

**City of Redlands
2007 - 2008
Adopted Budget**

INTRODUCTION TO FINANCIAL PLANS AND SUMMARIES

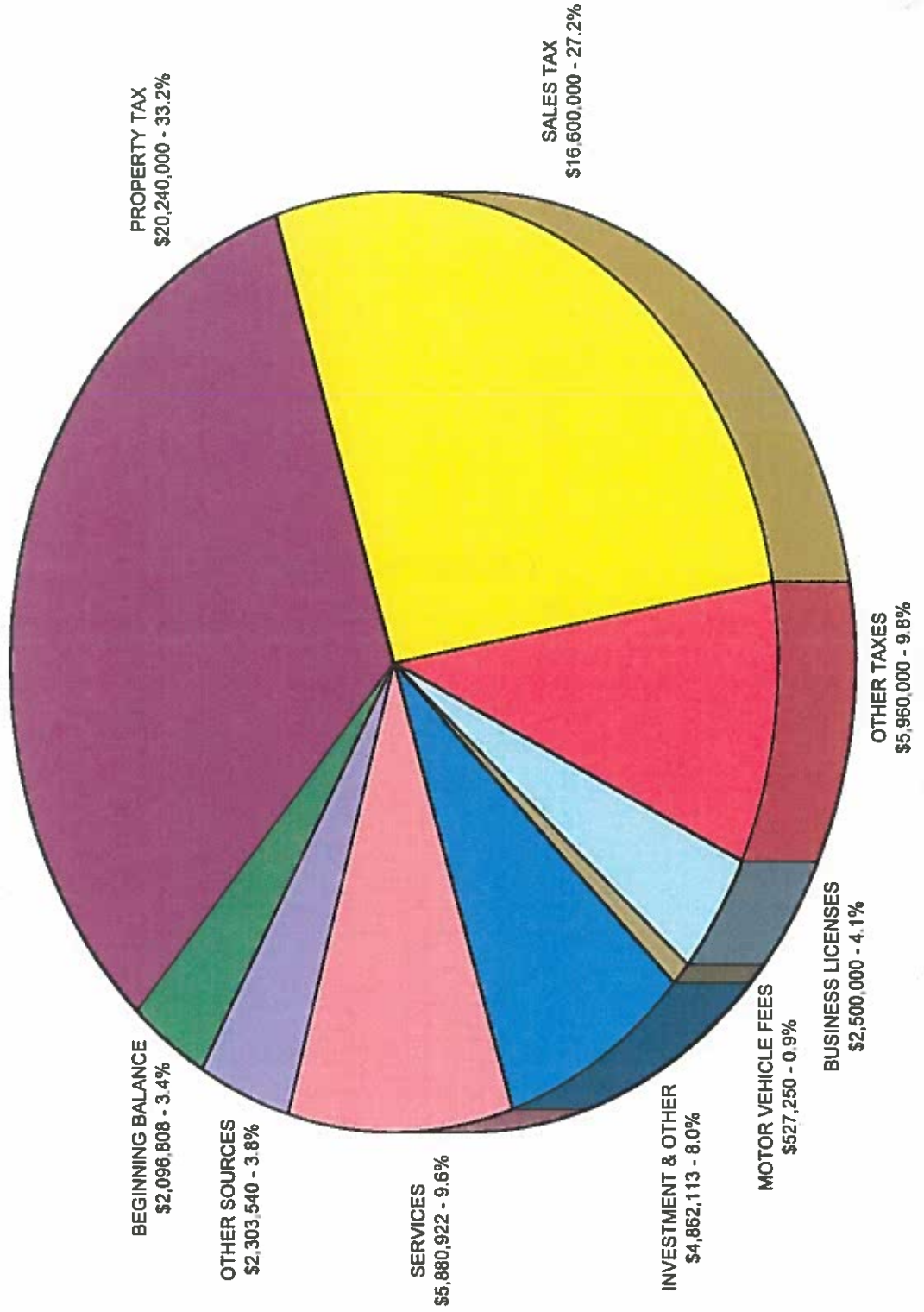
- Schedule 1 2007-08 Adopted Budget Summary - General Fund highlights the components of the General Fund budget including beginning and ending fund balance and illustrates that the budget or funding plan is more than just revenues and expenditures. Reserve requirements, transfers to and from other funds and the beginning fund balance must also be considered.
- Schedule 2 Three Year Budget Estimate (2005-06 through 2008-09) - General Fund presents the General Fund's year-end audited position for fiscal year 2005-06 with estimates for the current year and two subsequent years.
- Schedule 3 Loans Outstanding for Fiscal Year 2007-08 - General Fund identifies the outstanding balance of loans made from the General Fund to other funds and the required reservation of fund balance for the long-term portion of these loans (Advances Receivable).
- Schedule 4 Schedule of Adopted Reserves for Fiscal Year 2007-08 lists all reserves of fund balance and retained earnings with the exception of encumbrances. Increases or decreases to reserves require City Council approval.
- Schedule 5 Summary of 2007-08 Financial Sources and Requirements by Fund presents the individual funding plan or budget summary for each fund.
- Schedule 6 Summary of 2007-08 Financial Sources and Requirements presents a summary of funding plans for all funds including totals for all City funds' revenues and appropriations.

City of Redlands
2007-08 Adopted Budget Summary
General Fund

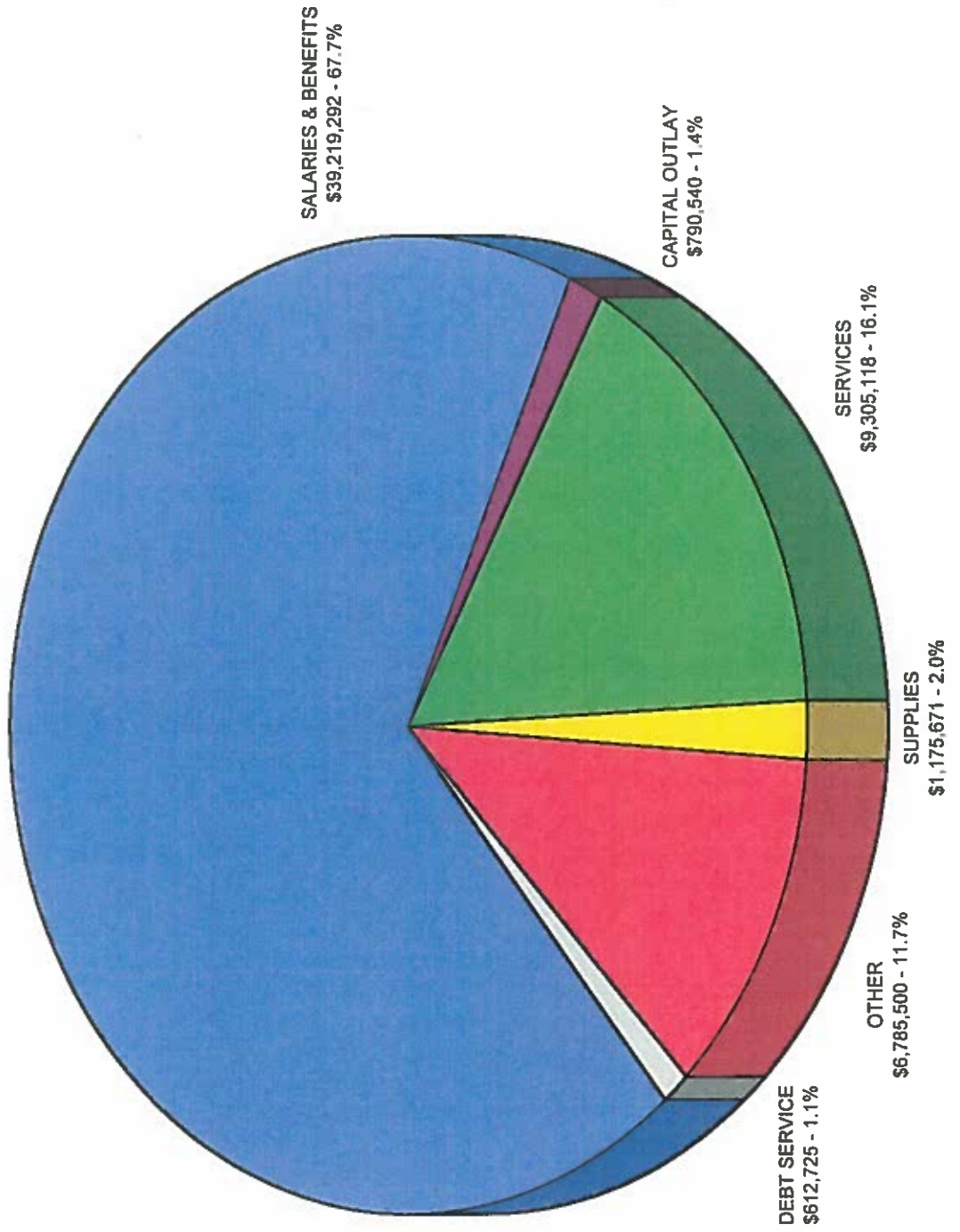
	2005-06 Actual	2006-07 Adjusted Budget	2006-07 12 Month Estimate	2007-08 Adopted Budget
FINANCIAL REQUIREMENTS:				
Appropriations/Expenditures				
City Council	\$ 176,827	\$ 174,091	\$ 166,393	\$ 163,426
City Manager	399,870	324,020	365,875	379,495
City Clerk	443,373	285,939	281,423	381,973
City Attorney	498,256	519,322	520,011	547,908
City Treasurer	596,553	609,950	624,947	643,748
Finance	1,094,492	1,275,178	1,176,877	1,209,577
Administrative Services	3,672,729	3,191,621	3,511,697	3,415,510
Community Development	1,794,868	2,029,924	1,695,983	2,109,278
Public Works	5,940,169	8,368,868	7,462,158	6,471,067
Library	1,856,592	1,939,253	1,876,432	1,978,392
Police	23,743,497	24,418,130	24,680,595	23,760,432
Fire	10,251,223	9,618,498	10,225,337	10,042,540
Total Appropriations	50,468,449	52,754,784	52,587,728	51,103,346
Interfund Transfers to Other Funds:				
Paramedic Fund (205)	1,402,535	1,779,002	2,034,190	2,131,135
Landscape Maintenance District (263)	46,682	60,073	73,834	135,211
Redlands Public Improvement Corp. (311)	324,346	969,796	963,471	966,702
Street Lighting District (260)	-	5,515	6,762	15,869
Liability Self-Insurance (602)	1,425,968	1,716,477	1,468,407	1,736,583
Equipment Maintenance (607)	-	200,000	148,000	-
Total Interfund Transfers To Other Funds	3,199,531	4,730,863	4,694,664	4,985,500
New or Increases to Reserves				
Encumbrances	1,253,886	-	-	-
General Fund Contingency	-	269,277	2,269,277	1,800,000
Inventory Reserve	82,615	-	-	-
Advances Receivable	647,911	-	-	-
Total New or Increases to Reserves	1,984,412	269,277	2,269,277	1,800,000
TOTAL FINANCIAL REQUIREMENTS	\$ 55,652,392	\$ 57,754,934	\$ 59,551,669	\$ 57,888,846
ENDING FUND BALANCE-UNRESERVED	\$ 2,922,504	\$ 173,781	\$ 2,096,808	\$ 3,081,787

Please note that 12 month estimates for this and other funds may have changed from the proposed budget document in order to account for departmental transfers and Council actions since the adoption on June 5, 2007.

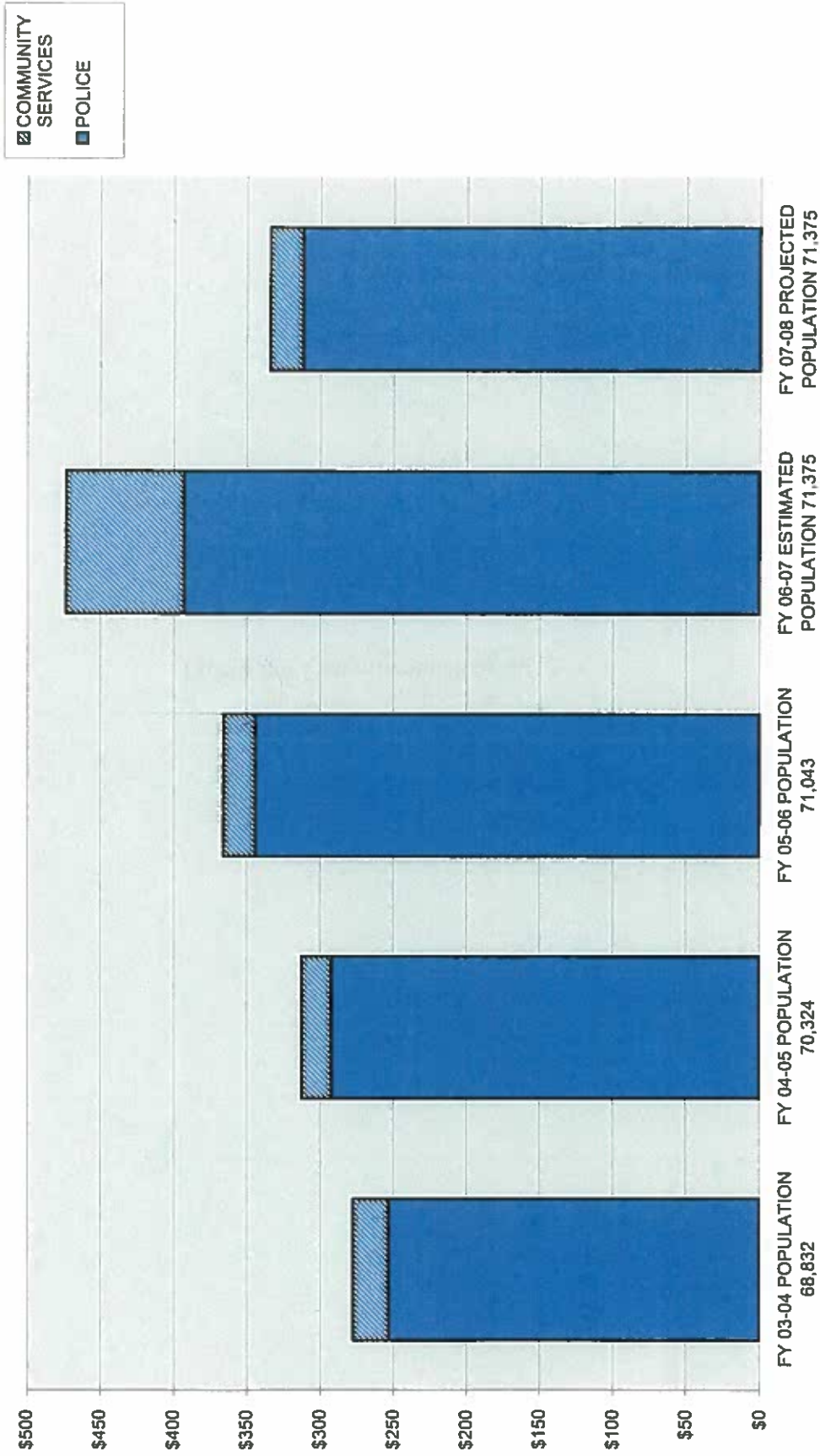
CITY OF REDLANDS
FY 2007-2008
\$60,970,633
SUMMARY OF GENERAL FUND REVENUES & OTHER FINANCING SOURCES



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



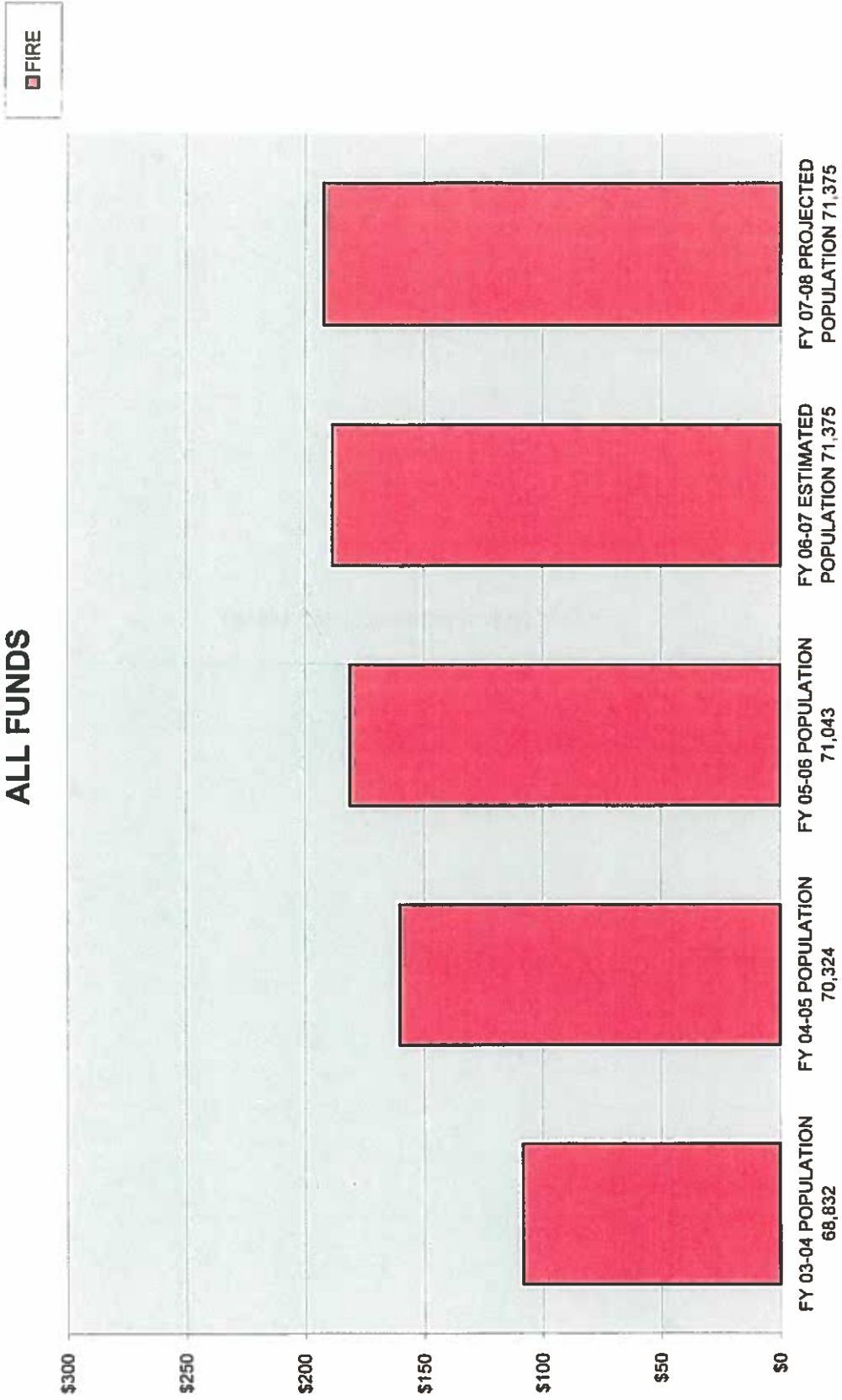
**CITY OF REDLANDS
PRIOR YEAR COMPARISONS
POLICE DEPARTMENT EXPENDITURES PER CAPITA
ALL FUNDS**



In FY 03-04 MIS was moved from Finance to PD.

Grants are estimated as fully expensed, enabling accurate balances to be carried forward from one year to the next. This accounts for the fluctuations represented in the estimated columns.

**CITY OF REDLANDS
PRIOR YEAR COMPARISONS
FIRE DEPARTMENT EXPENDITURES PER CAPITA
ALL FUNDS**



**THREE YEAR BUDGET ESTIMATE
GENERAL FUND
2005-06 THROUGH 2008-09**

<u>FINANCIAL SOURCES:</u>	AUDITED 2005-2006	ESTIMATED 2006-2007	ESTIMATED 2007-2008	ESTIMATED 2008-2009
BEGINNING FUND BALANCE - UNRESERVED	\$ 7,392,921	\$ 2,922,504	\$ 2,096,808	\$ 3,081,787
Revenues	\$ 48,142,537	\$ 53,126,403	\$ 56,570,285	\$ 58,488,952
Interfund Transfers In	1,716,445	2,836,600	2,210,540	1,900,255
Development Impact Funds Admin Fee	-	-	93,000	-
Decrease in Reserve for Advances Receivable	502,044 (2)	1,509,084	-	-
Decrease in Reserve for General Fund Contingencies	269,152	-	-	300,000
Decrease in Reserve for Inventory	-	-	-	-
Cancellation of Reserve for Encumbrances	551,797	1,253,886	-	-
TOTAL CURRENT SOURCES	\$ 51,181,975	\$ 58,725,973	\$ 58,873,825	\$ 60,689,207

FINANCIAL REQUIREMENTS:

Expenditures (3)	\$ 50,468,449	\$ 52,587,728	\$ 51,103,346	\$ 56,918,388
Interfund Transfers Out	3,199,531	4,694,664	4,985,500	5,205,271
Increase in Reserve for General Fund Contingencies	-	2,269,277	1,800,000 *	1,800,000 *
Increase in Reserve for Advances Receivable	647,911	-	-	-
Increase in Reserve for Inventory	82,615	-	-	-
Increase in Reserve for Encumbrances	1,253,886	-	-	-
TOTAL CURRENT REQUIREMENTS	\$ 55,652,392	\$ 59,551,669	\$ 57,888,846	\$ 63,923,659
CURRENT SOURCES OVER(UNDER) REQUIREMENTS	\$ (4,470,417)	\$ (825,696)	\$ 984,979	\$ (3,234,452)
ENDING FUND BALANCE - UNRESERVED (1)	\$ 2,922,504	\$ 2,096,808	\$ 3,081,787	\$ (152,665)

* Marshburn Alloc.

Notes:

(1) Does not include \$1,880,723 in Contingency and Equipment Reserves

(2) Debt Service savings resulting from the refinancing of the 1993 Refunding of the 1986 and 1987 Projects COPs in fiscal year 2003-2004 resulted in savings shared equally between the General Fund and the Public Facilities Development Fund, just as the debt service payments are shared. The savings in the Public Facilities Development fund occurring in fiscal years 2005-2006 is shown as a loan repayment to the General Fund.

(3) Expenditures are estimated by departments as fully spent, which includes anticipated carryovers and encumbrances.

SCHEDULE 4

City of Redlands
 Schedule of Adopted Reserves for Fiscal Year 2007-08

<u>Governmental Funds</u>	<u>Reserve</u>	<u>Adjusted Balance 6/30/2007</u>	<u>Adopted Increase(Decrease) for 2007-08</u>	<u>Adopted Total Reserve for 2007-08</u>
General Fund (101)				
	Equipment Replacement	\$ 312,604	\$ -	\$ 312,604
	Contingency	3,837,396	1,800,000	5,637,396
	Advances Receivable	3,809,436	-	3,809,436
	Stores Inventory	433,328	-	433,328
	Total	8,392,764	1,800,000	10,192,764
<u>Enterprise Funds</u>				
Water (501)				
	Rate Stabilization	\$ 200,000	\$ -	\$ 200,000
	Operating	1,380,000	-	1,380,000
	Capital	794,000	-	794,000
	Treatment Plant Capital	2,600,000	(1,560,000)	1,040,000
	Total	4,974,000	(1,560,000)	3,414,000
Solid Waste (511)				
	Operating	1,350,000	(350,000)	1,000,000
	Capital	600,000	(500,000)	100,000
	Equipment Replacement	700,000	(550,000)	150,000
	Landfill	1,500,000	(1,500,000)	-
	Borrow Site	40,000	-	40,000
	Landfill Closure	5,043,370	-	5,043,370
	Total	9,233,370	(2,900,000)	6,333,370
Wastewater (521)				
	Operating	815,000	385,000	1,200,000
	Capital	1,076,000	-	1,076,000
	Equipment Replacement	300,000	-	300,000
	Treatment Plant Capital	100,000	400,000	500,000
	Reclaimed Water System	500,000	-	500,000
	Total	2,791,000	785,000	3,576,000
<u>Internal Service Funds</u>				
Liability Insurance (602)	Self-Insured Retention	\$ 500,000	\$ -	\$ 500,000
Workers Comp (606)	Self-Insured Retention	1,000,000	-	1,000,000

SCHEDULE 5

Source Acquisition (508)	Capital Improvement (509)	Total Water Enterprise
\$ 100,000	\$ 2,200,000	\$ 6,000,000
180,000	1,600,000	18,560,000
		8,265,039
		180,000
		2,894,102
		61,000
		<u>1,560,000</u>
<u>280,000</u>	<u>3,800,000</u>	<u>37,520,141</u>
100,000	30,000	24,428,233
	2,247,500	8,695,400
	646,602	2,463,741
<u>180,000</u>	<u>2,924,102</u>	<u>180,000</u>
280,000	2,924,102	35,767,374
\$ 0	\$ 875,898	\$ 1,752,767

SCHEDULE 5

<u>Solid Waste Debt Service (516)</u>	<u>Calif Street Landfill Closure (517)</u>	<u>Capital Improvement (519)</u>	<u>Total Solid Waste Enterprise</u>
\$ 0	\$ 0	\$ 1,700,000	\$ 2,400,000
	140,000	550,000	9,891,000
			3,350,400
			1,391,031
			128,000
			350,000
			500,000
			1,500,000
			550,000
<u>0</u>	<u>140,000</u>	<u>2,250,000</u>	<u>20,060,431</u>
			13,753,135
		193,431	193,431
		1,197,600	4,548,000
	<u>140,000</u>		<u>140,000</u>
<u>0</u>	<u>140,000</u>	<u>1,391,031</u>	<u>18,634,566</u>
\$ 0	\$ 0	\$ 858,969	\$ 1,425,865

SCHEDULE 5

<u>Capital Improvements (529)</u>	<u>Total Wastewater Enterprise</u>
\$ 1,200,000	\$ 4,000,000
2,130,000	9,388,000
	880,000
	1,184,509
	4,069,802
	83,000
	<u>0</u>
<u>3,330,000</u>	<u>19,605,311</u>
50,000	10,888,806
238,000	3,500,200
946,509	1,754,111
880,000	880,000
	385,000
	<u>400,000</u>
<u>2,114,509</u>	<u>17,808,117</u>
\$ 1,215,491	\$ 1,797,194

This payment covers the fifth of seven annual installments to repay a \$465,000 loan from the Wastewater Fund (521) to support the purchase of a new financial accounting computer system. In order for the Sewer Capital Improvement Fund (529) to meet its share of the debt service obligation in previous years, it required loans from the Wastewater Operating Fund (521).

City of Redlands
 Summary of 2007-2008 Financial Sources and Requirements by Fund
 Adopted Budget

Internal Service Funds

	Liability Insurance (602)	Worker's Comp Insurance (606)	Equipment Maintenance (607)	Utility Billing (608)
Financial Sources:				
Unrestricted Cash Balance, 6/30/07	\$ 1,100,000	\$ 1,280,613	\$ 125,000	\$ 260,000
Estimated Revenues		2,049,150	4,096,353	1,404,443
Interfund Transfers From: General Fund (101)	<u>1,736,583</u>			
Total Financial Sources	2,836,583	3,329,763	4,221,353	1,664,443
Financial Requirements:				
Appropriations	<u>1,736,583</u>	<u>2,231,721</u>	<u>4,050,292</u>	<u>1,439,405</u>
Total Financial Requirements	1,736,583	2,231,721	4,050,292	1,439,405
Unrestricted Cash Balance, 6/30/08	\$ 1,100,000	\$ 1,098,042	\$ 171,061	\$ 225,038

2007-08 Funding Plan Highlights:

Liability Insurance

This fund will require an operating transfer from the General Fund not only to maintain the required \$500,000 self-insured retention reserve, but also to fund the cost of anticipated litigation.

Worker's Compensation

Estimated revenues are generated from charges to internal customer accounts as a means of cost recovery for claims paid and training provided on behalf of other city departments.

Equipment Maintenance

Estimated revenues are generated from charges to internal customer accounts as a means of cost recovery for services rendered to other city departments.

Utility Billing

The three utility enterprise funds; water, wastewater and solid waste, are charged proportionately for services by the utility billing division.

City of Redlands
 Summary of 2007-2008 Financial Sources and Requirements by Fund
 Adopted Budget

Special Revenue, Debt Service and Capital Projects Funds

	Paramedic (205)	Household Hazardous Waste (206)	Gas Tax (207)	Measure "I" (208)
Financial Sources:				
Unrestricted Cash Balance, 6/30/07	\$ 0	\$ 402,506	\$ 0	\$ 2,966,369
Estimated Revenues	1,087,000	115,000	1,240,500	1,460,000
Interfund Transfers From: General Fund (101)	2,131,135			
Total Financial Sources	3,218,135	517,506	1,240,500	4,426,369
Financial Requirements:				
Appropriations	3,218,135	428,306		1,899,650
Interfund Transfers To: General Fund (101)			1,240,500	
Total Financial Requirements	3,218,135	428,306	1,240,500	1,899,650
 Unrestricted Cash Balance, 6/30/08	 \$ 0	 \$ 89,200	 \$ 0	 \$ 2,526,719

2007-08 Funding Plan Highlights:

Paramedic

This fund will require a \$2131135 operating transfer from the General Fund.

Household Hazardous Waste

This fund is supported by fees and is expected to finish fiscal year 2006-07 with a \$394,184 fund balance.

Gas Tax

Revenues are transferred to the General Fund on a monthly basis.

Measure "I"

The current appropriations are for improvements to the Redlands, Alabama, and Colton intersection.

City of Redlands
 Summary of 2007-2008 Financial Sources and Requirements by Fund
 Adopted Budget

Special Revenue, Debt Service and Capital Projects Funds

	Downtown Redlands Business Assoc. (236)	Parking Authority (237)	General Capital Improvements (240)	Community Development Block Grant (243)
Financial Sources:				
Unrestricted Cash Balance, 6/30/07	\$ 280,684	\$ 120,614	\$ 229,763	\$ 0
Estimated Revenues	374,050	5,500	40,000	320,526
Interfund Transfers From: Park Development (250)			247,260	
Total Financial Sources	654,734	126,114	517,023	320,526
Financial Requirements:				
Appropriations	520,419	23,078		320,526
Total Financial Requirements	520,419	23,078	0	320,526
Unrestricted Cash Balance, 6/30/08	\$ 134,315	\$ 103,036	\$ 517,023	\$ 0

2007-08 Funding Plan Highlights:

Downtown Redlands Business Association

This fund accounts for the activity of fees collected with the intent of attracting business to the downtown area.

Parking Authority

Revenues consist of parking permit fees from city parking lots. The cash balance is currently unreserved and undesignated.

General Capital Improvements

Current projects are grant funded. For budgetary purposes, all existing appropriations are estimated as fully expensed during the current fiscal year. This enables accurate balances to be carried forward for ongoing grants. A portion of future Park Development fees have been pledged through approximately June 2006 and are reflected as a transfer in.

Community Development Block Grant

City Council approved allocations are funded by federal revenues received from the County of San Bernardino. For budgetary purposes all existing appropriations are estimated as fully expensed during the current fiscal year. This enables accurate balances to be carried forward for ongoing grants.

City of Redlands
 Summary of 2007-2008 Financial Sources and Requirements by Fund
 Adopted Budget

Special Revenue, Debt Service and Capital Projects Funds

	Park Development (250)	Public Facilities Development (251)	Street Construction (252)	Traffic Signals (253)
Financial Sources:				
Unrestricted Cash Balance, 6/30/07	\$ 2,165,460	\$ 1,713,260	\$ 0	\$ 0
Estimated Revenues	494,520	2,899,740	1,250,000	125,000
Total Financial Sources	2,659,980	4,613,000	1,250,000	125,000
Financial Requirements:				
Appropriations	10,500			
Interfund Transfers To:				
Local Transportation (209)			1,250,000	125,000
General Capital Improvement (240)	247,260			
Redlands Public Improve. Corp (311)		1,116,742		
Total Financial Requirements	257,760	1,116,742	1,250,000	125,000
 Unrestricted Cash Balance, 6/30/08	 \$ 2,402,220	 \$ 3,496,258	 \$ 0	 \$ 0

2007-08 Funding Plan Highlights:

Park Development

Estimated Revenues represent park development impact fees. A portion of park development fees through approximately June 2006 have been allocated toward the City's proposed Sports Park and are therefore reflected as a transfer to the General Capital Improvement Fund (240).

Public Facilities Development

The beginning cash balance represents the estimated amount of police, fire and city hall impact fees available. Impact fees related to fire station no. 3, library and the city yard are used to repay debt service. The 1993 Refunding of 1986/87 Projects Certificates of Participation were refinanced in 2002-03.

Street Construction

Revenues are transferred to the Local Transportation Fund (209) to fund specific street construction projects.

Traffic Signals

Revenues are transferred to the Local Transportation Fund (209) to fund specific traffic signal projects.

City of Redlands
 Summary of 2007-2008 Financial Sources and Requirements by Fund
 Adopted Budget

Special Revenue, Debt Service and Capital Projects Funds

	General Debt Service (305)	Redlands Public Improve. Corporation (311)	Storm Drains (405)	Measure "O" Bond (417)
Financial Sources:				
Unrestricted Cash Balance, 6/30/07	\$ 1,183,590	\$ 0	\$ 2,536,590	\$ 168,456
Estimated Revenues	597,422		562,880	4,250
Interfund Transfers From:				
General Fund (101)		966,702		
Public Facilities Development (251)		966,702		
Total Financial Sources	1,781,012	1,933,404	3,099,470	172,706
Financial Requirements:				
Appropriations	597,422	1,933,404	881,178	
Total Financial Requirements	597,422	1,933,404	881,178	0
Unrestricted Cash Balance, 6/30/08	\$ 1,183,590	\$ 0	\$ 2,218,292	\$ 172,706

2007-08 Funding Plan Highlights:

General Debt Service

Cash balance is unrestricted with no legal requirements to be reserved for final year debt service payment on 2003 General Obligation Refunding Bonds.

Redlands Public Improvement Corp.

This debt service fund accounts for annual principal and interest related to the 1993 Refunding of 1986/1987 Projects. This issue was refinanced in 2002-03 for a savings to be shared equally by the General Fund and Public Facilities Development Fund.

Storm Drains

Estimated revenues are development impact fees to fund specific storm drain projects.

Measure "O" Bond

The cash balance was depleted in fiscal year 1998-99 for the purchase of citrus groves. The current balance is from the proceeds of the Barton House sale and can be used for open space.