



Budget Workshop No. 1

Fiscal Year 2023-2024

CITY OF CARSON

Prepared by: Ralston Turner

March 21, 2023

Finance Department



2023-2024 Budget Principles

- Develop a budget based on the best information available including local, state and national economic indicators**
- Set a budget that targets realistic forecasts**
- The goal is to identify those operating expenditures that are our highest priorities and are in balance with the City's ongoing revenues**
- Adopt a budget that is in alignment with the City Council Priorities:**
 1. Quality of life improvement (infrastructure, maintenance, beautification)
 2. Economic development
 3. Governance policies and procedures pertaining to district
 4. Housing
 5. Increase public safety
 6. Make progress on development that provides community benefits in the long term
 7. Maintain quality City programs and services
 8. Advocacy for funds from county, state and federal government
 9. Increased outreach and information to the community



Budget Process: Next Steps

- ❑ Budget Workshop no. 1: **March 21, 2023**
 - Overview of the City's General Fund reserve
 - 2023-2024 General Fund Revenue forecast
 - County, State and Federal funding

- ❑ Budget Workshop no. 2: **April 18, 2023**
 - Overview of the City's General Fund operating expenditures
 - 2023-2024 General Fund expenditures by department
 - 2023-2024 Personnel expenditures
 - 2023-2024 Los Angeles County Sherriff Department expenditures

- ❑ Budget Workshop no. 3: **May 16, 2023**
 - 2023-2024 Special Events fund
 - Overview of the City's Special Revenues
 - 2023-2024 Capital Improvement Plan

- ❑ Public Hearing and Budget Adoption: **June 20, 2023**

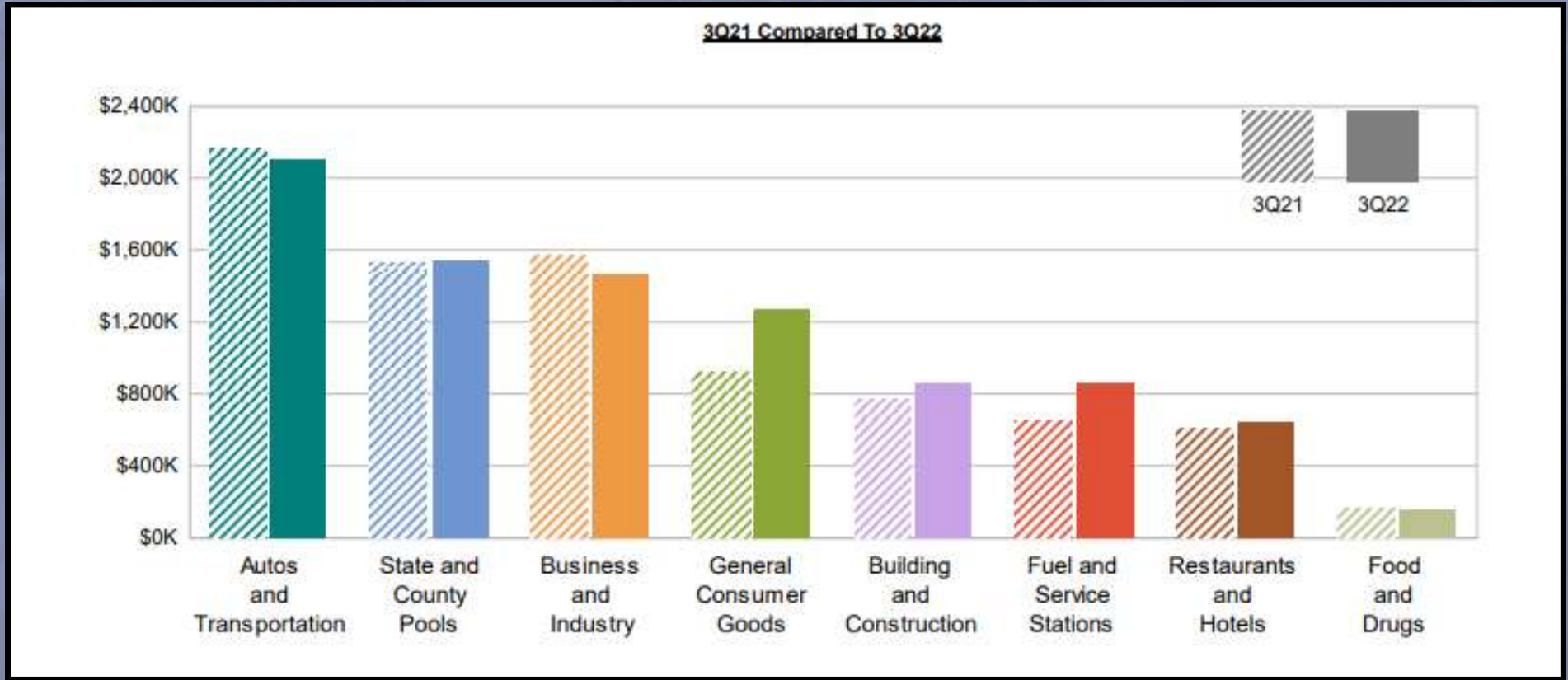


General Fund Reserve



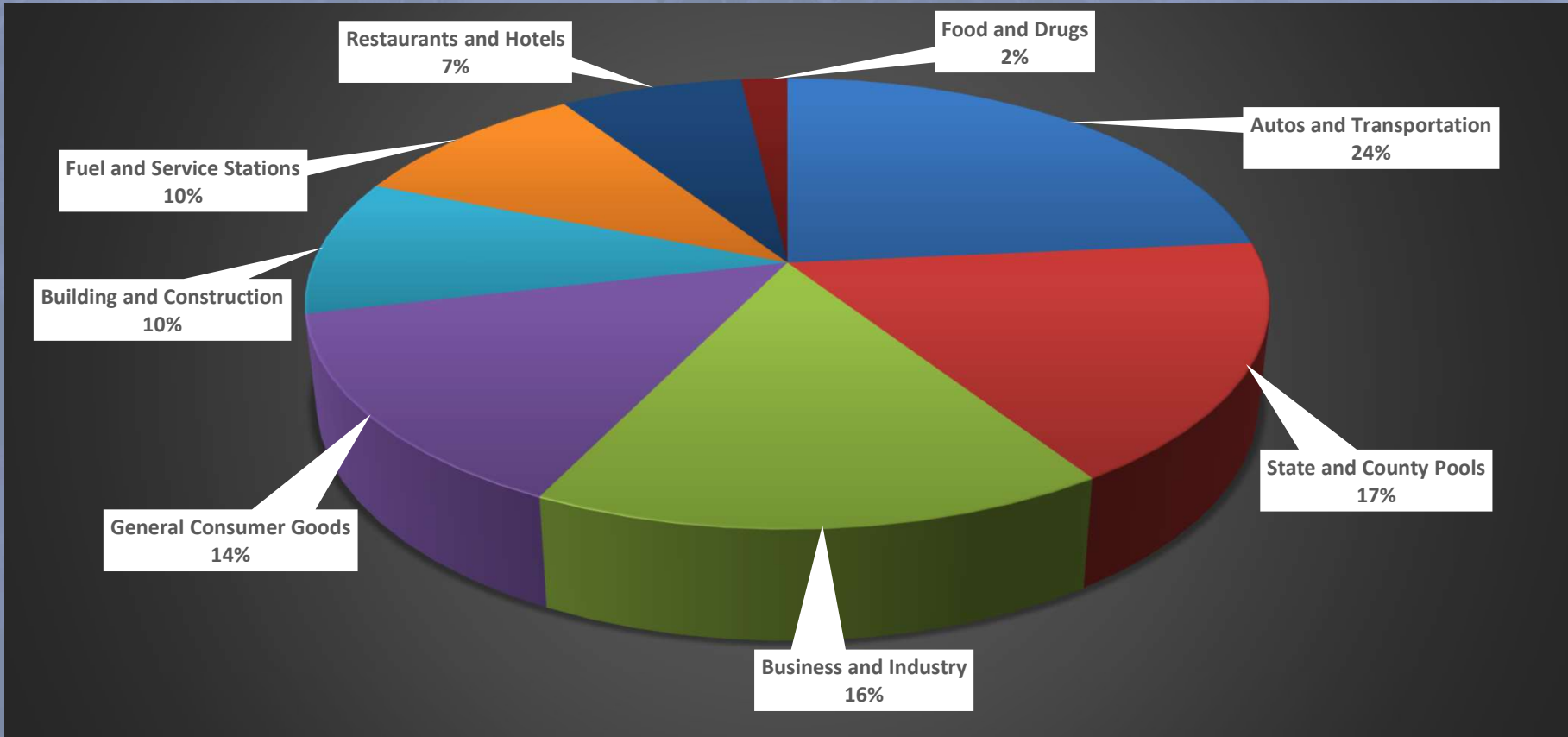


Sales and Use Tax (Quarterly Comparison)





Sales and Use Tax Revenue (Business Group Comparison)





Sales and Use Tax Revenue (Forecast)

Total Allocation From CDTFA		
Includes State and County Pools		
Current Quarter	3Q 2022	9,204,650
Previous Quarter	2Q 2022	8,984,274
2nd Previous Quarter	1Q 2022	8,644,108
3rd Previous Quarter	4Q 2021	8,757,027
Total Allocation		<u>35,590,058</u>
Estimated FY 2022-23 Sales Tax (Before Admin Cost)		36,767,858
Adjustments		
<i>Economic Adjustments</i>		
State & County Pools (4.5%)		295,600
Autos & Transportation (-3.0%)		(251,300)
Fuel & Service Stations (-7.6%)		(238,700)
Business & Industry (2.0%)		143,300
Restaurants & Hotels (2.5%)		66,900
Building & Construction (1.0%)		35,000
Food & Drugs (2.0%)		13,600
General Consumer Goods (-0.1%)		(2,900)
Other Adjustments (see attached)		(51,500)
Total Adjustments		<u>10,000</u>
Subtotal (No increase from FY 2022-23 estimate)		<u>36,777,858</u>
Administration Cost (0.864%)		(317,761)
Estimated FY 2023-24 Sales Tax Revenues		<u>36,460,097</u>
Rounded to Nearest Thousand (No increase from FY 2022-23 estimate)		36,460,000

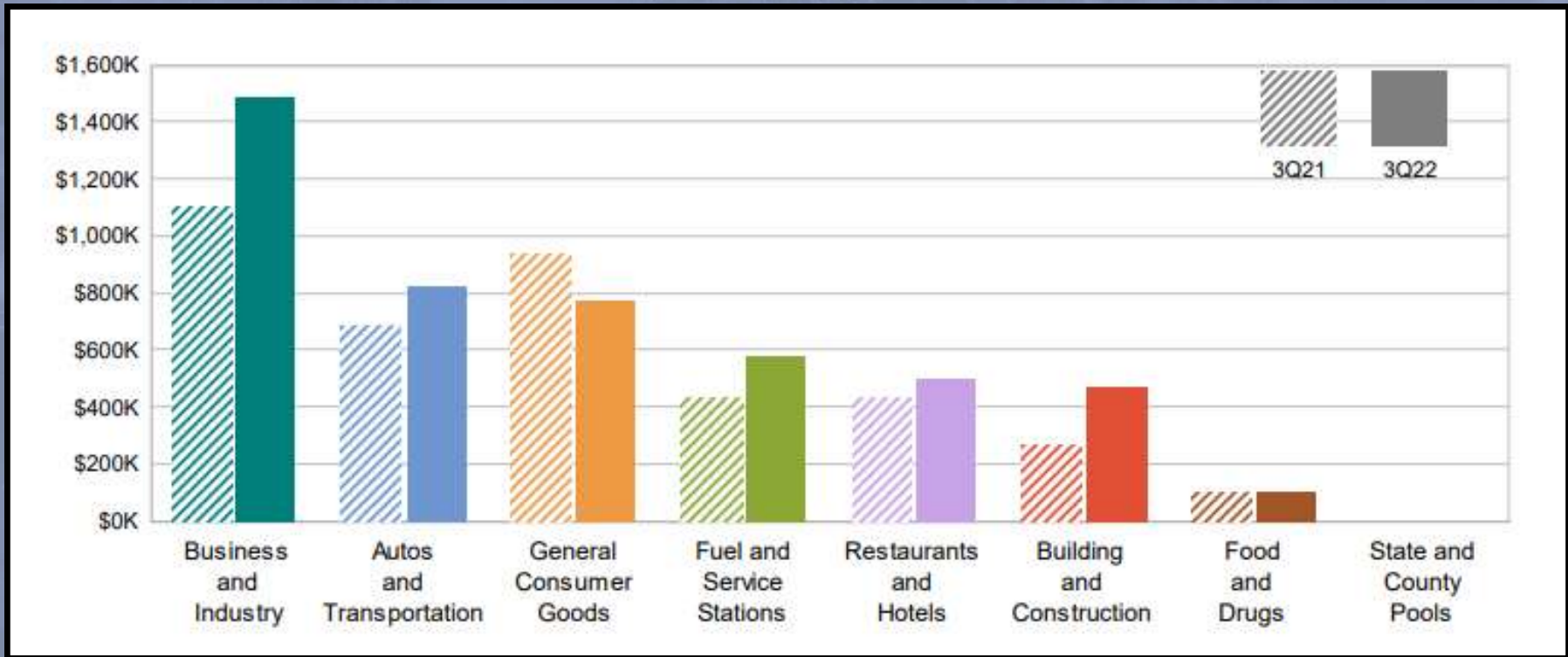


Sales and Use Tax Revenue (Forecast)

FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
\$30,133,399	\$32,509,654	\$36,453,477	\$36,460,097

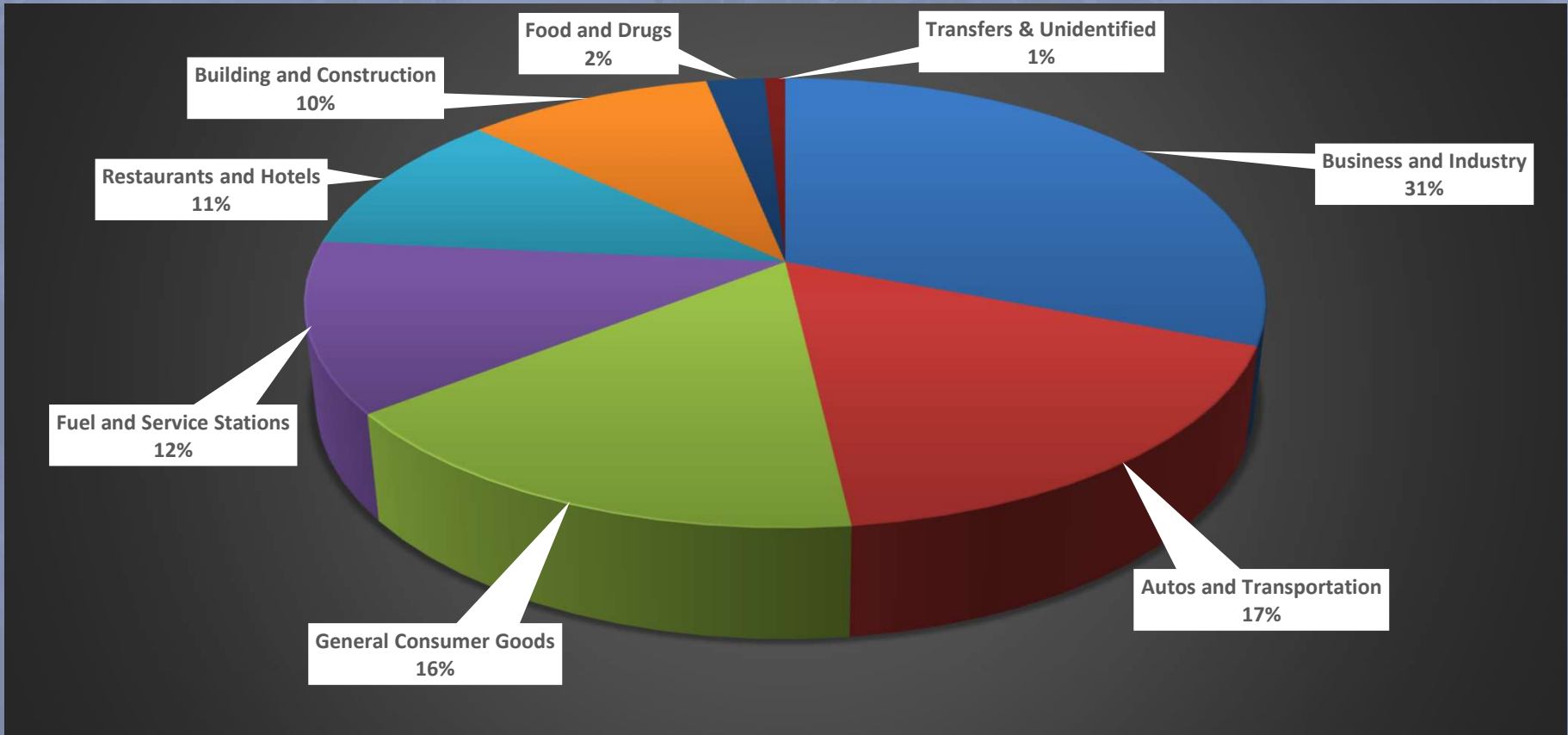


Measure K: Transaction and Use Tax (Quarterly Comparison)





Measure K: Transaction and Use Tax (Business Group Comparison)





Measure K: Forecast vs. Actuals

		ACTUAL		FORECAST *	
	Payment Month	Fiscal Year 2021-22	Fiscal Year 2022-23	Fiscal Year 2022-23	Fiscal Year 2023-24
1st Advance	June	\$ -	\$ 1,809,401	\$ 1,809,401	\$ 1,253,502
2nd Advance	July	-	1,938,572	1,938,572	1,253,502
Clean Up	August	5,800	1,058,434	1,058,434	2,100,311
2nd Quarter Allocation		5,800	4,806,408	4,806,408	4,607,315
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1st Advance	September	904,028	1,393,031	1,393,031	1,291,689
2nd Advance	October	1,017,251	1,343,577	1,343,577	1,291,689
Clean Up	November	2,019,938	2,149,643	2,149,643	2,164,297
3rd Quarter Allocation		3,941,217	4,886,251	4,886,251	4,747,675
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1st Advance	December	1,198,650	1,436,644	1,244,425	1,283,317
2nd Advance	January	1,073,816	-	1,244,425	1,283,317
Clean Up	February	2,198,841	-	2,085,104	2,150,268
4th Quarter Allocation		4,471,307	1,436,644	4,573,954	4,716,901
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1st Advance	March	1,110,412	-	1,189,361	1,244,484
2nd Advance	April	1,089,703	-	1,189,361	1,244,484
Clean Up	May	2,086,350	-	1,992,840	2,085,202
1st Quarter Allocation		4,286,464	-	4,371,561	4,574,169
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1st Advance	June	1,809,401	-	1,253,502	1,293,611
2nd Advance	July	1,938,572	-	1,253,502	1,293,611
Clean Up	August	1,058,434	-	2,100,311	2,167,517
2nd Quarter Allocation		4,806,408	-	4,607,315	4,754,740
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Fiscal Year Reconciliation					
Accrual		\$ 17,505,397	\$ 6,322,895	\$ 18,439,081	\$ 18,793,485



Transaction and Use Tax (Forecast)

FY 2021-22

FY 2022-23

FY 2023-24

\$14,508,390

\$18,493,081

\$18,793,485



Property Tax Revenue (Forecast)

FY 2020-21

FY 2021-22

FY 2022-23

FY 2023-24

\$20,559,180

\$18,146,493

\$20,122,483

\$21,102,776



Property Value Growth: Carson vs. Neighboring Cities

City	% Growth
Carson	16.79%
Gardena	7.53%
Compton	7.17%
Bellflower	6.15%
Lakewood	6.08%
Long Beach	6.44%
Torrance	5.41%
Hawthorne	7.11%

➤ *FY 21-22 to FY 22-23 Net Taxable Assessed Value Comparison*

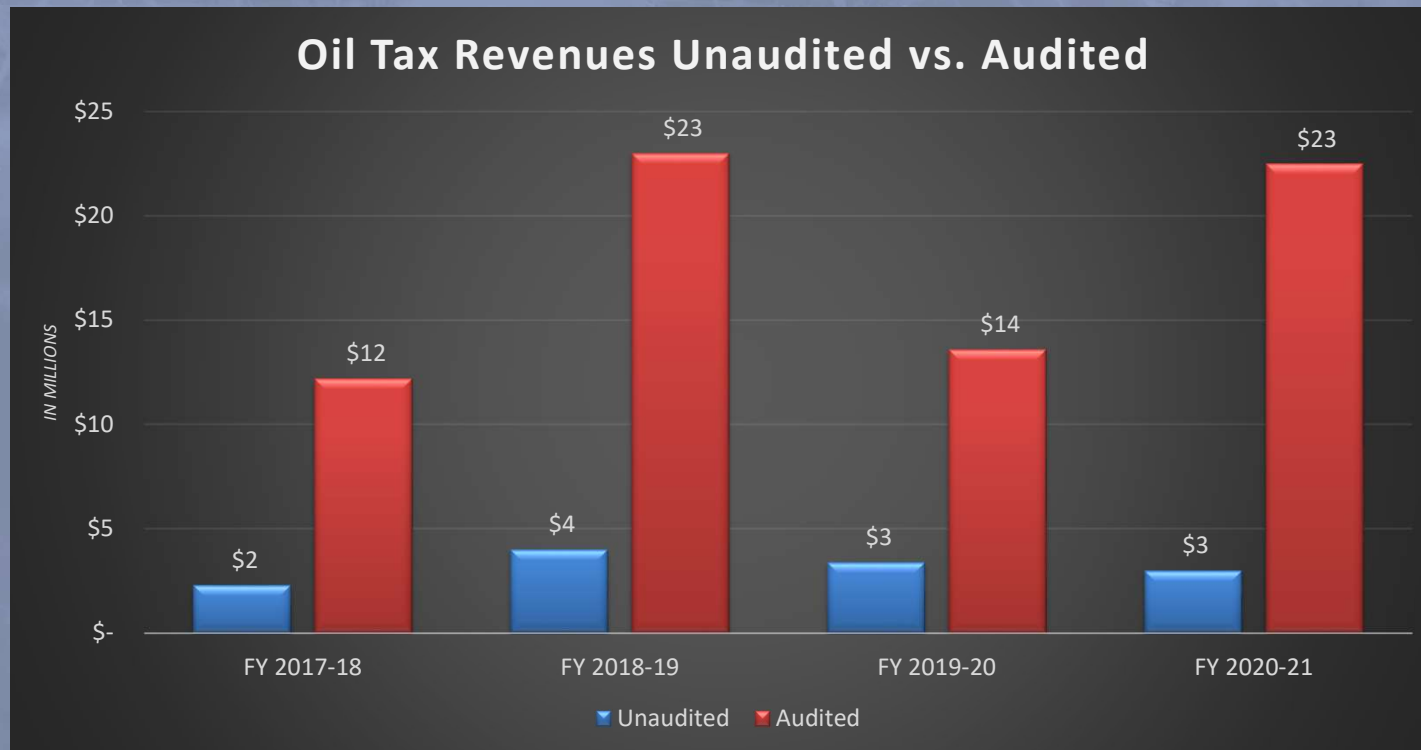


Measure R: Utility Users Tax (Forecast)

FY 2019-2020	FY 2020-2021	FY 2021-2022	FY 2022-2023 PROJECTION	FY 2022-2023 YTD ACTUALS	FY 2023-2024
\$7,458,906	\$8,670,113	\$11,828,914	\$8,500,000	\$7,701,260	\$9,500,000

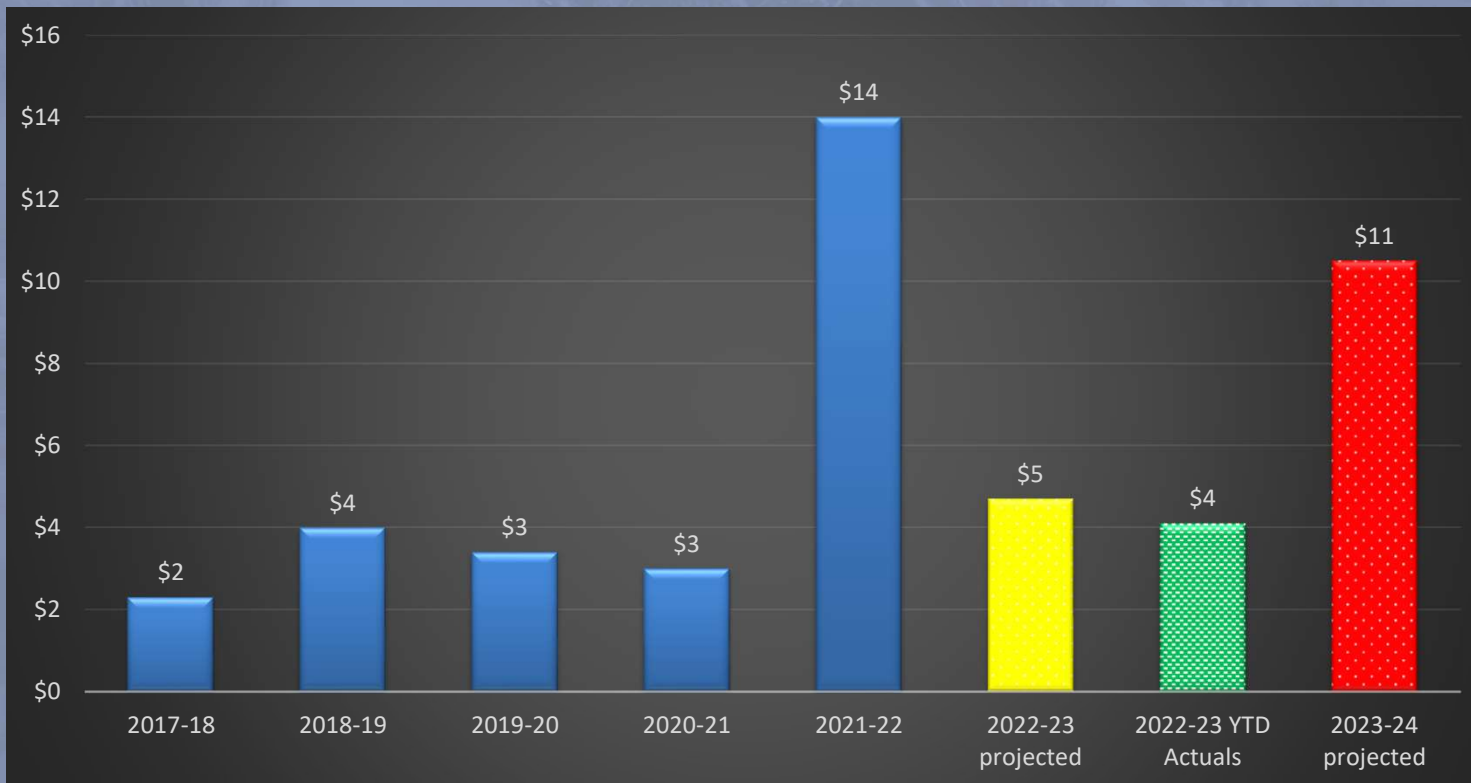


Measure C: Oil Business Tax Performance





Oil Industry Tax Revenue (Forecast)



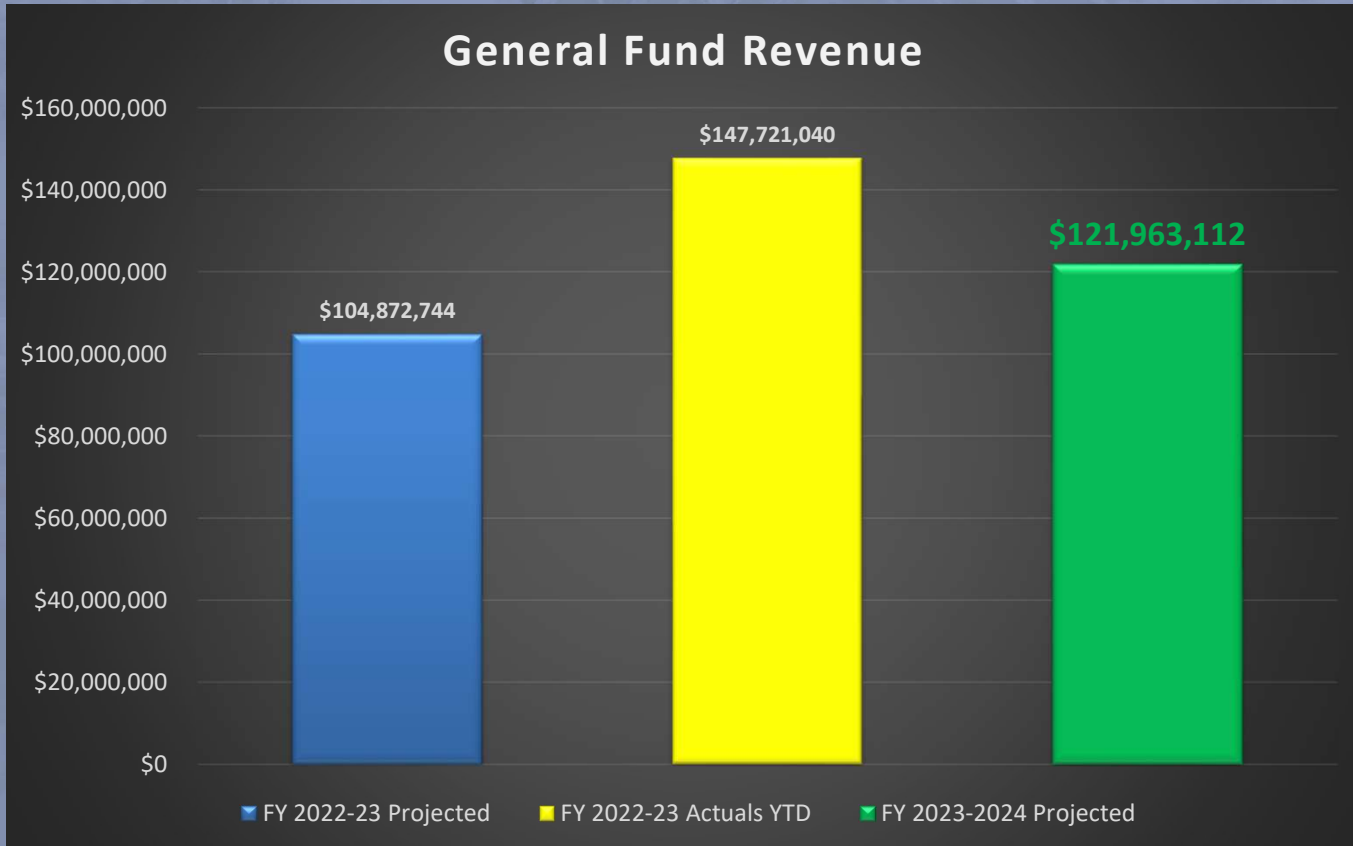


Transient Occupancy Tax (Forecast)

FY 2019-2020	FY 2020-2021	FY 2021-2022	FY 2022-2023 Projection	FY 2022-2023 YTD Actuals	FY 2023-2024
\$1,786,525	\$1,647,103	\$2,026,323	\$1,583,384	\$1,123,048	\$1,700,000



FY 2023-2024 General Fund Revenue Projection





THANK YOU

City of Carson - Finance Department