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# Revenues

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The Revenues section uses charts and tables to provide an overview of the Adopted FY 2005-06 Annual Budget revenue estimates. This section is organized as follows:

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## General Fund Revenue By Category

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	Actual 2002-03	Actual 2003-04	Adopted 2004-05	Projected 2004-05	Adopted 2005-06	Percent Change
Taxes	\$ 14,598,236	\$ 15,049,678	\$ 15,086,710	\$ 16,182,358	\$ 20,714,160	37.3%
Licenses & Permits	1,758,489	2,682,272	1,845,000	3,120,912	3,020,000	63.7%
Intergovernmental	3,014,213	2,615,551	3,009,500	3,905,053	584,390	-80.6%
Service Fees	1,703,787	1,746,165	1,618,350	1,806,146	1,615,620	-0.2%
Interest & Rentals	181,268	172,207	183,545	166,605	171,980	-6.3%
Other Revenues	555,040	1,337,795	37,500	3,514,497	41,500	10.7%
<b>Sub-Total Revenues</b>	<b>21,811,033</b>	<b>23,603,668</b>	<b>21,780,605</b>	<b>28,695,571</b>	<b>26,147,650</b>	<b>20.1%</b>
Internal Charges & Transfers	2,910,422	3,425,447	4,209,742	4,214,742	5,040,100	19.7%
<b>Total Revenues &amp; Transfers</b>	<b>\$ 24,721,455</b>	<b>\$ 27,029,115</b>	<b>\$ 25,990,347</b>	<b>\$ 32,910,313</b>	<b>\$ 31,187,750</b>	<b>20.0%</b>

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# General Fund Reserve Summary

## General Fund Projected Reserve FY 2004-05 Adopted

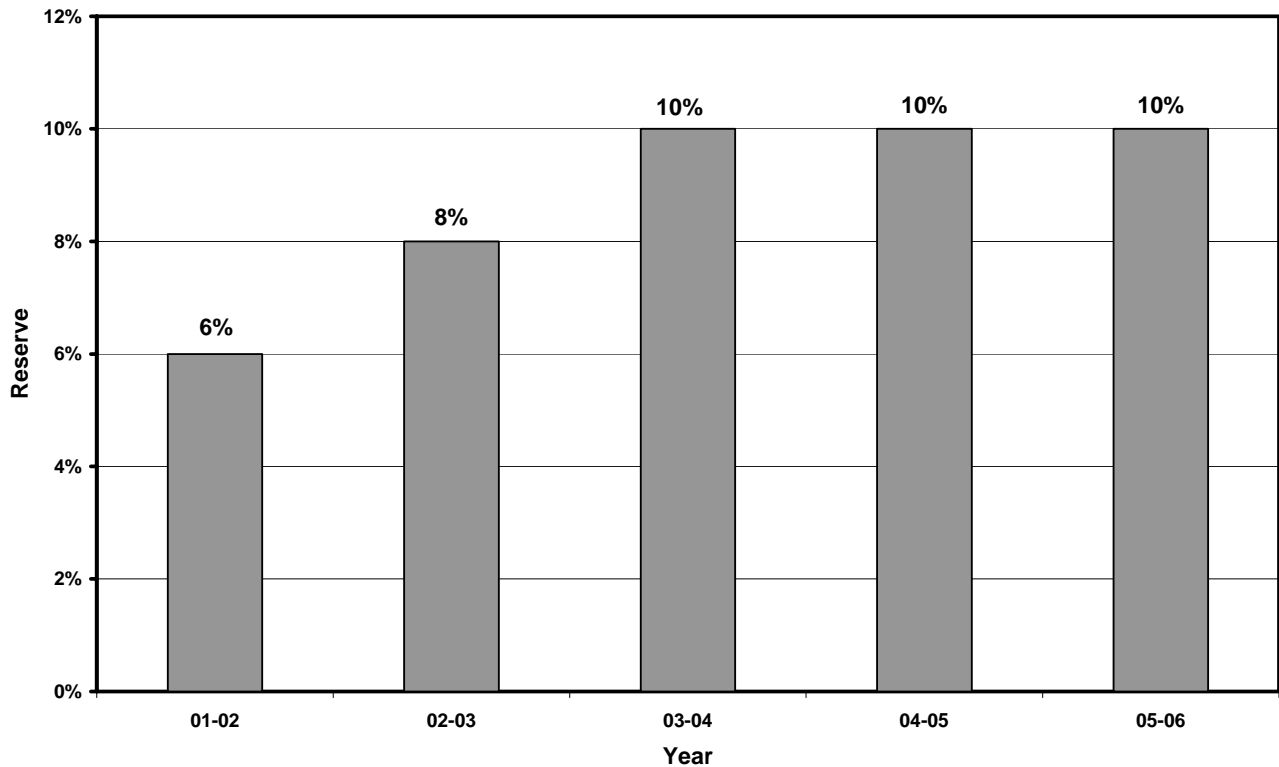
Beginning Balance	Revenues	Expenditures	Ending Balance	Reserve
\$ 2,638,010	\$ 25,990,347	\$ 25,964,374	\$ 2,663,983	10%

## General Fund Projected Reserve FY 2005-06 Adopted

Beginning Balance	Revenues	Expenditures	Ending Balance	Reserve
\$ 3,198,654	\$ 31,187,750	\$ 31,164,658	\$ 3,221,746	10%

Increase in Reserve (\$)	\$ 557,763
Increase in Reserve (%)	20.9%

## General Fund Reserve History



# General Fund Revenue

	Actual 2002-03	Actual 2003-04	Adopted 2004-05	Projected 2004-05	Adopted 2005-06	Percent Change
Property Tax-Current	\$ 3,299,446	\$ 3,587,117	\$ 3,651,900	\$ 3,540,816	\$ 4,228,330	15.8%
Property Tax-Unsecured	259,368	330,241	343,360	378,065	389,410	13.4%
Property Tax-Supplemental	164,246	151,468	172,500	281,556	287,190	66.5%
Property Tax-Prior Years	536	(18,019)	-	536	-	-
Property Tax-Interest & Penalties	25,487	24,080	30,000	24,000	24,000	-20.0%
Property Tax In Lieu/VLF Swap	-	-	-	-	3,411,070	-
Property Lease	250,000	-	-	-	-	-
Sales and Use	8,188,418	8,283,376	8,250,000	9,049,925	9,436,580	14.4%
Prop 172 - Public Safety Aug.	221,106	272,218	278,950	302,460	317,580	13.8%
Franchises	915,657	1,031,819	1,020,000	1,070,000	1,100,000	7.8%
Business Licenses	545,131	559,705	560,000	610,000	620,000	10.7%
Real Property Transfer	197,553	277,735	250,000	375,000	350,000	40.0%
Hotel/Motel Surcharge	531,288	549,938	530,000	550,000	550,000	3.8%
<b>Total Taxes</b>	<b>14,598,236</b>	<b>15,049,678</b>	<b>15,086,710</b>	<b>16,182,358</b>	<b>20,714,160</b>	<b>37.3%</b>
Construction Permits	1,298,704	1,966,174	1,400,000	2,000,000	2,000,000	42.9%
Parking Permits	12	12	-	12	-	-
Plan Check-Insp-Engineering	441,071	628,080	425,000	1,100,900	1,000,000	135.3%
Streets and Curb Permits	18,702	88,006	20,000	20,000	20,000	0.0%
<b>Total Licenses &amp; Permits</b>	<b>1,758,489</b>	<b>2,682,272</b>	<b>1,845,000</b>	<b>3,120,912</b>	<b>3,020,000</b>	<b>63.7%</b>
Homeowner Prop Tax Relief	74,753	80,624	81,100	81,472	85,550	5.5%
Payment In Lieu of Taxes	-	27,687	27,000	30,260	30,000	11.1%
Motor Vehicle License Fees	2,756,466	2,143,037	2,900,000	545,577	278,200	-90.4%
Motor Vehicle License In Lieu	-	-	-	2,924,634	-	-
Federal Law Enforcement Grant	44,684	21,174	-	-	-	-
FEMA Assistance to FF Grant	-	107,702	-	-	-	-
US Dept of Justice Grant	-	3,953	-	-	-	-
State-Mandated Cost Reimb.	1,380	-	-	23,798	-	-
State CLEEP Funds	22,819	-	-	-	-	-
State COPS Grant	100,000	100,000	-	100,000	-	-
State OES Grant	-	-	-	14,961	10,240	-
State Homeland Security Grant	-	96,064	-	162,184	158,000	-
State OTS Grant	12,864	33,904	-	21,000	21,000	-
Fire OJP Grant	-	-	-	-	-	-
Taxes In Lieu-Highway	1,247	1,406	1,400	1,167	1,400	0.0%
<b>Total Intergovernmental</b>	<b>\$ 3,014,213</b>	<b>\$ 2,615,551</b>	<b>\$ 3,009,500</b>	<b>\$ 3,905,053</b>	<b>\$ 584,390</b>	<b>-80.6%</b>

## General Fund Revenue

	Actual 2002-03	Actual 2003-04	Adopted 2004-05	Projected 2004-05	Adopted 2005-06	Percent Change
Police - Special Services	\$ 163,926	\$ 92,712	\$ 76,800	\$ 90,500	\$ 90,500	17.8%
Police - False Alarm Fees	425	154	9,000	4,000	5,000	-44.4%
Booking Fee Reimbursement	49,440	49,440	-	49,400	-	-
Fire - Permit Fees	22,566	57,447	30,000	70,000	60,000	100.0%
Fire - Special Services	23,673	1,105	33,000	120	120	-99.6%
Fire - Emergency Response	30,098	86,761	15,700	137,626	15,700	0.0%
CPR/First Aid	6,952	2,218	2,250	1,850	2,250	0.0%
Internship Program	13,830	9,420	10,000	4,950	-	-100.0%
Fire Service Contract Revenue	567,927	573,532	620,000	625,156	551,920	-11.0%
Park Reservation Fee	16,517	15,498	12,500	14,000	14,000	12.0%
Swimming Pool	34,868	33,526	25,000	30,851	30,000	20.0%
Recreation Programs	596,537	614,668	667,500	571,093	664,530	-0.4%
Zoning Fees	172,567	193,565	110,000	200,000	175,000	59.1%
Environmental Impact Filing Fee	-	9,518	-	-	-	-
Sale of Maps & Publications	466	516	500	500	500	0.0%
Other Current Service Charges	3,995	6,085	6,100	6,100	6,100	0.0%
<b>Total Service Fees</b>	<b>1,703,787</b>	<b>1,746,165</b>	<b>1,618,350</b>	<b>1,806,146</b>	<b>1,615,620</b>	<b>-0.2%</b>
Interest on Investments	114,220	107,121	115,000	110,000	115,000	0.0%
Rents and Royalties	12,900	9,931	7,200	7,200	7,200	0.0%
Antenna Leases	37,830	38,360	44,215	45,122	49,780	12.6%
Madden House Rent	16,318	16,795	17,130	4,283	-	-100.0%
<b>Total Interest/Rents</b>	<b>181,268</b>	<b>172,207</b>	<b>183,545</b>	<b>166,605</b>	<b>171,980</b>	<b>-6.3%</b>
Sale of Property	2,083	207,279	1,500	3,468,497	1,500	0.0%
Other Revenue	405,794	74,669	36,000	46,000	40,000	11.1%
Lease Proceeds	147,163	1,055,847	-	-	-	-
<b>Total Other Revenue</b>	<b>555,040</b>	<b>1,337,795</b>	<b>37,500</b>	<b>3,514,497</b>	<b>41,500</b>	<b>10.7%</b>
<b>Sub-Total General</b>	<b>\$ 21,811,033</b>	<b>\$ 23,603,668</b>	<b>\$ 21,780,605</b>	<b>\$ 28,695,571</b>	<b>\$ 26,147,650</b>	<b>20.1%</b>

## General Fund Revenue

	Actual 2002-03	Actual 2003-04	Adopted 2004-05	Projected 2004-05	Adopted 2005-06	Percent Change
<b>Transfers &amp; Cost Allocations</b>						
Water Fund	\$ 802,567	\$ 1,039,887	\$ 1,130,864	\$ 1,130,864	\$ 1,328,600	17.5%
Wastewater Fund	745,634	966,819	1,058,878	1,058,878	1,205,000	13.8%
Redevelopment Agency Fund	51,057	56,409	50,000	55,000	355,000	610.0%
Specific Plan Cost Reimb. Fund	-	-	-	-	81,500	-
<b>Total Cost Allocations</b>	<b>1,599,258</b>	<b>2,063,115</b>	<b>2,239,742</b>	<b>2,244,742</b>	<b>2,970,100</b>	<b>32.6%</b>
Gas Tax Fund	739,164	799,144	900,000	900,000	900,000	0.0%
Traffic Safety Fund	500,000	500,000	500,000	500,000	600,000	20.0%
Benefit Stabilization Fund	-	-	500,000	500,000	500,000	0.0%
Suspended Traffic Offender Fund	72,000	50,000	50,000	50,000	50,000	0.0%
Landscape Maintenance Fund	-	13,188	20,000	20,000	20,000	0.0%
<b>Total Interfund Transfer</b>	<b>1,311,164</b>	<b>1,362,332</b>	<b>1,970,000</b>	<b>1,970,000</b>	<b>2,070,000</b>	<b>5.1%</b>
<b>Total Revenue/Transfers</b>	<b>\$ 24,721,455</b>	<b>\$ 27,029,115</b>	<b>\$ 25,990,347</b>	<b>\$ 32,910,313</b>	<b>\$ 31,187,750</b>	<b>20.0%</b>

# Enterprise Funds

	Actual 2002-03	Actual 2003-04	Adopted 2004-05	Projected 2004-05	Adopted 2005-06	Percent Change
Water Sales	\$ 5,248,261	\$ 5,883,321	\$ 5,650,000	\$ 6,005,000	\$ 6,068,000	7.4%
Water Main Extension Fees	105,614	212,197	70,000	150,000	150,000	114.3%
Hydrants	7,512	8,090	6,000	8,000	6,000	0.0%
Water Main Connection Fees	1,273,464	3,321,760	1,950,000	6,000,000	6,000,000	207.7%
Hillcrest Capital Expansion	92,000	62,700	50,000	250,000	175,000	250.0%
Water - Installation	17,452	-	-	-	-	-
Water Meters - Materials	237,458	515,006	200,000	475,000	350,000	75.0%
Water Meters - Labor	47,886	72,978	40,000	105,000	75,000	87.5%
Water Meters - Surcharge	12	7	-	-	-	-
Energy Surcharge	210,939	155,781	210,000	-	-	-100.0%
Penalties	58,313	65,925	55,000	60,000	50,000	-9.1%
Tap Machine	35,179	67,583	30,000	45,000	45,000	50.0%
Other Interest-Revenue Charges	-	-	7,000	-	-	-100.0%
Interest on Investments	242,617	181,342	250,000	200,000	200,000	-20.0%
State Grants	-	-	-	-	-	-
Other Revenue	22,766	34,243	-	50,000	-	-
Sale of Property	-	-	-	3,000	-	-
<b>Total Water Fund</b>	<b>7,599,473</b>	<b>10,580,933</b>	<b>8,518,000</b>	<b>13,351,000</b>	<b>13,119,000</b>	<b>54.0%</b>
Wastewater Service Charges	4,483,962	5,120,587	5,085,000	5,300,000	5,550,000	9.1%
Sunsweet-Operation & Maint.	829,213	858,081	850,000	850,000	850,000	0.0%
Sunsweet-Capital Charges	35,304	29,420	37,000	35,000	37,000	0.0%
Sunsweet-Debt Service	7,680	6,400	8,000	8,000	8,000	0.0%
Septage Charges	210,071	222,705	200,000	200,000	200,000	0.0%
Wastewater Main Extension Fees	90,529	258,405	70,000	200,000	100,000	42.9%
Energy Surcharge	273,991	198,284	260,000	-	-	-100.0%
Wastewater Connection Fees	1,507,228	3,549,630	2,000,000	3,750,000	4,100,000	105.0%
Special Connection Fee	38,142	212,515	40,000	375,000	250,000	525.0%
Wastewater Lab Testing Fees	80,514	36,474	60,000	75,000	60,000	0.0%
Stonegate Service Charges	-	-	38,000	37,500	37,500	-1.3%
Penalties	919	-	-	-	-	-
Interest on Investments	180,406	149,564	200,000	150,000	175,000	-12.5%
Lease Payments	30,000	30,000	30,000	30,000	30,000	0.0%
Transfer From Other Funds	200,000	208,500	215,000	215,000	225,000	4.7%
Other Revenue	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-
Federal Grants	-	-	-	-	-	-
State Grants	-	-	-	-	-	-
<b>Total Wastewater Fund</b>	<b>7,967,959</b>	<b>10,880,565</b>	<b>9,093,000</b>	<b>11,225,500</b>	<b>11,622,500</b>	<b>27.8%</b>
<b>Total Enterprise Revenues</b>	<b>\$ 15,567,432</b>	<b>\$ 21,461,498</b>	<b>\$ 17,611,000</b>	<b>\$ 24,576,500</b>	<b>\$ 24,741,500</b>	<b>40.5%</b>

## Special Revenue Funds

	Actual 2002-03	Actual 2003-04	Adopted 2004-05	Projected 2004-05	Adopted 2005-06	Percent Change
State Gasoline Tax-2105	\$ 293,433	\$ 303,626	\$ 314,000	\$ 337,500	\$ 347,620	10.7%
State Gasoline Tax-2106	169,691	182,103	180,000	206,250	212,430	18.0%
State Gasoline Tax-2107	389,201	404,777	395,000	448,000	461,450	16.8%
State Gasoline Tax-2107.5	6,000	7,500	6,000	7,500	7,500	25.0%
LTF/TDA Revenues	1,012,118	1,303,315	1,372,133	1,372,133	943,273	-31.3%
RSTP Exchange Funds	-	-	-	-	-	-
AB2928 Funds	122,544	-	-	-	-	-
Proposition 116 Grant	-	-	-	-	-	-
FRAQMD Grant	-	-	-	-	-	-
Other Revenues	79,109	211,239	-	-	-	-
Interest on Investments	51,811	49,339	40,000	50,000	50,000	25.0%
Federal Transportation Grant	-	675,000	-	-	-	-
<b>Total Streets/Roads</b>	<b>2,123,907</b>	<b>3,136,899</b>	<b>2,307,133</b>	<b>2,421,383</b>	<b>2,022,273</b>	<b>-12.3%</b>
Vehicle Code Fines	209,266	248,214	155,000	315,000	300,000	93.5%
Parking Citations	73,697	88,551	60,000	60,000	65,000	8.3%
DUI Fines	28,179	35,697	56,000	20,000	20,000	-64.3%
Interest on Investments	15,470	9,120	15,000	10,000	10,000	-33.3%
<b>Total Traffic Safety</b>	<b>326,612</b>	<b>381,582</b>	<b>286,000</b>	<b>405,000</b>	<b>395,000</b>	<b>38.1%</b>
Suspended Traffic Offender Prog.	89,035	89,807	110,000	70,000	80,000	-27.3%
Interest on Investments	2,328	1,919	2,000	2,000	2,000	0.0%
<b>Total STOP</b>	<b>91,363</b>	<b>91,726</b>	<b>112,000</b>	<b>72,000</b>	<b>82,000</b>	<b>-26.8%</b>
Special Assessments	205,500	295,416	435,050	281,450	354,410	-18.5%
Interest on Investments	6,100	4,729	10,000	4,700	6,300	-37.0%
<b>Total Assessments</b>	<b>211,600</b>	<b>300,145</b>	<b>445,050</b>	<b>286,150</b>	<b>360,710</b>	<b>-19.0%</b>
Special Assessments	84,006	81,663	81,715	81,715	81,715	0.0%
Interest on Investments	9,286	901	10,000	1,000	1,000	-90.0%
<b>Total Residential Street Lighting</b>	<b>93,292</b>	<b>82,564</b>	<b>91,715</b>	<b>82,715</b>	<b>82,715</b>	<b>-9.8%</b>
Impact Fees	2,508,697	5,135,880	2,500,000	7,332,600	9,500,000	280.0%
Interest on Investments	117,714	107,764	150,000	150,000	300,000	100.0%
<b>Total Development Impact Fee</b>	<b>2,626,411</b>	<b>5,243,644</b>	<b>2,650,000</b>	<b>7,482,600</b>	<b>9,800,000</b>	<b>269.8%</b>
Impact Fees	8,340	81,641	-	36,000	36,000	-
Interest on Investments	-	731	-	1,000	1,000	-
<b>Total Fire Mitigation Impact Fee</b>	<b>8,340</b>	<b>82,372</b>	<b>-</b>	<b>37,000</b>	<b>37,000</b>	<b>-</b>
Block Grant	303,282	642,759	635,000	39,321	605,265	-4.7%
Program Income	155,108	183,259	100,000	198,000	10,000	-90.0%
Interest on Investments	5,697	2,110	5,000	6,000	6,000	20.0%
Other Revenue	7,200	-	-	-	-	-
<b>Total CDBG Fund</b>	<b>471,287</b>	<b>828,128</b>	<b>740,000</b>	<b>243,321</b>	<b>621,265</b>	<b>-16.0%</b>
HOME Fund	95,000	37,053	500,000	-	800,000	60.0%
Program Income	241,768	210,449	100,000	-	-	-100.0%
Interest on Investments	3,970	1,010	10,000	-	-	-100.0%
<b>Total HOME Fund</b>	<b>340,738</b>	<b>248,512</b>	<b>610,000</b>	<b>-</b>	<b>800,000</b>	<b>31.1%</b>

## Special Revenue Funds

	Actual 2002-03	Actual 2003-04	Adopted 2004-05	Projected 2004-05	Adopted 2005-06	Percent Change
Property Tax-Secured	\$ 303,049	\$ 417,044	\$ 390,915	\$ 454,020	\$ 492,680	26.0%
Property Tax-Unsecured	25,804	121,683	35,916	41,790	45,340	26.2%
Property Tax-Supplemental	16,622	22,249	25,804	22,290	22,290	-13.6%
Property Tax-Interest & Penalties	1,930	2,725	1,930	2,730	2,730	41.5%
Property Tax-Prior Years	(28)	(1,653)	-	-	-	-
Homeowners Prop Tax Relief	6,651	9,077	8,322	9,000	10,430	25.3%
Interest on Investments	42,994	27,867	-	28,000	30,000	-
Bond Proceeds	-	-	-	4,480,000	-	-
<b>Total Low/Mod Income</b>	<b>397,022</b>	<b>598,992</b>	<b>462,887</b>	<b>5,037,830</b>	<b>603,470</b>	<b>30.4%</b>
Property Tax-Secured	1,115,050	1,596,150	1,490,662	1,737,910	1,888,665	26.7%
Property Tax-Unsecured	103,216	486,732	143,664	167,170	181,380	26.3%
Property Tax-Supplemental	66,487	88,998	103,216	89,140	89,140	-13.6%
Property Tax-Interest & Penalties	7,720	10,898	7,720	10,920	10,920	41.5%
Property Tax-Prior Years	(111)	(6,611)	-	-	-	-
Homeowners Prop Tax Relief	26,602	36,306	33,288	36,025	41,720	25.3%
Interest on Investments	45,630	4,460	35,000	10,000	50,000	42.9%
Rents & Royalties	13,338	20,178	18,929	13,200	13,200	-30.3%
Antenna Leases	-	-	-	1,215	-	-
Sale of Property	10,000	526,725	308,000	251,000	-	-100.0%
Other Revenue	46,683	-	-	-	-	-
Bond Proceeds	-	-	4,000,000	16,210,000	-	-100.0%
<b>Total Redevelopment Agency</b>	<b>1,434,615</b>	<b>2,763,836</b>	<b>6,140,479</b>	<b>18,526,580</b>	<b>2,275,025</b>	<b>-63.0%</b>
<b>Total Special Revenues</b>	<b>\$ 8,125,187</b>	<b>\$ 13,758,400</b>	<b>\$ 13,845,264</b>	<b>\$ 34,594,579</b>	<b>\$ 17,079,458</b>	<b>23.4%</b>

## Other Fund Revenues

	Actual 2002-03	Actual 2003-04	Adopted 2004-05	Projected 2004-05	Adopted 2005-06	Percent Change
Vehicle Replacement Fee	\$ 636,291	\$ 701,451	\$ 640,578	\$ 640,578	\$ 878,409	37.1%
Sale of Property	12,078	37,073	20,000	7,000	20,000	0.0%
Interest on Investments	130,898	85,062	125,000	100,000	110,000	-12.0%
Other Current Service Charges	15,727	15,230	51,830	41,866	54,606	5.4%
Transfer From Other Funds	186,500	328,500	44,000	44,000	131,909	199.8%
<b>Total Vehicle Replacement</b>	<b>981,494</b>	<b>1,167,316</b>	<b>881,408</b>	<b>833,444</b>	<b>1,194,924</b>	<b>35.6%</b>
Vehicle Maintenance Fee	538,089	527,851	618,545	651,582	734,987	18.8%
Interest on Investments	791	334	1,000	500	500	-50.0%
Transfer From Other Funds	-	-	12,800	18,000	-	-100.0%
<b>Total Vehicle Maintenance</b>	<b>538,880</b>	<b>528,185</b>	<b>632,345</b>	<b>670,082</b>	<b>735,487</b>	<b>16.3%</b>
Health - Employer Contrib.	1,464,767	1,752,439	2,404,583	2,107,545	3,005,730	25.0%
Unemployment Insurance	40,322	49,380	55,611	55,610	73,205	31.6%
Interest on Investments	11,787	18,284	15,000	18,000	18,000	20.0%
<b>Total Employee Benefits</b>	<b>1,516,876</b>	<b>1,820,103</b>	<b>2,475,194</b>	<b>2,181,155</b>	<b>3,096,935</b>	<b>25.1%</b>
Dental/Vision	381,880	360,837	379,920	343,770	411,820	8.4%
Interest on Investments	3,696	3,458	4,080	3,500	3,500	-14.2%
<b>Total Dental/Vision</b>	<b>385,576</b>	<b>364,295</b>	<b>384,000</b>	<b>347,270</b>	<b>415,320</b>	<b>8.2%</b>
Disability	9,875	10,367	11,500	11,000	11,000	-4.3%
Interest on Investments	3,966	2,703	4,000	3,000	3,000	-25.0%
<b>Total Disability</b>	<b>13,841</b>	<b>13,070</b>	<b>15,500</b>	<b>14,000</b>	<b>14,000</b>	<b>-9.7%</b>
Contributions	524,722	453,120	400,000	400,000	587,000	46.8%
Interest on Investments	-	-	-	-	2,500	-
<b>Total General Liability</b>	<b>524,722</b>	<b>453,120</b>	<b>400,000</b>	<b>400,000</b>	<b>589,500</b>	<b>47.4%</b>
Worker Compensation	276,749	276,489	491,000	658,400	537,209	9.4%
Interest on Investments	-	9,137	-	9,000	9,500	-
<b>Total Worker Compensation</b>	<b>276,749</b>	<b>285,626</b>	<b>491,000</b>	<b>667,400</b>	<b>546,709</b>	<b>11.3%</b>
Computer Replacement Fee	343,151	404,225	403,600	403,600	451,730	11.9%
Interest on Investments	10,866	8,780	12,000	11,000	12,000	0.0%
Other Revenues	12,150	14,122	13,348	13,348	12,748	-4.5%
Transfer From Other Funds	-	90,300	1,500	1,500	1,500	0.0%
<b>Total Computer Replacement</b>	<b>366,167</b>	<b>517,427</b>	<b>430,448</b>	<b>429,448</b>	<b>477,978</b>	<b>11.0%</b>
<b>Total Internal Service</b>	<b>4,604,305</b>	<b>5,149,142</b>	<b>5,709,895</b>	<b>5,542,799</b>	<b>7,070,853</b>	<b>27.6%</b>
RDA Debt Service Fund	532,086	512,402	530,495	530,495	1,059,470	99.7%
Low/Mod Debt Service Fund	121,413	121,759	121,035	121,035	291,186	140.6%
<b>Total Debt Service Fund</b>	<b>653,499</b>	<b>634,161</b>	<b>651,530</b>	<b>651,530</b>	<b>1,350,656</b>	<b>107.3%</b>
Capital Improvement Program (CIP):						
Interfund Transfers	11,764,602	19,643,527	7,557,826	19,340,382	1,376,400	-81.8%
Water Bond Proceeds	-	-	-	-	15,000,000	-
<b>Grand Total Revenues</b>	<b>\$ 65,436,480</b>	<b>\$ 87,675,843</b>	<b>\$ 71,365,862</b>	<b>\$ 117,616,103</b>	<b>\$ 97,806,617</b>	<b>37.0%</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 2005-06. 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.

After implementation of the "triple flip", Yuba City receives its sales tax revenues from two separate sources, the State Board of Equalization and Sutter County. Three quarters of 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. One quarter of one percent is allocated back to Yuba City based on an estimate provided by the State Controller's Office to Sutter County per the provisions of the State's new "triple flip" allocation.

The City tracks revenues received from the County and the State separately but have combined them for presentation purposes within the budget.

Sales tax revenue is projected to increase by \$386,655 or 4.3% in FY 2005-06 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 2005-06 Proposition 172 revenues are projected to increase by \$15,120 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.
- ❖ An increase in the average sales price of existing homes in the region, thereby resulting in a higher new assessed value.
- ❖ 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 \$687,514 or 19.4% over the current year-end projection. This includes an anticipated reduction due to the State of California's budget balancing takeaway. The large growth in property taxes is attributable to several reasons:

- ❖ Completed new construction is estimated to contribute approximately \$250,000.
  - ❖ The sales of existing homes and the creation of new "base values" in accordance with Proposition 13 is estimated to contribute an additional \$105,500.
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# Revenue Highlights

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- ❖ An increase in assessed valuations due to annexation is expected to contribute \$261,650 with a related reduction of \$98,400 in County Service Area G revenues.
- ❖ The remaining increase is attributable to the normal 2% per year growth factor applied to assessed values.

In the Redevelopment Fund, Secured Property taxes are projected to increase by \$150,755 or 8.7% above the current year-end projection. This increase is due to an increase in the assessed valuation based upon new construction and increased sales prices within the Redevelopment Project Area.

## 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 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 \$29,750 or 3.0% 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 decrease by \$428,860 or 31.3% for FY 05-06 due to an increase in funding allocated to Yuba Sutter Transit for transit purposes. Of the increase, approximately \$200,000 will be used for one time expenditures related to meeting air quality mandates.

## 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 remain constant from the current year to FY 2005-06. The planned Hampton Inn is expected to 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 \$10,000 or 1.6% over the current year-end projection.

## Motor Vehicle License 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.

The Vehicle License Fees (VLF) are now divided into two categories, those received directly from the State based upon the historical in lieu amounts and those received from Sutter County twice per year based upon the provisions of the State Controller's Office. Beginning in 2005-06, the VLF in-lieu payments change based upon increases in the assessed values. On that basis, the amounts received from Sutter County

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# Revenue Highlights

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are classified as "Property Tax In Lieu/VLF Swap" as part of "Tax Revenues".

State allocations of VLF revenues are projected to decrease by \$267,377 due to only receiving a portion of the .67% previously received. Allocations received from Sutter County are projected to increase by \$486,436 or 16.6% based upon increases in local assessed values for property tax purposes.

## 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 \$30,000 or 2.8% 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, land resources, and other pertinent information. Licenses and permit fees are projected to decrease \$100,912 or 3.3% under the current year-end projection primarily due to record setting growth in FY 2004-05 and more conservative projections for FY 2005-06 .

## 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 \$14,232,130 or 64.8%.

During FY 2004-05, the City Council adopted "Growth Policies" that essentially direct that new development must pay for itself. This resulted in an increase in development impact fees and utility connection fee rates charged for all new construction. Increases in Development Impact Fee revenues are projected to be \$7,000,000 more than was budgeted in FY 2004-05 due to a sustained increase in development activity in combination with the increase in the City's fee structure. In addition, the City's utilities are showing a comparable increase in connection fees. Growth in the utility customer base for water and wastewater and scheduled service rate increases related also contribute to the increase.

## 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, Development Services 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 2005-06 cost allocation charges are projected to increase

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# Revenue Highlights

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by \$730,358 or 32.6%. Of this increase, approximately \$350,000 is attributable to increased salary and benefit costs, \$300,000 is repayment of the long-term loan from the General Fund to the Redevelopment Agency and \$81,500 is for costs expected to be allocated to Specific Plan Fees paid for new development.

**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 2005-06 General Liability payment.

The total amount allocated for General Liability increased by \$187,000 over FY 2004-05 based upon an increase in claims costs.

**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 - Technology 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 Technology 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 for road construction projects. Also, funds are transferred from the following funds to provide funding for the City's CIP projects: General Fund, Streets & Roads Fund, Impact Fee Fund, Redevelopment Fund, Water and Wastewater Fund, and the Community Development Block Grant Fund (CDBG). FY 2005-06 also includes a transfer from the benefit rate stabilization fund in consideration of employee benefit cost increases.

## Interest Income

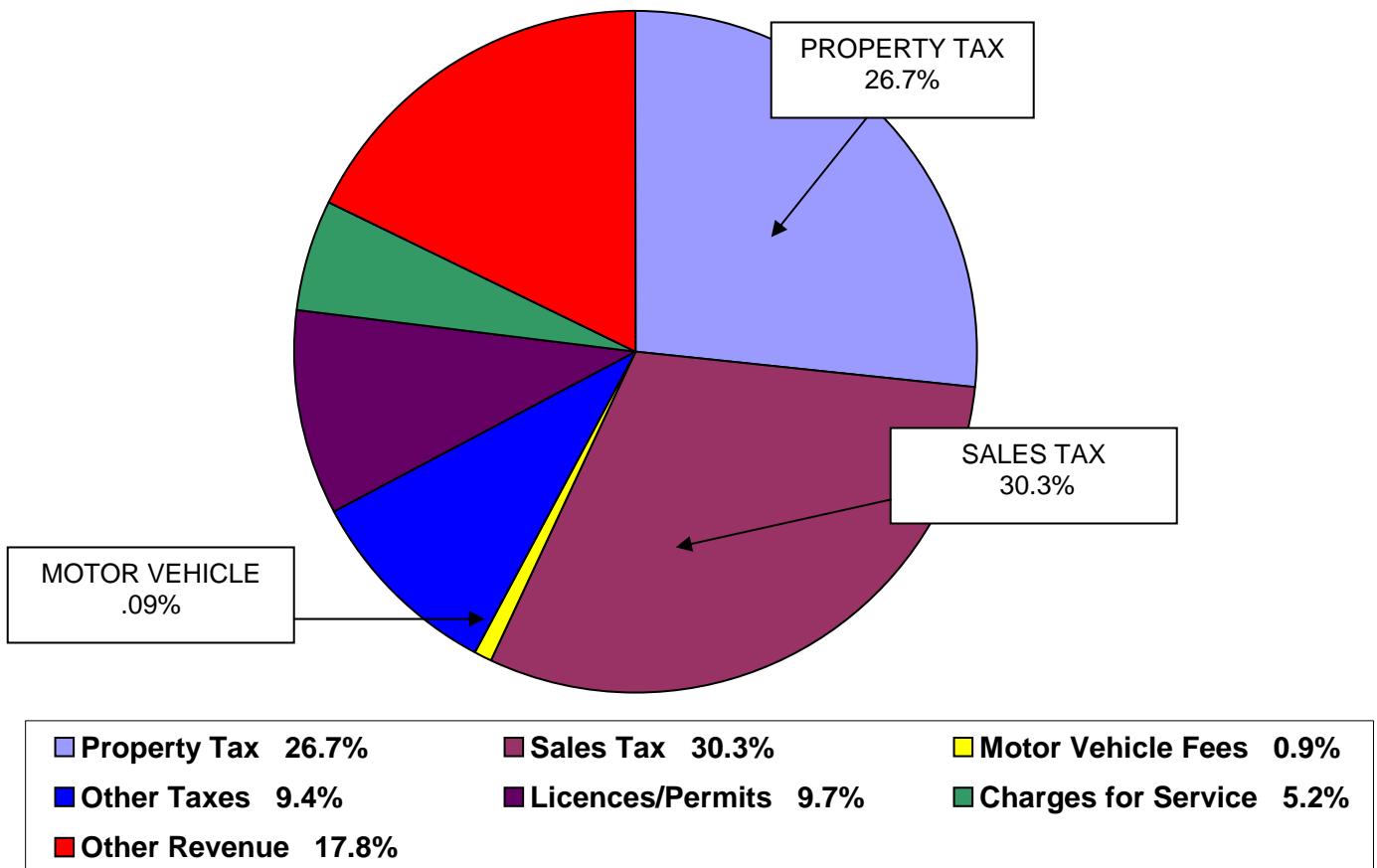
The City earns interest income by investing its idle cash. The City's goal is to achieve a competitive rate of return of its idle funds while protecting the safety of those funds. Idle funds are invested within the parameters stated in the City's Investment Policies, as approved by the City Council. 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 2005-06 will be generally static due to historically low interest rates.

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## General Fund Revenue

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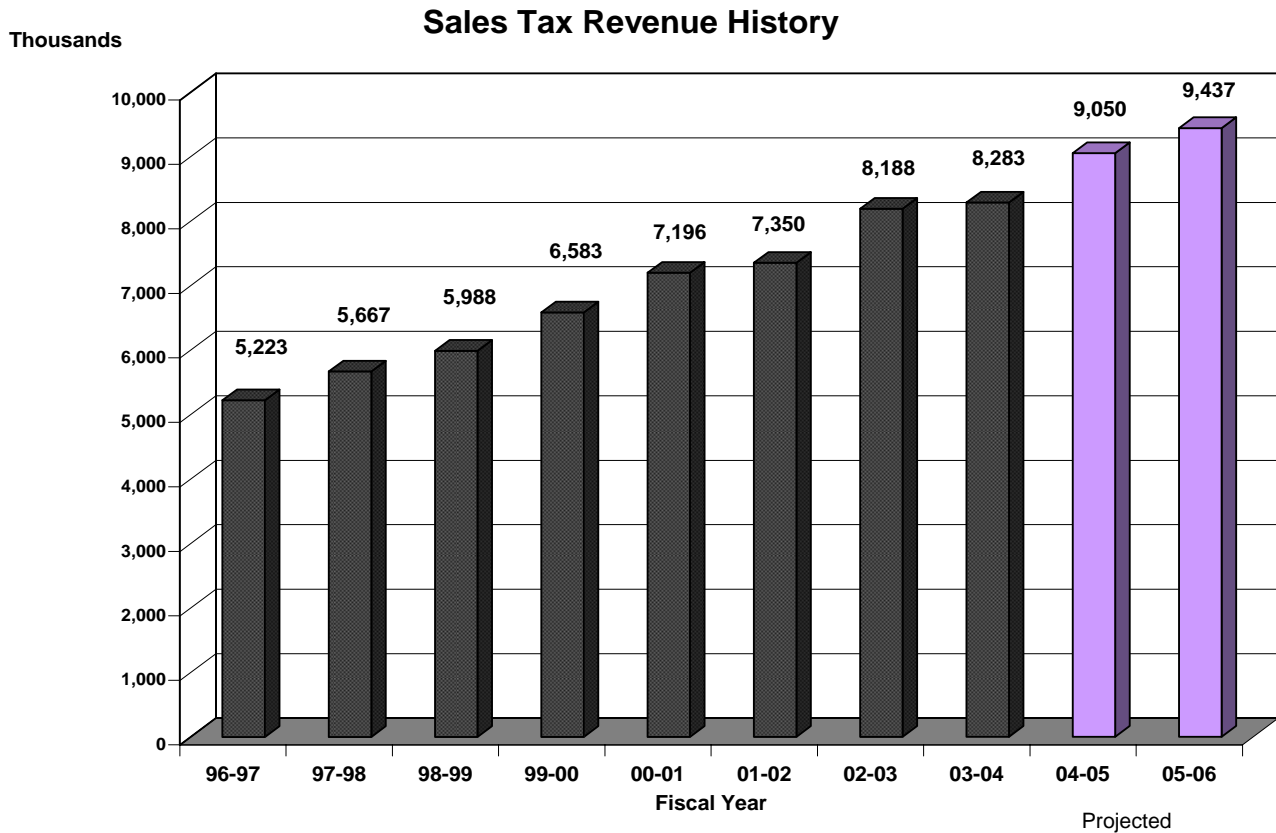
57.0 % of General Fund Revenue  
Comes From Two Sources



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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. The City receives 1% of the sales tax and the other 6.25% tax goes to the State and other local governments. As of July 1, 2004 the local government portion of the statewide rate decreased by .025% and the state portion increased by .025%. In turn, the state “backfilled” the decrease in the local government portion with a commensurate amount of property tax revenues. The net effect is that the City continues to receive 1% of the sales tax, as before.

Sales tax is the City’s largest General Fund revenue source. For FY 2005-06, sales tax is projected to be \$9,436,580 or 30.2% of the total General Fund revenue.

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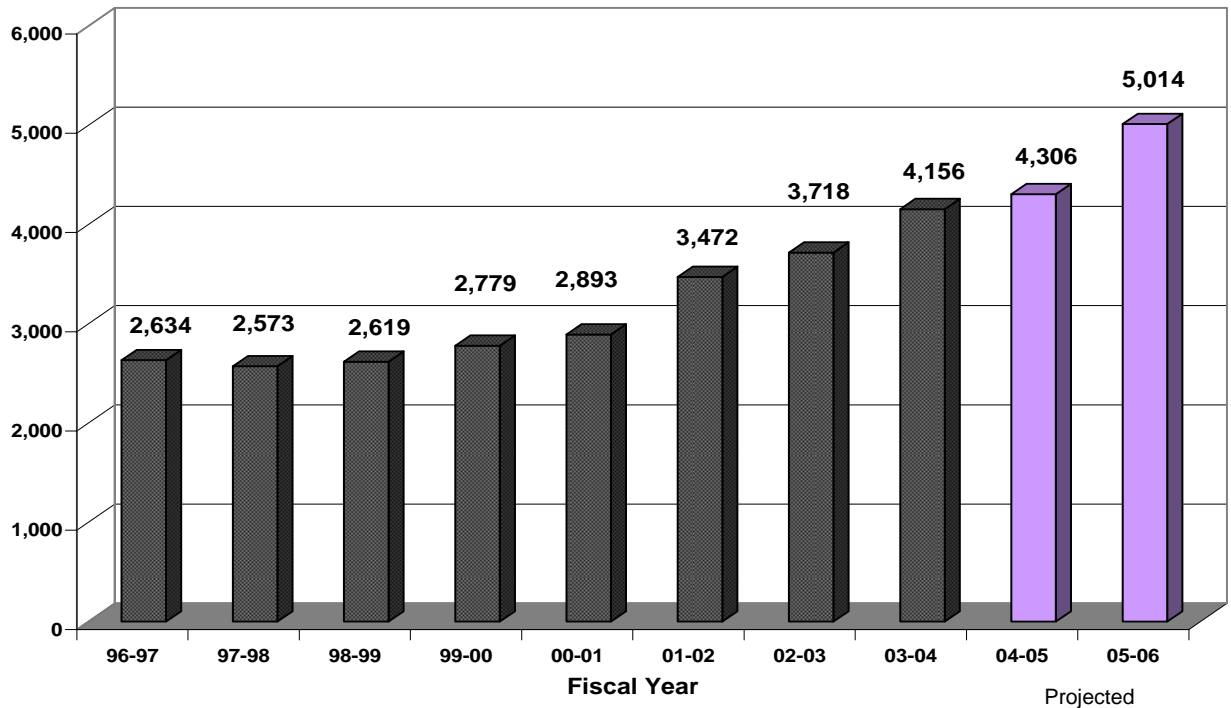
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# History of General Fund Major Revenue Sources

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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 \$5,014,480 or 16.1% of the total General Fund revenue.

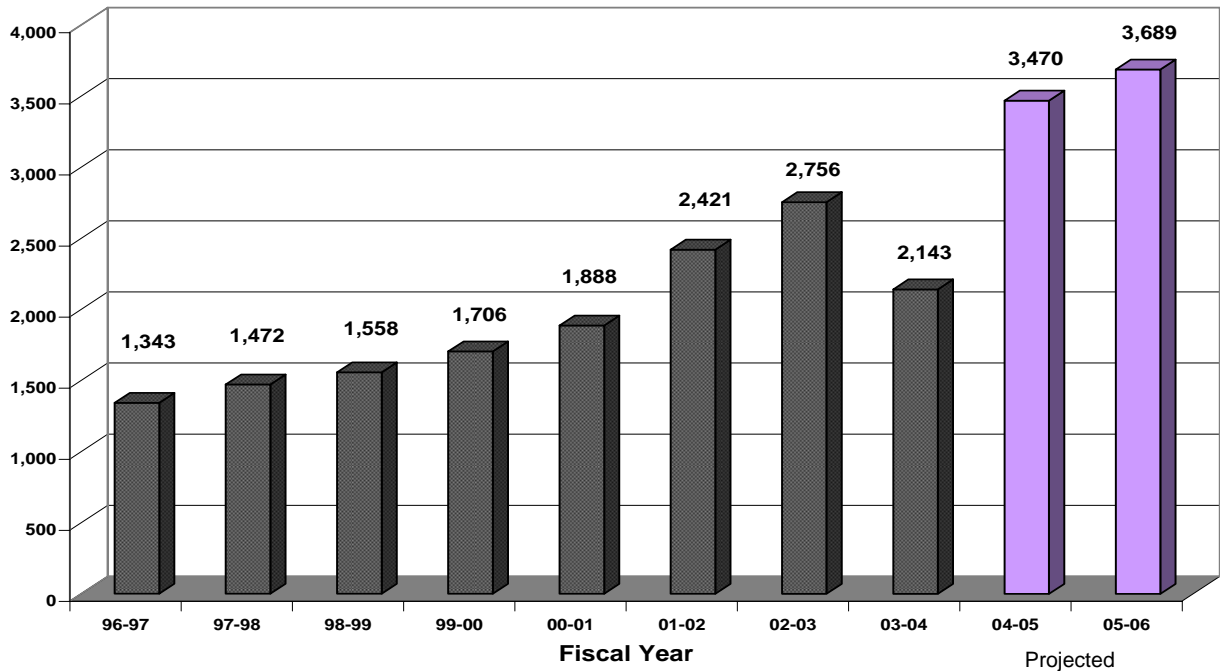
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# History of General Fund Major Revenue Sources

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## Motor Vehicle License Fee History

Thousands



The Motor Vehicle License 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. The anomaly during FY 2003-04 is because 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.

In FY 04/05 the City received the full 2% Vehicle License Fee from the State for the first three months of the fiscal year. After the first three months of the year, cities began to receive only .67% (net of County realignment and administrative fee reductions) of the VLF from the State. The remaining revenues were to be received via the County as estimated by the State Controller’s Office. The graph shown above combines the funds received directly from the State and those allocated to the City through Sutter County in order to better compare trend data to historical averages.

The Motor Vehicle License Fee is the City’s third largest General Fund revenue source. For FY 2005-06 Motor Vehicle Fees are projected to be \$3,689,270 or 11.8% of the total General Fund revenue.

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