



### **Fund 210**

General Plan Update - Revenues and expenditures related to the management of building records and planning documents are accounted for in this fund.

Source of Revenue:

1. Technology Fee – This fee is charged at 0.13% of valuation of each building project, and a flat rate for each mechanical, electrical, and plumbing building permit. Funds are utilized to cover the cost of software, services, labor, and equipment used for the storage, management, and retrieval of records and information.
2. General Plan Amendment Update Surcharge – The surcharge is assessed at 0.05% of valuation of each building project. Funds are collected to be utilized for updating the general plan.
3. Interest on Investments – Interest earnings are allocated monthly based on cash balance of this fund at the end of the month.

Restrictions on Revenue – Funds are required by administrative action to be spent only on management of building records and planning documents.

### **Fund 263**

Renewed Measure M (M2) Traffic Improvement - The receipt and disbursement of funds received pursuant to Renewed Measure M (M2), are accounted for in this fund. Measure M was originally approved by Orange County voters in November 1990. It was a 20-year program (1991-2011) for local transportation improvements funded by a ½ cent sales tax. Voters renewed the ½ cent sales tax in November 2006 for another 30 years (2011-2041). Projects and programs associated with M2 funding include improvements to the Orange County freeway system, streets & road networks throughout the County, additional expansion of the Metrolink system, and the cleanup of roadway storm water runoff.

Source of Revenue:

1. Measure M (M2) Tax – The City receives funding from Orange County Transportation Authority (OCTA). The allocations are distributed by OCTA under a formula that accounts for population, street mileage, and amount of sales tax collected in the City.
2. Other Grant – M2 includes funding to support the growing transportation needs of seniors and persons with disabilities through the Senior Mobility Program (SMP). OCTA distributes funding based on the proportion of 60+ residents in the City relative to total county senior population reported by the U.S. Census Bureau.
3. Rents and Concessions - Rental revenue for the property on 292 N. Main Street. This property was purchased with Measure M funds for future Main Street widening project.
4. Plans and Specification Charges – Charges for bids related to street improvement projects.
5. Interest on Investments – Interest earnings are allocated monthly based on cash balance of this fund at the end of the month.

Restrictions on Revenue – Pursuant to the Renewed Measure M Transportation Ordinance No. 3, M2 funds must be used only for transportation purposes and expended within 3 years of receipt. They should not be used to supplant developer funding for transportation projects. M2 interest proceeds must be spent on transportation activities consistent with M2 eligible activities per the M2 Ordinance.

### **Fund 270**

Gas Tax - The receipt and disbursement of gas tax funds used for maintenance and construction of city streets and roads are accounted for in these funds.

Source of Revenue:

1. State Gas Tax – Gas tax revenue from the State apportioned based on population according to Street and Highway Code Section 2103, 2105, 2106, 2107, and 2107.5. The City also receives loan repayments from the state for previous borrowing from public transportation funds. This funding is allocated on a per capita basis over three fiscal years: 17-18, 18-19, and 19-20.
2. Rents and Concessions - Rental revenue for the three properties on La Veta Avenue that were purchased with gas tax funds.
3. Expense Reimbursements – Reimbursements for damage to City property.
4. Interest on Investments – Interest earnings are allocated monthly based on cash balance of these funds at the end of the month.

Restrictions on Revenue – Use of gas tax revenues is restricted by Article XIX of the California State Constitution and by Streets and Highways Code Section 2101. Funds must be expended for the research, planning, construction, improvement, maintenance, and operation of local public streets, highways, and exclusive public mass transit guideways.

### **Fund 274**

Road Maintenance Rehabilitation Account (RMRA) – Road Repair and Accountability Act of 2017 (Senate Bill 1) authorizes the State to allocate gas tax funds under Street and Highway Code Section 2031 through the Road Maintenance and Rehabilitation Account (RMRA). The receipt and disbursement of funds from the RMRA and used for maintenance and construction of city streets and roads are accounted for in this fund.

Source of Revenue:

1. State Gas Tax – SB1 increases per gallon fuel excise tax, diesel fuel sales tax, and vehicle registration fee. The State apportions gas tax revenue to the City based on population.
2. Interest on Investments – Interest earnings are allocated monthly based on cash balance of this fund at the end of the month.

Restrictions on Revenue – Use of gas tax revenues is restricted by Streets and Highways Code Section 2030 for road maintenance, rehabilitation, and critical safety needs on both the state highway and local streets and road system. The City is required to sustain a maintenance of effort (MOE) for the receipt of RMRA funds by spending at least the average of FY 09-10 through FY 11-12 general fund expenditures for street, road, and highway purposes.

## **Fund 287**

Transportation System Improvement Program (TSIP) - Development impact fees collected for improving the transportation system are accounted for in these funds. A separate fund has been established for each specific geographic area for which the fees are collected and used for the transportation system.

### Source of Revenue:

1. TSIP Fees – Fees are collected at building permit issuance according to the fee rates for projects, facilities or uses identified for specific TSIP areas.
2. Interest on Investments – Interest earnings are allocated monthly based on cash balance of these funds at the end of the month.

Restrictions on Revenue – Development impact fees are governed by the Mitigation Fee Act (Government Code Section 66000 et. seq.) for development related capital facilities. Fee revenues can be expended only for transportation improvements in the specific areas from which the fees are collected. Pursuant to Government Code Sections 66001 (d) and (e), all unexpended or uncommitted fees which have been on deposit over five years are subject to refunds to the current owners of the development projects for which the fees were paid.

## **Fund 310**

Community Development Block Grant (CDBG - Grant funds are awarded by the U.S. Department of Housing and Urban Development (HUD) to assist cities and counties in developing programs and projects which benefit low and moderate income residents. The receipt and disbursement of funds for the CDBG. programs are accounted for in these funds.

### Source of Revenue:

1. Federal HUD Grants – The City receives CDBG funds from HUD, which determines the amount of each grant by using a formula based on community need, including the extent of poverty, population, housing overcrowding, age of housing, and population growth lag in relationship to other metropolitan areas.
2. Principal Repayments/Principal & Revenue Abatements – Deferred loan repayments received from residents in the City to pay off their loans on housing funded by the CDBG. program.
3. Interest on Deferred Loans – Interests received from the deferred loans noted above.
4. Interest on Investments – Interest earnings are allocated monthly based on cash balance of these funds at the end of the month.

Restrictions on Revenue – Funds can only be disbursed to provide programs and projects for low and moderate income Orange residents. Timely expenditure requirement of grant funds is governed by the Code of Federal Regulations (CFR) Title 24, Section 570.902. The amount of undisbursed grant funds on hand cannot be more than 1.5 times the annual allocation for the current program year at 60 days prior to the end of the program year. HUD can withhold future grants until the unexpended funds are reduced to the required level.

### **Fund 454**

Grants received from the federal and state governments and disbursement of the funding for law enforcement purposes are accounted for in these funds.

Source of Revenue:

1. State Grants – The City receives the Citizens Option for Public Safety/Supplemental Law Enforcement Services Account (COPS/SLESA) funding allocated from the county based on population.
2. Interest on Investments – Interest earnings are allocated monthly based on cash balance of this fund at the end of the month.

Restrictions on Revenue – Pursuant to Government Code Section 30062, funds from the COPS program must be expended exclusively to support front line law enforcement services.

### **Fund 500**

Capital Projects - Capital projects funded with General Fund revenues and a loan to Special Revenue Fund for a capital project are accounted for in this fund.

Source of Revenue:

1. General Fund contributions, as authorized by City Council.
2. Interfund Loans – Interest received from a loan to Fund 120 Proposition 172 for the purchase of 800 MHz radio system.

Restrictions on Revenue – Funds are required by administrative action to be spent only on major capital projects other than those financed by Internal Service, Proprietary or Redevelopment (Successor) Funds.

### **Fund 510**

Park Acquisition & Development - Park development fees collected to fund the acquisition, construction, and renovation of park facilities are accounted for in these funds.

Source of Revenue:

1. Park Acquisition Fees – The City is divided into two districts, using Newport Avenue as the east/west dividing line. Fees are collected at the issuance of building permits to finance the cost of park facilities and improvements for new residential development.

Park acquisition (infill) fees in fund 510 apply to newly created housing units that are not a part of a new subdivision.

2. Interest on Investments – Interest earnings are allocated monthly based on cash balance of these funds at the end of the month.

Restrictions on Revenue – Park fees in fund 510 are governed by the Mitigation Fee Act (Government Code Section 66000 et. seq.) to fund the need for additional park development based on the impact of the development. The unexpended or uncommitted fees over five years after they were deposited in fund 510 need to be refunded to the current owners of the



development projects for which the fees were paid according to Government Code Sections 66001 (d) and (e).

### **Fund 512**

El Modena Park Facility – Rental fees collected from the El Modena cell towers are used to fund the development and improvement of City park and recreational facilities.

Source of Revenue:

1. Cell Phone Tower Rent Revenue – Lease revenue for the cell towers located in the park.
2. Interest on Investments – Interest earnings are allocated monthly based on cash balance of this fund at the end of the month.

Restrictions on Revenue – Funds are required by administrative action to be disbursed only on the development and improvement of park and recreational facilities in the City.

### **Fund 550**

Reimbursable Capital Projects - Projects for which the City is the lead agency and for which funding is provided by a grant or through another agency are accounted for in this fund.

Source of Revenue:

1. Grants – Grant funding received from Federal, County, State or other public agencies.
2. Interest on Investments – Interest earnings are allocated monthly based on cash balance of this fund at the end of the month.

Restrictions on Revenue – Funds are restricted to be expended only on the reimbursable capital projects and are required to stay in compliance with the requirements per the grant/contract agreements.

### **Fund 560**

Fire Facility Fees – Development impact fees collected for the purpose of constructing or improving fire facilities are accounted for in this fund.

Source of Revenue:

1. Fire Facilities and Equipment Fees – Fees are paid at the issuance of building permits to fund the fire facility needs created by new development based on types of land use.
2. Interest on Investments – Interest earnings are allocated monthly based on cash balance of this fund at the end of the month.

Restrictions on Revenue – The funds can be used only for the purpose of acquiring, developing, maintaining and improving the fire protection services, compliant with the Government Code Sections 66000 through 66009 of the Mitigation Fee Act. Fees collected are restricted to be spent or committed within 5 years, or be subject to reimbursement pursuant to Government Code Sections 66001 (d) and (e).

### **Fund 570**

Police Facility Fees - Development impact fees collected for the purpose of constructing or improving police facilities are accounted for in this fund.

Source of Revenue:

1. Police Facility Fees – Fees are collected at building permit issuance for the construction and improvement of police facilities attributable to new residential and non-residential development projects.
2. Interest on Investments – Interest earnings are allocated monthly based on cash balance of this fund at the end of the month.

Restrictions on Revenue – The funds are restricted by Section 66000 et seq. of the Government Code (the Mitigation Act) to be disbursed only on new Police facilities or expansion of current facilities to serve new development. Fees collected are required to be spent or committed within 5 years, or be subject to reimbursement pursuant to Government Code Sections 66001 (d) and (e).

### **Fund 580**

Library Facility Fees – Development impact fees collected for the purpose of constructing or improving library facilities are accounted for in this fund.

Source of Revenue:

1. Library Impact Fees – Fees are collected at the issuance of building permits for the need of new library facilities and other capital acquisition costs required by new residential development projects only. Fees are calculated based on density classification (dwelling units/gross acre).
2. Interest on Investments – Interest earnings are allocated monthly based on cash balance of this fund at the end of the month.

Restrictions on Revenue – Impact fee revenue must be spent on new library facilities or expansion of current facilities for new residential development in accordance with the Mitigation Fee Act (commencing with Section 66000 of the Government Code). All unexpended or uncommitted fees which have been on deposit over five years are subject to refunds to the current owners of the development projects for which the fees were paid.

### **Fund 600**

Water Utility Operations – Revenues and expenses related to the operation and improvements of the water utility operation are accounted for in this fund.

Source of Revenue:

1. Water Services – Water consumption charge and service capacity charge are collected from customers.
2. Elevation Pumping Charge – This fee is charged to the residents living in higher elevations to recover a portion of the cost of pumping water to elevated zones.
3. Water Fire Service Charge – Customers with a private fire service connection are charged for water system fire flow capacity and maintenance.

4. Water Sales – Agricultural, Construction, and Materials  
– Revenue received for water consumption from nurseries (agricultural), construction water usage, and materials used for new service installations.
5. Water Frontage Charges – Fees are collected for water main connections.
6. Water Connection Fees – This fee is charged for water connection in new development.
7. Development Related Services – Revenue received related to project review, plan check and/or inspection of a developing/redeveloping property on water services requested by a customer.
8. Establishment Fee – This fee is assessed for initiating water services.
9. Plan Check Fees – Plan check and inspection fees for small scale projects.
10. Rental of Construction Meters – Rental revenue for construction meters.
11. Other Water Fees – Fees are charged to recover labor and material costs for new service installations.
12. Water Delinquent Penalty – Penalty charge on unpaid balance for services rendered.
13. Water Penalties – Penalty fee for water reconnection.
14. Cell Phone Tower Rent – Lease revenue for a portion of water facility property to allow a telecommunication company to gain access to a wireless facility.
15. Interest on Investments – Interest earnings are allocated monthly based on cash balance of this fund at the end of the month.
16. Other Revenue – Includes expense reimbursements, damage to City property, and bids from contractors.

Restrictions on Revenue – Revenues generated in the Water fund are to be used to fund the maintenance and operation of the City’s water system as governed by Proposition 218.

### **Fund 601**

Sewer - Sewer development fees collected to fund the construction of sewer mains needed as a result of new development are accounted for in this fund.

Source of Revenue:

1. Sewer Capital – Sewer infrastructure fees are collected to fund sewer replacement and rehabilitation through City identified capital projects that are necessary to replace and upgrade the sewer system.
2. Frontage Charges – Charges for sewer connection at the frontage of new developments.
3. Interest on Investments – Interest earnings are allocated monthly based on cash balance of this fund at the end of the month.

Restrictions on Revenue - Proposition 218 in the California Constitution Article 13D states that revenues derived by the charge cannot be used for any other purpose other than that for which the charge was imposed for sewer capital. Other funds are restricted by administrative action to be utilized only for sewer construction.

### **Fund 790**

Computer Replacement - Purchases of computer equipment are accounted for in this fund.

Source of revenue:

1. Charges to Budgeted Funds - An allocation is made to all non-general fund programs.

Transfers from the general fund to the internal service funds are made to fund the operations when appropriate.

Restrictions on Revenue - Revenues in the internal service funds are restricted by administrative action to cover only expenditures for these funds.

### **Fund 954**

City Transfer of Bond Funds from Former Redevelopment Agency – The proceeds from the issuance of tax-exempt bonds or notes pledged by tax increment revenues of the combined project area are accounted for in these funds.

Source of revenue:

1. Interest on Investments – Interest earnings are allocated monthly based on the remaining cash balance of these funds at the end of the month.

Restrictions on Revenue – Funds can be utilized only for capital expenditures restricted to “public purpose” activities as defined by California Redevelopment Law.