



CITY OF GARDENA
ADOPTED BUDGET
FISCAL YEAR 2009 /2010

PAUL K. TANAKA, *Mayor*
STEVEN C. BRADFORD, *Mayor Pro Tem*
RONALD K. IKEJIRI, *Councilmember*
RACHEL C. JOHNSON, *Councilmember*
DAN MEDINA, *Councilmember*



TASHA CERDA, *City Clerk*
J. INGRID TSUKIYAMA, *City Treasurer*
MITCHELL G. LANSDALL, *City Manager*
PETER L. WALLIN, *City Attorney*

CITY MANAGER'S BUDGET MESSAGE

June 23, 2009

HONORABLE MAYOR AND CITY COUNCIL:

Presented for Council adoption is a structurally balanced budget for fiscal year 2009-2010. The preliminary FY09-10 Proposed Budget was presented at the Budget Workshop in May, but did not include the budgets for special revenue funds comprised of grants and the City's Self-Insurance Funds for Workers Compensation, General Liability, and Health Benefits. All funds are presented this evening for Council deliberation and adoption of the Fiscal Year 2009-2010 Budget. Estimated General Fund revenue is budgeted at \$43,885,573, with expenditures projected at \$43,562,028. Total revenue for all funds is projected at \$101,839,946 with expenditures at \$106,654,582, based on total funds available including carry-in funds from the current fiscal year for capital and grant programs. The June 30, 2010, combined General Fund reserve is projected to reach \$8,428,691, which is approximately 19% of the City's General Fund operating total. Council has set a policy goal to attain a 25% General Fund reserve by the year 2012 and despite difficult economic times, continuing toward this goal is critical to the City's financial stability.

At the May Budget Workshop, the General Fund budget projected \$158,094 to be added to the reserve balance on June 30, 2010. Over the last thirty day comment period, staff has received no comments to modify the budget as proposed in May. However, adjustments have been made to expenditure projections, increasing the amount to be added to the reserve at the end of the fiscal year to \$268,020. During the first week of June, all City employees were invited to participate in a budget workshop in which the Proposed Fiscal Year 2009-2010 Budget was presented along with the additional uncertainties of state take-aways. Employees were asked to share their ideas for more efficient operations and for revenue enhancements to make up the \$1 million loss of funds should the state take action as threatened. As always, the employee meeting was quite productive in generating both cost-saving and cost-recovery ideas that merit further consideration, whether or not the state actually takes any city revenue.

EXECUTIVE SUMMARY:

The Proposed Budget was developed based on the Budget Policies adopted by the City Council in June 2008 (see appendix). Those policies were adopted to ensure that the City budget is:

- Structurally balanced with fiscal year expenditure appropriations below fiscal year revenue projections;
- Prioritized, based on public service needs and the City's Five-Year Plan;
- Building the General Fund reserve with a goal of maintaining a 25% reserve by June 2012; and
- Re-adjusted as may be necessary to ensure that the fiscal year ends with a positive fund balance.

KEY REVENUE ASSUMPTIONS:

City staff develops key revenue assumptions based on a trend analysis of prior and current year receipts, tempered by regional, state and national economic forecasts. Revenue projections are always conservative, erring on the side of under-estimation to ensure that operating budgets are developed with attainable goals. In past years, even with a general economic slowdown, Gardena has done well, primarily because of the City's diverse economic base that insulates it from dramatic downturns in a single revenue category. In fact, the City's card clubs have traditionally improved slightly in an economic downturn, leveling the impact of revenue losses. But, the current economic conditions are negatively affecting all revenue sources.

The City's General Fund budget represents the most discretionary monies for "general" use. General Fund revenues are comprised of general taxes, fees, licenses, permits, fines, and other miscellaneous sources that have no spending restrictions other than providing "general services" to the public. As a General Law City, Gardena is dependent upon the state for much of its General Fund revenues; that is, revenues are collected by the state and distributed to local government, after the state has taken its portion of the revenue stream as established by state law. Gardena's top five revenue sources produce approximately 70% of the entire General Fund, and of the top five, only card club revenue is received directly.

By default, the state's fiscal deficit therefore eventually impacts the City's fiscal stability. Over the last month the state in its efforts to close a multi-billion dollar budget deficit has put forward a number of proposals that would significantly reduce local government revenues. Even if the state just "borrows" from City revenues, as proposed with the reduction in property tax revenues to local government, it affects the City's cash flow and is a loss of earnings on investment of funds. The potential loss to Gardena is estimated at \$1,044,573 if property tax revenues are taken. If, however, the state balances its budget by taking funds that do not have to be repaid, the impact on the City could be even more devastating, not just in the current fiscal year but in subsequent years as well. On June 11, the Joint Budget Conference Committee approved the seizure of almost \$1 billion in city and county motor vehicle, or gas, tax funds to help close the state's budget. With this proposal, the state has backed away from taking the City's property tax, but the loss of gas tax would still represent over \$1 million in lost revenue, impacting both operating and capital program budgets.

Although the proposals of where the money will come from keep changing, the potential loss of over \$1 million in General Fund revenue will continue to be a serious threat to the City's FY09-10 budget that cannot be dismissed until the state takes final action to adopt its fiscal year budget. The Proposed Fiscal Year 2009-2010 Budget does NOT include the potential loss of \$1 million in revenue by state take-away.

TOP FIVE REVENUE SOURCES:

- **Sales Tax: projected at \$8.0 million.** *The sales tax forecast is formula driven with the current fiscal year as the base. The FY08/09 revenue projections were revised downward in February of the current fiscal year and are projected to decline further in FY09/10. Sales tax projections are below audited FY05/06 revenue. This has traditionally been the largest revenue source to the General Fund. Although the projections are down, Gardena continues to benefit from a diverse sales tax base, more so than if the City had concentrated sales in a particular area, such as an auto-mall or large retail store. The City's business-to-business tax category is the largest segment of sales tax revenue.*

Category - in millions	Audited FY05/06	REV Budget FY08/09	Projected FY09/10
Sales Tax	\$ 8.5	\$ 8.3	\$ 8.0
Card Clubs	\$ 8.0	\$ 8.9	\$ 8.1
Property Tax	\$ 5.1	\$ 5.8	\$ 5.6
Utility Users Tax	\$ 4.3	\$ 4.3	\$ 4.4
Motor Vehicle In Lieu Tax	\$ 4.9	\$ 4.2	\$ 4.3
Top - 5 Total	\$30.8	\$31.5	\$30.4

- **Card Clubs: projected at \$8.1 million.** *Card Club revenues have steadily increased over the last four years, particularly with the repayment of the economic incentive funds committed in prior years. The Hustler Casino has repaid its economic incentive loan in its entirety, but the Normandie Club has not yet reached the income level to trigger the repayment. Card Club revenue has traditionally remained high or even increased during times of economic recession. However, card clubs are lagging in the current fiscal year and revenue projections for fiscal year 2009-2010 have been reduced from \$8.9 million to \$8.1 million. During last year's budget process, the Council adopted a policy to reduce its dependency on card club revenue by limiting revenues committed to general operating cost. Per Council policy, if card club revenues exceed the budgeted amount, the additional realized revenue will be set aside for capital equipment, one-time expenditures or to add to City reserves. Adopting this fiscal policy broadens the City's economic base and strengthens the City's commitment to long-term fiscal stability.*
- **Property Tax: projected at \$5.6 million.** *With the current recession, property values have held fairly well to date. However, the City currently has, on record, over four hundred (400) property foreclosures, so revenue from property tax is expected to be impacted in the months and, possibly, years to come. Gardena made significant strides in property tax values over the last five years with property values increasing more rapidly than any other city in the South Bay. But, in the current economy, no new homes are being built; and existing home sales stay on the market longer and are often reduced in price before final sale. With the completion of the new transit facility, the Van Ness Avenue bus property is a prime location for future housing development, but this may not be the market to sell since property values are down. Property tax revenue for fiscal year 2009-2010 has been*

*projected below the current year, but does not include the Governor's proposed "borrowing" or "cutting" local government revenues to help balance the state budget shortfall. If the Governor does take this cut, it will be a loss of \$1,044,573 for Gardena since the cut is based on **total property tax earned**, including what is included in the triple-flip formula that already impacts the City's total combined revenue from property tax, motor vehicle-in-lieu and sales tax. If the state does take the \$1,044,573, staff will need to revise the proposed fiscal year 2009-2010 revenue and expenditures by that amount to ensure a structurally balanced budget.*

- **Utility Users Tax: projected at \$4.4 million.** *UUT is projected with a slight increase from \$4.3 to \$4.4 million in anticipation of rate increases being implemented by the City's major utility providers. Revenue from UUT remains extremely volatile due to the potential impact of legislative action spearheaded by the telecommunications industry. The City is actively involved in the monitoring and analysis of changes in legislation, which is directed at lessening UUT charges across the nation. The success of the March 2009 ballot measure on UUT language preserved about \$1 million in potential loss of revenue, due to the City's outdated language for application of the UUT on wireless communication systems.*
- **Motor Vehicle-in-Lieu Tax: projected at \$4.3 million.** *Motor Vehicle-in-Lieu Tax is holding steady but is impacted by the continuance of the state "triple flip" formula, which adjusts revenue to cities from motor vehicle fees, property tax and sales tax. With car sales down across the nation, this revenue source is tenuous at best but, for now, is fairly stable.*

The balance of the City's General Fund budget, representing approximately 30% of the total, is comprised of franchise fees, permit and service fees, fines and a variety of other miscellaneous charges. The Proposed Fiscal Year 2009-2010 Budget is based on the City's current fee structure. By law, the City is allowed full cost-recovery on fees since this category of service is consumer driven; that is, service fees are paid only by the beneficiary of the service, and the services are discretionary, i.e. recreation fees. The City's fee structure was last fully reviewed and updated in 2005, so current fees have fallen behind the actual cost of providing service. To assure that the City continues to provide the highest quality of public service possible, it is recommended that the City's Comprehensive Fee Resolution be reviewed and updated in the upcoming fiscal year. The City's Consolidating Lighting Assessment District fees have not been increased since the assessment was first instituted in 1979, while cost of keeping the lights on has increased considerably. A Public Hearing is set for July 14 and ballots are now out to increase the assessment to match the operating cost of providing quality lighting throughout the City.

In addition, it is the City's fiscal responsibility to be sure that all revenues are fully collected as due. Therefore, an audit of the City's franchises, business licenses, local hotels (Transit Occupancy Tax -TOT) and other revenue sources within the City's jurisdiction, is now underway. Any additions to the City's revenue from adjustments to the City's fee structure and/or audits will strengthen the City's annual operating base for the future since the timing and potential impact of this is not included in the Proposed Budget.

The American Recovery and Reinvestment Act (ARRA) is projected to give the City an additional \$6,817,124 in capital and formula grants, and \$3,816,186 in competitive grants. The regulations and timetable for these funds has not been finalized and is not incorporated into the spending plan for the Proposed Fiscal Year 2009-2010 Budget.

KEY EXPENDITURE PROJECTIONS – Estimated Spending:

To maintain a structurally balanced budget based on projected revenues, expenditure projections for Fiscal Year 2009-2010 are set at a mere \$300,000 more than for the current fiscal year. This is virtually an extension of the Fiscal Year 2008-2009 Budget with department heads directed to cut up to 4.5% from the already reduced February 2009 revised Fiscal Year 2008-2009 Budget. Departments worked diligently to identify new sources of revenue and one-time recovery monies. Vacancies were frozen in February and unfunded in the Proposed Fiscal Year 2009-2010 Budget, except for a few critical positions. All non-essential purchases will be deferred until later in the fiscal year. Grant funded programs that have been supplemented with general fund support have been advised that they must operate fully within the grant funds available.

On June 4, 2009 all employees were invited to a budget meeting in which the challenges facing the city were discussed and City employees were once again asked to step-up-to-the-plate by sacrificing raises to ensure that the budget was balanced with no employee layoffs or furloughs. The Proposed Budget freezes employee pay and benefits at the rates paid on June 30, 2009. The Gardena Police Officers Association (GPOA), Gardena Management Employee Organization (GMEO) and Gardena Municipal Employees Association (GMEA) all have multi-year contracts with the City that include equity and other pay adjustments scheduled for July 2009. These increases represent over a million dollars that is not included in the fiscal year 2009-2010 budget. Since the May Budget Workshop, management has been in meet and confer negotiations with the City's three employee groups regarding the City's contractual obligations and the City's inability to meet those obligations in fiscal year 2009-2010. All groups are working cooperatively with management to keep pay levels at the current level so that layoffs and furloughs do not become necessary and to develop a plan that gets everyone back on schedule as in the current MOUs as quickly as possible once the economy recovers.

IN SUMMARY, In the twenty-four years that I have served the City of Gardena and the eleven that I have served as City Manager, this has, perhaps, been the most difficult budget to prepare. The City has faced major fiscal deficits; and for a number of years, we have had to continually tighten our belts to pay off debts inherited because of bad business decisions from earlier years. The recovery years were tough years, as the community and employees lived through them, particularly knowing that the City itself was solely responsible for its own financial difficulties. The recovery was well planned and executed and resulted in a shortened recovery time from the five years originally projected. Since June 30, 2002, the City has maintained a structurally balanced budget, building reserves each year from a negative balance to a positive 19% reserve projected for June 30, 2010. The momentum from that experience evolved into the rebuilding of the City organization with hiring, well-overdue raises for employees, who had stood fast in serving the community through hard times, with new equipment (at least newer than what we already had), and new service initiatives, such as District Policing, Right-of-Way Crews, a Licensing and Permit Center, and more.

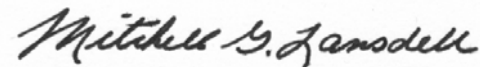
But, just as the City of Gardena pulled itself up by its bootstraps, the economy played a cruel trick on our optimism. With revenues and consumer confidence dropping to levels not seen in decades, the Proposed Fiscal Year 2009-2010 Budget is, of necessity, a depressed

spending plan based on current economic forecasts. The Fiscal Year 2008-2009 Budget is structurally balanced with a projected June 30, 2009, year-end General Fund reserve of \$8.2 million; a healthy 18% of General Fund revenue. It does not, however, begin to address the potential loss of over \$1 million in revenues if the state takes property tax, gas tax or any combination of revenue due to the City. Any cuts by the state could not be absorbed within the Proposed Fiscal Year 2009-2010 Budget. The City would be faced with a fiscal crisis that would require difficult policy decisions on staffing and program service levels. Other cities across the state are already enacting drastic cuts including public safety reductions, employee layoffs, hiring freezes, project delays, program reductions and more. We are fortunate in that we have developed a budget for Fiscal Year 2009-2010 that protects employee jobs and program services. If, however, the state takes away revenues, or if the economic conditions continue to decline, deeper cuts will be necessary to maintain a structurally balanced budget. To prepare for such a possibility, staff has developed an alternate budget proposal for Fiscal Year 2009/2010. "Proposal A" addresses the loss of another \$1 million in revenues through a combination of organization restructuring and offsets to other funding sources, much like was done when the City faced its General Fund deficit in 1998. But unlike 1998, the decisions on how the deficit is addressed will be ours and ours alone.

Balancing the budget is a simple equation of revenues exceeding expenditures. Unfortunately, for the most part, we have no real control over revenues, which means we must control spending to keep the budget balanced. Should the City be faced with additional revenue losses, tough policy decisions will be required to maintain a structurally balanced budget. Staff will continue to monitor and report to the City Council the impact of any state enacted revenue delays or disruption in apportionments to the City, as well as any further economic impacts, so that expenditure appropriations can be adjusted to maintain a structurally balanced budget. The City Council's leadership continues to encourage public confidence, and staff persists in following the path set by the City Council in the Five Year Plan 2007-2012.

In closing, I want to extend my appreciation to the three labor groups, the Gardena Police Officers Association (GPOA), the Gardena Management Employees Organization (GMEO), and the Gardena Municipal Employees Association (GMEA), for their leadership and support, and to all employees for their commitment to City services in this difficult time. I want to acknowledge Department Heads, Budget Coordinators and the Administrative Services Department Budget Team, headed by Director and Assistant City Manager Chris Hach. Together, we have all taken a hard look at budgetary needs and restraints and, together, we were able to bring to the Council a work plan for fiscal year 2009-2010 that continues to move the City forward toward the vision of making Gardena one of the most desired communities in which to live, do business, work, and play in the South Bay. And finally, I want to recognize the leadership of the City Council who continues to give staff the direction and support needed to do our best, and who ultimately must make the tough policy decisions to best serve the Gardena community.

Respectfully submitted,



Mitchell G. Lansdell
City Manager



A HIGHER QUALITY OF LIFE

... THROUGH CONSISTENT, CONTINUOUS PROGRESS

MISSION STATEMENT

The City of Gardena is committed to maintaining an efficient, and effective government that ensures the highest quality of life, a safe and attractive environment, and a sound economic future.

VISION STATEMENT

We envision Gardena as one of the most desired communities in which to live, do business, work, and play in the South Bay.

CORE VALUES

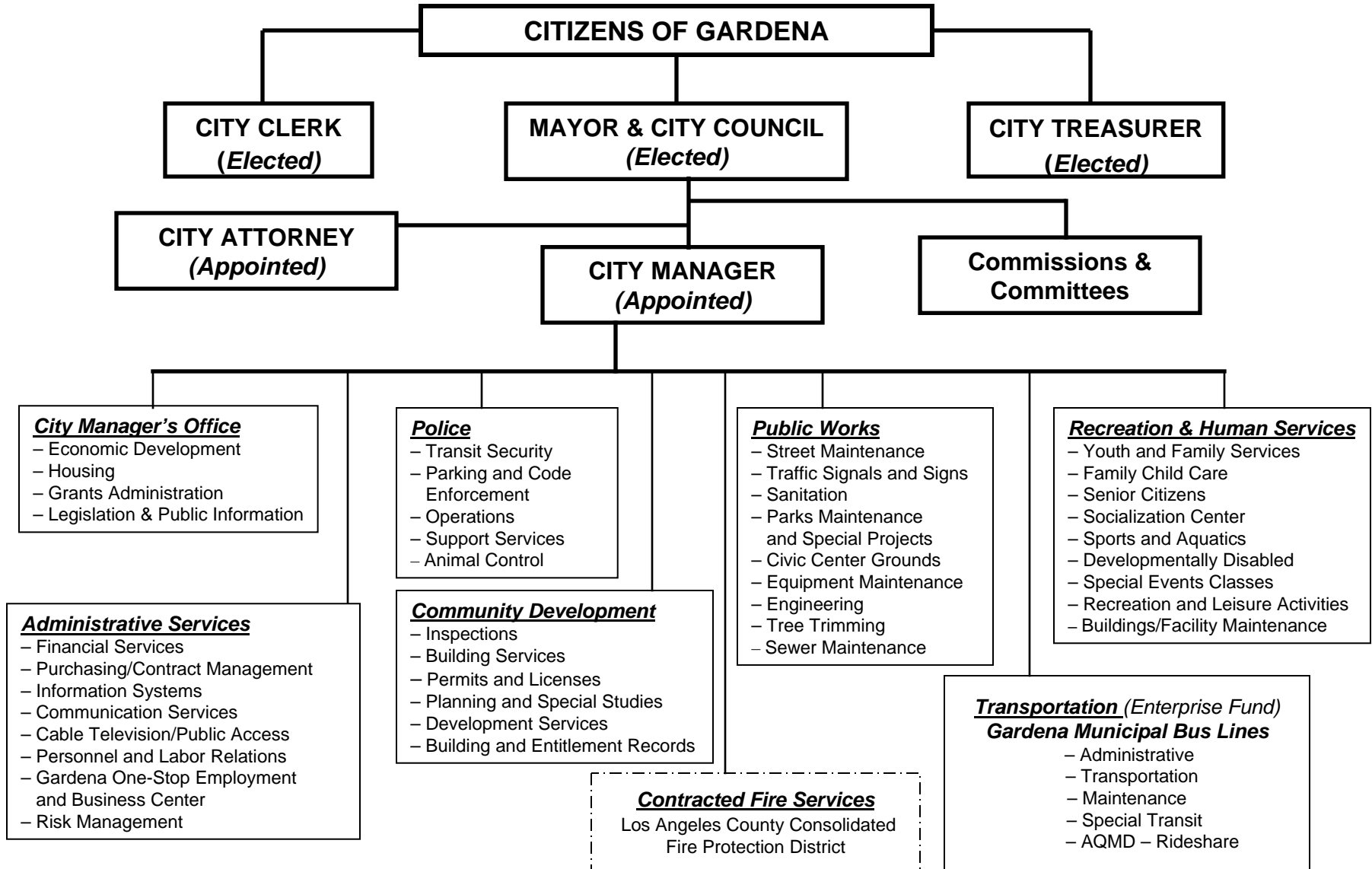
Community Values

- Safe Community Environment
- Sustainable Economic Development
- Attractive and Livable Community

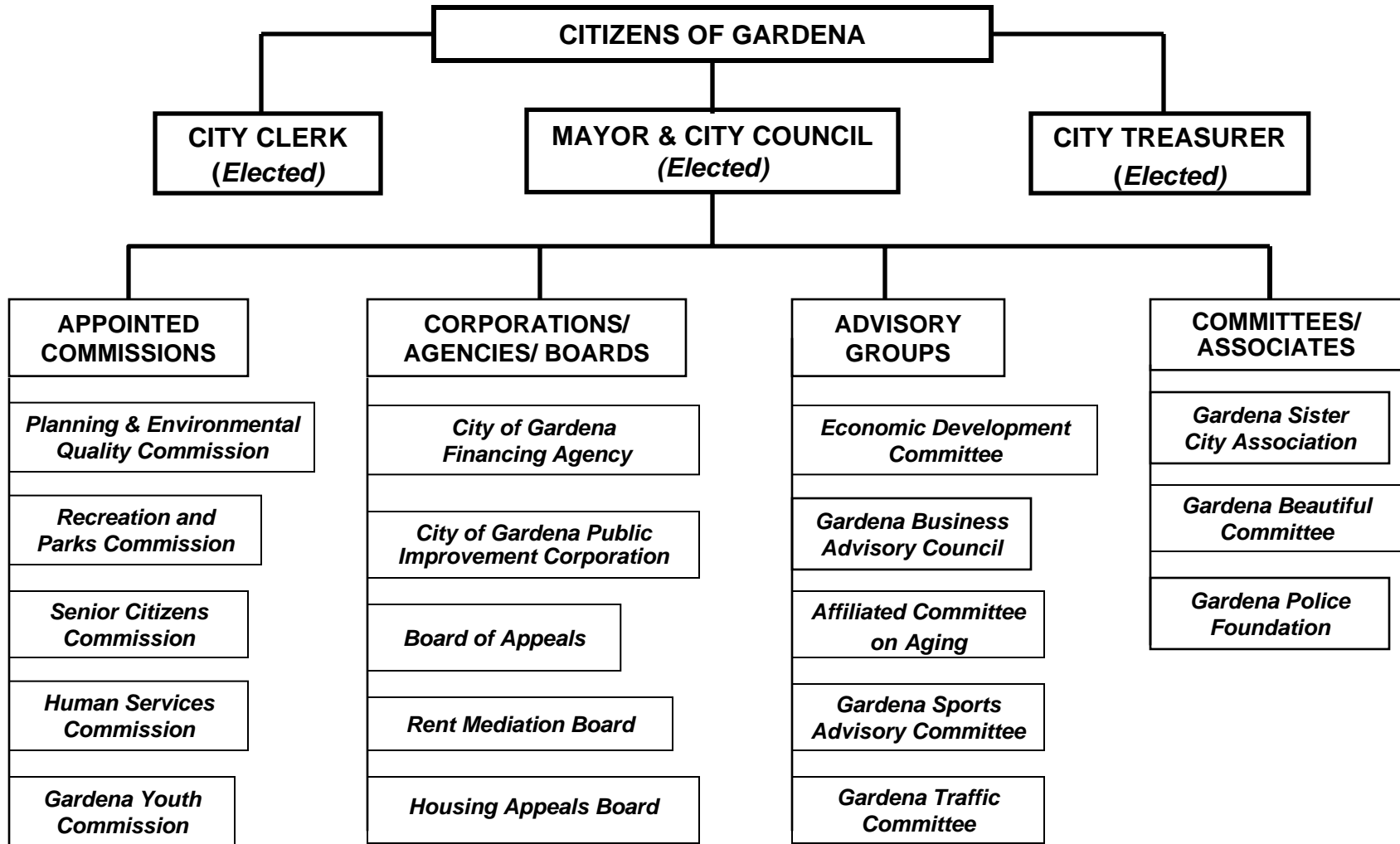
Organization Values

- Fiscal Accountability
- Workforce Excellence
- Community Involvement

CITY OF GARDENA ORGANIZATION CHART



**CITY OF GARDENA
COMMISSIONS AND COMMITTEES**



CITY OFFICIALS

MAYOR AND CITY COUNCIL

Paul K. Tanaka, Mayor

Occupation: Assistant Sheriff, Los Angeles County
Elected: Councilmember – March 1999
Elected: Mayor – March 2005
Elected: Mayor – March 2009
Current Term Expires: March 2013

Steven C. Bradford, Mayor Pro Tem

Occupation: Region Manager, Public Utility
Elected: Councilmember – March 1997
Elected: Councilmember – March 2001
Elected: Councilmember – March 2005
Elected: Councilmember – March 2009
Current Term Expires: March 2013

Ronald K. Ikejiri, Councilmember

Occupation: Attorney
Elected: Councilmember – March 2001
Elected: Councilmember – March 2005
Elected: Councilmember – March 2009
Current Term Expires: March 2013

Rachel C. Johnson, Councilmember

Occupation: Educator, Los Angeles Unified School Dist.
Elected: City Clerk – March 2001
Elected: City Clerk – March 2005
Appointed: Councilmember – March 2005
To fill unexpired term of Councilmember Paul K. Tanaka
Elected: Councilmember – March 2007
Current Term Expires: March 2011

Daniel Medina, Councilmember

Occupation: Public Relations, Local Casino
Elected: Councilmember – November 2008
To fill unexpired term due to resignation by Councilmember
Current Term Expires: March 2011

CITY CLERK AND CITY TREASURER

Tasha Cerda, City Clerk

Occupation: Insurance Agent
Elected: City Clerk – March 2009
Current Term Expires: March 2013

J. Ingrid Tsukiyama, Treasurer

Occupation: Deputy City Treasurer (Neighboring City)
Elected: City Treasurer – March 2005
Elected: City Treasurer – March 2009
Current Term Expires: March 2013

APPOINTED OFFICIALS

Mitchell G. Lansdell, City Manager

Hired as Assistant City Manager in September 1985
Appointed Acting City Manager in October 1997
Appointed City Manager in February 1998

Peter L. Wallin, City Attorney

Appointed as Contract City Attorney in February 2009

EXECUTIVE STAFF - (All Appointed)

D. Christine Hach, Administrative Services Director/
Assistant City Manager

Edward Medrano, Chief of Police

Vacant, Community Development Director

Bruce J. Pollack, Public Works Director

Kelly J. Fujio, Recreation and Human Services Director

Whitman M. Ballenger, Transportation Director

Rick Moreno, Acting Los Angeles County Assistant Fire Chief

DIRECTORY

City of Gardena

1700 West 162nd Street

Gardena, CA 90247-3778

Telephone: (310) 217-9500 Fax: (310) 217-6119 Website: www.ci.gardena.ca.us

Mayor

Paul K. Tanaka (310) 217-9507

Mayor Pro Tem

Steven C. Bradford (310) 217-9507

Councilmembers

Ronald K. Ikejiri (310) 217-9507

Rachel C. Johnson (310) 217-9507

Dan Medina (310) 217-9507

City Clerk's Office

City Clerk

Tasha Cerda (310) 217-9565

Chief Deputy City Clerk
Pamela Amodeo-Morris (310) 217-9567

City Treasurer's Office

City Treasurer

J. Ingrid Tsukiyama (310) 217-9664

Deputy City Treasurer
Kathy Anzai (310) 217-9693

Executive Office

City Manager
Mitchell G. Lansdell (310) 217-9505

City Attorney's Office

City Attorney
Peter L. Wallin (310) 217-9544

Administrative Services Department

Director/Assistant City Manager
D. Christine Hach (310) 217-9516

Community Development Department

Director
Vacant (310) 217-9526

Public Works Department

Director
Bruce J. Pollack (310) 217-9568

Recreation and Human Services Department

Director
Kelly J. Fujio (310) 217-9537

Police Department

Chief of Police
Edward Medrano (310) 217-9601

Transportation Department

Director
Whitman M. Ballenger (310) 217-9523

LA County Fire Department

Acting Assistant Fire Chief
Rick Moreno (310) 217-8391
Gardena Station 162nd Street
Gardena Station 135th Street

For comments or questions regarding this publication, please contact D. Christine Hach, Administrative Services Director/Assistant City Manager at (310) 217-9516

BUDGET GOAL

To develop and maintain a structurally balanced budget that maximizes all City resources necessary to build, sustain and enhance the City's future

BUDGET TEAM

City Manager, Mitchell G. Lansdell

Administrative Services Department

Budget Director - D. Christine Hach, Administrative Services Director/Assistant City Manager

Budget Manager - Mary Barnhart, Cost Accountant

Graphic Design and Publication Coordinator - Anthony Gonzalez, Graphics Technician

Format and Quality Control Coordinator - Barbara Dial, Administrative Secretary

Department Budget Coordinators

Executive Office, D. Christine Hach

City Clerk's Office, Pamela Amodeo-Morris

City Treasurer's Office, Kathy Anzai

Administrative Services Department, Mary Barnhart

Community Development Department, Nancy Albitre

Police Department, Gail Baca

Public Works Department/Capital Improvement Projects, Ledra Sanchez

Recreation and Human Services Department, Kim Nolan

Transportation Department, Judith Sutton

BUDGET PROCESS

MISSION OF THE BUDGET PROCESS: *To help decision makers make informed choices about the provision of services and capital assets and to promote stakeholder participation in the process. - Government Finance Officers Association (GFOA)*

BUDGET GOAL: *To develop and maintain a structurally balanced budget that maximizes City resources necessary to build, sustain and enhance the City's future.*

Preparation and adoption of the fiscal year budget is guided by the following five organizational principles set by the City Council:

1. Fiscal Integrity and Long-Term Financial Stability
2. Quality Economic Development
3. Workforce Excellence
4. Continually Improving Quality of Life for Residents
5. Maintaining an Attractive, Vital Livable Community

BUDGET OBJECTIVES: These organizational principles translate into the following budget objectives:

1. Establishing budgetary and fiscal policies that address current needs and set the foundation for future decisions.
2. Adopting a structurally balanced budget with realistic annual revenues projections and expenditures below revenue projections.
3. Pursuing grant and other special funds to augment City services in specific program areas.
4. Building adequate reserve funds to meet the City's current and future obligations.
5. Creating public-private partnerships with mutual economic and service benefit.
6. Setting charges and users fees to recover City costs for providing services as much as possible but without overburdening citizens, businesses and property owners.

7. Replacing or upgrading vehicles and other capital equipment based on comparative cost of required maintenance for safety and performance efficiency.
8. Implementing efficiencies in service delivery and departmental operations that improve customer service and the quality of life in the community.
9. Enhancing employee skills and compensation to attract and maintain the best qualified staff and highest level of public service possible.
10. Providing superior public safety including community based policing to reduce crime.
11. Providing community service programs that meet a variety of interests and needs.
12. Improving the public image and physical appearance of the City with proper maintenance of public right-of-ways and code enforcement of private properties.

BUDGET ROLES AND RESPONSIBILITIES

Citizens, property owners and businesses are encouraged to share ideas and provide input concerning the community and budgetary programs. This can be accomplished by discussing issues with City's commissions and committees or directly with program managers. Citizen input received during public hearings or other correspondence is not only invited, but needed to ensure that public needs are met.

Finance Committee, comprised of two councilmembers and the City Treasurer, reviews the City's revenues and expenditures each quarter

and the City Manager's proposed budget before submitting to the City Council for adoption.

City Council provides direction for the preparation of the budget through adoption of policies and ongoing input. Council is responsible for the review and adoption of the City budget.

City Manager is responsible for:

- providing staff direction for budget preparation
- considering departmental budget requests and request for supplemental budget items
- reviewing projected revenues and expenditures with the Administrative Services Director
- formulating a comprehensive budget proposal for submission to the City Council
- presentation of a proposed budget
- overseeing budget administration throughout the fiscal year

Administrative Services Director and Fiscal Resource Staff is responsible for:

- evaluating and reporting the City's fiscal condition
- providing comprehensive revenue forecasts
- providing budget orientation and training to all departments
- monitoring budget throughout the year and providing updates to the City Manager and City Council

OVERVIEW OF CITY BUDGET PROCESS

The City's annual budget process commences in February with the distribution of the updated Budget Manual that details the City's general budgetary policy and the specific goals and objectives for the upcoming fiscal year. Departments are given specific instructions and timelines, the City's chart of accounts, a rate schedule for apportioned cost such as liability and health insurance, a standard price list for all standard equipment and furniture, and budget forms and formats.

Each department head is required to select a responsible individual in the department to be the Budget Coordinator. Following the budget kickoff by the City Manager and Administrative Services Director/Assistant City Manager, all correspondence and meetings are conducted with the departments' Budget Coordinators and Administrative Services Budget Manager.

In March, the Administrative Services Director/Assistant City Manager provides the City Manager with the tentative General Fund Revenue Projections. These set the parameters for the development of a balanced budget. In turn, the preliminary departmental budget worksheets are returned to the Administrative Services Department with instructions for modified expenditure requests based upon the available monies projected.

Target Budget Requests: It is the responsibility of each department to submit, as part of the budget request to the City Manager, a complete Statement of Justification. The statement must provide a formal and comprehensive explanation and justification of the proposed departmental budget program. This is important because the initial budget request submitted by each department is based on maintaining the current level of service. The "**Target Budget**" provides a point of origin for the detailed study and evaluation of each budget request by the City Manager compared to available revenue. The Target Budget has four basic components:

1. **Proposed Work Plan:** Department and program narratives, major accomplishments for fiscal year ending, major goals and objectives for the new fiscal year, workload/performance indicators and projected revenues/cost recovery from department programs.
2. **Proposed Staffing Plan:** Departmental organization chart, personnel worksheets (benefits calculations), personnel schedules, staffing levels, and personnel by program activity.
3. **Proposed Spending Plan:** Department line-item worksheets, expenditure request worksheets, justification statements (if required), computer repair and replacement fund summary and capital expenditures five-year request and justification statement.
4. **Revenue Projections:** Department revenues based on the fees collected as part of the department's operation. Emphasis is placed on maximizing cost recovery as appropriate and justification for new or increase in existing fees.

Supplemental Budget Requests: Separate from the Target Budgets, departments submit a "wish list" of additional personnel, new or

replacement equipment, or funding for new or expanded programs. All Supplemental Budget Requests are reviewed jointly with priority given to funding requests that best meet the objectives for the fiscal year and improve services across departmental lines. Unfunded requests are set aside until additional funding can be identified. This process will be expanded over the next fiscal year with a goal of developing a multi-year budgeting plan for rebuilding staffing levels, equipment replacement and program expansion.

Capital Outlay Requests: Capital requests are submitted separately with priority given to the replacement of aging and outdated equipment. With the Fiscal Year 2001-2002 Budget, a "Computer and Technology Maintenance and Replacement" fund was instituted to protect the City's investment in technology by ensuring funds to properly maintain and replace equipment when needed. This is funded through departmental contributions based on a usage formula. With the Fiscal Year 2005-2006 Budget, the finance committee approved reestablishing the Equipment Revolving Fund in order to replace aging rolling stock and capital equipment.

Finance Committee - At the end of April, the City Manager submits a draft budget summary to the City's Finance Committee, which is comprised of two Councilmembers, the City Treasurer, the Administrative Services Director/Assistant City Manager and the City Manager. Following their review and approval, the Proposed Budget, or City Manager's Budget as it is sometimes called, is finalized and printed for distribution. Much of the focus of the annual budget process is on General Fund programs since this is the only funding area that is fully discretionary. Grant funded programs follow a similar process, but are more specifically directed by the regulations of the particular funding source. The City's adopted budget incorporates all City programs and specifically identifies the funding source for each. The Finance Committee also reviews the expenditures and revenues of the City at the end of each quarter.

Preliminary Budget - In May, a preliminary budget document is created and the City Manager meets independently with each department head to review the department's goals, objectives, programs and funding needs

for the upcoming fiscal year. It is also the department head's opportunity to ensure that all the needs of his/her department are understood and carefully considered in the allocation of funds.

Budget Hearing - A public workshop hearing is held approximately one month before the adoption of the City's budget for the upcoming fiscal year. The City Manager presents to the Council the overall goals and objectives for the fiscal year, along with a review of significant factors affecting proposed revenues and expenditures. Each Department Head then presents the budget and work program for his/her department.

Public comment is heard throughout the month and revisions may be made to the budget as directed by the City Council.

Adoption - City Council shall adopt the budget by Resolution at the conclusion of the budget hearings. The adoption of the budget must occur prior to July 1, which is the beginning of the new fiscal year.

Budget Control and Amendments - Since the budget is a planning document, throughout the fiscal year there is a need for adjustments in the spending plan. As new revenues are identified, or unexpected expenditures arise, departments may need to re-prioritize the expenditure plan for their operations. If the modification can be made within the department's approved appropriation, then the Department Head may make a written request for a budget transfer to reallocate funds as needed. The budget transfer request is sent to the Administrative Services Department for review and approval. Accounting staff verifies that funds are available as requested, and the Administrative Services Director/Assistant City Manager approves the transfer. However, if the department is unable to make the needed adjustments within their department appropriation, additional approval is needed. The City Manager is authorized to transfer funds between departments up to ten thousand dollars. Amounts exceeding ten thousand dollars must have the approval of the City Council.

BUDGET CALENDAR - FISCAL YEAR 2009-2010

<p>January 29, 2009</p>	<p>Finance Committee FY 08/09 and FY 09/10</p>
<p>Jan 29 – April 16, 2009</p>	<p>Normally during this period staff would be developing FY09/10 revenue projections, expenditure projections, and performance goals and narratives and departments would be meeting with the City Manager to develop a Proposed Budget. The Proposed Budget would go to print on May 1st in preparation for a May 18, 2009 Budget Workshop.</p> <p>Because of the economic recession and the multi-billion dollar deficit in the State General Fund, the financial landscape for FY09/10 is constantly changing. Staff has been developing various budget scenarios and monitoring the American Recovery and Reinvestment Act (ARRA) for additional funding opportunities to maximize General Fund dollars. Based on the report to the Finance Committee on April 16, 2009, and the direction provided by the Committee, staff will finalize the Proposed Budget for the May Budget Workshop. Once given direction, the City Manager will need to meet with all Departments and possibly the three (3) employee labor groups to finalize a proposed budget for FY09/10.</p>
<p>April 16, 2009</p>	<p>Finance Committee - Third Quarter FY 08/09 Budget Review - Preliminary FY09-10 budget review</p>
<p>May 26, 2009 <i>(Budget posted May 22nd)</i></p>	<p>Public Budget Workshop – Presentation of FY09-10 Proposed Budget was set for May 26, 2009 at the regular City Council meeting, which will allow a twenty-eight (28) day comment period.</p>
<p>May 26, 2009 – June 23, 2009</p>	<p>Public Review period for FY09-10 Budget.</p>
<p>June 23, 2009</p>	<p>Budget Hearing and Adoption of Budget and Gann Resolutions for Fiscal Year 2009-2010.</p>
<p>August 1, 2009</p>	<p>Due: Departments year end update of workload performances and accomplishments.</p>
<p>August 31, 2009</p>	<p>Due: Adopted FY09-10 budget to print/ posted on web-site.</p>

BUDGET DOCUMENT GUIDE

The “Adopted Budget” is the document that sets the expenditure policies for all monies received by the City. The budget is based on a “fiscal year” that begins each year on July 1 and ends twelve-months later on June 30. City staff develops a proposed budget under the direction of the City Manager. The “Proposed Budget” is presented at a Public Hearing with the City Council for consideration. The City Council makes whatever changes they deem appropriate and vote to adopt the budget for the next fiscal year.

The budget is designed to give the City Council a clear roadmap of the City’s expenditure needs and available resources so that the Council can make sound budgetary decisions. It is through the appropriation of funds that the Council sets the program and project priorities for the ensuing fiscal year.

The budget document begins with the City Manager’s budget message, which provides an overview of the Fiscal Year Operating Budget by highlighting programs and major projects. Economic factors, changes in revenue, expenditures, and staffing levels are also addressed in the budget message. The budget document is divided into the following sections:

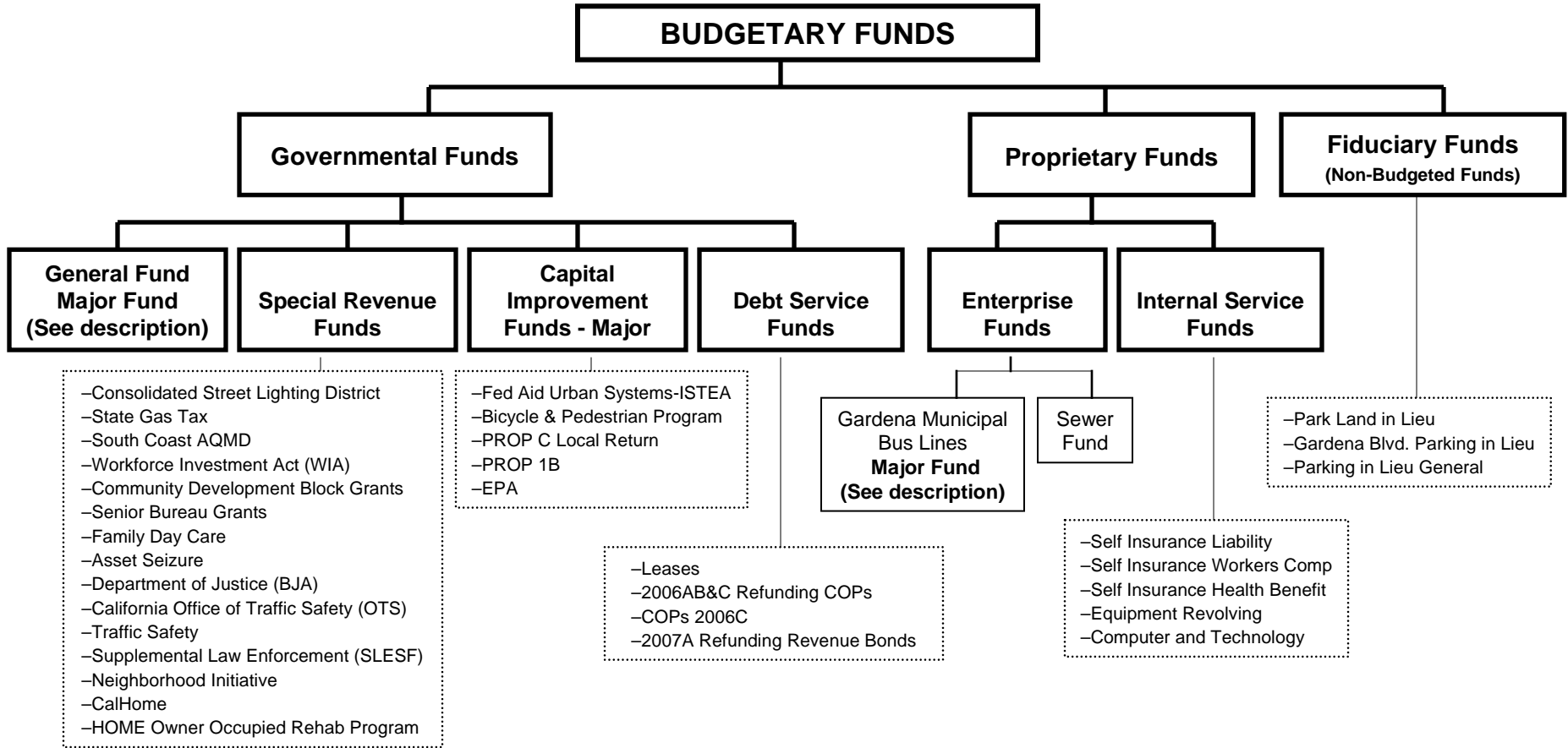
- Budget Message
- Introduction
- Budget Summaries
- Operating Budget – General Fund with corresponding Special Revenue Funds
- Operating Budget – Enterprise Funds
- Debt Service Funds
- Internal Service Funds
- Capital Improvement Program
- Appendix

The Budget Summaries section provides revenue and expenditure analysis. This section presents historical data for comparative purposes along with staffing levels.

The Operating Budgets section contains program description and public service goals. All Special Revenue Funds are grouped by operating department to provide a complete picture of department resources and functions.

The Appendix section contains the glossary of terms, abbreviations and acronyms, and index.

CITY OF GARDENA FUND STRUCTURE



A major fund is classified as any fund which is at least 10% of the total appropriation

FUND DESCRIPTIONS

GENERAL FUND (Major Fund)

The General Fund is the chief operating fund of the City and the only totally unrestricted fund that can be used for general operating expenses such as public safety, parks, recreation, engineering, planning and administration

SPECIAL REVENUE FUNDS (Grants)

Currently the City receives additional funding from various sources in order to provide many services which otherwise would be impossible for the City to support. Special revenue funds are restricted to be used for a specific purpose and for a certain time frame. Continued or new funding is based on the federal, state or county which is providing the resources. The City is always seeking new grants for the betterment of the citizens and community. Following is a description of the major grants sources that the City receives.

Asset Seizure: Monies seized from criminal activities and used solely for law enforcement purposes.

CalHOME: Offers first time homebuyers assistance to qualified individuals.

Community Development Block Grant (CDBG): The CDBG program works to ensure decent affordable housing, to provide services to the most vulnerable citizens in our communities, and to create jobs through the expansion and retention of businesses. This federal funding is received through the Department of Housing and Urban Development (UD) and is important tools for helping local government tackle serious challenges facing their communities.

Consolidated Street Lighting: To account for monies received for the maintenance and improvement of streetlights.

Family Day Care: This grant provides low cost childcare to low-moderate income families as well as offering early education and development classes. This program through CalSAFE also offers assistance to pregnant and parenting students and their children. These programs are funded through the California Department of Education

HOME: Offers loans and grants to qualified individuals for home improvements in low-mod areas.

Neighborhood Initiative: Funding for economic development and recovery programs in neighborhoods that are in low-mod tracts and slum blight areas.

Police Grants: The Department of Justice, the California Office of Traffic Safety, and the Supplemental Law Enforcement Program provide funding to improve public safety. Grant funding pays for additional officers, improved technology, DUI checkpoints, gang enforcement programs, and pedestrian safety programs. Funding from these grants helps to promote public safety and awareness.

Senior Bureau: In 1965 the federal government passed the Older Americans Act to provide grant funding for programs which benefit seniors. This includes nutrition programs in the community as well as for those who are homebound, programs for low income minority elders; health promotion and disease prevention activities; in-home services for frail elders, and those services which protect the rights of older persons such as the long term care ombudsman program.

South Coast AQMD Fund: To account for monies received from motor vehicle tax and expended on program to reduce air pollution which are necessary to implement the California Clean Air Act of 1988.

State Gas Tax: To account for monies received and expended from the state and county gas tax allocation.

Traffic Safety: To account for monies received under Section 1463 of the Penal Code and expended on traffic safety.

Workforce Investment Act (WIA): Activities to aid job seekers, laid-off workers, incumbent workers, new entrants to the workforce, veterans and people with disabilities. The purpose of these activities is to promote an increase in employment, job retention, earnings and occupational skills of the participants. This program receives federal funds through the Economic Development Department.

CAPITAL IMPROVEMENT FUNDS

Are used to account for financial resources used for capital improvement projects.

DEBT SERVICE FUNDS

Are used to account for the accumulation of resources and payment of all general long-term debt obligations of the City.

PROPRIETARY FUNDS

A proprietary fund accounts for business type activities of the City that receive a significant portion of funding through user charges with the intent to fully recover the cost of service. The Enterprise and Internal Services Funds are proprietary type funds.

Enterprise Funds:

Gardena Municipal Bus Lines (Major Fund) accounts for user charges, fees, federal, state and county grants and all operating costs associated with the operation of the City's bus lines. Although the Gardena Municipal Bus Lines is a separately operating enterprise fund, it is still operationally a department of the City.

Sewer Fund accounts for fees charged to users of the City's sewer system. The fee is based upon the amount of domestic water used. The revenue is used to replace, rehabilitate, maintain, and improve the City's sewer system.

Internal Service Funds:

The Internal Service Funds account for financing of goods or services provided by one City department to other departments of the City on a cost-reimbursement basis and consist of the following funds:

Self-Insurance Liability Fund
Self-Insurance Worker's Compensation Fund
Self-Insurance Health Benefit Fund
Computer and Technology Maintenance/Replacement Fund
Equipment Revolving Fund

FIDUCIARY FUNDS

Account for assets held by the City in a trustee capacity. Fiduciary funds are normally **not budgeted** because typically the trust agreement or law already provides adequate control over the trust fund resources.

ACCOUNTING PRINCIPLES AND POLICIES

FUND ACCOUNTING

The accounts of the City are organized on the basis of funds and account groups, each of which is considered 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 as appropriate. Government 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. The financial section in this budget is grouped by generic fund types and broad fund categories as follows:

Governmental Funds

General Fund
Special Revenue Funds
Capital Improvement Funds
Debt Service Funds

Proprietary Funds

Enterprise Funds
Internal Service Funds

BASIS OF ACCOUNTING AND BUDGETING

The City's **Governmental Fund Types** (General, Special Revenue, Debt Service and Capital Projects Funds) are accounted for and budgeted using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Revenue considered susceptible to accrual includes property taxes, sales taxes, interest and motor vehicle license fees. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to the general rule is compensated absences not payable within one year, and interest and principal on long-term debt which are recorded when due.

Proprietary Fund Types are accounted for on an "income determination" or "cost of services" measurement focus. Accordingly, all assets and all liabilities are included on the balance sheets, and the reported fund equity (total reported assets less total reported liabilities) provides an indication of the economic net worth of the funds. The operating statements for the City's Proprietary Fund Types report increases (revenues) and decreases (expenses) in total economic net

worth. All Proprietary Fund Types are accounted for and budgeted using the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when incurred.

FINANCIAL POLICIES

The following financial policies represent the long-standing principles and traditions which guide the City in its fiscal decisions.

FINANCE COMMITTEE

The City's Finance Committee is comprised of two councilmembers, (appointed by the Mayor) and the City Treasurer. The Committee meets quarterly with the City Manager and the Administrative Services Director/Assistant City Manager to review and make recommendations on the City's budget, debt and other financial actions.

AUDITING AND FINANCIAL REPORTING

- California state statute requires an annual audit of the books of account, financial records and transactions of all administrative departments of the City by Independent Certified Public Accountants.
- The City will produce annual financial reports in accordance with Generally Accepted Accounting Principles (GAAP) as outlined in Governmental Accounting, Auditing and Financial Reporting (GAAFR).

REVENUE POLICY

- The City will try to maintain a diversified and stable revenue system to shelter it from short run fluctuations in any one-revenue source.
- The City will follow an aggressive policy of collecting revenues, augmented in Fiscal 2002 by the implementation of the City's new cashing system.

- The City will establish all user charges and fees at a level closely related to the full cost (operating, direct, indirect and capital) of providing the service. The City will continue to review fees/charges periodically.

INVESTMENT OF IDLE FUNDS

- The safeguarding of all public monies shall be of the highest priority. Public money shall not be invested or managed in any manner, which would jeopardize the safety of the principal pursuant to California Government Code Section 53635.
- The City's investment policy is reviewed and approved annually by the City Council.
- Direct responsibility for managing the City's investment portfolio rests with the City Treasurer.
- All investments are made in accordance with the following criteria, stated in order of priority: safety, liquidity and yield.

PURCHASING POLICY

- The City's departments will purchase the best value obtainable, securing the maximum benefit for each tax dollar expended, while giving all qualified vendors an equal opportunity to do business with the City.
- All purchases \$10,000 - \$50,000 require written quotes and must be ratified by the City Council.
- All purchases with a total cost over \$50,000 must be procured by a formal bid and can only be authorized and awarded by the City Council.
- Whenever possible, local vendors shall be included as sources for all purchases.

RISK MANAGEMENT POLICY

- The City is self-insured against each general liability claim for the first \$400,000 and each workers' compensation claim for the first \$500,000 and \$250,000 for each Municipal Bus Lines

claim against the City. The City carries insurance in excess of these amounts.

- The City's role in managing its risk management program is to be preventative in nature which will be accomplished through careful monitoring of losses, working closely with the third party administrator and designing and implementing programs to minimize risk and reduce losses.

FIXED ASSET POLICY

- To safeguard the investment in fixed assets.
- To use the fixed asset system as a management tool for replacement of recurring items to avoid duplication and inefficient use of fixed assets.
- To comply with state laws and regulations.
- To provide information for preparation of financial statements in accordance with GAAP with emphasis placed on completion of GASB 34 requirements.
- When disposing of fixed assets every effort should be made to recover some of the original cost by selling and or trading in the fixed asset.

CAPITAL IMPROVEMENT POLICY

- The City will develop a multi-year plan for capital improvements, update it annually and make all capital improvements in accordance with this plan.
- Immediate capital replacement needs and smaller capital projects are funded on a pay-as-you-go basis through a budget transfer.
- Capital improvements involve the outlay of substantial funds; therefore, the City prioritizes the use of non-general fund monies to support these expenditures.

DEBT POLICY

- To provide for proper planning of capital expenditures, financing requirements and guidelines for issuance of various debt instruments.
- To hold borrowing costs at a minimum and maintain ratios within established standards.
- To secure favorable ratings and competitive lower interest rates on all types of borrowing instruments, thereby providing a savings to all taxpayers.

BORROWING INSTRUMENTS

- Tax and Revenue Anticipation Notes to be issued no more than once a year. Maximum maturity of notes will be twelve months from date of issue. Notes will be rated by Moody's Investor Service, Standard and Poor's Ratings Group or Fitch Investors Service, L.P.
- Certificates of Participation (COPS) can be used as a financial alternative for acquiring assets.
- Revenue Bonds – City Council will evaluate all requests.
- Mello-Roos financing – City Council will evaluate all requests.

BUDGET – GENERAL POLICY

- City staff will present to the City Council a structurally balanced budget proposal that does not rely on “one-time” revenues. Annual recurring expenditures will be funded with annual recurring revenues.
- The City Council will, by June 30 of each year, adopt a structurally balanced operating and capital improvement spending plan for the ensuing fiscal year, where operating revenues are equal to, or exceed, operating expenditures.
- The City will align and amend as appropriate its operating and capital spending plan with its strategic action plan priorities and economic development plan.

- City staff will complete and present a quarterly Budget and Economic Condition Analysis to the Finance Committee. Recommended budget adjustments will be submitted to the City Council for consideration and approval.
- The City will establish and maintain a General Fund Reserve equal to at least twenty percent (20%) of its annual General Fund operating budget. The amount will be revised annually and such funds will be expended only with the approval of the City Council.

BUDGET – REVENUE

- Revenue projections will be based on multiple sources of information including, but not limited to, historical trends, federal, state and regional economic forecasts, service levels, changes in legislation and mandates and other statistical resources generally available.
- The City will develop and incorporate into each spending plan revenue and expenditure projections for five (5) additional years into the future and amend the projection annually as part of the budget review.
- When projecting revenues, the City will take into consideration the diversity, volatility and stability of its revenue stream and will as much as possible base its core operating cost on historically stable revenue sources.
- The City will stabilize its revenue base by forecasting its annual operating expenditures on diverse revenue sources and limiting revenue growth projections in each revenue category.
- Revenues received in excess of the budgeted projections will be used for one-time expenditures or set aside as reserve.

BUDGET – EXPENDITURES

- The City will establish benchmarks for service delivery, employee salaries and compensation that are based on best practices in public service and will implement performance-based budgeting within the next three (3) years.

- Expenditures will be budgeted realistically for each expenditure category and can be adjusted internally as may become necessary but will not exceed appropriation limits.
- Contingency funds will be included in the annual budget to provide funding for unanticipated operating cost increases, one-time purchasing opportunities and one-time emergency expenditures to repair equipment and facilities. Unexpended funds will carry-over to the next fiscal year.
- In considering reductions in service levels, program cuts, or staffing reductions, the city will first assess options to improve operational efficiencies and develop additional revenues to cover the cost to continue the existing level of public service with existing Budget Policies.
- Limiting Cost with Fees for Service: Certain services are used selectively by a limited number of participants and, therefore, are not mandated City services. These services are provided based on individual interest and are provided only as funding is available. To fund these programs without limiting basic

services necessary for the general public, the City will perform a cost analysis to identify the city's fully burdened cost for providing those services and, to the extent reasonable, set the fee based on full cost recovery. Such fees shall be updated frequently to ensure that the fees are reflective of actual city costs for the delivery of services.

- Unexpended funds within a fiscal year will be held in reserve or appropriated for one-time expenditures.

BUDGET – CAPITAL IMPROVEMENT

- Capital improvements will be financed primarily through special revenue funds, user fees, service charges, and developer agreements when benefits can be specifically attributed to users of the facilities.
- The City will analyze the impact of capital improvements to ensure that operational and maintenance costs are balanced with on-going revenue to support facility operations.

COMMUNITY PROFILE – 2010

Gardena, California is a full-service city located just 13 miles south of metropolitan Los Angeles in the South Bay area of Los Angeles County. Gardena is strategically located near the intersections of the Harbor, San Diego, and Gardena Freeways and just south of the 105 Freeway.

Date of Incorporation	September 11, 1930
General Law City	1955
Form of Government	Council-Manager Form
County	Los Angeles, Second Supervisorial District
State Representatives	51st Assembly District 25th Senatorial District
U. S. Representative	35th U.S. Congressional District
Area	5.9 Square Miles
Population	61,810
Dwellings	21,501
Police Protection	92 sworn officers, 2 full time motorcycle officers, and 24 marked units, including 2 canine units.
Fire Protection	City Fire Department services were transferred to the Consolidated Fire Protection District of Los Angeles County and became a contract service in October 2000.
Recreation and Parks	6 parks (37.36 acres), 1 community center, 1 municipal pool, 1 parkette and 2 gymnasiums.
Municipal Bus Lines	49 coaches and 10 demand response vehicles for elderly and disabled passengers. Expansion to 100 coaches in process with new facility.





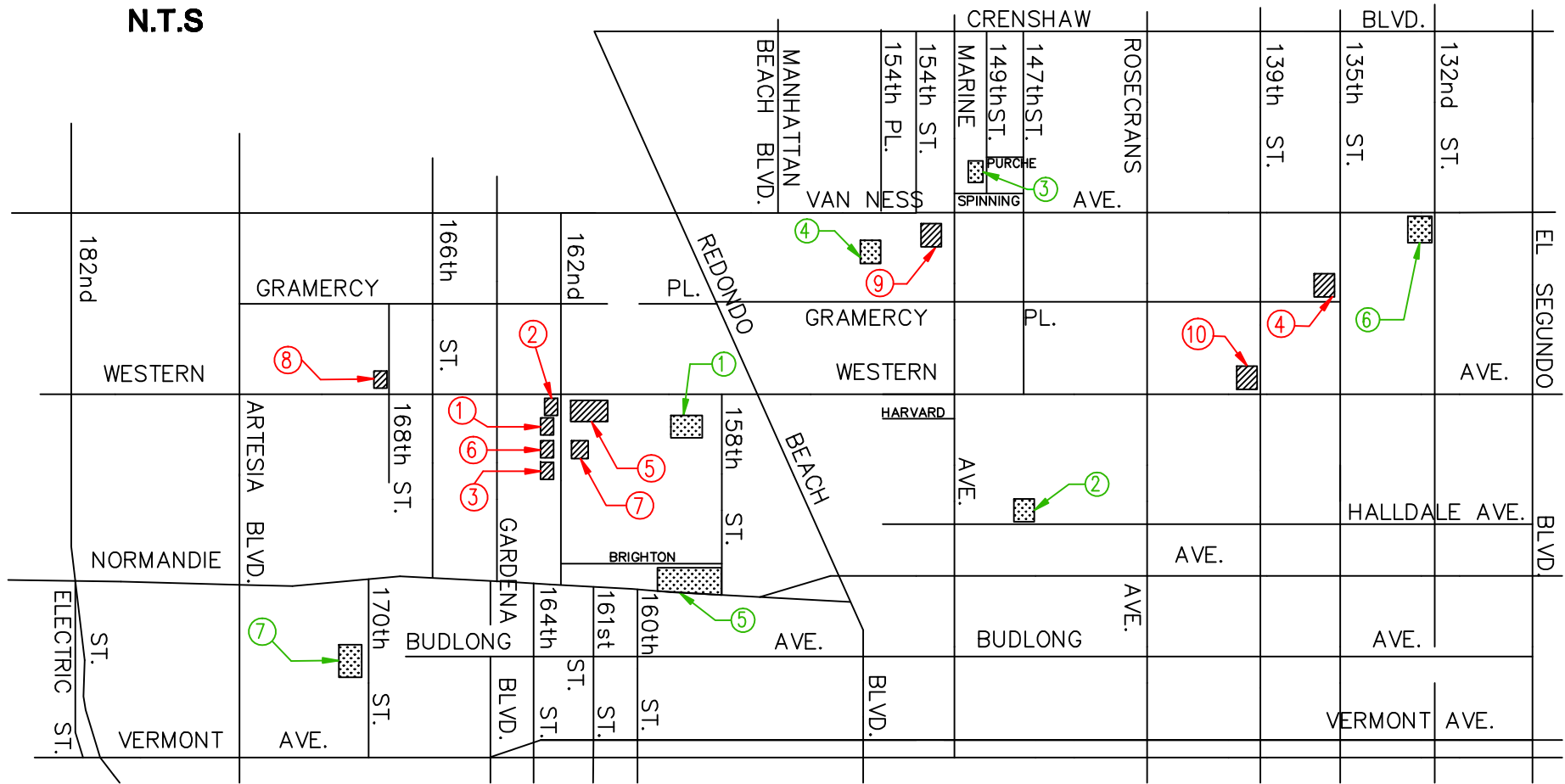
CITY of GARDENA



N.T.S

LEGEND:

- ① City Hall Administration Offices and Campus
- ② Police Headquarters
- ③ Fire Department Headquarters
- ④ Fire Station 2
- ⑤ Public Works Building and Maintenance Yard
- ⑥ Kiyoto "Ken" Nakaoka Community Center
- ⑦ Ernest J. Primm Memorial Pool and James Rush Gymnasium
- ⑧ Gardena One-Stop Employment and Business Center
- ⑨ Municipal Transportation Facility (OLD)
- ⑩ Gardena Transit Administration, Operations, & Maintenance Facility (NEW)
- ① Harvard Parkette
- ② Vincent Bell Memorial Park
- ③ Edward L. Thornburg Park
- ④ George H. Freeman Memorial Park
- ⑤ Mas Fukai Park
- ⑥ Paul A. Rowley Memorial Park
- ⑦ Arthur Lee Johnson Memorial Park



CITY FACILITIES AND PROPERTIES

1 *City Hall Administrative Offices and Campus* *1700 West 162nd Street*

The Administrative Offices have approximately 25,975 square feet of building space, which includes City Council Chambers, a Council Chambers Conference Room, 32 administrative offices and 9 bathrooms. The buildings were built in 1962; and in fiscal year 2001-2002, the Administrative Office building was renovated with automatic sliding glass doors to comply with the Americans with Disabilities Act. The campus lawn in front of City Hall was dedicated on June 12, 1982, as the **Lucille Randolph Plaza**, in honor of the City Clerk who served the City for twenty-three years.

2 *Police Headquarters* *1718 West 162nd Street*

The Police Headquarters has approximately 63,475 square feet of site area and approximately 23,690 square feet of building space that includes a one-story brick masonry police headquarters structure (Class C construction). Built in 1962, the needs of the department have far outgrown the building's capacity. Separate modular units have been constructed in the parking lot, and on an adjacent property, and serve as annex offices.

3 *Fire Department Headquarters* *1650 West 162nd Street*

The Fire Department Headquarters has approximately 27,925 square feet of site area and approximately 17,975 square feet of building space, which includes a two-story brick masonry fire station building (Class C construction). The building was built in 1963 and is currently leased to the Los Angeles County Fire District. The City contracts with the Los Angeles County Fire District for the provision of fire services.

4 *Fire Station 2* *2030 West 135th Street*

Fire Station 2 has approximately 26,140 square feet of site area and approximately 5,949 square feet of building space, which includes a pre-cast concrete fire station structure. The fire station structure was built in 1957 and includes an apparatus garage, offices, kitchen, dining area,

chief's quarters, dormitory and training tower. The fire station structure is currently leased to the Los Angeles County Fire District. The City contracts with the Los Angeles County Fire District for the provision of fire services.

5 *Public Works Building and Maintenance Yard* *1717 West 162nd Street*

The Public Works Building has approximately 11,825 square feet of building space, which includes 10 administrative offices and 5 bathrooms. The buildings were built in 1968 and 1990; and in fiscal year 2003-2004, the building was renovated with automatic sliding glass doors to comply with the Americans with Disabilities Act. In addition, a City yard is adjacent to the Public Works Building to create a total land area of 1.850 acres.

6 *Kiyoto "Ken" Nakaoka Community Center* *1670 West 162nd Street*

The Community Center has approximately 17,137 square feet of building space, which includes 6 classrooms, 4 offices, a kitchen and an auditorium that can accommodate up to 280 people. The building was built in 1975 and dedicated June 7, 1975. On December 13, 1989, an expansion was dedicated in honor of the first Japanese-American to be elected (1966) to a City Council position in the United States, and the first elected Mayor of the City. During fiscal year 2001-2002, the Community Center was renovated with automatic sliding glass doors to comply with the Americans with Disabilities Act.

Located in the Nakaoka Community Center, the **Lucien "Lou" Lauzon Memorial Auditorium** was dedicated August 22, 1981, in honor of his active community support, which included serving as a member of the Citizens Advisory Committee and the Beautification Committee.

7 *Ernest J. Primm Memorial Pool and James Rush Gymnasium* *1651 West 162nd Street*

The pool and gymnasium have approximately 62,650 square feet of site area and approximately 19,623 square feet of building space, which includes a one-story masonry gymnasium (Class C construction). The buildings were built between 1960 and 1973. The Human Services

Division offices are located in this building. The roof of the gymnasium was renovated in fiscal year 2002-2003, and the administrative office of the gymnasium was renovated with automatic sliding glass doors in fiscal year 2004-2005 to comply with the Americans with Disabilities Act.

The pool was dedicated as the **Ernest J. Primm Memorial Pool** on April 22, 1962, in honor of the founder of the card clubs in Gardena. On June 30, 1979, the gymnasium was rededicated as the **James Rush Memorial Gymnasium** in honor of the former Councilmember and Mayor of Gardena (1942 – 1956). Mr. Rush was also involved in the planning of the civic center grounds.

**8 Gardena One-Stop Employment and Business Center
16801 S. Western Avenue**

The City operates a grant funded employment and training center that is located on rental property on Western Avenue with easy access by public transportation for those seeking employment or for businesses looking for qualified employee candidates.

*** NOTE: Possible Future Use - 14715 S. Western Avenue**

This property was purchased by the Gardena Cable Usage Corporation; and in January 2006, title was transferred to the City of Gardena for the City's Senior Day Care Program. However, the property is now being evaluated for other use, and the Senior Day Care Program continues to operate at a local church.

**9 The Municipal Transportation Facility (Old)
15350 South Van Ness Avenue**

The Municipal Transportation Facility had been in its current location since 1953 and has approximately 162,168 square feet of site area and (i) a 3,594 approximate square foot two-story office building, with a 2,275 approximate square foot one-story repair garage built in 1965; and (ii) a 6,269 approximate square foot one-story repair garage, built in 1982. A portion of the property at this site is leased to the State of California for use as a National Guard post. The old-site will be sold and converted to other uses.

**10 13999 Western Avenue (New)
Gardena Transit Administration, Operations, and Maintenance Facility**



The new transit facility opened in May 2009, on a 9.1 acre site that will accommodate a fleet of 100 buses, plus paratransit and support vehicles. The facility is designed as a “Green Building,” emphasizing energy efficiency and environmental sensitivity and includes solar panels for power generation, bus simulators for training operators, and current technology in bus maintenance equipment.

The administration and operations building is approximately 24,000 square feet in area. The maintenance building is approximately 45,000 square feet with a 4,000 square foot bus-wash structure and 2,800 square foot fuel island. A photovoltaic panel shade structure will provide covered parking.

CITY PARK FACILITIES

1 Harvard Parkette - 160th Street/Harvard Boulevard

Harvard Parkette, dedicated in November 1958 as a neighborhood play area, is 0.19 acre and includes a slide and jungle gym, swings, and lunch benches.

② Vincent Bell Memorial Park - 14708 S. Halldale Avenue

This 1.87 acre park was dedicated on May 26, 1972, in honor of a City Councilman who died in office shortly after his election in 1970. The facility is equipped with a recreation room, baseball diamond, outdoor basketball court, handball court, two tiny tot play areas, two picnic shelters, and a police office.

③ Edward L. Thornburg Park - 2320 W. 149th Street

The Edward L. Thornburg 2.39 acre park was named for the developer who donated the land in 1953. The facility is equipped with a recreation room, baseball diamond, two outdoor basketball courts, handball court, tiny tot play area, picnic shelter, martial arts room, and horseshoe pit.

④ George H. Freeman Memorial Park - 2100 W. 154th Place

This 2.71 acre park was dedicated on April 11, 1957, in honor of George Freeman, who served as the first City Recreation Director. The park is equipped with two recreation rooms, a baseball diamond, basketball court, handball court, tennis court, tiny tot play area, picnic shelter, and police office.

⑤ Mas Fukai Park - 15800 S. Brighton Avenue

4.53 acres were purchased from the County and dedicated as a City park in 1960. In June 2000, the Gardena City Council rededicated Recreation Park as Mas Fukai Park. Masani "Mas" Fukai was elected to Council in 1974 and served until his retirement in 1998. Mas, as his friends and associates call him, also served for five years as the Chief Deputy to then Los Angeles County Supervisor Kenneth Hahn. The facility is equipped with three recreation rooms, three baseball diamonds, two basketball courts, a handball court, tiny tot play area, picnic shelter, and kitchen.

⑥ Paul A. Rowley Memorial Park - 13220 S. Van Ness Avenue




This 18.17 acre park was dedicated July 21, 1962, in honor of the first City Administrative Officer, 1959 – 1962. Mr. Rowley died of a heart attack in June 1962, while addressing a public affair at the park. The park was originally named Van Ness Park, when it opened in 1959. The expansion of the park facilities, which included the addition of a gymnasium, was dedicated February 12, 1990. The facility is equipped with two recreation rooms, a gymnasium, four baseball diamonds, three outdoor basketball courts (one full and two half) a handball court, four tennis courts, two tiny tot play areas, three picnic shelters, a kitchen, auditorium, weight room, teen center, and police office.

⑦ Arthur Lee Johnson Memorial Park - 1200 W. 170th Street

This 7.5 acre park, originally dedicated July 9, 1977, as South Park, was rededicated on January 13, 2007 as Arthur Lee Johnson Memorial Park. Arthur Johnson marched with Dr. Martin Luther King, Jr. in the civil rights movement, founded the Gardena Dr. Martin Luther King, Jr. Cultural Committee, and served as its president for twenty years. In 1973, his efforts made Gardena the first city west of the Mississippi to honor Dr. King's birthday with an annual commemorative celebration. Mr. Johnson served as a Planning and Environmental Quality Commissioner for twelve years. His many years of community service earned him the Gardena Black History Month Trailblazer Award and a place on the City's Wall of Fame.

The Arthur Lee Johnson Memorial Park is equipped with a recreation room, two basketball courts, a handball court, four tennis courts, a tiny tot play area, picnic shelter, soccer field, police shooting range, and entrance to the Gardena Willows Wetland.

CITY HISTORY TIMELINE

1930	Incorporation of City of Gardena on September 11, 1930 with a population of approximately 3,000. Annexation of Western City on November 12, 1930.
1936	First legal card club license in the State of California to Gardena.
1940	City bus service began on January 15, 1940.
1953	Gardena Municipal Bus Lines moved to new location on Van Ness in November.
1954	City adopted its official seal and slogan on October 26, 1954, "Freeway City." 
1955	Gardena was designated as a General Law City by action of the State Legislature.
1964	Adopted City flag. 
1980	Received the All America City Award. 
1982	Maintenance facility added at the Gardena Municipal Bus Lines.
1994	Council action limited the number of card clubs from six to two.
1995	Annexation of El Camino Village. City convened Ad Hoc Finance Committee to review revenues and expenditures and concluded that on the present course, the City would face a deficit by the end of the fiscal year.
1996	Employee committees formed to review revenues, operational efficiencies, customer service and with a final committee to compile the information for council review. Council implemented hiring freeze and a 2% decrease in appropriated expenditures for last six months of the fiscal year.
1998	Council committed to a plan to eliminate the projected \$5 million General Fund deficit with a \$1 million set aside for the next five years. General Fund ending fund balance = (\$5,212,263)

1998	Restructured \$20.6m in bonds for Municipal Mutual Insurance Company and \$6.275 million for First-Time Home Buyers Program.
1999	Issued \$3,060,000 in bonds for the construction of a new 911 regional communication center.
2000	The newest card club in the State, the Hustler, opened in June 2000. General Fund ending fund balance = (\$2,719,574) . Gardena Fire Department was annexed into the Consolidated Fire Protection District of Los Angeles County on October 31, 2000
2001	Eldorado Parking Certificates of Participation liquidated through agreement with the Hustler for a net principal gain of \$980,000. As of June 30, 2001, the City's long-term debt was \$38,870,000. July 2001 showed a 10% increase in prior year budget as the City began rebuilding its internal infrastructure.
2002	City eliminated the General Fund deficit a full year ahead of schedule with a positive \$1,048,182 General Fund Balance as of June 30. Voters approved an increase in the Transit Occupancy Tax from 7% to 11% in November.
2003	In February, council adopted a comprehensive fee resolution. General Fund ending balance = \$2,322,242. October 14, adopted ordinance to establish a Redevelopment Agency (RDA).
2004	Initiative "Measure G" placed on the ballot to overturn the Council's action to establish a RDA - the measure passed so once again the redevelopment agency failed.
2005	Celebrated 75th anniversary.
2006	The City Council approved a settlement agreement with Sumitomo Trust and Union Bank that would restructure the \$26 million debt. In June, COPs were issued in three series.

2006	In December a \$2.6 million payment to Sumitomo Trust and Union Bank on the long-term \$26 million debt ended general fund obligation for debt service on the failed First Time Homebuyer's Program and the Municipal Mutual Insurance Company.
2007	Received investment grade credit ratings: Standard & Poor BBB Moody's Baa3 Refinanced the South Bay Regional Communications Center debt at an improved interest rate. Adopted 5 Year Plan 2007 - 2012 General Fund ending balance = \$7,899,419.
2008	Adopted Budget projects General Fund ending balance of \$7,899,419 for a reserve of 17% of operating total.
2009	February 2009 reduced budget appropriations due to economic downturn. May 2009 Gardena Municipal Bus Lines moved to new facility.

CITY-APPOINTED COMMISSIONS, CORPORATIONS, AND BOARDS

City Commission, Corporation, Board, and Committee members are appointed by the Mayor and City Council to advise the City on important programs and policy decisions. Public participation, therefore, is a vital component of the City's governing system. All meetings of advisory groups are open to the public.

BOARD OF APPEALS

This board is comprised of the members of the Planning and Environmental Quality Commission, with the building official as an ex-officio member. The Board is governed by the same procedures as the Planning and Environmental Quality Commission. The Board determines the suitability of alternate materials and methods of construction and provides reasonable interpretations of the provisions of the Uniform Building Code. The Board also determines whether a building constitutes a menace to public safety, and whether repairs, alterations, or demolition are necessary to abate the menace to public safety.

CITY OF GARDENA PUBLIC IMPROVEMENT CORPORATION

This Corporation is comprised of five members, appointed by the City Council, who execute financing documents and assist in the development of major public improvement projects in the City of Gardena.

CITY OF GARDENA FINANCING AGENCY

The Agency was created in July 1991 as a Joint Powers Authority between the City of Gardena and the Gardena Parking Authority. The Agency provides for financing of the acquisition, construction and improvement of Public Capital Improvements, for working capital requirements, and for liability or other insurance programs of the City and the Parking Authority.

ECONOMIC DEVELOPMENT COMMITTEE

Five members are appointed by the City Council to this committee to encourage and facilitate the location, development, and expansion of businesses in the City of Gardena.

GARDENA BEAUTIFUL COMMITTEE

This Committee has a maximum of nine voting members who study and make recommendations to the City Council relating to the beautification and livability of all areas of the City of Gardena. The Chairperson is a member of the City Council. Five of the members are appointed by the City Council, and the remaining three at-large members are nominated by the Committee Chair and ratified by City Council. Committee projects include elimination of graffiti, beautification of streets and parkways; tree planting, and other related activities.

GARDENA BUSINESS ADVISORY COUNCIL (G-BAC)

Established in November 2005, as the "*Small Business Task Force*," the Gardena Business Advisory Council (G-BAC) adopted its new name in March 2007, to reflect its mission more accurately. G-BAC is advisory to the City Council and makes recommendations regarding ways to promote and support Gardena businesses. Of the eleven G-BAC members, five are appointed by the City Council, one "at-large" member represents the Gardena Valley Chamber of Commerce, plus five other "at-large" members who represent and advise the City Council regarding local business interests/needs of the community. All members are appointed or ratified by City Council. G-BAC meets bi-monthly.

GARDENA YOUTH COMMISSION

The Youth Commission is composed of five members appointed by the City Council and five "at-large" members approved by the Commission and ratified by the City Council. The Commission identifies and evaluates youth and community issues and projects, and makes recommendations to the City Council to resolve such issues. Commission members also work as volunteers with community groups, organizations, and Recreation and Human Services programs.

HOUSING APPEALS BOARD

This Board, consisting of members of the Planning and Environmental Quality Commission, is authorized by the City Council to hear all appeals relating to violations of housing standards and is governed by the provisions of the Uniform Housing Code. The Community Development Director serves as secretary to the Housing Appeals Board.

HUMAN SERVICES COMMISSION

The Human Services Commission is composed of five members who are responsible for the development and utilization of human resources within the City. The Mayor and each Councilmember appoint one member. The Commission advises the Council on all matters relating to social conditions within the City, assesses and reports to the Council the social needs of the citizenry, and advises the Human Services Division regarding policy and program direction for meeting such needs and making appropriate recommendations to the Council.

PLANNING AND ENVIRONMENTAL QUALITY COMMISSION

Composed of five members, this Commission was created in compliance with the State Government Code as an advisory agency to the City Council on all matters of land use and the environment. Its responsibilities are to investigate and report on the design and improvement of adopted subdivisions, and to submit reports and recommendations to the City Council on matters relating to zoning, land use, environment, the City's General Plan, and other related matters.

RECREATION AND PARKS COMMISSION

This Commission is composed of five members who advise the Council on matters relating to recreation and parks within the City. The Commission considers, advises, and/or recommends to the City Council the needs of the City pertaining to the acquisition, development, and use of facilities, buildings and structures for recreational and park purposes; promotes public interest in recreation and parks programs and regulations; and consults and confers with public officials and agencies, citizens, civic, educational, professional, and other organizations.

RENT MEDIATION BOARD

This fifteen-member Board is composed of five landlords, five tenants, and five members-at-large, all of whom are appointed by the City Council to assist citizens in mediating rental increase-related disputes.

SENIOR CITIZENS COMMISSION

This Commission is composed of five members who advise the Council on all matters relating to the needs and concerns of the City's older adult population. The Commission coordinates its activities with those of the Affiliated Committee on Aging.

OTHER CITY COMMITTEES AND ASSOCIATIONS

GARDENA SISTER CITY ASSOCIATION

The Gardena Sister City Association, comprised of community volunteers, has been active in promoting international friendship for over four decades. The program's goal is to learn more about the community, enjoy the hospitality, and build personal contacts with other cultures. This is done through adult and youth exchange programs that encourage person-to-person visitations in each city. *Ichikawa, Chiba, Japan* has been an official Sister to Gardena since 1962 and *Huatabampo, Sonora, Mexico* since 1973. Gardena has also maintained an unofficial mutual friendship with Rosarito, Baja, California, Mexico for many years.

GARDENA POLICE FOUNDATION

The Gardena Police Foundation is a partnership of citizens, businesses, and philanthropic organizations whose mission is to provide additional resources to improve public safety. Incorporated in September 2006 as an independent 501(c) 3 non-profit organization, the Foundation relies solely on donations and fundraising efforts. The Board of Directors actively raises money from the community and awards grants directly to the police department in response to the department's request for program, training and equipment needs not included in the City's budget.

TRAFFIC COMMITTEE

The City Traffic Committee is composed of City staff persons, including the Chief of Police, the Public Works Director, Community Development Director, Recreation and Human Services Director, and the Transportation Director. This Committee advises the City concerning traffic-related matters including, but not limited to, parking, stop signs, signals, and congestion, etc.

AWARDS OF DISTINCTION

The City of Gardena has been honored with a number of awards during its seventy-eight years. The most significant are listed here.

EXCELLENCE IN CITY FINANCIAL MANAGEMENT AWARD

In 1992, the City received "Honorable Mention" in the Excellence in City Financial Management Award, co-sponsored by the United States Conference of Mayors and AMBAC Indemnity Corporation for the City's conservative financial strategy and unique programs such as the innovative First-Time Home Buyers Program, which assists families who do not have the resources for a down payment for the purchase of their first home.

CALIFORNIA SOCIETY OF MUNICIPAL FINANCE OFFICERS – CSMFO

The City's "**Outstanding Financial Reporting 2003-2004**" award from CSMFO represented the twentieth year of recognized achievement for meeting professional standards and criteria in the reporting of annual financial statements and in the underlying accounting systems from which the reports were prepared. Since fiscal year 2005-2006, this CSMFO program has been available only to first time participants or prior participants who do not apply to the GFOA financial reporting program.

The "**Excellence in Operational Budgeting 2006-2007**" award from CSMFO was the eleventh year award of achievement for Gardena. This is an annual certificate awarded to qualified applicants based on outstanding budget documents and the underlying budgeting process through which the budget is implemented. The City also received a certificate for "**The Most Distinguished Budget Cover for Fiscal Year 2004-2005.**"

In 1997, Gardena received the CSMFO certificate for "**Excellence in Public Communications 1996-97.**" This award recognizes the achievement of excellence in producing a public communications document, which enhances general public understanding of city government and encourages citizen participation.

GOVERNMENT FINANCE OFFICERS ASSOCIATION AWARDS - GFOA

Fiscal Year 2006-2007 was the twenty-third year the City of Gardena received the GFOA "**Certificate of Achievement for Excellence in Financial Reporting.**" This award is made annually to governmental units whose comprehensive annual financial reports (CAFR) achieve the highest standards in government accounting and financial reporting.

The GFOA "**Distinguished Budget Presentation Award**" was presented to the City of Gardena for the fiscal year beginning July 1, 2007. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device. The City has received this award for twelve consecutive years.

GOLDEN SHIELD AWARD

In 1992, the Southern California Municipal Athletic Federation, a sports organization comprised of recreation agencies from Fresno to San Diego, presented the City of Gardena with their Golden Shield Award. This award honors agencies that have been highly involved in promoting and providing youth and adult sports programs for many years. Gardena also received the award in 1976, the first year of the program's existence.

WETIP MODEL CITY OF THE YEAR

In 1985 and again in 1995, Gardena was named WeTip Model City of the Year by the national crime-fighting organization. The award recognized the City's long-standing support of WeTip's efforts.

WILLOWS WETLAND PROJECT AWARD

The City of Gardena received a 2004 Project of the Year award from the Southern California Chapter of the American Public Works Association (APWA) for its work on the Gardena Willows Wetland Project. APWA is the professional association of the Public Works

leaders throughout the United States and Canada. The 13-acre Willows Wetland Preserve is one of the jewels of the South Bay, with 9 acres of riparian forest.

WORKPLACE DIVERSITY PROFESSIONAL DEVELOPMENT AWARD

In September 1995, the City of Gardena was granted the Workplace Diversity Professional Development Award from the International City/County Management Association (ICMA). The award recognizes the City's achievements in training and career development for women and minorities, particularly in management.

ENVIRONMENTAL PROTECTION AGENCY AWARD

In April 2006, Gardena was presented with the 2006 Environmental Award for Outstanding Achievement in recognition of its successful use of a \$350,000 EPA Brownfield grant as "seed money" to leverage more than \$20 million in acquisition and cleanup costs. Several Brownfields developments are now home to national credit tenants; additionally, the City acquired a 9.2 acre Brownfields property for its new state-of-the-art "green" Municipal Transportation facility. The Environmental Achievement award is one of the most prestigious awards handed out by the EPA, and Gardena was selected from more than 160 nominees.

ARTESIA CORRIDOR SPECIFIC PLAN AWARD

In May 2007, the City's Artesia Corridor Specific Plan received the Southern California Association of Governments Compass Blue Print Award for Visionary Planning for Prosperity. The Artesia Corridor Specific Plan is designed to guide the redevelopment of an industrial/commercial corridor at the terminus of the State 91

(Gardena) Freeway to a vibrant urban village of residential, live-work and retail/commercial development.

2007 MUNICIPAL LEADER OF THE YEAR

NEW YORK (November 20, 2007) – Penton Media's *American City & County*® magazine selected Mitchell Lansdell, City Manager of Gardena, California, as the 2007 "Municipal Leader of the Year" for his 10-year effort to lead the city out of financial crisis. The magazine presents the award annually, in recognition of outstanding leadership in city government. *American City & County* honored City Manager Lansdell at the 2007 National League of Cities' Congress of Cities in New Orleans. A profile of Lansdell and his award-winning contributions to Gardena is featured in the November 2007 issue of the magazine.



2009 INTERNATIONAL ASSOCIATION OF CHIEFS OF POLICE INNOVATION IN TECHNOLOGY AWARD

On May 18, 2009, the Gardena Police Department received the IACP – iXP Excellence in Technology Award for Innovation in Technology. After a highly competitive review of applications, the Gardena Police Department was identified as the best in Innovation in Information Technology. Gardena P.D. developed a regional crime data sharing and mapping system that services 27 municipalities and unincorporated areas of Los Angeles County.