

CITY OF CARSON ANNUAL BUDGET

Citizens Budget Guide

Introduction

This guide, created by the City of Carson, was designed to help any interested party in gaining a better understanding of the City of Carson's budget process. The intent of this document is to not only inform citizens, but to also help citizens become more involved in municipal government. The Mayor, City Council, Citizens, other stakeholders, and anyone with an active interest in municipal budgeting, all play an integral role in determining how your tax dollars are spent. This guide will help you to better understand the budget process, budget documents, and how you can get involved.

A municipality's budget is much more than an accounting document, it serves as an outline for how the City should best use its resources to benefit the citizens. With an Annual General Fund Budget of approximately just under \$73 million, the City of Carson has a limited pool of resources that it can utilize to perform the necessary City functions. It is with that understanding that elected officials make decisions on which items should be included in the Annual Budget.

Please feel free to contact the City of Carson either by phone at (310) 952-1748 or visit our website at <http://ci.carson.ca.us/> for additional information on the City's budget and other important topics.

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What is the City Budget?

Each year a city must forecast the expenditures and revenues it will incur in the upcoming year. The resulting formalized document is known as the City Budget.

Every city is required by law to balance its budget each year. The budget is constantly monitored throughout the year to determine whether the city is spending more or less than its revenues. The city then makes adjustments to its spending in order to ensure that at the end of the year the budget is in balance. *The Budget is not just an accounting document; it is a management and planning tool.*

What does the City Budget Do?

Each year the Mayor, the City Council, and City staff work together to develop an Annual Budget. While the Budget is being created, all parties must make decisions on how to utilize the limited revenues that the City receives in order to produce the greatest benefits for the citizens.

The Budget serves as an outline for how the monies that come into the City should be spent to maintain and improve the City. The Mayor, City Council and interested Citizens of Carson all serve as participants in its creation and execution.

The Budget is not just an accounting document; it is a management and planning tool. Because the City is limited by the amount of available resources, the Budget aids officials in determining which objectives have the highest priority and will produce the greatest positive impact in the community.

Where do City Funds Come From?

General Fund

One of the most commonly heard terms in municipal budgeting discussions is General Fund. The General Fund is the largest of several funds that the City of Carson maintains and monitors.

The General Fund is the City's main operating fund that pays for core community services that use most of the City's tax revenue, such as public safety, parks and recreation, and refuse collection as well as other vital services.

General Fund Resources

The major revenue sources for the General Fund are Property Taxes, Sales Tax, Utility Users Tax, Franchise Fees, and Transient Occupancy Tax. These revenue sources are dependent on the economic environment and can fluctuate from year to year.

Other General Fund revenues are impacted by economic conditions, but not to the same degree as the previous sources. These other sources include Licenses and Permits; Fine, Forfeitures, and Penalties; Revenue from Property and Money; Revenue from Other Agencies; Charges for Services; Transfers from Other Funds; and Other Revenues.

To gain a better understanding of the City's budget, the following documents are provided for review:

1. Combined Funds Statement
2. General Fund Revenue Summary
3. General Fund Expenditures – Natural Classification
4. General Fund Expenditures by Department
5. General Fund Budget Summary
6. General Fund Actual and Budgeted – Revenues and Transfers In - Details
7. General Fund Actual and Budgeted – Expenditures & Transfers Out by Type - Details
8. General Fund Actual and Budgeted – Expenditures & Transfers Out by Department - Details
9. FY 2015/16 Capital Improvement Projects Budget
10. City Programs by Department
11. City Events Summary

Total Resources Available and Fund Types

In addition to the General Fund, the City has other fund types. The reason for having multiple fund types is that certain monies can only be utilized for a specific purpose. For example, monies collected by the Gas Tax are deposited in a Special Revenue Fund and can only be used for transportation. Below is a brief overview of each of the different fund types, as well as a diagram depicting the amount of the budget that is programmed in each fund type.

1. **Special Revenue Funds** - Account for revenues that are received for a specifically identified purpose (i.e. Gas Tax).
2. **Carson Successor Agency Fund** – Funds from the former Carson Redevelopment Agency (CRA) derived from tax increment and from bond proceeds. These funds are used to finance many **Capital Improvement Projects**. Funds support construction projects such as the development of city facilities, construction or remodeling of parks and the Community Center, pump stations and street improvements, to name a few.
3. **Carson Housing Authority Fund** – The Carson Housing Authority (CHA) is the implementation arm of the City for its housing development, improvement and preservation programs. Funds are available from the CRA housing set-aside funds and from bond proceeds.