



# BUDGET TIMELINE

## NOVEMBER/DECEMBER

- Budget process is initiated, timeline developed, and budget priorities received from Council.



## JANUARY/FEBRUARY

- Finance Department staff conduct meetings with all Departments to determine operating and capital needs.



## MARCH/APRIL

- Finance Department staff develop revenue projections and draft proposed budgets.

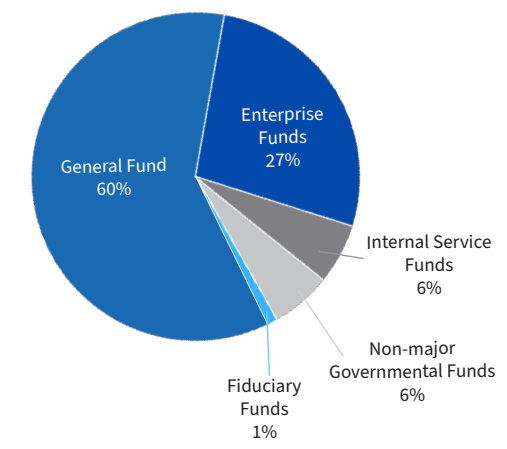


## MAY/JUNE

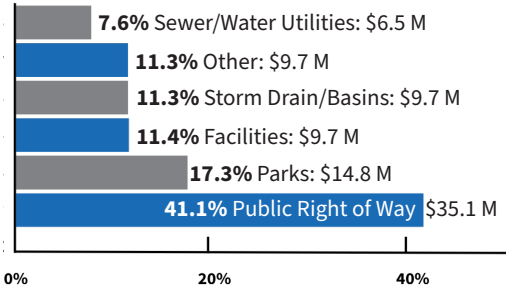
- Three Public Hearings; City Council adopts budget resolutions and approves the City's appropriations limit.

## CITYWIDE BUDGET SUMMARY

Fiscal Year (FY) 2025 - 2026  
Operating Budget - \$586.5 Million  
Adopted June 3, 2025



## CAPITAL IMPROVEMENT PLAN - \$85.5 MILLION



## BUDGET PRIORITIES

The FY 2025-26 budget was developed based on the following priorities. Further details can be found in the full budget document at [TorranceCA.Gov/Budget](https://TorranceCA.Gov/Budget).

- Workforce attraction and retention
- Expansion of business attraction and economic development efforts
- Investment in cybersecurity resiliency
- Preparation for expanded use of alternative fuel vehicles
- Preparation for implementation of findings from the City's Forensic Review of Fiscal Management Processes



## GENERAL FUND REVENUES

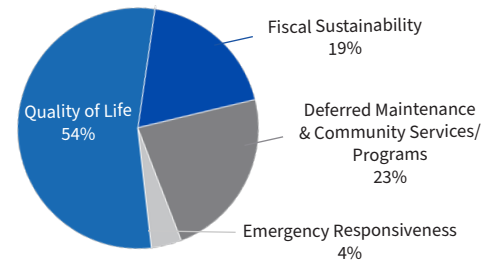
Services within the City are primarily supported by major revenue sources that include Taxes, Charges for Services, and Operating Transfers. These three revenue sources account for 89% of the General Fund Operating Fund revenues. Total General Fund Operating Fund Revenues are anticipated to be \$305.1 million.

### GENERAL FUND SOURCES (\$ in thousands)

Property Tax	\$72,012 (24%)
Sales and Use Tax	\$61,701 (20%)
Utility Users Tax	\$43,313 (14%)
Operating Transfers In	\$43,227 (14%)
Charges for Services	\$25,928 (8%)
Licenses, Fees, and Permits	\$21,365 (7%)
Occupancy Tax	\$13,305 (4%)
Business License Tax	\$11,645 (4%)
Use of Money and Property	\$9,015 (3%)
Other Taxes	\$1,835 (1%)
Other Revenues	\$1,760 (1%)

## MEASURE SST USES

(% of Projected Revenues)



Quality of Life	
Restore/Maintain Public Safety	\$13,181,051
Homelessness Response Efforts	\$1,003,519
Fiscal Sustainability	
Reserve Contribution	\$5,000,000
Deferred Maintenance & Community Services/Programs	
Capital Contribution	\$5,978,715
Emergency Responsiveness	
Cyber Security Upgrades	\$1,020,320

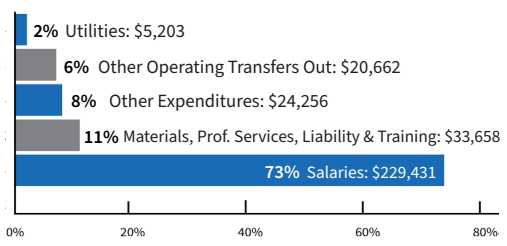
## GENERAL FUND EXPENDITURES

The City's FY 2025-26 General Fund - Operating Fund expenditure budget is \$313.2 million.

FY 2025-26 General Fund - Operating Fund expenditures are projected to increase by \$25.1 million. This increase is primarily driven by planned increases in salaries and employee benefits and CalPERS Unfunded Actuarial Liability payment. Additional growth in expenditures is attributable to continued increases of the City's contributions to the Capital Improvement Plan to prioritize much needed capital repairs and improvements.

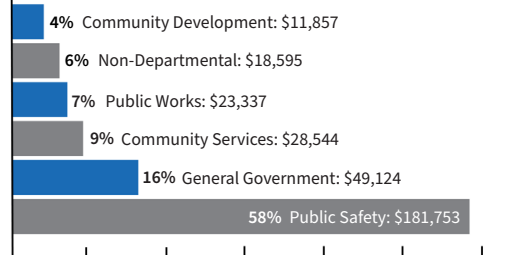
### GENERAL FUND OPERATING BUDGET

(By Classification, \$ in thousands)



### GENERAL FUND OPERATING BUDGET

(By Function, \$ in thousands)



## AREAS OF FOCUS

The City recognizes that the following areas require increased focus and attention for future improvement. These items are addressed in the full budget document which can be found at [TorranceCA.Gov/Budget](https://TorranceCA.Gov/Budget).

- \$52.1M Shortfall in Self-Insurance Fund**
- Cash Balances by Fund
- Labor Trends and Agreements
- Aging Capital and Infrastructure
- Pension/OPEB Benefits Liability Management

## MAJOR REVENUE SOURCES

### PROPERTY TAX

Property Tax is Torrance's largest revenue source and accounts for approximately 21% of the total General Fund revenue budget. Torrance enjoys a healthy mix of residential, commercial, and industrial properties that are valued at \$40.2 billion, per HDL 24/25 Property Tax review, making Torrance the 8th highest assessed value city in Los Angeles County. Property Taxes are allocated amongst Torrance Unified School District, Los Angeles County, and Torrance. Below illustrates how the County assessment is divided, with Torrance receiving 12.2% of the amount assessed.



### SALES TAX

Sales Tax is Torrance's second largest revenue source and accounts for approximately 18% of the total General Fund revenue budget. Torrance enjoys a variety of industries including automotive, restaurants, and retail with the Del Amo Fashion Center attracting thousands of visitors and shoppers daily.

On June 7, 2022, Torrance residents approved Measure SST, bringing Torrance's tax rate to 10.0% (effective October 1, 2022). In the November 2024 election, voters approved Measure A, bringing Torrance's tax rate to 10.25% (effective April 1, 2025). Of the total 10.25%, 8.75% is primarily allocated to the State and Los Angeles County, while 1.50% remain in Torrance to support public safety, parks, streets, and more. Measure SST is estimated to bring \$26.2 million in FY 2025-26.

### SALES TAX BY ECONOMIC SEGMENT

(% Of Total Point of Sale)

