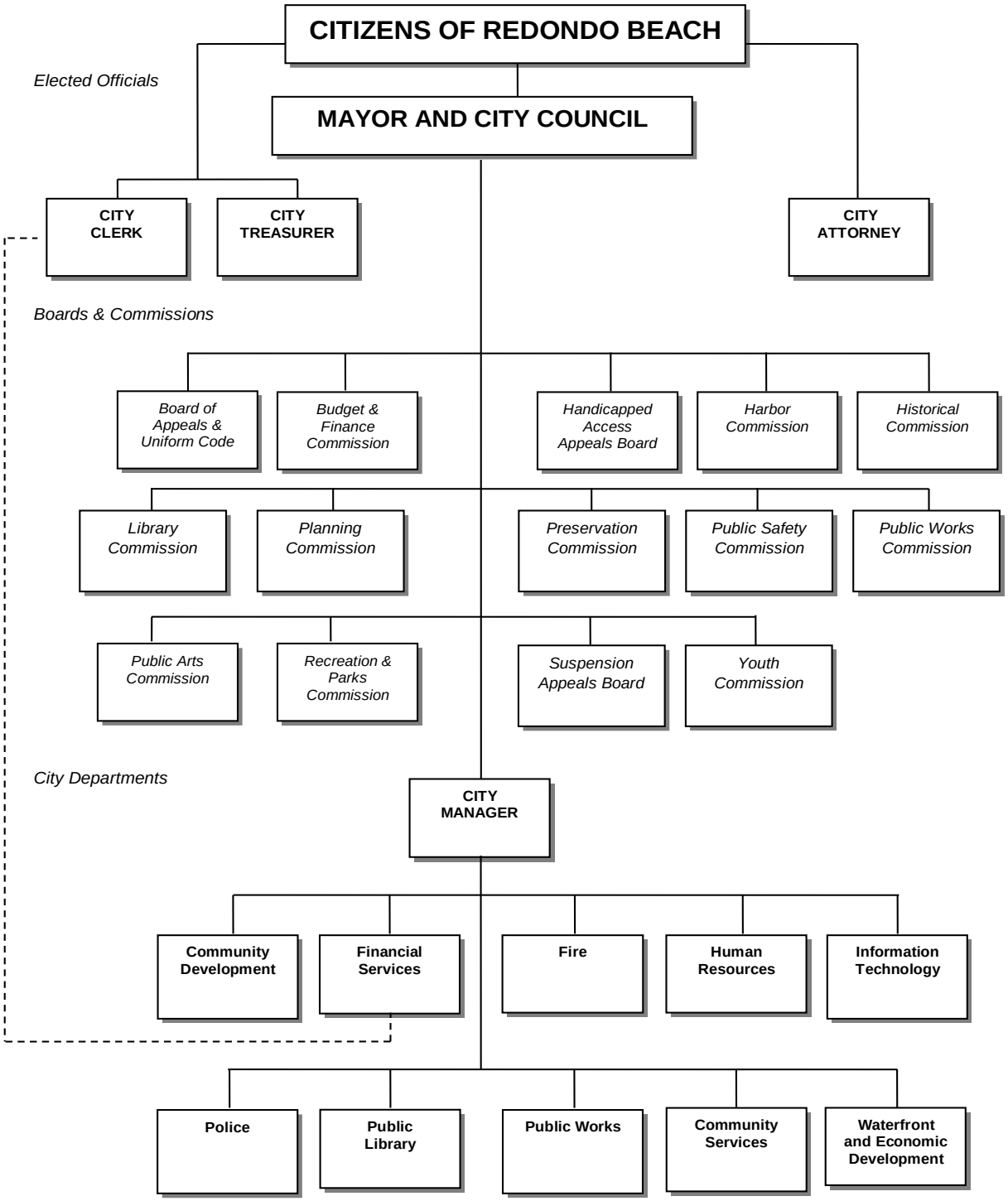


ORGANIZATIONAL CHART
FY 2016-17

CITY OF REDONDO BEACH PROFILE AND STATISTICS

Redondo Beach is a city in Los Angeles County, California. The population of this beach city was 66,748 at the 2010 census. The City is located in the South Bay region of the greater Los Angeles area and is one of the three beach cities, Redondo Beach, Hermosa Beach and Manhattan Beach. There are five districts, each 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 68,000. 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 HdL Coren & Cone reporting from *L. A. County DataQuick Property Data* public data median real estate prices increased from $337,500 to $750,000 between 2000 and 2014. However, they reported the medium price dropped to $616,000 by 2011. Properties within short walking distance of the ocean routinely sold for well over $1 million. Those with direct, unhindered views routinely were asking in excess of $2 million.

GEOGRAPHY

According to the United States Census Bureau, the City has a total area of 6.35 mi^2 (16.08 km^2), 6.198 mi^2 (16.054 km^2) of it is land and 0.01 mi^2 (0.026 km^2) of it is water.

DEMOGRAPHICS

As of the census of 2010, there were 66,748 people, 29,011 households, and 16,229 families residing in the City. The population density for the land area was 10,751.1/mi² (compared to only 239.1/mi² in all of California). The racial makeup of the City was 74.6% White, 2.8% African American, 0.4% Native American, 12.0% Asian, 0.3% Pacific Islander, 4.1% from other races, and 5.8% from two or more races. Hispanic or Latino of any race were 15.2% of the population.

Of the 29,011 households, 27.0% had children under the age of 18 living with them, 43.1% were married couples living together, 8.7% had a female householder with no husband present, and 44.1% were non-families, 31.9% of all households were made up of individuals and 7.4% had someone living alone who was 65 years of age or older. The average household size was 2.29 and the average family size was 2.94.

In the City, the population was spread out with 19.3% under the age of 18, 6.3% from 18 to 24, 34.7% from 25 to 44, 29.3% from 45 to 64, and 10.5% who were 65 years of age or older. The median age was 39.3 years. For every 100 females there were 99.1 males. For every 100 females age 18 and over, there were 97.2 females.

The median income for a household (in years 2006-2010) in the City was $91,737, and the per capita money income in past 12 months in 2010 dollars (in years 2006-2010) $50,291. About 5.5% of families (with 13.7% of Californians) are below the poverty level.

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: For three consecutive years California has exceeded the national rate in job creation. Its economy has been estimated to have grown faster (3.9% vs 2.4% in 2015) and to have accounted for 13% of the U.S. gross domestic product, the largest of any state. Furthermore, the GDP is expected to grow by 3.1% in 2016, still outpacing the nation as a whole, estimated at 2.5%.
In 2015 California's unemployment rate averaged 6.2%, the lowest in the last eight years. Nonfarm employment was up 3% or 468,900 wage and salary jobs. The five largest metro areas accounted for 60% of this growth, with Los Angeles adding 94,700, the most of any metro area, with a growth rate of 2.2%. Almost every industry sector has added jobs with the exception of nondurable goods manufacturing which was down 1.2% and natural resources down 6.2 %. The largest gains were in professional, scientific and technical services, leisure and hospitality, healthcare and social assistance, administrative, support and waste services and construction accounting 65% of total job gain.

Redondo Beach Economy: The same elements that affect the State will impact Redondo Beach, generally increasing revenue for the City. Because of the stability of the housing market in the beach area and the benefit from a 7.8% overall county-wide medium price increase coupled with a 6.2% housing sales increase for 2015, property tax, which depends on property values, will continue to increase. The increase in personal income paired with higher employment will push up consumer spending with a resulting increase in sales tax. As with the State in general, tourism is expected to increase slightly, especially in the international arena. Coupled with Redondo Beach's hotel construction, there should be a resultant increase in transient occupancy tax (TOT) revenue to the City

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 - race car 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 was 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 Johnny Depp was filmed on the coast of Redondo Beach.

http://www.redondo.org/in_the_city/history/default.asp
http://en.wikipedia.org/wiki/Redondo_Beach,_California
http://laedc.org/wp-content/uploads/2016/02/LAEDC-2016-2017-February-Forecast.pdf

QUICK STATISTICS

Date of Incorporation		April 29, 1892
Adoption of City Charter		January 4, 1949
Form of Government		Council/Manager
Population:		
2010 Census	66,748	
2016 California Dept. of Finance Estimate	69,494	
Area	6.35	square miles
Miles of Streets	127	
Miles of Sanitary Sewers	110	
Number of Street Lights	1,892	city-owned
Number of Street Traffic Controllers	55	signalized intersections
Police Protection	1	station
	1	sub-station
	94	sworn employees
	60	non-sworn employees
Fire Protection	3	stations
	63	sworn
	2	non-sworn
Cultural and Leisure:		
Number of Parks	15	(91.9 acres)
Number of Parkettes	17	(3.4 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	439	full-time, permanent

PRINCIPAL EMPLOYERS

Employer	Type of Business	Employees	Percentage of Total City Employment
Northrup Grumman (TRW)	Aerospace	4,591	14.30%
Redondo Beach Unified School District	Education	884	2.75%
City of Redondo Beach	Municipaity	436	1.36%
Crowne Plaza Redondo Beach	Hotel	339	1.06%
Cheesecake Factory	Restaurant	261	0.81%
United States Post Office	Postal Service	260	0.81%
Target Store	Department Store	217	0.68%
D H L Global Forwarding	Shipping	209	0.65%
Macy's	Department Store	203	0.63%
Verizon	Telecommunication	164	0.51%
Total		**32,107**	**23.56%**

REDONDO BEACH PARK AND OPEN SPACE INVENTORY *

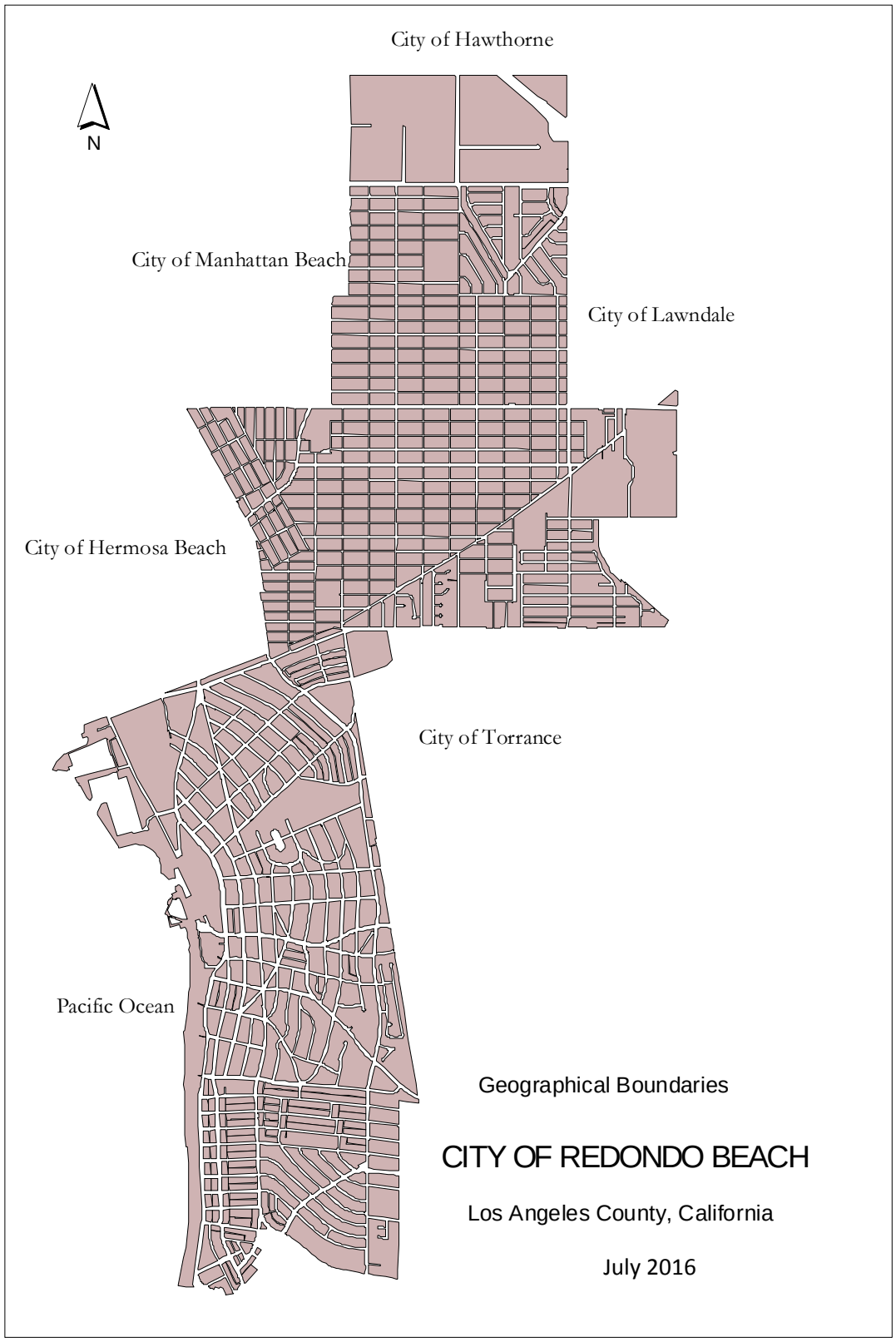
Park/Open Space	Acreage	Amenities
Alta Vista Park	10. 15	Community Center, Tennis Courts, Racquetball Courts, Playfields, Play Equipment
Anderson Park	6.00	Tennis Courts, Play Equipment, Benches, Basketball Court, Open Air Shelter
Andrews Park	1. 61	Playfield, Play Equipment, Benches
Aviation Park	14.28	Aviation Gym', Play Equipment, Field House, Artificial Turf Multi- Use Field, 5 Lane Mile Track, Performing Arts Center
Beverly Parkette	.16.00	Play Equipment, Benches
Bike Path, North Redondo	.90	Edison Right of Way (ROW)
Czuleger Park	3. 27	Rotunda, Benches, Pathway to International Boardwalk and Pier
Dale Page Park	1. 17	Edison Right of Way (ROW); Basketball Courts, Handball Courts, Play Equipment, Picnic Area
Dominguez Park	23. 75	Off-Leash Dog Park, Play Fields, Benches, Play Equipment, Historical Museum, Morrell House, Rose Garden
Ensenada Parkette	.17	Benches, Grass,
Flagler & Ripley Parkette	.34	Green Belt
Ford Parkette	.12	Play Equipment, Benches
Franklin Park	3. 62	Play Equipment, Benches, Basketball Court
Fulton Park	1. 25	Play Field
General Eaton A Parkette	.17	Benches, Play Equipment
General Eaton B Parkette	.34	Basketball, Volleyball
Greene Parkette	.34	Green Belt
Gregg Parkette	.34	Basketball, Play Equipment
Harbor Drive Welcome, Parkette	.10	(Lot 13), Benches
Hopkins Wilderness Park	11.00	Administrative Offices, Programmable Classrooms, BBQ Equipment, Picnic Areas, Natural Habitat
Huntington Parkette	.17	Play Equipment, Benches
LaPaz Parkette	.17	Play Equipment, Benches
Lilenthal Park	1. 52	Play Equipment
Massenia Parkette	.14	Play Equipment, Benches
Mathews, Parkette	.07	Benches, Play Equipment, Turf
McNeill / Jayccee Parkette	.11	Benches
Moonstone Park (Mole B)	1. 64	Outrigger Vessel Storage & Launch
Perry Park	4. 13	Teen Center, Community Center, Center, Scout Houses, Play field, Basketball Courts, Batting Cages, Play Equipment, Benches
Perry Allison Playfield	.62	Play Field
Riviera Parkette	.32	Benches, Turf, Trees
Seaside Lagoon	4.00	Salt Water Lagoon, Play Equipment, Benches, BBQ Equipment, Lanai Shelter, Administrative Offices
Sneary Parkette	.15	Play Equipment, Turf
Townsend Parkette	.17	Play Equipment, Turf

REDONDO BEACH PARK AND OPEN SPACE INVENTORY *

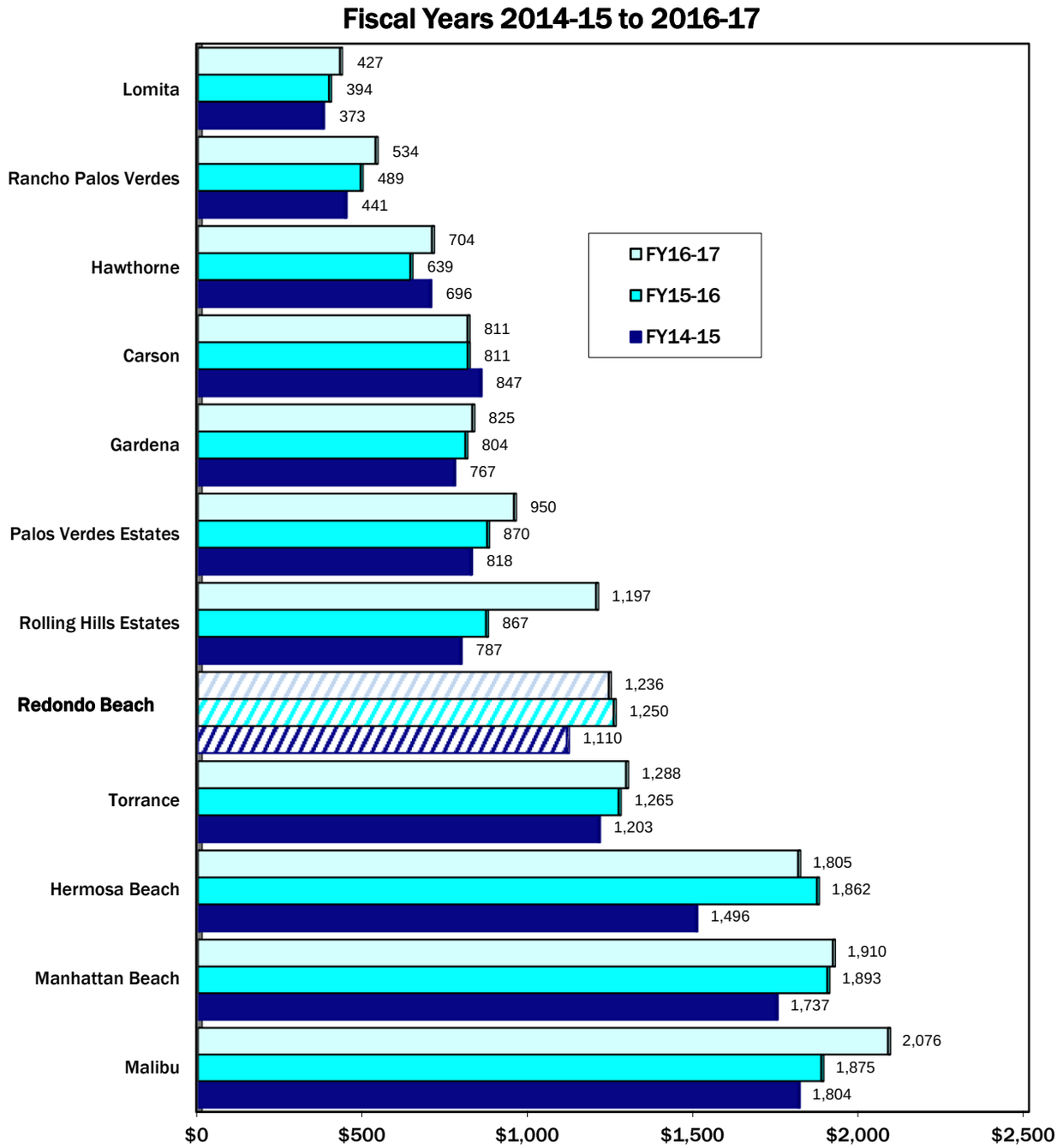
Park/Open Space	Acreage	Amenities
Veterans Park	7. 47	Play Equipment, Community Center, Veterans Memorial, Historic Library, Benches
Vincent Park	1. 08	Play Equipment
Los Angeles County Beach	36. 20	
Southern California Edison Right of Way	17. 20	
Pier and Pier Plaza	8. 50	

***Agenda Packet 2016-03-15 City Council Report _ N 2 - PARKS OPEN SPACE INVENTORY**

GEOGRAPHICAL BOUNDARIES



GENERAL FUND PER CAPITA EXPENDITURES



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 2014-15 to Fiscal Year 2016-17.

- 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. Competitive, yet sustainable, market based salary and benefit levels are tied to the City's ability to pay.

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
- California Teamsters Public Professional and Medical Employees, Union Local 911

BENEFITS:

- Medical, Dental, Vision, Life and Psychological Insurance*
- Tier 1 Retirements Plans* (for those hired on or before June 25, 2012)

  2% @ 55 for Miscellaneous
  3% @ 55 for Fire
  3% @ 50 for Police
- Tier 2 Retirement Plans* (for those hired on or after June 26, 2012 and classic members of the CalPERS system)

  2% @ 60 for Miscellaneous
  3% @ 55 for Fire and Police
- Tier 3 Retirement Plans* (for those hired on or after January 1, 2013 and new to the CalPERS system)

  2% @ 62 for Miscellaneous
  2.7% @ 57 for Fire and Police
- Deferred Compensation*
- Vacations and Holidays
- Administrative Leave*
- Professional Development Reimbursement*
- Longevity Pay*
- Special Merit Pay*

* Benefit and employee contributions vary depending on the MOU/Pay Plan for the employee group.

PERSONNEL SUMMARY BY DEPARTMENT

	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
Mayor and City Council					
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 to the City Manager	1.0	1.0	1.0	1.0	1.0
Total	**7.0**	**7.0**	**7.0**	**7.0**	**7.0**
City Clerk					
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 Supervisor	-	1.0	1.0	1.0	1.0
Records Management Coordinator	1.0	-	-	-	-
Administrative Specialist	-	-	1.0	1.0	2.0
Office Specialist I	1.0	-	-	-	-
Total	**4.0**	**3.0**	**4.0**	**4.0**	**5.0**
City Treasurer					
City Treasurer	1.0	1.0	1.0	1.0	1.0
Chief Deputy City Treasurer	1.0	-	1.0	1.0	1.0
Total	**2.0**	**1.0**	**2.0**	**2.0**	**2.0**
City Attorney					
City Attorney	1.0	1.0	1.0	1.0	1.0
Assistant City Attorney	2.0	2.0	2.0	2.0	2.0
Assistant City Attorney/Prosecutor	1.0	1.0	1.0	1.0	1.0
Senior Deputy City Attorney	1.0	1.0	1.0	1.0	1.0
Deputy City Attorney	2.0	2.0	2.0	2.0	2.0
Executive Assistant to the City Prosecutor	-	-	-	-	1.0
Law Office Manager	1.0	1.0	1.0	1.0	1.0
Legal Secretary	1.0	1.0	1.0	1.0	1.0
Total	**9.0**	**9.0**	**9.0**	**9.0**	**10.0**

PERSONNEL SUMMARY BY DEPARTMENT

	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
City Manager					
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	-	-	-	-
Senior Management Analyst	-	1.0	-	-	-
Total	**3.0**	**3.0**	**2.0**	**2.0**	**2.0**
Information Technology					
Information Technology Director	1.0	1.0	1.0	1.0	1.0
Information Technology 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
Information Technology Analyst	-	-	1.0	1.0	1.0
Computer Support Specialist	1.0	1.0	1.0	1.0	1.0
Information Technology Technician	2.0	2.0	2.0	2.0	2.0
Total	**6.0**	**6.0**	**7.0**	**7.0**	**7.0**
Human Resources					
Human Resources Director	1.0	1.0	1.0	1.0	1.0
Risk Manager	1.0	1.0	1.0	1.0	1.0
Senior Human Resources Analyst	1.0	-	-	-	-
Human Resources Analyst	-	1.0	1.0	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
Total	**5.0**	**5.0**	**5.0**	**5.0**	**5.0**

PERSONNEL SUMMARY BY DEPARTMENT

	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
Financial Services					
Finance Director	1.0	1.0	1.0	1.0	1.0
Assistant Financial Services Director	1.0	1.0	1.0	1.0	1.0
Budget, Revenue and Payroll Manager	1.0	1.0	-	-	-
Payroll and Finance Manager			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
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	3.0	3.0	3.0	3.0
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
Total	**14.0**	**15.0**	**15.0**	**15.0**	**15.0**
Police					
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	4.0	4.0	6.0	6.0
Police Sergeant	15.0	15.0	15.0	15.0	15.0
Police Officer	73.0	74.0	71.0	72.0	72.0
Support Services Manager	-	1.0	1.0	-	-
Administrative Services Manager	-	-	-	-	1.0
Public Safety Communications Manager	1.0	-	-	-	-
Police Records Manager	1.0	1.0	1.0	1.0	1.0
Crime Analyst	-	-	1.0	1.0	1.0
Administrative Analyst	3.0	4.0	3.0	3.0	1.0
Communications Supervisor	4.0	4.0	4.0	4.0	4.0
Municipal Services Supervisor	-	1.0	1.0	-	-
Municipal Enforcement Supervisor	1.0	-	-	-	-
Analyst	-	-	-	-	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

PERSONNEL SUMMARY BY DEPARTMENT

	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
Police (cont.)					
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	2.0	1.0	1.0	1.0	1.0
Parking Meter Technician	1.0	1.0	1.0	1.0	1.0
Administrative Specialist	2.0	3.0	3.0	3.0	3.0
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
Municipal Services Officer	7.0	7.0	7.0	7.0	7.0
Office Specialist III	1.0	1.0	1.0	1.0	1.0
Total	**155.0**	**156.0**	**153.0**	**154.0**	**154.0**
Fire					
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	13.0	13.0
Fire Engineer	12.0	12.0	12.0	12.0	12.0
Firefighter/Paramedic	19.0	19.0	21.0	21.0	21.0
Deputy Harbor Master/Boat Captain	-	-	3.0	3.0	3.0
Harbor Patrol Sgt/Deputy Harb Master	3.0	3.0	-	-	-
Harbor Patrol Officer	-	-	3.0	3.0	3.0
Harbor Patrol Officer/FF/Eng/PM	3.0	3.0	-	-	-
Firefighter	6.0	6.0	6.0	6.0	6.0
Hazardous Materials Specialist	1.0	1.0	1.0	1.0	1.0
Administrative Analyst	1.0	1.0	1.0	1.0	1.0
Administrative Specialist	1.0	1.0	1.0	1.0	1.0
Total	**63.0**	**63.0**	**65.0**	**65.0**	**65.0**
Public Library					
Library Director	1.0	1.0	1.0	1.0	1.0
Senior Librarian	1.0	1.0	1.0	1.0	1.0
Librarian	2.0	2.0	2.0	2.0	2.0
Library Circulation Supervisor	1.0	1.0	1.0	1.0	1.0
Administrative Coordinator	1.0	1.0	1.0	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
Total	**13.0**	**13.0**	**13.0**	**13.0**	**13.0**

PERSONNEL SUMMARY BY DEPARTMENT

	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
Community Services					
Community Services Director	-	1.0	1.0	1.0	1.0
Director of Rec,Transit & Comm Svcs	1.0	-	-	-	-
Recreation and Youth Services Manager	1.0	1.0	1.0	1.0	1.0
Cultural Arts Manager	-	1.0	1.0	1.0	1.0
Transit Operations and Transit Facilities Manager	1.0	1.0	1.0	1.0	1.0
Recreation Facilities Manager	1.0	-	-	-	-
Housing Supervisor	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	3.0	2.0	2.0	2.0	2.0
Senior Management Analyst	-	-	1.0	1.0	1.0
Administrative Analyst	1.0	1.0	1.0	1.0	-
Community Services Analyst	-	-	-	-	1.0
Analyst	1.0	1.0	1.0	1.0	1.0
Housing Specialist	2.0	2.0	2.0	2.0	2.0
Senior Administrative Specialist	1.0	1.0	1.0	1.0	-
Recreation Coordinator	3.0	3.0	3.0	3.0	3.0
Office Specialist III	2.0	2.0	2.0	2.0	2.0
Account Clerk	1.0	1.0	1.0	1.0	1.0
Maintenance Worker I	1.0	1.0	1.0	1.0	1.0
Total	**21.0**	**20.0**	**21.0**	**21.0**	**20.0**
Community Development					
Community Development Director	1.0	1.0	1.0	1.0	1.0
Chief Building Official	1.0	1.0	1.0	1.0	1.0
Planning Manager	-	-	1.0	1.0	1.0
Senior Plan Check Engineer	1.0	1.0	1.0	1.0	1.0
Plan Check Engineer	1.0	1.0	1.0	1.0	1.0
Senior Planner	-	-	-	1.0	1.0
Associate Planner	1.0	1.0	1.0	1.0	1.0
Assistant Planner	2.0	2.0	2.0	1.0	1.0
Plans Examiner	1.0	1.0	1.0	1.0	1.0
Senior Building Inspector	2.0	2.0	3.0	3.0	3.0
Senior Code Enforcement Officer	-	-	-	-	1.0
Code Enforcement Officer	2.0	2.0	2.0	2.0	1.0

PERSONNEL SUMMARY BY DEPARTMENT

	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
Community Development (cont.)					
Planning Analyst	-	-	1.0	1.0	1.0
Planning Technician	1.0	1.0	-	-	-
Building and Engineering Technician	2.0	2.0	2.0	2.0	2.0
Total	**15.0**	**15.0**	**17.0**	**17.0**	**17.0**
Waterfront and Economic Development					
Waterfront and Economic Development Director	1.0	1.0	1.0	1.0	1.0
Support Services Manager	-	-	-	1.0	1.0
Harbor Facilities Manager	1.0	1.0	1.0	1.0	1.0
Senior Management Analyst	-	-	-	-	1.0
Senior Administrative Specialist	1.0	1.0	1.0	1.0	1.0
Total	**3.0**	**3.0**	**3.0**	**4.0**	**5.0**
Public Works					
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
City Engineer	1.0	1.0	1.0	1.0	1.0
Principal 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
Civil Engineer	2.0	2.0	2.0	2.0	2.0
Transportation Engineer	1.0	1.0	1.0	1.0	1.0
Associate Civil Engineer	4.0	4.0	4.0	4.0	4.0
Public Works Manager-Streets/Sewer	1.0	1.0	1.0	1.0	1.0
Public Works Manager-Bldg Facilities/Harbor	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
Assistant Civil Engineer	2.0	2.0	2.0	2.0	2.0
Senior Management Analyst	2.0	2.0	2.0	2.0	2.0
Public Works Maintenance Supervisor	4.0	4.0	4.0	4.0	4.0
Analyst	1.0	1.0	1.0	1.0	1.0
Public Works Inspector	1.0	1.0	1.0	1.0	1.0
GIS Technician	-	-	-	-	1.0
Electrician Leadworker	1.0	1.0	1.0	1.0	1.0
Electrician	2.0	2.0	2.0	2.0	2.0

PERSONNEL SUMMARY BY DEPARTMENT

	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
Public Works (cont.)					
Building and Engineering Technician	1.0	1.0	1.0	1.0	1.0
Building Maintenance Leadworker	1.0	1.0	1.0	1.0	1.0
Park Maintenance Leadworker	1.0	1.0	1.0	1.0	1.0
Pier Maintenance Leadworker	1.0	1.0	1.0	1.0	1.0
Public Services Leadworker	7.0	7.0	7.0	7.0	7.0
Senior Mechanic	2.0	2.0	2.0	2.0	2.0
Irrigation Technician	1.0	1.0	1.0	1.0	1.0
Mechanic	1.0	1.0	1.0	1.0	1.0
Pump Station Operator	5.0	5.0	5.0	5.0	5.0
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	2.0	2.0	2.0	2.0	2.0
Equipment Operator	6.0	6.0	6.0	6.0	6.0
Senior Park Caretaker	8.0	8.0	8.0	8.0	8.0
Building Maintenance Worker	8.0	8.0	8.0	8.0	8.0
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	27.0	27.0	27.0	27.0	27.0
Recycling Ranger	1.0	1.0	1.0	1.0	1.0
Total	**111.0**	**111.0**	**111.0**	**111.0**	**112.0**
TOTAL BUDGETED POSITIONS	**431.0**	**430.0**	**434.0**	**436.0**	**439.0**

PERSONNEL SUMMARY BY DEPARTMENT

RECAP OF POSITION CHANGES DURING FY 2015-16

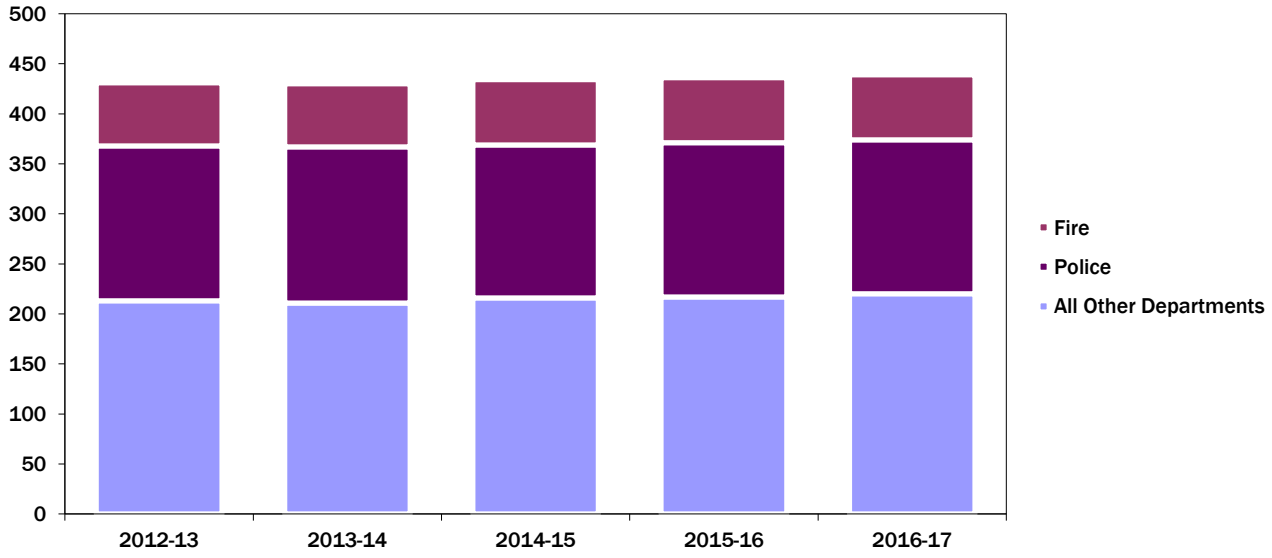
Add:	Police Lieutenant - PD	2.0	**Delete:**	Support Services Manager - PD	1.0
	Support Services Manager - WED	1.0		Municipal Services Supervisor - PD	1.0
				Senior Management Analyst - WED	1.0
	Total	**3.0**		***Total***	**3.0**

RECAP OF POSITION CHANGES FOR FY 2016-17

Add:			**Delete:**		
	Administrative Specialist - CC	1.0		Administrative Analyst - PD	2.0
	Executive Assistant to the City Prosecutor - CA	1.0		Administrative Analyst - CS	1.0
	Administrative Services Manager - PD	1.0		Senior Administrative Specialist - CS	1.0
	Analyst - PD	1.0		Code Enforcement Officer - CD	1.0
	Community Services Analyst - CS	1.0			
	Senior Code Enforcement Officer - CD	1.0			
	Senior Management Analyst - WED	1.0			
	GIS Technician - PW	1.0			
	Total	**8.0**		***Total***	**5.0**

STAFFING LEVELS

FISCAL YEARS 2012-13 TO 2016-17



RESOLUTION NO. CC- 1606-064

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, ADOPTING AN ANNUAL BUDGET FOR FISCAL YEAR 2016-2017

WHEREAS, the City Manager has prepared and submitted to the City Council a proposed annual budget for the Fiscal Year 2016-2017 which commences on July 1, 2016, and ends on June 30, 2017; 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 2016-2017, attached hereto as Exhibit A, is hereby adopted.

SECTION 2. That the expenditures of public funds in the amount of $149,327,795 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 28th day of June 2016.

Steve Aspel, 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-1606-064 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 28th day of June 2016, by the following roll call vote:

AYES: GINSBURG, HORVATH, SAMMARCO, EMDEE

NOES: BRAND

ABSENT: NONE

ABSTAIN: NONE

Eleanor Manzano, City Clerk

APPROVED AS TO FORM:

Michael W. Webb, City Attorney

RESOLUTION NO. CC-1606-064
FISCAL YEAR 2016-2017 ANNUAL BUDGET
PAGE 2

BUDGET PREPARATION TIMELINE

December - January

City Manager performs midyear budget review; sets tone for preliminary revenue estimates and guidelines for operating budget.

January - February

City Manager kicks off budget season including general budget orientation for all departments. City Manager solicits opinions of various commissions regarding Operating Budget and Capital Improvement Projects. Departments prepare budgets and preliminary revenue estimates.

March

Departments submit work programs and budget requests to the City Manager for review Capital Improvement Projects are reviewed. Mayor and City Council with City management hold strategic planning workshop.

April - May

City Manager and Financial Services Department review budget requests. City Manager conducts budget review sessions with each department. Departments finalize estimated revenues. City Manager submits proposed budget recommendations and proposed Five-Year Capital Improvement Program to the Mayor and City Council (by May 16th per City Charter).

June

Mayor and City Council with City Manager continue to hold budget meetings in Council districts. Mayor and City Council hold public hearings regarding Proposed Budget and Proposed Five-Year Capital Improvement Program and adopt budget and Capital Improvement Program by June 30.

July - October

City Manager's Office finalizes publication of the adopted budget with Council amendments; budget document and Five-Year Capital Improvement Program is made available for public view. Mayor and City Council with City management hold strategic planning workshop.

July - June

Amendments to the adopted budget require justification from the requesting department. Fiscal impacts are evaluated by the Financial Services Department and the City Manager. A request is then presented to the City Council for their review. Amendments must receive a 4/5 vote from the City Council for approval.

BUDGETARY PROCESS AND OTHER MANAGEMENT INFORMATION

STRATEGIC PLAN FOR 2016-2019
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

Modernize City communication systems

Vitalize the Waterfront, Riviera Village, Artesia Corridor and South Bay Galleria

Ensure Sustainability, Livability, and Health by completing the General Plan update and by implementing environmentally responsible programs

Assess, prioritize, and plan for park/open space acquisition and for reconstruction of major City facilities and infrastructure

Maintain a high level of public safety with public engagement

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 operating budget and capital improvement program.

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.

Beginning 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. At this point, changes to departmental base budgets are requested of the City Manager. 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 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 FY 2016-21 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 General, Special Revenue, Debt Service, Capital Projects, Enterprise, and Internal Service funds on a basis consistent with generally accepted accounting principles. Annual budgets are not adopted for Agency funds, but the funds are included in the City's Comprehensive Annual Financial Report (CAFR).

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. In February of 2013, the City commenced utilization of FTN Financial Main Street Advisors in providing non-discretionary investment management services to the City Treasurer. 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 policy and 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 moving average of the Two-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 both the City's operational and capital improvement program cash flow requirements. The LAIF balance is maintained at a level of $15 to $35 million, or approximately 33% of the general portfolio's assets on average, ensuring maintenance of sufficient investment portfolio liquidity. The yield provided by LAIF has declined over the past years 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 the level of the established investment portfolio performance benchmark.

As of June 30, 2016, the City's general portfolio was invested as follows:

Investments	Market Value	% of Portfolio	Yield to Maturity
Cash in Banks and Money Markets	$ 5,488,047	5.6%	0.00%
Local Agency Investment Fund	14,000,000	14.3%	0.55%
Federal Agency Issues	49,152,723	50.1%	1.41%
Corporate Medium Term Notes	15,028,238	15.3%	1.42%
Bank Certificates of Deposit	4,471,877	4.5%	1.25%
Treasuries	10,005,388	10.2%	0.88%
Total Investments and Averages	**$ 98,146,273**	**100.0%**	**0.92%**

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 Public Financing Authority (PFA).

The City's fiscal agent administers all of the debt-servicing requirements. Bonds issued by the PFA, a component unit of the City, in 2008 to refinance the 1996 revenue bonds were originally issued to provide funds to acquire the 1996 Tax Allocation Bonds of the former 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 in 2014 to refinance the 2004 revenue bonds originally issued to finance certain improvements and related facilities that constitute part of the Wastewater Enterprise.

The following are changes in outstanding bonds for the fiscal year ended June 30, 2016:

	Outstanding July 1, 2015	Additions	Deletions	Outstanding June 30, 2016
Public Financing Authority 2008 South Bay Center Revenue Bonds ($7,645,000)	$ 3,485,000	$ --	$ 715,000	$ 2,770,000
Public Financing Authority 2014 Wastewater Revenue Refunding Bonds ($7,230,000)	7,005,000	--	245,000	6,760,000
Total	**$ 10,490,000**	$ --	**$ 960,000**	**$ 9,530,000**

For Fiscal Year 2016-17, the City's bond debt service requirements are as follows.

	Principal	Interest	Total
2008 PFA South Bay Center Revenue Bonds	$ 745,000	$ 95,900	$ 840,900
2014 PFA Wastewater Revenue Refunding Bonds	255,000	289,738	544,738
Total	**$ 1,000,000**	**$ 385,638**	**$ 1,385,638**

LEGAL DEBT MARGIN

Based on the estimated Fiscal Year 2016-2017[1] 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	$ 15,054,903,106
Legal debt limit - 15% of total assessed valuation [2]	$2,258,235,466
Amount of debt applicable to limit	-
Legal debt margin	$2,258,235,466
Percentage of legal debt limit authorized	0%

[1] From data supplied by County of Los Angeles Auditor - Controller
[2] Legal debt limit set by Government Code Section 436505 and City Charter Section 17

GANN LIMIT

Pursuant to Article XIIIB 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 XIIIB 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 2015-16 is established at $114,891,585, a 4.7% increase over Fiscal Year 2014-15. The City's eligible appropriations for Fiscal Year 2015-16 are approximately $60.9 million, substantially under the limit of $114.9 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 $60.9 million variance indicated. Further, any overall actual receipts from tax sources greater than $60.9 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	2015-16	2016-17	% Increase
Prior Year Appropriation Limit	$109,764,146	$114,891,585	0.7%
Cumulative Growth Factor	1.04671324	1.06265645	
Appropriation Limit	$114,891,585	$122,090,284	6.3%

STATEMENT OF FINANCIAL PRINCIPLES

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's current fiscal year's operating expense 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.

On March 15, 2011, the Mayor and City Council amended by resolution Section 2 (General Principles), Section 3 (Revenue Policies), Section 4 (Expenditure/Budget Policies), Section 5 (Capital Improvement Projects (CIP) Policies), Section 9 (Special Revenue Policies), and Section 12 (Reserve Policies) to bring them into compliance with Governmental Accounting Standards Board (GASB) Statement No. 54.

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:

STATEMENT OF FINANCIAL PRINCIPLES

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 restricted, committed, or assigned fund balances.
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 of expenditures at the end of the fiscal year shall be used to first satisfy committed contingency 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.

STATEMENT OF FINANCIAL PRINCIPLES

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.
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 (e.g. grants or bond proceeds) must first use restricted resources before using General Fund, unless otherwise approved by 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 account for all financial resources that are restricted, committed, or assigned to expenditure for capital outlays.
b) The City will develop and implement a five-year capital improvement plan.
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.

STATEMENT OF FINANCIAL PRINCIPLES

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 a joint meeting of the Public Works Commission and 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.

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.

STATEMENT OF FINANCIAL PRINCIPLES

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.

Section 9: Special Revenue Policies

a) The City shall abide by applicable rules and regulations pertaining to the specific revenue sources and expenditures of special revenue funds as required by each funding source.
b) Proceeds of specific restricted or committed revenue sources should be the foundation for the fund.
c) Other revenue sources (i.e. investment earnings and transfers from other funds) may be reported in the fund if those resources are restricted, committed, or assigned to the specific purpose of the fund.

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.
f) The Mayor and City Council shall be promptly informed of any significant financial reporting issue or any audit findings.
g) 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.

STATEMENT OF FINANCIAL PRINCIPLES

Section 12: Fund Balance Reporting Policies

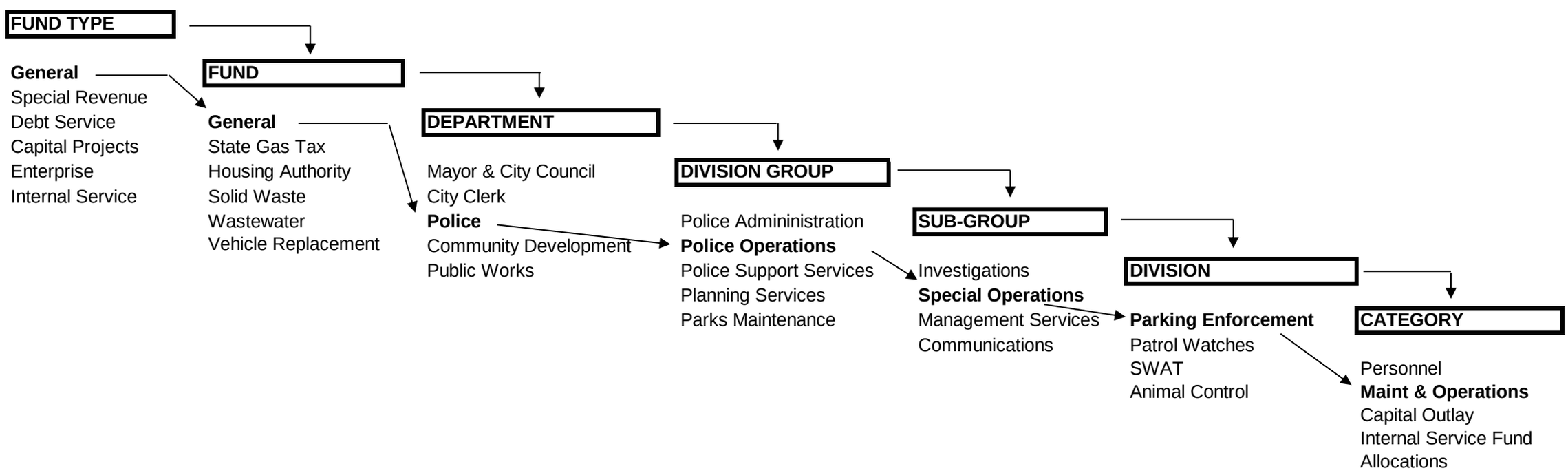
a) The City shall maintain a committed fund balance for contingencies equivalent to 8.33% of the General Fund's current fiscal year's operating expense budget.
b) City Council approval shall be required before expending any portion of the Committed fund balance in Section 12(a). Unforeseen circumstances that may require an expenditure of such amounts include, but are not limited to, natural disasters, significant State "take-aways", unforeseen deficiencies of a major revenue source, or unexpected operating or capital expenditures.
c) If any circumstances in Section 12(b) occur, and the Committed fund balance falls below the City Council policy designated level in Section 12(a), all excess Unassigned fund balance in future years shall first be used to replenish the Committed fund balance until it reaches the policy designated level set forth in Section 12(a). The City Council shall replenish the Committed fund balance in Section 12(a) prior to expending Unassigned fund balances for other purposes.
d) Restricted fund balances will be expended before unrestricted fund balances when expenditures are incurred for purposes for which both are available.
e) Unrestricted fund balances will be exhausted in the order of assigned, unassigned, and committed when expenditures are incurred for which any of these fund balances are available.
f) The unassigned fund balances, assuming other requirements are met, technically may be used for any purpose. However, the specific purpose requires Council approval. This process will be annually reviewed with the City Council.
g) The City Council may alter fund balance requirements any time, as necessary.
h) The fund balances assigned for claims and judgments, compensated absences, and other post employment benefits (OPEB) obligations shall 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 16 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., Special Operations), 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.

CalPERS Reserve Fund

This fund was established in FY 2010-11 and will reserve monies for significant California Public Employees Retirement System (CalPERS) increases in future years.

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 Article 3 Fund

This fund accounts for transportation services in the City and the Dail-A-Ride program which provides transportation to Redondo Beach and Hermosa Beach residents.

Measure R Fund

Monies received in this fund come from a 2008 voter-approved ½ cent sales tax levied within Los Angeles County for public transportation purposes.

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.

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. Beginning with the 2010-11 fiscal year, Section 2103 was added. Section 2103, 2105, 2106 and 2107 revenue can be used for street maintenance and construction, while Section 2107.5 revenue is restricted to street engineering activities.

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.

CLASSIFICATION OF FUNDS

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.

DEBT SERVICE FUND

Parking Authority Fund

This fund accounts for the activity of the Parking Authority.

CAPITAL PROJECTS FUNDS

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.

Major Facilities Reconstruction Fund

In FY 2015-16, the Mayor and City Council created this fund to begin saving for the replacement of City facilities such as Police Stations, Fire Stations and City Hall.

Open Space Acquisition Fund

In FY 2015-16, the Mayor and City Council created this fund to begin saving for the purchase of land within the City. The land purchased is to be used for open space purposes such as parks and community gardens.

Pier Parking Structure Rehabilitation Fund

This fund accounted for the costs to rehabilitate the publicly owned pier parking structure.

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.

Transit Fund

The Transit Fund was changed from a Special Fund to an Enterprise Fund in FY 2010-11 to more accurately classify its prime activity. Transit 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.

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

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. In FY 2012-13, copy center operations (formerly included in the Printing and Graphics Fund) were added to the Information Technology charges. All costs are allocated to the users depending on the number of computers and telephones residing in the department.

CLASSIFICATION OF 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.

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.

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.

GLOSSARY OF BUDGET TERMS

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).

Adjusted Budget. The current budget adopted by the City Council, including any Council approved modifications authorized throughout the year, prior year's encumbrances, and any other known adjustment for budget planning.

Adopted Budget. The new allocation of expenditures and revenues for the current fiscal year, as approved by the City Council.

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.

Assets. Property which has monetary value and is owned by a government.

Audit. A systematic examination of resource utilization concluding in a written report. It is a test of management's internal accounting controls and is intended to: (1) ascertain whether financial statements fairly present financial position and results of operations; (2) test whether transactions have been legally performed; (3) identify areas for possible improvements in accounting practices and procedures; (4) ascertain whether transactions have been recorded accurately and consistently; and (5) ascertain the stewardship of officials responsible for governmental resources.

GLOSSARY OF BUDGET TERMS

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.

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.

Budget Adoption. Formal adoption by the City Council which sets the spending path for the year.

Budget Calendar. The schedule of key dates or milestones that a government follows in the preparation and adoption of the budget.

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".

Charges for Services. Fees imposed upon users of services provided by the City.

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

GLOSSARY OF BUDGET TERMS

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

Contingency. A budgetary reserve set aside for emergencies or unanticipated expenditure and/or revenue shortfalls.

Core Mission Statement. A broad statement of a department's central purpose, in terms of meeting the public service needs for which it is organized.

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. Payment of interest and repayment of principal to holders of a government's debt instruments.

Deficit. The excess of an entity's liabilities over its assets, or the excess of expenditures or expenses over revenue during a single accounting period.

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.

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.

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.

GLOSSARY OF BUDGET TERMS

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.

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

Fee. The payment for direct receipt of a public service by the party who benefits from the service.

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.

Fines and Forfeitures. Revenue collected by the City from the issuance of misdemeanor and infraction citations which are the result of vehicle code traffic violations, municipal code parking violations, and other penalties imposed by the courts for criminal and civil violations.

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.

Fringe Benefits. Any of a variety of non-wage or supplemental benefits (health/dental/life insurance, pension contributions and auto allowance) that employees receive in addition to their regular wages.

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.

GLOSSARY OF BUDGET TERMS

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.

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 XIIIB.

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

General Fund. The primary fund of the City used to account for all revenues and expenditures of City not legally restricted as to use.

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.

GLOSSARY OF BUDGET TERMS

Intergovernmental Revenue. Funding 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.

Key Measure. A clearly described measure of achievement that is quantifiable and time specific. Typically, measures reflect steps toward broader outcomes or qualitative program goals.

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).

Memorandum of Understanding (MOU). Agreement between mutual parties such as between City departments or between the City and employee organizations.

Mission. A description of the basic purpose and responsibility of the department.

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.

GLOSSARY OF BUDGET TERMS

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.

Non-recurring. Program expenditures or sources of revenue that are irregular or occasional (one-time).

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

Ongoing. Program expenditures or sources of revenue that are continuous or recurring.

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.

Oversight Board. A seven member board established by Assembly Bill x126 to oversee the successor agency in its efforts to wind down the former redevelopment agency's operations.

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.

GLOSSARY OF BUDGET TERMS

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 13. Enacted as Article XIIIA 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.

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.

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.

Resources. Total dollars available to be appropriated including estimated revenues, fund transfers and beginning fund balances.

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

Salary Savings. Budget amount to be saved by departments during the fiscal year through salaries, wages and benefits (mostly through retirements, staff turnover and vacancies).

Service. A deliverable the customer receives from department efforts.

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).

GLOSSARY OF BUDGET TERMS

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.

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.

Successor Agency. The entity designated by Assembly Bill x126 to serve as the successor to the dissolved redevelopment agency.

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.

Triple Flip. A mechanism (enacted in 2004 and concluded in 2016) to reduce the state budget deficit. The "flips" consist of 1) reducing the local sales and use tax rate by 0.25% to fund state fiscal recovery bonds, 2) repayment to cities and counties with additional local property tax previously allocated to local schools, and 3) repayment to local schools from the state general fund to satisfy Proposition 98 requirements.

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

AB:	Assembly Bill
ADA:	American Disabilities Act
APB:	Accounting Principles Board
APP:	Administrative Policies and Procedures
APT-US&C:	Association of Public Treasurers-United States and Canada
AQMD:	Air Quality Management District
ARB:	Accounting Research Bulletins
B&W:	Boating & Waterways
BCHD:	Beach Cities Health District
BCT:	Beach Cities Transit
BID:	Business Improvement District
BJA:	Bureau of Justice Assistance
CAD:	Computer Aided Dispatch
CAFR:	Comprehensive Annual Financial Report
CalOSHA:	California Occupational Safety and Health Administration
CalPERS:	California Public Employees Retirement System
CDBG:	Community Development Block Grant
CDS:	Controlled Debris System
CEC:	California Energy Commission
CEQA:	California Environmental Quality Act
CERT:	Community Emergency Response Team
CFA:	Community Financing Authority
CIP:	Capital Improvement Program
CMP:	Corrugated Metal Pipe
CMT:	Constant Maturity Treasury
CNG:	Compressed Natural Gas
COLA:	Cost of Living Adjustment
CPI:	Consumer Price Index
CSI:	Crime Scene Investigation
CSMFO:	California Society of Municipal Finance Officers
CSS:	Citizen Self Service
DDA:	Disposition and Development Agreement
DMS:	Document Management System
DOJ:	Department of Justice
DUI:	Driving Under the Influence
EIR:	Environmental Impact Report
EKG:	Electrocardiogram
EMS:	Emergency Medical Services
EMT:	Emergency Medical Technician
EOC:	Emergency Operations Center

DEFINITION OF ACRONYMS

EPA:	Environmental Protection Agency
EPMC:	Employer-Paid Member Contribution
ERAF:	Educational Revenue Augmentation Fund
EVOC:	Emergency Vehicle Operation Course
FASB:	Financial Accounting Standards Board
FY:	Fiscal Year
GAAP:	Generally Accepted Accounting Principles
GAAS:	Generally Accepted Auditing Standards
GASB:	Governmental Accounting Standards Board
GFOA:	Government Finance Officers Association
GIS:	Geographical Information System
HAP:	Housing Assistance Program
HUD:	Housing and Urban Development
HVAC:	Heating/Ventilation and Air Conditioning
IAFF:	International Association of Firefighters
ICS:	Incident Command System
ISTEA:	Intermodal Surface Transportation Efficiency
IT:	Information Technology
JPA:	Joint Powers Authority
LA:	Los Angeles
LAIF:	Local Agency Investment Fund
LAN:	Local Area Network
M&O:	Maintenance and Operations
MOU:	Memorandum of Understanding
MTA:	Metropolitan Transit Authority
MVIL:	Motor Vehicle in-Lieu
NPDES:	National Pollutant Discharge Elimination System
OMB:	Office of Management and Budget
OPA:	Owner Participant Agreement
OPEB:	Other Post Employment Benefits
OTS:	Office of Traffic Safety
PCH:	Pacific Coast Highway
PFA:	Public Financing Authority
POST:	Peace Officers Standard Training
PSAF:	Public Safety Augmentation Fund
RBPAC:	Redondo Beach Performing Arts Center
RCP:	Reinforced Concrete Pipe
RDA:	Redevelopment Agency
RFP:	Request for Proposal
RPTTF:	Redvelopment Property Tax Trust Fund

DEFINITION OF ACRONYMS

SB: Senate Bill

SBYP: South Bay Youth Project

SCADA: Supervisory Control and Data Acquisition

SCAG: Southern California Association of Governments

SEC: Securities and Exchange Commission

SIU: Special Investigations Unit

SLESF: Supplemental Law Enforcement Services Fund

STC: Standards & Training Corrections

SWAT: Special Weapons and Tactics

TAP: Transit Access Pass

TDA: Transportation Development Act

TMDL: Total Maximum Daily Load

TOT: Transient Occupancy Tax

TPA: Third Party Administrator

TRAN: Tax and Revenue Anticipation Note

UUT: Utility Users' Tax

VLF: Vehicle License Fee

WAN: Wide Area Network

WIA: Workforce Investment Act

FREQUENTLY ASKED QUESTIONS

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.

Top Ten Revenues	Budget	Percent of General Fund Revenues
Property Tax	23,500,000	**30.6%**
Sales Tax	10,955,000	**14.3%**
Utility Users' Tax	7,600,000	**9.9%**
Transient Occupancy Tax	7,430,000	**9.7%**
Property Tax in Lieu of VLF	6,700,000	**8.7%**
Property Transfer Tax	2,400,000	**3.1%**
Franchise Fees	1,968,000	**2.6%**
Parking Meters Fees	1,950,000	**2.5%**
Parking Citations	1,750,000	**2.3%**
Business License Tax	1,150,000	**1.5%**
Total	**65,403,000**	**85.2%**

How much of my property tax dollar goes to City services?

California property taxes are set at 1% of the assessed value of the property. The City receives about 16 cents of every property tax dollar collected in Redondo Beach.

Does the City receive all the sales tax collected in Redondo Beach?

Sales tax in Redondo Beach is 9 cents on every dollar. Of that, the State receives the largest portion (6.5 cents). The City only receives a penny, and the remainder (1.5 cents) is for the County.

What is the largest use of General Fund revenues?

Personnel costs totaling $54,488,652 account for 63.4% of the General Fund Expenditures. The most costly benefits are retirement (CalPERS) costs in the amount of $11,993,815, and health insurance in the amount of $2,933,653. The majority of the General Fund personnel costs are for public safety with the Police Department at 44.6% and the Fire Department at 24.2%.

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/loses (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 "unassigned fund balance" and cash?

The year-end unassigned 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 unassigned 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.