ADOPTED
OPERATING BUDGET
AND CAPITAL IMPROVEMENT PLAN

FISCAL YEAR 2026 - 2027



SEE WHAT TORRANCE IS DOING

CITY OF TORRANCE · DEPARTMENT OF FINANCE

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For the Fiscal Year Beginning

July 01, 2025

Christopher P. Morrill

Executive Director

Last year's Adopted Fiscal Year 2025-27 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, 2025. To receive this award, a governmental entity must publish a budget document that acts as a policy document, operations guide, financial plan, and communications device. This award is valid for a period of one year. In preparing the Adopted Fiscal Year 2026-27 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, 2026.



California Society of Municipal Finance Officers

Certificate of Award

Operating Budget Excellence Award
Fiscal Year 2025-2026

Presented to the

City of Torrance

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

February 5, 2026

Jennifer Wakeman
2025 CSMFO President

James Russell-Field, Chair
Recognition Committee

Dedicated to Excellence in Municipal Financial Reporting

Additionally, last year's Adopted Fiscal Year 2025-27 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, 2025. This award recognizes public sector agencies with well-presented budget documents, best practices, processes, and procedures and is valid for a one-year period. In preparing the Adopted Fiscal Year 2026-27 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, 2026.



BUDGET MESSAGE

Budget Message

Message from the City Manager

To Mayor, City Council, and the Torrance Community,

I am pleased to present the Adopted Fiscal Year (FY) 2026–27 Operating Budget and Capital Improvement Plan. This balanced and forward-looking financial plan reflects the City's unwavering commitment to fiscal stewardship, transparency, and continued investment, while sustaining the high-quality services that define Torrance.

A Strong and Stable Position: Torrance continues to demonstrate exceptional financial resilience in an evolving economic environment. Rising property values, sustained development activity, and continued investment in revitalization and beautification efforts underscore the City's strong economic foundation and positive trajectory.

Our financial position is the result of deliberate, disciplined decision-making by the Mayor and City Council over the last six years—prioritizing sustainability, building prudent reserves, and aligning resources with community priorities.

Strategic Fiscal Framework: The adopted **$584.5 million** operating budget (of which $368.7 million relates to the General Fund) and **$286.4 million** capital budget are grounded in a comprehensive fiscal framework that ensures alignment between resources and outcomes. This includes:

- The City's Strategic Plan and City Council adopted priorities
- Established Fiscal Policies
- Financial and Strategic Plan Key Performance Indicators (KPIs)
- Long-term financial forecasting

A key advancement in this budget is the introduction of a **General Fund Capital Contribution Policy**, establishing a target of **5%** (aspiring to 7.5%) of General Fund Operating Fund revenues. Based on the adopted budget this translates to a contribution ranging between $16.1 million (5%) and $24.2 million (7.5%). This policy aligns Torrance with leading AAA-rated municipalities nationwide and ensures a disciplined, consistent approach to maintaining and improving City assets.

Understanding Our Financial Approach: The adopted budget reflects a strategic and measured use of accumulated resources to address current needs while preserving long-term fiscal strength.

Citywide, the operating budget adds approximately $5.9 million to the overall fund balance, resulting in a total of $465.5 million. Targeted uses of fund balance include:

- **General Fund Operating Fund:** A **$2.0 million** investment in critical sidewalk improvements that enhance safety and mitigate long-term liabilities while still increasing the City's Economic Anomaly Reserve
- **General Fund Restricted Fund:** A **$8.0 million** draw to stabilize rising retirement costs and smooth budget impacts
- **Transit Fund:** A measured use of **$6.0 million**, largely attributable to non-cash depreciation (**$4.7 million**) covered through non-operating federal grants, with a net impact of **$1.3 million**.

These investments are partially offset by planned surpluses in other funds including **$1.9 million** for the General Fund Assigned Fund, **$1.3 million** for the Sanitation Fund, **$3.5 million** for the Sewer Fund, **$8.6 million** for the Water Fund, and **$2.5 million** for the Fleet Services Fund.

Looking Ahead - Managing Risk with Discipline: While the City's financial position remains strong, the outlook requires continued vigilance. Economic uncertainty driven by global conditions, federal trade policy, and monetary shifts may impact revenues and investment performance. At the same time, structural cost pressures (including labor and pension obligations) continue to require proactive management. The City's Revenue Trends KPI remaining in the "yellow" category reinforces the need for ongoing fiscal discipline.

Proactive Financial Management: Torrance is well-positioned to navigate these challenges due to strong foundational policies and forward-looking planning:

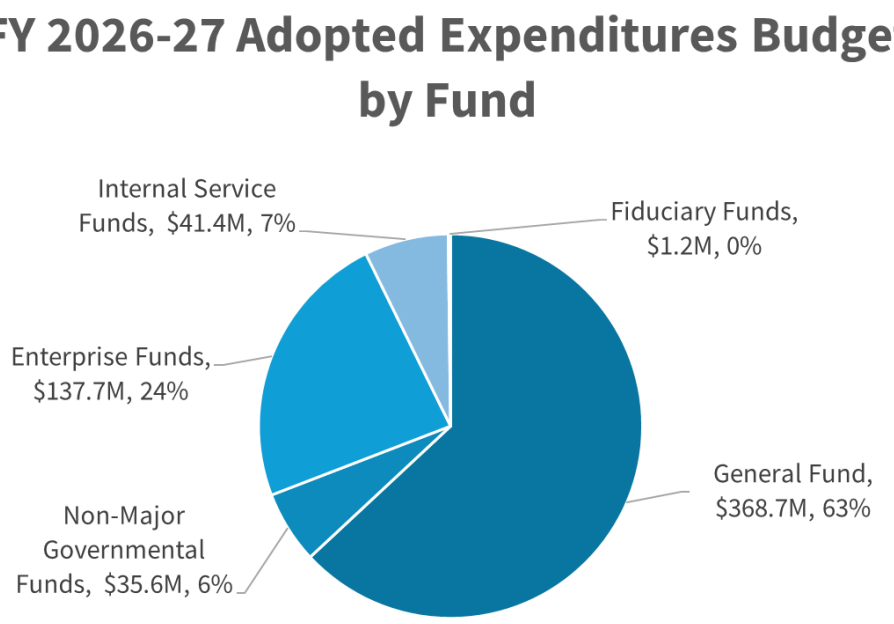
- The **Economic Anomaly Reserve** stands at 21.5% of expenditures (or $69.9 million), which is above policy thresholds (20%) and is projected to grow annually
- The **10-year financial forecast** demonstrates long-term structural balance
- The **Pension Prefunding Trust** mitigates volatility in retirement costs
- A **diversified revenue base**, with property tax now exceeding sales tax, enhances stability

Equally important, the City's commitment to transparency and performance monitoring ensures emerging issues are identified early and addressed strategically, minimizing impacts on service delivery.

Investing in Community Priorities: The budget advances City Council priorities through targeted investments in public safety and emergency preparedness; infrastructure maintenance and capital improvements; technology modernization and AI-enabled efficiencies; zero-emission fleet transition; homelessness response and community services; and workforce recruitment and retention. These investments reflect a balanced approach—enhancing service delivery today while reducing long-term costs and liabilities.

Budget Overview

Across all departments, funds, and programs, the adopted FY 2026–27 citywide operating budget totals $584.5 million. Of this amount, $368.7 million is allocated to the General Fund to support core public services such as public safety, community development, parks and recreation, and public works, as well as other designated purposes. A summary breakdown of the City's overall expenditure budget by the main fund categories is shown below:



In addition to the operating budget, the adopted five-year Capital Improvement Plan provides $286.4 million in critical funding for infrastructure investments, with $61.5 million being adopted for appropriation in FY 2026–27. These investments support the maintenance and modernization of public facilities, utilities, and other essential city assets.

The adopted FY 2026–27 operating budget reflects a net decrease of 9.20 full-time equivalent (FTE) positions citywide, resulting in approximately $926,000 savings. Details of all staffing changes are provided in the **Expenditures** section of this document.

In addition to staffing adjustments, the adopted operating budget includes a reduction of ($249,000) reflecting prudent financial planning with targeted investments aligned with City Council budget priorities that are offset by program changes and new funding sources. These include:

- **$250,000 increase** for additional land lease audit support from outside firms to ensure City revenues are accurate and leaseholders are accountable to lease terms
- **$25,000 increase** for a third-party oversight function of the City Treasurer's Office's daily operations
- **$475,000 increase** due to an enhancement of the Public Provider Ground Emergency Medical Transportation (PP-GEMT) Intergovernmental Transfer (IGT) Program, which also generates an additional $800,000 in revenues.
- **$30,000 increase** for managed printing services to improve efficiency with better cost control
- **$501,000 increase** for a new computer-aided public safety dispatch system with Versaterm, which will be partially offset in FY 2027–28 when the transition from the legacy system is completed.
- **$500,000 increase** for citywide sidewalk ramping and grinding, improving accessibility and reducing long-term risk exposure
- **($430,000) reduction** due to discontinuation of the Section 8 Emergency Housing Voucher program, which leaves about 3 months in the budget
- **$100,000 increase** for a complete route review and GPS daily tracking for residential refuse collection services to enhance operational efficiency and cost effectiveness
- **($1.7 million) reduction** for Connect Torrance Micro Transit Services, as a new grant currently pending award is anticipated to cover 9 months of the FY 2026–27 operating costs outside of the operating budget, for a total of 24 months of operating the service.

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

Economic Conditions and Revenue Outlook

As the City transitions into FY 2026–27, economic conditions are expected to remain stable, with modest revenue growth projected. Following a period of strong post-pandemic recovery, the City experienced several years of declining sales tax revenues; however, recent trends indicate early signs

of stabilization. In response, the City is maintaining a prudent and forward-looking approach to financial planning, with a continued focus on protecting long-term fiscal sustainability amid an evolving economic environment.

The General Fund Operating Fund Budget remains significantly reliant on tax revenues, which comprise 63.7% of total projected revenues—$205.5 million of the $322.4 million total—for FY 2026–27. Overall tax revenues are expected to increase modestly by $1.7 million (+0.8%). This limited growth reflects a cautious outlook, influenced in part by downward adjustments in Utility Users' Tax and Construction Tax projections.

While total tax revenues are anticipated to remain relatively flat compared to the prior fiscal year, Property Tax continues to serve as a stable and growing revenue source. Property Tax revenue is projected to increase by **$2.1 million (+3.0%)** in FY 2026–27 and, for the fourth consecutive year, will exceed Sales Tax as the City's largest revenue source by approximately **$11.0 million**. According to the City's property tax consultant, HdL Coren & Cone, the taxable assessed valuation in Torrance increased by 4.6%, from $40.2 billion to $42.1 billion, placing the City among the top eight highest-assessed jurisdictions in Los Angeles County. The growth experienced in Torrance outpaces peer communities coming in at 5th place in the County indicating that Torrance will improve its overall rank over time if it continues. This growth has been driven primarily by the residential sector, which contributed $1.4 billion in additional assessed value despite fluctuations in mortgage rates tied to federal interest rate policies and broader global economic conditions. Continued property turnover under Proposition 13, along with ongoing residential development, is expected to further support the City's property tax base.

In contrast, Sales Tax revenues continue to face headwinds. After peaking at $63.6 million in FY 2021–22, Sales Tax is projected at $63.2 million in FY 2026–27 and has experienced very limited growth in the intervening years. While FY 2025–26 is anticipated to reflect the first year of modest growth since the peak, the City continues to budget conservatively due to ongoing volatility and the sensitivity of this revenue stream to broader economic conditions.

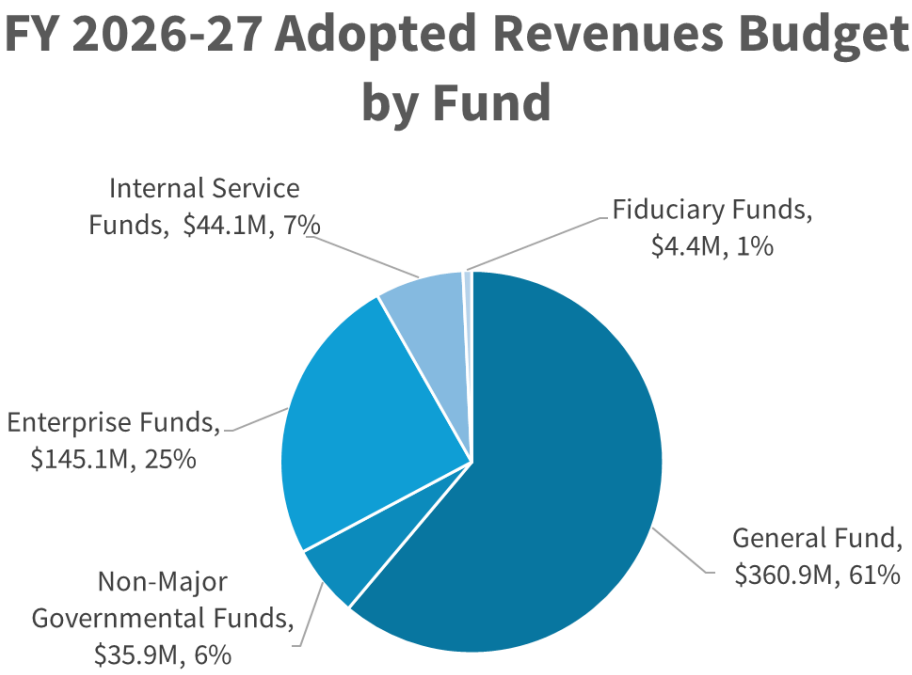
An analysis of the most recent 12 months of available data for Sales Tax compared to the prior year indicates relatively flat overall performance, with notable variation across sectors. Growth has been observed in Los Angeles County Pool allocations and the General and Consumer Goods sector, each increasing by approximately 9%. These gains, however, have been partially offset by declines in the Business and Industry segment (down 35%) and Autos and Transportation (down 3%). Looking ahead, a gradual recovery in Sales Tax is anticipated, supported by expected increases in County Pool

remittances as well as improvements in the Restaurants and Hotels and Autos and Transportation sectors.

Despite these near-term challenges, Torrance benefits from a highly diversified sales tax base, which provides an important buffer against economic volatility. The City's top 25 sales tax producers account for 38% of total receipts, while the top 100 account for 64%, reducing reliance on any single taxpayer or industry. Torrance also continues to demonstrate strong relative performance, ranking in the top 5% statewide (ranked 22) and **third** in Los Angeles County, behind only the Cities of Los Angeles and Long Beach.

In addition to local economic trends, broader external factors continue to introduce uncertainty into the City's financial outlook. Federal trade policy developments, including new or adjusted tariffs, as well as ongoing global conflicts, have contributed to volatility in financial markets. These conditions may impact the City's direct investment returns and influence the performance of the CalPERS pension system, which remains sensitive to market fluctuations. Continued monitoring of these external factors will be critical to ensure the City can respond strategically to inflationary pressures, supply chain disruptions, and potential impacts to revenue and investment performance.

A summary breakdown of the citywide revenue budget by fund categories is provided below:



Legislative Environment and Advocacy

The City of Torrance actively monitors federal and state legislation and engages in targeted advocacy to secure funding and shape policy in alignment with local priorities. The City's Legislative Platform, approved by the City Council, serves as a strategic framework to guide these efforts and ensures timely, coordinated responses to legislative developments that may impact municipal operations and service delivery.

A significant new legislative requirement affecting the City is Assembly Bill 339 (AB 339), which amends the Meyers-Milias-Brown Act and became effective January 1, 2026. This legislation introduces new procedural requirements related to the City's procurement processes. Specifically, it requires public agencies to provide a minimum of 45 days' advance notice to impacted labor organizations prior to issuing a Request for Proposals (RFP), Request for Quotes (RFQ), or Invitation for Bids (IFB), as well as prior to amending an existing agreement to extend its term or increase funding.

While the law includes limited exceptions—primarily in emergency situations—it also provides exemptions for certain types of contracts, including:

1. Contracts for construction, alteration, demolition, installation, repair, or maintenance work covered under specified sections of the Labor Code, as well as contracts for highly specialized data, software, or services directly supporting such work; and
2. Contracts related to the planning, design, administration, oversight, review, or delivery of public works projects, or the development of residential, commercial, industrial, or other infrastructure projects subject to adopted uniform codes or standards.

In addition to responding to regulatory changes, the City continues to advocate for priority funding opportunities at both the state and federal levels to support key initiatives and reduce pressure on the General Fund. For FY 2026–27, the City Council and staff are pursuing funding for several high-impact projects, including:

- **Regional Emergency Preparedness and Response Enhancements ($900,000):** Funding to modernize the Police Department's 911 Communications Center, including replacement of aging dispatch consoles, upgrades to facility infrastructure such as flooring, and improvements to ergonomic and ADA-compliant workspaces. This request also includes the acquisition of a medically equipped armored rescue vehicle (MedCat) to enhance emergency response capabilities during critical incidents.

- **Continuation of Community Wellness Investment ($3.0 million):** Support for the multi-phase park improvement initiative at Columbia Park, beginning with the World War II Camp Wall Monument, and expanding to include ADA-accessible pedestrian pathways, shaded picnic areas, and enhanced community gathering spaces.
- **El Nido Community Resilience and Recreation Hub Improvements ($3.0 million):** Funding to advance the partnership between the City and Torrance Unified School District to fully redevelop El Nido Park into a modern, resilient community asset.

Beyond funding advocacy, the City is also focused on legislative efforts that strengthen long-term fiscal sustainability and cost recovery. The City has submitted a letter of support for Senate Bill 922 (SB 922), which proposes revisions to the Vehicle Code to clarify local authority to impose pavement impact fees on private waste haulers. This change would provide an additional mechanism to offset infrastructure wear and enhance ongoing investment in the City's pavement program.

Additionally, the City continues to prioritize legislative reforms related to liability and workers' compensation. These areas have experienced significant cost growth in recent years, and targeted reforms are essential to mitigating long-term financial impacts on the City's budget.

Major Development Projects

The City continues to experience strong development activity across residential, commercial, and industrial sectors, reflecting sustained investor confidence and overall community vitality. In calendar year 2025, the Community Development Department processed approximately $173 million in permit valuations. While this represents a decrease from $222 million in 2024, it remains above the $157 million recorded in 2023, indicating continued investment and a stable development pipeline.

These projects are contributing to the expansion of the City's tax base while delivering new housing opportunities, supporting commercial activity, and reinforcing long-term economic growth. Major development projects currently underway or in progress include:

- **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 construction.
- **Rose Equities (2325 Crenshaw Boulevard):** 272-unit condominium 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.
- **Torrance Gateway (Sares Regis Phase III)**: construction of five light industrial warehouse buildings; in plan check phase.

Collectively, these projects align with the City's strategic objectives of promoting sustainable and balanced growth, supporting job creation, and expanding housing availability. This is particularly important as the City works to address a long-term trend of population decline experienced over the past decade.

In addition to their immediate economic impact, these developments are expected to generate ongoing property tax growth and contribute to the City's long-term fiscal resilience, further strengthening Torrance's position as a desirable place to live, work, and invest.

Economic Development Highlights

The City of Torrance continues to advance a proactive and strategic approach to business attraction, retention, and economic revitalization. While the national retail environment continues to face headwinds, Torrance has demonstrated resilience, particularly at the Del Amo Fashion Center, which continues to attract and retain high-performing tenants. Recent additions such as Aritzia Women's Fashion, Mumu Hot Pot, Origami Handroll, Bacio di Latte, BYLT Premium Basics, and Pop Mart Toys reflect the City's ability to remain competitive and responsive to evolving consumer trends.

Beyond retail, Torrance continues to attract innovative companies across a diverse range of industries, further strengthening the local economy and supporting high-quality job growth. Recent additions include:

- **Castelion**: Focused on the development of affordable, rapidly produced hypersonic defense technologies to support national security initiatives
- **Flightwave**: A manufacturer of vertical takeoff and landing tricopter drones used for mapping, surveillance, and defense applications
- **Heart Aerospace**: A leader in hybrid-electric aviation, developing sustainable 30-seat regional aircraft designed to reduce emissions in short-haul air travel

The City is also strengthening its position in the global economy by leveraging relationships with Friendship Cities, the Los Angeles Consular Corps, and international trade organizations to attract

foreign direct investment. Programs such as the Business Attraction Incentive (BAIT) Program and the Commercial Façade Improvement Program continue to support both business growth and community revitalization. Most recently, the BAIT Program played a key role in retaining Hadrian, an advanced manufacturing company specializing in precision components for the aerospace and defense industries, ensuring its continued presence and expansion in Torrance.

At the local level, the City continues to invest in placemaking and the vitality of Downtown Torrance. Recent enhancements include the implementation of a new Downtown banner program, with additional seasonal activations planned throughout the year. Public Works has also completed median improvements along Cabrillo Avenue, contributing to the aesthetic and functional appeal of the area. Looking ahead, the City will host two FIFA World Cup watch parties in Downtown Torrance during June and July, creating opportunities to draw visitors, support local businesses, and further activate the downtown district.

Community Areas of Focus

Responsible Use of Artificial Intelligence in Government

The City continues to take a deliberate and thoughtful approach to the integration of artificial intelligence (AI) into municipal operations. The Information Technology Governance Committee meets regularly to provide policy direction and oversight for citywide technology initiatives. Most recently, the Committee has initiated the review of a formal AI policy to guide responsible implementation across City functions.

In parallel, staff are actively evaluating potential AI applications, including website-based chatbots and other tools designed to enhance service delivery, improve operational efficiency, and support the City's workforce. As a member of the GovAI Coalition, Torrance continues to collaborate with peer agencies and incorporate emerging best practices to ensure AI is implemented in a manner that is both effective and aligned with public sector values.

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 provided valuable insight into both preferred communication channels and areas for improvement.

Survey findings indicate a strong preference for digital platforms, with YouTube ranking highest, followed by Instagram and Facebook. TorranceAlerts was also identified as a highly valued and trusted communication tool, ranking just above the City's website. At the same time, usage of the

City's website remains relatively infrequent, suggesting a need for improved usability, navigation, and overall user experience.

Among those who do utilize the website, the most sought-after information includes public safety updates; essential municipal services such as trash collection, street sweeping, and water services; City events; current issues of interest; and Recreation program offerings. These insights are directly informing the City's approach to digital service delivery. The launch of a new city website aimed at addressing these items is structured in three phases, with Phase I live in May 2026, followed by the City's remaining subsites.
1
Consistent with this theme, staff implemented digital online business license and permit application portals in early 2026. Additionally, staff are actively working on improving the facility and space rental process through the development of a centralized, customer-focused booking system. This initiative is designed to provide a "one-stop shop" experience, eliminating the need for users to navigate multiple departments or processes. In addition to improving customer convenience, this effort is expected to enhance operational efficiency and support revenue generation.

To further support data-driven decision-making, the City continues to leverage tools such as ZenCity and Placer.ai, which provide insights into community sentiment and visitation patterns through social listening and aggregated mobility data.

Homelessness

The City of Torrance continues to implement a comprehensive and compassionate approach to addressing homelessness, balancing service delivery with public safety and community concerns. The 3290 Temporary Housing Village, operated by Harbor Interfaith Services, remains a central component of this strategy and continues to operate at full capacity. The facility includes:

- Forty 64-square-foot temporary housing units (tiny homes)
- One guard booth
- Three 100-square-foot staff trailers
- Two restroom and shower facilities (including one ADA-accessible unit)
- A dedicated laundry facility

In addition to interim housing, the City's Street Outreach Program—now operating six days per week—has successfully connected 108 individuals to permanent housing solutions since 2021. These efforts are coordinated through the City's Homeless Response Team, led by the City Manager's Office, which facilitates cross-departmental collaboration and regional partnerships.

The City remains committed to addressing the needs of all community members. Through the coordinated efforts of the Torrance Police Department's Community Lead Officers and the City's Outreach Coordinators, staff respond to concerns from residents and businesses by offering supportive services, addressing encampments, and maintaining public spaces.

Police Department and California Department of Justice and Collaborative Reform

The Torrance Police Department continues to make meaningful progress in its collaborative reform efforts with the California Department of Justice, with a focus on strengthening public safety outcomes while fostering trust and accountability within the community.

Investments in training, technology, and community engagement are central to this effort and are designed to enhance the effectiveness of law enforcement operations while reinforcing the principles of 21st Century Policing. The Department remains committed to equipping officers with the tools, resources, and training necessary to uphold the highest standards of professionalism. Key technology investments supporting this work include:

- Implementation of a new **Computer-Aided Dispatch (CAD) system**, which is fully funded
- Implementation of a new **Records Management System (RMS)**, with funding included in the adopted budget
- Completion of the deployment of new **Mobile Data Computers (MDCs)** across the Department

These initiatives will improve operational efficiency, enhance data capabilities, and support more effective service delivery to the community.

Building Organizational Resilience and Future Leadership

The City's ability to deliver consistent, high-quality services over the long term depends on a strong, well-prepared workforce and a deliberate approach to organizational development. Over the past five years, the City has made significant investments in building internal capacity, advancing leadership development, and preparing the next generation of municipal leaders. The Mary K. Giordano (MKG) Leadership Academy has graduated more than 100 employees across all departments, creating a shared foundation of leadership, collaboration, and innovation. The Torrance Management Assistant Program (MAP) has also emerged as one of the City's most successful workforce development initiatives, with participants placed across more than a dozen departments in a structured, cohort-based framework that accelerates professional growth, strengthens cross-departmental collaboration, and builds a sustainable pipeline of future managers and executives.

MAP participants have consistently advanced into higher-level positions throughout the organization, demonstrating the program's effectiveness in preparing the next generation of public service leaders. These initiatives establish a clearly defined progression from entry-level to executive leadership, give every employee a clear path to their next opportunity, and reinforce Torrance's position as an Employer of Choice. The budget also sustains investment in leadership development, professional training, and executive onboarding — supporting continuity of operations, preserving institutional knowledge through anticipated retirements, and advancing the City Council's priorities around right-sizing staffing, operational excellence, and long-term organizational resilience.

Del Amo Fashion Center Youth Supervision Policy

The City continues to invest in maintaining a safe, welcoming shopping environment that supports tenant performance and consumer confidence. The Del Amo Fashion Center Youth Supervision Policy, implemented in partnership with Simon Property Group and the Police Department, remains in full operation leveraging existing city resources with a total investment of approximately $1.1 million each year. Since implementation, the policy has supported a more consistent, family-friendly environment at the Center and contributed to its continued ability to attract high-performing tenants.

Conclusion: A Vision for a Resilient Future

As Torrance enters FY 2026–27, the City remains grounded in a commitment to fiscal discipline, community-focused investment, and long-term sustainability. While economic conditions continue to present challenges, the adopted budget reflects a deliberate and balanced approach that safeguards financial stability while advancing the priorities of our community. Torrance is well-positioned not only to navigate uncertainty, but to build upon its momentum. The City's strong reserves, disciplined fiscal policies, and sustained investment in infrastructure, economic development, and core services reflect a clear and consistent trajectory—one defined by stability, adaptability, and forward progress.

The City continues to pursue operational improvements that enhance efficiency and deliver lasting value. The Capital Improvement Plan, informed by a comprehensive assessment of facility and infrastructure conditions, prioritizes essential investments in ADA accessibility, seismic safety, and the long-term preservation of City assets. In parallel, the upcoming Parks Master Plan will help shape a strategic vision for future recreational investments, ensuring that community input plays a central role in defining Torrance's public spaces for years to come.

It is my privilege to present a budget that reflects confidence in our approach and a steadfast commitment to responsible governance. I extend my sincere appreciation to the Mayor and City

Council for your leadership, to City staff for your continued dedication, and to our residents and business community for your ongoing partnership. With a strong financial foundation, a clear strategic direction, and significant investments underway, Torrance is on a positive and sustainable trajectory.

Sincerely,



Aram Chaparyan
City Manager



EXECUTIVE SUMMARY

Executive Summary

Strategic Fiscal 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 Adopted Fiscal Year 2026–2027 Operating Budget and Capital Improvement Plan was 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 13, 2025, staff reported that out of the 249 sub-goals included in the plan, 209 have been completed, 40 are on track, and none are pending initiation/late. 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 has completed the statistically valid mid-cycle survey that evaluates progress on the City's Strategic Plan and is planning on presenting the completed report to the Strategic Plan Committee during their next update.

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 2026–27 budget cycle, the City has maintained its commitment to the 11 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 2020–21, the City has made notable improvements: transitioning from only two indicators in the green category to now having six in green, one in yellow, and three in red. However, the Revenue Trends indicator recently shifted from green to yellow, signaling the need to more carefully balance fiscal discipline with maintaining service levels and asset integrity. These key performance indicators can be found in the summary table below:

Financial Key Performance Indicators	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25
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 indicator recently shifted from yellow to green, as a result of the continued investment into the City's capital assets, especially in vehicles and infrastructure to maintain service levels and asset integrity. Additionally, Staff is closely monitoring the yellow status for Revenue Trends indicator prioritizing budget recommendations of conservative revenue projections and living within the City's revenue constraints.

Citywide Budget Summary

Citywide Revenue & Expenditure Budget Summary

Revenues by Fund	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
General Fund-Operating Fund	279,771,398	278,125,855	306,707,470	303,509,688	322,433,802	18,924,114	6.2%
General Fund-Measure SST	18,064,595	25,577,251	25,685,176	26,183,606	27,279,846	1,096,240	4.2%
General Fund -Restricted	2,452,282	24,831,321	13,567,049	4,416,579	4,791,889	375,310	8.5%
General Fund-Assigned	2,195,940	10,852,404	10,930,500	7,111,091	6,419,911	(691,180)	-9.7%
Total General Fund	**$ 302,484,215**	**$ 339,386,831**	**$ 356,890,195**	**$ 341,220,964**	**$ 360,925,448**	**$ 19,704,484**	**5.8%**
AQMD Fund	198,640	206,313	202,627	211,134	207,063	(4,071)	-1.9%
Debt Service Fund	22,099,220	22,593,694	23,101,675	23,625,753	24,154,567	528,814	2.2%
Low Mod Fund	1,429,993	168,411	21,967	-	228,623	228,623	0.0%
Meadow Park Parking Lot District	152,866	50,248	58,145	41,205	45,860	4,655	11.3%
Section 8 Housing	6,823,779	8,312,839	8,852,610	9,685,309	9,084,600	(600,709)	-6.2%
Street Lighting Fund	1,710,391	1,846,644	1,882,097	1,937,828	1,968,915	31,087	1.6%
Traffic Safety Fund	-	82,366	56,611	70,950	55,000	(15,950)	-22.5%
Vanpool Fund	240,548	210,074	240,470	261,749	179,314	(82,435)	-31.5%
Total Nonmajor Governmental Funds	**$ 32,655,437**	**$ 33,470,589**	**$ 34,416,202**	**$ 35,833,928**	**$ 35,923,942**	**$ 90,014**	**0.3%**
Airport Fund	23,886,882	20,292,508	38,436,913	21,920,724	6,459,908	(15,460,816)	-70.5%
Sanitation Fund	16,649,110	26,869,749	18,600,946	18,993,739	21,341,105	2,347,366	12.4%
Sewer Fund	6,569,643	8,050,200	8,243,609	8,201,108	8,593,241	392,133	4.8%
Transit Fund	35,962,667	32,367,583	36,546,928	38,508,429	43,116,666	4,608,237	12.0%
Water Fund	55,377,877	56,262,311	59,776,150	61,768,887	65,591,352	3,822,465	6.2%
Total Enterprise Funds	**$ 138,446,179**	**$ 143,842,351**	**$ 161,604,546**	**$ 149,392,887**	**$ 145,102,272**	**$ (4,290,615)**	**-2.9%**
Fleet Services Fund	25,854,360	13,976,328	13,676,686	15,074,962	17,200,930	2,125,968	14.1%
Self-Insurance Fund	24,309,720	23,070,807	23,974,728	24,178,667	26,890,010	2,711,343	11.2%
Total Internal Service Funds	**$ 50,164,080**	**$ 37,047,135**	**$ 37,651,414**	**$ 39,253,629**	**$ 44,090,940**	**$ 4,837,311**	**12.3%**
Redevelopment Agency Fund	3,597,670	4,318,282	4,175,440	4,339,486	4,351,081	11,595	0.3%
Total Fiduciary Funds	**$ 3,597,670**	**$ 4,318,282**	**$ 4,175,440**	**$ 4,339,486**	**$ 4,351,081**	**$ 11,595**	**0.3%**
Total Revenues	**$ 527,347,581**	**$ 558,065,188**	**$ 594,737,797**	**$ 570,040,894**	**$ 590,393,683**	**$ 20,352,789**	**3.6%**

Expenditures by Fund	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change	FY 2026-27 Revenue Less Expenditures
General Fund-Operating Fund	261,591,946	271,219,956	293,190,318	311,565,818	324,433,802	12,867,984	4.1%	(2,000,000)
General Fund-Measure SST	17,550,521	21,467,564	26,349,170	26,183,606	27,279,846	1,096,240	4.2%	-
General Fund -Restricted	(799,059)	601,045	378,227	7,535,387	12,387,318	4,851,931	64.4%	(7,595,429)
General Fund-Assigned	1,719,594	4,211,216	6,306,488	7,634,299	4,563,239	(3,071,060)	-40.2%	1,856,672
Total General Fund	**$ 280,063,002**	**$ 297,499,781**	**$ 326,224,203**	**$ 352,919,110**	**$ 368,664,205**	**$ 15,745,095**	**4.5%**	**$ (7,738,757)**
AQMD Fund	185,581	154,656	230,892	360,478	181,142	(179,336)	-49.7%	25,921
Debt Service Fund	22,098,251	22,593,178	23,107,338	23,625,753	24,154,567	528,814	2.2%	-
Low Mod Fund	56,255	54,794	59,827	70,338	47,159	(23,179)	-33.0%	181,464
Meadow Park Parking Lot District	24,967	24,793	29,229	33,705	34,860	1,155	3.4%	11,000
Section 8 Housing	6,969,159	8,183,387	8,907,177	9,590,801	9,003,534	(587,267)	-6.1%	81,066
Street Lighting Fund	1,710,390	1,846,644	1,882,097	1,937,828	1,968,915	31,087	1.6%	-
Traffic Safety Fund	-	74,616	45,245	70,950	55,000	(15,950)	-22.5%	-
Vanpool Fund	240,547	210,074	240,470	261,749	179,314	(82,435)	-31.5%	-
Total Nonmajor Governmental Funds	**$ 31,285,150**	**$ 33,142,142**	**$ 34,502,275**	**$ 35,951,602**	**$ 35,624,491**	**$ (327,111)**	**-0.9%**	**$ 299,451**
Airport Fund	23,675,160	17,581,262	36,247,962	28,831,058	6,436,529	(22,394,529)	-77.7%	23,379
Sanitation Fund	14,811,383	26,428,864	15,087,874	20,035,722	20,048,040	12,318	0.1%	1,293,065
Sewer Fund	5,230,481	6,170,049	5,864,020	7,131,592	5,093,096	(2,038,496)	-28.6%	3,500,145
Transit Fund	28,721,634	32,986,308	37,572,267	46,791,919	49,076,346	2,284,427	4.9%	(5,959,680)
Water Fund	47,410,976	55,702,193	55,214,921	61,976,156	57,024,801	(4,951,355)	-8.0%	8,566,551
Total Enterprise Funds	**$ 119,849,634**	**$ 138,868,676**	**$ 149,987,044**	**$ 164,766,447**	**$ 137,678,812**	**$ (27,087,635)**	**-16.4%**	**$ 7,423,460**
Fleet Services Fund	5,270,328	8,182,547	9,763,986	14,054,487	14,652,424	597,937	4.3%	2,548,506
Self-Insurance Fund	16,210,165	21,019,641	24,142,585	24,301,818	26,764,266	2,462,448	10.1%	125,744
Total Internal Service Funds	**$ 21,480,493**	**$ 29,202,188**	**$ 33,906,571**	**$ 38,356,305**	**$ 41,416,690**	**$ 3,060,385**	**8.0%**	**$ 2,674,250**
Redevelopment Agency Fund	1,739,425	1,672,576	1,339,767	1,252,179	1,158,253	(93,926)	-7.5%	3,192,828
Total Fiduciary Funds	**$ 1,739,425**	**$ 1,672,576**	**$ 1,339,767**	**$ 1,252,179**	**$ 1,158,253**	**$ (93,926)**	**-7.5%**	**$ 3,192,828**
Total Expenditures	**$ 454,417,704**	**$ 500,385,363**	**$ 545,959,860**	**$ 593,245,643**	**$ 584,542,451**	**$ (8,703,192)**	**-1.5%**	**$ 5,851,232**

The FY 2026–27 citywide revenue budget will **increase by $20.4 million (+3.6%)**, and the expenditure budget will **decrease by $8.7 million (-1.5%)**. Overall, the citywide budget will **increase its fund balance by $5.9 million** as broken down below:

- **General Fund-Operating Fund - $2.0 million decrease in fund balance:** This strategic use of fund balance is recommended to fund the launch of a new sidewalk replacement program aimed at improving sidewalk conditions citywide and mitigating future liability.
- **General Fund-Measure SST Fund – no change in fund balance:** While the revenue budget will increase by $1.1 million driven by anticipated rise in sales tax receipts, expenditures budget will also increase by the same amount to maintain adequate funding for public safety sworn position staffing levels, homelessness response efforts, cybersecurity enhancements, capital improvement plan contributions, and reserves contributions.
- **General Fund-Restricted Fund - $7.6 million decrease in fund balance:** This is primarily the result of a strategic use of the City's pension prefunding trust to smooth the rising costs of the City's CalPERS pension costs.
- **General Fund-Assigned Fund - $1.9 million increase in fund balance:** This is primarily the result of contributions from the General Fund-Measure SST Fund to the Economic Anomaly Reserve Fund to build up the reserve to improve fiscal sustainability. The FY 2026–27 adopted budget increases the City's Economic Anomaly Reserve Fund by $1.0 million, bringing its projected balance to $69.9 million.
- **Sanitation Fund - $1.3 million increase in fund balance:** This is the result of a series of annual rate increases for refuse/recycling/green waste fees, which builds the fund balance primarily for future investment in replacement vehicles.
- **Sewer Fund - $3.5 million increase in fund balance:** This is the result of the series of annual rate increases for sewer usage fees, which builds the fund balance for future investment in the Capital Improvement Plan.
- **Transit Fund - $6.0 million decrease in fund balance:** The Transit Fund has a planned use of fund balance attributed to the Depreciation of its assets funded by federal funding not found in the operating budget. Controlling for this non-cash adjustment, the fund balance will decrease by $1.3 million. The adopted budget has been carefully developed with a focus on reducing the recurring reliance on fund balance, which will continue to be closely monitored over the future budget cycles.
- **Water Fund - $8.6 million increase in fund balance:** This is the result of the series of annual rate increases for water usage fees, which builds the fund balance for future investment in the Capital Improvement Plan.

- **Fleet Services Fund - $2.5 million increase in fund balance:** This is the result of planned contributions to the fund for future vehicle replacements.

Additional details on the long-term health of the funds can be found in the **Five-Year Fund Projections** section of this document.

General Fund-Operating Fund Major Revenues

Revenue Type	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Property Tax	62,105,457	65,094,737	68,370,768	72,011,450	74,152,690	2,141,240	3.0%
Sales and Use Tax	62,610,106	61,931,074	59,199,636	61,701,050	63,199,620	1,498,570	2.4%
Utility Users Tax	44,115,724	41,289,435	41,357,001	43,313,300	41,308,282	(2,005,018)	-4.6%
Operating Transfers In	38,361,683	26,367,219	46,263,108	43,259,345	35,030,095	(8,229,250)	-19.0%
Use of Money and Property	4,677,227	8,898,762	10,528,653	9,014,403	29,165,251	20,150,848	223.5%
Total Revenues	**$ 211,870,197**	**$ 203,581,227**	**$ 225,719,166**	**$ 229,299,548**	**$ 242,855,938**	**$ 13,556,390**	**5.9%**

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

- **Property Tax** revenues are **increasing by $2.1 million** (+3.0%), largely due to steady growth in the City's net taxable assessed property values fueled by the number of residential sales transactions and corresponding developments in the City.
- **Sales and Use Tax** revenues are **increasing by $1.5 million** (+2.4%), primarily due to the Federal Reserve's monetary policy positively affecting short-term borrowing and nationwide sales tax trends seeing a recovery since the peak from FY 2021–22.
- **Utility Users' Tax** revenues are **decreasing by $2.0 million** (-4.6%) 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 volatile based on refinery activity.
- **Operating Transfers In** revenues are **decreasing by $8.2 million** (-19.0%), largely due to a decrease of $12.8 million from Airport Fund transfers related to the land leases and offset by an increase in transfer from the CEPTT Fund of $5.0 million. The reduction in transfer from the Airport Fund is a result of the City budgeting for non-aeronautical activity surrounding the Airport directly in the General Fund Operating Fund under the Use of Money and Property classification.
- **Use of Money and Property** revenues are **increasing by $20.2 million** (+223.5%), primarily due to a $15.1 million increase from the change of Airport land leases previously recognized in the Airport Fund now in the General Fund Operating Fund and a $4.1 million increase

stemming from internal office rental charges to the City's Enterprise and Internal Service Funds.

General Fund-Measure SST Fund Budget Summary

The General Fund-Measure SST Fund's FY 2026–27 revenue budget will **increase by $1.1 million** (+4.2%) based on recent consumer spending trends. The fund's FY 2026–27 expenditure budget will also **increase by $1.1 million** (+4.2%). As a result, the General Fund-Measure SST Fund's budget is balanced for FY 2026–27. The following table provides further detail of the expenditure budget by the Measure SST Fund's four priority areas.

Measure SST Fund	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget
Quality of Life			
Restore/Maintain Public Safety	11,968,204	13,181,051	13,669,004
Homelessness Response Efforts	85,156	1,003,520	1,009,941
Fiscal Sustainability			
Reserve Contribution	5,000,000	5,000,000	5,000,000
Emergency Responsiveness			
Cyber Security Upgrades	675,650	1,020,320	1,037,959
Deferred Maintenance & Community Services/Programs			
Capital Contribution	8,620,160	5,978,715	6,562,942
Total Expense	**$ 26,349,170**	**$ 26,183,606**	**$ 27,279,846**

Fund Balance of General Fund

Fund Balance	FY 2024-25 Actual	FY 2025-26 Projected	FY 2026-27 Projected	FY 2026-27 Increase/ (Decrease)
Nonspendable	**1,822,932**	**929,896**	**918,608**	**(11,288)**
Restricted	**44,224,849**	**43,219,775**	**35,624,346**	**(7,595,429)**
Cable TV	3,372,213	3,601,296	3,981,630	380,334
Pension Reserve	40,852,636	39,618,479	31,642,716	(7,975,763)
Assigned	**81,100,002**	**81,909,136**	**83,765,808**	**1,856,672**
Technology Replacement	12,193,794	13,002,928	13,859,600	856,672
Economic Anomaly Reserve	68,906,208	68,906,208	69,906,208	1,000,000
Unassigned	**23,651,863**	**25,180,897**	**23,192,185**	**(1,988,712)**
Other Unassigned	23,651,863	25,180,897	23,192,185	(1,988,712)
Total Fund Balance	**$ 150,799,646**	**$ 151,239,704**	**$ 143,500,947**	**$ (7,738,757)**

As shown above, the Fund Balance of the General Fund is projected to decrease by $7.7 million in FY 2026–27. For the Pension Reserve from the City's Pension Reserve Fund (Section 115 Trust), the planned $12.3 million drawdown is partially offset by the contribution of $2.3 million to the Fund as well as projected investment earnings of $2.1 million. Additionally, the adopted FY 2026–27 budget includes a $5.0 million commitment from the General Fund – Operating Fund to invest in critical projects such as City Facilities and Parks, which includes a planned use of fund balance totaling $2.0 million. This planned use of fund balance is recommended to fund the implementation of a new sidewalk replacement program aimed at improving the condition of sidewalks citywide for residents and mitigating future liabilities.

The City's adopted fiscal policy sets a 20% Economic Anomaly Reserve balance based on the currently adopted expenditure appropriation for the General Fund-Operating Fund, which translates to $64.9 million in FY 2026–27. As shown in the table above, in FY 2026–27, the City is exceeding this amount with an Economic Anomaly Reserve of $69.9 million, or 21.5%.

Fund Balance Summary by Fund

Fund Type	Fund Name	FY 2025-26 Projected Fund Balance	FY 2026-27 Adopted Revenue Budget	FY 2026-27 Adopted Expenditure Budget	FY 2026-27 Projected Fund Balance
General Fund	General Fund-Operating Fund	20,821,055	322,433,802	324,433,802	18,821,055
General Fund	General Fund-Measure SST	5,289,738	27,279,846	27,279,846	5,289,738
General Fund	General Fund -Restricted	43,219,775	4,791,889	12,387,318	35,624,346
General Fund	General Fund-Assigned	81,909,136	6,419,911	4,563,239	83,765,808
Total General Fund		**$ 151,239,704**	**360,925,448**	**$ 368,664,205**	**143,500,947**
Nonmajor Govtl Funds	AQMD Fund	355,141	207,063	181,142	381,062
Nonmajor Govtl Funds	Debt Service Fund	1,145	24,154,567	24,154,567	1,145
Nonmajor Govtl Funds	Meadow Park Parking Lot District	243,099	45,860	34,860	254,099
Nonmajor Govtl Funds	Low Mod Fund	4,072,492	228,623	47,159	4,253,956
Nonmajor Govtl Funds	Section 8 Housing	600,658	9,084,600	9,003,534	681,724
Nonmajor Govtl Funds	Street Lighting Fund	-	1,968,915	1,968,915	-
Nonmajor Govtl Funds	Traffic Safety Fund	52,422	55,000	55,000	52,422
Nonmajor Govtl Funds	Vanpool Fund	-	179,314	179,314	-
Total Nonmajor Governmental Funds		**$ 5,324,957**	**$ 35,923,942**	**$ 35,624,491**	**$ 5,624,408**
Enterprise Funds	Airport Fund	40,908,580	6,459,908	6,436,529	40,931,959
Enterprise Funds	Sanitation Fund	17,701,398	21,341,105	20,048,040	18,994,463
Enterprise Funds	Sewer Fund	55,408,911	8,593,241	5,093,096	58,909,056
Enterprise Funds	Transit Fund	38,547,897	43,116,666	49,076,346	32,588,217
Enterprise Funds	Water Fund	152,216,949	65,591,352	57,024,801	160,783,500
Total Enterprise Funds		**$ 304,783,735**	**$ 145,102,272**	**$ 137,678,812**	**$ 312,207,195**
Internal Service Funds	Fleet Services Fund	48,928,366	17,200,930	14,652,424	51,476,872
Internal Service Funds	Self-Insurance Fund	(53,702,194)	26,890,010	26,764,266	(53,576,450)
Total Internal Service Funds		**$ (4,773,828)**	**$ 44,090,940**	**$ 41,416,690**	**$ (2,099,578)**
Fiduciary Funds	Redevelopment Agency Fund	3,092,527	4,351,081	1,158,253	6,285,355
Total Fiduciary Funds		**$ 3,092,527**	**$ 4,351,081**	**$ 1,158,253**	**$ 6,285,355**
Total Fund Balance		**$ 459,667,095**	**$ 590,393,683**	**$ 584,542,451**	**$ 465,518,327**

The summary schedule above shows the citywide projected fund balance by fund through the end of FY 2026–27. Further details are provided in the Departments and Five-Year Fund Projections sections of this document.

Citywide Staffing Changes Summary by Fund

Fund Type	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)
General Fund	1,149.41	1,149.39	1,156.55	1,174.03	1,174.55	0.52
Airport Fund	12.07	12.37	12.17	12.17	11.17	(1.00)
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	32.10	32.10	-
HOME Investment Partnership	2.50	-	-	-	-	-
Low Mod Fund	0.35	0.30	0.30	0.30	0.20	(0.10)
Sanitation Fund	38.95	38.95	39.90	39.90	39.60	(0.30)
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	15.55	(0.25)
Transit Fund	196.80	196.80	196.80	205.30	198.10	(7.20)
Vanpool Fund	0.70	0.70	0.70	0.70	0.70	-
Water Fund	40.45	39.45	38.40	38.40	38.15	(0.25)
Other - Capital Improvement/Grants	23.43	25.40	24.30	24.30	23.68	(0.62)
Total FTE Count	**1,529.99**	**1,528.84**	**1,533.25**	**1,557.73**	**1,548.53**	**(9.20)**

The adopted FY 2026–27 citywide staffing budget will decrease by 9.20 full-time equivalent (FTE) positions. The 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.

Citywide Staffing Changes Summary by Department

Department	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Expenditure/ (Savings)
City Attorney	13.00	15.00	14.00	15.00	15.00	-	-
City Clerk	8.00	9.00	9.00	9.00	9.00	-	-
City Council	7.00	7.00	7.00	7.00	7.00	-	-
City Manager	43.28	45.30	47.30	46.25	46.25	-	32,754
City Treasurer	2.00	2.00	2.00	2.00	2.00	-	-
Community Development	69.00	72.50	74.00	77.00	77.00	-	-
Community Services	227.36	204.19	205.15	207.18	208.18	1.00	174,811
Finance	40.75	40.75	38.25	38.75	38.75	-	8,918
Fire	194.50	201.50	203.00	203.00	203.00	-	-
General Services	120.80	119.80	116.75	116.25	115.25	(1.00)	(107,722)
Human Resources	11.00	12.00	14.00	16.00	17.00	1.00	191,294
Information Technology	37.50	38.00	39.00	44.00	42.00	(2.00)	(143,670)
Police	351.00	359.00	359.00	359.00	359.00	-	-
Public Works	208.00	206.00	208.00	212.00	211.00	(1.00)	(171,942)
Transit	196.80	196.80	196.80	205.30	198.10	(7.20)	(910,004)
Total FTE Count	**1,529.99**	**1,528.84**	**1,533.25**	**1,557.73**	**1,548.53**	**(9.20)**	**$ (925,561)**

As shown in the table above, the City's FY 2026–27 operating budget includes a decrease of 9.20 FTE positions, 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

In addition to staffing changes, the adopted FY 2026–27 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.

Below is the list of 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.

- **General Fund**
    - **City Manager's Office** - $250,000 increase to complete additional land lease audits each fiscal year
    - **City Treasurer's Office** - $25,000 increase for a third-party oversight function of the daily operations
    - **Fire Department** - $475,000 increase due to an enhancement of the Public Provider Ground Emergency Medical Transportation (PP-GEMT) Intergovernmental Transfer (IGT) Program, which also generates an additional $800,000 in revenues.
    - **Information Technology Department**
        - $30,000 increase for the managed printing services
        - $501,000 increase for a new computer-aided public safety dispatch system with Versaterm, which will be partially offset in FY 2027–28 when the transition from the legacy system is completed.
    - **Public Works Department** - $500,000 for citywide sidewalk ramping/grinding program
- **Section 8 Housing Fund** - $430,000 decrease due to the discontinuation of the Emergency Housing Vouchers Program during FY 2026–27
- **Sanitation Fund** - $100,000 for a complete route review and GPS daily tracking for residential refuse collection services
- **Transit Fund** - $1.7 million decrease for the Connect Torrance Micro Transit Services, as a new grant currently pending award is anticipated to cover 9 months of the FY 2026–27 operating costs outside of the operating budget, for a total of 24 months of operating the service.

Five-Year Capital Improvement Plan

The table below summarizes the adopted capital budget appropriations for FY 2026–27 through FY 2030–31. The adopted FY 2026–27 capital budget includes **$61.5 million in appropriations**, with planned capital expenditures totaling **$286.4 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, which are made possible in part through revenue generated by Measure SST. To date, $16.4 million in SST revenue has been committed to various projects, with an additional $6.6 million planned in FY 2026–27 for upgrades to City facilities, parks, and investments in cybersecurity.

Capital Project Type	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Parks	39,168,471	35,528,918	227,031	13,760,000	450,000	8,360,000	4,909,621
Facilities	51,763,718	39,009,234	9,160,308	3,120,210	7,076,125	3,423,298	7,121,855
IT Infrastructure	170,000	170,000	1,281,000	300,000	300,000	445,000	300,000
Public Right of Way	113,193,840	54,687,908	20,398,060	68,721,600	14,869,333	15,264,333	15,264,333
Sewer/Water Utilities	43,074,502	24,699,217	6,207,745	20,543,306	5,850,000	4,650,000	1,650,000
Storm Drain/Basins	18,462,939	8,877,814	9,693,000	6,489,402	1,611,000	1,355,000	1,355,000
Operating Project	28,315,983	9,645,798	11,077,000	4,592,000	2,015,000	1,565,000	1,180,000
Other	4,335,125	3,357,348	1,623,819	560,000	550,000	250,000	250,000
Contingency	-	-	1,813,618	2,236,200	1,441,947	1,674,065	1,406,148
Total Expenditures	**$ 298,484,578**	**$ 175,976,235**	**$ 61,481,580**	**$ 120,322,718**	**$ 34,163,405**	**$ 36,986,696**	**$ 33,436,957**

As previously mentioned, the adopted FY 2026–27 capital budget continues to prioritize 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 $20.4 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 most significant projects in this category include:

- **Residential Slurry Seal Program – $7.6 million**
- **Arterial Street Pavement Sealing Program – $3.7 million**
- **Citywide Traffic Signal Improvements - $3.4 million**
- **Citywide Sidewalk Repair Program - $3.0 million**

The second largest area of one-time investment is Operating Projects at $11.1 million. Key projects include:

- **Enterprise Resource Planning Software Implementation – $3.0 million**
- **Versaterm Records Management Software (RMS) Implementation - $2.0 million**
- **California Department of Justice (DOJ) Monitor - $1.0 million**

The adopted FY 2026-27 budget includes a Parks appropriation of $227,000. New and increased appropriations for El Nido, Columbia, Guenser, and Wilson Parks are largely offset by a $1.7 million reduction in the Walteria Park appropriation. While the allocation for Parks is not as substantial, significant amounts of work are currently underway and planned over the next 5 years, with current life-to-date budget balance of $35.5 million. Key projects include:

- **El Nido Park Rehabilitation – $500,000 appropriation with $11.2 million life-to-date budget**: This is a collaborative project with Torrance Unified School District with the scope of full park overhaul.
- **Paradise Park Rehabilitation – $9.4 million life-to-date budget**: This project includes comprehensive upgrades to irrigation, utility infrastructure, ADA access, playgrounds, picnic areas, restrooms, and tennis courts.
- **Columbia Park Enhancements – $702,000 appropriation with $9.4 million life-to-date budget**: 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 Phase 1 renovations, including the World War II Camp Wall Monument, are underway with construction anticipated to start in fall 2026.

Investments in municipal facilities total $9.2 million, with major projects summarized below:

- **Torrance Municipal Airport – $5.0 million:** Upgrades include improvements to hangar facilities and renovation of the General Aviation Center.
- **Torrance City Yard – $1.5 million:** Includes the elevator modernization and installation of electric vehicle charging infrastructure aligned with City Council's FY 2026–27 budget priorities.
- **Torrance Regional Transit Center – $1.5 million:** Funding to support capital improvements that buildout the tenant spaces.

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

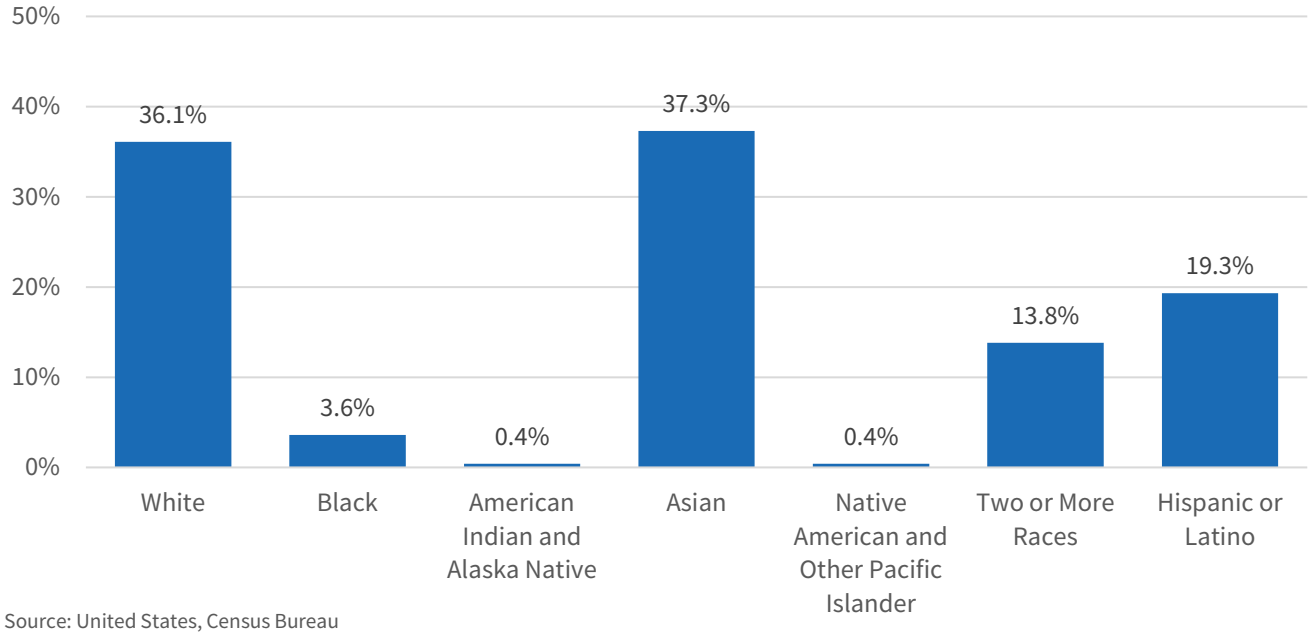
City Overview

About Our City

	2023	2024	2025
Population *	143,057	142,910	143,261
Population per square mile	6,978.4	6,971.2	6,988.3
Year of Incorporation		1921	
Governance Structure		Council-Manager	
Area (square miles)**	20.5	20.5	20.5
Median Household Income**	$109,554	$113,105	$116,217
Number of Businesses	13,439	13,987	14,052
Assessed Value	$38.2 billion	$40.2 billion	$42.1 billion
Commercial Parcels	1,447	1,445	1,449
Net Taxable Value	$6.2 billion	$6.5 billion	$6.7 billion
Residential Parcels	37,876	37,948	37,962
Net Taxable Value	$25.6 billion	$26.9 billion	$28.3 billion
Industrial Parcels	539	539	539
Net Taxable Value	$3.1 billion	$3.4 billion	$3.5 billion

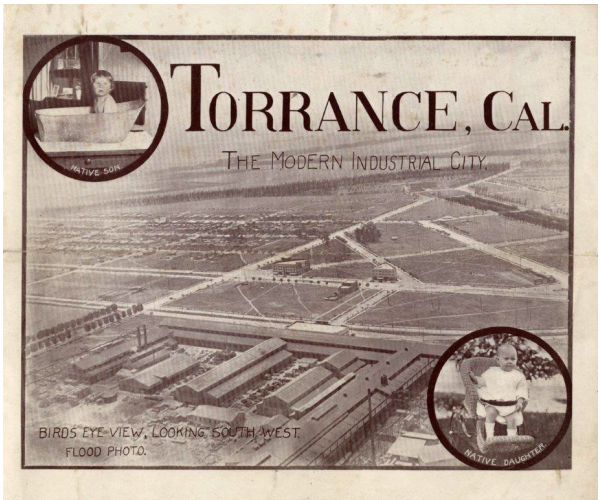
*State of California Finance Department, Demographic Research Unit
**United States, Census Bureau
† HdL Companies

Race and Hispanic Origin of Residents



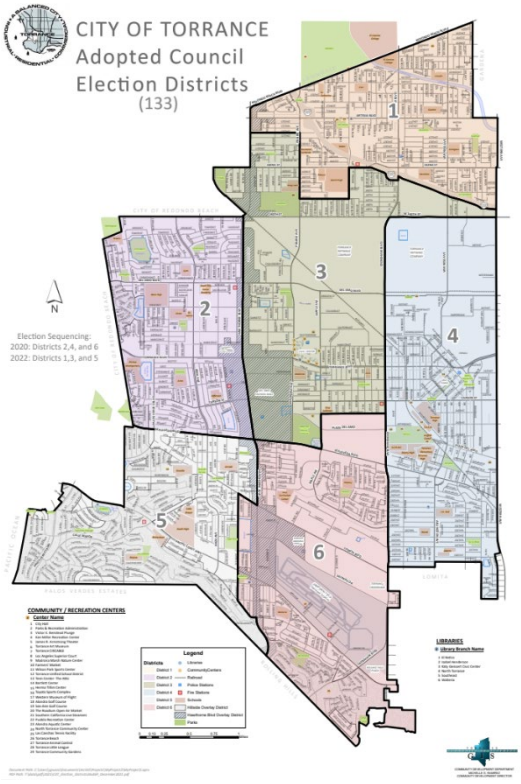
Source: United States, Census Bureau

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 Olmsted 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 low 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.

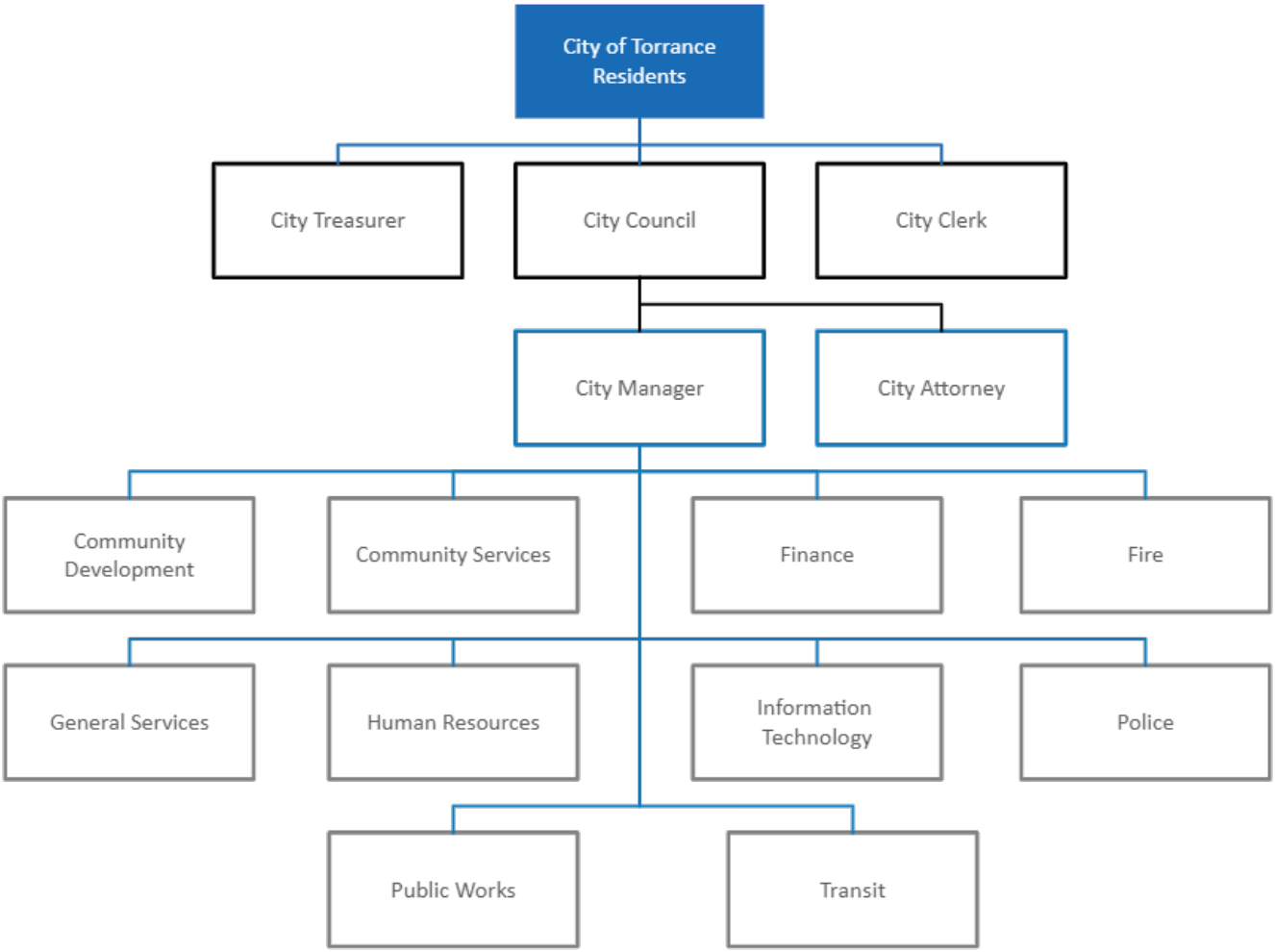
FY 2025-26 Organizational Profile Comparison	Torrance	Glendale	Burbank	Pasadena
Population*	143,261	192,212	106,146	140,631
Citywide Adopted FTE	1,547.2	1,975.0	1,564.2	2,434.4
General Fund Adopted FTE	1,161.5	1,199.0	993.1	1,086.0
General Fund Adopted Budget (Expenditures)	$ 313,210,035	$ 352,480,496	$ 275,367,900	$ 364,916,425
Citywide Adopted Budget (Expenditures)	$ 586,451,086	$ 1,236,264,868	$ 1,015,280,383	$1,512,383,290
Residents serviced per FTE (General Fund)	**123**	**160**	**107**	**129**
Total General Fund Budget Per Capita	**$ 2,186**	**$ 1,834**	**$ 2,594**	**$ 2,595**

Source: Cities' fiscal year 2025-2026 budgets

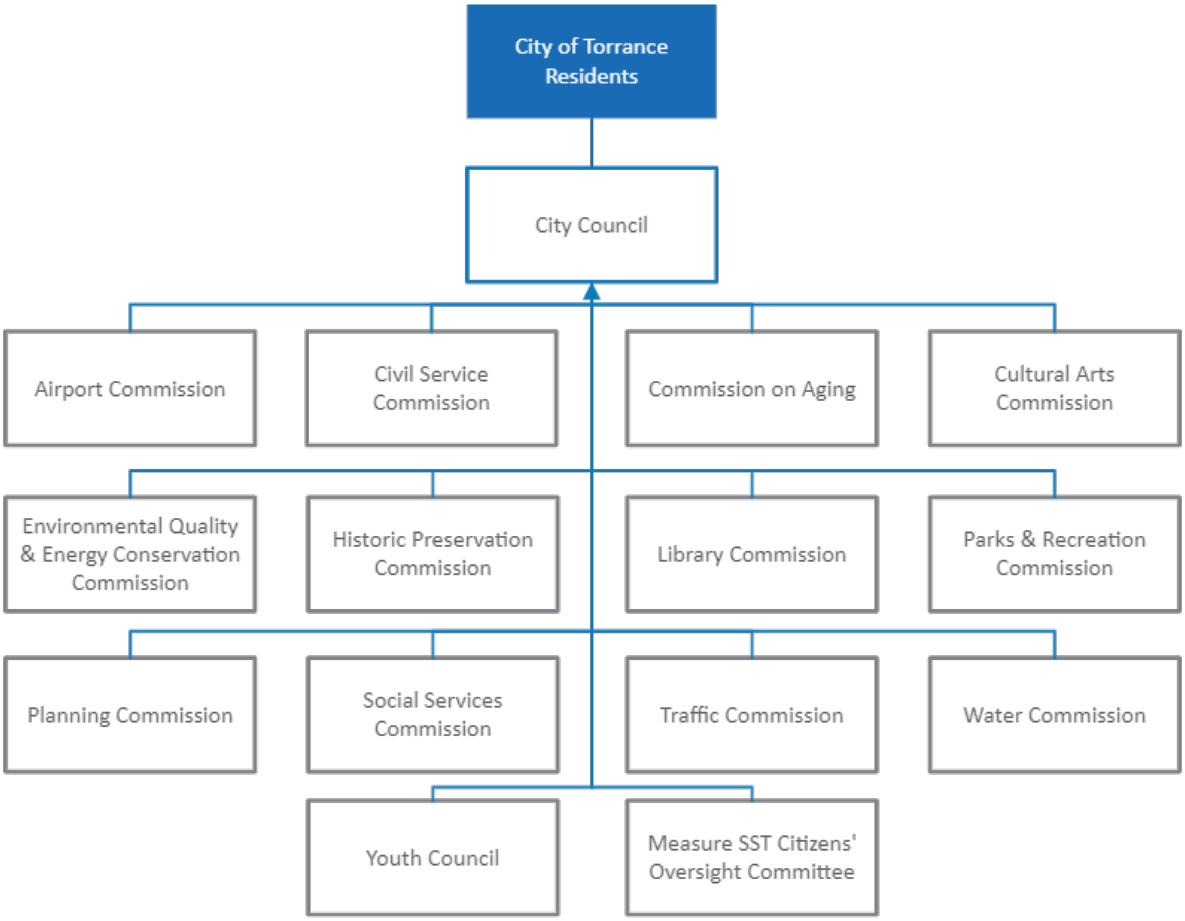
*State of California, Finance Department, Demographic Research Unit

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





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 at least 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. In the interim years, a one-year budget is developed, proposed and adopted with the City Council approving the annual appropriations for the second year of the two-year budget period. 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, the goals of the Strategic Plan, and adopted City Council budget priorities for a given fiscal year. The City Council is responsible for reviewing and approving the budget along with adopting the appropriations resolutions to establish expenditure limits. The Finance Department's Budget Division is responsible for coordinating, developing, and monitoring the annual budget process.

The City will 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 incorporate multi-year projections to ensure the long-term strategy is balanced and achievable.

While every effort is made to adopt a fully accurate budget that can accomplish all activities during the fiscal year, as the year progresses, new information, changing conditions, and actual operating results may require adjustments to the adopted budget. In accordance with the City Charter, the City Council may amend the budget during the fiscal year by an affirmative vote of at least four Council Members. In addition, the City Manager is authorized to approve budget adjustments within individual funds and delegated the authority to approve appropriation requests of up to $250,000, as deemed reasonably necessary to address operational needs and achieve City priorities per City Council Policy 3.

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, three public hearings are held during the presentation of the proposed operating and capital budgets.
- During the third public hearing, City Council formally 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 Changes

After the three public hearings on May 5, 2026, May 19, 2026, and June 9, 2026, the following budget updates were made:

- **Meadow Park Parking Lot District** – The revenue budget is being updated from $50,000 to $45,860, and the expenditure budget is being updated from $34,040 to $34,860 to align with the latest maintenance fee and cost estimates approved by City Council on May 19, 2026.
- **Street Lighting District Fund** – The revenue and expenditure budget is being updated from $1,918,250 to $1,968,915 to align with the final recommended figures from the annual Engineer's Report, approved by City Council on June 9, 2026.
- **General Fund – Operating Fund** – The revenue and expenditure budget in the Community Development Department is being increased by $1,100,000, to accommodate fees collected and the costs associated with expediting the plan check process using an outside vendor for one project.

Budget Priorities

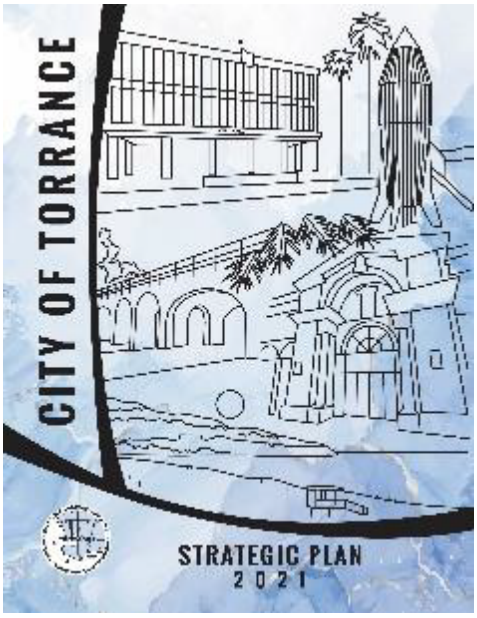
On an annual basis, the Finance and Governmental Operations Committee and City Council have the opportunity to provide direction on budget initiatives that should be prioritized in order to achieve the City's overarching Strategic plan objectives.

On December 16, 2025, 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. Implement Park Maintenance improvement strategies and measures identified in the Park Services Operational Assessment.
10. Complete Library Needs Assessment to inform future programming and service delivery.

11. Identify resources to continue implementation of collaborative reform effort with the California Department of Justice.

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, aspirations 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:

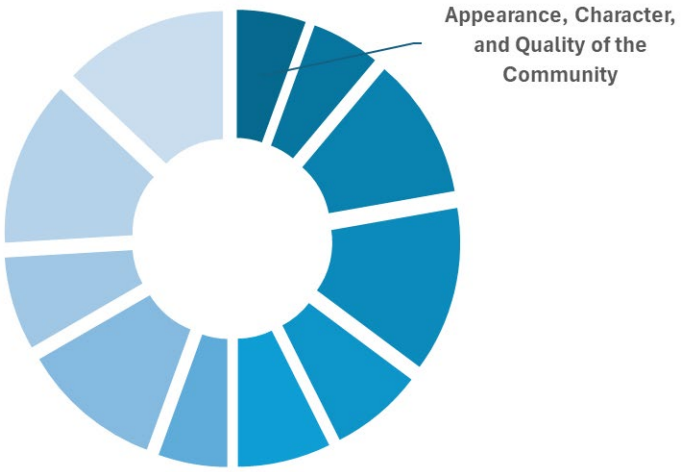
- Appearance, Character, and Quality of the Community
- Communication and Civic Involvement
- Economic Development
- Education, Diversity and Enrichment
- Housing
- Infrastructure
- Mobility
- Reliable Revenue Base and Effective Asset Management
- Responsive, Accountable and Cost-Effective Government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

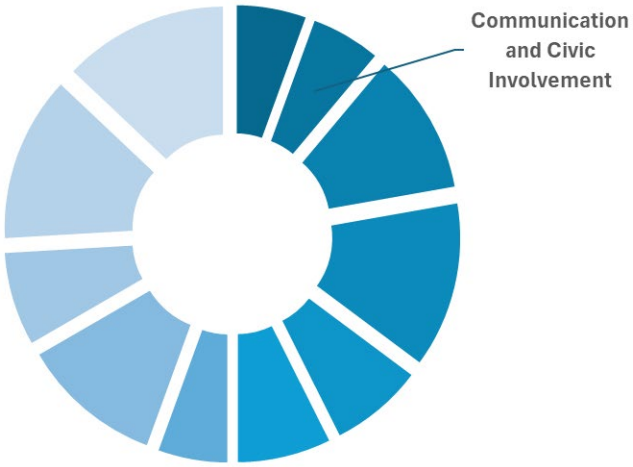


The table below outlines each goal under this Strategic Plan Priority and the respective departments associated with each goal.

	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.

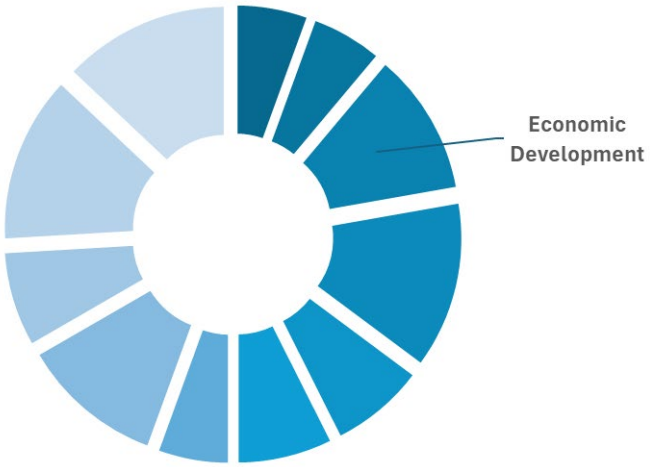


The table below outlines each goal under this Strategic Plan Priority and the respective departments associated with each goal.

	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.

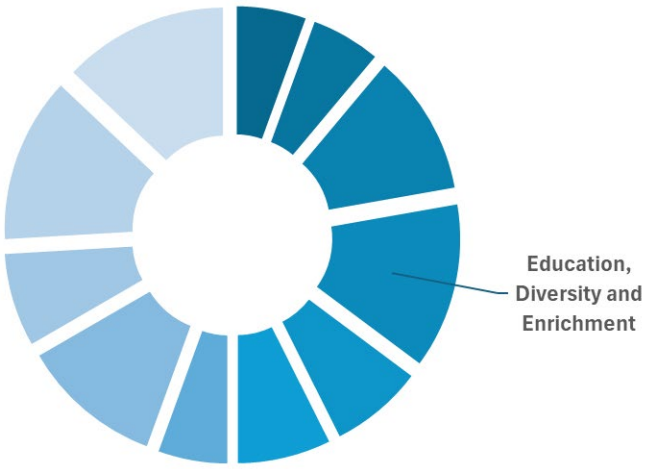


The table below outlines each goal under this Strategic Plan Priority and the respective departments associated with each goal.

	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.

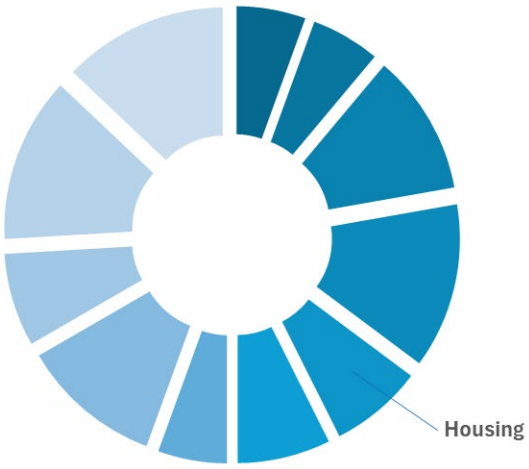


The table below outlines each goal under this Strategic Plan Priority and the respective departments associated with each goal.

	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.

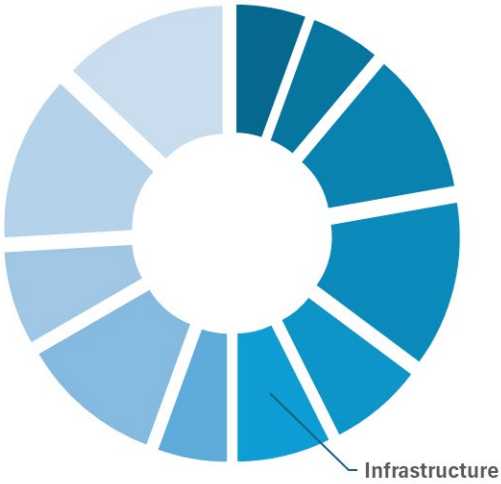


The table below outlines each goal under this Strategic Plan Priority and the respective departments associated with each goal.

	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.

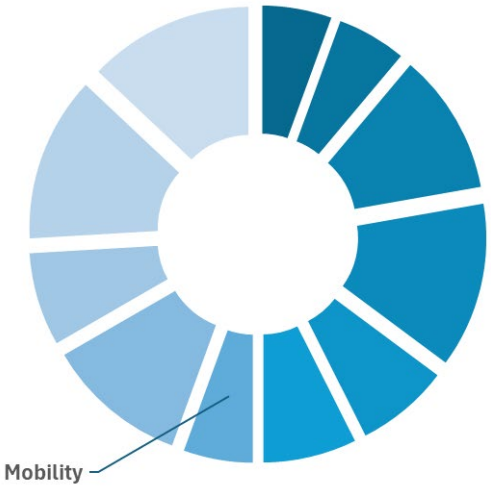


The table below outlines each goal under this Strategic Plan Priority and the respective departments associated with each goal.

	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.

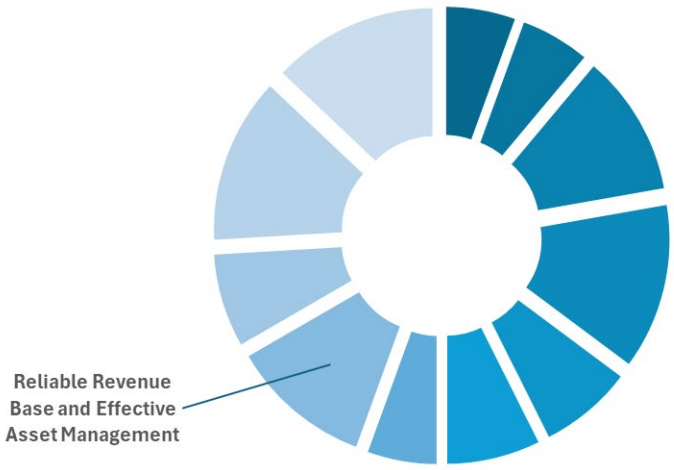


The table below outlines each goal under this Strategic Plan Priority and the respective departments associated with each goal.

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.

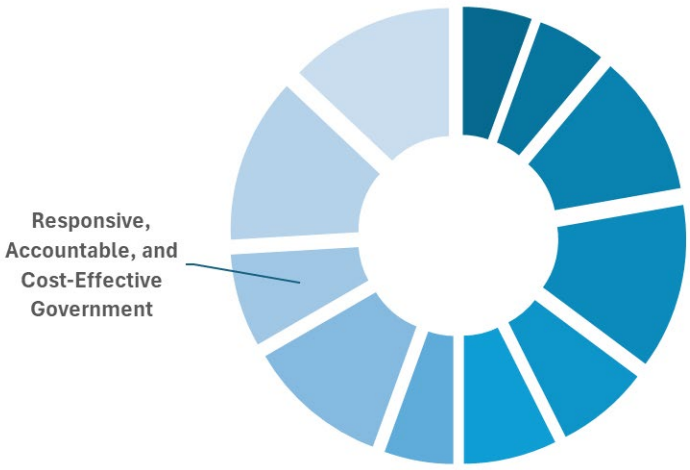


The table below outlines each goal under this Strategic Plan Priority and the respective departments associated with each goal.

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.

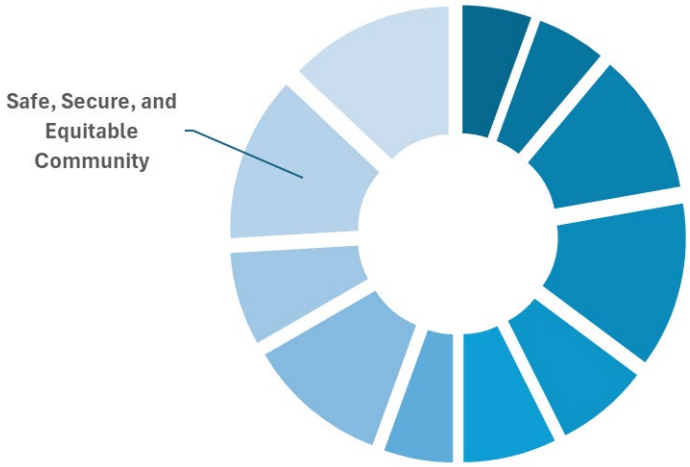


The table below outlines each goal under this Strategic Plan Priority and the respective departments associated with each goal.

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.

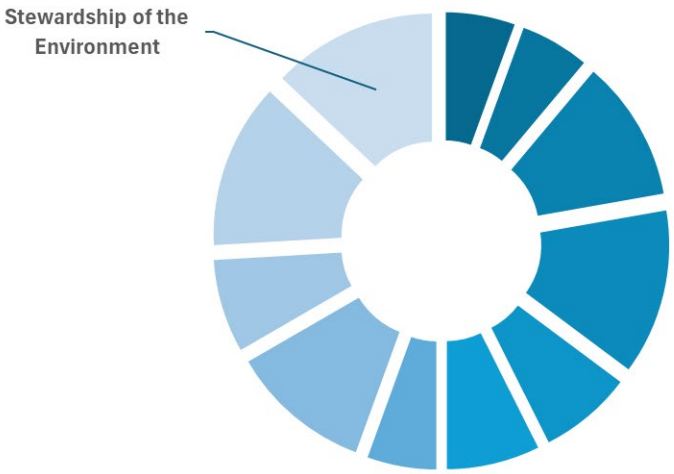


The table below outlines each goal under this Strategic Plan Priority and the respective departments associated with each goal.

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. To track performance of various initiatives and the City's implementation of the Strategic Plan, the following Key Performance Indicators (KPIs) are tracked across departments.

These 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 has started monitoring the KPIs on a quarterly basis and provides the updates to the public in an online KPI Dashboard, which will be made available in FY 2026–27.

In the tables below, each department has listed their approved KPIs, their KPI benchmarks, and actual values for the quarters ended September 30, 2025, December 31, 2025 and March 31, 2026.

Strategic Plan Sub-Goals(s)	Key Performance Indicator (KPI)	Frequency	Target Value	FY 2025-26 Q1 (Jul-Sep)	FY 2025-26 Q2 (Oct-Dec)	FY 2025-26 Q3 (Jan-Mar)	FY 2025-26 Q3 Status
City Attorney's Office							
N/A	Closure rate on civil litigation cases	Quarterly	>=70%	220%	120%	130%	On-Track
N/A	Closure Rate on Work Requests	Quarterly	>=60%	75%	80%	73%	On-Track
N/A	Number of training opportunities provided by the City Attorney's Office	Quarterly	>=1	0	0	9	On-Track
City Manager's Office							
N/A	Percentage of Strategic Plan Subgoals Off Track	Quarterly	<=5%	0%	0%	0%	On-Track
5.2.1	Number change of unhoused individuals within the City	Annually	<=0	31	31	31	Off-Track
11.7.4	Viewer Retention Rate (greater than 15 seconds)	Quarterly	>=70% watch over 15 seconds of content	70%	72%	75%	On-Track
Community Development							
3.2.2	Number of revitalized and redeveloped commercial properties through the City's Commercial Facade Improvement Program	Quarterly	>=1	0	0	0	Off-Track
3.6.2	Code Compliance Closure Rate	Quarterly	>=85%	83%	67%	56%	Off-Track
3.6.2	Customer Satisfaction Rate at Permit Center	Quarterly	>=90%	93%	94%	91%	On-Track
3.6.2	Customer Wait Time at Permit Center (minutes)	Quarterly	<=20 min	8 min	8 min	6 min	On-Track

Strategic Plan Sub-Goals(s)	Key Performance Indicator (KPI)	Frequency	Target Value	FY 2025-26 Q1 (Jul-Sep)	FY 2025-26 Q2 (Oct-Dec)	FY 2025-26 Q3 (Jan-Mar)	FY 2025-26 Q3 Status
Community Services							
1.1.7	Number of public art pieces installed	Annually	>=8	6	6	6	Off-Track
4.4.3	Number of library visitors: Main Library	Quarterly	>=39,000	39,261	30,913	29,295	Off-Track
4.4.3	Number of library visitors: Branch Libraries	Quarterly	>=52,500	52,655	51,166	52,967	On-Track
4.5.1	Average enrollment rates of offered classes	Quarterly	>=75%	74%	82%	87%	On-Track
1.1.4	Average number of days to close Service Requests	Quarterly	<=5 days	7	34	23	Off-Track
Finance							
6.1	Average number of days to process a Budget Transfer	Quarterly	<=3 days	5.7	3.5	6.4	Off-Track
6.2	Average number of days to process a Change Order	Quarterly	<=3 days	2.3	2.2	2.5	On-Track
8.5.1	Number of audit findings from 3rd party independent audits	Annually	<=1	3	3	3	Off-Track
8.5.2, 8.5.3	Number of public engagement meetings	Quarterly	>=1	1	2	2	On-Track
8.2.3	Number of Business Licenses	Annually	>=13,500	13,987	13,987	13,987	On-Track
Fire							
10.5.4	Performance of 1st unit on-scene for all Fire incidents at the 90th percentile (minutes)	Quarterly	<= 6 min 24 sec	7 min 50 sec	8 min 57 sec	10 min 32 sec	Off-Track
10.5.4	Performance of 1st unit on-scene for all EMS incidents at the 90th percentile (minutes)	Quarterly	<=6 min 4 sec	7 min 45 sec	9 min 16 sec	9 min 32 sec	Off-Track
10.1.1	Percentage of initiated (performed) state-mandated inspections	Quarterly	100%	90%	100%	100%	On-Track
N/A	Number of TUSD campuses that received fire and life safety training	Annually	>=30	25	25	25	Off-Track
General Services							
8.4	Average number of days to complete facility work orders	Quarterly	<=3 days	2.5	3	3	On-Track
11.1	Percentage of City Fleet Vehicles that are zero-emission	Quarterly	100%	10%	12%	13%	Off-Track
N/A	Average number of days to complete central services work orders	Quarterly	<=3 days	3	3	3	On-Track
N/A	Average number of days to complete graffiti work orders	Quarterly	<=2 days	1	1	2	On-Track

Strategic Plan Sub-Goals(s)	Key Performance Indicator (KPI)	Frequency	Target Value	FY 2025-26 Q1 (Jul-Sep)	FY 2025-26 Q2 (Oct-Dec)	FY 2025-26 Q3 (Jan-Mar)	FY 2025-26 Q3 Status
Human Resources							
9.5.2	Percentage of benefits eligible employees who attend the Benefits Fair	Annually	>=40%	36%	36%	36%	Off-Track
9.5	Average number of days to establish eligibility lists (Safety)	Quarterly	<=90 days	54	45	43	On-Track
9.5	Average number of days to establish eligibility lists (Non-Safety)	Quarterly	<=90 days	46	44	30	On-Track
9.5	Average number of days to process Personnel Action Forms	Quarterly	<=3 days	3	5	4	Off-Track
9.5	Average number of days to complete NeoGov Requisition	Quarterly	<=2 days	1.92	1.97	3	Off-Track
9.5.2	Average number of days to enroll employees in benefits	Quarterly	<=30 days	18	21	10	On-Track
9.5	Citywide Vacancy Rate	Quarterly	<=10%	11.9%	13.5%	12.2%	Off-Track
Information Technology							
N/A	Percentage of service requests completed within two hours	Quarterly	>=98.5%	98%	98.5%	98.0%	Off-Track
N/A	Percentage of unplanned maintenance incidents	Quarterly	<=10%	5%	3%	5%	On-Track
N/A	Cyber Security Incident Closure Rate	Quarterly	100%	100%	100%	100%	On-Track
9.4.2	Percentage of employees who complete cybersecurity training	Annually	>=90%	92%	91%	90%	On-Track
Police							
10.2.1,10.2.2	Average Police Response Time to Emergency Priority One Calls	Quarterly	<=7 min	8 min 48 sec	8 min 39 sec	9 min 1 sec	Off-Track
N/A	Number of community engagement meetings/events/forums	Quarterly	>=12	27	39	19	On-Track
Public Works							
7.3.1	City's Pavement Condition Index (PCI) rating	Annually	>=70	76	76	76	On-Track
11.5.1	Percent of local water supply sold	Quarterly	>=55%	29%	33%	24%	Off-Track
11.3.6	Number of street trees	Quarterly	>=44,500	39,095	39,780	40,800	Off-Track
Transit							
7.1.2	Percent of Bus On-time Performance	Quarterly	>=80%	80.9%	77.7%	79.4%	Off-Track
7.1.2, 7.3.2, 7.3.4, 7.3.6	Total Transit Ridership (All Bus, TCTP and future Micro Transit)	Quarterly	>=500,000	591,134	693,420	673,294	On-Track
N/A	Average vehicle revenue miles between mechanical failures	Quarterly	>=6,000 miles	28,026	24,457	27,454	On-Track
N/A	Percentage value of fare box recovery	Annually	>=4%	3.8%	4.0%	4.0%	On-Track

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, 2025 (audited), the fund's net position is (-$52.3) million. This is driven by existing outstanding liabilities in workers' compensation of $49.5 million and Liability Claims of $18.4 million. As of June 30, 2025 (audited), the fund's assets stand at $27.5 million. Given the trends, the FY 2026–27 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.

Labor Trends

In recent years the City has experienced one of the tightest labor market of modern times. During FY 2020–21 and FY 2021–22, 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 continues to work hard to attract and retain high quality talent. It is proving to be a challenging time to fill positions and will to be a primary focus to stabilize the workforce.

As of March 2026, 258 employees are eligible for retirement (based on 55 years of age; Employee Classification A), as compared to 248 as of March 2025. As the workforce ages, City staff will continue to monitor retirement eligibility for proper succession planning. Beginning in FY 2021–22, the City sustained a significant spike in retirements and voluntary resignations, which has since begun to stabilize beginning in FY 2023–24. While the trend has started to improve, it still remains an area of focus, and employee succession planning and retention will continue to be addressed and monitored closely.

	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	9 Months of FY 2025-26
Retirements	**72**	**59**	**33**	**48**	**36**
Voluntary Resignations	**133**	**121**	**96**	**87**	**64**
Departures or Death	13	21	18	20	19
Total Separations	**218**	**201**	**147**	**155**	**119**

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 FY 2023–24, 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 FY 2026–27 to FY 2030–31. The next phase of refining required investment through the Capital Improvement Plan will be achieved through a Parks Master Plan funded in FY 2025–26 and FY 2026–27 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.

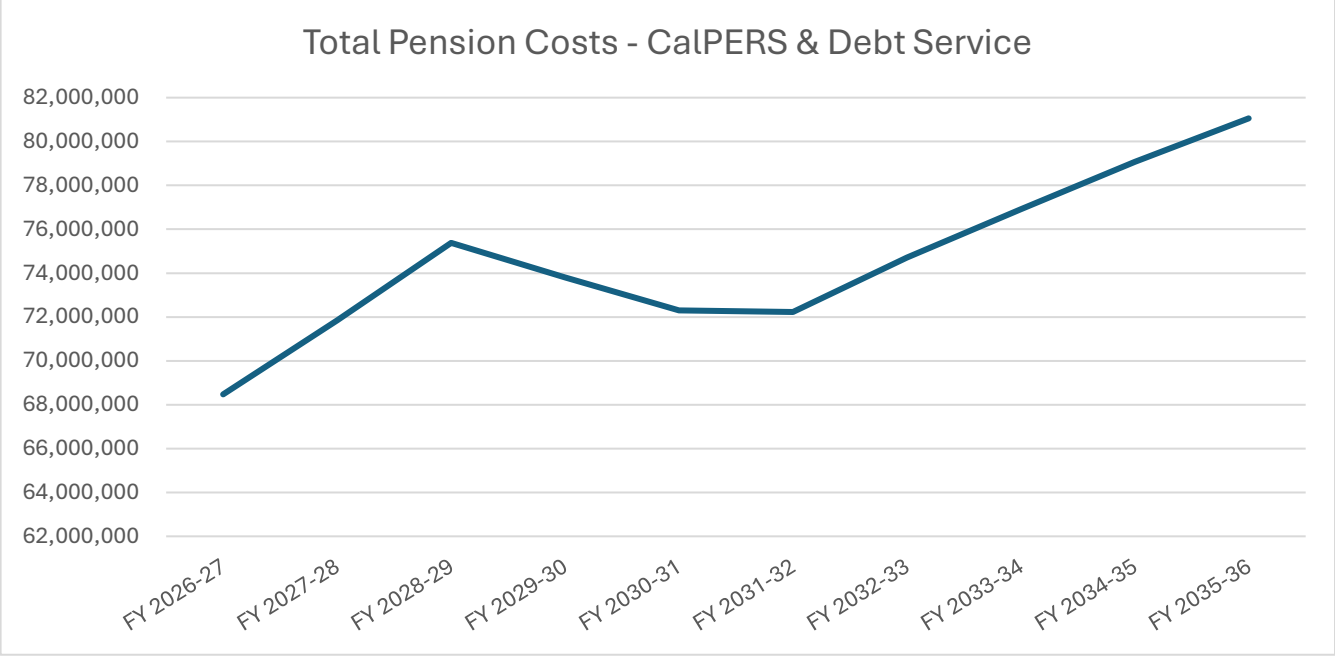
Pension/OPEB Benefits Liability Management

In an effort to manage rising pension costs, the City took action in October 2020 issuing $349.5 million in Lease Revenue Bonds taking advantage of historically low interest rates during the COVID-19 pandemic. The City used $338.4 million from the 2020 Lease Revenue Bonds to pay down a portion of its unfunded liability with CalPERS. This reduced the peak of future payments and provided financial relief each year of the bond issuance with estimates totaling $172.2 million overall. 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 ultimately 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 2025, CalPERS investment

returns fluctuated between losses and positive returns, with the ultimate impact reducing the funding status and increasing future annual Unfunded Accrued Liability (UAL) payment. Consequently, the amount of money needed to cover future pension obligations, known as UAL, has increased.

The City's UAL payment associated with the General Fund is projected to increase from $17.9 million in FY 2026–27 to $23.9 million in FY 2035–36. The City Council, when issuing the 2020 Lease Revenue Bonds, committed to contributing at least 20% of the savings from the 2020 Lease Revenue Bonds to the newly establish CalPERS Section 115 Fund. With the annual UAL payments escalating, the City has built into its 10-year projection the utilization of savings from the CEPPT Section 115 Fund to smooth this rise in costs. The City projects the need to utilize a portion of this balance for each of the first five years of the 10-year projection. Overall, the City's CalPERS and CalPERS-related debt costs are estimated to be 19.1% of the City's General Fund-Operating Fund's budget. The City continues to monitor CalPERS performance closely, projecting its effects up to 30 years and incorporating these amounts into our 10-year projection models. The following chart provides a citywide view, for all funds, of total pension costs inclusive of payments to CalPERS and for the 2020 Lease Revenue Bonds:



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 and 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:

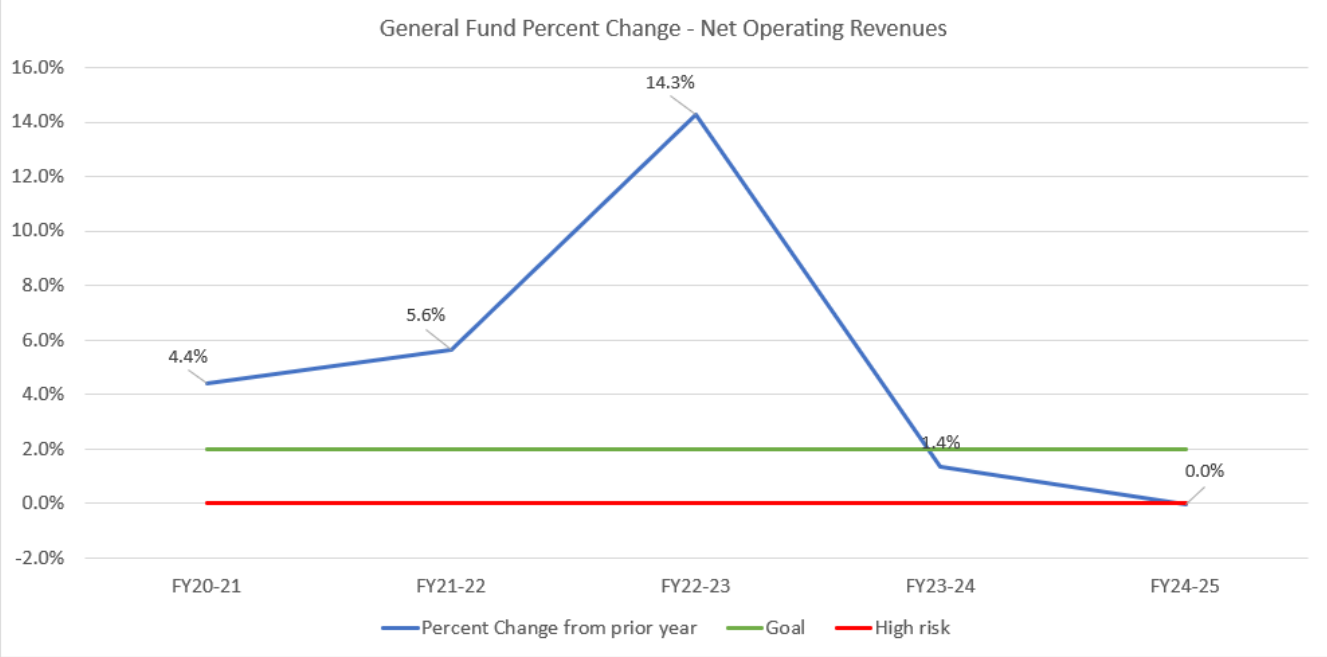
Financial Key Performance Indicators	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25
Revenue Trends	🟢	🟢	🟢	🟡	🟡
Net True Operating Surplus/(Deficit)	🔴	🟢	🟢	🟢	🟢
General Fund Unrestricted Fund Balance	🔴	🟢	🟢	🟢	🟢
Liquidity	🟡	🟢	🟢	🟢	🟢
Pension Obligations	🔴	🟡	🔴	🔴	🔴
Debt Burden	🟡	🟢	🟢	🟢	🟢
Pension Funded Status	🟡	🟢	🟢	🟢	🟢
OPEB Funded Status	🔴	🔴	🔴	🔴	🔴
Self Insurance Funded Status	🔴	🔴	🔴	🔴	🔴
Capital Asset Condition	🟢	🟢	🟢	🟡	🟢

Revenue Trends

Current Status: Moderate

This key performance indicator measures 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 normalize results and better reflect underlying, recurring revenue growth. Beginning in FY 2020–21, General Fund revenues increased by 4.4% as the economy rebounded from the COVID-19 pandemic. Growth continued over the next two fiscal years, reaching a peak of 14.3% in FY 2022–23. This elevated growth placed the City in the Low-Risk category during that period; however, these gains were largely driven by economic recovery and pent-up demand following pandemic-related restrictions and are not indicative of typical long-term trends. In FY 2023–24 and FY 2024–25, revenue growth moderated as inflationary pressures and higher interest rates slowed economic activity. As of June 30, 2025, the City's Revenue Trends KPI reflects a Moderate-Risk position. Looking ahead, the City remains cautious given ongoing economic uncertainty, including potential impacts from newly implemented international tariffs and broader geopolitical concerns.

Revenue Trends	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25
Operating Revenues & Transfers In (net) - thousands	204,735	234,839	275,131	287,795	296,974
CPI-U (as of June 30)	289.2	314.1	322.1	332.4	343.0
CPI-U (adjustment for constant dollars-2012 basis)	81.6%	75.1%	73.3%	71.0%	68.8%
Operating Revenues & Transfers In (net) - thousands	167,080	176,481	201,636	204,379	204,340
Percent Change from prior year	4.4%	5.6%	14.3%	1.4%	0.0%
Goal	2.0%	2.0%	2.0%	2.0%	2.0%
5-Year Average Change					4.5%



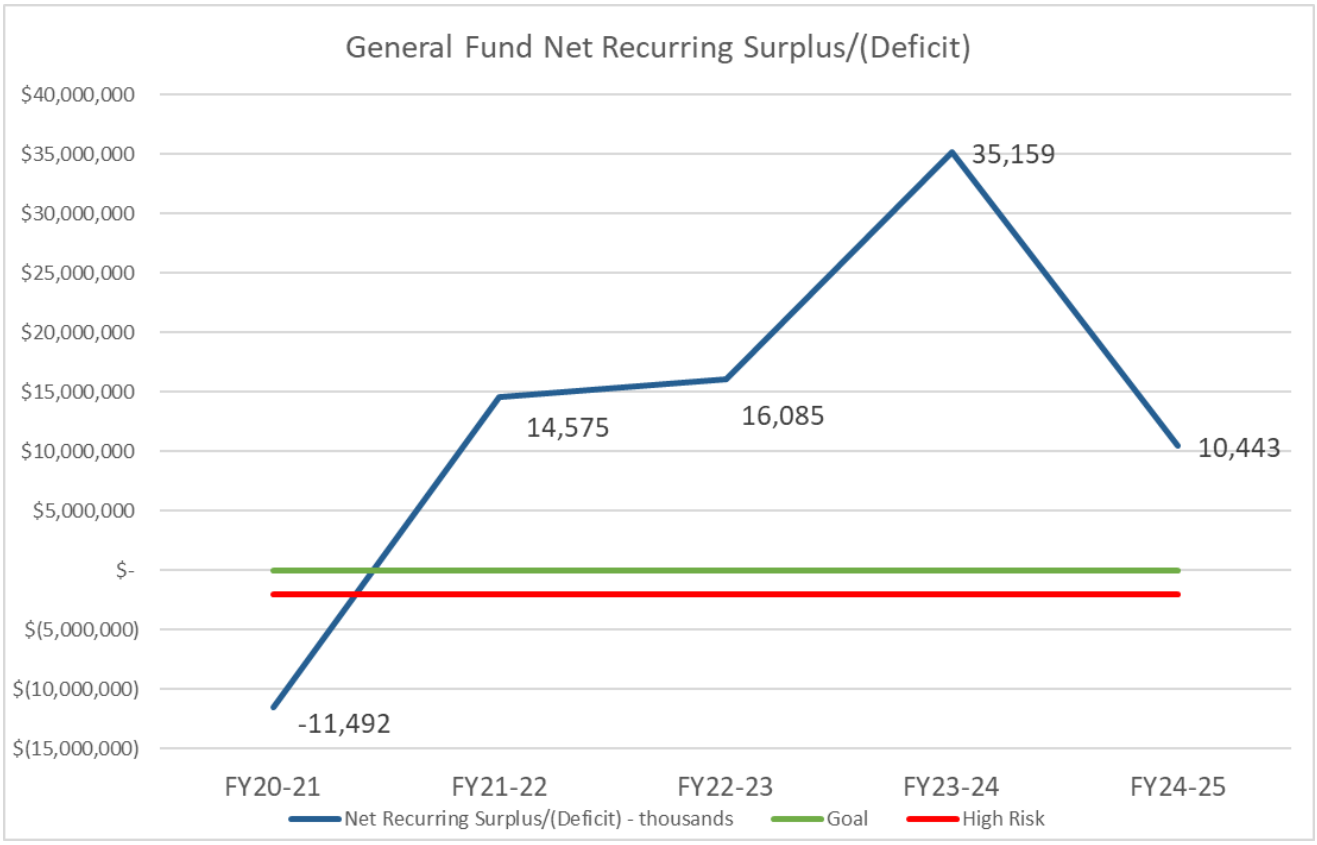
Net True Operating Surplus/(Deficit)

Current Status: Low Risk

The Net True Operating Surplus/(Deficit) KPI monitors the difference between recurring revenues and recurring expenditures in the General Fund. One-time activities are excluded to more accurately assess ongoing structural balance and identify any underlying imbalances each year.

Over the five-year period shown, the City's General Fund has improved from a structural loss in FY 2020–21 to consistent operating surpluses in subsequent years. These surpluses reflect stronger revenue performance and ongoing efforts to align recurring expenditures with sustainable funding sources. As shown in the chart, the City has maintained positive structural operating results in recent years, with a five-year average surplus of approximately $13.0 million. This trend indicates improved fiscal stability; however, continued monitoring is warranted to ensure that recurring revenues keep pace with expenditure growth amid changing economic conditions.

Net True Operating Surplus / (Deficit)	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25
Net Operating Revenues & Transfers In - thousands	204,735	234,839	275,131	287,795	296,974
Net Operating Expenditures & Transfers Out - thousands	216,226	220,264	259,046	252,637	286,531
Net Recurring Surplus/(Deficit) - thousands	-11,492	14,575	16,085	35,159	10,443
Goal	0	0	0	0	0
5-Year Average Change					12,954



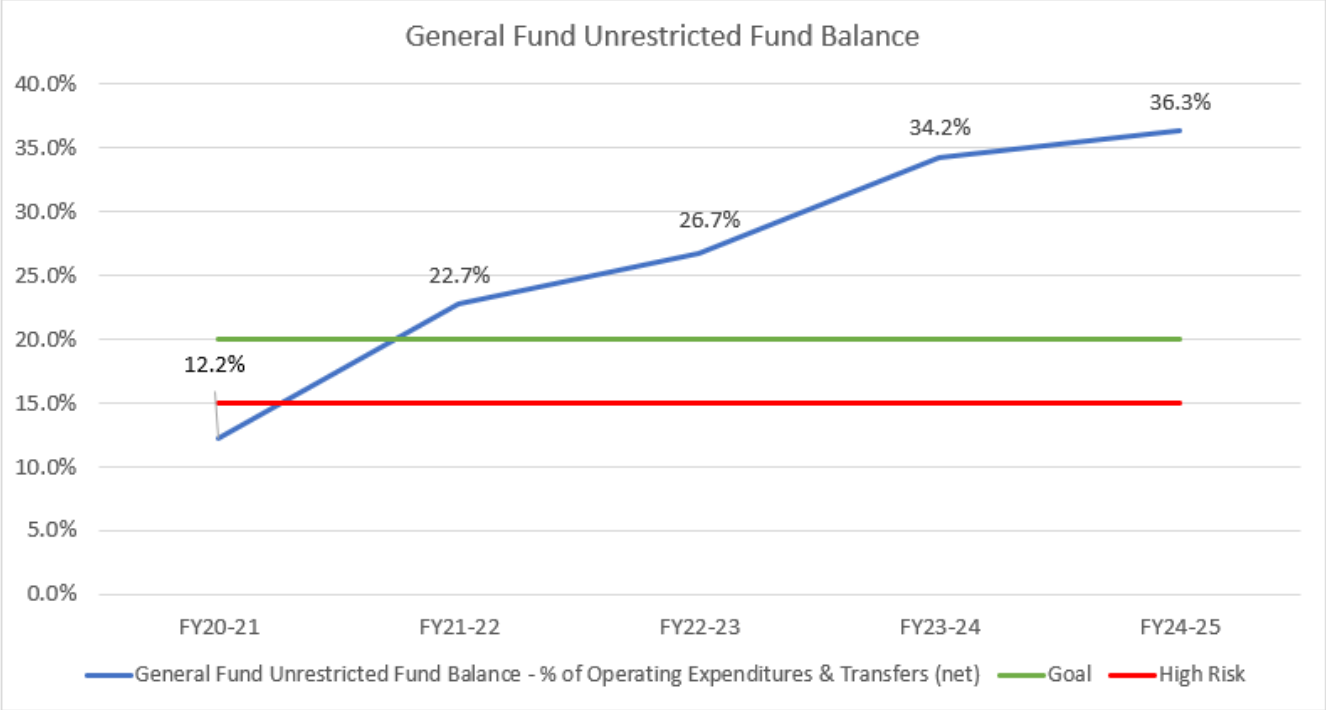
General Fund Unrestricted Fund Balance

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. One-time activities are excluded from the Expenditures and Transfers classifications to better reflect recurring conditions and provide a more accurate view of the City's unassigned fund balance each year.

Over the five-year period shown, the City's Unrestricted General Fund fund balance increased from lower levels in FY 2020–21 to exceed the 20% reserve target in FY 2021–22 and has remained elevated through FY 2024–25. The five-year average of 30.0% reflects sustained positive operating results and financial management.

General Fund Unrestricted Fund Balance	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25
General Fund Unrestricted Fund Balance - thousands	26,401	50,210	69,269	86,434	104,752
Operating Expenditures & Transfers (net) - thousands	216,226	221,218	259,046	252,637	288,859
General Fund Unrestricted Fund Balance - % of Operating Expenditures & Transfers (net)	12.2%	22.7%	26.7%	34.2%	36.3%
Goal	20.0%	20.0%	20.0%	20.0%	20.0%
5-Year Average					30.0%



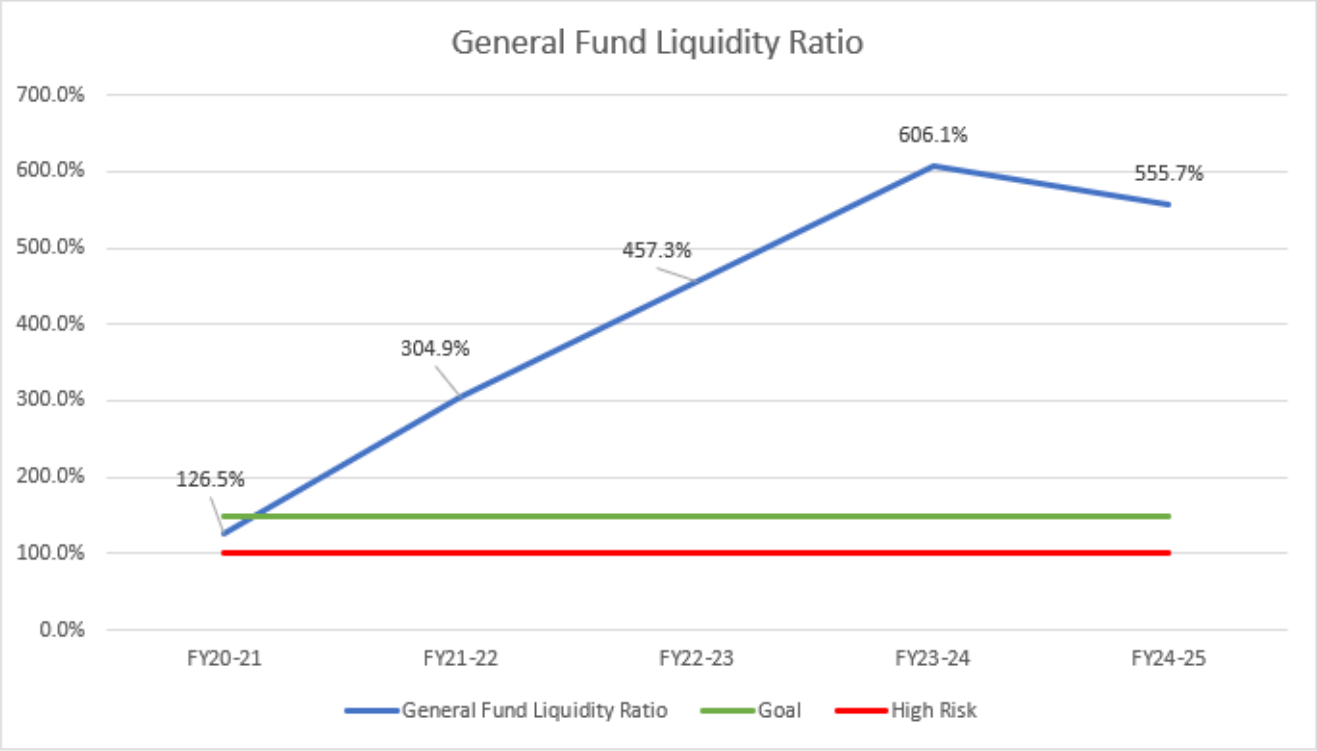
Liquidity

Current Status: Low Risk

The Liquidity KPI measures 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 obligations and maintain sufficient cash flow for ongoing operations.

Over the five-year period shown, the City's liquidity improved significantly in FY 2021–22 and has remained well above the 150% target through FY 2024–25, reflecting a strong cash position relative to liabilities. The five-year average of 410.1% indicates a consistently strong liquidity position, providing substantial capacity to meet near-term obligations. Continued monitoring is warranted to ensure liquidity levels remain aligned with operational needs and broader financial conditions.

Liquidity	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25
General Fund Cash & Investments - thousands	11,550	32,150	44,339	66,829	86,872
General Fund Liabilities - thousands	9,131	10,545	9,695	11,025	15,634
General Fund Liquidity Ratio	126.5%	304.9%	457.3%	606.1%	555.7%
Goal	150.0%	150.0%	150.0%	150.0%	150.0%
5-Year Average					410.1%

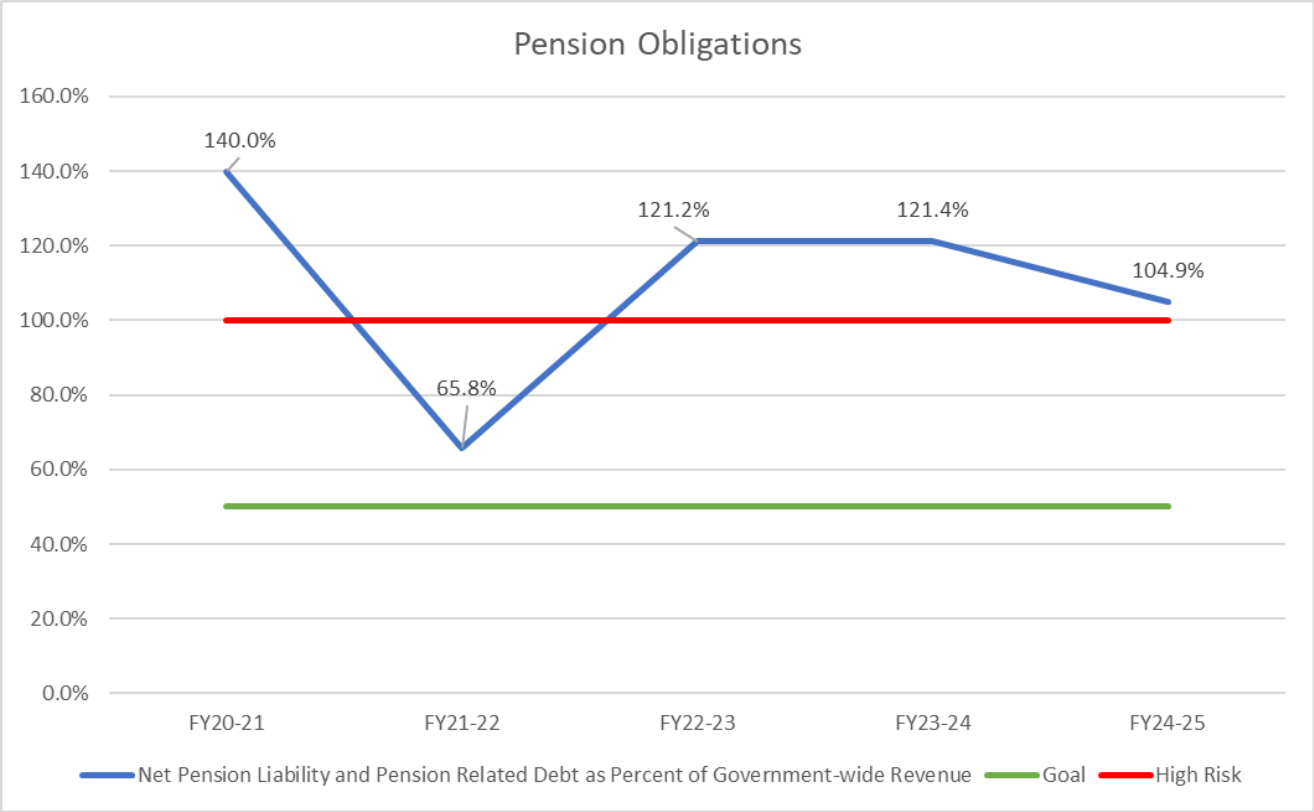


Current Status: **High Risk**

Pension Obligations

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 FY 2020–21, 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 FY 2021–22, a combined result of issuing the 2020 Lease Revenue Bonds to pay down a significant portion of the City's Unfunded Accrued Liability and a 21.3% CalPERS investment return. However, this indicator was adversely impacted by a 7.5% CalPERS investment loss in FY 2022–23. Despite these recent events, the City will remain diligent in strategically lowering this ratio to achieve the 50% goal.

Pension Obligations	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25
Net Pension Liability/(Asset) - thousands	510,899	-65,133	229,370	250,457	231,854
Pension-Related Debt - thousands	0	347,500	340,085	332,070	323,420
Governmentwide Revenues - thousands	364,924	428,920	469,825	479,918	529,451
Net Pension Liability and Pension Related Debt as Percent of Government-wide Revenue	140.0%	65.8%	121.2%	121.4%	104.9%
Goal	50.0%	50.0%	50.0%	50.0%	50.0%
5-Year Average					110.7%



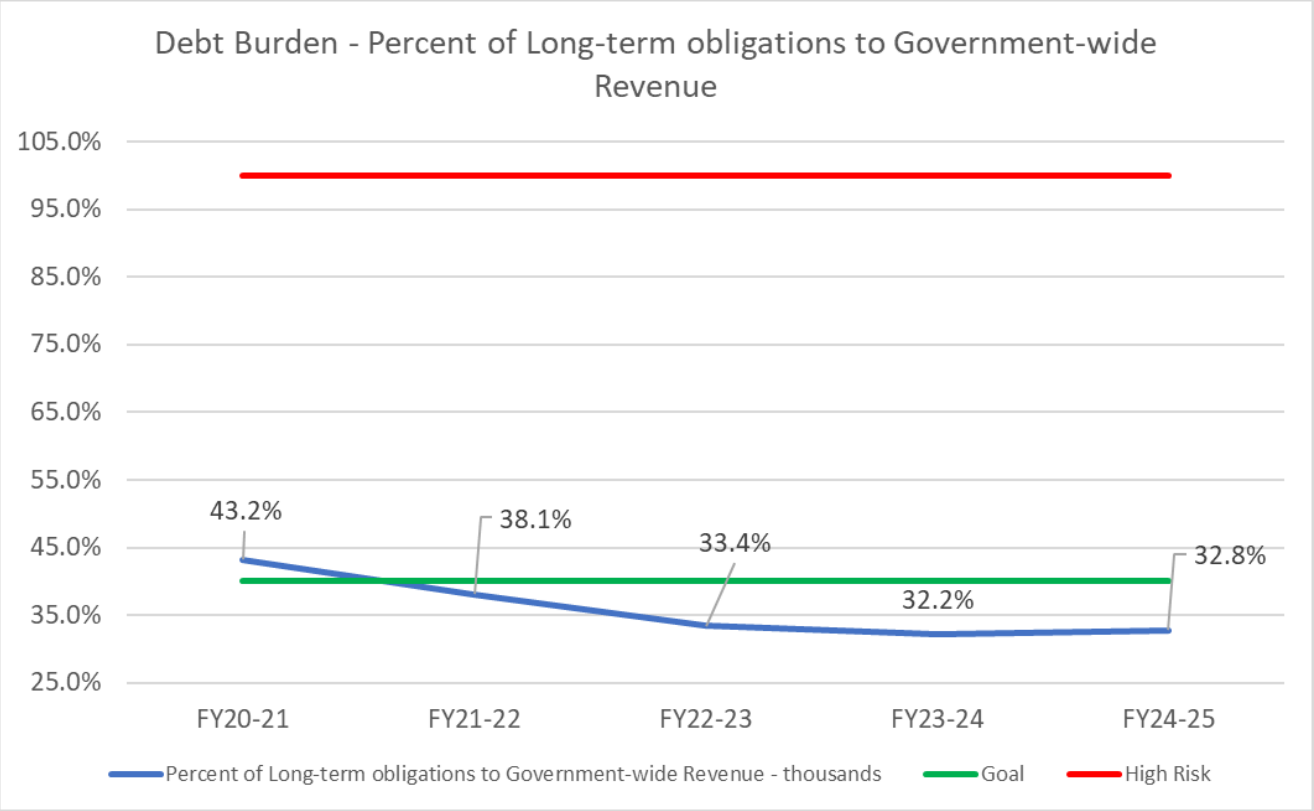
Debt Burden

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 fell below the 40% goal in FY 2021–22. This indicator continues to decrease, falling to 32.8% in FY 2024–25. The City will remain focused on paying down its existing obligations to maintain the 40% threshold.

Debt Burden	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25
Long-Term Obligations (excluding pension debt) - thousands	157,722	163,534	157,025	154,317	173,673
Governmentwide Revenues - thousands	364,924	428,920	469,825	479,918	529,451
Percent of Long-term obligations to Government-wide Revenue - thousands	43.2%	38.1%	33.4%	32.2%	32.8%
Goal	40.0%	40.0%	40.0%	40.0%	40.0%
5-Year Average					35.9%



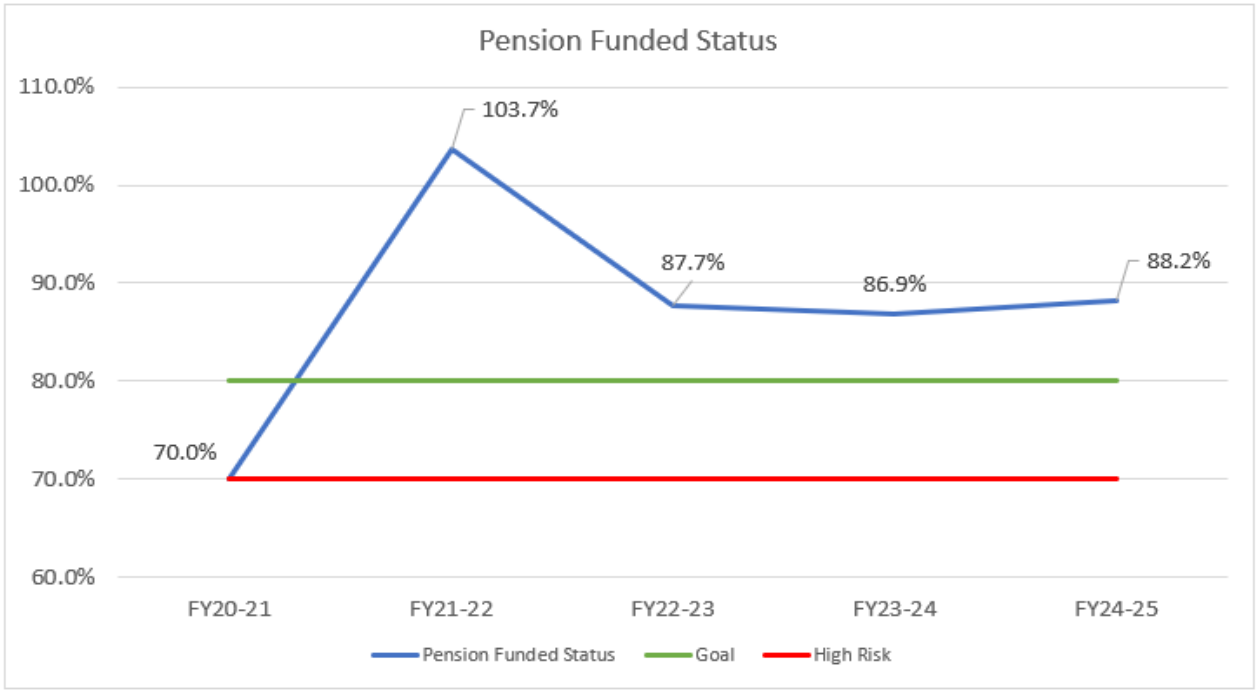
Pension Funded Status

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 has been frozen as a result of negotiations with affected bargaining groups. This metric is used to determine the overall financial health of its pension plans and monitor funding needs for the future.

Although the City strives to maintain a fully funded pension system, the State Auditor previously provided 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 FY 2020–21, the City issued $349.5 million in bonds to pay down a significant portion of the City's Unfunded Accrued Liability. Additionally, CalPERS experienced a 21.3% investment return in the same year, allowing the City to surpass 100% funded status in FY 2021–22. However, this indicator was adversely impacted by a 7.5% CalPERS investment loss in FY 2022–23, followed by modest 9.5% returns in FY 2023–24 and 12.1% returns in FY 2024–25.

Pension (CalPERS & PARS) Funded Status	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25
Fiduciary Net Position - thousands	1,194,336	1,824,991	1,629,239	1,662,337	1,739,583
Total Pension Liability - thousands	1,705,235	1,759,858	1,858,609	1,912,794	1,971,436
Pension Funded Status	70.0%	103.7%	87.7%	86.9%	88.2%
Goal	80.0%	80.0%	80.0%	80.0%	80.0%
5-Year Average					87.3%



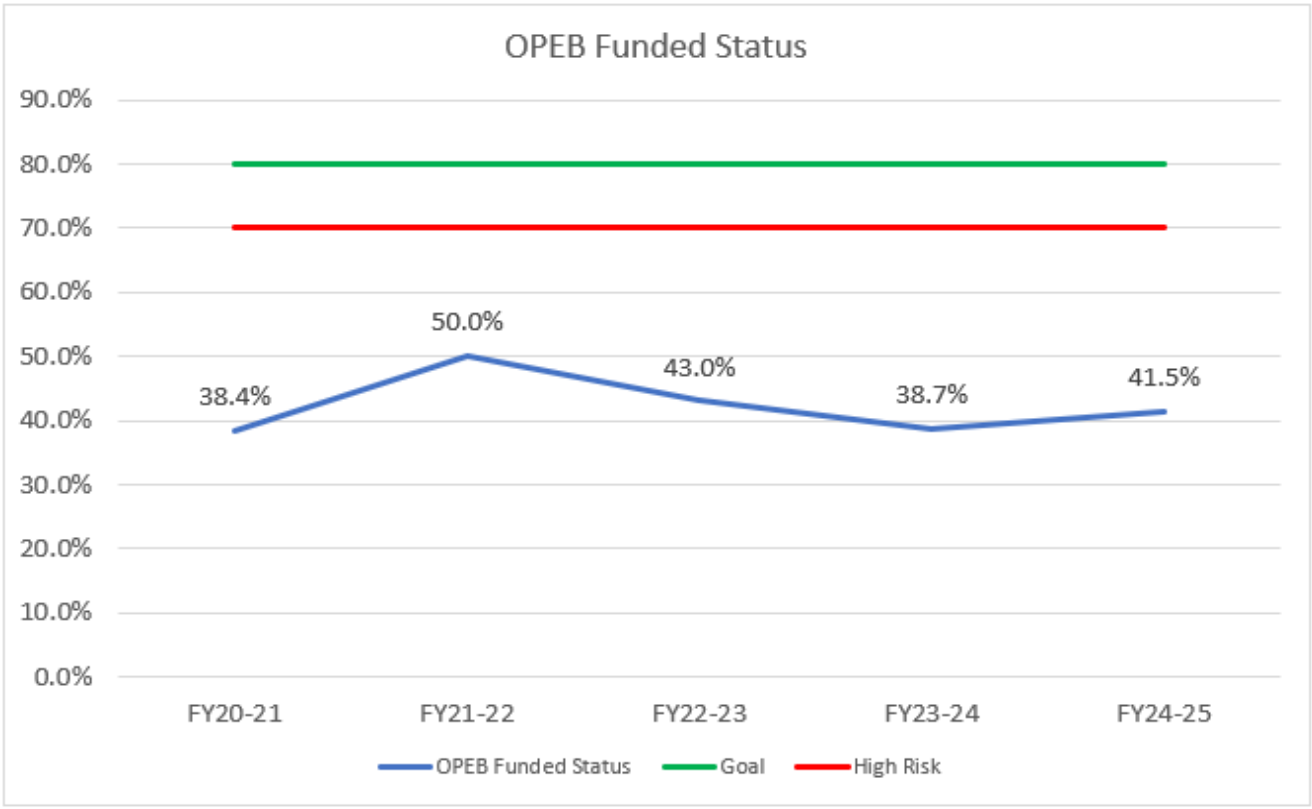
OPEB Funded Status

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 FY 2015–16 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 previously provided 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	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25
Fiduciary Net Position - thousands	27,848	38,802	34,481	38,988	45,266
Total OPEB Liability - thousands	72,460	77,616	80,138	100,668	109,192
OPEB Funded Status	38.4%	50.0%	43.0%	38.7%	41.5%
Goal	80.0%	80.0%	80.0%	80.0%	80.0%
5-Year Average					42.3%



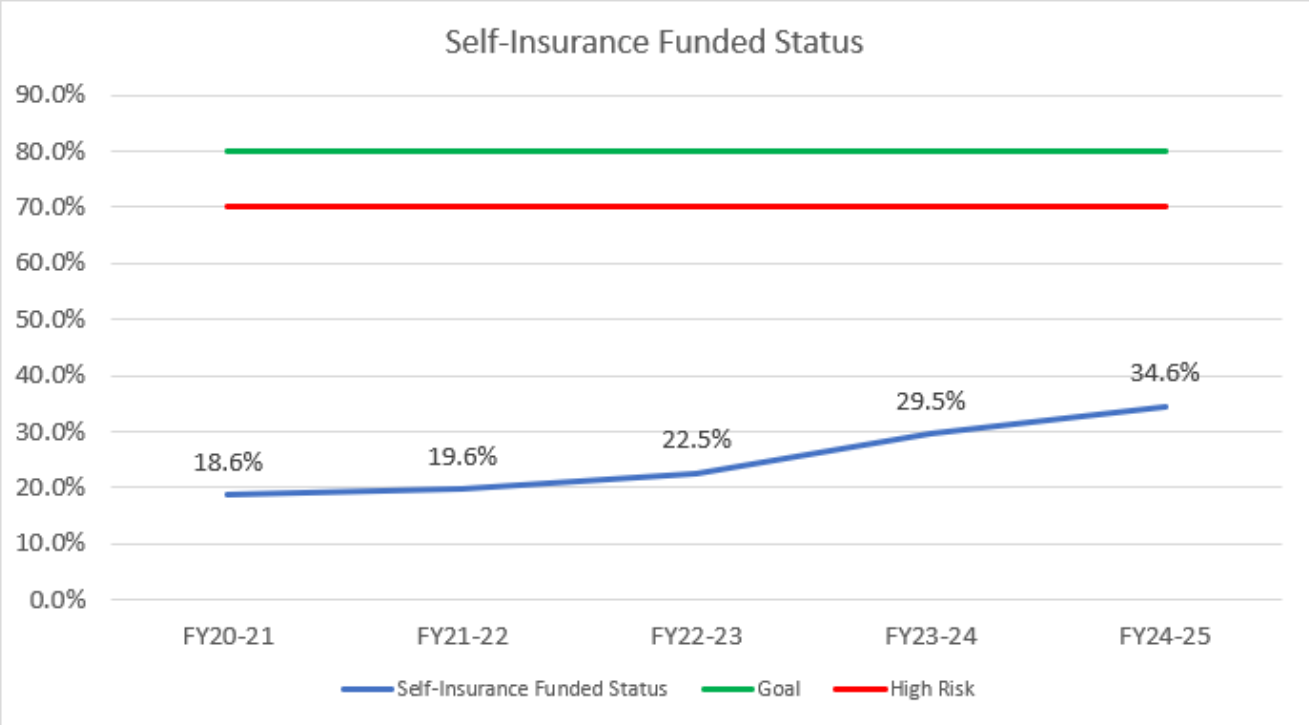
Self-Insurance Funded Status

Current Status: High Risk

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

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 FY 2026–27 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	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25
Self-Insurance Assets - thousands	12,743	15,159	15,724	21,757	27,603
Self-Insurance Liabilities - thousands	68,570	77,326	69,790	73,813	79,860
Self-Insurance Funded Status	18.6%	19.6%	22.5%	29.5%	34.6%
Goal	80.0%	80.0%	80.0%	80.0%	80.0%
5-Year Average					25.0%



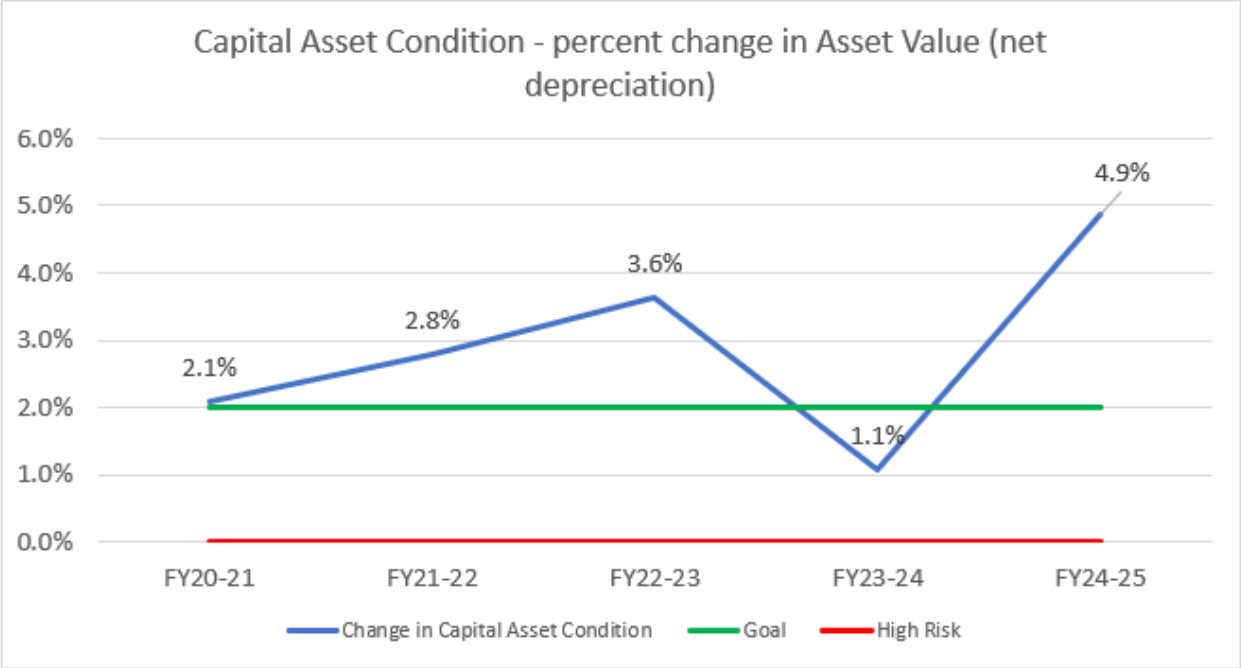
Capital Asset Condition

Current Status: Low Risk

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

The City's change in total invested capital assets has generally increased each year. It is important to monitor this trend over time to ensure that the City does not experience a declining asset balance which would indicate accelerated deterioration of assets as they depreciate. As shown below, the change in net Capital Assets (net of depreciation) has been largely positive over the last five years. For the first time in FY 2023–24, the City has fallen to the Moderate Risk category, affirming that more capital investment is necessary. The City currently has $176.0 million dedicated to capital projects and is investing an additional $61.5 in FY 2026–27 into capital improvements. The FY 2026–27 budget includes $450,000 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	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25
Citywide Capital Asset Value - thousands	977,471	1,013,034	1,055,059	1,081,495	1,130,037
Accumulated Depreciation - thousands	-462,557	-483,760	-506,488	-527,033	-548,534
Citywide Capital Asset Value (net of depreciation) - thousands	514,914	529,274	548,571	554,462	581,503
Citywide Capital Asset Condition (amount remaining)	52.7%	52.2%	52.0%	51.3%	51.5%
Change in Capital Asset Condition	2.1%	2.8%	3.6%	1.1%	4.9%
Goal	2.0%	2.0%	2.0%	2.0%	2.0%
5-Year Average					2.9%



Economic Outlook

The City's adopted FY 2026–27 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 the Consumer Confidence Index.

Federal Funds Rate

The Federal Funds Rate is the benchmark borrowing 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—can support economic growth, strengthen tax revenues, and reduce the cost of financing capital projects.

Following a series of rate increases in 2023 to address elevated inflation, the Federal Reserve began lowering rates in late 2024 and throughout 2025, bringing the target range down from a peak of 5.25%-5.50% to 3.50%-3.75 by year-end. As of March 18, 2026, Federal Reserve meeting, the Fed maintained this target range, signaling a pause as policy makers assess incoming economic data. Future rate decisions remain uncertain and will depend largely on inflation trends and labor market conditions, which may influence borrowing costs and overall economic activity.

The Fed's three most recent target federal funds rate actions are summarized below:

Federal Reserve Meeting	Action Taken	Target Fed Fund Rate
December 11, 2025	**-25 basis points**	**3.50% - 3.75%**
October 30, 2025	**-25 basis points**	**3.75% - 4.00%**
September 18, 2025	**-25 basis points**	**4.00% - 4.25%**

Consumer Price Index (Inflation)

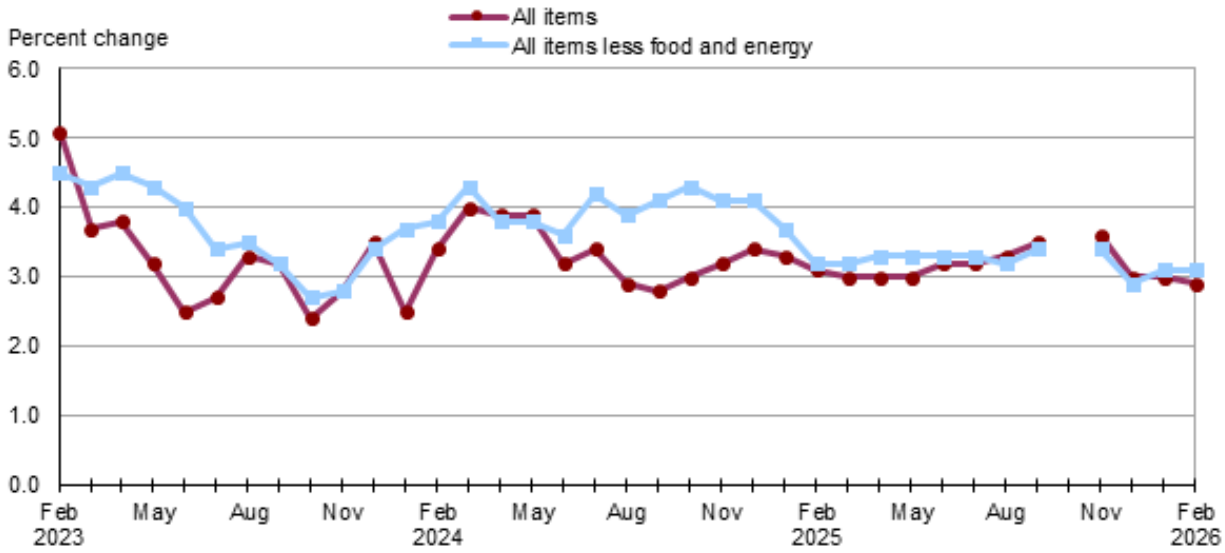
The Consumer Price Index (CPI) tracks changes in the average prices of consumer goods and services. Annualized percentage changes in CPI reflect a measure of inflation. Inflation that is substantially higher or lower reflects unstable prices that make financial planning more difficult and often hinders economic growth.

As of March 2026, inflation in the Los Angeles region remains moderate, with the Consumer Price Index (CPI) increasing 3.4% over the past 12 months. Since March 2023, inflation has generally eased from earlier highs but stabilized in the range of approximately 2.8% to 3.5%. Core inflation declined

from higher levels in 2023 and now stands at 2.8%, indicating underlying price pressures are easing but still present. The U.S. Federal Reserve System (Fed) leverages the Personal Consumption Expenditure (PCE) index to compare against its policy benchmark target of 2%. As of February 2026 the PCE index currently stands at 2.8%.

Shelter and medical care continue to be the main drivers of inflation, while energy prices contribute to short-term fluctuations. Although inflation is stabilizing, ongoing pressure in essentials categories such as food, shelter, and medical care suggests some uncertainty remains.

Chart 1. Over-the-year percent change in CPI-U, Los Angeles-Long Beach-Anaheim, CA, February 2023–February 2026



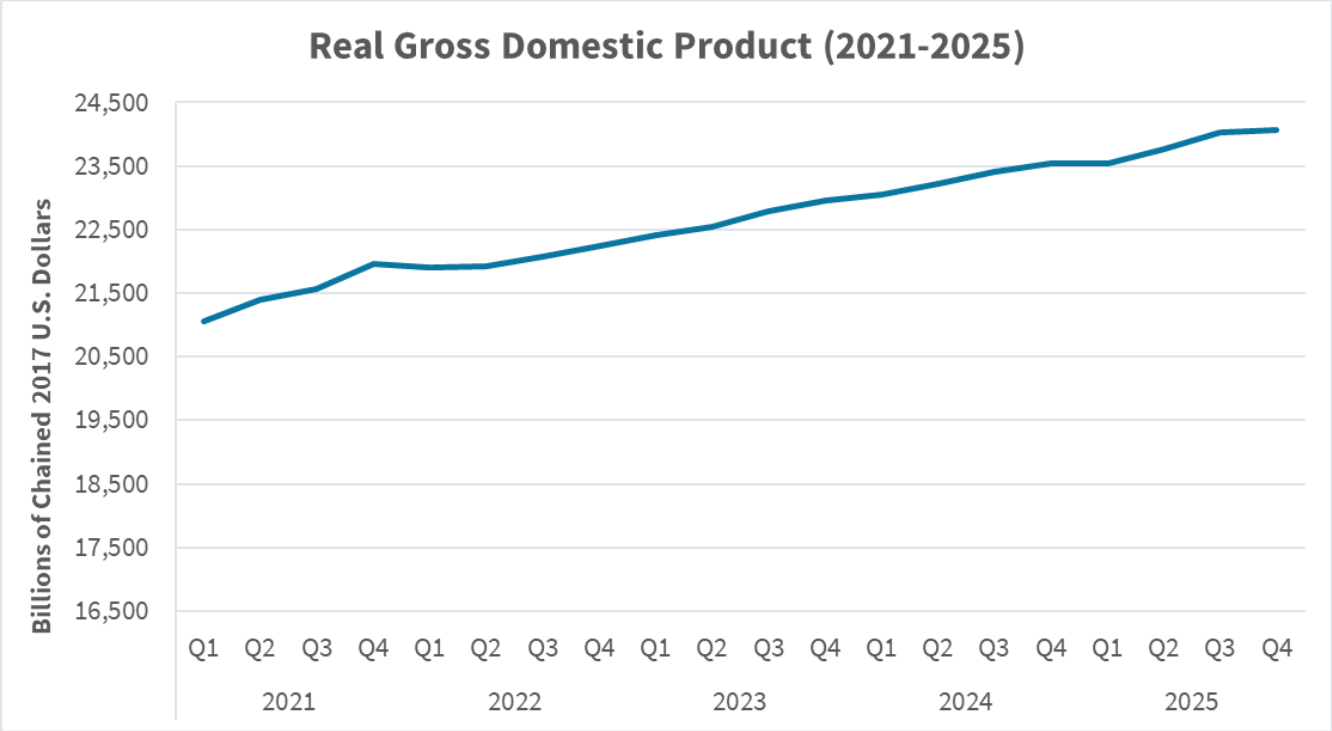
Note: The October 2025 data values are not available due to the 2025 lapse in appropriations.
Source: U.S. Bureau of Labor Statistics.

Real Gross Domestic Product

Real Gross Domestic Product (GDP) reflects the value of all goods and services produced within an economy each year, adjusted for inflation, making it a key indicator of overall economic performance and growth over time. As illustrated below, real GDP has maintained a consistent upward trajectory from 2021 through 2025, reaching its highest level of approximately $24.1 billion (chained 2017 dollars) in late 2025. According to the most recent data from the U.S. Bureau of Economic Analysis (BEA), real GDP increased approximately by 2.3% in the fourth quarter of 2025 compared to the same period in the prior year.

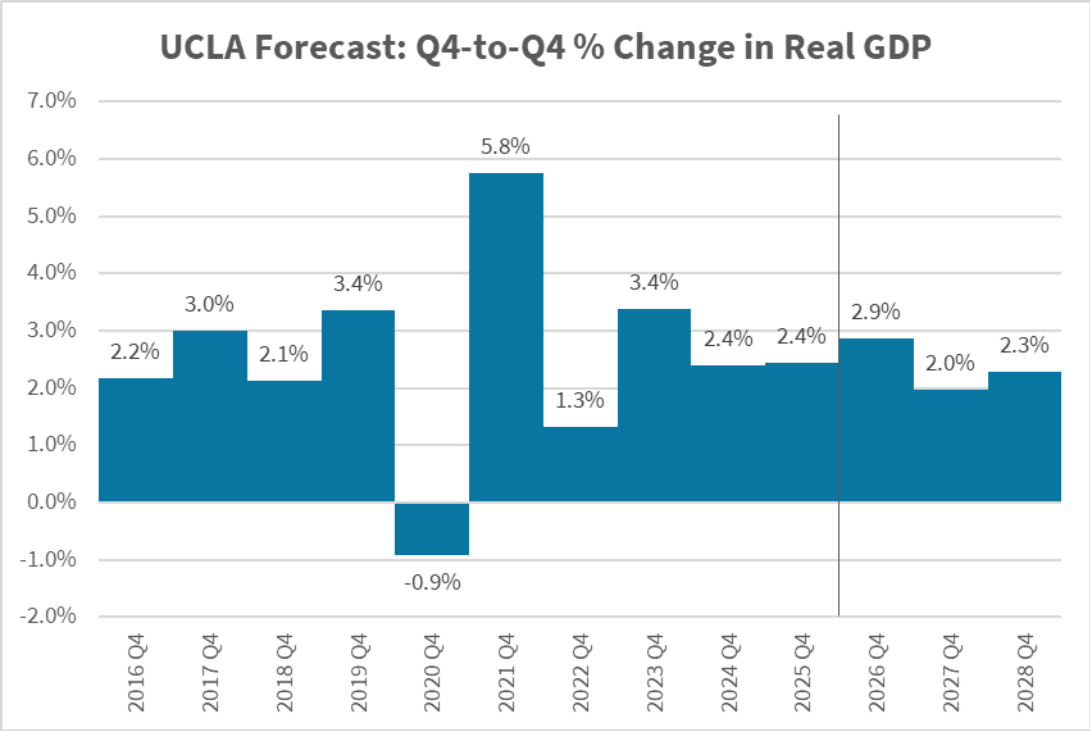
In contrast, short-term economic momentum slowed toward the end of the year. BEA's second estimate indicates that real GDP increased at an annualized rate of 0.7% in the fourth quarter of 2025, a significant slowdown from the 4.4% growth recorded in the third quarter. This quarterly increase

was primarily driven by consumer spending and private investment, which were partly offset by declines in government spending and exports. The downward revision from the advance estimate suggests slightly weaker than expected performance across several key areas of the economy. Overall, while year over year growth remains stable, the recent decelerations introduce some uncertainty heading into 2026 and may impact revenue growth assumptions, consumer activity, and overall conditions at the local level.



Source: U.S. Bureau of Economic Analysis, "Table 1.1.6. Real Gross Domestic Product, Chained Dollars" (accessed Thursday, March 26, 2026).

According to the UCLA Anderson Forecast Spring 2026 outlook, annualized projections currently anticipate real GDP growth to reach about 2.9% in 2026, a slight increase from the steady 2.4% growth seen in 2024 and 2025, before easing to around 2.0% in 2027 and stabilizing near 2.3% in 2028.

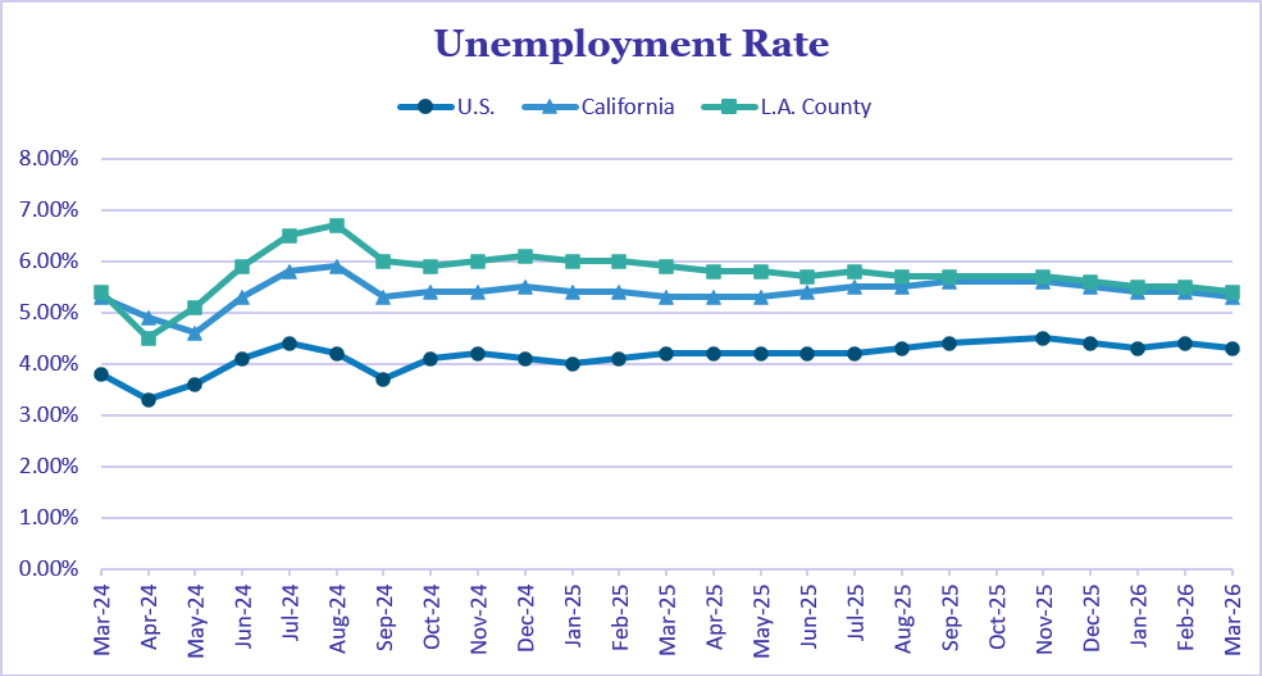


Source: The UCLA Anderson Forecast for the Nation and California: Spring 2026 Report

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 February 2026, the U.S. unemployment rate was 4.4%; California's unemployment rate was 5.4%; Los Angeles County's was 5.4%; and Torrance's was 4.8%.

The national unemployment rate in the first quarter of 2026 was relatively stable, consistently hovering around 4.4%. On the other hand, state and county unemployment rates decreased slightly from the end of 2025, while Torrance and comparable nearby cities experienced a slight uptick. Overall, the local unemployment rates are generally slightly higher than what was experienced a year ago. The U.S. Department of Labor's Employment Situation report for March 2026 highlighted that, despite little change in the unemployment rate, there were job gains in health care, construction, and transportation and warehousing. The report also affirmed that federal government employment continued to decline, consistent with the trend at the beginning of prior year.



Source (national): U.S. Bureau of Labor Statistics

Source (state and county): State of California, Employment Development Department

State and county unemployment rates for March 2026 have not yet been released as of the publication date of this document.

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 2026 details Torrance having a 4.3% unemployment rate, which is a slight decrease from the end of 2025.

Local Unemployment Rate Trends								
	2024			2025				2026
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
National*	4.1%	3.7%	4.1%	4.2%	4.2%	4.4%	4.4%	4.4%
California*	5.2%	5.3%	5.5%	5.3%	5.4%	5.6%	5.5%	5.4%
Los Angeles County*	5.3%	6.0%	6.0%	5.9%	5.7%	5.7%	5.6%	5.5%
Carson	5.9%	6.0%	5.5%	5.3%	6.0%	5.9%	5.0%	5.5%
Gardena	5.7%	6.1%	5.6%	5.2%	5.7%	5.9%	5.0%	5.3%
Glendale	5.7%	5.8%	5.6%	5.7%	5.9%	5.8%	5.0%	5.5%
Hawthorne	5.7%	5.8%	5.6%	5.4%	5.8%	6.1%	5.2%	5.7%
Inglewood	6.8%	7.1%	6.3%	5.8%	6.4%	6.6%	5.5%	6.1%
Santa Monica	5.8%	5.8%	5.6%	5.9%	5.6%	5.7%	5.0%	5.4%
Torrance	**4.9%**	**4.9%**	**4.5%**	**4.7%**	**5.2%**	**5.1%**	**4.4%**	**4.3%**

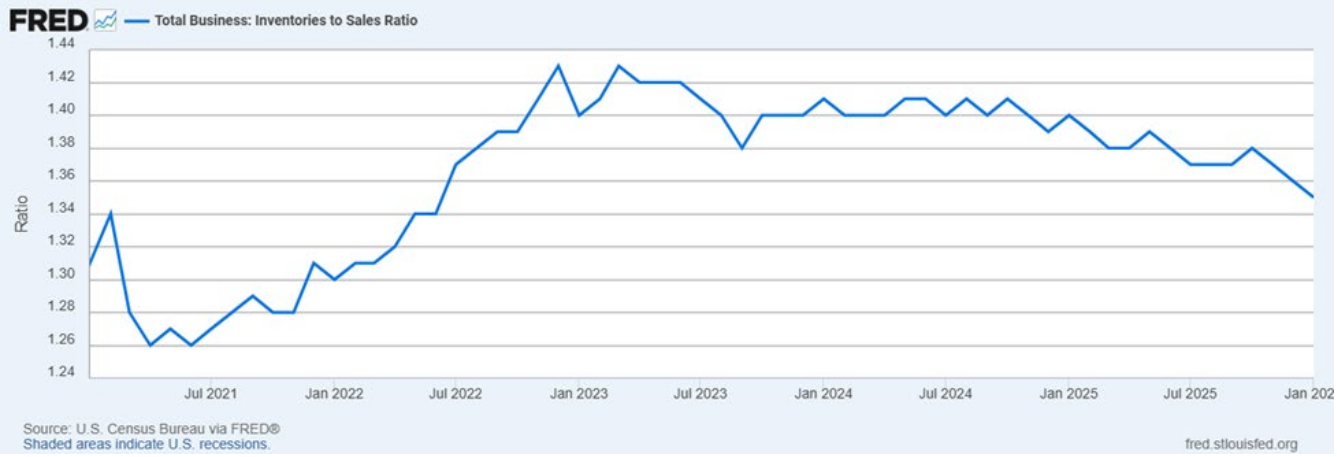
Source: State of California, Employment Development Department

2026 data is as of March 2026.

*Seasonally Adjusted

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. Following the peak of the COVID-19 pandemic, as the economy partially re-opened in 2021, 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 dipped below 1.3 for much of 2021, which impacted the price of goods and overall inflation rates. Since then, the balance has improved and begun to return to pre-pandemic levels as of the period ending January 2026 at 1.35. 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. From an economist's perspective, a downward trend reflects either an increase in sales or a decrease in available inventory.



Source: Federal Reserve Economic Data

Consumer Confidence Index

Consumer confidence index ("CCI") is a critical measure of the U.S. and local economy which provides insight into consumer confidence levels regarding their financial situation, sentiment about the general economic situation, unemployment, and capability of savings. Measures above 100 typically signal a positive attitude towards the future economic situation, while measures below 100 indicate a more pessimistic sentiment. According to the Conference Board Consumer Confidence Index survey, the CCI in March 2026 was at 91.8, up 0.8 points from prior month (February 2026) and down 2.4 points from prior quarter-end (December 2025).



Source: Conference Board Consumer Confidence Index Survey

“Consumer confidence ticked up again in March, as a modest improvement in consumers’ views of current conditions outweighed a slight downshift in expectations for the future,” said Dana M Peterson, Chief Economist at The Conference Board. “Three of five components of the Index firmed in March, and overall confidence improved modestly for a second month. Nonetheless, the Index has been on a general downward trend since 2021.”



REVENUES

Revenues

Citywide Revenue Summary by Fund

Revenues by Fund	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
General Fund-Operating Fund	279,771,398	278,125,855	306,707,470	303,509,688	322,433,802	18,924,114	6.2%
General Fund-Measure SST	18,064,595	25,577,251	25,685,176	26,183,606	27,279,846	1,096,240	4.2%
General Fund -Restricted	2,452,282	24,831,321	13,567,049	4,416,579	4,791,889	375,310	8.5%
General Fund-Assigned	2,195,940	10,852,404	10,930,500	7,111,091	6,419,911	(691,180)	-9.7%
Total General Fund	**$ 302,484,215**	**$ 339,386,831**	**$ 356,890,195**	**$ 341,220,964**	**$ 360,925,448**	**$ 19,704,484**	**5.8%**
AQMD Fund	198,640	206,313	202,627	211,134	207,063	(4,071)	-1.9%
Debt Service Fund	22,099,220	22,593,694	23,101,675	23,625,753	24,154,567	528,814	2.2%
Low Mod Fund	1,429,993	168,411	21,967	-	228,623	228,623	0.0%
Meadow Park Parking Lot District	152,866	50,248	58,145	41,205	45,860	4,655	11.3%
Section 8 Housing	6,823,779	8,312,839	8,852,610	9,685,309	9,084,600	(600,709)	-6.2%
Street Lighting Fund	1,710,391	1,846,644	1,882,097	1,937,828	1,968,915	31,087	1.6%
Traffic Safety Fund	-	82,366	56,611	70,950	55,000	(15,950)	-22.5%
Vanpool Fund	240,548	210,074	240,470	261,749	179,314	(82,435)	-31.5%
Total Nonmajor Governmental Funds	**$ 32,655,437**	**$ 33,470,589**	**$ 34,416,202**	**$ 35,833,928**	**$ 35,923,942**	**$ 90,014**	**0.3%**
Airport Fund	23,886,882	20,292,508	38,436,913	21,920,724	6,459,908	(15,460,816)	-70.5%
Sanitation Fund	16,649,110	26,869,749	18,600,946	18,993,739	21,341,105	2,347,366	12.4%
Sewer Fund	6,569,643	8,050,200	8,243,609	8,201,108	8,593,241	392,133	4.8%
Transit Fund	35,962,667	32,367,583	36,546,928	38,508,429	43,116,666	4,608,237	12.0%
Water Fund	55,377,877	56,262,311	59,776,150	61,768,887	65,591,352	3,822,465	6.2%
Total Enterprise Funds	**$ 138,446,179**	**$ 143,842,351**	**$ 161,604,546**	**$ 149,392,887**	**$ 145,102,272**	**$ (4,290,615)**	**-2.9%**
Fleet Services Fund	25,854,360	13,976,328	13,676,686	15,074,962	17,200,930	2,125,968	14.1%
Self-Insurance Fund	24,309,720	23,070,807	23,974,728	24,178,667	26,890,010	2,711,343	11.2%
Total Internal Service Funds	**$ 50,164,080**	**$ 37,047,135**	**$ 37,651,414**	**$ 39,253,629**	**$ 44,090,940**	**$ 4,837,311**	**12.3%**
Redevelopment Agency Fund	3,597,670	4,318,282	4,175,440	4,339,486	4,351,081	11,595	0.3%
Total Fiduciary Funds	**$ 3,597,670**	**$ 4,318,282**	**$ 4,175,440**	**$ 4,339,486**	**$ 4,351,081**	**$ 11,595**	**0.3%**
Total Revenues	**$ 527,347,581**	**$ 558,065,188**	**$ 594,737,797**	**$ 570,040,894**	**$ 590,393,683**	**$ 20,352,789**	**3.6%**

The citywide revenue budget will increase by $20.4 million (+3.6%) in FY 2026–27. The increase from the prior budget is driven by the following factors:

- The General Fund-Operating Fund will increase by $18.9 million (+6.2%), primarily due to Use of Money and Property increasing by $20.2 million and partially offset by a decrease from Operating Transfers-In of $8.2 million. Of the $20.2 million increase in Use of Money and Property, $15.1 million comes from moving Airport land leases (non-aeronautical) out of the Airport Fund and into the General Fund, and $4.1 million comes from internal rent charges to the City's Enterprise and Internal Service funds. The decrease in Operating Transfers In is mainly due to a decrease of $12.8 million from Airport Fund transfers related to the previously described change in accounting for the land leases offset by an increase in transfer from the CEPTT Fund of $5.0 million. The remaining change is attributable to an increase in Charges for Services of $3.1 million, Taxes of $1.7 million, and Other Revenues of $1.6 million.
- The General Fund-Measure SST Fund will increase by $1.1 million (+4.2%), due to an increase in Use of Money and Property from the investment earnings and an increase in the taxes

classification. The FY 2026–27 budget has been adjusted to reflect current consumer spending trends.

- The Airport Fund will decrease by $15.5 million (-70.5%), mainly due to decreases in Use of Money and Property of $13.8 million and Other Revenues of $1.6 million related to the change in accounting for the non-aeronautical land leases previously described migrating to the General Fund-Operating Fund.
- The Sanitation Fund will increase by $2.3 million (+12.4%), driven by the annual rate change of 8% and an increase of $1.0 million in Licenses, Fees and Permits.
- The Transit Fund will increase by $4.6 million (+12.0%), primarily due to additional Intergovernmental revenues of $1.0 million for Line 4 service expansion, a $1.3 million increase in Measure M funding, and an additional increase of $0.9 million for the Zero Emission Transit Capital Program's one-time grant funding.
- The Water Fund will increase by $3.8 million (+6.2%), driven by the annual rate change of 6.0%.
- The Fleet Services Fund will increase by $2.1 million (+14.1%), 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.
- The Self-Insurance Fund will increase by $2.7 million (+11.2%), driven by the increase in annual insurance premiums as well as an increase in costs pertaining to workers' compensation claims and settlement related costs.

Citywide Revenue Summary by Classification

Classification	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Taxes	214,852,793	224,089,246	227,219,291	235,400,519	237,793,538	2,393,019	1.0%
Licenses, Fees and Permits	18,091,998	19,032,102	19,863,285	19,695,580	21,247,778	1,552,198	7.9%
Fines, Forfeitures and Penalties	676,656	811,019	1,759,845	2,186,040	2,100,000	(86,040)	-3.9%
Use of Money and Property	54,884,438	62,858,368	69,511,986	65,010,099	73,996,021	8,985,922	13.8%
Intergovernmental	39,053,710	34,424,398	39,461,741	41,319,972	44,810,546	3,490,574	8.4%
Charges for Services	115,882,487	129,094,610	137,653,482	146,274,521	158,604,529	12,330,008	8.4%
Other Revenues	6,093,822	3,053,378	20,451,101	1,945,110	2,042,500	97,390	5.0%
Operating Transfers In	76,564,095	79,476,303	70,762,601	58,019,285	49,609,005	(8,410,280)	-14.5%
Other Financing Sources	1,247,582	5,225,764	8,054,465	189,768	189,766	(2)	0.0%
Total Revenues	**$ 527,347,581**	**$ 558,065,188**	**$ 594,737,797**	**$ 570,040,894**	**$ 590,393,683**	**$ 20,352,789**	**3.6%**

The primary drivers for the increase of $20.4 million (+3.6%) in FY 2026–27 are as follows:

- The Taxes classification will increase by $2.4 million (+1.0%). This is mainly due to an anticipated increase from sales and property taxes totaling $4.3 million, partially offset by a decrease in utility users' tax of $2.0 million.

- The Use of Money and Property classification will increase by $9.0 million (+13.8%) driven by projected growth in investment earnings of $1.3 million resulting from a higher federal funds rate and increased cash balances, increases in lease revenues of $1.7 million from annual contractual adjustments, and $4.1 million from internal rent charges to the City's Enterprise funds.
- The Intergovernmental classification will increase by $3.5 million (+8.4%) driven by the Transit Fund revenues from LA Metro funding relating to Measure M and the Line 4 expansion totaling $2.3 million.
- The Charges for Services classification will increase by $12.3 million (+8.4%) due to various changes across multiple funds. This increase is primarily driven by the Water Operations Fund of $3.8 million, Self-Insurance Fund of $2.7 million, General Fund-Operating Fund of $3.1 million, Sanitation Operations Fund of $1.3 million, and the Fleet Fund of $1.1 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 increase in the Self-Insurance Fund is mainly due to the rising cost of insurance premiums and workers' compensation claims and settlement-related costs. The increase in the General Fund-Operating Fund is primarily attributable to a $1.5 million increase in Emergency Transport program fees in the Fire Department, $1.1 million in expedited plan check fees in the Community Development Department, and other increases in departmental program fees in the Community Services Department. The Fleet Services Fund increase supports the costs of vehicle maintenance, fuel, labor, and parts, as well as non-vehicle maintenance activities such as rent and administrative services.
- The Operating Transfers In classification will decrease by $8.4 million (-14.5%). This change is primarily driven by the decrease in the General Fund-Operating Fund of $8.2 million. The decrease in transfers to this fund is mainly due to a decrease of $12.8 million from Airport Fund transfers related to the change in accounting for non-aeronautical land leases offset by an increase in transfers from the CEPTT Fund of $5.0 million. Although this significant change is seen at the fund level, it is offset at the consolidated Citywide level.

General Fund-Operating Fund Revenue Summary by Classification

Classification	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Taxes	192,046,055	192,972,611	196,377,131	203,810,470	205,535,072	1,724,602	0.8%
Licenses, Fees and Permits	16,781,556	17,617,815	18,218,561	18,865,230	19,457,778	592,548	3.1%
Fines, Forfeitures and Penalties	676,656	727,156	1,702,725	2,115,090	2,045,000	(70,090)	-3.3%
Use of Money and Property	4,677,227	8,898,762	10,528,653	9,014,403	29,165,251	20,150,848	223.5%
Intergovernmental	521,909	368,968	435,406	435,630	455,500	19,870	4.6%
Charges for Services	21,010,365	25,460,614	25,124,687	25,928,210	29,032,106	3,103,896	12.0%
Other Revenues	4,638,131	676,712	192,500	81,310	1,713,000	1,631,690	2006.8%
Operating Transfers In	38,361,683	26,367,219	46,263,108	43,259,345	35,030,095	(8,229,250)	-19.0%
Other Financing Sources	1,057,816	5,035,998	7,864,699	-	-	-	0.0%
Total Revenues	**$ 279,771,398**	**$ 278,125,855**	**$ 306,707,470**	**$ 303,509,688**	**$ 322,433,802**	**$ 18,924,114**	**6.2%**

The Taxes, Charges for Services, Operating Transfers In, and Use of Money and Property classifications are the primary sources of revenue for the City's General Fund-Operating Fund and account for 93% 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. The Operating Transfers In classification represents transfers mainly from the CEPPT Fund, General Fund-Measure SST Fund, General Fund-Assigned (Economic Anomaly Reserve) Fund, Sanitation Fund, and funding from Gas Tax to support the City's day-to-day operations. The Use of Money and Property classification represents the City's utilization of assets including funding sources from lease revenues, investment earnings and other rental income.

General Fund-Operating Fund Tax Revenue Summary by Classification

Classification	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Sales and Use Tax	62,610,106	61,931,074	59,199,636	61,701,050	63,199,620	1,498,570	2.4%
Property Tax	62,105,457	65,094,737	68,370,768	72,011,450	74,152,690	2,141,240	3.0%
Utility Users Tax	44,115,724	41,289,435	41,357,001	43,313,300	41,308,282	(2,005,018)	-4.6%
Business License Tax	10,067,200	10,763,541	11,135,448	11,644,650	11,849,480	204,830	1.8%
Occupancy Tax	12,058,112	12,580,760	13,030,832	13,305,020	13,500,000	194,980	1.5%
Construction Tax	1,082,781	1,308,066	3,277,189	1,830,000	1,520,000	(310,000)	-16.9%
Oil Severance Tax	6,675	4,998	6,257	5,000	5,000	-	0.0%
Total Revenues	**$ 192,046,055**	**$ 192,972,611**	**$ 196,377,131**	**$ 203,810,470**	**$ 205,535,072**	**$ 1,724,602**	**0.8%**

The General Fund's three core tax revenue sources are Sales and Use Tax, Property Tax, and Utility Users' Tax. These tax sources typically represent approximately 87% of the tax classification budget and about 55% of the overall General Fund-Operating Fund revenue budget.

Sales and Use Tax

The budget in this classification is projected to increase by $1.5 million (+2.4%) in FY 2026–27. This revenue source peaked in FY 2021–22 totaling $63.6 million and has declined since then, however is finally showing signs of recovering. Staff continues to be cautious with forecasting for several reasons.

The Fed decreased the Federal Funds Rate to a range of 3.75-4.00% in October 2025, and the Fed's policy to slow inflation has affected sales across industries. An additional decrease to 3.50%-3.75% occurred in December 2025, and the most recent Federal Reserve Meeting in March 2026 saw rates holding steady at 3.50-3.75%. The inflation rate continues to drive up the cost of many taxable products, and consumer spending is anticipated to increase only slightly through the end of the 2026 calendar year.

As for the latest available data from calendar Q3 2025, for the last four quarters, the California Department of Tax & Fee Administration reported sales tax revenue was stagnant compared to the four quarters ending Q3 2024. Growth came from County Pool allocations (9%) and the General and Consumer Goods industry group (9%). Those gains were offset by decreases from the Business and Industry group (35%) and the Autos and Transportation group (3%). It is anticipated there will be a recovery in sales with current year receipts and with an increase in remittances from the County Pool allocations, the Restaurants and Hotels industry group and the Autos and Transportation industry group for the City's FY 2026–27 adopted budget. The City of Torrance has a well-diversified mix of sales tax producers with the top 25 generating 38% 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 $2.1 million (+3.0%) in FY 2026–27. 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 4.6%, increasing from $40.2 billion to $42.1 billion in FY 2025-26 and placing Torrance at 8th in the top 10 highest value cities in Los Angeles County. When examining the changes in net taxable assessed values, the largest contributors to this change were the residential and commercial categories. The residential market experienced the highest growth, increasing by 5.3% and adding $1.4 billion in net taxable assessed value. The commercial category experienced the second largest increase of 3.9%, adding $252.8 million in net taxable assessed value.

Based on the latest available calendar Q4 2025 data, the median sales price of a Torrance single-family detached home was $1,265,000, an increase of 5.0% when compared to the median sales price

of $1,205,000 in the same quarter for 2024. During Q2 2025, the median sales price in Torrance hit an all-time high of $1,350,000, which has now decreased by 6.3% as of Q4 2025.

In addition to sales price, property tax revenues are also affected by the number of residential sales transactions. As of calendar Q4 2025, quarter-to-date home sales totaled 164, while 170 homes were sold during the same period in 2024. Average quarter-to-date home sales for the last four quarters ending Q4 2025 was 172, which is above the same periods the year prior at 165. Home sales have been consistent in the last twelve months and this is indicative of an increase in buyer demand and reassessments under Proposition 13, which directly impacts property tax revenue trends. With lower interest rates, buyers will be more incentivized to buy to take advantage of cheaper financing costs.

Utility Users' Tax Revenue Summary by Classification

Classification	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Electricity	20,215,594	21,800,382	22,890,340	23,690,150	23,443,912	(246,238)	-1.0%
Gas	5,757,504	4,771,722	5,326,679	5,475,770	5,067,570	(408,200)	-7.5%
Refinery: Co-gen	856,944	605,914	473,402	718,020	800,000	81,980	11.4%
Refinery: Gas	8,295,360	4,532,115	3,041,603	3,775,320	2,700,000	(1,075,320)	-28.5%
Water	3,605,812	3,759,495	4,208,821	4,087,660	4,150,000	62,340	1.5%
Cable	1,666,102	1,440,881	1,350,047	1,315,050	1,368,500	53,450	4.1%
Cellular	1,245,623	2,014,883	1,925,701	2,056,840	1,369,600	(687,240)	-33.4%
Telecom	2,472,785	2,364,043	2,140,408	2,194,490	2,408,700	214,210	9.8%
Total Revenues	**$ 44,115,724**	**$ 41,289,435**	**$ 41,357,001**	**$ 43,313,300**	**$ 41,308,282**	**$ (2,005,018)**	**-4.6%**

The budget in Utility Users' Tax (UUT) classification is projected to decrease by $2.0 million (-4.6%). 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 $1.1 million decrease in the Refinery: Gas category and $0.7 million decrease in the Cellular category. Receipts from the Torrance Refinery experienced a decrease in gas during the prior fiscal years as production continues to normalize following intermittent planned maintenance.

Business License Tax

The Business License Tax budget is projected to increase by $205,000 (+1.8%) in FY 2026–27. The Adopted FY 2026–27 budget represents a 3.5% increase from the FY 2025–26 Mid-Year Projection. Annual renewals for over 14,000 businesses (including outside contractors) are billed in December, due on January 1, and become delinquent on February 1.

Occupancy Tax

The Occupancy Tax budget is projected to increase by $195,000 (+1.5%) in FY 2026–27. According to STR Global, an industry leader in hospitality data and analytics, occupancy rates averaged 80.9% for the last twelve months ending February 2026, unchanged from the same period the previous year. In addition, the average daily rate per room has increased by $4.48 (+2.7%), from $163.35 per night to $167.83 per night for the last twelve months ending February 2026 when compared to the prior year. With the steady return of travel and tourism, the City's expects an increase in the next year with events like the FIFA World Cup at the beginning of the fiscal year.

Licenses, Fees & Permits

The Licenses, Fees, and Permits budget is projected to increase by $593,000 (+3.1%) in FY 2026–27. This revenue classification includes development-related fees—such as building, engineering, and fire inspection fees—and franchise fees. The majority of this revenue source is derived from Franchise Fees from utility providers, private waste haulers and the City's Enterprise Funds totaling $11.5 million of the budgeted $19.5 million. The primary driver of this change is a $700,000 increase to building permits, partially offset by a $200,000 decrease in plumbing permits. The change in those revenue sources are adjusted to more closely align with the current trend in the last two fiscal years.

Use of Money and Property

The Use of Money and Property budget is projected to increase by $20.2 million (+223.5%) in FY 2026–27. This revenue source includes investment income from interest earnings, lease revenues, and other rents charged on City assets. The increase in this classification is mainly due to a change in accounting for $15.1 million worth of non-aeronautical Airport land leases previously recognized in the Airport Fund (now in the General Fund Operating Fund) and a $4.1 million increase in internal rent charges to the City's Enterprise and Internal Service funds.

Fines, Forfeitures and Penalties

The Fines, Forfeitures and Penalties budget is projected to decrease by $70,000 (-3.3%) in FY 2026–27. This revenue source primarily includes parking and administrative citations. The main driver of the decrease is an expected decline in activity with parking citations. Receipts generated from these activities have tapered off, as a result of issuing less tickets, due to increased compliance.

Charges for Services Revenue Summary by Department

Department	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
City Clerk	10,815	4,186	8,595	5,790	6,500	710	12.3%
City Manager	806,164	696,740	718,189	746,710	782,043	35,333	4.7%
Community Development	5,730,923	7,011,427	5,447,581	5,753,410	7,169,500	1,416,090	24.6%
Community Services	4,416,736	5,269,886	5,676,398	5,838,740	6,162,100	323,360	5.5%
Finance	-	9,390	20	-	-	-	0.0%
Fire	8,513,144	10,846,381	11,427,390	11,620,500	13,086,023	1,465,523	12.6%
General Services	981,678	982,431	989,163	1,016,700	880,000	(136,700)	-13.4%
Non-Departmental	15,389	19,282	17,356	17,050	19,000	1,950	11.4%
Police	304,754	368,818	386,000	369,200	348,910	(20,290)	-5.5%
Public Works	230,762	252,073	453,995	560,110	578,030	17,920	3.2%
Total Revenues	**$ 21,010,365**	**$ 25,460,614**	**$ 25,124,687**	**$ 25,928,210**	**$ 29,032,106**	**$ 3,103,896**	**12.0%**

The Charges for Services budget is projected to increase by $3.1 million (+12.0%) in FY 2026–27. 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 user fees (Community Services and General Services). The major changes in this revenue category for FY 2026–27 are driven by the following factors:

- Community Development Department – The revenue budget will increase by $1.4 million (+24.6%) in FY 2026–27, primarily due $1.1 million in additional plan check fees collected to recover the cost of expedited review services by an outside vendor for a specific project.
- Community Services Department – The revenue budget will increase by $323,000 (+5.5%) in FY 2026–27, largely due to anticipated increases in participation fees from the Certified Farmer's Market along with a realignment of the budget with actual receipts.
- Fire Department – The revenue budget will increase by $1.5 million (+12.6%) in FY 2026–27, mainly due to increased rates set by LA County for the emergency transport program and changes to the Public Provider Ground Emergency Medical Transport (PP-GEMT) Intergovernmental Transfer (IGT) Program being implemented.

General Fund-Measure SST Fund Revenue Summary by Classification

Classification	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Taxes	18,120,402	25,712,422	25,570,449	26,154,000	26,799,000	645,000	2.5%
Use of Money and Property	(55,807)	(135,171)	114,727	29,606	480,846	451,240	1524.2%
Total Revenues	**$ 18,064,595**	**$ 25,577,251**	**$ 25,685,176**	**$ 26,183,606**	**$ 27,279,846**	**$ 1,096,240**	**4.2%**

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 will increase by $1.1 million (+4.2%) in FY 2026–27. The primary driver of the FY 2026–27 increase is an expected $0.6 million rise in the Taxes classification. The FY 2026–27 budget has been adjusted to reflect current consumer spending trends.



EXPENDITURES

Expenditures

Citywide Expenditures Summary by Fund

Expenditures by Fund	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
General Fund-Operating Fund	261,591,946	271,219,956	293,190,318	311,565,818	324,433,802	12,867,984	4.1%
General Fund-Measure SST	17,550,521	21,467,564	26,349,170	26,183,606	27,279,846	1,096,240	4.2%
General Fund -Restricted	(799,059)	601,045	378,227	7,535,387	12,387,318	4,851,931	64.4%
General Fund-Assigned	1,719,594	4,211,216	6,306,488	7,634,299	4,563,239	(3,071,060)	-40.2%
Total General Fund	**$ 280,063,002**	**$ 297,499,781**	**$ 326,224,203**	**$ 352,919,110**	**$ 368,664,205**	**$ 15,745,095**	**4.5%**
AQMD Fund	185,581	154,656	230,892	360,478	181,142	(179,336)	-49.7%
Debt Service Fund	22,098,251	22,593,178	23,107,338	23,625,753	24,154,567	528,814	2.2%
Low Mod Fund	56,255	54,794	59,827	70,338	47,159	(23,179)	-33.0%
Meadow Park Parking Lot District	24,967	24,793	29,229	33,705	34,860	1,155	3.4%
Section 8 Housing	6,969,159	8,183,387	8,907,177	9,590,801	9,003,534	(587,267)	-6.1%
Street Lighting Fund	1,710,390	1,846,644	1,882,097	1,937,828	1,968,915	31,087	1.6%
Traffic Safety Fund	-	74,616	45,245	70,950	55,000	(15,950)	-22.5%
Vanpool Fund	240,547	210,074	240,470	261,749	179,314	(82,435)	-31.5%
Total Nonmajor Governmental Funds	**$ 31,285,150**	**$ 33,142,142**	**$ 34,502,275**	**$ 35,951,602**	**$ 35,624,491**	**$ (327,111)**	**-0.9%**
Airport Fund	23,675,160	17,581,262	36,247,962	28,831,058	6,436,529	(22,394,529)	-77.7%
Sanitation Fund	14,811,383	26,428,864	15,087,874	20,035,722	20,048,040	12,318	0.1%
Sewer Fund	5,230,481	6,170,049	5,864,020	7,131,592	5,093,096	(2,038,496)	-28.6%
Transit Fund	28,721,634	32,986,308	37,572,267	46,791,919	49,076,346	2,284,427	4.9%
Water Fund	47,410,976	55,702,193	55,214,921	61,976,156	57,024,801	(4,951,355)	-8.0%
Total Enterprise Funds	**$ 119,849,634**	**$ 138,868,676**	**$ 149,987,044**	**$ 164,766,447**	**$ 137,678,812**	**$ (27,087,635)**	**-16.4%**
Fleet Services Fund	5,270,328	8,182,547	9,763,986	14,054,487	14,652,424	597,937	4.3%
Self-Insurance Fund	16,210,165	21,019,641	24,142,585	24,301,818	26,764,266	2,462,448	10.1%
Total Internal Service Funds	**$ 21,480,493**	**$ 29,202,188**	**$ 33,906,571**	**$ 38,356,305**	**$ 41,416,690**	**$ 3,060,385**	**8.0%**
Redevelopment Agency Fund	1,739,425	1,672,576	1,339,767	1,252,179	1,158,253	(93,926)	-7.5%
Total Fiduciary Funds	**$ 1,739,425**	**$ 1,672,576**	**$ 1,339,767**	**$ 1,252,179**	**$ 1,158,253**	**$ (93,926)**	**-7.5%**
Total Expenditures	**$ 454,417,704**	**$ 500,385,363**	**$ 545,959,860**	**$ 593,245,643**	**$ 584,542,451**	**$ (8,703,192)**	**-1.5%**

The summary table above shows the citywide expenditure budget by fund. The citywide expenditure budget will decrease by $8.7 million (-1.5%) in FY 2026–27. This decrease is primarily driven by the following factors:

- The General Fund-Operating Fund will increase by $12.9 million (+4.1%). This is the result of approved and anticipated increases in salaries and employee benefits, UAL payments, and the increase in contributions to the Self-Insurance Fund related to higher insurance costs and workers' compensation claim related costs and Fleet Services Fund for increased vehicle replacement costs. Further expenditure details for this fund are provided in the Departments section of this document.
- The General Fund-Measure SST Fund will increase by $1.1 million (+4.2%), reflecting continued support to maintain adequate funding for public safety sworn position staffing levels, homelessness response efforts, cybersecurity enhancements, capital improvement plan contributions, and reserves contributions .

- The General Fund-Restricted Fund will increase by $4.9 million (+64.4%) due to an increase in transfer from the CEPPT Fund to the General Fund Operating Fund by $5.0 million, to smooth rising UAL payments to CalPERS.
- The General Fund-Assigned Fund will decrease by $3.1 million (-40.2%) primarily based on fluctuations in the replacement cycle for various IT assets along with a $1.0 million reduction in the City's reliance on its Economic Anomaly Reserve balance allowing it to grow from $68.9 million to $69.9 million. The City's 10-year projection gradually reduces its reliance on these reserves with no reserve use projected starting in FY 2033–34, allowing for the balance to grow by $5.0 million each year.
- The Airport Fund will decrease by $22.4 million (-77.7%). The decrease is primarily due to the accounting change where non-aeronautical land lease revenues, along with associated legal costs, would be directly recorded in the General Fund-Operating Fund under the City Manager's Office, which eliminates the transfers out from the Airport Fund to the General Fund-Operating Fund for non-aeronautical operation's net profit.
- The Sewer Fund will decrease by approximately $2.0 million (-28.6%), primarily as a result of eliminating the transfers between the Sewer Capital Fund into the Sewer Operating Fund starting FY 2026–27.
- The Transit Fund will increase by approximately $2.3 million (+4.9%). This is due to salaries and employee benefits as a net result of changes in the department's budgeted staffing levels, approved and anticipated 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 newly assessed internal rent charges for the use of the City-owned land next to the Regional Transit center as a temporary parking lot during the new parking structure's construction.
- The Water Fund will decrease by approximately $5.0 million (-8.0%), primarily as a result of eliminating the transfers between the Water Capital Fund and the Water Operating Fund starting FY 2026–27, as well as a decrease in Water Supply Costs due to a billing change which offloads a pass-through portion of the total charges from the City.
- The Self-Insurance Fund will increase by $2.5 million (+10.1%), reflecting anticipated increases in insurance premiums, workers' compensation claims and settlement related costs.

Citywide Expenditures Summary by Classification

Classification	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Salaries and Employee Benefits	211,708,795	221,123,571	248,861,804	276,693,514	293,881,002	17,187,488	6.2%
Salaries and Benefits Reimbursements	(748,267)	(973,040)	(2,844,612)	(1,770,500)	(1,766,011)	4,489	-0.3%
Materials, Supplies & Maintenance	26,337,900	31,801,019	32,562,721	30,222,753	30,641,203	418,450	1.4%
Materials Reimbursements	(819,740)	(866,701)	(1,747,114)	(841,189)	(738,123)	103,066	-12.3%
Parts, Fuel & Lubricants Inventory Purchases	4,419,137	5,337,716	5,201,455	6,067,548	5,375,000	(692,548)	-11.4%
Parts, Fuel & Lubricants Contra	(4,419,137)	(5,337,716)	(5,201,455)	(6,067,548)	(5,375,000)	692,548	-11.4%
Stored Water Rights Inventory Purchases	444,314	-	-	-	-	-	0.0%
Stored Water Rights Contra	(444,314)	-	-	-	-	-	0.0%
Professional/Contract Services	21,416,330	26,873,289	31,337,511	44,140,095	37,117,898	(7,022,197)	-15.9%
Water Supply Costs	32,958,829	33,568,387	36,462,990	40,477,000	39,570,000	(907,000)	-2.2%
Training, Travel & Membership Dues	1,431,487	1,812,475	2,037,903	2,674,892	2,514,558	(160,334)	-6.0%
Depreciation and Amortization	5,835,513	5,260,916	9,928,806	12,926,518	14,863,765	1,937,247	15.0%
Liabilities, Settlements & Insurance	20,271,898	21,206,625	22,264,775	19,174,404	22,437,675	3,263,271	17.0%
Utilities	6,878,886	7,146,189	7,686,753	8,224,196	8,440,735	216,539	2.6%
Interdepartmental Charges	27,536,951	34,163,647	41,620,306	51,341,687	62,957,379	11,615,692	22.6%
Debt Service	48,353,552	49,620,857	52,819,411	51,921,257	52,856,159	934,902	1.8%
Debt Service Reimbursements	(20,275,020)	(20,848,510)	(22,224,737)	(22,760,135)	(23,322,866)	(562,731)	2.5%
Capital Acquisitions	3,126,260	11,889,330	30,497,041	25,713,745	5,653,792	(20,059,953)	-78.0%
Asset Contra Account	(2,172,019)	(5,250,653)	(23,511,295)	(22,097,799)	(4,653,053)	17,444,746	-78.9%
Bad Debts and Other Losses	(4,139,979)	(1,039,538)	528,207	3,256,000	2,136,000	(1,120,000)	-34.4%
Other Expenditures	254,532	287,206	82,745	98,500	95,000	(3,500)	-3.6%
Reimbursements-Indirect Costs	(6,320,271)	(7,901,694)	(9,031,620)	(10,741,685)	(11,466,865)	(725,180)	6.8%
Other Operating Transfers Out	82,782,067	92,511,988	88,628,265	84,592,390	53,324,203	(31,268,187)	-37.0%
Total Expenditures	**$ 454,417,704**	**$ 500,385,363**	**$ 545,959,860**	**$ 593,245,643**	**$ 584,542,451**	**$ (8,703,192)**	**-1.5%**

The summary table above shows citywide expenditure budget by classification. For FY 2026–27, the decrease of $8.7 million (-1.5%) is driven by the following factors:

- The Salaries and Employee Benefits classification will increase by $17.2 million (+6.2%), primarily as a net result of changes in budgeted staffing levels, approved and anticipated compensation adjustments, increases in CalPERS contribution rates, and other employee-related cost changes, including payments towards the City's Unfunded Accrued Liability (UAL).
- The Interdepartmental Charges classification will increase by $11.6 million (+22.6%), primarily due to updated allocations from the City's Self-Insurance Fund, driven by the increase in insurance premiums and workers' compensation and settlement related costs, updated allocations from the City's Fleet Services fund, driven by increases in vehicle replacement costs, and increases in internal rent charges to the Enterprise and Internal Service Funds.
- Capital Acquisitions classification will decrease by $20.1 million (-78%), primarily as the level of planned vehicle purchases are normalizing, following the last two fiscal years with significant fleet acquisitions.

- The Other Operating Transfers Out classification will decrease by $31.3 million (-37.0%), primarily due to the elimination of transfers from the Airport Fund for non-aeronautical operation's net profit to the General Fund-Operating Fund by $12.8 million, the elimination of transfers to capital funds within the Enterprise and Fleet Services Funds starting FY 2026–27, totaling $16.4 million, and the decrease in transfers out to the Capital Improvement Fund by $8.6 million, partially offset by the increase in transfers from the CEPPT fund by $5.0 million.

Citywide Expenditures Summary by Department

Department	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
City Attorney	2,796,409	2,985,977	3,224,861	3,530,890	5,513,891	1,983,001	56.2%
City Clerk	877,877	1,349,619	1,503,213	2,160,981	1,623,114	(537,867)	-24.9%
City Council	485,730	528,699	576,970	889,517	891,146	1,629	0.2%
City Manager	7,076,247	7,345,976	8,294,942	9,621,311	10,949,051	1,327,740	13.8%
City Treasurer	338,794	343,136	411,164	419,207	399,704	(19,503)	-4.7%
Community Development	17,557,359	18,940,055	20,881,983	23,346,890	24,463,363	1,116,473	4.8%
Community Services	21,358,014	23,179,315	25,257,310	28,137,355	30,783,809	2,646,454	9.4%
Finance	21,599,694	26,665,396	30,560,898	30,607,594	33,291,082	2,683,488	8.8%
Fire	56,677,236	60,478,362	69,021,959	70,632,727	76,501,809	5,869,082	8.3%
General Services	38,401,715	35,770,687	58,150,108	55,929,727	35,114,441	(20,815,286)	-37.2%
Human Resources	2,110,571	2,387,932	3,137,293	3,351,014	3,610,836	259,822	7.8%
Information Technology	7,644,956	7,858,453	8,626,737	15,304,258	16,957,736	1,653,478	10.8%
Non-Departmental	76,659,477	82,861,965	79,997,617	78,542,351	73,857,975	(4,684,376)	-6.0%
Police	86,678,250	87,985,460	100,480,015	109,997,668	112,434,358	2,436,690	2.2%
Public Works	85,433,741	108,718,023	98,262,523	113,982,234	109,073,790	(4,908,444)	-4.3%
Transit	28,721,634	32,986,308	37,572,267	46,791,919	49,076,346	2,284,427	4.9%
Total Expenditures	**$ 454,417,704**	**$ 500,385,363**	**$ 545,959,860**	**$ 593,245,643**	**$ 584,542,451**	**$ (8,703,192)**	**-1.5%**

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

Staffing Changes Summary by Department

Department	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Expenditure/ (Savings)
City Manager	43.28	45.30	47.30	46.25	46.25	-	32,754
Community Services	227.36	204.19	205.15	207.18	208.18	1.00	174,811
Finance	40.75	40.75	38.25	38.75	38.75	-	8,918
General Services	120.80	119.80	116.75	116.25	115.25	(1.00)	(107,722)
Human Resources	11.00	12.00	14.00	16.00	17.00	1.00	191,294
Information Technology	37.50	38.00	39.00	44.00	42.00	(2.00)	(143,670)
Public Works	208.00	206.00	208.00	212.00	211.00	(1.00)	(171,942)
Transit	196.80	196.80	196.80	205.30	198.10	(7.20)	(910,004)
Total FTE Count						**(9.20)**	**$ (925,561)**

As shown in the table above, the City's FY 2026–27 operating budget includes a decrease of 9.20 FTE positions, the net result of various departmental staffing modifications which are described in the following sections.

City Manager

- Convert 3.0 FTE Management Associate into a new classification of Senior Management Associate creating two distinct tiers as a growth opportunity and retention tool .

Community Services

- Add 1.0 FTE Landscape Architect to establish in-house capacity for capital project planning, design development, technical review, to improve long-term efficiency and capital delivery, which is partially offset by reductions in operating and capital budgets where this was previously outsourced.

Finance

The following position changes are a part of the Finance department's efforts to align roles with the evolving needs of the department, provide additional professional growth opportunity, and to help improve employee retention.

- Convert 4.0 FTE Accountant to 4.0 FTE Accountant/Sr. Accountant
- Convert 1.0 FTE Accountant and 1.0 FTE Senior Accountant to 2.0 FTE Auditor/Sr. Auditor
- Convert 1.0 FTE Senior Accountant to 1.0 FTE Revenue Supervisor

General Services

- Delete 1.0 FTE Accounting Technician as a result of a retirement and realignment of duties across the General Services and Finance Departments utilizing existing staff.

Human Resources

- Transfer 1.0 FTE Principal Human Resources Analyst from the Public Works consistent with prior transfers to centralize Human Resource related positions within the department to more efficiently provide services citywide with existing staff. This marks the final transfer required to centralize all Human Resources positions within the Human Resources Department.

Information Technology

The following changes are a part of the IT Department's restructuring in response to evolving priorities and the citywide needs and enhancing the department's effectiveness. They result in a net decrease of 2.0 FTE.

- Convert 1.0 FTE Info Technology Analyst to 1.0 FTE GIS Administrator
- Delete 1.0 FTE Info Tech Specialist
- Delete 1.0 FTE IT Analyst
- Delete 1.0 FTE Intern

The following positions titles are being revised to be consistent with previously approved actions by City Council to establish classifications in specific focus areas aligning with external labor markets.

- Convert 6.0 FTE IT Analyst to the following:
  - 3.0 FTE IT Analyst – Applications & Analytics
  - 2.0 FTE IT Analyst – Infrastructure
  - 1.0 FTE IT Analyst – Public Safety
- Convert 5.0 FTE Information Technology Manager to the following:
  - 1.0 FTE IT Manager – Applications & Analytics
  - 1.0 FTE IT Manager – Communications & Customer Support
  - 1.0 FTE IT Manager – GIS
  - 1.0 FTE IT Manager – Infrastructure & Cybersecurity
  - 1.0 FTE IT Manager – Public Safety

Public Works

- Convert 1.0 FTE Associate Engineer to 1.0 FTE Traffic Engineer in response to provide more specialized support for the Traffic division.
- Transfer 1.0 FTE Principal Human Resources Analyst to the Human Resources department consistent with prior transfers to centralize Human Resources related positions within the department to more efficiently provide services citywide with existing staff. This marks the final transfer required to centralize all Human Resources positions within the Human Resources Department.

Transit

The Transit staffing budget will decrease by 7.2 FTE to help address the fund's structural deficit position, including the following changes:

- Delete 0.20 FTE Customer Service Representative
- Delete 1.0 FTE Intern
- Delete 1.0 FTE Transit Marketing Specialist
- Delete 1.0 Transit Mechanic
- Delete 2.0 FTE Transit Senior Mechanic, Senior
- Delete 2.0 FTE Transit Supervisor

Additionally, it includes the following position title updates to implement previously approved City Council classification changes:

- Convert 1.0 FTE Systems Analyst to 1.0 FTE Systems Analyst – Applications & Analytics
- Convert 1.0 FTE Info Technology Analyst to 1.0 FTE IT Analyst – Applications & Analytics

Non-Wage Program-Level Budget Changes Summary by Department

In addition to staffing changes, the Adopted FY 2026–27 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 list below is intended to highlight the cost of major 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.

- **General Fund**
  - **City Manager's Office** - $250,000 increase to complete additional land lease audits each fiscal year
  - **City Treasurer's Office** - $25,000 increase for a third-party oversight function of the daily operations
  - **Fire Department** - $475,000 increase due to an enhancement of the Public Provider Ground Emergency Medical Transportation (PP-GEMT) Intergovernmental Transfer (IGT) Program, which also generates an additional $800,000 in revenues.
  - **Information Technology Department**
    - $30,000 increase for the managed printing services
    - $501,000 increase for a new computer-aided public safety dispatch system with Versaterm, which will be partially offset in FY 2027–28 when the transition from the legacy system is completed.
  - **Public Works Department** - $500,000 for citywide sidewalk ramping/grinding program
- **Section 8 Housing Fund** - $430,000 decrease due to the discontinuation of the Emergency Housing Vouchers Program during FY 2026–27
- **Sanitation Fund** - $100,000 for a complete route review and GPS daily tracking for residential refuse collection services
- **Transit Fund** - $1.7 million decrease for the Connect Torrance Micro Transit Services, as a new grant currently pending award is anticipated to cover 9 months of the FY 2026–27 operating costs outside of the operating budget, for a total of 24 months of operating the service.

General Fund-Operating Fund Expenditures Summary by Department

Department	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
City Attorney	2,796,409	2,985,977	3,224,861	3,530,890	5,513,891	1,983,001	56.2%
City Clerk	877,877	1,349,619	1,503,213	2,160,981	1,623,114	(537,867)	-24.9%
City Council	485,730	528,699	576,970	889,517	891,146	1,629	0.2%
City Manager	7,076,247	7,192,652	8,277,919	9,050,057	10,419,051	1,368,994	15.1%
City Treasurer	338,794	343,136	411,164	419,207	399,704	(19,503)	-4.7%
Community Development	8,341,425	8,639,775	10,074,621	11,777,640	13,859,101	2,081,461	17.7%
Community Services	21,358,014	23,179,315	25,257,310	28,137,355	30,783,809	2,646,454	9.4%
Finance	5,389,529	5,645,755	6,418,313	6,305,776	6,526,816	221,040	3.5%
Fire	56,677,236	60,478,362	69,021,959	70,632,727	76,501,809	5,869,082	8.3%
General Services	9,456,227	10,006,878	12,138,160	13,044,182	14,025,488	981,306	7.5%
Human Resources	2,110,571	2,387,932	3,137,293	3,351,014	3,610,836	259,822	7.8%
Information Technology	7,486,251	7,496,901	8,151,502	14,489,458	16,149,836	1,660,378	11.5%
Non-Departmental	36,248,875	34,503,838	24,348,652	14,949,360	6,810,905	(8,138,455)	-54.4%
Police	86,678,250	87,910,844	100,434,770	109,926,718	112,379,358	2,452,640	2.2%
Public Works	16,270,511	18,570,273	20,213,611	22,900,936	24,938,938	2,038,002	8.9%
Total Expenditures	**$ 261,591,946**	**$ 271,219,956**	**$ 293,190,318**	**$ 311,565,818**	**$ 324,433,802**	**$ 12,867,984**	**4.1%**

The summary table above shows the General Fund-Operating Fund expenditure budget by department. The General Fund-Operating Fund expenditure budget will increase by $12.9 million in FY 2026–27. Further details explaining the increase in FY 2026–27 are provided in the Departments section of this document.

General Fund-Operating Fund Expenditure Summary by Classification

Classification	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Salaries and Employee Benefits	181,083,665	185,530,022	208,816,723	230,758,636	244,853,970	14,095,334	6.1%
Salaries and Benefits Reimbursements	(738,235)	(963,531)	(2,748,584)	(1,770,500)	(1,766,011)	4,489	-0.3%
Materials, Supplies & Maintenance	10,964,026	13,320,075	14,844,933	11,201,426	13,493,320	2,291,894	20.5%
Materials Reimbursements	(432,584)	(324,623)	(801,820)	(475,231)	(493,653)	(18,422)	3.9%
Professional/Contract Services	12,132,703	13,822,642	18,134,376	22,583,678	24,266,103	1,682,425	7.4%
Training, Travel & Membership Dues	1,296,268	1,652,226	1,824,333	2,339,098	2,254,603	(84,495)	-3.6%
Liabilities, Settlements & Insurance	679,787	148,684	80,844	6,180	-	(6,180)	-100.0%
Utilities	4,616,160	4,647,391	5,006,551	5,390,146	5,589,733	199,587	3.7%
Interdepartmental Charges	15,835,772	19,134,445	24,721,264	28,169,695	33,857,471	5,687,776	20.2%
Debt Service	22,646,081	23,578,848	25,430,145	23,874,385	24,403,269	528,884	2.2%
Debt Service Reimbursements	(18,337,743)	(18,832,766)	(19,341,206)	(19,862,721)	(20,397,834)	(535,113)	2.7%
Capital Acquisitions	1,360,558	5,672,519	8,439,070	854,697	437,500	(417,197)	-48.8%
Asset Contra Account	(300,812)	(740,544)	(2,087,844)	-	-	-	0.0%
Bad Debts and Other Losses	-	43	24	1,000	1,000	-	0.0%
Reimbursements-Indirect Costs	(6,320,271)	(7,901,694)	(9,031,620)	(10,741,685)	(11,466,865)	(725,180)	6.8%
Other Operating Transfers Out	37,106,571	32,476,219	19,903,129	19,237,014	9,401,196	(9,835,818)	-51.1%
Total Expenditures	**$ 261,591,946**	**$ 271,219,956**	**$ 293,190,318**	**$ 311,565,818**	**$ 324,433,802**	**$ 12,867,984**	**4.1%**

The summary table above shows the General Fund-Operating Fund expenditure budget by classification. The General Fund-Operating Fund expenditure budget will increase by $12.9 million in FY 2026–27. Further details explaining the increase in FY 2026–27 are provided in the Departments section of this document.

General Fund-Measure SST Fund Expenditure Summary by Classification

Classification	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Materials, Supplies & Maintenance	-	9,796	-	571,254	530,000	(41,254)	-7.2%
Professional/Contract Services	158,705	396,052	492,258	1,014,800	1,027,900	13,100	1.3%
Capital Acquisitions	-	109,028	-	-	-	-	0.0%
Other Operating Transfers Out	17,391,816	20,952,688	25,856,912	24,597,552	25,721,946	1,124,394	4.6%
Total Expenditures	**$ 17,550,521**	**$ 21,467,564**	**$ 26,349,170**	**$ 26,183,606**	**$ 27,279,846**	**$ 1,096,240**	**4.2%**

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, includes four main funding priorities: Quality of Life; Fiscal Sustainability; Deferred Maintenance & Community Services/Programs; and Emergency Responsiveness. As the City's governing body, City Council will continue to approve the budgeted use of these funds; the Measure SST Citizens' Oversight Committee will ensure funds are utilized in accordance with the spending plan as approved by City Council and review the fund's annual audited financials.

The General Fund-Measure SST Fund's expenditure budget will increase by $1.1 million (+4.2%) in FY 2026–27. The change is driven by an increase of $1.1 million (+4.6%) in the Other Operating Transfers Out expenditure 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

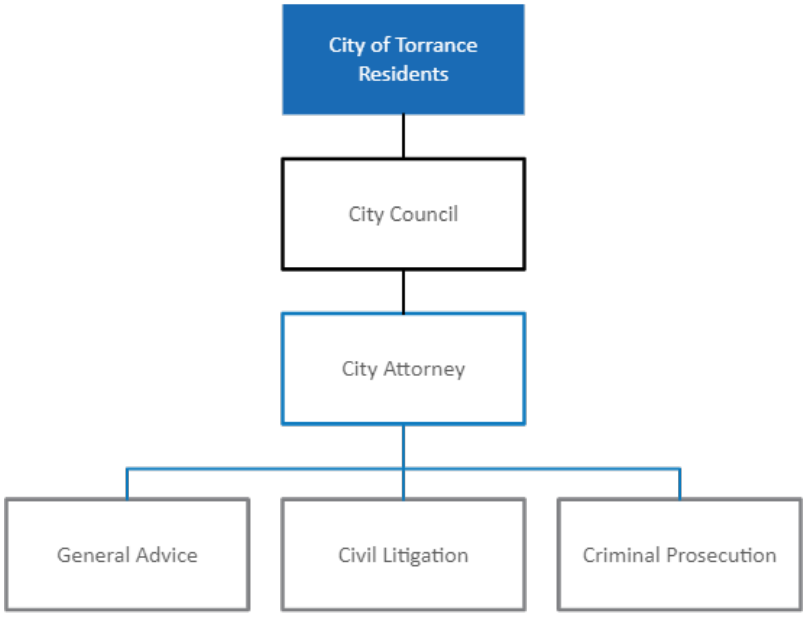
Mission Statement

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, working with law enforcement to uphold public safety and ensure justice.

Department Organization



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

Revenues	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Other Revenues	24,609	-	-	-	-	-	0.0%
Total Revenues	**$ 24,609**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**

Expenditures	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Salaries and Employee Benefits	2,436,514	2,623,689	2,881,289	3,093,230	3,433,812	340,582	11.0%
Materials, Supplies & Maintenance	39,050	42,728	21,114	49,885	32,500	(17,385)	-34.9%
Professional/Contract Services	224,278	230,872	216,427	292,122	1,676,750	1,384,628	474.0%
Training, Travel & Membership Dues	34,928	35,602	46,754	46,346	48,975	2,629	5.7%
Utilities	4,677	5,261	3,481	-	-	-	0.0%
Interdepartmental Charges	47,936	40,768	55,796	49,307	321,854	272,547	552.8%
Other Operating Transfers Out	9,026	7,057	-	-	-	-	0.0%
Total Expenditures	**$ 2,796,409**	**$ 2,985,977**	**$ 3,224,861**	**$ 3,530,890**	**$ 5,513,891**	**$ 1,983,001**	**56.2%**
Revenues Less Expenditures	**$ (2,771,800)**	**$ (2,985,977)**	**$ (3,224,861)**	**$ (3,530,890)**	**$ (5,513,891)**		

As shown in the summary table above, the Salaries and Employee Benefits expenditure classification will increase by $341,000 (+11.0%) in FY 2026–27. This increase is a result of changes in the approved and anticipated pay and benefit adjustments, CalPERS rates, and other various employee-related cost elements. The Professional/Contract Services expenditure classification in FY 2026–27 will increase by $1.4 million (+474.0%) primarily reflecting the transition to a centralized external legal fees model. Under this approach, the City Attorney's Office now manages all legal contracts on behalf of all departments, by consolidating previously distributed legal expenditures budget into a single department for improved oversight. The Interdepartmental Charges expenditure classification will increase by $273,000 (+552.8%) in FY 2026–27 due to changes in the City's Self-Insurance Fund departmental allocations, which are updated annually based on a standard credibility weighted calculation of each Department's actual experience as calculated by our actuarial consultants.

City Attorney Staffing Budget Summary (General Fund)

Job Classification	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 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	-	-	1.00	1.00	-
Legal Assistant II	2.00	4.00	4.00	4.00	4.00	-
Total FTE	**13.00**	**15.00**	**14.00**	**15.00**	**15.00**	**-**

The City Attorney's Office staffing budget has no newly adopted changes, remaining at 15.0 FTE.

City Clerk

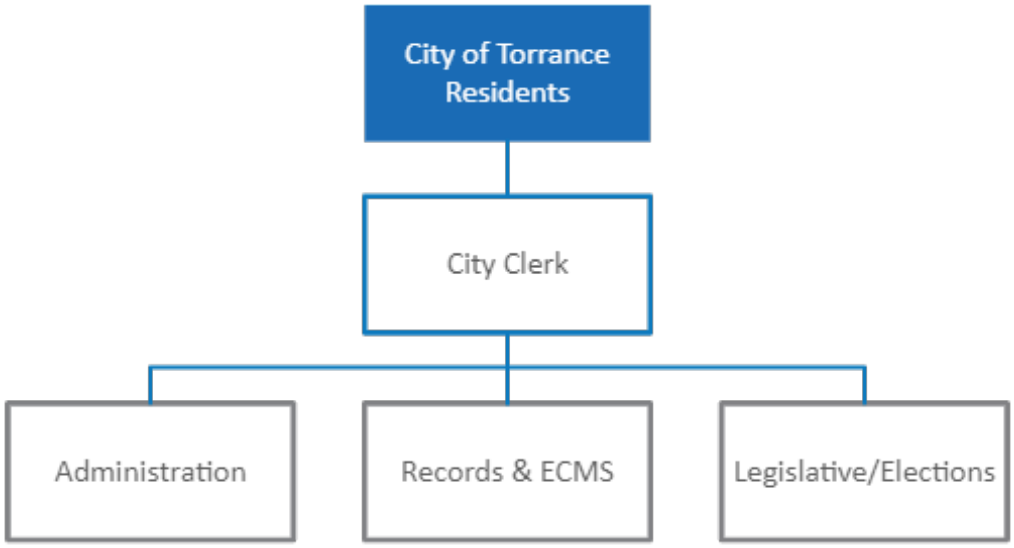
Mission Statement

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, maintains the Municipal Code, and conducts the opening of all formal City bids.

Department Organization



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

Revenues	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Other Revenues	105	105	240	-	-	-	0.0%
Charges for Services	10,815	4,186	8,595	5,790	6,500	710	12.3%
Total Revenues	**$ 10,920**	**$ 4,291**	**$ 8,835**	**$ 5,790**	**$ 6,500**	**$ 710**	**12.3%**

Expenditures	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Salaries and Employee Benefits	871,581	950,316	944,851	1,115,872	1,278,282	162,410	14.6%
Salaries and Benefits Reimbursements	(15)	(45)	(16)	-	-	-	0.0%
Materials, Supplies & Maintenance	17,610	14,391	20,953	15,454	18,500	3,046	19.7%
Professional/Contract Services	(72,100)	322,017	464,351	956,297	187,000	(769,297)	-80.4%
Training, Travel & Membership Dues	12,096	17,344	15,213	19,983	18,500	(1,483)	-7.4%
Interdepartmental Charges	34,754	34,406	57,861	53,375	120,832	67,457	126.4%
Other Operating Transfers Out	13,951	11,190	-	-	-	-	0.0%
Total Expenditures	**$ 877,877**	**$ 1,349,619**	**$ 1,503,213**	**$ 2,160,981**	**$ 1,623,114**	**$ (537,867)**	**-24.9%**
Revenues Less Expenditures	**$ (866,957)**	**$ (1,345,328)**	**$ (1,494,378)**	**$ (2,155,191)**	**$ (1,616,614)**		

Revenues in FY 2026–27 are to remain consistent from the prior year budget. The revenue sources in the City Clerk's Office are mainly receipts from appeal fees and copies.

As shown in the summary table above, the Salaries and Employee Benefits expenditure classification will increase by $162,000 (+14.6%) in FY 2026–27, which is a result of changes in the approved and anticipated pay and benefit adjustments, CalPERS rates, and other various employee-related cost elements. The Professional/Contract Services expenditure classification will decrease by $769,000 (-80.4%), mainly due to the reduction of election costs as FY 2026–27 is not an election year. The Interdepartmental Charges expenditure classification will increase in FY 2026–27 by $67,000 (+126.4%) due to changes in the City's Self-Insurance Fund departmental allocations, which are updated annually based on a standard credibility weighted calculation of each Department's actual experience as calculated by our actuarial consultants.

City Clerk Staffing Budget Summary (General Fund)

Job Classification	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 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 adopted changes, remaining at 9.0 FTE.

City Council

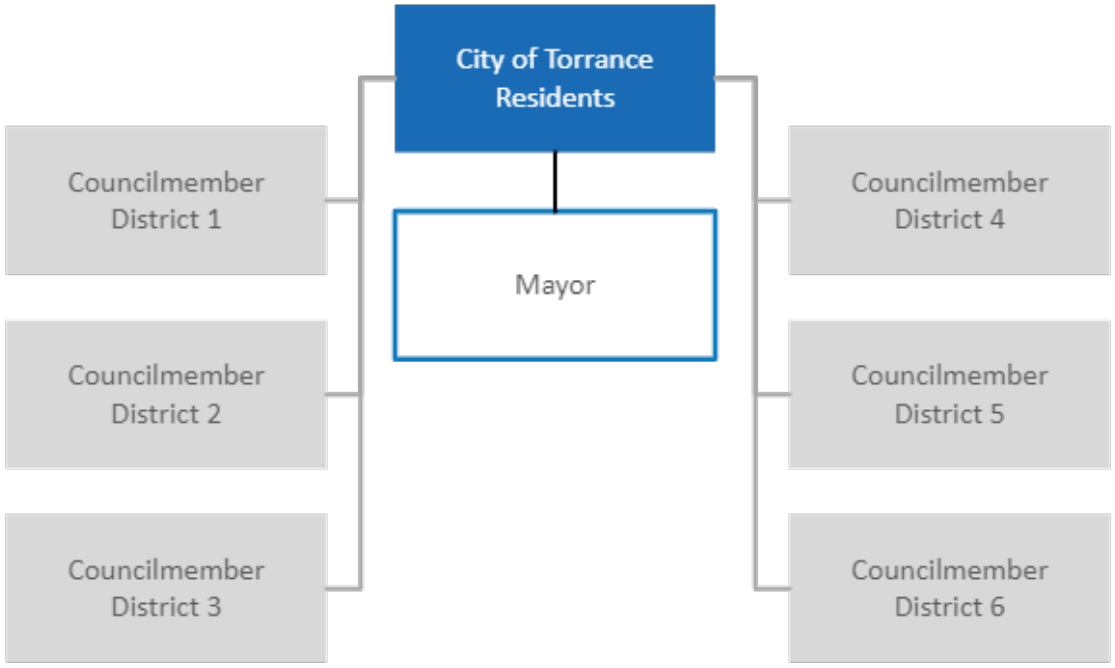
Mission Statement

The mission of the City Council is to set policy, determine land use, and establish and responsibly manage the budget of the City. The 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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Other Revenues	6,210	-	-	-	-	-	0.0%
Total Revenues	**$ 6,210**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**

Expenditures	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Salaries and Employee Benefits	152,330	181,082	278,261	423,988	464,396	40,408	9.5%
Materials, Supplies & Maintenance	23,442	36,459	31,963	50,755	46,400	(4,355)	-8.6%
Professional/Contract Services	87,417	66,992	16,819	41,550	30,800	(10,750)	-25.9%
Training, Travel & Membership Dues	208,989	229,881	244,627	373,224	349,550	(23,674)	-6.3%
Utilities	8,042	9,318	5,300	-	-	-	0.0%
Other Operating Transfers Out	5,510	4,967	-	-	-	-	0.0%
Total Expenditures	**$ 485,730**	**$ 528,699**	**$ 576,970**	**$ 889,517**	**$ 891,146**	**$ 1,629**	**0.2%**
Revenues Less Expenditures	**$ (479,520)**	**$ (528,699)**	**$ (576,970)**	**$ (889,517)**	**$ (891,146)**		

As shown in the summary table above, the Salaries and Employee Benefits expenditure classification will increase by $40,000 (+9.5%) in FY 2026–27, primarily due to adjustments in CalPERS rates and other various employee-related cost elements. The decrease of $11,000 (-25.9%) in FY 2026–27 in the Professional/Contract Services expenditure classification is a result of reflecting minor adjustments based on spending trends. The Training, Travel & Membership Dues expenditure classification will decrease by $24,000 (-6.3%) in FY 2026–27, primarily due to aligning budget for membership dues with anticipated activity levels the upcoming fiscal year.

City Council Staffing Budget Summary (General Fund)

Job Classification	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 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 adopted changes, remaining at 7.0 FTE.

City Manager

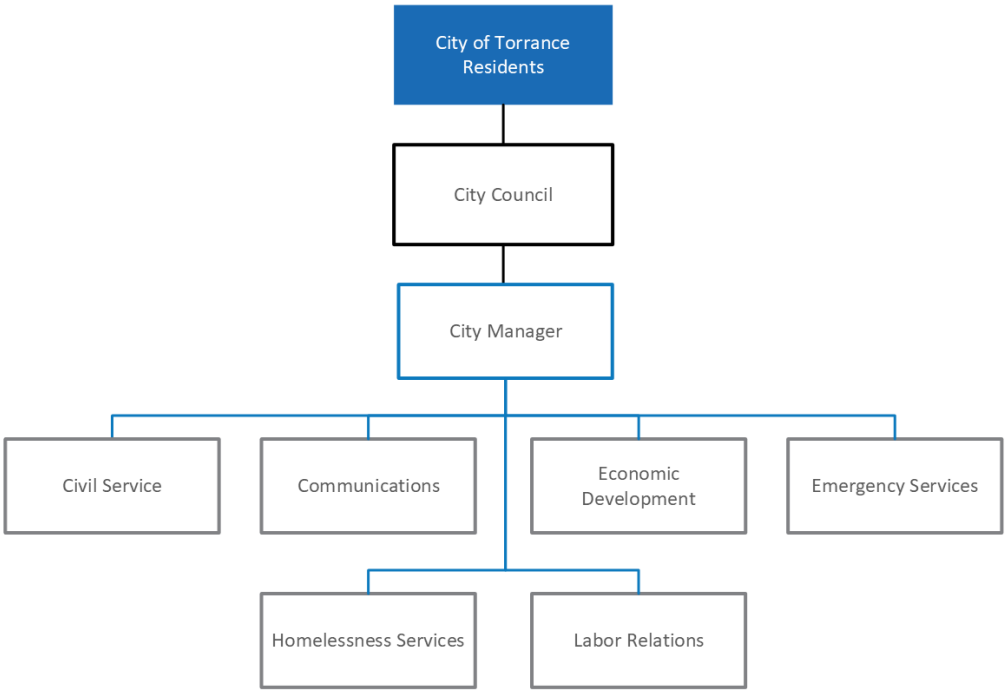
Mission Statement

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 implements 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, community relations, and homeless services.

Department Organization



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

Revenues	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Licenses, Fees and Permits	1,537,660	1,378,445	1,209,134	1,316,120	1,210,000	(106,120)	-8.1%
Use of Money and Property	-	-	-	-	15,117,070	15,117,070	0.0%
Other Revenues	295	55,066	20,631	-	1,620,000	1,620,000	0.0%
Charges for Services	806,164	696,740	718,189	746,710	782,043	35,333	4.7%
Operating Transfers In	-	-	68,133	232,266	259,941	27,675	11.9%
Total Revenues	**$ 2,344,119**	**$ 2,130,251**	**$ 2,016,087**	**$ 2,295,096**	**$ 18,989,054**	**$ 16,693,958**	**727.4%**

Expenditures	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Salaries and Employee Benefits	5,480,619	5,166,629	5,825,061	6,396,450	7,153,284	756,834	11.8%
Materials, Supplies & Maintenance	141,464	195,477	277,988	237,362	194,670	(42,692)	-18.0%
Professional/Contract Services	1,116,337	1,360,617	1,699,289	1,830,554	2,058,035	227,481	12.4%
Training, Travel & Membership Dues	126,229	160,071	197,794	261,974	276,279	14,305	5.5%
Liabilities, Settlements & Insurance	11,381	5,110	4,878	6,180	-	(6,180)	-100.0%
Utilities	68,340	72,551	76,528	77,100	68,019	(9,081)	-11.8%
Interdepartmental Charges	97,930	170,245	194,304	222,937	661,264	438,327	196.6%
Capital Acquisitions	13,608	41,339	2,077	17,500	7,500	(10,000)	-57.1%
Other Operating Transfers Out	20,339	20,613	-	-	-	-	0.0%
Total Expenditures	**$ 7,076,247**	**$ 7,192,652**	**$ 8,277,919**	**$ 9,050,057**	**$ 10,419,051**	**$ 1,368,994**	**15.1%**
Revenues Less Expenditures	**$ (4,732,128)**	**$ (5,062,401)**	**$ (6,261,832)**	**$ (6,754,961)**	**$ 8,570,003**		

The City Manager's Office revenue and expenditure budgets are now fully reflective of the Civil Service Division, including the alignment of staffing levels, as part of a realignment to better present data to the public.

Overall revenue sources for FY 2026–27 are projected to increase by $16.7 million (+727.4%). This is primarily due to an accounting realignment of $15.1 million of land leases (non-aeronautical) surrounding the Airport previously accounted for in the Airport Fund. An additional $1.6 million from the Other Revenue classification is related to anticipated reimbursements from ongoing legal matters.

The Salaries and Employee Benefits expenditure classification will increase by $757,000 (+11.8%) in FY 2026–27, primarily due to the approved and anticipated pay and benefit adjustments, CalPERS rates and other various employee-related cost elements, as well as the included program modification. The Professional/Contract Services expenditure classification will increase by $227,000 (+12.4%), primarily due to increased contract services supporting the land management efforts. The Interdepartmental Charges expenditure classification will increase by $438,000 (+196.6%) primarily due to changes in the City's Self-Insurance Fund departmental allocations, which are updated annually based on a standard credibility weighted calculation of each Department's actual experience as calculated by our actuarial consultants.

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

Expenditures	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Materials, Supplies & Maintenance	-	9,796	-	571,254	530,000	(41,254)	-7.2%
Professional/Contract Services	-	34,500	17,023	-	-	-	0.0%
Capital Acquisitions	-	109,028	-	-	-	-	0.0%
Total Expenditures	**$ -**	**$ 153,324**	**$ 17,023**	**$ 571,254**	**$ 530,000**	**$ (41,254)**	**-7.2%**

As shown in the summary table above, Materials, Supplies & Maintenance expenditure classification will slightly decrease by $41,000 (-7.2%) in FY 2026–27, to align based on spending trends.

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

Job Classification	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)
Administrative Assistant	3.00	1.00	3.25	3.00	3.00	-
Area G Executive Director	1.00	1.00	1.00	1.00	1.00	-
Assistant City Manager	1.00	1.00	1.00	1.00	1.00	-
Assistant to the City Manager	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	-	-	-
Cable TV Operations Asst	1.00	1.00	1.00	-	-	-
Cable TV Production Assis	4.50	4.50	4.50	-	-	-
Cable TV Production Supervisor	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	-
Communications Manager	-	-	-	1.00	1.00	-
Community Television Supervisor	1.00	1.00	1.00	-	-	-
Content Creator	-	-	-	2.00	2.00	-
Deputy City Manager	-	2.00	2.00	1.00	1.00	-
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	2.00	1.00	1.00	2.00	2.00	-
Management Assistant	2.00	2.00	2.00	2.00	2.00	-
Management Associate	4.00	4.00	4.00	5.00	2.00	(3.00)
Media Production Supervisor	-	-	-	1.00	1.00	-
Office Assistant	2.25	2.25	-	-	-	-
Producer Writer, Asst	1.00	1.00	1.00	-	-	-
Production Assistant I	-	-	-	3.50	3.50	-
Production Assistant II	-	-	-	1.00	1.00	-
Senior Admin Assistant	-	1.00	1.00	1.00	1.00	-
Senior Business Manager	-	1.00	1.00	1.00	1.00	-
Senior Management Associate	-	-	-	-	3.00	3.00
Staff Assistant	7.48	10.50	12.50	12.50	12.50	-
Supervising Admin Assistant	1.00	-	-	-	-	-
Supervising Content Creator	-	-	-	1.00	1.00	-
Supervising Producer/Writer	1.00	1.00	1.00	-	-	-
Total FTE	**43.28**	**45.30**	**47.30**	**46.25**	**46.25**	**-**

The City Manager's staffing budget will remain consistent at total of 46.25 FTE; however, the City Manager's office has a position modification to convert 3.0 FTE of Management Associate into a new classification of Senior Management Associate creating two distinct tiers as a growth opportunity and retention tool.

City Treasurer

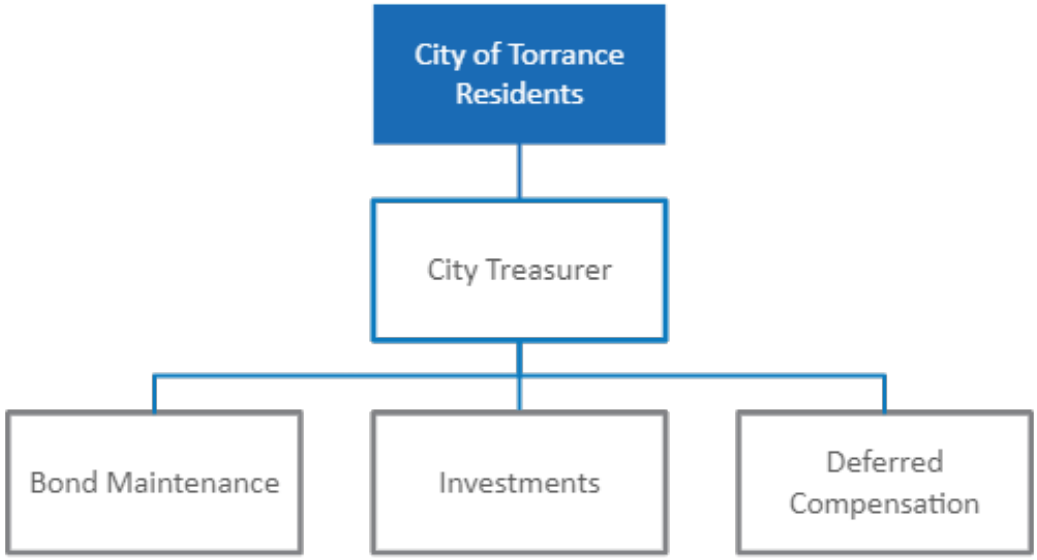
Mission Statement

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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Salaries and Employee Benefits	262,000	312,521	328,170	350,296	316,460	(33,836)	-9.7%
Materials, Supplies & Maintenance	2,264	1,936	560	2,910	1,250	(1,660)	-57.0%
Professional/Contract Services	50,843	5,932	67,143	46,609	40,000	(6,609)	-14.2%
Training, Travel & Membership Dues	7,156	13,284	10,849	13,854	11,600	(2,254)	-16.3%
Utilities	29	-	-	-	-	-	0.0%
Interdepartmental Charges	11,092	8,292	4,442	5,538	30,394	24,856	448.8%
Capital Acquisitions	3,898	-	-	-	-	-	0.0%
Other Operating Transfers Out	1,512	1,171	-	-	-	-	0.0%
Total Expenditures	**$ 338,794**	**$ 343,136**	**$ 411,164**	**$ 419,207**	**$ 399,704**	**$ (19,503)**	**-4.7%**

As shown in the summary table above, the Salaries and Employee Benefits expenditure classification will decrease by $34,000 (-9.7%) in FY 2026–27 primarily due to a change in the City Treasurer's compensation model which takes effect in July 2026. The Interdepartmental Charges expenditure classification will increase by $25,000 (+448.8%) due to changes in the City's Self-Insurance Fund departmental allocations, which are updated annually based on a standard credibility weighted calculation of each Department's actual experience as calculated by our actuarial consultants.

City Treasurer Staffing Budget Summary (General Fund)

Job Classification	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 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 adopted changes, remaining at 2.0 FTE.

Community Development

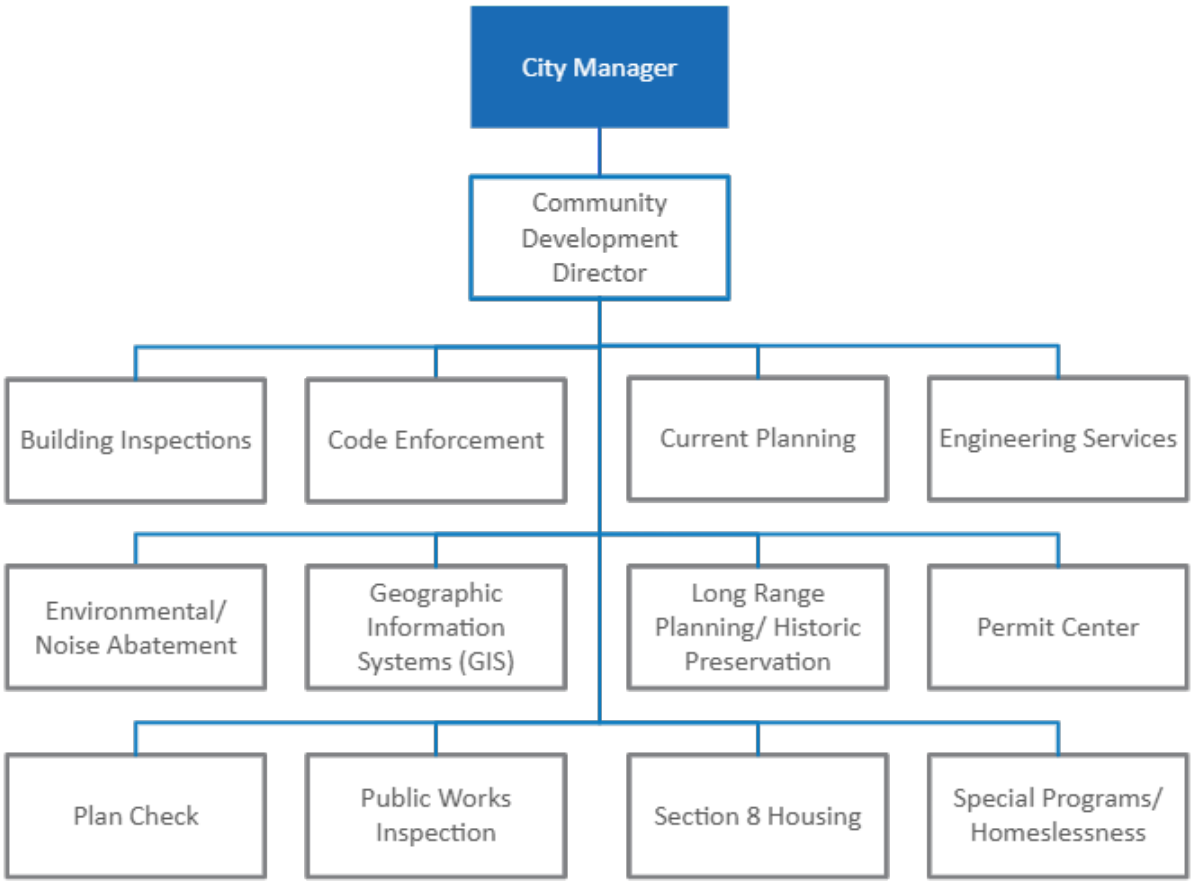
Mission Statement

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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Licenses, Fees and Permits	5,222,123	4,916,659	6,116,669	5,411,000	6,109,370	698,370	12.9%
Fines, Forfeitures and Penalties	2,125	55,763	10,625	14,500	20,000	5,500	37.9%
Use of Money and Property	20,250	18,732	22,132	22,000	20,000	(2,000)	-9.1%
Other Revenues	50,003	2,298	156	-	-	-	0.0%
Charges for Services	5,730,923	7,011,427	5,447,581	5,753,410	7,169,500	1,416,090	24.6%
Total Revenues	**$ 11,025,424**	**$ 12,004,879**	**$ 11,597,163**	**$ 11,200,910**	**$ 13,318,870**	**$ 2,117,960**	**18.9%**

Expenditures	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Salaries and Employee Benefits	7,701,694	8,092,505	9,041,393	10,524,469	10,822,701	298,232	2.8%
Salaries and Benefits Reimbursements	(339,190)	(394,384)	(238,816)	(249,000)	(264,774)	(15,774)	6.3%
Materials, Supplies & Maintenance	98,471	138,742	140,648	67,080	65,500	(1,580)	-2.4%
Professional/Contract Services	364,519	231,642	431,705	665,231	1,627,500	962,269	144.7%
Training, Travel & Membership Dues	37,935	43,667	42,648	30,575	33,850	3,275	10.7%
Liabilities, Settlements & Insurance	-	1,531	31,800	-	-	-	0.0%
Utilities	26,403	22,034	20,590	16,300	14,191	(2,109)	-12.9%
Interdepartmental Charges	402,925	465,244	604,653	722,985	1,560,133	837,148	115.8%
Capital Acquisitions	2,199	-	-	-	-	-	0.0%
Other Operating Transfers Out	46,469	38,794	-	-	-	-	0.0%
Total Expenditures	**$ 8,341,425**	**$ 8,639,775**	**$ 10,074,621**	**$ 11,777,640**	**$ 13,859,101**	**$ 2,081,461**	**17.7%**
Revenues Less Expenditures	**$ 2,683,999**	**$ 3,365,104**	**$ 1,522,542**	**$ (576,730)**	**$ (540,231)**		

As shown in the table above, total revenue sources in FY 2026–27 will increase by $2.1 million (+18.9%). This is primarily due to an increase in the Charges for Services revenue classification and in the Licenses, Fees and Permits revenue classification. The Charges for Services revenue classification will increase by $1.4 million (+24.6%), primarily due to additional plan check fees associated with the use of an outside vendor to expedite the review process for a specific project. An increase of $698,000 (+12.9%) from sources in the Licenses, Fees and Permits revenue classification is due to a realignment of budget with actual receipts in plumbing, building, and electrical permit fees.

The Salaries and Employee Benefits expenditure classification will increase by $298,000 (+2.8%), as a result of the approved pay and anticipated and benefit adjustments, CalPERS rates, and other various employee-related cost elements. The Professional/Contract Services expenditure classification will increase by $962,000 (+144.7%), primarily due to additional costs for expedited plan check services provided by an outside vendor for a specific project. This increase is partially offset by a decrease associated with the transition to a centralized external legal fees model, as discussed in the City Attorney's Office department section. The Interdepartmental Charges expenditure classification will increase by $837,000 (+115.8%) primarily due to changes in the City's Self-Insurance Fund departmental allocations, which are updated annually based on a standard credibility weighted calculation of each Department's actual experience as calculated by our actuarial consultants.

CDD Operating Budget Summary (Air Quality Management District Fund)

Revenues	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Use of Money and Property	8,516	13,843	13,753	16,134	12,063	(4,071)	-25.2%
Intergovernmental	190,124	192,470	188,874	195,000	195,000	-	0.0%
Total Revenues	**$ 198,640**	**$ 206,313**	**$ 202,627**	**$ 211,134**	**$ 207,063**	**$ (4,071)**	**-1.9%**

Expenditures	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Salaries and Employee Benefits	121,799	117,951	100,819	131,837	143,642	11,805	9.0%
Materials, Supplies & Maintenance	27,780	33,276	27,417	44,620	32,500	(12,120)	-27.2%
Professional/Contract Services	36,002	3,162	4,333	8,051	4,500	(3,551)	-44.1%
Training, Travel & Membership Dues	-	267	121	970	500	(470)	-48.5%
Interdepartmental Charges	-	-	98,202	-	-	-	0.0%
Other Operating Transfers Out	-	-	-	175,000	-	(175,000)	-100.0%
Total Expenditures	**$ 185,581**	**$ 154,656**	**$ 230,892**	**$ 360,478**	**$ 181,142**	**$ (179,336)**	**-49.7%**
Revenues Less Expenditures	**$ 13,059**	**$ 51,657**	**$ (28,265)**	**$ (149,344)**	**$ 25,921**		

The Air Quality Management District (AQMD) Fund summary table above shows a decrease of $4,000 (-1.9%) in total revenue sources, primarily driven by a decrease in the Use of Money and Property revenue classification from an anticipated decrease in investment earnings allocated to this fund. Intergovernmental revenues are projected to be consistent with the prior year budget based on anticipated funding levels.

The Salaries and Employee Benefits expenditure classification will increase by $12,000 (+9.0%) as a result of the approved and anticipated pay and benefit adjustments, CalPERS rates, and other various employee-related cost elements. The Materials, Supplies & Maintenance expenditure will decrease by $12,000 (-27.2%), due to a reduction in incentive program payouts to better align the budget with historical trends. The Other Operating Transfers Out expenditure classification will return to $0 in FY 2026–27 from the $175,000 in FY 2025–26, as the budget was for a one-time transfer to the AQMD Capital Fund to fund capital investments in alternative fueling fleet and infrastructure.

CDD Operating Budget Summary (Low Mod Fund)

Revenues	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Use of Money and Property	179,323	168,411	21,967	-	228,623	228,623	0.0%
Operating Transfers In	1,250,670	-	-	-	-	-	0.0%
Total Revenues	**$ 1,429,993**	**$ 168,411**	**$ 21,967**	**$ -**	**$ 228,623**	**$ 228,623**	**0.0%**

Expenditures	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Salaries and Employee Benefits	53,255	51,794	59,077	62,578	47,159	(15,419)	-24.6%
Materials, Supplies & Maintenance	3,000	3,000	750	7,760	-	(7,760)	-100.0%
Total Expenditures	**$ 56,255**	**$ 54,794**	**$ 59,827**	**$ 70,338**	**$ 47,159**	**$ (23,179)**	**-33.0%**
Revenues Less Expenditures	**$ 1,373,738**	**$ 113,617**	**$ (37,860)**	**$ (70,338)**	**$ 181,464**		

The Low Mod Fund's total revenue will increase by $229,000 in FY 2026–27, which represents interest income related to Loans from the Low Mod Fund to Redevelopment Agency (RDA) Fund. Out of three remaining loans with the RDA Fund, the first loan was paid off during FY 2024–25. 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 off 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 FY 2026–27, interest payments of $229,000 is anticipated, compared to FY 2025–26 where only principal payments were made.

On the Expenditure side, the Salaries and Employee Benefits expenditure classification will decrease by $15,000 (-24.6%), a result of changes in the department's budgeted staffing levels, approved and anticipated pay and benefit adjustments, CalPERS rates, and other various employee-related cost elements. The Materials, Supplies & Maintenance expenditure classification will have a $0 budget for FY 2026–27 as housing subsidies are not anticipated in the fiscal year.

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

Revenues	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Use of Money and Property	48,796	50,248	58,145	41,205	45,860	4,655	11.3%
Operating Transfers In	104,070	-	-	-	-	-	0.0%
Total Revenues	**$ 152,866**	**$ 50,248**	**$ 58,145**	**$ 41,205**	**$ 45,860**	**$ 4,655**	**11.3%**

Expenditures	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Professional/Contract Services	24,744	24,573	26,166	27,705	28,320	615	2.2%
Utilities	223	220	3,063	6,000	6,540	540	9.0%
Total Expenditures	**$ 24,967**	**$ 24,793**	**$ 29,229**	**$ 33,705**	**$ 34,860**	**$ 1,155**	**3.4%**
Revenues Less Expenditures	**$ 127,899**	**$ 25,455**	**$ 28,916**	**$ 7,500**	**$ 11,000**		

The Meadow Park Parking Lot District Fund summary table above shows an increase of $4,655 (+11.3%) in the Use of Money and Property revenue classification from rental income charged for maintenance of the property.

On the Expenditure side, there are minor adjustments in the Professional/Contract Services and Utilities expenditure classifications, as a result of aligning the budget based on historical trends and anticipated FY 2026–27 activity.

CDD Operating Budget Summary (Section 8 Housing Fund)

Revenues	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Use of Money and Property	9,036	18,712	24,586	25,009	25,000	(9)	0.0%
Intergovernmental	6,808,227	8,272,478	8,801,886	9,644,000	9,043,100	(600,900)	-6.2%
Other Revenues	6,516	21,649	26,138	16,300	16,500	200	1.2%
Total Revenues	**$ 6,823,779**	**$ 8,312,839**	**$ 8,852,610**	**$ 9,685,309**	**$ 9,084,600**	**$ (600,709)**	**-6.2%**

Expenditures	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Salaries and Employee Benefits	487,871	592,594	742,861	707,169	749,452	42,283	6.0%
Materials, Supplies & Maintenance	6,327,056	7,413,193	7,947,919	8,636,821	8,006,095	(630,726)	-7.3%
Professional/Contract Services	36,278	35,718	37,324	75,815	62,000	(13,815)	-18.2%
Training, Travel & Membership Dues	1,135	1,825	1,454	4,982	4,075	(907)	-18.2%
Interdepartmental Charges	116,819	140,057	177,619	166,014	181,912	15,898	9.6%
Total Expenditures	**$ 6,969,159**	**$ 8,183,387**	**$ 8,907,177**	**$ 9,590,801**	**$ 9,003,534**	**$ (587,267)**	**-6.1%**
Revenues Less Expenditures	**$ (145,380)**	**$ 129,452**	**$ (54,567)**	**$ 94,508**	**$ 81,066**		

Total revenue sources for FY 2026–27 will decrease by $601,000 (-6.2%). The decrease is primarily due to the Intergovernmental revenue classification relating to US Department of Housing and Urban Development (HUD) funding with Emergency Housing Vouchers. The majority of the budgeted $9.0 million revenue from Intergovernmental receipts is mainly from $7.9 million in housing vouchers.

Total expenditure will decrease by $587,000 (-6.1%). This is largely driven by the decrease of $631,000 (-7.3%) in the Materials, Supplies & Maintenance expenditure classification, mainly due to a reduction in rental assistance payments. This is slightly counterbalanced by an increase of $42,000 (+6.0%) in the Salaries and Employee Benefits expenditure classification, a result of changes in the department's approved pay and benefit adjustments, CalPERS rates, and other various employee-related cost elements.

CDD Operating Budget Summary (Redevelopment Agency Fund)

Revenues	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Taxes	3,406,911	4,126,386	3,980,835	4,144,678	4,156,255	11,577	0.3%
Use of Money and Property	993	2,130	4,839	5,040	5,060	20	0.4%
Other Financing Sources	189,766	189,766	189,766	189,768	189,766	(2)	0.0%
Total Revenues	**$ 3,597,670**	**$ 4,318,282**	**$ 4,175,440**	**$ 4,339,486**	**$ 4,351,081**	**$ 11,595**	**0.3%**

Expenditures	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Professional/Contract Services	6,130	10,490	4,007	-	-	-	0.0%
Debt Service	2,853,295	2,847,086	2,825,760	2,817,179	2,798,253	(18,926)	-0.7%
Debt Service Reimbursements	(1,370,000)	(1,435,000)	(1,515,000)	(1,590,000)	(1,665,000)	(75,000)	4.7%
Other Expenditures	250,000	250,000	25,000	25,000	25,000	-	0.0%
Total Expenditures	**$ 1,739,425**	**$ 1,672,576**	**$ 1,339,767**	**$ 1,252,179**	**$ 1,158,253**	**$ (93,926)**	**-7.5%**
Revenues Less Expenditures	**$ 1,858,245**	**$ 2,645,706**	**$ 2,835,673**	**$ 3,087,307**	**$ 3,192,828**		

As shown in the Redevelopment Agency Fund summary table above, total revenues will increase by $12,000 (+0.3%), reflecting anticipated slight growth in current secured property taxes related to the City's redevelopment area.

Adopted adjustments are made in the Debt Service and Debt Service Reimbursements expenditure classifications to align the budget with anticipated FY 2026–27 activity and bond refunding schedule.

CDD Operating Budget Summary (Vanpool Fund)

Revenues	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Use of Money and Property	(10)	(76)	(234)	(157)	178	335	-213.4%
Intergovernmental	40,201	33,033	28,296	50,000	30,000	(20,000)	-40.0%
Charges for Services	26,634	35,015	34,254	32,000	35,000	3,000	9.4%
Operating Transfers In	173,723	142,102	178,154	179,906	114,136	(65,770)	-36.6%
Total Revenues	**240,548**	**$ 210,074**	**$ 240,470**	**$ 261,749**	**$ 179,314**	**$ (82,435)**	**-31.5%**

Expenditures	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Salaries and Employee Benefits	121,096	110,104	125,099	123,367	96,597	(26,770)	-21.7%
Materials, Supplies & Maintenance	113,125	98,955	114,068	136,587	73,700	(62,887)	-46.0%
Professional/Contract Services	6,180	1,015	1,142	1,284	1,250	(34)	-2.6%
Training, Travel & Membership Dues	146	-	161	511	500	(11)	-2.2%
Interdepartmental Charges	-	-	-	-	7,267	7,267	0.0%
Total Expenditures	**240,547**	**$ 210,074**	**$ 240,470**	**$ 261,749**	**$ 179,314**	**$ (82,435)**	**-31.5%**
Revenues Less Expenditures	**1**	**$ -**	**$ -**	**$ -**	**$ -**		

Total revenue sources for FY 2026–27 will decrease by $82,000 (-31.5%). The decrease is primarily driven by the Intergovernmental and Operating Transfers In classifications. Decrease from Intergovernmental revenue sources are to align with anticipated funding and the decrease from Operating Transfers In is due to a decrease in participation requiring less funding for operations.

On the expenditure side, the Salaries and Employee Benefits expenditure classification will decrease by $27,000 (-21.7%), a net result of changes in the department's budgeted staffing levels, approved and anticipated pay and benefit adjustments, CalPERS rates, and other various employee-related cost elements. The Materials, Supplies & Maintenance expenditure classification shows the largest change with a $63,000 decrease (-46%), primarily due to reduced van rental cost, consistent with the decline in ridership. In FY 2026–27, the Interdepartmental Charges expenditure classification will have an expenditure budget of $7,300 to pay for fleet vehicle maintenance as a result of a vehicle purchased during FY 2025–26.

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

Job Classification	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)
Admin Analyst/Sr. Admin Analyst	1.00	1.00	1.00	1.00	1.00	-
Admin Project Aide	0.50	0.50	-	-	-	-
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 Official	-	-	1.00	1.00	1.00	-
Building Regulations Administrator	1.00	1.00	-	-	-	-
Business Manager	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	-
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	7.00	7.00	-
Planning Manager	-	2.00	2.00	2.00	2.00	-
Plans Examiner	3.00	4.00	4.00	5.00	5.00	-
Principal Planner	2.00	-	-	-	-	-
Senior Building Inspector	3.00	3.00	3.00	4.00	4.00	-
Senior Business Manager	-	-	1.00	1.00	1.00	-
Senior Planner	-	-	1.00	2.00	2.00	-
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)
Systems Analyst - Customer Support	-	-	-	-	1.00	1.00
Total FTE	**69.00**	**72.50**	**74.00**	**77.00**	**77.00**	**-**

The CDD staffing budget will remain consistent in FY 2026–27 with a net-zero program modification, which is a reclassification of 1.0 FTE Systems Analyst into 1.0 Systems Analyst - Customer Support to align with the result of the Information Technology department reorganization.

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 create positive experiences in safe places that provide a connected Torrance community centered around the specialized areas of Cultural Arts, Library, Parks, and Recreation. As a professional organization, each of our dedicated team members strives to provide resources to our community with integrity, honesty, and respect for all users. In all our services, we foster lifelong learning and personal development to strengthen mind and body. 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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Licenses, Fees and Permits	225,098	106,059	269,683	120,000	165,000	45,000	37.5%
Use of Money and Property	547,535	623,507	674,215	671,400	663,000	(8,400)	-1.3%
Intergovernmental	(3,379)	-	-	-	-	-	0.0%
Other Revenues	63,439	79,737	25,746	-	43,000	43,000	0.0%
Charges for Services	4,416,736	5,269,886	5,676,398	5,838,740	6,162,100	323,360	5.5%
Operating Transfers In	-	38,260	-	-	-	-	0.0%
Total Revenues	**$ 5,249,429**	**$ 6,117,449**	**$ 6,646,042**	**$ 6,630,140**	**$ 7,033,100**	**$ 402,960**	**6.1%**

Expenditures	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Salaries and Employee Benefits	13,867,422	15,220,961	16,548,161	18,399,088	20,284,206	1,885,118	10.2%
Salaries and Benefits Reimbursements	(8,058)	(5,731)	(500)	-	-	-	0.0%
Materials, Supplies & Maintenance	2,652,798	3,250,196	3,449,178	3,086,891	2,628,900	(457,991)	-14.8%
Materials Reimbursements	(172,785)	(69,952)	(144,760)	(138,334)	(65,140)	73,194	-52.9%
Professional/Contract Services	1,218,107	1,607,373	1,692,761	2,238,254	2,419,750	181,496	8.1%
Training, Travel & Membership Dues	14,764	36,194	61,640	96,531	69,350	(27,181)	-28.2%
Liabilities, Settlements & Insurance	60,277	12,857	14,293	-	-	-	0.0%
Utilities	1,951,923	1,843,715	2,075,511	2,069,700	2,144,430	74,730	3.6%
Interdepartmental Charges	1,656,013	1,197,153	1,510,996	2,185,032	3,302,313	1,117,281	51.1%
Capital Acquisitions	20,837	9,691	50,030	200,193	-	(200,193)	-100.0%
Other Operating Transfers Out	96,716	76,858	-	-	-	-	0.0%
Total Expenditures	**$ 21,358,014**	**$ 23,179,315**	**$ 25,257,310**	**$ 28,137,355**	**$ 30,783,809**	**$ 2,646,454**	**9.4%**
Revenues Less Expenditures	**$ (16,108,585)**	**$ (17,061,866)**	**$ (18,611,268)**	**$ (21,507,215)**	**$ (23,750,709)**		

Total revenue sources in FY 2026–27 will increase by $403,000 (+6.1%). This is primarily driven by increases in the Charges for Services; Licenses, Fees, and Permits; and Other Revenues classifications.

The Charges for Services revenue classification will increase largely due to anticipated program offerings and increasing activity within the Cultural Services division and participation fees from the Certified Farmer's Market. This classification totals $6.2 million in community programming with $3.5 million budgeted for Recreation Services, $1.5 million budgeted for the Certified Farmer's Market, and $1.2 million budgeted for Cultural Services. The top grossing programs within Recreation Services are After School Programs, the Toyota Sports Complex, the Benstead Plunge, Day Camps, and the Sea-Aire Golf Course.

The Salaries and Employee Benefits expenditure classification will increase by approximately $1.9 million (+10.2%), primarily due to the approved and anticipated pay and benefit adjustments, CalPERS rates and other various employee-related cost elements, as well as the program modification. Materials, Supplies & Maintenance classification will decrease by $458,000 (-14.8%), reflecting adjustments in operational needs and historical spending trends. The Interdepartmental Charges classification will increase approximately by $1.1 million (+51.1%), primarily due to changes in the City's Self-Insurance Fund departmental allocation, which is updated annually based on a standard credibility weighted calculation of each Department's actual experience as calculated by our actuarial consultants.

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

Expenditures	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Professional/Contract Services	-	-	-	200,000	220,000	20,000	10.0%
Total Expenditures	**$ -**	**$ -**	**$ -**	**$ 200,000**	**$ 220,000**	**$ 20,000**	**10.0%**

The Professional/Contract Services classification will increase by $20,000 (+10.0%), due to anticipated increase in park security guard services cost to address overnight encampment.

Community Services Staffing Budget Summary (General Fund)

Job Classification	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)
Admin Analyst/Sr. Admin 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	2.00	2.00	-
City Librarian	1.00	1.00	1.00	1.00	1.00	-
Community Services Director	1.00	1.00	1.00	1.00	1.00	-
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	1.53	1.53	-
Landscape Architect	-	-	-	-	1.00	1.00
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	3.00	3.00	-
Program Leader	45.96	36.16	26.94	27.92	27.92	-
Program Specialist	17.96	17.73	20.77	22.22	22.22	-
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	5.00	5.00	-
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	13.21	13.71	13.71	-
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**	**207.18**	**208.18**	**1.00**

The Community Services staffing budget will increase by 1.0 FTE for the addition of Landscape Architect. This position establishes in-house capacity for capital project planning, design development, and technical review, which improves long-term efficiency and capital delivery.

Finance

Mission Statement

The mission of the Finance Department is to safeguard the City's financial integrity, protect and manage its assets, and provide transparent, accurate, and timely financial services. We are committed to supporting the Torrance City Council, City departments, and broader community with sound fiscal guidance that promotes accountability, efficiency, and long-term sustainability.

Functional Responsibilities

The Finance Department ensures responsible stewardship of City resources by managing financial administration, budgeting, purchasing, accounting, and auditing functions. Key responsibilities include:

- Preparing and administering the City's annual operating and capital improvement budgets in collaboration with the City Manager.
- Providing timely and accurate financial reporting, including the annual audited financial statements, in compliance with Governmental Accounting Standards Board requirements.
- Administering revenue collection, business licensing, and billing functions to ensure efficient and equitable collection of monies owed to the City.
- Managing procurement services to support cost-effective, transparent purchasing practices.
- Overseeing risk management programs to minimize costs related to liability, workers' compensation, and insurance exposure.
- Advising the City Council and City Manager on financial strategies, fiscal trends, and resource allocation to support informed policy and operational decisions.

Department Organization



Finance Operating Budget Summary (General Fund-Operating Fund)

Revenues	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Charges for Services	-	9,390	20	-	-	-	0.0%
Total Revenues	**$ -**	**$ 9,390**	**$ 20**	**$ -**	**$ -**	**$ -**	**0.0%**

Expenditures	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Salaries and Employee Benefits	3,925,220	4,132,138	4,657,273	5,206,311	5,281,684	75,373	1.4%
Salaries and Benefits Reimbursements	(81,000)	(133,000)	(19,000)	(19,000)	(19,000)	-	0.0%
Materials, Supplies & Maintenance	57,773	62,353	48,739	91,701	72,500	(19,201)	-20.9%
Materials Reimbursements	(122)	(34)	(25)	-	-	-	0.0%
Professional/Contract Services	1,267,686	1,369,229	1,494,974	774,365	577,750	(196,615)	-25.4%
Training, Travel & Membership Dues	21,881	27,216	39,034	58,207	45,000	(13,207)	-22.7%
Utilities	1,554	1,176	1,779	-	-	-	0.0%
Interdepartmental Charges	138,333	141,694	179,510	193,192	553,882	360,690	186.7%
Capital Acquisitions	31,254	22,807	16,029	1,000	15,000	14,000	1400.0%
Other Operating Transfers Out	26,950	22,176	-	-	-	-	0.0%
Total Expenditures	**$ 5,389,529**	**$ 5,645,755**	**$ 6,418,313**	**$ 6,305,776**	**$ 6,526,816**	**$ 221,040**	**3.5%**
Revenues Less Expenditures	**$ (5,389,529)**	**$ (5,636,365)**	**$ (6,418,293)**	**$ (6,305,776)**	**$ (6,526,816)**		

As shown in the summary table above, total expenditures will increase by $221,000 (+3.5%). The largest contributors to this increase are the Interdepartmental Charges classification, which will increase by $361,000 (+186.7%), primarily due to changes in the City's Self-Insurance Fund departmental allocation, which is updated annually based on a standard credibility weighted calculation of each Department's actual experience as calculated by our actuarial consultants. This increase is partially offset by a decrease of $197,000 (-25.4%) in the Professional/ Contract Services classification, mainly due to the centralization of litigation-related costs from individual departments to the City Attorney's office.

Finance Operating Budget Summary (Self-Insurance Fund)

Revenues	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Other Revenues	188,193	142,795	330,808	-	-	-	0.0%
Charges for Services	17,121,527	20,928,012	23,643,920	24,178,667	26,890,010	2,711,343	11.2%
Operating Transfers In	7,000,000	2,000,000	-	-	-	-	0.0%
Total Revenues	**$ 24,309,720**	**$ 23,070,807**	**$ 23,974,728**	**$ 24,178,667**	**$ 26,890,010**	**$ 2,711,343**	**11.2%**

Expenditures	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Salaries and Employee Benefits	801,646	841,389	885,934	1,104,986	1,293,237	188,251	17.0%
Materials, Supplies & Maintenance	7,696	7,097	4,564	22,050	8,250	(13,800)	-62.6%
Professional/Contract Services	507,107	444,577	428,800	682,950	684,000	1,050	0.2%
Training, Travel & Membership Dues	5,628	11,745	3,738	16,000	15,250	(750)	-4.7%
Liabilities, Settlements & Insurance	19,078,985	20,840,928	22,141,629	19,168,224	22,437,675	3,269,451	17.1%
Utilities	220	565	558	-	-	-	0.0%
Interdepartmental Charges	-	205,161	222,833	305,658	325,854	20,196	6.6%
Capital Acquisitions	-	-	-	1,950	-	(1,950)	-100.0%
Other Operating Transfers Out	6,951	4,354	-	-	-	-	0.0%
Bad Debts and Other Losses	(4,198,068)	(1,336,175)	454,529	3,000,000	2,000,000	(1,000,000)	-33.3%
Total Expenditures	**$ 16,210,165**	**$ 21,019,641**	**$ 24,142,585**	**$ 24,301,818**	**$ 26,764,266**	**$ 2,462,448**	**10.1%**
Revenues Less Expenditures	**$ 8,099,555**	**$ 2,051,166**	**$ (167,857)**	**$ (123,151)**	**$ 125,744**		

As shown in the summary table above, the Charges for Services revenue classification will increase by $2.7 million (+11.2%) due to additional contributions from all departments to balance the overall budget.

Total expenditures will increase by $2.5 million (+10.1%), largely driven by a $3.3 million increase (+17.1%) in the Liabilities, Settlements & Insurance expenditure classification as a result of anticipated increases in insurance premiums, workers' compensation claims, and settlement related costs. The Bad Debts and Other Losses expense classification will decrease by $1.0 million (-33.3%) as a partial funding source for the newly implemented citywide sidewalk repair program targeted at improving conditions and mitigating liability. Lastly, the Salaries and Employee Benefits expenditure classification will increase by $188,000 (+17.0%) as a result of the approved and anticipated pay and benefit adjustments, CalPERS rates, and other various employee-related cost elements.

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

Job Classification	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 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)
Accountant/Sr. Accountant	-	-	-	-	4.00	4.00
Accounting Manager	1.00	1.00	1.00	1.00	1.00	-
Accounting Supervisor	-	-	-	1.00	1.00	-
Accounting Technician	5.00	4.00	4.00	4.00	4.00	-
Admin Analyst/Sr. Admin Analyst	1.00	1.00	1.00	2.00	2.00	-
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	-
Auditor/Sr. Auditor	-	-	-	-	2.00	2.00
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	0.75	0.75	-
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	-
Revenue Supervisor	-	-	-	-	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**	**38.75**	**38.75**	**-**

The Finance Department's staffing budget will remain consistent at total of 38.75 FTE; however, the Finance Department has position modifications to consolidate positions of Accountants and Senior Accountants into one job classification of Accountant/Sr. Accountant; the conversions of 1.0 FTE

Accountant and 1.0 FTE Senior Accountant into 2.0 FTE Auditor/Sr. Auditor; and the conversion of 1.0 FTE Senior Accountant to 1.0 FTE Revenue Supervisor. These changes not only align the responsibility with more appropriate job classification, but also provides additional professional growth opportunity, which is expected to help improve employee retention.

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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Licenses, Fees and Permits	212,986	230,474	239,687	250,000	250,000	-	0.0%
Other Revenues	11,206	-	20,000	27,000	-	(27,000)	-100.0%
Charges for Services	8,513,144	10,846,381	11,427,389	11,620,500	13,086,023	1,465,523	12.6%
Operating Transfers In	1,807,785	1,852,980	2,121,088	2,214,815	2,409,489	194,674	8.8%
Total Revenues	**$ 10,545,121**	**$ 12,929,835**	**$ 13,808,164**	**$ 14,112,315**	**$ 15,745,512**	**$ 1,633,197**	**11.6%**

Expenditures	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Salaries and Employee Benefits	49,212,061	51,928,553	59,133,604	61,261,397	65,888,309	4,626,912	7.6%
Salaries and Benefits Reimbursements	(1,375)	(26,049)	(2,160,721)	(1,000,000)	(985,102)	14,898	-1.5%
Materials, Supplies & Maintenance	2,135,237	2,266,312	2,908,276	1,324,280	1,373,575	49,295	3.7%
Materials Reimbursements	(1,140)	(2,078)	(405,090)	(75,000)	(168,809)	(93,809)	125.1%
Professional/Contract Services	886,053	1,103,329	1,338,208	1,774,516	1,993,719	219,203	12.4%
Training, Travel & Membership Dues	101,204	145,669	196,795	194,041	225,300	31,259	16.1%
Liabilities, Settlements & Insurance	36,794	-	-	-	-	-	0.0%
Utilities	220,310	237,456	248,498	188,800	198,015	9,215	4.9%
Interdepartmental Charges	3,604,987	4,411,183	7,255,571	6,482,490	7,579,099	1,096,609	16.9%
Debt Service	242,703	242,703	242,703	242,703	242,703	-	0.0%
Capital Acquisitions	179,610	116,089	264,115	239,500	155,000	(84,500)	-35.3%
Other Operating Transfers Out	60,792	55,195	-	-	-	-	0.0%
Total Expenditures	**$ 56,677,236**	**$ 60,478,362**	**$ 69,021,959**	**$ 70,632,727**	**$ 76,501,809**	**$ 5,869,082**	**8.3%**
Revenues Less Expenditures	**$ (46,132,115)**	**$ (47,548,527)**	**$ (55,213,795)**	**$ (56,520,412)**	**$ (60,756,297)**		

Total revenue sources for FY 2026–27 will increase by $1.6 million (+11.6%). The increase is primarily attributable to anticipated growth in the Charges for Services classification. The change is mainly due to the increase in LA County rates for the Emergency Transport program totaling an additional $1.4 million for next fiscal year. Within the Charges for Services classification, the three programs with the highest budgeted receipts are the Emergency Transport program at $10.3 million, the Fire Prevention program at $1.2 million and the Hazardous Materials program at $1.1 million. The $2.4 million from Operating Transfers In is from the Measure SST Fund and consistent with the prior years.

The Salaries and Employee Benefits expenditure classification will increase by $4.6 million (+7.6%) in FY 2026–27, primarily due to approved and anticipated salary and benefit adjustments, increase in CalPERS contribution rates, and other various employee-related cost elements. The Interdepartmental Charges expenditure classification will increase approximately by $1.1 million (+16.9%), primarily due to higher internal service allocations, including updated charges from the City's Self-Insurance Fund which are updated annually based on a standard credibility weighted calculation of each Department's actual experience as calculated by our actuarial consultants.

Fire Staffing Budget Summary (General Fund)

Job Classification	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)
Admin Analyst/Sr. Admin Analyst	2.00	2.00	2.00	2.00	2.00	-
Admin Services Manager	1.00	1.00	1.00	1.00	1.00	-
Administrative Assistant	2.00	2.00	4.00	4.00	4.00	-
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 Supervisor	-	1.00	1.00	1.00	1.00	-
Intern	0.50	0.50	-	-	-	-
Office Assistant	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	-
Sr. Fire Prevention Specialist	3.00	3.00	3.00	3.00	3.00	-
Total FTE	**194.50**	**201.50**	**203.00**	**203.00**	**203.00**	**-**

The Fire staffing budget has no newly adopted 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 in 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 of the 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, Electric Vehicle (EV) Charging Program, Fleet Services/Warehouse, Graffiti Abatement Program, HVAC/Electrical Services, and Capital Projects.

Department Organization



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

Revenues	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Charges for Services	981,678	982,431	989,163	1,016,700	880,000	(136,700)	-13.4%
Total Revenues	**$ 981,678**	**$ 982,431**	**$ 989,163**	**$ 1,016,700**	**$ 880,000**	**$ (136,700)**	**-13.4%**

Expenditures	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Salaries and Employee Benefits	6,094,573	6,182,789	7,131,916	7,986,709	8,484,146	497,437	6.2%
Salaries and Benefits Reimbursements	(40,608)	(56,741)	(67,541)	(70,000)	(60,470)	9,530	-13.6%
Materials, Supplies & Maintenance	1,206,484	1,631,800	2,080,213	2,527,253	2,953,250	425,997	16.9%
Materials Reimbursements	(131,931)	(170,897)	(176,502)	(180,000)	(140,054)	39,946	-22.2%
Professional/Contract Services	926,703	744,940	1,189,913	829,660	620,500	(209,160)	-25.2%
Training, Travel & Membership Dues	3,294	8,819	15,672	25,784	16,350	(9,434)	-36.6%
Utilities	803,348	942,799	976,159	1,008,783	944,232	(64,551)	-6.4%
Interdepartmental Charges	570,440	578,008	895,993	773,784	1,057,534	283,750	36.7%
Capital Acquisitions	4,500	129,672	92,337	142,209	150,000	7,791	5.5%
Other Operating Transfers Out	19,424	15,689	-	-	-	-	0.0%
Total Expenditures	**$ 9,456,227**	**$ 10,006,878**	**$ 12,138,160**	**$ 13,044,182**	**$ 14,025,488**	**$ 981,306**	**7.5%**
Revenues Less Expenditures	**$ (8,474,549)**	**$ (9,024,447)**	**$ (11,148,997)**	**$ (12,027,482)**	**$ (13,145,488)**		

Total revenue sources FY 2026–27 will decrease by $136,700 (-13.4%). The change is largely driven by a decrease in anticipated reservations for event spaces at the Cultural Arts Center. The budgeted receipts for this classification are mainly compromised of Facility Rental charges totaling $480,000 and Labor Charges from events totaling $338,000.

The Salaries and Employee Benefits expenditure classification will increase by $497,000 (+6.2%) to reflect the approved and anticipated salary and benefit adjustments and increases in CalPERS contribution rates and other employee-related cost factors. The Materials, Supplies & Maintenance expenditure classification will increase by $426,000 (+16.9%), primarily reflecting increased costs for facility maintenance, repairs, and operational supplies supporting City facilities. The Professional/Contract Services classification will decrease by $209,000 (-25.2%) in FY 2026–27, primarily to align the budget based on historical spending trends and anticipated operational needs. The Interdepartmental Charges classification will increase approximately by $284,000 (+36.7%), primarily due to higher internal service allocations, including updated charges from the City's Self-Insurance Fund which are calculated annually based on a standard credibility weighted calculation of each Department's actual experience as calculated by our actuarial consultants, as well as fleet-related cost allocation adjustments.

General Services Operating Budget Summary (Airport Fund)

Revenues	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Use of Money and Property	22,615,645	18,770,802	19,371,418	19,820,464	6,024,968	(13,795,496)	-69.6%
Other Revenues	1,001,657	1,213,766	18,557,455	1,600,000	-	(1,600,000)	-100.0%
Charges for Services	269,580	307,940	508,040	500,260	434,940	(65,320)	-13.1%
Total Revenues	**$ 23,886,882**	**$ 20,292,508**	**$ 38,436,913**	**$ 21,920,724**	**$ 6,459,908**	**$ (15,460,816)**	**-70.5%**

Expenditures	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Salaries and Employee Benefits	1,396,320	1,294,117	1,423,706	1,622,106	1,692,764	70,658	4.4%
Materials, Supplies & Maintenance	85,596	200,411	86,491	116,167	88,750	(27,417)	-23.6%
Materials Reimbursements	(652)	-	-	-	-	-	0.0%
Professional/Contract Services	1,332,785	4,338,359	3,088,011	6,877,506	307,000	(6,570,506)	-95.5%
Training, Travel & Membership Dues	5,152	1,096	9,027	11,551	13,380	1,829	15.8%
Depreciation and Amortization	240,600	260,581	269,103	275,000	283,250	8,250	3.0%
Liabilities, Settlements & Insurance	6,291	-	-	-	-	-	0.0%
Utilities	203,921	218,768	245,565	268,400	256,456	(11,944)	-4.5%
Interdepartmental Charges	557,362	668,916	610,104	682,712	3,734,783	3,052,071	447.1%
Other Operating Transfers Out	19,824,107	10,599,014	30,498,495	18,952,616	35,146	(18,917,470)	-99.8%
Bad Debts and Other Losses	23,678	-	17,460	25,000	25,000	-	0.0%
Total Expenditures	**$ 23,675,160**	**$ 17,581,262**	**$ 36,247,962**	**$ 28,831,058**	**$ 6,436,529**	**$ (22,394,529)**	**-77.7%**
Revenues Less Expenditures	**$ 211,722**	**$ 2,711,246**	**$ 2,188,951**	**$ (6,910,334)**	**$ 23,379**		

Total revenue sources for FY 2026–27 will decrease by $15.5 million (-70.5%), primarily due to a change in accounting for $13.8 million of non-aeronautical land leases from the Use of Money and Property classification previously accounted for in the Airport Fund. This revenue source was historically transferred out to the General Fund-Operating Fund and will now be budgeted directly there going forward. An additional decrease of $1.6 million from the Other Revenues classification is related to anticipated reimbursements from on-going legal matters, and will now be budgeted in the General Fund-Operating Fund as it relates to the non-aeronautical land leases.

The $6.0 million budgeted revenue in the Use of Money and Property classification is mainly comprised of hangar rentals of $3.7 million, fixed based operation rentals of $1.4 million and investment earnings of $0.9 million.

The Salaries and Employee Benefits expenditure classification will increase by $71,000 (+4.4%), primarily due to approved and anticipated salary and benefit adjustments, increased CalPERS contribution rates, and other employee-related cost elements. Professional/Contract Services classification will decrease in FY 2026–27 by approximately $6.6 million (-95.5%) primarily due to the accounting change where non-aeronautical land lease revenues, along with associated legal costs, would be directly recorded in the General Fund-Operating Fund under the City Attorney's Office. This accounting change also will result in a significant reduction in the Other Operating Transfers Out classification, which will decrease by approximately $18.9 million (-99.8%), mainly driven by eliminating Operating Transfers Out of the net proceeds from non-aeronautical land lease activity to the General Fund-Operating fund.

The Interdepartmental Charges expenditure classification will increase by approximately $3.1 million (+447.1%), primarily reflecting changes in the structure of internal rent and ground lease payments. As part of a citywide effort to treat all City-owned land and facilities as revenue generating assets, the General Fund will start charging internal rent to the Airport Fund for the use of the City-owned land and buildings from FY 2026–27, consistent with other enterprise funds.

General Services Operating Budget Summary (Fleet Services Fund)

Revenues	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Use of Money and Property	3,481,962	5,851,896	6,596,051	5,782,968	6,838,498	1,055,530	18.3%
Other Revenues	59,264	88,276	488,586	75,000	75,000	-	0.0%
Charges for Services	3,838,860	5,836,156	6,592,049	9,216,994	10,287,432	1,070,438	11.6%
Operating Transfers In	18,474,274	2,200,000	-	-	-	-	0.0%
Total Revenues	**$ 25,854,360**	**$ 13,976,328**	**$ 13,676,686**	**$ 15,074,962**	**$ 17,200,930**	**$ 2,125,968**	**14.1%**

Expenditures	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Salaries and Employee Benefits	2,768,033	3,303,960	3,828,139	4,263,861	4,372,039	108,178	2.5%
Materials, Supplies & Maintenance	218,319	1,629,605	1,171,200	2,908,477	3,329,500	421,023	14.5%
Materials Reimbursements	-	-	(513,193)	-	-	-	0.0%
Parts, Fuel & Lubricants Inventory Purchases	2,646,366	3,089,192	3,363,661	3,643,628	3,400,000	(243,628)	-6.7%
Parts, Fuel & Lubricants Contra	(2,646,366)	(3,089,192)	(3,363,661)	(3,643,628)	(3,400,000)	243,628	-6.7%
Professional/Contract Services	65,471	181,892	236,198	41,291	29,000	(12,291)	-29.8%
Training, Travel & Membership Dues	22,655	14,135	21,439	19,585	22,500	2,915	14.9%
Depreciation and Amortization	1,199,372	1,363,228	2,436,711	3,750,000	4,225,000	475,000	12.7%
Utilities	1,909	2,182	667	600	-	(600)	-100.0%
Interdepartmental Charges	432,983	1,001,375	2,203,139	2,292,195	2,661,778	369,583	16.1%
Debt Service	30,445	(21,047)	(13,778)	-	-	-	0.0%
Capital Acquisitions	966,226	3,471,678	17,294,951	14,542,108	2,028,605	(12,513,503)	-86.1%
Asset Contra Account	(966,226)	(3,471,678)	(17,261,630)	(14,492,108)	(2,028,605)	12,463,503	-86.0%
Other Operating Transfers Out	496,730	674,580	360,143	728,478	12,607	(715,871)	-98.3%
Bad Debts and Other Losses	34,411	32,637	-	-	-	-	0.0%
Total Expenditures	**$ 5,270,328**	**$ 8,182,547**	**$ 9,763,986**	**$ 14,054,487**	**$ 14,652,424**	**$ 597,937**	**4.3%**
Revenues Less Expenditures	**$ 20,584,032**	**$ 5,793,781**	**$ 3,912,700**	**$ 1,020,475**	**$ 2,548,506**		

Total revenue sources will increase by $2.1 million (+14.1%), primarily due to a $1.1 million (+11.6%) increase in the Charges for Services revenue classification and a $1.1 million increase (+18.3%) in the Use of Money and Property revenue classification. The increase in Charges for Services is primarily to cover the cost of parts, fuel, and labor. Beginning in FY 2025–26, the City implemented 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 assessed a single, consolidated monthly vehicle usage (rental) charge. This change simplifies accounting, improves cost predictability, and streamlines the budgeting and forecasting process across all departments. The Use of Money and Property reflects a $1.1 million (+18.3%) increase in contributions from departments for future vehicle replacements.

The Materials, Supplies & Maintenance classification will increase by $421,000 (+14.5%), primarily due to aligning budget with costs associated with vehicle maintenance, including parts, fuel, and supplies, as well as adjustments based on operational needs.

Depreciation & Amortization expenditure classification will increase by $475,000 (+12.7%), reflecting the impact of newly acquired vehicles and replacement vehicles added to the City's fleet. Interdepartmental Charges classification will increase by $370,000 (+16.1%), primarily due to higher internal service allocations, including updated charges from the City's Self-Insurance Fund which are calculated annually based on a standard credibility weighted calculation of each Department's actual experience as calculated by our actuarial consultants.

The Capital Acquisitions and Asset Contra Account expenditure classifications reflect the purchase of replacement and additional vehicles to support City operations, both of which will decrease by $12.5 million, as the level of planned vehicle purchases are normalizing, following the last two fiscal years with significant fleet acquisitions.

The Other Operating Transfers Out classification will decrease by $716,000 (-98.3%), as a result of eliminating the transfers between the Fleet Capital Fund and the Fleet Services Operating Fund starting in FY 2026–27.

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

Job Classification	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)
Accounting Technician	1.00	1.00	1.00	1.00	-	(1.00)
Admin Analyst/Sr. Admin Analyst	1.00	1.00	1.00	2.00	2.00	-
Admin Services Manager	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	-
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	1.00	1.00	-
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	2.00	2.00	-
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	-	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	2.00	2.00	-
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	3.00	3.00	-
Staff Assistant	1.00	1.00	2.00	1.00	1.00	-
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**	**116.25**	**115.25**	**(1.00)**

The General Services staffing budget will decrease by 1.0 FTE Accounting Technician as a result of a staff retirement and realignment of duties across the General Services and Finance Departments utilizing existing staff.

Human Resources

Mission Statement

The mission of the Human Resources ("HR") Department is to support all City departments in attracting, developing, and retaining an exceptional community-service-driven workforce.

Functional Responsibilities

HR 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 recruiting candidates, hiring employees, retaining talent, onboarding, employee development, performance management, strategic workforce planning, benefits, classification and compensation, employee wellness, employee and labor relations, employee engagement, compliance with labor laws, employee records, diversity and inclusion, succession planning, and fostering a positive workplace culture.

Department Organization



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

Expenditures	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Salaries and Employee Benefits	1,376,018	1,395,430	2,004,705	2,320,767	2,799,730	478,963	20.6%
Materials, Supplies & Maintenance	220,558	246,406	225,231	332,073	252,250	(79,823)	-24.0%
Materials Reimbursements	(5,990)	-	-	-	-	-	0.0%
Professional/Contract Services	435,756	536,209	755,733	462,659	204,100	(258,559)	-55.9%
Training, Travel & Membership Dues	49,744	55,357	71,046	69,840	67,500	(2,340)	-3.4%
Utilities	2,391	2,838	2,175	-	-	-	0.0%
Interdepartmental Charges	23,370	145,160	78,403	165,675	287,256	121,581	73.4%
Other Operating Transfers Out	8,724	6,532	-	-	-	-	0.0%
Total Expenditures	**$ 2,110,571**	**$ 2,387,932**	**$ 3,137,293**	**$ 3,351,014**	**$ 3,610,836**	**$ 259,822**	**7.8%**

As shown in the summary table above, total expenditures will increase by $260,000 (+7.8%), largely driven by a $479,000 increase (+20.6%) in the Salaries and Employee Benefits expenditure classification as a result of the approved and anticipated pay and benefit adjustments, CalPERS rates and other various employee-related cost elements, as well as the included program modification. The Interdepartmental Charges expenditure classification will increase by $122,000 (+73.4%) primarily due to higher internal service allocations, including updated charges from the City's Self-Insurance Fund which are calculated annually based on a standard credibility weighted calculation of each Department's actual experience as calculated by our actuarial consultants.

The above increases are partially offset by decreases in other classifications; the Professional/ Contract Services expenditure classification will decrease by $259,000 (-55.9%), mainly due to the centralization of litigation-related funds from individual departments to the City Attorney's office. The Materials, Supplies & Maintenance expenditure classification will also decrease by $80,000 (-24.0%) as a result of aligning the budget based on historical spending trends and anticipated operational needs.

Human Resources Staffing Budget Summary (General Fund)

Job Classification	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 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	-
Office Assistant	1.00	1.00	-	-	-	-
Principal Human Resources Analyst	1.00	2.00	2.00	3.00	4.00	1.00
Staff Assistant	-	1.00	1.00	1.00	1.00	-
Total FTE	**11.00**	**12.00**	**14.00**	**16.00**	**17.00**	**1.00**

The Human Resources staffing budget will increase by 1.0 FTE position in FY 2026–27 due to the transfer of 1.0 FTE Principal Human Resources Analyst from the Public Works Department consistent with prior transfers to centralize Human Resource related positions within the department to more efficiently provide services with existing staff. This marks the final transfer required to centralize all

Human Resources positions within the Human Resources Department. This will result in a net zero impact to the overall City's budget.

Information Technology

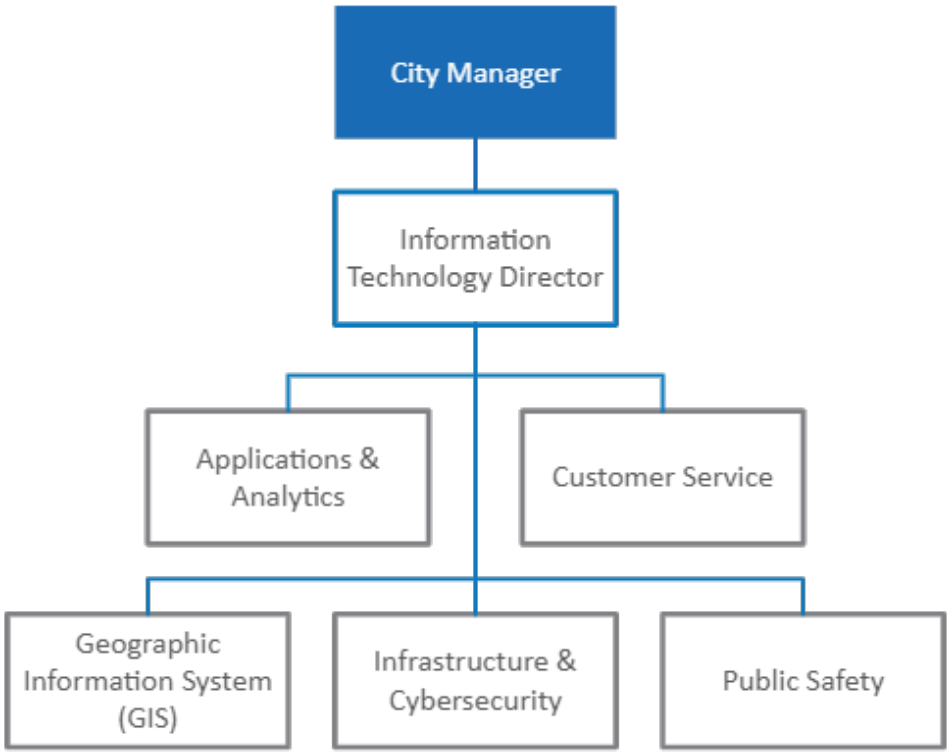
Mission Statement

The mission of the Information Technology Department ("IT") is to empower City departments with innovative, reliable, and secure technology solutions that streamline operations, enhance public service, and drive community success.

Functional Responsibilities

The IT Department plans, implements, and supports secure, reliable, and innovative technology systems that enable all City departments to operate efficiently and deliver quality public services. The department manages infrastructure, cybersecurity, applications, data, and user support while aligning technology investments with the City's strategic goals.

Department Organization



IT Operating Budget Summary (General Fund-Operating Fund)

Revenues	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Operating Transfers In	-	175,000	200,415	205,520	230,059	24,539	11.9%
Total Revenues	**$ -**	**$ 175,000**	**$ 200,415**	**$ 205,520**	**$ 230,059**	**$ 24,539**	**11.9%**

Expenditures	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Salaries and Employee Benefits	5,235,686	5,239,041	5,425,327	7,353,221	8,221,350	868,129	11.8%
Materials, Supplies & Maintenance	206,793	186,160	155,473	347,177	286,750	(60,427)	-17.4%
Professional/Contract Services	1,494,487	1,588,342	1,957,964	5,862,044	6,132,450	270,406	4.6%
Training, Travel & Membership Dues	91,045	31,313	38,083	53,496	40,000	(13,496)	-25.2%
Utilities	235,892	223,605	350,238	607,463	756,356	148,893	24.5%
Interdepartmental Charges	139,739	138,635	203,315	223,796	712,930	489,134	218.6%
Capital Acquisitions	800	27,235	21,102	42,261	-	(42,261)	-100.0%
Other Operating Transfers Out	81,809	62,570	-	-	-	-	0.0%
Total Expenditures	**$ 7,486,251**	**$ 7,496,901**	**$ 8,151,502**	**$ 14,489,458**	**$ 16,149,836**	**$ 1,660,378**	**11.5%**
Revenues Less Expenditures	**$ (7,486,251)**	**$ (7,321,901)**	**$ (7,951,087)**	**$ (14,283,938)**	**$ (15,919,777)**		

As shown in the summary table above, the Operating Transfers In revenue source will increase by $25,000 (+11.9%), which is driven by anticipated increase in transfers from the Measure SST Fund to cover the cost of 1.0 FTE Systems Analyst – Infrastructure & Cybersecurity position.

Total expenditures will increase by $1.7 million (+11.5%). The Salaries and Employee Benefits expenditure classification will increase by $868,000 (+11.8%) as a net result of changes in the department's budgeted staffing levels, approved and anticipated pay and benefit adjustments, CalPERS rates, and other various employee-related cost elements. The Professional/Contract Services Expenditure classification will increase by $270,000 (+4.6%) primarily to accommodate increase in public safety-related software expenses. The Interdepartmental Charges expenditure classification will increase by $489,000 (+218.6%) due to higher internal service allocations, including updated charges from the City's Self-Insurance Fund which are calculated annually based on a standard credibility weighted calculation of each Department's actual experience as calculated by our actuarial consultants.

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

Expenditures	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Professional/Contract Services	158,705	361,552	475,235	814,800	807,900	(6,900)	-0.8%
Total Expenditures	**$ 158,705**	**$ 361,552**	**$ 475,235**	**$ 814,800**	**$ 807,900**	**$ (6,900)**	**-0.8%**

As shown in the summary table above, the Professional/Contract Services expenditure classification will slightly decrease by $7,000 (-0.8%), and this budget will cover non-wage costs associated with efforts to address cybersecurity.

IT Staffing Budget Summary (General Fund)

Job Classification	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)
Admin Analyst/Sr. Admin 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	-	-	-
Communications Manager	1.00	-	-	-	-	-
Communications Supv/Telecomm	1.00	1.00	1.00	-	-	-
Deputy IT Director - CISO	-	-	-	1.00	1.00	-
GIS Administrator	-	-	-	-	1.00	1.00
Info Tech Specialist	6.00	5.00	5.00	7.00	6.00	(1.00)
Info Technology Analyst	7.00	6.00	6.00	7.00	-	(7.00)
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)
Intern	0.50	1.00	1.00	1.00	-	(1.00)
IT Analyst - Applications & Analytics	-	-	-	-	3.00	3.00
IT Analyst - Infrastructure	-	-	-	-	2.00	2.00
IT Analyst - Public Safety	-	-	-	-	1.00	1.00
IT Manager - Applications & Analytics	-	-	-	-	1.00	1.00
IT Manager - Communications & Customer Support	-	-	-	-	1.00	1.00
IT Manager - GIS	-	-	-	-	1.00	1.00
IT Manager - Infrastructure & Cybersecurity	-	-	-	-	1.00	1.00
IT Manager - Public Safety	-	-	-	-	1.00	1.00
Project Manager - Information Technology	-	-	-	1.00	1.00	-
Senior Admin Assistant	1.00	1.00	2.00	1.00	1.00	-
Storekeeper	1.00	1.00	1.00	-	-	-
Systems Analyst	9.00	10.00	10.00	12.00	-	(12.00)
Systems Analyst - Applications & Analytics	-	-	-	-	4.00	4.00
Systems Analyst - Customer Support	-	-	-	-	2.00	2.00
Systems Analyst - Infrastructure	-	-	-	-	4.00	4.00
Systems Analyst - Public Safety	-	-	-	-	2.00	2.00
Telecommunications Tech	2.00	2.00	2.00	-	-	-
Wireless & Radio Svcs Supervisor	-	-	-	1.00	1.00	-
Wireless Technician	4.00	4.00	4.00	6.00	6.00	-
Total FTE	**37.50**	**38.00**	**39.00**	**44.00**	**42.00**	**(2.00)**

The Information Technology Department staffing budget will decrease by 2.0 FTE for the deletion of 1.0 FTE Intern and 1.0 FTE Info Tech Specialist, which will partially offset the cost associated with the addition of 1.0 FTE Deputy IT Director – CISO that was approved by City Council on April 7, 2026. Additionally, the program modification includes the conversion of 1.0 FTE Info Technology Analyst to 1.0 FTE GIS Administrator along with the following positions titles being revised for consistency with previously approved actions by City Council to establish classifications in specific focus areas aligning with external labor markets:

- Info Technology Analyst to newly created classifications of IT Analyst – Applications & Analytics, IT Analyst – Infrastructure, and IT Analyst – Public Safety;
- Systems Analyst to newly created classifications of Systems Analyst – Applications & Analytics, Systems Analyst – Customer Support, Systems Analyst – Infrastructure, and Systems Analyst – Public Safety;

- Information Technology Manager to newly created classifications of IT Manager – Applications & Analytics, IT Manager – Communications & Customer Support, IT Manager – GIS, IT Manager – Infrastructure & Cybersecurity, and IT Manager – Public Safety

Collectively, these changes reflect a focused effort to streamline operations, align staffing with evolving citywide needs, and enhance the department's effectiveness.

Police

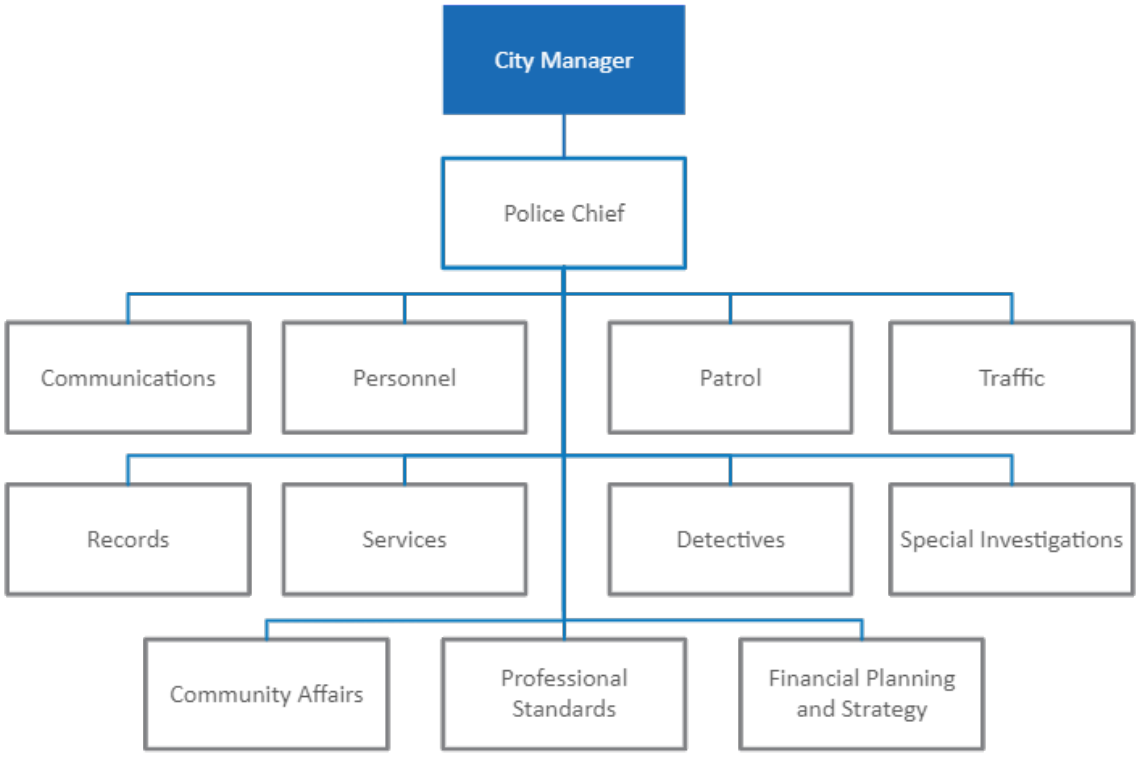
Mission Statement

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, and all such training and support necessary for these activities.

Department Organization



Police Operating Budget Summary (General Fund-Operating Fund)

Revenues	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Licenses, Fees and Permits	370,702	319,059	263,454	314,000	298,000	(16,000)	-5.1%
Intergovernmental	70,701	18,875	36,836	19,750	7,500	(12,250)	-62.0%
Other Revenues	2,445	2,118	1,914	-	-	-	0.0%
Charges for Services	304,754	368,818	386,000	369,200	348,910	(20,290)	-5.5%
Operating Transfers In	8,587,595	8,802,285	9,847,116	10,966,238	11,259,513	293,275	2.7%
Total Revenues	**$ 9,336,197**	**$ 9,511,155**	**$ 10,535,320**	**$ 11,669,188**	**$ 11,913,923**	**$ 244,735**	**2.1%**

Expenditures	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Salaries and Employee Benefits	75,954,734	75,257,758	85,015,028	95,341,102	98,324,130	2,983,028	3.1%
Salaries and Benefits Reimbursements	(112,612)	(226,631)	(180,073)	(260,000)	(327,389)	(67,389)	25.9%
Materials, Supplies & Maintenance	1,639,675	2,219,046	2,380,663	733,572	803,125	69,553	9.5%
Materials Reimbursements	(22,328)	(17,085)	(12,566)	(11,397)	(43,881)	(32,484)	285.0%
Professional/Contract Services	2,219,325	2,056,093	3,435,552	2,992,166	2,667,150	(325,016)	-10.9%
Training, Travel & Membership Dues	497,349	517,336	392,054	464,751	438,500	(26,251)	-5.6%
Liabilities, Settlements & Insurance	289,050	49,235	-	-	-	-	0.0%
Utilities	431,711	433,177	416,882	491,700	446,066	(45,634)	-9.3%
Interdepartmental Charges	5,777,273	7,618,827	8,987,230	10,074,824	10,021,657	(53,167)	-0.5%
Capital Acquisitions	-	-	-	100,000	50,000	(50,000)	-50.0%
Other Operating Transfers Out	4,073	3,088	-	-	-	-	0.0%
Total Expenditures	**$ 86,678,250**	**$ 87,910,844**	**$ 100,434,770**	**$ 109,926,718**	**$ 112,379,358**	**$ 2,452,640**	**2.2%**
Revenues Less Expenditures	**$ (77,342,053)**	**$ (78,399,689)**	**$ (89,899,450)**	**$ (98,257,530)**	**$ (100,465,435)**		

Total revenue sources for FY 2026–27 will increase by $245,000 (+2.1%). The increase is primarily attributed to the Operating Transfers In classification from Measure SST Fund transfers to maintain sworn position staffing levels.

The Charges for Services budgeted revenue source is mainly comprised of various receipts including false alarm fees, vehicle impound fees and photocopies. The Licenses, Fees and Permits budgeted revenue source is comprised of alarm permit fees and oversized vehicle permits.

On the expenditure side, the Salaries and Employee Benefits expenditure classification will increase by $3.0 million (+3.1%) in FY 2026–27 as a result of changes in approved and anticipated pay and benefit adjustments, CalPERS rates, and other various employee-related cost elements. The Professional/Contract Services expenditure classification will decrease mainly due to the centralization of litigation-related costs from individual departments to the City Attorney's office.

Police Operating Budget Summary (Traffic Safety Fund)

Revenues	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Fines, Forfeitures and Penalties	-	83,863	57,120	70,950	55,000	(15,950)	-22.5%
Use of Money and Property	-	(1,497)	(509)	-	-	-	0.0%
Total Revenues	**$ -**	**$ 82,366**	**$ 56,611**	**$ 70,950**	**$ 55,000**	**$ (15,950)**	**-22.5%**

Expenditures	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Professional/Contract Services	-	74,616	45,245	70,950	55,000	(15,950)	-22.5%
Total Expenditures	**$ -**	**$ 74,616**	**$ 45,245**	**$ 70,950**	**$ 55,000**	**$ (15,950)**	**-22.5%**
Revenues Less Expenditures	**$ -**	**$ 7,750**	**$ 11,366**	**$ -**	**$ -**		

The Traffic Safety Fund (California Vehicle Code, Section 42200 – 42205) 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 the FY 2026–27 revenue and expenditure budgets set at $55,000 to fund contract services related to the Professional/Contract Services expenditure classification for as-needed crossing guard services.

Police Staffing Budget Summary (General Fund)

Job Classification	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)
Admin Analyst/Sr. Admin Analyst	3.00	5.00	5.00	5.00	5.00	-
Admin Services Manager	4.00	4.00	4.00	4.00	4.00	-
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	-
Communications Manager	-	-	-	1.00	1.00	-
Crossing Guard	13.00	16.00	16.00	16.00	16.00	-
Digital Evidence Technician	-	-	-	2.00	2.00	-
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	-	-	-
Info Technology Analyst	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	-
Performance Auditor	-	-	-	2.00	2.00	-
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 Commander	-	-	-	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	3.00	3.00	-
Systems Analyst	1.00	1.00	1.00	-	-	-
Total FTE	**351.00**	**359.00**	**359.00**	**359.00**	**359.00**	**-**

The Police Department's staffing has no newly adopted changes, remaining at 359.0 FTE.

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 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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Other Revenues	91,961	120,056	30,893	-	-	-	0.0%
Charges for Services	230,762	252,073	453,995	560,110	578,030	17,920	3.2%
Operating Transfers In	3,406,980	4,179,358	4,024,720	4,521,169	4,591,275	70,106	1.6%
Total Revenues	**$ 3,729,703**	**$ 4,551,487**	**$ 4,509,608**	**$ 5,081,279**	**$ 5,169,305**	**$ 88,026**	**1.7%**

Expenditures	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Salaries and Employee Benefits	8,420,944	8,716,569	9,432,310	10,786,017	12,019,980	1,233,963	11.4%
Salaries and Benefits Reimbursements	(155,377)	(120,950)	(81,917)	(172,500)	(109,276)	63,224	-36.7%
Materials, Supplies & Maintenance	2,448,203	2,962,187	3,064,032	1,841,646	1,716,750	(124,896)	-6.8%
Materials Reimbursements	(90,290)	(59,271)	(55,400)	(65,000)	(64,851)	149	-0.2%
Professional/Contract Services	1,026,614	1,628,183	2,155,877	2,420,750	2,626,698	205,948	8.5%
Training, Travel & Membership Dues	6,891	3,792	17,558	30,928	22,890	(8,038)	-26.0%
Liabilities, Settlements & Insurance	282,285	79,950	29,874	-	-	-	0.0%
Utilities	861,540	853,461	829,407	930,300	1,018,424	88,124	9.5%
Interdepartmental Charges	3,330,978	4,184,830	4,693,189	7,016,760	7,648,323	631,563	9.0%
Capital Acquisitions	46,036	289,689	128,681	112,035	60,000	(52,035)	-46.4%
Other Operating Transfers Out	92,687	31,833	-	-	-	-	0.0%
Total Expenditures	**$ 16,270,511**	**$ 18,570,273**	**$ 20,213,611**	**$ 22,900,936**	**$ 24,938,938**	**$ 2,038,002**	**8.9%**
Revenues Less Expenditures	**$ (12,540,808)**	**$ (14,018,786)**	**$ (15,704,003)**	**$ (17,819,657)**	**$ (19,769,633)**		

Total revenue sources for FY 2026–27 will increase by $88,000 (+1.7%). The budgeted revenue source in the Charges for Services classification is comprised of traffic signal maintenance fees. The Operating Transfers In revenue classification primarily reflects transfers from the Sanitation Fund of $1.8 million to support the residential portion of the City's street sweeping program and is mainly comprised of associated personnel costs from the Sanitation Fund. An additional transfer from Gas Tax funding is programmed for $2.7 million for the upcoming year to partially fund street maintenance and traffic signals.

The Salaries and Employee Benefits expenditure classification will increase by $1.2 million (+11.4%) in FY 2026–27, primarily due to approved and anticipated salary and benefit adjustments, increased CalPERS contribution rates, and other employee-related cost elements. Professional/Contract Services classification will increase by $206,000 (+8.5%) primarily due to contract services needs supporting operations, including additional cost budgeted for citywide sidewalk ramping and grinding program.

The Interdepartmental Charges classification will increase approximately by $632,000 (+9.0%), primarily due to higher internal service allocations, including updated charges from the City's Self-Insurance Fund which are calculated annually based on a standard credibility weighted calculation of each Department's actual experience as calculated by our actuarial consultants, as well as fleet-related cost allocation adjustments.

Public Works Operating Budget Summary (Sanitation Fund)

Revenues	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Licenses, Fees and Permits	1,002,147	1,137,249	1,401,467	583,350	1,550,000	966,650	165.7%
Use of Money and Property	250,977	115,071	385,552	335,298	422,885	87,587	26.1%
Other Revenues	114,770	148,604	719,897	110,000	140,000	30,000	27.3%
Charges for Services	12,582,254	14,629,714	15,711,709	17,457,220	18,725,970	1,268,750	7.3%
Operating Transfers In	2,698,962	10,839,111	382,321	507,871	502,250	(5,621)	-1.1%
Total Revenues	**$ 16,649,110**	**$ 26,869,749**	**$ 18,600,946**	**$ 18,993,739**	**$ 21,341,105**	**$ 2,347,366**	**12.4%**

Expenditures	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Salaries and Employee Benefits	3,888,009	3,926,386	4,143,005	4,832,863	5,111,829	278,966	5.8%
Salaries and Benefits Reimbursements	(10,032)	(9,509)	(13,617)	-	-	-	0.0%
Materials, Supplies & Maintenance	3,284,641	3,150,894	3,414,993	1,271,962	823,810	(448,152)	-35.2%
Materials Reimbursements	(185,905)	(247,758)	(186,584)	(115,958)	(43,576)	72,382	-62.4%
Professional/Contract Services	2,812,667	3,725,720	3,637,901	5,213,539	5,188,420	(25,119)	-0.5%
Training, Travel & Membership Dues	2,610	1,323	44,815	69,355	67,500	(1,855)	-2.7%
Depreciation and Amortization	945,178	873,796	792,152	1,200,000	1,236,000	36,000	3.0%
Liabilities, Settlements & Insurance	26,672	41,780	3,640	-	-	-	0.0%
Utilities	3,004	1,531	1,805	-	-	-	0.0%
Interdepartmental Charges	1,560,630	3,211,434	1,970,147	5,735,913	5,765,782	29,869	0.5%
Debt Service	79,852	(38,645)	(20,090)	-	-	-	0.0%
Capital Acquisitions	446,737	446,737	1,524,685	5,667,221	2,574,448	(3,092,773)	-54.6%
Asset Contra Account	(446,737)	(470,592)	(1,524,685)	(5,667,221)	(2,574,448)	3,092,773	-54.6%
Other Operating Transfers Out	2,404,057	11,718,337	1,267,424	1,778,048	1,848,275	70,227	3.9%
Bad Debts and Other Losses	-	97,430	32,283	50,000	50,000	-	0.0%
Total Expenditures	**$ 14,811,383**	**$ 26,428,864**	**$ 15,087,874**	**$ 20,035,722**	**$ 20,048,040**	**$ 12,318**	**0.1%**
Revenues Less Expenditures	**$ 1,837,727**	**$ 440,885**	**$ 3,513,072**	**$ (1,041,983)**	**$ 1,293,065**		

Overall revenue sources in FY 2026–27 will increase by $2.3 million (+12.4%), primarily due to changes in the Charges for Services and Licenses, Fees and Permits classifications. The increase in Charges for Services is mainly due to the series of annual rate increase for sanitation collection services totaling $1.3 million and was previously approved by City Council in 2023. The increase in Licenses, Fees and Permits is due to an anticipated increase from franchise fees from waste haulers of $1.0 million and is a realignment of budget with actual receipts.

Total revenue sources budgeted in this fund for FY 2026–27 exceed $21.3 million with the majority from the Charges for Services classification. Collections services within this classification are expected to be $18.5 million for the upcoming year. The second highest revenue source within this fund are franchise fees, classified within Licenses, Fees, and Permits, collected from waste haulers totaling $1.5 million for the upcoming year.

The Salaries and Employee Benefits expenditure classification will increase by $279,000 (+5.8%), primarily due to the approved and anticipated pay and benefit adjustments, CalPERS rates and other various employee-related cost elements, as well as the program modification. The Materials, Supplies & Maintenance expenditure classification will decrease by $448,000 (-35.2%), reflecting reduced spending trends and operational needs for vehicle fuels and repair costs, compared to the prior year. The Capital Acquisitions and Asset Contra Account classification reflect the purchase of capital assets

with a decrease of approximately $3.1 million (-54.6%), aligning the budget with planned asset replacement needs.

Public Works Operating Budget Summary (Sewer Fund)

Revenues	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Use of Money and Property	142,924	531,746	787,993	601,771	714,959	113,188	18.8%
Other Revenues	13,459	31,327	61,315	10,000	23,000	13,000	130.0%
Charges for Services	5,885,583	6,875,943	7,359,954	7,553,510	7,818,380	264,870	3.5%
Operating Transfers In	527,677	611,184	34,347	35,827	36,902	1,075	3.0%
Total Revenues	**$ 6,569,643**	**$ 8,050,200**	**$ 8,243,609**	**$ 8,201,108**	**$ 8,593,241**	**$ 392,133**	**4.8%**

Expenditures	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Salaries and Employee Benefits	1,675,358	1,612,081	1,817,633	2,065,769	2,122,780	57,011	2.8%
Materials, Supplies & Maintenance	295,645	329,093	301,320	196,305	70,000	(126,305)	-64.3%
Materials Reimbursements	(72)	(5,892)	(3,317)	-	(32,555)	(32,555)	0.0%
Professional/Contract Services	661,238	321,118	295,832	456,871	379,500	(77,371)	-16.9%
Training, Travel & Membership Dues	1,918	1,754	2,441	12,368	5,000	(7,368)	-59.6%
Depreciation and Amortization	134,931	93,094	1,327,109	1,350,000	1,412,754	62,754	4.6%
Utilities	60,888	85,296	71,663	93,083	116,332	23,249	25.0%
Interdepartmental Charges	653,523	713,950	733,385	1,027,196	989,285	(37,911)	-3.7%
Capital Acquisitions	-	249,747	1,797,649	249,602	-	(249,602)	-100.0%
Asset Contra Account	-	(249,747)	(1,797,649)	(249,602)	-	249,602	-100.0%
Other Operating Transfers Out	1,747,052	2,988,972	1,306,900	1,900,000	-	(1,900,000)	-100.0%
Bad Debts and Other Losses	-	30,583	11,054	30,000	30,000	-	0.0%
Total Expenditures	**$ 5,230,481**	**$ 6,170,049**	**$ 5,864,020**	**$ 7,131,592**	**$ 5,093,096**	**$ (2,038,496)**	**-28.6%**
Revenues Less Expenditures	**$ 1,339,162**	**$ 1,880,151**	**$ 2,379,589**	**$ 1,069,516**	**$ 3,500,145**		

Overall revenue sources in FY 2026–27 will increase by $392,000 (+4.8%), primarily due to changes in the Charges for Services and Use of Money and Property classifications. The increase in Charges for Services is mainly due to the series of annual rate increase for sewer discharge fees totaling $264,000 and was previously approved by City Council in 2023. The increase in Use of Money and Property is due to an anticipated increase from investment earnings of $113,000.

Total revenue sources budgeted in this fund for FY 2026–27 exceed $8.6 million with the majority from the Charges for Services classification. Sewer discharge fees within this classification are expected to be $7.8 million for the upcoming year. The second highest revenue source within this fund are investment earnings, classified within Use of Money and Property, totaling $715,000 for the upcoming year.

Overall expenditures will decrease by $2.0 million (-28.6%), driven by a $1.9 million decrease (-100%) in the Other Operating Transfers Out expenditure classification, as a result of eliminating the transfers between the Sewer Capital Fund and the Sewer Operating Fund starting in FY 2026–27. The Materials, Supplies & Maintenance expenditure classification will decrease by $126,000 (-64.3%) due to reductions in Fleet-related expenses based on historical spending trends and anticipated operation needs. The Capital Acquisitions and Asset Contra Account classifications will have $0 budgeted for FY 2026–27, as there are no plans to purchase or replace any vehicles during FY 2026–27.

Public Works Operating Budget Summary (Water Fund)

Revenues	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Use of Money and Property	727,785	1,927,037	2,565,755	2,005,039	2,021,131	16,092	0.8%
Other Revenues	67,060	157,891	73,227	50,000	75,000	25,000	50.0%
Charges for Services	54,187,955	53,815,855	57,118,884	59,689,460	63,470,101	3,780,641	6.3%
Operating Transfers In	395,077	361,528	18,284	24,388	25,120	732	3.0%
Total Revenues	**$ 55,377,877**	**$ 56,262,311**	**$ 59,776,150**	**$ 61,768,887**	**$ 65,591,352**	**$ 3,822,465**	**6.2%**

Expenditures	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Salaries and Employee Benefits	4,853,701	5,168,438	5,546,772	6,212,724	6,544,313	331,589	5.3%
Salaries and Benefits Reimbursements	-	-	(82,411)	-	-	-	0.0%
Materials, Supplies & Maintenance	2,297,674	2,370,539	1,278,701	1,627,164	1,181,750	(445,414)	-27.4%
Materials Reimbursements	(10)	(1,174)	(1,503)	-	(1,646)	(1,646)	0.0%
Parts, Fuel & Lubricants Inventory Purchases	526,980	807,713	514,770	612,670	585,000	(27,670)	-4.5%
Parts, Fuel & Lubricants Contra	(526,980)	(807,713)	(514,770)	(612,670)	(585,000)	27,670	-4.5%
Stored Water Rights Inventory Purchases	444,314	-	-	-	-	-	0.0%
Stored Water Rights Contra	(444,314)	-	-	-	-	-	0.0%
Professional/Contract Services	1,255,614	1,212,116	1,635,760	2,200,563	2,145,237	(55,326)	-2.5%
Water Supply Costs	32,958,829	33,568,387	36,462,990	40,477,000	39,570,000	(907,000)	-2.2%
Training, Travel & Membership Dues	9,633	16,147	8,019	39,183	18,750	(20,433)	-52.1%
Depreciation and Amortization	126,742	139,091	2,773,504	2,950,000	2,985,925	35,925	1.2%
Liabilities, Settlements & Insurance	3,624	32,439	-	-	-	-	0.0%
Utilities	175,800	180,077	223,198	206,189	257,717	51,528	25.0%
Interdepartmental Charges	2,497,907	2,860,822	3,664,057	4,249,952	4,085,709	(164,243)	-3.9%
Debt Service	642,285	642,233	1,460,231	1,567,288	1,462,570	(104,718)	-6.7%
Debt Service Reimbursements	(567,277)	(580,744)	(1,368,531)	(1,307,414)	(1,260,032)	47,382	-3.6%
Capital Acquisitions	31,027	218,933	-	1,638,868	-	(1,638,868)	-100.0%
Asset Contra Account	(45,605)	(218,933)	-	(1,638,868)	-	1,638,868	-100.0%
Other Operating Transfers Out	3,171,032	9,957,878	3,601,277	3,603,507	4,508	(3,598,999)	-99.9%
Bad Debts and Other Losses	-	135,944	12,857	150,000	30,000	(120,000)	-80.0%
Total Expenditures	**$ 47,410,976**	**$ 55,702,193**	**$ 55,214,921**	**$ 61,976,156**	**$ 57,024,801**	**$ (4,951,355)**	**-8.0%**
Revenues Less Expenditures	**$ 7,966,901**	**$ 560,118**	**$ 4,561,229**	**$ (207,269)**	**$ 8,566,551**		

Overall revenue sources in FY 2026–27 will increase by $3.8 million (+6.2%), primarily due to changes in the Charges for Services classification. The increase in Charges for Services is mainly due to the series of annual rate increase for water usage fees totaling $3.8 million and was previously approved by City Council in 2024.

Total sources budgeted in this fund for FY 2026–27 exceed $65.6 million with the majority from the Charges for Services classification. Water usage fees from rate payers within this classification are expected to be $62.7 million for the upcoming year with potable and recycled split at 80% and 20%, respectively. Investment earnings, classified within Use of Money and Property, are projected to total $2.0 million for the upcoming year.

The Salaries and Employee Benefits expenditure classification will increase by $331,600 (+5.3%) as a result of changes in the department's budgeted staffing levels, approved and anticipated pay and benefit adjustments, CalPERS rates, and other various employee-related cost elements.

Total expenditures will decrease by $5.0 million (-8%), driven by reductions in the Other Operating Transfers Out, Water Supply Costs, and Materials, Supplies & Maintenance expenditure

classifications. The Other Operating Transfers Out classification will decrease by $3.6 million (-99.9%); primarily as a result of eliminating the transfers between the Water Capital Fund and the Water Operating Fund starting in FY 2026–27. In Water Supply Costs, the $907,000 decrease (-2.2%) is mainly due to adjustments to the expenditure budget to align with projected purchases required. Finally, the $445,400 decrease (-27.4%) in the Materials, Supplies & Maintenance expenditure classification is to better align budgeted numbers with historical actuals.

Public Works Operating Budget Summary (Street Lighting District Fund)

Revenues	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Taxes	1,279,425	1,277,827	1,290,876	1,291,371	1,303,211	11,840	0.9%
Operating Transfers In	430,966	568,817	591,221	646,457	665,704	19,247	3.0%
Total Revenues	**$ 1,710,391**	**$ 1,846,644**	**$ 1,882,097**	**$ 1,937,828**	**$ 1,968,915**	**$ 31,087**	**1.6%**

Expenditures	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Professional/Contract Services	19,148	46,882	26,732	22,150	22,150	-	0.0%
Utilities	1,691,242	1,799,762	1,855,365	1,915,678	1,946,765	31,087	1.6%
Total Expenditures	**$ 1,710,390**	**$ 1,846,644**	**$ 1,882,097**	**$ 1,937,828**	**$ 1,968,915**	**$ 31,087**	**1.6%**
Revenues Less Expenditures	**$ 1**	**$ -**	**$ -**	**$ -**	**$ -**		

The Operating Transfers in revenue classification will increase by $19,000 (+3.0%), which represents transfers in from the General Fund-Operating Fund and Gas Tax Fund. Transfers in from the Gas Tax Fund are used as a balancing mechanism for the fund's overall budget.

The Utilities expenditure classification will increase by $31,000 (+1.6%) to align the budget with anticipated FY 2026–27 needs.

Public Works Staffing Budget Summary (General Fund and Non-General Funds)

Job Classification	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)
Admin Analyst/Sr. Admin Analyst	2.00	2.00	2.00	2.00	2.00	-
Admin Services Manager	1.00	1.00	1.00	1.00	1.00	-
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	9.00	(1.00)
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	8.00	8.00	-
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	45.00	45.00	-
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	36.00	36.00	-
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 Engineer	-	-	-	-	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**	**212.00**	**211.00**	**(1.00)**

The Public Works staffing budget will have a net decrease of 1.0 FTE in FY 2026–27. This includes the conversion of 1.0 FTE Associate Engineer to 1.0 FTE Traffic Engineer to provide more specialized support for the Traffic division, as well as the transfer of 1.0 FTE Principal Human Resource Analyst to the Human Resources department consistent with prior transfers to centralize Human Resource related positions within the department to more efficiently provide services with existing staff. This marks the final transfer required to centralize all Human Resources positions within the Human Resources Department. This will result in a net zero impact on the overall City's budget.

Transit

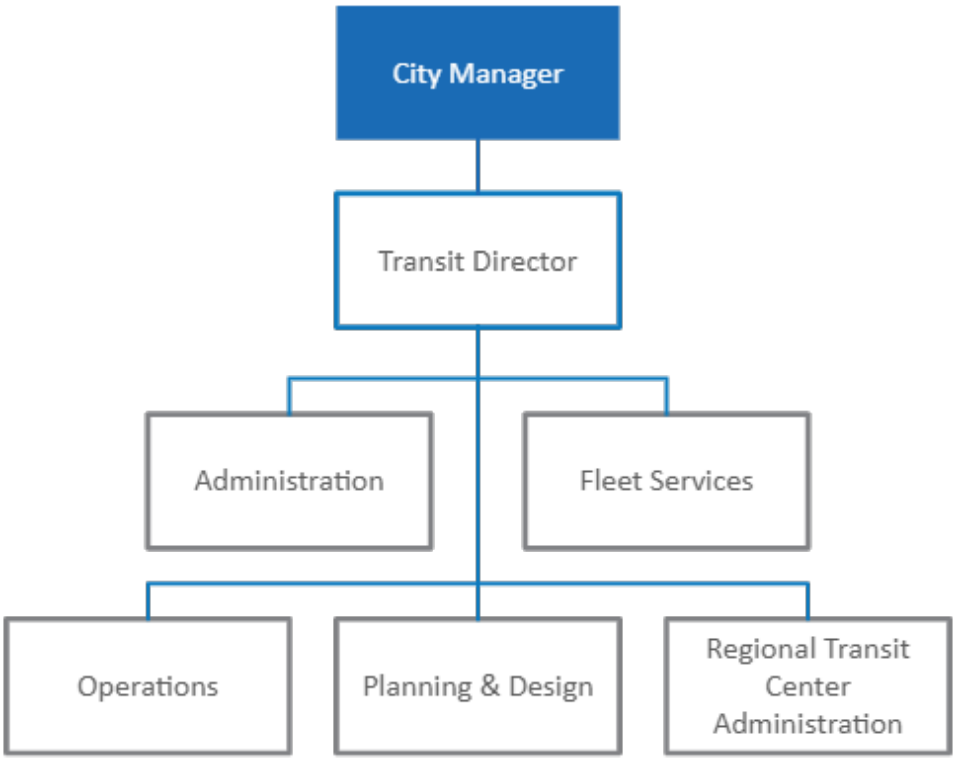
Mission Statement

The mission of the Torrance Transit System is to provide safe, reliable, 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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Use of Money and Property	506,189	2,032,415	1,978,489	1,792,387	1,619,130	(173,257)	-9.7%
Intergovernmental	31,493,249	25,557,449	30,007,279	30,995,342	35,086,946	4,091,604	13.2%
Other Revenues	3,500	572,358	1,175	2,500	-	(2,500)	-100.0%
Charges for Services	959,729	1,205,361	1,559,985	1,718,200	1,910,590	192,390	11.2%
Operating Transfers In	3,000,000	3,000,000	3,000,000	4,000,000	4,500,000	500,000	12.5%
Total Revenues	**$ 35,962,667**	**$ 32,367,583**	**$ 36,546,928**	**$ 38,508,429**	**$ 43,116,666**	**$ 4,608,237**	**12.0%**

Expenditures	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Salaries and Employee Benefits	14,458,042	18,574,735	21,372,036	24,807,618	26,853,220	2,045,602	8.2%
Materials, Supplies & Maintenance	2,708,360	3,235,085	3,370,365	3,482,160	3,003,528	(478,632)	-13.7%
Materials Reimbursements	(200,517)	(287,254)	(240,697)	(250,000)	(166,693)	83,307	-33.3%
Parts, Fuel & Lubricants Inventory Purchases	1,245,791	1,440,811	1,323,024	1,811,250	1,390,000	(421,250)	-23.3%
Parts, Fuel & Lubricants Contra	(1,245,791)	(1,440,811)	(1,323,024)	(1,811,250)	(1,390,000)	421,250	-23.3%
Professional/Contract Services	2,303,061	2,234,357	3,243,426	4,862,942	2,917,518	(1,945,424)	-40.0%
Training, Travel & Membership Dues	86,342	111,957	122,355	161,289	112,500	(48,789)	-30.2%
Depreciation and Amortization	3,188,690	2,531,126	2,330,227	3,401,518	4,720,836	1,319,318	38.8%
Liabilities, Settlements & Insurance	476,539	142,794	38,662	-	-	-	0.0%
Utilities	125,519	210,397	278,318	344,100	267,192	(76,908)	-22.4%
Interdepartmental Charges	5,881,955	6,227,487	7,219,556	8,712,352	11,347,538	2,635,186	30.2%
Capital Acquisitions	8,487	28,205	43,521	50,000	50,000	-	0.0%
Asset Contra Account	(412,639)	(99,159)	(839,487)	(50,000)	(50,000)	-	0.0%
Other Operating Transfers Out	97,795	76,578	633,985	1,269,940	20,707	(1,249,233)	-98.4%
Total Expenditures	**$ 28,721,634**	**$ 32,986,308**	**$ 37,572,267**	**$ 46,791,919**	**$ 49,076,346**	**$ 2,284,427**	**4.9%**
Revenues Less Expenditures	**$ 7,241,033**	**$ (618,725)**	**$ (1,025,339)**	**$ (8,283,490)**	**$ (5,959,680)**		

Total revenue sources for FY 2026–27 will increase by $4.6 million (+12.0%), primarily due to growth in the Intergovernmental and Operating Transfers In classifications along with leveraging accumulated balances and one-time sources that are available to support daily operations. The increase in Intergovernmental is mainly due to increased LA County Metro funding from Measure M of $1.3 million, Line 4 expansion of $1.0 million and Federal funding for capital maintenance of $0.8 million. The increase in Operating Transfers In is from additional Proposition A funding of $500,000.

Revenue sources budgeted in this fund for FY 2026–27 total over $43.1 million with the majority from the Intergovernmental and Operating Transfers In classifications. Budgeted revenues within the Intergovernmental classification are anticipated to be $35.1 million and are mainly comprised of funding from the Transportation Development Act of $7.8 million, Proposition A of $5.1 million, Measure M of $4.9 million, Measure R of $3.4 million, and FTA Section 5307 funding $3.0 million. The Operating Transfers In budget of $4.5 million is from Proposition A funding.

On the expenditure side, the total budget will increase by $2.3 million (+4.9%). While this is an increase compared to FY 2025–26, the adopted budget has been carefully developed with a focus on reducing the negative impact on the Transit fund's structural deficit position, which will continue to be closely monitored over the future budget cycles with additional reductions anticipated.

The Salaries and Employee Benefits expenditure classification will increase by approximately $2.0 million (+8.2%) in FY 2026–27, as a net result of approved and anticipated salary and benefit adjustments, increased CalPERS contribution rates, other employee-related cost elements, and program modifications. The Materials, Supplies & Maintenance classification will decrease by $479,000 (-13.7%), aligning budget based on historical spending trends and anticipated operational needs related to vehicle fuel and maintenance costs. The Professional/Contract Services classification will decrease approximately $1.9 million (-40.0%) primarily due to majority of FY 2026–27 cost related to the Micro Transit project will be covered by grant funding outside the operating budget. The Depreciation and Amortization classification will increase by $1.3 million (+38.8%), reflecting purchases of new transit buses. The Interdepartmental Charges classification will increase by $2.6 million (+30.2%), primarily due to higher internal service allocations, including updated Self-Insurance charges based on a standard credibility weighted calculation of each Department's actual experience as calculated by our actuarial consultants and the increase in indirect costs resulting from increased salaries and employee benefit costs. Additionally, starting FY 2026–27, Transit Fund will be assessed temporary internal rent charges for the use of the City-owned land next to the Regional Transit Center, which will function as a temporary parking lot during the new parking structure's construction. The Other Operating Transfers Out classification will decrease by $1.2 million (-98.4%) as a result of eliminating the transfers between the Transit Capital Fund and the Transit Operating Fund starting in FY 2026–27.

Transit Staffing Budget Summary (Non-General Fund)

Job Classification	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)
Admin Analyst/Sr. Admin 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	-
Custodian	1.00	1.00	1.00	-	-	-
Customer Service Rep	2.80	2.80	2.80	2.80	2.60	(0.20)
Deputy Transit Director	1.00	1.00	1.00	1.00	1.00	-
Driver/Clerk, Delivery	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	-	-	-
Info Technology Analyst	1.00	1.00	1.00	1.00	-	(1.00)
Intern	2.00	2.00	2.00	2.00	1.00	(1.00)
IT Analyst - Applications & Analytics	-	-	-	-	1.00	1.00
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	-	-	-
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)
Systems Analyst - Applications & Analytics	-	-	-	-	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	-
Transit 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	2.00	(1.00)
Transit Senior Mechanic	-	12.00	12.00	12.00	10.00	(2.00)
Transit Supervisor	12.00	12.00	12.00	12.00	10.00	(2.00)
Transit Training Coordinator	1.00	1.00	1.00	1.00	1.00	-
Total FTE	**196.80**	**196.80**	**196.80**	**205.30**	**198.10**	**(7.20)**

The Transit staffing budget will decrease by 7.2 FTE in FY 2026–27, including the reduction of 0.2 FTE Customer Service Rep to align with the incumbent's current schedule, and the deletions of 1.0 FTE Intern, 1.0 FTE Transit Marketing Specialist, 1.0 FTE Transit Mechanic, 2.0 FTE Transit Senior Mechanic, and 2.0 FTE Transit Supervisors. Additionally, it includes a reclassification of 1.0 FTE Info Technology Analyst to 1.0 FTE IT Analyst – Applications & Analytics and a reclassification of 1.0 FTE

Systems Analyst to 1.0 FTE Systems Analyst – Applications & Analytics to align with the result of the Information Technology department reorganization.

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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Salaries and Employee Benefits	92,273	130,040	169,380	199,717	81,500	(118,217)	-59.2%
Reimbursements-Indirect Costs	(6,320,271)	(7,901,694)	(9,031,620)	(10,741,685)	(11,466,865)	(725,180)	6.8%
Materials, Supplies & Maintenance	74,203	65,883	39,902	493,387	3,047,400	2,554,013	517.6%
Materials Reimbursements	(7,998)	(5,306)	(7,477)	(5,500)	(10,918)	(5,418)	98.5%
Professional/Contract Services	886,677	970,872	1,217,659	1,396,901	1,403,901	7,000	0.5%
Training, Travel & Membership Dues	82,762	326,680	434,564	599,565	590,959	(8,606)	-1.4%
Debt Service	22,403,379	23,336,145	25,187,442	23,631,682	24,160,566	528,884	2.2%
Debt Service Reimbursements	(18,337,743)	(18,832,766)	(19,341,206)	(19,862,721)	(20,397,834)	(535,113)	2.7%
Capital Acquisitions	1,057,816	5,035,998	7,864,699	-	-	-	0.0%
Asset Contra Account	(300,812)	(740,544)	(2,087,844)	-	-	-	0.0%
Other Operating Transfers Out	36,618,589	32,118,487	19,903,129	19,237,014	9,401,196	(9,835,818)	-51.1%
Bad Debts and Other Losses	-	43	24	1,000	1,000	-	0.0%
Total Expenditures	**$ 36,248,875**	**$ 34,503,838**	**$ 24,348,652**	**$ 14,949,360**	**$ 6,810,905**	**$ (8,138,455)**	**-54.4%**

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 adopted programs and budgets for FY 2026–27:

Funds	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget
Armed Forces Parade	327,653	323,890	323,890
Artesia Lights	25,342	36,000	36,000
City Yard Open House	21,843	-	20,000
Community Clean up	3,120	10,000	10,000
Discover Torrance TBID & Downtown Torrance BID	45,000	80,000	80,000
Fourth of July Celebration	41,526	50,000	58,000
Friendship City Activities	17,230	70,000	70,000
Sister City Activities	5,045	10,000	10,000
TOCA Subsidy	74,400	74,400	74,400
Tournament of Roses Float	125,211	237,000	237,000
Youth in Government Activities	2,414	3,200	3,200
Total External Subsidies	**$ 688,784**	**$ 894,490**	**$ 922,490**

Debt Service Lease Payments (General Fund-Operating Fund)

The Non-Departmental Budget includes lease payments made by the General Fund to the City's Debt Service Fund. The adopted budget in FY 2026–27 for $3.8 million is fairly consistent from FY 2025–26 amended budget. This includes budgets related to the 2016 Certificates of Participation and the 2020 and 2021 Lease Revenue Bonds. The cost of the 2020 Lease Revenue Bond is allocated to all funds and

departments within the Salaries and Employee Benefits classification. As payroll is processed, these costs are distributed proportionally, like CalPERS-related expenses. These allocations are recorded as Debt Service Reimbursements, which reimburse the General for lease payments made to the Debt Service Fund. Additional details on the City's debt obligations is provided in the Debt Financing Information section of the Appendix.

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

Funds	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Airport Fund	333,263	292,723	320,369	379,797	414,229	34,432	9.1%
Fleet Fund	-	770,598	900,495	1,016,631	1,036,580	19,949	2.0%
Sanitation Fund	926,133	898,577	948,136	1,132,536	1,214,923	82,387	7.3%
Section 8 Housing Fund	115,381	140,056	177,619	166,014	181,912	15,898	9.6%
Self-Insurance Fund	-	205,161	222,833	305,658	325,854	20,196	6.6%
Sewer Fund	377,744	365,665	429,547	479,540	510,409	30,869	6.4%
Transit Fund	3,419,327	4,056,322	4,779,094	5,835,816	6,250,296	414,480	7.1%
Water Fund	1,148,423	1,172,591	1,253,525	1,425,700	1,532,662	106,962	7.5%
Total Indirect Cost	**$ 6,320,271**	**$ 7,901,693**	**$ 9,031,618**	**$ 10,741,692**	**$ 11,466,865**	**$ 725,173**	**6.8%**

The City charges certain Enterprise, Non-major Governmental Funds, and Internal Service Funds an indirect cost rate to recover a portion of general government support costs provided for their daily operations. Departments included in the indirect cost allocation are the City Manager, City Attorney, City Clerk, City Treasurer, Finance, Human Resources, Information Technology, and General Services. Every year the City prepares a calculation to determine the proportionate share of costs that may be charged to the applicable funds. For FY 2026–27, the indirect cost charge is equal to 31.58% of a subset of Salaries & Employee Benefits costs. This rate may also be applied, where eligible, to 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 of the Appendix.

Other Operating Transfers Out (General Fund-Operating Fund)

Receiving Fund(s)	Description	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget
Capital Project Funds	Capital Improvement Projects	4,358,559	13,194,375	5,000,000
General Fund - Restricted/Assigned	CEPPT Contribution	9,360,267	2,254,400	2,314,887
General Fund - Restricted/Assigned	Asset Replacement Contributions	5,787,362	3,237,134	1,419,911
Street Light District Fund	Street Lighting District Assessment	30,109	30,110	97,110
Santiation Fund	Citywide Refuse Collection Reimbursement; Senior Discount Subsidy	314,201	460,780	514,659
Sewer Fund	Senior/Low-Income Wastewater Discount Subsidy	34,347	35,827	35,677
Water Fund	Senior/Low-Income Water Discount Subsidy	18,284	24,388	18,952
Total Transfers		**$ 19,903,129**	**$ 19,237,014**	**$ 9,401,196**

This classification includes 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	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget
General Fund - Operating Fund	City Manager Positions Offset	68,133	232,266	259,941
General Fund - Operating Fund	Police Positions Offset	9,847,116	10,966,238	11,259,513
General Fund - Operating Fund	Fire Positions Offset	2,121,088	2,214,813	2,409,491
General Fund - Operating Fund	CIT Positions Offset	200,415	205,520	230,059
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	6,562,942
Total Transfers		**$ 25,856,912**	**$ 24,597,552**	**$ 25,721,946**

This classification includes 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 support sworn public safety, information technology, and homelessness response positions that would otherwise have been eliminated in FY 2022–23 had Measure SST not been approved.

General Fund-Restricted Fund Operating Budget

Revenues	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Licenses, Fees and Permits	308,295	277,038	243,257	247,000	240,000	(7,000)	-2.8%
Use of Money and Property	191,662	2,020,345	3,959,126	1,915,179	2,237,002	321,823	16.8%
Operating Transfers In	1,952,325	22,533,938	9,364,666	2,254,400	2,314,887	60,487	2.7%
Total Revenues	**$ 2,452,282**	**$ 24,831,321**	**$ 13,567,049**	**$ 4,416,579**	**$ 4,791,889**	**$ 375,310**	**8.5%**

Expenses	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Debt Service	3,343	19,204	29,805	36,652	37,500	848	2.3%
Other Expenditures	4,532	37,206	57,745	73,500	70,000	(3,500)	-4.8%
Capital Acquisitions	16,536	544,635	90,677	75,000	-	(75,000)	-100.0%
Other Operating Transfers Out	(823,470)	-	200,000	7,350,235	12,279,818	4,929,583	67.1%
Total Expenses	**$ (799,059)**	**$ 601,045**	**$ 378,227**	**$ 7,535,387**	**$ 12,387,318**	**$ 4,851,931**	**64.4%**
Revenues Less Expenditures	**$ 3,251,341**	**$ 24,230,276**	**$ 13,188,822**	**$ (3,118,808)**	**$ (7,595,429)**		

This table presents the City's General Fund-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 will increase by $60,000 in FY 2026–27. The Use of Money and Property revenue classification will increase by $322,000 (+16.8%), reflecting higher investment earnings associated with increased fund balances.

Other Operating Transfers Out expenditure classification reflects transfers from the CEPPT Fund to the General Fund Operating Fund, to help address rising unfunded accrued liability (UAL) payment obligations.

General Fund-Assigned Fund Operating Budget

Revenues	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Other Revenues	1,272	-	-	-	-	-	0.0%
Operating Transfers In	2,194,668	10,852,404	10,930,500	7,111,091	6,419,911	(691,180)	-9.7%
Total Revenues	**$ 2,195,940**	**$ 10,852,404**	**$ 10,930,500**	**$ 7,111,091**	**$ 6,419,911**	**$ (691,180)**	**-9.7%**

Expenses	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Materials, Supplies & Maintenance	4,982	-	-	-	-	-	0.0%
Professional/Contract Services	58,497	-	-	-	-	-	0.0%
Capital Acquisitions	296,689	1,147,848	1,306,488	2,634,299	563,239	(2,071,060)	-78.6%
Other Operating Transfers Out	1,359,426	3,063,368	5,000,000	5,000,000	4,000,000	(1,000,000)	-20.0%
Total Expenses	**$ 1,719,594**	**$ 4,211,216**	**$ 6,306,488**	**$ 7,634,299**	**$ 4,563,239**	**$ (3,071,060)**	**-40.2%**
Revenues Less Expenditures	**$ 476,346**	**$ 6,641,188**	**$ 4,624,012**	**$ (523,208)**	**$ 1,856,672**		

This table provides information on the City's General Fund-Assigned Funds, which include IT Replacement Fund and the Economic Anomaly Reserve Fund, and are part of the overall General Fund. For FY 2026–27, Operating Transfers In revenues total $6.4 million. This includes a $5.0 million contribution from the General Fund–Measure SST Fund to the Economic Anomaly Reserve Fund, and a $1.4 million transfer from the General Fund to set aside funding annually for future IT equipment purchases.

The Capital Acquisitions expenditure classification will decrease by $2.1 million in FY 2026–27 based on fluctuations in the replacement cycle for various IT assets. The $1.0 million reduction in the Other Operating Transfers Out expenditure classification is a result of the City reducing its reliance on the City's Economic Anomaly Reserve allowing for the balance to grow from $68.9 million to $69.9 million in FY 2026–27. The City's 10-year projection gradually reduces its reliance on these reserves, with no reserve use projected in FY 2033–34 allowing for the balance to grow by $5 million annually.

Debt Service Fund Operating Budget

Revenues	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Use of Money and Property	22,099,220	22,593,694	23,101,675	23,625,753	24,154,567	528,814	2.2%
Total Revenues	**$ 22,099,220**	**$ 22,593,694**	**$ 23,101,675**	**$ 23,625,753**	**$ 24,154,567**	**$ 528,814**	**2.2%**

Expenses	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Amended Budget	FY 2026-27 Adopted Budget	FY 2026-27 Increase/ (Decrease)	FY 2026-27 Percent Change
Debt Service	22,098,251	22,593,178	23,107,338	23,625,753	24,154,567	528,814	2.2%
Total Expenses	**$ 22,098,251**	**$ 22,593,178**	**$ 23,107,338**	**$ 23,625,753**	**$ 24,154,567**	**$ 528,814**	**2.2%**
Revenues Less Expenditures	**$ 969**	**$ 516**	**$ (5,663)**	**$ -**	**$ -**		

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

	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Beginning Fund Balance	151,239,704	143,500,947	125,292,866	114,564,273	108,353,451
Revenues	360,925,448	363,845,397	384,196,551	389,472,487	394,205,244
Expenses	368,664,205	382,053,478	394,925,144	395,683,309	395,736,262
Net Change Operating Activities	$ (7,738,757)	$ (18,208,081)	$ (10,728,593)	$ (6,210,822)	$ (1,531,018)
Ending Fund Balance	$ 143,500,947	$ 125,292,866	$ 114,564,273	$ 108,353,451	$ 106,822,433
Fund Balance Detail					
Nonspendable	918,608	918,608	918,608	918,608	918,608
Restricted	35,624,346	33,820,542	21,755,402	13,901,917	10,908,757
Assigned	83,765,808	79,421,531	80,758,078	82,400,741	83,862,883
Unassigned	23,192,185	11,132,185	11,132,185	11,132,185	11,132,185
Ending Fund Balance	$ 143,500,947	$ 125,292,866	$ 114,564,273	$ 108,353,451	$ 106,822,433
20% Unrestricted Threshold	$ 64,886,760	$ 66,937,839	$ 68,888,657	$ 69,884,546	$ 70,724,904
Unrestricted as Percentage of Budget	33.0%	27.1%	26.7%	26.8%	26.9%

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

The City is projecting that the General Fund total fund balance will end FY 2026–27 at $143.5 million. It is anticipated that this figure will decrease to $106.8 million in FY 2030–31, primarily due to the use of funds in the CalPERS CEPPT Section 115 Trust Fund (Restricted) to smooth the impact of rising UAL payments. Further, the unrestricted fund balance is projected to remain relatively stable at $90.6 million at the end of FY 2027–28 increasing to $95.0 million at the end of FY 2030–31, which maintains the City's unrestricted fund balance at approximately 26.9% 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 FY 2031–32, where revenues exceed expenditures and fund balance is projected to increase thereafter for the duration of the 10-year projection. This trend is a direct result of the 5-year ramp up for CalPERS UAL payments (loss in FY 2021–22 and shortfall in FY 2022–23) coupled with settled/anticipated labor agreements, which have growth rates projected to plateau by FY 2028–29. As previously mentioned, the City is projecting a strategic drawdown of its CEPPT Fund starting in FY 2026–27 to smooth the impacts of these rising CalPERS UAL payments, as shown in the Restricted line of the Fund Balance Detail. Additionally, the deficits experienced from FY 2026–27 to FY 2030–31 are further strained by the significant contributions from the General Fund Operating and General Fund SST funds to the Capital Fund, ranging from $11.6 million in FY 2026–27 and $14.3 million in FY 2030–31 in an effort to continue advancing important community projects.

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 2.3% per year, using the following average annual assumptions in the out years (years 2-5):
  - Sales Tax: 2.8%
  - Property Tax: 4.0%
  - Utility Users Tax: 0% - 3.5%
  - Occupancy Tax: 2.5%
  - Charges for Services: 3.0%
- Overall **Expenditure growth** of approximately 1.9% 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; annual returns of 6.00% from FY 2026–27 to FY 2028–29 and 6.25% in FY 2029–30 and FY 2030–31);
  - 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:
    - $2,314,887 in FY 2026–27;
    - $2,376,579 in FY 2027–28;
    - $2,441,077 in FY 2028–29;
    - $2,506,631 in FY 2029–30; and
    - $2,573,272 in FY 2030–31.
  - Capital contributions of the following, to address needs identified in the Facilities Index Study:
    - $11,562,942 in FY 2026–27;
    - $13,999,226 in FY 2027–28;
    - $13,010,505 in FY 2028–29;
    - $14,057,815 in FY 2029–30; and
    - $14,343,947 in FY 2030–31.

Airport Fund

	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Beginning Fund Balance	40,908,580	40,931,959	40,998,398	41,138,686	41,376,678
Revenues	6,459,908	6,713,956	6,978,036	7,252,544	7,537,891
Expenses	6,436,529	6,647,517	6,837,748	7,014,552	7,195,626
Net Change Operating Activities	**$ 23,379**	**$ 66,439**	**$ 140,288**	**$ 237,992**	**$ 342,265**
Ending Net Position	**$ 40,931,959**	**$ 40,998,398**	**$ 41,138,686**	**$ 41,376,678**	**$ 41,718,943**

The City is projecting that the fund's net position will end FY 2026–27 at $40.9 million. It is anticipated that this figure will climb to $41.7 million in FY 2030–31. 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 3.9% annually
- Overall **Expenditure growth** of 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; annual returns 6.00% from FY 2026–27 to FY 2028–29 and 6.25% in FY 2029–30 and FY 2030–31);
  - 3% CPI adjustments for Materials, Supplies & Maintenance; Professional/Contract Services; Training, Travel & Membership Dues
  - 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)

Sanitation Fund

	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Beginning Fund Balance	17,701,398	18,994,463	21,217,262	23,599,180	26,208,653
Revenues	21,341,105	22,925,741	23,621,912	24,339,274	25,078,475
Expenses	20,048,040	20,702,942	21,239,994	21,729,801	22,228,712
Net Change Operating Activities	**$ 1,293,065**	**$ 2,222,799**	**$ 2,381,918**	**$ 2,609,473**	**$ 2,849,763**
Ending Net Position	**$ 18,994,463**	**$ 21,217,262**	**$ 23,599,180**	**$ 26,208,653**	**$ 29,058,416**

The City is projecting that the fund's net position will end FY 2026–27 at $19.0 million. It is anticipated that this figure will climb to $29.1 million in FY 2030–31. 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 4.1% 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 8.0% in FY 2026–27 and FY 2027–28 and 3% thereafter.

- Overall **Expenditure growth** of approximately 2.6% annually
  - Annual wage growth factor for settled and unsettled labor agreements, including CalPERS contribution projection adjustments each year based on projection modeling (6.8% discount rate; annual returns 6.00% from FY 2026–27 to FY 2028–29 and 6.25% in FY 2029–30 and FY 2030–31);
  - 3% CPI adjustments for Materials, Supplies & Maintenance; Professional/Contract Services; Training, Travel & Membership Dues
  - 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

	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Beginning Fund Balance	55,408,911	58,909,056	62,494,316	66,199,949	70,052,163
Revenues	8,593,241	8,858,188	9,131,369	9,413,043	9,703,475
Expenses	5,093,096	5,272,928	5,425,736	5,560,829	5,700,935
Net Change Operating Activities	**$ 3,500,145**	**$ 3,585,260**	**$ 3,705,633**	**$ 3,852,214**	**$ 4,002,540**
Ending Net Position	**$ 58,909,056**	**$ 62,494,316**	**$ 66,199,949**	**$ 70,052,163**	**$ 74,054,703**

The City is projecting that the fund's net position will end FY 2026–27 at $58.9 million. It is anticipated that this figure will climb to $74.1 million in FY 2030–31. 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 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; annual returns 6.00% from FY 2026–27 to FY 2028–29 and 6.25% in FY 2029–30 and FY 2030–31);
  - 3% CPI adjustments for Materials, Supplies & Maintenance; Professional/Contract Services; Training, Travel & Membership Dues
  - 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)

Transit Fund

	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Beginning Fund Balance	38,547,897	37,309,053	34,286,480	29,475,248	24,831,255
Revenues	43,116,666	42,893,573	42,267,751	43,350,318	42,964,157
Expenses	49,076,346	50,778,607	52,087,318	53,152,896	54,212,949
Net Change Operating Activities	$ (5,959,680)	$ (7,885,034)	$ (9,819,567)	$ (9,802,578)	$ (11,248,792)
Ending Net Position	$ 32,588,217	$ 29,424,019	$ 24,466,913	$ 19,672,670	$ 13,582,463
Adjustment for Non-Cash	4,720,836	4,862,461	5,008,335	5,158,585	5,313,343
Ending Net Position (adj)	$ 37,309,053	$ 34,286,480	$ 29,475,248	$ 24,831,255	$ 18,895,806

The Transit Fund's projection is unique from other enterprise funds because non-cash depreciation is controlled for (i.e., excluded). Unlike other departments, Transit receives separate federal grants to fund capital investments, which are tracked separately from this projection. 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 FY 2026–27 at $37.3 million, as adjusted. It is anticipated that this figure will decrease to $18.9 million in FY 2030–31, 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 -0.1% annually due to fully depleting one-time sources
- Overall **Expenditure growth** of approximately 2.5% annually
  - Annual wage growth factor for settled and unsettled labor agreements, including CalPERS contribution projection adjustments each year based on projection modeling (6.8% discount rate; annual returns 6.00% from FY 2026–27 to FY 2028–29 and 6.25% in FY 2029–30 and FY 2030–31);
  - 3% CPI adjustments for Materials, Supplies & Maintenance; Professional/Contract Services; Training, Travel & Membership Dues
  - 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

	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Beginning Fund Balance	152,216,949	160,783,500	170,661,701	182,059,281	194,110,979
Revenues	65,591,352	69,483,407	73,607,278	76,907,082	79,237,027
Expenses	57,024,801	59,605,206	62,209,698	64,855,384	67,604,229
Net Change Operating Activities	**$ 8,566,551**	**$ 9,878,201**	**$ 11,397,580**	**$ 12,051,698**	**$ 11,632,798**
Ending Net Position	**$ 160,783,500**	**$ 170,661,701**	**$ 182,059,281**	**$ 194,110,979**	**$ 205,743,777**

The City is projecting that the fund's net position will end FY 2026–27 at $160.8 million. It is anticipated that this figure will climb to $205.7 million in FY 2030–31. 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 4.8% annually
- Overall **Expenditure growth** of approximately 4.3% 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; annual returns 6.00% from FY 2026–27 to FY 2028–29 and 6.25% in FY 2029–30 and FY 2030–31);
  - 3% CPI adjustments for Materials, Supplies & Maintenance; Professional/Contract Services; Training, Travel & Membership Dues; 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)

Fleet Services Fund

	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Beginning Fund Balance	48,928,366	51,476,872	53,852,242	56,042,321	58,087,426
Revenues	17,200,930	17,530,147	17,795,562	18,067,612	18,346,468
Expenses	14,652,424	15,154,777	15,605,483	16,022,507	16,449,849
Net Change Operating Activities	**$ 2,548,506**	**$ 2,375,370**	**$ 2,190,079**	**$ 2,045,105**	**$ 1,896,619**
Ending Net Position	**$ 51,476,872**	**$ 53,852,242**	**$ 56,042,321**	**$ 58,087,426**	**$ 59,984,045**

The City is projecting that the fund's net position will end FY 2026–27 at $51.5 million. It is anticipated that this figure will increase to $60.0 million in FY 2030–31. 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 1.6% annually
- Overall **Expenditure growth** of approximately 2.9% annually

- Annual wage growth factor for settled and unsettled labor agreements, including CalPERS contribution projection adjustments each year based on projection modeling (6.8% discount rate; annual returns 6.00% from FY 2026–27 to FY 2028–29 and 6.25% in FY 2029–30 and FY 2030–31);
- 3% CPI adjustments for Materials, Supplies & Maintenance; Professional/Contract Services; Training, Travel & Membership Dues
- 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

	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Beginning Fund Balance	(53,702,194)	(53,576,450)	(53,276,246)	(53,100,313)	(52,800,568)
Revenues	26,890,010	28,503,412	29,643,550	30,829,294	31,754,175
Expenses	26,764,266	28,203,208	29,467,617	30,529,549	31,374,349
Net Change Operating Activities	**$ 125,744**	**$ 300,204**	**$ 175,933**	**$ 299,745**	**$ 379,826**
Ending Net Position	**$ (53,576,450)**	**$ (53,276,246)**	**$ (53,100,313)**	**$ (52,800,568)**	**$ (52,420,742)**

The City is projecting that the fund's net position will end FY 2026–27 at (-$53.6 million). It is anticipated that this figure will slightly increase to (-$52.4 million) in FY 2030–31. 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 be challenging in the short-term. 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 4.3% annually.
- Overall **Expenditure growth** of approximately 4.1% 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; annual returns 6.00% from FY 2026–27 to FY 2028–29 and 6.25% in FY 2029–30 and FY 2030–31);
    - 3% CPI adjustments for Materials, Supplies & Maintenance; Professional/Contract Services & Utilities; Training, Travel & Membership Dues
    - 8% CPI adjustments for Liabilities Settlements & Insurance

Non-Major Governmental Funds

The below financial statements are based on the projected beginning fund balance in FY 2026–27 and are adjusted based on the adopted budgets for FY 2026–31. Further details are available in their respective Department sections.

Air Quality Management District (AQMD) Fund

	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Beginning Fund Balance	355,141	381,062	407,572	435,866	467,641
Revenues	207,063	213,006	219,121	225,413	231,888
Expenses	181,142	186,496	190,827	193,638	196,569
Net Change Operating Activities	**$ 25,921**	**$ 26,510**	**$ 28,294**	**$ 31,775**	**$ 35,319**
Ending Net Position	**$ 381,062**	**$ 407,572**	**$ 435,866**	**$ 467,641**	**$ 502,960**

Debt Service Fund

	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Beginning Fund Balance	1,145	1,145	1,145	1,145	1,145
Revenues	24,154,567	24,710,647	25,278,646	25,859,179	26,455,408
Expenses	24,154,567	24,710,647	25,278,646	25,859,179	26,455,408
Net Change Operating Activities	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Ending Net Position	**$ 1,145**	**$ 1,145**	**$ 1,145**	**$ 1,145**	**$ 1,145**

Low Mod Fund

	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Beginning Fund Balance	4,072,492	4,253,956	4,432,522	4,471,125	4,581,011
Revenues	228,623	227,989	89,756	162,239	-
Expenses	47,159	49,423	51,153	52,353	53,613
Net Change Operating Activities	**$ 181,464**	**$ 178,566**	**$ 38,603**	**$ 109,886**	**$ (53,613)**
Ending Net Position	**$ 4,253,956**	**$ 4,432,522**	**$ 4,471,125**	**$ 4,581,011**	**$ 4,527,398**

Meadow Park Parking Lot District Fund

	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Beginning Fund Balance	243,099	254,099	265,887	278,504	291,995
Revenues	45,860	47,695	49,603	51,587	53,651
Expenses	34,860	35,907	36,986	38,096	39,240
Net Change Operating Activities	**$ 11,000**	**$ 11,788**	**$ 12,617**	**$ 13,491**	**$ 14,411**
Ending Net Position	**$ 254,099**	**$ 265,887**	**$ 278,504**	**$ 291,995**	**$ 306,406**

Redevelopment Agency (RDA) Fund

	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Beginning Fund Balance	3,092,527	6,285,355	9,644,503	11,081,984	12,085,953
Revenues	4,351,081	4,432,026	2,405,515	1,920,347	1,821,194
Expenses	1,158,253	1,072,878	968,034	916,378	-
Net Change Operating Activities	$ 3,192,828	$ 3,359,148	$ 1,437,481	$ 1,003,969	$ 1,821,194
Ending Net Position	$ 6,285,355	$ 9,644,503	$ 11,081,984	$ 12,085,953	$ 13,907,147

Section 8 Housing Fund

	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Beginning Fund Balance	600,658	681,724	743,752	793,811	840,302
Revenues	9,084,600	9,339,302	9,601,148	9,870,339	10,147,080
Expenses	9,003,534	9,277,274	9,551,089	9,823,848	10,105,020
Net Change Operating Activities	$ 81,066	$ 62,028	$ 50,059	$ 46,491	$ 42,060
Ending Net Position	$ 681,724	$ 743,752	$ 793,811	$ 840,302	$ 882,362

Street Lighting District Fund

	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Beginning Fund Balance	-	-	-	-	-
Revenues	1,968,915	2,027,983	2,088,824	2,151,489	2,216,035
Expenses	1,968,915	2,027,983	2,088,824	2,151,489	2,216,035
Net Change Operating Activities	$ -	$ -	$ -	$ -	$ -
Ending Net Position	$ -	$ -	$ -	$ -	$ -

Traffic Safety Fund

	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Beginning Fund Balance	52,422	52,422	52,422	52,422	52,422
Revenues	55,000	56,650	58,350	60,100	61,903
Expenses	55,000	56,650	58,350	60,100	61,903
Net Change Operating Activities	$ -	$ -	$ -	$ -	$ -
Ending Net Position	$ 52,422	$ 52,422	$ 52,422	$ 52,422	$ 52,422

Vanpool Fund

	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Beginning Fund Balance	-	-	-	-	-
Revenues	179,314	184,693	189,441	193,172	197,037
Expenses	179,314	184,693	189,441	193,172	197,037
Net Change Operating Activities	$ -	$ -	$ -	$ -	$ -
Ending Net Position	$ -	$ -	$ -	$ -	$ -



CAPITAL IMPROVEMENT PLAN

Capital Improvement Plan



The City of Torrance annually develops a five-year Capital Improvement Plan (CIP) budget. Although the program spans multiple years, only funds for the current year (FY 2026–27) are appropriated as part of the budget process. Next year, the plan will be revised again, and the revised FY 2027–28 plan will be approved and appropriated. The four years beyond the current budget year in any fiscal 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 FY 2024–25. Project updates are provided quarterly and may 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 tarplant 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 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 each year. The goal is to re-develop and establish a five-year plan, each year, 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. This plan presents all planned major capital investments in city-owned parks, facilities, and other infrastructure over the next five years.

In FY 2024–25, 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 FY 2026–27 budget includes additional $450,000 appropriation 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	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Parks	39,168,471	35,528,918	227,031	13,760,000	450,000	8,360,000	4,909,621
Facilities	51,763,718	39,009,234	9,160,308	3,120,210	7,076,125	3,423,298	7,121,855
IT Infrastructure	170,000	170,000	1,281,000	300,000	300,000	445,000	300,000
Public Right of Way	113,154,840	54,687,908	20,398,060	68,721,600	14,869,333	15,264,333	15,264,333
Sewer/Water Utilities	45,615,768	24,835,831	6,207,745	20,543,306	5,850,000	4,650,000	1,650,000
Storm Drain/Basins	10,282,735	8,741,200	9,643,000	6,489,402	1,611,000	1,355,000	1,355,000
Operating Project	33,954,921	9,645,798	11,127,000	4,592,000	2,015,000	1,565,000	1,180,000
Other	4,335,125	3,357,348	1,623,819	560,000	550,000	250,000	250,000
Contingency	-	-	1,813,618	2,236,200	1,441,947	1,674,065	1,406,148
Total Expenditures	**$ 298,445,578**	**$ 175,976,235**	**$ 61,481,580**	**$ 120,322,718**	**$ 34,163,405**	**$ 36,986,696**	**$ 33,436,957**

The City is adopting a CIP that will invest $286.4 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 FY 2026–27, the Adopted CIP budget totals $61.5 million, with projected investments of $120.3 million in FY 2027–28 and $104.6 million across FY 2028–29 through FY 2030–31, reflecting a multi-year approach to funding major infrastructure improvements.

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	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
2016 Certificate of Participation	264,308	-	-	-	-	-	-
Airport Capital Project Fund	19,188,613	8,783,870	6,107,540	2,120,210	1,132,520	250,000	250,000
AQMD	175,000	112,166	225,000	-	-	-	-
Asset Forfeiture	1,142,955	-	415,000	-	-	-	-
CDBG Fund	1,624,768	409,615	683,333	683,333	683,333	683,333	683,333
Developer Contribution	-	-	-	1,000,000	-	-	-
DIF - Community Services	70,000	70,000	-	-	-	-	-
DIF - General Services	351,787	-	-	-	-	-	-
DIF - Police	415,000	170,000	(170,000)	-	-	-	-
DIF - Sewer	9,000	9,000	-	-	-	-	-
DIF - Storm Drain	916,887	773,629	100,000	100,000	100,000	100,000	100,000
DIF - Transportation	1,177,495	912,332	-	-	-	-	-
DIF - Utility Underground	1,790,467	1,790,467	450,000	450,000	450,000	450,000	50,000
Donations	101,500	100,000	-	-	-	-	-
Fleet Services Capital Fund	669,000	377,768	702,768	1,500,000	-	275,000	2,750,000
Funding Source Name	-	-	-	-	-	-	-
Gas Tax	8,317,352	2,253,045	1,340,000	750,000	750,000	750,000	750,000
General Fund	20,607,295	9,695,913	7,579,044	5,611,200	5,646,947	6,559,065	5,607,239
GRANT	2,000,000	2,000,000	1,391,000	850,000	-	-	-
Measure A	2,122,250	2,122,250	3,300,000	5,000,000	-	1,700,000	-
Measure M Grant	19,996,375	14,069,420	-	52,550,000	-	-	-
Measure M Local Return	14,770,299	8,305,825	3,050,000	2,550,000	2,550,000	2,350,000	2,350,000
Measure R Grant	13,488,398	3,800,994	-	-	-	-	-
Measure R Local Return	10,050,248	6,475,345	3,345,525	2,637,500	1,980,000	2,575,000	2,575,000
Measure SST Fund	13,446,477	11,205,297	5,567,423	9,787,000	7,353,605	7,483,298	8,715,385
Measure W	7,500,104	5,539,612	1,505,000	7,405,000	1,255,000	1,255,000	1,255,000
Measure W Grant	5,366,953	-	7,100,000	4,884,402	256,000	-	-
Other Grants	60,093,844	51,144,712	5,322,298	4,288,073	-	-	-
Park Equipment Replacement Fund	300,000	300,000	-	-	-	250,000	-
Parks & Rec Facilities Fund	300,000	300,000	-	500,000	-	-	-
Parks & Rec Open Space Fund	3,365,862	2,943,427	-	1,000,000	-	1,500,000	145,000
PEG Fund Capital	229,289	-	150,000	-	-	-	-
Prop A Local Return	263	263	(263)	-	-	-	-
Prop C Local Return	13,644,815	8,664,018	3,150,000	3,150,000	2,900,000	2,900,000	2,900,000
SB1	16,809,593	8,520,800	3,521,167	3,600,000	3,600,000	3,600,000	3,600,000
Sewer Capital Project Fund	10,598,739	10,521,072	1,857,745	1,400,000	1,400,000	1,400,000	1,400,000
TDA Article 3 Bicycle Fund	253,498	-	114,000	106,000	106,000	106,000	106,000
Transit Capital Fund	1,564,800	1,047,392	1,725,000	-	-	-	-
Water Capital Fund	30,643,508	13,558,003	2,950,000	8,400,000	4,000,000	2,800,000	200,000
Water State Revolving Fund	15,078,835	-	-	-	-	-	-
Total Expenditures	**$ 298,445,578**	**$ 175,976,235**	**$ 61,481,580**	**$ 120,322,718**	**$ 34,163,405**	**$ 36,986,696**	**$ 33,436,957**

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

Measure SST



A large part of the City's long-term financial stability is attributable to the Torrance community's support of the passage of Measure SST (Safe, Strong Torrance). As of FY 2026–27, it is now projected that Measure SST will generate at least $27.3 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 $5.6 million of cumulative Measure SST funds for various parks, investments in public safety stations, and operating projects, including the City's new Enterprise Resource Planning System replacement project. Ultimately, the City plans to invest a total of $38.9 million in Measure SST over the next five years.

Project Type	Project Location	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Facilities	Attic Teen Center	-	-	-	-	-	-	250,000
Facilities	Bartlett Senior Center	-	-	-	-	-	-	917,860
Facilities	Dee Hardison Sports Center	300,000	177,676	-	-	-	-	-
Facilities	Fire Station 1	819,378	569,134	250,000	-	-	-	-
Facilities	Fire Station 2	-	-	40,000	-	3,061,913	-	-
Facilities	Fire Station 3	-	-	-	250,000	-	-	-
Facilities	Fire Station 5	-	-	-	-	2,120,742	-	-
Facilities	Fire Station 6	-	-	-	-	250,000	-	-
Facilities	Herma Tillim Senior Center	-	-	-	-	-	-	933,655
Facilities	Katy Geissert Civic Center Library	-	-	-	-	-	-	1,000,000
Facilities	Southeast Library	-	-	-	-	-	1,316,118	-
Facilities	Torrance City Hall	-	-	750,000	-	870,950	-	-
Facilities	Torrance City Yard	-	-	675,000	-	-	-	-
Facilities	Torrance Police Department	199,794	62,401	150,000	-	-	1,039,210	713,870
Facilities	Torrance Theatre	-	-	-	-	-	792,970	-
IT Infrastructure	Torrance Cultural Arts Center	-	-	-	-	-	35,000	-
IT Infrastructure	Torrance Police Department	-	-	420,000	300,000	300,000	300,000	300,000
Operating Project	Operating Projects - CIT	350,000	-	4,835,000	3,000,000	-	-	-
Operating Project	Operating Projects - Community Services	1,175,000	1,166,200	675,000	100,000	100,000	100,000	100,000
Operating Project	Operating Projects - Police	-	-	600,000	-	-	-	-
Operating Project	Operating Projects - Public Works	854,000	33,060	427,000	427,000	-	-	-
Other	Downtown Torrance	-	-	240,000	300,000	300,000	-	-
Parks	Alta Loma Park	155,000	155,000	-	-	-	-	-
Parks	Columbia Park	60,000	47,925	702,075	3,650,000	-	3,900,000	-
Parks	El Nido Park	350,000	175,800	-	1,760,000	-	-	-
Parks	Guenser Park	197,750	119,775	220,000	-	-	-	-
Parks	Madrona Marsh Nature Center	-	-	-	-	-	-	1,500,000
Parks	Paradise Park	7,078,903	6,791,675	(3,300,000)	-	-	-	-
Parks	Torrance Park	-	-	-	-	350,000	-	3,000,000
Parks	Walteria Park	1,700,000	1,700,000	(1,700,000)	-	-	-	-
Parks	Wilson Park	206,652	206,652	583,348	-	-	-	-
Total Expenditures		**$ 13,446,477**	**$ 11,205,297**	**$ 5,567,423**	**$ 9,787,000**	**$ 7,353,605**	**$ 7,483,298**	**$ 8,715,385**

Parks



The following section summarizes the planned capital investments at parks across the City, summarized by location. The City is planning to invest $27.7 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	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Alta Loma Park	PRK0001	945,000	945,000	-	-	-	-	-
Columbia Park	PRK0002	10,060,000	9,398,405	702,075	6,000,000	-	5,000,000	-
El Nido Park	PRK0007	11,380,000	11,153,580	500,000	7,760,000	-	-	-
El Retiro Park	PRK0009	80,000	80,000	-	-	-	-	-
Guenser Park	PRK0012	580,000	502,025	220,000	-	-	-	-
La Romeria Park	PRK0016	80,000	80,000	-	-	-	-	-
Madrona Marsh Nature Center	PRK0034	-	-	-	-	-	-	1,500,000
McMaster Park	PRK0019	150,000	150,000	-	-	-	-	-
Paradise Park	PRK0022	9,678,903	9,391,675	-	-	-	-	-
Pueblo Park	PRK0024	-	-	-	-	-	-	264,621
Sea-Aire Park	PRK0026	-	-	-	-	100,000	1,750,000	-
Sunnyglen Park	PRK0028	-	-	-	-	-	110,000	-
Sur La Brea Park	PRK0029	80,000	80,000	-	-	-	-	-
Torrance Park	PRK0030	348,440	348,440	-	-	350,000	-	3,000,000
Victor Park	PRK0031	-	-	-	-	-	-	145,000
Walteria Park	PRK0032	1,780,000	1,780,000	(1,700,000)	-	-	1,500,000	-
Wilson Park	PRK0033	4,006,128	1,619,793	504,955	-	-	-	-
Total Expenditures		**$ 39,168,471**	**$ 35,528,918**	**$ 227,031**	**$ 13,760,000**	**$ 450,000**	**$ 8,360,000**	**$ 4,909,621**

Individual Project Details

Alta Loma Park

26126 Delos Dr, Torrance, CA 90505 | District 6

Alta Loma Park	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Replace Playground Equipment	945,000	945,000	-	-	-	-	-
Total Expenditures	**$ 945,000**	**$ 945,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Funding Source(s)							
DIF - Community Services	70,000	70,000	-	-	-	-	-
Measure A	720,000	720,000	-	-	-	-	-
Measure SST Fund	155,000	155,000	-	-	-	-	-
Total Expenditures	**$ 945,000**	**$ 945,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Columbia Park

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

Columbia Park	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Construct Dog Park	60,000	47,925	(47,925)	-	-	-	-
Renovate Park	-	-	750,000	6,000,000	-	5,000,000	-
World War ll Camp Wall Monument	9,000,000	8,481,400	-	-	-	-	-
WWII Memorial Supporting Infrastructure Improvements	1,000,000	869,080	-	-	-	-	-
Total Expenditures	**$10,060,000**	**$ 9,398,405**	**$ 702,075**	**$ 6,000,000**	**$ -**	**$ 5,000,000**	**$ -**
Funding Source(s)							
General Fund	5,000,000	5,000,000	-	-	-	-	-
GRANT	-	-	-	850,000	-	-	-
Measure A	-	-	-	-	-	1,100,000	-
Measure SST Fund	60,000	47,925	702,075	3,650,000	-	3,900,000	-
Other Grants	5,000,000	4,350,480	-	-	-	-	-
Parks & Rec Facilities Fund	-	-	-	500,000	-	-	-
Parks & Rec Open Space Fund	-	-	-	1,000,000	-	-	-
Total Expenditures	**$10,060,000**	**$ 9,398,405**	**$ 702,075**	**$ 6,000,000**	**$ -**	**$ 5,000,000**	**$ -**

El Nido Park

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

El Nido Park	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Renovate Park	11,380,000	11,153,580	500,000	7,760,000	-	-	-
Total Expenditures	**$11,380,000**	**$11,153,580**	**$ 500,000**	**$ 7,760,000**	**$ -**	**$ -**	**$ -**
Funding Source(s)							
Developer Contribution	-	-	-	1,000,000	-	-	-
Measure A	400,000	400,000	-	5,000,000	-	-	-
Measure SST Fund	350,000	175,800	-	1,760,000	-	-	-
Other Grants	10,630,000	10,577,780	500,000	-	-	-	-
Total Expenditures	**$11,380,000**	**$11,153,580**	**$ 500,000**	**$ 7,760,000**	**$ -**	**$ -**	**$ -**

El Retiro Park

126 Vista del Parque, Redondo Beach, CA 90277 | District 5

El Retiro Park	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Restroom Improvements	80,000	80,000	-	-	-	-	-
Total Expenditures	**$ 80,000**	**$ 80,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Funding Source(s)							
Parks & Rec Open Space Fund	80,000	80,000	-	-	-	-	-
Total Expenditures	**$ 80,000**	**$ 80,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Guenser Park

17800 Gramercy Pl, Torrance, CA 90504 | District 1

Guenser Park	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Restroom Improvements	80,000	80,000	-	-	-	-	-
Walking Path Replacement	500,000	422,025	220,000	-	-	-	-
Total Expenditures	**$ 580,000**	**$ 502,025**	**$ 220,000**	**$ -**	**$ -**	**$ -**	**$ -**
Funding Source(s)							
Measure A	302,250	302,250	-	-	-	-	-
Measure SST Fund	197,750	119,775	220,000	-	-	-	-
Parks & Rec Open Space Fund	80,000	80,000	-	-	-	-	-
Total Expenditures	**$ 580,000**	**$ 502,025**	**$ 220,000**	**$ -**	**$ -**	**$ -**	**$ -**

La Romeria Park

19501 S Inglewood Ave, Torrance, CA 90503 | District 2

La Romeria Park	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Restroom Improvements	80,000	80,000	-	-	-	-	-
Total Expenditures	**$ 80,000**	**$ 80,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Funding Source(s)							
Parks & Rec Open Space Fund	80,000	80,000	-	-	-	-	-
Total Expenditures	**$ 80,000**	**$ 80,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

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	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Replace Perimeter Fence	-	-	-	-	-	-	1,500,000
Total Expenditures	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,500,000**
Funding Source(s)							
Measure SST Fund	-	-	-	-	-	-	1,500,000
Total Expenditures	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,500,000**

McMaster Park

3624 Artesia Blvd, Torrance, CA 90504 | District 1

McMaster Park	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Restroom Improvements	150,000	150,000	-	-	-	-	-
Total Expenditures	**$ 150,000**	**$ 150,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Funding Source(s)							
Parks & Rec Open Space Fund	150,000	150,000	-	-	-	-	-
Total Expenditures	**$ 150,000**	**$ 150,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Paradise Park

5006 Lee St, Torrance, CA 90503 | District 2

Paradise Park	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Design, Site work, Utilities, and Irrigation	6,076,303	6,076,303	(6,076,303)	-	-	-	-
Redesign/Replace Picnic Shelter & Storage	430,000	142,772	(142,772)	-	-	-	-
Redesign/Replace Restrooms	2,000,000	2,000,000	(2,000,000)	-	-	-	-
Renovate Park	-	-	9,391,675	-	-	-	-
Replace Playground Equipment	1,172,600	1,172,600	(1,172,600)	-	-	-	-
Total Expenditures	**$ 9,678,903**	**$ 9,391,675**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Funding Source(s)							
Donations	100,000	100,000	-	-	-	-	-
Measure A	700,000	700,000	3,300,000	-	-	-	-
Measure SST Fund	7,078,903	6,791,675	(3,300,000)	-	-	-	-
Park Equipment Replacement Fund	300,000	300,000	-	-	-	-	-
Parks & Rec Facilities Fund	300,000	300,000	-	-	-	-	-
Parks & Rec Open Space Fund	1,200,000	1,200,000	-	-	-	-	-
Total Expenditures	**$ 9,678,903**	**$ 9,391,675**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Pueblo Park

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

Pueblo Park	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Renovate Ruben Ordaz Community Center & Picnic Shelters	-	-	-	-	-	-	264,621
Total Expenditures	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 264,621**
Funding Source(s)							
General Fund	-	-	-	-	-	-	264,621
Total Expenditures	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 264,621**

Sea-Aire Park

22730 Lupine Dr, Torrance, CA 90505 | District 5

Sea-Aire Park	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Renovate Park	-	-	-	-	100,000	1,750,000	-
Total Expenditures	**$ -**	**$ -**	**$ -**	**$ -**	**$ 100,000**	**$ 1,750,000**	**$ -**
Funding Source(s)							
General Fund	-	-	-	-	100,000	900,000	-
Measure A	-	-	-	-	-	600,000	-
Park Equipment Replacement Fund	-	-	-	-	-	250,000	-
Total Expenditures	**$ -**	**$ -**	**$ -**	**$ -**	**$ 100,000**	**$ 1,750,000**	**$ -**

Sunnyglen Park

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

Sunnyglen Park	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Walking Path Repairs	-	-	-	-	-	110,000	-
Total Expenditures	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 110,000**	**$ -**
Funding Source(s)							
General Fund	-	-	-	-	-	110,000	-
Total Expenditures	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 110,000**	**$ -**

Sur La Brea Park

23610 Cabrillo Ave, Torrance, CA 90501 | District 4

Sur La Brea Park	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Restroom Improvements	80,000	80,000	-	-	-	-	-
Total Expenditures	**$ 80,000**	**$ 80,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Funding Source(s)							
Parks & Rec Open Space Fund	80,000	80,000	-	-	-	-	-
Total Expenditures	**$ 80,000**	**$ 80,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Torrance Park

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

Torrance Park	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Renovate Park	-	-	-	-	350,000	-	3,000,000
Restroom Improvements	80,000	80,000	-	-	-	-	-
Torrance Park Revitalization	268,440	268,440	-	-	-	-	-
Total Expenditures	**$ 348,440**	**$ 348,440**	**$ -**	**$ -**	**$ 350,000**	**$ -**	**$ 3,000,000**
Funding Source(s)							
Measure SST Fund	-	-	-	-	350,000	-	3,000,000
Other Grants	268,440	268,440	-	-	-	-	-
Parks & Rec Open Space Fund	80,000	80,000	-	-	-	-	-
Total Expenditures	**$ 348,440**	**$ 348,440**	**$ -**	**$ -**	**$ 350,000**	**$ -**	**$ 3,000,000**

Victor Park

4727 Emerald St, Torrance, CA 90501 | District 2

Victor Park	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 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 St, Torrance, CA 90505 | District 6

Walteria Park	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Reconstruct Playing Courts	1,700,000	1,700,000	(1,700,000)	-	-	-	-
Renovate Park	-	-	-	-	-	1,500,000	-
Restroom Improvements	80,000	80,000	-	-	-	-	-
Total Expenditures	**$ 1,780,000**	**$ 1,780,000**	**$ (1,700,000)**	**$ -**	**$ -**	**$ 1,500,000**	**$ -**
Funding Source(s)							
Measure SST Fund	1,700,000	1,700,000	(1,700,000)	-	-	-	-
Parks & Rec Open Space Fund	80,000	80,000	-	-	-	1,500,000	-
Total Expenditures	**$ 1,780,000**	**$ 1,780,000**	**$ (1,700,000)**	**$ -**	**$ -**	**$ 1,500,000**	**$ -**

Wilson Park

2200 Crenshaw Blvd, Torrance, CA 90501 | District 4

Wilson Park	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Construct Pickleball Courts	1,526,119	138,661	-	-	-	-	-
Redevelopment of Building 8	902,865	285,045	(285,045)	-	-	-	-
Restroom Improvements	300,000	300,000	-	-	-	-	-
Sports Field Conversion	342,000	24,457	-	-	-	-	-
Street Frontage Improvements	935,144	871,630	790,000	-	-	-	-
Total Expenditures	**$ 4,006,128**	**$ 1,619,793**	**$ 504,955**	**$ -**	**$ -**	**$ -**	**$ -**
Funding Source(s)							
General Fund	2,307,476	302,198	(78,393)	-	-	-	-
Measure SST Fund	206,652	206,652	583,348	-	-	-	-
Other Grants	342,000	24,457	-	-	-	-	-
Parks & Rec Open Space Fund	1,150,000	1,086,487	-	-	-	-	-
Total Expenditures	**$ 4,006,128**	**$ 1,619,793**	**$ 504,955**	**$ -**	**$ -**	**$ -**	**$ -**

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 $29.9 million over the next five years in order to maintain and modernize these facilities 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	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Attic Teen Center	FAC0025	-	-	-	-	-	-	806,470
Bartlett Senior Center	FAC0019	-	-	-	-	-	-	917,860
Dee Hardison Sports Center	FAC0030	300,000	177,676	-	-	-	-	-
Fire Station 1	FAC0010	1,783,686	575,044	250,000	-	-	-	-
Fire Station 2	FAC0011	-	-	40,000	-	3,061,913	-	-
Fire Station 3	FAC0012	-	-	-	250,000	-	-	-
Fire Station 5	FAC0014	-	-	-	-	2,120,742	-	-
Fire Station 6	FAC0015	-	-	-	-	250,000	-	-
Herma Tillim Senior Center	FAC0023	-	-	-	-	-	-	933,655
Katy Geissert Civic Center Library	FAC0001	-	-	-	-	-	-	1,000,000
Southeast Library	FAC0005	-	-	-	-	-	1,316,118	-
Torrance City Hall	FAC0007	-	-	750,000	-	870,950	-	-
Torrance City Yard	FAC0021	3,117,741	923,187	1,512,768	1,500,000	-	275,000	2,750,000
Torrance Cultural Arts Center	FAC0009	185,000	11,049	-	-	-	-	-
Torrance Municipal Airport	FAC0017	9,386,696	1,927,953	4,957,540	1,370,210	772,520	-	-
Torrance Police Department	FAC0016	444,794	62,401	150,000	-	-	1,039,210	713,870
Torrance Regional Transit Center	FAC0022	36,545,800	35,331,924	1,500,000	-	-	-	-
Torrance Theatre	FAC0029	-	-	-	-	-	792,970	-
Total Expenditures		**$ 51,763,718**	**$ 39,009,234**	**$ 9,160,308**	**$ 3,120,210**	**$ 7,076,125**	**$ 3,423,298**	**$ 7,121,855**

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	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Renovate Center Facilities	-	-	-	-	-	-	806,470
Total Expenditures	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 806,470**
Funding Source(s)							
General Fund	-	-	-	-	-	-	556,470
Measure SST Fund	-	-	-	-	-	-	250,000
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	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Renovate Center Facilities	-	-	-	-	-	-	917,860
Total Expenditures	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 917,860**
Funding Source(s)							
Measure SST Fund	-	-	-	-	-	-	917,860
Total Expenditures	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 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	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Renovate Center Facilities	300,000	177,676	-	-	-	-	-
Total Expenditures	**$ 300,000**	**$ 177,676**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Funding Source(s)							
Measure SST Fund	300,000	177,676	-	-	-	-	-
Total Expenditures	**$ 300,000**	**$ 177,676**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Fire Station 1

1701 Crenshaw Blvd, Torrance, CA 90501 | Disctrict 3

Fire Station 1	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Alternate EOC	868,812	60,373	-	-	-	-	-
Renovate Fire Station	383,686	73,803	250,000	-	-	-	-
Replace Generator	531,188	440,869	-	-	-	-	-
Total Expenditures	**$ 1,783,686**	**$ 575,044**	**$ 250,000**	**$ -**	**$ -**	**$ -**	**$ -**
Funding Source(s)							
2016 Certificate of Participation	264,308	-	-	-	-	-	-
Measure SST Fund	819,378	569,134	250,000	-	-	-	-
Other Grants	700,000	5,910	-	-	-	-	-
Total Expenditures	**$ 1,783,686**	**$ 575,044**	**$ 250,000**	**$ -**	**$ -**	**$ -**	**$ -**

Fire Station 2

25135 Robinson Way, Torrance, CA 90505 | District 6

Fire Station 2	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Generator Replacement	-	-	40,000	-	360,000	-	-
Renovate Fire Station	-	-	-	-	2,701,913	-	-
Total Expenditures	**$ -**	**$ -**	**$ 40,000**	**$ -**	**$ 3,061,913**	**$ -**	**$ -**
Funding Source(s)							
Measure SST Fund	-	-	40,000	-	3,061,913	-	-
Total Expenditures	**$ -**	**$ -**	**$ 40,000**	**$ -**	**$ 3,061,913**	**$ -**	**$ -**

Fire Station 3

3535 W 182nd St, Torrance, CA | District 1

Fire Station 3	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Renovate Fire Station	-	-	-	250,000	-	-	-
Total Expenditures	**$ -**	**$ -**	**$ -**	**$ 250,000**	**$ -**	**$ -**	**$ -**
Funding Source(s)							
Measure SST Fund	-	-	-	250,000	-	-	-
Total Expenditures	**$ -**	**$ -**	**$ -**	**$ 250,000**	**$ -**	**$ -**	**$ -**

Fire Station 5

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

Fire Station 5	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 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**	**$ -**	**$ -**

Fire Station 6

21401 Del Amo Circle W, Torrance, CA 90503 | District 2

Fire Station 6	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Renovate Fire Station	-	-	-	-	250,000	-	-
Total Expenditures	**$ -**	**$ -**	**$ -**	**$ -**	**$ 250,000**	**$ -**	**$ -**
Funding Source(s)							
Measure SST Fund	-	-	-	-	250,000	-	-
Total Expenditures	**$ -**	**$ -**	**$ -**	**$ -**	**$ 250,000**	**$ -**	**$ -**

Herma Tillim Senior Center

3612 Artesia Blvd, Torrance, CA 90504 | District 1

Herma Tillim Senior Center	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Renovate Center Facilities	-	-	-	-	-	-	933,655
Total Expenditures	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 933,655**
Funding Source(s)							
Measure SST Fund	-	-	-	-	-	-	933,655
Total Expenditures	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 933,655**

Katy Geissert Civic Center Library

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

Katy Geissert Civic Center Library	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Lighting Upgrades	-	-	-	-	-	-	1,000,000
Total Expenditures	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,000,000**
Funding Source(s)							
Measure SST Fund	-	-	-	-	-	-	1,000,000
Total Expenditures	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,000,000**

Southeast Library

23115 Arlington Ave, Torrance, CA 90501 | District 4

Southeast Library	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 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	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
HVAC Control Systems Upgrades	-	-	250,000	-	-	-	-
Radio Tower Blockhouse Back-up Generator	-	-	500,000	-	-	-	-
Renovate Main Building	-	-	-	-	870,950	-	-
Total Expenditures	**$ -**	**$ -**	**$ 750,000**	**$ -**	**$ 870,950**	**$ -**	**$ -**
Funding Source(s)							
Measure SST Fund	-	-	750,000	-	870,950	-	-
Total Expenditures	**$ -**	**$ -**	**$ 750,000**	**$ -**	**$ 870,950**	**$ -**	**$ -**

Torrance City Yard

20500 Madrona Ave, Torrance, CA 90503 | District 3

Torrance City Yard	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Elevator Modernization	-	-	900,000	-	-	-	-
Fleet Offices Renovation	565,000	387,232	(387,232)	-	-	-	-
Install EV Chargers	175,000	112,166	1,000,000	1,500,000	-	-	-
Motor and Mower Shop Exhaust Installation	150,000	55,274	-	-	-	-	-
Remove Loading Dock	200,000	200,000	-	-	-	-	-
Replace Car Wash	427,741	-	-	-	-	-	-
Replace Roof City Yard Services Building	1,600,000	168,516	-	-	-	-	-
Replace Underground Fuel Tanks	-	-	-	-	-	275,000	2,750,000
Total Expenditures	**$ 3,117,741**	**$ 923,187**	**$ 1,512,768**	**$ 1,500,000**	**$ -**	**$ 275,000**	**$ 2,750,000**
Funding Source(s)							
AQMD	175,000	112,166	225,000	-	-	-	-
DIF - General Services	351,787	-	-	-	-	-	-
Fleet Services Capital Fund	600,000	327,506	702,768	1,500,000	-	275,000	2,750,000
General Fund	1,990,954	483,516	(315,000)	-	-	-	-
Measure SST Fund	-	-	675,000	-	-	-	-
Transit Capital Fund	-	-	225,000	-	-	-	-
Total Expenditures	**$ 3,117,741**	**$ 923,187**	**$ 1,512,768**	**$ 1,500,000**	**$ -**	**$ 275,000**	**$ 2,750,000**

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	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Nakano Theater Audio Visual Renovation	100,000	6,586	-	-	-	-	-
Toyota Meeting Hall Audio Visual Renovation	85,000	4,463	-	-	-	-	-
Total Expenditures	**$ 185,000**	**$ 11,049**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Funding Source(s)							
General Fund	185,000	11,049	-	-	-	-	-
Total Expenditures	**$ 185,000**	**$ 11,049**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Torrance Municipal Airport

3301 Airport Dr, Torrance, CA 90505 | District 6

Torrance Municipal Airport	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
EV Chargers for City & Public Use	-	-	100,000	-	-	-	-
Implement Automated Weather Observing System	1,062,102	19,737	-	-	-	-	-
Madison Parking Lot Fencing	-	-	250,000	-	-	-	-
Renovate Airport Hangars	874,780	674,229	2,350,290	1,370,210	772,520	-	-
Renovate Airport Traffic Control Tower	2,099,814	1,217,470	-	-	-	-	-
Renovate General Aviation Center	-	-	2,257,250	-	-	-	-
Taxiway Lighting Replacement	5,350,000	16,517	-	-	-	-	-
Total Expenditures	**$ 9,386,696**	**$ 1,927,953**	**$ 4,957,540**	**$ 1,370,210**	**$ 772,520**	**$ -**	**$ -**
Funding Source(s)							
Airport Capital Project Fund	9,386,696	1,927,953	4,607,540	1,370,210	772,520	-	-
General Fund	-	-	350,000	-	-	-	-
Total Expenditures	**$ 9,386,696**	**$ 1,927,953**	**$ 4,957,540**	**$ 1,370,210**	**$ 772,520**	**$ -**	**$ -**

Torrance Police Department

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

Torrance Police Department	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Communications Center Upgrade	-	-	-	-	-	500,000	-
Police Department Alcove Battery Relocation	-	-	75,000	-	-	-	-
Police Department Core Key Lock	-	-	75,000	-	-	-	-
Renovate Department Facilities	158,294	62,401	-	-	-	539,210	713,870
Replacement of HVAC Condenser	41,500	-	-	-	-	-	-
Uninterrupted Power Supply Replacement	245,000	-	-	-	-	-	-
Total Expenditures	**$ 444,794**	**$ 62,401**	**$ 150,000**	**$ -**	**$ -**	**$ 1,039,210**	**$ 713,870**
Funding Source(s)							
DIF - Police	245,000	-	-	-	-	-	-
Measure SST Fund	199,794	62,401	150,000	-	-	1,039,210	713,870
Total Expenditures	**$ 444,794**	**$ 62,401**	**$ 150,000**	**$ -**	**$ -**	**$ 1,039,210**	**$ 713,870**

Torrance Regional Transit Center

465 Crenshaw Blvd, Torrance, CA 90503 | District 3

Torrance Regional Transit Center	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
ADA Compliance Improvements	376,279	80,879	-	-	-	-	-
Construction of RTC Parking Structure	35,000,000	34,284,795	-	-	-	-	-
Tenant Space Enhancements	1,169,521	966,250	1,500,000	-	-	-	-
Total Expenditures	**$36,545,800**	**$35,331,924**	**$ 1,500,000**	**$ -**	**$ -**	**$ -**	**$ -**
Funding Source(s)							
Other Grants	35,000,000	34,284,795	-	-	-	-	-
Transit Capital Fund	1,545,800	1,047,129	1,500,000	-	-	-	-
Total Expenditures	**$36,545,800**	**$35,331,924**	**$ 1,500,000**	**$ -**	**$ -**	**$ -**	**$ -**

Torrance Theatre

1316 Cabrillo Ave, Torrance, CA 90501 | District 4

Torrance Theatre	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 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 $2.6 million 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	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Torrance Cultural Arts Center	FAC0009	-	-	-	-	-	145,000	-
Torrance Police Department	FAC0016	170,000	170,000	1,281,000	300,000	300,000	300,000	300,000
Total Expenditures		**$ 170,000**	**$ 170,000**	**$ 1,281,000**	**$ 300,000**	**$ 300,000**	**$ 445,000**	**$ 300,000**

Individual Project Details

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	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Garden Room Audio Visual	-	-	-	-	-	35,000	-
Ken Miller Auditorium and Assembly Room Audio Visual	-	-	-	-	-	110,000	-
Total Expenditures	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 145,000**	**$ -**
Funding Source(s)							
General Fund	-	-	-	-	-	110,000	-
Measure SST Fund	-	-	-	-	-	35,000	-
Total Expenditures	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 145,000**	**$ -**

Torrance Police Department

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

Torrance Police Department	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
CBRS & Citywide Camera Infrastructure	170,000	170,000	1,281,000	300,000	300,000	300,000	300,000
Total Expenditures	**$ 170,000**	**$ 170,000**	**$ 1,281,000**	**$ 300,000**	**$ 300,000**	**$ 300,000**	**$ 300,000**
Funding Source(s)							
DIF - Police	170,000	170,000	(170,000)	-	-	-	-
GRANT	-	-	1,031,000	-	-	-	-
Measure SST Fund	-	-	420,000	300,000	300,000	300,000	300,000
Total Expenditures	**$ 170,000**	**$ 170,000**	**$ 1,281,000**	**$ 300,000**	**$ 300,000**	**$ 300,000**	**$ 300,000**

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 $134.5 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	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Anza/Vista Montana/PCH Intersection Improvements	T 154	2,900,000	422,178	-	-	-	-	-
Arterial Street Pavement Sealing Program	I 139	17,473,720	7,822,389	3,700,000	3,975,000	3,380,000	3,975,000	3,975,000
Beach Cities Green Streets Project	S 194	8,931,315	233,786	-	-	-	-	-
Bridge Preventative Maintenance Program	I 124	129,628	129,628	-	-	-	-	-
Cabrillo Ave Redesign	I 198	1,515,640	4,642	-	-	-	-	-
Citywide Sidewalk Repair Program	I 152	450,000	205,000	3,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Citywide Traffic Engineering and Improvements	T 190	2,113,020	717,451	400,000	400,000	400,000	400,000	400,000
Citywide Traffic Signal Improvements	T 171	1,865,221	644,606	3,446,798	957,267	250,000	250,000	250,000
COT Fiber Network and Traffic Signal Optimization	T 195	1,966,162	603,653	200,000	44,650,000	-	-	-
Crenshaw Blvd & PCH Intersection Improvements-Phase 1	T 143	878,083	686,957	-	-	-	-	-
Crenshaw Blvd Intersection Imprv & 208th St Extension	T 157	5,824,137	138,193	-	-	-	-	-
FY2018-21 Residential St Rehabilitation Program	I 169	307,832	199,207	(199,207)	-	-	-	-
Hawthorne Blvd Rehab (PCH to South City Limit)	T 045	286,227	286,227	-	-	-	-	-
Hawthorne Blvd Right-Turn Lanes at Lomita Blvd & 182nd St	T 196	1,100,000	859,343	200,000	-	-	-	-
I-405 AT 182nd St/Crenshaw Blvd operational improvements	T 155	5,132,293	3,207,278	-	-	-	-	-
Intersection Improvements-Pacific Coast Hwy/Hawthorne Blvd	T 131	1,856,022	61,736	-	-	-	-	-
Prairie Avenue Bridge Rehabilitations	I 148	3,749,950	3,524,030	-	-	-	-	-
Residential Slurry Seal Program	I 159	27,937,309	15,689,326	7,582,232	7,400,000	7,600,000	7,400,000	7,400,000
Sepulveda Soundwall Repair	I 197	100,000	100,000	-	-	-	-	-
Sidewalk Improvements for Disabled Accessibility	I 135	5,108,985	551,034	1,168,237	1,239,333	1,239,333	1,239,333	1,239,333
Torrance School Safety and Accessibility Program	I 188	22,879,295	17,951,242	900,000	8,100,000	-	-	-
Transportation Open Space Corridor Multi-Use Trail	I 194	650,000	650,000	-	-	-	-	-
Total Expenditures		**$ 113,154,840**	**$ 54,687,908**	**$ 20,398,060**	**$ 68,721,600**	**$ 14,869,333**	**$ 15,264,333**	**$15,264,333**

Individual Project Details

Anza/Vista Montana/PCH Intersection Improvements

Funding Source(s)	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Measure R Grant	2,900,000	422,178	-	-	-	-	-
Total Expenditures	**$ 2,900,000**	**$ 422,178**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Arterial Street Pavement Sealing Program

Funding Source(s)	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Airport Capital Project Fund	46,000	-	-	-	-	-	-
Gas Tax	1,069,000	-	-	-	-	-	-
Measure R Local Return	6,085,960	2,886,117	800,000	1,075,000	480,000	1,075,000	1,075,000
Prop C Local Return	9,682,082	4,936,272	2,900,000	2,900,000	2,900,000	2,900,000	2,900,000
SB1	590,678	-	-	-	-	-	-
Total Expenditures	**$17,473,720**	**$ 7,822,389**	**$ 3,700,000**	**$ 3,975,000**	**$ 3,380,000**	**$ 3,975,000**	**$ 3,975,000**

Beach Cities Green Streets Project

Funding Source(s)	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
General Fund	144,124	50,972	-	-	-	-	-
Measure W	583,757	-	-	-	-	-	-
Measure W Grant	5,366,953	-	-	-	-	-	-
Other Grants	2,790,151	180,000	-	-	-	-	-
Sewer Capital Project Fund	46,330	2,814	-	-	-	-	-
Total Expenditures	**$ 8,931,315**	**$ 233,786**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Bridge Preventative Maintenance Program

Funding Source(s)	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Gas Tax	129,628	129,628	-	-	-	-	-
Total Expenditures	**$ 129,628**	**$ 129,628**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Cabrillo Ave Redesign

Funding Source(s)	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
General Fund	200,000	4,428	-	-	-	-	-
Other Grants	718,528	215	-	-	-	-	-
SB1	597,112	-	-	-	-	-	-
Total Expenditures	**$ 1,515,640**	**$ 4,642**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Citywide Sidewalk Repair Program

Funding Source(s)	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
General Fund	-	-	3,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Measure R Local Return	450,000	205,000	-	-	-	-	-
Total Expenditures	**$ 450,000**	**$ 205,000**	**$ 3,000,000**	**$ 2,000,000**	**$ 2,000,000**	**$ 2,000,000**	**$ 2,000,000**

Citywide Traffic Engineering and Improvements

Funding Source(s)	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Gas Tax	663,020	413,020	400,000	400,000	400,000	400,000	400,000
Measure M Local Return	1,450,000	304,430	-	-	-	-	-
Total Expenditures	**$ 2,113,020**	**$ 717,451**	**$ 400,000**	**$ 400,000**	**$ 400,000**	**$ 400,000**	**$ 400,000**

Citywide Traffic Signal Improvements

Funding Source(s)	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Gas Tax	379,702	137,665	250,000	250,000	250,000	250,000	250,000
General Fund	10,000	10,000	-	-	-	-	-
Measure R Local Return	186,455	165,020	62,500	62,500	-	-	-
Other Grants	726,330	4,175	2,884,298	394,767	-	-	-
Prop C Local Return	562,733	327,745	250,000	250,000	-	-	-
Total Expenditures	**$ 1,865,221**	**$ 644,606**	**$ 3,446,798**	**$ 957,267**	**$ 250,000**	**$ 250,000**	**$ 250,000**

COT Fiber Network and Traffic Signal Optimization

Funding Source(s)	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
DIF - Transportation	599,495	334,332	-	-	-	-	-
Measure M Grant	1,050,000	52,661	-	44,450,000	-	-	-
Measure M Local Return	316,667	216,661	200,000	200,000	-	-	-
Total Expenditures	**$ 1,966,162**	**$ 603,653**	**$ 200,000**	**$44,650,000**	**$ -**	**$ -**	**$ -**

Crenshaw Blvd & PCH Intersection Improvements-Phase 1

Funding Source(s)	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
DIF - Transportation	578,000	578,000	-	-	-	-	-
Measure R Grant	300,083	108,957	-	-	-	-	-
Total Expenditures	**$ 878,083**	**$ 686,957**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Crenshaw Blvd Intersection Imprv & 208th St Extension

Funding Source(s)	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Gas Tax	830,265	85,456	-	-	-	-	-
Measure M Grant	609,000	22,055	-	-	-	-	-
Measure R Grant	3,300,000	845	-	-	-	-	-
Other Grants	1,084,872	29,837	-	-	-	-	-
Total Expenditures	**$ 5,824,137**	**$ 138,193**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

FY2018-21 Residential St Rehabilitation Program

Funding Source(s)	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Measure R Local Return	307,832	199,207	(199,207)	-	-	-	-
Total Expenditures	**$ 307,832**	**$ 199,207**	**$ (199,207)**	**$ -**	**$ -**	**$ -**	**$ -**

Hawthorne Blvd Rehab (PCH to South City Limit)

Funding Source(s)	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Gas Tax	278,327	278,327	-	-	-	-	-
General Fund	7,900	7,900	-	-	-	-	-
Total Expenditures	**$ 286,227**	**$ 286,227**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Hawthorne Blvd Right-Turn Lanes at Lomita Blvd & 182nd St

Funding Source(s)	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Measure M Grant	1,000,000	759,343	-	-	-	-	-
Measure M Local Return	100,000	100,000	200,000	-	-	-	-
Total Expenditures	**$ 1,100,000**	**$ 859,343**	**$ 200,000**	**$ -**	**$ -**	**$ -**	**$ -**

I-405 AT 182nd St/Crenshaw Blvd operational improvements

Funding Source(s)	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Measure R Grant	5,132,293	3,207,278	-	-	-	-	-
Total Expenditures	**$ 5,132,293**	**$ 3,207,278**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Intersection Improvements-Pacific Coast Hwy/Hawthorne Blvd

Funding Source(s)	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Measure R Grant	1,856,022	61,736	-	-	-	-	-
Total Expenditures	**$ 1,856,022**	**$ 61,736**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Prairie Avenue Bridge Rehabilitations

Funding Source(s)	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Gas Tax	332,410	123,948	-	-	-	-	-
Other Grants	17,540	82	-	-	-	-	-
Prop C Local Return	3,400,000	3,400,000	-	-	-	-	-
Total Expenditures	**$ 3,749,950**	**$ 3,524,030**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Residential Slurry Seal Program

Funding Source(s)	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Gas Tax	4,535,000	985,000	600,000	100,000	100,000	100,000	100,000
General Fund	627,627	335,706	300,000	300,000	300,000	300,000	300,000
Measure M Local Return	4,211,712	2,906,654	1,300,000	1,900,000	2,100,000	1,900,000	1,900,000
Measure R Local Return	3,020,000	3,020,000	1,782,232	1,500,000	1,500,000	1,500,000	1,500,000
SB1	15,542,970	8,441,966	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000
Total Expenditures	**$27,937,309**	**$15,689,326**	**$ 7,582,232**	**$ 7,400,000**	**$ 7,600,000**	**$ 7,400,000**	**$ 7,400,000**

Sepulveda Soundwall Repair

Funding Source(s)	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Gas Tax	100,000	100,000	-	-	-	-	-
Total Expenditures	**$ 100,000**	**$ 100,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Sidewalk Improvements for Disabled Accessibility

Funding Source(s)	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
CDBG Fund	1,624,768	409,615	683,333	683,333	683,333	683,333	683,333
Donations	1,500	-	-	-	-	-	-
Measure M Local Return	3,150,000	62,199	450,000	450,000	450,000	450,000	450,000
Other Grants	123	123	-	-	-	-	-
Prop A Local Return	263	263	(263)	-	-	-	-
SB1	78,833	78,833	(78,833)	-	-	-	-
TDA Article 3 Bicycle Fund	253,498	-	114,000	106,000	106,000	106,000	106,000
Total Expenditures	**$ 5,108,985**	**$ 551,034**	**$ 1,168,237**	**$ 1,239,333**	**$ 1,239,333**	**$ 1,239,333**	**$ 1,239,333**

Torrance School Safety and Accessibility Program

Funding Source(s)	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Measure M Grant	17,337,375	13,235,361	-	8,100,000	-	-	-
Measure M Local Return	5,541,920	4,715,881	900,000	-	-	-	-
Total Expenditures	**$22,879,295**	**$17,951,242**	**$ 900,000**	**$ 8,100,000**	**$ -**	**$ -**	**$ -**

Transportation Open Space Corridor Multi-Use Trail

Funding Source(s)	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Other Grants	650,000	650,000	-	-	-	-	-
Total Expenditures	**$ 650,000**	**$ 650,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

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 $39.0 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	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Airport Emergency Water Supply Line	I 199	800,000	800,000	-	500,000	-	-	-
Citywide Sewer System Improvements	I 191	6,931,450	6,908,506	1,857,745	1,400,000	1,400,000	1,400,000	1,400,000
Del Amo 5 Sewer Project	I 176	2,314,409	2,314,409	-	-	-	-	-
Dominguez Channel BMP Project	I 185	503,821	503,821	-	5,900,000	-	-	-
High Pressure Zone Modifications	I 186	2,995,367	2,923,612	1,000,000	1,000,000	-	-	-
La Carretera Park	PRK0014	-	-	-	600,000	-	-	-
Madrona Ave (Civic Center Dr to Torrance Blvd)	NEW	-	-	-	3,893,306	-	-	-
Misc Water Main Repl for Developer & Street Rehab Projects	I 153	6,533,976	4,802,641	1,400,000	2,800,000	200,000	2,800,000	200,000
North Torrance Well Field	I108	2,541,266	136,614	500,000	-	-	-	-
On-Site Recycled Water Retrofits	I 184	787,399	787,399	-	-	-	-	-
Paseo de la Playa Residential Undergrounding	I 175	-	-	1,000,000	-	-	-	-
Sewer System Master Plan/Hydraulic Model	I 168	100,000	100,000	-	-	-	-	-
Undergrounding Overhd Util/Inst St Lights-PVBlvd bet. Torr/Sepul	I 156	1,635,983	1,635,983	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	18,820,267	2,566,000	-	4,000,000	3,800,000	-	-
Walteria Slope Reservoir Repair	I 181	1,497,346	1,202,362	-	-	-	-	-
Total Expenditures		**$ 45,615,768**	**$ 24,835,831**	**$ 6,207,745**	**$ 20,543,306**	**$ 5,850,000**	**$ 4,650,000**	**$ 1,650,000**

Individual Project Details

Airport Emergency Water Supply Line

Funding Source(s)	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Airport Capital Project Fund	800,000	800,000	-	500,000	-	-	-
Total Expenditures	**$ 800,000**	**$ 800,000**	**$ -**	**$ 500,000**	**$ -**	**$ -**	**$ -**

Citywide Sewer System Improvements

Funding Source(s)	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
DIF - Sewer	9,000	9,000	-	-	-	-	-
Sewer Capital Project Fund	6,922,450	6,899,506	1,857,745	1,400,000	1,400,000	1,400,000	1,400,000
Total Expenditures	**$ 6,931,450**	**$ 6,908,506**	**$ 1,857,745**	**$ 1,400,000**	**$ 1,400,000**	**$ 1,400,000**	**$ 1,400,000**

Del Amo 5 Sewer Project

Funding Source(s)	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
General Fund	214,409	214,409	-	-	-	-	-
Sewer Capital Project Fund	2,100,000	2,100,000	-	-	-	-	-
Total Expenditures	**$ 2,314,409**	**$ 2,314,409**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Dominguez Channel BMP Project

Funding Source(s)	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Measure W	500,000	500,000	-	5,900,000	-	-	-
Sewer Capital Project Fund	3,821	3,821	-	-	-	-	-
Total Expenditures	**$ 503,821**	**$ 503,821**	**$ -**	**$ 5,900,000**	**$ -**	**$ -**	**$ -**

High Pressure Zone Modifications

Funding Source(s)	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Water Capital Fund	2,995,367	2,923,612	1,000,000	1,000,000	-	-	-
Total Expenditures	**$ 2,995,367**	**$ 2,923,612**	**$ 1,000,000**	**$ 1,000,000**	**$ -**	**$ -**	**$ -**

La Carretera Park

Funding Source(s)	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Water Capital Fund	-	-	-	600,000	-	-	-
Total Expenditures	**$ -**	**$ -**	**$ -**	**$ 600,000**	**$ -**	**$ -**	**$ -**

Madrona Ave (Civic Center Dr to Torrance Blvd)

Funding Source(s)	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Other Grants	-	-	-	3,893,306	-	-	-
Total Expenditures	**$ -**	**$ -**	**$ -**	**$ 3,893,306**	**$ -**	**$ -**	**$ -**

Misc Water Main Repl for Developer & Street Rehab Projects

Funding Source(s)	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Water Capital Fund	6,533,976	4,802,641	1,400,000	2,800,000	200,000	2,800,000	200,000
Total Expenditures	**$ 6,533,976**	**$ 4,802,641**	**$ 1,400,000**	**$ 2,800,000**	**$ 200,000**	**$ 2,800,000**	**$ 200,000**

North Torrance Well Field

Funding Source(s)	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Other Grants	647,168	64	-	-	-	-	-
Water Capital Fund	1,894,098	136,550	500,000	-	-	-	-
Total Expenditures	**$ 2,541,266**	**$ 136,614**	**$ 500,000**	**$ -**	**$ -**	**$ -**	**$ -**

On-Site Recycled Water Retrofits

Funding Source(s)	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Water Capital Fund	787,399	787,399	-	-	-	-	-
Total Expenditures	**$ 787,399**	**$ 787,399**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Paseo de la Playa Residential Undergrounding

Funding Source(s)	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Other Grants	-	-	1,000,000	-	-	-	-
Total Expenditures	**$ -**	**$ -**	**$ 1,000,000**	**$ -**	**$ -**	**$ -**	**$ -**

Sewer System Master Plan/Hydraulic Model

Funding Source(s)	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Sewer Capital Project Fund	100,000	100,000	-	-	-	-	-
Total Expenditures	**$ 100,000**	**$ 100,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Undergrounding Overhd Util/Inst St Lights-PVBlvd bet. Torr/Sepul

Funding Source(s)	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
DIF - Utility Underground	1,635,983	1,635,983	400,000	400,000	400,000	400,000	-
Total Expenditures	**$ 1,635,983**	**$ 1,635,983**	**$ 400,000**	**$ 400,000**	**$ 400,000**	**$ 400,000**	**$ -**

Utility Undergrounding Administration

Funding Source(s)	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 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

Funding Source(s)	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Other Grants	740,000	-	-	-	-	-	-
Water Capital Fund	3,001,432	2,566,000	-	4,000,000	3,800,000	-	-
Water State Revolving Fund	15,078,835	-	-	-	-	-	-
Total Expenditures	**$18,820,267**	**$ 2,566,000**	**$ -**	**$ 4,000,000**	**$ 3,800,000**	**$ -**	**$ -**

Walteria Slope Reservoir Repair

Funding Source(s)	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Water Capital Fund	1,497,346	1,202,362	-	-	-	-	-
Total Expenditures	**$ 1,497,346**	**$ 1,202,362**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Storm Drains/Basins

This section summarizes the planned capital investments in our storm drain and storm water basin infrastructure. The City is planning to invest $20.5 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	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Citywide Storm Drain Replacement & Installation	I 192	8,111,925	6,581,595	2,543,000	1,605,000	1,355,000	1,355,000	1,355,000
Torrance Airport Storm Water Basin Project	I 174	2,170,810	2,159,605	7,100,000	4,884,402	256,000	-	-
Total Expenditures		**$ 10,282,735**	**$ 8,741,200**	**$ 9,643,000**	**$ 6,489,402**	**$ 1,611,000**	**$ 1,355,000**	**$ 1,355,000**

Individual Project Details

Citywide Storm Drain Replacement & Installation

Funding Source(s)	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
DIF - Storm Drain	916,887	773,629	100,000	100,000	100,000	100,000	100,000
Measure W	6,416,347	5,039,612	1,505,000	1,505,000	1,255,000	1,255,000	1,255,000
Other Grants	778,691	768,354	938,000	-	-	-	-
Total Expenditures	**$ 8,111,925**	**$ 6,581,595**	**$ 2,543,000**	**$ 1,605,000**	**$ 1,355,000**	**$ 1,355,000**	**$ 1,355,000**

Torrance Airport Storm Water Basin Project

Funding Source(s)	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
General Fund	4,673	4,673	-	-	-	-	-
Grant	2,000,000	2,000,000	-	-	-	-	-
Measure W Grant	-	-	7,100,000	4,884,402	256,000	-	-
Sewer Capital Project Fund	166,138	154,932	-	-	-	-	-
Total Expenditures	**$ 2,170,810**	**$ 2,159,605**	**$ 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 $20.5 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	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
3D GIS Mapping/Cyclomedia	OP49	160,000	80,000	-	-	160,000	-	-
Accela Continuous Improvement Initatives	OP50	166,164	20,249	150,000	-	50,000	50,000	-
AI Solutions	OP50	-	-	100,000	-	-	-	-
Airport Asset Management	OP50	-	-	-	-	110,000	-	-
AssetWorks Software Implementation	OP50	121,000	964	-	-	-	-	-
Automated Meter Integration Upgrade	OP83	7,250,000	100,000	-	-	-	-	-
Building Code Updates	OP49	-	-	-	-	30,000	-	-
CA DOJ Monitor	OP70	500,000	-	1,000,000	750,000	750,000	500,000	500,000
Citywide Asset Inventory	OP83	-	-	400,000	-	-	-	-
Citywide Event Perimeter Protection Measures (Downtown bollards)	OP83	150,000	150,000	-	-	-	-	-
Citywide Facility Reservation System	OP50	100,000	100,000	75,000	-	-	-	-
Citywide Parks Master Plan	OP93	300,000	300,000	450,000	-	-	-	-
Citywide Traffic Analysis	OP83	-	-	500,000	-	-	-	-
Citywide Tree Planting Program	OP83	854,000	33,060	427,000	427,000	-	-	-
Citywide Web Redesign	OP50	530,000	7,301	-	-	-	-	-
Civic Center Master Plan	OP41	660,000	486,125	200,000	-	-	-	-
Community AED Purchase	OP71	204,622	86,761	-	-	-	-	-
Computer Aided Dispatch (CAD) Implementation	OP50	2,335,659	1,001	-	-	-	-	-
Customer Service Enhancement	OP50	40,000	40,000	(40,000)	-	-	-	-
Data Warehouse - Reporting and Analytics	OP50	-	-	-	90,000	90,000	90,000	-
DCH Airport Site Remediation Account	OP95	200,000	-	-	-	-	-	-
Del Amo Fashion Center PCC	OP70	193,350	58,047	-	-	-	-	-
Digitize Paper Files	OP49	-	-	-	-	150,000	100,000	80,000
Disaster Recovery Enhancement	OP50	-	-	250,000	-	-	-	-
EA Properties Remediation	OP95	2,500,000	-	-	-	-	-	-
Electronic Content Management Enhancement	OP50	102,861	19,086	-	-	-	-	-
Electronic Plan Submittal and Review	OP49	500,000	264,080	-	-	-	-	-
Emergency Slope Stabilization at 4812 Newton Street	OP83	245,000	77,740	-	-	-	-	-
Enterprise Resource Planning System Replacement	OP50	620,000	445,579	3,000,000	2,500,000	-	-	-
Enterprise Cashiering	OP50	195,000	-	50,000	-	-	-	-
EV Chargers For Park & Library Facilities	OP53	80,000	51,756	-	-	-	-	-
Fire Modernization	OP50	300,000	300,000	-	-	-	-	-
GIS System Enhancements	OP50	285,000	60,500	200,000	50,000	-	-	-
Hi-Shear OU-2 Remediation Account	OP95	3,000,000	3,000,000	-	-	-	-	-
Historic Preservation Plan Update	OP49	78,500	9,520	10,000	-	-	-	-
Housing Element Compliance	OP49	296,012	109,987	60,000	-	500,000	100,000	-
Library Needs Assessment	OP93	97,000	4,300	-	-	-	-	-
Local Roadway Safety Plan	OP83	-	-	450,000	-	-	-	-
Machado Lake Special Study	OP83	-	-	300,000	-	-	-	-
Microfilm Conversion	OP70	175,000	175,000	-	-	-	-	-
Migrate Laserfiche to Cloud	OP50	-	-	-	-	-	100,000	-
New Citizen Engagement for Web & Mobile	OP50	95,000	60,000	50,000	25,000	25,000	25,000	-
North Torrance Well Field - Forensic Investigation	OP83	5,638,937	-	50,000	-	-	-	-
Oil Well Ordinance	OP49	-	-	60,000	-	-	-	-
Park Lighting Replacement and Repair	OP93	385,862	26,941	-	-	-	-	-
Park Signage Replacement	OP93	-	-	100,000	100,000	100,000	100,000	100,000
Patrol Rifle Refresh	OP70	-	-	600,000	-	-	-	-
Police IT Remediation	OP50	250,000	900	-	-	-	-	-

Project Title	Project ID	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
PROSECUTOR Software Implementation	OP50	157,900	71,438	50,000	-	-	-	-
Public Safety Element Update / Environmental Justice	OP49	245,000	46,776	-	-	-	-	-
Relocate Tarplant Preserve	OP41	100,000	100,000	360,000	50,000	50,000	-	-
Remediate Soil at RTC Site	OP41	423,954	58,475	-	-	-	-	-
Replacement of RightFax (OpenText)	OP50	7,579	-	-	-	-	-	-
Resurface Playing Courts	OP93	875,000	866,200	125,000	-	-	-	-
SBL Airport Site Remediation Account	OP95	200,000	-	-	-	-	-	-
Sewer Lift Station Pump and Back-up Generator Replacements	OP83	1,260,000	1,260,000	-	-	-	-	-
Strategic Plan Survey & Community	OP49	200,000	16,351	-	100,000	-	-	-
Street Name Sign Replacements	OP83	262,278	18,221	-	-	-	500,000	500,000
Supervisory Control & Data Acq (SCADA) Upgrades	OP83	544,953	539,439	-	-	-	-	-
Upgrade Post Production and Asset Management	OP41	229,289	-	150,000	-	-	-	-
Use of Force Investigation	OP70	240,000	-	-	-	-	-	-
User Fee & Development Impact Fee Study	OP46	100,000	100,000	-	-	-	-	-
Versaterm RMS	OP50	-	-	2,000,000	500,000	-	-	-
Water System Master Plan	OP83	500,000	500,000	-	-	-	-	-
Total Expenditures		**$33,954,921**	**$ 9,645,798**	**$11,127,000**	**$ 4,592,000**	**$ 2,015,000**	**$ 1,565,000**	**$ 1,180,000**

Individual Project Details

Operating Projects - CIT

Operating Projects - CIT	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Accela Continuous Improvement Initatives	166,164	20,249	150,000	-	50,000	50,000	-
AI Solutions	-	-	100,000	-	-	-	-
Airport Asset Management	-	-	-	-	110,000	-	-
AssetWorks Software Implementation	121,000	964	-	-	-	-	-
Citywide Facility Reservation System	100,000	100,000	75,000	-	-	-	-
Citywide Web Redesign	530,000	7,301	-	-	-	-	-
Computer Aided Dispatch (CAD) Implementation	2,335,659	1,001	-	-	-	-	-
Customer Service Enhancement	40,000	40,000	(40,000)	-	-	-	-
Data Warehouse - Reporting and Analytics	-	-	-	90,000	90,000	90,000	-
Disaster Recovery Enhancement	-	-	250,000	-	-	-	-
Electronic Content Management Enhancement	102,861	19,086	-	-	-	-	-
Enterpise Resource Planning System Replacement	620,000	445,579	3,000,000	2,500,000	-	-	-
Enterprise Cashiering	195,000	-	50,000	-	-	-	-
Fire Modernization	300,000	300,000	-	-	-	-	-
GIS System Enhancements	285,000	60,500	200,000	50,000	-	-	-
Migrate Laserfiche to Cloud	-	-	-	-	-	100,000	-
New Citizen Engagement for Web & Mobile	95,000	60,000	50,000	25,000	25,000	25,000	-
Police IT Remediation	250,000	900	-	-	-	-	-
PROSECUTOR Software Implementation	157,900	71,438	50,000	-	-	-	-
Replacement of RightFax (OpenText)	7,579	-	-	-	-	-	-
Versaterm RMS	-	-	2,000,000	500,000	-	-	-
Total Expenditures	**$ 5,306,163**	**$ 1,127,018**	**$ 5,885,000**	**$ 3,165,000**	**$ 275,000**	**$ 265,000**	**$ -**
Funding Source(s)							
Airport Capital Project Fund	-	-	-	-	110,000	-	-
Asset Forfeiture	1,142,955	-	415,000	-	-	-	-
Fleet Services Capital Fund	19,000	262	-	-	-	-	-
General Fund	3,775,208	1,126,493	635,000	165,000	165,000	265,000	-
Measure SST Fund	350,000	-	4,835,000	3,000,000	-	-	-
Transit Capital Fund	19,000	262	-	-	-	-	-
Total Expenditures	**$ 5,306,163**	**$ 1,127,018**	**$ 5,885,000**	**$ 3,165,000**	**$ 275,000**	**$ 265,000**	**$ -**

Operating Projects - City Manager

Operating Projects - City Manager	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Civic Center Master Plan	660,000	486,125	200,000	-	-	-	-
Relocate Tarplant Preserve	100,000	100,000	360,000	50,000	50,000	-	-
Remediate Soil at RTC Site	423,954	58,475	-	-	-	-	-
Upgrade Post Production and Asset Management Systems	229,289	-	150,000	-	-	-	-
Total Expenditures	**$ 1,413,243**	**$ 644,600**	**$ 710,000**	**$ 50,000**	**$ 50,000**	**$ -**	**$ -**
Funding Source(s)							
General Fund	1,183,954	644,600	560,000	50,000	50,000	-	-
PEG Fund Capital	229,289	-	150,000	-	-	-	-
Total Expenditures	**$ 1,413,243**	**$ 644,600**	**$ 710,000**	**$ 50,000**	**$ 50,000**	**$ -**	**$ -**

Operating Projects - Community Development

Operating Projects - Community Development	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
3D GIS Mapping/Cyclomedia	160,000	80,000	-	-	160,000	-	-
Building Code Updates	-	-	-	-	30,000	-	-
Digitize Paper Files	-	-	-	-	150,000	100,000	80,000
Electronic Plan Submittal and Review	500,000	264,080	-	-	-	-	-
Historic Preservation Plan Update	78,500	9,520	10,000	-	-	-	-
Housing Element Compliance	296,012	109,987	60,000	-	500,000	100,000	-
Oil Well Ordinance	-	-	60,000	-	-	-	-
Public Safety Element Update / Environmental Justice	245,000	46,776	-	-	-	-	-
Strategic Plan Survey & Community Profile/Environmental Scan	200,000	16,351	-	100,000	-	-	-
Total Expenditures	**$ 1,479,512**	**$ 526,715**	**$ 130,000**	**$ 100,000**	**$ 840,000**	**$ 200,000**	**$ 80,000**
Funding Source(s)							
General Fund	1,479,512	526,715	130,000	100,000	840,000	200,000	80,000
Total Expenditures	**$ 1,479,512**	**$ 526,715**	**$ 130,000**	**$ 100,000**	**$ 840,000**	**$ 200,000**	**$ 80,000**

Operating Projects - Community Services

Operating Projects - Community Services	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Citywide Parks Master Plan	300,000	300,000	450,000	-	-	-	-
Library Needs Assessment	97,000	4,300	-	-	-	-	-
Park Lighting Replacement and Repair	385,862	26,941	-	-	-	-	-
Park Signage Replacement	-	-	100,000	100,000	100,000	100,000	100,000
Resurface Playing Courts	875,000	866,200	125,000	-	-	-	-
Total Expenditures	**$ 1,657,862**	**$ 1,197,441**	**$ 675,000**	**$ 100,000**	**$ 100,000**	**$ 100,000**	**$ 100,000**
Funding Source(s)							
General Fund	97,000	4,300	-	-	-	-	-
Measure SST Fund	1,175,000	1,166,200	675,000	100,000	100,000	100,000	100,000
Parks & Rec Open Space Fund	385,862	26,941	-	-	-	-	-
Total Expenditures	**$ 1,657,862**	**$ 1,197,441**	**$ 675,000**	**$ 100,000**	**$ 100,000**	**$ 100,000**	**$ 100,000**

Operating Projects - Finance

Operating Projects - Finance	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
User Fee & Development Impact Fee Study	100,000	100,000	-	-	-	-	-
Total Expenditures	**$ 100,000**	**$ 100,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Funding Source(s)							
General Fund	100,000	100,000	-	-	-	-	-
Total Expenditures	**$ 100,000**	**$ 100,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Operating Projects - Fire

Operating Projects - Fire	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Community AED Purchase	204,622	86,761	-	-	-	-	-
Total Expenditures	**$ 204,622**	**$ 86,761**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Funding Source(s)							
General Fund	204,622	86,761	-	-	-	-	-
Total Expenditures	**$ 204,622**	**$ 86,761**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Operating Projects - General Services

Operating Projects - General Services	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
DCH Airport Site Remediation Account	200,000	-	-	-	-	-	-
EA Properties Remediation	2,500,000	-	-	-	-	-	-
EV Chargers For Park & Library Facilities	80,000	51,756	-	-	-	-	-
Hi-Shear OU-2 Remediation Account	3,000,000	3,000,000	-	-	-	-	-
SBL Airport Site Remediation Account	200,000	-	-	-	-	-	-
Total Expenditures	**$ 5,980,000**	**$ 3,051,756**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Funding Source(s)							
Airport Capital Project Fund	5,900,000	3,000,000	-	-	-	-	-
Fleet Services Capital Fund	50,000	50,000	-	-	-	-	-
General Fund	30,000	1,756	-	-	-	-	-
Total Expenditures	**$ 5,980,000**	**$ 3,051,756**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Operating Projects - Police

Operating Projects - Police	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
CA DOJ Monitor	500,000	-	1,000,000	750,000	750,000	500,000	500,000
Del Amo Fashion Center PCC	193,350	58,047	-	-	-	-	-
Microfilm Conversion	175,000	175,000	-	-	-	-	-
Patrol Rifle Refresh	-	-	600,000	-	-	-	-
Use of Force Investigation	240,000	-	-	-	-	-	-
Total Expenditures	**$ 1,108,350**	**$ 233,047**	**$ 1,600,000**	**$ 750,000**	**$ 750,000**	**$ 500,000**	**$ 500,000**
Funding Source(s)							
General Fund	1,108,350	233,047	1,000,000	750,000	750,000	500,000	500,000
Measure SST Fund	-	-	600,000	-	-	-	-
Total Expenditures	**$ 1,108,350**	**$ 233,047**	**$ 1,600,000**	**$ 750,000**	**$ 750,000**	**$ 500,000**	**$ 500,000**

Operating Projects - Public Works

Operating Projects - Public Works	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Automated Meter Integration Upgrade	7,250,000	100,000	-	-	-	-	-
Citywide Asset Inventory	-	-	400,000	-	-	-	-
Citywide Event Perimeter Protection Measures (Downtown bollards)	150,000	150,000	-	-	-	-	-
Citywide Traffic Analysis	-	-	500,000	-	-	-	-
Citywide Tree Planting Program	854,000	33,060	427,000	427,000	-	-	-
Emergency Slope Stabilization at 4812 Newton Street	245,000	77,740	-	-	-	-	-
Local Roadway Safety Plan	-	-	450,000	-	-	-	-
Machado Lake Special Study	-	-	300,000	-	-	-	-
North Torrance Well Field - Forensic Investigation	5,638,937	-	50,000	-	-	-	-
Sewer Lift Station Pump and Back-up Generator Replacements	1,260,000	1,260,000	-	-	-	-	-
Street Name Sign Replacements	262,278	18,221	-	-	-	500,000	500,000
Supervisory Control & Data Acq (SCADA) Upgrades	544,953	539,439	-	-	-	-	-
Water System Master Plan	500,000	500,000	-	-	-	-	-
Total Expenditures	**$16,705,168**	**$ 2,678,461**	**$ 2,127,000**	**$ 427,000**	**$ -**	**$ 500,000**	**$ 500,000**
Funding Source(s)							
Gas Tax	-	-	90,000	-	-	-	-
General Fund	657,278	245,962	300,000	-	-	500,000	500,000
GRANT	-	-	360,000	-	-	-	-
Measure R Local Return	-	-	900,000	-	-	-	-
Measure SST Fund	854,000	33,060	427,000	427,000	-	-	-
Sewer Capital Project Fund	1,260,000	1,260,000	-	-	-	-	-
Water Capital Fund	13,933,890	1,139,439	50,000	-	-	-	-
Total Expenditures	**$16,705,168**	**$ 2,678,461**	**$ 2,127,000**	**$ 427,000**	**$ -**	**$ 500,000**	**$ 500,000**

Other Projects

This section summarizes planned capital investment in other areas that do not fit the scope or scale of the other capital investment categories included in this plan but still represent a significant investment in our community. The City is planning to dedicate $3.2 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	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Downtown Torrance	OTR0001	1,279,208	301,430	123,819	310,000	300,000	-	-
Torrance Municipal Airport	FAC0017	3,055,917	3,055,917	1,500,000	250,000	250,000	250,000	250,000
Total Expenditures		**$ 4,335,125**	**$ 3,357,348**	**$ 1,623,819**	**$ 560,000**	**$ 550,000**	**$ 250,000**	**$ 250,000**

Individual Project Details

Downtown Torrance

Downtown Torrance	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Downtown Parking Structure	125,000	93,200	-	-	300,000	-	-
Refurbish Amenities and Signs	654,208	92,049	-	10,000	-	-	-
Replace String Lights	-	-	240,000	300,000	-	-	-
Upgrade Downtown Torrance Lights to LED	500,000	116,181	(116,181)	-	-	-	-
Total Expenditures	**$ 1,279,208**	**$ 301,430**	**$ 123,819**	**$ 310,000**	**$ 300,000**	**$ -**	**$ -**
Funding Source(s)							
General Fund	1,279,208	301,430	(116,181)	10,000	-	-	-
Measure SST Fund	-	-	240,000	300,000	300,000	-	-
Total Expenditures	**$ 1,279,208**	**$ 301,430**	**$ 123,819**	**$ 310,000**	**$ 300,000**	**$ -**	**$ -**

Torrance Municipal Airport

3301 Airport Dr, Torrance, CA 90505 | District 6

Torrance Municipal Airport	Life-to-Date Budget	Life-To-Date Balance	FY 2026-27 Adopted Budget	FY 2027-28 Projected Budget	FY 2028-29 Projected Budget	FY 2029-30 Projected Budget	FY 2030-31 Projected Budget
Airport Pavement Maintenance Program	3,055,917	3,055,917	1,500,000	250,000	250,000	250,000	250,000
Total Expenditures	**$ 3,055,917**	**$ 3,055,917**	**$ 1,500,000**	**$ 250,000**	**$ 250,000**	**$ 250,000**	**$ 250,000**
Funding Source(s)							
Airport Capital Project Fund	3,055,917	3,055,917	1,500,000	250,000	250,000	250,000	250,000
Total Expenditures	**$ 3,055,917**	**$ 3,055,917**	**$ 1,500,000**	**$ 250,000**	**$ 250,000**	**$ 250,000**	**$ 250,000**



APPENDIX

Appendix

Classification of Funds

The City follows all Government Finance Officers' Association (GFOA)'s 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 were historically eligible for this plan but as a result of negotiations in 2024 this plan is now frozen with no more years of service being accrued and highest compensation capped.

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)
- Adopted budget preparation by the City Manager
- Adopted 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.

In accordance with the City Charter, the City Council may amend the budget during the fiscal year by an affirmative vote of at least four Council Members. In addition, the City Manager is authorized to approve budget adjustments within individual funds and delegated the authority to approve appropriation requests of up to $250,000, as deemed reasonably necessary to address operational needs and achieve City priorities per City Council Policy 3.

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 annually 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 CIP will be presented for Council approval each fiscal year as part of adopting the budget.

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 FY 2022–23, 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.

CITY OF TORRANCE
FY 2027 APPROPRIATIONS SUBJECT TO LIMITATION

Appropriations Subject to Limitation		
Property Tax		$ 73,087,080
Sales & Use Tax		63,199,620
Utility Users' Tax (UUT)		41,308,282
Business License Tax		11,849,480
Construction Tax		1,520,000
Transient Occupancy Tax (TOT)		13,500,000
Real Property Transfer Tax		850,000
Oil Severance Tax		5,000
Aircraft Assessment Tax		215,610
State Motor Vehicle License Tax		225,000
State Gasoline Tax		2,743,000
State Homeowners' Property Tax Relief		165,000
Interest Earnings		3,979,640
Total Unadjusted Appropriations subject to Limitation	**A**	**$ 212,647,712**

Adjustment for Appropriations Not Subject to Limitation		
Federal Mandates		
Increase in FICA Taxes		$ 5,095,462
FLSA Adjustment 2026-27		518,170
Total Federal Mandates	**B**	**5,613,632**
Qualified Debt Service		
2016 Public Property Financing COP		1,255,244
2020 Lease Revenue Bonds		20,397,834
2021 Lease Revenue Bonds		2,501,488
Total Qualified Debt Service	**C**	**24,154,566**
Total Adjustment	**D = B + C**	**29,768,198**
Total Adjusted Appropriations subject to Limitation	**E = A - D**	**$ 182,879,514**

Calculation of Appropriations Limit and Difference between the Limit and Appropriations Subject to Limitation		
Prior Year (FY 2026) Appropriations Limit	**F**	**$ 5,690,600,037**
Recommended Adjustment Factor	**G**	**1.0446**
Appropriations Limit for FY 2027	**H = F x G**	**$5,944,400,799**
Projected Appropriations are Below Limit by:	**H - E**	**$5,761,521,285**

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

Fiscal Year	Price Adjustment	X	Population Adjustment	=	Total Adjustment	Appropriations Limit	Appropriations Subject to Limitation	Amount (Over) Under Limit
2023	1.0755	X	0.9929	=	1.0679	$ 4,338,088,962	$ 163,679,977	$ 4,174,408,985
2024	1.136	X	0.9925	=	1.1275	$ 4,891,195,305	$ 177,558,654	$ 4,713,636,651
2025	1.062	X	1.0005	=	1.0625	$ 5,196,895,011	$ 180,694,048	$ 5,016,200,963
2026	1.0917	X	1.003	=	1.095	$ 5,690,600,037	$ 181,870,386	$ 5,508,729,651
2027	1.0495	X	0.9953	=	1.0446	$ 5,944,400,799	$ 182,879,514	$ 5,761,521,285

Fund and Reserve Policies

General Fund

Economic Anomaly and Unrestricted Fund Balance Reserve Policy

The City will maintain at the end of each fiscal year an Economic Anomaly Reserve balance within the Assigned fund balance at a level that is equal to at least 20% of the fiscal year's General Fund-Operating Fund operating budget appropriation, as adopted (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 adopted (controlling for one-time expenditures), while striving to maintain a 30% ratio.

Capital Contribution Policy

The FY 2026–27 operating budget includes a new Capital Contribution Policy to provide a consistent and objective framework for funding the City's capital needs. The policy is informed by state and national benchmarking practices, consistent with AAA-rated cities, that calls for an annual contribution equal to 5% (striving for 7.5%) of the City's General Fund-Operating Fund adopted revenue budget (controlling for one-time revenues) to the Capital Improvement Plan. In a year in which the City falls short, a plan shall be identified to meet the 20% policy.

Recognizing current fiscal constraints, the City anticipates a phased implementation of this policy, with contributions gradually increasing overtime towards the 5% target. It is projected that the City will achieve this policy by FY 2034–35. This measured approach is intended to balance ongoing operational needs with the importance of reinvesting in critical infrastructure. Implementing this policy will strengthen the City's ability to plan for, maintain, and reinvest in critical infrastructure while promoting long-term financial stability.

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, 2025, the Self-Insurance Fund's unrestricted net position is -$52,257,482. 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 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. FY 2024–25 audited financials for the FY 2026–27 budget). This is revised annually by FY 2026–27 assessing a charge equal to 31.58% 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 a standard credibility weighted calculation of each Department's actual experience as calculated by our actuarial consultants. 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. Starting in FY 2026–27, the General Fund also will charge rent to the Airport Fund for use of the City-owned land as well as to the Transit Fund for temporary use of the City-owned land next to the Regional Transit Center as a temporary parking lot during the construction of the new parking structure. The calculation for rent is based on the square footage that each Fund/department occupies, and comparable commercial and warehouse rental and ground lease market rates in the city of Torrance. Specifically with the Airport Fund, based on ability to pay, the rate assessed is prorated. 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.

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 citywide annual operating budget appropriations.

Investment Policy

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

Budget Appropriation Resolutions

The citywide annual budget is formally adopted by the City Council via two separate resolutions. The first resolution addresses the financial needs of the operating budget including the transfers to fund anticipated CIP needs, and the second resolution addresses the financial needs of the CIP budget. In addition, the City Council annually adopts a resolution establishing the City’s appropriation limit calculated in accordance with Article XIII-B (Proposition 4) of the Constitution of the State of California.

RESOLUTION NO. 2026-55

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TORRANCE, CALIFORNIA, ESTABLISHING THE ANNUAL APPROPRIATION FOR THE SECOND FISCAL YEAR (2026-27) OF THE CITY'S 2025-2027 OPERATING BUDGET

WHEREAS, the City Manager of the City of Torrance, in accordance with the provisions of the City Charter, does hereby submit to the City Council for the fiscal year 2026-27 a City operating budget which consists of:

Fund Type	Fund Name	2026-27
General Fund	General Fund-Operating Fund	$ 324,433,802
General Fund	General Fund-Measure SST	$ 27,279,846
General Fund	General Fund -Restricted	$ 12,387,318
General Fund	General Fund-Assigned	$ 4,563,239
Nonmajor Governmental Funds	AQMD Fund	$ 181,142
Nonmajor Governmental Funds	Debt Service Fund	$ 24,154,567
Nonmajor Governmental Funds	Low Mod Fund	$ 47,159
Nonmajor Governmental Funds	Meadow Park Parking Lot District	$ 34,860
Nonmajor Governmental Funds	Section 8 Housing	$ 9,003,534
Nonmajor Governmental Funds	Street Lighting Fund	$ 1,968,915
Nonmajor Governmental Funds	Traffic Safety Fund	$ 55,000
Nonmajor Governmental Funds	Vanpool Fund	$ 179,314
Enterprise Funds	Airport Fund	$ 6,436,529
Enterprise Funds	Sanitation Fund	$ 20,048,040
Enterprise Funds	Sewer Fund	$ 5,093,096
Enterprise Funds	Transit Fund	$ 49,076,346
Enterprise Funds	Water Fund	$ 57,024,801
Internal Service Funds	Fleet Services Fund	$ 14,652,424
Internal Service Funds	Self-Insurance Fund	$ 26,764,266
Fiduciary Funds	Redevelopment Agency Fund	$ 1,158,253
Total Operating Budget Expenditures		**$ 584,542,451**

Other Funds as a Source to Operating Budget	Fund Name	2026-27
Nonmajor Special Revenue Funds	Proposition A Fund	$ 4,500,000
Nonmajor Special Revenue Funds	Proposition CFund	$ 114,136
Nonmajor Special Revenue Funds	Gas Tax Fund	$ 3,311,595

WHEREAS, the City Council set May 5, 2026, May 19, 2026 and June 9, 2026 as the dates for the public budget hearing on the proposed City budget, and adopted the City budget on June 9, 2026;

NOW, THEREFORE THE CITY COUNCIL OF THE CITY OF TORRANCE, CALIFORNIA, DOES RESOLVE AS FOLLOWS:

SECTION 1

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

SECTION 2

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

INTRODUCED, APPROVED, AND ADOPTED this 9th day of June 2026.

Mayor George K. Chen

APPROVED AS TO FORM:
PATRICK Q. SULLIVAN, City Attorney

by: _____
Tatia Y. Strader, Assistant City Attorney

ATTEST:

_____
Rebecca Poirier, MMC, City Clerk

RESOLUTION NO. 2026-56

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TORRANCE, CALIFORNIA, ESTABLISHING THE ANNUAL APPROPRIATION FOR THE FISCAL YEAR 2026-27 OF THE CITY'S 2026-2031 CAPITAL BUDGET

WHEREAS, the City Manager of the City of Torrance, in accordance with the provisions of the City Charter, does hereby submit to the City Council for the fiscal year 2026-27 a City capital budget which consists of:

Funding Source	2026-27	2027-28 (Information Only)	2028-29 (Information Only)	2029-2030 (Information Only)	2030-2031 (Information Only)
Airport Capital Project Fund	$ 6,107,540	$ 2,120,210	$ 1,132,520	$ 250,000	$ 250,000
AQMD	$ 225,000	$ -	$ -	$ -	$ -
Asset Forfeiture	$ 415,000	$ -	$ -	$ -	$ -
CDBG Fund	$ 683,333	$ 683,333	$ 683,333	$ 683,333	$ 683,333
Developer Contribution	$ -	$ 1,000,000	$ -	$ -	$ -
DIF - Police	$ (170,000)	$ -	$ -	$ -	$ -
DIF - Storm Drain	$ 100,000	$ 100,000	$ 100,000	$ 108,000	$ 100,000
DIF - Utility Underground	$ 450,000	$ 450,000	$ 450,000	$ 450,000	$ 50,000
Fleet Services Capital Fund	$ 702,768	$ 1,500,000	$ -	$ 275,000	$ 2,750,000
Gas Tax	$ 1,340,000	$ 750,000	$ 750,000	$ 750,000	$ 750,000
General Fund	$ 7,579,044	$ 5,611,200	$ 5,646,947	$ 6,559,065	$ 5,607,239
GRANT	$ 1,391,000	$ 850,000	$ -	$ -	$ -
Measure A	$ 3,300,000	$ 5,000,000	$ -	$ 1,700,000	$ -
Measure M Grant	$ -	$ 52,550,000	$ -	$ -	$ -
Measure M Local Return	$ 3,050,000	$ 2,550,000	$ 2,550,000	$ 2,350,000	$ 2,350,000
Measure R Local Return	$ 3,345,525	$ 2,637,500	$ 1,980,000	$ 2,575,000	$ 2,575,000
Measure SST Fund	$ 5,567,423	$ 9,787,000	$ 7,353,605	$ 7,483,298	$ 8,715,385
Measure W	$ 1,505,000	$ 7,405,000	$ 1,255,000	$ 1,255,000	$ 1,255,000
Measure W Grant	$ 7,100,000	$ 4,884,402	$ 256,000	$ -	$ -
Other Grants	$ 5,322,298	$ 4,288,073	$ -	$ -	$ -
Park Equipment Replacement Fund	$ -	$ -	$ -	$ 250,000	$ -
Parks & Rec Facilities Fund	$ -	$ 500,000	$ -	$ -	$ -
Parks & Rec Open Space Fund	$ -	$ 1,000,000	$ -	$ 1,500,000	$ 145,000
PEG Fund Capital	$ 150,000	$ -	$ -	$ -	$ -
Prop A Local Return	$ (263)	$ -	$ -	$ -	$ -
Prop C Local Return	$ 3,150,000	$ 3,150,000	$ 2,900,000	$ 2,900,000	$ 2,900,000
SB1	$ 3,521,167	$ 3,600,000	$ 3,600,000	$ 3,600,000	$ 3,600,000
Sewer Capital Project Fund	$ 1,857,745	$ 1,400,000	$ 1,400,000	$ 1,400,000	$ 1,400,000
TDA Article 3 Bicycle Fund	$ 114,000	$ 106,000	$ 106,000	$ 106,000	$ 106,000
Transit Capital Fund	$ 1,725,000	$ -	$ -	$ -	$ -
Water Capital Fund	$ 2,950,000	$ 8,400,000	$ 4,000,000	$ 2,800,000	$ 200,000
Total	**$ 61,481,580**	**$ 120,322,718**	**$ 34,163,405**	**$ 36,986,696**	**$ 33,436,957**

SECTION 1

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

INTRODUCED, **APPROVED**, and **ADOPTED** this 9th day of June 2026.

Mayor George K. Chen

APPROVED AS TO FORM:
PATRICK Q. SULLIVAN, City Attorney

by: _____
Tatia Y. Strader, Assistant City Attorney

ATTEST:

_____
Rebecca Poirier, MMC, City Clerk

TORRANCE CITY COUNCIL RESOLUTION NO. 2026-56

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF TORRANCE)

I, Rebecca Poirier, City Clerk of the City of Torrance, California, do hereby certify that the foregoing resolution was duly introduced, approved, and adopted by the City Council of the City of Torrance at a regular meeting of said Council held on the 9th day of June 2026 by the following roll call vote:

AYES:	COUNCILMEMBERS	Gerson, Kaji, Lewis, Mattucci, Sheikh, and Mayor Pro-Tem Kalani.
NOES:	COUNCILMEMBERS	None.
ABSTAIN:	COUNCILMEMBERS	None.
ABSENT:	COUNCILMEMBERS	Mayor Chen.

Date: 6/10/26

_____
Rebecca Poirier, MMC
City Clerk of the City of Torrance

RESOLUTION NO. 2026-57

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TORRANCE, CALIFORNIA, ESTABLISHING THE ANNUAL APPROPRIATION LIMIT AND SELECTION OF THE ANNUAL ADJUSTMENT FACTORS FOR FISCAL YEAR 2026-27

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

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

WHEREAS, the City of Torrance has complied with all the provisions of Article XII 18, as amended by Proposition 111, in determining the appropriations limit for fiscal year 2026-27; and

WHEREAS, all calculations for fiscal year 2026-27 were necessary to arrive at an accurate limit; and

WHEREAS, all calculations necessary to arrive at the appropriations limit for fiscal year 2026-27 are attached as Exhibit A;

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

(1) It selects the following growth factors for fiscal year 2026-27

Population Factor (City)	Price Factor (Change in State per Capita Personal Income)
-0.47%	4.95%

(2) It accepts the appropriations limit for fiscal year 2026-27 in the amount of $5,944,400,799.

INTRODUCED, APPROVED, and **ADOPTED** this 9th day of June 2026.

Mayor George K. Chen

APPROVED AS TO FORM:
PATRICK Q. SULLIVAN, City Attorney

by: _____
Tatia Y. Strader, Assistant City Attorney

ATTEST:

_____
Rebecca Poirier, MMC, City Clerk

Attachments:
Exhibit A – City of Torrance Fiscal Year 2026-27 Appropriations Limit

TORRANCE CITY COUNCIL RESOLUTION NO. 2026-57

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF TORRANCE)

I, Rebecca Poirier, City Clerk of the City of Torrance, California, do hereby certify that the foregoing resolution was duly introduced, approved, and adopted by the City Council of the City of Torrance at a regular meeting of said Council held on the 9th day of June 2026 by the following roll call vote:

AYES:	COUNCILMEMBERS	Gerson, Kaji, Lewis, Mattucci, Sheikh, and Mayor Pro-Tem Kalani.
NOES:	COUNCILMEMBERS	None.
ABSTAIN:	COUNCILMEMBERS	None.
ABSENT:	COUNCILMEMBERS	Mayor Chen.

Date: 6/10/26

_____
Rebecca Poirier, MMC
City Clerk of the City of Torrance

Debt Financing Information

Debt Issuance	Date Issued	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Thereafter
2016 Certificate of Participation	11/15/2016	1,255,244	1,259,744	1,259,994	1,258,743	1,255,993	20,125,283
Opus Bank Loan	10/1/2017	644,516	446,197	-	-	-	-
2018 Tax Allocation Refunding Bonds (Downtown Redevelopment Project)	10/25/2018	453,500	457,875	456,125	-	-	-
2018 Tax Allocation Refunding Bonds (Torrance Industrial Redevelopment Project)	10/25/2018	1,432,375	1,427,625	1,424,750	-	-	-
Lease Revenue Bonds Series 2020	10/22/2020	20,397,834	20,949,950	21,511,699	22,092,492	22,692,834	319,778,644
Lease Revenue Bonds Series 2021	4/15/2021	2,501,488	2,500,953	2,506,951	2,507,944	2,506,580	32,544,985
State Revolving Fund Loan	4/21/2025	818,054	818,054	818,054	818,054	818,054	10,634,702
Total		**$ 27,503,011**	**$ 27,860,398**	**$ 27,977,573**	**$ 26,677,233**	**$ 27,273,461**	**$ 383,083,614**

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 FY 2020–21, 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 yielded a true interest cost of 3.43% (versus 6.8% CalPERS charges the City on the outstanding UAL debt). 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 2026.

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	774,002	1.400%	44,052	818,054
6/30/2026	628,146	1.400%	189,908	818,054
6/30/2027	636,940	1.400%	181,114	818,054
6/30/2028	645,858	1.400%	172,196	818,054
6/30/2029	654,900	1.400%	163,154	818,054
6/30/2030	664,068	1.400%	153,986	818,054
6/30/2031	673,365	1.400%	144,689	818,054
6/30/2032	682,792	1.400%	135,262	818,054
6/30/2033	692,351	1.400%	125,703	818,054
6/30/2034	702,044	1.400%	116,010	818,054
6/30/2035	711,873	1.400%	106,181	818,054
6/30/2036	721,839	1.400%	96,215	818,054
6/30/2037	731,945	1.400%	86,109	818,054
6/30/2038	742,192	1.400%	75,862	818,054
6/30/2039	752,583	1.400%	65,471	818,054
6/30/2040	763,119	1.400%	54,935	818,054
6/30/2041	773,803	1.400%	44,251	818,054
6/30/2042	784,636	1.400%	33,418	818,054
6/30/2043	795,621	1.400%	22,433	818,054
6/30/2044	806,759	1.400%	11,295	818,054
Total	**$ 14,338,835**		**$ 2,022,245**	**$ 16,361,080**



GLOSSARY

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.

Assigned Fund Balance – Amounts that are constrained by the City's intent to be used for a specific purpose.

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 is 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 their useful lives.

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 Nonspendable, 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 Economic Anomaly Reserve 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).

Nonspendable Fund Balance – Amounts that cannot be spent because they are either not in spendable form (such as inventories or prepaid amounts) or legally or contractually required to be maintained intact.

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 results 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.

Restricted Fund Balance – Amounts that are constrained by external parties, laws or regulations to be used for a specific purpose.

Salaries and Benefits Reimbursements – This classification represents an offset to expense for an employee's resources used by another department or fund. The City has changed to directly charging funds and has discontinued the use of reimbursements in most departments.

Salaries and Employee Benefits – This classification represents costs from base wages, overtime, pension costs and employee benefits.

Self-Insurance Funded Status – Financial measure calculating the fund assets as a percentage of liabilities.

Stored Water Rights Contra – This account is used to offset expenses that are treated as inventory assets in the City's balance sheet. As such, this classification is an offset to expense for payment of the replenishment assessment to convert or bank unused groundwater pumping rights to carryover storage.

Stored Water Rights Inventory Purchases – This classification represents costs for converting or banking unused groundwater pumping rights to carryover storage. This is treated as an inventory asset of the City but is budgeted for purchase requisition purposes and is offset by the corresponding contra classification to have a net zero effect on operating activities (refer to Stored Water Rights Contra).

Structurally Balanced Budget – The City defines a structurally balanced budget as one where recurring revenues meet or exceed recurring expenditure appropriation levels.

Taxes – This classification represents cash receipts from levied taxes and includes sales tax, property tax, business license tax, utility users' tax and franchise fees.

Training, Travel & Membership Dues – This classification relates to costs incurred from employee training, tuition reimbursement, continuing education, out of town travel and professional membership dues.

Use of Money and Property – This classification represents cash receipts from rental income on city property, change in market value from investments and accrued interest.

Unassigned Fund Balance – Unassigned Fund Balance is the residual classification for the general fund, and it represents available spendable resources not classified in the other categories of Fund Balance.

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 2026–27 is the time period beginning July 1, 2026, and ending June 30, 2027.

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' Retirement System (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.