

SUMMARY OF ESTIMATED REVENUES & APPROPRIATIONS AND
ESTIMATED CHANGES IN FUND BALANCES

| <i>Fund</i> | Estimated Fund Balances July 1, 2011 | + | Adopted Revenues 2011-12 | - | Adopted Appropriations 2011-12 | + | Transfers In | - | Transfers Out | + | Estimated Fund Balances June 30, 2012 |
|---------------------------------|--|---|--------------------------------|---|--------------------------------------|---|------------------|---|------------------|---|---|
| General Fund | 99,078 | | 67,134,752 | | 67,165,356 | | 1,080,580 | | 1,017,755 | | 131,299 |
| State Gas Tax | 626,726 | | 1,766,700 | | 1,401,885 | | - | | - | | 991,541 |
| Storm Drain Improvement | 27,012 | | 35,000 | | 30,000 | | - | | - | | 32,012 |
| Street Landscaping and Lighting | - | | 1,603,500 | | 2,559,060 | | 1,017,755 | | - | | 62,195 |
| Local Transportation Tax | (210) | | 32,815 | | - | | - | | - | | 32,605 |
| Proposition A | 756,816 | | 950,399 | | - | | - | | 1,351,154 | | 356,061 |
| Proposition C | (237,309) | | 797,548 | | 700,853 | | - | | - | | (140,614) |
| Measure R | 59,547 | | 583,166 | | 558,000 | | - | | - | | 84,713 |
| Air Quality Improvement | 170,529 | | 78,700 | | 231,400 | | - | | - | | 17,829 |
| Intergovernmental Grants | - | | 4,780,102 | | 4,780,102 | | - | | - | | - |
| Comm Develop Block Grant | 10,506 | | 369,894 | | 379,266 | | - | | - | | 1,134 |
| Housing Authority | 451,985 | | 6,088,509 | | 6,128,360 | | - | | - | | 412,134 |
| Parks and Recreation Facilities | 19,046 | | 10,000 | | 29,000 | | - | | - | | 46 |
| Narcotic Forfeiture and Seizure | 884,584 | | 104,000 | | 64,890 | | - | | - | | 923,694 |
| Subdivision Park Trust | 136,991 | | 75,000 | | 210,000 | | - | | - | | 1,991 |
| Disaster Recovery | 32,475 | | 62,100 | | 17,060 | | - | | - | | 77,515 |
| CalPERS Reserve | 2,468,069 | | - | | - | | - | | 1,000,000 | | 1,468,069 |
| Capital Projects | 1,516,564 | | 390,000 | | 1,543,924 | | - | | - | | 362,640 |
| Harbor Tidelands | 9,576,044 | | 5,481,230 | | 5,835,573 | | - | | 80,580 | | 9,141,121 |
| Harbor Uplands | 2,913,520 | | 3,838,550 | | 4,726,457 | | - | | - | | 2,025,613 |
| Solid Waste | 777,306 | | 3,515,576 | | 3,507,018 | | - | | - | | 785,864 |
| Wastewater | 4,334,057 | | 2,453,795 | | 2,047,063 | | - | | - | | 4,740,789 |
| Transit | - | | 2,292,295 | | 3,643,449 | | 1,351,154 | | - | | - |
| Self-Insurance Program | (408,531) | | 3,650,849 | | 4,344,850 | | - | | - | | (1,102,532) |
| Vehicle Replacement | 3,742,529 | | 2,975,831 | | 2,130,532 | | - | | - | | 4,587,828 |
| Building Occupancy | (337,664) | | 2,239,558 | | 2,806,874 | | - | | - | | (904,980) |
| Information Technology | 472,757 | | 2,774,113 | | 2,848,718 | | - | | - | | 398,152 |
| Printing and Graphics | (1,360) | | 242,023 | | 296,028 | | - | | - | | (55,365) |
| Emergency Communications | 438,356 | | 2,687,303 | | 2,468,893 | | - | | - | | 656,766 |
| Major Facilities Repair | 210,616 | | 108,868 | | - | | - | | - | | 319,484 |
| Total Before Adjustments | 28,740,039 | | 117,122,176 | | 120,454,611 | | 3,449,489 | | 3,449,489 | | 25,407,604 |
| Less: Int Svc Fds/Overhead | - | | 20,536,409 | | 20,536,409 | | - | | - | | - |
| Total City | 28,740,039 | | 96,585,767 | | 99,918,202 | | 3,449,489 | | 3,449,489 | | 25,407,604 |
| Redevelopment Agency | 23,244,077 | | 6,621,634 | | 7,207,572 | | - | | - | | 22,658,139 |
| Grand Total | 51,984,116 | | 103,207,401 | | 107,125,774 | | 3,449,489 | | 3,449,489 | | 48,065,743 |

- The 8.33% "minimum contingency reserve" set by the City council has already been removed from the beginning fund balance of the General Fund.
- Beginning fund balances of the Harbor Tidelands and Harbor Uplands Funds exclude capital assets such as the pier and the parking structures.
- Internal Service Fund adjustments to properly allocate expenses will be made at midyear.

SUMMARY OF ESTIMATED REVENUES & APPROPRIATIONS AND
ESTIMATED CHANGES IN FUND BALANCES

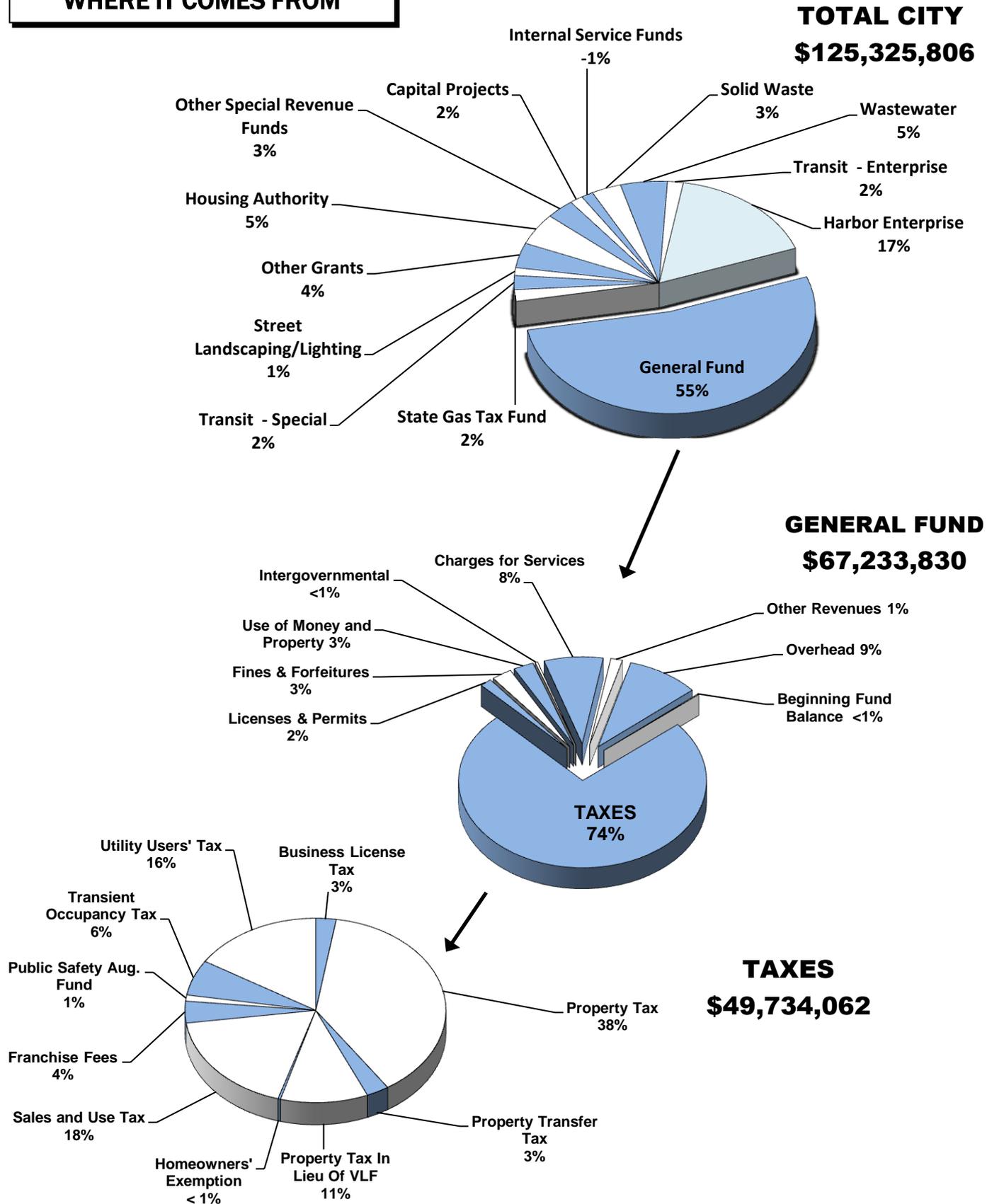
| | RESOURCES | | | | | | | | | | | |
|---------------------------------|-------------------------|-------------------|-------------------|---------------------|---------------------------|-------------------|----------------------|------------------|--------------------|------------------------|---------------------|--------------|
| | Estimated Fund Balances | | | | | | | | | Total Adopted Revenues | Available Resources | Transfers In |
| | July 1, 2011 | Taxes | License & Permits | Fines & Forfeitures | Use of Money and Property | Intergovernmental | Charges for Services | Other Revenues | 2011-12 | | | |
| General Fund | 99,078 | 49,734,062 | 1,042,420 | 1,780,900 | 1,769,960 | 220,360 | 5,177,690 | 7,409,360 | 67,134,752 | 67,233,830 | 1,080,580 | |
| Traffic Congestion Relief | - | - | - | - | - | - | - | - | - | - | - | |
| State Gas Tax | 626,726 | 1,763,200 | - | - | 3,000 | - | - | 500 | 1,766,700 | 2,393,426 | - | |
| Storm Drain Improvement | 27,012 | - | - | - | - | - | 35,000 | - | 35,000 | 62,012 | - | |
| Street Landscaping and Lighting | - | - | - | - | - | - | 1,603,500 | - | 1,603,500 | 1,603,500 | 1,017,755 | |
| Local Transportation Tax | (210) | - | - | - | - | 32,815 | - | - | 32,815 | 32,605 | - | |
| Proposition A | 756,816 | - | - | - | 13,000 | 937,399 | - | - | 950,399 | 1,707,215 | - | |
| Proposition C | (237,309) | - | - | - | 20,000 | 777,548 | - | - | 797,548 | 560,239 | - | |
| Mearure R | 59,547 | - | - | - | - | 583,166 | - | - | 583,166 | 642,713 | - | |
| Air Quality Improvement | 170,529 | - | - | - | 1,000 | 77,700 | - | - | 78,700 | 249,229 | - | |
| Intergovernmental Grants | - | - | - | - | - | 4,780,102 | - | - | 4,780,102 | 4,780,102 | - | |
| Comm Develop Block Grant | 10,506 | - | - | - | - | 369,894 | - | - | 369,894 | 380,400 | - | |
| Housing Authority | 451,985 | - | - | - | - | 6,088,509 | - | - | 6,088,509 | 6,540,494 | - | |
| Parks and Recreation Facilities | 19,046 | 10,000 | - | - | - | - | - | - | 10,000 | 29,046 | - | |
| Narcotic Forfeiture and Seizure | 884,584 | - | - | 100,000 | 4,000 | - | - | - | 104,000 | 988,584 | - | |
| Subdivision Park Trust | 136,991 | - | - | - | - | - | - | 75,000 | 75,000 | 211,991 | - | |
| Disaster Recovery | 32,475 | - | - | - | - | - | 2,100 | 60,000 | 62,100 | 94,575 | - | |
| CalPERS Reserve | 2,468,069 | - | - | - | - | - | - | - | - | 2,468,069 | - | |
| Capital Projects | 1,516,564 | 140,000 | - | - | - | - | 250,000 | - | 390,000 | 1,906,564 | - | |
| Harbor Tidelands | 9,576,044 | - | - | - | 4,223,000 | - | 1,066,100 | 192,130 | 5,481,230 | 15,057,274 | - | |
| Harbor Uplands | 2,913,520 | - | - | - | 2,000,000 | - | 1,837,550 | 1,000 | 3,838,550 | 6,752,070 | - | |
| Solid Waste | 777,306 | - | 13,000 | - | - | 28,897 | 3,323,679 | 150,000 | 3,515,576 | 4,292,882 | - | |
| Wastewater | 4,334,057 | - | - | - | 25,000 | - | 2,410,000 | 18,795 | 2,453,795 | 6,787,852 | - | |
| Transit | - | - | - | - | - | 1,726,826 | 563,969 | 1,500 | 2,292,295 | 2,292,295 | 1,351,154 | |
| Self-Insurance Program | (408,531) | - | - | - | - | - | 3,600,849 | 50,000 | 3,650,849 | 3,242,318 | - | |
| Vehicle Replacement | 3,742,529 | - | - | - | - | - | 2,853,431 | 122,400 | 2,975,831 | 6,718,360 | - | |
| Building Occupancy | (337,664) | - | - | - | - | - | 2,239,558 | - | 2,239,558 | 1,901,894 | - | |
| Information Technology | 472,757 | - | - | - | - | - | 2,774,113 | - | 2,774,113 | 3,246,870 | - | |
| Printing and Graphics | (1,360) | - | - | - | - | - | 242,023 | - | 242,023 | 240,663 | - | |
| Emergency Communications | 438,356 | - | - | - | - | - | 2,235,104 | 452,199 | 2,687,303 | 3,125,659 | - | |
| Major Facilities Repair | 210,616 | - | - | - | - | - | 108,868 | - | 108,868 | 319,484 | - | |
| Total Before Adjustments | 28,740,039 | 51,647,262 | 1,055,420 | 1,880,900 | 8,058,960 | 15,623,216 | 30,323,534 | 8,532,884 | 117,122,176 | 145,862,215 | 3,449,489 | |
| Less: Int Svc Funds/Overhead | - | - | - | - | - | - | 20,536,409 | - | 20,536,409 | 20,536,409 | - | |
| Total City | 28,740,039 | 51,647,262 | 1,055,420 | 1,880,900 | 8,058,960 | 15,623,216 | 9,787,125 | 8,532,884 | 96,585,767 | 125,325,806 | 3,449,489 | |
| Redevelopment Agency | 23,244,077 | 4,014,898 | - | - | 1,142,215 | - | - | 1,464,521 | 6,621,634 | 29,865,711 | - | |
| Grand Total | 51,984,116 | 55,662,160 | 1,055,420 | 1,880,900 | 9,201,175 | 15,623,216 | 9,787,125 | 9,997,405 | 103,207,401 | 155,191,517 | 3,449,489 | |

SUMMARY OF ESTIMATED REVENUES & APPROPRIATIONS AND
ESTIMATED CHANGES IN FUND BALANCES

| REQUIREMENTS | | | | | | | Estimated Fund Balances June 30, 2012 | |
|-------------------|-----------------------------|---------------------|-------------------|------------------------|--------------------|------------------|--|---------------------------------|
| Personnel | Maintenance & Operations | Internal Service | Capital Outlay | Capital Improvement | Expenditures | Transfers Out | | |
| 44,552,990 | 6,642,172 | 15,970,194 | - | - | 67,165,356 | 1,017,755 | 131,299 | General Fund |
| 715,756 | 342,370 | 343,759 | - | - | 1,401,885 | - | 991,541 | State Gas Tax |
| - | - | - | - | 30,000 | 30,000 | - | 32,012 | Storm Drain Improvement |
| 1,010,796 | 1,294,140 | 254,124 | - | - | 2,559,060 | - | 62,195 | Street Landscaping and Lighting |
| - | - | - | - | - | - | - | 32,605 | Local Transportation Tax |
| - | - | - | - | - | - | 1,351,154 | 356,061 | Proposition A |
| - | - | 853 | - | 700,000 | 700,853 | - | (140,614) | Proposition C |
| - | - | - | - | 558,000 | 558,000 | - | 84,713 | Measure R |
| 20,972 | 43,650 | 4,384 | 162,394 | - | 231,400 | - | 17,829 | Air Quality Improvement |
| 93,613 | 48,000 | - | 1,870,760 | 2,767,729 | 4,780,102 | - | - | Intergovernmental Grants |
| 150,104 | 164,601 | 64,561 | - | - | 379,266 | - | 1,134 | Comm Develop Block Grant |
| 396,154 | 5,617,800 | 114,406 | - | - | 6,128,360 | - | 412,134 | Housing Authority |
| - | - | - | - | 29,000 | 29,000 | - | 46 | Parks and Recreation Facilities |
| - | 64,890 | - | - | - | 64,890 | - | 923,694 | Narcotic Forfeiture and Seizure |
| - | - | - | - | 210,000 | 210,000 | - | 1,991 | Subdivision Park Trust |
| - | 17,060 | - | - | - | 17,060 | - | 77,515 | Disaster Recovery |
| - | - | - | - | - | - | 1,000,000 | 1,468,069 | CalPERS Reserve |
| 125,424 | - | - | - | 1,418,500 | 1,543,924 | - | 362,640 | Capital Projects |
| 2,752,848 | 1,798,648 | 794,077 | - | 490,000 | 5,835,573 | 80,580 | 9,141,121 | Harbor Tidelands |
| 2,016,288 | 1,253,151 | 932,018 | - | 525,000 | 4,726,457 | - | 2,025,613 | Harbor Uplands |
| 776,216 | 2,478,379 | 252,423 | - | - | 3,507,018 | - | 785,864 | Solid Waste |
| 979,128 | 878,843 | 189,092 | - | - | 2,047,063 | - | 4,740,789 | Wastewater |
| 359,119 | 2,801,810 | 208,474 | 274,046 | - | 3,643,449 | - | - | Transit |
| 184,111 | 4,130,679 | 30,060 | - | - | 4,344,850 | - | (1,102,532) | Self-Insurance Program |
| 450,800 | 1,052,250 | 158,071 | 469,411 | - | 2,130,532 | - | 4,587,828 | Vehicle Replacement |
| 1,153,931 | 1,344,492 | 308,451 | - | - | 2,806,874 | - | (904,980) | Building Occupancy |
| 833,085 | 1,365,350 | 323,283 | 327,000 | - | 2,848,718 | - | 398,152 | Information Technology |
| 130,896 | 99,900 | 65,232 | - | - | 296,028 | - | (55,365) | Printing and Graphics |
| 1,963,150 | 116,683 | 389,060 | - | - | 2,468,893 | - | 656,766 | Emergency Communications |
| - | - | - | - | - | - | - | 319,484 | Major Facilities Repair |
| 58,665,381 | 31,554,868 | 20,402,522 | 3,103,611 | 6,728,229 | 120,454,611 | 3,449,489 | 25,407,604 | Total Before Adjustments |
| 133,887 | - | 20,402,522 | - | - | 20,536,409 | - | - | Less: Int Svc Funds/Overhead |
| 58,531,494 | 31,554,868 | - | 3,103,611 | 6,728,229 | 99,918,202 | 3,449,489 | 25,407,604 | Total City |
| 767,448 | 5,198,701 | 1,241,423 | - | - | 7,207,572 | - | 22,658,139 | Redevelopment Agency |
| 59,298,942 | 36,753,569 | 1,241,423 | 3,103,611 | 6,728,229 | 107,125,774 | 3,449,489 | 48,065,743 | Grand Total |

FISCAL YEAR 2011-2012

**AVAILABLE RESOURCES:
WHERE IT COMES FROM**

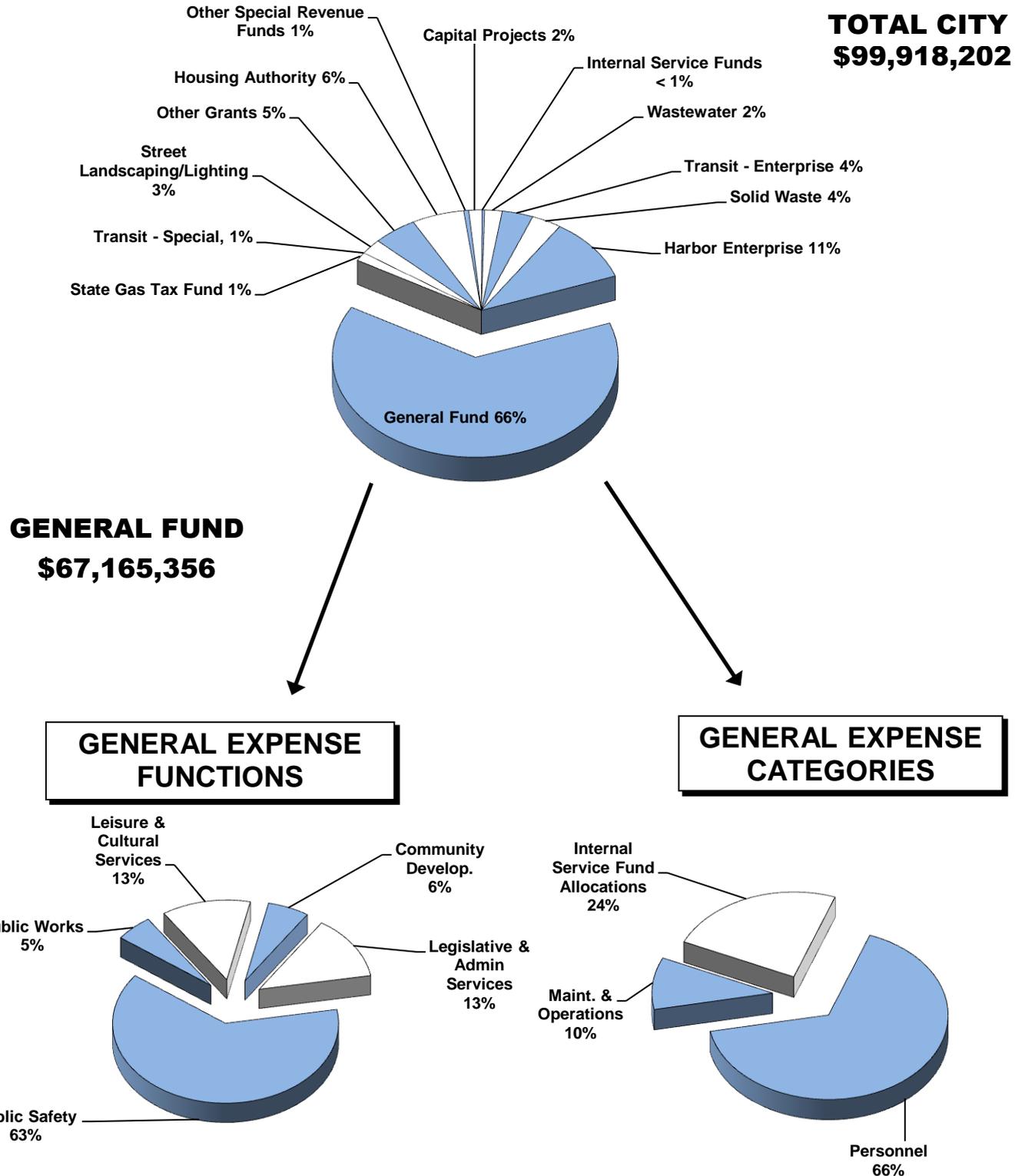


Notes:

- 1) Available resources not only include the current year's estimated revenue, but also the financial resources on hand at the beginning of the fiscal year (beginning fund balance).
- 2) Total City excludes revenues of the Redevelopment Agency, Internal Service Funds and Transfers In.
- 3) Other Grants include CDBG and Intergovernmental Grants Funds.
- 4) Other Special Revenue Funds include Parks and Recreation Facilities, Narcotic Forfeiture and Seizure, Local Transportation Tax, Air Quality Improvement, Subdivision Park Trust, Disaster Recovery and Storm Drain Improvement Funds.
- 5) Transit (Special) includes Prop. A, Prop. C and Measure R Funds.
- 6) Harbor Enterprise includes Harbor Tidelands and Harbor Uplands Funds.

FISCAL YEAR 2011-2012

**EXPENDITURES:
WHERE IT GOES**



- Notes:
- 1) Total City excludes expenditures of the Redevelopment Agency, Internal Service Funds and Transfers Out.
 - 2) Other Grants include CDBG and Intergovernmental Grants Funds.
 - 3) Other Special Revenue Funds include, Storm Drain Improvement, Local Transportation Tax, Air Quality Improvement, Parks and Recreation Facilities, Narcotic Forfeiture and Seizure, Disaster Recovery and Subdivision Park Trust Funds.
 - 4) Transit (Special) includes Proposition C , Proposition A and Measure R Funds.
 - 5) Harbor Enterprise includes Harbor Tidelands and Harbor Uplands Funds.

**SCHEDULE OF INTERFUND TRANSFERS
FISCAL YEAR 2011-2012**

| <i>Fund</i> | Transfer In | Transfer Out |
|--------------------------------------|---------------------|---------------------|
| General Fund | 1,080,580 | 1,017,755 |
| Street Landscaping and Lighting Fund | 1,017,755 | - |
| Proposition A Fund | - | 1,351,154 |
| CalPERS Reserve Fund | - | 1,000,000 |
| Harbor Tidelands Fund | - | 80,580 |
| Transit Fund | 1,351,154 | - |
| TOTAL | \$ 3,449,489 | \$ 3,449,489 |

Notes:

- Transfer from the General Fund to the Street Landscaping and Lighting Fund will provide necessary support for its FY 2011-12 operations.
- Transfer from the Proposition A Fund to the Transit Fund will provide necessary support for its FY 2011-12 operations.
- Transfer from the CalPERS Reserve Fund to the General Fund will fund FY 2011-12 increased retirement contributions.
- Transfer from the Harbor Tidelands Fund to the General Fund reflects the annual property tax in lieu for the publicly used portions of the Harbor Tidelands.

HARBOR TIDELANDS FINANCIAL SUMMARY
FISCAL YEAR 2011-2012

| <i>Funding</i> | | <i>Expenditures</i> | |
|-------------------------------------|-------------------|---|------------------|
| Beginning Fund Balance ¹ | 9,576,044 | Personnel | 2,752,848 |
| Rents and Percentages | 4,184,000 | Maintenance and Operations | 1,798,648 |
| Parking Structure Revenue | 340,000 | Internal Service Fund Allocations | 449,154 |
| Seaside Lagoon Entrance Fees | 420,000 | Overhead | 344,923 |
| Investment Earnings | 150,000 | Capital Improvement Projects ² | 490,000 |
| Reimbursement - Other Entities | 160,000 | Property Tax In Lieu Fee ³ | 80,580 |
| Fisherman's Wharf Sanitation | 142,100 | Minimum Reserve ⁴ | - |
| Other Revenue | 85,130 | | |
| Total Funding | 15,057,274 | Total Expenditures | 5,916,153 |

Excess (Deficit) = \$9,141,121

Operating Excess (Deficit)⁵ = \$55,077

¹Beginning fund balance as of 7/01/11 derived from FY 2010-11 mid-year presentation (excluding capital assets).

²Reflects all capital projects scheduled for FY 2011-12. Projects can be referenced and are reflected in the FY 2011-12 to FY 2015-16 Five-Year CIP Plan.

³Property tax in lieu fee includes the annual 2% increase.

⁴Includes Harbor Enterprise Business Plan requirements; components for operating expenses, capital improvements and insurance deductible.

⁵Excludes beginning fund balance, capital improvement projects, and reserves, where applicable.

Policies

- All relevant departments shall operate in the City's Tidelands with complete adherence to the City's Municipal Code, Tidelands Trust Agreement with the State of California, and all other applicable laws.
- Harbor Tidelands Fund activities will adhere to the City's Statements of Financial Principles.
- Harbor Tidelands revenues will be utilized to benefit, repair and improve Tidelands property and facilities.
- Harbor Tidelands leaseholds will be audited as feasible.

HARBOR UPLANDS FINANCIAL SUMMARY
FISCAL YEAR 2011-2012

| <i>Funding</i> | | <i>Expenditures</i> | |
|-------------------------------------|------------------|---|------------------|
| Beginning Fund Balance ¹ | 2,913,520 | Personnel | 2,016,288 |
| Rents and Percentages | 1,960,000 | Maintenance and Operations | 1,253,151 |
| Parking Structure Revenue | 1,500,000 | Internal Service Fund Allocations | 619,814 |
| Parking Meter Fees | 65,000 | Overhead | 312,204 |
| Investment Earnings | 40,000 | Capital Improvement Projects ² | 525,000 |
| Storage Fees | 45,000 | Minimum Reserve ³ | 1,396,503 |
| Fisherman's Wharf Sanitation | 223,300 | | |
| Other Charges for Services | 5,250 | | |
| Total Funding | 6,752,070 | Total Expenditures | 6,122,960 |

Excess (Deficit) = \$629,110

Operating Excess (Deficit)⁴ = (\$362,907)

¹Beginning fund balance as of 7/01/11 derived from FY 2010-11 mid-year presentation (excluding capital assets).

²Reflects all capital projects scheduled for FY 2011-12. Projects can be referenced and are reflected in the FY 2011-12 to FY 2015-16 Five-Year CIP Plan.

³Includes Harbor Enterprise Business Plan requirements; components for operating expenses, capital improvements and insurance deductible.

⁴Excludes beginning fund balance, capital improvement projects, and reserves, where applicable.

Policies

- All relevant departments shall operate in the City's Uplands with complete adherence to the City's Municipal Code, Tidelands Trust Agreement with the State of California, and all other applicable laws.
- Harbor Uplands Fund activities will adhere to the City's Statements of Financial Principles.
- Harbor Uplands revenues will be utilized to benefit, repair and improve Uplands property and facilities.
- Harbor Uplands leaseholds will be audited as feasible.

SOLID WASTE FINANCIAL SUMMARY
FISCAL YEAR 2011-2012

| <i>Funding</i> | | <i>Expenditures</i> | |
|---------------------------------|------------------|----------------------------|------------------|
| Beginning Fund Balance | 777,306 | Personnel | 767,549 |
| Rubbish Fees-Residential | 1,880,100 | Maintenance and Operations | 2,478,379 |
| Household Haz Waste Collection | 288,579 | Internal Service Fund | 111,196 |
| Hazardous Disclosure | 43,000 | Overhead | 141,227 |
| Residential Recycling Surcharge | 378,000 | | |
| AB939 Fee | 194,000 | | |
| Waste Management Plan Fee | 3,000 | | |
| Solid Waste Admin Fee | 470,000 | | |
| Recycling Grants | 28,897 | | |
| Other Solid Waste Revenue | 230,000 | | |
| Total Funding | 4,292,882 | Total Expenditures | 3,498,351 |

Excess (Deficit) = \$794,531

Operating Excess (Deficit)¹ = \$17,225

¹Excludes beginning fund balance, capital improvement projects, and reserves, where applicable.

WASTEWATER FINANCIAL SUMMARY
FISCAL YEAR 2011-2012

| <i>Funding</i> | | <i>Expenditures</i> | |
|---|------------------|-----------------------------------|------------------|
| Beginning Fund Balance | 4,334,057 | Personnel | 979,128 |
| Inspection Fees | 45,000 | Debt Service | 663,200 |
| Sewer User Fees | 2,344,000 | Other Maintenance and Operations | 215,643 |
| Wastewater Capital Facility Fee | 20,000 | Internal Service Fund Allocations | 122,599 |
| Investment Earnings | 25,000 | Overhead | 66,493 |
| City Facility Sewer Fee | 18,795 | | |
| Other Revenue | 1,000 | | |
| Total Funding | 6,787,852 | Total Expenditures | 2,047,063 |
| Excess (Deficit) = \$4,740,789 | | | |
| Operating Excess (Deficit)¹ = \$406,732 | | | |

¹Excludes beginning fund balance, capital improvement projects, and reserves, where applicable.

Wastewater Policies

- Wastewater funds will be programmed to fully support the wastewater system's maintenance and operations, including debt service requirements, current and future capital needs, costs of personnel and contracts, materials and supplies, equipment maintenance and operations and capital outlays.
- Wastewater funds will be programmed consistent with the guidelines and requirements of the City of Redondo Beach Wastewater System Financing Project bond documents.
- Wastewater funds will be used in accordance with all applicable fiscal policies/laws of the City, the State and its agencies, and the Federal government.

TRANSIT FINANCIAL SUMMARY
FISCAL YEAR 2011-2012

| <i>Funding</i> | | <i>Expenditures</i> | |
|---|------------------|-----------------------------------|------------------|
| Beginning Fund Balance | - | Personnel | 359,119 |
| Fares | 332,000 | Maintenance and Operations | 2,801,810 |
| Contributions from Other Governments | 102,416 | Internal Service Fund Allocations | 140,000 |
| Bus Passes | 120,000 | Overhead | 68,474 |
| TDA Article IV | 509,985 | Capital Outlay | 274,046 |
| Proposition C Funding Allocation Procedures | 151,656 | | |
| Proposition A Funding Allocation Procedures | 392,407 | | |
| Proposition A Subregional Incentives | 54,773 | | |
| State Transit Assistance | 96,408 | | |
| Measure R Funding Allocation Procedures | 278,730 | | |
| Proposition 1B Transit Modernization | 235,589 | | |
| Proposition 1B Transit Security | 7,278 | | |
| Other Revenue | 11,053 | | |
| Proposition A Local Return | 1,351,154 | | |
| Total Funding | 3,643,449 | Total Expenditures | 3,643,449 |
| Excess (Deficit) = \$0 | | | |
| Operating Excess (Deficit)¹ = \$0 | | | |

¹Excludes beginning fund balance, capital improvement projects, and reserves, where applicable.

VEHICLE REPLACEMENT FINANCIAL SUMMARY
FISCAL YEAR 2011-2012

| <i>Funding</i> | | <i>Expenditures</i> | |
|---|------------------|----------------------------|------------------|
| Beginning Fund Balance | <u>3,742,529</u> | Personnel | <u>450,800</u> |
| Vehicle Replacement | <u>1,327,622</u> | Maintenance and Operations | <u>1,052,250</u> |
| Vehicle Maintenance | <u>1,525,809</u> | Internal Service Fund | <u>77,270</u> |
| Sale of Fuel | <u>92,400</u> | Overhead | <u>80,801</u> |
| Reimbursement of Damaged Property | <u>30,000</u> | Capital Outlay | <u>469,411</u> |
| | | | |
| Total Funding | <u>6,718,360</u> | Total Expenditures | <u>2,130,532</u> |
| | | | |
| Excess (Deficit) = \$4,587,828 | | | |
| | | | |
| Operating Excess (Deficit)² = \$845,299 | | | |

¹Excludes beginning fund balance, capital improvement projects, and reserves, where applicable.

STREET LANDSCAPING AND LIGHTING FINANCIAL SUMMARY
FISCAL YEAR 2011-2012

| <i>Funding</i> | | <i>Expenditures</i> | |
|------------------------------|------------------|-----------------------------------|------------------|
| Beginning Fund Balance | - | Personnel | 1,010,796 |
| Assessment Fee | 1,534,000 | Maintenance and Operations | 1,294,140 |
| Public Services Lighting Fee | 34,500 | Internal Service Fund Allocations | 143,562 |
| Other Revenue | 35,000 | Overhead | 110,562 |
| General Fund Subsidy | 1,017,755 | | |
| Total Funding | 2,621,255 | Total Expenditures | 2,559,060 |

Excess (Deficit) = \$62,195

Operating Excess (Deficit)¹ = \$62,195

¹Excludes beginning fund balance, capital improvement projects, and reserves, where applicable.

COMMUNITY DEVELOPMENT BLOCK GRANT FINANCIAL SUMMARY
FISCAL YEAR 2011-2012

| <i>Funding</i> | | <i>Expenditures</i> | |
|--------------------------------|----------------|-----------------------------------|----------------|
| Beginning Fund Balance | 10,506 | Personnel | 150,104 |
| Grant (Administration) Revenue | 73,979 | Maintenance and Operations | 164,601 |
| Grant (Program) Revenue | 295,915 | Internal Service Fund Allocations | 10,286 |
| | | Overhead | 54,275 |
| Total Funding | 380,400 | Total Expenditures | 379,266 |

Excess (Deficit) = \$1,134

Operating Excess (Deficit)¹ = (\$9,372)

¹Excludes beginning fund balance, capital improvement projects, and reserves, where applicable.

HOUSING AUTHORITY FINANCIAL SUMMARY
FISCAL YEAR 2011-2012

| <i>Funding</i> | | <i>Expenditures</i> | |
|----------------------------------|------------------|-----------------------------------|------------------|
| Beginning Fund Balance | 451,985 | Personnel | 396,154 |
| Grant - Administration | 521,824 | Maintenance and Operations | 57,115 |
| Grant - Program Related Earnings | 6,000 | Internal Service Fund Allocations | 35,598 |
| Grant - Program/HAP | 5,560,685 | Overhead | 78,808 |
| | | Other Program Expenditures | 5,560,685 |
| Total Funding | 6,540,494 | Total Expenditures | 6,128,360 |

Excess (Deficit) = \$412,134

Operating Excess (Deficit)¹ = (\$39,851)

¹Excludes beginning fund balance, capital improvement projects, and reserves, where applicable.

SEASIDE LAGOON FINANCIAL SUMMARY
FISCAL YEAR 2011-2012

| <i>Funding</i> | | <i>Expenditures</i> | |
|------------------------------------|----------------|-----------------------------------|----------------|
| Entrance Fees - Daily Admissions * | 370,000 | Personnel - Program | 202,864 |
| Entrance Fees - Party Rentals | 50,000 | Personnel - Maintenance | 227,700 |
| | | Maintenance and Operations | 118,670 |
| | | Internal Service Fund Allocations | 17,537 |
| | | Overhead | 67,332 |
| Total Funding | 420,000 | Total Expenditures | 634,103 |

Excess (Deficit) = (\$214,103)

Operating Excess (Deficit)¹ = (\$214,103)

¹Excludes beginning fund balance, capital improvement projects, and reserves, where applicable.

• The Seaside Lagoon is funded through the Harbor Tidelands Fund.

* Includes increased revenue due to Council approved admission fees.

REDONDO BEACH PERFORMING ARTS CENTER FINANCIAL SUMMARY
FISCAL YEAR 2011-2012

| <i>Funding</i> | | <i>Expenditures</i> | |
|----------------------|----------------|----------------------------|------------------|
| Rents & Percentages | 356,960 | Personnel | 429,888 |
| Other Fees | 335,750 | Maintenance and Operations | 122,180 |
| | | Internal Service Funds | 417,777 |
| | | Overhead | 74,138 |
| Total Funding | 692,710 | Total Expenditures | 1,043,983 |

Excess (Deficit) = (\$351,273)

Operating Excess (Deficit)¹ = (\$351,273)

¹Excludes beginning fund balance, capital improvement projects, and reserves, where applicable.

- Recreation Facilities Manager allocated 65% to RBPAC, 35% to Cultural Activities.
- Recreation Supervisor allocated 65% to RBPAC, 35% to Cultural Activities.
- Technical Theater Supervisor allocated 95% to RBPAC, 5% to Cultural Activities.

BREAKWATER CAMP FINANCIAL SUMMARY
FISCAL YEAR 2011-2012

| <i>Funding</i> | | <i>Expenditures</i> | |
|--|---------------|----------------------------|---------------|
| Camp Registration Fees | 80,000 | Personnel | 25,192 |
| | | Maintenance and Operations | 40,440 |
| Total Funding | 80,000 | Total Expenditures | 65,632 |
| Excess (Deficit) = \$14,368 | | | |
| Operating Excess (Deficit)¹ = \$14,368 | | | |

¹Excludes beginning fund balance, capital improvement projects, and reserves, where applicable.

HARBOR PARKING STRUCTURES FINANCIAL SUMMARY
FISCAL YEAR 2011-2012

| <i>Funding</i> | | <i>Expenditures</i> | |
|-------------------------------|---------------------|---|---------------------|
| Parking Revenue | \$ 1,840,000 | Parking Management Company | \$ 500,000 |
| Leasehold Rental ¹ | 380,000 | Armored Car Service | 9,480 |
| | | Telephone Services | 4,100 |
| | | Parking Consultant | 30,000 |
| | | Other Maintenance and Operations | 406,060 |
| | | Personnel (Public Works) | 138,633 |
| | | Harbor Administration ² | 20,000 |
| | | Property Insurance | 172,899 |
| | | Capital Improvement Projects ³ | 120,000 |
| Total Funding | \$ 2,220,000 | Total Expenditures | \$ 1,401,172 |

Excess (Deficit) = \$818,828

Operating Excess (Deficit)⁴ = \$938,828

¹Rental revenue generated by leaseholds that occupy space within the parking structures (Quality Seafood, Pier Plaza Investments and Fisherman's Cove Co.)

²Reflects time spent by Harbor Administration personnel in overseeing the overall operation of the structures.

³Reflects the average annual allocation.

⁴Excludes beginning fund balance, capital improvement projects, and reserves, where applicable.

Policies

All relevant departments will operate their parking structure functions with complete adherence to the City's Municipal Code, Tidelands Trust Agreement with the State of California, and all other applicable laws.

The parking structures are a self-sufficient business unit of the Harbor Enterprise generating parking revenue to pay for costs of personnel and contracts, materials and supplies, equipment, maintenance and operations, capital outlay, and capital improvement projects. Only parking revenues in excess of annual costs and replacement reserves will be available to fund other operations and capital projects within the Tidelands or Uplands areas as appropriate.

Parking structures will be managed in accordance with the parking management contract and in accordance with generally accepted accounting principles. Audits will be performed periodically to ensure compliance with applicable accounting, contract and security standards. The parking structure operation shall be audited no less than once every three years.

Parking rates for the structures will be reviewed every 3-5 years, or more frequently if necessary, beginning in FY 09-10. Rate adjustments shall be made as appropriate.

The annual budget for the parking structures will include appropriations for preventative maintenance as well as replacement of capital components to extend the useful life of the structures. An annual allocation will be made from the parking structures revenue into a capital improvement project fund (once established) for the eventual replacement of the structures.

FARMERS' MARKET FINANCIAL SUMMARY
FISCAL YEAR 2011-2012

| <i>Funding</i> | | <i>Expenditures</i> | |
|----------------------------|-----------|-----------------------------|-----------|
| Revenue from Vendors' Fees | \$ 40,000 | Contracted Market Manager | \$ 23,000 |
| | | Maintenance and Operations: | |
| | | Permits and Insurance | 3,200 |
| | | Supplies | 1,000 |
| | | Overhead | 1,000 |
| Total Funding | \$ 40,000 | Total Expenditures | \$ 28,200 |

Excess (Deficit) = \$11,800

Operating Excess (Deficit)¹ = \$11,800

¹Excludes beginning fund balance, capital improvement projects, and reserves, where applicable.

Policies

- Market open every Thursday (except Thanksgiving and Christmas - when it falls on a Thursday).
- Four to six volunteers participating each week.

**GENERAL FUND THREE-YEAR FINANCIAL PLAN
2011-12 THROUGH 2013-14**

The purpose of the *General Fund Three-Year Financial Plan* for the City of Redondo Beach is to ensure our continued success as a community and to ensure a quality of life for our residents by preserving the fiscal integrity of the General Fund.

This document is not a strategic plan or a future budget. Rather, it represents fiscal possibilities for the next three years relative to the policies, programs, goals, and objectives of the City of Redondo Beach. The document is designed to address such issues as what direction the City is going and what it will cost to get there. As such, the *General Fund Three-Year Financial Plan* attempts to project General Fund revenues and expenditures in probable case, best case, and worst case scenarios. Additionally, this document identifies scenarios to assist the City Council in addressing significant fiscal issues.

The *General Fund Three-Year Financial Plan* will continue to be utilized as a dynamic tool which will provide the City Council, community members and staff a better understanding of City resources and service decisions that may be required for the future.

FINANCIAL HIGHLIGHTS - GENERAL FUND
Probable Case Scenario Projections

| General Fund | 2011/12 Proposed Budget | 2012/13 Forecast | 2013/14 Forecast |
|--|-------------------------------|-----------------------|-----------------------|
| <i>Revenue</i> | | | |
| Property Tax | \$ 19,000,000 | \$ 19,380,000 | \$ 19,767,600 |
| Sales Tax | 9,013,062 | 9,283,454 | 9,561,958 |
| Utility Users Tax | 8,000,000 | 8,160,000 | 8,323,200 |
| Property Tax in Lieu of VLF | 5,380,000 | 5,487,600 | 5,597,352 |
| Transient Occupancy Tax | 3,100,000 | 3,286,000 | 3,483,160 |
| Franchise Fees | 1,895,000 | 1,913,950 | 1,933,090 |
| Property Transfer Tax | 1,400,000 | 1,414,000 | 1,428,140 |
| Parking Citations | 1,260,400 | 1,298,212 | 1,298,212 |
| Business License Tax | 1,250,000 | 1,250,000 | 1,250,000 |
| Parking Meter Fees | 1,214,700 | 1,336,170 | 1,469,787 |
| Other | 9,330,859 | 9,424,168 | 9,518,410 |
| Total Revenue from Outside Sources | \$ 60,844,021 | \$ 62,233,554 | \$ 63,630,909 |
| Overhead Charges | 6,383,731 | 6,548,425 | 6,846,885 |
| Harbor Tidelands Property Tax in Lieu | 80,580 | 82,192 | 83,836 |
| Total Revenue | \$ 67,308,332 | \$ 68,864,171 | \$ 70,561,630 |
| <i>Expenditures</i> | | | |
| Personnel | \$ 47,181,646 | \$ 48,398,889 | \$ 50,604,781 |
| Maintenance & Operations | 6,739,388 | 6,941,570 | 7,149,817 |
| Internal Service Fund Allocations | 15,970,194 | 16,382,210 | 17,128,867 |
| Capital Outlay | - | 5,000 | 5,000 |
| Total Expenditures | \$ 69,891,228 | \$ 71,727,669 | \$ 74,888,465 |
| Preliminary Excess (Deficit) | \$ (2,582,896) | \$ (2,863,498) | \$ (4,326,835) |
| Fiscal Issues: | | | |
| Maintain Contingency Reserve | \$ 251,466 | \$ 152,976 | \$ 263,294 |
| Subsidize Street Landscaping and Lighting District | 1,017,755 | 1,044,497 | 1,090,524 |
| Fund Recommended Decision Packages | 241,376 | 241,376 | 241,376 |
| Drawdown on CalPERS Reserve | (1,000,000) | - | - |
| Negotiate Employee Compensation Concessions | (2,785,669) | - | - |
| Drawdown on Beginning Fund Balance | (56,358) | - | - |
| Realize Expenditure Savings | (251,466) | (4,302,347) | (5,922,029) |
| Final Excess (Deficit) | \$ - | \$ - | \$ - |

FINANCIAL HIGHLIGHTS - GENERAL FUND
Best Case Scenario Projections

| General Fund | 2011/12 Proposed Budget | 2012/13 Forecast | 2013/14 Forecast |
|--|-------------------------------|-----------------------|----------------------|
| <i>Revenue</i> | | | |
| Property Tax | \$ 19,000,000 | \$ 19,760,000 | \$ 20,550,400 |
| Sales Tax | 9,013,062 | 9,373,584 | 9,748,527 |
| Utility Users Tax | 8,000,000 | 8,400,000 | 8,820,000 |
| Property Tax in Lieu of VLF | 5,380,000 | 5,595,200 | 5,819,008 |
| Transient Occupancy Tax | 3,100,000 | 3,348,000 | 3,615,840 |
| Franchise Fees | 1,895,000 | 1,970,800 | 2,049,632 |
| Property Transfer Tax | 1,400,000 | 1,442,000 | 1,485,260 |
| Parking Citations | 1,260,400 | 1,323,420 | 1,323,420 |
| Business License Tax | 1,250,000 | 1,287,500 | 1,326,125 |
| Parking Meter Fees | 1,214,700 | 1,457,640 | 1,749,168 |
| Other | 9,330,859 | 9,610,785 | 9,899,109 |
| Total Revenue from Outside Sources | \$ 60,844,021 | \$ 63,568,929 | \$ 66,386,489 |
| Overhead Charges | 6,383,731 | 6,579,071 | 6,754,294 |
| Harbor Tidelands Property Tax in Lieu | 80,580 | 82,192 | 83,836 |
| Total Revenue | \$ 67,308,332 | \$ 70,230,192 | \$ 73,224,619 |
| <i>Expenditures</i> | | | |
| Personnel | \$ 47,181,646 | \$ 48,625,391 | \$ 49,920,449 |
| Maintenance & Operations | 6,739,388 | 6,739,388 | 6,739,388 |
| Internal Service Fund Allocations | 15,970,194 | 16,458,877 | 16,897,232 |
| Capital Outlay | - | - | - |
| Total Expenditures | \$ 69,891,228 | \$ 71,823,656 | \$ 73,557,069 |
| Preliminary Excess (Deficit) | \$ (2,582,896) | \$ (1,593,464) | \$ (332,450) |
| Fiscal Issues: | | | |
| Maintain Contingency Reserve | \$ 251,466 | \$ 160,971 | \$ 144,393 |
| Subsidize Street Landscaping and Lighting District | 1,017,755 | 1,045,895 | 1,071,137 |
| Fund Recommended Decision Packages | 241,376 | - | - |
| Drawdown on CalPERS Reserve | (1,000,000) | - | - |
| Negotiate Employee Compensation Concessions | (2,785,669) | - | - |
| Drawdown on Beginning Fund Balance | (56,358) | - | - |
| Realize Expenditure Savings | (251,466) | (2,800,330) | (1,547,980) |
| Final Excess (Deficit) | \$ - | \$ - | \$ - |

FINANCIAL HIGHLIGHTS - GENERAL FUND
Worst Case Scenario Projections

| General Fund | 2011/12 Proposed Budget | 2012/13 Forecast | 2013/14 Forecast |
|--|-------------------------------|-----------------------|-----------------------|
| <i>Revenue</i> | | | |
| Property Tax | \$ 19,000,000 | \$ 18,620,000 | \$ 18,247,600 |
| Sales Tax | 9,013,062 | 9,013,062 | 9,013,062 |
| Utility Users Tax | 8,000,000 | 7,840,000 | 7,683,200 |
| Property Tax in Lieu of VLF | 5,380,000 | 5,272,400 | 5,166,952 |
| Transient Occupancy Tax | 3,100,000 | 3,193,000 | 3,288,790 |
| Franchise Fees | 1,895,000 | 1,876,050 | 1,857,290 |
| Property Transfer Tax | 1,400,000 | 1,330,000 | 1,263,500 |
| Parking Citations | 1,260,400 | 1,134,360 | 1,020,924 |
| Business License Tax | 1,250,000 | 1,225,000 | 1,200,500 |
| Parking Meter Fees | 1,214,700 | 1,214,700 | 1,214,700 |
| Other | 9,330,859 | 9,330,859 | 9,330,859 |
| Total Revenue from Outside Sources | \$ 60,844,021 | \$ 60,049,431 | \$ 59,287,377 |
| Overhead Charges | 6,383,731 | 6,479,335 | 6,382,435 |
| Harbor Tidelands Property Tax in Lieu | 80,580 | 82,192 | 83,836 |
| Total Revenue | \$ 67,308,332 | \$ 66,610,958 | \$ 65,753,648 |
| <i>Expenditures</i> | | | |
| Personnel | \$ 47,181,646 | \$ 47,888,247 | \$ 47,172,067 |
| Maintenance & Operations | 6,739,388 | 7,076,357 | 7,430,175 |
| Internal Service Fund Allocations | 15,970,194 | 16,209,367 | 15,966,952 |
| Capital Outlay | - | 5,100 | 5,202 |
| Total Expenditures | \$ 69,891,228 | \$ 71,179,071 | \$ 70,574,396 |
| Preliminary Excess (Deficit) | \$ (2,582,896) | \$ (4,568,113) | \$ (4,820,748) |
| Fiscal Issues: | | | |
| Maintain Contingency Reserve | \$ 251,466 | \$ - | \$ - |
| Subsidize Street Landscaping and Lighting District | 1,017,755 | 1,036,509 | 1,027,704 |
| Fund Recommended Decision Packages | 241,376 | 253,445 | 266,117 |
| Drawdown on CalPERS Reserve | (1,000,000) | - | - |
| Negotiate Employee Compensation Concessions | (2,785,669) | - | - |
| Drawdown on Beginning Fund Balance | (56,358) | - | - |
| Realize Expenditure Savings | (251,466) | (5,858,067) | (6,114,569) |
| Final Excess (Deficit) | \$ - | \$ - | \$ - |