153,700
11/1/2040	970,000	4.000%	153,700	1,123,700
5/1/2041			134,300	134,300
11/1/2041	1,010,000	4.000%	134,300	1,144,300
5/1/2042			114,100	114,100
11/1/2042	1,050,000	4.000%	114,100	1,164,100
5/1/2043			93,100	93,100
11/1/2043	1,095,000	4.000%	93,100	1,188,100
5/1/2044			71,200	71,200
11/1/2044	1,140,000	4.000%	71,200	1,211,200
5/1/2045			48,400	48,400
11/1/2045	1,185,000	1.000%	48,400	1,233,400
5/1/2046			24,700	24,700
11/1/2046	1,235,000	4.000%	24,700	1,259,700
Total	**$ 22,135,000**		**$ 15,989,308**	**$ 38,124,308**

Opus Bank Loan – Water Fund

Date	Principal	Interest Rate	Interest	Debt Service
5/1/2018	$ 195,000	2.360%	$ 6,064	$ 201,064
11/1/2018	256,716	2.360%	3,599	260,315
5/1/2019	259,745	2.360%	10,400	270,145
11/1/2019	262,810	2.360%	62,596	325,406
5/1/2020	265,911	2.360%	56,347	322,258
11/1/2020	269,049	2.360%	53,209	322,258
5/1/2021	272,224	2.360%	50,034	322,258
11/1/2021	275,436	2.360%	46,822	322,259
5/1/2022	278,686	2.360%	43,572	322,258
11/1/2022	281,975	2.360%	40,283	322,258
5/1/2023	285,302	2.360%	36,956	322,258
11/1/2023	288,669	2.360%	33,590	322,259
5/1/2024	292,075	2.360%	30,183	322,258
11/1/2024	295,521	2.360%	26,737	322,258
5/1/2025	299,008	2.360%	23,250	322,258
11/1/2025	302,537	2.360%	19,721	322,258
5/1/2026	306,107	2.360%	16,151	322,258
11/1/2026	309,719	2.360%	12,539	322,258
5/1/2027	313,373	2.360%	8,885	322,258
11/1/2027	317,071	2.360%	5,187	322,258
5/1/2028	122,494	2.360%	1,445	123,939
Total	**$ 5,749,428**		**$ 587,571**	**$ 6,336,999**

2018 Tax Allocation Refunding Bonds (Downtown Redevelopment Project)

Date	Principal	Coupon	Interest	Debt Service	Annual Debt Service
3/1/2019			$ 59,552.50	$ 59,552.50	$ 59,552.50
9/1/2019	$ 340,000.00	3.0%	$ 85,075.00	$ 425,075.00	
3/1/2020			$ 79,975.00	$ 79,975.00	$ 505,050.00
9/1/2020	$ 310,000.00	4.0%	$ 79,975.00	$ 389,975.00	
3/1/2021			$ 73,775.00	$ 73,775.00	$ 463,750.00
9/1/2021	$ 320,000.00	4.0%	$ 73,775.00	$ 393,775.00	
3/1/2022			$ 67,375.00	$ 67,375.00	$ 461,150.00
9/1/2022	$ 330,000.00	5.0%	$ 67,375.00	$ 397,375.00	
3/1/2023			$ 59,125.00	$ 59,125.00	$ 456,500.00
9/1/2023	$ 345,000.00	5.0%	$ 59,125.00	$ 404,125.00	
3/1/2024			$ 50,500.00	$ 50,500.00	$ 454,625.00
9/1/2024	$ 365,000.00	5.0%	$ 50,500.00	$ 415,500.00	
3/1/2025			$ 41,375.00	$ 41,375.00	$ 456,875.00
9/1/2025	$ 385,000.00	5.0%	$ 41,375.00	$ 426,375.00	
3/1/2026			$ 31,750.00	$ 31,750.00	$ 458,125.00
9/1/2026	$ 400,000.00	5.0%	$ 31,750.00	$ 431,750.00	
3/1/2027			$ 21,750.00	$ 21,750.00	$ 453,500.00
9/1/2027	$ 425,000.00	5.0%	$ 21,750.00	$ 446,750.00	
3/1/2028			$ 11,125.00	$ 11,125.00	$ 457,875.00
9/1/2028	$ 445,000.00	5.0%	$ 11,125.00	$ 456,125.00	$ 456,125.00
Total	**$ 3,665,000.00**		**$ 1,018,127.50**	**$ 4,683,127.50**	**$ 4,683,127.50**

2018 Tax Allocation Refunding Bonds (Torrance Industrial Redevelopment Project)

Date	Principal	Coupon	Interest	Debt Service	Annual Debt Service
3/1/2019			$ 186,917.50	$ 186,917.50	$ 186,917.50
9/1/2019	$ 1,080,000.00	3.0%	$ 267,025.00	$ 1,347,025.00	
3/1/2020			$ 250,825.00	$ 250,825.00	$ 1,597,850.00
9/1/2020	$ 960,000.00	4.0%	$ 250,825.00	$ 1,210,825.00	
3/1/2021			$ 231,625.00	$ 231,625.00	$ 1,442,450.00
9/1/2021	$ 1,000,000.00	4.0%	$ 231,625.00	$ 1,231,625.00	
3/1/2022			$ 211,625.00	$ 211,625.00	$ 1,443,250.00
9/1/2022	$ 1,040,000.00	5.0%	$ 211,625.00	$ 1,251,625.00	
3/1/2023			$ 185,625.00	$ 185,625.00	$ 1,437,250.00
9/1/2023	$ 1,090,000.00	5.0%	$ 185,625.00	$ 1,275,625.00	
3/1/2024			$ 158,375.00	$ 158,375.00	$ 1,434,000.00
9/1/2024	$ 1,150,000.00	5.0%	$ 158,375.00	$ 1,308,375.00	
3/1/2025			$ 129,625.00	$ 129,625.00	$ 1,438,000.00
9/1/2025	$ 1,205,000.00	5.0%	$ 129,625.00	$ 1,334,625.00	
3/1/2026			$ 99,500.00	$ 99,500.00	$ 1,434,125.00
9/1/2026	$ 1,265,000.00	5.0%	$ 99,500.00	$ 1,364,500.00	
3/1/2027			$ 67,875.00	$ 67,875.00	$ 1,432,375.00
9/1/2027	$ 1,325,000.00	5.0%	$ 67,875.00	$ 1,392,875.00	
3/1/2028			$ 34,750.00	$ 34,750.00	$ 1,427,625.00
9/1/2028	$ 1,390,000.00	5.0%	$ 34,750.00	$ 1,424,750.00	$ 1,424,750.00
Total	**$ 11,505,000.00**		**$ 3,193,592.50**	**$ 14,698,592.50**	**$ 14,698,592.50**

Lease Revenue Bonds Series 2020

Date	Principal	Interest Rate	Interest	Debt Service
10/1/2021	$ 2,015,000	1.239%	$ 10,354,094	$ 12,369,094
4/1/2022			5,485,266	5,485,266
10/1/2022	7,415,000	1.289%	5,485,266	12,900,266
4/1/2023			5,437,477	5,437,477
10/1/2023	8,015,000	1.427%	5,437,477	13,452,477
4/1/2024			5,380,290	5,380,290
10/1/2024	8,650,000	1.604%	5,380,290	14,030,290
4/1/2025			5,310,917	5,310,917
10/1/2025	9,325,000	1.804%	5,310,917	14,635,917
4/1/2026			5,226,805	5,226,805
10/1/2026	10,050,000	2.105%	5,226,805	15,276,805
4/1/2027			5,121,029	5,121,029
10/1/2027	10,830,000	2.255%	5,121,029	15,951,029
4/1/2028			4,998,921	4,998,921
10/1/2028	11,655,000	2.422%	4,998,921	16,653,921
4/1/2029			4,857,779	4,857,779
10/1/2029	12,535,000	2.522%	4,857,779	17,392,779
4/1/2030			4,699,712	4,699,712
10/1/2030	13,470,000	2.622%	4,699,712	18,169,712
4/1/2031			4,523,121	4,523,121
10/1/2031	14,460,000	2.772%	4,523,121	18,983,121
4/1/2032			4,322,705	4,322,705
10/1/2032	15,510,000	2.872%	4,322,705	19,832,705
4/1/2033			4,099,981	4,099,981
10/1/2033	16,625,000	2.972%	4,099,981	20,724,981
4/1/2034			3,852,934	3,852,934
10/1/2034	17,810,000	3.072%	3,852,934	21,662,934
4/1/2035			3,579,372	3,579,372
10/1/2035	19,120,000	3.703%	3,579,372	22,699,372
4/1/2036			3,225,365	3,225,365
10/1/2036	20,555,000	3.703%	3,225,365	23,780,365
4/1/2037			2,844,790	2,844,790
10/1/2037	22,060,000	3.703%	2,844,790	24,904,790
4/1/2038			2,436,349	2,436,349
10/1/2038	23,645,000	3.703%	2,436,349	26,081,349
4/1/2039			1,998,562	1,998,562
10/1/2039	25,310,000	3.703%	1,998,562	27,308,562
4/1/2040			1,529,947	1,529,947
10/1/2040	26,590,000	3.803%	1,529,947	28,119,947
4/1/2041			1,024,338	1,024,338
10/1/2041	19,535,000	3.803%	1,024,338	20,559,338
4/1/2042			652,880	652,880
10/1/2042	19,450,000	3.803%	652,880	20,102,880
4/1/2043			283,038	283,038
10/1/2043	14,885,000	3.803%	283,038	15,168,038
Total	**$ 349,515,000**		**$ 172,137,247**	**$ 521,652,247**

Lease Revenue Bonds Series 2021

Date	Principal	Interest Rate	Interest	Debt Service
12/1/2021			$ 664,606	$ 664,606
6/1/2022			529,332	529,332
12/1/2022			529,332	529,332
6/1/2023	1,445,000	0.408%	529,332	1,974,332
12/1/2023			526,384	526,384
6/1/2024	1,450,000	0.640%	526,384	1,976,384
12/1/2024			521,744	521,744
6/1/2025	1,465,000	1.181%	521,744	1,986,744
12/1/2025			513,093	513,093
6/1/2026	1,480,000	1.331%	513,093	1,993,093
12/1/2026			503,244	503,244
6/1/2027	1,495,000	1.708%	503,244	1,998,244
12/1/2027			490,477	490,477
6/1/2028	1,520,000	1.908%	490,477	2,010,477
12/1/2028			475,976	475,976
6/1/2029	1,555,000	2.187%	475,976	2,030,976
12/1/2029			458,972	458,972
6/1/2030	1,590,000	2.287%	458,972	2,048,972
12/1/2030			440,790	440,790
6/1/2031	1,625,000	2.487%	440,790	2,065,790
12/1/2031			420,583	420,583
6/1/2032	1,665,000	2.637%	420,583	2,085,583
12/1/2032			398,630	398,630
6/1/2033	1,705,000	2.837%	398,630	2,103,630
12/1/2033			374,445	374,445
6/1/2034	1,755,000	2.837%	374,445	2,129,445
12/1/2034			349,550	349,550
6/1/2035	1,805,000	3.279%	349,550	2,154,550
12/1/2035			319,957	319,957
6/1/2036	1,865,000	3.279%	319,957	2,184,957
12/1/2036			289,380	289,380
6/1/2037	1,925,000	3.279%	289,380	2,214,380
12/1/2037			257,820	257,820
6/1/2038	1,990,000	3.279%	257,820	2,247,820
12/1/2038			225,194	225,194
6/1/2039	2,060,000	3.279%	225,194	2,285,194
12/1/2039			191,420	191,420
6/1/2040	2,115,000	3.379%	191,420	2,306,420
12/1/2040			155,687	155,687
6/1/2041	2,190,000	3.379%	155,687	2,345,687
12/1/2041			118,687	118,687
6/1/2042	2,270,000	3.379%	118,687	2,388,687
12/1/2042			80,336	80,336
6/1/2043	2,340,000	3.379%	80,336	2,420,336
12/1/2043			40,801	40,801
6/1/2044	2,415,000	3.379%	40,801	2,455,801
Total	**$ 39,725,000**		**$ 16,558,944**	**$ 56,283,944**

State Revolving Fund

Date	Principal	Interest Rate	Interest	Debt Service
6/30/2025	162,549	1.400%	49,996	212,545
6/30/2026	655,911	1.400%	194,270	850,181
6/30/2027	665,153	1.400%	185,028	850,181
6/30/2028	674,525	1.400%	175,656	850,181
6/30/2029	684,029	1.400%	166,152	850,181
6/30/2030	693,668	1.400%	156,514	850,181
6/30/2031	703,441	1.400%	146,740	850,181
6/30/2032	713,353	1.400%	136,828	850,181
6/30/2033	723,404	1.400%	126,777	850,181
6/30/2034	733,597	1.400%	116,584	850,181
6/30/2035	743,934	1.400%	106,247	850,181
6/30/2036	754,416	1.400%	95,765	850,181
6/30/2037	765,046	1.400%	85,135	850,181
6/30/2038	775,825	1.400%	74,356	850,181
6/30/2039	786,757	1.400%	63,424	850,181
6/30/2040	797,843	1.400%	52,339	850,181
6/30/2041	809,084	1.400%	41,097	850,181
6/30/2042	820,484	1.400%	29,697	850,181
6/30/2043	832,045	1.400%	18,136	850,181
6/30/2044	843,769	1.400%	6,412	850,181
Total	**$ 14,338,835**		**$ 2,027,152**	**$ 16,365,987**

Glossary

Asset Contra Account – This account is used to offset expenses that are capitalized and thus treated as fixed assets in the City's balance sheet. As such, this classification is an offset to expense for capital acquisitions and results in a net zero effect on operating activities.

Bad Debts and Other Losses – This classification represents the noncash costs of writing off a receivable (asset) from the balance sheet and the noncash value lost below the book value (typically purchase price) for the sale of fixed assets or investments.

Balanced Budget – a balanced budget as a budget in which all sources meet or exceed the adopted appropriations resolution. In a given year, a planned use of fund balance (source) may be identified as a balancing measure though is not a preferred long-term solution over multiple years and should be avoided for a recurring expenditure.

Capital Acquisitions – This classification represents the asset purchases which are capitalized to the balance sheet but are budgeted for purchase requisition purposes and are offset by the corresponding contra classification to have a net zero effect on operating activities (refer to Asset Contra Account). The expense is recognized in the depreciation and amortization classification when placed in use.

Capital Asset Condition – Financial measure calculating the annual change in net asset value.

Charges for Services – This classification represents cash receipts from business-type activities. Included in this classification are revenue from the Enterprise Funds, planning and zoning fees, inspection fees and internal service fees charged to city departments.

Debt Burden Ratio – Financial measure calculating long-term liabilities (excluding pension obligation) as a percentage of revenues.

Debt Service – This classification represents the costs to issue debt, the principal and interest payments made on the borrowings and capital lease payments.

Debt Service Reimbursements – This classification is an offset to debt services costs to show a net zero effect on the statement of operations.

Depreciation and Amortization – This classification represents the noncash costs of fixed or intangible assets (buildings, utility, machinery and equipment, furniture and fixtures, vehicles, and infrastructure improvements) over its useful life.

Extraordinary Gain – This classification represents monetary value received greater than the book value (typically purchase price) for the sale of an asset or group of assets and is considered infrequent and unusual.

Extraordinary Loss – This classification represents noncash value lost below the book value (typically purchase price) for the sale of an asset or group of assets and is considered infrequent and unusual.

Fines, Forfeitures and Penalties – This classification represents cash receipts from general fines, parking citations, and traffic fines.

Fund Balance – This is defined as the balance for a given fund of all assets minus all liabilities. Within fund balance the balance is broken into main categories such as Non-Spendable, Restricted, Assigned, and Unassigned. When examining proprietary funds (i.e. internal service funds and enterprise funds) this is often referred to as net position. This can serve as a source in a year when expenditures would exceed budgeted revenues to balance the budget.

General Fund Reserve Ratio – Financial measure calculating the unassigned portion of the fund balance as a percentage of budgeted expenditures.

Interdepartmental Charges – This classification represents internal expense allocations across various funds and General Fund programs. This includes charges from the Self-Insurance Fund for worker's compensation related administrative and insurance costs, from various General Fund programs to the Enterprise Funds for administrative costs (indirect costs) and from the Enterprise Funds to the General Fund for right-of-way franchise fees.

Intergovernmental – This classification represents cash funding received from state, federal and other municipalities.

Liabilities, Settlements & Insurance – This classification represents the costs of litigation, settlements, worker's compensation and insurance premiums and deductibles.

Licenses, Fees, and Permits – This classification represents cash receipts from construction permits, building permits, animal licenses and fire permits.

Liquidity Ratio – Financial measure calculating the cash and investments as a percentage of liabilities.

Materials Reimbursements – This classification represents an offset to Materials, Supplies & Maintenance expense classification for a department or fund's non-wage resources used by or transferred to another department or fund. The City has changed to directly charging departments and has discontinued the use of reimbursements in most departments.

Materials, Supplies & Maintenance – This classification represents non-wage costs for department operations and includes office supplies, construction materials, recreation program supplies, building maintenance, Fleet warehouse and labor charges and vehicle parts and replacement charges.

Net Operating Activity – The excess or deficit of sources (revenues) less uses (expenditures).

Operating Transfers In – This classification represents contributions/transfers from other funds within the city.

Other Expenditures – This classification represents costs which are not classified under other areas and considered one-time in nature.

Other Financing Sources – This classification represents proceeds from bonds and tax revenue anticipation notes.

Other Operating Transfers Out – This classification represents contributions/transfers to other funds within the city.

Other Post-Employment Benefits (OPEB) Funded Status – Financial measure calculating the total plan assets as a percentage of plan liabilities.

Other Revenues – This classification represents cash receipts or funding which are not classified under other areas and considered one-time in nature (donations).

Parts, Fuel & Lubricants Contra – This account is used to offset expenses that are treated as inventory assets in the City's balance sheet. As such, this classification is an offset to expense for Fleet warehouse parts and vehicle fuel and result in a net zero effect on operating activities.

Parts, Fuel & Lubricants Inventory Purchases – This classification represents Fleet warehouse parts, vehicle fuel and lubricant costs which are classified as inventory assets on the balance sheet but are budgeted for purchase requisition purposes and are offset by the corresponding contra classification to have a net zero effect on operating activities (refer to Parts, Fuel & Lubricants Contra). The expense is incurred upon use of the inventory and recognized in the statement of operations.

Pension Funded Status – Financial measure calculating the total plan assets as a percentage of plan liabilities.

Pension Obligation Ratio – Financial measure calculating net pension liability and pension related debt as a percentage of revenues.

Professional/Contract Services & Utilities – This classification represents costs for third-party services and utilities. Included in this classification are software licenses, electricity, gas, and water.

Reimbursements-Indirect Costs – This classification represents the reimbursement received as a result of the indirect costs charged by the General Fund to various funds receiving benefits that proportionately offset administrative costs.

Salaries and Benefits Reimbursements – This classification represents an offset to expense for an employee's resources used by another department or fund. The City has changed to directly charging funds and has discontinued the use of reimbursements in most departments.

Salaries and Employee Benefits – This classification represents costs from base wages, overtime, pension costs and employee benefits.

Self-Insurance Funded Status – Financial measure calculating the fund assets as a percentage of liabilities.

Stored Water Rights Contra – This account is used to offset expenses that are treated as inventory assets in the City's balance sheet. As such, this classification is an offset to expense for payment of the replenishment assessment to convert or bank unused groundwater pumping rights to carryover storage.

Stored Water Rights Inventory Purchases – This classification represents costs for converting or banking unused groundwater pumping rights to carryover storage. This is treated as an inventory asset of the City but is budgeted for purchase requisition purposes and is offset by the corresponding contra classification to have a net zero effect on operating activities (refer to Stored Water Rights Contra).

Structurally Balanced Budget –The City defines a structurally balanced budget as one where recurring revenue 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.

Acronyms

Air Quality Management District (AQMD) – The California Air Resources Board's regional partners that are responsible for regional air quality planning, monitoring, and stationary source and facility permitting.

Annual Comprehensive Financial Report (ACFR) – An annual set of financial statements that reports the financial condition of the City in accordance with Generally Accepted Accounting Principles as set forth in pronouncements of the Governmental Accounting Standards Board.

Americans with Disabilities Act (ADA) – A federal civil rights law that prohibits discrimination against people with disabilities in everyday activities.

Basic Life Support (BLS) – Generally refers to the type of care that first-responders, healthcare providers and public safety professionals provide to anyone who is experiencing cardiac arrest, respiratory distress or an obstructed airway.

Business Improvement District (BID) – A unique funding tool which allows property owners in a specific boundary to pool their financial resources by assessing themselves to pay for certain district-wide activities and improvements that are above and beyond what the city pays for. These improvements are decided on and managed by a non-profit board made up of a majority of property owners within the district.

California Air Resources Board (CARB) – The lead agency for climate change programs and oversees all air pollution control efforts in California to attain and maintain health-based air quality standards.

California Employers' Pension Prefunding Trust (CEPPT) – A multiple employer tax exempt Trust organized under Section 115 of the Internal Revenue Code dedicated to prefunding employer contributions to defined benefit pension systems for eligible California public agencies.

California Employers' Retiree Benefit Trust (CERBT) – A multiple employer tax exempt Trust organized under Section 115 of the Internal Revenue Code dedicated to prefunding Other Post-Employment Benefits for all eligible California public agencies.

California Society of Municipal Finance Officers (CSMFO) – A statewide organization serving all California local government finance professionals through innovation, collaboration, continuing education and professional development.

Capital Improvement Plan (CIP) – A financial plan for the acquisition, expansion or rehabilitation of land, buildings, and other major infrastructure.

Certificate of Participation (COP) – A type of financing where an investor purchases a share of the lease revenues of a program rather than the bond being secured by those revenues.

Community Development Department (CDD) – The City of Torrance's Community Development Department.

Consumer Confidence Index (CCI) – Measures consumer sentiment about the current conditions of the economy as well as how they feel about where it is headed based on surveys conducted by the Conference Board.

Consumer Price Index (CPI) – A measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services.

Defined-Benefit (DB) – Refers to a retirement plan that provides a fixed, pre-established benefit for employees at retirement.

Del Amo Fashion Center (DAFC) – The South Bay's premier retail destination (and one of the largest shopping malls in America) with three levels of luxury shopping, more than 200 stores and numerous dining options.

Emergency Medical Services (EMS) – A system that responds to emergencies in need of highly skilled pre-hospital clinicians.

Employer Paid Member Contribution (EPMC) – The share of an employee's contribution toward a retirement plan that an employer pays on the employee's behalf.

Fiscal Year (FY) – A consecutive 12-month period that an organization uses for accounting, budgeting, and financial reporting purposes. The City of Torrance's fiscal year begins July 1 and ends the following June 30. For example, FY 2025-26 or FY 25-26 is the time period beginning July 1, 2025, and ending June 30, 2026.

Full-Time Equivalent Employee (FTE) – The total hours of service for which the employer pays wages to an employee during the year (but not more than 2,080 hours) divided by 2,080 hours.

Gross Domestic Product (GDP) – The value of all goods and services produced by an economy each year (not controlling for inflation).

Ground Emergency Medical Transportation (GEMT) – Provides public providers with supplemental payments for providing ground emergency medical transport services.

Government Finance Officers Association (GFOA) – A professional association of approximately 19,000 state, provincial, and local government finance officers in the United States and Canada.

Geographic Information Systems (GIS) - A computer-based tool used to collect, store, analyze, and display spatial data.

Information Technology (IT) – The City of Torrance's Information Technology Department.

Memorandum of Understanding (MOU) –Formal, but non-binding, agreement between two or more parties that outlines their intentions, goals, and roles in a cooperative effort.

Other Post Employment Benefits (OPEB) – Refers to benefits, other than pensions, that an employer provides to its employees after they retire. These benefits can include retiree health insurance, life insurance, and other healthcare benefits,

Public Agency Retirement Services (PARS) – A retirement plan for public employees, often offered as an alternative to traditional social security.

Public Education Grant (PEG) – Access channels, local cable TV channels that are made available to the community through a percentage of revenue from local cable providers.

California Public Employees' Pension Reform Act (PEPRA) – A law passed in 2013 that changed how public employee pensions are calculated and administered in California.

California Public Employees' Retirements Systems (CalPERS or PERS) – A state-level retirement plan for public employees and the nation's largest public pension fund.

Recognized Obligation Payment Schedule (ROPS) – Used in California redevelopment agencies to outline enforceable obligations and their payment sources.

Regional Transit Center (RTC) – Multi-modal transportation hub.

Torrance Municipal Code (TMC) – The City of Torrance's Municipal Code.

Torrance Police Department (TPD) – The City of Torrance's Police Department.

Utility Users' Tax (UUT) – A usage tax on communication, electric, and gas charges billed to a billing or service address.

Vehicle License Fee (VLF) – A fee on the ownership of a registered vehicle in California, in place of taxing vehicles as personal property.