

# Fiscal Year 2021-2022 Proposed Budget Public Hearing and Budget Adoption

CITY OF CARSON



# Budget Presentation Schedule

## ❖ **March 16, 2021: Budget Workshop no. 1**

- Overview of the City's General Fund reserve
- 2021-2022 General Fund Revenue forecast
- County, State and Federal funding

## ❖ **April 20, 2021: Budget Workshop no. 2**

- Overview of the City's General Fund operating expenditures
- 2021-2022 General Fund expenditures by department
- 2021-2022 Personnel expenditures
- 2021-2022 Los Angeles County Sheriff Department expenditures

## ❖ **May 18, 2021: Budget Workshop no. 3**

- Updates on City's General Fund Operating Budget from departments
- 2021-2022 Special Events fund
- 2021-2022 Capital Improvement Plan

## ❖ **June 15, 2021: Public Hearing and Adoption of Citywide Budget**



# Recap of General Fund Budget Status

General Fund Status	Fiscal Year 2021-2022
Revenues	\$92,913,457
Expenditures	\$92,414,392

- Structurally Balanced: recurring revenues are equal to or exceeding expenditures
- \$45.2M in General Fund reserve: 14% higher than the City Council policy requirement
- FY 21-22 proposed budget focuses on the City Council's newly adopted priorities

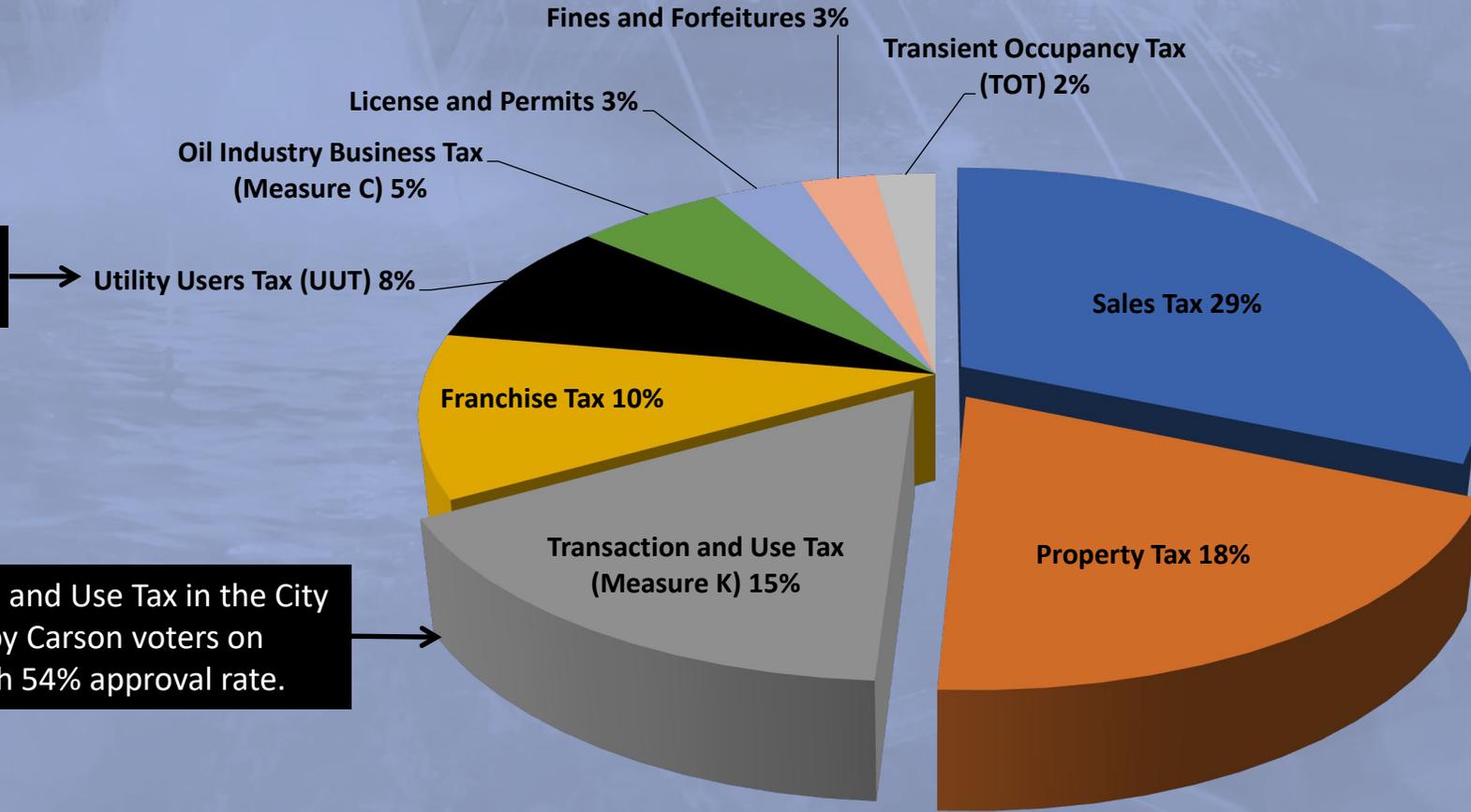


# Achieving a Structurally Balanced Budget

- ❑ The City Council has the opportunity to adopt a structurally balanced budget for the first time in over a decade
- ❑ A structurally balanced budget will help improve the City's credit rating.
- ❑ All major U.S. credit rating agencies discuss in their methodology sections links between "Credit Ratings" and attaining a "structural balance":
  - **Fitch** ratings: "Concerns arise when operating expenditures consistently exceed operating revenues, as the use of nonrecurring revenue is unsustainable and usually leads to depletion of reserves and deeper financial imbalances"
  - **Standard & Poor's** ratings: "a track record of aligning recurring revenues and expenditures over time is an important element of fiscal performance"



# Fiscal Year 2021-2022 General Fund Revenue: \$92.9M

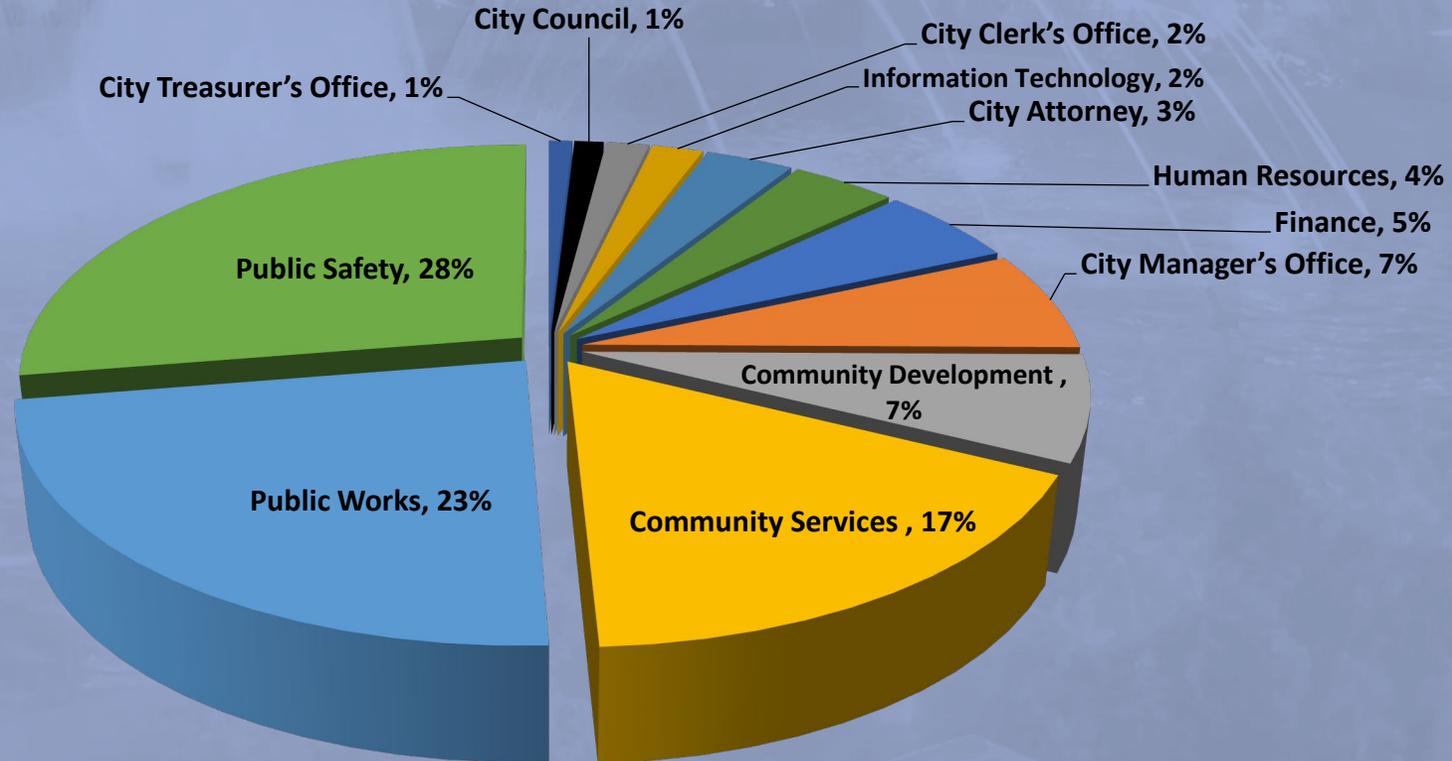


The UUT is currently scheduled to sunset June 30, 2023.

Measure K increases the Transaction and Use Tax in the City of Carson by  $\frac{3}{4}$  of cent. Passed by Carson voters on November 3 General Election with 54% approval rate.



# Fiscal Year 2021-2022 General Fund Expenditures: \$92.4M

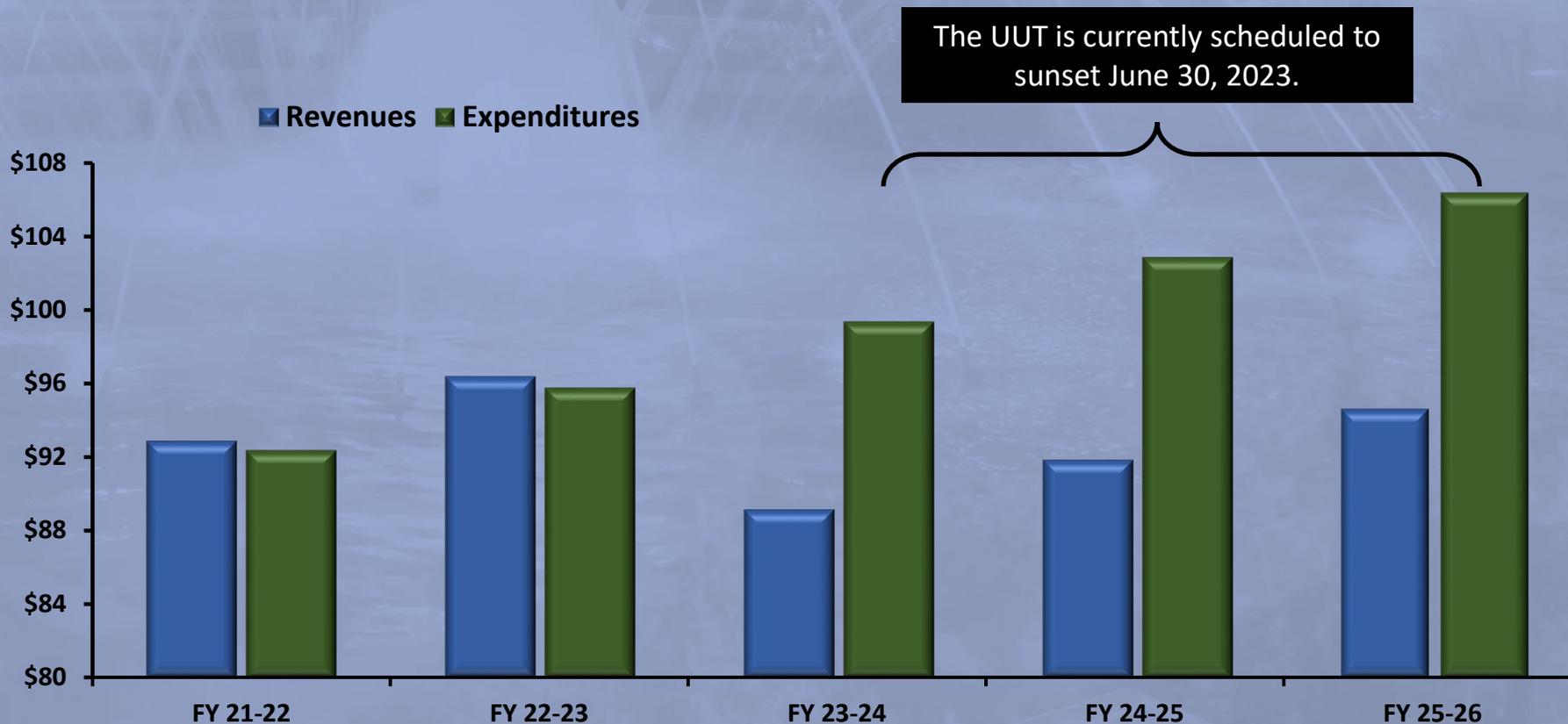


Budget expenditures of \$92.4M does not include 2 remaining policy issues:

- 1.0 FTE Risk Manager
- 3 additional events



# General Fund 5-Year Forecast

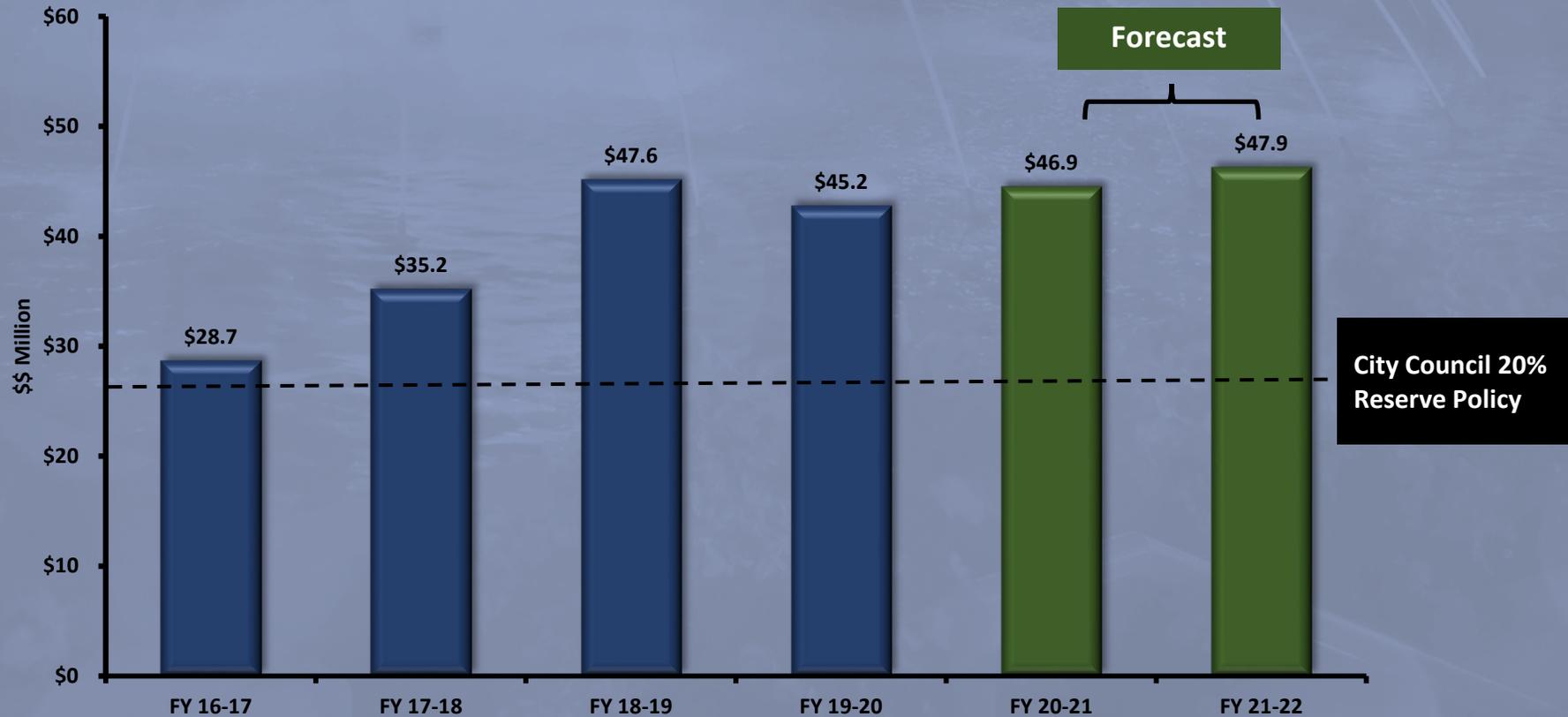


We will have a structural deficit beginning in Fiscal Year 2023-2024 and beyond 5-year forecast if nothing changes



# General Fund Reserve

## 6 Year Fund Balance Trend (\$\$ Million)





# **Budget Policy Questions for City Council**



# HR Department 1.0 FTE Add: Risk Manager

- 12 months \$203,987
  - 9 months \$152,989
  - 6 months \$101,993
  - 3 months \$50,996
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- Manages insurance products and claims regarding workers compensation, ADA and accidents related to infrastructure assets
  
  - Minimizes financial impact to the City
  
  - Proactive risk reduction through evaluation, monetization or investment in infrastructure assets in collaboration with Public Works department



# Special Events Fund: Proposed Budget

<b>Special Event Name</b>	<b>Prior Year(s) Budget</b>	<b>Estimated Direct Costs</b>	<b>Estimated Indirect Costs</b>	<b>Total Proposed Budget</b>
Jazz Festival	\$20,000	\$14,520	\$23,831	\$38,351
Larry Itliong Day	\$5,000	\$7,736	\$9,659	\$17,395
Women's Health Conference	\$20,000	\$47,042	\$12,130	\$59,172
Cinco De Mayo	\$20,000	\$11,727	\$11,484	\$23,211
Philippine Independence Day	\$20,000	\$13,357	\$17,007	\$30,364
Juneteenth	\$20,000	\$15,750	\$25,344	\$41,094
*White Linen	\$5,000			\$5,000
*Unity Day	\$20,000			\$20,000
<b>Total</b>	<b>\$130,000</b>	<b>\$110,132</b>	<b>\$99,455</b>	<b>\$234,587</b>

*\*Event has not been offered for +3 years. Baseline Expenditures data are not readily available. Staff will use a placeholder and request to come back with accurate budget at a later date.*



# Special Events Fund: Proposed Budget (Continued)

Staff is requesting direction from the City Council on adding any of the following events as part of the Special Events Fund

Special Event Name	Prior Year(s) Budget	Estimated Direct Costs	Estimated Indirect Costs	Total Proposed Budget
4 <sup>th</sup> of July/Community Friendship Day	\$5,000	\$9,850	\$1,540	\$11,390
*Country Western	\$5,000			\$5,000
Children's Day (co-sponsorship)	\$5,000	\$5,000		\$5,000
<b>Total</b>	<b>\$15,000</b>	<b>\$14,850</b>	<b>\$1,540</b>	<b>\$21,390</b>

*\*Event has not been offered for +3 years. Baseline Expenditures data are not readily available. Staff will use a placeholder and request to come back with accurate budget at a later date.*



# Capital Improvement Projects

- ❑ Exhibit (E) shows the City's CIP **projects** for Fiscal Year 2021-2026. This is a rolling 5-year plan, Fiscal Year 2021-2022 is most critical.
  
- ❑ The City expects to conduct:
  - Facility Condition Assessment during Fiscal Year 2021-2022, which will include buildings and playgrounds.
  - Pavement Management Program and
  - Citywide Parks Master Plan study, which will continue to inform the CIP



# Capital Improvement Projects (continued)

Staff is recommending that City Council approves the **funded CIP Projects** for Fiscal Year 2021-2022

<b>CIP Category</b>	<b>Number of Projects</b>	<b>FY 21-22 Budget</b>
City Council Previously Approved Projects	35	\$39,732,731
New Projects/Funded Construction	45	\$23,834,088
Projects Identified and Pending Grants Funding Approval	9	\$3,925,000
<b>Total</b>	<b>89</b>	<b>\$67,491,819</b>



# THANK YOU

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City of Carson - Finance Department