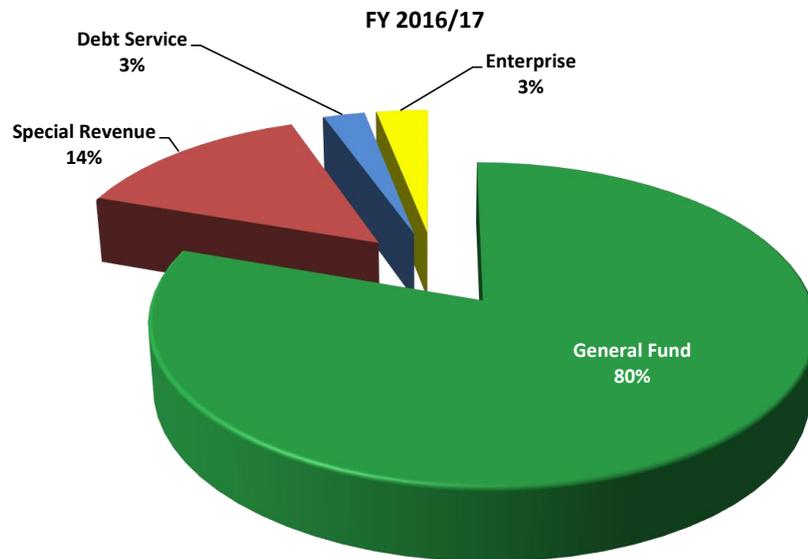
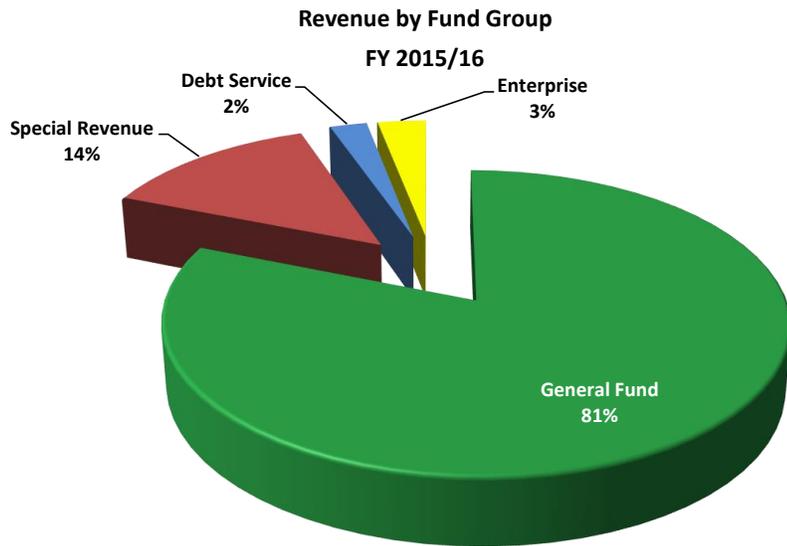




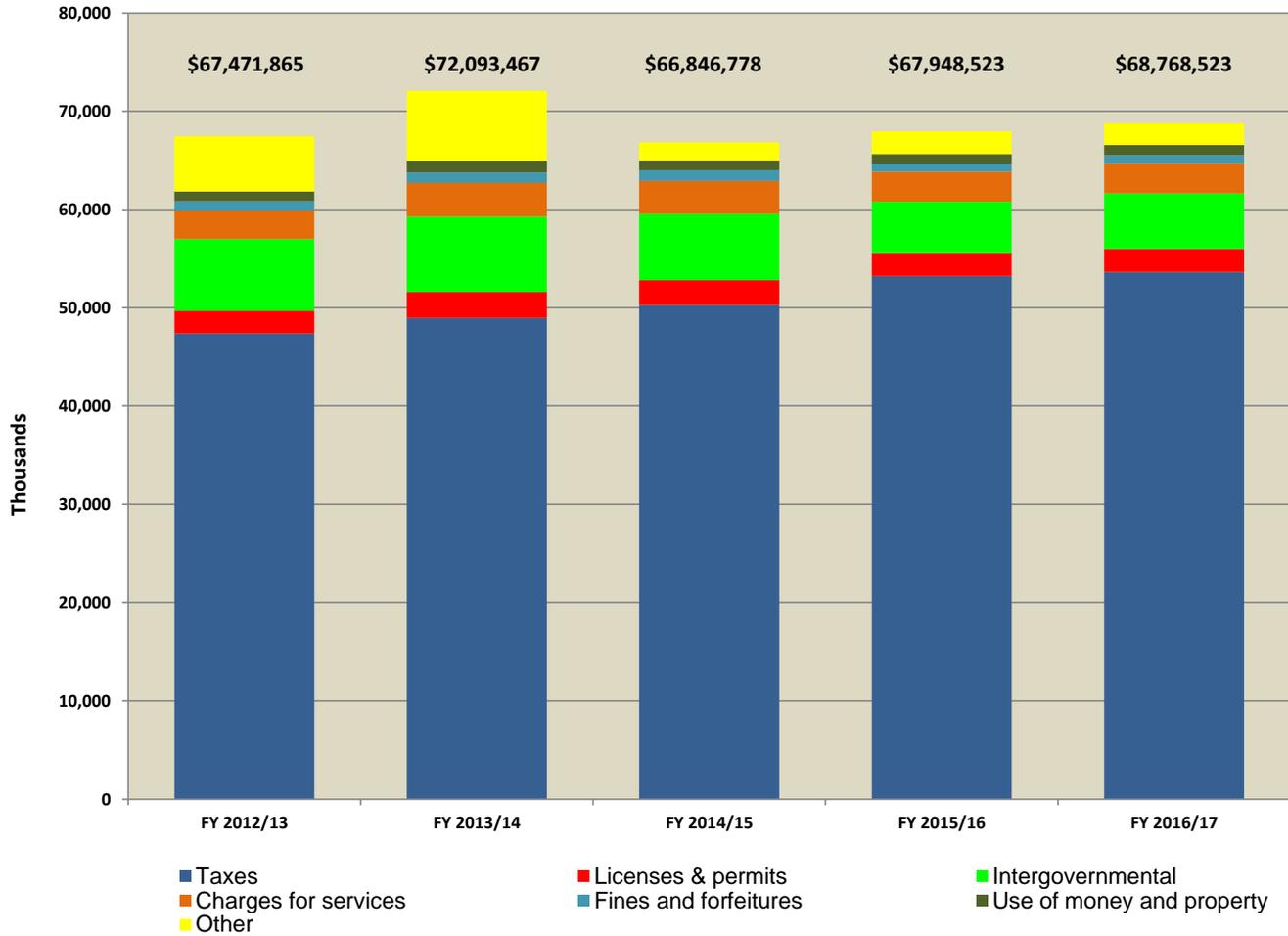
**2015-2017 Budget
Revenue by Fund Group**

	FY 2012/13 Actual	FY 2013/14 Actual	FY 2014/15 Amended Budget	FY 2015/16 Adopted	% Change from Prior Year	FY 2016/17 Adopted	% Change from Prior Year
General Fund	\$ 50,499,863	\$ 52,680,301	\$ 53,241,139	\$ 55,080,955	3.5%	\$ 55,251,363	0.3%
Special Revenue	\$ 13,954,586	\$ 15,719,969	\$ 10,074,795	\$ 9,225,835	-8.4%	\$ 9,750,660	5.7%
Debt Service	\$ 1,179,799	\$ 1,410,753	\$ 1,407,184	\$ 1,574,533	11.9%	\$ 1,680,500	6.7%
Enterprise	\$ 1,837,617	\$ 2,282,444	\$ 2,123,660	\$ 2,067,200	-2.7%	\$ 2,086,000	0.9%
Total Revenues	\$ 67,471,865	\$ 72,093,467	\$ 66,846,778	\$ 67,948,523	1.6%	\$ 68,768,523	1.2%





2015-2017 Budget
All Funds Revenue by Major Category

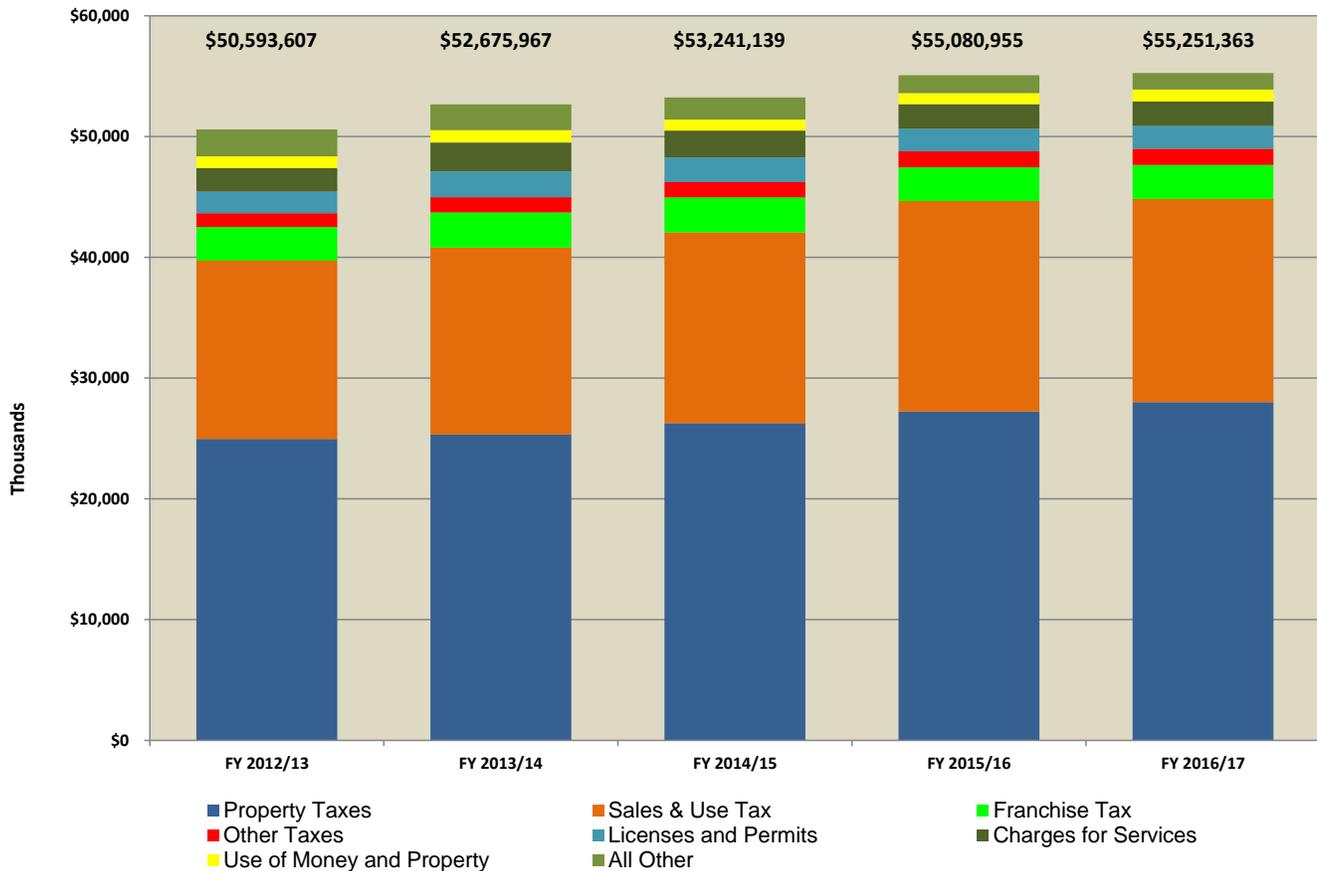


	FY 2012/13 Actual	FY 2013/14 Actual	FY 2014/15 Amended Budget	FY 2015/16 Adopted	% Change from Prior Year	FY 2016/17 Adopted	% Change from Prior Year
Taxes	\$ 47,395,015	\$ 48,958,528	\$ 50,268,612	\$ 53,228,890	5.9%	\$ 53,627,600	0.7%
Licenses & permits	2,298,045	2,643,358	2,552,600	2,381,250	-6.7%	2,391,250	0.4%
Intergovernmental	7,308,097	7,678,896	6,747,930	5,190,235	-23.1%	5,630,660	8.5%
Charges for services	2,918,235	3,411,778	3,339,655	3,047,710	-8.7%	3,062,075	0.5%
Fines and forfeitures	946,040	1,075,331	1,089,155	830,000	-23.8%	830,000	0.0%
Use of money and property	980,267	1,208,296	1,003,027	963,308	-4.0%	1,028,108	6.7%
Other	5,626,166	7,117,280	1,845,799	2,307,130	25.0%	2,198,830	-4.7%
Total Revenues	\$ 67,471,865	\$ 72,093,467	\$ 66,846,778	\$ 67,948,523	1.6%	\$ 68,768,523	1.2%



2015-2017 Budget
General Fund Revenue by Major Source

	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16	% Change	FY 2016/17	% Change
	Actual	Actual	Amended Budget	Adopted	from Prior Year	Adopted	from Prior Year
Property Taxes	\$ 24,970,301	\$ 25,327,083	\$ 26,265,200	\$ 27,243,500	3.7%	\$ 28,015,940	2.8%
Property Transfer Tax	511,596	522,333	520,000	540,000	3.8%	540,000	0.0%
Sales & Use Tax	14,756,060	15,479,979	15,802,405	17,431,157	10.3%	16,827,060	-3.5%
Transient Occupancy Tax	630,117	749,316	750,000	775,000	3.3%	800,000	3.2%
Franchise Tax	2,794,389	2,908,188	2,890,000	2,785,000	-3.6%	2,808,000	0.8%
Total Taxes	\$ 43,662,463	\$ 44,986,899	\$ 46,227,605	\$ 48,774,657	5.5%	\$ 48,991,000	0.4%
Licenses and Permits	\$ 1,779,084	\$ 2,123,226	\$ 2,042,200	\$ 1,874,250	-8.2%	\$ 1,874,250	0.0%
Intergovernmental	264,940	232,695	426,008	201,500	-52.7%	201,500	0.0%
Charges for Services	1,950,803	2,391,739	2,222,320	2,034,910	-8.4%	2,042,475	0.4%
Fines and Forfeitures	723,107	838,582	930,655	641,000	-31.1%	641,000	0.0%
Use of Money and Property	971,285	1,041,515	906,427	915,708	1.0%	980,508	7.1%
Other	1,241,925	1,061,311	485,924	638,930	31.5%	520,630	-18.5%
TOTAL General Fund	\$ 50,593,607	\$ 52,675,967	\$ 53,241,139	\$ 55,080,955	3.5%	\$ 55,251,363	0.3%





2015-2017 Budget
Revenue by Fund, Major Category and Object

	FY 2012/13 Actual	FY 2013/14 Actual	FY 2014/15 Amended Budget	FY 2015/16 Adopted	% Change from Prior Year	FY 2016/17 Adopted	% Change from Prior Year
General Fund Group							
General Fund							
Property Taxes	24,970,301	25,327,083	26,265,200	27,243,500	3.7%	28,015,940	2.8%
Property Transfer Tax	511,596	522,333	520,000	540,000	3.8%	540,000	0.0%
Sales and Use Tax	14,756,060	15,479,979	15,802,405	17,431,157	10.3%	16,827,060	-3.5%
Transient Occupancy Tax	630,117	749,316	750,000	775,000	3.3%	800,000	3.2%
Franchise Taxes	2,794,389	2,908,188	2,890,000	2,785,000	-3.6%	2,808,000	0.8%
Total Taxes Taxes	43,662,463	44,986,899	46,227,605	48,774,657	5.5%	48,991,000	0.4%
Special Licenses	11,200	10,800	9,200	9,200	0.0%	9,200	0.0%
Private Property Develop Perm	1,475,306	1,756,930	1,633,500	1,518,000	-7.1%	1,518,000	0.0%
Public Prop Encroach Permit	292,578	355,496	399,500	347,050	-13.1%	347,050	0.0%
Total Licenses & Permits	1,779,084	2,123,226	2,042,200	1,874,250	-8.2%	1,874,250	0.0%
Intergovtl-Federal Grants	30,870	18,249	-	-	-	-	-
Intergovtl-State Grants	-	-	176,000	-	-100.0%	-	-
Intergovtl-State Other Subv	182,436	171,713	188,730	185,000	-2.0%	185,000	0.0%
Intergovtl-St Motor Veh InLieu	51,634	42,733	41,278	-	-100.0%	-	-
Intergovtl-County- Other	-	-	20,000	16,500	-17.5%	16,500	0.0%
Total Intergovernmental	264,940	232,695	426,008	201,500	-52.7%	201,500	0.0%
City Clerk Service Charges	659	2,465	1,000	700	-30.0%	-	-
Finance Service Charges	845	809	-	-	-	-	-
Information Technology Contract Services	-	45,224	75,000	9,135	-87.8%	-	-100.0%
Special Police Services	232	140	520	520	0.0%	520	0.0%
Zoning Fees and Subdiv Fees	95,697	140,047	189,800	129,700	-31.7%	143,600	10.7%
Plan Checking Fees	362,375	637,528	422,000	370,150	-12.3%	370,150	0.0%
Engineer Fees/Inspections/Othr	42,549	94,457	47,000	19,800	-57.9%	19,800	0.0%
Parks and Recreation Fees	73,717	64,334	78,000	65,000	-16.7%	65,000	0.0%
Tennis Fees	262,509	350,099	342,000	341,500	-0.1%	342,000	0.1%
Recreation Center Fees	1,112,220	1,056,636	1,067,000	1,098,405	2.9%	1,101,405	0.3%
Total Charges for Services	1,950,803	2,391,739	2,222,320	2,034,910	-8.4%	2,042,475	0.4%
Vehicle Code Fines	454,296	465,552	450,000	450,000	0.0%	450,000	0.0%
Other Fines	12,118	17,411	1,000	1,000	0.0%	1,000	0.0%
Forfeitures	118,666	198,681	369,655	80,000	-78.4%	80,000	0.0%
Penalties	138,027	156,938	110,000	110,000	0.0%	110,000	0.0%
Total Fines and Forfeitures	723,107	838,582	930,655	641,000	-31.1%	641,000	0.0%
Investment Earnings	149,102	194,416	100,000	100,000	0.0%	150,000	50.0%
Rents & Concessions	822,183	847,099	806,427	815,708	1.2%	830,508	1.8%
Total Use of Money and Property	971,285	1,041,515	906,427	915,708	1.0%	980,508	7.1%
Other Developer Fees	10,000	-	-	38,000	-	-	-100.0%
Reimbursements	1,203,336	833,318	370,441	416,630	12.5%	367,330	-11.8%
Sale of Publications	97	69	-	-	-	-	-
Donations	14,332	97,226	48,845	126,500	159.0%	90,500	-28.5%
Proceeds - Litigation	185	136	-	-	-	-	-
Other Miscellaneous	13,975	130,562	66,638	57,800	-13.3%	62,800	8.7%
Total Other	1,241,925	1,061,311	485,924	638,930	31.5%	520,630	-18.5%
Total General Fund	50,593,607	52,675,967	53,241,139	55,080,955	3.5%	55,251,363	0.3%
CDA Admin Costs							
Investment Earnings	-	(180)	-	-	-	-	-
Total CDA Admin Costs	-	(180)	-	-	-	-	-
Computer/Equip/Furn/Veh Repl							
Investment Earnings	(17,774)	(194)	-	-	-	-	-
Capital Asset Disposal	4,102	8,488	-	-	-	-	-
Total Computer/Equip/Furn/Veh Repl	(13,672)	8,294	-	-	-	-	-



2015-2017 Budget
Revenue by Fund, Major Category and Object

	FY 2012/13 Actual	FY 2013/14 Actual	FY 2014/15 Amended Budget	FY 2015/16 Adopted	% Change from Prior Year	FY 2016/17 Adopted	% Change from Prior Year
Facility Rehab/Replacement							
Investment Earnings	(80,072)	(3,780)	-	-		-	
Total Facility Rehab/Replacement	(80,072)	(3,780)	-	-		-	
Total General Fund Group	50,499,863	52,680,301	53,241,139	55,080,955	3.5%	55,251,363	0.3%
Special Revenue Fund Group							
Library Fund							
Taxes Property Taxes	2,133,926	2,135,474	2,213,823	2,290,100	3.4%	2,364,500	3.2%
Total Taxes	2,133,926	2,135,474	2,213,823	2,290,100	3.4%	2,364,500	3.2%
Intergovtl-Federal Grants	7,992	36,000	21,500	-		-	
Intergovtl-State Grants	-	6,283	-	6,200	100.0%	6,200	0.0%
Intergovtl-State Other Subv	16,214	15,550	15,500	15,500	0.0%	15,500	0.0%
Intergovtl-Other Shared Rev	113,722	70,065	180,000	90,000	-50.0%	92,000	2.2%
Total Intergovernmental	137,928	127,898	217,000	111,700	-48.5%	113,700	1.8%
Engineer Fees/Inspections/Othr	-	-	-	-		-	
Library Fees	200,513	214,142	180,000	177,000	-1.7%	177,000	0.0%
Total Charges for Services	200,513	214,142	180,000	177,000	-1.7%	177,000	0.0%
Other Fines	115,940	105,010	95,000	95,000	0.0%	95,000	0.0%
Total Fines and Forfeitures	115,940	105,010	95,000	95,000	0.0%	95,000	0.0%
Investment Earnings	431	2,557	1,000	1,000	0.0%	1,000	0.0%
Rents & Concessions	16,906	14,785	15,000	15,000	0.0%	15,000	0.0%
Total Use of Money and Property	17,337	17,342	16,000	16,000	0.0%	16,000	0.0%
Developer Fees	-	-	-	40,000	100.0%	-	-100.0%
Other Reimbursements	44,347	6,845	13,200	5,000	-62.1%	5,000	0.0%
Other Miscellaneous	17,464	18,020	13,000	12,000	-7.7%	12,000	0.0%
Total Other	61,811	24,865	26,200	57,000	117.6%	17,000	-70.2%
Total Library Fund	2,667,455	2,624,731	2,748,023	2,746,800	0.0%	2,783,200	1.3%
Suppl Law Enforcement Srvcs Fd							
Intergovtl-State Other Subv	154,826	155,765	150,000	150,000	0.0%	150,000	0.0%
Total Suppl Law Enforcement Srvcs Fund	154,826	155,765	150,000	150,000	0.0%	150,000	0.0%
OCTA Fund Exchange Fund							
Intergovtl-County Shared Rev	1,981,452	-	-	-		-	
Total OCTA Fund Exchange Fund	1,981,452	-	-	-		-	
State Gas Tax Fund							
Intergovtl-State Gas Tax	2,270,460	3,133,544	2,851,113	2,119,960	-25.6%	2,119,960	0.0%
Investment Earnings	(3,246)	656	2,000	1,000	-50.0%	1,000	0.0%
Other Reimbursements	309,600	156,750	-	-		-	
Other Miscellaneous	-	(10,000)	-	-		-	
Total State Gas Tax Fund	2,576,814	3,280,950	2,853,113	2,120,960	-25.7%	2,120,960	0.0%
Gas Tax - 2107.5 Fund							
Intergovtl-State Gas Tax	10,000	10,000	10,000	10,000	0.0%	10,000	0.0%
Investment Earnings	68	352	-	-		-	
Total Gas Tax - 2107.5 Fund	10,068	10,352	10,000	10,000	0.0%	10,000	0.0%
Crown Valley Corridor Fee Fund							
Investment Earnings	57	205	-	-		-	
Total Crown Valley Corridor Fee Fund	57	205	-	-		-	



2015-2017 Budget
Revenue by Fund, Major Category and Object

	FY 2012/13 Actual	FY 2013/14 Actual	FY 2014/15 Amended Budget	FY 2015/16 Adopted	% Change from Prior Year	FY 2016/17 Adopted	% Change from Prior Year
Air Quality Imprvmnt Trust Fd							
Intergovtl-State Other Subv	113,125	116,681	115,200	118,400	2.8%	118,400	0.0%
Investment Earnings	1,231	1,267	1,000	1,000	0.0%	1,000	0.0%
Total Air Quality Imprvmnt Trust Fund	114,356	117,948	116,200	119,400	2.8%	119,400	0.0%
Measure M SalesTax-Apprtmnt Fd							
Investment Earnings	2,490	1,700	-	-		-	
Other Reimbursements	276,381	-	-	-		-	
Total Measure M SalesTax-Apprtmnt Fund	278,871	1,700	-	-		-	
Measure M-Growth Mgmt Area9 Fd							
Intergovtl-County Grant	104,068	20,000	-	-		-	
Investment Earnings	-	-	-	-		-	
Total Measure M-Growth Mgmt Area9 Fund	104,068	20,000	-	-		-	
Sr Center Operations Fund - Moved to Senior Mobility Grant Fund							
Intergovtl-County Grant	30,671	120,344	100,000	-	-100.0%	-	
Recreation Center Fees	39,232	37,582	36,875	-	-100.0%	-	
Investment Earnings	696	977	800	-	-100.0%	-	
Rents & Concessions	46,939	52,298	44,000	-	-100.0%	-	
Donations	3,795	4,188	7,000	-	-100.0%	-	
Proceeds - Litigation	258	-	-	-		-	
Miscellaneous	800	824	800	-	-100.0%	-	
Total Sr Center Operations Fund	122,391	216,213	189,475	-	-100.0%	-	
Senior Mobility Grant							
Intergovtl-County Grant	-	-	-	114,000	100.0%	114,000	0.0%
Total Senior Mobility Grant Fund	-	-	-	114,000		114,000	
Measure M-GrowthMgmt Area10 Fd							
Intergovtl-County Grant	13,200	-	-	-		-	
Investment Earnings	12	-	-	-		-	
Total Measure M-GrowthMgmt Area10 Fund	13,212	-	-	-		-	
Measure M-Intersection Fund							
Intergovtl-County Grant	386,983	-	-	-		-	
Total Measure M-Intersection Fund	386,983	-	-	-		-	
Measure M-Signal Fund							
Intergovtl-County Grant	-	189,780	-	-		-	
Total Measure M-Signal Fund	-	189,780	-	-		-	
Park Development Fees Fund							
Investment Earnings	25,277	58,154	-	-		-	
Developer Fees	3,236,060	4,800,000	10,000	1,000,000	9900.0%	-	-100.0%
Total Park Development Fees Fund	3,261,337	4,858,154	10,000	1,000,000	9900.0%	-	-100.0%
Trans Eqty Act-ISTEA Fund							
Intergovtl-Federal Grants	-	183,072	-	-		-	
Total Trans Eqty Act-ISTEA Fund	-	183,072	-	-		-	
Regional Narcotics Suppression							
Forfeitures	2,076	14,232	-	-		-	
Investment Earnings	7	60	-	-		-	
Total Regional Narcotics Suppression Fund	2,083	14,292	-	-		-	



2015-2017 Budget
Revenue by Fund, Major Category and Object

	FY 2012/13 Actual	FY 2013/14 Actual	FY 2014/15 Amended Budget	FY 2015/16 Adopted	% Change from Prior Year	FY 2016/17 Adopted	% Change from Prior Year
Federal Hwy Bridge Repl/RehbFd							
Intergovtl-Federal Grants	(127,830)	-	-	-		-	
Investment Earnings	617	-	-	-		-	
Reimbursements	327,352	-	-	-		-	
Total Federal Hwy Bridge Repl/Rehb Fund	200,139	-	-	-		-	
Comm Development Block Grant							
Intergovtl-Federal Grants	294,949	203,472	1,153,201	554,479	-51.9%	400,000	-27.9%
Reimbursements	-	68,069	-	-		-	
Total Comm Development Block Grant	294,949	271,541	1,153,201	554,479	-51.9%	400,000	-27.9%
MV Foundation Fund							
Other Donations	5,000	-	-	-		-	
Total MV Foundation Fund	5,000	-	-	-		-	
SCRIP Fund							
Developer Fees	-	-	530,000	600,000	13.2%	1,650,000	175.0%
Total SCRIP Fund	-	-	530,000	600,000	13.2%	1,650,000	
Misc Federal Grants Fund							
Intergovtl-Federal Grants	-	29,916	15,500	-	-100.0%	-	
Total Misc Federal Grants Fund	-	29,916	15,500	-	-100.0%	-	
Prop 1B/State InfrastructureBd							
Reimbursements	-	574,000	-	-		-	
Total Prop 1B/State InfrastructureBd	-	574,000	-	-		-	
Misc State Grants Fund							
Intergovtl-State Grants	63,729	-	-	-		-	
Reimbursements	-	-	-	-		-	
Total Misc State Grants Fund	63,729	-	-	-		-	
Measure M 2 SlsTx-Apprtnmt Fd							
Intergovtl-County Shared Rev	1,327,944	1,379,672	1,467,608	1,570,196	7.0%	1,663,100	5.9%
Investment Earnings	(2,210)	1,988	2,000	-	-100.0%	-	
Other Reimbursements	-	-	387,375	-	-100.0%	-	
Total Measure M 2 SlsTx-Apprtnmt Fund	1,325,734	1,381,660	1,856,983	1,570,196	-15.4%	1,663,100	5.9%
ARRA (Stimulus) Fund							
Intergovtl-Federal Grants	131,652	-	-	-		-	
Total ARRA (Stimulus) Fund	131,652	-	-	-		-	
Measure M2-ArtrlCapEnhanceFd							
Intergovtl-County Grant	-	1,462,874	-	-		-	
Total Measure M2-ArtrlCapEnhance Fund	-	1,462,874	-	-		-	
Safe Route to School Grant							
Reimbursements	109,410	13,633	-	-		-	
Total Safe Route to School Grant	109,410	13,633	-	-		-	



2015-2017 Budget
Revenue by Fund, Major Category and Object

	FY 2012/13 Actual	FY 2013/14 Actual	FY 2014/15 Amended Budget	FY 2015/16 Adopted	% Change from Prior Year	FY 2016/17 Adopted	% Change from Prior Year
Measure M2-Env Cleanup Program (ECP) Fund							
Intergovtl-County Grants	150,000	48,641	-	200,000	100.0%	200,000	0.0%
Reimbursements	-	-	200,000	-	-100.0%	-	-
Total Measure M2-Env Cleanup Prog (ECP) Fund	150,000	48,641	200,000	200,000	0.0%	200,000	0.0%
Highway Safety Imp Program (HSIP) Fund							
Intergovtl-Federal Grant	-	22,242	-	-	-	-	-
Total Highway Safety Imp (HSIP) Fund	-	22,242	-	-	-	-	-
OC Muni Water District Grant							
Intergovtl-County Grants	-	242,300	242,300	40,000	-83.5%	40,000	0.0%
Total OC Muni Water District Grant Fund	-	242,300	242,300	40,000	-83.5%	40,000	0.0%
M2 Arterial Pavement Management Grant							
Intergovtl-County Grants	-	-	-	-	-	500,000	100.0%
Total M2 Arterial Pavement Management Grant	-	-	-	-	-	500,000	100.0%
Total Special Revenue Fund Group	13,954,586	15,719,969	10,074,795	9,225,835	-8.43%	9,750,660	5.7%
Debt Service Fund Group							
MV Mall Parking Lease Fund							
Sales and Use Tax	1,179,693	1,410,755	1,407,184	1,574,533	11.9%	1,680,500	6.7%
Investment Earnings	106	(2)	-	-	-	-	-
Total MV Mall Parking Lease Fund	1,179,799	1,410,753	1,407,184	1,574,533	11.9%	1,680,500	6.7%
Total Debt Service Fund Group	1,179,799	1,410,753	1,407,184	1,574,533	11.9%	1,680,500	6.7%



2015-2017 Budget
Revenue by Fund, Major Category and Object

	FY 2012/13 Actual	FY 2013/14 Actual	FY 2014/15 Amended Budget	FY 2015/16 Adopted	% Change from Prior Year	FY 2016/17 Adopted	% Change from Prior Year
Enterprise Fund Group							
Mission Viejo Television Fund							
Franchise Taxes	139,552	140,884	140,000	275,600	96.9%	277,600	0.7%
Service Charges-MVTV	580	360	400	400	0.0%	400	0.0%
City Clerk Service Charges	-	60	-	-	-	-	-
Investment Earnings	905	2,615	2,000	500	-75.0%	500	0.0%
Total Mission Viejo Television Fund	141,037	143,919	142,400	276,500	94.2%	278,500	0.7%
Mission Viejo TV Capital Fund							
Franchise Taxes	279,381	284,516	280,000	314,000	12.1%	314,000	0.0%
Investment Earnings	(203)	1,749	500	500	0.0%	500	0.0%
Total Mission Viejo TV Capital Fund	279,178	286,265	280,500	314,500	12.1%	314,500	0.0%
Animal Services Fund							
Animal Licenses	503,836	503,432	501,400	502,000	0.1%	502,000	0.0%
Animal Permits	15,125	16,700	9,000	5,000	-44.4%	15,000	200.0%
Animal Shelter Fees & Charges	134,135	132,815	140,700	133,800	-4.9%	133,800	0.0%
Animal Svcs-Intergovtl Svc Chg	592,972	635,080	759,360	701,600	-7.6%	708,400	1.0%
Other Fines	104,917	117,492	63,500	94,000	48.0%	94,000	0.0%
Penalties	-	15	-	-	-	-	-
Investment Earnings	1,008	12,882	10,000	10,000	0.0%	10,000	0.0%
Rents & Concessions	15,737	18,692	18,300	18,600	1.6%	18,600	0.0%
Reimbursements	3,100	109,636	100,000	-	-100.0%	-	-
Donations	42,905	512,497	98,000	10,000	-89.8%	10,000	0.0%
Miscellaneous	4,342	4,472	500	1,200	140.0%	1,200	0.0%
Capital Asset Disposal	(675)	(211,453)	-	-	-	-	-
Total Animal Services Fund	1,417,402	1,852,260	1,700,760	1,476,200	-13.2%	1,493,000	1.1%
Total Enterprise Fund Group	1,837,617	2,282,444	2,123,660	2,067,200	-2.7%	2,086,000	0.9%
Total Revenues	67,471,865	72,093,467	66,846,778	67,948,523	1.6%	68,768,523	1.2%



CITY OF MISSION VIEJO
Explanation of Revenue Sources, 2015-17

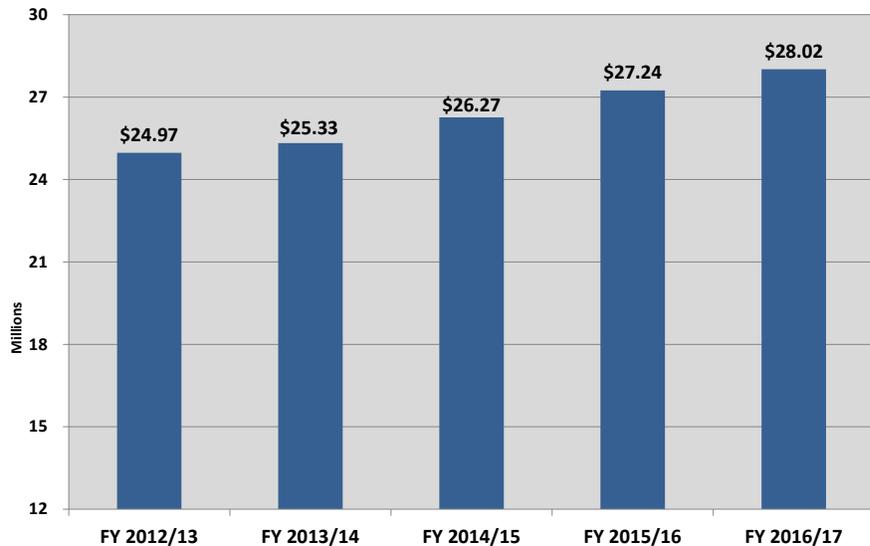
GENERAL FUND GROUP REVENUES

GENERAL FUND

Property Taxes

The constitution of the State of California, as amended by Proposition 13 in 1978 (e.g., Article XIII), sets the maximum property tax rate at 1% of assessed value. Furthermore, increases to the tax rate are limited to 2% or the annual change in inflation, whichever is less.

Property tax revenue represents the largest single source of revenue for the City of Mission Viejo. For FY 2015/16 General Fund property tax revenue is projected to be \$27.24 million, which represents 49.5% of total General Fund revenue. The following year, General Fund property tax is projected to be \$28.02 million, also 49.5% of total General Fund revenue. The amount of property tax revenue recorded in the General Fund represents 40.0% of total City revenues in both FY 2015/16 and FY 2016/17.



General Fund Property Tax Revenue, FY 2012/13- FY 2015/16

Total property tax revenue – which is comprised of property tax proceeds recorded in the General Fund and the Library Services Fund – represents 43.3% of total revenue for the 2015-17 budget period (see the Library Services Fund description below for additional information on the property tax revenue recorded in that fund).

Assessed values in Orange County have grown steadily since 2010. The City’s total assessed value of property (secured and unsecured) as of January 1, 2014, is approximately \$13.64 billion. This amount represents an increase of 2.3% over the prior year. Changes to total assessed value directly impact the amount of property tax revenue the City receives.

Property tax revenue is projected to increase 3.7% in FY 2015/16 over the amended FY 2014/15 budget and increase 2.8% in FY 2016/17. While these changes are modest, they represent five straight years of growth in property tax revenue after three successive years of decline caused by the recession, which dramatically impacted the real estate market.

Sales and Use Taxes

Sales and use tax revenue is the second largest revenue source for the City behind property tax revenue. Sales tax revenue represents 31.6% of total General Fund revenue for FY 2015/16 and 29.7% for FY 2016/17.

The sales and use tax is collected and apportioned by the State Board of Equalization. Up until FY 2004/05, the City received a full 1% of the total sales tax collected, based on sales within its jurisdiction. However, as a result of Proposition 57, beginning in FY 2004/05 the local sales tax rate was reduced by 0.25% and the State rate was increased by 0.25%. This was done in order to repay the fiscal recovery bonds floated by the State.

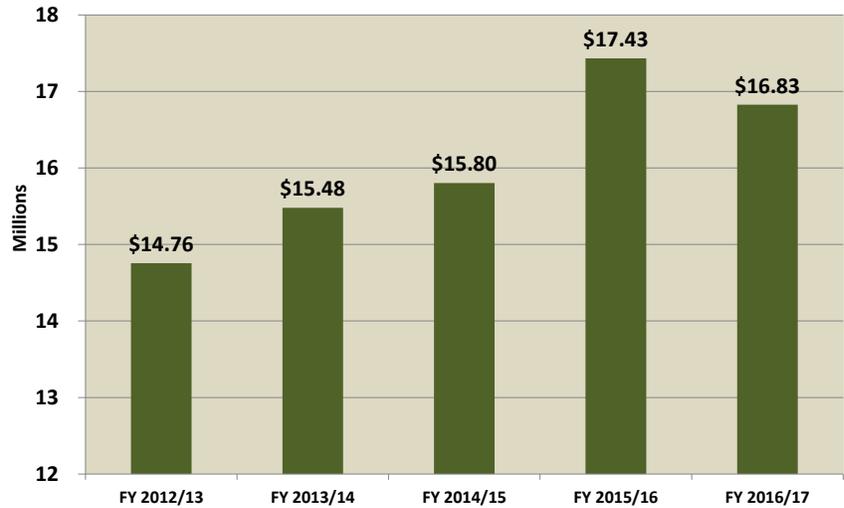
Under this arrangement due to Proposition 57 (known as the “triple-flip”), cities are reimbursed dollar for dollar with additional property tax for the 0.25% “lost,” or retained by the State in order to back the economic recovery bonds. (The reimbursement is recorded in our books as sales tax, consistent with accounting guidelines.) This swapping of sales tax will last until the economic recovery bonds are paid off by the State, which the State is



CITY OF MISSION VIEJO Explanation of Revenue Sources, 2015-17

reporting will be July 2015. The “unwinding” of the triple flip is expected to take two quarters, meaning the City will again receive the full 1% of total sales tax collected from point of sale transactions with the first sales tax quarter of calendar year 2016.

Sales tax revenue estimates are based on input from the City’s sales tax consultant, past revenue trends and retail sales projections of anticipated new retailers within the City. Local retail activity has picked up over the past few years as the economy has recovered. Sales tax is expected to increase by 10.3% in FY 2015/16 from FY 2014/15 budget levels, to \$17.4 million. The FY 2015/16 projection includes 4 quarters of sales tax revenue, plus an amount equal to 1 quarter of triple flip revenue. This additional revenue is expected to be \$1.1 million and relates to the March 1, 2015 to June 30, 2015 quarter. This is a one-time inflow of revenue and is a result of the unwinding of the triple flip and making the City whole for all sales tax revenue collected by the State for periods through June 30, 2015. Because this is a one-time inflow of resources, the FY 2016/17 projection will decrease by 3.5%.

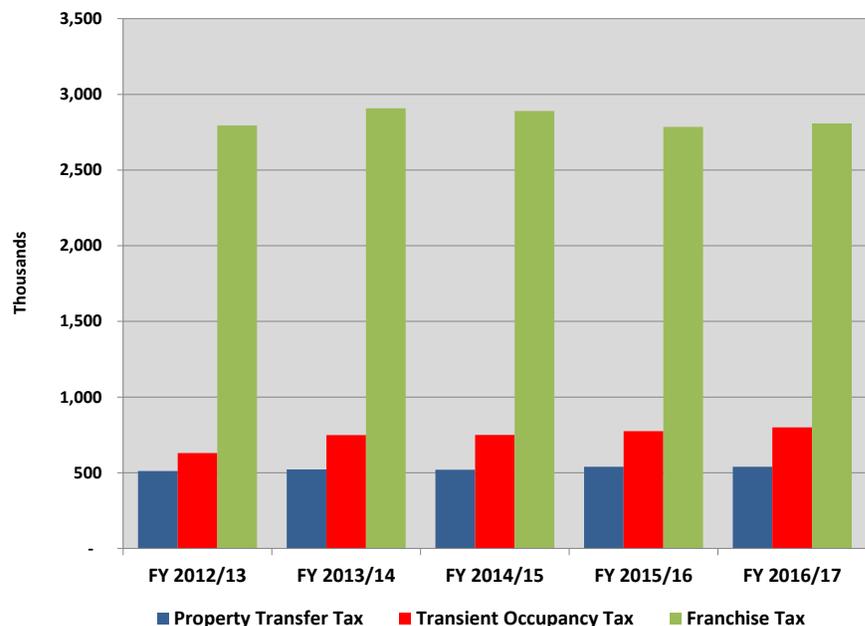


General Fund Sales and Use Tax, FY 2012/13- FY 2015/17

In 1997 the City and the Community Development Agency of Mission Viejo formed the Mission Viejo Community Development Financing Authority (CDFA), a joint exercise of powers authority, for the purpose of issuing bonds to fund public improvements at the “Shops at Mission Viejo.” Debt service on the bonds is partially paid from available mall sales tax revenue, which is defined as an amount limited to 50% of annual sales tax revenue generated by the renovated mall subject to the City receiving at least \$1.5 million plus inflationary growth on that amount. The City’s share of mall sales tax is estimated to be \$2.14 million in FY 2015/16 and will grow to \$2.18 million by FY 2016/17. This amount is included in the above General Fund sales tax estimate. The portion of sales tax from the “Shops at Mission Viejo” to be devoted to debt service is not included in the above amounts, but rather is recorded in the separate Mission Viejo Mall Parking Lease Fund.

Franchise Taxes

Franchise Taxes are imposed by the City on gas, electric, cable television and refuse and recycling companies for the privilege of using City streets and rights-of-way for the transport of their goods and services. Each company is assessed a franchise fee that is contractually set at between one and five percent of gross receipts. This revenue source is estimated to generate a total of \$2.8 million for the City during both FY 2015/16 and FY 2016/17, which is a decline from FY 2014/15 of \$105,000. This decline is a result of shifting approximately \$120,000 of cable television franchise tax revenue from the General Fund to the





CITY OF MISSION VIEJO
Explanation of Revenue Sources, 2015-17

Mission Viejo Television (MVTV) Fund to support MVTV programming.

Franchise tax revenue remains relatively stable from year to year (see previous, green bars) and generally will reflect increases as population increases occur.

Transient Occupancy Tax

The City of Mission Viejo Municipal Code authorizes the City to levy a tax for the privilege of occupying hotel rooms and lodgings on a transient basis. The Transient Occupancy Tax (TOT) rate has been set at 8% since the City’s incorporation. As with other sources of revenue which rely on discretionary spending habits, TOT revenue has a correlation with the health of the economy. TOT revenue has grown each year over the last five years and is expected to grow over the next two year budget cycle. For FY 2015/16, TOT revenue is projected to be \$775,000; in FY 2016/17 this is projected to increase to \$800,000. In part, this growth will be due to the opening of a Hampton Inn in late 2015 at the corner of Avery Parkway and Marguerite Parkway.

Property Transfer Tax

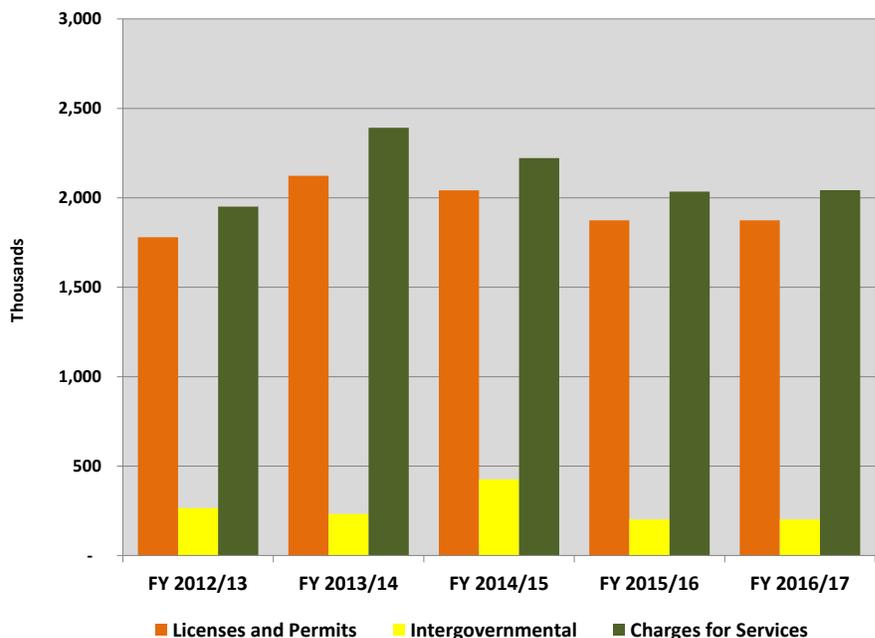
The California Government Code authorizes the County of Orange to impose a transfer tax on real property sold at the rate of \$1.10 per \$1,000 of assessed value. The proceeds from this tax are then split 50/50 between the County and the city in which the property sale occurs. This revenue source is tied to the health of the real estate market and the City has experienced growth year over year since FY 2011/12. This revenue source is projected to be \$540,000 for both FY 2015/16 and FY 2016/17, which is 3.8% higher than FY 2014/15.

Licenses and Permits

The California Government Code and the State Constitution give cities the authority to assess certain license and permit fees as a means of recovering the cost of regulating various activities. Examples of these activities include building permits, construction permits, and engineering permits for grading and inspection services.

Revenue from the various categories of licenses and permits for FY 2015/16 is anticipated to be \$1.9 million, a 8.2% decrease from the FY 2014/15 amended budget. The following year, revenue is projected to remain flat at \$1.9 million.

License and permit revenue will fluctuate from year to year and is based upon the level of residential and commercial building improvement and new development activity. The City saw a significant increase in activity beginning in FY 12/13 and continuing through FY 2013/14 due to license and permit revenue received from two major housing development projects: a UDR apartment complex project on Los Alisos, east of Marguerite Parkway and the Watermarke project on Oso Parkway between the I/5 freeway and Marguerite Parkway. This revenue dropped only slightly during FY 14/15 as license and permit revenue was received for the Skyridge project off El Toro Road. For FY 2015/16, permit revenue is expected to decline as there are no other major residential projects planned; however revenue is expected for the development of a medical office building located in a section of the parking lot at the Shops at Mission Viejo.





CITY OF MISSION VIEJO Explanation of Revenue Sources, 2015-17

Intergovernmental

Cities receive revenue from other government agencies, principally from the State and Federal governments. These revenues include monies called subventions, as well as grants for specific projects and reimbursements related to State mandated activities or disaster/emergency declarations. This revenue can fluctuate from year to year and is generally not relied upon to fund on-going programs and activities.

The estimate for total Intergovernmental revenue is \$201,500 for FY 2015/16 and FY 2016/17.

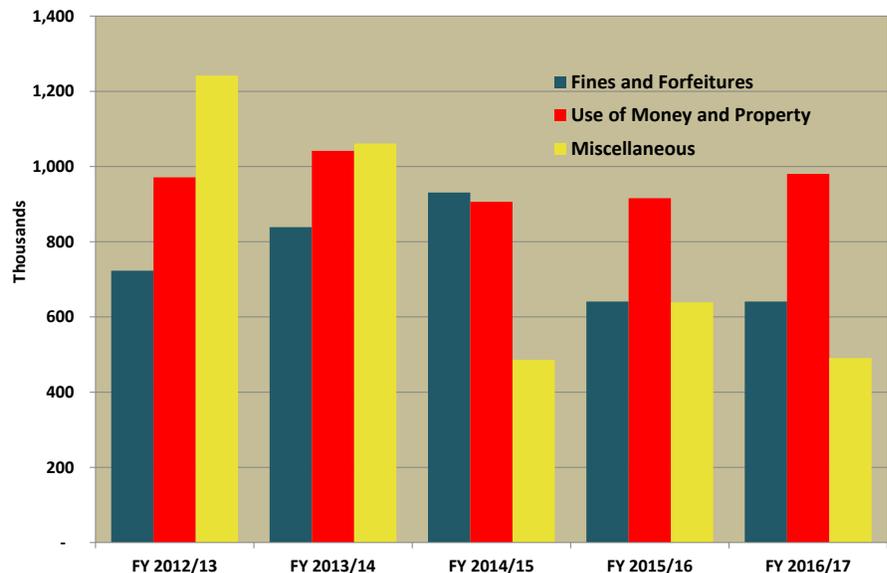
Charges for Services

Service charges or fees are imposed on the user of certain services provided by the City, under the rationale that benefiting parties should pay for all or part of the cost of that service, rather than the general public. Examples include planning-related services such as design review, environmental impact review, plan check fees and variance applications; engineering services such as grading plan check, street plan check and soils reporting; building services related to construction plan check; recreation class fees; and recreation and tennis center fees.

Total Charges for Services revenue for FY 2015/16 is projected to be \$2.0 million an 8.4% decrease over the FY 2014/15 amended budget. It is anticipated that monthly tennis fees and tennis lesson revenue will decline due to a lower availability of tennis instructors. Revenue for FY 2016/17 is expected to be flat, with a 0.4% increase over FY 2015/16.

Fines & Forfeitures

Fines and penalties are imposed for vehicle and parking violations occurring within the City limits as well as for infractions of local ordinances. Also included in this category is the forfeiture of deposits collected by the city for encroachment, building and other activity. Revenue for vehicle and parking violations is projected for FY 2015/16 and 2016/17 with no growth from FY 2014/15. For City forfeited deposit, these revenues have been increasing over the past three years; however, for projection purposes, a more conservative approach is used and the FY 2015/16 and FY 2016/17 projections reflect a decline of \$290,000 from FY 2014/15.



Use of Money & Property

Interest earnings and rents and concessions comprise this category of revenue, with anticipated revenue budgeted at \$916,000 for FY 2015/16, a 1.0% increase from the FY 2014/15 budget. An increase of 7.1% is projected in FY 2016/17 with an estimate of \$980,000. The minimal increase in the first year reflects the current and continued low interest rate environment. The rent and concession portion of this revenue category is projected to grow by only 1.2% in FY 2015/16 due to the anticipated loss of three cell tower rental sites. It is anticipated that interest rates will begin to rise in 2016, causing interest earnings to increase slightly for FY 2016/17.

Miscellaneous Revenue

This revenue source includes reimbursements for special events, certain Successor Agency administrative expenses, Nadadores Swim Team share of facility expenses and donations. The proposed budget is \$639,000 in FY 2015/16 and \$521,000 in FY 2016/17.



CITY OF MISSION VIEJO
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COMPUTERS, EQUIPMENT, FURNISHINGS, VEHICLES (CEFV) REPLACEMENT FUND

This fund is used to record expenditures related to replacing various computer, equipment, furnishings and vehicle assets. This fund is considered part of the General Fund group of funds and is included when calculating the City's total discretionary reserves.

Contribution levels into the CEFV Fund are at the discretion of the City Council; made from the General Fund; and are recorded as interfund transfers. There is no contribution proposed by staff to the CEFV fund in FY 2015/16 or FY 2016/17. The fund balance projected for this fund on July 1, 2015 is \$2.8 million.

FACILITY REHABILITATION AND REPLACEMENT FUND

This fund is used to record expenditures related to the rehabilitation and replacement of existing City facilities as well as major playground and park equipment. It is also considered part of the General Fund group of funds and its fund balance is included when calculating the City's total discretionary reserve level.

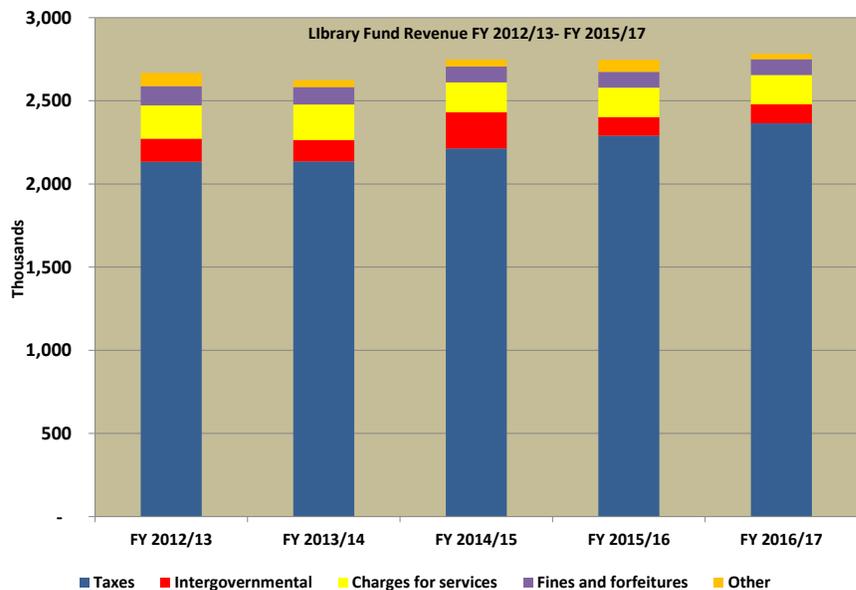
Contribution levels into this fund are also at the discretion of the City Council; made from the General Fund; and are recorded as interfund transfers. There are also no contributions proposed by staff to this fund in FY 2015/16 and FY 2016/17. The fund balance projected for this fund on July 1, 2015 is \$13.3 million.

SPECIAL REVENUE FUND GROUP

LIBRARY FUND

The Library Fund is used to account for the receipt and expenditure of funds restricted for library purposes. Total Library Fund revenue for FY 2015/16 is projected to be \$2.75 million; for FY 2016/17 it is projected to increase slightly to \$2.78 million. The majority of revenue used for Library operations comes from property tax: \$2.29 million (83%) in FY 2015/16 and \$2.36 million in FY 2016/17 (85%).

The revenue projections for FY 2015/16 include (in addition to property tax): \$22,000 in Intergovernmental funding; \$177,000 in Library fees; \$95,000 in Library fines; \$90,000 from the Redevelopment Property Tax Trust Fund pursuant to a tax sharing agreement with the former redevelopment agency; \$40,000 in developer fees; and additional revenue from a variety of other sources.



SUPPLEMENTAL LAW ENFORCEMENT SERVICES FUND (SLESF)

The Citizens' Option for Public Safety (COPS) program was established in FY 1996/97. This is a State program requiring annual appropriation by the State Legislature for continued funding. The COPS program provides supplemental funding to local jurisdictions for front-line municipal police services. The allocation for each of the next two fiscal years is expected to be \$150,000 annually, same as current fiscal year.



CITY OF MISSION VIEJO
Explanation of Revenue Sources, 2015-17

GAS TAX FUNDS

The State of California assesses a tax on gasoline purchases as authorized by Sections 2103, 2105, 2106 and 2107 of the California Streets and Highways Code. A portion of this tax is allocated to the City of Mission Viejo based on a statutory funding formula. These funds are earmarked for maintenance, rehabilitation or improvement of public streets. The estimate for this revenue source is \$2.1 million for fiscal years 2015/16 and 2016/17.

The City also receives a flat amount of \$10,000 annually as Section 2107.5 Gas Tax revenue, based on population. The Section 2107.5 amount is restricted for engineering costs related to street improvements and is accounted for in a separate fund.

AIR QUALITY IMPROVEMENT TRUST FUND

Assembly Bill 2766 signed into law in 1990 authorized a fee on motor vehicle registrations to fund programs to reduce air pollution from cars, trucks, and buses. The South Coast Air Quality Management District (SCAQMD) administers the program, which distributes money based on population as well as for specific requests. There is a slight increase anticipated in this funding from the prior year with the City's per capita share expected to be \$118,400 for both FY 2015/16 and FY 2016/17.

SENIOR CENTER OPERATIONS FUND

This fund will be closed at the end of the 2014/15 fiscal year and revenues as well as appropriations will be reflected in the General Fund for FY 2015/16 and FY 2016/17. The exception is the senior mobility grant and related expenditures will be reported in a separate Senior Mobility Grant special revenue fund (see below).

SENIOR MOBILITY GRANT FUND

This fund will be established beginning with FY 2015/16 to account for a grant received from the Orange County Transportation Authority (OCTA) to provide transportation assistance to seniors. Revenue for FY 2015/16 and FY 2016/17 is \$114,000. This is an increase of \$14,000 from FY 2014/15.

PARK DEVELOPMENT FEE FUND

Park Development Fees are governed under Chapter 9.85 of the City's municipal Code ("Local Park Code"). These fees are generated by new development in the City. It is anticipated that fees will be collected from the Skyridge project off El Toro Road in the amount of \$1,000,000 in FY 2015/16. There are no Park Development Fees expected during FY 2016/17.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUND

The City is an entitlement city and applies directly to the U.S. Department of Housing and Urban Development (HUD) for its CDBG funding. The primary objective of the CDBG program is the development of viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income. The City's CDBG funding allocation is projected to be \$404,000 in each fiscal year of the 2015-17 adopted budget, a decline of 3.3% from the prior year. There is an additional revenue amount in the FY 2015/16 budget in the amount of \$150,000 from prior year unspent grant funds still available to the City. The City's allocation is based on a complex formula using ratios of population, poverty, age of housing stock, housing overcrowding and amount of growth. Budget reduction efforts by the Federal government have resulted in lower CDBG award amounts in recent years.

TRANSPORTATION FUNDS

The City relies on a variety of outside funding for street-related capital projects. In addition to the state gas tax, OCTA, Federal, State, and developer funding is available for the construction and improvement of major streets. For FY 2015/16, a total of \$2.4 million is expected from these revenue sources, and for FY 2016/17, \$4.0 million is projected. This revenue will be utilized to fund a variety of street projects over the two-year budget period.

Approximately 64% of these funding sources is revenue from Measure M2 sales tax. The original Measure M was a one-half of one percent sales tax approved by Orange County voters in 1990. This sales tax was renewed in 2006 (at the one-half of one percent rate) and revenues from it are now designated as "Measure M2" and are recorded in a separate fund. The City receives an annual apportionment from OCTA of Measure M2 money and anticipates receiving \$1.6 million and \$1.7 million in Measure M2 local apportionment/sales tax funds during FY 2015/16 and FY 2016/17, respectively. The City also competes with other Orange County cities for additional



CITY OF MISSION VIEJO
Explanation of Revenue Sources, 2015-17

funds for specific projects (i.e., competitive grants). There is \$200,000 in competitive grant funding as part of the FY 2015/16 budget and \$700,000 included in the FY 2016/17 budget.

The balance of transportation funding, in the amount of \$600,000 is expected to be received in FY 2015/16 from South County Roadway Improvement Program (SCRIP) developer fees and \$40,000 from the Orange County Municipal Water District (OCMWD). In FY 2016/17, funding is expected from SCRIP in the amount of \$1.6 million and another \$40,000 is expected from OCMWD. SCRIP funds will be used for the Felipe/Oso Intersection Improvement project and improvements to the Oso/I-5 Northbound On-Ramps project. The OCMWD funds will be used for Marguerite Parkway Median Island Rehabilitation projects.

DEBT SERVICE FUND GROUP

MISSION VIEJO MALL PARKING LEASE FUND

As discussed earlier in the Sales Tax section, in 1997 the City and the former Community Redevelopment Agency formed the Mission Viejo Community Development Financing Authority (CDFA). This is a joint exercise of powers authority, for the purpose of issuing bonds to fund certain public improvements at the “Shops at Mission Viejo.” Debt service on the bonds is partially paid from available mall sales tax revenue which is defined as an amount limited to fifty percent of annual sales tax revenue generated by the renovated mall, subject to the City receiving a guaranteed amount that grows each year.

This fund accounts for receipt of the portion of the mall sales tax available to pay debt service on the mall bonds, and the disbursement thereof to the Authority’s bond trustee. In FY 2015/16, \$1.57 million is expected from this source, an increase of 11.9% from the prior year budget. For FY 2016/17, \$1.68 million is expected, an increase of 6.7%. The increase is due to the general improvement in retail sales activity. Due to the allocation formula related to this financing, the City’s share of sales tax revenue is guaranteed and grows steadily while the bond share is subject to greater fluctuations.

ENTERPRISE FUND GROUP

MISSION VIEJO TELEVISION (MVTV) FUND

Revenue estimates for this fund consist primarily of the one-half of one percent portion of the five percent Cable TV franchise fee that is used to provide governmental access to cable television programming, and which is recorded in this separate fund. The remaining 4.5% of the franchise fee is recorded in the General Fund (see the Franchise Taxes discussion on a previous page); however, for both fiscal years, an additional amount of approximately \$120,000 of franchise fees will be allocated to this fund. The franchise fee portion recorded in this fund, along with miscellaneous fees and interest revenue, provide resources for the programming and operations of MVTV, Channel 30. For FY 2015/16 this amount is \$276,000 and is \$278,000 in FY 2016/17.

MISSION VIEJO TV CAPITAL FUND

The Mission Viejo TV Capital Fund accounts for a new source of revenue that began in FY 2011/12. State law requires that after the expiration of an existing franchise agreement, all video service providers will provide monetary support for Public, Education, and Government (PEG) TV channel equipment. This monetary support comes from an additional franchise fee of 1% of total gross receipts assessed on a community’s cable providers. Mission Viejo has franchise agreements with two cable television providers: Cox Cable and AT&T. The additional revenue received from this assessment is restricted to capital equipment purchases. For both fiscal years in the 2015-17 budget, MVTV capital fund projected revenue is \$314,500, an increase of \$34,000 from the FY 2014/15 amended budget.

ANIMAL SERVICES FUND

This fund is used to account for the City’s animal services operations. The City provides animal licensing, field patrol and shelter services to the Cities of Laguna Niguel and Aliso Viejo under contract to those cities and shares the total costs of the program on the basis of population, net of total program revenues.



CITY OF MISSION VIEJO Explanation of Revenue Sources, 2015-17

Revenue for FY 2015/16 is estimated to be \$1.5 million, a 13.2% decrease from FY 2014/15. This decrease is due to a one-time capital contribution in the amount of \$200,000 from the City of Aliso Viejo for the expansion of the cattery facility that was received during the last two fiscal years and a significant one-time donation received in FY 2014/15 in the amount of \$90,000. Projected revenue includes: \$507,000 in licensing and permit revenue – a 0.01% decrease; \$134,000 in shelter fees – a 4.9% decrease; \$702,000 in charges for services (Laguna Niguel and Aliso Viejo’s share of net operating costs and capital expenses) – a 7.6% decrease; \$94,000 in fines, \$10,000 in investment earnings, \$18,600 in lease revenue from the neighboring veterinary clinic, and \$11,200 in donations and other revenue. Total Animal Services fund revenue for FY 2016/17 is projected to remain static at \$1.5 million.

