

The City's General Operating Fund

Have you ever wondered where the City gets its money and how much it costs for the services we all enjoy? The illustrations and explanations below explain the City's General Operating Fund and the sources that pay for the day-to-day services provided to our community.

Revenue: \$34,377,032

Where Our Money Comes From

Sales Tax



\$12,060,000

Property & Other Taxes



\$11,041,000

Government Agencies



\$4,170,000

Permits, Fines & Fees



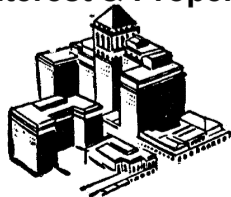
\$3,013,032

Interfund Transfers



\$1,912,000

Interest & Property



\$2,181,000

Sales Tax

The City's share of sales tax is equal to 1% of the total taxable sales generated within the City (or 1% of 7.75% local sales tax rate).

Property & Other Taxes

Taxes are levied for both real and personal property. Real property is immobile and includes land, natural resources and fixed improvements to the land. Personal property is mobile and includes tangible property, such as equipment, inventory, water and air craft. Other taxes include:

Business Tax—a requirement for all businesses conducting business within the City limits.

Franchise Tax—a contractual or exclusive right-of-way fee paid by power, gas, rubbish and cable television companies.

Transient Occupancy Tax—a local tax imposed for hotel/motel occupancy of less than thirty days in duration.

Government Agencies

Revenues collected by one Governmental Agency and apportioned to others. The majority of this revenue category represents the City's share of Motor Vehicle License Fees.

Permits, Fines & Fees

Certain City services and activities, such as local community service programs, issuance of planning and building permits, and fire inspections are paid by the individuals who benefit from the services rather than by the community as a whole. Fines for municipal code violations are also included in this category.

Interfund Transfers

Amounts received from other funds for services provided or activities that are co-funded but accounted for as a single project.

Interest & Property

Investment income and rental of City buildings and facilities.

Police



\$13,760,904

Police

Police respond to each 911 call promptly and patrol units blanket the community to ensure a safe, crime-free environment. The Investigations Bureau not only solves crimes, but also identifies criminal activity trends. A crime prevention program and community volunteers also make Fountain Valley "A Nice Place to Live".

Fire & Building

Medical emergencies account for approximately 80% of the emergency response calls in Fountain Valley. Additional activities include disaster preparedness and fire prevention. Inspections and permits for all building activities are also handled by this department.

Fire & Building



\$9,159,774

Public Works

Every street driven, every acre of park where children play, every sidewalk strolled, all sewer and storm drains that flow, and every median, sign and public building is maintained by the various divisions of the Public Works Department.

Public Works



\$6,682,367

Administration

Direction is set and City operations are kept in motion with the people, supplies and equipment provided by the administrative arm of the City. They are responsible for keeping records, providing legal direction, elections, creating the Budget and managing the money. The public has the opportunity to be involved in government through their Council and Administration.

Administration



\$3,158,452

Community Services

Community Services

Community Services creates "Community through people, parks and programs." The division's mission is to provide recreational experiences, programs and services for all ages that promote a strong and healthy community.



\$1,600,064

Classes, sports, special events and senior activities are available for every member of the community. Families can spend a pleasant summer evening together at a concert in the park, or enjoy swim programs, baseball, basketball, soccer and tennis for all levels.





Did You Know...

- Fountain Valley was once known as "Gospel Swamp" because of the many evangelistic meetings held in tents near the marshy vegetation of the Santa Ana River?
- Mile Square Park was created during World War II by the military for use as an landing strip for aircraft training?
- When the early settlers dug wells for irrigation, the water spurted up like a fountain, inspiring the City's name?
- In order to avoid annexation with Santa Ana or Garden Grove, local voters incorporated the City of Fountain Valley on June 13, 1957?
- The first City Post Office was opened in 1899 as the "Talbert Post Office"?
- Fountain Valley was the 21st City to incorporate in Orange County?
- The Fountain Valley School District had its first graduating class in 1903?
- Fountain Valley is the first master planned community in Orange County?



Fountain Valley Then and Now

1957

Population - 597
 Median Home Price - \$12,800 (HB/FV)
 Median Rent - \$72/month (HB/FV)
 Number of Public Schools - 1
 O.C. Per Capita Income - \$8,849 (1958)
 Top Pop Song – Elvis Presley "All Shook Up"
 Best Picture Oscar "The Bridge on the River Kwai"



2007

Population - 57,978
 Median Home Price - \$611,000 (HB/FV)
 Median Rent - \$1,458/month (HB/FV)
 Number of Public Schools - 12
 O.C. Per Capita Income - \$29,527 (2004)
 Top Pop Song – Hurricane Chris "A Bay Bay"
 Best Picture Oscar ('06) "The Departed"



Message from Fountain Valley City Manager Ray Kromer

The City of Fountain Valley continues to enjoy the festivities of our yearlong 50th Anniversary celebration. When the fireworks extravaganza shoots its finale, it will bring down the curtain of the first 50 years of rapid development and land-use transition. The next day begins our next 50 years with the complete renovation and expansion of the jewel of our community, Mile Square Park. Just like the park, our City as a whole needs to meet the demands of future generations.

We are now completing the Water System Master Plan to accomplish the City's goal of maintaining a safe and reliable water delivery system. Costs are always a concern but more so when developing a long-term capital replacement and improvement program. This is in tandem with the challenges of outside influences of water agencies' rates and changes in reliability of their water delivery challenges.

IRWD ANNEXATIONS

The City has been vigilant in pursuing a fair and equitable course of action with the Orange County Water District as it relates to annexation of additional territory. This is a major policy substantially impacting the cost of water and possibly the amount of available water. We currently have one of the lowest costs in the county, and combined with the fact we have no utility tax is a good marketing tool to businesses relocating to our City.

TRAFFIC AND CIRCULATION

We are always in the top tier of cities receiving Measure M funds for street and signal improvements. This effort is reflected in the excellent streets we have throughout our community. We are aware Fountain Valley has a large volume of traffic passing through as people commute north/south and east/west,

and it is a necessity to have high-quality streets.

The I-405 Freeway, which bisects the City, presents challenges and also opportunities. The 405 is almost at gridlock during peak rush hours. This causes a large volume of vehicles to use our parallel surface streets, which in turn impacts our east/west circulation. To address this, we struck a deal with the OCTA and neighboring cities for an alternative to the construction of the Garfield/Gisler Bridge.

While congestion impacts the City, the 300,000 plus vehicles a day on the I-405 affords us the opportunity of business development in this corridor. Opportunities for redevelopment of industrial buildings along the I-405 are stimulating a change to retail. We need to help this transformation along. Opportunities for mixed use along the Santa Ana River, adjacent to the I-405, need to be evaluated to create an economic growth for the property owners and the City.

OLDER SHOPPING CENTERS

The issue for most of these properties is long-term owners who do not need to improve properties to be financially successful. We need to provide land-use incentives and create more viable retail markets through land density, mixed use, etc.

GOALS

Preserve our neighborhoods. The number one goal of our City is to maintain "A Nice Place to Live" by continuing the high level of City service. The delicate balance is to match the rising cost of service with our revenue sources. For example, the cost of public safety (police and fire) grows at a faster pace than our two major revenue sources, property tax and sales tax. Public safety represents 67% of

our expenses, roughly \$23M, while property and sales tax is 60% of our revenues at \$20 million.

Maintain a long-range vision. The City Council and staff have been very successful in having a long-term vision for the community. This is evident in the budget document with its 10-year forecast. It can be easily seen what the financial impact of a dollar spent today will have on the revenue/expenditure balance in future years. Fountain Valley has taken a very conservative approach to cost of services and burden on its taxpayers.

Improve and maintain the City's infrastructure. As noted, the next decade or two will see a major replacement/repair of sewer, water facilities and residential streets. We are positioning ourselves ahead of any major problems to our systems and large spikes in expenditures. This objective builds on goal #1, preserving our neighborhoods, and goal #2, long-term vision.

Continue to develop revenue sources. The interesting thing about Fountain Valley is we are a medium-size city in terms of population and budget. There are only a very few cities our size that provide full service, yet as a full-service city, we function and compete with the larger, full-service cities for resources and employees. We need to maximize our potential of the I-405 exposure, the redevelopment of our industrial area with high densities and land use mixes. We have been very successful over the last 50 years in developing a vibrant community, residentially and commercially.

Our long-range vision for the City of Fountain Valley and adaptability will serve our community well as we venture into our next 50 years.



We welcome your questions and comments. Please contact the Finance Department at City Hall (714) 593-4418.

