

DEFINITION OF REVENUE SOURCES

GENERAL FUND

PROPERTY TAX: The valuation of property in the City is determined by the Los Angeles County Tax Assessor, except for Public Utility property, which is assessed by the State Board of Equalization. As defined by Article XIII A of the California Constitution (commonly known as "Proposition 13"), assessed values are stated at 100% of full cash value. The County levies a base tax of \$1 per \$100 of assessed valuation (subject to annual growth limitations of 2%). El Segundo's share of the \$1 is approximately 6.5%.

SALES & USE TAX: In accordance with the California Revenue & Taxation Code and the Bradley-Burns Uniform Local Sales Use Tax Law of 1955, the State of California imposes a 8.25% Sales & Use Tax on taxable sales in the City. The City receives 1% of the levy with the remaining funds being shared by the State, County and Transportation District.

FRANCHISE TAX: The City imposes fees on gas, electric, and cable television companies for the privilege of using City streets and pipelines.

TRANSIENT OCCUPANCY TAX: The El Segundo Municipal Code authorizes the City to levy a tax for the privilege of occupying lodgings on a transient basis. The current rate is 8%, which was decreased from 10% on April 9, 1996.

REAL PROPERTY TRANSFER TAX: The El Segundo Municipal Code Section 3.5.2 authorizes the imposition of a transfer tax, on real property sold within the City, at the rate of \$0.27 per \$500 of purchase price in excess of \$100.

UTILITY USER TAX: In FY1988/89, a commercial/industrial Utility User Tax was imposed on the charges made for electricity, gas, water and cogenerated electricity usage. The current rate for this charge is 3%. In FY1989/90, a Utility User Tax was imposed on telephone charges at the rate of 2%.

BUSINESS LICENSE FEES: Title 4 of the El Segundo Municipal Code requires a Business License as a prerequisite for conducting businesses, trades or professions in the City. The Code further imposes an annual License Fee for the privilege of conducting such businesses at differing rates among several general classifications (i.e., base fee, number of employees, square footage, acreage, and additional locations).

ANIMAL LICENSES: The Police Department Animal Control division issue Animal licenses for an average fee of \$25.00.

BUILDING, PLUMBING & ELECTRICAL PERMITS: The Planning and Building Safety Department issues building, plumbing and electrical permits for construction of residential and commercial/industrial structures to ensure Code compliance.

STREET & OVERLOAD VEHICLE PERMITS: Street excavation, encroachment and overload permits are issued by Public Works to permit work within the public right-of-way and to permit movement of oversize and overload vehicles over city streets.

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FINES & FORFEITURES: The California Vehicle Code and the El Segundo Municipal Code mandate and/or allow for the imposition of civil penalties for parking violations. These penalties are collected by the City. Fines assessed for moving violations of the California Vehicle Code and non-parking violations of the El Segundo Municipal Code are collected by the Los Angeles County Municipal Court and partially remitted to the City. The City's towing service collects fines for police impound and towing charges. Per Resolution 3911, approved on April 1, 1995, library fines are charged for overdue and damaged books and materials.

INTEREST ON INVESTMENTS: Earnings from the prudent investment of idle funds are a major source of revenue for the City. The City pools its available cash and invests in various instruments allowed under the City's Investment Policy, which is governed by State law. Earnings are allocated to various funds on the basis of proportionate cash balances.

PROPERTY RENTALS: Fees are charged for the use of City property (i.e., public streets, parks and bus shelter advertising). The City also has various lease agreements which are generally handled by Public Works.

MOTOR VEHICLE IN LIEU: Pursuant to Section 11005 of the Revenue and Taxation Code, the City receives a portion of the Motor Vehicle License Fees collected by the State of California Department of Motor Vehicles.

CHARGES FOR SERVICES: Fees are charged by several City Departments for a variety of public services as described below:

Planning and Building Safety - Fees are collected for services such as zoning and planning, plan checks, plan retention, environmental assessment, energy plan checks and other planning services.

Public Works - Fees collected for this department include charges for public works services and wastewater fees for usage, connection and permits.

Library - The El Segundo Public Library collects fees for a host of services which include lost and damaged books, non-resident library cards, use of computer facilities and use of meeting rooms.

Recreation and Parks - Swim fees, ID cards, room and picnic reservations are a few of the service fees collected by this department.

Police - Police department fees are charged for filming detail, false alarms, fingerprinting and the Court Commitment Program.

Fire - The El Segundo Municipal Code authorizes several fire department fees such as special fire services, hazardous materials inspections and responses, annual fire and fire permit inspections, fire protection equipment, high rise building inspections and non-resident paramedic transportation.

OTHER REVENUES: These include reimbursements for self-insurance, SB-90, and property damage; sales of surplus property; refunds; election revenues; and administrative fees from the Water Fund.

FUND TRANSFERS: These are funds transferred from the Traffic Safety Fund and the State Gas Tax Fund to cover general fund expenditures for street maintenance and repair.

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TRAFFIC SAFETY FUND

The City receives a portion of Vehicle Code violation fines and penalties collected by the Los Angeles County Municipal Court. By State law, this money must be used for traffic safety related expenditures including traffic enforcement and capital projects.

STATE GAS TAX FUND

The City is allocated a share of revenues derived from the State Highway Users Tax Account Sections 2105, 2106, 2107 and 2107.5.

ASSET FORFEITURE FUND

The El Segundo Police Department receives funds from assets seized in criminal activities. These funds must be used for Federal and State mandated and approved police expenditures.

MEASURE "R" FUND

A one-half cent Sales Tax was approved by the voters of Los Angeles County to be utilized for local transportation needs. These revenues are received by the State and a portion is funneled to the City through the Los Angeles County Metropolitan Transportation Authority. The City of El Segundo uses these funds for street improvements.

COMMUNITY DEVELOPMENT BLOCK GRANT (C.D.B.G.) FUND

These Federal and State monies, administered by the Planning and Building Safety Department, are received to fund eligible senior activities such as in-home care, art classes, counseling and home delivered meals.

PROP "A" TRANSPORTATION FUND

A one-half cent Sales Tax was approved by the voters of Los Angeles County to be utilized for local transit purposes. These revenues are received by the State and a portion is funneled to the City through the Los Angeles County Transportation Commission. The City of El Segundo uses these funds to participate in CTIP/MAX, a regional commuter service and to provide Dial-A-Ride, beach shuttles, and various other transportation services.

PROP "C" TRANSPORTATION FUND

A one-half cent sales tax for transit was approved by the voters in November, 1990. Collection of the tax began in April 1991. The proceeds of the one-half cent sales tax are to be used to improve transit service and operations, reduce traffic congestion, improve air quality, efficiently operate and improve the condition of the streets and freeways utilized by public transit and reduce foreign fuel dependence.

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AIR POLLUTION REDUCTION FUND

This fund is used to support the South Coast Air Quality Management District's (SCAQMD) imposition of an additional vehicle registration fee and to receive fee revenues for implementing programs to reduce air pollution from motor vehicles.

HOME SOUND INSULATION FUND

The City of El Segundo receives grant funds from the Federal Aviation Administration (FAA) and the City of Los Angeles' Department of Airports (LADOA). These funds are used to provide acoustical treatment of homes in El Segundo that are within the extreme airport noise impact zone, in order to create a better sound environment inside the home.

HYPERION MITIGATION FUND

These monies are the result of an agreement between the City of Los Angeles and the City of El Segundo. The agreement states that the Cities of Los Angeles and El Segundo will deposit \$138,150 and \$38,150 (adjusted annually for inflation), respectively, into this fund each year. The purpose of this agreement is to pay for the costs of the City's Hyperion Mitigation Monitoring program.

TDA ARTICLE 3 - SB821 FUND

These funds are Transportation Development Act Article 3 monies that the City receives and are to be used specifically for construction or repair of bikeways, sidewalks, or handicapped accesses.

C.O.P.S./SLESF FUND

The C.O.P.S./SLESF Fund accounts for State funding under the Citizens Option for Public Safety Program for local crime prevention and community-oriented policing.

FEDERAL GRANTS FUND

The Federal Grants Fund accounts for revenues and expenditures of each Federal grant awarded to the City.

STATE GRANT FUNDS

The State Grants Fund accounts for revenues and expenditures of each State grant awarded to the City.

CAPITAL IMPROVEMENT PROGRAM (C.I.P.) FUND

Monies are transferred from various funds to this fund for City capital improvement projects approved by the City Council.

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INFRASTRUCTURE REPLACEMENT FUND

This fund was established in FY1995/96 to accumulate funds to replace the City's aging infrastructure system and fund other City infrastructure capital improvements. The General Fund transfers monies to this fund for the ongoing maintenance and upgrading of City infrastructure as approved by the City Council.

FACILITIES MAINTENANCE FUND

The General Fund transfers monies to this fund for on going maintenance and upgrading government buildings and facilities.

WATERWORKS FUND

The City, through an agreement with the West Basin Metropolitan Water District (WBMWD), distributes water to all businesses and residents. Water rates are based on the purchase price from WBMWD, operating costs and system improvements. Yearly leasing fees are collected from the West Basin for the purchase of 953 acre fee of water. Fees are also collected for meter installations, fire hydrant repairs, water meter inspections, late payments and other services.

SEWER FUND

The City of El Segundo provides sewer collection service to all areas within the City. Revenues collected from sewer service pay for the operation and maintenance of the sewer system, as well as replacement of facilities. Sewer charges vary throughout the City and are primarily based on usage.

GOLF COURSE FUND

The recently renovated driving range resumed operations on April 15, 1994 and the new nine-hole golf course opened on June 25, 1994. Revenues collected at "The Lakes at El Segundo" golf facilities are used for repayment of the Certificates of Participation issued to finance the construction and for the ongoing maintenance and operation of the facilities.

EQUIPMENT REPLACEMENT FUND

This fund has two revenue sources: proceeds from the sale of surplus equipment and charges to City departments. These revenues are used for the replacement of office furniture and equipment, vehicles, and other capital equipment.

LIABILITY INSURANCE FUND

The expenditures for liability insurance are funded by charges to City departments, based on their respective share of personnel costs.

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WORKERS' COMPENSATION FUND

Costs of workers' compensation insurance and claims are paid for by charges to City departments, based on their respective share of personnel costs.

OUTSIDE SERVICES TRUST FUND

Each year the State appropriates monies to the Public Library Fund (PLF) to be distributed to public libraries on a per capita basis for public library operations. This allocation is mandated to be used to supplement, not supplant, the local library budgets and may be expended for personnel, supplies and services, and/or capital outlay items as determined by the local jurisdiction. The California Library Services Act (CLSA) became law in 1977. It provides for transaction-based reimbursements to public libraries for direct loans to non-resident borrowers, for interlibrary loans to other public libraries, and for cataloging titles into the California Statewide Database, contained in the On-Line Computer Library Center (OCLC) bibliographic utility. The State Library sets the transaction reimbursement costs on an annual basis.

SPECIAL DEPOSITS – DEVELOPER FEES FUND

The Special Deposits Fund accounts for developer fees received and used to finance specific Capital improvement projects.