

**ORGANIZATIONAL CHART  
FY 2009-10**

## CITY OF REDONDO BEACH PROFILE AND STATISTICS

Redondo Beach is a city in Los Angeles County, California, United States. The population was 63,261 at the 2000 census. The City is located in the South Bay region of the greater Los Angeles area and is one of the three beach cities, Hermosa Beach and Manhattan Beach being the other two. There are five districts, each of which is represented by one Council Member.

The City's primary attraction is its municipal pier, which is claimed to be one of the longest piers in North America. Its nicknames are the "Endless Pier" and "Horseshoe Pier", and it is popular with both tourists and fishermen. The pier's length is possible only because of its unusual shape (it does not go straight out to sea, but goes out diagonally and then returns to shore). The Redondo Beach Pier started as a reinforced concrete structure in 1914, then was replaced in 1928 with a timber pier. In 1988, the pier was severely battered by storms and later that year burned to the waterline. The pier's modern reinforced concrete version was completed in 1996.

The City's territory has an unusual shape because it controls a long block of land dividing the two other beach cities (Manhattan Beach and Hermosa Beach) from the inland city of Torrance. Redondo Beach has taken a leadership role in the area of transportation by establishing the Beach Cities Transit system. The system has expanded due to the collaborative efforts of all the beach cities providing north-south service from Redondo Beach Riviera Village to the LAX City Bus Center, east-west service to Torrance and connecting regionally to the western terminus of the Metro Rail Green Line.

### HISTORY

Before 1784, Native Americans occupied the Redondo area. They lived off the sea and used the salt flats located where the AES Corporation power plant is today. This Native American land became Rancho San Pedro in 1784 when the California government made it part of a large land grant to the Juan Jose Dominguez family.

In 1890, the Hotel Redondo opened. The City was becoming "The Place" for tourists. Railroads and steamships brought people by the thousands, not to mention freight loads of oil and lumber. At this time, Redondo was the first port of Los Angeles County. Steamers from the Pacific Steamship Company stopped at Redondo four times a week, at one of its three piers, as part of regular runs between San Francisco and San Diego. The Redondo Railway Company and the Santa Fe Railroad left Los Angeles daily for Redondo at regular intervals. Eventually the City was served by Henry Huntington's Big Red Electric Cars.

On April 18, 1892, Redondo voters adopted cityhood by a vote of 177-10. The first City Hall was built in 1908 at Benita and Emerald Street.

Big time gambling, complete with mobsters and shooting incidents, found its way to Redondo during the Depression. Chip games, bingo parlors, and a casino were run in full view of the law between 1936 and 1940. For a fare of 25 cents, a water-taxi would transport a visitor to the gambling ship Rex which operated three miles off shore.

Redondo's population boomed in the '50s and '60s. In 1890, the population was 668; in 1940 it was 13,092; and in 1965 it was 54,772. Today, Redondo citizens number a little over 63,000. Still known as a tourist and resort town, Redondo can boast of piers with fishing and amusements, a Saltwater Lagoon reminiscent of the old plunge, many fine food restaurants and hotels, and a beautiful harbor. But Redondo today is not all fun and games. Some of the best and most innovative schools in the State are located in Redondo. Small and large businesses flourish, and City services are on a par with or exceed those of any other South Bay city.

### LIFESTYLE

Redondo Beach is the focus of many who want to be in the sun and near the ocean. Although an affluent and vibrant community in its own right, much of the Redondo Beach lifestyle is a blend of its neighborhoods, activities and people of the three beach cities of Southern California's South Bay. Like its sister cities of Hermosa Beach and Manhattan Beach, Redondo's key lifestyle draw is the vast beach that links these three cities.

## BEACH LIFESTYLE

Evidence of the Southern California beach lifestyle abounds: athletic, tanned people enjoying the nearly 300 unbroken days a year of sunshine lounging on the beach, eating in the restaurants, shopping at the mall or playing in the parks.

A wide sand beach starts below the bluffs of Palos Verdes in the south and carries north to the Redondo Pier. A paved path, called The Strand runs from South Redondo north to Santa Monica. A typical day on this path will see thousands of people on foot, bicycle, skateboard, rollerblade, wheelchair and stroller enjoying the sun and surf. The continuous path is broken only by the massive Redondo Beach King Harbor Marina and Pier complex, where it veers away from water and onto dedicated lanes of surface streets for about a mile before again turning to the ocean in Hermosa Beach. Continuing north from Manhattan Beach, this path stretches well into Marina Del Rey and beyond with few breaks.

Surfing is a key element of the South Bay lifestyle year-round; it is common to see locals catching waves on both Christmas and New Year's Day. Powerful winter storms in the Pacific ocean can turn typically placid and rolling South Bay waves into large and occasionally dangerous monsters...a natural draw for the local surfing population. Local wave heights in December 2005 were some of the largest on record and, in some instances, were reported to top 15 to 20 feet.

Beach volleyball is another important aspect of Redondo Beach's lifestyle. The wide and flat sand beaches provide the perfect venue for the sport and permanent poles and nets are placed and maintained by the City year-round. Professional tournaments managed by the Association of Volleyball Professionals (AVP) take place in neighboring Hermosa and Manhattan Beach. Redondo Beach is home to Gold Medalist Kerri Walsh and AVP Pro Casey Jennings.

Currently Redondo Beach is growing in popularity to filming production. The Pirates of the Caribbean 3 production chose Redondo Beach to shoot many scenes. In 2006 "Medium" crews were shooting at a local coffee shop. Fox's "The OC" filmed at Redondo Union High School and local parks. Rob Schnider's "The Hot Chick"(2002) has a memorable scene when Rob falls down a long row of benches at Redondo High's football field.

## NEIGHBORHOODS

Redondo Beach is often divided into two logical North/South areas with 190th Street as its boundary line. South Redondo plays host to the pier and marina/harbor complex; life on the ocean side of Pacific Coast Highway (PCH) can be frenetic with restaurants and boating activities keeping people active and engaged at all times. Inland of PCH is largely residential.

Bordering North/South Redondo at the Marina is a massive power plant which has been the source of substantial political debate in the City over the last decade, largely centered over what to do with the land once the plant becomes inactive over the next 25 years. This power plant sports a 586ft. x 95ft. whale mural by world-famous artist Wyland titled "Gray Whale Migration".

North Redondo begins north of 190th Street. As a result of Redondo Beach's geography, North Redondo is primarily an inland experience as the beachfronts form most of Hermosa Beach and part of Manhattan Beach. While primarily residential, North Redondo contains some of the City's major industry and commercial space, including the inland aerospace and engineering firms that are part of Southern California's long space legacy. It is also home to the South Bay Galleria shopping center and a revitalized Artesia Boulevard. North Redondo is the home of the Redondo Beach Performing Arts Center, one of the South Bay's premier cultural facilities, and home to the Civic Light Opera of the South Bay Cities. North Redondo is home to nearly two-thirds of the children in Redondo Beach.

Many original homes still stand in Redondo Beach neighborhoods, but these small arts and crafts style homes are quickly being bought, demolished and rebuilt to match the tastes of the modern, more affluent buyer that makes South Bay their home. Zoning allows properties within two to three blocks of the beach to be developed as large two to three-unit luxury townhomes; inland areas are more likely to have single-family homes. There is a City-wide height limit of 32 ft. for new homes; unlike Manhattan Beach, Redondo allows rooftop living spaces and decks.

### OTHER ACTIVITIES

A revitalized downtown area affectionately termed "Riviera Village" (named after the Hollywood Riviera, the area it is located in) provides locals an opportunity to eat, shop and commune in a quiet atmosphere. Since 2004 several new or newly renovated restaurants have made a positive impact on local options for an on-the-town experience. Downtown also supports a number of independent boutiques and shops specializing in clothing and fashion, as well as at least three wine-tasting galleries. This downtown area is in South Redondo, west of PCH between Avenue I and Palos Verde Blvd.

The marina, harbor and pier complexes are large, planned centers of activity that host restaurants, bars, smaller shops and an arcade. The pier is a common spot for anglers to cast for a local catch; many residents of inland Los Angeles drive to Redondo Beach to take advantage of the long and unique shape of this pier. The City continues to consider options for this area.

### COST OF LIVING

According to public data from the LA Times, real estate prices increased almost 20% per year between 1999 and 2005. Properties within short walking distance of the ocean routinely sell for well over \$1 million. Those with direct, unhindered views routinely ask in excess of \$2 million. Money Magazine ranks communities in the area as some of the most expensive places to live in America. The average 3-bed 2-bath home costs about \$850,000 in South Redondo as of 2006 and \$750,000 in North Redondo.

### GEOGRAPHY

According to the United States Census Bureau, the City has a total area of 6.4 mi<sup>2</sup> (16.7 km<sup>2</sup>), 6.3 mi<sup>2</sup> (16.3 km<sup>2</sup>) of it is land and 0.1 mi<sup>2</sup> (0.4 km<sup>2</sup>) of it is water.

### DEMOGRAPHICS

As of the census of 2000, there were 63,261 people, 28,566 households, and 15,254 families residing in the City. The population density was 3,889.4/km<sup>2</sup> (10,065.4/mi<sup>2</sup>). There were 29,543 housing units at an average density of 1,816.3/km<sup>2</sup> (4,700.6/mi<sup>2</sup>). The racial makeup of the City was 78.62% White, 2.52% African American, 0.47% Native American, 9.10% Asian, 0.35% Pacific Islander, 4.37% from other races, and 4.58% from two or more races. Hispanic or Latino of any race were 13.47% of the population.

There were 28,566 households, of which 23.3% had children under the age of 18 living with them, 40.6% were married couples living together, 9.0% had a female householder with no husband present, and 46.6% were non-families. 33.1% of all households were made up of individuals and 5.9% had someone living alone who was 65 years of age or older. The average household size was 2.21 and the average family size was 2.87.

In the City the population was spread out with 18.8% under the age of 18, 6.1% from 18 to 24, 43.1% from 25 to 44, 23.6% from 45 to 64, and 8.5% who were 65 years of age or older. The median age was 37 years. For every 100 females there were 101.5 males. For every 100 females age 18 and over, there were 99.8 males.

The median income for a household in the City was \$69,173, and the median income for a family was \$80,543. Males had a median income of \$56,796 versus \$45,204 for females. The per capita income for the City was \$38,305. About 4.0% of families and 5.9% of the population were below the poverty line, including 6.2% of those under age 18 and 6.1% of those age 65 or over.

### EDUCATION

Redondo Beach is served by the Redondo Beach Unified School District. Redondo Beach's primary high school is currently the Redondo Union High School (Aviation High School was active from 1957-1982).

## ECONOMIC OUTLOOK

### California economy:

The California economy weakened throughout 2008. Problems that originated in housing and mortgage finance spread to the rest of the economy leaving few industries untouched. Soaring gasoline and diesel prices caused considerable pain for both business and consumers in the middle of the year. By the time fuel prices began to recede, the damage had been done. A number of prominent retail chains shrank or disappeared altogether, due to their inability to obtain enough financing to purchase inventories for the all-important holiday season. The State's auto dealers suffered greatly from the combined impact of high fuel prices and the credit crunch.

As 2009 began, California was in the throes of serious recession. Employment is still declining in most areas of the State. Only a few industries are growing. Tourism is predicted to slide after several years of robust growth.

The State government's budget deficit continues to cause uncertainty. As a result, there have been delayed payments to vendors, unpaid furloughs to State employees and reductions and delays in payments to counties cities and school districts. The State also is considering cutting services and borrowing from local governments.

The economic news in California will be mostly bad during 2009, especially in the first half of the year. In addition to recession worries, California's water supply is likely to be short in 2009 as a result of lower than normal rainfall for the last few years and environmental rulings

**Redondo Beach:** The same problems that plague the State will impact the local economy. However, because of the stability of the housing market in the beach area and the mix of higher income residents, the negative forces will not affect the area so badly. Property tax, which depends on the property value, will not decrease significantly. There are expected to be some foreclosures, but these should occur in the lower value areas away from the beach. As with the State in general, tourism is expected to decrease, especially in the international arena. Mirroring the State economy, there will be a decrease in sales tax, but new businesses refilling closed retail stores will help buoy sales tax revenue as will the more affluent consumer base in Redondo Beach in general.

## TRIVIA

- Redondo Beach is the destination of the road-tripping family in the 2006 movie Little Miss Sunshine.
- The popular television show The O.C. used the beach and pier when shooting on location.
- Disney's "Even Stevens" used to film its mall episodes at Redondo Beach's South Bay Galleria. They also used Aviation's track field for its outside gym scenes. "
- Redondo Beach is the birthplace of Eric Norris - BUSCH series NASCAR driver
- Redondo Beach is mentioned in the song "Surfin' USA" by The Beach Boys.
- Redondo Beach is home of the fictional Bird of Paradise Motel in the film The Two Jakes.
- Redondo Beach is the birthplace of Jack Black (actor)
- Three seasons of the television series Riptide were filmed in King Harbor.
- The AES Power Plant is the filming location of Brittany Spears' music video "Crazy", as well as the hit FOX action drama 24, starring Kiefer Sutherland. Also the first "Batman" movie was filmed at the same location.
- Chuck Norris opened a Martial Arts studio in Redondo Beach before his career in acting.
- Redondo Beach is the subject of a particularly memorable Patti Smith song, covered by Morrissey in 2004 and released as a single in 2005.
- The well-known hardcore punk band Black Flag is from Redondo Beach.
- The well-known contemporary artist Allan McCollum grew up in Redondo Beach.
- Actresses Traci Lords and Demi Moore attended Redondo Union High School.
- Pirates of the Caribbean: At Worlds End with Jonny Depp was filmed on the coast of Redondo Beach.

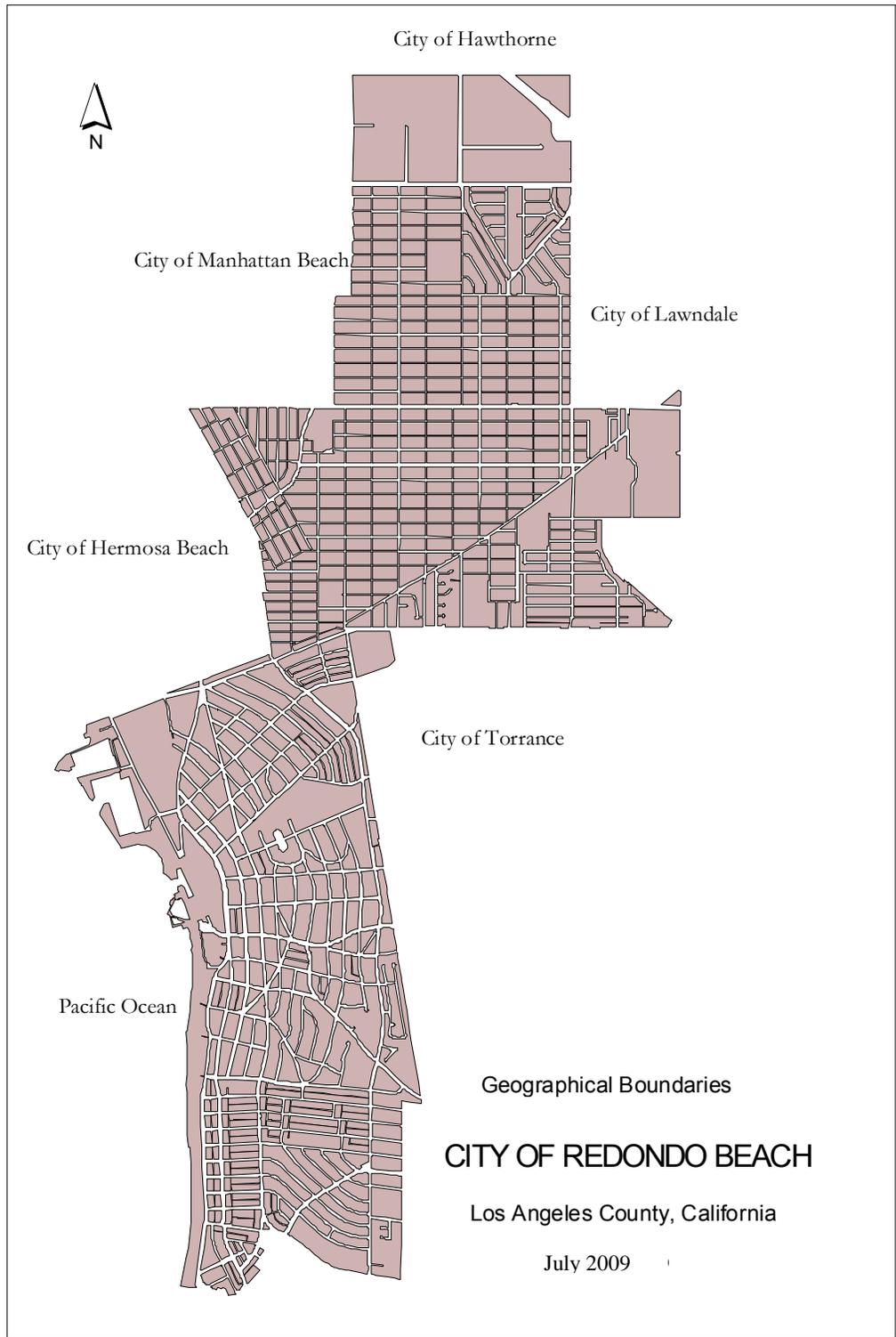
[http://www.redondo.org/in\\_the\\_city/history/default.asp](http://www.redondo.org/in_the_city/history/default.asp)  
[http://en.wikipedia.org/wiki/Redondo\\_Beach,\\_California](http://en.wikipedia.org/wiki/Redondo_Beach,_California)  
<http://www.laedc.org/reports/Forecast-2009-02.pdf>



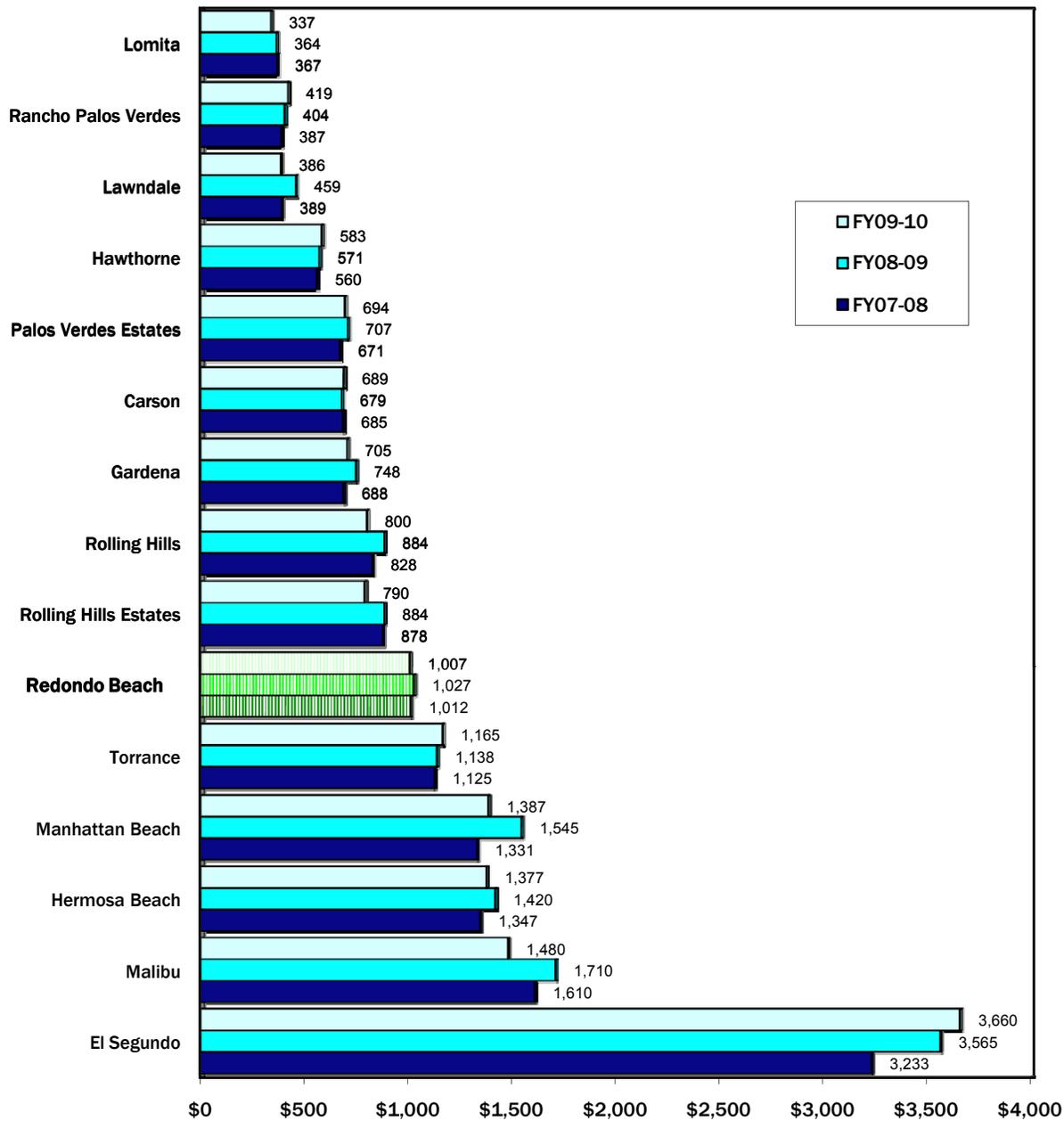
Source: [http://en.wikipedia.org/wiki/Redondo\\_Beach](http://en.wikipedia.org/wiki/Redondo_Beach)

**QUICK STATISTICS**

Date of Incorporation	April 29, 1892
Adoption of City Charter	January 4, 1949
Form of Government	Council/Manager
Population:	
2000 Census	63,261
California Dept. of Finance as of January 2009	67,646
Area	6.35 square miles
Miles of Streets	127
Miles of Sanitary Sewers	110
Number of Street Lights	1,800 city-owned
Number of Street Traffic Controllers	83
Police Protection:	1 station 1 sub-station 100 sworn employees 57 non-sworn employees
Fire Protection:	3 stations 61 sworn 4 non-sworn
Cultural and Leisure:	
Number of Parks	15 (90.76 acres)
Number of Parkettes	13 (2.3 acres)
Number of Boat Slips	1,509
Total Harbor Water Area (Exclusive of the Pier)	107 acres
Total Harbor Land Area	52.5 acres
Number of Libraries	2
Number of Community Centers	5
Number of Schools (Separate Entity)	12
Employees:	458 full-time, permanent



### General Fund Per Capita Expenditures Fiscal Years 2007-08 to 2009-10



The information above is provided to show how the City of Redondo Beach's Adopted General Fund per capita expenditures compare with those of its neighboring cities, based on Fiscal Years 2007-08 to Fiscal Year 2009-10.

General Fund expenditures were divided by the city's population.  
 Source: California State Department of Finance Demographic Research Unit  
<http://www.dof.ca.gov/html/demograp/reportspapers/estimates/e4/e4-01-06/histe-4.asp>

## COMPENSATION AND BENEFITS

### **COMPENSATION:**

The Mayor and City Council believe that employees are the City's most valuable asset. The City desires to compensate employees at the median salary and benefit levels of comparable jurisdictions. Salaries are surveyed upon request of the departments and/or the City Manager, usually as a part of the budget process. Requests for salary increases, new positions and reclassifications are analyzed by the Human Resources Department and recommendations are made to the City Manager. Adjustments are made to eliminate inequities after final review by the City Manager and approval by the City Council.

*The employees of the City of Redondo Beach are included in the following employee groups:*

- Management and Confidential Employees of the City of Redondo Beach
- Redondo Beach City Employees Association
- Redondo Beach Firefighters Association
- Redondo Beach Police Officers Association
- Redondo Beach Professional & Supervisory Association
- Teamsters

### **BENEFITS:**

- Medical, Dental, Vision, Life and Psychological Insurance
- Retirements Plans:
  - 2% @ 55 for Miscellaneous
  - 3% @ 55 for Fire
  - 3% @ 50 for Police
- Deferred Compensation
- Vacations and Paid Holidays
- Professional Development Reimbursement\*
- Longevity Pay\*
- Special Merit Pay\*
- Reduced Work Schedules\*
- Administrative Leave\*

\* Benefit varies depending on the MOU/Pay Plan for the employee group.

PERSONNEL SUMMARY BY DEPARTMENT

	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
<b><u>Mayor and City Council</u></b>					
Mayor	1.0	1.0	1.0	1.0	1.0
Council Member	5.0	5.0	5.0	5.0	5.0
Executive Assistant	1.0	1.0	1.0	1.0	1.0
<b>Total</b>	<b>7.0</b>	<b>7.0</b>	<b>7.0</b>	<b>7.0</b>	<b>7.0</b>
<b><u>City Clerk</u></b>					
City Clerk	1.0	1.0	1.0	1.0	1.0
Chief Deputy City Clerk	1.0	1.0	1.0	1.0	1.0
Records Management Coordinator	1.0	1.0	1.0	1.0	1.0
Office Specialist III	2.0	2.0	2.0	2.0	1.0
<b>Total</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>	<b>4.0</b>
<b><u>City Treasurer</u></b>					
City Treasurer	1.0	1.0	1.0	1.0	1.0
Deputy City Treasurer	1.0	1.0	1.0	1.0	1.0
Senior Auditor	1.0	1.0	1.0	1.0	-
<b>Total</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>2.0</b>
<b><u>City Attorney</u></b>					
City Attorney	1.0	1.0	1.0	1.0	1.0
Assistant City Attorney	1.0	2.0	2.0	2.0	2.0
Asst. City Attorney/Prosecutor	2.0	1.0	1.0	1.0	1.0
Senior Deputy City Attorney	-	-	-	1.0	1.0
Deputy City Attorney	1.0	2.0	2.0	1.0	1.0
Law Office Manager	-	1.0	1.0	1.0	1.0
Litigation Paralegal	-	1.0	1.0	1.0	1.0
Paralegal	1.0	-	-	-	-
Legal Secretary	1.0	1.0	1.0	1.0	1.0
<b>Total</b>	<b>7.0</b>	<b>9.0</b>	<b>9.0</b>	<b>9.0</b>	<b>9.0</b>
<b><u>City Manager</u></b>					
City Manager	1.0	1.0	1.0	1.0	1.0
Assistant City Manager	1.0	1.0	1.0	1.0	1.0
Assistant to the City Manager	1.0	1.0	1.0	1.0	1.0
Analyst	1.0	1.0	1.0	-	-
Administrative Coordinator	-	1.0	1.0	1.0	-
Administrative Specialist	1.0	-	-	-	-
Office Specialist III	1.0	1.0	1.0	-	-
Switchboard Operator	1.0	1.0	1.0	1.0	1.0
<b>Total</b>	<b>7.0</b>	<b>7.0</b>	<b>7.0</b>	<b>5.0</b>	<b>4.0</b>

PERSONNEL SUMMARY BY DEPARTMENT

	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
<b><u>Information Technology</u></b>					
Information Technology Director	1.0	1.0	1.0	1.0	1.0
Info. Tech. Operations Supervisor	1.0	1.0	1.0	1.0	1.0
Information Systems Specialist	1.0	1.0	1.0	1.0	1.0
Computer & Telephone Specialist	1.0	1.0	1.0	1.0	-
Computer Support Specialist	1.0	1.0	1.0	1.0	1.0
Computer Support Technician	2.0	2.0	2.0	2.0	2.0
<b>Total</b>	<b>7.0</b>	<b>7.0</b>	<b>7.0</b>	<b>7.0</b>	<b>6.0</b>
<b><u>Human Resources</u></b>					
Risk Manager	1.0	1.0	1.0	1.0	1.0
Senior Human Resources Analyst	1.0	1.0	2.0	2.0	1.0
Human Resources Analyst	1.0	1.0	-	-	-
Human Resources Technician	1.0	1.0	1.0	1.0	1.0
Office Specialist III	1.0	1.0	1.0	1.0	1.0
<b>Total</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>	<b>4.0</b>
<b><u>Financial Services</u></b>					
Financial Services Director	1.0	1.0	1.0	1.0	1.0
Accounting/Licensing Manager	1.0	1.0	1.0	1.0	1.0
Budget, Revenue and Payroll Manager	1.0	1.0	1.0	1.0	1.0
Business Systems Analyst	-	1.0	1.0	1.0	1.0
Grants Financial Administrator	1.0	1.0	1.0	1.0	1.0
Administrative Analyst	1.0	1.0	1.0	1.0	1.0
Printing & Graphics Supervisor	1.0	1.0	1.0	1.0	1.0
Analyst	1.0	1.0	1.0	1.0	1.0
Accountant	2.0	2.0	2.0	2.0	2.0
Payroll Technician	1.0	1.0	1.0	1.0	1.0
Accounting Technician	2.0	2.0	2.0	2.0	2.0
License and Collections Clerk	1.0	1.0	1.0	1.0	1.0
Senior Account Clerk	1.0	1.0	1.0	1.0	1.0
Office Specialist III	1.0	1.0	1.0	1.0	1.0
Printing and Duplicating Specialist	1.0	1.0	1.0	1.0	-
<b>Total</b>	<b>16.0</b>	<b>17.0</b>	<b>17.0</b>	<b>17.0</b>	<b>16.0</b>

PERSONNEL SUMMARY BY DEPARTMENT

	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
<b><u>Police</u></b>					
Chief of Police	1.0	1.0	1.0	1.0	1.0
Police Captain	2.0	2.0	2.0	2.0	2.0
Police Lieutenant	5.0	5.0	5.0	5.0	5.0
Police Sergeant	16.0	16.0	16.0	16.0	16.0
Police Agent/Officer	81.0	81.0	81.0	81.0	75.0
Police Records Manager	-	1.0	1.0	1.0	1.0
Police Records Unit Supervisor	1.0	-	-	-	-
Administrative Analyst	2.0	2.0	3.0	3.0	3.0
Communications Supervisor	4.0	4.0	4.0	4.0	4.0
Municipal Enforcement Supervisor	1.0	1.0	1.0	1.0	1.0
Analyst	1.0	1.0	-	-	-
Executive Assistant	1.0	1.0	1.0	1.0	1.0
Police Identification Technician	1.0	1.0	1.0	1.0	1.0
Community Services Officer III	3.0	3.0	3.0	3.0	3.0
Emergency Services Dispatcher	12.0	12.0	12.0	12.0	12.0
Lead Police Services Specialist	2.0	2.0	2.0	2.0	2.0
Community Services Officer II	9.0	9.0	9.0	9.0	9.0
Administrative Coordinator	3.0	3.0	3.0	3.0	2.0
Parking Meter Technician	1.0	1.0	1.0	1.0	1.0
Administrative Specialist	2.0	2.0	2.0	2.0	2.0
Police Services Specialist	7.0	7.0	7.0	7.0	7.0
Traffic Senior Clerk	1.0	1.0	1.0	1.0	1.0
Community Services Officer I	-	-	-	-	-
Municipal Services Officer	6.0	6.0	7.0	7.0	7.0
Office Specialist III	1.0	1.0	1.0	1.0	1.0
<b>Total</b>	<b>163.0</b>	<b>163.0</b>	<b>164.0</b>	<b>164.0</b>	<b>157.0</b>

PERSONNEL SUMMARY BY DEPARTMENT

	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
<b><u>Fire</u></b>					
Fire Chief	1.0	1.0	1.0	1.0	1.0
Fire Division Chief	3.0	3.0	3.0	3.0	3.0
Fire Captain	13.0	13.0	13.0	14.0	13.0
Fire Engineer	12.0	12.0	12.0	12.0	12.0
Firefighter/Paramedic	21.0	21.0	21.0	21.0	19.0
Fire Prevention Plan Checker	1.0	1.0	1.0	1.0	1.0
Fire Inspector/FFP	2.0	2.0	2.0	-	-
Harbor Patrol Sgt./Deputy Harb Master	3.0	3.0	3.0	3.0	3.0
Harbor Patrol Officer/FF/Eng/PM	3.0	3.0	3.0	3.0	3.0
Firefighter	6.0	6.0	6.0	6.0	6.0
Hazardous Material Specialist	1.0	1.0	1.0	1.0	1.0
Administrative Analyst	1.0	1.0	1.0	1.0	1.0
Office Coordinator	1.0	1.0	1.0	-	-
Administrative Specialist	1.0	1.0	1.0	1.0	2.0
Office Specialist III	1.0	1.0	1.0	1.0	-
<b>Total</b>	<b>70.0</b>	<b>70.0</b>	<b>70.0</b>	<b>68.0</b>	<b>65.0</b>
<b><u>Public Library</u></b>					
Director of Library Services	1.0	1.0	1.0	1.0	1.0
Senior Librarian	2.0	2.0	2.0	2.0	2.0
Librarian	4.0	4.0	4.0	4.0	2.0
Library Clerical Supervisor	1.0	1.0	1.0	1.0	-
Administrative Coordinator	-	-	1.0	1.0	1.0
Senior Administrative Specialist	1.0	1.0	-	-	-
Library Technician	1.0	1.0	1.0	1.0	1.0
Library Clerk	6.0	6.0	6.0	6.0	6.0
Library Page	1.0	1.0	1.0	1.0	1.0
<b>Total</b>	<b>17.0</b>	<b>17.0</b>	<b>17.0</b>	<b>17.0</b>	<b>14.0</b>

PERSONNEL SUMMARY BY DEPARTMENT

	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
<b><u>Recreation and Community Services</u></b>					
Director of Rec. & Comm. Services	1.0	1.0	1.0	1.0	1.0
Recreation & Youth Services Manager	-	-	1.0	1.0	1.0
Program Manager - WIA & CDBG	-	-	1.0	-	-
Program Manager - WIA	1.0	1.0	-	-	-
Program Manager - SBYP & CDBG	1.0	1.0	-	-	-
Housing Manager	1.0	1.0	1.0	1.0	1.0
Recreation Facilities Manager	1.0	1.0	1.0	1.0	1.0
Recreation Services Manager	1.0	1.0	-	-	-
Community Programs Manager	1.0	1.0	1.0	1.0	1.0
Rehab. Inspector-Estimator	1.0	1.0	1.0	1.0	1.0
Technical Theater Supervisor	1.0	1.0	1.0	1.0	1.0
Recreation Supervisor	2.0	2.0	2.0	2.0	2.0
Intake Supervisor	1.0	1.0	1.0	-	-
Administrative Analyst	2.0	2.0	2.0	2.0	1.0
Analyst	1.0	1.0	1.0	1.0	1.0
Handyperson Leadworker	1.0	1.0	1.0	1.0	1.0
Housing Coordinator	3.0	3.0	3.0	3.0	3.0
Community Program Coordinator	1.0	1.0	1.0	1.0	1.0
Employment Coordinator	5.0	4.0	1.0	-	-
Administrative Coordinator	3.0	3.0	3.0	1.0	1.0
Senior Administrative Specialist	1.0	1.0	1.0	1.0	1.0
Recreation Coordinator	4.0	4.0	4.0	3.0	3.0
Administrative Specialist	2.0	2.0	2.0	2.0	1.0
Office Specialist III	3.0	3.0	2.0	2.0	2.0
Maintenance Worker I	3.0	3.0	2.0	2.0	2.0
<b>Total</b>	<b>41.0</b>	<b>40.0</b>	<b>34.0</b>	<b>28.0</b>	<b>26.0</b>
<b><u>Planning</u></b>					
Planning Director	1.0	1.0	1.0	1.0	1.0
Senior Planner	2.0	2.0	2.0	-	-
Associate Planner	1.0	1.0	1.0	1.0	1.0
Assistant Planner	2.0	2.0	2.0	2.0	2.0
Municipal Enforcement Manager	1.0	1.0	1.0	-	-
Senior Code Enforcement Officer	1.0	1.0	1.0	-	-
Code Enforcement Officer	1.0	1.0	1.0	2.0	2.0
Planning Technician	1.0	1.0	1.0	1.0	1.0
Senior Administrative Specialist	1.0	1.0	1.0	1.0	1.0
<b>Total</b>	<b>11.0</b>	<b>11.0</b>	<b>11.0</b>	<b>8.0</b>	<b>8.0</b>

PERSONNEL SUMMARY BY DEPARTMENT

	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
<b><u>Engineering and Building Services</u></b>					
City Engineer/Chief Building Official	1.0	1.0	1.0	1.0	1.0
Principal Civil Engineer	1.0	1.0	1.0	1.0	1.0
Civil Engineer	1.0	1.0	1.0	1.0	1.0
Capital Projects Program Manager	1.0	1.0	1.0	1.0	1.0
Transportation Engineer	1.0	1.0	1.0	1.0	1.0
Associate Civil Engineer	3.0	3.0	3.0	4.0	4.0
Temporary Associate Civil Engineer	-	-	1.0	1.0	-
Senior Plan Check Engineer	1.0	1.0	1.0	1.0	1.0
Capital Projects Constr. Manager	1.0	-	-	-	-
Plan Check Engineer	1.0	1.0	1.0	1.0	1.0
Building Regulations Manager	1.0	1.0	1.0	1.0	1.0
Senior Building Inspector	2.0	2.0	2.0	2.0	2.0
Assistant Civil Engineer	2.0	2.0	2.0	2.0	2.0
Temporary Assistant Civil Engineer	-	-	1.0	1.0	-
Public Works Inspector	1.0	1.0	1.0	1.0	1.0
Building Inspector	2.0	2.0	2.0	-	-
Building and Engineering Technician	3.0	3.0	3.0	3.0	3.0
Administrative Coordinator	1.0	1.0	1.0	1.0	1.0
Office Specialist III	1.0	1.0	1.0	-	-
Plans Examiner	-	-	1.0	1.0	1.0
<b>Total</b>	<b>24.0</b>	<b>23.0</b>	<b>26.0</b>	<b>24.0</b>	<b>22.0</b>
<b><u>Harbor, Business, and Transit</u></b>					
Harbor, Business and Transit Director	1.0	1.0	1.0	1.0	1.0
Harbor Facilities Manager	2.0	2.0	2.0	2.0	2.0
Transit Manager	1.0	1.0	1.0	1.0	1.0
Economic Development Associate	1.0	1.0	1.0	1.0	-
Harbor Projects Analyst	-	1.0	1.0	1.0	1.0
Analyst	1.0	1.0	1.0	1.0	1.0
Senior Administrative Specialist	1.0	1.0	1.0	1.0	1.0
Account Clerk	1.0	1.0	1.0	1.0	1.0
<b>Total</b>	<b>8.0</b>	<b>9.0</b>	<b>9.0</b>	<b>9.0</b>	<b>8.0</b>

PERSONNEL SUMMARY BY DEPARTMENT

	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
<b><u>Public Works</u></b>					
Public Works Director	1.0	1.0	1.0	1.0	1.0
Deputy Public Works Director	1.0	1.0	1.0	1.0	1.0
Public Works Manager-St/Sewer/Harbor	1.0	1.0	1.0	1.0	1.0
Public Works Manager-Bldg Facilities	1.0	1.0	1.0	1.0	1.0
Public Works Manager-Pks/Urb Forest	1.0	1.0	1.0	1.0	1.0
Senior Management Analyst	2.0	2.0	2.0	2.0	2.0
Public Works Supervisor	5.0	4.0	4.0	4.0	3.0
Electrician Leadworker	1.0	1.0	1.0	1.0	1.0
Electrician	2.0	2.0	2.0	2.0	2.0
Building Maintenance Leadworker	1.0	1.0	1.0	1.0	1.0
Park Maintenance Leadworker	2.0	2.0	2.0	2.0	2.0
Pier Maintenance Leadworker	1.0	1.0	1.0	1.0	1.0
Public Services Leadworker	6.0	7.0	7.0	7.0	7.0
Senior Mechanic	2.0	2.0	2.0	2.0	2.0
Irrigation Technican	1.0	1.0	1.0	1.0	1.0
Mechanic	1.0	1.0	1.0	1.0	1.0
Pump Station Operator	4.0	4.0	4.0	4.0	4.0
Recycling Specialist	1.0	1.0	1.0	1.0	1.0
Traffic Painter	1.0	1.0	1.0	1.0	1.0
Painter	1.0	1.0	1.0	1.0	1.0
Senior Administrative Specialist	1.0	1.0	1.0	1.0	1.0
Equipment Operator	6.0	6.0	6.0	6.0	6.0
Senior Park Caretaker	9.0	9.0	9.0	9.0	9.0
Building Maintenance Worker	7.0	7.0	7.0	8.0	8.0
Administrative Specialist	2.0	2.0	2.0	2.0	2.0
Maintenance Worker II	5.0	5.0	5.0	5.0	5.0
Equipment Service Worker	1.0	1.0	1.0	1.0	1.0
Park Caretaker	2.0	2.0	2.0	2.0	2.0
Maintenance Worker I	35.0	35.0	35.0	34.0	36.0
Recycling Ranger	-	-	1.0	1.0	1.0
<b>Total</b>	<b>104.0</b>	<b>104.0</b>	<b>105.0</b>	<b>105.0</b>	<b>106.0</b>
<b>TOTAL BUDGETED POSITIONS</b>	<b>495.0</b>	<b>497.0</b>	<b>496.0</b>	<b>481.0</b>	<b>458.0</b>

PERSONNEL SUMMARY BY DEPARTMENT

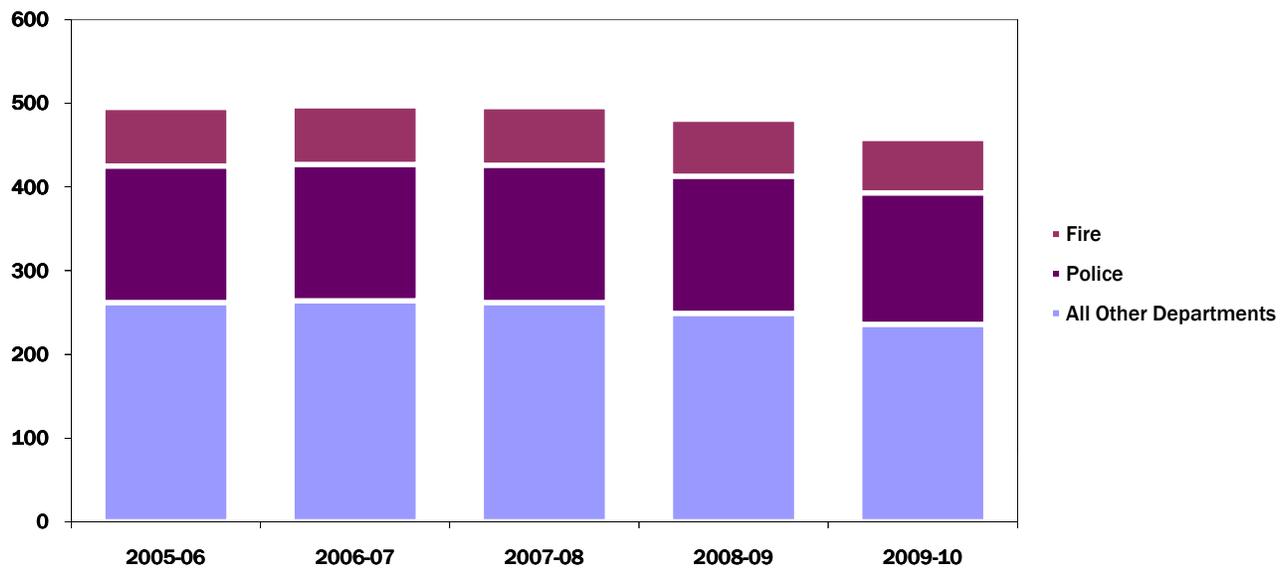
RECAP OF POSITION CHANGES DURING FY 2008-09

<b>Add:</b>	Administrative Specialist - FD	1.0	<b>Delete:</b>	Office Specialist III - FD	1.0
	Code Enforcement Officer - PLN	1.0		Senior Planner - PLN	2.0
	Building Maintenance Worker - PW	1.0		Municipal Enforcement Manager - PLN	1.0
				Senior Code Enforcement Officer - PLN	1.0
				Building Inspector - EB	2.0
				Office Specialist III - EB	1.0
				Maintenance Worker I - PW	1.0
	<b>Total</b>	<b>3.0</b>		<b>Total</b>	<b>9.0</b>

RECAP OF POSITION CHANGES FOR FY 2009-10

<b>Add:</b>	Maintenance Worker I	2.0	<b>Delete:</b>	Office Specialist III - CC	1.0
				Senior Auditor - CT	1.0
				Administrative Coordinator - CM	1.0
				Computer & Telephone Specialist - IT	1.0
				Senior Human Resources Analyst - HR	1.0
				Printing & Duplicating Specialist - FS	1.0
				Police Officer - PD	6.0
				Administrative Coordinator - PD	1.0
				Firefighter Paramedic - FD	2.0
				Fire Captain - FD	1.0
				Library Clerical Supervisor - L	1.0
				Librarian - L	2.0
				Administrative Specialist - RCS	1.0
				Administrative Analyst - RCS	1.0
				Temp Associate Civil Engineer - EB	1.0
				Temp Assistant Civil Engineer - EB	1.0
				Economic Development Associate - HBT	1.0
				Public Works Maint Supervisor - PW	1.0
	<b>Total</b>	<b>2.0</b>		<b>Total</b>	<b>25.0</b>

**STAFFING LEVELS**  
**FISCAL YEARS 2005-06 TO 2009-10**



**RESOLUTION NO. CC-0906-208**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY  
OF REDONDO BEACH, CALIFORNIA, ADOPTING AN  
ANNUAL BUDGET FOR FISCAL YEAR 2009-2010**

WHEREAS, the City Manager has prepared and submitted to the City Council a proposed annual budget for the fiscal year 2009-2010 which commences on July 1, 2009, and ends on June 30, 2010; and

WHEREAS, the City Council has considered the proposed annual budget; and

WHEREAS, a public hearing has been duly held pursuant to the provisions of the Charter of the City of Redondo Beach; and

WHEREAS, the City Council concurs with the proposed revenue and expenditure plan as outlined by the City Manager; and

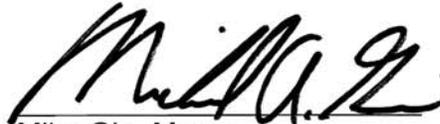
NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. That the City Manager's proposed annual budget for Fiscal Year 2009-2010, attached hereto as Exhibit A, is hereby adopted.

SECTION 2. That the expenditures of public funds in the amount of \$109,369,793 are authorized in accordance with the programs and services outlined in said budget.

SECTION 3. The City Clerk shall certify to the passage and adoption of this resolution and shall enter the same in the Book of Original Resolutions.

PASSED, APPROVED AND ADOPTED this 30<sup>th</sup> day of June 2009.

  
Mike Gin, Mayor

ATTEST:

STATE OF CALIFORNIA            )  
COUNTY OF LOS ANGELES    )     SS  
CITY OF REDONDO BEACH     )

I, Eleanor Manzano, City Clerk of the City of Redondo Beach, California, do hereby certify that the foregoing Resolution No. CC-0906-208 was duly passed, approved and adopted by the City Council of the City of Redondo Beach, California, at a regular meeting of said City Council held on the 30<sup>th</sup> day of June 2009, by the following vote:

AYES:            ASPEL, BRAND, AUST, DIELS, KILROY

NOES:

ABSENT:

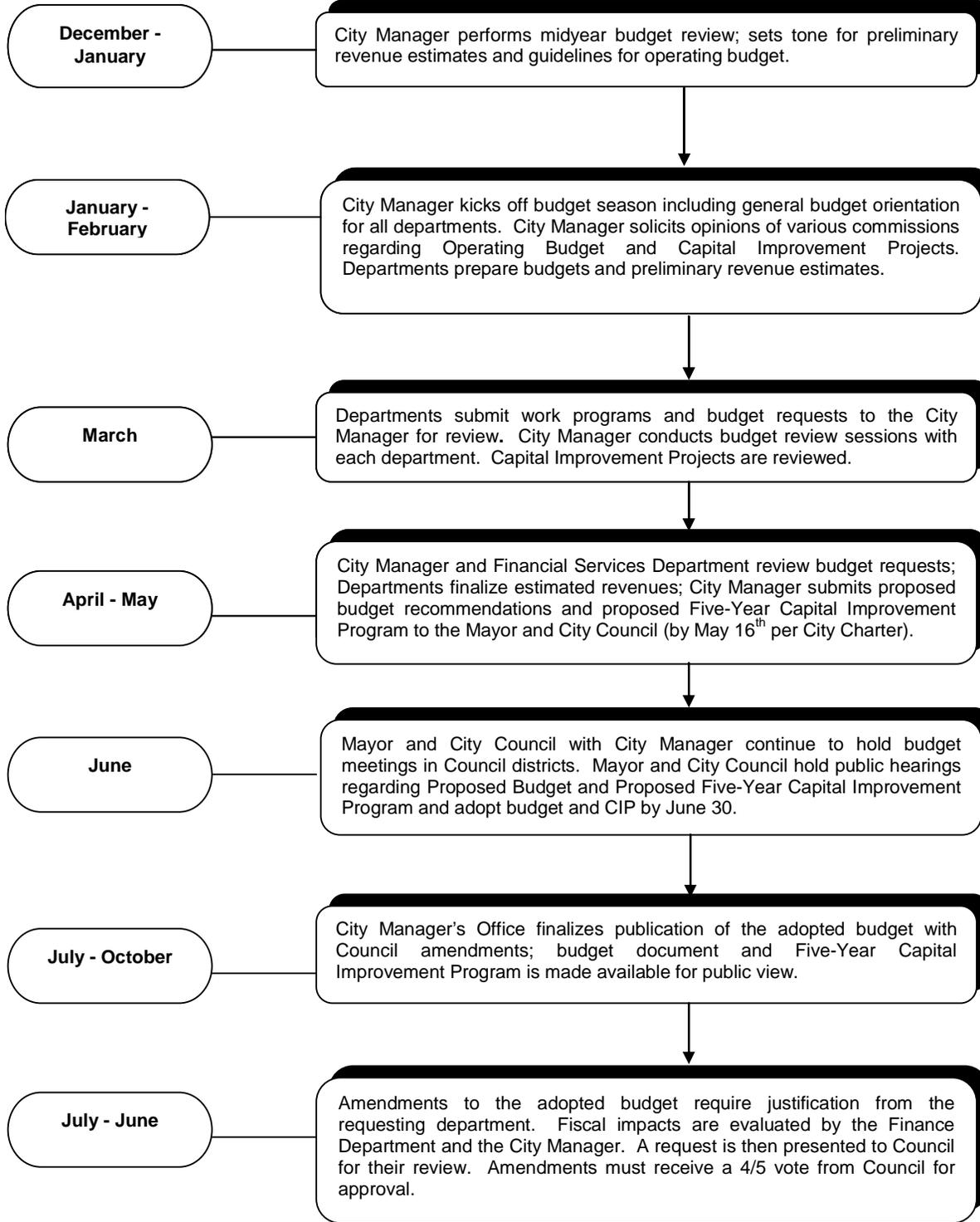
ABSTAIN:

  
Eleanor Manzano, City Clerk

APPROVED AS TO FORM:

  
Michael W. Webb, City Attorney

### BUDGET PREPARATION TIMELINE



## BUDGETARY PROCESS AND OTHER MANAGEMENT INFORMATION

### STRATEGIC PLAN FOR 2007-2010 DEPARTMENTAL MISSION STATEMENTS AND PERFORMANCE MEASURES

#### Mission Statement

***The City of Redondo Beach is committed to providing the finest services to enhance the quality of life for those who live, work, visit and play in our community.***

After considering the City's Mission Statement, the Strategic Plan is developed, which establishes the major three-year goals and six-month objectives for the City. It provides principle guidance for preparation of the City budget, program objectives and performance measures. The three-year goals provide the basis for improving services and preserving a high quality of life in the City.

#### Three Year Goals

***Improve public facilities and infrastructure***

***Enhance financial viability and expand economic opportunities, especially in the commercial areas***

***Enhance and revitalize the Harbor and Pier area***

***Enhance the livability and environmental sustainability of our community***

***Enhance public safety and emergency preparedness services for our community***

In developing the three-year goals and six-month objectives, the Mayor, City Council and City management consider current challenges facing the City and external factors and trends that might impact the future.

Updates to the Strategic Plan are scheduled approximately every six months, and the City Manager submits monthly progress reports to the Mayor and City Council.

In coordination with the Strategic Plan, departments formulate their mission statements and current and future departmental objectives. Each department's mission relates directly to the overall City mission. It focuses primarily on the interaction between the department and its key customers. In preparing a mission statement, the department considers such questions as:

- What business is the department in?
- Who are the department's customers?
- What added value do customers of the department receive?
- What contribution is the department making to the Strategic Plan goals?

In preparing departmental objectives, City staff has to consider many factors such as:

- Current workload or service demands
- Revenue forecasts
- Project schedules
- Current staffing

An outgrowth of the Strategic Plan is the City's proposed operating budget and capital improvement budget.

## THE BUDGET PROCESS

One objective of the budget process is to allocate financial resources to various work activities over a specified period of time for the City of Redondo Beach. This time period is the City's fiscal year, which begins on July 1 and ends the following June 30. Another objective of the budget process is to review the prior year's departmental performance measures and modify them as appropriate. The preparation of the budget document begins in January – six months before it is put into operation.

In January, each department assesses its current activities, updates performance measures and reviews its spending records provided through the City's accounting system. This information is used as a base for developing the following year's plan. Program managers confer with their department directors to develop a work plan and to estimate necessary financing. Revenue estimates are developed by the City Treasurer's Office and the Financial Services Department, along with other departments that generate fees and/or charges. Departments can make changes or modifications of any amount without the City Council's approval. In March, the departments' work programs and justifications for proposed expenditures are presented to the City Manager for review.

Throughout March and April, the Financial Services Department and the City Manager work with departments to gather all budgetary information. The City Manager's recommendations are then incorporated into the proposed budget document. The proposed budget is submitted to the City Council by May 16 as required by the City Charter. After the Mayor and Council Members have reviewed the proposed budget, the City Manager, Financial Services' budget staff and Department Heads participate in formally presenting the budget to the City Council. Budget documents are available to the general public and the citizens of Redondo Beach on the Internet and in the City Clerk's office and City libraries.

The City Charter mandates a public hearing on the budget within 30 days of its presentation to the City Council. Therefore, in May or June, the Mayor and City Council conduct public hearings to receive citizen input on the proposed budget. Public study sessions are then held to review budget proposals and to adopt a budget by June 30.

The proposed budget presents City activities on two levels. The first level is the department level, which shows the total appropriations for the department. The second level is the program or activity level. Presentations at these levels allow a more thorough review of each activity and provide management and citizens a way of more accurately associating costs with activities they see on a day-to-day basis. This improves appreciation of the resources it takes to accomplish given goals and is an easier gauge on whether those activities should be increased or decreased and the financial impact of those decisions.

At each step of the budget process, the information is stored through the City's finance system. After approval of the budget, the adopted revenue and appropriations are posted in the City's accounting ledgers.

City departments are required to monitor their budgets and spend only amounts allocated by the Mayor and City Council. However, during the year, unforeseen costs arise which cannot be accommodated within the original adopted budget. For these circumstances, the City Manager may recommend budget modifications to the Mayor and City Council. The Mayor and City Council may approve budget modification resolutions to make the necessary changes. At any meeting after the adoption of the budget, appropriations may be modified and/or transferred by adoption of a resolution with at least four affirmative votes.

## THE CAPITAL IMPROVEMENT BUDGET

The separate Five-Year Capital Improvement Program (CIP) for FY2009-2014 is presented to the Mayor and City Council as part of the budget process. The five-year CIP is a strategic plan which addresses the long-term capital and infrastructure of the City. The first year CIP funding recommendations are included in this adopted budget.

### BASIS OF ACCOUNTING AND BUDGETING

Annual budgets are legally adopted for all funds on a basis consistent with generally accepted accounting principles.

With the exception of government-wide financial statements prepared in accordance with GASB 34, the City uses the modified-accrual basis for accounting *and* budgeting of Governmental Fund types which are: General, Special Revenue, Debt Service and Capital Projects Funds. Under the modified-accrual basis of accounting, revenues are recognized in the accounting period in which they become available and measurable. Those revenues treated as susceptible to accrual primarily consist of taxes, interest and grant revenues for which reimbursement requests are expenditure-driven. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which is recognized when due.

In all presentations, the City uses the accrual basis for accounting *and* budgeting of its Proprietary Fund types which are the Enterprise and Internal Service Funds. Revenues are recognized when earned, and expenses are recognized when incurred.

### CASH MANAGEMENT

The City invests all idle cash in various investment instruments, as authorized within the City's Statement of Investment Policy. The City Treasurer employs a buy and hold philosophy of cash management, ensuring the full return of all investment principal. Composition of the City's investment portfolio consists of a well diversified mix of Federal Agency instruments, complimented by a blend of AA rated Corporate Medium Term Notes, both investment types of which are structured along a five-year laddered maturity schedule. In addition, sufficient portfolio liquidity is maintained through continued maintenance of a significant portion of the investment portfolio's position in the State managed Local Agency Investment Fund, or LAIF.

The City maintains an Investment Policy certified for reporting excellence by the Association of Public Treasurers – United States & Canada (APT – US&C) and has established both a written investment plan and an investment procedures manual. The Investment Policy is reviewed and approved by both the City Council and the Budget and Finance Commission on an annual basis. The investment policy's established performance benchmark is the one-year Constant Maturity Treasury index (CMT). In the periodic purchase of investments, both the rate of return provided by LAIF and the yield on the US Treasury security of closest maturity to the purchased investment serve also as investment performance benchmarks.

The level of investments maintained with LAIF fluctuates in accordance with variations in the City's operating budget and capital improvement program cash flow requirements. The LAIF balance is maintained at a level of \$15 to \$32 million, or approximately 33% of the portfolio's assets on average, ensuring maintenance of sufficient investment portfolio liquidity. The yield provided by LAIF has declined over the past year in line with the overall reduction in short-term market interest rates. Idle investment funds above the liquidity threshold have been placed primarily in Federal Agency investments within the two to five year investment maturity range. The reduction in market interest rates experienced over the past year have been both anticipated and well managed, proactively responding to both the City's operating and capital improvement cash flow requirements. The rate of return on the City's investment portfolio consistently meets or exceeds established investment portfolio performance benchmarks.

As of June 30, 2009, the City's idle funds were invested as follows:

Investments	Market Value	% of Portfolio	Yield to Maturity
Federal Agency Issues – Coupon	\$16,111,640	24.5%	3.42%
Local Agency Investment Fund	32,000,000	49.0%	1.26%
Corporate Medium Term Notes	16,645,230	26.2%	4.77%
Municipal Bonds	175,000	0.3%	5.42%
<b>Total Investments and Averages</b>	<b>64,931,870</b>	<b>100%</b>	<b>2.72%</b>

**DEBT MANAGEMENT**

As a Charter City, the City of Redondo Beach cannot incur general obligation bonded indebtedness which exceeds 15% of total assessed valuation of all real and personal property within the City. **The City of Redondo Beach currently has no general obligation indebtedness.** The current outstanding bonds for the City are those issued by the Redevelopment Agency and Public Financing Authority (PFA).

The City's fiscal agent administers all of the debt-servicing requirements. The bonds issued by the Redevelopment Agency, a component unit of the City, were issued to provide financing of improvements within the South Bay Center project area. Additionally, bonds were issued to refinance the Public Financing Authority's Aviation Bonds. Bonds issued by the Public Financing Authority (PFA), also a component unit of the City, were originally issued to provide funds to acquire the 1996 Tax Allocation Bonds of the Redevelopment Agency, to finance certain redevelopment activities with respect to the South Bay Center project area and to provide new monies for certain public capital improvements within the City. In addition, bonds were issued to refinance the Redevelopment Agency's Pier Reconstruction bonds, and to finance various improvements to, and to remedy a variety of deficiencies in, the facilities of the Wastewater Enterprise.

The following are changes in outstanding bonds for the fiscal year ended June 30, 2009:

	Outstanding July 1, 2008	Additions	Deletions	Outstanding June 30, 2009
Public Financing Authority 2000 Aviation High Tax Allocation Bonds (\$4,735,000)	2,930,000	--	2,930,000	--
Public Financing Authority 2001 Pier Reconstruction Revenue Bonds (\$2,965,000)	2,260,000	--	125,000	2,135,000
Public Financing Authority 2004 Wastewater System Revenue Bonds (\$10,335,000)	9,585,000	--	200,000	9,385,000
Public Financing Authority 2008 South Bay Center Revenue Bonds (\$7,645,000)	7,645,000	--	385,000	7,260,000
Redevelopment Agency 2008 Aviation High Tax Allocation Bonds (\$700,000)	--	700,000	525,079	174,921
<b>Total</b>	<b>22,420,000</b>	<b>700,000</b>	<b>4,165,079</b>	<b>18,954,921</b>

For Fiscal Year 2009-10, the City's (including Redevelopment Agency and Public Financing Authority) debt service requirements are as follows.

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2001 PFA Pier Reconstruction Revenue Bonds	125,000	69,947 <sup>1</sup>	194,947
2004 PFA Wastewater System Revenue Bonds	190,000	473,200	663,200
2008 PFA South Bay Center Revenue Bonds	590,000	267,600	857,600
2008 RDA Aviation High Tax Allocation Bonds	175,000	4,751	179,751
<b>Total</b>	<b>1,080,000</b>	<b>815,498</b>	<b>1,895,498</b>

**LEGAL DEBT MARGIN**

Based on the Fiscal Year 2009-2010 assessed value of real and personal property within the City of Redondo Beach, the legal debt margin is calculated as follows.

Total assessed value of all real and personal property	\$ 11,898,631,138
Legal debt limit - 15% of total assessed valuation <sup>2</sup>	\$1,784,794,671
Amount of debt applicable to limit	-
Legal debt margin	<u>\$1,784,794,671</u>
Percentage of legal debt limit authorized	0%

<sup>1</sup> Estimated for variable rate bond issue

<sup>2</sup> Legal debt limit set by Government Code Section 436505 and City Charter Section 17

**GANN LIMIT**

Pursuant to Article XIII B of the California Constitution (known as the Gann Limit), the City must compute an annual appropriations limit. In June 1990 the California voters approved Proposition 111 which amended Article XIII B and provided for a greater selection of factors used in determining annual adjustments to the limit. The factors used include the change in the California per capita personal income combined with the change in population of the jurisdiction's county or the change in the population of the City; whichever is higher. The calculation using these new factors began with the base year of Fiscal Year 1987-88, as provided for in the Proposition 111 amendments. Below is a two-year comparison of the appropriations limit.

The City's appropriations limit for Fiscal Year 2009-10 is established at \$97,153,900, a 1.5% increase over Fiscal Year 2008-09. The City's eligible appropriations for Fiscal Year 2009-10 are approximately \$50.3 million, substantially under the limit of \$97.2 million. Additional appropriations to the budget funded by non-tax sources such as service charges, restricted revenues from other agencies, grants or beginning fund balances would be unaffected by the appropriations limit. However, any supplemental appropriations funded through increased tax sources would be subject to the appropriations limit and could not exceed the \$50.3 million variance indicated. Further, any overall actual receipts from tax sources greater than \$50.3 million from budget estimates would result in proceeds from taxes in excess of the City's appropriations limits, requiring refunds of the excess within the next two fiscal years or voter approval of an increase in the City's appropriation limit. Only in 1983 did the City exceed the limit and voter approval to expend the monies was received.

Calculation	2008-09	2009-10	% Increase
Prior Year	\$90,975,223	95,694,011	5.2%
Appropriation Limit			
Cumulative Growth Factor	1.025186894	1.0152558	
Appropriation Limit	95,694,011	\$97,153,900	1.5%

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## STATEMENTS OF FINANCIAL PRINCIPLES

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**BACKGROUND:** On February 13, 1998, the City of Redondo Beach established a strategic plan. As part of the plan, various committees were formed to implement the five citywide goals. One of the said committees is the Strategic Financing Planning Committee.

The Strategic Financial Planning Committee, in concert with the Budget & Finance Commission, was tasked to develop a strategic plan for the City to achieve financial stability. The Strategic Financial Planning Committee and the Budget & Finance Commission determined that one of the steps in developing a strategic financial plan is for the City to establish a set of financial principles.

On November 17, 1998, the Mayor and City Council adopted the Statements of Financial Principles as a City Policy. The intention of the Mayor and City Council was to establish written policies to guide the financial management of the City of Redondo Beach and to demonstrate to the citizens of Redondo Beach, the investment community, and the bond rating agencies that the City of Redondo Beach is committed to a strong fiscal policy. The Mayor and City Council also determined that it is necessary to provide precedents for future policy makers and financial managers.

On June 6, 2000, the Mayor and City Council approved by resolution, to include under Section 11(h), a policy regarding threshold for capitalization of fixed assets.

On November 6, 2001, the Mayor and City Council amended by resolution Section 12(a) to reflect the "minimum reserve" for contingencies to be 8.33% of the General Fund current fiscal year's budget.

On October 9, 2007, the Mayor and City Council approved by minute action, to add as Section 12(h), a policy requiring that the "reserves" or fund balances designated for other post employment benefits (OPEB) obligations be maintained at appropriate levels as authorized by the City Council.

On April 21, 2009, the Mayor and City Council approved by minute action, to add as Sections 8(c) and 8(d), policies requiring that internal service funds and central service departments retain the costs of using services provided by other City departments and that allocations among funds and departments be based on prior fiscal year-end actual expenses and distributed using fair and justifiable statistics.

### **CITY POLICY**

**Section 1: General Financial Goal** - To establish a five-year financial plan and achieve financial stability. Once achieved, maintain and enhance the City's fiscal health. To help achieve this goal, the City's objective is to adhere to the following statements of financial principles and policies:

#### **Section 2: General Principles**

- a) The City will maintain a level of expenditures which will provide for the well-being and safety of the general public and citizens of the community.
- b) The City will manage its financial assets in a sound and prudent manner.
- c) The City will maintain and further develop programs to assure its long-term ability to pay all the costs necessary to provide the highest quality of service required by the citizens of Redondo Beach.
- d) The City will adopt a balanced operating budget by June 30 of each year as required by the City Charter Section 17.9. The objective is to balance the budget without the use of General Fund undesignated fund balances or "reserves".

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## STATEMENTS OF FINANCIAL PRINCIPLES

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- e) The City will maintain and improve its infrastructure.
- f) The City will provide funding for capital equipment replacement, including a long-term technology plan, to achieve greater efficiency in its operations.
- g) The City will value its employees as one of its most important assets and will compensate them competitively according to the City's ability to pay.
- h) All City officials and employees shall always conduct themselves in a manner that will not expose the City to any liability.

### **Section 3: Revenue Policies**

- a) The City will use a conservative approach in estimating revenues to maintain financial flexibility to adapt to local and regional economic changes.
- b) The master fee schedule will be updated annually to recover, as much as possible, the cost of providing the service and to allow for inflationary cost increases, but keeping in mind that fees are not to exceed the cost of providing the service. In some instances, the City may not want to charge any fees or the full cost of providing the service, if it is in the City's best interest to do so. These charges or fees for services will be identified during the budget approval process.
- c) The City will aggressively pursue revenue collection and auditing to assure that monies due the City are accurately received in a timely manner.
- d) Departments shall avoid earmarking General Fund revenues for specific purposes unless authorized by the City Council.
- e) One-time revenues shall be used for one-time expenditures.
- f) Revenues in excess over expenditures at the end of the fiscal year shall be used to first satisfy the general reserve requirements before appropriating for other uses.
- g) The City will continue to explore revenue-raising alternatives as necessary and pursue all grants available for local government. (The City may consider not accepting a grant if the grant requires continued City funding after the grant expires.)
- h) Program managers for special revenue funds shall diligently pursue reimbursements or receipts of grants in a timely manner to minimize the negative impact to the General Fund's investment earnings.
- i) The Mayor and City Council shall be promptly informed of any significant revenue gain or loss impacting the City.
- j) The City shall abide by the requirements of applicable Federal, State and local laws or statutes, when contemplating to raise revenues.

### **Section 4: Expenditure/Budget Policies**

- a) Current year operating expenditures shall be funded by current year operating revenues.
- b) In an advisory capacity, the Budget & Finance Commission will conduct a preliminary review of all essential services. The City Council will have final approval in determining which services receive priority funding when a revenue shortfall exists or is projected.
- c) The City will continue to explore options in delivering services in the most cost-effective method, including public-private partnerships and partnerships with other governmental agencies.
- d) Programs that are funded through user fees shall be self supporting. (The City may partially subsidize some of these programs if it is in the City's best interest to do so.)
- e) Departments' fiscal year-end expenditures must be within approved appropriations by fund.
- f) Departments with unexpended/unencumbered balances in their *maintenance and operations* budget at the end of the year, may carryover a specified amount to the next fiscal year with specific approval by the City Manager.

## STATEMENTS OF FINANCIAL PRINCIPLES

- g) Departments with approved capital outlay budget but who were unable to purchase the capital item by the end of the fiscal year, may carryover this item with approval by the City Manager.
- h) Departments that have encumbrances at the end of the year, but have exceeded their total appropriations within each fund, may not be able to carryover the encumbrance balances, depending on the circumstances that caused the department to exceed its appropriations. Consequently, payments against these encumbrances may be charged to the affected department's subsequent fiscal year's budget.
- i) Salary and benefit savings at the end of the fiscal year will not be carried forward.
- j) Departments shall adhere to purchasing guidelines when expending City funds.
- k) All City officials and employees shall adhere to the City's conference and travel expense policy.
- l) Requests for new positions must identify specific funding sources and include a cost-benefit analysis.
- m) Budget transfers within each fund and between line accounts or programs within each department, must be approved by the City Manager or his/her designee. The Mayor and City Council shall be notified as soon as possible of budget transfers between departments and between capital improvement projects.
- n) Additional appropriations requests beyond the adopted budget must be approved by the City Council by four affirmative votes, as required by the City Charter Section 17.10.
- o) Salaries and benefits savings may not be transferred to fund maintenance & operations items other than those for which savings from vacancies are used for temporary or contractual services.
- p) When appropriate, projects or programs that have multiple funding sources must first use funds that have the most restrictions before using the General Fund, unless otherwise approved by the City Council.
- q) All City officials and City employees will exercise prudence and due care and will avoid any conflicts of interest or appearance thereof, when expending public funds.

### ***Section 5: Capital Improvement Projects (CIP) Policies***

- a) The City will develop and implement a five-year capital improvement plan.
- b) The City may dedicate revenues from the Gas Tax Fund for the infrastructures' capital needs. (As this fund is currently being used for operating expenditures for streets maintenance, the City may implement a phased-in period to absorb these costs in the General Fund or other appropriate special revenue funds. The phased-in period may begin in FY99/00.)
- c) The City will set aside a reasonable and prudent amount of General Fund monies for capital improvements and repairs of various facilities, in its annual budget process.
- d) All capital improvement projects must be coordinated with the CIP "Committee" before they are submitted to the City Manager. Subsequently, the City Manager's recommendations shall be submitted to the Budget & Finance Commission for review and prioritization before the capital projects are submitted to the City Council.
- e) Change orders for capital projects already in progress, that exceed the amounts normally pre-approved at the City Engineer's discretion, (per the schedule outlined in the Administrative Policies & Procedures - APP 14.1), shall be submitted to the City Council for approval.
- f) The long-term operating impact of any capital improvement project must be disclosed before the project is recommended for funding.
- g) The City will select only the most responsible and reputable contractors to work on capital projects.
- h) The City will abide by applicable Federal, State and local laws/regulations on public works contracts.

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## STATEMENTS OF FINANCIAL PRINCIPLES

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### ***Section 6: Debt Policies***

- a) The City shall avoid, as much as possible, incurring general obligation debt.
- b) The City shall obtain voter approval before incurring general bonded indebtedness for the City.
- c) The City's legal debt limit is 15% of assessed valuation of property within the City, per City Charter Section 17.11 and per California Government Code Section 436505.
- d) The City shall incur debt only for capital improvement projects and only if the projects cannot be funded by recurring or one-time revenues.
- e) Proceeds from long-term debt shall not be used for current ongoing expenditures.
- f) The debt shall be paid by specific revenue sources.
- g) The term of the debt incurred for capital projects shall not exceed the life of the projects being financed in accordance with regulations in federal, state or local law.
- h) The City shall not use short-term borrowing for operating expenditures.
- i) The City may participate in the statewide issuance of Tax & Revenue Anticipation Notes (TRANS) in accordance with applicable TRANS guidelines.
- j) The City shall consider interfund loans, when it is more cost effective and feasible, instead of borrowing outside, for short-term debt requirements.
- k) The City will use lease-purchase financing when it is cost effective.
- l) Bonds will be sold on a competitive basis unless it is in the City's best interest to conduct a negotiated sale.
- m) The City will follow a policy of full disclosure by communicating with bond rating agencies to inform them of the City's financial condition. (The continuing disclosure required in the City's Comprehensive Annual Financial Report is sent to the dissemination agent who will then report it to the bondholders, rather than the rating agencies.)
- n) The City will honor all its debt and seek to maintain the highest attainable bond rating to minimize issuance costs to the City.

### ***Section 7: Investment Policies***

- a) The City Treasurer's Office shall abide by the City's adopted investment policy and shall submit a monthly report to the Mayor and City Council on the investment activities. Additionally, the City Treasurer shall make a quarterly presentation to the Budget & Finance Commission and to the Mayor and City Council.
- b) The investment policy shall be annually reviewed and approved by the City Council.

### ***Section 8: Interfund Transfers Policies***

- a) Transfers to the General Fund from other funds for overhead costs shall be reviewed annually and shall conform to OMB (Office of Management & Budget) A-87 guidelines.
- b) All City funds, including eligible grant funds, shall share the administrative costs borne by the General Fund.
- c) Internal service funds and central service departments shall retain the costs of using services provided by other City departments.
- d) Allocations among funds and departments shall be based on prior fiscal year-end actual expenses and distributed using fair and justifiable statistics.

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## STATEMENTS OF FINANCIAL PRINCIPLES

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### **Section 9: Special Revenue Policies**

- a) The City shall abide by applicable rules and regulations pertaining to the expenditures of special revenue funds as required by each funding source.

### **Section 10: Enterprise Funds Policies**

- a) Enterprise activities will be programmed to generate sufficient revenues to fully support the Enterprise's operations including debt service requirements, current and future capital needs.
- b) Enterprise activities will generally adhere to all other applicable fiscal policies of the City.
- c) Audits of lessees shall be performed, based on the terms of the lease agreements, to ensure the City receives all revenues due the City.

### **Section 11: Accounting, Auditing & Financial Reporting Policies**

- a) The City will comply with all generally accepted accounting principles (GAAP) and adhere to the statements issued by the Governmental Accounting Standards Board (GASB).
- b) The City shall continue to participate in the Government Finance Officers Association's (GFOA) and the California Society of Municipal Finance Officers' (CSMFO) financial reporting and budgeting awards program to help ensure continued quality financial reports and budget documents.
- c) The City shall retain the services of an independent auditor to perform annual financial audits.
- d) The City shall routinely bid for audit services, at a minimum, every five years. Audit contracts shall not exceed five years at a time. The Budget & Finance Commission will participate in the selection process.
- e) The City shall issue its Comprehensive Annual Financial Report by the second council meeting in December each year.
- f) Staff shall submit a mid-year budget review to the Mayor and City Council by the second council meeting in February each year.
- g) The Mayor and City Council shall be promptly informed of any significant financial reporting issue or any audit findings.
- h) The City shall, from time to time, review the threshold when capitalizing fixed assets and make necessary adjustments thereto, as appropriate, with the initial recommendation from the Financial Services Department and with concurrence by the City's independent auditors.

### **Section 12: Reserves Policies**

- a) The City shall maintain a "minimum reserve" for contingencies, equivalent to 8.33% of the General Fund's current fiscal year's budget. Maintaining this minimum "reserve" will also allow the City to continue to earn a certain level of investment earnings and provide sufficient cash flow reserves. The minimum reserve requirement will be subject to an annual, or whenever necessary, review by the City Council.
- b) Undesignated fund balances shall be used for one-time expenditures, preferably only on capital improvement items.

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## STATEMENTS OF FINANCIAL PRINCIPLES

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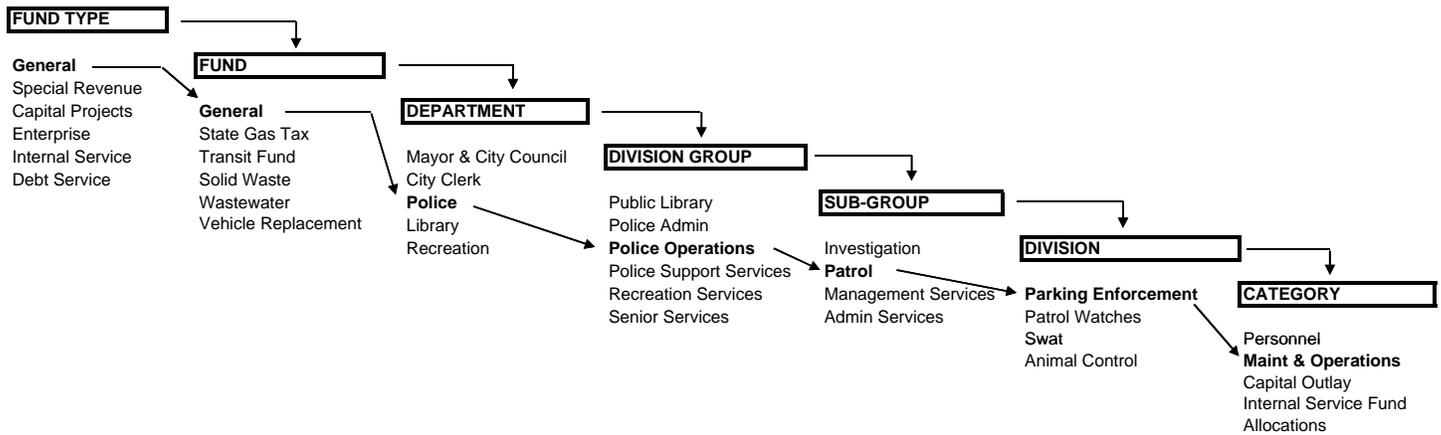
- c) The remaining undesignated fund balances, after all “reserve” requirements are met, may be transferred to the Capital Projects Fund or may be used to increase the funds set aside for capital equipment replacement, subject to Council approval. This process will be annually reviewed with the Mayor and City Council.
- d) The City Council may alter reserve requirements anytime, as necessary.
- e) The “reserves” or fund balances designated for claims and judgments shall be maintained at appropriate levels as authorized by the City Council.
- f) The “reserves” or fund balances designated for compensated absences shall be maintained at appropriate levels as authorized by the City Council.
- g) Council approval will be required before expending funds designated for contingencies or any of the available fund balances.
- h) The “reserves” or fund balances designated for other post employment benefits (OPEB) obligations be maintained at appropriate levels as authorized by the City Council.

**BUDGET ACCOUNT STRUCTURE**

As illustrated below, the City's highest level of reporting is Fund Type. For budgeting purposes, the City uses six Fund Types. Included in each Fund Type may be several Funds - the next level of reporting. For example, the Special Revenue Fund Type includes 18 funds of which only two are reflected below. Each Fund has at least one subordinate level, designated as the City's Departments (e.g., the Police Department), and within each Department, there is at least one Division Group (e.g., Police Operations). Within each Division Group is a division Sub-Group (e.g., Police Patrol), and within each Sub-Group is a Division (e.g., Parking Enforcement).

The number of Departments within a Fund, as well as the number of subordinate levels of Division Groups, Sub-Groups and Divisions within a Department, depends on the management control needed to effectively monitor expenditures. Divisions assist management and citizenry in assessing the cost of providing a service. Finally, similar expenditure types are grouped at the Category level. For example, salaries and benefits are grouped together in the Category level as "Personnel"; office supplies, advertising, equipment maintenance, etc., are grouped together in the Category level "Maintenance & Operations".

Using General as the Fund Type, the following is an example of the flow of reporting from the highest level of budget reporting (Fund Type) to the lowest or most detailed level of budget reporting (Category).



## CLASSIFICATION OF FUNDS

The accounts of the City are organized on the basis of funds. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording resources, together with all related liabilities, obligations, reserves and equities, which are segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The City currently uses the following funds:

### GENERAL FUND

The General Fund is used to account for the financial resources and expenditures associated with most City operations where revenue is not required to be recorded in a separate fund. Revenues collected in the General Fund are not restricted as to program or purpose they may be spent upon. They are derived primarily from taxes - property tax, sales and use tax, transient occupancy tax, utility users' tax, and business license tax. These taxes account for approximately 68% of all General Fund revenues. Other General Fund revenue sources include licenses and permits; fines and forfeitures; use of money and property, intergovernmental revenues, charges for services; and other miscellaneous revenues.

### SPECIAL REVENUE FUNDS

#### Air Quality Improvement Fund

This fund accounts for monies received from the South Coast Air Quality District, which are used to reduce air pollution from motor vehicles.

#### Community Development Block Grant Fund

Revenues derived through the Federal Community Development Act are recorded in this fund. Community Development Block Grant (CDBG) receipts are restricted to the revitalization of low and moderate income areas within the City. As required by the U.S. Department of Housing and Urban Development (HUD), the City annually solicits public input regarding the expenditure of these funds.

#### Disaster Recovery Fund

This fund accounts for monies received and expenditures incurred related to disaster recovery.

#### Housing Authority Fund

HUD (Department of Housing & Urban Development) Section 8 housing grants are recorded in this fund. Section 8 monies are used to provide rent subsidies to qualifying low-income families and to locally administer the program.

#### Intergovernmental Grants Fund

This fund reflects various grants received from local, State or Federal agencies. It includes grant funding to supplement local funding primarily for capital improvement projects and public safety programs.

CLASSIFICATION OF FUNDS

**Local Transportation Tax Fund**

Monies recorded in this fund originate from the Transportation Development Act (TDA) created in 1972. The Act restricts the use of 1/4 of the State sales tax for bikeways, pedestrian and handicapped facilities, transit operations and paratransit.

**Narcotic Forfeiture and Seizure Fund**

Revenues recorded in this fund are the local agency's proportionate share of monies and sold property seized during drug and narcotic arrests. Monies are distributed after convictions are received by the lead State or Federal agency. Expenditures incurred are restricted to law enforcement activities and must supplement, not replace, existing law enforcement budgets.

**Parks and Recreation Facilities Fund**

Revenue in this fund originates from a \$400 per unit fee charged on the construction of new residential development within the City. Fees are due at the time a building permit is issued. This revenue is used solely for the acquisition, improvement and expansion of public parks, playgrounds, and recreation facilities.

**Proposition A (Prop A) Fund**

Monies received in this fund come from a 1980 voter-approved ½ cent sales tax levied within Los Angeles County for the operation of transit-related projects.

**Proposition C (Prop C) Fund**

Monies received in this fund come from a 1990 voter-approved ½ cent sales tax levied within Los Angeles County for the operation of transit-related projects.

**South Bay Youth Project Fund**

The California Office of Criminal Justice Planning grant revenues and other local grants and donations were recorded under this fund. These grants financed the South Bay Juvenile Diversion program which was administered through the City of Redondo Beach for ten South Bay cities. This delinquency prevention program provided counseling, crisis centers, and remedial education for problem and high-risk youth and their families. With the adoption of the FY 2008-09 budget, the South Bay Youth Project was transferred to a qualified alternative organization.

**State Gas Tax Fund**

The City's share of the State gasoline tax is recorded in this fund. Monies are derived through Sections 2105, 2106, 2107 and 2107.5 of the California Streets and Highways Code. Section 2105, 2106 and 2107 revenue can be used for street maintenance and construction, while Section 2107.5 revenue is restricted to street engineering activities.

## CLASSIFICATION OF FUNDS

### **Storm Drain Improvement Fund**

In FY 2001-02 the Mayor and City Council established the Storm Drain Improvement Fund. This fund is used to account for the receipt of the storm drain impact fees and the related National Pollutant Discharge Elimination System (NPDES) implementation and enforcement costs.

### **Street Landscaping and Lighting District Fund**

This is a special assessment fund which is used to account for revenue and expenditures associated with the Street Landscaping and Lighting District. Revenue comes into the fund through assessments levied against residential and business property. Expenditures charged to this fund are restricted to establishing, improving, operating and maintaining street lighting, street trees, traffic signals and median landscaping.

### **Subdivision Park Trust Fund**

This fund is financed from Quimby fees, which are paid by developers on certain qualifying development projects. The monies in this fund are used exclusively for the acquisition, development, or rehabilitation of park land or related improvements.

### **Traffic Congestion Relief Fund**

Monies recorded in this fund originate from AB 2928, a FY 2000-01 State budget trailer bill for the transportation finance package. The funds are to be used for maintenance and rehabilitation projects

### **Transit Fund**

Transit Fund funding sources include the following: the 1980 voter approved Proposition A ½ cent sales tax; the 1990 voter approved Proposition C ½ cent sales tax; Federal and State transportation funds; and Beach Cities Transit fares. Transit fund monies are used to support public transportation programs and projects.

### **Workforce Investment Act Fund**

This fund accounted for Federal grant revenues received for various job training and work experience programs, assisting displaced workers, impacted by lay-offs, etc. With the adoption of the FY 2008-09 budget, the Workforce Investment Act program was transferred to a qualified alternative organization.

## **CAPITAL PROJECTS FUND**

In FY 1984-85 the Mayor and City Council established this fund following recommendations from the City's Public Improvement Commission. It is used to account for capital improvements such as the construction, repair, and upgrade of City facilities; streets; storm drains; sewers; and park facilities.

CLASSIFICATION OF FUNDS

**ENTERPRISE FUNDS**

**Harbor Tidelands Fund**

Revenue deposited in this fund is derived from business operations run by lessees, and from parking receipts. The use of this fund is restricted under the City's Tideland Trust Agreement with the State of California.

**Harbor Uplands Fund**

Revenue comes from similar sources as the Tidelands Fund - trade leases, and parking receipts. However, its use is less restrictive and is subject only to the decisions of the City Council.

**Solid Waste Fund**

In FY 1990-91 the Mayor and City Council established the Solid Waste Fund. This fund is used to account for expenditures and revenues related to the City's comprehensive solid waste program which includes refuse collection, recycling, and hazardous waste disposal. The solid waste program is wholly supported through user service fees.

**Wastewater Fund**

In FY 1995-96 the Mayor and City Council approved the establishment of the Wastewater Fund, and at the time, was funded solely by a capital facility charge, more commonly referred to as a sewer connection fee. In FY 2003-04, in anticipation of the rehabilitation needs of the sewer system and additional requirements for operations and maintenance, the Mayor and City Council assessed an annual sewer user fee to be charged to users of the City's sewer system.

**INTERNAL SERVICE FUNDS**

**Building Occupancy Fund**

Established in FY 2000-01, the Building Occupancy Fund includes reimbursement for costs associated with facilities maintenance and replacement. Cost allocations are based on square footage of the area occupied by each user department and department usage of utilities, contracts, and materials and supplies.

**Emergency Communications Fund**

Established in FY 2004-05, the Emergency Communications Fund includes reimbursement for costs related to technology used for emergency purposes, such as emergency dispatch equipment. Such equipment is currently used only in the Police, Fire and Public Works Departments. Therefore, costs are allocated only to those departments based on the replacement cost of the equipment utilized by each. In FY 2006-07, a component of all personnel, maintenance and operations, and internal service fund allocation costs associated with the Emergency Communications Division of the Police Department was added.

## CLASSIFICATION OF FUNDS

### **Information Technology Fund**

Established in FY 2000-01, the Information Technology Fund includes reimbursement of all costs associated with the Information Technology Department. These costs include personnel, maintenance and operations and capital outlay expenses budgeted by this Department. In FY 2005-06, a component for equipment replacement was added to the charge for operations. All costs are allocated to the users depending on the number of computers and telephones residing in the department.

### **Major Facilities Repair Fund**

Established in FY 2008-09, the Major Facilities Repair Fund includes reimbursement of all costs incurred by the City in providing major repairs to City facilities. Cost allocations are based on square footage of the area occupied by each user department in the City facilities.

### **Printing and Graphics Fund**

Established in FY 2002-03, the Printing and Graphics Fund contains reimbursement for printing and graphics charges allocated to departments for use of services of the in-house print shop. Cost allocations are based on the count of each department's full-time budgeted employees.

### **Self-Insurance Program Fund**

Established in FY 2000-01, the Self-Insurance Program Fund contains reimbursement for costs associated with insurance premiums and claims experience related to liability, workers' compensation and unemployment. Depending on the type of insurance matter, allocations are based on a combination of square footage, property values, gross payroll and/or claims experience of the department.

### **Vehicle Replacement Fund**

Established in FY 1983-84, the Vehicle Replacement Fund contains cost reimbursements from departments that utilize the City's Fleet Services Division for maintenance of vehicles and equipment. Also included in this fund are reimbursed rental charges for vehicles assigned to particular departments. Maintenance charges are based on historical records of the particular vehicle, and rental charges are based on the estimated future replacement value of the vehicle.

## REDEVELOPMENT AGENCY

Redevelopment funds are used for the activities of four redevelopment project areas within the City. Revenue is derived from property tax increments and developer agreement payments. The revenues support bond payment activity, capital improvements, and low-to-moderate housing subsidies.

## GLOSSARY OF BUDGET TERMS

**Abatement.** A complete or partial cancellation of a levy imposed by a government. Abatements usually apply to tax levies, special assessments and service charges.

**Accountability.** The state of being obliged to explain one's actions, to justify what one does. Accountability requires governments to answer to the citizenry -- to justify the raising of public resources and the purposes for which they are used.

**Accrual Basis.** Revenues are recognized when earned, and expenses are recognized when incurred.

**Activity.** A specific and distinguishable service performed by one or more organizational components of a government to accomplish a function for which the government is responsible (e.g., police is an activity within the public safety function).

**Ad Valorem Tax.** A tax based on value (e.g., a property tax).

**Allocation.** Most often refers to the division of tax proceeds among local agencies.

**Allotment.** A part of an appropriation that may be encumbered or expended during a given period.

**Appropriated Budget.** The expenditure authority created by the appropriation bills or ordinances, which are signed into law, and the related estimated revenues. The appropriated budget would include all reserves, transfers, allocations, supplemental appropriations and other legally authorized legislative and executive changes.

**Appropriation.** Amount of money budgeted for a given program. Appropriations do not mean the money will be fully expended but are the means by which legal authority is given to expend public monies.

**Assessed Valuation.** A dollar value placed upon real estate or other property, by Los Angeles County, as a basis for levying property taxes.

**Balanced Budget.** A budget in which available resources exceed or equal expenditures.

**Basis of Accounting/Budgeting.** A term used to refer to *when* revenues, expenditures, expenses and transfers – and the related assets and liabilities – are recognized in the accounts and reported in the financial statements.

**Biennial Budget.** A budget applicable to a two-year fiscal period.

**Bill.** A term used to denote a law or statute passed by certain legislative bodies. A bill has greater legal formality and standing than a resolution.

## GLOSSARY OF BUDGET TERMS

**Bond.** A City may raise capital by issuing a written promise to pay a specified sum of money called the face value, or principal amount, at a specified date or dates in the future, together with periodic interest, at a special rate.

**Budget.** A plan of financial and program operation which lists appropriations and the means of financing them for a given time period.

**Budgetary Control.** The control or management of a government or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and revenues.

**Capital Improvements.** New, replacement or improved infrastructure which has a minimum life expectancy of five years and a minimum expense of \$15,000. However, some capital projects fall outside this definition, for example: one-time expenditures for initial studies that are associated with other capital improvement projects.

**Capital Outlay.** A budget category which accounts for all furniture and equipment having a unit cost of \$1,000 or more and a useful life of more than one year. (See "Expenditure Categories".)

**Category.** The lowest or most detailed budget account structure level. For example, salaries and benefits are grouped together in the Category level as "Personnel"; office supplies, advertising, equipment maintenance, etc., are grouped together in the Category level "Maintenance & Operations".

**City Charter.** Legal authority approved in 1949 by the voters of Redondo Beach establishing the Council-Manager form of government.

**Continuing Appropriation.** An appropriation that, once established, is automatically renewed without further legislative action, period after period, until altered or revoked.

**Debt.** An obligation resulting from the borrowing of money or purchase of goods and services. Debts of governments include bonds, time warrants and notes.

**Debt Service Requirements.** The amount of money required to pay interest on outstanding debt, serial maturities of principal for serial bonds and required contributions to accumulate monies for future retirement of term bonds.

**Department.** An organizational unit comprised of divisions. Each department is managed by a single director.

**Depreciation.** Expiration in the service life of capital assets attributable to wear and tear, deterioration, action of physical elements, inadequacy or obsolescence.

## GLOSSARY OF BUDGET TERMS

**Designated Fund Balance.** A portion of unreserved fund balance designated by City policy for a specific future use.

**Division.** The budget account structure level under Sub-Group. Divisions assist management and citizenry in assessing the cost of providing a service.

**Division Group.** The budget account structure level under Department. Within each Division Group is a division Sub-Group.

**Encumbrances.** Financial commitments related to unperformed services or contracts for goods for which part of an appropriation has been reserved.

**Endowment.** Funds or property that are donated with either a temporary or permanent restriction as to the use of principal.

**Enterprise Fund.** A type of fund established to account for the total costs of those governmental facilities and services which are operated in a manner similar to a private business.

**Entitlement.** The amount of payment to which a State or local government is entitled pursuant to an allocation formula contained in applicable statutes.

**Executive Budget.** The aggregate of information, proposals and estimates prepared and submitted to the legislative body by the chief executive.

**Expenditures.** Expenditures include current operating expenses which require the current or future use of net current assets, service and capital outlays.

**Expenditure Categories.** The individual expenditure accounts used to record each type of expenditure are categorized into groups of similar types. For budgeting purposes, objects of expenditure are categorized into groups of similar types of expenditures called major categories of expenditure. The principal objects of expenditure used in the budget are:

- ◆ **Personnel.** Salaries and fringe benefits paid to City employees. Includes items such as health/dental insurance, retirement contributions, educational and other benefits.
- ◆ **Maintenance and Operations.** Supplies and other materials/services used in the normal operations of City departments. Includes items such as books, chemicals and construction materials, consultant contracts, advertising, travel and utilities.
- ◆ **Capital Outlay.** A budget category which budgets all equipment having a unit cost of more than \$1,000 and an estimated useful life of more than one year. This includes furniture, automobiles, machinery, equipment and other types of fixed assets.
- ◆ **Internal Service Fund Allocations.** Charges for goods or services provided by one department or agency to other departments and/or agencies on a cost reimbursement basis.

## GLOSSARY OF BUDGET TERMS

**Expenses.** Decreases in net total assets. Expenses represent total cost of operations during a period regardless of the timing of related expenditures.

**Fiscal Year.** A twelve-month period of time used for budgeting, accounting or tax collection purposes which may differ from a calendar year. Redondo Beach operates on a July 1 to June 30 fiscal year.

**Fixed Assets.** Assets of a long-term nature such as land, buildings, machinery, furniture, and other equipment. The City has defined such assets as those with an expected life in excess of one year and an acquisition cost in excess of \$5,000.

**Fixed Budget.** A budget setting forth dollar amounts that are not subject to change based on the volume of goods or services to be provided.

**Forfeiture.** The automatic loss of cash or other property as a penalty for not complying with legal provisions and as compensation for the resulting damages or losses. This term should not be confused with confiscation. The latter term designates the actual taking over of the forfeited property by the government. Even after property has been forfeited, it cannot be said to be confiscated until the government claims it.

**Formal Budgetary Integration.** The management control technique through which the annual operating budget is recorded in the general ledger through the use of budgetary accounts. It is intended to facilitate control over revenues and expenditures during the year.

**Franchise.** A special privilege granted by a government permitting the continuing use of public property, such as City streets, and usually involving the elements of monopoly and regulation.

**Full-Time Equivalent.** The amount of time for which a regular full or part-time position has been budgeted in terms of the amount of time an employee works in a year.

**Function.** A group of related activities aimed at accomplishing a major service or regulatory program for which a government is responsible (e.g., public safety).

**Fund.** An independent fiscal and accounting term used to record all financial transactions related to the specific purpose for which the fund was created.

**Fund Balance.** The amount of financial resources available for use. Generally, this represents a summary of all the annual operating surpluses and deficits since the fund's inception.

**Fund Type.** The highest level in the City's budget account structure. The level includes General, Special Revenue, Capital Projects, Enterprise, Internal Service, and Debt Service. Included in each Fund Type may be several funds.

## GLOSSARY OF BUDGET TERMS

**Gann Limit.** A California ballot initiative adopted in 1980, and modified by Proposition 111 which passed in 1990, to limit the amount of tax proceeds state and local governments can spend each year. It now appears in California's State Constitution as Article XIII B.

**General Obligation Bonds.** The full faith and credit of the City guarantees repayment of this debt.

**Governmental Fund Types.** Funds used to account for the acquisition, use and balances of expendable financial resources and the related current liabilities -- except those accounted for in proprietary funds and fiduciary funds. In essence, these funds are accounting segregations of financial resources.

**Grant.** Contributions or gifts of cash or other assets from another governmental or private entity to be used or expended for a specific purpose, activity or facility.

**Impact Fees.** Fees charged to developers to cover, in whole or in part, the anticipated cost of improvements that will be necessary as a result of the development (e.g., parks, sidewalks).

**Infrastructure.** Facilities on which the continuance and growth of a community depend, such as roads, water lines, sewers, public buildings, parks and so forth.

**In-Lieu Tax.** Tax levied in place of another tax or taxes. The State of California provides in-lieu motor vehicle fees to local governments to compensate for local personal property, not subject to property tax.

**Interfund Transfers.** Transfers are classified into residual equity transfers and operating transfers. Residual equity transfers are non-recurring or non-routine transfers of equity between funds. Operating transfers reflect ongoing operating subsidies between funds. An example of operating transfer is when the General Fund would report its annual subsidy to fund capital improvements in the Capital Projects Fund.

**Intergovernmental Funds.** Revenues from Federal, State and local grants and revenue sharing programs.

**Internal Control.** A plan of organization for purchasing, accounting and other financial activities which, among other things, provides that: (1) the duties of employees are subdivided so that no single employee handles a financial action from beginning to end; (2) proper authorizations from specific responsible officials are obtained before key steps in the processing of a transaction are completed; and, (3) records and procedures are arranged appropriately to facilitate safekeeping and effective control.

**Internal Service Fund.** A fund used to account for the financing of goods or services provided by one department or agency to the other departments or agencies of a government, or to other governments, on a cost-reimbursement basis.

## GLOSSARY OF BUDGET TERMS

**Lapse.** As applied to appropriations, the automatic termination of an appropriation. Except for indeterminate appropriations, an appropriation is made for a certain period of time. At the end of this period, any unexpended or unencumbered balance thereof lapses, unless otherwise provided by law.

**Levy.** To impose taxes, special assessments or service charges for the support of governmental activities.

**Licenses and Permits.** Fees charged to recover the costs of regulating certain activities in the interest of the overall community. The fee may not exceed the actual cost and often does not fully recover regulatory costs. (e.g., animal licenses, building permits, parking permits). NOTE: This category does not include charges for business licenses. Business license charges are considered taxes.

**Maintenance and Operations.** A budget category which accounts for all the supplies, goods, and services required to support a program or activity. (See “Expenditure Categories”.)

**Measurement Focus.** The accounting convention that determines (1) which assets and which liabilities are included on a government’s balance sheet and where they are reported there, and (2) whether an operating statement presents information on the flow of financial resources (revenues and expenditures) or information on the flow of economic resources (revenues and expenses).

**Modified Accrual Basis.** The accrual basis of accounting adapted to the governmental fund-type measurement focus. Under it, revenues and other financial resource increments (e.g., bond issue proceeds) are recognized when they become susceptible to accrual, that is when they become both “measurable” and “available to finance expenditures of the current period.” “Available” means collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized when the fund liability is incurred except for (1) inventories of materials and supplies that may be considered expenditures either when purchased or when used, and (2) prepaid insurance and similar items that may be considered expenditures either when paid for or when consumed.

**Mortgage Bonds.** Bonds secured by a mortgage against specified properties of a government, usually its public utilities or other enterprises. If primarily payable from enterprise revenues, they also are classed as revenue bonds.

**Municipal.** In its broadest sense, an adjective denoting the State and all subordinate units of government. In a more restricted sense, an adjective denoting a city or village as opposed to other local governments.

**Municipal Code.** A book that contains the City Council approved ordinances currently in effect. The Municipal Code defines City policy. The Municipal Code contains the “laws” of the City.

## GLOSSARY OF BUDGET TERMS

**Municipal Corporation.** A political and corporate body established pursuant to State statutes to provide government services and regulations for its inhabitants. A municipal corporation has defined boundaries and a population and usually is organized with the consent of its residents. It usually has a seal and may sue and be sued.

**Obligations.** Amounts a government may be required legally to meet out of its resources. They include not only actual liabilities, but also unliquidated encumbrances.

**Operating Budget.** A financial, programmatic, and organization plan, for furthering the goals of the City Council through the City departments, which does not include one-time capital improvement projects.

**Ordinance.** A formal legislative enactment by the City Council. An ordinance has the full force and effect of law within the City boundaries, unless it is in conflict with any higher form of law, such as a State statute or constitutional provision. An ordinance has a higher legal standing than a resolution.

**Overhead.** The allocation of indirect costs from support departments to those departments receiving the support services.

**Performance Budget.** A budget that bases expenditures primarily upon measurable performance of activities and work programs. A performance budget may also incorporate other bases of expenditure classification, such as character and object class, but these are secondary to activity performance.

**Performance Measure.** A quantitative or qualitative assessment of the results obtained through a program or activity. Effectiveness or outcome measures related directly to program objectives and are typically represented by a date, percentage achievement or rate of performance.

**Performance Objective.** A clearly described target for achievement within a specified time span which represents an interim step or measured progress toward a goal.

**Personnel.** Budget category used to denote salaries and all personnel associated benefits. (See "Expenditure Categories".)

**Principal.** In the context of bonds other than deep-discount debt, the face value or par value of a bond or issue of bonds payable on stated dates of maturity.

**Proposition 4.** Initiative constitutional amendment approved in the November 1979 ballot which imposes limits on allowable appropriations of state and local governments. Article XIIB of the California Constitution. Also commonly known as the Gann Limit.

## GLOSSARY OF BUDGET TERMS

**Proposition 13.** Enacted as Article XIII A of the California Constitution. Initiative constitutional amendment approved in the June 1978 ballot which imposes a 1% limit on property taxes, various assessment restrictions and limitations on the levy of new taxes.

**Proposition 111 Limit.** On June 5, 1990, California voters approved Proposition 111, to amend Article XIII B, of the California Constitution, relating to the Gann Appropriations Limit Initiative.

**Proprietary Fund Types.** Sometimes referred to as income determination or commercial-type funds, the classification used to account for a government's ongoing organizations and activities that are similar to those often found in the private sector (i.e., enterprise and internal service funds). All assets, liabilities, equities, revenues, expenses and transfers relating to the government's business and quasi-business activities are accounted for through proprietary funds.

**Reappropriation.** The amount of money budgeted for a project in a prior year, but not spent, or encumbered, and which needs to be appropriated again in the current year.

**Redevelopment Agency Funds.** Revenues derived from property tax increments, capital financings, developer fees, and investment earnings, are used for the repayment of debt service, redevelopment agency projects and redevelopment agency operations.

**Reimbursements.** Payments remitted on behalf of another party, department, or fund. These amounts are recorded as expenditures, or expenses, in the reimbursing fund, and as reductions of the expenditure, or expense, in the fund that is reimbursed.

**Reserve.** An account used to earmark a portion of the fund balance as legally segregated, for a specific use.

**Resolution.** A special order of the City Council, which requires less legal formality than an ordinance, in terms of public notice, and the number of public readings prior to approval. A resolution has lower legal standing than an ordinance.

**Revenues.** Amount received for taxes, fees, permits, licenses, interest, use of property, and intergovernmental sources during the fiscal year.

**Service Charges.** Fees imposed upon the user of a non-regulatory service provided by the City which primarily benefits the individual user (e.g., some fire services, building permits, library fines, recreation fees).

**Special Assessment.** A compulsory levy made against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

GLOSSARY OF BUDGET TERMS

**Special Revenue Funds.** These funds are separately administered because revenues are restricted by the City Council, the State of California, the Federal government, or other governmental agencies as to how the City may spend them.

**Statute.** A written law enacted by a duly organized and constituted legislative body.

**Sub-Group.** The budget account structure level under Division Group. Within each Sub-group is a Division.

**Subventions.** Revenue collected by the State (or other level of government), which are allocated to the City on a formula basis. The major subventions received by the City, from the State of California, include motor vehicle in-lieu, gasoline taxes, and homeowner's property tax exemptions.

**Taxes.** Compulsory charges levied by a government to finance services performed for the common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits, such as special assessments. Neither does the term include charges for services rendered only to those paying such charges (e.g., sewer service charges).

**Transient Occupancy Tax.** A tax levied on lodging rentals (e.g., hotels, motels) where occupancy is less than 30 days and paid by the lodger.

**Use of Money and Property.** Funds include interest earned on the investment of the City's idle fund, rental income, and fees collected for other uses of City properties (e.g., for the privilege of using the City's rights-of-way).

**Utility Users' Tax.** A tax imposed on consumers of electric, gas, water, telecommunications and cable services.

DEFINITION OF ACRONYMS

<b>AB:</b>	Assembly Bill	<b>CIP:</b>	Capital Improvement Program
<b>ADA:</b>	American Disabilities Act	<b>CLEEP:</b>	California Law Enforcement Equipment Program
<b>AED:</b>	Automatic External Defibrillators	<b>CMP:</b>	Corrugated Metal Pipe
<b>APB:</b>	Accounting Principles Board	<b>CMT:</b>	Constant Maturity Treasury
<b>APT-US&amp;C:</b>	Association of Public Treasurers-United States and Canada	<b>CNG:</b>	Compressed Natural Gas
<b>AQMD:</b>	Air Quality Management District	<b>COLA:</b>	Cost of Living Adjustment
<b>ARB:</b>	Accounting Research Bulletins	<b>COPS:</b>	Citizen's Options for Public Safety
<b>A/V:</b>	Audio Visual	<b>CPI:</b>	Consumer Price Index
<b>B&amp;W:</b>	Boating & Waterways	<b>CSCDA:</b>	California Statewide Communities Development Authority
<b>BCHD:</b>	Beach Cities Health District	<b>CSMFO:</b>	California Society of Municipal Finance Officers
<b>BJA:</b>	Bureau of Justice Assistance	<b>DARE:</b>	Drug Awareness Resistance Education
<b>CAD:</b>	Computer Aided Dispatch	<b>DDA:</b>	Disposition and Development Agreement
<b>CAFR:</b>	Comprehensive Annual Financial Report	<b>DMV:</b>	Department of Motor Vehicles
<b>CalPERS:</b>	California Public Employees Retirement System	<b>DNA:</b>	Deoxyribose Nucleic Acid
<b>CATIC:</b>	California Anti Terrorism Info Center	<b>DOJ:</b>	Department of Justice
<b>CDBG:</b>	Community Development Block Grant	<b>DUI:</b>	Driving Under the Influence
<b>CEQA:</b>	California Environmental Quality Act	<b>EIR:</b>	Environmental Impact Report

DEFINITION OF ACRONYMS

<b>CERT:</b>	Community Emergency Response Team	<b>EMS:</b>	Emergency Medical Services
<b>CFIRS:</b>	California Fire Incident Reporting System	<b>EPA:</b>	Environmental Protection Agency
<b>EPMC:</b>	Employer-Paid Member Contribution	<b>GNMA:</b>	Government National Mortgage Association
<b>ERAF:</b>	Educational Revenue Augmentation Fund	<b>GREAT:</b>	Gang Resistance Education and Training
<b>FASB:</b>	Financial Accounting Standards Board	<b>HHW:</b>	Household Hazardous Waste
<b>FBI:</b>	Federal Bureau of Investigation	<b>HR:</b>	Human Resources
<b>FCC:</b>	Federal Communications Commission	<b>HUD:</b>	Housing and Urban Development
<b>FDIC:</b>	Federal Deposit Insurance Corporation	<b>HVAC:</b>	Heating/Ventilation and Air Conditioning
<b>FEMA:</b>	Federal Emergency Management Agency	<b>ICMA:</b>	International City/County Management Association
<b>FMS:</b>	Financial Management System	<b>ICRMA:</b>	Independent Cities Risk Management Authority
<b>FNMA:</b>	Federal National Mortgage Association	<b>ISTEA:</b>	Intermodal Surface Transportation Efficiency Act
<b>FTE:</b>	Full-Time Equivalent	<b>IT:</b>	Information Technology
<b>FY:</b>	Fiscal Year	<b>JTTF:</b>	Joint Terrorism Task Force
<b>GAAP:</b>	Generally Accepted Accounting Principles	<b>LAIF:</b>	Local Agency Investment Fund
<b>GAAS:</b>	Generally Accepted Auditing Standards	<b>LA:</b>	Los Angeles
<b>GASB:</b>	Governmental Accounting Standards Board		

DEFINITION OF ACRONYMS

<b>GFOA:</b>	Government Finance Officers Association	<b>LAN:</b>	Local Area Network
<b>GIC:</b>	Guaranteed Investment Contract	<b>LLD:</b>	Landscaping and Lighting District
<b>GIS:</b>	Geographical Information System	<b>LLEBG:</b>	Local Law Enforcement Block Grant
<b>LTD:</b>	Long-Term Debt	<b>POB:</b>	Pension Obligation Bond
<b>MOU:</b>	Memorandum of Understanding	<b>POST:</b>	Peace Officers Standard Training
<b>M&amp;O:</b>	Maintenance and Operations	<b>PSAF:</b>	Public Safety Augmentation Fund
<b>MTA:</b>	Metropolitan Transit Authority	<b>RBCEA:</b>	Redondo Beach City Employees Association
<b>MVIL:</b>	Motor Vehicle in-Lieu	<b>RBFA:</b>	Redondo Beach Firefighters Association
<b>NFIRS:</b>	National Fire Incident Reporting System	<b>RBPAC:</b>	Redondo Beach Performing Arts Center
<b>NFPA:</b>	National Fire Protection Association	<b>RBPOA:</b>	Redondo Beach Police Officers Association
<b>NIMS:</b>	National Incident Management System	<b>RBPSA:</b>	Redondo Beach Professional and Supervisory Association
<b>NPDES:</b>	National Pollutant Discharge Elimination System	<b>RCP:</b>	Reinforced Concrete Pipe
<b>OCJP:</b>	Office of Criminal Justice Planning	<b>RDA:</b>	Redevelopment Agency
<b>OES:</b>	Office of Emergency Services	<b>RFP:</b>	Request for Proposal
<b>OPA:</b>	Owner Participant Agreement	<b>SAPP:</b>	Spousal Abuser Prosecution Program
<b>OPEB:</b>	Other Post Employment Benefits	<b>SB:</b>	Senate Bill
<b>OTS:</b>	Office of Traffic Safety	<b>SBYP:</b>	South Bay Youth Project
<b>PCH:</b>	Pacific Coast Highway	<b>SCADA:</b>	Supervisory Control and Data Acquisition

DEFINITION OF ACRONYMS

<b>PERS:</b>	Public Employees' Retirement System	<b>SCAG:</b>	Southern California Association of Governments
<b>PFA:</b>	Public Financing Authority	<b>SEC:</b>	Securities and Exchange Commission
<b>PIC:</b>	Public Improvement Commission	<b>SEMS:</b>	Standardized Emergency Mgmt. Systems
<b>SIU:</b>	Special Investigations Unit		
<b>SIR:</b>	Self-Insurance Retention		
<b>SLESF:</b>	Supplemental Law Enforcement Services Fund		
<b>STC:</b>	Standards & Training Corrections		
<b>SRO:</b>	School Resource Officers		
<b>SWAT:</b>	Special Weapons and Tactics		
<b>TDA:</b>	Transportation Development Act		
<b>TMDL:</b>	Total Maximum Daily Load		
<b>TOT:</b>	Transient Occupancy Tax		
<b>TPA:</b>	Third Party Administrator		
<b>TRAN:</b>	Tax and Revenue Anticipation Note		
<b>TRAP:</b>	Taskforce for Regional Autotheft Prevention		
<b>UCR:</b>	Uniform Crime Report		
<b>UUT:</b>	Utility Users' Tax		
<b>VIP:</b>	Volunteer in Policing		
<b>VLF:</b>	Vehicle License Fee		
<b>WAN:</b>	Wide Area Network		
<b>WIA:</b>	Workforce Investment Act		

**FREQUENTLY ASKED QUESTIONS**

**CITY:**

**What are the major General Fund revenues?**

The City's top ten revenues are listed below. These revenues account for 85.2% of total General Fund revenues from external sources.

<b>Top Ten Revenues</b>	<b>Budget</b>	<b>Percent of General Fund Revenues</b>
Property Tax	18,621,000	30.8%
Sales Tax (includes PSA Fund)	9,120,000	15.1%
Utility Users' Tax	8,000,000	13.2%
Property Tax In Lieu of Vehicle License Fee	5,255,000	8.7%
Transient Occupancy Tax	3,500,000	5.8%
Franchise Fees	1,785,000	3.0%
Recreation Users Pay	1,422,980	2.4%
Investment Earnings	1,332,000	2.2%
Property Transfer Tax	1,262,000	2.1%
Rents and Percentages	1,254,660	2.1%
<b>Total</b>	<b>51,552,640</b>	<b>85.2%</b>

**What is the largest use of General Fund revenues?**

Personnel costs totaling \$43,170,714 account for 63.4% of the General Fund Expenditures. The most costly benefits are retirement (PERS) costs, in the amount of \$8,697,542 and health insurance in the amount of \$3,349,280. The majority of the total personnel costs are for public safety with the Police Department at 38.2% and the Fire Department at 21.4%.

**Can the General Fund be said to have a "bottom line"?**

The goal of a private-sector business is to make money. To accomplish this goal each period, revenues and gains must exceed related expenses and losses. Accordingly, the difference between revenues/gains and expenses/losses (i.e., "net income") is a basic measure of the degree to which a business has been successful during the period. Because "net income" is reported as the last item on a business's operating statement, it is commonly referred to as the "bottom line," and serves as the primary focus of interest for users of private-sector financial statements.

The difference between the beginning and ending estimated fund balances at first may appear similar to "net income". However, in budgeting for governmental funds, including the General Fund, revenues may be less than expenditures simply because of the timing of collections, or revenues may exceed expenditures just because the payment of some liabilities is deferred until future fiscal years. Therefore, a positive balance of revenues and transfers in over expenditures and transfers out does not necessarily indicate that the City has managed to "pay its way" for the fiscal year.

### **What is the relationship between "unreserved fund balance" and cash?**

The year-end unreserved fund balance in a governmental fund, including the General Fund, is designed to measure the net financial resources that are available to finance expenditures of future fiscal years. However, not all such "available" financial resources are cash. While cash on hand may be spent at will, differing time periods typically are needed to convert the City's various receivables into cash. Moreover, fund liabilities payable from those assets may be due at different times. Therefore, while unreserved fund balance provides a good measure of the financial resources that will be available for appropriation in the budget, it is not necessarily a good measure of the fund's cash at the beginning of the fiscal year.

### **REDEVELOPMENT AGENCY:**

#### **What is Redevelopment?**

Redevelopment is a process created by the State of California to assist local governments in eliminating blight and revitalizing designated redevelopment project areas. Redevelopment provides communities with the ability to obtain funding to bring about desired development, reconstruction and rehabilitation. A portion of redevelopment funds must also be used to promote affordable housing opportunities in the community. The basic idea is this: when an area is blighted due to economic reasons or faulty land use decisions, it costs the community in many ways, including monetarily. Redevelopment allows higher levels of tax revenues to be used by the Agency to cope with the blight.

#### **Who is the Redevelopment Agency?**

The Redevelopment Agency is closely linked to the City by overlapping administration with the City Council serving as the Redevelopment Agency Board, the City Manager serving as the Agency's Executive Director/Secretary, the City Attorney serving as the Agency Counsel, the City Treasurer serving as the Agency Treasurer, and the City staff serving as the Agency staff. However, the Agency is a separate legal entity.

#### **From where does the Redevelopment Agency get funding?**

The projects of the Redevelopment Agency of the City of Redondo Beach are funded in a number of ways including tax increment, investment earnings, developer payments and bond issue revenue. Tax increment is a funding method specifically established for redevelopment agencies by state law. On the date that the City Council approves a Redevelopment Plan, the amount of property tax being generated by the property within the boundaries of the plan is noted. As the total assessed valuation of the properties within the project area increases, usually as a result of development activity, the amount of property tax generated by those properties also increases. The difference in the two levels of property tax is known as the tax increment. Most of this tax increment goes to the Redevelopment Agency. The Agency has no power to set tax rates or impose new property taxes.

Usually, the amount of tax increment revenue going to the Agency will not be enough to finance all redevelopment activities and development projects specified in the redevelopment plan. Therefore, agencies can raise additional money by issuing bonds. These bonds are not a debt of the City, but are repaid solely from tax increment revenue.

Tax increment funds must be used for activities occurring in the same project area that generates the funds, except for residential projects which benefit low- and moderate-income residents of any area within the City. By law, 20% of the Agency's revenues must be set aside and used to improve the quality and/or quantity of affordable housing.

### **What has the Redevelopment Agency of the City of Redondo Beach accomplished?**

The Redevelopment Agency has completed a number of successful projects since its inception in 1962. These include financial assistance in the construction of the main library, the Crowne Plaza hotel, the South Bay Galleria, and the Home Expo store outside the mall. Financial assistance was also provided by the Redevelopment Agency for the reconstruction of the pier which had been damaged during the disasters of 1988. Completed most recently are the Aviation Park improvements which include the rebuilding of the Redondo Beach Performing Arts Center and the purchase of land in the South Bay Center project area.

Infrastructure improvements include the Kingsdale storm drain work, the installation of sewer improvements along Harbor Drive, a contribution to the County's Green Lane storm drain project, financial assistance to the Artesia Boulevard improvement project, and funding of Inglewood Avenue improvements.

The Redevelopment Agency has used "housing set-aside" money to provide affordable rents at the Heritage Pointe and Seasons (McCandless) senior housing projects. In addition, these funds are being used to fund the handyperson and the owner rehabilitation loan programs which benefit low-income homeowners.

The three redevelopment project areas operated by the Redondo Beach Redevelopment Agency are at the stage in their lives where the primary activities of the Redevelopment Agency are relate to dept repayment and the meeting of statutory and administrative reporting requirements. This is due to the financial limitations in the adopted redevelopment plans and existing bond covenants and agreements with other taxing agencies.

