



FINANCE 101: THE CITY BUDGET

City of
TORRANCE
California



General Overview

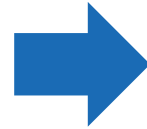
City of
TORRANCE
California

Forms of Government

FEDERAL



STATES: 50



CALIFORNIA



COUNTIES: 58
CITIES: 483



LOS ANGELES COUNTY



CITIES: 88

Snapshot of Torrance

Population
142,910

21 Square Miles
(in Area)

1,530
Full-Time and
Part-Time
Positions

144
Sworn Fire
Positions

219
Sworn Police
Positions

6
Fire Stations

1 Police Station

6
Public Libraries

276 Square Miles
(in Parks
Acreage)

840 Miles of
Streets

550 Miles of
Sidewalks

Over 39,000
Street Trees

Over 5,000 Park
Trees

Population Comparison

Population Rank County of Los Angeles	City	Total Population
1	Los Angeles	3,835,263
2	Long Beach	462,561
3	Santa Clarita	232,377
4	Glendale	192,212
5	Lancaster	177,768
6	Palmdale	167,097
7	Pomona	153,042
8	Torrance	142,910*
9	Pasadena	140,631
10	Downey	111,871

*California Department of Finance, Price Factor & Population Information, May 2025



Budget Basics

City of
TORRANCE
California

City Operations

Types of Funds

- General
- Special Revenue
- Enterprise
- Internal Service
- Trust & Custodial
- Debt Service
- Capital Project



Taken from [Lasting Impact Through Systems Change Grant Program - fundsforNGOs](#)

Enterprise Funds

Enterprise funds are similar to private sector companies which charge fees to support their operations.

The City's enterprise funds are:

- Airport
- Sanitation
- Sewer
- Water
- Transit



Special Revenue Funds

Special revenue funds are used to account for proceeds of specific revenue sources that are restricted by law.

- Housing Rental Assistance
- Asset Forfeiture
- Proposition C
- State Gas Tax



Taken from [What Is Revenue Marketing? What Is Revenue Marketing?](#) - Sales Hacker

Why Budget?

PLANNING



RESOURCE
ALLOCATION



INFORMATION



EVALUATION



ACCOUNTABILITY



Budget Stakeholders

TUSD



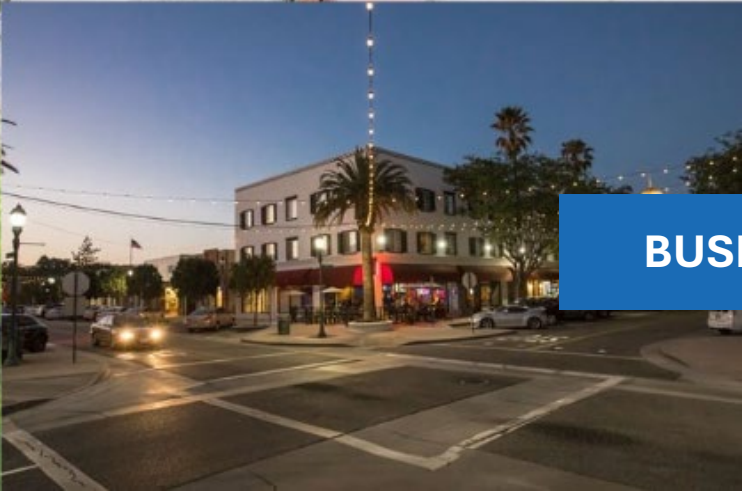
EMPLOYEES



RESIDENTS



BUSINESSES



The Budget Enables City Services



Community Services

- Recreation Programs
- Classes
- Cultural Programs
- Library Services



Public Works

- Street Improvements
- Water/Sewer
- Sanitation
- Tree Maintenance



Public Safety

- Police Department
- Fire Department

The Budget Enables City Services



Transit

- Public Transit



Community Development

- Building Regulations
- Code Enforcement
- Environmental



General Services

- Cultural Arts Programs
- Airport Operations
- Facility Services
- Fleet Services

The Budget Enables City Services



City Clerk's Office

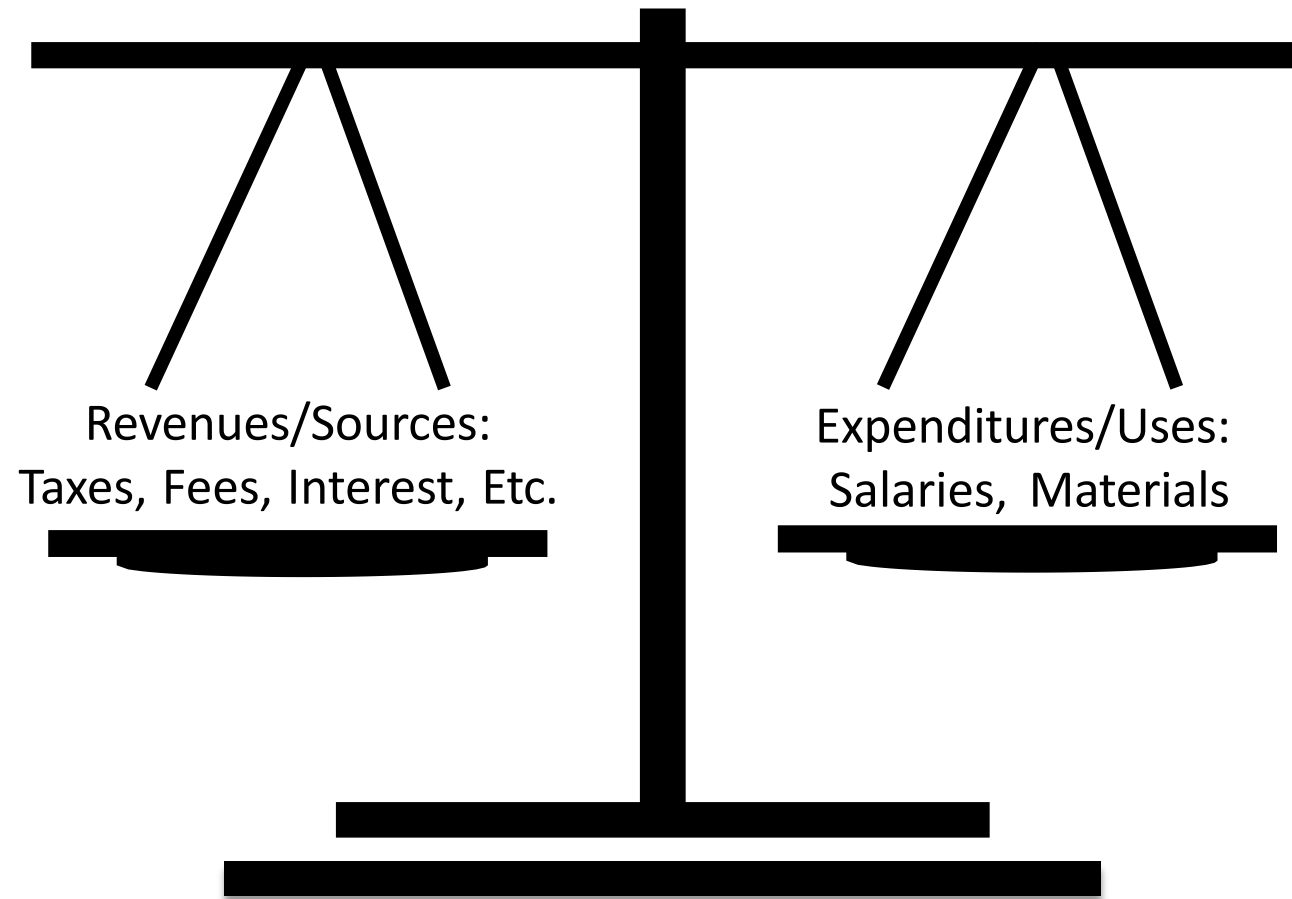
- Public Records Requests



City Manager's Office

- Economic Development
- TorranceAlerts
- Emergency Preparedness

What does a Balanced Budget mean?



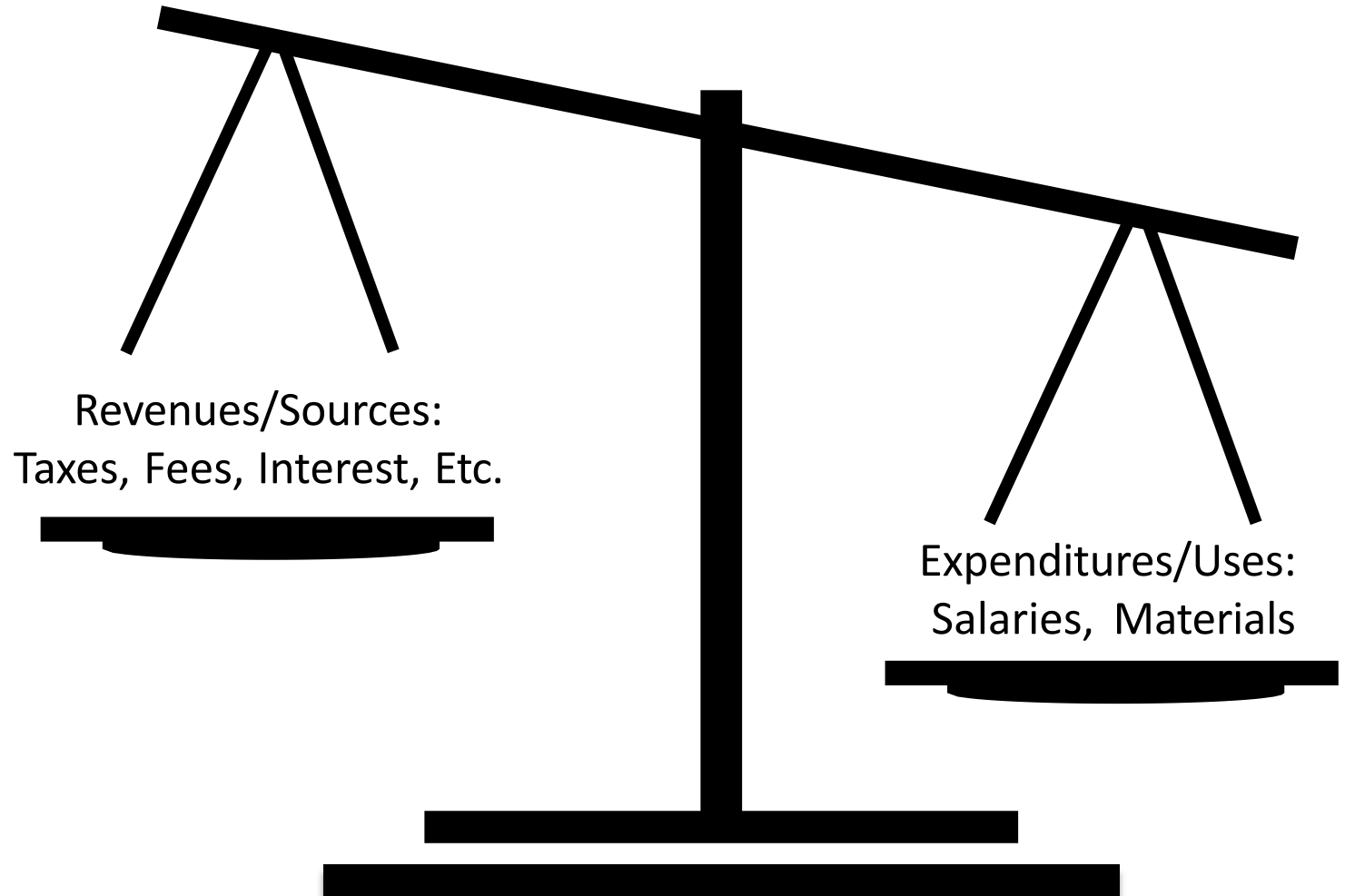
Out of Balance

When revenues exceeds expenditures,
there is a surplus.

Revenues > Expenditures → **Surplus**

When expenditures exceeds
revenues, there is a deficit.

Expenditures > Revenues → **Deficit**



Operating Budget (Two-Year Operating Budget, Five-Year Projections)

Recurring Revenues/Sources

- Sales Tax
- Property Tax
- Utility Users Tax
- Occupancy Tax
- Business License Tax
- Charges for Service
- Transfers

Recurring Expenditures/Uses

- Wages and Benefits
- Non-Wage
 - Professional Services
 - Materials and Supplies
- Transfers

Capital Budget (Five-Year Rolling Plan)

One-Time/ Restricted Revenues

- Grants/Donations
(one-time)
- Lease Revenue signing
fees (one-time)
- Gas Tax, Proposition C,
Proposition A, Measure
R/M, SB1, etc.

One-Time Expenditures

- Infrastructure
 - Water/Sewer/etc.
- Roadways/Streets
- Buildings
- Equipment

Capital Budget (Five-Year Rolling Plan)

Capital Improvement Plan Structure

Types of Capital Projects

- Parks
- Facilities
- IT Infrastructure
- Public Right of Way
- Sewer/Water Utilities
- Storm Drain/Basins
- Other





Budget Process/Calendar

City of
TORRANCE
California

Budget Process/Calendar

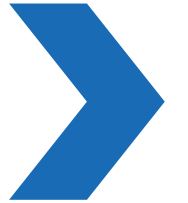
Budget Preparation (November – December)

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

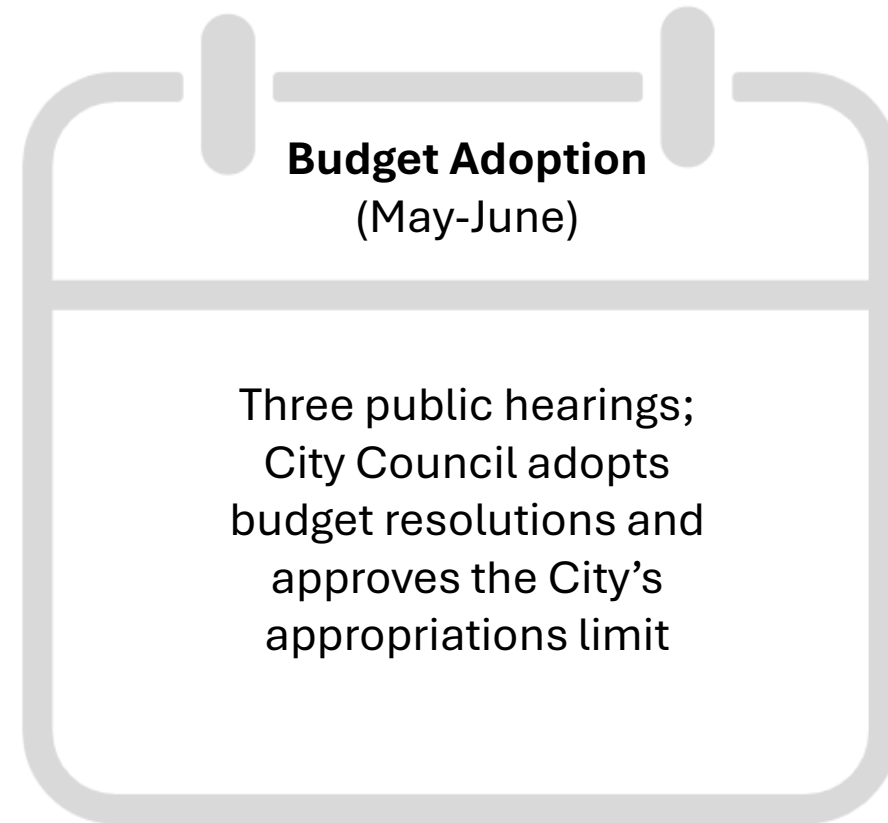
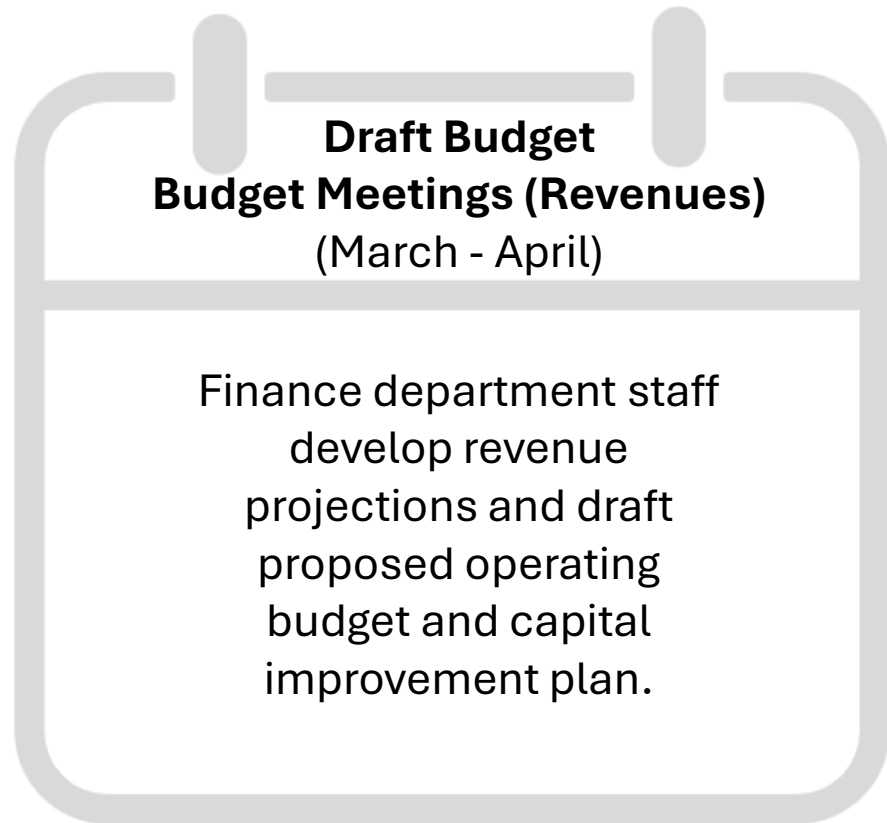


Budget Meetings (Expense and Capital) (January – February)

Finance department staff conduct meetings with all departments to determine operating and capital needs.



Budget Process/Calendar



Budget Process/Calendar

First Quarter Budget Review Report (November-December)

Finance department staff prepare summary of financial performance through September 30. City Council accepts and files the report.



Mid-Year Budget Review Report (February-March)

Finance department staff prepare summary of financial performance through December 31. City Council accepts and files the report.

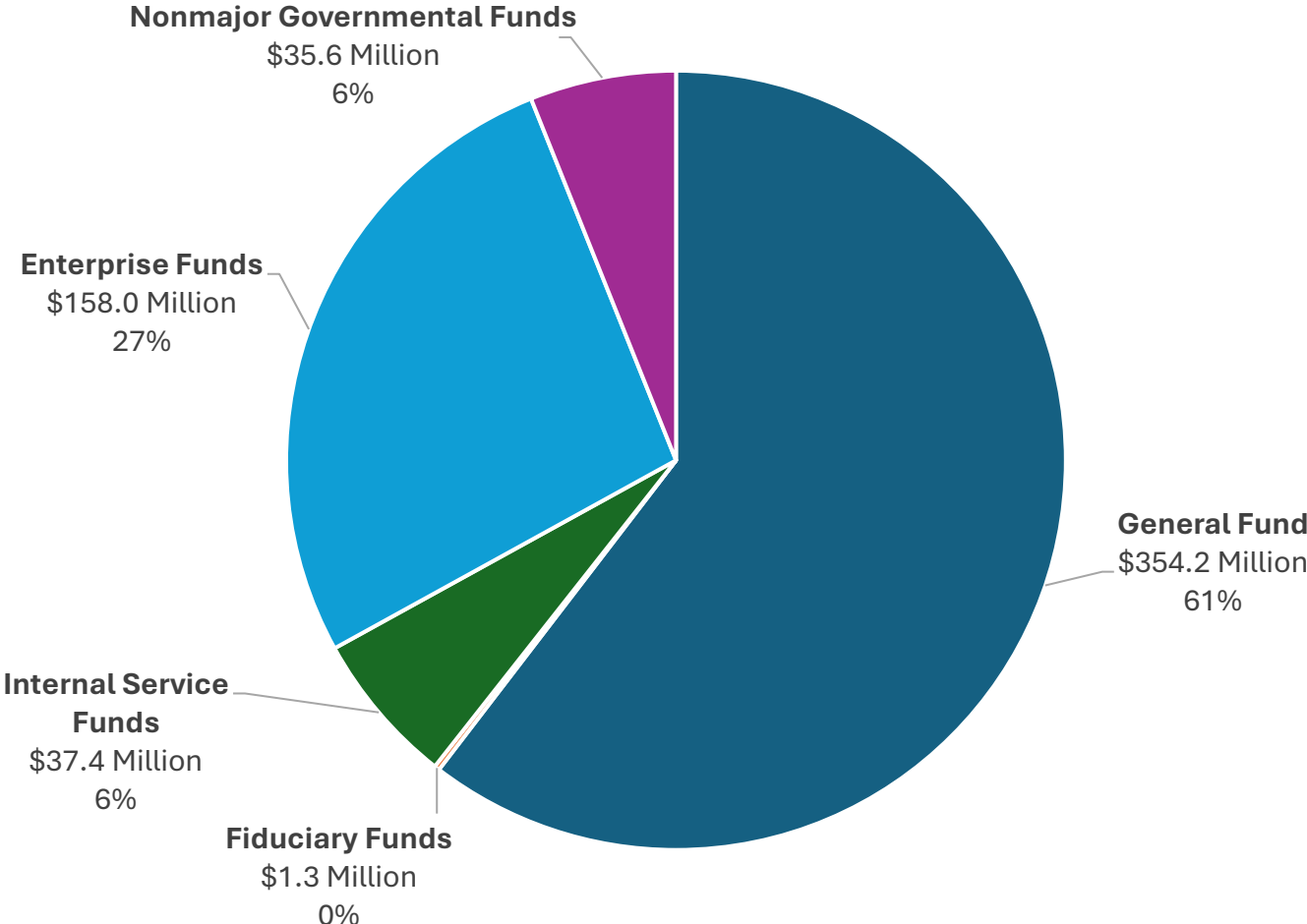


Expenditures

City of
TORRANCE
California

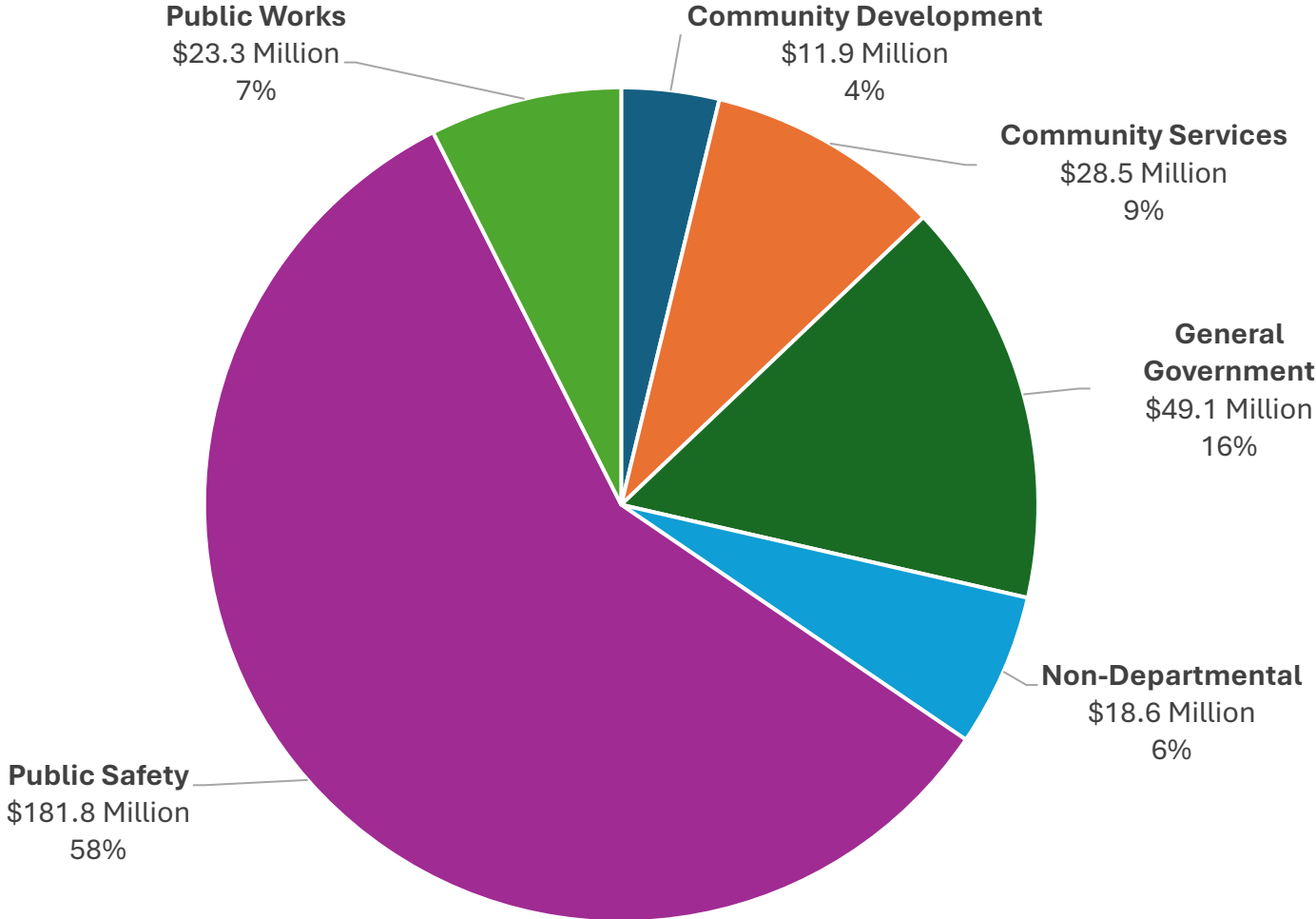
Expenditure Budget Summary by Fund

Fiscal Year 2025-26
Adopted Budget:
\$586.5 Million



General Fund Operating Fund Expenditure (by Department)

Fiscal Year 2025-26
Adopted Budget:
\$313.2 Million



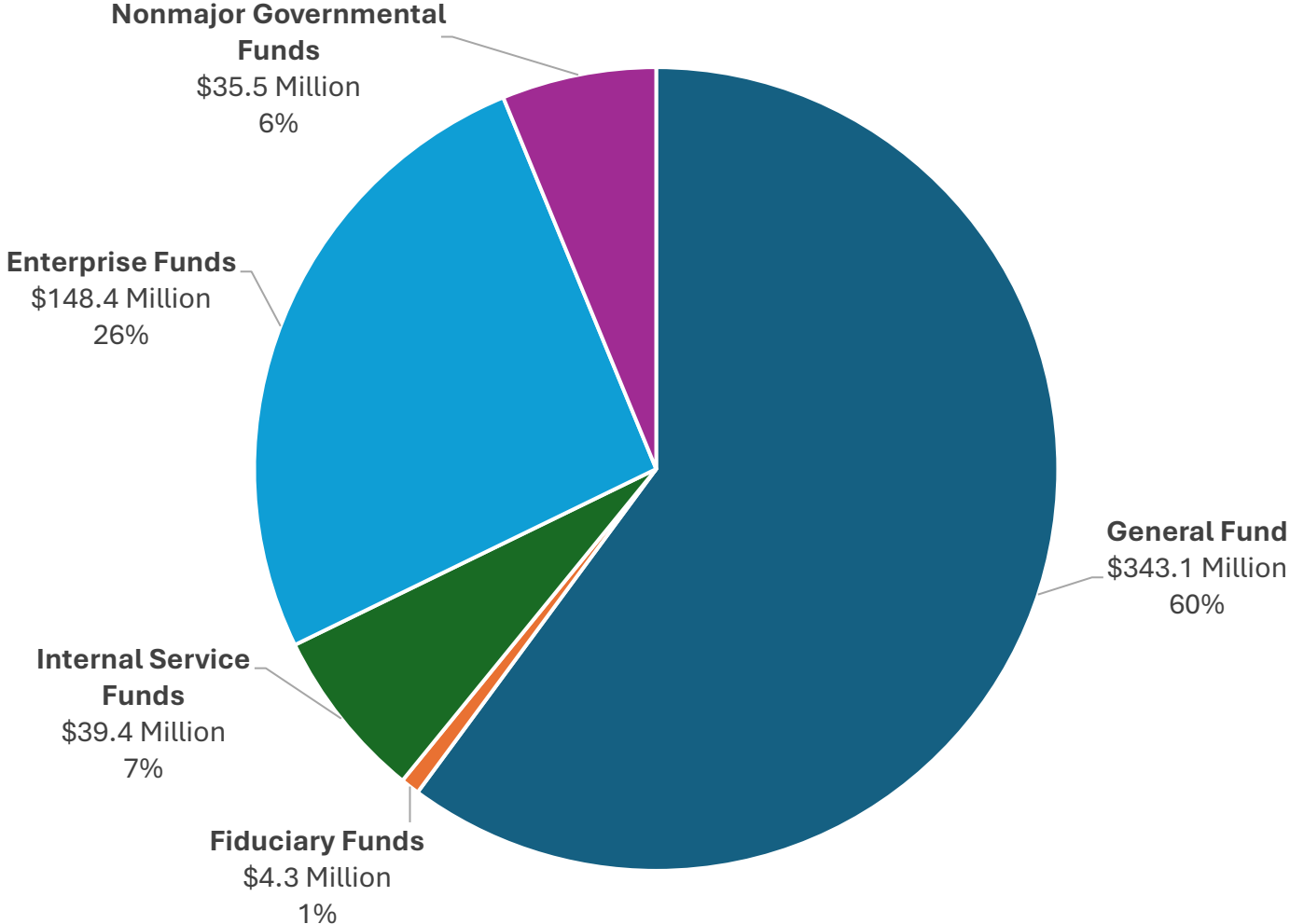


Revenues

City of
TORRANCE
California

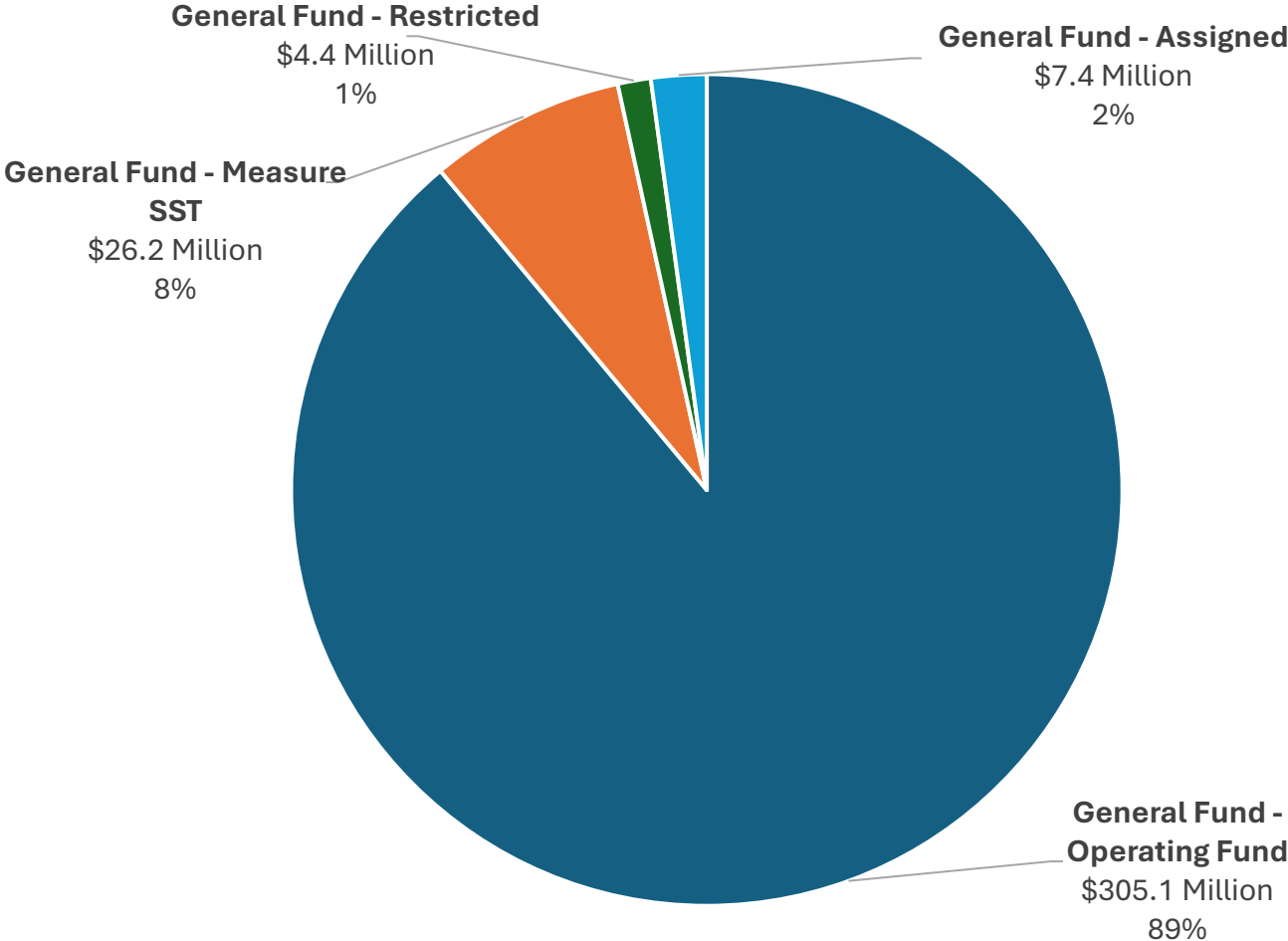
Revenue Budget Summary by Fund

Fiscal Year 2025-26
Adopted Budget:
\$570.7 Million



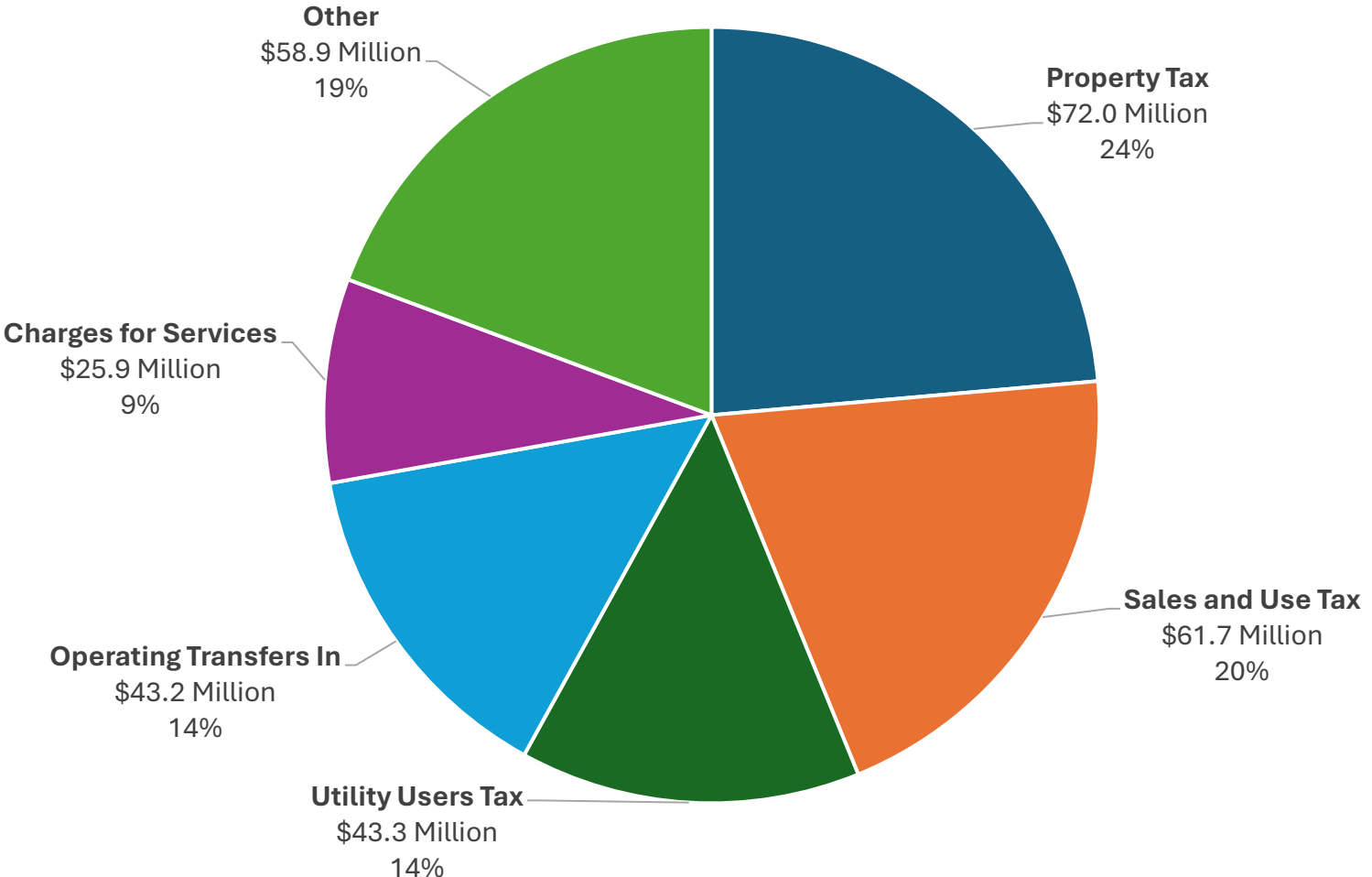
General Fund Revenues by Fund

Fiscal Year 2025-26
Adopted Budget:
\$343.1 Million



Major Revenues – General Fund Operating Fund

Fiscal Year 2025-26
Adopted Budget:
\$305.1 Million

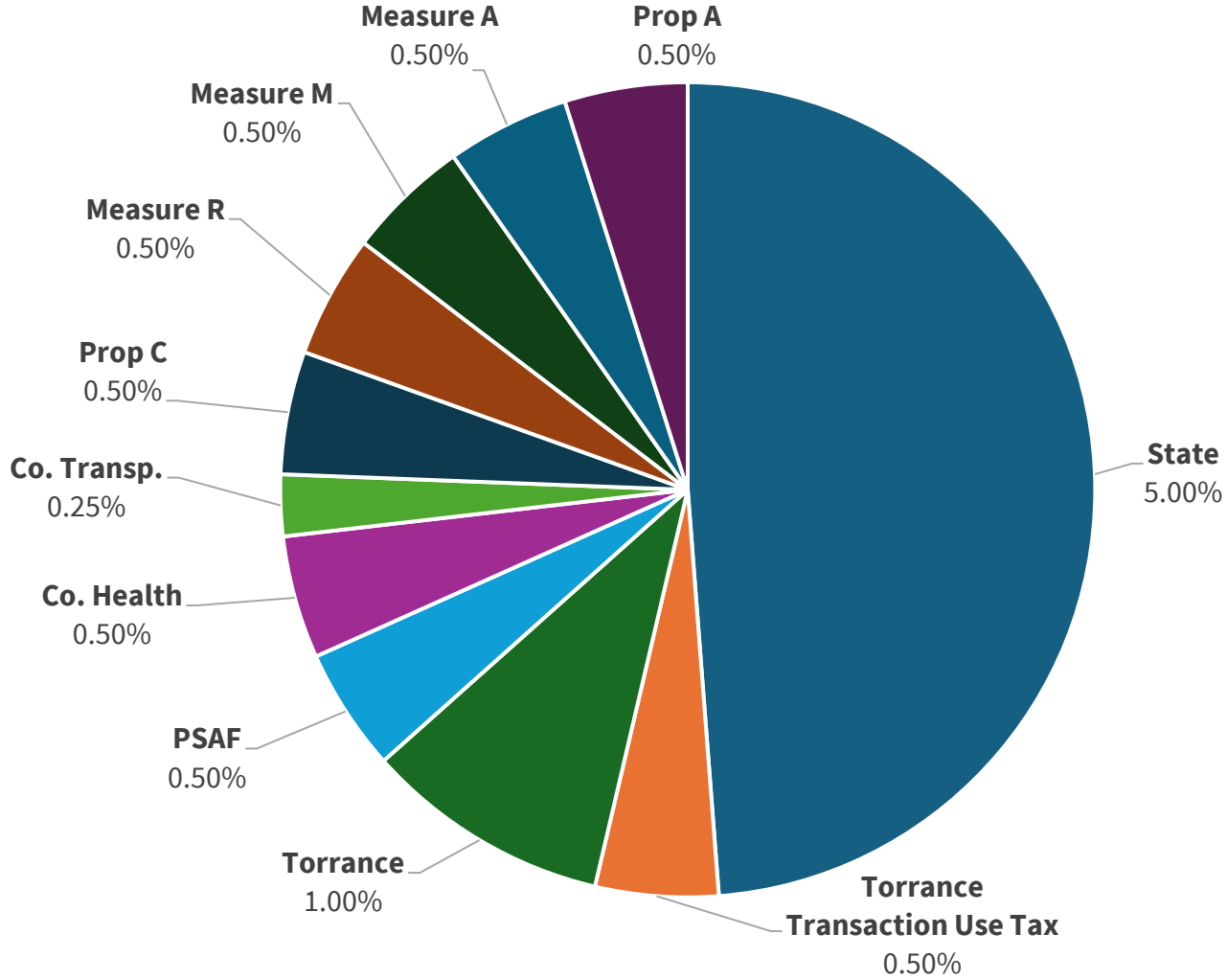


Sales Tax Rate Comparison

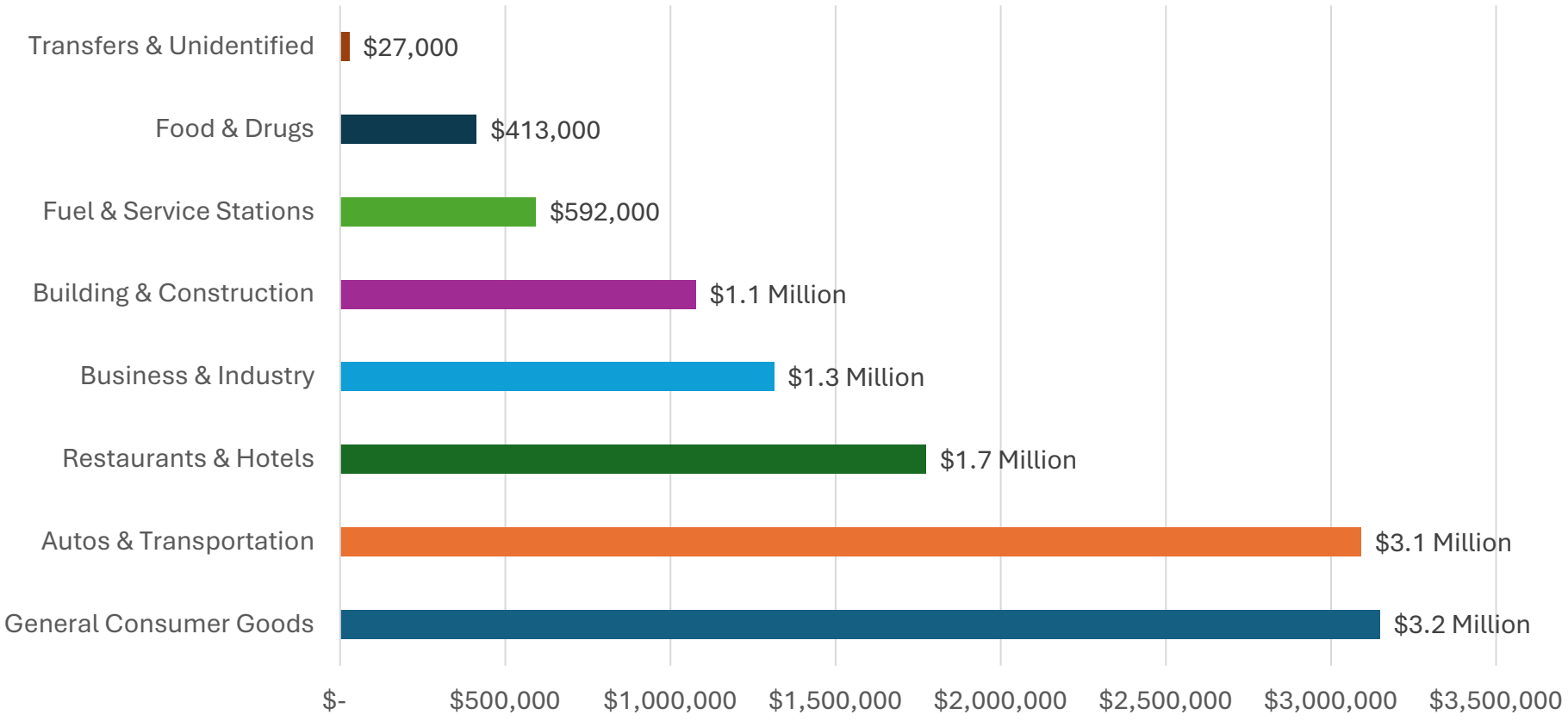
City	Current Sales Tax Rate*
Redondo Beach	9.75%
Inglewood	10.25%
Torrance	10.25%
Pasadena	10.50%
Burbank	10.50%
Glendale	10.50%
Culver City	10.50%
Long Beach	10.50%
Santa Monica	10.75%

*California Department of Tax and Fee Administration (Effective July 1, 2025)

Sales Tax Allocation (10.25%)

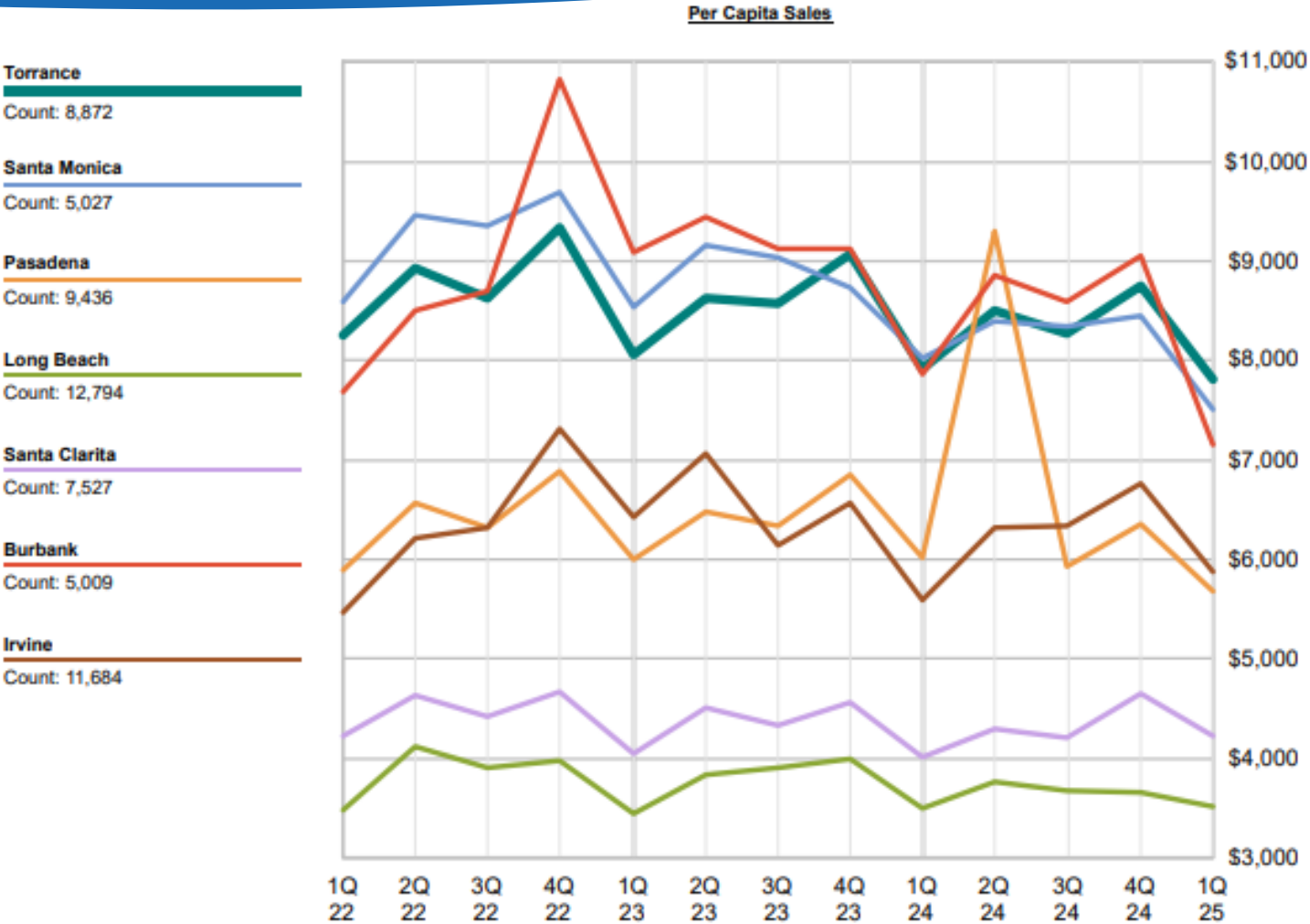


Sales Tax by Major Industry Group



*Per HdL's Sales Tax Torrance 1Q25 Final Reports.

Highest Sales Tax Producers in LA County



*Per HdL's Sales Tax Torrance 1Q25 Final Reports.

Property Tax Distribution



Schools (TUSD, El Camino, etc.)
47%

County
40.8%

City of Torrance
12.2%

Top 10 Highest Assessed Property Value Cities in LA County, 2024-25

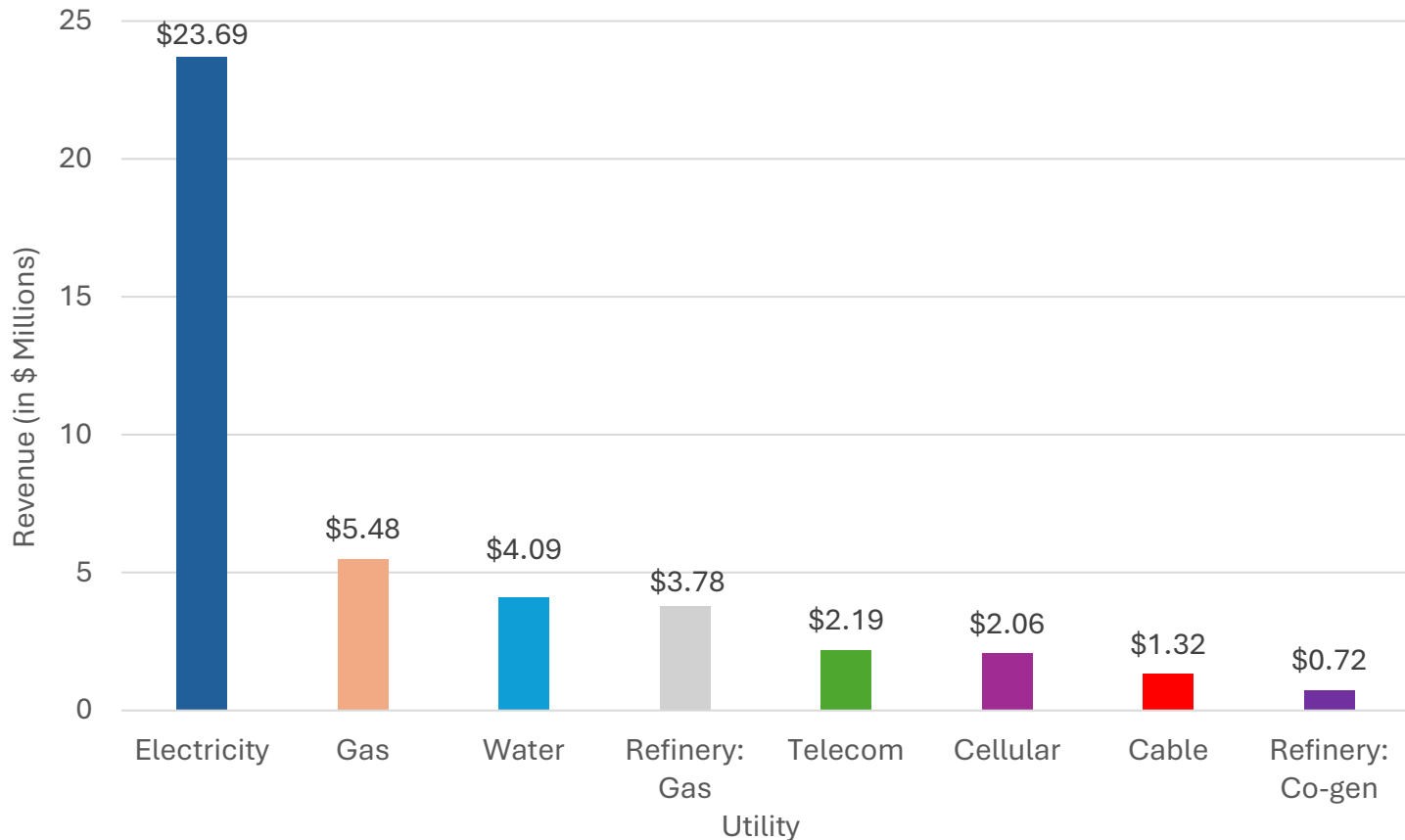
City	Assessed Valuation* (Values in Billions)
1. Los Angeles	\$857.08
2. Long Beach	\$78.76
3. Santa Monica	\$50.91
4. Beverly Hills	\$46.83
5. Santa Clarita	\$46.38
6. Glendale	\$42.13
7. Pasadena	\$41.39
8. Torrance	\$40.23
9. Burbank	\$33.39
10. Manhattan Beach	\$26.23

*Per HdL Coren & Cone's 2024/25 Property Tax Review

Utility Users' Tax Rate Comparison

City	Utility User Tax Rates
Redondo Beach	4.75%
Long Beach	5.00%
Torrance	6.50%
Glendale	6.50%
Santa Monica	10.00%
Los Angeles	10.00%
Inglewood	10.00%
Culver City	11.00%

Utility Users' Tax



Budgeted 2025-26 Revenues from Utility Users' Tax: \$43.3 Million

Occupancy Tax Rate Comparison

City/County	Occupancy Tax Rate*
Carson	9.0%
Torrance	11.0%
Redondo Beach	12.0%
Manhattan Beach	12.0%
Los Angeles – County	12.0%
Pasadena	12.1%
Long Beach	13.0%
Beverly Hills	14.0%
Culver City	14.0%
Inglewood	14.0%
Los Angeles - City	14.0%
Santa Monica	14.0%

Occupancy Tax Facts

- Fiscal Year 2025-26 Adopted Budget (General Fund - Operating Fund): **\$43.3 Million**
 - **14.2%** of Total General Fund – Operating Fund Revenues
 - **12.6%** of Total General Fund Revenues
- Torrance is home to **20 hotels/motels**
 - Total number of rooms: **2,700**
- The occupancy tax rate, otherwise known as “Uniform Occupancy Tax” in the Torrance Municipal Code Chapter 22, is **11.00%**

Business License Tax Facts

- Fiscal Year 2025-26 Adopted Budget (General Fund - Operating Fund): **\$11.6 Million**
 - **3.8%** of Total General Fund – Operating Fund Revenues
 - **3.4%** of Total General Fund Revenues



9,300 businesses with
active licenses located within
Torrance



4,100 businesses
with active licenses located outside
of Torrance (but come into City for
business)



**13,400 active
business licenses**



Questions?

City of
TORRANCE
California