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# Revenues

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The Revenues section uses charts and tables to provide an overview of the Adopted FY 2004-05 Annual Budget revenue estimates. This section is organized as follows:

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## General Fund Revenue By Category

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	Actual 2001-02	Actual 2002-03	Budget 2003-04	Projected 2003-04	Budget 2004-05	Percent Change
Taxes	\$ 13,299,798	\$ 14,598,236	\$ 14,581,000	\$ 14,891,600	\$ 15,086,710	3.5%
Licenses & Permits	1,375,894	1,758,489	1,313,000	2,347,012	1,845,000	40.5%
Intergovernmental	2,863,093	3,014,213	1,787,432	2,274,303	3,009,500	68.4%
Service Fees	1,126,546	1,703,787	218,695	1,860,773	1,618,350	640.0%
Interest & Rentals	221,755	181,268	218,695	178,265	183,545	-16.1%
Other Revenues	1,221,206	555,040	37,200	40,800	37,500	0.8%
<b>Sub-Total Revenues</b>	<b>20,108,292</b>	<b>21,811,033</b>	<b>18,156,022</b>	<b>21,592,753</b>	<b>21,780,605</b>	<b>20.0%</b>
Internal Charges & Transfers	2,395,761	2,910,422	3,425,850	3,425,850	4,209,742	22.9%
<b>Total Revenues &amp; Transfers</b>	<b>\$ 22,504,053</b>	<b>\$ 24,721,455</b>	<b>\$ 21,581,872</b>	<b>\$ 25,018,603</b>	<b>\$ 25,990,347</b>	<b>20.4%</b>

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# General Fund Reserve Summary

## General Fund Projected Reserve FY 2003-04 Adopted

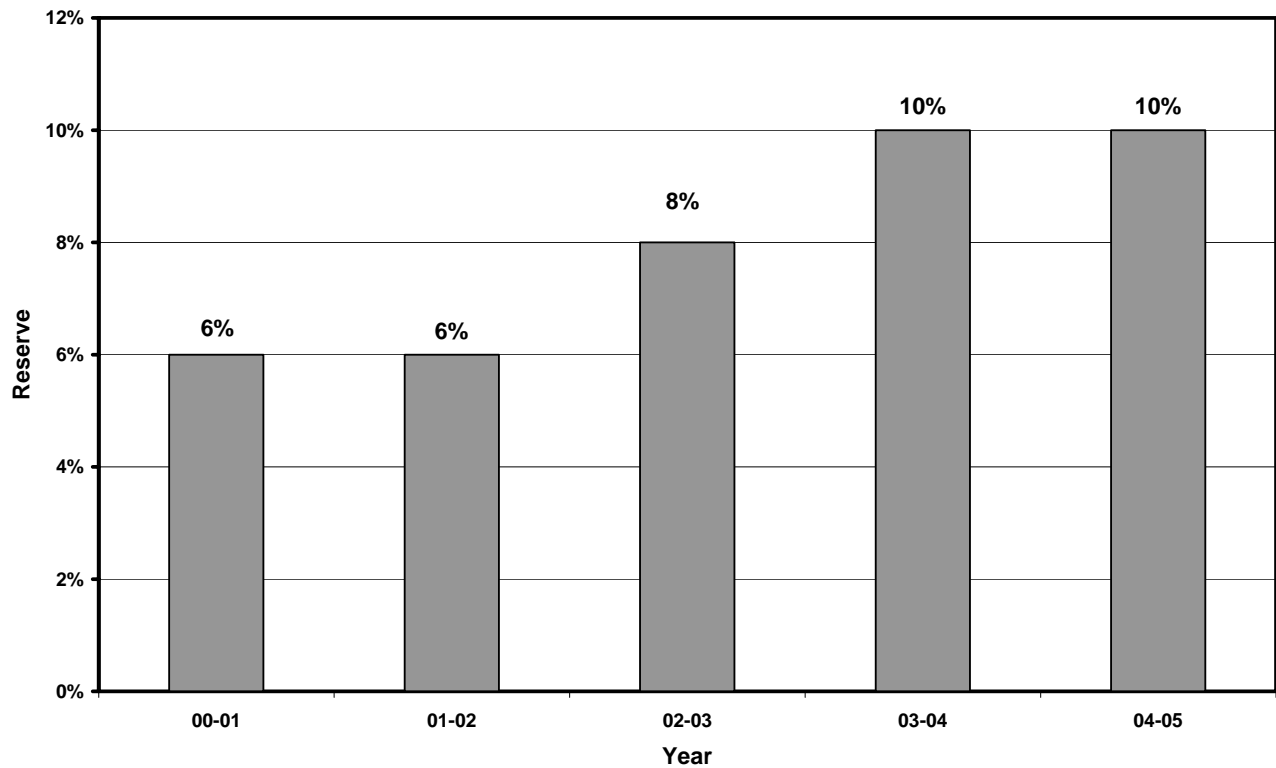
Beginning Balance	Revenues	Expenditures	Ending Balance	Reserve
\$ 2,399,538	\$ 24,294,611	\$ 24,267,408	\$ 2,426,741	10%

## General Fund Projected Reserve FY 2004-05 Adopted

Beginning Balance	Revenues	Expenditures	Ending Balance	Reserve
\$ 2,638,010	\$ 25,990,347	\$ 25,964,374	\$ 2,663,983	10%

Increase in Reserve (\$)	\$ 237,242
Increase in Reserve (%)	9.8%

## General Fund Reserve History



# General Fund Revenue

	Actual 2001-02	Actual 2002-03	Adopted 2003-04	Projected 2003-04	Adopted 2004-05	Percent Change
Current Year-Secured	\$ 3,038,597	\$ 3,299,446	\$ 3,466,200	\$ 3,604,400	\$ 3,651,900	5.4%
Current Year-Unsecured	258,169	259,368	274,300	333,360	343,360	25.2%
Current Year-Supplemental	59,794	164,246	40,000	164,250	172,500	331.3%
Prior Years-	7,272	536	-	-	-	0.0%
Interest & Penalties-Prop Tax	35,056	25,487	35,000	30,000	30,000	-14.3%
Property Lease	250,000	250,000	-	-	-	0.0%
Sales and Use	7,349,690	8,188,418	8,343,000	8,150,000	8,250,000	-1.1%
Prop 172 - Public Safety Aug.	262,965	221,106	262,500	270,820	278,950	6.3%
Franchises	895,648	915,657	900,000	1,010,000	1,020,000	13.3%
Business Licenses	476,852	545,131	560,000	558,500	560,000	0.0%
Real Property Transfer	118,973	197,553	100,000	250,000	250,000	150.0%
Hotel/Motel Surcharge	546,782	531,288	600,000	520,270	530,000	-11.7%
<b>Total Taxes</b>	<b>13,299,798</b>	<b>14,598,236</b>	<b>14,581,000</b>	<b>14,891,600</b>	<b>15,086,710</b>	<b>3.5%</b>
Construction Permits	1,044,203	1,298,704	1,100,000	1,687,000	1,400,000	27.3%
Parking Permits	12	12	-	12	-	0.0%
Plan Check-Insp-Engineering	319,075	441,071	200,000	600,000	425,000	112.5%
Streets and Curb Permits	12,604	18,702	13,000	60,000	20,000	53.8%
<b>Total Licenses &amp; Permits</b>	<b>1,375,894</b>	<b>1,758,489</b>	<b>1,313,000</b>	<b>2,347,012</b>	<b>1,845,000</b>	<b>40.5%</b>
Homeowner Prop Tax Relief	73,577	74,753	76,234	77,240	81,100	6.4%
Payment In Lieu of Taxes	72,289	-	26,000	27,690	27,000	3.8%
Motor Vehicle License Fees	2,420,542	2,756,466	2,828,000	2,016,475	2,900,000	2.5%
Federal Law Enforcement Grant	61,253	44,684	-	21,174	-	0.0%
Federal Asset Forfeiture Fund	-	-	-	-	-	0.0%
State-Mandated Cost Reimb.	28,431	1,380	-	-	-	0.0%
State CLEEP Funds	43,653	22,819	-	-	-	0.0%
State COPS Grant	100,000	100,000	-	100,000	-	0.0%
State OCJP Grant	-	-	-	-	-	0.0%
State Homeland Security Grant	-	-	-	5,247	-	0.0%
State OTS Grant	10,297	12,864	-	25,071	-	0.0%
Fire OJP Grant	16,671	-	-	-	-	0.0%
Taxes In Lieu-Highway	1,041	1,247	1,200	1,406	1,400	0.0%
Prop 116 Grant	35,339	-	-	-	-	0.0%
<b>Total Intergovernmental</b>	<b>\$ 2,863,093</b>	<b>\$ 3,014,213</b>	<b>\$ 2,931,434</b>	<b>\$ 2,274,303</b>	<b>\$ 3,009,500</b>	<b>2.7%</b>

## General Fund Revenue

	Actual 2001-02	Actual 2002-03	Adopted 2003-04	Projected 2003-04	Adopted 2004-05	Percent Change
Police - Special Services	\$ 161,739	\$ 163,926	\$ 160,000	\$ 71,200	\$ 76,800	-52.0%
Police - False Alarm Fees	3,450	425	1,000	7,000	9,000	800.0%
Booking Fee Reimbursement	49,440	49,440	-	49,400	-	0.0%
Fire - Permit Fees	21,624	22,566	18,000	48,000	30,000	66.7%
Fire - Special Services	3,065	23,673	250	190,350	33,000	13100.0%
Fire - Emergency Response	172,749	30,098	16,500	84,640	15,700	-4.8%
CPR/First Aid	4,143	6,952	1,750	1,750	2,250	28.6%
Internship Program	10,680	13,830	11,000	9,990	10,000	-9.1%
Fire Service Contract Revenue	-	567,927	563,546	595,000	620,000	10.0%
Park Reservation Fee	15,612	16,517	12,000	13,050	12,500	4.2%
Swimming Pool	37,434	34,868	25,000	25,000	25,000	0.0%
Recreation Programs	539,599	596,537	892,971	578,793	667,500	-25.2%
Zoning Fees	102,399	172,567	80,000	180,000	110,000	37.5%
Environmental Impact Filing Fee	(771)	-	-	-	-	0.0%
Sale of Maps & Publications	340	466	500	500	500	0.0%
Other Current Service Charges	5,043	3,995	4,915	6,100	6,100	24.1%
<b>Total Service Fees</b>	<b>1,126,546</b>	<b>1,703,787</b>	<b>1,787,432</b>	<b>1,860,773</b>	<b>1,618,350</b>	<b>-9.5%</b>
Interest on Investments	152,542	114,220	150,000	115,000	115,000	-23.3%
Rents and Royalties	10,050	12,900	12,900	7,200	7,200	-44.2%
Antenna Leases	44,793	37,830	39,000	39,270	44,215	13.4%
Madden House Rent	14,370	16,318	16,795	16,795	17,130	2.0%
<b>Total Interest/Rents</b>	<b>221,755</b>	<b>181,268</b>	<b>218,695</b>	<b>178,265</b>	<b>183,545</b>	<b>-16.1%</b>
Sale of Property	171	2,083	1,200	4,800	1,500	25.0%
Other Revenue	1,221,035	405,794	36,000	36,000	36,000	0.0%
Lease Proceeds	-	147,163	-	-	-	0.0%
<b>Total Other Revenue</b>	<b>1,221,206</b>	<b>555,040</b>	<b>37,200</b>	<b>40,800</b>	<b>37,500</b>	<b>0.8%</b>
<b>Sub-Total General</b>	<b>\$ 20,108,292</b>	<b>\$ 21,811,033</b>	<b>\$ 20,868,761</b>	<b>\$ 21,592,753</b>	<b>\$ 21,780,605</b>	<b>4.4%</b>

## General Fund Revenue

	Actual 2001-02	Actual 2002-03	Adopted 2003-04	Projected 2003-04	Adopted 2004-05	Percent Change
<b>Transfers &amp; Cost Allocations</b>						
Water Fund	\$ 704,450	\$ 802,567	\$ 1,039,887	\$ 1,039,887	\$ 1,130,864	8.7%
Wastewater Fund	680,736	745,634	966,819	966,819	1,058,878	9.5%
Redevelopment	45,837	51,057	50,000	50,000	50,000	0.0%
<b>Total Cost Allocations</b>	<b>1,431,023</b>	<b>1,599,258</b>	<b>2,056,706</b>	<b>2,056,706</b>	<b>2,239,742</b>	<b>8.9%</b>
Gas Tax Fund	554,320	739,164	799,144	799,144	900,000	12.6%
Traffic Safety Fund	360,000	500,000	500,000	500,000	500,000	0.0%
Benefit Stabilization Fund	-	-	-	-	500,000	100.0%
Suspended Traffic Offender	-	72,000	50,000	50,000	50,000	0.0%
Landscape Maintenance	50,418	-	20,000	20,000	20,000	0.0%
<b>Total Interfund Transfer</b>	<b>964,738</b>	<b>1,311,164</b>	<b>1,369,144</b>	<b>1,369,144</b>	<b>1,970,000</b>	<b>43.9%</b>
<b>Total Revenue/Transfers</b>	<b>\$ 22,504,053</b>	<b>\$ 24,721,455</b>	<b>\$ 24,294,611</b>	<b>\$ 25,018,603</b>	<b>\$ 25,990,347</b>	<b>7.0%</b>

# Enterprise Funds

	Actual 2001-02	Actual 2002-03	Adopted 2003-04	Projected 2003-04	Adopted 2004-05	Percent Change
Water Sales	\$ 4,949,355	\$ 5,248,261	\$ 5,200,000	\$ 5,625,000	\$ 5,650,000	8.7%
Water Main Extension Fees	19,476	105,614	50,000	135,000	70,000	40.0%
Hydrants	5,765	7,512	3,000	7,000	6,000	100.0%
Water Main Connection Fees	1,165,114	1,273,464	500,000	2,300,000	1,950,000	290.0%
Hillcrest Capital Expansion	-	92,000	-	1,100	50,000	0.0%
Water - Installation	-	17,452	-	-	-	0.0%
Water Meters - Materials	207,940	237,458	80,000	400,000	200,000	150.0%
Water Meters - Labor	38,300	47,886	30,000	70,000	40,000	33.3%
Water Meters - Surcharge	632	12	-	-	-	0.0%
Energy Surcharge	291,926	210,939	205,000	185,000	210,000	2.4%
Penalties	67,553	58,313	50,000	70,000	55,000	10.0%
Tap Machine	32,122	35,179	20,000	70,000	30,000	50.0%
Other Interest-Revenue Charges	30	-	7,000	7,000	7,000	0.0%
Interest on Investments	293,015	242,617	250,000	200,000	250,000	0.0%
State Grants	-	-	-	-	-	0.0%
Other Revenue	35,766	22,766	-	15,000	-	0.0%
Bond Proceeds	218,552	-	-	-	-	0.0%
<b>Total Water Fund</b>	<b>7,325,546</b>	<b>7,599,473</b>	<b>6,395,000</b>	<b>9,085,100</b>	<b>8,518,000</b>	<b>33.2%</b>
Wastewater Service Charges	4,222,105	4,483,962	4,650,000	4,875,000	5,085,000	9.4%
Sunsweet-Operation & Maint.	734,343	829,213	700,000	950,000	850,000	21.4%
Sunsweet-Capital Charges	35,304	35,304	35,000	35,300	37,000	5.7%
Sunsweet-Debt Service	7,680	7,680	8,000	7,700	8,000	0.0%
Septage Charges	203,289	210,071	210,000	200,000	200,000	-4.8%
Wastewater Main Extention Fees	57,026	90,529	50,000	120,000	70,000	40.0%
Energy Surcharge	279,885	273,991	270,000	240,000	260,000	-3.7%
Wastewater Connection Fees	1,441,513	1,507,228	600,000	2,900,000	2,000,000	233.3%
Special Connection Fee	31,850	38,142	10,000	300,000	40,000	300.0%
Wastewater Lab Testing Fees	74,287	80,514	60,000	25,000	60,000	0.0%
Stonegate Service Charges	-	-	-	-	38,000	0.0%
Penalties	1,381	919	-	-	-	0.0%
Interest on Investments	203,783	180,406	200,000	160,000	200,000	0.0%
Lease Payments	-	30,000	30,000	30,000	30,000	0.0%
Transfer From Other Funds	180,000	200,000	208,500	208,500	215,000	3.1%
Other Revenue	(7,387)	-	-	-	-	0.0%
Bond Proceeds	(4,372)	-	-	-	-	0.0%
Federal Grants	37,648	-	-	-	-	0.0%
State Grants	44,536	-	-	-	-	0.0%
<b>Total Wastewater Fund</b>	<b>7,542,871</b>	<b>7,967,959</b>	<b>7,031,500</b>	<b>10,051,500</b>	<b>9,093,000</b>	<b>29.3%</b>
<b>Total Enterprise Revenues</b>	<b>\$ 14,868,417</b>	<b>\$ 15,567,432</b>	<b>\$ 13,426,500</b>	<b>\$ 19,136,600</b>	<b>\$ 17,611,000</b>	<b>31.2%</b>

## Special Revenue Funds

	Actual 2001-02	Actual 2002-03	Adopted 2003-04	Projected 2003-04	Adopted 2004-05	Percent Change
State Gasoline Tax-2105	\$ 296,564	\$ 293,433	\$ 295,000	\$ 296,058	\$ 314,000	6.4%
State Gasoline Tax-2106	163,599	169,691	170,000	176,780	180,000	5.9%
State Gasoline Tax-2107	390,660	389,201	390,000	393,789	395,000	1.3%
State Gasoline Tax-2107.5	6,000	6,000	6,000	6,000	6,000	0.0%
LTF/TDA Revenues	1,102,073	1,012,118	1,295,347	1,303,315	1,372,133	5.9%
RSTP Exchange Funds	-	-	-	-	-	0.0%
AB2928 Funds	110,901	122,544	-	-	-	0.0%
Proposition 116 Grant	309,050	-	-	-	-	0.0%
FRAQMD Grant	102,000	-	-	-	-	0.0%
Other Revenues	52,171	79,109	-	-	-	0.0%
Interest on Investments	89,646	51,811	60,000	50,000	40,000	-33.3%
<b>Total Streets/Roads</b>	<b>2,622,664</b>	<b>2,123,907</b>	<b>2,216,347</b>	<b>2,225,942</b>	<b>2,307,133</b>	<b>4.1%</b>
Vehicle Code Fines	145,574	209,266	175,000	140,000	155,000	-11.4%
Parking Citations	56,831	73,697	80,000	60,000	60,000	-25.0%
DUI Fines	24,658	28,179	25,000	53,000	56,000	124.0%
Interest on Investments	29,094	15,470	20,000	15,000	15,000	-25.0%
<b>Total Traffic Safety</b>	<b>256,157</b>	<b>326,612</b>	<b>300,000</b>	<b>268,000</b>	<b>286,000</b>	<b>-4.7%</b>
Suspended Traffic Offender Prog.	86,840	89,035	90,000	95,000	110,000	22.2%
Interest on Investments	1,540	2,328	1,500	2,000	2,000	33.3%
<b>Total STOP</b>	<b>88,380</b>	<b>91,363</b>	<b>91,500</b>	<b>97,000</b>	<b>112,000</b>	<b>22.4%</b>
Special Assessments	163,216	205,500	275,890	275,890	435,050	57.7%
Interest on Investments	9,855	6,100	10,000	10,000	10,000	0.0%
<b>Total Assessments</b>	<b>173,071</b>	<b>211,600</b>	<b>285,890</b>	<b>285,890</b>	<b>445,050</b>	<b>55.7%</b>
Special Assessments	-	84,006	-	85,921	81,715	100.0%
Interest on Investments	-	9,286	-	10,000	10,000	100.0%
<b>Total Residential Street Lighti</b>	<b>-</b>	<b>93,292</b>	<b>-</b>	<b>95,921</b>	<b>91,715</b>	<b>100.0%</b>
Impact Fees	1,808,921	2,045,822	800,000	3,675,000	2,500,000	212.5%
Interest on Investments	126,595	117,714	150,000	150,000	150,000	0.0%
<b>Total Development Impact Fee</b>	<b>1,935,516</b>	<b>2,163,536</b>	<b>950,000</b>	<b>3,825,000</b>	<b>2,650,000</b>	<b>178.9%</b>
Block Grant	956,420	303,282	622,000	622,000	635,000	2.1%
Program Income	167,648	155,108	60,000	100,000	100,000	66.7%
Interest on Investments	13,481	5,697	-	5,000	5,000	0.0%
Other Revenue	10,482	7,200	-	-	-	0.0%
<b>Total CDBG Fund</b>	<b>1,148,031</b>	<b>471,287</b>	<b>682,000</b>	<b>727,000</b>	<b>740,000</b>	<b>8.5%</b>
HOME Fund	-	95,000	500,000	-	500,000	0.0%
Program Income	42,972	241,768	35,000	290,000	100,000	185.7%
Interest on Investments	10,736	3,970	-	10,000	10,000	0.0%
<b>Total HOME Fund</b>	<b>53,708</b>	<b>340,738</b>	<b>535,000</b>	<b>300,000</b>	<b>610,000</b>	<b>14.0%</b>

## Special Revenue Funds

	Actual 2001-02	Actual 2002-03	Adopted 2003-04	Projected 2003-04	Adopted 2004-05	Percent Change
Current Year-Secured	\$ 246,894	\$ 303,049	\$ 315,200	\$ 416,467	\$ 390,915	24.0%
Current Year-Unsecured	21,579	25,804	24,900	38,242	35,916	44.2%
Current Year-Supplemental	8,221	16,622	9,150	112,331	25,804	182.0%
Interest & Penalties-Prop Tax	2,160	1,930	2,330	1,930	1,930	-17.2%
Prior Years	625	(28)	675	-	-	-100.0%
Homeowners Prop Tax Relief	5,806	6,651	6,280	8,861	8,322	32.5%
Interest on Investments	60,213	42,994	25,000	-	-	-100.0%
Loan Repayment	-	-	-	-	-	0.0%
<b>Total Low/Mod Income</b>	<b>345,498</b>	<b>397,022</b>	<b>383,535</b>	<b>577,831</b>	<b>462,887</b>	<b>20.7%</b>
Current Year-Secured	942,037	1,115,050	1,202,550	1,587,869	1,490,662	24.0%
Current Year-Unsecured	86,317	103,216	99,700	152,968	143,664	44.1%
Current Year-Supplemental	32,882	66,487	36,600	449,323	103,216	182.0%
Interest & Penalties-Prop Tax	8,640	7,720	9,350	7,720	7,720	-17.4%
Prior Years	2,501	(111)	2,700	-	-	-100.0%
Homeowners Prop Tax Relief	23,225	26,602	25,100	35,444	33,288	32.6%
Interest on Investments	76,935	45,630	25,000	35,000	35,000	40.0%
Rents & Royalties	14,675	13,338	13,200	16,064	18,929	43.4%
Sale of Property	20,000	10,000	605,341	605,341	308,000	-49.1%
Other Revenue	91,663	46,683	-	-	-	0.0%
Bond Proceeds	-	-	-	-	4,000,000	100.0%
<b>Total Redevelopment Agency</b>	<b>1,298,875</b>	<b>1,434,615</b>	<b>2,019,541</b>	<b>2,889,729</b>	<b>6,140,479</b>	<b>204.1%</b>
<b>Total Special Revenues</b>	<b>\$ 7,921,900</b>	<b>\$ 7,653,972</b>	<b>\$ 7,463,813</b>	<b>\$ 11,292,313</b>	<b>\$ 13,845,264</b>	<b>85.5%</b>

## Other Fund Revenues

	Actual 2001-02	Actual 2002-03	Adopted 2003-04	Projected 2003-04	Adopted 2004-05	Percent Change
Vehicle Replacement Fee	\$ 563,708	\$ 636,291	\$ 695,722	\$ 701,451	\$ 640,578	-7.9%
Sale of Property	57,281	12,078	20,000	40,000	20,000	0.0%
Interest on Investments	134,426	130,898	150,000	125,000	125,000	-16.7%
Other Current Service Charges	13,197	15,727	34,165	15,000	51,830	51.7%
Transfer From Other Funds	914,571	186,500	215,500	215,500	44,000	-79.6%
<b>Total Vehicle Replacement</b>	<b>1,683,183</b>	<b>981,494</b>	<b>1,115,387</b>	<b>1,096,951</b>	<b>881,408</b>	<b>-21.0%</b>
Vehicle Maintenance Fee	447,783	538,089	621,384	621,384	618,545	-0.5%
Interest on Investments	1,837	791	500	500	1,000	100.0%
Transfer From Other Funds	-	-	-	-	12,800	N/A
<b>Total Vehicle Maintenance</b>	<b>449,620</b>	<b>538,880</b>	<b>621,884</b>	<b>621,884</b>	<b>632,345</b>	<b>1.7%</b>
Health - Employer Contrib.	1,137,995	1,464,767	2,174,800	1,817,123	2,404,583	10.6%
Unemployment Insurance	22,152	40,322	43,428	49,650	55,611	28.1%
Interest on Investments	12,756	11,787	15,000	15,000	15,000	0.0%
<b>Total Employee Benefits</b>	<b>1,172,903</b>	<b>1,516,876</b>	<b>2,233,228</b>	<b>1,881,773</b>	<b>2,475,194</b>	<b>10.8%</b>
Dental/Vision	332,696	381,880	399,000	375,250	379,920	-4.8%
Interest on Investments	545	3,696	-	3,750	4,080	100.0%
<b>Total Dental/Vision</b>	<b>333,241</b>	<b>385,576</b>	<b>399,000</b>	<b>379,000</b>	<b>384,000</b>	<b>-3.8%</b>
Disability	10,647	9,875	15,000	10,500	11,500	-23.3%
Interest on Investments	5,842	3,966	5,000	4,000	4,000	-20.0%
<b>Total Disability</b>	<b>16,489</b>	<b>13,841</b>	<b>20,000</b>	<b>14,500</b>	<b>15,500</b>	<b>-22.5%</b>
Contributions	389,417	524,722	453,532	453,532	400,000	-11.8%
<b>Total General Liability</b>	<b>389,417</b>	<b>524,722</b>	<b>453,532</b>	<b>453,532</b>	<b>400,000</b>	<b>-11.8%</b>
Worker Compensation	549,303	276,749	241,700	275,231	491,000	103.1%
<b>Total Worker Compensation</b>	<b>549,303</b>	<b>276,749</b>	<b>241,700</b>	<b>275,231</b>	<b>491,000</b>	<b>103.1%</b>
Computer Replacement Fee	281,993	343,151	404,225	404,225	403,600	-0.2%
Interest on Investments	12,962	10,866	13,000	12,000	12,000	-7.7%
Other Revenues	14,372	12,150	12,470	12,468	13,348	7.0%
Transfer From Other Funds	-	-	4,200	-	1,500	-64.3%
<b>Total Computer Replacement</b>	<b>309,327</b>	<b>366,167</b>	<b>433,895</b>	<b>428,693</b>	<b>430,448</b>	<b>-0.8%</b>
<b>Total Internal Service</b>	<b>4,903,483</b>	<b>4,604,305</b>	<b>5,518,626</b>	<b>5,151,564</b>	<b>5,709,895</b>	<b>10.8%</b>
<b>RDA Debt Service Fund</b>	<b>508,948</b>	<b>532,086</b>	<b>533,540</b>	<b>533,540</b>	<b>530,495</b>	<b>-0.6%</b>
<b>Low/Mod Debt Service Fund</b>	<b>120,938</b>	<b>121,413</b>	<b>121,759</b>	<b>121,759</b>	<b>121,035</b>	<b>-0.6%</b>
<b>Total Debt Service Fund</b>	<b>629,886</b>	<b>653,499</b>	<b>655,299</b>	<b>655,299</b>	<b>651,530</b>	<b>-0.6%</b>
Capital Improvement Program (CIP):						
Interfund Transfers	8,832,341	11,764,602	5,578,986	7,962,765	7,557,826	35.5%
<b>Grand Total Revenues</b>	<b>\$ 59,660,080</b>	<b>\$ 64,965,265</b>	<b>\$ 56,937,835</b>	<b>\$ 69,217,144</b>	<b>\$ 71,365,862</b>	<b>25.3%</b>

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# Revenue Highlights

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## Revenue Highlights

This section of the budget document describes the resources that are available to support the adopted operating and capital budget. Yuba City will receive revenues in the form of taxes, fees, and other revenue sources to support its operational and capital expenses during FY 2004-05. This narrative focuses on the comparisons between year-end revenue projections and the budget year projections. The following is a brief explanation of these revenue sources.

### Sales & Use Taxes

Sales & Use Taxes are imposed on retailers who sell goods within the State or on users in the State of California for property purchased outside of the State. The tax is based on the sales price of any taxable transaction of tangible personal property. One percent of the sales and use taxes collected by the State Board of Equalization (SBOE) are allocated back to Yuba City for general purposes. Sales tax revenue is projected to increase by \$100,000 or 1.2% in FY 2004-05 based on the following factors:

- ❖ The City's historical sales tax revenue trends.
- ❖ Recent and projected commercial building activity.
- ❖ An evaluation of our local economy, including regional competition.

Another component of the California Sales Tax is the one-half percent collected under Proposition 172 (Local Public Safety Augmentation Fund). Proposition 172 was first created in 1993 to provide additional funding for public safety services. Proposition 172 revenues were projected using the same factors as mentioned above. For FY 2004-05 Proposition 172 revenues are projected to increase by \$8,130 over current year-end projections.

## Property Taxes

Property taxes are imposed on real property (land and permanently attached improvements, such as buildings) and tangible personal property (movable property) located within the City. The tax is imposed at a rate of one percent of the property's assessed value. Property taxes are projected using the following factors:

- ❖ The City's historical property tax revenue trends.
- ❖ Recent and projected housing and commercial construction.
- ❖ County assessed values for properties in the City.
- ❖ Known County adjustments to the assessed values from appeals.
- ❖ Annexations to the City.

Secured Property tax revenue in the General Fund is projected to increase by \$47,500 or 1.3% over the current year-end projection. This includes an anticipated reduction due to the State of California's budget balancing takeaway. Not considering the takeaway, property taxes are projected to experience an increase of 8.3%. Notably, property tax related to the recent annexation of 3,200 residents in the Tierra Buena area will not be received by the City until FY 2005-06.

In the Redevelopment Fund, Secured Property taxes are projected to decrease by \$97,207 or 6% below the current year-end projection. This decrease is due to a one-time allocation of funds from Sutter County. A large facility within the County was billed as a supplemental unsecured tax bill in FY 2003-04 thereby causing the Redevelopment Fund to receive the entire allocation for the one year. In future years, the unsecured tax revenues will be allocated among the entire County pool.

### Gas Tax & Local Transportation Fund

The State Gas Tax is derived from State of California taxes on gasoline purchases and is allocated to various governmental units based on prescribed methods. These funds are

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# Revenue Highlights

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restricted to the construction, improvement and maintenance of public streets and related expenditures. When projecting Gas Tax revenue, past revenues received along with estimates received from the State are used. Revenue is estimated to increase \$81,191 or 3.6% over current year-end projections.

The Transportation Development Act (TDA) provides funding from the Local Transportation Fund (LTF) for the purpose of transportation and streets and roads projects. Funding is derived from the one-quarter cent sales tax collected in each county. The funds are then apportioned on a per capita basis to the jurisdictions within the county. Once all transportation needs have been met, the remaining funds can be used for streets and roads projects (as is the case for Yuba City). LTF revenues are projected to increase 5.3% for FY 04-05 due to increased allocations based on population and revenues available from SACOG.

## **Hotel/Motel Surcharge**

Visitors to Yuba City who stay in the City's hotels, motels, and inns for a period of less than thirty days pay the Hotel/Motel Surcharge. Currently, the tax rate for the Hotel/Motel Surcharge is 10% of the price of the room. The revenue projection for the Hotel/Motel Surcharge is estimated to increase by \$9,730 or 1.9% over this year's revenue projection. The planned Hampton Inn may be constructed in the next year; however, projections do not rely upon its completion.

## **Business License Taxes**

Business license taxes are charged to all businesses that are located within the City limits and/or conduct business within the City. Taxes are determined by a percentage of the business' gross receipts. The revenue projections for this tax are based on some of the same factors as sales tax revenues. Revenues are estimated to increase by a nominal amount of \$1,500 or .3% over the current year-end projection.

## **Motor Vehicle In-Lieu of Taxes (Vehicle License Fees)**

The fee is termed an "in-lieu" fee because it is imposed instead of a local property tax on the ownership of a vehicle. Cities such as Yuba City receive a portion of the fees collected based on the City's population. The State of California has reduced a large portion of the fee in the form of a refund to vehicle owners. The State in turn backfills the refunded amount to cities and counties. Revenue projections were based on the City's revenue history and the projections provided by the State. Revenues are projected to increase by \$883,525 or 43.8% over the current year-end projection. This increase is largely attributable to the \$855,000 reduction in FY 2003-04 revenues due to the State raid on local revenue sources.

## **Franchise Fees**

Franchise Fees are collected from utility companies and other businesses within the City for the use of public rights-of-way. Currently, the City collects from three companies: Pacific Gas and Electric (PG & E), Yuba Sutter Disposal Inc. (YSDI), and Comcast Cable. PG & E is charged the higher of either 2% of the gross receipts attributable to miles of line within the City (Broughton Act Computation) or .5% of the gross receipts collected within the City (1937 Act Computation). YSDI is charged at a rate of 5% of gross receipts. Comcast Cable is charged at 5% of gross annual revenues. Franchise Fee revenues are projected based on how well the local economy is doing, population estimates, demand for services, and other related information. Franchise Fee revenues are projected to increase by \$10,000 or 1.0% over the current year-end projection.

## **Licenses and Permit Fees**

Licenses and permit fees include building permit fees, plan check fees, and other smaller miscellaneous fees. Projections for these revenues are based on the recent and projected building activity, status of the local economy, past revenues received, population estimates,

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# Revenue Highlights

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land resources, and other pertinent information. Licenses and permit fees are projected to decrease \$502,012 or 21.4% over the current year-end projection primarily due to record setting growth in FY 2003-04 and more conservative projections for FY 2004-05.

## User Fees/User Charges

User fees/charges are payments in exchange for specific public services consumed. Examples of user fees are recreation fees and water and wastewater charges. Revenue projections for user fees/charges are based on the City's history of both revenue generation and consumption, recent and projected building activity, the status of the local economy, and other pertinent information. Revenues from this category are projected to increase by \$5,990,793 or 37.5%. This increase is due to growth in the utility customer base for water and wastewater due to population growth and because of scheduled increases related to the Consumer Price Index. Increases in Development Impact Fee revenues are projected to be \$1,700,000 more than was budgeted in FY 03-04 due to the increase in development activity. In addition, the City's utilities are showing an increase in connection fee revenues due to the increased development activity.

## Other Revenue Sources

**Cost Allocation Charges - General Fund.** These are charges derived from allocating the General Fund's administrative and support service costs to specific non-General Fund Departments. For example, the Water and Wastewater funds pay a charge for the services rendered from the Administrative Services Department, Public Works Department, and the Human Resources Department on their behalf. The charges include allocation of a percentage of each position's salary and benefits, and a percentage of the supplies and services provided. In the Redevelopment Fund, salary and benefits are allocated from the General Fund based on select positions providing accounting and administrative services to the

Redevelopment Fund. For FY 2004-05 cost allocation charges are projected to increase by \$183,037 or 8.9% due to increased salary and benefit costs.

**Cost Allocation Charges - General Liability Fund.** These charges have two criteria that are used for development:

1. Claims loss history (over a 5-year period).
2. Exposure based on payroll costs. Once these charges are developed, they are spread among all the departments in order to cover the FY 2004-05 General Liability payment.

**Cost Allocation Charges - Vehicle Maintenance/Replacement Fund.** For the Vehicle Maintenance Fund, projected charges are developed using departments' historical vehicle maintenance costs (parts & labor). For the Vehicle Replacement Fund, replacement costs for the City's current vehicle fleet are allocated to the applicable departments by dividing the current replacement costs for the vehicle(s) by the vehicle's remaining useful life. Both the Vehicle Maintenance and Replacement Fund record an expenditure in the appropriate department's budget with corresponding revenue being recorded in the Vehicle Maintenance/Replacement Fund.

**Cost Allocation Charges - Computer Internal Service Fund.** These charges are developed under the criteria of replacing computers once every three years with a like kind and quality computer. Support and replacement of the computer network (e.g., servers, routers, etc.) is included within the cost base. Charges are allocated directly to the user department. User charges are recorded as revenue in the Computer Internal Service Fund.

## Contributions from Other Funds

Each year revenues are contributed to funds to offset staffing, equipment, and CIP projects. For example, a portion of Gas Tax revenues are transferred to the General Fund to offset the cost of engineering and other support personnel

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## Revenue Highlights

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for road construction projects. Also, funds are transferred from the following funds to provide funding for the City's CIP projects: General Fund, Gas Tax Fund, Impact Fee Fund, Redevelopment Fund, Water and Wastewater Fund, and the Community Development Block Grant Fund (CDBG). FY 2004-05 also includes a transfer from the benefit rate stabilization fund in consideration of retirement cost increases.

### **Interest Income**

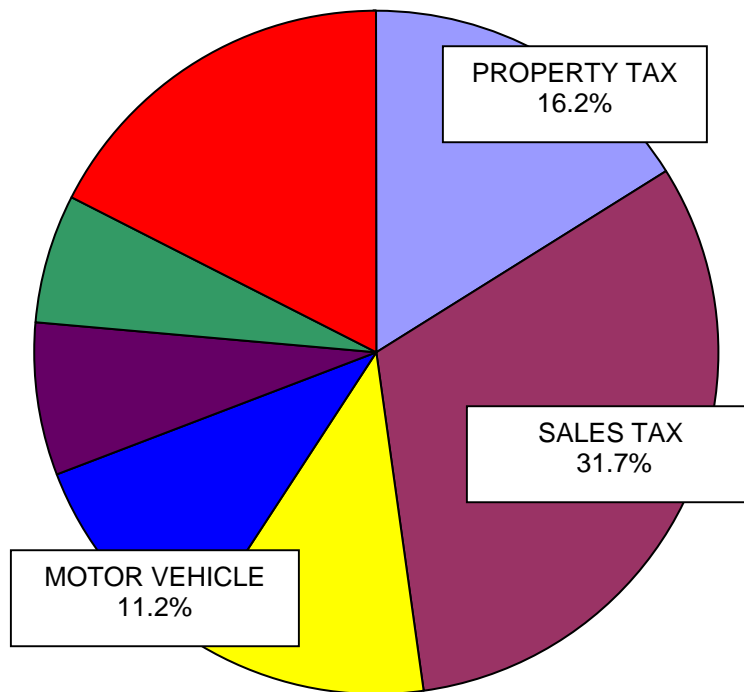
The City earns interest income by investing its idle cash. The City's goal is to achieve a competitive rate of return of its idle funds while protecting the safety of those funds. Idle funds are invested within the parameters stated in the City's Investment Policies, as approved by the City Council. Interest income is conservatively projected based on idle cash balances throughout the year and the market rate of interest. It is anticipated that interest earning in FY 2004-05 will be generally static due to historically low interest rates. It is anticipated, however, that the Federal Open Market Committee may raise interest rates in FY 2004-05. If this happens, realized returns may be higher than can now be reasonably projected.

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## General Fund Revenue

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59.1 % of General Fund Revenue Comes From 3 Sources



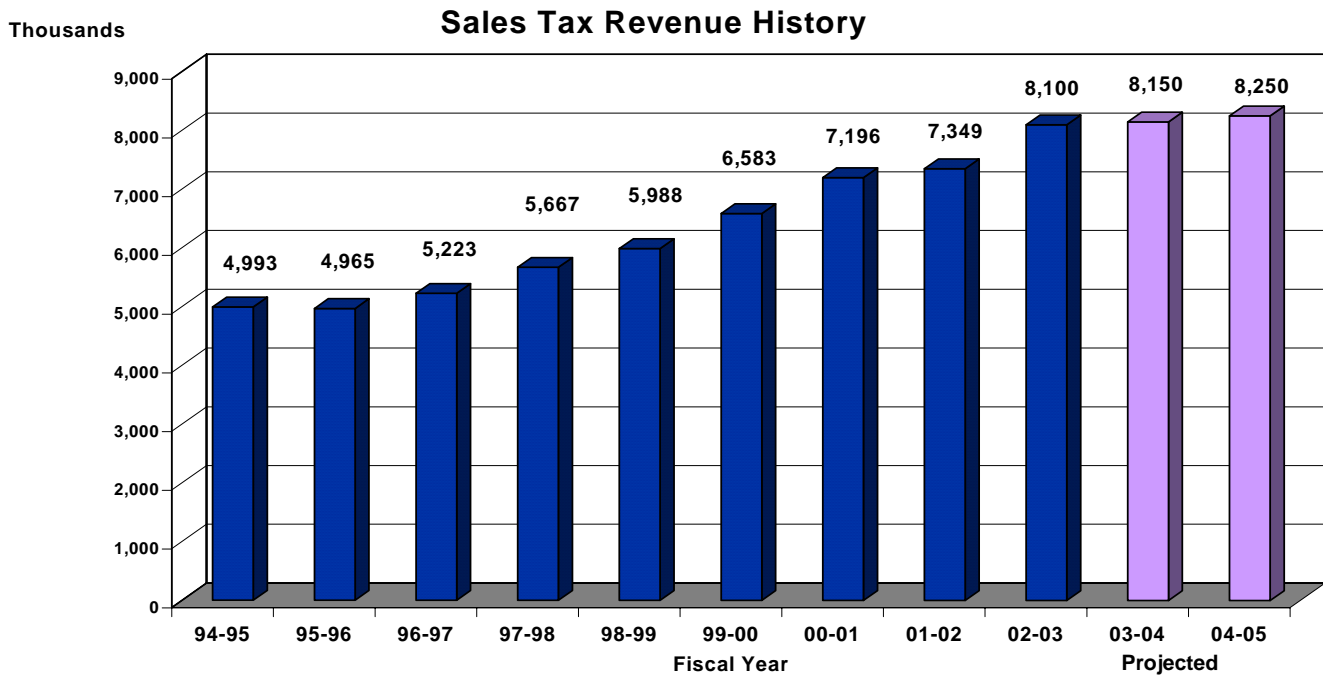
Property Tax 16.2%	Sales Tax 31.7%	Motor Vehicle Fees 11.2%	Other Taxes 10.2%
Licences/Permits 7.1%	Charges for Service 6.2%	Other Revenue 17.4%	

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# History of General Fund Major Revenue Sources

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In accordance with the California Revenue and Taxation Code and the Bradley-Burns Uniform Local Sales and Use Tax Law of 1955, the State imposes a 7.25% sales and use tax on taxable sales in the City. Sales Tax is the City's largest General Fund revenue source. For FY 2004-05 sales tax is projected to be \$8,250,000 or 31.7% of the total General Fund revenue.

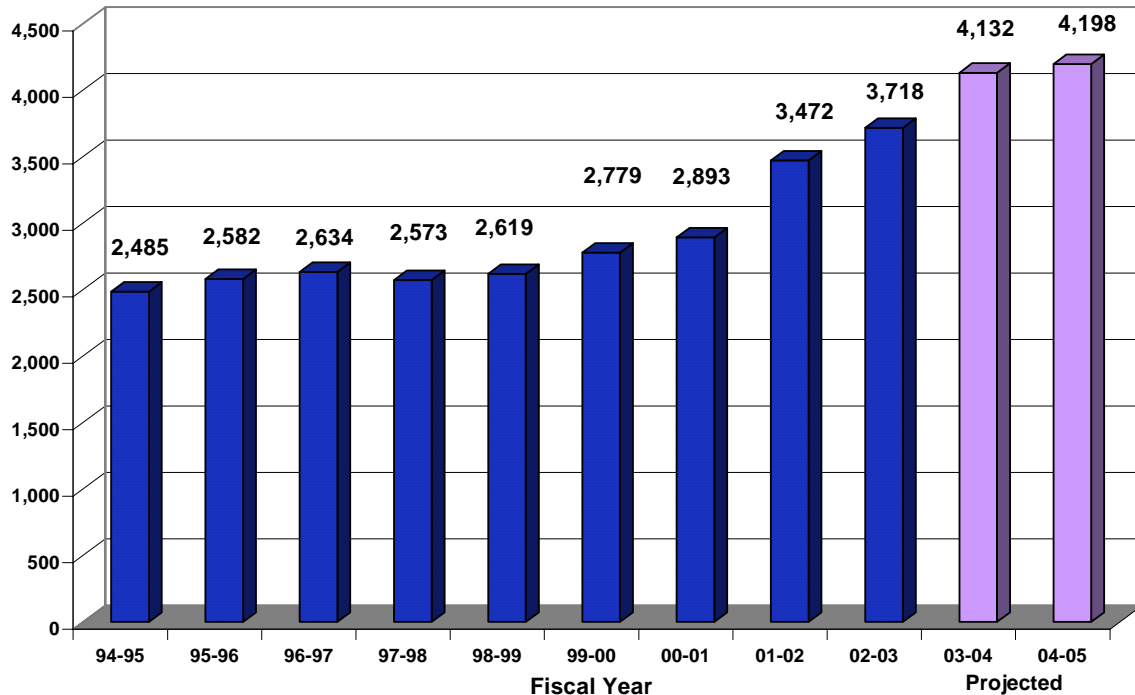
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# History of General Fund Major Revenue Sources

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## Property Tax Revenue History

Thousands



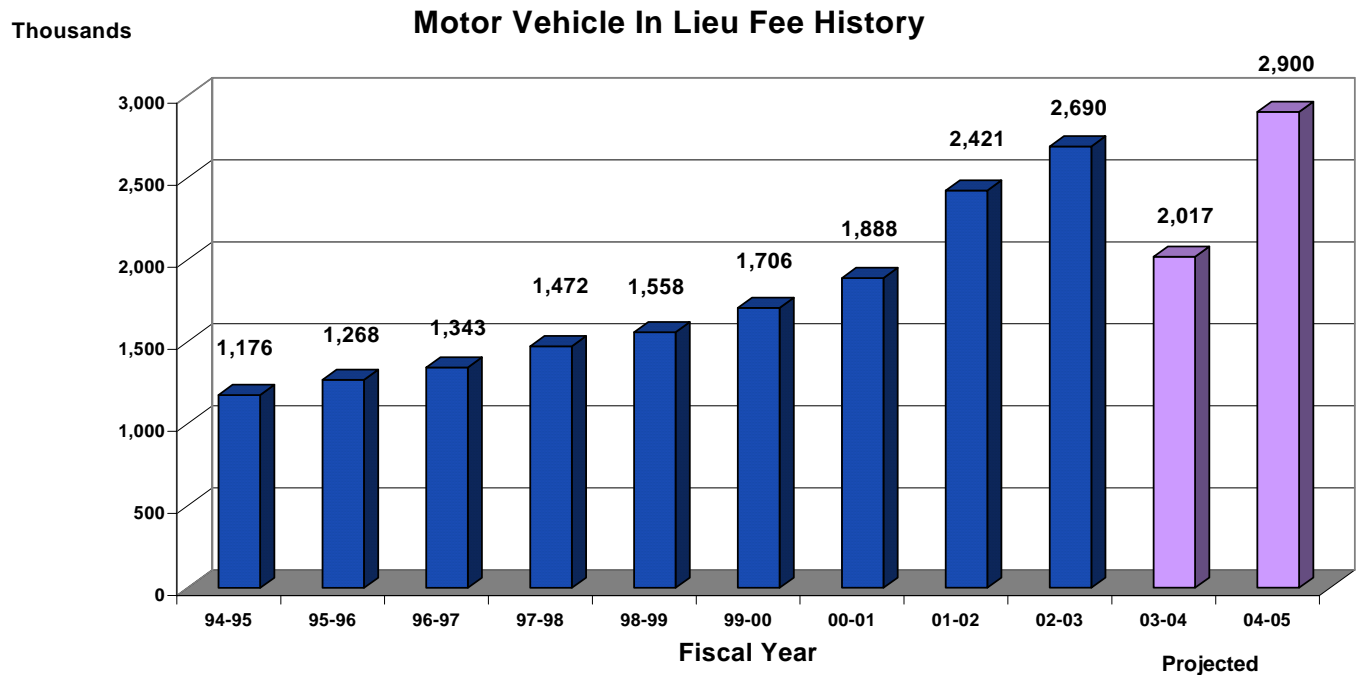
Property tax is imposed on real and tangible property located within the City. By definition, this tax is based on property value rather than on a fixed amount or benefit. Property values are assessed at full cash value (indexed from 1975-76 dollars using the Consumer Price Index CPI, not to exceed 2% per year). The Sutter County Assessor determines the value of the property. The exception is public utility property, which is assessed by the State Board of Equalization. Article XIII, Section 1(a) of the California Constitution (commonly known as *Proposition 13*) limits the real property base tax rate to 1% of the assessed property value (subject to annual growth limitations of 2%) and prohibits the enactment of additional taxes to the sale of real property.

Property Tax is the City's second largest General Fund revenue source. For FY 2004-05 property tax is projected to be \$4,197,760 or 16.2% of the total General Fund revenue. Notably, while the City recently annexed 3,200 residents in the Tierra Buena area, related property tax revenues will not be received until FY 2005-06.

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# History of General Fund Major Revenue Sources

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The Motor Vehicle in Lieu Fee (VLF) is an annual fee on the ownership of a registered vehicle in California, levied *in lieu* of taxing vehicles as personal property. This fee is equivalent to a percentage of the market value of the vehicle. The State of California has reduced a large portion of the fee and has directed supplemental funds to the cities and counties to keep local revenues whole. However, during FY 2003-04, the state took a “loan” of VLF from local government, resulting in a \$855,000 reduction to Yuba City. These funds are scheduled to be repaid to the City in FY 2006-07.

The Motor Vehicle in Lieu Fee is the City’s third largest General Fund revenue source. For FY 2004-05 Motor Vehicle in Lieu Fees are projected to be \$2,900,000 or 11.2% of the total General Fund revenue.