



*City Of
Redlands*

*Budget In Brief
FY 2007-2008*



Redlands City Council



Jon Harrison
Mayor



Pat Gilbreath
Mayor Pro Tem



Pete Aguilar
Council Member



Mick Gallagher
Council Member



Gilberto Gil
Council Member

City Council Goals adopted May 2007

- 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



City Manager's Budget Message

The City of Redlands is pleased to present a summary of its Fiscal 2007/2008 Operating Budget. The pages that follow provide an overview of the City's financials.



The City's overall budget (appropriations for all funds) totals \$144,131,926 million, with General Fund appropriations of \$51,103,346. The City is expected to end the fiscal year with a fund balance of \$40,254,408 – including \$3,081,787 in the General Fund and \$37,176,621 in all other funds.

The General Fund represents the City's largest fund, accounting for 35% of our overall budget. The General Fund pays for the City's public safety programs, recreation services, library services, public works programs, including streets and infrastructure, tree trimming and other general-purpose items and activities.

Total General Fund financial sources, which include revenue and transfers from other funding sources, are \$60,970,633; total General Fund financial requirements, which include appropriations and transfers out to other funds, is \$57,888,846. The difference between the financial sources and requirements in the General Fund budget is the ending fund balance of \$3,081,787, which represents a balanced budget. Reserves in the General Fund at the end of fiscal year 2007-2008 will be \$5,950,000 or 10.8% of financial requirements, excluding one-time expenditures, and are separate from the \$3,081,787 fund balance. Reserves have not been used to balance the budget.

Although the City is faced with fiscal challenges, the budget does not include layoffs or furloughs. However, it does include \$1.6 million in vacancies in the General Fund for fiscal year 2007-2008. The budget maintains the current level of services in most areas, and provides resources for a few additional functions and programs. An additional \$300,000 from land sale proceeds has been added to the usual \$200,000 appropriation for streets, curbs and sidewalks. Another \$300,000 from the land sale has been included in reserves in 2007-2008 in anticipation of its use in 2008-2009 for streets, curbs, and sidewalks. Appropriations for tree trimming and building/structures were maintained at \$150,000 each for fiscal year 2007-2008. The choices made in this budget were guided by the City Council priorities, community input, the City Manager's assessment of organizational needs, and sound fiscal policies.

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 2007/2008 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.



About Redlands

The City of Redlands, incorporated in 1888, is located 63 miles east of Los Angeles and 110 miles north of San Diego. It covers an area of 36 square miles and lies within the San Bernardino Valley in the heart of the Inland Empire.



Redlands is a quintessential “big town” with a “small town” feel. For much of its history, it was the “Washington Navel Orange Growing Capital of the World,” with the citrus industry as the focus of its economy. Through the years, the economy may have changed, but that special feeling of community in a small town hasn’t.



Redlands has 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 City Council.

With a vision to the future, Redlands is continuing to transform with its smart growth policies, sustainable economic development approach, and environmentally sensitive attitude. New revitalization and renovation projects and development are indicative of this transformation. The start of the City of Redlands’ program to promote economic development, create jobs, and enhance business activity are all part of this transformation and completion of the vision of the pioneers of a city that has learned to blend the best of the old with the promise of the new.



Date of Incorporation	1888
Type of Government	Council / City Manager
Population	71,086
Area	36 Square Miles
City Council	Jon Harrison, Mayor Pat Gilbreath, Mayor Pro Tem Pete Aguilar, Council Member Mick Gallagher, Council Member Gilberto Gil, Council Member
Law Enforcement	City of Redlands Police Department
Fire Department	City of Redlands Fire Department
Water Service	Redlands Municipal Utilities
Cable Service	Time Warner, Verizon
School District	Redlands Unified School District
Assessed Valuation Secured/unsecured	\$6,350,304,704 (estimated)



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 nine (9) major departments. These departments have been categorized as Administrative Services, Community Development, Finance, Fire, Library, Municipal Utilities, Police, Public Works, 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. Public hearings 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, Assistant Finance Director and City Treasurer 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.

As needed, the City Council conducts budget workshops to discuss budget issues, concerns, and modifications to the budget. This provides an opportunity to review policy changes and service levels. Copies of the budget are made available (in the City Clerk's Office) to the general public prior to the public budget sessions. In addition, community presentations take place to inform the general public about the budget and its content.

The budget preparation process generally culminates in July, 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 the results, and to improve performance by adopting best practices learned from high-performing cities. This innovative management tool establishes a



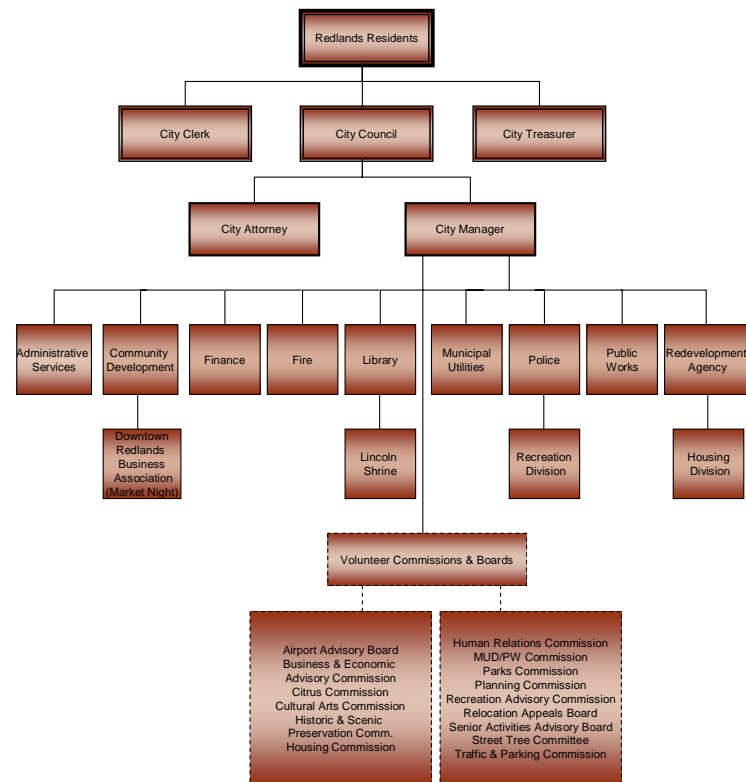
standard among all City Departments that service delivery to the City's customers be efficient and effective.

City Management Team

- N. Enrique Martinez -----City Manager
- Daniel J. McHugh-----City Attorney
- Lorrie Poyzer -----City Clerk
- Michael Reynolds-----City Treasurer
- Tina T. Kundig -----Acting Administrative Services Director
- Jeffrey L. Shaw----- Community Development Director
- Tina T. Kundig ----- Finance Director
- Chief Jim Drabinski ----- Fire Chief
- Larry Burgess----- Library Director
- Gary G. Phelps -----Municipal Utilities Director
- Chief Jim Bueermann ----- Police Chief
- Ronald C. Mutter----- Public Works Director
- Steve H. Dukett ----- Interim Redevelopment Director



City's Organization Chart





Fund Descriptions

The City of Redlands Budget for FY 2007-2008 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 subsequent expenditure of street and road construction and maintenance 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.

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.

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.



Budget in Brief

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

Landscaping 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, and the 2003 General Obligation Refunding Bonds.

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.



Budget in Brief

General Obligation Bond Measure O 1988 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.

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.

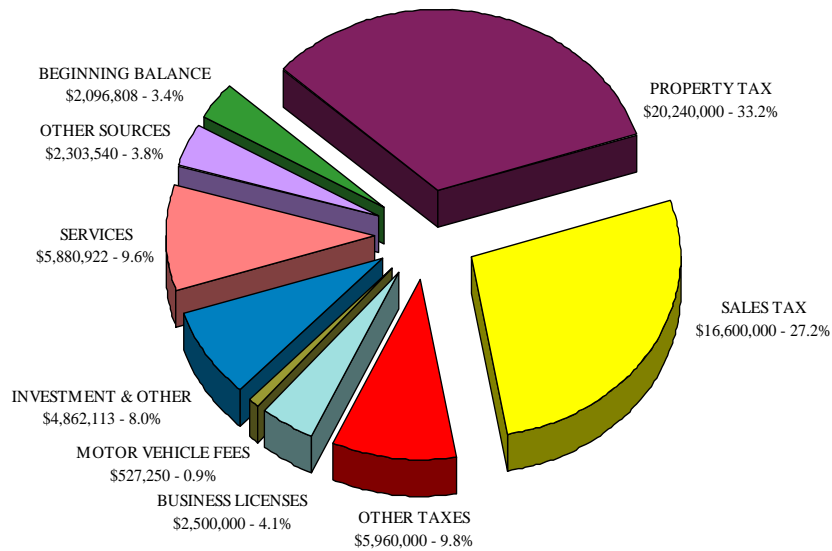
Utility Billing Fund (608) – To account for billing services costs provided for water, sewer, and solid waste.

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



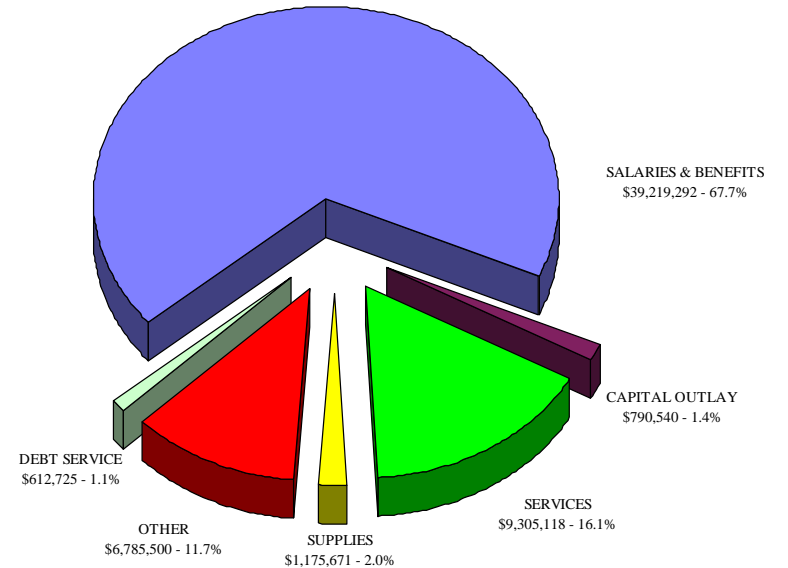
Where The Money Comes From...

**CITY OF REDLANDS
FY 2007-2008
SUMMARY OF GENERAL FUND REVENUES & OTHER
FINANCING SOURCES
\$60,970,633**



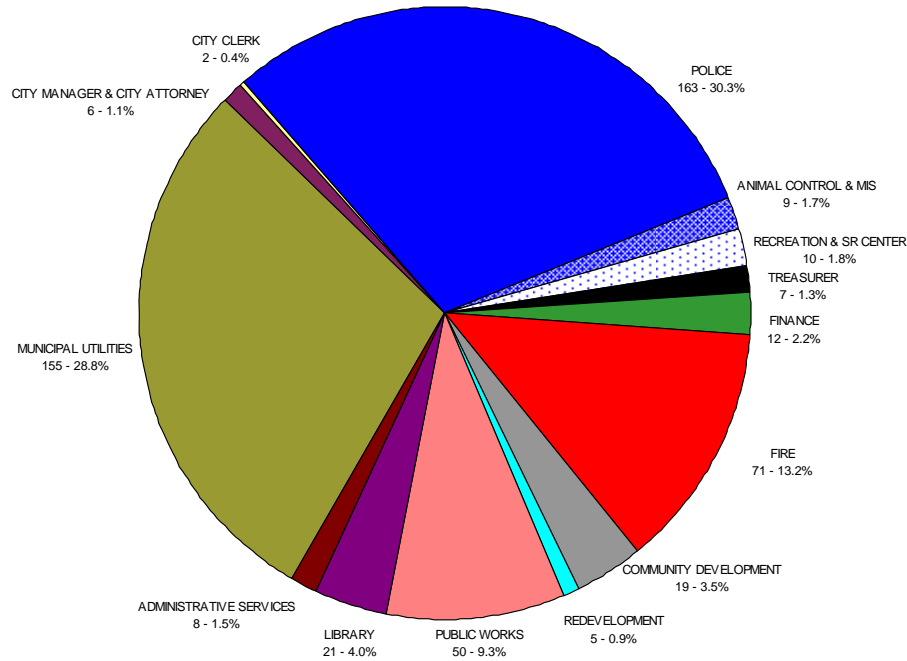
... And Where It Goes

**CITY OF REDLANDS
FY 2007-2008
SUMMARY OF GENERAL FUND EXPENSES & OTHER
FINANCING USES
\$57,888,846**

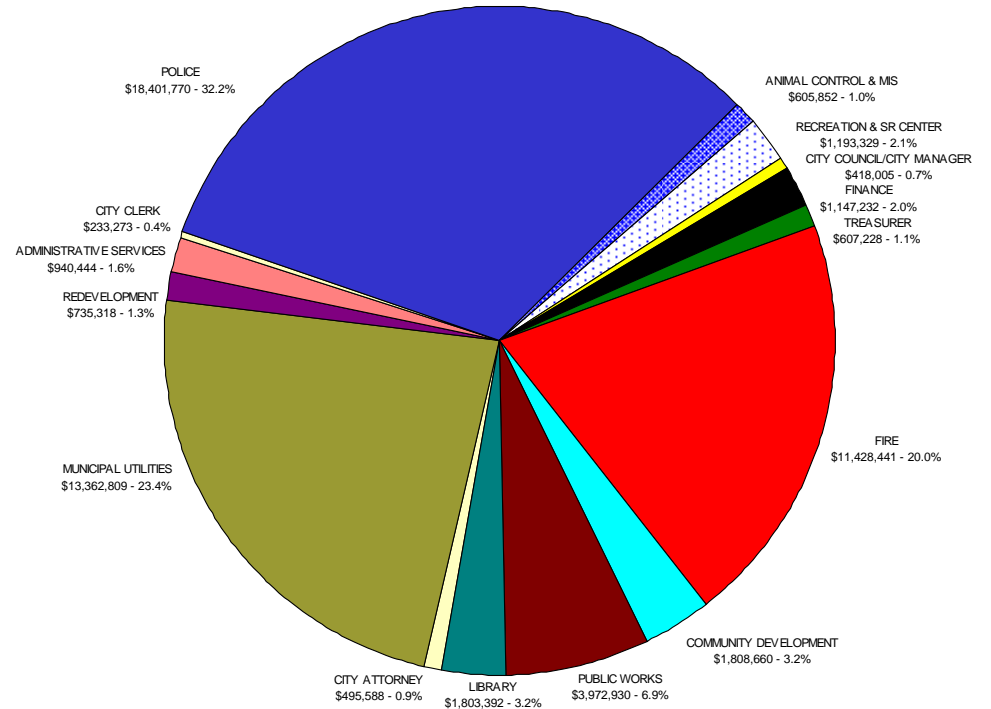




**CITY OF REDLANDS
538 FULL-TIME POSITIONS
BY DEPARTMENT**



**CITY OF REDLANDS
SALARIES & BENEFITS - FULL & PART-TIME POSITIONS
BY DEPARTMENT
\$57,154,271**



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