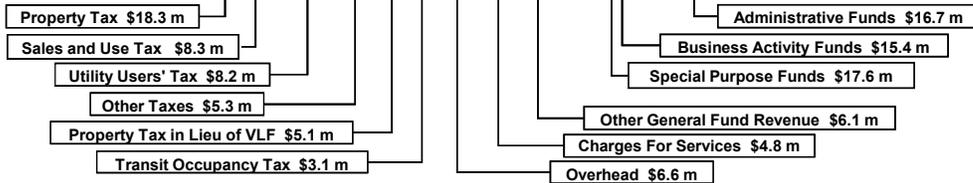


CITY OF REDONDO BEACH Citizens' Budget FY 2010-11

OPERATING BUDGET - TOTAL REVENUE \$115,472,084

GENERAL FUND REVENUE \$65,838,202

TAXES \$48,280,300



General Fund Revenue Types

- **Taxes**
Charges levied by a government to finance services performed for the common good
- **Overhead**
Internal revenue to cover costs of services provided by support departments
- **Charges for Services**
Payments made by consumers in direct exchange for City services received
- **Other General Fund Revenue**
 - **Investment**
Earnings from investment of the City's idle funds
 - **Fines**
Vehicle code and parking violations
 - **Licenses and Permits**
Fees to process construction and parking permits, animal and bicycle licenses
 - **Intergovernmental**
Revenue from other governmental agencies
 - **Other Revenues**
Rental and other minor revenues, including donations and forfeited deposits



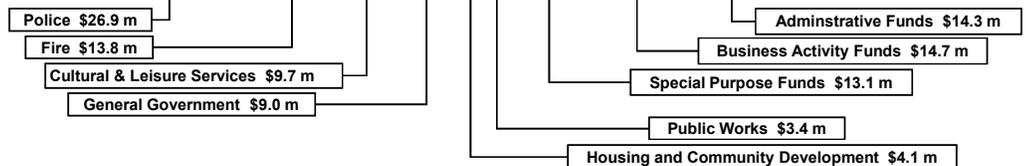
More To Sea™

Redondo Beach, a community of approximately 67,000 citizens in an area of over 6 square miles.

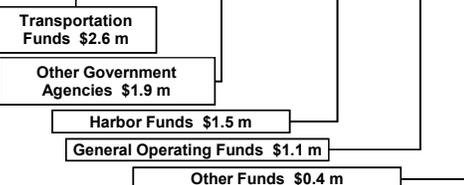
Southern California's family-friendly complete seaside location, with a vibrant harbor, historic pier, international cuisine and eclectic shopping. A casual place to relax or a short jump into high energy fun for a genuine California beach experience.

OPERATING BUDGET - TOTAL EXPENSE \$109,067,257

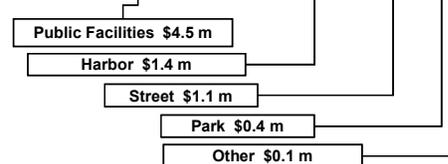
GENERAL FUND EXPENSE \$66,872,426



CAPITAL BUDGET BY SOURCE - \$7,513,415



CAPITAL BUDGET BY PROJECT - \$7,513,415



Major Capital Projects

- Veterans Park Improvements/ Memorial - *Park*
- Relocation of Recreation & Community Services Department - *Public Facilities*
- Esplanade Streetscape Improvements - *Street*
- Pier Structure Repairs - *Harbor*
- Transit Center - *Public Facilities*
- Veterans Park Bandshell Community Project - *Park*
- Harbor Railing Replacement - *Harbor*

CITY OF REDONDO BEACH

DECLARATION OF FISCAL EMERGENCY

On June 22, 2010, the City Council of the City of Redondo Beach adopted Resolution No. CC-1006-333 declaring a fiscal emergency. The reasons for this action are summarized below:

- Ongoing economic recession causing a decline in the City's fiscal condition which resulted in a projected FY 2010-11 General Fund operating deficit of approximately \$7 million
- Inability to enhance General Fund revenue by approximately \$2.7 million due to the voters' decision not to apply utility users' tax to the AES power plant nor increase the assessment related to the Landscape and Lighting District
- State of California requiring the City's Redevelopment Agency to pay \$1.4 million to the Supplemental Education Augmentation Fund in FY 2009-10 and \$300,000 in FY 2010-11
- Ongoing austerity programs already in place, such as a flexible hiring freeze, employee concessions, de-authorization of full-time positions and significant reduction/deferral in capital spending
- City's inability to sustain levels of compensation and other terms and conditions of employment contained in current labor agreements
- Anticipated increase in mandated payment to the Public Employees Retirement System of approximately \$1.7 to \$2.5 million in FY 2011-12
- Potential raid of local government revenues to help finance State of California deficit of over \$18 billion
- Non-reimbursement of monies already expended by the City for State mandated items
- To maintain an 8.33% General Fund reserve of \$6 million needed to smooth cash flow or be ready for unanticipated expenditures and emergency events

