

CITY OF REDLANDS CALIFORNIA

2006 - 2007 ADOPTED BUDGET

Redlands City Council Members

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

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Adopted Budget

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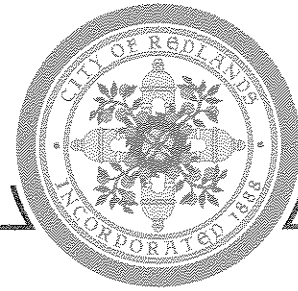
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CITY MANAGER'S BUDGET MESSAGE

On behalf of City Staff, I am pleased to present the fiscal year 2006-2007 Adopted Budget. This year's budget reflects careful preparation that incorporates the City Council's goals of long-range planning, budgeting for results, effective program management and greater fiscal responsibility.

The fiscal year 2006-2007 budget process began with a meeting of the Budget Review Committee, comprised of Mayor Harrison, Mayor Pro Tem Gilbreath, City Manager, City Treasurer, Finance Director, Assistant Finance Director and Administrative Services Director, to provide direction to departments in preparing their fiscal year 2006-2007 budgets.

In response to the Committee's direction, departments submitted budgets that strived to maintain current service levels, with any increases in staffing or service levels submitted as supplemental requests. In addition, a list of recommendations by department heads was submitted to comply with the Committee's request for 6% cuts.

Upon review of department budgets, the Committee concluded that department heads were best qualified to determine cuts for their departments so it recommended adhering to the cuts as presented, which included cuts of \$2.3 million in the General Fund. The Committee further recommended deferral of supplemental requests until mid-year budget review at which time they hoped the City might be in a better financial position to fund some of the requests. However, recognizing that vehicles, equipment and facilities maintenance seemed to be a common theme of many of the supplemental requests, the Committee recommended adding \$200,000 to the General Fund for each of the Facility Repair/Improvement and the Vehicle Replacement Programs and \$25,000 for computer replacement. Although these amounts would not fund all of the requests, the Committee felt it was an important step in beginning the process. In addition, the Committee felt committed to replenishing the General Fund's Equipment Replacement Reserve funds used during the fiscal year and added \$269,277 to the budget to do so.

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In addition to trying to address some of the City's equipment and facilities needs, the Committee felt that certain supplemental requests were such that failure to meet the request could result in penalties to the City. Accordingly the Committee recommended adding an NPDES Inspector position and equipment for \$69,664. Additional recommendations were made to fund a Building Inspector position, assigned half to Building and Safety and half to the Redevelopment Agency, at a cost of \$36,986 to each department, and to fund the initial phase of the General Plan Update at a cost of \$250,000.

The Committee, along with management staff, presented a budget to the City Council on June 13, 2006 that proposed net reductions to the General Fund of \$1.2 million. Following presentations by the public and by staff, the Council returned to adopt the budget on June 20, 2006, but first made recommendations to restore certain cuts to the City's 2006-2007 Proposed Budget. For the Library, \$102,812 in cuts was restored for two part-time interns, two part-time pages, books and periodicals. For the Treasurer's department, \$38,000 in staffing cuts was restored to the budget. In the Police department, \$14,000 related to cuts in Community Center hours was restored; \$45,785 was restored to pay for Sports Officials, with a corresponding change in fees to cover these costs; and \$50,000 was moved from the Facility Repair/Improvement Program so that the cost of a part-time bus driver for the Senior Center could be restored to the budget. In addition, the Council authorized an additional appropriation of \$1,000 in the 2006-2007 Budget to pay for a tape recorder for the City Clerk's office.

In addition to the changes made at the June 20, 2006 Budget Workshop, the Council took additional action that impacted the Budget, at its 3:00 p.m. and 7:00 p.m. Council sessions. Council action included approval of a donation of \$100,000 to the Fire department and an appropriation for the purchase of a fire truck; an additional appropriation of \$121,664 to Public Works for the emergency repair of a collapsed storm drain and another \$2,000 for the repair of a wall at A.K. Smiley Public Library; and the acceptance of a donation of \$10,500 to the Police department and an appropriation to partially fund the Boxing Program.

Although this year has proven to be another challenging year for preparing the City's budget, due to the leadership of the Mayor and City Council and the hard work of City staff, difficult decisions were made in an effort to bring forward a responsible budget that strives to restore fiscal balance. For the first time in three years, General Fund revenues are expected to exceed expenditures, and in fiscal year 2007-2008, not only are General Fund revenues expected to exceed expenditures, but overall General Fund financial sources are expected to exceed financial requirements.

The Fiscal Year 2006-2007 Adopted Budget totals \$133,054,345 in appropriations for all City Funds. Of the total amount, \$49,046,240, or 36.9%, was approved for the General Fund, providing resources for the majority of core municipal services such as public safety, public works, library services and community services. General Fund appropriations for 2006-2007 are approximately \$3.2 million (6%) lower than last year's adjusted budget, while General Fund revenues continue to grow and are expected to increase by \$5.7 million (12.6%) over the 2005-2006 adjusted budget. The City expects to end fiscal year 2006-2007 with a \$468,679 unreserved fund balance in the General Fund.

The adopted budget continues the City's commitment to fiscal discipline, efficient customer service delivery and attention to core community priorities such as public safety, public infrastructure, neighborhood improvements and quality of life issues that are so important to our citizenry and define life in Redlands.

The development and adoption of the annual City budget was not and should not be done in a vacuum absent significant input by all stakeholders. The budget has become much more than a spending plan of where to allocate limited resources. Out of necessity and design it has become a strategic plan and critical "tool" for all of us to use - - the City Council, elected and appointed officials, City staff, and of course, the community.

City Council enlisted the assistance of the City Department Heads, in developing the Strategic Plan. Use of this team approach is critical to success of the Plan, as it allows City staff to better understand City Council's goals and vision for the City. In turn, City staff can more successfully plan City projects and budgets to achieve the shared vision.

The 2006-2007 Adopted Budget was developed in support of the following goals and associated objectives:

Financially Sound City Government

- Revenues to maintain and expand service levels provided to the public
- Greater diversification of revenue sources
- Maintain sufficient reserves: General and Utility Funds
- Well-maintained City infrastructure and facilities
- Effective methods of long-range revenue and expenditure forecasting
- Partnering with other agencies to expand resources

Revitalized Aging Neighborhoods and Commercial Areas

- Rehabilitation of deteriorating commercial areas
- Partnering with citizens to improve neighborhoods
- Maintained and improved neighborhood infrastructure
- Revitalization plans developed and implemented
- Appropriate infill, upgrading the quality of neighborhoods
- Preservation and restoration of historic assets

Safe and Secure Community

- Managed disaster mitigation, preparedness response, recovery
- Safe public gathering places and secure City facilities
- Citizens perceiving that they are safe anywhere in the City
- Partnering with citizens to improve safety
- Timely response to emergency calls continues to be a major priority

Balanced, Sustainable Local Economy

- Healthy retail base, increasing sales tax receipts
- Attracting new targeted businesses, focusing on primary employers and higher paying jobs
- Business-oriented mixed use development projects
- Retention and expansion of current businesses
- Transportation systems that provide access to shopping, employment and care centers

Beautiful City

- Increase green space (parks, open space, etc.)
- Updated land use plans and policies used in planning and decisions
- Well-designed and maintained City facilities
- Expanded, developed and well-maintained parkland
- Increased public and cultural arts
- Attractive, low water use landscaping when appropriate

Over the past several years, through the vision and leadership of the Mayor and City Council and the dedication of every City employee and our partners throughout the community, Redlands has truly evolved into a city rich in opportunities and community resources. As we move forward, the City has positioned itself to expand its open space and self-recreation opportunities; protect its rich history; strengthen its safety services; and focus additional resources toward the care and maintenance of our public streets, sidewalks, parkway trees, parks, and utility services and associated infrastructure needs.

I would like to thank all city staff who participated and worked so hard throughout the budget process, particularly the Budget Review Committee, the Finance Department, and Teresa Ballinger for her efforts in coordinating the design of the budget cover and assembling the budget document.

Respectfully Submitted,



JOHN DAVIDSON
City Manager

