
CITY
FUNDS

Enterprise Fund Expenditures

Enterprise Funds account for specific services that are funded directly through user fees. Examples of these funds include Water, Metropolitan Wastewater, Development Services, Refuse Disposal and Recycling. Typically these funds are intended to be fully self-supporting and are not subsidized by the General Fund. The Annual Fiscal Year 2005 Budget for Enterprise Funds is \$770.9 million.

Development Services

The Annual Fiscal Year 2005 Enterprise Fund Budget includes a net increase of \$3.5 million and a total reduction of 1.03 positions, for a total budget of \$59.2 million. The increase is primarily due to negotiated salary increases and increased retirement system contributions.

The unallocated fund balance is projected to be \$5,868,022 by the end of Fiscal Year 2005, which represents 4.3 percent of expenses. It is Development Services' goal to maintain an unallocated fund balance of no less than three percent of operating expenses and to build the balance to a level of seven percent of operating expenses. As part of Development Services' multi-year fee proposal approved by City Council in May 2003, the third of three annual fee increases of 4.9 percent for all Development Services' fees will be effective on May 2, 2005. The Development Services Enterprise Fund is established as a cost recovery fee for services budget.

In Fiscal Year 2004, total building valuation increased by two percent, total number of permits decreased by 11 percent, including permits related to the October 2003 cedar Fire, and the total number of dwelling units permitted was 23 percent lower compared to Fiscal Year 2003. The total building valuation for Fiscal Year 2004 was 63 percent residential and 37 percent commercial. It is anticipated that workload will remain steady in Fiscal Year 2005.

Environmental Services – Refuse Disposal and Recycling

The Environmental Services Department's Annual Fiscal Year 2005 Enterprise Fund budgets include a net increase of approximately \$3.1 million and a net decrease of 1.29 positions. The Annual Fiscal Year 2005 Budget for the Refuse Disposal Fund (\$34.0 million) and Recycling Fund (\$23.3 million) increased by \$1.3 million and \$1.8 million, respectively, primarily due to negotiated salary increases, and increased retirement system contributions, workers' compensation costs, and vehicle costs. The Environmental Services Department also maintains the Refuse Disposal Landfill Closure Fund. At the close of Fiscal Year 2003, the unaudited fund balance was estimated at \$25.2 million. This fund is required by State law and accumulates interest earnings and annual contributions from the Refuse Disposal Fund to ensure adequate monies will be available to close Miramar Landfill at the end of its life and finance required post-closure maintenance and monitoring activities. The Recycling Fund supports curbside collection of recyclables and greenery and household hazardous waste programs with revenue generated by California State Assembly Bill 939 (AB 939) Fee. This fee is authorized by State law, which also limits its use to these programs. Waste generated by the Navy and community events is exempt from AB 939 fees. These fees are collected from customers on the remaining waste generated in the City of San Diego's jurisdiction and disposed of at the Miramar Landfill, with franchised haulers remitting payment of AB 939 and franchise fees quarterly on waste generated in the City of San Diego's jurisdiction regardless of the location of disposal. Recycling Program employees lead the City's efforts to achieve the State mandated 50 percent diversion of waste from landfill disposal.

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Metropolitan Wastewater

In the early 1990's, the Metropolitan Wastewater Department (MWWD) was created to focus on the operation, maintenance, repair, upgrade and expansion of the Metropolitan Sewerage System (interceptors, treatment plants and outfalls). Subsequently, the Department was assigned operational responsibility for the Municipal system as well. As the Department neared the completion of the major Metropolitan system upgrades, the capital improvement effort shifted to the Municipal System, which consists of nearly 3,000 miles of pipeline and 83 pump stations. Based on the recommendations contained in an optimization study, MWWD developed what is referred to as the "Accelerated Program", with the goal of reducing sewer spills from 10.3 to 6.6 spills per 100 miles of sewer pipelines by the end of Fiscal Year 2007. The Accelerated Program includes acceleration of both pipeline condition assessment and the rehabilitation and replacement of deteriorated pipelines from the current 15 to 20 miles per year to 45 miles per year and addresses both operations and maintenance and capital improvement needs. The program also includes accelerated cleaning of the entire sewer system by December 2004.

The Metropolitan Wastewater Department's Annual Fiscal Year 2005 Budget totals \$493.6 million. This includes a net operating budget reduction of \$6.1 million and 9.36 positions including reserves and debt service. The Department's Capital Improvement Program is increasing by \$34.6 million which is mainly attributable to the continuing rehabilitation and replacement of deteriorated pipelines in the Municipal Sewerage System.

Significant operating budget changes are as follows:

Personnel Expense Adjustments	\$6.1 million
Non Right-of-Way Main Cleaning	\$1.2 million
Main Repair and Stoppage Removal	(\$ 0.8 million)
Hale Avenue Resource Recovery Facility	(\$ 0.5 million)
Equipment Maintenance Plan	(\$ 0.5 million)
Unallocated Reserve	(\$ 1.0 million)
Machine Parts	(\$ 1.4 million)
Citywide General Ledger Support	(\$ 2.0 million)
<u>Closed Circuit Televising (CCTV)</u>	<u>(\$ 7.2 million)</u>
Total	(\$ 6.1 million)

As a requirement of issuing sewer revenue bonds, MWWD maintains over \$30 million in reserves, with \$26.4 million allocated to the 45-day operating reserve and \$5 million for the Capital Improvement Program (CIP) Bond Issuance Reserve. The 45-day operating reserve can only be used for emergency operating expenses and must be replenished immediately. The CIP reserve is used to fund emergency capital requirements and must not impair the City's ability to meet debt service requirements. The Unallocated Reserve totals \$3.3 million and may be used to fund both operating and capital project needs within the Sewer Fund. Excluding the 45-day Operating Reserve and the Unallocated Reserve, the Metropolitan Wastewater Department's Annual Fiscal Year 2005 final operating budget totals \$301.1 million, which includes \$22.1 million for contractual services with City Forces, \$82.6 million in debt service requirements, and \$3.4 million in General Governmental Services, bringing the adjusted operating budget for Fiscal Year 2005 to \$202.4 million, which is within the parameters of the City Council approved October 2001 Sewer Rate Case.

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Water

The Water Department's Annual Fiscal Year 2005 Budget of \$358,615,934 represents an increase of \$214,574 over the Annual Fiscal Year 2004 budget of \$358,401,360. The final budget was developed to conform to the Water Department's finance plan, while maintaining current service levels. Significant budget reductions total approximately \$13.2 million, which include:

Capital Improvements Program	(\$ 9.9 million)
Non Personnel cost reductions to comply with Financing Plan	(\$ 1.6 million)
Monthly Billing Project Initiation	(\$ 0.5 million)
Information Technology Support	(\$ 0.3 million)
Revised IT Inventory Rates	(\$ 0.6 million)
<u>Personnel Reductions</u>	<u>(\$ 0.3 million)</u>
Total	(\$13.2 million)

Additionally, the Water Department's Annual Fiscal Year 2005 Budget reflects increases totaling \$13.4 million, which include:

Personnel Expense Adjustments	\$ 6.0 million
Water Purchases	\$ 2.0 million
Street Restorations	\$ 1.5 million
Reserve Requirements	\$ 1.1 million
Chollas Heights Reservoir – Reclaimed Water Storage	\$ 0.8 million
Non-Discretionary Cost Increases (insurance, utilities, rent etc.)	\$ 0.7 million
Water Reuse Study	\$ 0.7 million
Water Master Plan Development	\$ 0.2 million
State Revolving Loan Interest Payment	\$ 0.1 million
<u>Other Program Additions</u>	<u>\$ 0.3 million</u>
Total	\$13.4 million

The Water Department's Annual Fiscal Year 2005 Budget includes a reduction of 2.87 positions.

The Water Department's budget is based on water rate increases of six percent per year for five consecutive years that began July 1, 2002. These increases were necessary to continue the Water Department's Capital Improvement Program project schedule approved by the Mayor and City Council and support the ongoing operations and maintenance activities. In October 2002, the Water Department issued additional water revenue bonds of \$286 million to continue this program. As a requirement of issuing water revenue bonds, the Water Department maintains over \$22 million in reserves, of which \$17 million is allocated to the 45-day operating reserve and \$5 million for the Capital Improvement Program (CIP) Bond Issuance Reserve. The 45-day operating reserve can only be used for emergency operating expenses and must be replenished immediately. The CIP Reserve is intended to provide for emergency capital needs in the event of the catastrophic failure of a major capital facility. Use of these funds would require Mayor and City Council action.

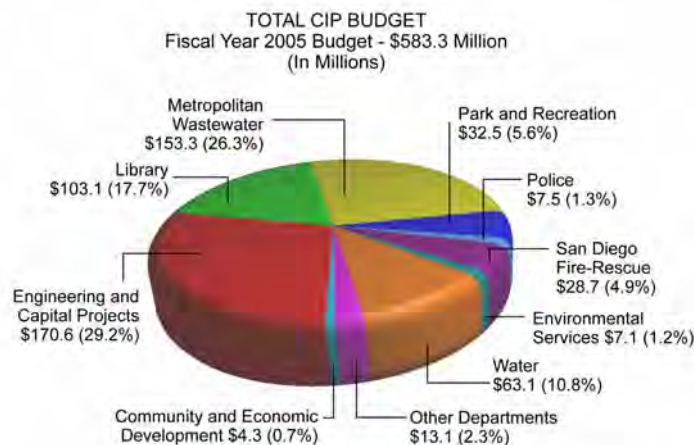
City Funds

Additionally, the Unallocated Reserve totals \$2.5 million and is intended to provide for unanticipated operations and CIP needs that arise during the year with approval from the Mayor and City Council. The Water Department also maintains a Secondary Purchase Reserve of \$6.5 million, which is intended as an emergency reserve for the purchase of water in the event of a drought or other emergency that disrupts the normal supply of water.

Excluding the 45-day Operating Reserve and the Unallocated Reserve, the Annual Fiscal Year 2005 Water Department operating budget totals \$281,338,866, which includes \$6.3 million for contractual services with City forces, \$34.9 million in debt service requirements, and \$3.4 million in General Government Services, bringing the adjusted operating budgeted to \$236.7 million which is within the parameters of the Mayor and City Council approved Water Rate Case. The adjusted operating budget does not include funding of \$57,563,517 allocated to the Capital Improvements Program.

Capital Improvements Program

The Capital Improvements Program (CIP) Budget supports construction projects such as the development of parkland, the construction of a sewer pump plant, the acquisition of land for City use, the installation of a traffic signal and street lighting system, or the construction or remodeling of a City facility. These monies are derived from sources such as sewer and water fees, a half-cent local sales tax for transportation improvements (TransNet), development impact fees, State and federal grants, and/or the issuance of bonds.



The Annual Fiscal Year 2005 Capital Improvements Program (CIP) Budget totals \$583.3 million, which represents an increase of \$115.7 million or 24.8% from the Annual Fiscal Year 2004 Capital Improvements Program Budget of \$467.6 million. Decreases occurred in the Community & Economic Development and Water Capital Improvements Programs; as a result of restructuring, the divisions of the Transportation Department were absorbed into other departments, as were the associated CIP projects; and increases occurred in the Park and Recreation, Engineering and Capital Projects, San Diego Fire-Rescue, and Metropolitan Wastewater Capital Improvements Programs. Sewer and water projects comprise over 37% of the City's total CIP Budget.

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Several of the larger projects within the City's Capital Improvements Program are phase funded, which is a means whereby large projects may be budgeted, appropriated, and contracted for in an efficient manner that maximizes the City's use of available funds. This has allowed the City to better match revenue flows with actual expenditure plans.

The majority of the City's Capital Improvements Program projects include a component to meet the requirements for the Americans with Disabilities Act (ADA). ADA compliance requirements are included in several projects such as water and sewer pipeline replacements, pump stations, street resurfacing, architectural barrier removal (such as curb cuts), sidewalk improvements, and tot lots.

The major CIP components are summarized as follows:

Summary of the Capital Improvements Program by Department

	Annual Fiscal Year 2004 Budget	Annual Fiscal Year 2005 Budget	Change Between Fiscal Year 2004-2005	Fiscal Year 2005 Percent of Total
Community and Economic Development	\$ 7,018,794	\$ 4,303,380	\$ (2,715,414)	0.74%
Development Services	\$ 179,400	\$ 60,000	\$ (119,400)	0.01%
Engineering and Capital Projects	\$ 38,250,782	\$ 170,545,990	\$ 132,295,208	29.24%
Environmental Services	\$ 5,663,000	\$ 7,080,000	\$ 1,417,000	1.21%
General Services	\$ 2,341,937	\$ 3,066,643	\$ 724,706	0.53%
Information Technology and Communications	\$ 1,900,000	\$ 9,000,000	\$ 7,100,000	1.54%
Library	\$ 90,117,453	\$ 103,124,344	\$ 13,006,891	17.68%
Metropolitan Wastewater	\$117,420,162	\$ 153,356,199	\$ 35,936,037	26.29%
Park and Recreation	\$ 15,611,000	\$ 32,471,784	\$ 16,860,784	5.57%
Planning	\$ 38,000	\$ -	\$ (38,000)	0.00%
Police	\$ 8,011,093	\$ 7,504,814	\$ (506,279)	1.29%
QUALCOMM Stadium	\$ 625,400	\$ 500,000	\$ (125,400)	0.09%
Real Estate Assets: Airports	\$ 490,000	\$ 490,000	\$ -	0.08%
San Diego Fire-Rescue	\$ 8,730,807	\$ 28,678,680	\$ 19,947,873	4.92%
Special Projects	\$ -	\$ -	\$ -	0.00%
Transportation	\$ 103,214,663	\$ -	\$ (103,214,663)	0.00%
Water	\$ 67,954,745	\$ 63,110,517	\$ (4,844,228)	10.81%
TOTAL	\$ 467,567,236	\$ 583,292,351	\$ 115,725,115	100.00%

City Funds

The Transportation Department and the Engineering and Capital Projects Department were restructured in Fiscal Year 2003. The changes to the departments became effective in Fiscal Year 2004. As a result of restructuring, most projects which were previously budgeted within the Transportation Department are now budgeted within the Engineering and Capital Projects Department, while those related to storm drains, streets and sidewalks are budgeted in the General Services Department CIP.

Highlights of the Annual Fiscal Year 2005 Capital Improvements Program budget are as follows for each department.

Community and Economic Development

The Annual Fiscal Year 2005 CIP budget for the Community and Economic Development Department is \$4.3 million, of which \$1.5 million is Parking Meter District One revenues for funding downtown parking projects and \$1.5 million is Community Development Block Grant funding for citywide architectural barrier removal.

Engineering and Capital Projects

The Annual Fiscal Year 2005 CIP budget for the Engineering and Capital Projects Department is \$170.5 million. The \$132 million increase from Fiscal Year 2004 to Fiscal Year 2005 can be attributed in large part to the transfer of multiple CIP projects from the Transportation Department. There is also a substantial increase in the Undergrounding of City Utilities project, which provides for underground conversion projects to augment the California Public Utilities Commission Rule 20A projects, as well as providing for the necessary administrative expenses, conversion of City-owned street lighting and resurfacing of roadways associated with the undergrounding of utilities. The \$64.5 million annual allocation is entirely funded by the Undergrounding Surcharge Fund. Other significant allocations include:

\$13.1 million in Facilities Benefit Assessments for the construction of the Camino Santa Fe and State Route 56 interchange

\$6.2 million in Surface Transportation Program funding for the construction of a four lane collector street from Sorrento Valley Road to Scranton Road

\$6.0 million in State grant funding for Balboa Avenue improvements

\$2.8 million in Highway Bridge Replacement/Repair funding for improvement to the First Avenue bridge over Maple Canyon

\$1.3 million in Facilities Benefit Assessments and donations for the construction of the central section of Del Sol Boulevard

Environmental Services

The Annual Fiscal Year 2005 CIP budget for the Environmental Services Department is \$7.1 million. Significant allocations include:

\$2.2 million funded by the Refuse Disposal Enterprise Fund for Phase II of the West Miramar Refuse Disposal Facility project

\$1.0 million funded by the Refuse Disposal Enterprise Fund for the Future Landfill and Transfer Facility project

\$500,000 funded by the Refuse Disposal Enterprise Fund for generation of up to one megawatt of power from solar photovoltaic panels at the South Chollas Landfill.

General Services

The Annual Fiscal Year 2005 CIP budget for the General Services Department is \$3.1 million. Significant allocations include \$1.3 million is Storm Drain Fund revenue for funding emergency drainage projects and \$1.3 million is allocated for street resurfacing and sidewalk repairs.

Library

The Annual Fiscal Year 2005 CIP budget for the Library Department is \$103.1 million, including anticipated State, federal, local, and private funding. The majority of the projects in the Library Department's CIP are part of the Mayor's 21st Century Library System/Library Department Facility Improvements Program, which is estimated at \$312.3 million, and includes funding from City bond proceeds, Redevelopment Agency contributions, Development Impact Fees and Facilities Benefit Assessment Fees, State and federal grants, City funds, and a variety of other grants and private donations.

Many of the projects included in the Library System Improvements Program have continuing appropriations of the interim funding that was advanced in order to meet the Library System funding needs prior to the first bond issuance scheduled to occur in June 2004. However, due to construction bids on two projects that far exceeded the estimates used to develop the financing plan, some of the interim funding has been reallocated. The following changes to project budgets were made as a result of Council action during Fiscal Year 2004:

City Council Resolution R-298894 authorized the transfer of \$500,000 in Library Interim Funds from CIP 35-088.0, San Carlos Branch Library Expansion, and \$250,000 from CIP 35-100.0, Ocean Beach Branch Library, for the purpose of funding the construction of CIP 35-087.0, Otay Mesa/Nestor Branch Library. Per the resolution, transferred funds are to be replenished when the first library bond issuance occurs.

In addition to the Library Interim Funds, City Council Resolution R-298894 also authorized the application for and acceptance of \$750,000 in Housing and Urban Development Section 108 loans for CIP 35-087.0, Otay Mesa/Nestor Branch Library.

City Funds

City Council Resolution R-298877 authorized the transfer of \$500,000 in Library Interim Funds from CIP 35-104.0, North Park Branch Library, and \$1,500,000 from CIP 35-106.0, Paradise Hills Branch Library, for the purpose of funding the construction of CIP 35-071.0, College Heights/Rolando Branch Library. Per the resolution, transferred funds are to be replenished when the first library bond issuance occurs.

Metropolitan Wastewater

The Annual Fiscal Year 2005 CIP budget for the Metropolitan Wastewater Department is \$153.8 million, funded by the Sewer Enterprise Fund. This amount includes several key allocations, including:

\$50.4 million for the annual allocation for sewer main replacements

\$11.3 million for the replacement and improvements at Lake Murray Trunk Sewer

\$8.4 million for Pipeline Rehabilitation in the right-of-way

\$3.2 million for the annual allocation for sewer pump stations restorations

\$2.6 million for the annual allocation for trunk sewer rehabilitations

\$1.4 million for the second phase of improvements to the Metropolitan Operations Center

In addition, \$37.7 million is planned for phase-funded contracts within existing projects. These contracts are not included in the Fiscal Year 2005 Annual CIP Budget, but are planned to be appropriated during Fiscal Year 2005 as part of the Metropolitan Wastewater Department's cash management process:

\$9.9 million for construction of various Sewer Main Replacements

\$9.7 million for upgrades at Point Loma Digester S1 and S2

\$8.8 million for construction at Otay Mesa Trunk Sewer

\$4.7 million for construction of the Carmel Valley Trunk Sewer east of Interstate 5

\$4.7 million for various sewer pump stations restorations

\$2.8 million for construction of Sewer Pump Station 45

\$1 million for a variety of other construction and design contracts

\$8.9 million for Sorrento Valley Trunk Sewer Relocation

\$36,000 for South Mission Valley Trunk Sewer

Park and Recreation

The Annual Fiscal Year 2005 CIP Budget for the Park and Recreation Department is \$32.5 million. Some of the projects to receive funding in Fiscal Year 2005 are:

\$4.15 million funded by Facilities Benefit Assessments for the Ocean View Hills Community Park

\$1.0 million funded by Facilities Benefit Assessments for the Del Mar Mesa Neighborhood Park number ten

\$2.0 million funded by Facilities Benefit Assessments for the Nobel Athletic Area development

\$3.1 million funded by Golf Course Enterprise Funds for the reconstruction of the North Course at Torrey Pines Golf Course

\$958,000 funded by the State and federal grants for a six-acre park at Park de la Cruz and 38th Street Canyon

Police

The Fiscal Year 2005 Proposed CIP budget for the Police Department is \$7.5 million, of which \$5.0 million is comprised of Police Decentralization funding, \$.7 million is Sorrento Hills Planned Urbanizing Area Development Impact Fees for the Northwestern Area station, and the remaining \$1.8 million is for the relocation of the Central Police Garage and Motorcycle shop.

Real Estate Assets

The Annual Fiscal Year 2005 CIP budget for the Real Estate Assets Department is \$490,000, funded entirely by the Airports Enterprise Fund, for improvements at Montgomery Field and Brown Field Airports.

San Diego Fire-Rescue

The Annual Fiscal Year 2005 CIP Budget for the Fire-Rescue Department is \$28.7 million, most of which is funded through the Fire and Lifeguard Facility Improvement Program. The City Council approved Ordinance O-19054 and Resolution R-296359 in April 2002, which authorized a joint financing plan for Fire and Lifeguard facilities. The total project cost of the Fire and Lifeguard Facility Improvement Program increased as a result of compliance with the Leadership in Energy Environmental Design (LEED) "Silver" standard, additional Americans with Disabilities Act (ADA) requirements, and other total project cost adjustments. These actions also authorized the use of bond proceeds to fund the Fire and Lifeguard Facility Improvement Program.

The cost of the Program is currently estimated at \$45.2 million, of which \$34.3 million is for Fire projects and \$10.9 million is for Lifeguard projects. However, for many of these projects, only planning and other preliminary activities have been performed to date. The total project cost for each Fire and Lifeguard facility will be set and the schedule for the design and construction will be established, once the full scope of work is finalized.

City Funds

Transportation

All CIP projects for the Transportation Department have been transferred to either the Engineering and Capital Projects or General Services Department as the result of restructuring.

Water

The Annual Fiscal Year 2005 CIP budget for the Water Department is \$63.1 million and is funded entirely by the Water Enterprise Fund. The following projects are programmed for Fiscal Year 2005:

\$15.0 million for replacing water mains Citywide

\$4.9 million for a reclaimed water pipeline system within the northern areas of the City

\$4.0 million for replacement of the Torrey Pines Road/La Jolla Boulevard Water Main

\$3.3 million for the replacement for the Rancho Bernardo Reservoir

In addition, \$64.4 million is planned for phase-funded contracts within existing projects. These contracts are not included in the proposed annual budget, but are planned to be appropriated during Fiscal Year 2005 as part of the Water Department's cash management process:

\$37.3 million for the Miramar Water Treatment Plant upgrade and expansion

\$10.8 million for Phase II of the Alvarado Water Treatment Plant upgrade and expansion

\$5.5 million for the Earl Thomas Reservoir at the Alvarado Water Treatment Plant

\$2.1 million for upgrades at the Otay Water Treatment Plant

Special Revenue Funds

Special Revenue Funds account for revenues that are received for specifically identified purposes. Some of the larger examples include TransNet, Gas Tax, and Special Promotional Programs. The Annual Fiscal Year 2005 Budget for Special Revenue Funds is \$299.2 million.

Gas Tax

The Annual Fiscal Year 2005 Gas Tax Budget is \$23.8 million and includes a net increase of \$287,321. Changes to the Annual Fiscal Year 2005 Budget include increases to departments for Gas Tax eligible services.

The Gas Tax Fund is a result of a combination of laws that tax the use of gasoline. The current total tax on fuel is \$0.18 per gallon. The City of San Diego's share of Gas Tax revenue is based on a formula that calculates vehicle registration, assessed valuation and population. The funding generated is used to perform citywide repairs and restoration to existing roadways, reduce congestion, improve safety and provide for the construction of needed facilities within the public rights-of-way.

TransNet

The Annual Fiscal Year 2005 TransNet Budget is \$51 million and includes a net decrease of \$7.5 million. Reductions to the Annual Fiscal Year 2005 Budget include a \$9.7 million reduction of Commercial Paper funded capital improvement projects.

On November 7, 1987, voters in the County of San Diego approved the San Diego Transportation Improvement Program (TransNet), which allowed for a half-cent increase in the local sales tax (Proposition A). The term of this program is for 20 years, ending in 2008. The City of San Diego's share of TransNet revenue is based on population and the number of local street and road miles maintained. The funds generated are used to perform Citywide transportation improvements such as the repair and restoration of existing roadways and construction of needed facilities within the public rights-of-way. Through a cooperative effort with the San Diego Association of Governments, the City of San Diego is able to manage the fund so that the most pressing transportation problems are solved. In November 2004, San Diego County voters approved a 40-year extension of the existing ½ cent sales tax for transportation improvements for the entire region. These additional monies will be used for highway, transit, and local road improvements throughout the region.

Special Promotional Programs

The Special Promotional Programs Fund is funded through the 10.5 percent Transient Occupancy Tax in the City of San Diego, in addition to sales tax. The funding is used to advance the City's economic health by promoting the City of San Diego as a visitor destination in the national and international marketplace; support programs that increase hotel occupancy and attract industry resulting in the generation of Transient Occupancy Tax and other revenue; develop, enhance and maintain visitor-related facilities and support the City's cultural amenities and natural attractions.

Debt Service Funds

Debt Service Funds are used for the payment of principal and interest on an obligation resulting from the issuance of bonds. The Annual Fiscal Year 2005 Budget includes \$11.5 million for Debt Service Funds for financing the cost of capital improvements and for maintenance of zoological exhibits in Balboa Park.

Tax Funds

Tax Funds contain monies that are borrowed from the sale of Tax Anticipation Notes on a short-term basis to meet the cash requirements of the City prior to the receipt of property taxes. Related costs are budgeted in the fund and are offset by interest earnings realized. The Annual Fiscal Year 2005 Budget includes \$1.6 million for Tax Funds.

Business Improvement District Funds

Business Improvement District Funds are established by City ordinance. Special assessments are levied upon business owners within a district with specifically defined boundaries. These assessments finance improvements within the district such as providing additional parking spaces for visitors to the district, making shopping areas more aesthetically pleasing, and scheduling recreational activities that promote the district.

City Funds

Maintenance Assessment District Funds

Maintenance Assessment District Funds are legal mechanisms by which property owners within a specified district can vote to assess themselves to pay for and receive special benefit services for the purpose of financing maintenance of open space, street medians, rights-of-way, and in some areas, mini-parks, street lighting, security, flood control, and drainage.