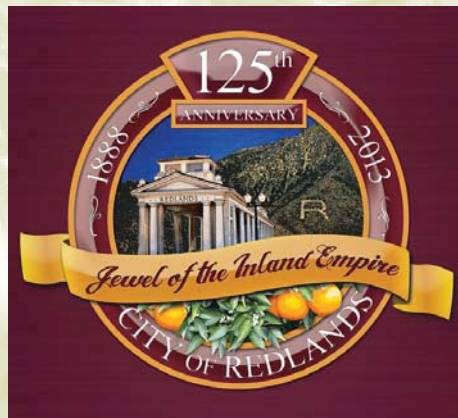


# *City of Redlands*



## *Fiscal Year 2012-2013 Adopted Budget*

*125th Anniversary*

*1888 ~ 2013*

# CITY OF REDLANDS CALIFORNIA

## 2012-2013 ADOPTED BUDGET

*Redlands City Council Members*

Pete Aguilar, Mayor  
Paul Foster, Mayor Pro Tempore  
Jerry Bean  
Bob Gardner  
Jon Harrison

N. Enrique Martinez, City Manager  
Tina T. Kundig, Finance Director / City Treasurer

*Special thanks  
to the  
Budget Committee  
and  
Budget Preparation Team*

City of Redlands  
2012-2013  
Adopted Budget

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N. ENRIQUE MARTINEZ  
City Manager

City of  
**REDLANDS**

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June 19, 2012

**BUDGET MESSAGE FOR CITY MANAGER'S  
FISCAL YEAR 2012-2013 ADOPTED BUDGET**

The Adopted Budget for Fiscal year 2012-2013 presents a balanced General Fund budget while maintaining staffing levels and quality services to the residents of Redlands. The decisions made to achieve this, however, rely on certain assumptions that may present challenges throughout the Fiscal Year. These assumptions include noteworthy increases in several revenue categories, such as sales tax, development revenues and franchise fees, while other categories remain flat or decline. Property taxes, the single largest revenue source to the General Fund, are reduced from prior year, the result of several years of declining property values. In order to more closely monitor the soundness of these and other assumptions, it is likely that the City will need to revisit the budget more frequently than the customary mid-year review.

Overall, revenues for Fiscal Year 2012-2013 are expected to increase by approximately \$1 million, (excluding fire truck grant revenue of \$670,000 and related donations of \$254,000 received in Fiscal Year 2011-2012) with a \$601,000 increase estimated for sales taxes, \$234,000 in franchise fees and \$95,000 in development revenues. These follow already significant anticipated increases in sales tax and development revenues for Fiscal Year 2011-2012. Information from the City's sales tax consultant supports the upward trend and Development Services staff is continuing to see a rise in development activity. However, all revenue projections are subject to the fluctuations of the global and national economies and the significant impacts of measures by the State to balance its budget. Gas franchise fees, the greatest contributor to the City's franchise fee revenues, will vary with the price of natural gas and gas consumption, particularly that of the local Edison (Mountainview) Power Plant. For Fiscal Year 2012-2013, the Gas Company expects a modest increase in its fees. Franchise fee revenue projections also assume implementation of an additional 1% fee to the cable companies as allowed under recent state legislation.

Like revenues, General Fund expenditures are also expected to increase – an estimated \$2.1 million (excluding the Fiscal Year 2011-2012 grant/donation funded fire truck/equipment expenditures). Included in these expenditures are priorities identified by the City Council at its June 19, 2012 meeting. At that time, the City Council unanimously approved the City Manager's recommended Fiscal Year 2012-2013 Budget, contingent on the City Manager identifying additional funding of \$226,000 to cover the costs of the following City Council priorities: General Plan Housing Element (\$95,000), league memberships (\$26,000), additional tree trimming (\$25,000), and elimination of a portion of the \$125,000 credit included as a contingency for fee waivers (\$80,000). Funding sources identified to cover the \$226,000 in expenditures include a reduction in City garage charges of \$96,300, \$62,700 in salaries and





benefits, and \$67,000 in various services and supplies. (see *General Fund Adopted Budget Schedule of 6/19/2012 Changes*)

Contributing to the overall increase in expenditures were the end of furlough agreements with all employee bargaining units, except Police, in June 2012, which eliminates the significant salary and benefit savings realized over the past four years. Despite continuation of furloughs for Police, and the corresponding savings, the Police Department has the largest increase in expenditures, \$1.4 million, primarily as a result of significant increases for Internal Service Fund charges, both for Worker's Compensation, as well as Information Technology, in support of the department's numerous and increasingly sophisticated software systems and technologies. Like Police, Fire Department expenditures (excluding grant/donation funded) increased by approximately \$141,000, largely due to a significant increase in Worker's Compensation charges. The increase in Fire occurred despite a \$75,000 decrease in banked leave buyback and a significant reduction in overtime that leaves the overall budget for Fire, including Paramedics, at \$1.4 million, down approximately \$200,000 from the average over the three fiscal years, 2008-2009 through 2010-2011. Buyback and overtime provisions in employee contracts, including constant staffing requirements in the firefighters' contract, often drive an increase in overtime costs that may result in actual overtime costs exceeding budget. Other departments experiencing significant expenditure increases include Development Services at \$459,000, primarily a result of absorbing costs following the State's elimination of redevelopment agencies, as well as the cost of the General Plan Housing Element; \$214,000 in MUED Engineering, which includes \$100,000 for the LED lighting project and a reallocation of staff time into the Engineering division; \$193,000 in Human Resources, resulting mostly from an increase in retiree health care premiums; and \$96,000 in the City Clerk's office as a result of election costs. The impact of increases in these departments was partly mitigated by decreases in some other departments, including the City Manager's Office, which reflects a credit, or reduction in expenditures, as a result of a contingency for anticipated savings of \$150,000 for employee vacancies turnover and \$25,000 for City Hall holiday closure.

Although the Fiscal Year 2012-2013 budget does not allow for any repayment of the outstanding loan made several years ago from General Fund reserves, an early repayment, \$250,000, was made using excess fund balance achieved at June 30, 2011 as discussed and approved at the mid-year budget review in February, 2012. No use of reserves has been proposed in the current year, leaving reserves of \$6.6 million intact at June 30, 2013.

Also contributing to the balanced budget for Fiscal Year 2012-2013 is an increase in transfers from other funds to the General Fund, proposed as a result of the findings of a study by TKE Engineering, which identified the significant pavement impacts to City streets caused by the City's heavy solid waste and utility trucks. Annual impacts were identified at \$3.6 million for Solid Waste and \$119,500 for Water and Wastewater. Approximately 25% of these amounts has been included in the budget for engineering design and administration associated with the necessary street maintenance and improvements. The remaining 75% of identified annual pavement impacts, or \$2.8 million, will be set aside at June 30, 2012 from the Solid Waste, Water and Wastewater ending fund balances and then in Fiscal Year 2012-2013 these amounts, \$2.7 million, \$77,000 and \$13,000, respectively, will be transferred to Fund 209 Local



Transportation to account for the project expenditures. A transfer of \$750,000 has also been included as repayment from Utilities for necessary street repairs resulting from previous street cuts required to make pipeline repairs.

As discussed, the Fiscal Year 2012-2013 budget reflects numerous challenges facing the City. These include virtually no funding for capital, elimination of all but 3 months of a new Emergency Services Coordinator position, the end of most employee furloughs and the corresponding savings, and the impacts from the State's elimination of redevelopment agencies. Furthermore, after several years of minimal funding to the City's internal service funds to provide General Fund savings, these funds now require replenishment to more normal levels. A fee study undertaken over the past year, the results of which have yet to be implemented, may result in increased revenues to help offset some of these challenges or to restore funding in areas that have been cut or eliminated.

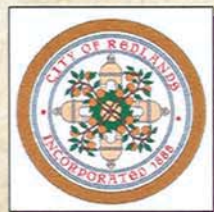
Maintaining the best possible service to the residents of Redlands has always been my top priority and that of the Council and City staff. Despite the economic downturn experienced since 2007, City staff continues to perform at a high level of professionalism and to develop and expand on innovations to improve efficiencies and service. We take pride in the achievements of the past year, including the award winning Redlands 311 smart phone app, ambitious economic development initiatives in the expanded downtown area, improvements to State Street and the City's entryways designed to attract and retain business, a Pavement Management Program that for the first time provides a measured and systematic approach to maintaining and improving the City's streets, savings of nearly \$10 million from the original estimate of \$18 million to upgrade the Hinckley Wastewater Treatment Plant to meet new USEPA regulation, as well as \$1 million annually in maintenance and operation costs, and a nationally recognized volunteer program that engages our community in partnership with the City and builds on Redlands' storied history of civic pride and philanthropy.

Once again, I wish to express my sincere thanks to the City Council Budget Subcommittee and the professional Executive and support staff who have been instrumental in the development of a balanced budget for Fiscal Year 2012-2013. Special thanks is extended to Municipal Utilities and Engineering Director Fred Mousavipour, Assistant Utilities Director Chris Diggs, and staff, for their extensive work in development of the Pavement Management Program, and to that end, for the input and support provided by Quality of Life Director Fred Cardenas.



N. Enrique Martinez  
City Manager





# Redlands City Values

## **Redlands City Council, Clerk, and Treasurer, plus all other City employees and volunteers, commit to these values:**

### **WE STRIVE FOR EXCELLENCE AND ARE INNOVATIVE:**

We aim to deliver the best service possible and measure quality outcomes and results. We strive to exceed expectations and to bring out the best in each other. We are flexible and adapt to the ever-changing needs of our community. We seek traditional as well as non-traditional solutions and embrace creativity.

### **WE ARE FISCALLY RESPONSIBLE:**

We take seriously financial stability and our stewardship in carefully managing and constantly ensuring the best use of all public funds and other resources.

### **WE SEEK SUSTAINABILITY:**

We pursue sustainability as the key to optimal use of all resources. We measure progress through improvement to the health and well-being of our residents, environment, and local economy.

### **WE ARE RESPONSIVE:**

As public servants we exist to serve Redlands citizens and to exceed expectations. That is and should always be our constant focus. We listen, are empathetic and take appropriate action. We pursue good and timely solutions, and are alert to modifying strategies in response to unintended consequences.

### **WE ARE FAIR, HONEST, AND ACT WITH INTEGRITY:**

We align our values, words and actions. We are honorable, trustworthy and sincere. We consistently go not just beyond the legal minimum to do what is right, but strive for the highest moral and ethical behavior.

### **WE ARE ACCOUNTABLE AND MAKE SOUND DECISIONS BASED ON CLEAR RATIONALE:**

We take responsibility for our decisions and actions. We are accountable to our community and to each other so that future generations will have as many opportunities available to them as we do today. We encourage and practice servant leadership.

### **WE TREAT EVERYONE WITH RESPECT:**

We acknowledge the dignity of every employee, citizen, resident, and visitor in our City. We work actively to eliminate barriers to full participation in community life. We conduct City business with courtesy, civility, and respect.

### **WE EMBRACE DIVERSITY AND INCLUSIVENESS:**

We value the strengths that result from varied experiences, ideas and perspectives. Our collective histories, both employee and citizen, and natural setting create the fabric that makes Redlands a special place to live, work, and play.

### **WE COMMUNICATE OPENLY, CLEARLY AND FREQUENTLY:**

We seek shared understanding with our community and across City organizations. We are engaged and our interactions are meaningful. We engage in participatory governance and transparent processes. We strive to create a culture of collaboration that encourages innovation, sharing of resources, and jointly shared accountability for results.

### **WE TAKE PLEASURE IN THE WORK WE DO:**

While maintaining a professional environment, we recognize the importance of building and maintaining an enjoyable workplace that will attract and retain quality employees. We value a sense of humor and remember not to take ourselves too seriously.



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**City of Redlands  
2012-2013  
Adopted Budget**

**Budget and Finance Policies**

The following policies focus on City of Redlands budget and finance activities. They are intended to serve as a foundation for successful management of the City's financial resources. The City is already in compliance with many of these policies, while others may take more time to implement. City finance staff will review the status of these policies annually, in February, and report to the City Council on progress achieved.

**I. GENERAL POLICIES**

1. The City organization will implement the City Council's goals, objectives, and policies through a service delivery system financed by the Operating and Capital Budgets.
2. The relationship between the Operating and Capital Budgets will be explicitly recognized and incorporated into the budget process. Based on available resources, the City Council will make available sufficient funds to provide municipal operating services and maintenance or enhancement of fixed assets needed to support public demand for City services.
3. The City will work to improve customer service and the productivity and performance of its programs and employees, and will seek ways to eliminate duplicative functions within the city government and between the City of Redlands and other public agencies in the community. A reporting mechanism based on clear performance measures, return on investment, and highlighting the service efforts and accomplishments of the City's major services will be developed.
4. Whenever feasible, the cost to the government of providing services will be fully recovered by user fees. As mandated by Generally Accepted Accounting Principles (GAAP), Enterprise funds will be used when legal requirements or management policy requires the full cost of providing services to customers outside the organization, including capital, be recovered through fees and charges. Internal Service Funds are designed to function as cost-reimbursement funds for services provided to other funds or departments of the primary government. Enterprise and Internal Service funds shall be self-supporting.
5. All current operating expenditures will be paid for with current revenues.
6. Adequate reserves will be maintained and all known liabilities will be identified and reported consistent with Generally Accepted Accounting Principles. In addition to maintaining a Reserve for Contingency, the City may establish reserves for special purposes, including but not limited to, unanticipated staff retirements, certain types of overtime, and equipment purchases.
7. Efforts will be coordinated with other governmental agencies to achieve common policy objectives, share the cost of providing governmental services on an equitable basis, and support favorable legislation at the state and federal level.
8. City expenditure and revenue analyses shall include a five year projection.
9. The City will seek out, apply for, and effectively administer federal, state, local, and other grants or assistance that address the City's current priorities and policy objectives.

10. The public shall be afforded appropriate opportunities for comment on all City financial activities consistent with current ordinances and other laws and regulations.

## II. REVENUE POLICIES

1. The City will build and maintain a diversified and stable revenue system to shelter it from short-run fluctuations in any one source.
2. The City will follow an aggressive policy of collecting all revenues, and will report regularly on progress achieved.
3. The City will establish all user fees and charges at a level related to the full costs (operating, direct, indirect and capital) of providing the service, or provide justification for any level less than this amount. The City will review fees/charges periodically.
4. The City will review market rates and charges levied by other municipalities of similar size for like services when establishing rates, fees and charges.
5. Revenues will be conservatively estimated.

## III. EXPENDITURE POLICIES

1. The City shall operate on a balanced budget as required by City ordinance.
2. The City shall take immediate corrective actions if at any time during the fiscal year expenditure and revenue re-estimates are such that an operating deficit is projected at year-end. Corrective actions can include a hiring freeze, expenditure reductions, fee increases, or other options. Inappropriate expenditure deferrals into the following fiscal year, short-term inter-fund loans, or use of one-time revenue sources for other than one-time expenditures shall be avoided.
3. The City Manager shall undertake periodic staff and third-party reviews of City programs for both efficiency and effectiveness. Privatization and contracting with other governmental or other agencies will be evaluated as alternatives to service delivery. Programs that are determined to be inefficient and/or ineffective shall be reduced in scope or eliminated.
4. The City shall make every effort to maximize any discounts offered by creditors/vendors.
5. Staff shall use competitive bidding, in accordance with the City's Purchasing Ordinance and state law, to attain the best possible price on goods and services.

## IV. FUND BALANCE POLICIES

### General Fund:

1. In accordance with the City's General Fund Reserve Policy Ordinance, a General Fund Reserve for Contingency shall be established equivalent to a minimum of twelve (12%) of General Fund financial requirements. Use of this reserve will be as allowed per the Ordinance.
2. As recommended by the Government Finance Officer's Association, the City will establish a General Fund Ending Unreserved Fund Balance of no less than a) 5% - 15% of regular general fund operating revenues, or b) no less than 1 - 2 months of regular general fund operating expenditures.

3. The General Fund Unreserved Fund Balance, including the Fund Balance Reserved for Contingency, will be approximately twenty-five (25%) of general fund operating expenditures.
4. Reserves for encumbrances will be established at the end of every fiscal year to designate fund balance in the amount equal to the City's unpaid obligations and unfinished projects at year-end.
5. Funding levels of General Fund reserves will be reviewed during periods of economic stagnation to avoid reductions in operating service levels.
6. Appropriations or use of funds from any designated reserves will require City Council action.

#### V. CAPITAL IMPROVEMENT PLAN (CIP) POLICIES

1. The City will develop a multi-year plan for capital improvements, update it annually and make all capital improvements in accordance with the plan. If mid-year revisions to the plan are necessary, these will be brought to the City Council for review and approval.
2. The City will maintain its physical assets at a level adequate to protect the City's capital investment and to minimize future maintenance and replacement costs. The budget will provide for adequate maintenance and orderly replacement of capital assets from current revenues where possible.
3. Capital projects will conform to the following criteria:
  - A. will be part of an approved City plan;
  - B. will be part of an adopted maintenance/replacement schedule;
  - C. will minimize operating costs; and
  - D. will be selected according to the established Capital Improvement Plan.
4. The capital budget process will work in conjunction with the regular operating budget process. CIP projects will be flagged as funded or unfunded depending on whether or not the forecasted operating budget can support or fund the project. All funded CIP projects will be included in the operating budget for the current budget year.

#### VI. ANNUAL AUDIT

1. The City will require an annual audit by a qualified independent accountant of the books of account, financial records, inventories and reports of all City officers and employees involved in the handling of financial matters.
2. Selection of an independent auditing firm will be made by the City Council following a competitive proposal process. It is the policy of the City that the most qualified firm is selected and therefore the lowest cost approach is not the defining method of selecting an auditing firm. Among equally qualified firms, cost may be considered a determining factor in selection and award of contract.
3. The City shall issue a Request for Proposal for audit services at least every five years, and at that time, will consider rotation of audit firms, or at minimum, rotation of audit partners from the same firm.



City of Redlands  
2012-2013  
Adopted Budget

Summary of the Budget Process

BUDGET ADOPTION

The City of Redlands prepares and adopts a revised current fiscal year estimate and a new fiscal year projection in June of each year. The revised 12 month estimate for the current fiscal year becomes the final budget estimate as the year closes and the projection for the new fiscal year becomes the initial budget estimate of activity. This initial estimate is typically reviewed closely at mid-year in order to determine significant changes which are then presented to the City Council. However, due to the uncertainty in the economy over the last couple of years, close monitoring and review of the budget, with updates to the City Council, has become an on-going process.

BUDGET FORMAT

The budget document is organized by the major departments of the City of Redlands. Each section is further subdivided into organizational units referred to as divisions, programs or funds. Each unit represents a service or activity and emphasizes program planning, evaluation, resource allocation and financial management. At the beginning of each major unit presented, a narrative is provided. It includes a description of the unit, sustainability efforts, goals and objectives, listing of prior year accomplishments and significant program changes, if applicable.

BASIS OF ACCOUNTING

The underlying accounting system of the City is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Governmental Funds

Governmental funds are presented using the *modified-accrual basis of accounting*. Their revenues are recognized when they become *measurable* and *available* as net current assets. *Measurable* means that the amounts can be estimated, or otherwise determined. *Available* means that the amounts are collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. The City uses an availability period of 60 days.

Sales taxes, property taxes, franchise taxes, gas taxes, motor vehicle in lieu, transient occupancy taxes, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so are recognized as revenues in the fiscal period to the extent they are normally collected within the availability period. Other revenue items are considered to be measurable and available when cash is received by the government.

Governmental funds are presented using the *current financial resources measurement focus*. This means that only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) is considered to be a measure of “available spendable resources.” Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

Non-current portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus. Special reporting treatments are used to indicate, however, that they should not be considered “available spendable resources,” since they do not represent net current assets. Recognition of governmental fund type revenue represented by non-current receivables is deferred until they become current receivables. Non-current portions of other long-term receivables are offset by fund balance reserve accounts.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as *expenditures* in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as *other financing sources* rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

#### Proprietary and Fiduciary Funds

The City's enterprise and internal service funds are proprietary funds. Proprietary and fiduciary funds are presented using the *accrual basis of accounting*. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. Proprietary funds are presented using the *economic resources measurement focus*. This means that all assets and all liabilities (whether current or non-current) associated with their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net assets.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies, taxes, and investment earnings result from non-exchange transactions or ancillary activities. Amounts paid to acquire capital assets are capitalized as assets in the proprietary fund financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as a liability in the proprietary fund financial statements, rather than as other financing source. Amounts paid to reduce long-term indebtedness of the proprietary funds are reported as a reduction of the related liability, rather than as expenditure.

Agency funds are custodial in nature (assets equal liabilities) and do not involve the recording of City revenues and expenses

#### BUDGET AMMENDMENTS

During the fiscal year, the City Council may, at their discretion, authorize amendments to the budgeted revenues and expenditures and the amendments are input into the automated budget system. In addition, the City Manager is authorized to transfer budgeted amounts between departments within

any fund. However, revisions that alter the total expenditures of any fund must be approved by the City Council.

In addition to the above amendments, staff presents mid-year and year-end reviews of the budget to the City Council in February and June. This provides the opportunity for adjustments, if needed, to budgeted revenues and expenditures based on actual results during the first and second half of the fiscal year.

#### BUDGET CALENDAR

The budget process commences in January with the preparation for distribution of various budget materials and instructions by the Finance Department. Requested budgets are then submitted by the Departments to the Finance Department in March or April.

In April, the City Manager, Department heads, and other key staff attend a one day workshop to review their budget submissions including both revenue assumptions and expenditures requests. Upon completion of this workshop, the proposed budget is prepared, presented to the budget subcommittee for review and recommendations, then distributed to the City Council and made available to the public.

Subsequent to distribution of the proposed budget, it is discussed with the City Council at one or more public meetings and the City Manager meets individually with members as requested to discuss it and provide additional information as needed.

Below is the actual calendar used for the current Adopted Budget.

- Distribute budget packets & spreadsheets 3/01/12
- Requested completed budget packets due to Finance 3/29/12
- Finance review of department submissions 4/02 - 4/19/12
- Projected difference between sources and uses 4/30/12
- Finance presentation of projections to City Manager 5/03/12
- Department meetings with City Manager 5/07 - 29/12
- Presentation to Budget Subcommittee for review 6/07/12
- Budget Subcommittee meeting for recommendations 6/12/12
- Proposed Budget distribution to City Council for review 6/13/12
- Proposed Budget presentation to City Council 6/19/12
- Adoption by City Council 6/19/12

# City of Redlands 2012-2013 Adopted Budget

## Fund Descriptions

The resources of the City of Redlands are allocated to and accounted for in various funds based upon the purposes for which the funds are to be spent and the means by which spending activities are controlled. Below are brief descriptions of the various funds used.

GOVERNMENTAL FUNDS are used to account for the financing of most of the City's governmental functions. The City uses four types of governmental funds: General Fund, Special Revenue Funds, Debt Service Funds and Capital Project Funds.

- General Fund (101) – The operating fund of the City used to account for all activities, except those required to be accounted for in another fund.

SPECIAL REVENUE FUNDS are used to account for the proceeds of specific revenue sources that are restricted to expenditures of specified purposes.

- Emergency Service Fund (205) – To account for the collection of a special property tax to be spent on paramedic services.
- Household Hazardous Waste Fund (206) – To account for revenue collected and expenditures made to properly dispose of household hazardous waste.
- Gas Tax Fund (207) – To account for the receipt and subsequent expenditure of the City's share of the State levied tax on gasoline and other vehicle fuels.
- Measure I Fund (208) – To account for revenues resulting from a voter-approved half-cent retail transaction and use tax, to be used for transportation improvements and traffic management programs.
- Local Transportation Fund (209) – To account for the receipt and expenditure of street and road construction funds including projects financed by a share of the quarter of one percent State sales tax pursuant to the Transportation Development Act.
- Air Quality Improvement Fund (221) – To account for the collection and subsequent expenditure of AB2766 (District Fees to Implement the California Clean Air Act) monies to be used for pollution reduction.
- Traffic Safety Fund (223) – To account for the receipt and subsequent expenditure of traffic fines for moving violations within the City limits.
- Designated Receipts Fund (225) – To account for deposits and donations designated for specific purposes.
- Open Space Fund (227) – To account for receipt and subsequent expenditure of fees collected to provide for open space land in and around the City.

- Downtown Redlands Business Area Fund (236) – To account for various activities and special events with the intent of attracting business to the downtown area.
- Parking Authority Fund (237) – To account for a city-wide authority formed to control parking.
- General Capital Improvement Fund (240) – To account for the receipt and expenditure of grant revenue received by the City, other than Community Development Block Grant revenues.
- Community Development Block Grant Fund (243) – To account for expenditures and related reimbursements of various grants from the U.S. Department of Housing and Urban Development.
- Neighborhood Initiative Program Fund (245) – To account for expenditures and related reimbursements of grant monies received from the County of San Bernardino to preserve and revitalize neighborhoods.
- Drug Confiscation Fund (246) – To account for receipt and subsequent expenditure of various asset seizure monies.
- Police Grants Fund (247) – To account for receipt and expenditure of grant monies received from various agencies for public safety programs.
- Supplemental Law Enforcement Fund (249) – To account for receipt and subsequent expenditure of AB1913 monies, which, pursuant to the Citizens' Option for Public Safety (COPS) Program, must be spent for supplemental law enforcement services.
- Park & Open Space Development Fund (250) – To account for the collection and subsequent expenditure of developer fees levied for the purpose of acquiring and developing land for parks and open space.
- Public Facilities Development Fund (251) – To account for the collection and related expenditure of development impact fees designated for constructing new and upgrading existing public facilities.
- Arterial Street Construction Fund (252) – To account for the collection and related expenditure of development impact fees designated for new street construction projects.
- Traffic Signals Fund (253) – To account for the collection and related expenditure of development impact fees designated for new traffic signal construction projects.
- Freeway Interchanges Fund (254) – To account for the collection and related expenditure of development impact fees designated for new freeway interchange construction projects.
- Street Lighting District #1 Fund (260) – To account for the maintenance, operation, and service of street lighting facilities financed by assessments collected from landowners within the district.
- CFD 2004-1 Assessments Fund (261) – To account for the maintenance of landscaping in public right-of-way and easements surrounding tracts within the district.
- Landscape Maintenance District Fund (263) – To account for assessments collected from landowners to maintain landscaping in parkways and common areas within the district.
- Community Facilities District Fund (265) – To account for developer deposits and bond proceeds related to Community Facilities Districts established for the purpose of constructing infrastructure.
- Disaster Recovery Fund (270) – To account for all expenditures and revenues relating to natural disasters, for the purpose of consolidating such information for federal and state reimbursements and enhancing Single Audit reporting requirements.

- Successor Low & Moderate Housing Fund (285) – To account for monies which, by law, had been set aside from Redevelopment tax increment revenues for the purpose of funding a program for development and improvement of housing for low and moderate income families.
- Successor North Low & Moderate Housing Fund (286) – To account for monies which, by law, had been be set aside from Redevelopment tax increment revenues collected from the north side project area for the purpose of funding programs dedicated to the development and improvement of housing for low and moderate income families.
- Obligation Payment Administration Fund (288) – To account for monies received from the County to pay the recognized obligations of the Successor Agency to the former Redevelopment Agency.

DEBT SERVICE FUNDS are used to account for the accumulation of resources and the payment of principal, interest and related costs of general long term debt.

- General Debt Service Fund (305) – To account for the receipt of property taxes to be used for the retirement of the 1988 General Obligation Measure “O” Open Space Bonds, the 1994 Refunding General Obligation Bonds, the 2003 General Obligation Refunding Bonds, and the 2007 Pension Obligation Bonds.
- Redlands Public Improvement Corporation Fund (311) – To account for the retirement of the 1993 Refunding of the 1986 and 1987 Projects Certificates of Participation, the 1994 Taxable Certificates of Participation (City of Redlands/Wal-Mart Parking Facility), and the 2003 Refunding Lease Revenue Certificates of Participation.
- Successor Redevelopment Debt Service Fund (380) – To account for the retirement of the 1987 Tax Allocation Refunding Bonds, the 1994 Subordinated Tax Allocation Refunding Bonds, the 1994 Refunding Parking Lease Revenue Bonds, and the 2003A Series Tax Allocation Bonds.

CAPITAL PROJECTS FUNDS are used to account for resources used for the acquisition or construction of major capital facilities.

- Storm Drain Construction Fund (405) – To account for receipt and subsequent expenditure of developer fees assessed to provide additional storm drains, as required.
- Measure ‘O’ Bond Fund (417) – To account for proceeds of a general obligation bond, approved by the voters, for the purchase of park lands and “open space” areas.
- Successor Redevelopment Funds (480-488) – To account for Successor Agency activities as it completes the affairs and obligations of the dissolved redevelopment agency.

PROPRIETARY FUNDS are used to account for a government’s business-type activities. These funds recover the cost of providing services through fees and charges on those who use their services. There are two types of proprietary funds: Enterprise Funds and Internal Service Funds.

ENTERPRISE FUNDS are used to account for services provided primarily to external customers and legal requirements or management policy require these services, including capital, be fully recovered through fees and charges.

- Water Funds (501-509) – To account for water utility operations, projects, debt service costs, and impact fees of the City.

- Solid Waste Funds (511-519) – To account for refuse disposal collection operations, projects, debt service costs, and impact fees of the City.
- Sewer Funds (521-529) – To account for sewer utility operations, projects, debt service costs, and impact fees of the City.
- Groves Fund (538) – To account for the farming operations of citrus groves owned by the City.
- Non Potable Water Funds (541-549) – To account for non potable water utility operations, projects, debt service costs, and impact fees of the City.
- Cemetery Funds (562-563) – To account for the operations of Hillside Memorial Park Cemetery.
- Airport Fund (564) – To account for the operations of the Redlands Municipal Airport.

INTERNAL SERVICE FUNDS are used to account for services provided to other funds, departments, or agencies of the government. Costs are allocated to the benefitting funds in the form of fees and charges in order to recover the full cost of providing the services.

- Liability Self-Insurance Fund (602) – To account for the City's self-insured general and automobile liability programs, which are provided to all City departments and funds.
- Information Technology Fund (604) – To account for the general maintenance and service of all City computers and phone equipment provided to all City departments.
- Worker's Compensation Fund (606) – To account for the City's self-insured Workers' Compensation and General Safety Programs, which are provided to all City departments and funds.
- Equipment Maintenance Fund (607) – To provide ongoing maintenance of all City vehicles and major equipment and to account for vehicle rental services to all City departments.
- Utility Billing Fund (608) – To account for billing services costs provided for water, sewer, and solid waste.

FIDUCIARY FUNDS account for assets held in a trustee or agency capacity for outside parties, including individuals, private organizations and other government.

- Trust & Agency Funds (701-720) – To account for the collection and disposition of deposits retained for specific purposes or subsequent refunding.

CITY OF REDLANDS, CA  
 ORGANIZATIONAL CHART  
 Approved By  
*N. Enrique Martinez*  
 N. Enrique Martinez, City Manager  
 Effective July, 2012

**VOTERS**

