



Budget Workshop No. 1

Fiscal Year 2022-2023

CITY OF CARSON

Prepared by: Tarik Rahmani

March 15, 2022

Finance Department



2022-2023 Budget Principles

1. **Develop a budget based on the best information available including local, state and national economic indicators**
2. **Set a budget that targets realistic forecasts**
3. **The goal is to identify those operating expenditures that are our highest priorities and are in balance with the City's ongoing revenues (without considering one-time resources)**
4. **Adopt a budget that is in alignment with the newly defined City Council Priorities:**
 - **Quality of life improvement (infrastructure, maintenance, beautification)**
 - **Economic development**
 - **Governance policies and procedures pertaining to district**
 - **Housing**
 - **Increase public safety**
 - **Make progress on development that provides community benefits in the long term**
 - **Maintain quality City programs and services**
 - **Advocacy for funds from county, state and federal government**
 - **Increased outreach and information to the community**



Budget Process: Next Steps

❖ March 15, 2022: Budget Workshop no. 1

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

❖ April 19, 2022: 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 Sherriff Department expenditures

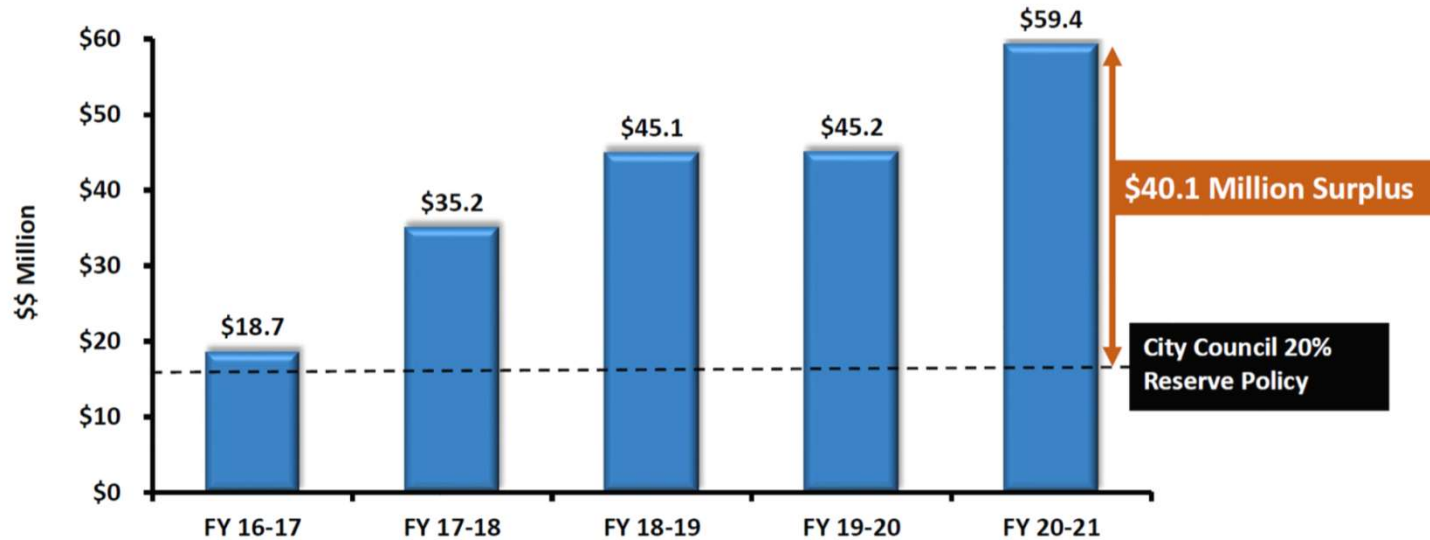
❖ May 17, 2022: Budget Workshop no. 3

- 2021-2022 Special Events fund
- Overview of the City's Special Revenues
- 2021-2022 Capital Improvement Plan

❖ June 21, 2022: Public Hearing and Budget Adoption

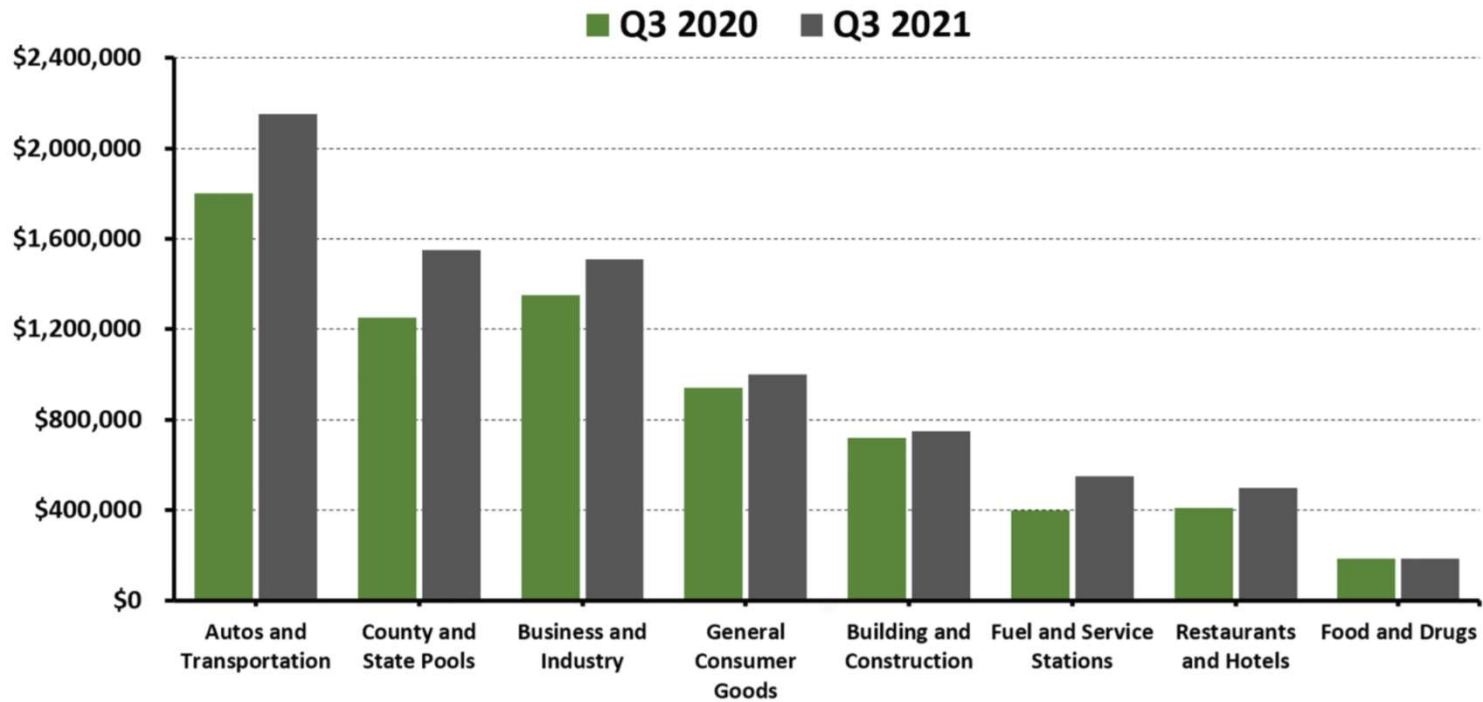


General Fund Reserve



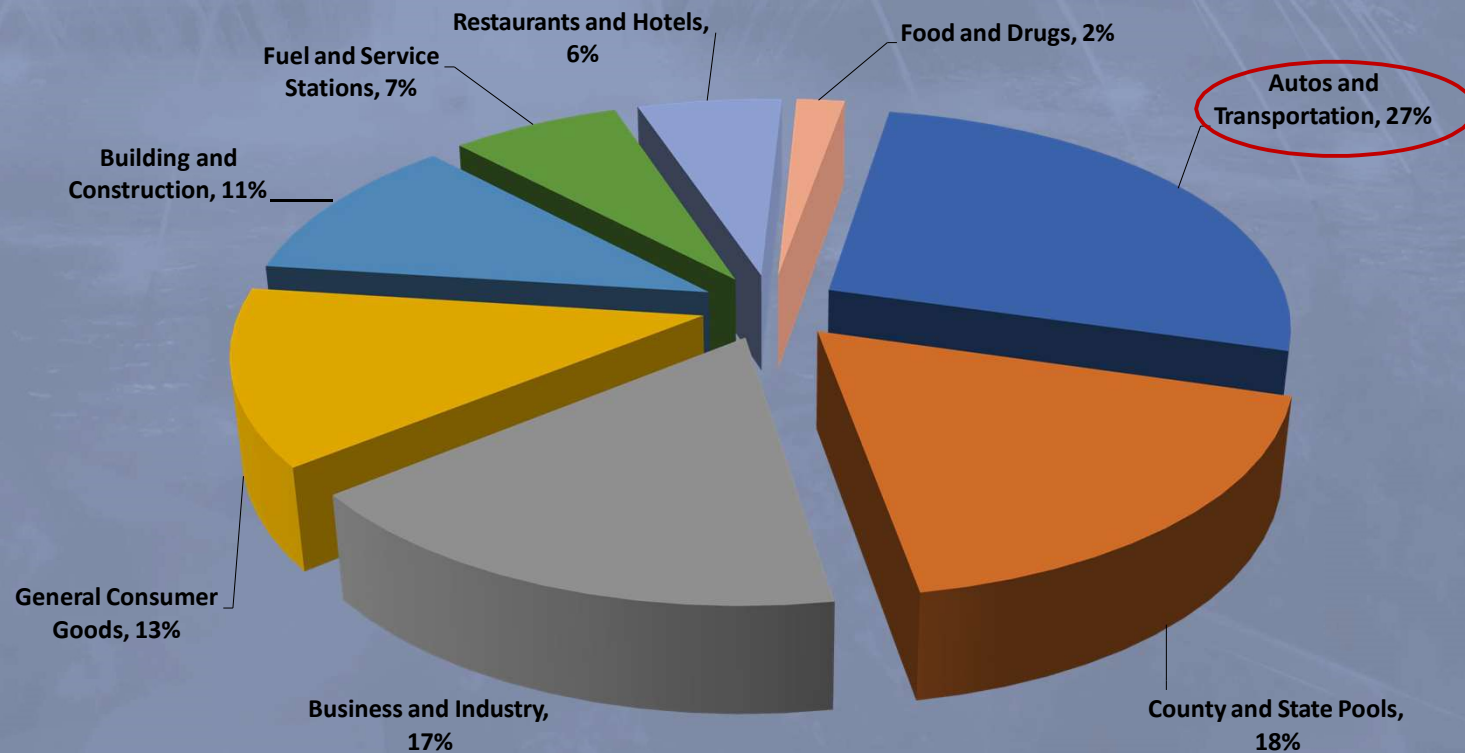


Sales Tax by Major Business Group





Sales Tax Revenue by Economic Sector





Sales Tax Revenue: FY 2022-2023 Forecast

Total Allocation From CDTFA

Includes State and County Pools

Current Quarter	3Q 2021	8,621,544
Previous Quarter	2Q 2021	8,847,997
2nd Previous Quarter	1Q 2021	7,735,034
3rd Previous Quarter	4Q 2020	7,699,840
Total Allocation		32,904,415

Estimated FY 2021-22 Sales Tax (Before Admin Cost) **33,188,115**

Adjustments

Economic Adjustments

State & County Pools (6.5%)	420,800
Autos & Transportation (4.1%)	321,400
Business & Industry (3.3%)	207,000
Restaurants & Hotels (4.1%)	93,700
General Consumer Goods (1.8%)	69,300
Fuel & Service Stations (2.0%)	50,700
Building & Construction (0.5%)	12,900
Food & Drugs (2.0%)	12,800
Other Adjustments (see attached)	(439,400)
Total Adjustments	749,200

Subtotal (2.3% increase from FY 2021-22 estimate) **33,937,315**

Administration Cost (0.864%) **(293,218)**

Estimated FY 2022-23 Sales Tax Revenues **33,644,096**

Rounded to Nearest Thousand (2.2% increase from FY 2021-22 estimate) 33,644,000



Sales Tax Revenue Forecast

FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
\$28,473,022	\$27,355,883	\$32,912,000	\$33,644,000	\$34,653,320



Property Tax Revenue Forecast

FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-2025
\$15,280,187	\$16,738,239	\$17,732,016	\$18,332,470	\$18,953,229



Property Value Growth: Carson vs. Neighboring Cities

City	% Growth
Carson	1.1%
Gardena	3.9%
Compton	3.1%
Bellflower	3.7%
Lakewood	3,9%
Long Beach	3.5%
Torrance	3.1%
Hawthorne	2.4%



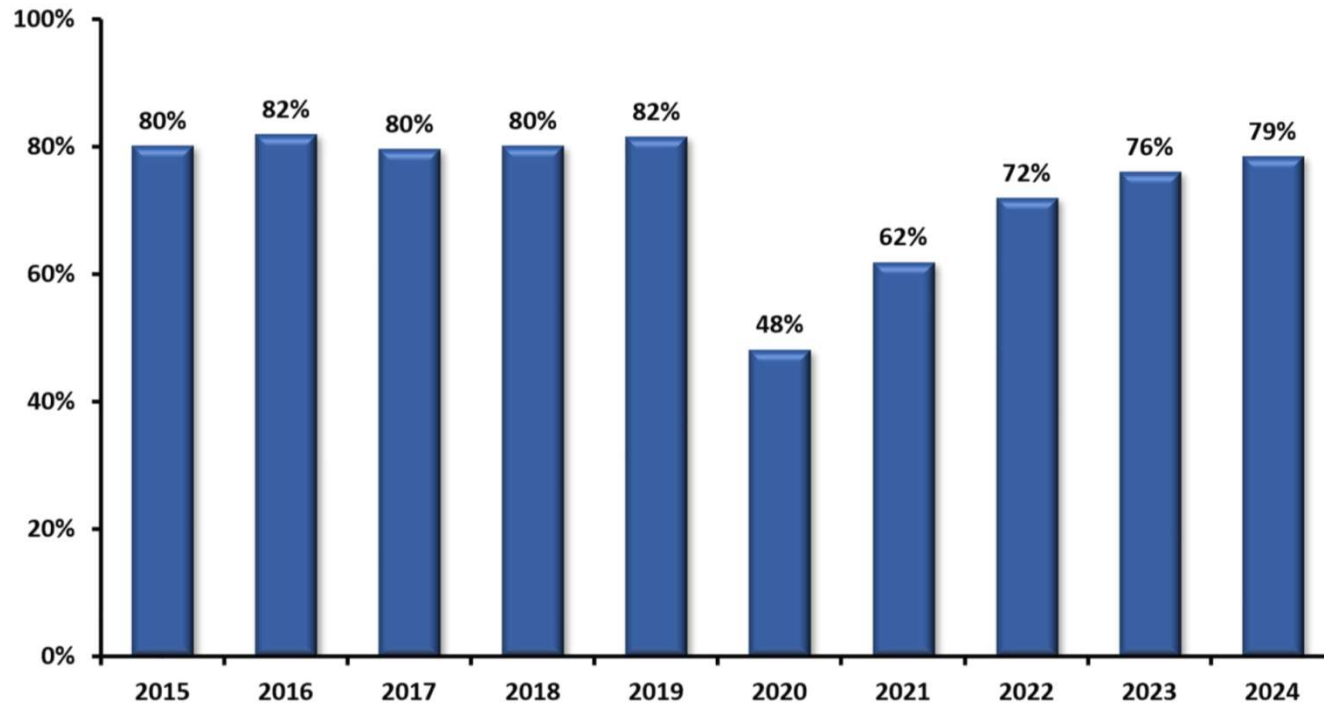
Transient Occupancy Tax: Quarterly Comparison

Q3 / FY 2019-2020	Q3 / FY 2020-2021	Q3 / FY 2021-2022
\$1,086,425	\$781,414	\$942,867



Hotel Occupancy Rate: Annual Performance

Hotel Occupancy Annual Performance - Los Angeles Market





Transient Occupancy Tax: Revenue Forecast

FY 2019-2020	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024
\$1,783,795	\$1,648,796	\$1,958,384	\$1,583,3841	\$1,615,051



Project Homekey & Carson's Transient Occupancy Tax

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Project Homekey - Hampton Inn, Carson

Summary

SCH Number	2022020309
Public Agency	Los Angeles County Department of Public Works (DPW)
Document Title	Project Homekey - Hampton Inn, Carson
Document Type	NOE - Notice of Exemption
Received	2/14/2022
Posted	2/14/2022



The County is in the process of using Project Homekey funding to secure the acquisition and purchase of The Hampton Inn in Carson: converting the rooms into 136 units of permanent supportive housing.



Utility Users Tax : Quarterly Comparison

Q3 / FY 2019-2020	Q3 / FY 2020-2021	Q3 / FY 2021-2022
\$4,210,992	\$3,980,395	\$6,236,342

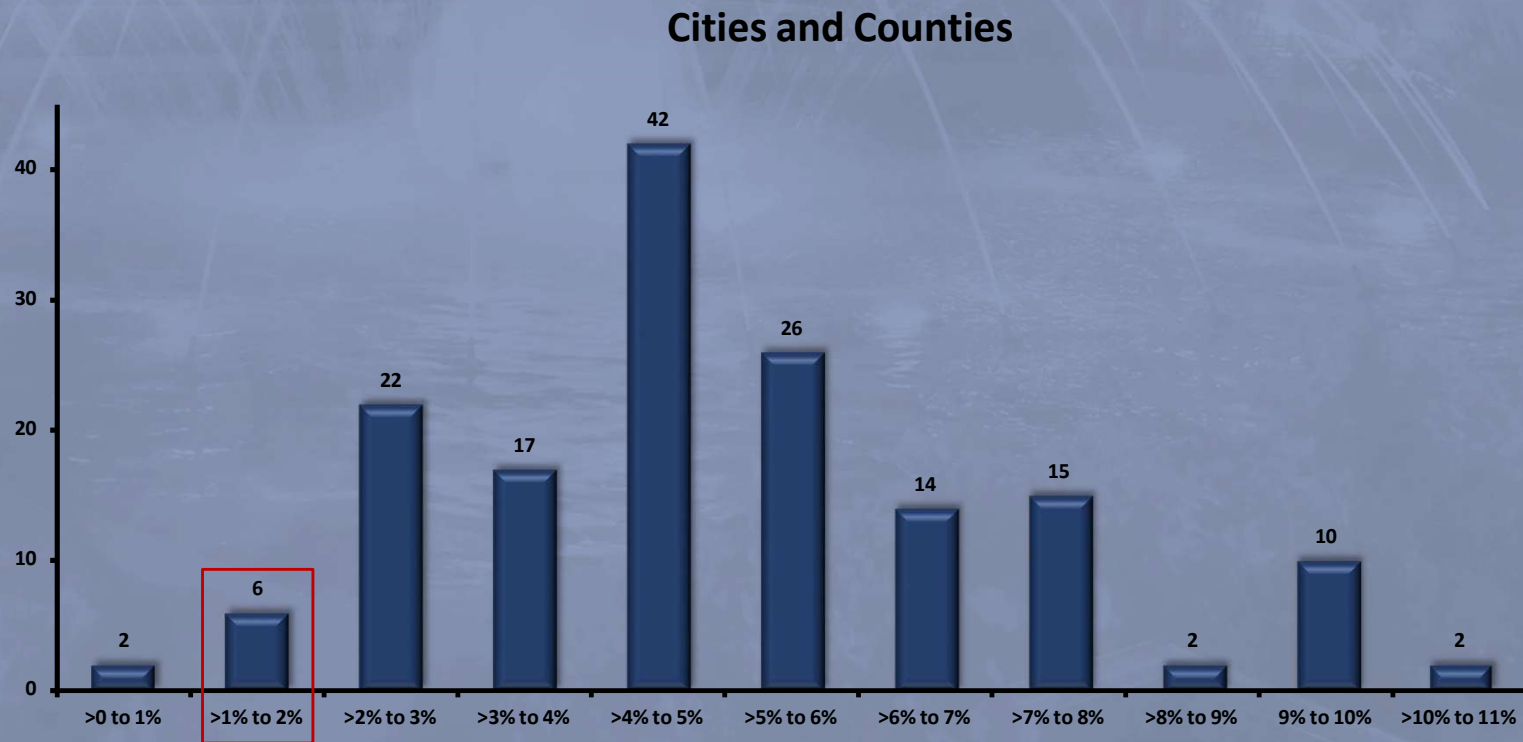


Utility Users Tax: Revenue as Share of GF Revenues

City	UUT as % of GF Revenues
Richmond	31.8%
Huntington Beach	25.3%
Compton	23.6%
Bell	22.3%
Lynnwood	19.4%
El Segundo	18.7%
Torrance	18.5%
Inglewood	16.1%
Carson	10.0%



California Utility User Tax Rates



Source: Californiacityfinance.com analysis of League of California Cities Survey data.



Utility Users Tax: Revenue Forecast

FY 2019-2020	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024
\$7,458,906	\$7,450,000	\$7,450,000	\$8, 500,000	

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



Transaction and Use Tax: Measure K

- ☐ Measure K was approved by over 53% of the voters on November 3, 2020, General Elections.
- ☐ The City's sale tax consultant, HdL Companies, projection for Fiscal Year 2021-2022 revenue forecast for the City of Carson's Measure K is about **\$13.9 million**.
- ☐ Projections for Fiscal year 2022-2023 is estimated at **\$14,348,136**



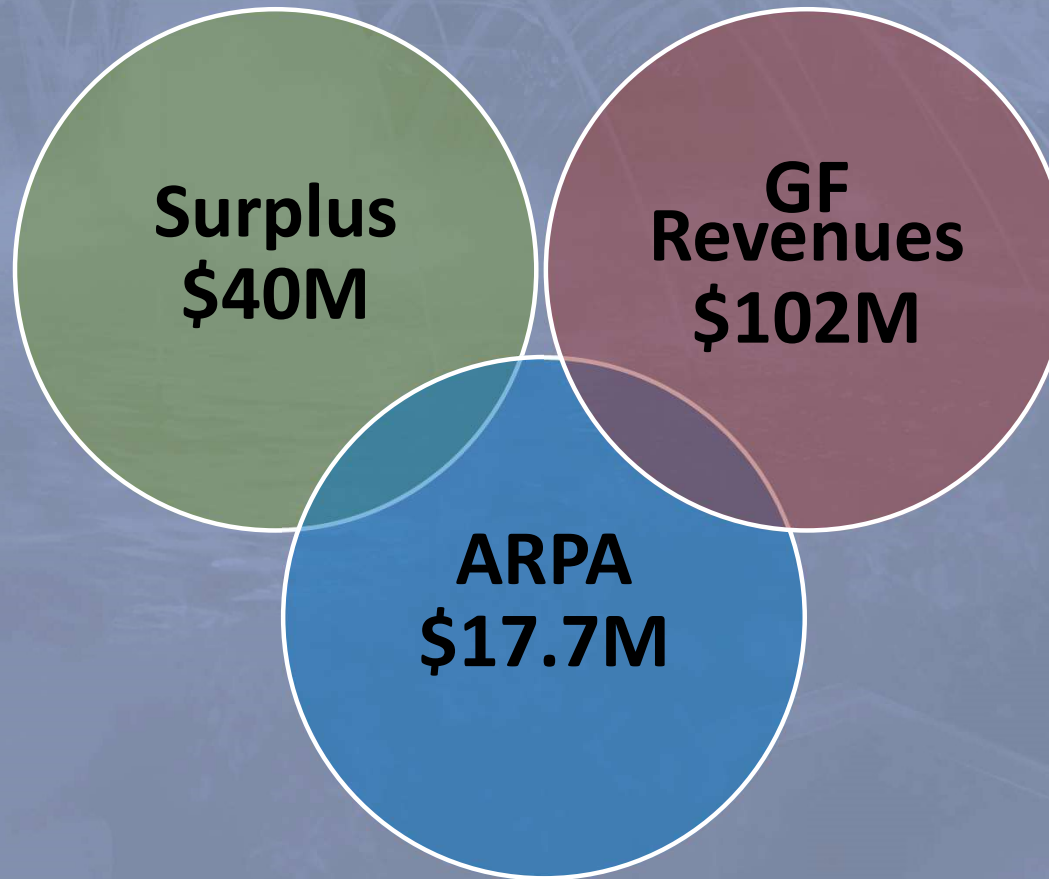
General Fund Revenues: 5 Year Forecast Summary

FY 2021-2022	FY 2022-2023	FY 2023-2024	FY 2024-2025	FY 2025-2026
\$97,913,457	\$101,707,990	\$93,207,990	\$94,476,544	\$96,280,840

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



Fiscal Year 2022-2023 Resources





THANK YOU

City of Carson - Finance Department