

City Of Redlands



Budget In Brief



F.Y. 2008/09

City Council of the City of Redlands



Jon Harrison
Mayor



Pat Gilbreath
Mayor Pro Tem



Mick Gallagher
Council Member



Pete Aguilar
Council Member



Jerry Bean
Council Member

City Council Goals adopted May 2008

- A fiscally healthy and economically sustainable city
- Superior municipal services
- A community with superior public physical assets
- An economically and culturally vibrant downtown that reflects our heritage and spirit
- A connected and inclusive community
- An environmentally responsible community

About Redlands

Nestled in the heart of the Inland Empire in San Bernardino County, the City of Redlands is located 63 miles east of Los Angeles and 110 miles north of San Diego.



The City was named after the color of the region's adobe soil, and is a "big town" with a "small town" feel. Called the "Jewel of the Inland Empire" and known historically as the "Washington Navel Orange Growing Capital of the World," the community is famous for its Victorian architecture.

In addition to the City's many cultural offerings, Redlands has several institutions of higher learning, including the University of Redlands, Crafton Hills College, and Community Christian College. Redlands functions as a regional business and transportation hub for a multitude of business interests. As an example, ESRI, a leader in the GIS software industry, houses its world headquarters in the community. The Redlands Municipal Airport serves small private planes, and the Ontario International Airport is just a 30-minute drive from the City.

The City's motto is "A City That Works." Incorporated in 1888, Redlands is committed to the preserving the City's historical qualities while providing services to its 71,375 residents that are reflective of the 21st Century.



Redlands operates under a Council-Manager form of government. The five members of the City Council are elected at-large for four-year terms. A majority of the City Council selects the Mayor. The City Clerk and City Treasurer are elected, while the City Manager is appointed by the City Council.



City Manager's Budget Message

The choices made in developing the Fiscal Year 2008-2009 budget were guided by the City Council's priorities, as defined by its goals and objectives, recommendations of the Mayor's Blue Ribbon Committee, community input, the City Manager's assessment of organizational needs, sound fiscal policies and the current economy. To that end, the City Manager and department staff have worked together to produce a budget that is balanced on recurring revenues, not reserves, and one that maintains reserve levels in accordance with the City Council's goal for a Fiscally Healthy & Economically Sustainable City.



Highlights of the Fiscal Year 2008-2009 Adopted Budget include:

- Fiscal Year 2008-2009 appropriations for all funds total \$151,027,538 with an ending fund balance of \$42,285,606. In the General Fund, appropriations total \$53,784,715 with an ending fund balance of \$4,861,358 (see Schedule 6 – Summary of 2008-2009 Financial Sources and Requirements);
- Separated and highlighted in the General Fund expenditures for 2008-2009 is Fire constant manning overtime (\$700,000), Police overtime for major crimes (\$250,000), and a contingency for increased health benefits anticipated in January 2009 (\$275,000). The constant manning budget is expected to be spent in full, however, the major crime overtime and health benefit line items are to be spent, only as needed within certain guidelines;
- Reallocation of existing staff and resources, resulting from departmental reorganization during the past year and into Fiscal Year 2008-2009, to accomplish the City Council's goal of providing Superior Municipal Services:
 - Quality of Life department was created to oversee street maintenance/pothole repairs, street sweeping, tree trimming, parks maintenance, Code Enforcement and the enterprise activities of Solid Waste, Cemetery, Aviation, and Groves;
 - Public Works Engineering, formerly included in the Public Works department, has become part of Municipal Utilities, now known as the Municipal Utilities and Engineering Department (MUED);

- One-Stop Permit Center, staffed by MUED and Community Development, opened in January 2008 to better serve the development community;
- Information Technology became a separate department, with a Chief Information Officer overseeing this internal service function;
- Flattening of the organization's management structure and meeting the Council's objective for enhanced service levels by putting "boots on the ground" with the addition and restoration of a total of 8 positions;
- Funding for special services that address the City Council Goals of Superior Municipal Services and a Community with Superior Public Physical Assets that include:
 - For streets, curbs & sidewalks, \$300,000;
 - For tree trimming, \$100,000;
 - For buildings/structures, \$100,000;
 - For communication & technology (included in the IT internal service fund allocation), \$75,000;

The Budget-In-Brief contains budget summaries that provide information on revenues, departmental expenditures, transfers from and to other funds and reserves. The Annual Operating Budget for FY 2008/2009 provides detailed information and is available for review at the A.K. Smiley Public Library or in the Finance Department and can be accessed online at www.ci.redlands.ca.us.

We thank you for your interest in City's financials, and hope that you will find this Budget-In-Brief helpful in understanding Redlands' fiscal picture.



Budget Context

The City of Redlands adopts an annual budget as an operational and financial plan for providing services to its residents and local businesses. The document outlines the sources (revenues) and uses (expenditures) for all City services, programs, and projects. It also serves as a communication tool to allow the citizens, City Council, and staff to review the level and costs of services provided with public funding sources.

City Structure:

The City of Redlands has a Council/Manager form of government, whereby the people of Redlands elect representatives (Council Members). The Mayor is selected annually by a majority of the City Council. The Council sets policy guidelines and directs the City Manager to implement the policies. Residents also elect both a City Clerk and City Treasurer. The City Clerk provides professional service and support to the City Council, City departments and citizens by maintaining and preserving the integrity of the City's records and serves as the elections official for the City's municipal election. The City Treasurer is responsible for the City's cash flow and the investment of funds.

The City Manager, with the aid of his Assistants and Directors, coordinates and directs departmental functions. The City's organizational structure includes eleven (11) major departments. These departments have been categorized as Community Development, Finance, Fire, Human Resources, Information Technology Services, Library, Municipal Utilities & Engineering, Police, Public Information, Quality of Life, and the Redevelopment Agency. Each department is separated into program levels called divisions. Distinct goals and objectives exist for each division.

Budget Structure:

The City's Annual Operating Budget includes a budget message by the City Manager, to highlight the City's fiscal condition and address certain policy issues. The budget and organizational structure of the City is comprised of operations undertaken by two separate entities. These entities are the City of Redlands and the Redevelopment Agency of the City of Redlands. Although these are separate and distinct agencies, services provided to the citizenry and businesses are executed from the specific capabilities of each, working in concerted efforts. Since the City Council acts as the governing body for these agencies, the relationship between them may not be apparent. However, the combined agencies constitute the total services and projects provided to the general public.

Budget Process:

The annual budget serves as the foundation for the City's financial planning and control. Prior to the beginning of the fiscal year, the City Manager submits a budget for the upcoming year to the City Council. Budget Committee meetings, which are open to the public, are held before final approval of the budget. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. The City maintains budgetary controls to ensure compliance with provisions embodied in the annual appropriated budget, approved by the City Council. Activities

of the general fund, special revenue funds, debt service funds, capital projects funds, enterprise funds, and internal service funds are included in the annual budget. The level of control (level at which expenditures may not exceed budget) is the fund.

The budget process generally starts in the spring. The Finance Department prepares preliminary revenue estimates for the new fiscal year. They also prepare a budget calendar, which is reviewed and approved by the City Manager, for distribution to all departments. The department directors are then provided with information relating to the new fiscal year and any perceived changes in the economic outlook of the City. The directors in each department are responsible for preparing and submitting preliminary current year figures for revenue and expenditures relating to their respective departments. The directors then proceed to prepare their departmental budgets, for the subsequent fiscal year, in various stages and identify the impact of any changes in the service they provide.

The City Manager, along with the Finance Director and staff, reviews all budget submissions from the departments. After reviewing budget requests and meeting with department directors as necessary, the Finance Department assembles the budget document. The City Manager then presents the proposed budget to the Budget Committee for consensus of presentation to the City Council. The Budget Committee is comprised of two Council Members and the City Treasurer.

Following review by the Budget Committee, the budget is presented to the Council at-large for discussion of budget issues and priorities. This provides an opportunity to review any changes in policy or service levels and make modifications before final adoption. Copies of the proposed budget are made available to the general public at the City Clerk's office and at the A.K. Smiley Public Library prior to the public budget sessions. Following adoption, community presentations take place to inform the general public about the budget and its content.

The budget preparation process generally culminates in June with the adoption of the budget for the new fiscal year.

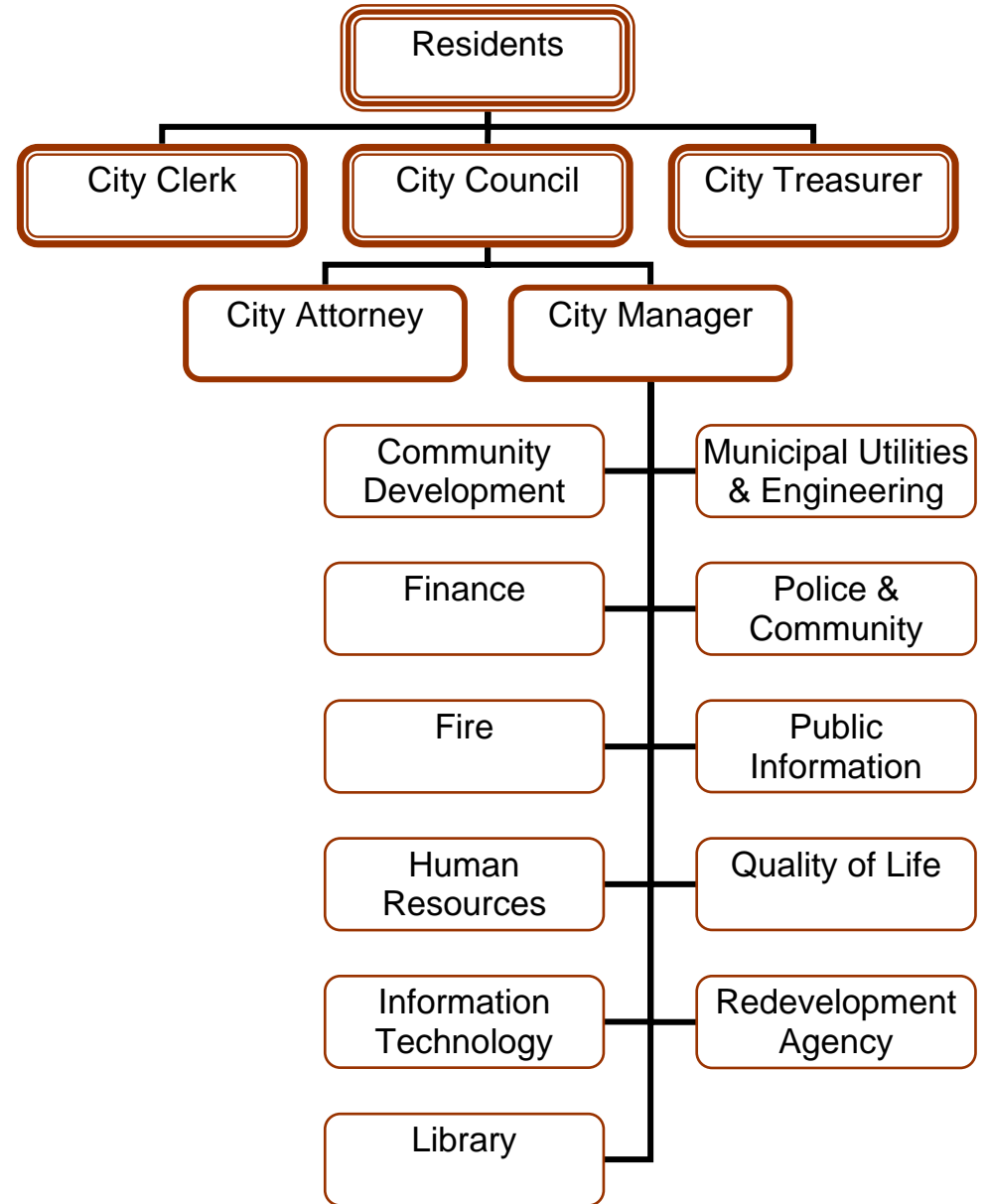
Performance Measurement:

In June 2007, the City of Redlands implemented Performance Measurement to improve delivery of services to the residents. Performance Measurement is a management tool that requires all City Departments to measure their performance on each service area or program, to report the results of that performance, to be accountable for results, and to improve performance by adopting best practices learned from high-performing cities. This innovative management tool establishes standards among all City Departments that service delivery to the City's customers to be efficient and effective.

City Management Team

N. Enrique Martinez-----City Manager
 Daniel J. McHugh -----City Attorney
 Lorrie Poyzer-----City Clerk
 Michael Reynolds----- City Treasurer
 Oscar Orci ----- Community Development Director
 Tina T. Kundig ----- Finance Director
 Mitch McKee-----Interim Fire Chief
 David Hexem----- Chief Information Officer
 Debbie Scott-Leistra-----Human Resources Director
 Larry Burgess -----Library Director
 Rosemary Hoerning ----Municipal Utilities & Engineering Director
 Jim Bueermann----- Chief of Police
 Carl Baker ----- Public Information Officer
 Gary van Dorst -----Quality of Life Director
 Daniel G. Hobbs ----- Redevelopment Director

City's Organization Chart



Fund Descriptions

The City of Redlands Budget for FY 2008-2009 is separated into various funds. Below are brief descriptions of the City's funds:

General Fund (101) – To account for all activities, except those required to be accounted for in another fund.

Special Revenue Funds:

Emergency Service Fund (205) – To account for the collection of a special property tax to be spent on paramedic services.

Household Hazardous Waste Fund (206) – To account for revenue collected and expenditures made to properly dispose of household hazardous waste.

Gas Tax Fund (207) – To account for the receipt and subsequent expenditure of the City's share of the State levied tax on gasoline and other vehicle fuels.

Measure I Fund (208) – To account for revenues resulting from a voter-approved half-cent retail transaction and use tax, to be used for transportation improvements and traffic management programs.

Local Transportation Fund (209) – To account for the receipt and expenditure of street and road construction funds including projects financed by a share of the quarter of one percent State sales tax pursuant to the Transportation Development Act.

Air Quality Improvement Fund (221) – To account for the collection and subsequent expenditure of AB2766 (District Fees to Implement the California Clean Air Act) monies to be used for pollution reduction.

Traffic Safety Fund (223) – To account for the receipt and subsequent expenditure of traffic fines for moving violations within the City limits.

Designated Receipts Fund (225) – To account for deposits and donations designated for specific purposes.

Open Space Fund (227) – To account for receipt and subsequent expenditure of fees collected to provide for open space land in and around the City.

Downtown Redlands Business Association Fund (236) – To account for collection and subsequent expenditure of a fee, collected with the business license fee, for attracting business to the downtown area.

Parking Authority Fund (237) – To account for a city-wide authority formed to control parking.

General Capital Improvement Fund (240) – To account for the receipt and expenditure of grant revenue received by the City, other than Community Development Block Grant revenues.

Community Development Block Grant Fund (243) – To account for expenditures and related reimbursements of various grants from the San Bernardino County Office of Economic and Community Development.

Neighborhood Initiative Program Fund (245) – To account for expenditures and related reimbursements of grant monies received from the County of San Bernardino to preserve and revitalize neighborhoods.

Drug Confiscation Fund (246) – To account for receipt and subsequent expenditure of various asset seizure monies.

Police Grants Fund (247) – To account for receipt and expenditure of grant monies received from various agencies for public safety programs.

Supplemental Law Enforcement Fund (249) – To account for receipt and subsequent expenditure of AB1913 monies, which, pursuant to the Citizens' Option for Public Safety (COPS) Program, must be spent for supplemental law enforcement services.

Park Development Fund (250) – To account for the collection and subsequent expenditure of developer fees levied for the purpose of acquiring land for parks.

Public Facilities Development Fund (251) – To account for the collection and related expenditure of development impact fees designated for constructing new and upgrading existing public facilities.

Arterial Street Construction Fund (252) – To account for the collection and related expenditure of development impact fees designated for new street construction projects.

Traffic Signals Fund (253) – To account for the collection and related expenditure of development impact fees designated for new traffic signal construction projects.

Freeway Interchanges Fund (254) – To account for the collection and related expenditure of development impact fees designated for new freeway interchange construction projects.

Street Lighting District #1 Fund (260) – To account for the maintenance, operation, and service of street lighting facilities financed by assessments collected from landowners within the district.

CFD 2004-1 Assessments Fund (261) – To account for the maintenance of landscaping in public right-of-way and easements surrounding tract no. 16408.

Landscape Maintenance District Fund (263) – To account for assessments collected from landowners to maintain landscaping in parkways and common areas within the district.

Community Facilities District Fund (265) – To account for developer deposits and bond proceeds related to Community Facilities Districts established for the purpose of constructing infrastructure.

Disaster Recovery Fund (270) – To account for all expenditures and revenues relating to natural disasters, for the purpose of consolidating such information for federal and state reimbursements and enhancing Single Audit reporting requirements.

Low & Moderate Housing Fund (285) – To account for annual monies which, by law, must be set aside from Redevelopment tax increment revenues for the purpose of funding a program for development and improvement of housing for low and moderate income families.

Debt Service Funds:

General Debt Service Fund (305) – To account for the receipt of property taxes to be used for the retirement of the 1988 General Obligation Measure “O” Open Space Bonds, the 1994 Refunding General Obligation Bonds, the 2003 General Obligation Refunding Bonds, and the 2007 Pension Obligation Bond.

Redlands Public Improvement Corporation Fund (311) – To account for the retirement of the 1993 Refunding of the 1986 and 1987 Projects Certificates of Participation, the 1994 Taxable Certificates of Participation (City of Redlands/Wal-Mart Parking Facility), and the 2003 Refunding Lease Revenue Certificates of Participation.

Redevelopment Debt Service Fund (380) – To account for the receipt of tax increment and retirement of the 1987 Tax Allocation Refunding Bonds, the 1994 Subordinated Tax Allocation Refunding Bonds, the 1994 Refunding Parking Lease Revenue Bonds, and the 2003A Series Tax Allocation Bonds.

Capital Projects Funds:

Storm Drain Construction Fund (405) – To account for receipt and subsequent expenditure of developer fees assessed to provide additional storm drains, as required.

Measure ‘O’ Bond Fund (417) – To account for proceeds of a general obligation bond, approved by the voters, for the purchase of park lands and “open space” areas.

Redevelopment Funds (480-488) – To account for monies to be used for the acquisition or construction of facilities or land, as well as other project and administrative costs.

Enterprise Funds:

Water Funds (501-509) – To account for water utility operations, projects, debt service costs, and impact fees of the City.

Solid Waste Funds (511-519) – To account for refuse disposal collection operations, projects, debt service costs, and impact fees of the City.

Sewer Funds (521-529) – To account for sewer utility operations, projects, debt service costs, and impact fees of the City.

Groves Fund (538) – To account for the farming operations of citrus groves owned by the City.

Cemetery Funds (562-563) – To account for the operations of Hillside Memorial Park Cemetery.

Airport Fund (564) – To account for the operations of the Redlands Municipal Airport.

Internal Services Funds:

Liability Self-Insurance Fund (602) – To account for the City’s self-insured general and automobile liability programs, which are provided to all City departments and funds.

Information Technology Fund (604) – To account for the general maintenance and service of all City computers and phone equipment provided to all City departments.

Worker’s Compensation Fund (606) – To account for the City’s self-insured Workers’ Compensation General Safety Programs, which are provided to all City departments and funds.

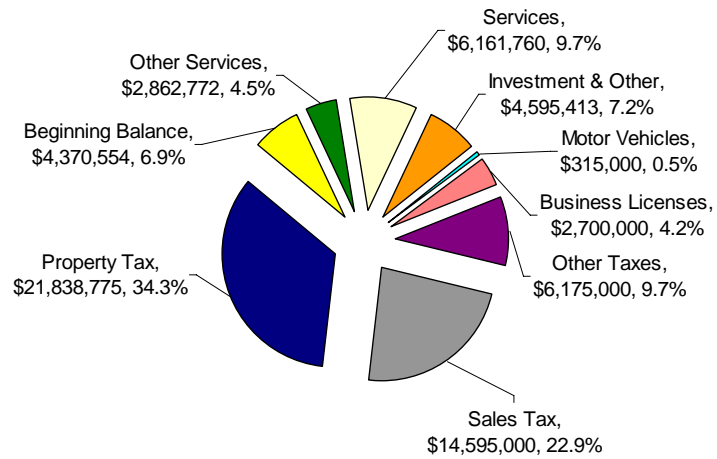
Equipment Maintenance Fund (607) – To provide ongoing maintenance of all City vehicles and major equipment and to account for vehicle rental services to all City departments.

Utility Billing Fund (608) – To account for billing services costs provided for water, sewer, and solid waste.

Trust & Agency Funds (701-720) – To account for the collection and disposition of deposits retained for specific purposes or subsequent refunding.

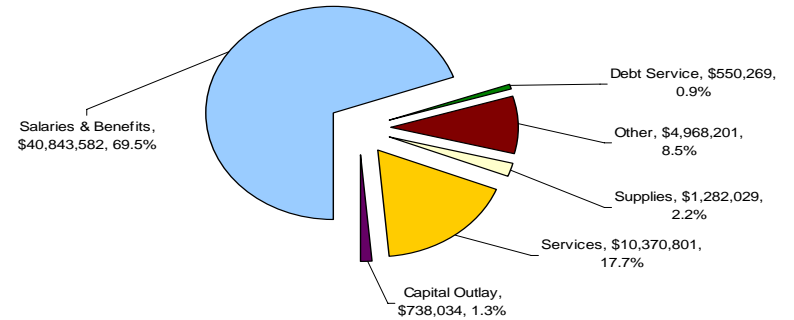
Where The Money Comes From...

**FY 2008 – 2009
Summary of General Fund Revenues
& Other Financing Sources
\$63,614,274**

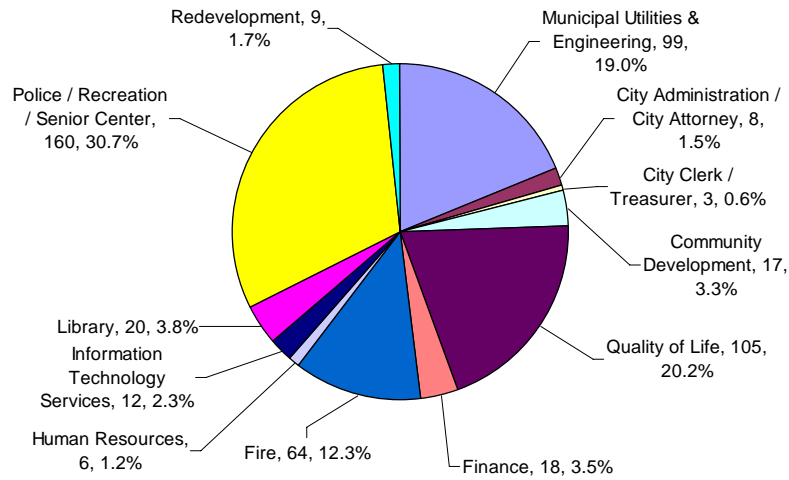


... And Where It Goes

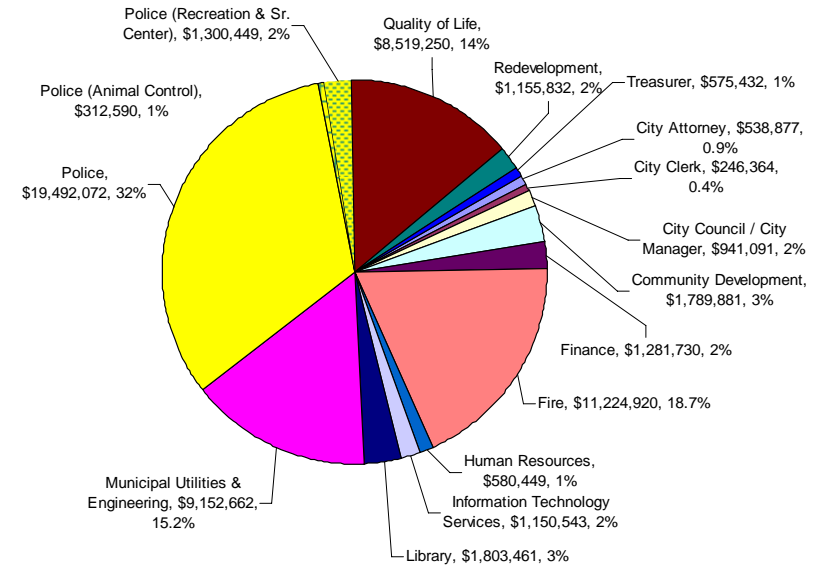
**FY 2008-2009
Expenses & Other Financing Uses
\$58,752,916**



City of Redlands 521 Full Time Positions By Department



City of Redlands Salaries & Benefits Full & Part-Time Positions By Department \$60,065,558



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