



TORRANCE MEASURE SST CITIZENS' OVERSIGHT COMMITTEE

AGENDA

Tuesday, March 10, 2026

REGULAR MEETING
6:00 PM

LeROY J. JACKSON COUNCIL CHAMBER
3031 TORRANCE BLVD.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Manager's office at (310) 618-5880. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. [28CFR35.102-35.104 ADA Title II]

Direct questions or concerns to the City Council at (310) 618-2801, City Manager at (310) 618-5880, or the individual department head prior to submission to the City Council. Parties will be notified if the complaint will be included on a subsequent agenda.

PARTICIPATE BEFORE THE MEETING by submitting a public comment on the OneMeeting Public Portal at <https://torranceca.primegov.com/public/portal?fromiframe=true>. Hard copies of public comment may be submitted to the City Clerk's Office during regular business hours. All comments submitted before 5:30 p.m. on **Monday, March 9, 2026**, will be published for public review prior to the meeting. Comments received after the deadline, but prior to the adjournment of the meeting will be added to the record.

The agenda was posted on the Public Notice Board at 3031 Torrance Blvd and on the City's Website on **Thursday, March 5, 2026**
/s/ Rebecca Poirier

1. CALL TO ORDER

Committee Members Manbahal, DeRago, Neumann, Polcari, Ohno, Wright, Vacant

2. FLAG SALUTE

3. ORAL COMMUNICATIONS (Limited up to a 30-minute period)

This portion of the meeting is reserved for comment on items on the Consent Calendar or not on the agenda within the subject matter jurisdiction of the Measure SST Citizens' Oversight Committee. Under the Ralph M. Brown Act, the Committee cannot act on items raised during public comment, but may respond briefly to statements made or questions posed; request clarification; or refer the item to staff. No longer than 2 minutes per speaker. If presenting handout material to Committee, please provide 10 copies to staff before speaking.

4. CONSENT CALENDAR

Matters listed under the Consent Calendar are considered routine and will be enacted by one motion and one vote. There will be no separate discussion of these items. If discussion is desired, that item will be removed by a Committee member from the Consent Calendar and considered separately.

4A. Finance – Approve Measure SST Citizens’ Oversight Committee Minutes. Expenditure: None.

Recommendation of the Finance Director that the Measure SST Citizens’ Oversight Committee approve the meeting minutes of December 11, 2025.

5. ADMINISTRATIVE MATTERS

5A. Finance – Accept and File the Fiscal Year 2025-26 Mid-Year Measure SST Fund Budget Report. Expenditure: None.

Recommendation of the Finance Director that the Measure SST Citizens’ Oversight Committee accept and file the Fiscal Year 2025-26 Mid-Year Measure SST Fund Budget Report.

5B. Finance - Accept and File Fiscal Year 2024-25 Measure SST Fund Audited Financial Statements. Expenditure: None.

Recommendation of the Finance Director that the Measure SST Citizens’ Oversight Committee accept and file the Fiscal Year 2024-25 Measure SST Fund Audited Financial Statements.

6. COMMISSIONS ORAL COMMUNICATIONS

7. ADJOURNMENT



Date: March 10, 2026

To: Chair and Members of the Measure SST Citizens' Oversight Committee

From: Ian Dailey, Finance Director | IDailey@TorranceCA.gov

Subject: Finance – Approve Measure SST Citizens' Oversight Committee Minutes.
Expenditure: None.

RECOMMENDATION

Recommendation of the Finance Director that the Measure SST Citizens' Oversight Committee approve the meeting minutes of December 11, 2025.

FUNDING

None required.

ATTACHMENT

1. Measure SST Citizens' Oversight Committee Meeting Minutes for December 11, 2025

December 11, 2025

**MINUTES OF A REGULAR MEETING OF THE
TORRANCE MEASURE SST CITIZENS' OVERSIGHT COMMITTEE**

1. CALL TO ORDER

The Torrance Measure SST Citizens' Oversight Committee convened in a regular session at 6:07 p.m. on Tuesday, December 11, 2025, in the LeRoy J. Jackson Council Chamber at Torrance City Hall 3031 Torrance Boulevard Torrance, CA 90503

ROLL CALL

Present: Committee Members DeRago, Neumann, Ohno, Wright
Absent: Committee Member Polcari, Manbahal
Also Present: Finance Director Dailey, Assistant Finance Director Pabalan, Community Services Director John La Rock, General Services Director Shant Megerdichian.

MOTION: Committee Member Wright moved to excuse Committee Member Manbahal's absence. Committee Member Neumann seconded the motion; a roll call vote reflected 4-0 approval (Committee Member Manbahal and Polcari absent).

2. FLAG SALUTE

The Pledge of Allegiance was led by Committee Member DeRago.

3. ORAL COMMUNICATIONS

None.

4. CONSENT CALENDAR

4A. APPROVE MEETING MINUTES OF JULY 15, 2025

MOTION: Committee Member Neumann moved to approve the minutes of July 15, 2025. Committee Member Ohno seconded the motion; a roll call vote reflected 4-0 approval (Committee Member Manbahal and Polcari absent).

5. ADMINISTRATIVE MATTERS

5A. ACCEPT AND FILE FISCAL YEAR 2025-26 FIRST QUARTER MEASURE SST FUND BUDGET REPORT.

Assistance Finance Director Nao Pabalan presented the fiscal year 2025-26 Measure SST Fund annual report.

Members of the committee spoke.

Finance Director Dailey spoke regarding current economic conditions related to the use of Measure SST Funds questions asked by the committee.

MOTION: Committee Member Neumann moved to accept and file the fiscal year 2025-26 Measure SST fund annual report. Committee Member Wright seconded the motion; a roll call vote reflected 4-0 approval (Committee Member Manbahal and Polcari absent).

6. **COMMITTEE ORAL COMMUNICATIONS**

None.

7. **ADJOURNMENT**

MOTION: At 6:38 p.m., Committee Member Ohno adjourned the meeting to a date to be determined. Committee Member Wright seconded the motion; a roll call vote reflected 4-0 approval (Committee Member Manbahal and Polcari absent).

DRAFT SUBJECT TO APPROVAL MINUTES



Date: March 10, 2026

To: Chair and Members of the Measure SST Citizen's Oversight Committee

From: Ian Dailey, Finance Director | IDailey@TorranceCA.gov

Subject: Finance – Accept and File the Fiscal Year 2025-26 Mid-Year Measure SST Fund Budget Report. Expenditure: None.

RECOMMENDATION

Recommendation of the Finance Director that the Measure SST Citizens' Oversight Committee accept and file the Fiscal Year 2025-26 Mid-Year Measure SST Fund Budget Report.

FUNDING

None required.

DISCUSSION

On June 3, 2025, City Council formally adopted the City's Proposed FY 2025-26 Operating Budget and Capital Improvement Plan, which included the Measure SST Fund's expenditure budget in the amount of \$26.2 million. The adopted budget was balanced, including \$6 million to support the City's Capital Improvement Plan. The Measure SST Fund comprises approximately 7.4% of the overall General Fund's amended expenditure budget. The Measure SST Fund continues to account for revenues generated from the voter-approved 0.50% transaction and use tax.

Measure SST Citizen's Oversight Committee

March 10, 2026

Page 2

FISCAL YEAR 2025-26 MID-YEAR RESULTS**Measure SST Fund Revenues and Expenditures Summary**

Revenues	Prior Year FY2024-25			Current Year FY2025-26					
	Amended Budget	July - December Actuals	Budget Received	Amended Budget	July - December Actuals	Budget Received	Annual Projected Total	Projected Surplus/ (Deficit)	Projected % of Budget
Taxes	\$ 25,345,116	\$ 8,328,634	32.9%	\$ 26,154,000	\$ 8,754,059	33.5%	\$ 26,799,000	\$ 645,000	102.5%
Use of Money and Property	\$ (177,850)	\$ 19,264	-10.8%	\$ 29,606	\$ 204,997	692.4%	\$ 120,120	\$ 90,514	405.7%
Total Revenues	\$ 25,167,266	\$ 8,347,898	33.2%	\$ 26,183,606	\$ 8,959,056	34.2%	\$ 26,919,120	\$ 735,514	102.8%

Expenses	Prior Year FY2024-25			Current Year FY2025-26					
	Amended Budget	July - December Actuals	Budget Expended	Amended Budget	July - December Actuals	Budget Expended	Annual Projected Total	Projected Surplus/ (Deficit)	Projected % of Budget
Materials, Supplies & Maintenance	\$ 727,398	\$ -	0.0%	\$ 571,254	\$ -	0.0%	\$ -	\$ 571,254	0.0%
Professional/Contract Services	\$ 876,500	\$ 108,735	12.4%	\$ 1,014,800	\$ 155,349	15.3%	\$ 991,600	\$ 23,200	97.7%
Other Operating Transfers Out	\$ 25,891,226	\$ 19,753,144	76.3%	\$ 24,597,552	\$ 15,270,206	62.1%	\$ 24,597,552	\$ -	100.0%
Total Expenses	\$ 27,495,124	\$ 19,861,879	72.2%	\$ 26,183,606	\$ 15,425,555	58.9%	\$ 25,589,152	\$ 594,454	97.7%

Revenues Less Expenditures	\$ (2,327,858)	\$ (11,513,981)		\$ -	\$ (6,466,499)		\$ 1,329,968	\$ 1,329,968	
-----------------------------------	-----------------------	------------------------	--	-------------	-----------------------	--	---------------------	---------------------	--

As of December 31, 2025, the Measure SST Fund received approximately \$9 million in revenues, representing 34.2% of the FY 2025-26 budget, compared to \$8.3 million or 33.2% for the same period in the year prior. As shown in the table above, the projected annual amounts are expected to exceed budget by \$736,000 mainly due to an increase from tax receipts.

On the expenditure side, the Measure SST Fund has incurred approximately \$15.4 million or 58.9% of the FY 2025-26 budget, compared to \$19.9 million or 72.2% for the period in the year prior. This fund is projected to end the year with expenditure savings of approximately \$594,000, that are primarily associated with homelessness response activities. The City continues to leverage various grant funding sources that mitigate the need to use Measure SST resources to support the homelessness response efforts.

The Measure SST Fund's operating expenditure budget of \$26.2 million is broken down into four (4) main categories: **Quality of Life**; **Fiscal Sustainability**; **Deferred Maintenance and Community Services/Programs**; and **Emergency Responsiveness**. The following table provides a summary of the Measure SST Fund's fiscal year FY25-26 operating budget allocations for each of these categories.

Measure SST Fund Expenditures by Categories

General Fund-Measure SST Fund	FY2025-26	FY2025-26	FY2025-26
	Amended Budget	Actuals	Projection
Quality of Life			
Restore/Maintain Public Safety	13,181,051	6,590,527	13,181,051
Homelessness Response Efforts	1,003,520	144,665	417,266
Fiscal Sustainability			
Reserve Contribution	5,000,000	2,500,002	5,000,000
Emergency Responsiveness			
Cyber Security Upgrades	1,020,320	211,646	1,012,120
Deferred Maintenance & Community Services/Programs			
Capital Contribution	5,978,715	5,978,715	5,978,715
Total Expense	\$ 26,183,606	\$ 15,425,555	\$ 25,589,152

Restore/Maintain Public Safety

This sub-category includes dedicated funding to support Police and Fire Department operations. Expenditures are approximately 50% year-to-date and remain on track to be fully utilized by fiscal year-end.

Homelessness Response Efforts

Expenditures remain limited due to continued availability of grant funding primarily used for operating costs at the City’s 3290 Temporary Housing Village and is projected to generate a surplus of \$586,000 at year-end. Additionally, this sub-category has devoted funding to 2.0 FTE Staff Assistant positions to support homelessness efforts, which is projected to be fully spent at year-end.

Reserve Contribution

Approximately 50% of the planned contribution to the General Fund-Assigned Fund (Economic Anomaly Reserve) has been made as of mid-year and is expected to be fully expended at fiscal year-end.

Cyber Security Upgrades

This sub-category has devoted funding to a 1.0 FTE Systems Analyst position as well as miscellaneous non-wage budget dedicated to cybersecurity efforts in the Information Technology (IT) Department. Cybersecurity costs remain consistent with budget expectations and are projected to remain within appropriations at fiscal year-end.

To note, the positions supported by the Measure SST Fund for the Police Department, Fire Department, City Manager’s Office, and IT Department are reflected as Other Operating Transfers Out expenditure classification, as the salaries and benefits are charged in the General Fund-Operating Fund. The following table shows the breakdown of Other Operating Transfers Out.

Measure SST Citizen's Oversight Committee

March 10, 2026

Page 4

Description	Prior Year FY2024-25			Current Year FY2025-26					
	Amended Budget	July-December Actuals	% of Budget Expended	Amended Budget	July-December Actuals	% of Budget Expended	Annual Projected Total	Projected Surplus/ (Deficit)	Projected % of Budget
City Manager Positions Offset	\$ 102,447	\$ -	0.0%	\$ 232,266	\$ 98,202	42.3%	\$ 232,266	\$ -	100.0%
Police Position Offset	\$ 9,847,116	\$ 4,962,947	50.4%	\$ 10,966,238	\$ 5,483,119	50.0%	\$ 10,966,238	\$ -	100.0%
Fire Positions Offset	\$ 2,121,088	\$ 1,069,028	50.4%	\$ 2,214,813	\$ 1,107,408	50.0%	\$ 2,214,813	\$ -	100.0%
CIT Positions Offset	\$ 200,415	\$ 101,009	50.4%	\$ 205,520	\$ 102,760	50.0%	\$ 205,520	\$ -	100.0%
General Fund Reserve Contribution	\$ 5,000,000	\$ 5,000,000	100.0%	\$ 5,000,000	\$ 2,500,002	50.0%	\$ 5,000,000	\$ -	100.0%
Capital Improvement Projects	\$ 8,620,160	\$ 8,620,160	100.0%	\$ 5,978,715	\$ 5,978,715	100.0%	\$ 5,978,715	\$ -	100.0%
	\$25,891,226	\$19,753,144	76.3%	\$24,597,552	\$15,270,206	62.1%	\$24,597,552	\$ -	100.0%

Capital Contribution

This sub-category includes 29 projects funded by the Measure SST Fund to benefit and invest in the Torrance community at-large, as listed in the table below. The amended FY25-26 Capital Improvement Plan budget committed \$6.0 million from the Measure SST Fund for investments in the City's parks, community facilities, police and fire stations, and the Citywide tree planning program. As shown in the table below, the City has currently realized \$410,000 in expenditures as of December 31, 2025. All capital transfers have occurred, and remaining project activity is expected to continue through the remainder of the fiscal year and beyond.

Further details of the capital projects funded by Measure SST Fund along with Department updates can be found in Attachment 1.

Project Location	Life-To-Date Budget	Prior Year Actuals	July-Dec Actuals	Life-To-Date Balance
Alta Loma Park	\$ 155,000	\$ -	\$ -	\$ 155,000
Bartlett Senior Center	\$ 100,600	\$ 52,878	\$ 42,413	\$ 5,310
Columbia Park	\$ 221,933	\$ 156,018	\$ -	\$ 65,915
Dee Hardison Sports Center	\$ 300,000	\$ -	\$ 14,245	\$ 285,755
Delthorne Park	\$ 404,956	\$ 331,291	\$ 57,305	\$ 16,361
El Nido Park	\$ 350,000	\$ -	\$ -	\$ 350,000
Fire Station 1	\$ 859,915	\$ 38,432	\$ 57,591	\$ 763,893
Fire Station 4	\$ 28,730	\$ 28,730	\$ -	\$ -
Guenser Park	\$ 197,750	\$ 12,670	\$ 34,489	\$ 150,591
Madrona Marsh Nature Center	\$ 82,127	\$ -	\$ 82,127	\$ -
Operating Project - CIT	\$ 350,000	\$ -	\$ -	\$ 350,000
Operating Project - Community Services	\$ 1,280,000	\$ 37,695	\$ 30,300	\$ 1,212,005
Operating Project - Public Works	\$ 854,000	\$ 320,480	\$ 54,556	\$ 478,964
Paradise Park	\$ 7,078,903	\$ 79,492	\$ 5,970	\$ 6,993,442
Russ Nolte Annex	\$ 142,731	\$ 132,888	\$ -	\$ 9,843
Torrance City Hall	\$ 230,448	\$ 31,946	\$ 113,200	\$ 85,302
Torrance Cultural Arts Center	\$ 29,491	\$ 29,491	\$ -	\$ -
Torrance Police Department	\$ 535,436	\$ 41,500	\$ -	\$ 493,936
Walteria Park	\$ 1,700,000	\$ -	\$ -	\$ 1,700,000
Wilson Park	\$ 206,652	\$ -	\$ -	\$ 206,652
Grand Total	\$ 15,108,673	\$ 1,293,511	\$ 492,194	\$ 13,322,968

Projected Fund Balance Summary

Measure SST Fund Unassigned Fund Balance	End Balance as of 6/30/25	FY26 Projected Change	Projected End Balance as of 6/30/26
Not Committed	\$ 1,253,691	\$ 735,514	\$ 1,989,205
Expenditure Surplus:			
CIM-Homelessness Response Efforts	\$ 1,642,866	\$ 586,254	\$ 2,229,120
IT-Cyber Security	\$ 813,213	\$ 8,200	\$ 821,413
Transfers to Capital Improvement	\$ 250,000	\$ -	\$ 250,000
Total	\$ 3,959,770	\$ 1,329,968	\$ 5,289,738

Based on the FY 2025-26 mid-year results, the Measure SST Fund is projected to end the fiscal year with a fund balance of approximately \$5.3 million. The increase is primarily attributable to strong tax revenue performance and expenditure savings associated with homelessness response activities. While this balance is currently anticipated to remain in the Measure SST Fund, it should be noted that these funds may be transferred to other funds to address the Quality of Life, Fiscal Sustainability, Deferred Maintenance and Community Services/Programs, and Emergency Responsiveness categories set forth by City Council in future budget cycles.

Staff will continue to monitor the Measure SST Fund and return in July 2026 to provide the Committee with an update on the FY 2025-26 year-end actual results (unaudited) as well as information pertaining to the Adopted FY 2026-27 Operating Budget and Capital Improvement Plan. Should there be any revisions to the Measure SST budget during the fiscal year, beyond the City Manager's delegated authority, staff will seek City Council's approval and include the approved revisions in subsequent updates to the Committee. Lastly, the information provided in this budget review report will also be presented to the Finance and Governmental Operations Committee on March 12, 2026, and then to City Council on March 24, 2026.

ATTACHMENT

1. Detailed Listing of Capital Projects Funded by Measure SST Fund

Project Location	Project Activity	Life-To-Date Budget	Prior Year Actuals	July-Dec Actuals	Life-To-Date Balance	Department	Department Project Description	Department Update as of 12/31/2025
Alta Loma Park	Replace Playground Equipment	\$ 155,000	\$ -	\$ -	\$ 155,000	Community Services	Replace existing playground equipment at Alta Loma Park.	The project is in the final stages of planning as staff prepare to advance into design and implementation.
Bartlett Senior Center	Second Story Walk Deck Repair	\$ 100,600	\$ 52,878	\$ 42,413	\$ 5,310	General Services	Upgrade and repair the upper-level walk deck at the Bartlett Senior Center to prevent water intrusion, enhance safety, and ensure the longevity of the structure.	This project is complete and in administrative closeout process.
Columbia Park	Refurbish Bocce Courts	\$ 161,933	\$ 143,943	\$ -	\$ 17,990	Community Services	Replace three Bocce court playing surfaces at Columbia Park.	Project completed in June 2025.
Columbia Park	Construct Dog Park	\$ 60,000	\$ 12,075	\$ -	\$ 47,925	Community Services	Construct a new dog park that will provide a controlled environment for off-leash play and exercise under direct supervision of pet owners.	Preliminary planning activities are in progress to define project parameters.
Dee Hardison Sports Center	Renovate Center Facilities	\$ 300,000	\$ -	\$ 14,245	\$ 285,755	General Services	Repair the roof and skylight at the Dee Hardison Sports Center.	The City is currently evaluating submitted proposals. As part of this process, the team is also exploring value-engineered design options to maximize the achievable warranty period while maintaining project performance and cost efficiency.
Delthorne Park	Renovate Park Restrooms	\$ 404,956	\$ 331,291	\$ 57,305	\$ 16,361	Community Services	Carry out critical repairs and replacements of key areas at Delthorne Park, including the roof, restrooms, walkway lighting, and various structural and interior elements to ensure safety, functionality, and compliance with current standards. The project also includes ADA improvements.	This project is complete and in administrative closeout process.
El Nido Park	Renovate Park	\$ 350,000	\$ -	\$ -	\$ 350,000	Community Services	Complete redesign of El Nido Park, including 2 little league baseball fields, playground, community building, pickleball courts, cricket pitches, and general landscaping and park furnishing improvements.	Design development activities are in progress to advance the project toward construction.
Fire Station 1	Replace Generator	\$ 466,666	\$ 25,797	\$ -	\$ 440,869	General Services	Remove and dispose of Fire Station 1's current generator due to an engine failure; install a new backup generator.	This project is complete and in administrative closeout process.
Fire Station 1	Alternate EOC	\$ 233,334	\$ 12,634	\$ 57,591	\$ 163,109	General Services	Renovate Fire Station 1's Emergency Operation Center (EOC).	The project is under construction.
Fire Station 1	Renovate Fire Station	\$ 159,915	\$ -	\$ -	\$ 159,915	General Services	Enhance Fire Station 1's interior by improving living spaces and work areas. Primary goals are to replace the carpeting and update the painting to create a comfortable, functional, and aesthetically pleasing environment while reducing overall future maintenance.	This project is complete and in administrative closeout process.
Fire Station 4	Renovate Fire Station	\$ 28,730	\$ 28,730	\$ -	\$ -	General Services	Renovate Fire Station 4.	This project is complete.
Guenser Park	Walking Path Replacement	\$ 197,750	\$ 12,670	\$ 34,489	\$ 150,591	Community Services	Upgrade the existing park perimeter walking path by replacing the dirt with a permeable, hardscape surface. Project will also include a consistent widening of the path and minor grading.	Design development activities are in progress to advance the project toward construction.
Madrona Marsh Nature Center	Replace Sump Pump	\$ 82,127	\$ -	\$ 82,127	\$ -	Community Services	Replacement of existing sump pumps in the Madrona Marsh.	This project is complete.
Operating Project - CIT	Computer Aided Dispatch (CAD) Implementation	\$ 350,000	\$ -	\$ -	\$ 350,000	IT	CAD (Computer-Aided Dispatch) Implementation	The Computer-Aided Dispatch (CAD) system implementation has progressed through key planning and governance milestones. The project team finalized the Statement of Work, documented all required system interfaces, and completed detailed contract language to ensure alignment with operational, technical, and legal requirements. The agreement was presented to the City Council and received formal approval, authorizing the project to proceed into the next phase of implementation.
Operating Project - Community Services	Citywide Parks Master Plan	\$ 300,000	\$ -	\$ -	\$ 300,000	Community Services	Evaluate conditions at parks across the City and inform future capital funding and priorities.	Preliminary planning activities are in progress to define project parameters.
Operating Project - Community Services	Resurface Playing Courts	\$ 875,000	\$ -	\$ 8,800	\$ 866,200	Community Services	Replace hardcourt playing surfaces at the following parks: Delthorne, WALTERIA, La Carretera, Greenwood, Torrance, Lago Seco, La Romeria, Sunnynglen, Victor.	Preliminary planning activities are in progress to define project parameters.

Project Location	Project Activity	Life-To-Date Budget	Prior Year Actuals	July-Dec Actuals	Life-To-Date Balance	Department	Department Project Description	Department Update as of 12/31/2025
Operating Project - Community Services	Bollard Replacement at Wilson Park	\$ 105,000	\$ 37,695	\$ 21,500	\$ 45,805	Community Services	Replace missing and damaged traffic bollards at the Wilson Park Farmer's Market area.	Project completed and in administrative closeout process.
Operating Project - Public Works	Citywide Tree Planting Program	\$ 854,000	\$ 320,480	\$ 54,556	\$ 478,964	Public Works	Plant 7,000 additional trees throughout the City.	774 Street trees were planted this quarter.
Paradise Park	Design, Site work, Utilities, and Irrigation	\$ 4,276,303	\$ -	\$ -	\$ 4,276,303	Community Services	Replace playground equipment, restroom facility, and picnic shelter at Paradise Park. Project will also include upgrades to pathways, landscaping, and irrigation. This project is part of a larger effort to comprehensively enhance accessibility and renew various capital assets at Paradise Park.	Design development activities are in progress to advance the project toward construction.
Paradise Park	Replace Playground Equipment	\$ 372,600	\$ -	\$ -	\$ 372,600	Community Services	Replace the existing playground equipment at Paradise Park. This project is part of a larger effort to comprehensively enhance accessibility and renew various capital assets at Paradise Park.	Design development activities are in progress to advance the project toward construction.
Paradise Park	Redesign/Replace Restrooms	\$ 2,000,000	\$ -	\$ -	\$ 2,000,000	Community Services	Redesign and replace restrooms at Paradise park to ensure that current ADA standards are met and to extend the facility's lifespan. This project is part of a larger effort to comprehensively enhance accessibility and renew various capital assets at Paradise Park.	The project is under design.
Paradise Park	Redesign/Replace Picnic Shelter & Storage	\$ 430,000	\$ 79,492	\$ 5,970	\$ 344,539	Community Services	Redesign and replace the picnic shelter and storage at Paradise park to ensure that current ADA standards are met and to extend the facility's lifespan. This project is part of a larger effort to comprehensively enhance accessibility and renew various capital assets at Paradise Park.	The project is under design.
Russ Nolte Annex	Renovate Annex Building	\$ 142,731	\$ 132,888	\$ -	\$ 9,843	General Services	Perform stucco and roof repairs at the Russ Nolte facility. The project will address areas vulnerable to water intrusion, aesthetic damage, and structural integrity compromise to ensure that the building is weatherproof and visually restored.	This project is complete and in administrative closeout process.
Torrance City Hall	Renovate West Annex Roofing and Interiors	\$ 448	\$ -	\$ -	\$ 448	General Services	Replace aging roof at the West Annex with a more durable, weather-resistant, and energy-efficient roofing system. This protects the building structure, improves insulation, and reduces future maintenance costs. Moving into the interior, Second-Floor Renovation upgrades and modernizes the second floor, enhances functionality, provides aesthetic appeal, and complies with building codes.	This project is complete and in administrative closeout process.
Torrance City Hall	West Annex Painting	\$ 230,000	\$ 31,946	\$ 113,200	\$ 84,854	General Services	IT Department Office Renovation to improve functionality and efficiency. The project consists of reconfiguration of cubicle layouts, office furniture upgrades, infrastructure upgrades, and modernization of the adjacent kitchenette.	This project is complete and in administrative closeout process.
Torrance Cultural Arts Center	Replace Sewage Pump System	\$ 29,491	\$ 29,491	\$ -	\$ -	General Services	Replace aging plumbing lines at the Cultural Arts Center.	This project is complete.
Torrance Police Department	Renovate Department Facilities	\$ 475,436	\$ -	\$ -	\$ 475,436	General Services	Refurbish police officers' workspace to create a more functional, comfortable, and efficient working environment. The project focuses on furniture upgrades, lighting improvements, ergonomic enhancements, and overall aesthetic upgrades of work areas.	This project is complete and in administrative closeout process.
Torrance Police Department	Replacement of HVAC Condenser	\$ 60,000	\$ 41,500	\$ -	\$ 18,500	General Services	Replace an aging condenser servicing the Torrance Police Department.	This project is complete and in administrative closeout process.
Walteria Park	Reconstruct Playing Courts	\$ 1,700,000	\$ -	\$ -	\$ 1,700,000	Community Services	Replacement of the tennis, pickleball and basketball courts at Walteria Park.	Preliminary planning activities are in progress to define project parameters.
Wilson Park	Redevelopment of Building 8	\$ 206,652	\$ -	\$ -	\$ 206,652	Community Services	Demolition of existing storage shed site for potential redevelopment to create a new, functional, and aesthetically pleasing space. The project aims to enhance the utility and appearance of the area, providing opportunities for site use.	This project is awaiting closeout.
Grand Total		\$ 15,108,673	\$ 1,293,511	\$ 492,194	\$ 13,322,968			



Date: March 10, 2026

To: Honorable Chair and Members of the Measure SST Citizens' Oversight Committee

From: Ian Dailey, Finance Director

By: David Cessor, Accounting Manager | DCessor@TorranceCA.gov

Subject: Finance - Accept and File Fiscal Year 2024-25 Measure SST Fund Audited Financial Statements. Expenditure: None.

RECOMMENDATION

Recommendation of the Finance Director that the Measure SST Citizens' Oversight Committee accept and file the Fiscal Year 2024-25 Measure SST Fund Audited Financial Statements.

FUNDING

None required.

DISCUSSION

BACKGROUND

On June 7, 2022, Torrance voters approved Measure SST, a 0.50% transaction and use tax (sales tax), which included the appointment of a citizens' oversight committee, public disclosure of all spending and an annual independent financial audit to ensure funds are used effectively as promised, and only to the benefit of the Torrance community. On July 12, 2022, City Council approved the creation of the Measure SST Fund, a sub-fund of the City's General Fund, to separately track all revenues and expenditures in compliance with the annual independent financial audit provision outlined in the ballot measure.

The City Charter requires an annual audit of the records and accounts of the City by independent Certified Public Accountants. On December 30, 2025, an independent auditor, Vasquez & Company, LLP (Auditor) completed the audit of the City's Annual Comprehensive Financial Report for the fiscal year ended June 30, 2025. Additionally, the Auditor performed the audit of the Measure SST Fund's stand-alone financial statements and issued an unmodified audit opinion on December 30, 2025. The committee is being presented the Measure SST Fund's audited financial statements as of and for the year ended June 30, 2025.

ANALYSIS

Financial Highlights for Fiscal Year 2024-25 Year-End Results

As shown in the subsequent table, the Measure SST Fund recognized revenues of \$25.7 million in fiscal year 2024-25 (FY24-25).

	2024-25 Amended		2024-25 Actual	
Revenues	Budget	Revenues	Surplus/(Deficit)	
Taxes	\$ 25,345,116	\$ 25,570,449	\$ 225,333	
Use of Money and Property	(177,850)	114,727	292,577	
Total Revenues	25,167,266	25,685,176	517,910	

	2024-25 Amended		2024-25 Actual	
Expenses	Budget	Expenditures	Surplus/(Deficit)	
City Manager	749,898	17,023	732,875	
IT	825,000	475,235	349,765	
Non-Departmental	25,891,226	25,856,912	34,314	
Total Expenses	27,466,124	26,349,170	1,116,954	

Revenues Less Expenditures	\$ (2,298,858)	\$ (663,994)	\$ 1,634,864	
-----------------------------------	-----------------------	---------------------	---------------------	--

On the expenditure side, the Measure SST Fund recognized expenditures of \$26.3 million in FY24-25. The City Manager's Office was provided with a budget of \$749,898 to supplement their homelessness response program, \$17,023 of which was expended in FY24-25. The IT (Information Technology) Department was provided a budget of \$825,000 to operate new Cyber Security systems, \$475,235 of which was expended in FY24-25. Expenditures in the Non-Departmental section represent transfers out to the General Fund, as broken down below:

Operating Transfers Out to:	Priority Category:	Expended through June 30, 2025:
Restore/Maintain Public Safety - Police	Quality of Life	9,847,116
Restore/Maintain Public Safety - Fire	Quality of Life	2,121,088
Homelessness Response Efforts	Quality of Life	68,133
Cyber Security Upgrades - Cyber Security Systems Analyst	Emergency Responsiveness	200,415
Contribution to Capital Projects	Deferred Maintenance & Community Services/Programs	8,620,160
Contribution to Reserves	Fiscal Sustainability	5,000,000
Total Operating Transfers Out		\$ 25,856,912

As a result of these revenue and expenditure outcomes, the Measure SST fund balance decreased from \$4,623,764 at the end of FY23-24, to \$3,959,770 at the end of FY24-25, as shown below. This decrease in fund balance reflects an intentional deployment of Measure SST resources accumulated in prior years to further address Measure SST priorities in the current period. The remaining Measure SST fund balance will continue to be deployed as necessary in future periods to further advance Measure SST priorities.

Measure SST Fund Unassigned Fund Balance	End Balance as of 6/30/25
Not Committed	\$ 1,253,691
Expenditure Surplus:	
CM-Homelessness Response Efforts	\$ 1,642,866
IT-Cyber Security	\$ 813,213
Transfers to Capital Improvement	\$ 250,000
Total	\$ 3,959,770

A complete copy of the Measure SST Fund Audited Financial Statements for the Fiscal Year Ended June 30, 2025 are included under Attachment 1.

ATTACHMENT

1. Measure SST Fund Audited Financial Statements for the Fiscal Year Ended June 30, 2025



City of Torrance
Audited Financial Statements
Measure SST Fund
of the City of Torrance, California
As of and for the Year Ended June 30, 2025
with Independent Auditor's Report

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	
Report on the Audit of the Financial Statements	1
Report on Internal Control over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with <i>Government Auditing Standards</i>	4
BASIC FUND FINANCIAL STATEMENTS	
Balance Sheet	6
Statement of Revenues, Expenditures and Changes in Fund Balance	7
Notes to the Basic Fund Financial Statements	8



Independent Auditor's Report

**The Honorable Mayor and the Members of the City Council
City of Torrance, California**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Measure SST Fund of the City of Torrance, California (the City), as of and for the year ended June 30, 2025, and the related notes to the basic fund financial statements, which collectively comprise Measure SST Fund's basic fund financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Measure SST Fund of the City of Torrance, California as of June 30, 2025, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 2, the financial statements present only the Measure SST Fund of the City of Torrance, California and do not purport to, and do not, present fairly the financial position of the City as of June 30, 2025, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.



Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.



We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic fund financial statements. Such missing information, although not a part of the basic fund financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic fund financial statements in an appropriate operational, economic or historical context. Our opinion on the Measure SST Fund's basic fund financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2025 on our consideration of the City's internal control over the Measure SST Fund's financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over Measure SST Fund's financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over the Measure SST Fund's financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over the Measure SST Fund's financial reporting and compliance.

Glendale, California
December 30, 2025



**Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

**The Honorable Mayor and the Members of the City Council
City of Torrance, California**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Measure SST Fund of the City of Torrance, California (the City) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Measure SST Fund's basic fund financial statements, and have issued our report thereon dated December 30, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of Measure SST Fund's financial statements, we considered the City's internal control over Measure SST Fund's financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Measure SST Fund's financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Measure SST Fund's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.



Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Measure SST Fund of the City of Torrance, California's financial statements are free from material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and applicable provisions of the City's Measure SST, that was approved by the people of the City at a general election held on June 7, 2022, noncompliance with which could have a direct and material effect on the Measure SST Fund's financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Measure SST Fund's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Measure SST Fund's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Glendale, California
December 30, 2025

City of Torrance
Measure SST Fund
Balance Sheet
June 30, 2025

ASSETS		
Due from other funds		\$ 4,574,008
	Total assets	<u>\$ 4,574,008</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable		\$ 32,975
Due to the General Fund		581,263
	Total liabilities	<u>614,238</u>
Fund Balance		
Unassigned		3,959,770
	Total fund balance	<u>3,959,770</u>
	Total liabilities and fund balance	<u>\$ 4,574,008</u>

See notes to the basic fund financial statements

City of Torrance
Measure SST Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Year ended June 30, 2025

REVENUES

Revenue from sales and use tax	\$	25,570,449
Investment income		114,727
		25,685,176
Total revenues		25,685,176

EXPENDITURES

Computer software		376,825
Professional services and contracts		98,410
Homelessness support		17,023
		492,258
Total expenditures		492,258

Excess of revenues over expenditures 25,192,918

OTHER FINANCING USE

Transfer out to General Fund		(25,856,912)
------------------------------	--	--------------

Net change in fund balance (663,994)

FUND BALANCE

Beginning of year		4,623,764
End of year	\$	3,959,770

See notes to the basic fund financial statements

NOTE 1 GENERAL

On June 7, 2022, the people of the City of Torrance, California (the City) voted to approve a ballot measure, known as Measure SST, imposing a half percent (0.50%) transactions and use tax to fund general municipal services to be administered by the California Department of Tax and Fee Administration. Funds from the Measure SST shall be used to maintain city services such as fire/paramedic/public safety/9-11 response, safe schools; protect local drinking water sources/coastal waters from pollution; keep parks/public areas safe/clean; repair streets/potholes; prevent thefts/property crime; maintain senior services; and address homelessness.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying fund financial statements for the Measure SST Fund of the City have been prepared on the modified-accrual basis of accounting. The Measure SST Fund is recorded in a separate fund within the General Fund of the City. Revenues are recognized when they become "susceptible to accrual," that is, measurable and available to finance expenditures of the current period. Expenditures are recorded when the liability is incurred.

Measurement Focus

Governmental funds are accounted for on spending or "financial flow" measurement focus. This means that generally only current assets and current liabilities are included on their balance sheet. Statement of revenues, expenditures, and changes in fund balance for governmental funds generally present increases (revenues and other financing sources) and decreases (expenditures and other financial uses) in net current assets.

Fund Balance Reporting

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity with a self-balancing set of accounts. Monies received under the Measure SST Fund are recorded in a separate fund within the General Fund, the Measure SST Fund, which is used to account for the proceeds of Measure SST tax. Measure SST sales tax proceeds should be used in funding the general municipal services of the City, including public safety, community and social services, public works, and administration, and only to the benefit of the community of the City of Torrance. The accompanying financial statements reflect only the financial position and results of operations of the Measure SST Fund, and do not purport to, and do not present the financial position and results of the operations of the City nor the City as a whole in conformity with accounting principles generally accepted in the United States of America.

City of Torrance
Measure SST Fund
Notes to the Basic Fund Financial Statements
Year ended June 30, 2025

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Principles

The City uses the modified accrual plus encumbrances as its budgetary basis of accounting. The City is required by its Charter to adopt an annual budget. On or before the first day of June each year, the City Manager shall submit to the City Council a proposed budget for all departments. The said budget shall include estimates for all revenues and expenditures for the ensuing year. From the effective date of the budget, the amounts stated therein, as proposed expenditures become appropriations to various City departments. The budget for the Measure SST Fund is included in the General Fund. Below is a comparison between the budget and actual revenues and expenditures of the Measure SST Fund during the year ended June 30, 2025.

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget</u>
REVENUES			
Sales and use taxes	\$ 25,345,116	\$ 25,570,449	\$ 225,333
Investment income (loss)	(177,850)	114,727	292,577
Total revenues	<u>25,167,266</u>	<u>25,685,176</u>	<u>517,910</u>
EXPENDITURES			
Computer software	520,000	376,825	143,175
Professional services and contracts	339,500	98,410	241,090
Homelessness support	-	17,023	(17,023)
Materials and supplies	715,398	-	715,398
Total expenditures	<u>1,574,898</u>	<u>492,258</u>	<u>1,082,640</u>
Excess revenues over expenditures	23,592,368	25,192,918	1,600,550
OTHER FINANCING USE			
Transfer out	(25,891,226)	(25,856,912)	34,314
Net change in fund balance	(2,298,858)	(663,994)	1,634,864
Fund balance, beginning of year	<u>4,623,764</u>	<u>4,623,764</u>	<u>-</u>
Fund balance, end of year	<u>\$ 2,324,906</u>	<u>\$ 3,959,770</u>	<u>\$ 1,634,864</u>

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) releases new accounting and financial reporting standards which may have a significant impact on the Measure SST Fund's financial reporting process. The implementation of the following new standards did not have an impact on the Measure SST Fund's financial statements.

GASB Statement No. 101 – *Compensated Absences*. This Statement establishes recognition and measurement guidance for liabilities related to compensated absences, such as vacation and sick leave. The requirements of this statement are effective for reporting periods beginning after December 15, 2023.

GASB Statement No. 102 – *Certain Risk Disclosures*. This Statement requires disclosure of certain risks that could significantly affect a government's financial position or operations, including concentration and contingency risks. The requirements of this statement are effective for reporting periods beginning after June 15, 2024.

NOTE 3 CASH AND INVESTMENTS

Unspent funds received for the Measure SST Fund are pooled with the City's other cash and investments. The Measure SST Fund's share of the interest earned from the cash and investment pool is allocated on a monthly basis based on each fund's respective average monthly cash balance. Detailed information regarding the City's pooled cash and investments program can be found in the City's Annual Comprehensive Financial Report. Such report is available from the City of Torrance Department of Finance, 3031 Torrance Blvd., Torrance, California 90503.

NOTE 4 TRANSFER OUT

Presented below is a list of transactions showing how the funds transferred to the General Fund were spent during the fiscal year ended June 30, 2025.

Public safety salaries and benefits	\$ 12,236,752
Capital improvement	8,620,160
General Fund reserves	5,000,000
	<u>\$ 25,856,912</u>

NOTE 5 SUBSEQUENT EVENTS

The City and Measure SST Fund has evaluated and determined that no subsequent events occurred through December 30, 2025, the date on which the financial statements were available to be issued, that require recognition or disclosure in the financial statements.



www.vasquez.cpa