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# Revenues

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The Revenues section uses charts and tables to provide an overview of the Adopted FY 2006-07 Annual Budget revenue estimates. This section is organized as follows:

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## General Fund Revenue By Category

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	Actual 2003-04	Actual 2004-05	Adopted 2005-06	Projected 2005-06	Projected 2006-07	Percent Change
Taxes	\$ 15,049,678	\$ 16,899,072	\$ 20,714,160	\$ 22,433,491	\$ 25,129,940	21.3%
Licenses & Permits	2,682,272	3,599,183	3,020,000	1,770,800	1,395,800	-53.8%
Intergovernmental	2,615,551	4,917,444	584,390	891,542	682,680	16.8%
Service Fees	1,746,165	1,921,107	1,615,620	1,746,459	1,975,430	22.3%
Interest & Rentals	172,207	395,355	171,980	407,172	457,380	165.9%
Other Revenues	1,337,795	3,574,995	41,500	41,500	41,500	0.0%
<b>Sub-Total Revenues</b>	<b>23,603,668</b>	<b>31,307,156</b>	<b>26,147,650</b>	<b>27,290,964</b>	<b>29,682,730</b>	<b>13.5%</b>
Internal Charges & Transfers	3,425,447	4,314,370	5,040,100	3,937,028	5,081,805	0.8%
<b>Total Revenues &amp; Transfers</b>	<b>\$ 27,029,115</b>	<b>\$ 35,621,526</b>	<b>\$ 31,187,750</b>	<b>\$ 31,227,992</b>	<b>\$ 34,764,535</b>	<b>11.5%</b>

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# General Fund Reserve Summary

## General Fund Projected Reserve FY 2005-06 Adopted

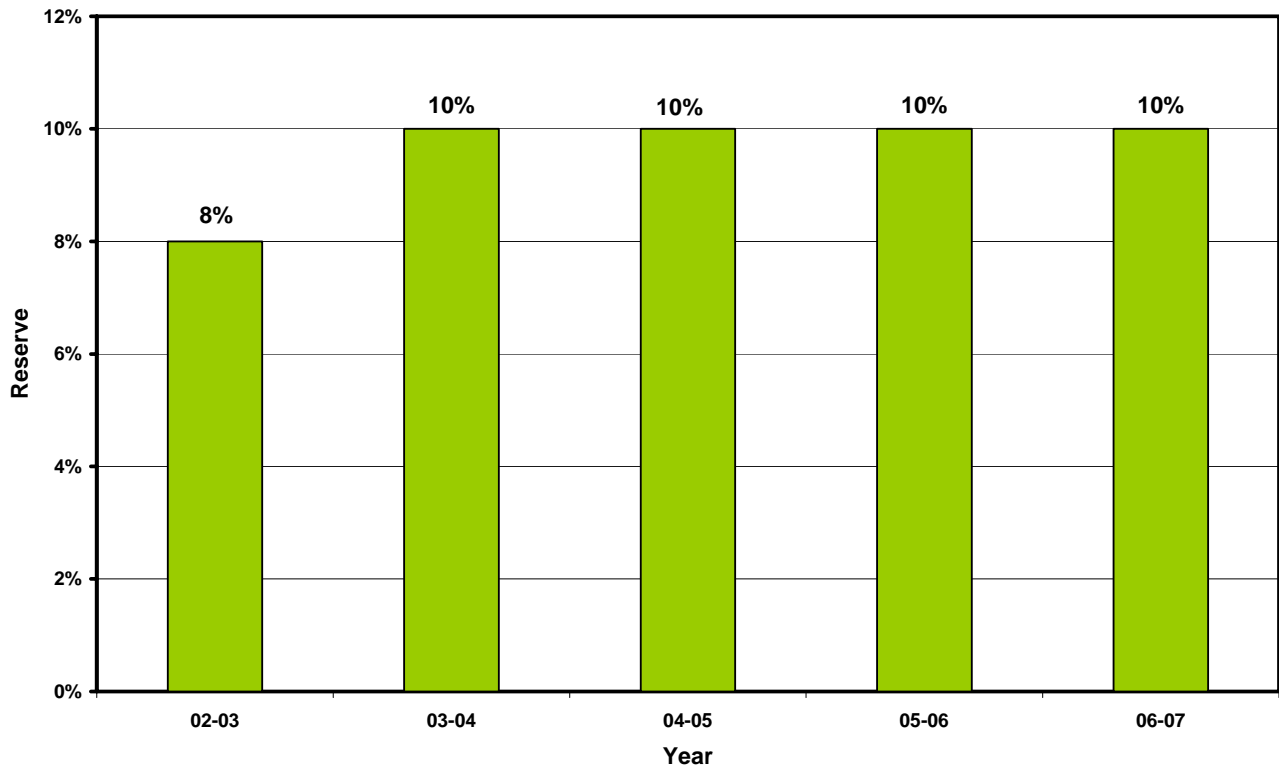
Beginning Balance	Revenues	Expenditures	Ending Balance	Reserve
\$ 3,198,654	\$ 31,187,750	\$ 31,164,658	\$ 3,221,746	10%

## General Fund Projected Reserve FY 2006-07 Adopted

Beginning Balance	Revenues	Expenditures	Ending Balance	Reserve
\$ 3,607,096	\$ 34,764,535	\$ 34,740,835	\$ 3,630,796	10%

Increase in Reserve (\$)	\$ 409,050
Increase in Reserve (%)	12.7%

## General Fund Reserve History



# General Fund Revenue

	Actual 2003-04	Actual 2004-05	Adopted 2005-06	Projected 2005-06	Adopted 2006-07	Percent Change
Property Tax-Current	\$ 3,587,117	\$ 3,287,808	\$ 4,228,330	\$ 4,109,759	\$ 5,284,920	25.0%
Property Tax-Unsecured	330,241	378,232	389,410	414,164	426,590	9.5%
Property Tax-Supplemental	151,468	427,741	287,190	470,515	494,040	72.0%
Property Tax-Prior Years	(18,019)	8,149	-	-	-	-
Property Tax-Interest & Penalties	24,080	14,731	24,000	35,000	30,000	25.0%
Property Tax In Lieu/VLF Swap	-	-	3,411,070	3,602,161	4,142,480	21.4%
Sales and Use Tax	8,283,376	7,273,563	7,035,740	7,918,844	8,547,230	21.5%
Sales Tax - Property Tax in Lieu	-	2,471,114	2,400,840	2,738,622	2,981,520	24.2%
Prop 172 - Public Safety Aug.	272,218	298,474	317,580	319,961	335,960	5.8%
Franchises	1,031,819	1,111,651	1,100,000	1,254,465	1,317,200	19.7%
Business Licenses	559,705	638,974	620,000	650,000	670,000	8.1%
Real Property Transfer	277,735	430,399	350,000	350,000	300,000	-14.3%
Hotel/Motel Surcharge	549,938	558,236	550,000	570,000	600,000	9.1%
<b>Total Taxes</b>	<b>15,049,678</b>	<b>16,899,072</b>	<b>20,714,160</b>	<b>22,433,491</b>	<b>25,129,940</b>	<b>21.3%</b>
Construction Permits	1,966,174	2,364,783	2,000,000	1,500,000	1,000,000	-50.0%
Plan Check Fees	-	1,625	-	800	800	-
Parking Permits	12	12	-	-	-	-
Plan Check-Insp-Engineering	628,080	1,202,089	1,000,000	250,000	375,000	-62.5%
Streets and Curb Permits	88,006	30,674	20,000	20,000	20,000	0.0%
<b>Total Licenses &amp; Permits</b>	<b>2,682,272</b>	<b>3,599,183</b>	<b>3,020,000</b>	<b>1,770,800</b>	<b>1,395,800</b>	<b>-53.8%</b>
Homeowner Prop Tax Relief	80,624	86,458	85,550	108,073	124,280	45.3%
Payment In Lieu of Taxes	27,687	73,433	30,000	30,000	30,000	0.0%
Motor Vehicle License Fees	2,143,037	1,414,503	278,200	440,640	420,000	51.0%
Motor Vehicle License In Lieu	-	2,924,634	-	-	-	-
Federal Law Enforcement Grant	21,174	7,085	-	-	-	-
FEMA Assistance to FF Grant	107,702	-	-	-	-	-
US Dept of Justice Grant	3,953	-	-	-	-	-
State-Mandated Cost Reimb.	-	23,798	-	13,844	-	-
OES Engine	-	-	-	245	2,000	-
Haz Mat Emergency Prep Grant	-	25,191	10,240	10,240	-	-100.0%
SAFER Grant	-	-	-	27,000	105,000	-
State COPS Grant	100,000	100,000	-	100,000	-	-
State OES Grant	-	-	-	-	-	-
State Homeland Security Grant	96,064	246,029	158,000	158,000	-	-100.0%
State OTS Grant	33,904	15,146	21,000	2,100	-	-100.0%
Fire OJP Grant	-	-	-	-	-	-
Taxes In Lieu-Highway	1,406	1,167	1,400	1,400	1,400	0.0%
<b>Total Intergovernmental</b>	<b>\$ 2,615,551</b>	<b>\$ 4,917,444</b>	<b>\$ 584,390</b>	<b>\$ 891,542</b>	<b>\$ 682,680</b>	<b>16.8%</b>

## General Fund Revenue

	Actual 2003-04	Actual 2004-05	Adopted 2005-06	Projected 2005-06	Adopted 2006-07	Percent Change
Police - Special Services	\$ 92,712	\$ 101,874	\$ 90,500	\$ 121,745	\$ 126,990	40.3%
Police - False Alarm Fees	154	3,148	5,000	11,000	9,750	95.0%
Booking Fee Reimbursement	49,440	-	-	-	-	-
Fire - Permit Fees	57,447	71,411	60,000	60,000	30,000	-50.0%
Fire - Special Services	1,105	7,708	120	720	120	0.0%
Fire - Emergency Response	86,761	137,957	15,700	30,114	16,000	1.9%
CPR/First Aid	2,218	4,390	2,250	4,300	4,000	77.8%
Internship Program	9,420	4,890	-	5,000	5,000	-
Fire Service Contract Revenue	573,532	588,665	551,920	590,000	600,000	8.7%
Fines & Forfeitures	-	22,537	-	-	-	-
Redlight Camera Revenues	-	-	-	51,063	270,000	-
Park Reservation Fee	15,498	14,557	14,000	16,000	16,000	14.3%
Swimming Pool	33,526	34,429	30,000	33,996	45,821	52.7%
Recreation Programs	614,668	703,114	664,530	685,921	745,149	12.1%
Zoning Fees	193,565	219,654	175,000	130,000	100,000	-42.9%
Environmental Impact Filing Fee	9,518	-	-	-	-	-
Sale of Maps & Publications	516	668	500	500	500	0.0%
Other Current Service Charges	6,085	6,105	6,100	6,100	6,100	0.0%
<b>Total Service Fees</b>	<b>1,746,165</b>	<b>1,921,107</b>	<b>1,615,620</b>	<b>1,746,459</b>	<b>1,975,430</b>	<b>22.3%</b>
Interest on Investments	107,121	341,109	115,000	350,000	400,000	247.8%
Rents and Royalties	9,931	7,200	7,200	7,200	7,200	0.0%
Antenna Leases	38,360	42,763	49,780	49,972	50,180	0.8%
Madden House Rent	16,795	4,283	-	-	-	-
<b>Total Interest/Rents</b>	<b>172,207</b>	<b>395,355</b>	<b>171,980</b>	<b>407,172</b>	<b>457,380</b>	<b>165.9%</b>
Sale of Property	207,279	3,472,575	1,500	1,500	1,500	0.0%
Other Revenue	74,669	102,420	40,000	40,000	40,000	0.0%
Lease Proceeds	1,055,847	-	-	-	-	-
<b>Total Other Revenue</b>	<b>1,337,795</b>	<b>3,574,995</b>	<b>41,500</b>	<b>41,500</b>	<b>41,500</b>	<b>0.0%</b>
<b>Sub-Total General</b>	<b>\$ 23,603,668</b>	<b>\$ 31,307,156</b>	<b>\$ 26,147,650</b>	<b>\$ 27,290,964</b>	<b>\$ 29,682,730</b>	<b>13.5%</b>

## General Fund Revenue

	Actual 2003-04	Actual 2004-05	Adopted 2005-06	Projected 2005-06	Adopted 2006-07	Percent Change
<b>Transfers &amp; Cost Allocations</b>						
Water	\$ 1,039,887	\$ 1,130,864	\$ 1,328,600	\$ 873,310	\$ 930,000	-30.0%
Wastewater	966,819	1,058,878	1,205,000	1,038,718	1,150,500	-4.5%
Redevelopment Agency	56,409	61,391	355,000	55,000	160,000	-54.9%
Specific Plan Cost Reimbursement	-	-	81,500	-	81,500	0.0%
CIP Reimbursement Transfers	-	-	-	-	520,000	-
Miscellaneous Operating Transfers	-	78,337	-	-	-	-
<b>Total Cost Allocations</b>	<b>2,063,115</b>	<b>2,329,470</b>	<b>2,970,100</b>	<b>1,967,028</b>	<b>2,842,000</b>	<b>-4.3%</b>
Streets & Roads	799,144	900,000	900,000	900,000	1,000,000	11.1%
Traffic Safety	500,000	500,000	600,000	500,000	930,000	55.0%
Benefit Stabilization	-	500,000	500,000	500,000	-	-100.0%
Suspended Traffic Offender	50,000	50,000	50,000	50,000	50,000	0.0%
Landscape Assessment	13,188	34,900	20,000	20,000	259,805	1199.0%
<b>Total Interfund Transfer</b>	<b>1,362,332</b>	<b>1,984,900</b>	<b>2,070,000</b>	<b>1,970,000</b>	<b>2,239,805</b>	<b>8.2%</b>
<b>Total Revenue/Transfers</b>	<b>\$ 27,029,115</b>	<b>\$ 35,621,526</b>	<b>\$ 31,187,750</b>	<b>\$ 31,227,992</b>	<b>\$ 34,764,535</b>	<b>11.5%</b>

# Enterprise Funds

	Actual 2003-04	Actual 2004-05	Adopted 2005-06	Projected 2005-06	Adopted 2006-07	Percent Change
Water Sales	\$ 5,883,321	\$ 6,288,682	\$ 6,068,000	\$ 6,730,000	\$ 7,070,000	16.5%
Water Main Extension Fees	212,197	122,090	150,000	230,000	130,000	-13.3%
Hydrants	8,090	8,005	6,000	5,000	5,000	-16.7%
Water Connection Fees	3,321,760	7,525,789	6,000,000	4,000,000	4,000,000	-33.3%
Groundwater Capital Expansion	62,700	240,900	175,000	75,000	75,000	-57.1%
Water Meters - Materials	515,006	515,189	350,000	300,000	300,000	-14.3%
Water Meters - Labor	72,978	103,243	75,000	100,000	75,000	0.0%
Water Meters - Surcharge	7	-	-	-	-	-
Energy Surcharge	155,781	-	-	-	-	-
Penalties	65,925	64,836	50,000	55,000	50,000	0.0%
Tap Machine	67,583	53,663	45,000	50,000	45,000	0.0%
Interest on Investments	181,342	255,718	200,000	350,000	250,000	25.0%
Other Revenue	34,243	50,127	-	71,500	-	-
Sale of Property	-	3,136	-	-	-	-
<b>Total Water Fund</b>	<b>10,580,933</b>	<b>15,231,378</b>	<b>13,119,000</b>	<b>11,966,500</b>	<b>12,000,000</b>	<b>-8.5%</b>
Wastewater Service Charges	5,120,587	5,650,307	5,550,000	5,700,000	6,000,000	8.1%
Sunsweet-Operation & Maint.	858,081	938,461	850,000	800,000	950,000	11.8%
Sunsweet-Capital Charges	29,420	35,304	37,000	35,300	37,000	0.0%
Sunsweet-Debt Service	6,400	7,680	8,000	8,000	8,000	0.0%
Septage Charges	222,705	237,541	200,000	250,000	220,000	10.0%
Wastewater Main Extension Fees	258,405	193,050	100,000	200,000	100,000	0.0%
Energy Surcharge	198,284	-	-	-	-	-
Wastewater Connection Fees	3,549,630	4,003,075	4,100,000	2,900,000	2,500,000	-39.0%
Special Connection Fee	212,515	373,350	250,000	200,000	192,000	-23.2%
Wastewater Lab Testing Fees	36,474	79,509	60,000	100,000	100,000	66.7%
Pretreatment Permits	-	-	-	200	500	-
Stonegate Service Charges	-	-	37,500	37,000	40,000	6.7%
Interest on Investments	149,564	273,823	175,000	185,000	185,000	5.7%
Lease Payments	30,000	30,000	30,000	30,000	30,000	0.0%
Transfer From Other Funds	208,500	215,000	225,000	225,000	235,000	4.4%
Other Revenue	-	-	-	3,640	-	-
<b>Total Wastewater Fund</b>	<b>10,880,565</b>	<b>12,037,100</b>	<b>11,622,500</b>	<b>10,674,140</b>	<b>10,597,500</b>	<b>-8.8%</b>
<b>Total Enterprise Revenues</b>	<b>\$ 21,461,498</b>	<b>\$ 27,268,478</b>	<b>\$ 24,741,500</b>	<b>\$ 22,640,640</b>	<b>\$ 22,597,500</b>	<b>-8.7%</b>

## Special Revenue Funds

	Actual 2003-04	Actual 2004-05	Adopted 2005-06	Projected 2005-06	Adopted 2006-07	Percent Change
State Gasoline Tax-2105	\$ 303,626	\$ 344,299	\$ 347,620	\$ 382,910	\$ 411,630	18.4%
State Gasoline Tax-2106	182,103	211,642	212,430	234,900	252,520	18.9%
State Gasoline Tax-2107	404,777	457,461	461,450	511,090	549,420	19.1%
State Gasoline Tax-2107.5	7,500	7,500	7,500	7,500	7,500	0.0%
LTF/TDA Revenues	1,303,315	1,212,570	943,273	943,273	1,116,305	18.3%
Other Revenues	211,239	1,056,582	-	-	-	-
Interest on Investments	49,339	55,801	50,000	60,000	60,000	20.0%
Federal Transportation Grant	675,000	-	-	-	-	-
<b>Total Streets/Roads</b>	<b>3,136,899</b>	<b>3,345,855</b>	<b>2,022,273</b>	<b>2,139,673</b>	<b>2,397,375</b>	<b>18.5%</b>
Vehicle Code Fines	248,214	329,312	300,000	275,000	875,000	191.7%
Parking Citations	88,551	62,129	65,000	53,000	55,000	-15.4%
DUI Fines	35,697	22,590	20,000	10,300	10,500	-47.5%
Interest on Investments	9,120	10,646	10,000	10,000	15,000	50.0%
<b>Total Traffic Safety</b>	<b>381,582</b>	<b>424,677</b>	<b>395,000</b>	<b>348,300</b>	<b>955,500</b>	<b>141.9%</b>
Suspended Traffic Offender	89,807	66,077	80,000	88,165	90,000	12.5%
Interest on Investments	1,919	3,049	2,000	3,000	3,000	50.0%
<b>Total STOP</b>	<b>91,726</b>	<b>69,126</b>	<b>82,000</b>	<b>91,165</b>	<b>93,000</b>	<b>13.4%</b>
Special Assessments	295,416	408,927	354,410	614,410	738,360	108.3%
Interest on Investments	4,729	10,798	6,300	10,900	14,515	130.4%
<b>Total Assessments</b>	<b>300,145</b>	<b>419,725</b>	<b>360,710</b>	<b>625,310</b>	<b>752,875</b>	<b>108.7%</b>
Special Assessments	81,663	134,317	81,715	116,905	136,905	67.5%
Interest on Investments	901	2,136	1,000	2,135	2,165	116.5%
Other Revenue	-	1,279	-	-	-	-
<b>Total Residential Street Lighting</b>	<b>82,564</b>	<b>137,732</b>	<b>82,715</b>	<b>119,040</b>	<b>139,070</b>	<b>68.1%</b>
Impact Fees	5,135,880	8,895,552	9,500,000	9,500,000	4,000,000	-57.9%
Interest on Investments	107,764	214,475	300,000	300,000	400,000	33.3%
<b>Total Development Impact Fee</b>	<b>5,243,644</b>	<b>9,110,027</b>	<b>9,800,000</b>	<b>9,800,000</b>	<b>4,400,000</b>	<b>-55.1%</b>
Impact Fees	81,641	51,844	36,000	20,000	20,000	-44.4%
Interest on Investments	731	2,341	1,000	1,000	1,000	0.0%
<b>Total Fire Mitigation Impact Fee</b>	<b>82,372</b>	<b>54,185</b>	<b>37,000</b>	<b>21,000</b>	<b>21,000</b>	<b>-43.2%</b>
Block Grant	642,759	507,925	605,265	430,000	551,854	-8.8%
Program Income	183,259	228,453	10,000	380,000	137,000	1270.0%
Interest on Investments	2,110	8,549	6,000	6,000	5,000	-16.7%
Other Revenue	-	-	-	-	-	-
<b>Total CDBG Fund</b>	<b>828,128</b>	<b>744,927</b>	<b>621,265</b>	<b>816,000</b>	<b>693,854</b>	<b>11.7%</b>
HOME Program	37,053	-	800,000	-	1,300,000	62.5%
Program Income	210,449	397,191	-	285,000	125,000	-
Interest on Investments	1,010	4,916	-	5,000	5,000	-
<b>Total HOME Fund</b>	<b>248,512</b>	<b>402,107</b>	<b>800,000</b>	<b>290,000</b>	<b>1,430,000</b>	<b>78.8%</b>

## Special Revenue Funds

	Actual 2003-04	Actual 2004-05	Adopted 2005-06	Projected 2005-06	Adopted 2006-07	Percent Change
Property Tax-Secured	\$ 417,044	\$ 421,261	\$ 492,680	\$ 531,495	\$ 558,070	13.3%
Property Tax-Unsecured	121,683	42,669	45,340	40,285	42,300	-6.7%
Property Tax-Supplemental	22,249	28,518	22,290	28,518	28,520	27.9%
Property Tax-Interest & Penalties	2,725	2,749	2,730	2,900	3,000	9.9%
Property Tax-Prior Years	(1,653)	863	-	-	-	-
Homeowners Prop Tax Relief	9,077	9,147	10,430	9,353	9,820	-5.8%
Interest on Investments	27,867	92,262	30,000	100,000	30,000	0.0%
Bond Proceeds	-	4,480,000	-	-	-	-
<b>Total Low/Mod Income</b>	<b>598,992</b>	<b>5,077,469</b>	<b>603,470</b>	<b>712,551</b>	<b>671,710</b>	<b>11.3%</b>
Property Tax-Secured	1,596,150	1,685,043	1,888,665	1,535,181	1,611,940	-14.7%
Property Tax-Unsecured	486,732	170,676	181,380	161,140	169,200	-6.7%
Property Tax-Supplemental	88,998	114,070	89,140	114,070	114,070	28.0%
Property Tax-Interest & Penalties	10,898	10,995	10,920	11,600	12,000	9.9%
Property Tax-Prior Years	(6,611)	3,451	-	-	-	-
Homeowners Prop Tax Relief	36,306	36,590	41,720	39,410	39,280	-5.8%
Interest on Investments	4,460	65,047	50,000	65,000	35,000	-30.0%
Rents & Royalties	20,178	13,200	13,200	2,100	-	-100.0%
Antenna Leases	-	1,215	-	-	-	-
Sale of Property	526,725	251,000	-	-	-	-
Other Revenue	-	531	-	-	-	-
Bond Proceeds	-	16,210,000	-	-	-	-
<b>Total Redevelopment Agency</b>	<b>2,763,836</b>	<b>18,561,818</b>	<b>2,275,025</b>	<b>1,928,501</b>	<b>1,981,490</b>	<b>-12.9%</b>
<b>Total Special Revenues</b>	<b>\$ 13,758,400</b>	<b>\$ 38,347,648</b>	<b>\$ 17,079,458</b>	<b>\$ 16,891,540</b>	<b>\$ 13,535,874</b>	<b>-20.7%</b>

## Other Fund Revenues

	Actual 2003-04	Actual 2004-05	Adopted 2005-06	Projected 2005-06	Adopted 2006-07	Percent Change
Vehicle Replacement Fee	\$ 701,451	\$ 640,578	\$ 878,409	\$ 878,409	\$ 976,241	11.1%
Sale of Property	37,073	(7,790)	20,000	20,000	20,000	0.0%
Interest on Investments	85,062	128,526	110,000	130,000	130,000	18.2%
Other Current Service Charges	15,230	16,538	54,606	11,325	40,560	-25.7%
Transfer From Other Funds	328,500	-	131,909	131,909	280,000	112.3%
<b>Total Vehicle Replacement</b>	<b>1,167,316</b>	<b>777,852</b>	<b>1,194,924</b>	<b>1,171,643</b>	<b>1,446,801</b>	<b>21.1%</b>
Vehicle Maintenance Fee	527,851	620,370	734,987	734,964	800,000	8.8%
Interest on Investments	334	648	500	750	1,000	100.0%
Other Revenue	-	-	-	1,217	-	-
<b>Total Vehicle Maintenance</b>	<b>528,185</b>	<b>621,018</b>	<b>735,487</b>	<b>736,931</b>	<b>801,000</b>	<b>8.9%</b>
Health - Employer Contrib.	1,752,439	2,106,137	3,005,730	2,489,750	3,083,340	2.6%
Unemployment Insurance	49,380	55,611	73,205	73,205	76,240	4.1%
Interest on Investments	18,284	20,065	18,000	10,000	5,000	-72.2%
<b>Total Employee Benefits</b>	<b>1,820,103</b>	<b>2,181,813</b>	<b>3,096,935</b>	<b>2,572,955</b>	<b>3,164,580</b>	<b>2.2%</b>
Dental/Vision	360,837	343,956	411,820	242,230	431,750	4.8%
Interest on Investments	3,458	6,016	3,500	5,000	5,000	42.9%
<b>Total Dental/Vision</b>	<b>364,295</b>	<b>349,972</b>	<b>415,320</b>	<b>247,230</b>	<b>436,750</b>	<b>5.2%</b>
Disability	10,367	10,891	11,000	11,700	12,000	9.1%
Interest on Investments	2,703	3,687	3,000	3,500	3,500	16.7%
<b>Total Disability</b>	<b>13,070</b>	<b>14,578</b>	<b>14,000</b>	<b>15,200</b>	<b>15,500</b>	<b>10.7%</b>
Contributions	453,120	400,000	587,000	587,000	710,000	21.0%
Interest on Investments	-	3,262	2,500	2,500	3,500	-
<b>Total General Liability</b>	<b>453,120</b>	<b>403,262</b>	<b>589,500</b>	<b>589,500</b>	<b>713,500</b>	<b>21.0%</b>
Worker Compensation	276,489	696,266	537,209	472,110	631,400	17.5%
Interest on Investments	9,137	11,987	9,500	13,000	13,000	-
<b>Total Worker Compensation</b>	<b>285,626</b>	<b>708,253</b>	<b>546,709</b>	<b>485,110</b>	<b>644,400</b>	<b>17.9%</b>
Computer Replacement Fee	404,225	403,596	451,730	451,730	471,893	4.5%
Interest on Investments	8,780	18,641	12,000	20,000	20,000	66.7%
Other Revenues	14,122	13,883	12,748	12,450	20,040	57.2%
Transfer From Other Funds	90,300	201,740	1,500	1,500	7,000	366.7%
<b>Total Computer Replacement</b>	<b>517,427</b>	<b>637,860</b>	<b>477,978</b>	<b>485,680</b>	<b>518,933</b>	<b>8.6%</b>
<b>Total Internal Service</b>	<b>5,149,142</b>	<b>5,694,608</b>	<b>7,070,853</b>	<b>6,304,249</b>	<b>7,741,464</b>	<b>22.8%</b>
<b>RDA Debt Service Fund</b>	<b>512,402</b>	<b>554,946</b>	<b>1,059,470</b>	<b>1,059,470</b>	<b>1,095,405</b>	<b>3.4%</b>
<b>Low/Mod Debt Service Fund</b>	<b>121,759</b>	<b>135,577</b>	<b>291,186</b>	<b>291,186</b>	<b>305,044</b>	<b>4.8%</b>
<b>Total Debt Service Fund</b>	<b>634,161</b>	<b>690,523</b>	<b>1,350,656</b>	<b>1,350,656</b>	<b>1,400,449</b>	<b>3.7%</b>
Capital Improvement Program (CIP):						
Interfund Transfers	19,643,527	24,932,322	1,376,400	9,826,084	8,806,500	539.8%
Water Bond Proceeds	-	-	15,000,000	25,625,000	-	-100.0%
<b>Grand Total Revenues</b>	<b>\$ 87,675,843</b>	<b>\$ 132,555,105</b>	<b>\$ 97,806,617</b>	<b>\$ 113,866,161</b>	<b>\$ 88,846,322</b>	<b>-9.2%</b>

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# Revenue Highlights

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## Revenue Highlights

This section of the budget describes the resources that are available to support the proposed 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 2006-07. 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. In accordance with the California Committee on Municipal Accounting (CCMA) White Paper, the City adopted the 7 ½ month accrual process for sales tax revenue recognition. Therefore, the City's projected sales tax revenues are based upon taxable sales generated during the fiscal year.

Sales tax revenue is projected to increase by \$871,284 or 8.2% in FY 2006-07 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 2006-07 Proposition 172 revenues are projected to increase by \$16,000 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 \$1,175,161 or 28.6% over the current year-end projection. The large growth in property taxes is attributable to several reasons:

- ❖ The City lost \$558,692 for both FY 04/05 and FY 05/06 due to the State of California's budget balancing takeaway. The City no longer loses this revenue in FY 06/07.
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# Revenue Highlights

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- ❖ Completed new construction.
- ❖ The sales of existing homes and the creation of new “base values” in accordance with Proposition 13 are estimated to contribute an additional \$338,000.
- ❖ 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 \$76,759 or 5.0% 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 \$84,670 or 7.5% 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 by \$173,032 or 18.3% for FY 06-07 due to an increase in the allocation made available to Yuba City through 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 \$30,000 from the current year to FY 2006-07. The expected increase is partially due to the opening of the newly constructed Hampton Inn.

## **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. Revenues are estimated to increase by \$20,000 or 3.1% 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 are classified as “Property Tax In Lieu/VLF Swap” as part of “Tax Revenues”.

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# Revenue Highlights

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State allocations of VLF revenues are projected to decrease by \$20,640 due an anomaly in the timing of the June, 2005 payment. Allocations received from Sutter County are projected to increase by \$540,319 or 15.0% 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 \$62,735 or 5.0% 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, land resources, and other pertinent information. Licenses and permit fees are projected to decrease \$375,000 or 21.2% under the current year-end projection primarily due to construction slowdowns in the second half of FY 2005-06 that are expected to continue into FY 2006-07.

## 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 decrease by \$6,365,550 or 17.6%.

Development Impact Fee revenues are projected to be \$5,500,000 less than was projected in FY 2005-06 due to a decrease in development activity. The City's utilities connection fees are projected to decrease by \$2,214,000, or 9.2% as well. The utility service revenues are increasing due to 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. During FY 05-06 the City prepared a cost allocation plan to evaluate the true cost of services provided by service departments to other City departments. The projected FY 05-06 user charges have been adjusted to reflect the findings of the cost allocation plan study.

Compared to the FY 05-06 projected, the FY 2006-07 cost allocation charges will increase by \$1,144,777 or 29.1%. Of this increase, \$520,000 is attributable to Development

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# Revenue Highlights

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Services staff charging time spent working on projects directly to the projects. These costs will be charged against the appropriate capital improvement project throughout the City. In addition, included is \$100,000 for 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 2006-07 General Liability payment.

The total amount allocated for General Liability increased by \$124,000 over FY 2005-06 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).

## Interest Income

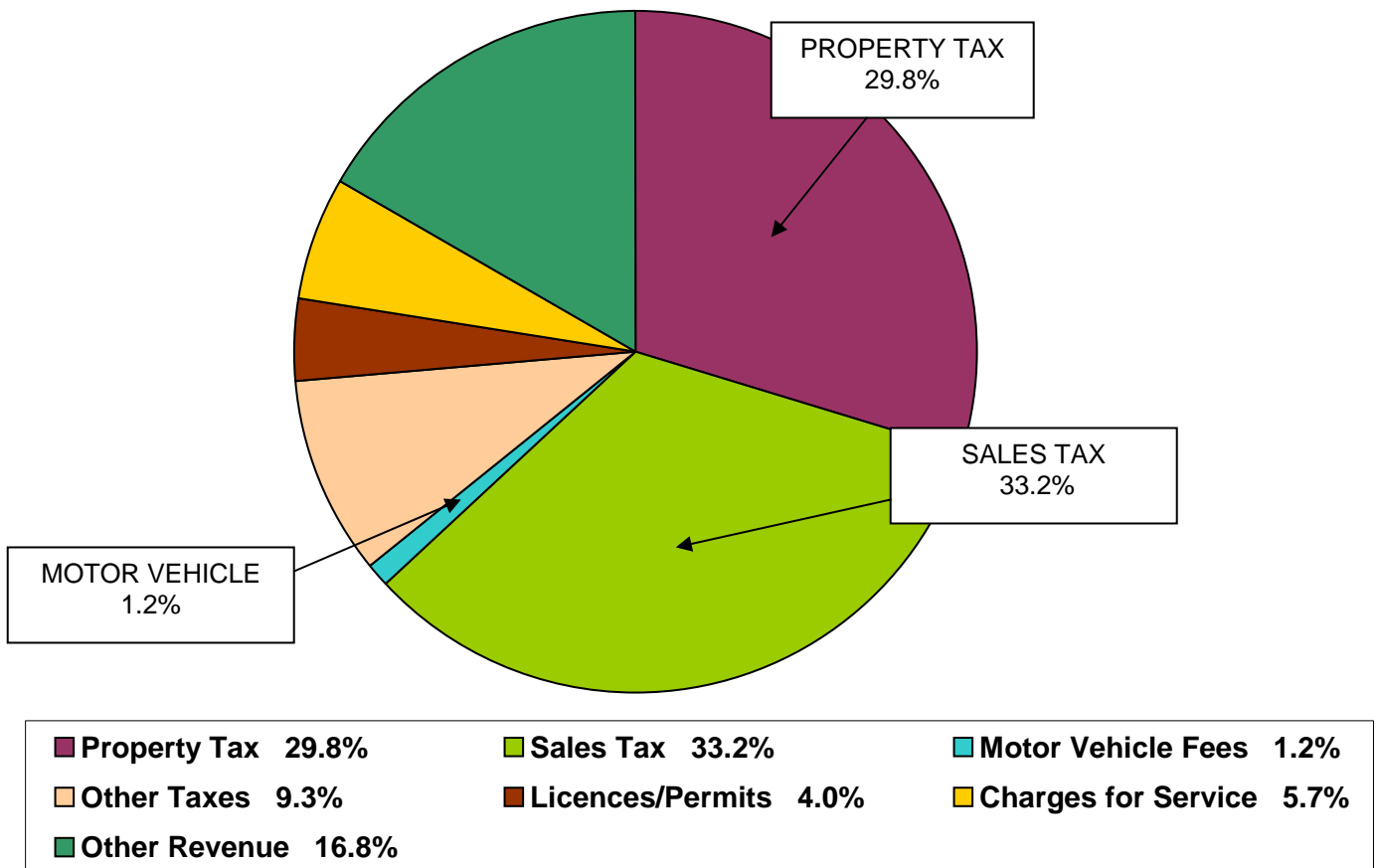
The City earns interest income by investing its idle cash. The City's goal is to achieve a competitive rate of return of its idle funds while protecting the safety of those funds. Idle funds are invested within the parameters stated in the City's Investment Policies, as approved by the City Council. Interest income is conservatively projected based on idle cash balances throughout the year and the market rate of interest. It is anticipated that interest earnings in FY 2006-07 will increase due to a rise in interest rates.

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## General Fund Revenue

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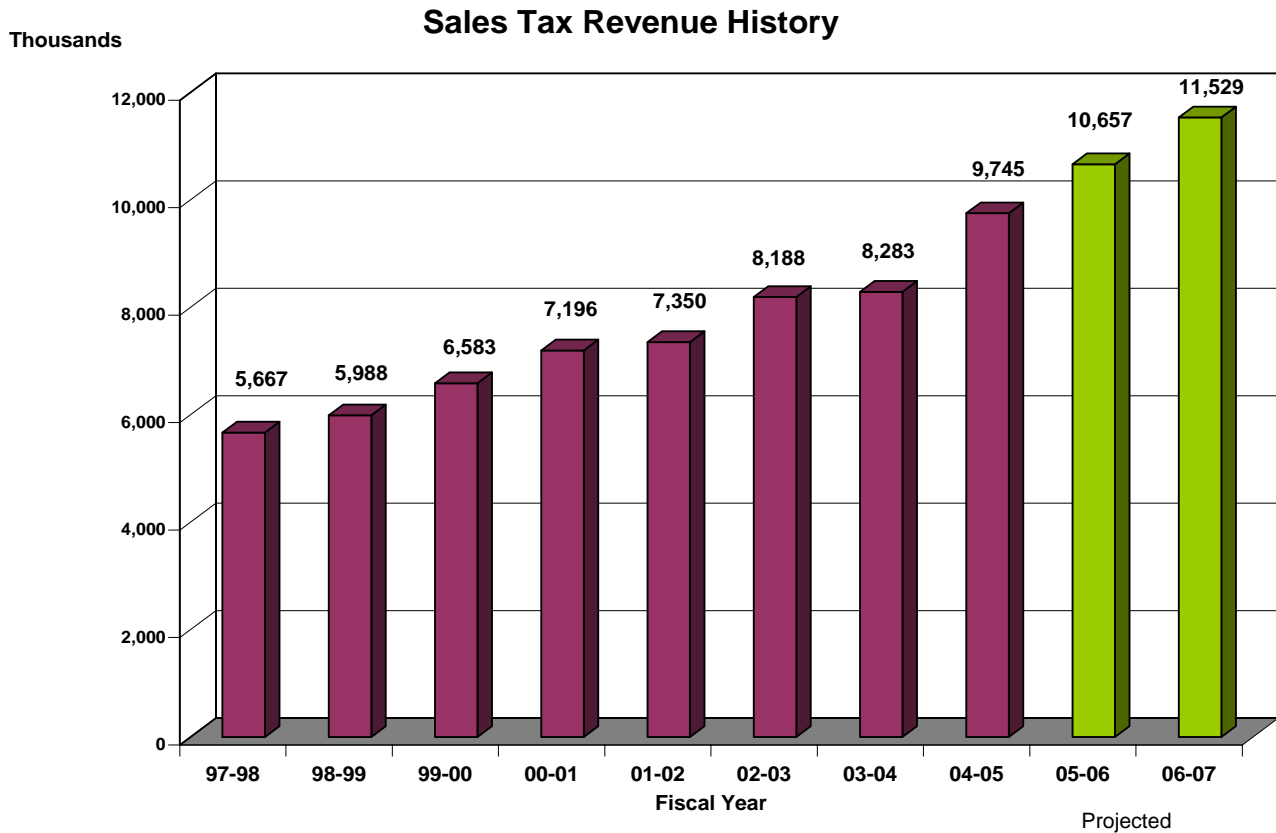
63.0 % of General Fund Revenue  
Comes From Two Sources



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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. The chart above combines both components of sales tax (the 0.75% local share and the property tax in lieu of sales tax backfill) in order to capture 10 years of trend data.

Sales tax is the City’s largest General Fund revenue source. For FY 2006-07, sales tax is projected to be \$11,528,750 or 33.2% of the total General Fund revenue.

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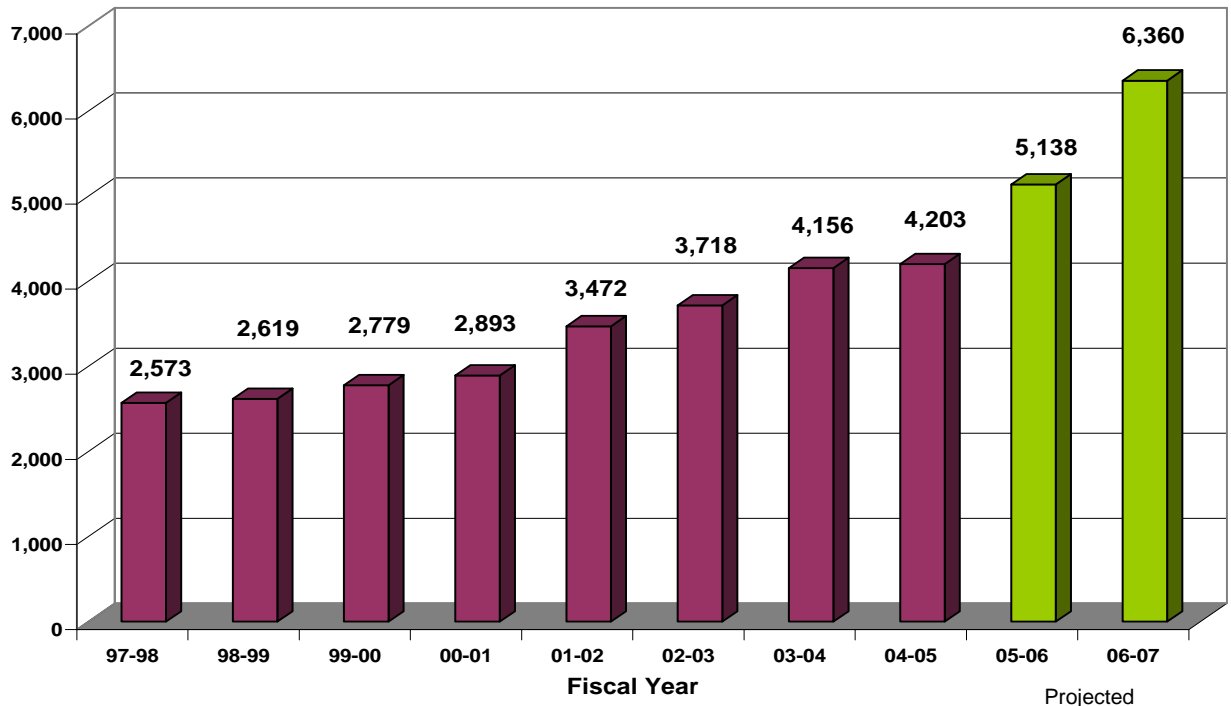
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# History of General Fund Major Revenue Sources

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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.

The amounts shown on the graph above do not include the property tax in lieu of vehicle license fee revenue. Adding this revenue to the above graph would distort the trend data, therefore a decision was made to include only “regular” property taxes.

Property tax is the City’s second largest General Fund revenue source. For FY 2006-07, property tax is projected to be \$6,359,830 or 18.3% of the total General Fund revenue.

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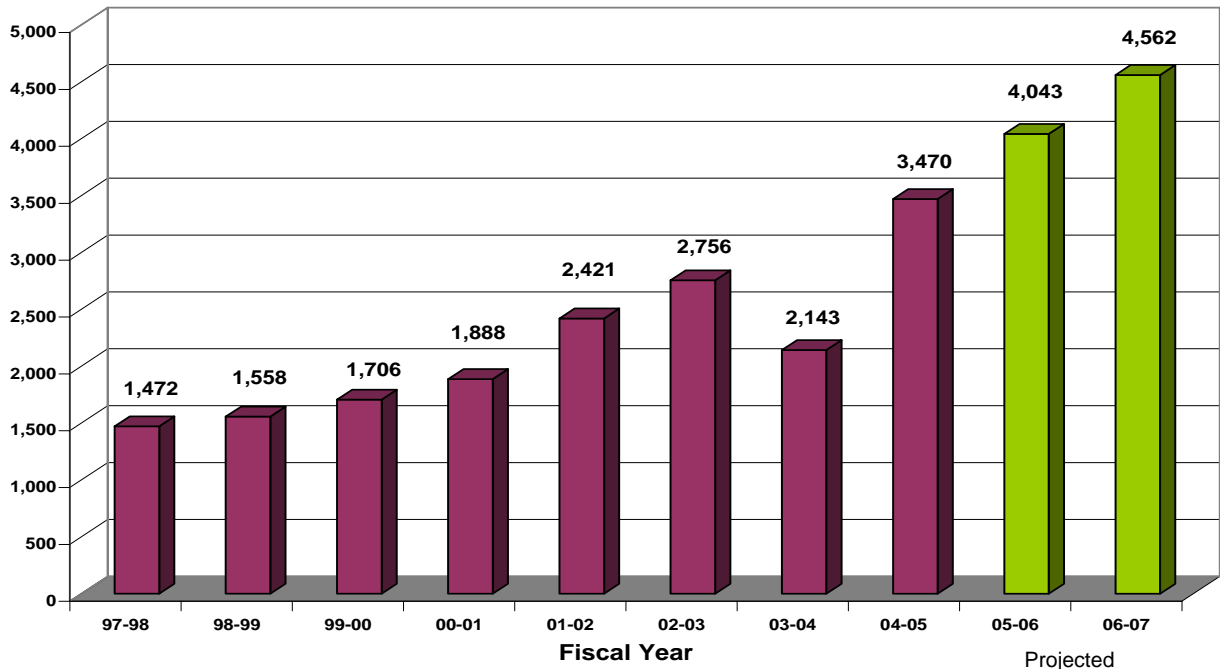
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# History of General Fund Major Revenue Sources

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## 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 \$820,207 reduction to Yuba City. These funds were repaid to the City in FY 2004-05.

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 2006-07 Motor Vehicle Fees are projected to be \$4,562,480 or 13.1% of the total General Fund revenue.

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