



## Legislation Text

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### Report to Mayor and City Council

Tuesday, June 18, 2024

Special Orders of the Day

#### SUBJECT:

**PUBLIC HEARING TO CONSIDER ADOPTION OF RESOLUTION NO. 24-056, ADOPTING THE FISCAL YEAR 2024-2025 ANNUAL BUDGET IN THE GENERAL FUND (CITY COUNCIL)**

**CONSIDER RESOLUTION NO. 24-07-CSA, ADOPTING THE FISCAL YEAR 2024-2025 ANNUAL BUDGET FOR THE CARSON SUCCESSOR AGENCY (SUCCESSOR AGENCY)**

**CONSIDER RESOLUTION NO. 24-07-CHA, ADOPTING THE FISCAL YEAR 2024-2025 ANNUAL BUDGET FOR THE CARSON HOUSING AUTHORITY (HOUSING AUTHORITY)**

**CONSIDER RESOLUTION NO. 24-045 APPROVING AND ADOPTING THE ANNUAL APPROPRIATIONS LIMIT FOR FISCAL YEAR 2024-2025 (CITY COUNCIL), AND APPROVAL OF THE 2024-2025 SPECIAL EVENTS AND 5-YEAR CIP PLAN**

#### **I. SUMMARY**

Over the past several months, the City Council has held two budget workshops and provided direction to staff for the Fiscal Year 2024-2025 budget. The Public Hearing Notice was published on June 6<sup>th</sup> (**Exhibit A**) and the draft budget has been on file with the City Clerk's Office for public viewing since June 6<sup>th</sup>. 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 2024-2025 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 2024-2025:**

The consideration and adoption of the City budget is one of the most important actions that the City Council takes. The Fiscal Year 2024-2025 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 2024-2025 budget is structurally balanced, while maintaining a General Fund reserve of \$222.9 million (Exhibit B). The General Fund totals \$140,258,534 in revenues (Exhibit C) and \$139,245,582 in expenditures (Exhibit D). Note that the \$139,245,582 in expenditures is increased from what was presented to Council on June 4, 2024 meeting (\$137,390,865). The reasoning for the increase is a combination of benefit increases to Salary and Benefits, and one-time payments to CalPers.

Over the course of Fiscal Year 2024-2025, 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**

TAKE the following actions:

1. OPEN the Public Hearing, TAKE public testimony for the proposed Fiscal Year 2024-2025 budget, and CLOSE the Public Hearing.
2. WAIVE further reading and ADOPT Resolution No. 24-056, A RESOLUTION OF THE CITY OF CARSON CITY COUNCIL ADOPTING THE FISCAL YEAR 2024-2025 BUDGET IN THE GENERAL FUND AND SPECIAL REVENUE FUNDS (Exhibit E)
3. WAIVE further reading and ADOPT Resolution No 24-07-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. 24-07-CHA, A RESOLUTION OF THE BOARD OF THE CARSON HOUSING AUTHORITY ADOPTING THE FISCAL YEAR 2024-2025 BUDGET (Exhibit G)
5. WAIVE further reading and ADOPT Resolution No. 24-045, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON ADOPTING THE ANNUAL APPROPRIATION LIMIT FOR THE FISCAL YEAR 2024-2025 (Exhibit H)
6. APPROVE the 2024-2025 Special Events Budget (Exhibit I)
7. APPROVE the 2024-2025 5-Year CIP Plan (Exhibit J)

### III. ALTERNATIVES

DO NOT ADOPT the proposed Fiscal year 2024-2025 budget and PROVIDE additional direction to staff.

### IV. BACKGROUND

This staff report includes the information and resolutions necessary to adopt the Fiscal Year 2024-2025 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 2024-2025 budget via the attached resolutions (**Exhibit E, Exhibit F, Exhibit G and Exhibit H**). The City Council has held two budget workshops to provide direction for the draft Fiscal Year 2024-2025 budget on May 7<sup>th</sup> and June 4<sup>th</sup>.

#### **Fiscal Year 2024-2025 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 13 Special Events and corresponding budget set at **\$697,770**. There are no increases to the Special Events budget. An Ad-Hoc Committee was created for Special Events and requested that the budget item be brought back at a later date.

#### **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 2024-2025, as well as planned project needs for Fiscal Year 2024-2025 through 2028-2029. 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 2024-2025 is \$57 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.

**Los Angeles County Sheriff Contract**

The Sheriff's contract is approximately 19% of the General Fund budget. On June 18, 2024, the City Council approved a five-year contract renewal agreement with the Los Angeles Sheriff's Department for the period of July 1, 2024, through June 30, 2029. The billing rates of the Contract City Law Enforcement Services is adjusted by the County Auditor-Controller annually effective July 1 of each year to reflect the cost of such service in accordance with the policies and procedures for the determination of such rates as adopted by the County Board of Supervisors. The Sheriff's Department has confirmed a rate increase for Fiscal Year 2024-2025. Services are estimated to increase by \$955,012.49 or 3.44%, which includes a .5% increase in liability coverage and rate of law enforcement personnel.

**V. FISCAL IMPACT**

The fiscal impact of the proposed Fiscal Year 2024-2025 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 (pgs. 10-12)
6. Exhibit F - Carson Successor Agency Resolution (pgs. 13-14)
7. Exhibit G - Carson Housing Authority Resolution (pgs. 15-16)
8. Exhibit H - Gann Limit Resolution (pgs. 17-18)
9. Exhibit I - FY 2024-2025 Special Events Budget (pg. 19)
10. Exhibit J - FY 2024-2029 C.I.P. Plan (pg. 20-27)

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