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Title: PUBLIC HEARING TO CONSIDER ADOPTION OF RESOLUTION NO. 23-095, ADOPTING THE FISCAL YEAR 2023-2024 ANNUAL BUDGET IN THE GENERAL FUND (CITY COUNCIL) CONSIDER RESOLUTION NO. 23-07-CSA, ADOPTING THE FISCAL YEAR 2023-2024 ANNUAL BUDGET FOR THE CARSON SUCCESSOR AGENCY (SUCCESSOR AGENCY) CONSIDER RESOLUTION NO. 23-07-CHA, ADOPTING THE FISCAL YEAR 2023-2024 ANNUAL BUDGET FOR THE CARSON HOUSING AUTHORITY (HOUSING AUTHORITY) CONSIDER RESOLUTION NO. 23-096 APPROVING AND ADOPTING THE ANNUAL APPROPRIATIONS LIMIT FOR FISCAL YEAR 2023-2024 (CITY COUNCIL) AND APPROVAL OF THE 2023-2024 SPECIAL EVENTS

Sponsors:

Indexes:

Code sections:

Attachments: 1. Exhibit B - General Fund Reserve, 2. Exhibit C - General Fund Revenue, 3. Exhibit D - General Fund Expenditures, 4. Exhibit E - Budget Resolution, 5. Exhibit F - Carson Successor Agency Resolution 23-07-CSA, 6. Exhibit A - Public Hearing Notice, 7. Exhibit G - Carson Housing Authority Resolution 23-07-CHA, 8. Exhibit H - Gann Appropriation Resolution, 9. Exhibit I - FY 2023-2024 Special Events, 10. Exhibit J - FY 2023-2028 CIP Plan, 11. Exhibit K-Department Vacancy Rate, 12. Exhibit L - City of Carson Organizational Chart

| Date | Ver. | Action By | Action | Result |
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Report to Mayor and City Council

Tuesday, June 20, 2023

Special Orders of the Day

SUBJECT:

PUBLIC HEARING TO CONSIDER ADOPTION OF RESOLUTION NO. 23-095, ADOPTING THE FISCAL YEAR 2023-2024 ANNUAL BUDGET IN THE GENERAL FUND (CITY COUNCIL)

CONSIDER RESOLUTION NO. 23-07-CSA, ADOPTING THE FISCAL YEAR 2023-2024 ANNUAL BUDGET FOR THE CARSON SUCCESSOR AGENCY (SUCCESSOR AGENCY)

CONSIDER RESOLUTION NO. 23-07-CHA, ADOPTING THE FISCAL YEAR 2023-2024 ANNUAL BUDGET FOR THE CARSON HOUSING AUTHORITY (HOUSING

AUTHORITY)

CONSIDER RESOLUTION NO. 23-096 APPROVING AND ADOPTING THE ANNUAL APPROPRIATIONS LIMIT FOR FISCAL YEAR 2023-2024 (CITY COUNCIL) AND APPROVAL OF THE 2023-2024 SPECIAL EVENTS

I. SUMMARY

Over the past several months, the City Council has held three budget workshops and provided direction to staff for the Fiscal Year 2023-2024 budget. The Public Hearing Notice was published on June 8th (**Exhibit A**) and the draft budget has been on file with the City Clerk's Office for public viewing since June 15th. The resolutions are ready for the City Council to consider adoption (**Exhibit E,F,G, and H**).

For the third consecutive year, and since Fiscal Year 2012-2013, the City of Carson can adopt a structurally balanced budget where recurring revenues are equal to or exceed recurring expenditures.

The Fiscal Year 2023-2024 budget focuses on the City Council's newly adopted priorities:

1. Make quality of life improvements (infrastructure, maintenance, beautification)
2. Prioritize economic development
3. Adopt governance policies and procedures pertaining to districts
4. Promote housing development
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. Advocate for funds from county, state and federal government
9. Increase outreach and information to the community

Structurally Balanced Budget for Fiscal Year 2023-2024:

The consideration and adoption of the City budget is one of the most important actions that the City Council takes. The Fiscal Year 2023-2024 proposed budget determines the services the City provides to the community, the staffing of the organization and sets the amount of funds spent in the Fiscal Year. In prioritizing the long-term fiscal sustainability of the City, the proposed Fiscal Year 2023-2024 budget is structurally balanced, while maintaining a General Fund reserve of \$107.9 million (**Exhibit B**) that is \$88 million above or 467% higher than the City Council reserve policy requirement. **The General Fund totals \$121,963,112 in revenues (Exhibit C) and \$119,935,709 in expenditures (Exhibit D).** Note that the \$119,935,709 in expenditures is decrease from what was presented to Council on May 16th meeting (\$121,444,418). The reasoning for the decrease is implementation of a Vacancy Rate applied to certain departments. The logic for this application is to free up budget with the assumption that staffing levels are not 100% capacity at the start of fiscal year July 1st 2023. (**Exhibit L**) illustrates vacancy rate applied per department.

Over the course of Fiscal Year 2023-2024, staff will assess and recommend potential

revenue opportunities that the City may consider in balancing the budget long-term. With the intention of building on these strengths and as part of the continuous improvement efforts related to financial management, staff will also review policies related to a citywide comprehensive user fee study, accounting, and position control.

II. RECOMMENDATION

1. OPEN the Public Hearing, TAKE public testimony for the proposed Fiscal Year 2023-2024 budget, and CLOSE the Public Hearing.
2. WAIVE further reading and ADOPT Resolution No. 23-095, A RESOLUTION OF THE CITY OF CARSON CITY COUNCIL ADOPTING THE FISCAL YEAR 2023-2024 BUDGET IN THE GENERAL FUND AND SPECIAL REVENUE FUNDS (Exhibit E)
3. WAIVE further reading and ADOPT Resolution No 23-07-CSA, A RESOLUTION OF THE BOARD OF THE SUCCESSOR AGENCY TO THE DISSOLVED CARSON REDEVELOPMENT AGENCY ADOPTING THE FISCAL YEAR 2023-2024 BUDGET (Exhibit F)
4. WAIVE further reading and ADOPT Resolution No. 23-07-CHA, A RESOLUTION OF THE BOARD OF THE CARSON HOUSING AUTHORITY ADOPTING THE FISCAL YEAR 2023-2024 BUDGET (Exhibit G)
5. WAIVE further reading and ADOPT Resolution No. 23-096, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON ADOPTING THE ANNUAL APPROPRIATION LIMIT FOR THE FISCAL YEAR 2023-2024 (Exhibit H)
6. APPROVE the 2023-24 Special Events Budget (Exhibit I).

III. ALTERNATIVES

DO NOT ADOPT the proposed Fiscal year 2023-2024 budget and PROVIDE additional direction to staff.

IV. BACKGROUND

This staff report includes the information and resolutions necessary to adopt the Fiscal Year 2023-2024 budget for the City Council. The recommendation is for the City Council to conduct a Public Hearing and consider adoption of the proposed Fiscal Year 2023-2024 budget via the attached resolutions (**Exhibit E, Exhibit F, Exhibit G and Exhibit H**).

The City Council has held three budget workshops to provide direction for the draft Fiscal Year 2023-2024 budget on March 21st, April 18th, and May 16th.

City of Carson Organization Chart

Assistant City Manager of Administrative Services oversight has expanded compared to last fiscal year. ACM of Administrative Services will now oversee Housing Division and Public Works Department. **(See Exhibit L)**

Internship and Mentorship Program

The Carson City Council has expressed a desire to establish a new Internship and Mentorship Program in coordination with California State University, Dominguez Hills (CSUDH). Staff is in process of developing a Memorandum of Understanding with CSUDH along with program guidelines, eligibility criteria, application process, and selection criteria. The program will seek to foster a strong partnership between the City and CSUDH, promoting knowledge exchange and supporting the career growth of aspiring professionals. To enhance the program and provide a more inclusive opportunity, the City plans to include a paid internship component. The addition of compensation will ensure that students from diverse backgrounds can participate without financial constraints. A program budget of **\$100,000** (\$85,000 to Innovation, Sustainability, Performance Management department, and \$15,000 to Information Technology and Security department) up to 8 students from CSUDH with a comprehensive learning experience that spans an entire academic year. The budget would provide eligible students with a competitive hourly wage in the range of \$16.68 - \$20.44 for their work, limited to approximately 500 hours. The budget would also provide for equipment (i.e. computers and software), supplies, and an end-of-the-year recognition celebration.

Carson Enhanced Infrastructure Financing District (EIFD)

In 2022, the City of Carson, in partnership with the County of Los Angeles, formed an Enhanced Infrastructure Financing District (EIFD) called the City of Carson Enhanced Infrastructure Financing District (Carson EIFD). The Carson EIFD is governed by its Public Financing Authority (PFA) comprising of two members of the City Council, one member of the County Board of Supervisors or his/her designee and two members of the public, one chosen by the City Council, and one chosen by the County Board of Supervisors.

On August 1, 2022, the Carson EIFD PFA adopted Resolution No. 22-005 to form the Carson EIFD to assist in the provision of public facilities of communitywide significance that provide significant benefits and promote economic development within the Carson EIFD and City of Carson. The EIFD aims to support needed public infrastructure, affordable housing, economic development and environmental mitigation and remediation of brownfields of properties as described by the adopted Infrastructure Financing Plan (IFP).

The primary source of revenue available to an EIFD is property tax increment revenue. Over the Carson EIFD's lifetime, approximately \$134 million would be made available (in present day value dollars). This equates to \$313 million in nominal 2022 dollars, of which \$156.5 million is generated from the City's property tax increment and \$156.5 million from the County's property tax increment. For additional information regarding EIFD here is link: <https://ci.carson.ca.us/communitydevelopment/EIFD.aspx>

Fiscal Year 2023-2024 Special Events

The City of Carson has a long history of supporting signature special events for its residents. These events promote and create a sense of place and assist in making Carson a regional destination, as well as a desirable place to live and work.

(Exhibit I) illustrates the 14 Special Events and corresponding budget set at **\$777,770**. The Mayor State of the City Address is the newest event added, and Community Service and Innovation, Sustainability, Performance Management departments will be share in collaboration in producing the annual event. An increase of **\$35,000** was added to FamFest Event budget from budget presented to Council during Budget Workshop #3 on May 16th bringing the total to \$91,087.

Capital Improvement Program (CIP)

The CIP is a valuable resource to achieving the City Council's strategic priorities. Proposed projects include infrastructure and facility upgrades, as well as major capital investments. The Five-Year CIP provides a longer-term perspective on needed capital investments and is a fiscal and strategic tool to plan, prioritize and monitor capital investments in the community. The Five-Year CIP includes the proposed capital budget for Fiscal Year 2023-2024, as well as planned project needs for Fiscal Year 2024-2025 through 2027-2028. The proposed Five-Year CIP includes 132 projects with an estimated cost of \$387 million **(Exhibit J)**.

CIP Projects Included:

A Capital Project includes the design and construction of new infrastructure and facilities or extends the life of an existing asset by rehabilitation. Infrastructure assets costing \$200,000 or more are capitalized and depreciated in the City's financial statements. Estimated project costs include acquisition, if necessary, evaluations and studies, design and construction of buildings, park facilities, roadways, traffic signals, utility systems and/or major landscaping projects.

The recommended CIP budget for Fiscal Year 2023-2024 is \$56 million of which \$18 million is funded from General Fund Reserve and the remaining \$38 million are funded from a variety of funding mechanisms including the Special Gas Tax Fund, Metro's Measure M and Measure R's Road Maintenance & Rehab Account, Caltrans, LA County Public Works, Development Impact Fees, Air Quality, Public Education and Government Broadcasting as well as grants from other local, regional, state and federal agencies. In some instances, General Fund expenses will be required, but those items are presented in **Exhibit J**.

V. FISCAL IMPACT

The fiscal impact of the proposed Fiscal Year 2023-2024 budget for all funds of the City's General Fund and Special Revenue Fund is summarized in the attached resolutions.

VI. EXHIBITS

1. Exhibit A - Public Hearing Notice (pg.6)
2. Exhibit B - General Fund Reserve (pg.7)
3. Exhibit C - General Fund Revenue (pg.8)
4. Exhibit D - General Fund Expenditures (pg. 9)
5. Exhibit E - Budget Resolution (pg. 10)
6. Exhibit F - Carson Successor Agency Resolution (pg. 11)
7. Exhibit G - Carson Housing Authority Resolution (pg. 12)
8. Exhibit H - Gann Limit Resolution (pg. 13)
9. Exhibit I - FY 2023-2024 Special Events Budget (pg. 14)
10. Exhibit J - FY 2023-2028 C.I.P. Plan (pg.15-19)
11. Exhibit K - Department Vacancy Rate (pg. 20)
12. Exhibit L - City of Carson Organizational Chart (pg. 21)

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