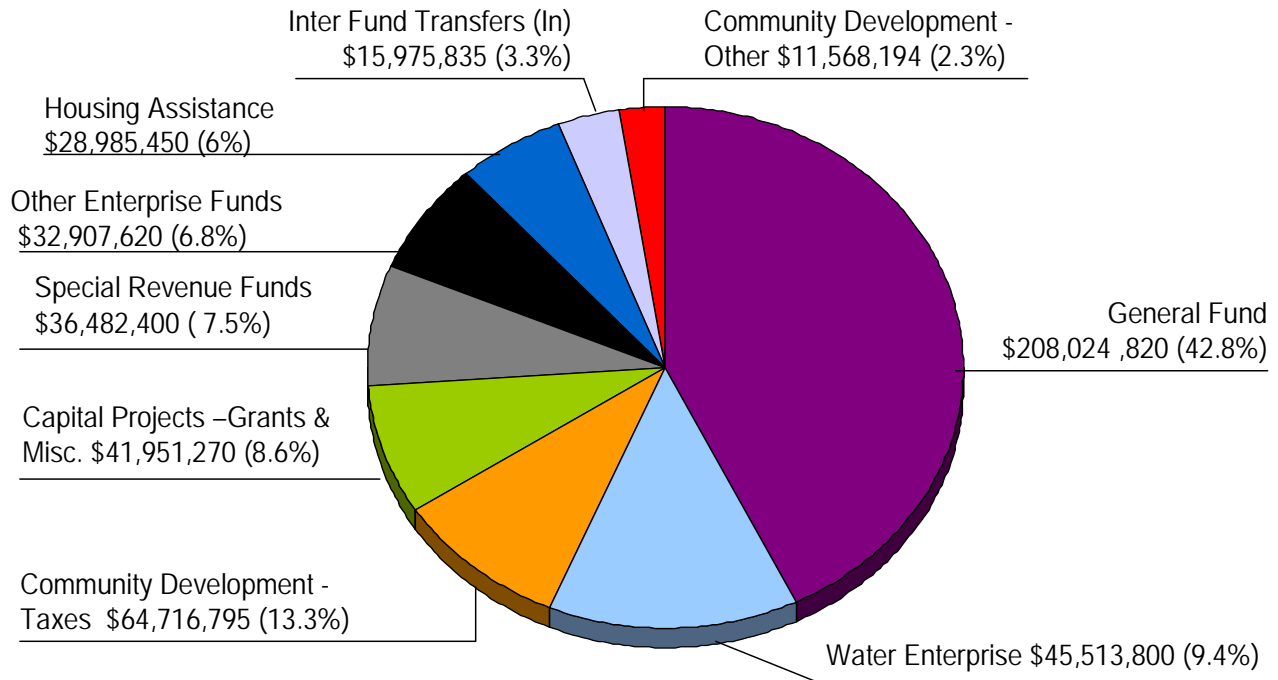


Total Annual Budget By Revenue Sources

FY 2007-2008 Estimated Revenues - \$ 486,126,184

Unexpended Fund Balance - 23,430,790

Total Revenue Sources - \$509,556,974



TOTAL REVENUE SOURCES PIE CHART

Total Revenue Sources chart reflects all resources needed to support total anticipated expenditures as well as where the funds come from for FY07-08. The above pie chart is divided into nine slices which represent the major sources of funding (excluding unexpended fund balance). The largest fund is the General Fund which represents 43 percent of all the resources available. Revenue in the General Fund increased by \$3.4 million due increases in Sales and Property taxes, Business License collections, special revenues and red light camera revenues.

Funding for Capital Projects is approximately \$41.9 million dedicated to various project improvements through the City. The majority of the funding is under the Select Street Construction and Measure M projects. In FY06-07, the Orange County Transit Authority (OCTA) awarded an additional \$46 million towards the Bristol Street Widening project. This project will be completed in phases over several years. As a result of receiving such a large some of money last fiscal year, it may give the appearance that the CIP budget has had a significant decrease.

The Enterprise Fund which accounts for business-type activities, receives most of its funding through user charges from Water, Sanitation, Sanitary Sewer, Federal Clean Water Act, Refuse, Parking Meter Fund and the Depot (formerly known as the Regional Transportation Center).

As shown in the pie chart above, Enterprise Funds (Water & Other Enterprise Funds) constitutes 16.2 percent of the total budget which includes an increase in water pass-through charges to customers (Table 1-3).

Special Revenues increased by 128.6% over last fiscal year as a result of the City's efforts in obtaining a \$14 million Section 108 HUD Loan and \$3.3 million in Prop 1B Infrastructure Bonds. The Public Works Agency has developed a comprehensive Citywide plan to rehabilitate residential streets and will be utilizing the above mentioned revenue sources as well as Traffic Congestion Relief funds, Measure M and the issuance of COP's.

FUND	FY 2006-07 Projected	FY 2007-08 Budget	\$ Change	% Change
General Fund (Sec 2)	204,618,641	208,024,820	3,406,179	1.7%
Redevelopment (Sec 4)	48,631,696	68,268,339	19,636,643	40.4%
Housing (Sec 4)	27,781,480	27,613,510	(167,970)	-0.6%
CDBG (Sec 4)	7,410,820	7,384,680	(26,140)	-0.4%
CDA Grant Funds (Sec 4)	1,858,170	2,003,910	145,740	7.8%
Special Revenue (Sec 5)	15,960,095	36,482,400	20,522,305	128.6%
Enterprise Fund (Sec 6)	71,883,970	78,421,420	6,537,450	9.1%
Capital (Sec 7)	70,015,180	41,951,270	(28,063,910)	-40.1%
Total	448,160,052	470,150,349	21,990,297	4.9%

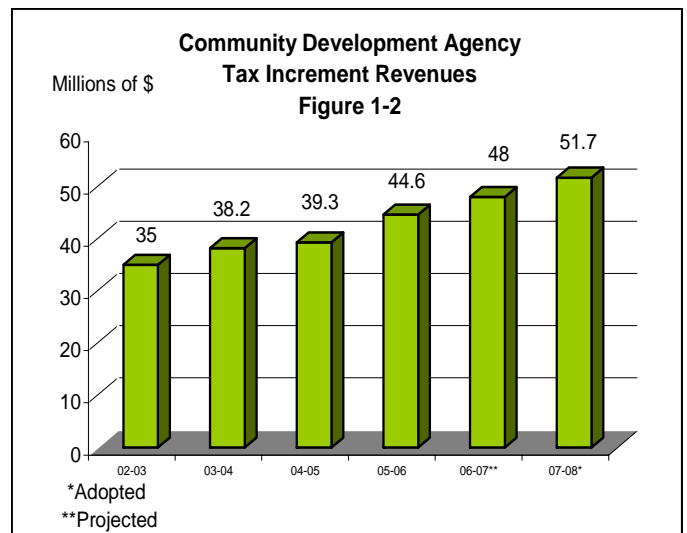
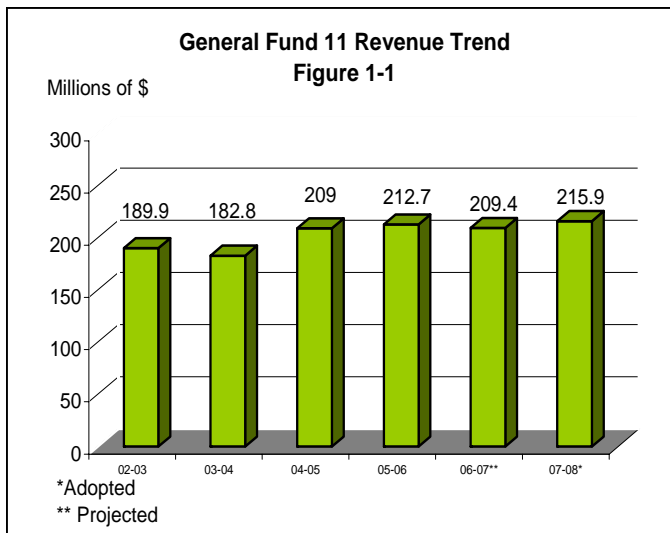
Excludes Interfund Transfers

GENERAL FUND REVENUES

General Fund Revenues consist of Taxes, Intergovernmental revenues, use of money & property (rental of facilities & earnings on investments), miscellaneous recoveries & reimbursements, charges for services (City fees), franchise fees (Cable, Gas, Electrical), license permits & fines and special revenues related to capital projects, reimbursement based programs and donations. These revenues divided into two segments, one being General Fund 11 and being Other General Fund related revenues which include Capital Outlay, Fire facility fees, and other special revenues. Fund 11 makes up for well over 90 percent of all General Fund revenues. Estimates and projections are based on revenue trend analysis as well as Sales Tax & Triple Flip assumptions from MuniServices LLC.

Tax Increment and Grant Proceeds generate approximately 96.1% of CDA’s revenues when excluding transfers and parking/depot revenues.

Tax Increment (TI) revenues are generated when property tax revenue collections exceed the property tax base established when a redevelopment project area was created. The property tax base remains unchanged throughout the life of the redevelopment project and any property taxes generated above the base is considered TI. The City has six project areas which were merged in FY04-05. These merged project areas include Central City, Inter City, North Harbor, South Harbor, South Main and Bristol Corridor and are projected to generate a combined 51.7% of CDA’s total revenues.



Within Fund 11, the largest revenue sources are Taxes which make up approximately 70% of the total General Fund revenue. Included in this revenue category are Sales Tax, Property Tax, Utility User Tax, Property Tax In Lieu of VLF, Business License Tax and Hotel Visitor’s Tax. Use of Money & Property and Intergovernmental are the second and third largest sources of revenue with a combine percentage of 12.6% of total General Fund revenues. Included under Use of Money & Property are rental charges for the police holding facility and earnings on investments. Intergovernmental revenues are made up of State mandate reimbursements, Motor Vehicle License revenues, and General Fund overhead charges for services provided to the Enterprise funds for staffing and billing. See section 2 for additional revenue detail, trends, descriptions and assumptions.

CDA grant proceeds include HUD Section 8 Vouchers, Workforce Investment Act, Federal Empowerment Zone, Housing Opportunities for Persons With Aids (HOPWA), HOME Program, Orange County, Department of Labor and Community Development Block Grants. Proceeds from these grants make up approximately 44.3% of CDA’s total revenues. See section 4 for additional revenue detail and descriptions.

COMMUNITY DEV. AGENCY REVENUES

Community Development Agency (CDA) revenues include Property related Tax Increment revenues, numerous Grant proceeds, Fees & Interest Earnings and Transfers. Property

SPECIAL REVEUE FUND

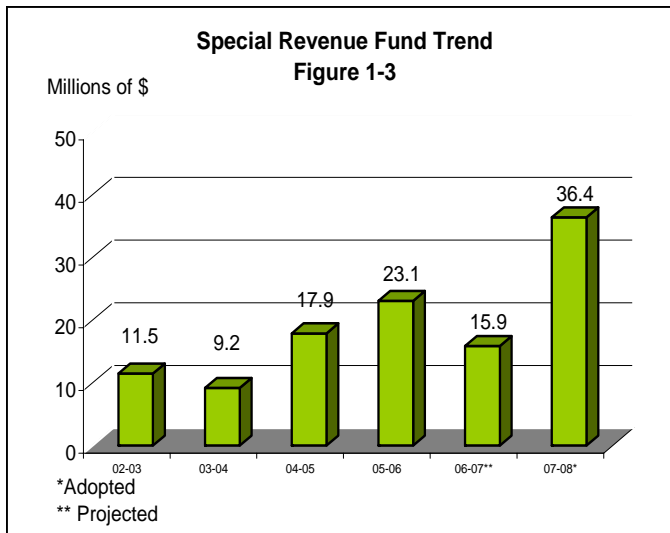
Special Revenues are monies that can only be used for a specific purpose as defined by law or administrative action. These revenues arise from legislative initiatives, grants, partnerships with the County of Orange and participation in projects involving outside agencies that may require the City to document and provide information in exchange of funds (i.e. Air Quality Improvement Fund). Major Special Revenue Funds for FY07-08 are comprised of Special Gas Tax, Proposition 1B Infrastructure Bond, Civic Center, Urban Area Security Initiative Grant and Section 108 HUD Loan and will generate approximately 89.5% of total Special

Revenue fund revenues. See section 5 for additional revenue detail and descriptions.

The City is anticipating approximately \$14 million from a Section 108 HUD Loan and \$3.3 million from Prop 1B to fund neighborhood street improvements. Additional funding is to come from Measure M Turnback, Prop 42 funding and the issuance of certificates of participation. The City partners with the County of Orange in providing routine maintenance, capital projects and provide security services through revenues generated by the various Civic Center parking structures. Civic Center revenues make up approximately 16% of Special Revenues. The City receives Special Gas Tax revenues from the State of California for the improvement of streets and highways.

charges of the Depot Center, water utility consumption charges, refuse and sewer collection services, street metered parking fees and garage parking structure revenues in the Downtown area.

Water, Refuse Collection, and Sanitation revenues make up approximately 85.3% of all Enterprise revenues. Water Enterprise provides water services to residential, commercial and industrial segments of the City. Water revenues come primarily from metered charges for water usage. These revenues capture the cost of providing services, the administration of the fund and water capital construction. Refuse Collection revenues come from trash collection charges (residential & commercial), contract program surcharges as well as grant funding for the recycling and disposal of such items (i.e. oil). Sanitation Enterprise revenues are generated thru customer charges tied to roadway/street sweeping. See section 6 for additional revenue detail and descriptions.



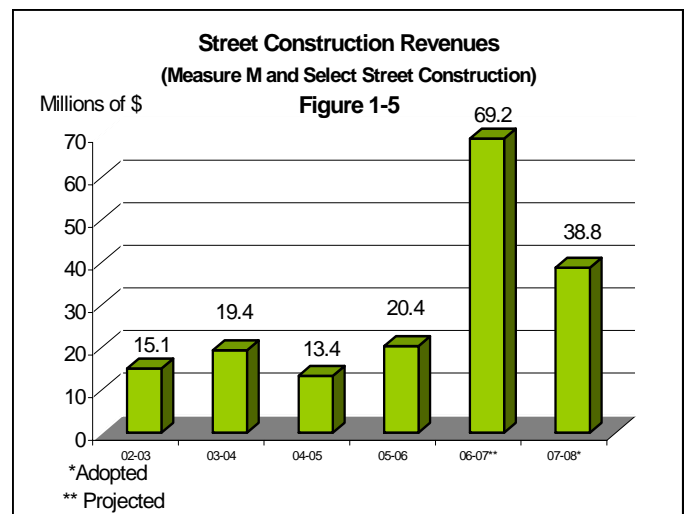
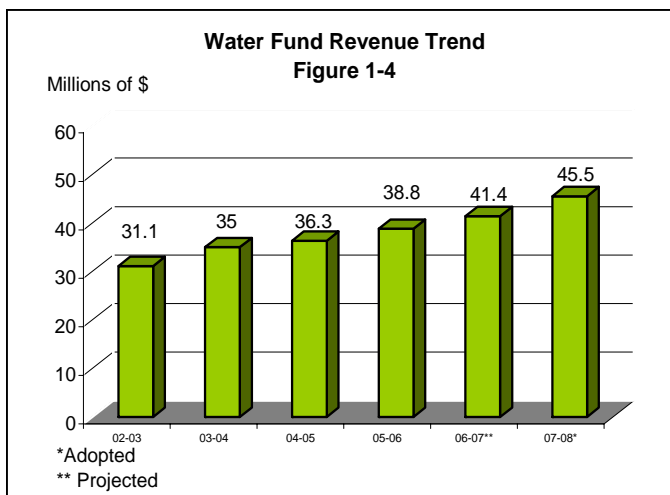
ENTERPRISE FUND REVENUES

Enterprise Fund revenues include the Santa Ana Depot Station, Downtown Parking Meter and Garage Parking, Sanitary Sewer Services, Federal Clean Water Protection, Water Production & Supply and Refuse Collection. Water and other enterprise fund revenues are generated thru rental

CAPITAL IMPROVEMENT REVENUES

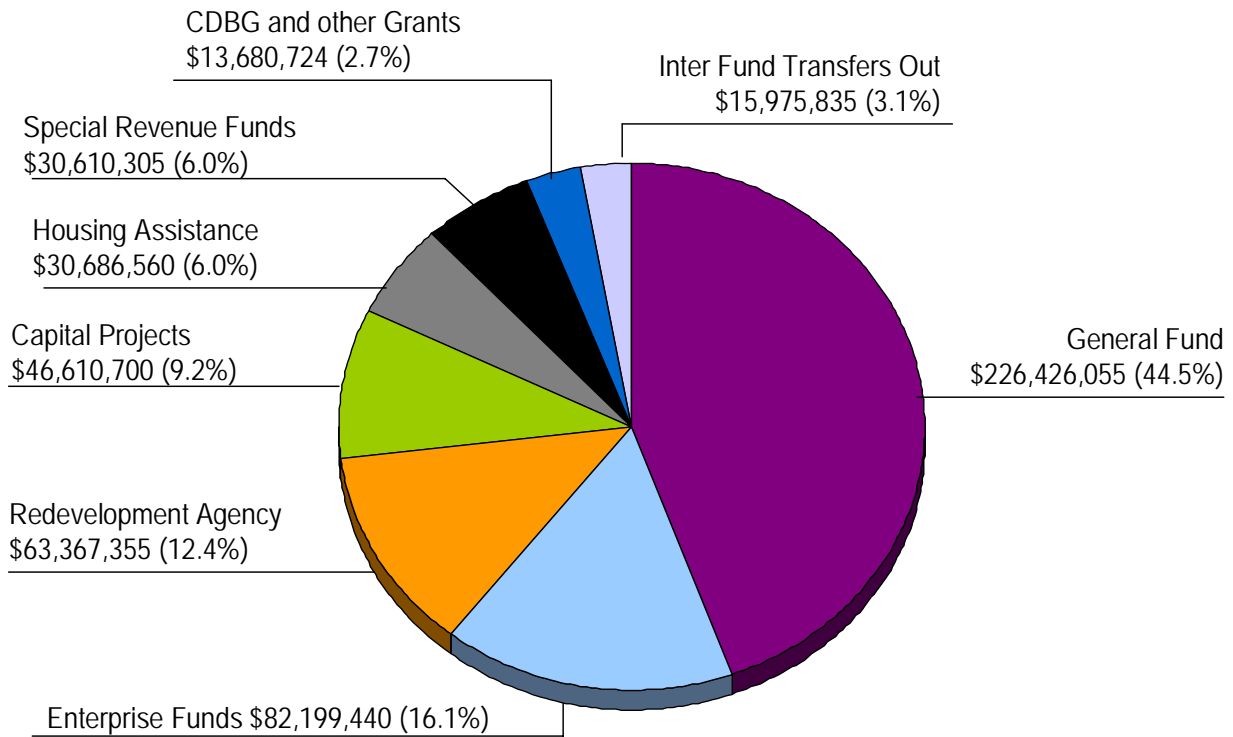
Capital Improvement revenues consist of voter approved funding, transportation & sewer connection fees, gas tax transfers, Orange County Transit Authority (OCTA) subvention and competitive grant funding for capital projects for neighborhood, arterial, traffic, infrastructure, City facilities and park improvements.

Select Street Construction revenues include OCTA gas tax subventions totaling 57.8%, and Measure M revenues made up of competitive and Turnback grant of funding of 27.9% of total Capital Improvement revenues (when excluding Police Holding Facility Debt Service Transfer). FY06-07 & had a significant increase resulting from additional funding contributions received from OCTA for the Bristol Widening Project. This project is to be completed in phases.



Total Annual Budget By Appropriations

FY 2007-2008- \$ 509,556,974



TOTAL APPROPRIATIONS PIE CHART

The total appropriation budget for all funds and activities is \$509,556,974. Included in this figure is approximately \$15.9 million in Interfund transfers. All expenditures associated with the various funds are displayed above by type of expenditure and basically identifies where the funding will be spent. General Fund makes up for the largest slice of the pie with a total of \$226.4 million in appropriations to fund programs and services through various agencies.

Public Safety alone will receive the largest commitment with over \$174 million (approximately 35.3 percent) of fund total appropriations (Table 1-2). Increases in public safety expenditures are due to salaries, overtime, other personnel and benefit cost increases as well as the addition of personnel and new programs for the upcoming year. The Police Department will be adding approximately 16 new position to its budget. Eleven of these new positions are for a second Street Terrorist Offender Program (STOP) unit. The Police Department has also created the Police Athletic Activities League (PAAL) and has added two full-time positions to provide mentoring to Santa Ana’s youth. The Fire Department added 3 new Firefighters to its budget. For more information, please refer to Sections 2, 5 and 7.

The Enterprise fund makes up for the second largest slice of the pie with over \$82.1 million budgeted for the various services provided thru Water, Refuse, Sanitation, Sewer, Parking meter and the Depot operations. Water Utility appro-

priation increased by 7.2 percent over last fiscal year reflecting increase in water commodity and operations cost increases (Table 1-2).

Refuse, Sanitation, Sewer and Federal Clean Water Act account for 6.3 percent of the total appropriation budget. This program increased 7.8 percent increase over prior year appropriations (Table 1-3) as a result of operation increases. Please refer to Section 6 for more information.

Community Development (which includes Economic Development, Redevelopment, portions of CDBG, parking related funds, and the Depot) accounts for 15.8 percent of total ex-

BUDGET YEAR COMPARISON BY PROGRAM
Table 1-2

Program	FY 2006-07 Projected	FY 2007-08 Budget	\$ Change	% Change
Public Safety	161,503,329	174,130,325	12,626,996	7.8%
Community Development	66,122,990	78,206,026	12,083,036	18.3%
Water Utility	43,387,378	46,513,800	3,126,422	7.2%
Housing	30,430,645	29,301,620	(1,129,025)	-3.7%
Refuse/Sanitation	28,751,265	30,986,640	2,235,375	7.8%
Recreation/Cultural	25,976,325	28,077,345	2,101,020	8.1%
General Government	18,933,900	20,651,345	1,717,445	9.1%
Community Maintenance	79,640,930	72,405,698	(7,235,232)	-9.1%
Planning & Building	12,212,995	13,308,340	1,095,345	9.0%
Total	466,959,757	493,581,139	26,621,382	5.7%

Excludes Interfund Transfers

**TOTAL ANNUAL BUDGET
BY FUND & PROGRAM**
Table 1-3

Increase (Decrease) Over Prior Year

	Actual FY 05-06	% of Total	Projected FY 06-07	% of Total	Adopted FY 07-08	% of Total	Increase (Decrease) Over Prior Year			
							05-06 to 06-07		06-07 to 07-08	
							in \$	in %	in \$	in %
REVENUES BY FUND										
General Fund	199,080,616	48.1%	204,618,641	45.7%	208,024,820	44.2%	5,538,025	2.8%	3,406,179	1.7%
Redevelopment Fund	57,519,951	13.9%	48,631,696	10.9%	68,268,339	14.5%	(8,888,255)	-15.5%	19,636,643	40.4%
Housing Fund	28,414,537	6.9%	27,781,480	6.2%	27,613,510	5.9%	(633,057)	-2.2%	(167,970)	-0.6%
CDBG	8,100,574	2.0%	7,410,820	1.7%	7,384,680	1.6%	(689,754)	-8.5%	(26,140)	-0.4%
CDA Grant Funds	4,899,792	1.2%	1,858,170	0.4%	2,003,910	0.4%	(3,041,622)	-62.1%	145,740	7.8%
Special Revenue Fund	23,166,182	5.6%	15,960,095	3.6%	36,482,400	7.8%	(7,206,087)	-31.1%	20,522,305	128.6%
Enterprise Fund	70,671,755	17.1%	71,883,970	16.0%	78,421,420	16.7%	1,212,215	1.7%	6,537,450	9.1%
Capital Fund	21,835,336	5.3%	70,015,180	15.6%	41,951,270	8.9%	48,179,844	220.7%	(28,063,910)	-40.1%
Subtotal	413,688,743	100.0%	448,160,052	100.0%	470,150,349	100.0%	34,471,309	8.3%	21,990,297	4.9%
TOTAL REVENUES	413,688,743	100.0%	448,160,052	100.0%	470,150,349	100.0%	34,471,309	8.3%	21,990,297	4.9%
EXPENDITURES BY PROGRAM										
Public Safety	156,004,427	37.9%	161,503,329	34.6%	174,130,325	35.3%	5,498,902	3.5%	12,626,996	7.8%
Community Development	82,349,210	20.0%	66,122,990	14.2%	78,206,026	15.8%	(16,226,220)	-19.7%	12,083,036	18.3%
Water Utility	37,568,581	9.1%	43,387,378	9.3%	46,513,800	9.4%	5,818,797	15.5%	3,126,422	7.2%
Housing	26,817,675	6.5%	30,430,645	6.5%	29,301,620	5.9%	3,612,970	13.5%	(1,129,025)	-3.7%
Refuse/Sanitation	26,489,706	6.4%	28,751,265	6.2%	30,986,640	6.3%	2,261,559	8.5%	2,235,375	7.8%
Recreation/Cultural/Library	23,545,744	5.7%	25,976,325	5.6%	28,077,345	5.7%	2,430,581	10.3%	2,101,020	8.1%
General Government	18,258,463	4.4%	18,933,900	4.1%	20,651,345	4.2%	675,437	3.7%	1,717,445	9.1%
Community/Maintenance	28,815,561	7.0%	79,640,930	17.1%	72,405,698	14.7%	50,825,369	176.4%	(7,235,232)	-9.1%
Planning & Building	11,726,242	2.8%	12,212,995	2.6%	13,308,340	2.7%	486,753	4.2%	1,095,345	9.0%
TOTAL EXPENDITURES	411,575,609	100.0%	466,959,757	100.0%	493,581,139	100.0%	55,384,148	13.5%	26,621,382	5.7%
Excludes Interfund Transfers										
TOTAL ANNUAL BUDGETED PERSONNEL										
Number of Positions	1,713.00		1,725.00		1,753.00		12	0.7%	28	1.6%
Santa Ana Population	351,697		351,697		353,428		0	0.0%	1,731	0.5%
Positions Per 1,000 Pop.	4.87		4.90		4.96		0	0.0%	0	0.0%

penditures and increased 18.3% when compared to last fiscal year as a result of personnel costs and obligation/debt service payment increases. Housing experienced a decrease of 3.7 percent. For more information on these areas, please refer to sections 4 & 6.

Community Maintenance refers to funds associated with constructing roads or other improvements or maintenance. Community Maintenance budget is \$72.4 million and decreased approximately by 9.1%. The decrease is due to capital improvement project related to the Select Street construction (see section 7).

Recreation/Cultural refers to expenditures associated with Recreation & Community Services, Santa Ana Library as well as any special or capital projects in those areas. Recreation/Cultural amounts to 5.7 percent of total appropriations and reflects an increase of 8.1 percent due to an increase in recreation youth programs, recreation grant funding, Library after school homework programs, the bookmobile and additional grant funding for the purchase of books (Table 1-3).

General Government program is 4.2 percent of total appropriations which includes the City Manager’s Office, City Attorney, City Clerk, Non-Departmental, Personnel, Depart-

ment, IS Strategic Plan transfer and Finance & Management Services. General Government has increased by 9.1 percent due to additional funding for debt service payments associated with the new parking structure, the addition of \$750,000 to assist the City’s Building Rehabilitation efforts as well as the addition of staff. Personnel related Air Quality Management District (AQMD) funds are also included. For additional information please see section 2 and 5.

Planning & Building represents 2.7 percent of the total expenditures. Included in this area are general fund, special revenue AQMD, and Comm. Dev. Block Grant (CDBG) associated expenditures with community preservation.

Overall, the City’s workforce increased by a net of 28 positions resulting in an increase in personnel related expenditures throughout various agencies. The City Attorney’s Office increased by 1, Community Development with a net decrease of 1, Library with an increase of 2, Finance with a net increase of 5, Fire Department increased by 5, Personnel Service increased by 1, Parks & Recreation net decreased of 3 (conversion of park range full-time staff into part-time for better coverage), Police department increased by 16 and Public Works increased by 4 full-time positions. Please re-

(Continued on page 7)

fer to the Personnel Allocation Summary (Table 1-14) for more information.

ECONOMIC OUTLOOK

In California, the economic experience has been quite the same as the rest of the nation. Many factors have influenced California's economy with increasing energy costs, decline in consumer confidence, housing sales slump and sub-prime market bust. The State's financial outlook appears to be a volatile one with potential homebuyers waiting on the sidelines for home prices to stabilize, a downshift on vehicle sales topped with higher gas prices at the pump and the decline in consumer spending. In the past two years, we have not seen any State budget takeaways or new revenue-increasing mechanisms such as the Triple Flip, ERAF III or In-Lieu of MVL but this could potentially change if the economy continues on a downward trend (let's see if Prop 1A holds true).

The national unemployment rate, the economic indicator followed most closely, decreased slightly from an average of 5.0 percent in July 2006 to 4.9 percent in July of 2007 according to the Bureau of Labor Statistics (not seasonally adjusted data). Although employment grew over the past year, there is a possibility that unemployment levels could increase during the remainder of the year and into 2008 as a result of losses in building and finance jobs related to the weak housing market and credit crunch. The U.S. employment picture remains better than California's (where unemployment remains higher than the national average). The U.S. Department of Labor, Bureau of Labor Statistics reports the July 2007 unemployment rate in California at 5.5 percent (not seasonally adjusted) as compared to the 4.9 percent for the U.S. The unemployment rate reported for the same period in the Orange County region is estimated at 4.1 percent while Santa Ana's is 6.7 percent.

TOTAL BUDGET BY FUND & PROGRAM

Total Annual Budget by Fund & Program Table 1-3 puts the revenue and appropriation tables in the previous pages (1-2 and 1-3) in perspective by comparing the total annual budget that has been adopted over the last two years and the actuals from FY05-06. Subsequent tables, figures, and schedules continue the logical flow by expanding one-year revenue data into a three-year time horizon. The proportions of each revenue source to the fund type and to total revenues from all funds are analyzed.

In addition to expanding the time horizon on the annual data summarized in this section, this budget document also drills down into program components and their cost allocations. These costs items are the same expense types found in the General Fund department summaries and as described in the Expenditure Classification by Object Codes section in the Glossary.

Programs typically cut across departmental lines since no one operating unit is equipped to provide all the services a program entails. Public safety, for instance, consists of crime-

fighting, fire-fighting, and emergency medical services. This may at times complicate the way budget information is presented. For this reason, this document follows a consistent theme that focuses on the department's that manage the programs and allocations. This thematic presentation not only helps to simplify the manner in which the budget is presented, but also highlights the accountability by pinpointing the department that is responsible for providing the service.

FUND BEGINNING & ENDING BALANCES

The Beginning & Ending Fund Balance tables indicate the beginning balances, current revenue, transfers, direct expenditures and ending balances per each fund. These tables are located within each section of the budget document providing a summarized version of the fund (Tables 2-1, 3-1, 4-1, 5-1 & 6-1).

Section 5 of Article XIII B allows the City to designate a portion of fund balance for general contingencies to be used for any purpose. In 1983, the City Council passed a resolution setting aside all unappropriated or unrestricted balances in the General Fund and Special Revenue Fund as contingency funds. Further detail is discussed and itemized within the Resource & Program sheets of each individual Fund & Activity.

General Fund Table 2-1 (in section 2) illustrates the current structural deficit (in which recurring expenditures exceed recurring revenues) and its projected growth over the next couple of years if no action is taken. Currently the City Council has established an Ad Hoc Finance Committee to oversee the City's financial health during FY07-08, revise and update the existing financial policies and identify potential solutions that will reduce City's future financial burden.

Table 3-1 (in section 3) shows the fund balance fluctuations in the various Internal Service Funds. Building Maintenance fund balance is anticipated to decrease by 50% as a result of increases for capital projects and contractual service agreement allocations for unforeseen projects that may arise. Employee Group Insurance fund balance was originally projected to decrease by 53% as a result of higher insurance costs allocation. This decrease may not be realized as health insurance premiums and caps will remain relatively flat. Workers Compensation Fund is anticipated to increase by 32% due to higher departmental revenue charges to increase fund balance and meet actuarial claims payable reserves. Communications & Information Services Fund Balance is anticipated to decrease by 73% due to the purchase of a new ERP system and special projects that are projected to occur during FY07-08.

Community Development Agency (CDA) beginning & ending fund balance Table 4-1 (in section 4) reflects the various Community Development and Redevelopment Agency Fund balances. CDA revenues are anticipated to meet all budgeted expenditures with no changes in fund balance for FY07-08. At this time CDA is projecting a balance budget nevertheless, changes in fund balance will occur.

**FY 07-08 TOTAL BUDGET SUMMARY
EXPENDITURES AND INTERFUND TRANSFERS BY DEPARTMENT & FUNDING SOURCE
TABLE 1-4**

DEPARTMENT	General Fund	Community Dev./Redev.	Enterprise Revenues	Fees/ Misc. Rev.	Housing Authority	CDBG Fund	Capital Projects	Grant** Funding	Special Revenues	TOTAL	%
Police Department	114,549,165					21,900			8,308,795	122,879,860	24.9%
Community Development Agency		61,768,270	4,699,000		30,686,560	2,458,686		6,296,045		105,908,561	21.5%
Public Works Agency	7,628,105		77,500,440	526,080		1,593,093	44,754,650		17,903,775	149,906,143	30.4%
Fire Department	50,466,465					784,000				51,250,465	10.4%
Parks, Recreation & Com. Services	14,820,120	1,599,085				727,000	1,329,970		3,699,820	22,175,995	4.5%
Planning & Building Agency	11,453,150					1,700,000			155,190	13,308,340	2.7%
Finance & Management Services	6,096,800									6,096,800	1.2%
Library Services	5,229,900								250,000	5,479,900	1.1%
City Attorney's Office	2,526,590					100,000				2,626,590	0.5%
Personnel Services	2,125,520								292,725	2,418,245	0.5%
City Manager's Office	2,129,790									2,129,790	0.4%
Bowers Museum	2,020,530									2,020,530	0.4%
Non-Departmental	1,607,955									1,607,955	0.3%
Clerk of the Council Office	715,640									715,640	0.1%
Building Rehabilitation Plan	750,000									750,000	0.2%
Information Svcs. Strategic Plan	3,662,230									3,662,230	0.7%
GF related Special Revenue Fund	644,095									644,095	0.1%
Subtotal	226,426,055	63,367,355	82,199,440	526,080	30,686,560	7,384,679	46,084,620	6,296,045	30,610,305	493,581,139	100.0%
Interfund Transfers Out	3,464,355	3,829,640					200,000		8,481,840	15,975,835	
TOTAL	229,890,410	67,196,995	82,199,440	526,080	30,686,560	7,384,679	46,284,620	6,296,045	39,092,145	509,556,974	

** Includes Workforce Investment Act, Empowerment Zone, Orange County SSA, Orange County Transportation Grants, Federal and State Grants

Special Revenue Fund balances table 5-1 (in section 5) illustrates the changes in fund balance. Special Revenues primarily operate on a reimbursement basis which could mean that the projected 06-07 fund balance may be understated as all revenues may not all be recorded by the time we publish this book. This may affect the departmental revenue projections for FY07-08. Both Inmate Welfare and Criminal Activities funds are projecting a decrease in fund balance (over 200% and 84% respectively) pending revenues generated by donations and sale of criminal assets seized. Urban Areas Security Initiative Grant and Traffic Offender Program Funds are also projected to have a decrease in fund balances (80% and 51% respectively) pending the receipt of grant proceeds and reimbursements.

Table 6-1 (in section 6) provides a snapshot of beginning and ending fund balance changes for the Enterprise Funds. Major changes in fund balance are projected to occur in Refuse Collection as PWA is anticipating this fund to triple its ending fund balance as a result of increases to its refuse collection charges and the continuation of the \$3.1 million in contract program surcharges for services being contracted out. Both the Federal Clean Water Protection and Sanitation Enterprise fund will be experiencing a decrease in fund balance (136% and 39% respectively) as a result of higher personnel costs and capital purchases anticipated during fiscal year 07-08.

TABLE 1-4 TOTAL BUDGET SUMMARY BY EXPENDITURE & FUNDING SOURCE

Table 1-4 shows the total budget for each operating department. This table depicts the various funds that each agency/program administers. Note also how the subtotal of \$493,581,139 (excluding Interfund transfers) in Table 1-4 is equal to the total expenditures in the adopted FY07-08 column of Table 1-3.

TABLE 1-5 TOTAL REVENUE SUMMARY BY FUNDS & REVENUE TYPE

Table 1-5 details all the various revenue sources that makes up each individual fund. Designated beginning fund balances and Interfund transfers are excluded from this table. Descriptions of the revenue and programs they fund are located within the program and resource sheets throughout the budget document.

TABLE 1-6A AND 1-6B TOTAL EXPENDITURE SUMMARY BY PROGRAM & ACTIVITY AND BY FUND

Table 1-6A shows the appropriation detail on a program/activity level. This table provides FY2005-2006 actual expenditures, FY2006-2007 projected and FY2007-2008 adopted expenditure comparisons associated with the various City-wide programs and activities. The FY 2007-2008 column indicates total appropriated expenditures of \$493 million. Table 1-6B introduces Total Expenditure Summary by Fund and summarizes the various funds within each section of the budget book. For further details on these funds please see the resource sheets in sections 2, 4, 5, 6 and 7.

**TOTAL REVENUE SUMMARY
BY FUNDS & REVENUE TYPE**

Table 1-5

Fund Type	Actual	Projected	Adopted	as % of Fund Type			as % of All Funds		
	FY 05-06	FY 06-07	FY 07-08	05-06	06-07	07-08	05-06	06-07	07-08
GENERAL FUND									
Sales Tax	43,407,263	44,877,300	46,777,805	21.8%	21.9%	22.5%	10.5%	10.0%	9.9%
Utility Users Tax	27,565,396	28,326,300	28,679,040	13.8%	13.8%	13.8%	6.7%	6.3%	6.1%
Property Tax	26,288,045	28,700,000	29,561,000	13.2%	14.0%	14.2%	0.5%	6.4%	6.3%
Property Tax In-Lieu of VLF	21,155,555	25,450,000	24,259,137	10.6%	12.4%	11.7%	14.0%	5.7%	5.2%
Business Tax	9,828,839	10,019,000	9,608,703	4.9%	4.9%	4.6%	0.5%	2.2%	2.0%
Hotel Visitor's Tax	7,187,340	7,331,185	7,477,707	3.6%	3.6%	3.6%	14.0%	1.6%	1.6%
Motor Vehicle License	2,150,299	2,100,000	225,762	1.1%	1.0%	0.1%	0.0%	0.5%	0.0%
GF Special Revenue Funds	2,871,749	1,945,100	753,420	1.4%	1.0%	0.4%	0.0%	0.4%	0.2%
GF Capital Outlay	647,537	779,713	673,695	0.3%	0.4%	0.3%	48.1%	0.2%	0.1%
Other Revenues	57,978,593	55,090,043	60,008,551	29.1%	26.9%	28.8%	48.1%	12.3%	12.8%
Total	199,080,616	204,618,641	208,024,820	100.0%	100.0%	100.0%	48.1%	45.7%	44.2%
COMMUNITY DEVELOPMENT FUNDS									
Welfare Investment Act	3,146,322	2,416,140	3,551,545	3.18%	2.8%	3.4%	0.8%	0.5%	0.8%
Orange County SSA	658,669	497,670	631,970	0.67%	0.6%	0.6%	0.2%	0.1%	0.1%
Empowerment Zone	2,461,109	0	0	2.49%	0.0%	N/A	0.6%	0.0%	N/A
Department of Labor Youth Grant	178,074	0	0	0.18%	0.0%	N/A	0.0%	0.0%	N/A
Community Development Block Grant	8,100,574	7,410,820	7,384,680	8.19%	8.6%	7.0%	2.0%	1.7%	1.6%
Housing HOPWA Federal Funds	1,601,940	1,360,500	1,371,940	1.62%	1.6%	1.3%	0.4%	0.3%	0.3%
Housing Authority Funds	28,141,537	27,781,480	27,613,510	28.44%	32.4%	26.2%	6.8%	6.2%	5.9%
Com. Dev./Redev. & SA Auth.	54,646,629	46,215,556	64,716,794	55.23%	53.9%	61.5%	13.2%	10.3%	13.8%
Total	98,934,854	85,682,166	105,270,439	100.00%	100.0%	100.0%	23.9%	19.1%	22.4%
SPECIAL REVENUE FUNDS									
Inmate Welfare Fund	342,842	426,300	427,500	1.48%	2.7%	1.2%	0.1%	0.1%	0.1%
Traffic Safety	1,712,235	2,000,000	2,000,000	7.39%	12.5%	5.5%	0.4%	0.4%	0.4%
Criminal Activities	736,740	232,355	145,015	3.18%	1.5%	0.4%	0.2%	0.1%	0.0%
Special Gas Tax	7,665,751	7,018,345	6,481,840	33.09%	44.0%	17.8%	1.9%	1.6%	1.4%
Prop 1B Infrastructure Bond	0	0	3,348,375	0.00%	0.0%	9.2%	0.0%	0.0%	0.7%
Air Quality Fund	449,220	378,780	447,915	1.94%	2.4%	1.2%	0.1%	0.1%	0.1%
Residential Street Improvement	0	451,500	355,400	0.00%	2.8%	1.0%	0.0%	0.1%	0.1%
Civic Center Authority	2,523,726	3,553,990	4,684,375	10.89%	22.3%	12.8%	0.6%	0.8%	1.0%
UASI	8,519,425	794,800	4,186,000	36.78%	5.0%	11.5%	2.1%	0.2%	0.9%
Metropolitan Medical Response System	401,300	154,025	0	1.73%	1.0%	0.0%	0.1%	0.0%	0.0%
Public Library Grant	138,112	0	202,820	0.60%	0.0%	0.6%	0.0%	0.0%	0.0%
Section 108HUD Loan	0	0	14,000,000	0.00%	0.0%	38.4%	0.0%	0.0%	3.0%
Office of Safety Grant	676,831	0	203,160	2.92%	0.0%	0.6%	0.2%	0.0%	0.0%
Total	23,166,182	15,960,095	36,482,400	100.00%	100.0%	100.0%	5.6%	3.6%	7.8%
CAPITAL FUNDS									
Traffic Congestion Relief Program	1,127,626	980,000	2,580,750	5.16%	1.4%	6.2%	0.3%	0.2%	0.5%
Measure M	6,429,155	4,657,710	12,221,500	29.44%	6.7%	29.1%	1.6%	1.0%	2.6%
Transportation Area Funds	1,595,934	1,355,125	1,551,000	7.31%	1.9%	3.7%	0.4%	0.3%	0.3%
Sewer Connection	1,290,285	720,000	720,000	5.91%	1.0%	1.7%	0.3%	0.2%	0.2%
Select Street	10,623,524	61,073,015	23,230,970	48.65%	87.2%	55.4%	2.6%	13.6%	4.9%
Traffic System Management	118,543	0	0	0.54%	0.0%	0.0%	0.0%	0.0%	0.0%
Land & Water Conservation Fund	0	150,000	0	0.00%	0.2%	0.0%	0.0%	0.0%	0.0%
State Regional Trails Program	16,000	102,750	240,000	0.07%	0.1%	0.6%	0.0%	0.0%	0.1%
Local Drainage Areas	592,882	375,580	526,080	2.72%	0.5%	1.3%	0.1%	0.1%	0.1%
Park Acquisition & Development	41,387	601,000	880,970	0.19%	0.9%	2.1%	0.0%	0.1%	0.2%
Total	21,835,336	70,015,180	41,951,270	100.00%	100.0%	100.0%	5.3%	15.6%	8.9%
ENTERPRISE FUNDS									
Parking Meter	3,698,029	2,415,000	2,492,000	15.96%	15.1%	6.8%	0.9%	0.5%	0.5%
Sanitary Sewer Fund	2,707,528	3,127,800	3,908,190	3.83%	4.4%	5.0%	0.7%	0.7%	0.8%
Federal Clean Water Protection	2,773,605	2,545,370	2,620,285	3.92%	3.5%	3.3%	0.7%	0.6%	0.6%
Water Utility Funds	38,821,575	41,398,460	45,513,800	54.93%	57.6%	58.0%	9.4%	9.2%	9.7%
The Depot	708,660	742,540	787,845	1.00%	1.0%	1.0%	0.2%	0.2%	0.2%
Sanitation Fund	7,978,814	7,896,000	7,915,000	11.29%	11.0%	10.1%	1.9%	1.8%	1.7%
Refuse Collection	13,983,544	13,758,800	15,184,300	19.79%	19.1%	19.4%	3.4%	3.1%	3.2%
Total	70,671,755	71,883,970	78,421,420	100.00%	100.0%	100.0%	17.1%	16.0%	16.7%
GRAND TOTAL - ALL FUNDS	413,688,743	448,160,052	470,150,349						

Excludes Interfund Transfers

**TOTAL EXPENDITURE SUMMARY
BY PROGRAM & ACTIVITY
Table 1-6A**

PROGRAM & ACTIVITY	Actual FY 05-06	% of Total	Projected FY 06-07	% of Total	Adopted FY 07-08	% of Total	Increase (Decrease) Over Prior Year			
							05-06 to 06-07		06-07 to 07-08	
							in \$	in %	in \$	in %
Public Safety										
Police Services	111,809,922	23.9%	113,139,315	24.2%	122,879,860	24.9%	1,329,393	1.2%	9,740,545	8.6%
Fire & Emergency Medical Svcs.	44,194,505	9.5%	48,364,014	10.4%	51,250,465	10.4%	4,169,509	8.6%	2,886,451	6.0%
Total	156,004,427	33.4%	161,503,329	34.6%	174,130,325	35.3%	5,498,902	3.4%	12,626,996	7.8%
Community Development										
Community Development Agency	64,894,812	13.9%	49,516,870	10.6%	61,768,269	12.5%	(15,377,942)	-31.1%	12,251,399	24.7%
CDBG/HOPWA	3,804,835	0.8%	3,419,520	0.7%	3,843,627	0.8%	(385,315)	-11.3%	424,107	12.4%
Parking Meter Fund	4,299,404	0.9%	4,763,605	1.0%	3,779,080	0.8%	464,201	9.7%	(984,525)	-20.7%
Special Revenue Funds	1,641,607	0.4%	1,509,745	0.3%	1,599,085	0.3%	(131,862)	-8.7%	89,340	5.9%
CDA Grant Funds	6,366,763	1.4%	6,050,710	1.3%	6,296,045	1.3%	(316,053)	-5.2%	245,335	4.1%
The Depot/RTC	1,341,789	0.3%	862,540	0.2%	919,920	0.2%	(479,249)	-55.6%	57,380	6.7%
Total	82,349,210	17.6%	66,122,990	14.2%	78,206,026	15.8%	(16,226,220)	-24.5%	12,083,036	18.3%
Water Utility										
Water Production & Supply	18,931,232	4.1%	19,839,690	4.2%	20,448,315	4.1%	908,458	4.6%	608,625	3.1%
Maintenance & Construction	2,581,587	0.6%	3,255,575	0.7%	3,557,350	0.7%	673,988	20.7%	301,775	9.3%
Administration & Engineering	2,461,388	0.5%	2,828,450	0.6%	3,328,810	0.7%	367,062	13.0%	500,360	17.7%
All Others	13,594,374	2.9%	17,463,663	3.7%	19,179,325	3.9%	3,869,289	22.2%	1,715,662	9.8%
Total	37,568,581	8.0%	43,387,378	9.3%	46,513,800	9.4%	5,818,797	13.4%	3,126,422	7.2%
Housing										
Housing Authority Funds	26,817,675	5.7%	30,430,645	6.5%	29,301,620	5.9%	3,612,970	11.9%	(1,129,025)	-3.7%
Total	26,817,675	5.7%	30,430,645	6.5%	29,301,620	5.9%	3,612,970	11.9%	(1,129,025)	-3.7%
Community/Maintenance										
Public Works Agency	4,760,836	1.0%	5,340,070	1.1%	7,628,105	1.5%	579,234	10.8%	2,288,035	42.8%
CDBG	535,000	0.1%	940,000	0.2%	1,593,093	0.3%	405,000	43.1%	653,093	69.5%
Capital/Grant Funds	23,289,491	5.0%	72,899,360	15.6%	45,280,725	9.2%	49,609,869	68.1%	(27,618,635)	-37.9%
Special Revenue Fund	230,234	0.0%	461,500	0.1%	17,903,775	3.6%	231,266	50.1%	17,442,275	3779.5%
Total	28,815,561	6.2%	79,640,930	17.1%	72,405,698	14.7%	50,825,369	63.8%	(7,235,232)	-9.1%
Refuse/Sanitation/Sewer/Federal Clean Water Act										
Sanitary Sewer Services	2,817,975	0.6%	3,249,900	0.7%	3,908,190	0.8%	431,925	13.3%	658,290	20.3%
Federal Clean Water Act	2,143,485	0.5%	3,430,870	0.7%	3,511,535	0.7%	1,287,385	37.5%	80,665	2.4%
Refuse Collection	13,315,895	2.9%	13,944,880	3.0%	15,184,300	3.1%	628,985	4.5%	1,239,420	8.9%
Sanitation Fund	8,212,351	1.8%	8,125,615	1.7%	8,382,615	1.7%	(86,736)	-1.1%	257,000	3.2%
Total	26,489,706	5.7%	28,751,265	6.2%	30,986,640	6.3%	2,261,559	7.9%	2,235,375	7.8%
Recreation/Library/Cultural										
Recreation/Parks/Zoo	17,782,143	3.8%	19,038,180	4.1%	20,576,915	4.2%	1,256,037	6.6%	1,538,735	8.1%
Library	4,027,647	0.9%	5,052,545	1.1%	5,479,900	1.1%	1,024,898	20.3%	427,355	8.5%
Bowers Museum	1,735,954	0.4%	1,885,600	0.4%	2,020,530	0.4%	149,646	7.9%	134,930	7.2%
Total	23,545,744	5.0%	25,976,325	5.6%	28,077,345	5.7%	2,430,581	9.4%	2,101,020	8.1%
General Government										
City Manager's Office	1,591,336	0.3%	1,889,045	0.4%	2,129,790	0.4%	297,709	15.8%	240,745	12.7%
City Attorney's Office	2,005,529	0.4%	2,483,835	0.5%	2,626,590	0.5%	478,306	19.3%	142,755	5.7%
Clerk of the Council's Office	562,029	0.1%	786,230	0.2%	715,640	0.1%	224,201	28.5%	(70,590)	-9.0%
Personnel Services	1,672,704	0.4%	2,000,970	0.4%	2,418,245	0.5%	328,266	16.4%	417,275	20.9%
Non-Departmental	2,199,022	0.5%	1,668,265	0.4%	1,607,955	0.3%	(530,757)	-31.8%	(60,310)	-3.6%
IS Strategic Plan	3,662,230	0.8%	3,662,230	0.8%	3,662,230	0.7%	0	0.0%	0	0.0%
Building Rehabilitation	0	0.0%	0	0.0%	750,000	0.2%	0	N/A	750,000	N/A
Spec. Rev./Cap Lease/COP Pmt	2,028,330	0.4%	276,995	0.1%	644,095	0.1%	(1,751,335)	-632.3%	367,100	132.5%
Finance & Management Services	4,537,283	1.0%	6,166,330	1.3%	6,096,800	1.2%	1,629,047	26.4%	(69,530)	-1.1%
Total	18,258,463	3.9%	18,933,900	4.1%	20,651,345	4.2%	675,437	3.6%	1,717,445	9.1%
Planning & Building										
Planning & Building Agency	9,704,556	2.1%	10,357,850	2.2%	11,453,150	2.3%	653,294	6.3%	1,095,300	10.6%
CDBG	1,875,300	0.4%	1,700,000	0.4%	1,700,000	0.3%	(175,300)	-10.3%	0	0.0%
Special Revenue Funds	146,386	0.0%	155,145	0.0%	155,190	0.0%	8,759	5.6%	45	0.0%
Total	11,726,242	2.5%	12,212,995	2.6%	13,308,340	2.7%	486,753	4.0%	1,095,345	9.0%
GRAND TOTAL	<u>411,575,609</u>	88.1%	<u>466,959,757</u>	100.0%	<u>493,581,139</u>	100.0%	55,384,148	11.9%	26,621,382	5.7%
Excludes Interfund Transfers										

**TOTAL EXPENDITURE SUMMARY
BY FUND
Table 1-6B**

BY FUND	Actual FY 05-06	% of Total	Projected FY 06-07	% of Total	Adopted FY 07-08	% of Total	Increase (Decrease) Over Prior Year			
							05-06 to 06-07		06-07 to 07-08	
							in \$	in %	in \$	in %
General Fund										
Police Department	101,148,119	21.7%	107,929,050	21.9%	114,549,165	23.2%	6,780,931	6.3%	6,620,115	6.1%
Public Works Agency	4,760,836	1.0%	5,340,070	1.1%	7,628,105	1.5%	579,234	10.8%	2,288,035	42.8%
Fire Department	42,748,437	9.2%	47,221,155	9.6%	50,466,465	10.2%	4,472,718	9.5%	3,245,310	6.9%
Parks, Recreation & Community Service	12,356,967	2.6%	13,715,665	2.8%	14,820,120	3.0%	1,358,698	9.9%	1,104,455	8.1%
Planning & Building Agency	9,704,556	2.1%	10,357,850	2.1%	11,453,150	2.3%	653,294	6.3%	1,095,300	10.6%
Finance & Management Services	4,414,863	0.9%	6,166,330	1.2%	6,096,800	1.2%	1,751,467	28.4%	(69,530)	-1.1%
Library Services	4,020,278	0.9%	5,052,545	1.0%	5,229,900	1.1%	1,032,267	20.4%	177,355	3.5%
City Attorney's Office	2,005,529	0.4%	2,363,835	0.5%	2,526,590	0.5%	358,306	15.2%	162,755	6.9%
Personnel Services	1,488,782	0.3%	1,748,165	0.4%	2,125,520	0.4%	259,383	14.8%	377,355	21.6%
City Manager's Office	1,591,336	0.3%	1,889,045	0.4%	2,129,790	0.4%	297,709	15.8%	240,745	12.7%
Bowers Museum	1,735,954	0.4%	1,885,600	0.4%	2,020,530	0.4%	149,646	7.9%	134,930	7.2%
Non-Departmental	2,199,022	0.5%	1,668,265	0.3%	1,607,955	0.3%	(530,757)	-31.8%	(60,310)	-3.6%
Clerk of the Council Office	562,029	0.1%	786,230	0.2%	715,640	0.1%	224,201	28.5%	(70,590)	-9.0%
L.S. Strategic Plan	3,662,230	0.8%	3,662,230	0.7%	3,662,230	0.7%	0	0.0%	0	0.0%
Building Rehabilitation	0	0.0%	0	0.0%	750,000	0.2%	0	N/A	750,000	N/A
GF Special Revenue Funds	350,321	0.1%	36,000	0.0%	318,660	0.1%	(314,321)	-873.1%	282,660	785.2%
GF Capital Outlay	1,088,735	0.2%	240,995	0.0%	325,435	0.1%	(847,740)	-351.8%	84,440	35.0%
Capital Lease & City COP Payment	589,274	0.1%	0	0.0%	0	0.0%	(589,274)	N/A	0	N/A
Total	194,427,268	41.6%	210,063,030	42.6%	226,426,055	45.9%	15,635,762	7.4%	16,363,025	7.8%
Community Development Funds										
Redevelopment & Financing Auth.	64,894,814	13.9%	49,516,870	10.0%	61,768,269	12.5%	(15,377,944)	-31.1%	12,251,399	24.7%
Workforce Investment Fund	3,252,242	0.7%	3,239,640	0.7%	4,234,475	0.9%	(12,602)	-0.4%	994,835	30.7%
Orange County SSA	388,024	0.1%	497,670	0.1%	674,610	0.1%	109,646	22.0%	176,940	35.6%
Weed & Seed Grant	281,737	0.1%	0	0.0%	0	0.0%	(281,737)	N/A	0	N/A
Empowerment Zone	2,243,120	0.5%	1,705,000	0.3%	1,362,000	0.3%	(538,120)	-31.6%	(343,000)	-20.1%
DOL Youth Grant	201,640	0.0%	608,400	0.1%	24,960	0.0%	406,760	66.9%	(583,440)	-95.9%
Comm. Development Block Grant	8,100,574	1.7%	7,972,175	1.6%	7,384,680	1.5%	(128,399)	-1.6%	(587,495)	-7.4%
Housing Authority Fund	26,817,675	5.7%	30,430,645	6.2%	29,301,620	5.9%	3,612,970	11.9%	(1,129,025)	-3.7%
Housing HOPWA Fund	1,678,001	0.4%	1,366,500	0.3%	1,384,940	0.3%	(311,501)	-22.8%	18,440	1.3%
Total	107,857,826	23.1%	95,336,900	19.3%	106,135,554	21.5%	(12,520,926)	-13.1%	10,798,654	11.3%
Special Revenue Funds										
Mobile Vending Program	0	0.0%	0	0.0%	0	0.0%	0	N/A	0	N/A
PD - Traffic Offender Program	0	0.0%	0	0.0%	403,160	0.1%	0	N/A	403,160	N/A
Inmate Welfare Fund	430,939	0.1%	526,300	0.1%	622,500	0.1%	95,361	18.1%	96,200	18.3%
Criminal Activities	655,750	0.1%	744,405	0.2%	1,308,580	0.3%	88,655	11.9%	564,175	75.8%
Prop. 1B Infrastructure Bond	0	0.0%	0	0.0%	3,348,375	0.7%	0	N/A	3,348,375	N/A
Air Quality Fund	444,103	0.1%	407,950	0.1%	447,915	0.1%	(36,153)	-8.9%	39,965	9.8%
Residential Street Improvement	0	0.0%	461,500	0.1%	555,400	0.1%	461,500	100.0%	93,900	20.3%
Civic Center	4,130,837	0.9%	5,063,735	1.0%	6,283,460	1.3%	932,898	18.4%	1,219,725	24.1%
Centennial Park	610,726	0.1%	0	0.0%	0	0.0%	(610,726)	N/A	0	N/A
Urban Areas Security Initiative Grant	7,202,875	1.5%	794,800	0.2%	4,990,000	1.0%	(6,408,075)	-806.3%	4,195,200	527.8%
Metropolitan Medical Response System	210,132	0.0%	555,289	0.1%	0	0.0%	345,157	62.2%	(555,289)	-100.0%
Public Library Grant	7,369	0.0%	0	0.0%	250,000	0.1%	(7,369)	N/A	250,000	N/A
Sec. 108 HUD Loan - Res. Street Impr.	0	0.0%	0	0.0%	14,000,000	2.8%	0	N/A	14,000,000	N/A
OTS-Traffic Offender Program Grant	446,515	0.1%	183,620	0.0%	0	0.0%	(262,895)	-143.2%	(183,620)	-100.0%
Families & Communities Together	1,409,920	0.3%	950,000	0.2%	0	0.0%	(459,920)	-48.4%	(950,000)	-100.0%
Total	15,549,166	3.3%	9,687,599	2.0%	32,209,390	6.5%	(5,861,567)	-60.5%	22,521,791	144.8%
Capital Funds										
Traffic Congestion Relief Program	626,825	0.1%	980,000	0.2%	2,580,750	0.5%	353,175	36.0%	1,600,750	163.3%
Measure M	7,859,727	1.7%	4,657,710	0.9%	12,421,500	2.5%	(3,202,017)	-68.7%	7,763,790	166.7%
Transportation Area Funds	1,038,610	0.2%	1,355,125	0.3%	1,551,000	0.3%	316,515	23.4%	195,875	14.5%
Sewer Connection	552,513	0.1%	1,040,000	0.2%	2,039,000	0.4%	487,487	46.9%	999,000	96.1%
Select Street	13,047,733	2.8%	64,490,945	13.1%	26,162,395	5.3%	51,443,212	79.8%	(38,328,550)	-59.4%
Traffic System Management	144,872	0.0%	0	0.0%	0	0.0%	(144,872)	N/A	0	N/A
Habitat Conservation Fund	0	0.0%	0	0.0%	100,000	0.0%	0	N/A	100,000	N/A
State Recreation Trails Program	0	0.0%	102,750	0.0%	240,000	0.0%	102,750	100.0%	137,250	133.6%
Local Drainage Areas	19,211	0.0%	375,580	0.1%	526,080	0.1%	356,369	94.9%	150,500	40.1%
Park Acquisition & Development	628,038	0.1%	955,330	0.2%	989,975	0.2%	327,292	34.3%	34,645	3.6%
Land & Water Conservation	124,340	0.0%	150,000	0.0%	0	0.0%	25,660	17.1%	(150,000)	-100.0%
Total	24,041,869	5.1%	74,107,440	15.0%	46,610,700	9.4%	50,065,571	67.6%	(27,496,740)	-37.1%
Enterprise Funds										
Parking Meter Fund	4,299,404	0.9%	4,763,605	1.0%	3,779,080	0.8%	464,201	9.7%	(984,525)	-20.7%
Sanitary Sewer Fund	2,817,975	0.6%	3,249,900	0.7%	3,908,190	0.8%	431,925	13.3%	658,290	20.3%
Federal Clean Water Protection	2,143,485	0.5%	3,430,870	0.7%	3,511,535	0.7%	1,287,385	37.5%	80,665	2.4%
Water Utility Funds	37,568,581	8.0%	43,387,378	8.8%	46,513,800	9.4%	5,818,797	13.4%	3,126,422	7.2%
The Depot	1,341,789	0.3%	862,540	0.2%	919,920	0.2%	(479,249)	-55.6%	57,380	6.7%
Sanitation Fund	8,212,351	1.8%	8,125,615	1.6%	8,382,615	1.7%	(86,736)	-1.1%	257,000	3.2%
Refuse Collection	13,315,895	2.9%	13,944,880	2.8%	15,184,300	3.1%	628,985	4.5%	1,239,420	8.9%
Total	69,699,480	14.9%	77,764,788	15.8%	82,199,440	16.7%	8,065,308	10.4%	1,239,420	1.6%
GRAND TOTAL	411,575,610	88.1%	466,959,757	94.6%	493,581,139	100.0%	55,384,147	11.9%	26,621,382	5.7%
Excludes Interfund Transfers										

This Page
Intentionally
Left Blank

SANTA ANA'S BUDGET PROCESS

The City's annual budget is prepared on a July 1st to June 30th fiscal year. The budget process is a perpetual and iterative operation that includes phases of formulation, adoption, implementation, adjustment, and oversight throughout the year.

"Best Practice" Budgeting

The City uses multi-tiered iterations to formulate the budget. It is a "best practice" approach that draws on applicable elements of established budgetary tools and techniques such as Expenditure Control Budgeting (ECB), Target Budgeting, Program Budgeting, Zero Base Budgeting (ZBB), Line-item Budgeting, and Stakeholder Budgeting.

The first tier is the *strategic* level which uses Target Budgeting and ECB to set citywide organizational goals and objectives, and where aggregate budget targets and priorities are first defined.

The second tier is the *tactical* level which uses Program Budgeting to translate the City's strategy into specific programs and activities. These activities then become the cost centers that receive fund allocations and are assigned to designated departments.

The third tier is the *operational* level which uses ZBB to develop preliminary budget estimates and Line-item Budgeting to establish the internal controls that guide day to day fiscal administration. All designated cost centers/activities prepare line-item budgets to facilitate the cost accounting process. The resource sheets in the various tab sections show the line-item budget for each cost center/activity.

Throughout this process, City staff is constantly identifying and extensively interacting with key *stakeholders* which include but are not limited to the Boards and Commissions, Chamber of Commerce, and representatives of the City's 62 neighborhood associations. Interaction occurs in various ways from informal neighborhood meetings to formal boards and commissions hearings and Council Study Sessions.

The City of Santa Ana values stakeholder budgeting because it promotes inclusion in a community that is the most diverse in Orange County.

Stakeholder budgeting also provides for a more comprehensive approach to budgeting by soliciting input from as many quarters as possible. Santa Ana spends a lot of time and effort to involve stakeholders to help ensure that the budget is both vision-driven and customer-focused. By including stakeholders in the budget process, the City is practicing Santa Ana's bedrock philosophy of total quality customer service.

Budget Amendment Process

The budget as adopted by the City Council can be amended during the fiscal year by an *appropriation adjustment*. An appropriation is the amount of money the Council has recognized as revenue and approved as a spending limit. An appropriation is shown as an expenditure line-item in the adopted budget.

The need to amend or adjust the budget typically arises in response to unforeseen circumstances or events. For example, the Council is required to formally recognize the receipt of unanticipated revenue before the City can legally accept and spend new money. In other cases, a department may need to transfer funds to cover an unexpected shortfall in another account.

The City Manager is authorized to amend Council-approved appropriations if, in the City Manager's opinion, such amendments are necessary and proper. The appropriation adjustment process consists of the following five steps:

1. A "Request For Appropriation Adjustment" form is prepared by the department or agency.
2. The request is submitted to Finance & Management Services for review.
3. The request is submitted to the City Manager for approval.
4. Once approved, the request is returned to Finance & Management Services to make the necessary adjustments.
5. The department/agency receives authorization to use the adjusted appropriations.

If the request for an appropriation adjustment is between two different departments or involves more than one fund, Council approval is required in addition to City Manager approval.

(Continued on page 13)

Budget Calendar

The following budget calendar indicates the months in which significant budget processes occur. The boxed calendar lists the major activities for the month while the narrative on the monthly budget processes provides a detailed description of the listed budget activities.

August

- Year-end report of Revenues & Expenditures finalized.
- Complete Revenue Manual.
- Budget personnel begin data collection for financial strategic plan and financial forecast.

At this time, the Budget Office and departmental budget representatives begin collecting information for the financial strategic plan and forecasts for the next budget year in order to provide the City’s Executive Management Team (EMT) – whose members are the City Manager, the Assistant City Manager, and the department/agency heads - with a fact-based financial foundation. The financial information is contained in the Annual Revenue Manual combined with monthly revenue and expenditure reports.



September to December

- EMT conducts Agency Retreats.
- EMT reviews Long-term Financial Forecast and Strategic Plan.
- Purpose, Vision & Goals presented to City Council.

From August to November, EMT determines Citywide goals, objectives and performance measurements for the next fiscal year. Each EMT member takes these Citywide plans back to his/her respective department where they get translated into department-specific goals and assignments using a Total Quality Services (TQS) tool.

Negotiations to finalize these plans then ensue between and among EMT and the departments, with EMT members assuming multiple negotiating roles that include champion, gate-keeper, and devil’s advocate.

To ensure the organization’s long-term financial viability, the City prepares a financial strategic plan to identify and address the economic, social, political and other trends impacting City revenues and expenditures. EMT identifies the budget issues, stakeholders, and factors that would drive or restrain the attainment of department-specific and citywide goals.

A financial forecast is then prepared based on projected assumptions for the next budget cycle. The first funds to be forecasted are the internal funds due to the impacts of internal cross-charges on other funds. Between *November* and *December*, the resulting goals and objectives are presented in a series of collaborative sessions between EMT and staff. The results are then presented to the City Council for concurrence. The adopted goals and objectives are shown as exhibits attached to the City Manager's budget letter.



January

- Budget/CIP Instructions and payroll projections are distributed to departments.
- Departments begin budget process.

Budget Instructions are distributed to departments. Public Works distributes Capital Improvement Plan instructions to departments. For more information on the capital budget process and its relationship to the operating budget, please refer to Section 7. From *January* to *May*, City departments and agencies complete their part of the City budget based on the adopted goals and objectives as well as the revenue and expenditure forecasts.



February

- Community Development Block Grant (CDBG) proposals are presented to the City’s Human Relations Commission for review.
- EMT conduct Budget Review Meeting(s).

Community Development Agency (CDA) presents CDBG proposals to the Human Relations Commission. Departmental/Agency heads present budgets to fellow EMT members in a budget review meeting.

(Continued on page 14)

March

- CIP is presented to Environmental & Transportation Advisory Committee (ETAC).
- CIP is presented to Planning Commission.
- CDBG budget is adopted by the City Council.
- CDA Budget is adopted by the Community Redevelopment and Housing Commissions.

The Capital Improvement Program is presented to the Environmental & Transportation Advisory Committee and Planning Commission. Community Development Block Grant budget is adopted by the City Council. Based upon the City Council budget priorities, the Executive Management Team reviews operating budgets and Capital Improvements Program requests.

The Executive Management Team evaluates and prioritizes the program requirements, determines funding availability and develops a balanced budget. Final budget decisions are made as a team according to the purpose, vision and goals of the city.



April

- EMT presents proposed Budget/CIP to City Council and community in Budget Study Sessions.
- Distribute Budget Discussion Booklet and Miscellaneous Fee Summary in study sessions.
- EMT presents proposed Budget/CIP to Chamber of Commerce Joint Budget Task Force.
- First Notice for Public Hearing is published.

The City Manager and EMT present the proposed budget to the City Council in a Budget Study Session. The Council, after reviewing the proposed budget and receiving public comment, may direct staff to revise the proposed budget. Executive Budget Summaries are made available to the public at budget discussion sessions, the Clerk of the Council Office, and all City libraries. The City Manager and EMT also present the budget to the Santa Ana Chamber of Commerce Joint Budget Task Force.



May

- Second Notice for Public Hearing is published.
- Budget Binder (line-item budget) is distributed.
- First Reading of Budget Ordinance.
- Budget/CIP Presentation.
- Second Reading of Budget Ordinance and Budget/CIP Adoption.

The second notice for public hearing is published in the newspapers. The proposed budget is presented to the City Council during the public hearing and any new changes are incorporated into the budget. Copies of the line-item budget, as presented in this document, are available to the public in the Clerk of the Council’s Office, and City of Santa Ana public libraries.

On or before the 30th day of *June*, the Council meets to adopt the proposed budget, as amended, by the affirmative vote of a majority of the seven-member Council. The adopted budget becomes the authority for the various departments to expend appropriations, subject to controls established by the City Charter.

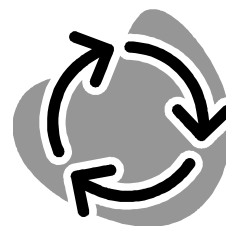
At any subsequent Council meeting, the Council may amend the adopted budget through an “appropriations adjustment.” This action requires a supermajority Council vote which means that at least five affirmative votes, or 2/3 of the seven-member Council, are needed to amend an adopted budget. The budget amendment process is discussed in detail on page 1-10.



June

- Gann Limit adopted by City Council.

The City Council adopts the Gann Limit before the beginning of the new fiscal year, July 1st (the Gann Limit is discussed fully in the next section). The budget cycle starts again.



GANN APPROPRIATIONS LIMIT

Commonly referred to as the Gann Limit, this was a ballot initiative adopted in 1980, and modified by Proposition 111 which passed in 1990, to limit the amount of tax proceeds state and local governments can spend each year. The Gann limit now appears in California’s State Constitution as Article XIII B.

The limit changes annually and is different for every city. Each year’s limit is based on the amount of tax proceeds that were authorized to be spent in FY 1978-79 in each city, and modified for changes in inflation and population in each subsequent year. Inflationary adjustments are based on the California Department of Finance’s official report on changes in the state’s per capita income or in non-residential assessed valuation due to new construction. Population adjustments are based on changes in city or county population levels.

Table 1-7 shows the City’s FY 07-08 Gann Limit. The estimated City proceeds from taxes are \$153,447,444 and appropriations subject to the limit are \$134,777,643. The (Under) Limit figure of \$734.8 million is due to Santa Ana’s high percentage increase in population since 1980 which outpaced the growth in the tax base, and a conservative fiscal philosophy that seeks to foster a resident-responsive and business-friendly climate. Table 1-8 provides historical appropriations subject to limitation.

Section 5 of Article XIII B allows the City to designate a portion of fund balance for general contingencies to be used for any purpose. In 1983, the City Council passed a resolution setting aside all unappropriated or unrestricted balances in the General Fund and Special Revenue Fund as contingency funds.

Section 9710 of the California Government Code, added in 1980 by the State Legislature, requires the Council to adopt the City’s Gann appropriations limit for the following year by resolution. This resolution as adopted by the Council on July 2, 2007. The main text of the Council resolution is reproduced here.

APPROPRIATIONS SUBJECT TO LIMITATION	
for Fiscal Year Ending June 30, 2008	
Table 1-7	
Proceeds from Taxes	\$153,447,444
<i>Less Exclusions</i>	
Capital Outlay	\$18,669,801
<i>Total Exclusions</i>	<u>18,669,801</u>
Appropriations subject to limitation	<u>\$134,777,643</u>
Current Year Limit	<u>734,815,099</u>
Over (Under) Limit	<u>(\$600,037,456)</u>

Budget Epilogue: Approval of Budget Ordinance and Budget Resolution

At a public hearing on June 18, 2007, the City Manager presented the proposed budget for FY 07-08 to the City Council for approval. On the July 2, 2007 Council Meeting, the budget ordinance was approved with a 6-1 vote. The budget ordinance and the budget resolution are reproduced on the following pages.

HISTORICAL APPROPRIATIONS SUBJECT TO LIMITATION						
Table 1-8						
Fiscal Year Ending:	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	
Proceeds from Taxes	\$ 128,055,558	\$ 126,988,081	\$ 137,399,565	\$ 141,361,316	\$ 153,447,444	
<i>Less Exclusions</i>						
Capital Outlay	<u>\$ 17,577,737</u>	<u>\$ 9,452,445</u>	<u>\$ 23,597,090</u>	<u>\$ 74,719,935</u>	<u>\$ 18,669,801</u>	
<i>Total Exclusions</i>	<u>\$ 17,577,737</u>	<u>\$ 9,452,445</u>	<u>\$ 23,597,090</u>	<u>\$ 74,719,935</u>	<u>\$ 18,669,801</u>	
Appropriations subject to limitation	\$ 110,477,821	\$ 117,535,636	\$ 113,802,475	\$ 66,641,381	\$ 134,777,643	
Current Year Limit	<u>\$ 597,101,185</u>	<u>\$ 625,402,896</u>	<u>\$ 665,742,325</u>	<u>\$ 697,830,787</u>	<u>\$ 734,815,099</u>	
Over (Under) Limit	<u>\$ (486,623,364)</u>	<u>\$ (507,867,260)</u>	<u>\$ (551,939,850)</u>	<u>\$ (631,189,406)</u>	<u>\$ (600,037,456)</u>	

ORDINANCE NO. NS-2752

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA ANA APPROPRIATING MONIES TO THE SEVERAL OFFICES, AGENCIES AND DEPARTMENTS OF THE CITY FOR THE FISCAL YEAR COMMENCING JULY 1, 2007

THE CITY COUNCIL OF THE CITY OF SANTA ANA DOES ORDAIN AS FOLLOWS:

SECTION 1: The City Council of the City of Santa Ana hereby, finds, determines and declares as follows:

- A. The City Manager has prepared and submitted to this Council, pursuant to the provisions of Section 605 of the City Charter, a proposed budget for expenditures for the fiscal year commencing July 1, 2007, together with his budget letter dated May 21, 2007.
- B. In accordance with Section 606 of the City Charter, a public hearing has been held upon the said proposed budget of expenditures after notice of such public hearing had been published in the manner prescribed in said Section 606 of the City Charter.
- C. The proposed budget of expenditures duly submitted and considered as hereinbefore stated, together with any supplemental revisions and amendments thereto, was approved, adopted and fixed by the Council as the annual budget of the City for the fiscal year commencing July 1, 2007, in the amounts and for the funds, purposes, functions, department activities and programs as therein set forth. Said adopted budget, including said supplemental revisions and amendments, together with a copy of this appropriation ordinance, shall be placed in the official files of the Clerk of the Council.

SECTION 2: There are hereby appropriated to the several offices, agencies, and departments of the City, being the respective objects and purposes specified in that certain document entitled "City of Santa Ana Annual Budget 2007-2008," a copy of which is on file in the Office of the Clerk of the Council, out of the various funds of the City, for fiscal year 2007-2008, the several amounts stated as proposed expenditures from said funds, respectively, in those columns of said Budget that are headed "Approved Budget 07-08." Each aggregate of expenditures so specified in said Budget for said fiscal year for each program shall be deemed to be an appropriation for a single object and purpose within the meaning of Section 609 of the Charter, except that as to any office, department, or agency of the City for which more than one program is designated in Section 2 (General Fund Operating Budget) of the said Budget, the aggregate expenditure authorized for all programs in said Section 2 of each such office, department, or agency shall be deemed to be an appropriation for a single object and purpose within the meaning of Charter section 609.

SECTION 3: The appropriations hereby made shall constitute the maximum expenditures authorized for the several offices, agencies, and departments opposite which the amounts of such appropriations are shown in such Budget.

SECTION 4: No warrant shall be issued or indebtedness incurred for any purpose which exceeds the unexpended balance of the appropriations established by this ordinance, unless such appropriation shall have been amended or supplemented by the City Council in the manner set forth in Section 609 of the Charter. The City Manager is hereby authorized to make revisions between the items included within any such appropriation if, in his opinion, such revisions are necessary and proper.

SECTION 5: The Executive Director of Finance and Management Services is hereby authorized to transfer monies in accordance with the Interfund Transfers listed in said Budget in such amounts and at such times during the fiscal year as he may determine necessary to the competent operation and control of City business, except that no such transfer shall be made in contravention of State law or City ordinance or exceed in total the amount stated herein or as amended by the City Council.


SECTION 6: One certified copy of this appropriation ordinance together with a certified copy of each amendment thereto shall be transmitted by the Clerk of the Council to the Executive Director of Finance and Management Services.

SECTION 7: Upon and from the effective date of this ordinance, expenditures of monies appropriated hereby are authorized beginning July 1, 2007.

SECTION 8: The Clerk of the Council shall cause the title of this ordinance to be published as required by law.

SECTION 9: All presently applicable documentation pertaining to the number, titles, qualifications, powers, duties, or compensation of officers or employees of the City, which has been previously approved by resolution or order of the City Council and which is currently on file with the Executive Director of Personnel Services is incorporated herein and is hereby approved. The City Manager is authorized to create, alter, or abolish any position of employment, or the number, title, qualifications, powers, duties, or compensation thereof, when such action is appropriate to promote the efficiency of the City administrative organization; provided, however, that no such action shall be effective unless and until approved by resolution or order of the City Council.

ADOPTED this 2nd day of July, 2007.


Miguel A. Pulido
Mayor

APPROVED AS TO FORM:

Joseph W. Fletcher
City Attorney

By: *Laura Sheedy*
Laura Sheedy
Assistant City Attorney

AYES:	Councilmembers	<u>Alvarez, Benavides, Bustamante, Pulido, Sarmiento, Tinajero (6)</u>
NOES:	Councilmembers	<u>Martinez (1)</u>
ABSTAIN:	Councilmembers	<u>None (0)</u>
NOT PRESENT:	Councilmembers	<u>None (0)</u>

CERTIFICATE OF ATTESTATION AND ORIGINALITY

I, PATRICIA E. HEALY, Clerk of the Council, do hereby attest to and certify the attached Ordinance No. NS-2752 to be the original ordinance adopted by the City Council of the City of Santa Ana on July 2, 2007, and that said ordinance was published in accordance with the Charter of the City of Santa Ana.

Date: 7/17/07

Patricia Healy
Patricia E. Healy
Clerk of the Council
City of Santa Ana

RESOLUTION NO. 2007-049

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA ANA ESTABLISHING THE APPROPRIATION LIMIT OF THE CITY OF SANTA ANA FOR FISCAL YEAR 2007-2008

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SANTA ANA AS FOLLOWS:

Section 1. The City Council of the City of Santa Ana hereby finds, determines and declares as follows:

- A. Article XIII B of the Constitution of the State of California, adopted by the voters of the State of California in November 1978, imposes upon State and local government the obligation to limit each fiscal year's appropriations to those established in fiscal year 1978-79 as adjusted for inflation and population, together with other specified changes required or permitted.
- B. In June of 1990, the voters of the State of California approved Proposition 111 which amended Article XIII B to establish the limit originally calculated for fiscal year 1986-87 as a new adjustment base and to change the definition of the cost of living to be either the percentage change in California per capita personal income from the preceding year or the percentage change in the local assessment roll from the preceding year for the jurisdiction due to the addition of local non-residential new construction.
- C. Proposition 111 further modified Article XIII B requirements by making certain capital outlay, debt service, emergency and court ordered expenditures not subject to the limit and by allowing expenditures in excess of one year's limit to be offset by underexpenditures in an immediately following year.
- D. The City of Santa Ana has opted to use as the inflation adjustment factor, the percentage change in the California per capita personal income from the preceding year.
- E. The City of Santa Ana has opted to use as the population adjustment factor, the County's percentage change in population from the preceding year.
- F. Division 9 of Title I of the Government Code of the State of California (commencing with section 7900), as enacted by 1980 Statutes, Chapter 1205, effective January 1, 1981, directs the governing body of each local jurisdiction each year to, by resolution, establish its appropriations limit

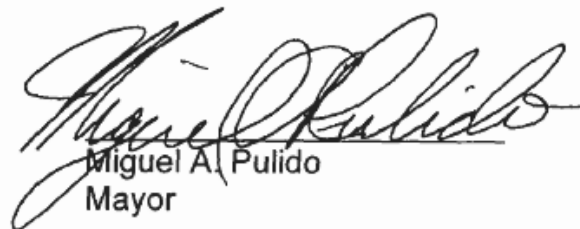
and make other necessary determinations for the following fiscal year pursuant to Article XIII B of the California Constitution at a regularly scheduled meeting or noticed special meeting. Fifteen days prior to the meeting, documentation used in the determination of the appropriations limit and other necessary determinations shall be available to the public.

- G. This matter came on before the City Council at its regularly scheduled meeting of July 2, 2007.
- H. The Executive Director, Finance and Management Services of the City of Santa Ana has determined the City's appropriation limit for fiscal year 2007-2008 in accordance with the said provisions of the Constitution and laws of the State of California and the documentation used in said determination has been available to the public since not later than June 18, 2007 in the office of the Executive Director, Finance & Management Services.

Section 2. Based upon the above referenced facts and all facts specified in the accompanying Request for Council Action and its attachments, and each of them, the appropriation limit of the City of Santa Ana for fiscal year 2007- 2008 is hereby found and determined to be \$734,815,099.

Section 3. This Resolution shall take effect immediately upon its adoption by the City Council, and the Clerk of the Council shall attest to and certify the vote adopting this Resolution.

ADOPTED this 2nd day of July 2007.


Miguel A. Pulido
Mayor

APPROVED AS TO FORM:
Joseph W. Fletcher, City Attorney

By: 
Laura Sheedy
Assistant City Attorney

AYES Councilmembers Alvarez, Benavides, Bustamante, Martinez,
Pulido, Sarmiento, Tinajero, (7)

NOES: Councilmembers None (0)

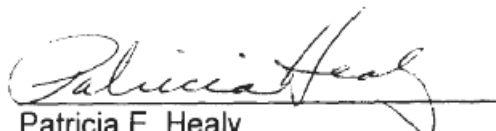
ABSTAIN: Councilmembers None (0)

NOT PRESENT: Councilmembers None (0)

CERTIFICATE OF ATTESTATION AND ORIGINALITY

I, PATRICIA E. HEALY, Clerk of the Council, do hereby attest to and certify the attached Resolution No. 2007-049 to be the original resolution adopted by the City Council of the City of Santa Ana on July 2, 2007.

Date: 8/27/07


Patricia E. Healy
Clerk of Council
City of Santa Ana

NACSLB Budget Process

As part of Santa Ana’s best practice approach, the City budget is prepared to conform not only to the professional standards of the ICMA, GFOA, and CSMFO but also to NACSLB principles. The National Advisory Council on State and Local Budgeting (NACSLB) was created to provide government entities with tools to improve their budgeting processes. These budget principles are outlined below.

Principle 1: Establish Broad Goals to Guide Government Decision Making

Element 1: Assess Community Needs, Priorities, Challenges & Opportunities

Element 2: Identify Opportunities and Challenges for Government Services, Capital Assets and Management

Element 3: Develop/Disseminate Broad Goals

Principle 2: Develop Approaches to Achieve Goals

Element 4: Adopt Financial Policies

Element 5: Develop Programmatic, Operating and Capital Policies and Plans

Element 6: Develop Programs and Services consistent with Policies and Plans

Element 7: Develop Management Strategies

Principle 3: Develop a Budget Consistent with Approaches to Achieve Goals

Element 8: Develop a Process for Preparing and Adopting a Budget

Element 9: Develop and Evaluate Financial Options

Element 10: Make Choices Necessary to Adopt Budget

Principle 4: Assess Performance and Make Adjustments

Element 11: Monitor, Measure and Assess Performance

Element 12: Make Adjustments as Needed

FINANCIAL POLICIES & PRACTICES

The material in this section is based on longstanding City policies and practices, and recommendations developed by the National Advisory Council on State and Local Budgeting whose founding members include the International City and County Managers Association (ICMA), Government Finance Officers Association (GFOA) and California Society of Municipal Finance Officers (CSMFO).

FINANCIAL POLICY STATEMENTS

Financial policy statements articulate the premises of City policy on various financial transactions the City encounters in the course of its day to day operations. These policy statements are listed below by subject area.

Accounting, Auditing, & Financial Reporting Policies

- a) The accounting system will maintain the City's financial records on a basis consistent with Generally Accepted Accounting Principles (GAAP) applicable to local government.
- b) A financial report entitled *Revenue Ledger Report By Fund* will be prepared monthly to show the month's revenue activity by major types of funds.
- c) A financial report entitled *Budget Ledger Report By Fund* will be prepared monthly to show the month's expenditure activity by major types of funds.
- d) A financial report entitled *Report of Revenues and Expenditures* will be prepared at the end of each fiscal year to show details of the actual revenue received and appropriations expended by major types of funds.
- e) A financial report entitled *Comprehensive Annual Financial Report (CAFR)* will be prepared at the end of each fiscal year to account for the City's financial transactions for the year.
- f) In accordance with state law, an *Investment Report* will be prepared on a quarterly basis to account for the amounts, placements, and yields of the City's invested funds.
- g) In accordance with state law, an independent accounting firm will perform an annual audit of the financial statements of the City and will publicly issue an opinion thereon.

Budget Reserve Policies

- a) The City will maintain an equipment reserve fund and will appropriate funds to it annually to provide timely replacement of equipment.
- b) The City will maintain a satisfactory reserve to fund annual paid and committed claims in the liability and property insurance, employee group insurance, and workers compensation funds.

Capital Improvement and Asset Policies

- a) The City will make all capital improvements in accordance with an adopted capital improvement program.
- b) The City will develop a ten-year plan for capital improvements and update it annually.
- c) The City will enact an annual capital budget based on the ten-year capital improvement plan subject to available funds. Future capital expenditures necessitated by changes in population, changes in real estate development, or changes in economic base will be calculated and included in capital budget projections.
- d) The City will coordinate development of the capital improvement budget with development of the operating budget. Future operating costs associated with new capital improvement will be projected and included in operating budget forecasts.
- e) The City will use intergovernmental subventions to finance only those capital improvements that are consistent with the capital improvement plan and City priorities, and whose operating and maintenance costs have been included in operating budget forecasts.
- f) The City will adopt practices and procedures for capital asset acquisition, maintenance, replacement and retirement.
- g) The City will maintain all of its assets at a level adequate to protect the City's capital investments and minimize maintenance and replacement costs.
- h) The City will identify the estimated costs and potential funding sources for each capital project proposal before it is submitted to the City Council for approval.
- i) The City will consider alternative means to finance all new capital improvement projects to determine the least costly financing method.

Debt Policies

- a) The City shall not use long-term debt for current operations.
- b) The City will confine long-term borrowing to capital improvements or projects that cannot be financed from current revenues.
- c) Under City Charter provisions, the City's total general obligation bond indebtedness shall not exceed 10 percent of the total assessed value of real property.
- d) When the City finances capital projects by issuing bonds, it will repay the bonds within a period not to exceed the expected useful life of the project.
- e) The City will maintain good communications with bond rating agencies about the City's financial condition. The City will follow a policy of full disclosure on every financial report and bond prospectus.
- f) Where possible, the City will use special assessment revenue, or self-supporting bonds instead of general obligation bonds.
- e) The City will maintain a budgetary control system to help City staff adhere to the budget.
- f) The City will be held accountable for assuring that department expenditures stay within budget appropriations.
- g) The City will submit quarterly reports to the City Council comparing actual revenues and expenditures to budget amounts, which will include a written analysis.
- h) All requests for City Council action which have a financial impact on the City and/or its various funds shall be reviewed and approved by the Executive Director of Finance and Management Services before such requests can be included in the City Council agenda.
- i) Requests for new and/or additional positions will only be considered during the City's annual budget process, except in those cases deemed to be of an emergency nature by the City.

Investment Policies

- a) The collection, deposit and disbursement of all funds will be appropriately scheduled to ensure the timely investment of funds and payment of expenditures.
- b) The accounting system will provide regular information concerning cash positions and investment performance.
- c) In accordance with the provisions of the City Charter, the City shall prepare an annual *Statement of Investment Policies* to be formally adopted by the City Council in each year.
- j) New positions and/or upgraded positions approved as part of the budgetary process shall be reviewed to determine the appropriateness of the assigned classification and/or salary structure.
- k) Each year, the City will update expenditure projections for the next three years to include estimated operating costs. These projections will be included in a financial forecast to be submitted to the City Council during budget review.
- l) Where possible, the City will integrate performance measurement, service level and productivity indicators in the City's published budget document.

Operating Budget Policies

- a) The City will avoid budgetary procedures that balance current expenditures at the expense of meeting future years' expenses, such as postponing expenditures, accruing future years' revenues, or rolling over short-term debt.
- b) Budgetary and accounting procedures will conform to Generally Accepted Accounting Principles (GAAP) for governmental agencies.
- c) Provisions will be made for adequate maintenance of capital plant and equipment and for their orderly replacement, within budgetary limits.
- d) The budget will provide for adequate funding of all retirement systems in accordance with contractual commitments.
- m) The City will provide a financial impact analysis of all policy initiatives, service changes, and new programs or projects.
- n) The City will provide in the budget for adequate and orderly maintenance, repair, and replacement of capital assets.
- o) The City will aggressively seek state and federal funds that are available for capital projects.
- p) Enterprise funds will remain self-supporting for operating expenses and receive no General Fund tax support.

Purchasing Policies

- a) Purchases will be made in accordance with all federal, state, and municipal requirements. If there are no specific requirements, purchases will be made in the best interest of the City.
- b) Purchases will be made in an impartial, economical, competitive, and efficient manner.
- c) Purchases will be made from the lowest priced and most responsible vendor. Qualitative factors such as vendor reputation and financial condition will be considered, as well as price.
- d) Preference will be given to purchases of like quality to vendors who maintain a place of business within the City.

Revenue Policies

- a) The City will endeavor to maintain a diversified and stable revenue system to shelter it from short-term fluctuation in any one revenue source.
- b) The City will estimate City annual revenues by an objective, conservative, analytical process.
- c) The City will annually prepare 3-year revenue projections as part of a financial forecast.
- d) The City will strive to establish user charges and fees to recover the cost of providing the services and annually recalculate the full costs of activities supported by user fees to identify the impact of inflation and other cost increases.
- e) The City will set fees and user charges for each Enterprise Fund, such as water and refuse, at a level that fully supports the total direct and indirect costs of the activity. Indirect costs will include the cost of annual depreciation of capital assets.
- f) Intergovernmental revenues will generally not exceed twenty percent (20%) of the current operating budget.
- g) Non-recurring revenues will be used only to fund non-recurring expenditures.
- h) The funds necessary to match intergovernmental grants will generally not exceed twenty percent (20%) of the current operating budget.
- i) The City will calculate the full direct costs of activities supported by user fees and consider such information when establishing user charges.

- j) The City will develop and maintain an Annual Revenue Manual that would list, describe, and track all revenue items established by the City.

FINANCIAL PRACTICES

Financial practices implement financial policy and form the City's internal control systems. This includes budget control, modified accrual basis of accounting, debt management, and risk management.

Budgetary Control

Budgetary control is maintained at the departmental level in the governmental funds, and grant funds at the project level. Hence, budgets for project funds overlap accounting periods. To facilitate reporting, project budgets will be combined along department lines for comparison purposes.

In all governmental funds, estimated purchase amounts are encumbered prior to release of purchase orders to vendors. When an encumbrance indicates insufficient funds in its budget, the purchase orders is held until appropriations are available.

Modified Accrual Basis of Accounting

This is an accounting concept that is described further in the next section on basis of accounting and budget. In its pure form, the cash or accrual basis are the two possible options. In actual practice, a modified form of these two options are used by many accounting entities.

The City of Santa Ana prepares its budget on a modified accrual basis. The process varies from generally accepted accounting principles because the City's financial system treats encumbrances as budgeted expenditures in the year the commitment to purchase was made.

Encumbrances outstanding at year end are reported as reserved fund balances since they are not expenditures nor liabilities. All appropriations lapse at fiscal year end--which means the authority to spend the money for that certain purpose has expired. Fund balances may be encumbered to be used at some future date.

Expenditures may not legally exceed appropriations at the departmental level in the Governmental Fund types. Grant funds, special revenue funds, and capital funds are maintained according to the specific requirements of the project and may have different accounting treatments. Budget amendments may be made in the appropriations adjustment process.

FIVE-YEAR DEBT MANAGEMENT SCHEDULE

Table 1-9

OBLIGATIONS		FY 07-08	FY 08-09	FY09-10	FY10-11	FY11-12
Capitalized Leases						
GF	Appellate Court Parking Garage Project	680,815	680,815	680,815	680,815	680,815
ISF	Computer equipment for information systems strategic plan	0	0	0	0	0
Various	Energy Conservation	338,718	338,717	338,718	338,718	338,718
TOTAL		1,019,533	1,019,532	1,019,533	1,019,533	1,019,533
Long-Term Debt Service						
GF	Police Administration & Holding Facility	9,054,426	9,070,901	9,042,501	9,024,751	8,989,326
RDA	Tax Allocation Bonds-1989 Series B (Central City)	5,770,550	5,767,997	5,766,984	5,769,413	5,768,850
RDA	Tax Allocation Bonds-1989 Series E (Main Place)	1,761,314	1,763,945	1,767,350	1,770,945	1,774,345
Enterprise	Water Revenue Bonds Series 2004	1,519,138	1,518,650	1,518,169	1,517,657	1,519,472
Enterprise	Certificates of Participation - Refuse Enterprise	2,489,800	0	0	0	0
RDA	Tax Allocation Bonds-1989 Series C (South Harbor)	1,261,006	1,262,219	1,260,531	1,260,763	1,257,731
GF	800 MHz System Revenue Bonds	0	0	0	0	0
Various	Certificates of Participation-1998 City Hall Expansion	789,218	784,648	784,790	783,628	786,943
RDA	Refunding Bonds-1998 Series A (Central City/South Harbor)	5,165,275	5,164,025	5,154,950	5,147,250	5,151,875
RDA	Refunding Revenue Bonds-1998 Series B (Central City)	925,369	924,615	922,581	924,138	924,156
RDA	Refunding Revenue Bonds-1998 Series C (Inter City)	666,300	663,748	664,945	664,728	663,055
RDA	Refunding Revenue Bonds-1998 Series D (Main Place)	1,559,721	1,564,045	1,565,224	1,568,041	1,572,375
RDA	Tax Allocation Bonds-1989 Series A (Inter-City)	741,163	738,687	739,582	738,663	740,750
RDA	Tax Allocation Bonds-2003 Series A - (South Main)	1,274,348	1,273,822	1,271,185	1,271,298	1,274,566
RDA	Tax Allocation Refunding Bonds-2003 Series B	2,888,476	2,889,197	2,887,163	2,894,200	2,890,750
RDA	Refunding COP 2003 Series A	1,299,562	1,244,513	1,332,313	1,421,063	1,533,663
RDA	Phillip Hutton Project COP 2002	367,114	368,577	367,473	367,844	368,627
TOTAL		37,532,780	34,999,589	35,045,741	35,124,378	35,216,484

Note: The City of Santa Ana has no general obligation debt at this time.

DEBT MANAGEMENT

Local governments typically get into debt to finance non-operating items such as the construction costs of capital projects in their annual budget. Prudent debt management requires these capital investments in City infrastructure improvements, public buildings, and other facilities to be scheduled properly so as not to overload the City's debt service ability. For example, bond issues are carefully sized, structured, and timed for the most opportune entry into financial markets.

Table 1-9 Five-Year Debt Management Schedule shows the City's long-term debt obligations. Projected payments for the capitalized lease obligations for the next five years will come from the General Fund. Projected payments for the long-term debt obligations are discussed in the respective sections below.

Debt management is a strategic issue because capital budgets tend to be larger than operating budgets. The City's debt management strategy is to balance sources of debt funding, constrain bonded indebtedness, and support needed investment in capital facilities so that Santa Ana remains a desirable location for residence, employment, and investment. The question of what constitutes a debt to the City needs to be clarified.

Under the City Charter (the City's equivalent of a constitution), the City's constitutional debt limit shall not exceed 10 percent of the total assessed value of real property located in Santa Ana. As of June 30, 2007, the debt limit as shown on (Table 1-10) was set at \$404.8 million.

The term "constitutional" means the debt is a general obligation of the City under the charter to be repaid from taxes or revenue from general operations (e.g., a general obligation bond). Currently, the City has no constitutional debt in part because the City Manager and City Council have committed to take no fiscal action that would be detrimental to the City's favorable credit ratings in national bond markets. Favorable ratings save the City money by decreasing the City's interest expenses and other borrowing costs.

Although the City does not have any constitutional debt that impacts its debt limit, the City does have other debt obligations that impact its cash flow and that need to be paid. These include capitalized leases and long-term debt service bonds such as tax allocation bonds, certificates of participation, and other debt as listed in Table 1-9 above. These are individually described in detail as follow.

**COMPUTATION OF DEBT LIMIT
For Fiscal Year Ending June 30, 2007
Table 1-10**

Assessed Valuation	\$ 16,194,055,339
Debt Limit - 2.5% of Assessed Valuation*	\$ 404,851,383
Less: General Obligation Bonds Outstanding	\$ -
Legal Debt Limit	\$ 404,851,383

*This equates to the 10% authorized by the Santa Ana Charter prior to the Assessor's change in assessed value basis from 25% to 100% of full cash value in FY 81-82.

Tax Allocation Bonds

The 1989 and 2003 Tax Allocation Bonds are special obligations incurred by the Santa Ana Redevelopment Agency. Each series of bonds is secured by pledged revenues consisting of a portion of the taxes levied upon all taxable property within the redevelopment project area that relates to that bond series. Except for the pledged revenues, no funds or properties of the Redevelopment Agency shall be pledged to pay the principal or interest of the bonds. These Tax Allocation Bonds are not considered a constitutional debt of the City and therefore do not impinge on the City's legal debt limit.

Certificates of Participation

The Certificates of Participation (COP) for parking facilities and the Regional Transportation Center created an obligation for the City to lease the facilities from the Redevelopment Agency. As is typical in COP financing, the lessor assigns title of the leased asset to a trustee that holds the title in trust for the protection of the investors who bought and hold the certificates. A payment schedule sets due dates and payable amounts to cover COP principal and interest. The lease payment is not an obligation for the City to levy or pledge any form of taxation; hence a COP is not a constitutional debt and does not reduce the City's legal debt limit.

Police Administration & Holding Facility Lease Revenue Bonds

Lease revenue bonds were issued to finance the construction of the Police Administration and Holding Facility. This is a limited-liability revenue bond issue not backed by the taxing power of the City and whose debt service can only be paid with restricted revenues or user fees. Typically, these types of revenue bonds finance facilities that are leased under contract to a local government, which pays rent sufficient to service the debt. These bonds are not

included in the debt limit and often do not require voter approval.

Debt Impact on Current and Future Operations

Police Facility Lease Revenue Bond debt has been structured to minimize the payment impact on the General Fund. No other outstanding long-term debt has any direct impact on General Fund operating costs. Capitalized leases are recorded as liabilities in the Long-Term Debt Account Group and the Proprietary Fund Types at the present value of the remaining minimum lease payments. Leases accounted for under the operating method, such as vehicle leases, are expensed or expensed as incurred.

RISK MANAGEMENT

The City has a comprehensive risk management program which operates as an Internal Service Fund that buys insurance coverage to protect the City against various loss related to torts, theft, damage to and destruction of assets, natural disasters; and errors and omissions. The City's insurance coverage consists of self-insurance and outside insurance.

Self-Insurance

This first tier includes workers' compensation up to \$300,000 per occurrence and liability up to \$1 million per occurrence. Santa Ana's liability and workers' compensation programs are in-house operations staffed by City employees. This staff determines the total loss dollar amounts and reserve requirements for both type of claims. City Council approval is required to pay liability claims over \$5,000 and workers' compensation claims over \$10,000.

Outside Insurance

The second tier involves commercial insurance from outside providers. This includes the Public Entity Property Insurance Program (PEPIP) to cover damage to insured City property, and the Big Independent City Excess Pool (BICEP) to cover liability and workers' compensation claims whose amounts exceed the City's self-insurance dollar limits. BICEP insurance pays for losses valued between \$1 million to \$25 million. Losses under \$1 million or over \$25 million are the responsibility of each individual BICEP member city.

Financing Risk Management

All City funds participate in the Risk Management program and pay into the Self-Insurance Internal Service Fund. Liability and workers' compensation charges are based on actuarial estimates. Health and externally insured dental program charges are based on estimated premiums the HMO or contracted carrier will bill the City. Self-funded dental charges are based on estimates of prior and current claims.

FUND ACCOUNTING STRUCTURE

All funds established by a government entity must be classified in one of seven "fund types" for financial reporting purposes (Exhibit 1-1) and to aggregate entity activities or objectives in accordance with special regulations and restrictions.

Governmental Type

This is the largest of the City's three fund types and consists of the following:

General Fund - is the City's primary operating fund. Revenue not allocated by law or contractual agreement to a specific fund are accounted for in the General Fund which includes sales taxes, property taxes, user charges, and other miscellaneous revenues.

Special Revenue Funds - account for proceeds from specific revenue sources (other than trusts or major capital projects) restricted to specific expenditures purposes. The Housing Authority general fund is a special revenue fund but for presentation purposes is shown in the Community Development Section.

Capital Funds - account for monies used to acquire or construct major capital facilities (other than those funded by proprietary or trust funds). Redevelopment Agency capital funds are shown for presentation purposes in the Community Development Section.

Debt Service Funds - account for funds to pay principal and interest on general long-term debt. Community redevelopment debt is paid out of tax increment accounts per state redevelopment law.

Proprietary Fund Type

Proprietary funds are cost-allocation devices to account for certain "proprietary" services whose cost may be recovered through user charges or reimbursements. Enterprise funds and internal funds are examples.

Enterprise Funds – account for funds in which the services are financed and operated similarly to those of a private business. Rate charges are set to recover the costs of providing the services.

Internal Service Funds - account for the costs of goods or services provided by one City department to another for cost allocation and cost reimbursement purposes.

Fiduciary Fund Type

This fund type accounts for assets held by the City in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the City under the terms of formal trust agreements.

Agency Funds - are custodial in nature and do not present results of operations or have a measurement focus. Given

the nature of these funds, they have not been included in the City's budget document.

Account Groups

Account groups are not funds but lists of City assets and liabilities that would not otherwise be reported, due to the modified accrual basis of accounting.

General Fixed Assets Group –maintains control and cost information on capital assets owned by the City other than those accounted for in Proprietary Funds.

General Long-term Debt Group - accounts for unmatured long-term indebtedness of the City; includes tax allocation bonds, capitalized lease obligations, and employees' compensated absences.

BASIS OF ACCOUNTING & BUDGET

Basis of accounting and budget refers to the concept of recognizing the time a transaction has occurred for the purpose of recording that transaction

The City uses the modified accrual basis in budgeting Governmental and Agency funds. This means that revenues are recognized when they become both measurable and available to finance expenditures of the current period. Accrued revenues include sales taxes, property taxes, and earnings on investments. Grant funds earned but not received are recorded as receivables and revenues, and grant funds received that have not met recognition criteria are reported as deferred revenues. Expenditures are recorded when the liability is incurred, except that unmatured principal and interest on general long-term debt are recorded when due.

The basis of accounting used by the City for governmental fund types is modified accrual. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectable within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensation absences, claims and judgments are recorded only when payment is due.

The City's Proprietary Funds include Enterprise and Internal funds and used the full accrual basis for both accounting and budgeting. Revenues are recognized when earned, and expenses when the liability is incurred. Unbilled water utility, refuse collection, sanitation, and water utility user tax revenues are accrued at year end.

Fiduciary Funds are treated according to the nature of the fund. The City has only Agency Funds which are custodial in nature (assets equal liabilities) and do not measure results of operations. Assets and liabilities are accounted for on a modified accrual basis.

FUND ACCOUNTING STRUCTURE
Exhibit 1-1

Government Fund Type

General Fund

City Manager
 City Attorney
 Clerk of the Council
 Personnel Services
 Finance & Management Services
 Library Services
 Bowers Museum Corporation
 Parks, Recreation, & Community Services
 Fire Department
 Police Department
 Planning & Building Agency
 Public Works Agency

Special Revenue Funds

Inmate Welfare Fund
 Police Special Revenue
 Traffic & Safety
 Criminal Activities
 Special Gas Tax
 Air Quality
 Civic Center Authority
 Centennial Park
 Urban Areas Security Initiative Grant
 Metropolitan Medical Response System
 Office of Traffic & Safety Grant
 Families & Communities Together Program
 Residential Street Improvement

Capital Funds

Measure M
 Transportation Area Funds
 Capital Outlay Fund
 Sewer Connection Project
 Select Street Construction
 Traffic System Management
 OTS—Pedestrian Safety
 Recreation Grant Fund
 Drainage Assessment
 Park Acquisition & Development
 Police Building Debt Service Fund
 Traffic Congestion Relief Fund

Debt Service Funds

Account for payment of principal and interest on general long-term debt.

Fiduciary Fund Type

Agency Funds

Custodial in nature and do not present results or measurements of operations. Given the nature of these funds, they have not been included in the budget document.

Proprietary Fund Type

Enterprise Funds

Parking Enterprise
 Sanitary Sewer Fund
 Federal Clean Water Protection
 Water Enterprise
~~The Depot/Regional Transportation Center~~
 Sanitation Enterprise
 Refuse Collection

Internal Service Funds

Central Services
 Building Maintenance
 Fleet Services
 Stores & Property Control
 Communication Services
 Information Services Strategic Plan
 Equipment Replacement
 Risk Management
 Employee Group Benefits
 Liability & Property
 Workers Compensation
 City Yard
 Public Works Engineering Services
 Quality & Management Training
 Public Works Administrative Services

Account Groups

Account Groups are technically not funds but lists of assets and liabilities that would not be otherwise reported due to the modified accrual basis of accounting.

General Fixed Assets

Account for Non-Propriety Fund assets

General Long-Term Debt

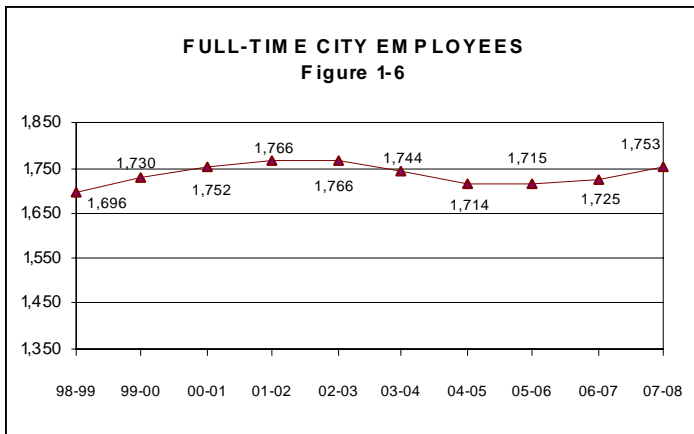
Account for unmatured long-term debt

**PROFESSIONAL
MANAGEMENT**

Workforce Efficiency

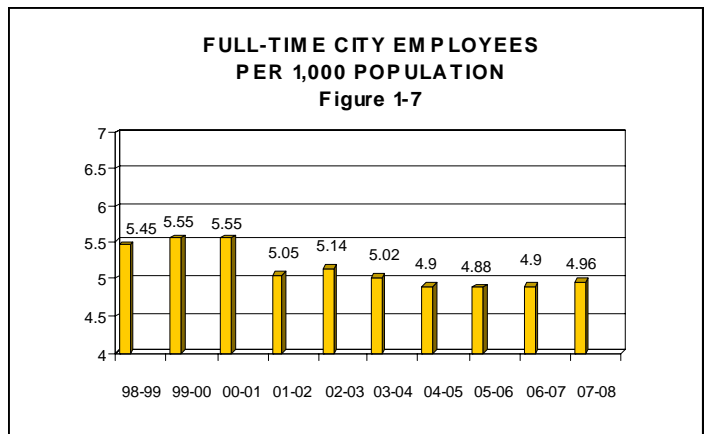
Over the past decade, the City has strengthened its organization and improved its delivery system by reducing the scope of services, identifying services to contract out, implementing process improvements, and reducing the workforce. Together, these measures have led to operational innovations that have reaped regional and national awards and a new customer service orientation that has enabled the City to increase its workforce efficiency.

The City reduced its full-time employee workforce by over 130 positions between FY 87-88 and FY 97-98. However, this reduction was partially offset by the creation of 126 positions to operate and support the new Police Administration and Holding Facility. Figure 1-6 shows the number of full-time employees over the last ten years, with 1,753 full-time employees for FY 07-08. The number of positions by department and division over the last five years are shown in Table 1-13 Authorized Full-time Positions in the following pages.



By focusing resources on essential services, the City has significantly reduced the ratio of full-time employees per 1,000 population. Figure 1-7 shows the ratio of full-time employees per 1,000 population dropped from 5.14 to 4.96 in FY 95-96 and FY 07-08 respectively. The additional staff to operate the new detention facility program and implement the Citywide Information Services Strategic Plan contributed to higher ratios during FY 97-98 and FY 98-99.

Santa Ana ranked as one of the most efficient cities in terms of the least number of full-time city employees per capita, based on the City's FY 07-08 survey of California's eleven largest cities and Orange County's seven largest cities. To provide a more direct comparison, the number of full-time employees of surveyed cities was adjusted by eliminating services and functions not provided by Santa Ana.



Among California's ten largest cities, Santa Ana ranked first in FY 07-08 (Table 1-11), and ranked third, in comparison to the seven largest cities in Orange County (Table 1-12).

Total Quality Service

In 1988, Santa Ana started the Total Quality Service program as a management approach to focus the City's direction on continuous process improvement. This program supports the City's stated purpose to provide quality service to enhance the safety, livability and prosperity of our community. Every City of Santa Ana employee has undergone or is scheduled to undergo TQS training.

Individuals at every level of the City organization participate in many types of teams. The use of teams is emphasized in TQS for their synergistic effects. In a team, every one has a voice and contributes to process improvement. The synergy is unleashed through the exchanges and alliances created when diverse teams share common goals, methods, information, practices and commitment to improve their respective operations and enhance the services the City provides.

Exceptional Quality Service Award

The annual Exceptional Quality Service Award (EQSA) ceremony is a peer recognition program that honors teams and individuals whose job performance goes beyond job expectations. Recognition is given in a variety of categories that include project completion, process improvements, acts of kindness and humanity, and community or volunteer service. By honoring these achievements, the City authenticates its expressed organizational principle that values the constant search for ways to provide exceptional quality service.

EQSA is also a rare opportunity for peers, superiors, family, and the public to recognize recipients for their accomplishments. The awards ceremony is a forum that

enables the City’s administrators to validate and reinforce Santa Ana’s commitment to quality service.

Public Business Management & Advanced Leadership Development

The City’s Public Business Management & Advanced Leadership Program may be the most comprehensive executive management and supervisory training program in the state. The program goal is to develop managers and supervisors who will lead the state of California in quality performance.

The Public Business program instructors are a combination of internal (City) staff experts and outside (contract) consultants specializing in executive development. The program provides participants with comprehensive knowledge on legal, administrative, financial, employment, and management skills and theories. The program focuses on customer orientation, teamwork, continuous improvement, fact-based and ethic-based decision making.

Effective leadership development is the focus of the advanced portion of the program. Its goal is to teach individuals to identify long-range goals consistent with social, political, legal, and practical realities.

Key aspects of the program include entrepreneurial government, strategic planning, critical thinking, risk taking, maximizing human potential, budgeting, financial forecasting, and behavior modification. The goal is to instill managerial principles designed to move the corporate culture towards maximizing the application and benefits of its organizational philosophy of total quality service.

In FY 1995-96, the City received the “Management Development Award” from the American Society of Training and Development for its Public Business Management and Advanced Leadership Development training programs. In FY 96-97, the program was expanded to provide non-

supervisory personnel with an understanding and appreciation of the theories, concepts, and practices commonly used in the public sector.

The Public Business Academy was featured as the cover story of the February 1997 issue of Western Cities Magazine.

Employment Outreach Program

Serving the needs of a culturally diverse community has prompted Santa Ana to develop an Employment Outreach Program to pursue a workforce representative of the City’s

ethnic and gender makeup. This program supports the City’s goal to recruit and retain a diverse and highly skilled workforce. The City continually assesses its progress toward diversity by agency, department, job category, and job classification.

Departments decide outreach priorities for selected jobs through their annual employment outreach plans. In the selection process, only qualified applicants are considered. The success of the program rests with the department heads.

Accountability was, consequently, a key element within each department head’s performance appraisal. These diversity enhancement efforts work in concert with merit employment concepts. The emphasis is placed on expanding the applicant pool through creative outreach efforts. The standards that ensure selection of highly

skilled employees are rigorously enforced. This program serves as a model approach to workforce diversity. The City’s efforts to recruit a highly skilled and diverse workforce have been successful.

**WORKFORCE STUDY FY 07-08
10 LARGEST CALIFORNIA CITIES**
Table 1-11

CITY	Adjusted FTE (1)	POPULATION (2)	Adjusted FTE Per 1,000 Population
Santa Ana	1,753	353,428	4.96
Anaheim	1,890	345,556	5.47
San Jose	6,992	973,672	7.18
Fresno	3,624	481,035	7.53
San Diego	10,567	1,316,837	8.02
Los Angeles	36,983	4,018,080	9.20
Long Beach	4,751	492,912	9.64
Oakland	4,390	415,492	10.57
Sacramento	5,014	467,343	10.73
San Francisco	11,104	808,844	13.73

Notes:
(1) Full-Time Equivalents (FTEs) exclude part-time or non-permanent positions. Adjusted FTE data represent total number of FTEs authorized in each respective city’s FY 07-08 adopted budget, as provided by the city budget staff, less total number of FTEs in programs/positions that have no Santa Ana equivalent (e.g., marina/marine safety officers).
(2) Jan - 2007 Cities Population Estimates, California Department of Finance

**WORKFORCE STUDY FY 07-08
7 LARGEST ORANGE COUNTY CITIES**
Table 1-12

CITY	FTE (1)	POPULATION (2)	Adjusted FTP Per 1,000 Population
Irvine	771	202,079	3.82
Garden Grove	676	172,781	3.91
Santa Ana	1,753	353,428	4.96
Fullerton	712	137,367	5.18
Anaheim	1,890	345,556	5.47
Huntington Beach	1,144	202,250	5.66
Orange	790	138,640	5.70

Notes:
(1) Full-Time Equivalent (FTEs) exclude part-time or non-permanent positions. Adjusted FTE data represent total number of FTEs authorized in each respective city’s FY 07-08 adopted budget, as provided by the city budget staff, less total number of FTEs in programs/positions that have no Santa Ana equivalent (e.g., marina/marine safety officers).
(2) Jan - 2007 Cities Population Estimates, California Department of Finance

(Continued on page 36)

ACTIVITY DEPARTMENT & DIVISION		ACTUAL FY 02-03	ACTUAL FY 03-04	ACTUAL FY04-05	ACTUAL FY05-06	ACTUAL FY06-07	ADOPTED FY07-08
POLICE DEPARTMENT							
11-331	Office of the Chief	11.00	11.00	9.00	9.00	9.00	9.00
11-332	Human Resources	9.00	8.00	8.00	7.00	8.00	9.00
11-333	Traffic	37.00	36.00	35.00	38.00	37.00	42.00
11-334	Training Services	12.00	12.00	12.00	12.00	13.00	13.00
11-335	Professional Standards	6.00	7.00	6.00	6.00	5.00	5.00
11-336	Animal Shelter	6.00	0.00	0.00	0.00	0.00	0.00
11-337	Field Operations	244.00	255.00	258.00	258.00	238.00	225.00
11-338	Information Systems	14.00	13.00	14.00	14.00	13.00	15.00
11-339	Animal Services	4.00	5.00	5.00	5.00	5.00	5.00
11-340	District Investigations	34.00	35.00	35.00	35.00	39.00	31.00
11-341	Crimes Against Persons	40.00	40.00	37.00	37.00	36.00	53.00
11-342	Special Investigations	16.00	17.00	17.00	17.00	27.00	33.00
11-343	Property & Evidence	13.00	12.00	12.00	12.00	12.00	14.00
11-344	Forensic Services	18.00	16.00	16.00	16.00	16.00	17.00
11-345	Records Services	38.00	36.00	36.00	36.00	36.00	36.00
11-346	Communications	42.00	41.00	40.00	40.00	44.00	44.00
11-347	Crime Prevention & Vice	8.00	8.00	8.00	5.00	5.00	7.00
11-348	Fiscal & Budget	6.00	5.00	5.00	5.00	5.00	7.00
11-349	Jail Operations	126.00	122.00	122.00	123.00	123.00	124.00
11-353	Homeland Security & Crime Prevention	0.00	0.00	0.00	0.00	4.00	5.00
11-352	Regional Narcotics Suppression	10.00	10.00	10.00	10.00	10.00	5.00
24-333	Police Activity League	0.00	0.00	0.00	0.00	0.00	2.00
26-345	Criminal Activities	3.00	0.00	0.00	0.00	0.00	0.00
155-350	OCJP-Domestic Violence Grant	1.00	0.00	0.00	0.00	0.00	0.00
155-351	OCJP-Career Criminal Apprehension	2.00	0.00	0.00	0.00	0.00	0.00
165-336	OTS-Traffic Offender Program	1.00	1.00	1.00	1.00	1.00	1.00
165-337	OTS-O.C. DUI Taskforce Grant	1.00	0.00	0.00	0.00	0.00	0.00
74-244	Civic Center Security	8.00	8.00	8.00	8.00	8.00	8.00
	Total	710.00	698.00	694.00	694.00	694.00	710.00
FIRE DEPARTMENT							
11-323	Fire Suppression/EMS	245.00	245.00	239.00	233.00	237.00	241.00
11-324	Fire Information Technology	0.00	0.00	0.00	0.00	3.00	3.00
11-321	Prevention	10.00	10.00	10.00	13.00	12.00	12.00
11-322	Fire Communications	9.00	9.00	9.00	11.00	9.00	9.00
11-320	Office of the Fire Chief	10.00	9.00	9.00	8.00	8.00	4.00
11-325	Fire Training/Reserves	5.00	5.00	5.00	6.00	6.00	5.00
11-327	Fire Maintenance	3.00	3.00	3.00	5.00	5.00	5.00
11-328	Fire Fiscal & Budget	0.00	0.00	0.00	0.00	0.00	4.00
11-329	Emergency Management	1.00	0.00	0.00	0.00	0.00	0.00
	Total	283.00	281.00	275.00	276.00	280.00	283.00
PUBLIC WORKS AGENCY							
101-601	Administrative Services	22.00	22.00	22.00	22.00	22.00	24.00
101-611	Development Engineering	6.50	6.50	8.25	7.70	7.50	7.50
11-623	Roadway Markings & Signs	7.00	6.50	5.00	5.00	5.00	7.00
11-625	Street Lighting	1.00	0.00	0.00	0.00	0.00	0.00
11-631	Roadway Maintenance	17.00	0.00	9.00	9.00	9.00	9.00
108-631	Roadway Maintenance	0.00	10.50	0.00	0.00	0.00	0.00
56-575	Sanitary Sewer Services	11.50	11.75	12.95	13.95	15.20	15.70
57-635	Federal Clean Water Protection	2.25	5.65	5.15	6.20	12.40	12.90
64-574	Water Production & Supply	9.50	9.50	9.20	9.20	9.00	10.00
64-575	Water Systems Maintenance	7.75	7.75	8.50	18.50	17.00	16.00
64-577	Water Asphalt Maintenance	0.00	0.00	5.50	5.50	0.00	0.00
64-578	Water Quality & Measuremt.	8.00	8.00	7.10	7.10	8.30	8.30
64-579	Water Admin. & Engin.	4.50	4.25	4.25	4.25	5.00	5.00
66-578	Water Construction	10.50	14.50	10.00	0.00	0.00	0.00

ACTIVITY DEPARTMENT & DIVISION		ACTUAL FY 02-03	ACTUAL FY 03-04	ACTUAL FY04-05	ACTUAL FY05-06	ACTUAL FY06-07	ADOPTED FY07-08
PUBLIC WORKS AGENCY-Continued							
68-632	Environmental Sanitation	12.25	13.25	17.75	15.50	17.50	3.00
68-633	Roadway Cleaning	24.00	21.00	18.00	18.00	15.00	16.00
68-634	Graffiti Abatement	0.00	0.00	0.00	0.00	0.00	10.50
68-637	Street Trees	11.00	11.00	12.00	12.00	11.00	12.00
69-521	Refuse Collection	1.75	1.75	1.75	2.00	2.00	2.00
86-613	Trans. Plan. & Proj. Mgmt.	4.50	4.50	3.50	2.55	2.55	2.55
86-621	Traffic Engineering	12.25	12.75	12.50	12.10	12.10	13.10
86-651	Construction Engineering	15.25	15.25	15.25	15.25	15.25	15.25
86-653	Design Engineering	11.50	11.60	10.35	12.20	12.20	12.20
Total		200.00	198.00	198.00	198.00	198.00	202.00
FINANCE & MANAGEMENT SERVICES							
75-111	Fleet Maintenance	27.43	27.43	27.46	27.46	27.46	27.43
11-175	Treasury/Customer Services	24.00	24.00	25.00	25.00	26.10	26.10
73-105	Building Maintenance	20.15	20.15	20.18	20.18	20.18	22.20
11-179	Information Services	13.50	13.50	12.75	11.75	11.85	11.80
11-171	Accounting	12.00	12.00	11.00	11.00	9.60	11.35
11-172	Payroll	0.00	0.00	0.00	0.00	0.00	4.22
11-173	Purchasing	11.43	11.43	10.43	10.43	10.53	10.03
71-176	Central Services	5.22	5.22	5.42	5.42	5.42	4.42
11-170	Management & Support	8.17	8.17	6.68	6.68	7.78	4.15
75-112	Stores & Property Control	3.03	3.03	3.03	3.03	3.03	3.03
102-171	Communications Services	3.57	3.57	3.67	3.67	3.67	3.67
31-141	AQMD	0.25	0.25	0.25	0.25	0.25	0.25
109-179	Information Services Strategic Plan	7.25	7.25	9.13	10.13	11.13	14.35
Total		136.00	136.00	135.00	135.00	137.00	143.00
PARKS, RECREATION & COMMUNITY SERVICES							
11-231	Mgmt. & Support Services	7.00	7.00	7.00	14.00	15.00	16.00
11-232	Community Affairs	5.00	7.00	6.00	8.00	8.00	9.00
11-244	Stadium	1.25	1.25	1.25	1.00	1.00	1.00
11-247	Zoo	24.00	20.00	20.00	20.00	16.00	18.00
11-249	Park Planning & Design	4.00	4.00	5.00	0.00	0.00	0.00
11-250	Park Maintenance	39.00	0.00	34.50	32.75	39.25	37.00
11-260	Park Building Services	0.00	0.75	0.75	0.75	0.75	0.00
108-250	Park Maintenance	0.00	42.50	0.00	0.00	0.00	0.00
11-251	Park Ranger Program	5.00	5.00	5.00	5.00	6.00	2.00
11-275	Youth & Comm. Services	20.00	16.00	15.00	14.00	16.00	16.00
74-242	Civic Center Maintenance	11.25	11.25	9.25	9.00	9.00	9.00
77-284	Centennial Regional Park	5.50	5.25	5.25	4.50	0.00	0.00
Total		122.00	120.00	109.00	109.00	111.00	108.00
PLANNING & BUILDING AGENCY							
11-503	Administrative Services	9.00	8.00	8.00	8.00	8.00	8.00
11-505	Planning Division	24.48	24.50	23.50	23.60	23.60	23.68
11-507	New Construction	25.00	25.00	24.00	24.00	24.00	24.00
11-508	Permits & Plan Check	15.00	14.00	14.00	15.00	15.00	15.00
11-509	Comm. Preservation	31.00	31.00	29.00	29.00	31.00	31.00
11-510	Proactive Rental Enf.Pgrm.	8.00	7.00	7.00	7.00	7.00	7.00
31-505	Air Quality Improvement	1.52	1.50	1.50	1.40	1.40	1.32
Total		114.00	111.00	107.00	108.00	110.00	110.00

ACTIVITY DEPARTMENT & DIVISION		ACTUAL FY 02-03	ACTUAL FY 03-04	ACTUAL FY04-05	ACTUAL FY05-06	ACTUAL FY06-07	ADOPTED FY07-08
COMMUNITY DEVELOPMENT AGENCY							
Various	Housing	37.50	37.50	37.50	21.15	20.45	19.55
027-013	Parking Meter	7.00	7.00	9.00	10.05	9.75	9.75
570-Var	Redevelopment	5.50	5.50	5.50	5.45	3.50	3.80
550-935	Administrative Services	7.35	8.35	9.35	9.35	10.10	10.85
550-932	Economic Development	6.50	6.50	6.50	6.10	9.10	10.10
Various	Econ. Dev. - Special Projects	0.00	0.00	0.00	5.20	5.53	4.11
135-Var	CDBG/ESG	2.05	2.05	2.05	3.45	3.15	3.15
067-615	The Depot	1.50	1.50	0.50	0.50	0.00	0.00
129-Var	Empowerment Zone	0.64	0.64	0.64	5.95	4.95	2.80
129-Var	FEZ Service Navigator SAWC	0.00	0.00	0.00	0.00	4.60	2.75
123-Var	One Stop Program	9.55	9.55	9.55	17.87	15.94	19.14
123-102	One Stop Administration	2.36	2.36	2.36	0.00	0.00	0.00
123-105	WIA Youth	0.75	0.75	0.75	0.00	0.00	0.00
123-106	Rapid Response	1.40	1.40	1.40	0.00	0.00	0.00
123-110	WIB Administration	3.45	3.45	3.45	0.00	0.00	0.00
123-Var	WIB Program	2.40	2.40	2.40	6.93	4.93	4.00
Various	Welfare to Work	0.80	0.80	0.80	0.00	0.00	0.00
132-893	SSA Summer Youth Administration	0.40	0.40	0.40	0.00	0.00	0.00
504-935	Administrative Services (H.S.A.)	0.85	0.85	0.85	0.00	0.00	0.00
Total		90.00	91.00	93.00	92.00	92.00	90.00
LIBRARY SERVICES							
11-212	Adult Program	14.00	13.00	11.00	11.00	11.00	13.00
11-213	Youth Program	6.00	5.00	7.00	11.00	10.00	11.00
11-214	Admin. & Support Services	14.00	13.00	14.00	5.00	5.00	6.00
11-215	Outreach Library	9.00	10.00	5.00	0.00	0.00	0.00
11-216	Technology & Support Services	0.00	0.00	0.00	10.00	11.00	9.00
Total		43.00	41.00	37.00	37.00	37.00	39.00
PERSONNEL SERVICES							
11-141	Personnel Services	12.80	12.55	12.15	12.10	12.16	13.55
109-179	Info. Svcs. Strategic Plan	2.00	2.00	1.00	1.00	1.00	0.85
82-178	Workers' Compensation	6.80	6.80	6.80	7.80	7.80	7.80
81-177	Employee Group Benefits	6.60	6.35	6.15	6.15	6.15	6.15
80-180	Liability & Property	3.80	3.80	3.80	3.80	3.80	4.80
88-141	Quality Service Training	2.00	2.25	2.25	1.30	1.24	0.00
31-141	Air Quality Fund	1.00	1.25	0.85	0.85	0.85	0.85
Total		35.00	35.00	33.00	33.00	33.00	34.00
CITY ATTORNEY'S OFFICE							
11-031	City Attorney	13.50	13.50	17.50	17.50	17.50	17.50
80-180	Liability	3.00	3.00	0.00	0.00	0.00	1.00
135	Community Preservation	1.00	1.00	0.00	0.00	0.00	0.00
11-335	Office of the Police Chief	0.50	0.50	0.50	0.50	0.50	0.50
Total		18.00	18.00	18.00	18.00	18.00	19.00
CITY MANAGER'S OFFICE							
11-009	City Manager	4.09	4.09	3.23	3.23	3.42	4.50
11-023	Council Services	5.50	5.50	4.50	4.50	5.50	5.50
11-503	PBA Admin. Services	0.00	0.00	0.86	0.86	0.00	0.00
505-930	Non-Divisional	1.41	1.41	1.41	1.41	1.08	0.00
Total		11.00	11.00	10.00	10.00	10.00	10.00

ACTIVITY DEPARTMENT & DIVISION		ACTUAL FY 02-03	ACTUAL FY 03-04	ACTUAL FY04-05	ACTUAL FY05-06	ACTUAL FY06-07	ADOPTED FY07-08
CLERK OF THE COUNCIL'S OFFICE							
11-021	Clerk Administration	4.00	4.00	5.00	5.00	5.00	5.00
	Total	4.00	4.00	5.00	5.00	5.00	5.00
TOTAL FULL-TIME POSITIONS		1,766.00	1,744.00	1,714.00	1,715.00	1,725.00	1,753.00
Per 1,000 Population		5.14	5.02	4.90	4.88	4.90	4.96
Population			347237	349454	351697	351697	353428
 <i>Note :</i> Actual personnel counts are based on calculations which may differ from the year's Adopted personnel counts.							
 In line with the purpose, vision and goals of the City of Santa Ana, public safety remains the highest priority for the city as indicated by the 56.7 percent share of the total city workforce.							
 <i>Note:</i> Actual personnel counts are based on year-end calculations which may differ from the year's Adopted personnel counts.							
GRANT POSITIONS*							
POLICE DEPARTMENT							
23-349	Inmate Welfare Fund	1.00	1.00	1.00	1.00	1.00	1.00
26-340	Criminal Activities	3.00	3.00	3.00	3.00	3.00	3.00
125-331	Urban Areas Security Initiative Grant	0.00	0.00	2.00	3.00	3.00	3.00
	Total	4.00	4.00	6.00	7.00	7.00	7.00
FIRE DEPARTMENT							
125-320	Urban Areas Security Initiative Grant	0.00	0.00	0.00	0.20	0.20	0.20
146-323	Metropolitan Medical Response System	1.00	1.00	1.00	0.80	0.80	0.80
	Total	1.00	1.00	1.00	1.00	1.00	1.00
PARKS, RECREATION & COMMUNITY SERVICES							
126-var	Weed & Seed	0.00	1.00	0.00	0.00	0.00	0.00
169-252	Answer Benefiting Children Program	2.00	0.00	0.00	0.00	0.00	0.00
169-261	Answer Benefiting Children Program	0.00	2.00	0.00	0.00	0.00	0.00
169-266	FaCT Program	0.00	0.00	3.00	3.00	2.00	2.00
169-344	Early Action Program	3.00	0.00	0.00	0.00	0.00	0.00
	Total	5.00	3.00	3.00	3.00	2.00	2.00
COMMUNITY DEVELOPMENT AGENCY							
various	Housing Authority/EZ/WIA	22.00	22.00	22.00	22.00	22.00	22.00
	Total Grant Funded Positions	32.00	30.00	32.00	33.00	32.00	32.00
	Total All Funds & Grants	1,798.00	1,774.00	1,746.00	1,748.00	1,757.00	1,785.00

*Grant funded positions are listed separately due to the uncertainty of future funding for these positions. When the funding discontinues, the positions are eliminated.

Santa Ana is meeting its objective of having a workforce that is more reflective of the community it serves.

As a result, over 83 percent of the individuals hired during FY 98-99 were from ethnic minority backgrounds. The City is also committed to improve the bilingual skills of all full-time employees by offering pay incentives for bilingual ability, and reimbursement of educational expenses toward achieving this goal.

Santa Ana received the League of California Cities “1997 Managers Award for the Advancement of Diversity” from the League’s City Managers’ Division in recognition of the City’s outreach efforts. The U.S. Department of Justice also granted Santa Ana approval for its Equal Opportunity Employment Plan on July 2000. These accomplishments reflect the City firm commitment to a diversified workforce, and to providing minorities with equal job opportunities.

COMMUNITY LEADERSHIP

City Government

The City of Santa Ana has a Council-Manager form of government. Santa Ana residents elect the City Council members and Mayor who in turn appoint the City Manager, City Attorney, and Clerk of the Council. The Council is responsible for setting broad policy and direction, while the City Manager is responsible for the day-to-day operations of the City. The City Manager is the City’s Chief Administrative Officer.

The Santa Ana City Council has seven members consisting of six Ward Council members and the Mayor. Council members can serve a maximum of two four-year terms. All Council members, including the Mayor, are selected in city-wide elections. Each Council member holds a separate office that is assigned to a specific geographic division of the City known as a *ward* (Figure 1-8). Council members must live in and represent one of six Council wards during their term.

The Mayor's position is a two-year term but may serve an unlimited number of terms. Santa Ana's Mayor may reside anywhere in the City. The Mayor has a voice and vote in all of the City Council's proceedings and is recognized as the titular head of the City government for all ceremonial purposes. The City Council selects a Mayor Pro Tem who acts as Mayor during any absence from the City or disability of the elected Mayor.

The City Manager, City Attorney, and Clerk of the Council are the only staff members under the direct supervision of the City Council. These appointees are directly and individually responsible to the Council for their respective areas. They function as a team to ensure the City's business is conducted with efficiency, effectiveness, and integrity.

Boards, Commissions, and Committees

Resident participation in local government is a time-honored tradition in Santa Ana. The City's nine advisory boards, commissions, and committees provide an extension of the Council's legislative and policy-making authority. Members of the advisory boards, commissions, and committees are appointed by Council members to advise the Council on certain issues. The City Council also appoints residents to five non-City boards with wider jurisdictions. Participants perform an invaluable public service by broadening the forum for community input and by enhancing the processes of a representative democracy. Council members are kept informed on the community's sentiments on existing and prospective legislation. These bodies are uniquely positioned to provide elected representatives and City staff with “reality checks” for fact-based decision-making.

Neighborhood Associations

Figure 1-9 is a map of Santa Ana's neighborhood associations. Since 1983, the City has assisted residents from the 62 neighborhood associations throughout the community. These associations are local support groups that help residents address issues facing their neighborhoods. The aim is to foster self-determination and responsibility by and between community members. Neighborhood residents become empowered with a voice in local government as they gain access to information on pending ordinances, proposed development projects, and learn of other community resources available to them.

Residents organize and establish their own associations with assistance from the Housing and Neighborhood Development Division of the City's Community Development Agency. This division supports the associations by printing newsletters and flyers, participating at community meetings, tracking neighborhood concerns, and directing specific requests to appropriate City agencies. The division also assists both association residents and City staff in prioritizing neighborhood projects and programs. City staff and other organizations have utilized this division as an invaluable networking resource to solicit resident input and resident support for programs and projects.

CITYWIDE INITIATIVES


Long-Term Community Building Strategies

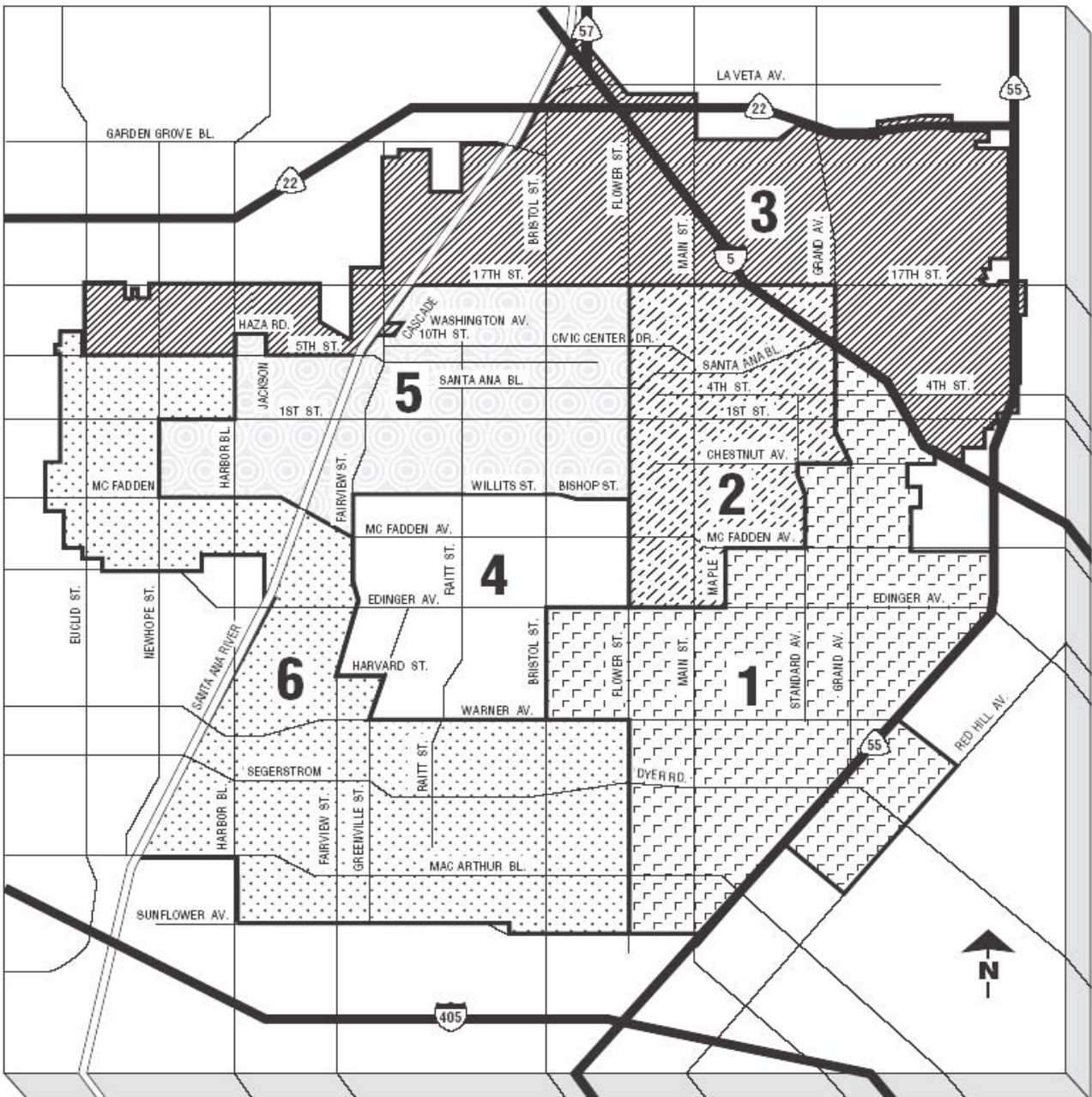
The City of Santa Ana experienced a significant demographic transformation earlier than most California communities. Early on, the city adopted a community-building approach, which empowered neighborhood associations, increased the responsiveness of municipal agencies and created networks among community-based organizations.

(Continued on page 38)

FIGURE 1-8



 City Council
Mayor : Miguel A. Pulido
Ward 1 : Vincent Sarmiento
Ward 2 : Michele Martinez
Ward 3 : Carlos Bustamante
Ward 4 : David Benavides
Ward 5 : Claudia Alvarez
Ward 6 : Sal Tinajero



The success that Santa Ana experienced served as a model for other asset-based, community-building initiatives.

The Santa Ana model started with a longstanding tradition of recognizing and supporting neighborhood associations as a bona-fide vehicle for citizen participation. Through this approach, leadership training and capacity building for neighborhoods and their representatives were top priorities. Municipal Interagency Teams were the second component of this community-building initiative. Improving the productivity of staff and the responsiveness of public agencies to address complex neighborhood challenges remained a priority. Strengthening the network of community-based organizations was the third and final component of the Santa Ana community-building initiative. The Community Development Resource Network sought to strengthen the cohesion and sense of identity among the hundreds of organizations that considered Santa Ana to be their arena.

Artists Village Live-Work Lofts

The Olson Company is constructing 86 artists' live-work lofts in the historic downtown area. The entire project is called 'Artists Walk' and will be over three different city blocks. The architecture of each phase will be different, reflecting the design and materials of surrounding buildings. The City Redevelopment Agency assembled the land and was purchased by the Olson Company at a reduced cost. Following is a description of each of the three phases.

1. Main Street Lofts. Located on North Main between Second and Third Streets, there are 30 units in four buildings in this phase. The project architecture is similar to the old City Hall building immediately north of the project. The project was completed in 2003 and is 100% occupied.

2. East Village Studios. Located at the southeast corner of North Bush Street and Third Street, 40 units were constructed on this site. The architecture is more contemporary with corrugated metal and stucco in the façade. The final building is being finished and there is 100% occupancy.

3. Sycamore Street Lofts. Located along North Sycamore Street, between Second and Third Streets, there were originally 16 units proposed for this location, in two buildings. Negotiations are currently underway for enhanced development of the project.



Santiago Street Live-Work Lofts

Santiago Street Lofts Lennar Homes is under construction on this 108-unit, transit oriented live/work development at the Northwest and Southwest corners of Santa Ana Boulevard and Santiago Street, adjacent to the City's Santa Ana Regional Transportation Center. There are 108 Live/Work three story units with five different floor plans ranging in size from 1,500 to 2,300 square feet. Ground floor commercial uses will be provided along with a pedestrian oriented design to activate the street. Models opened in November 2005 and Phase I is already sold out.



www.aplaceforart.org or www.aplaceforart.com

Auto Mall

Located off the 55 FWY and Edinger, the Santa Ana Auto Mall generates approximately \$3.9 million in annual sales tax revenue for the General Fund. The Auto Mall currently has 12 manufacturers (within 9 dealerships): BMW; Mini Cooper; Isuzu; Hyundai; Honda; Volkswagen; Audi; Jaguar; Aston Martin; SAAB; Volvo; and Saturn. Expansion of the mall, which was originally established by the Redevelopment Agency in 1984, is well underway. Opening of the mall to Edinger Avenue along with various upgrades, such as new entry-way signage, landscaping and a new electronic freeway sign, are expected to benefit all the dealerships. Property acquisition of a 4.2-acre site has been completed for the Crevier BMW expansion, which will consist of over 170,000 square feet of service, sales and office space and a six tier parking structure. Construction commenced in fiscal year 2004-05 on the Phase I parking structure; and construction of Phase II, which will include a new showroom and office space, is expected in the near future. Additionally, in January 2006 the Agency acquired the long-term leasehold interest in another 2-acre site along the Edinger frontage to assist Honda with its expansion.

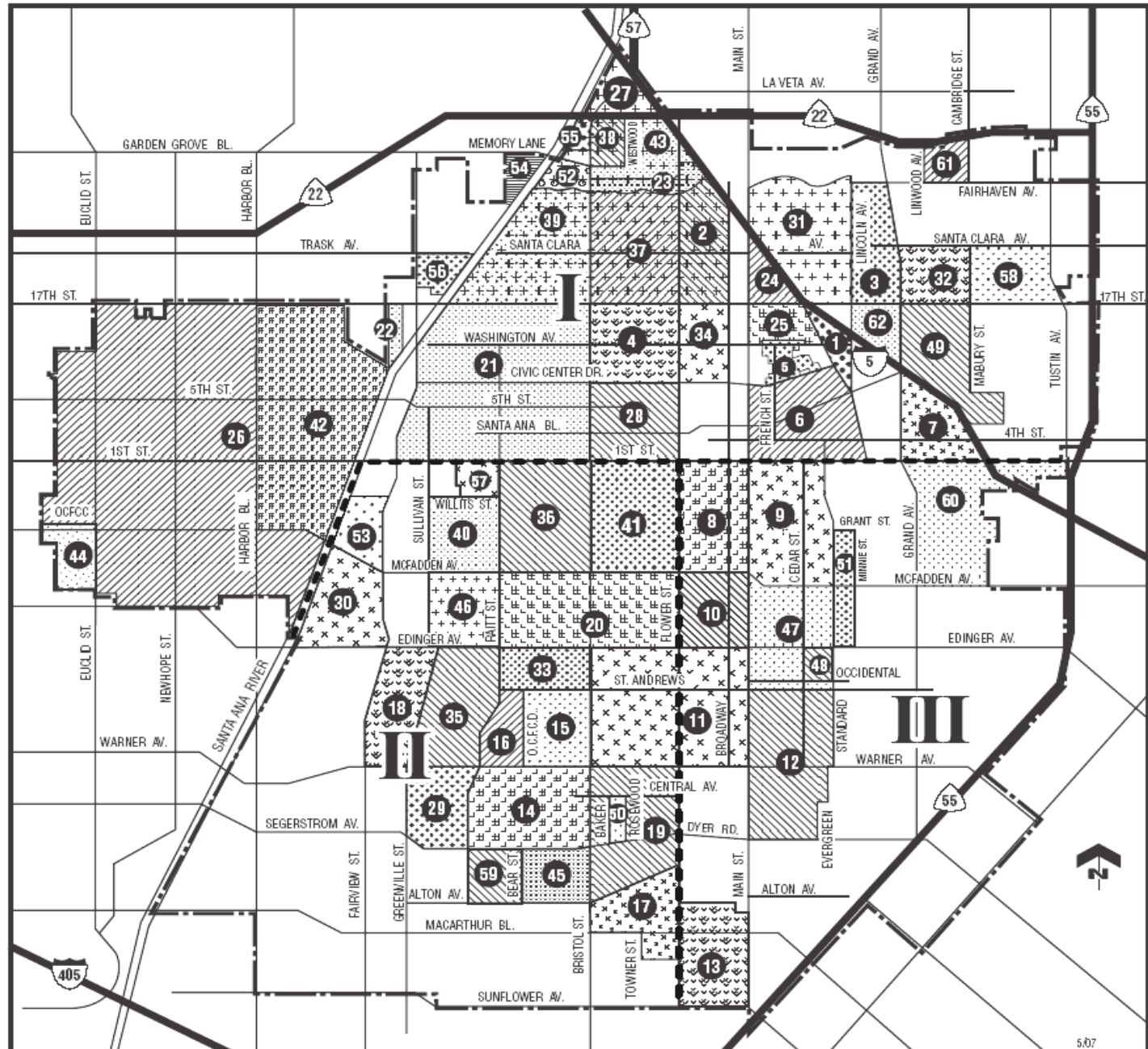
Enterprise Zone

The Santa Ana Enterprise Zone (EZ) is one of 39 EZ's statewide and the only one in Orange County. The EZ program is designed to promote business growth and job generation by offering state tax credits and highly valuable incentives to businesses of all types and sizes. The Santa Ana EZ encompasses over 7,000 acres, which cover 98 percent of the total industrial and commercial property within the city and over 10,000 businesses. EZ benefits apply to existing businesses as well as new businesses relocating or expanding into the EZ.

Since its inception on June 8, 1993, over 27,000 tax credit vouchers have been issued to EZ businesses for hiring disadvantaged workers. Each voucher has the potential to be

(Continued on page 40)

FIGURE 1-9



DISTRICT MAP

District I
Scott Kutner

District II
Margarita Gonzales

District III
Lan Nguyen

SANTA ANA NEIGHBORHOODS

- | | | | | |
|----------------------|------------------------|------------------------------|----------------------------|---------------------------|
| 1. Logan | 14. Thornton Park | 27. Northwest | 40. Bella Vista | 53. Windsor Village North |
| 2. Floral Park | 15. Bristol / Warner | 28. Flower Park | 41. Pico-Lowell | 54. Concord |
| 3. Fairhaven | 16. Laurelhurst | 29. Morning Sunwood | 42. Santa Anita | 55. Riverglen |
| 4. Washington Square | 17. South Coast | 30. Windsor Village | 43. Morrison/Eldridge Park | 56. Edna Park |
| 5. French Park | 18. Centennial Park | 31. Park Santiago | 44. West Grove Valley | 57. Casa Bonita |
| 6. Lacy | 19. Sunwood Central | 32. Portola Park | 45. Republic Homes | 58. Meredith Parkwood |
| 7. Saddleback View | 20. Mid - City | 33. Shadow Run | 46. New Horizons | 59. Metro Classic |
| 8. Heninger Park | 21. Artesia Pilar | 34. Willard | 47. Madison Park | 60. Lyon Street |
| 9. Eastside | 22. Mar - Les | 35. Valley Adams | 48. Cedar Evergreen Co-Op | 61. Fairbridge Square |
| 10. Wilshire Square | 23. Fisher Park | 36. Central City | 49. Mabury Park | 62. Grand Sunrise |
| 11. Memorial Park | 24. Santa Ana Triangle | 37. West Floral Park | 50. Rosewood Baker | |
| 12. Delhi | 25. French Court | 38. Bristol Memory Coalition | 51. Cornerstone Village | |
| 13. Sandpointe | 26. Riverview West | 39. Riverview | 52. Casa de Santiago | |

Boundaries are not exact, please contact Neighborhood Improvement for specific Neighborhood Association boundaries. 714/667-2260

worth over \$35,000; the credits can make a significant impact to a business' bottom line. The Santa Ana EZ offers the following state tax incentives to businesses:

- Sales or Use Tax Credit on qualifying machinery and equipment
- Hiring Credit of \$35,000 or more for each qualifying individual
- Increased Business Expense Deduction
- Net Interest Deduction for Lenders

Many businesses have relocated, expanded, and/or elected to remain here over the last few years as a result of the EZ program and the assistance provided by the city. Enterprise Zone companies include: Ingram Micro, Heritage Foods/ Adohr Farms, Laguna Cookie Company, MSC Software, Advanced Medical Optics, FabCon, Royalty Carpet, Harveys, Sweet Life, Park-West and Gold Coast Baking Company just to name a few. The Santa Ana EZ has been recognized as one of the top EZ's in the nation and in the state.



<http://www.santa-ana.org/cda/EnterpriseZone.asp>

Technology Plan

In order to maximize the effectiveness and efficiency of our resources, the City developed a comprehensive management information systems strategic plan that identifies and addresses our current and future automation needs. In 1997-98, the City initiated the implementation of the strategies incorporated in the plan by focusing on several major objectives. The first was to address the Year 2000 computational problems that were being faced by every entity with a large mainframe computer system. In Santa Ana our efforts in this area included the conversion of the payroll and municipal billing systems. The second objective was the implementation of an information technology infrastructure, which will provide the networking necessary to improve the exchange and sharing of information between our departments. Another objective of the plan was to upgrade or replace the city-wide support systems and applications.

Santa Ana Traffic Management Center

The Traffic Management Center (TMC) completed in 1995 is a full service facility with a broad spectrum of traffic congestion capabilities. The TMC houses the state-of-the-art Advance Traffic Management System (ATMS). The ATMS controls a network of over 275 traffic signals, 45 closed circuit television cameras, and 10 electronic message signs. The TMC helps in monitoring and adjusting the traffic signal timing to reduce congestion on the City arterials. The ATMS program marked the City's entry into the emerging field of Intelligent Transportation Systems

(ITS) and achieved state recognition when the Santa Ana ATMS won the Systems Operations Award in 1997.

The Integrated Traveler Information Sharing (ITIS) system is integrated with the ATMS to provide real-time roadway congestion information and traffic advisories for City arterials, and Los Angeles and Orange County freeways, in both English and Spanish. ITIS provides the information to the public through the highway advisory telephone (HAT) system, cable television (CATV), and two interactive public-access kiosks, located at City Hall and the Depot. The HAT (714-567-9207) can be accessed from any phone at any time. ITIS airs on Channel 3, during morning and evening rush hours.

Street Terrorist Offender Program (STOP)

The Santa Ana Police Department, in partnership with the Orange County District Attorney, has three Tri-Agency Resource/Gang Enforcement Teams (TARGET) housed within the police facility. TARGET is a program that teams police officers, probation officers, and prosecutors by stationing them together in police departments throughout the county. The TARGET concept is a highly-specialized team approach focusing on the most hardcore, violent, repeat gang offenders who possess leadership positions in criminal street gangs. The goal of TARGET is to incapacitate these hardcore gang members before they commit further violent acts against society.

The enforcement component for TARGET is the Santa Ana Police Department's Street Terrorist Offender Program (STOP). Detectives conduct enforcement operations against "targeted" street gang members. The current STOP Team is comprised of six gang detectives who have responsibility to monitor the 278 gang members currently being targeted by the team. In FY 2007-08, a second STOP Team consisting of ten detectives will be added to provide increased anti-gang enforcement services to the community.

Strike Force

The Strike Force is a full-time Special Weapons And Tactics (SWAT) team. The Strike Force is staffed by a sergeant, a corporal and eight officers and is Orange County's first full-time SWAT team. The Strike Force is part of the Special Investigations Division and is tasked with suppression of violent crime, which includes targeting the most violent criminals in the City of Santa Ana.

They also provide professional tactical support for high-risk incidents occurring in the city. The rigor of this assignment requires them to train a minimum of 25% of their duty time. Since the inception, they have recorded impressive enforcement activity in the area of felony arrests, including several murder suspects, seized weapons and narcotics. The Strike Force has sent many parolees back to

prison for violating the condition of their parole and documented several gang members.

The Strike Force is an essential part of our problem solving efforts and has undoubtedly contributed to making Santa Ana a safer place to live.

Santa Ana Police Department: Urban Area Security Initiative

On October 1, 2003, President Bush signed the Fiscal Year 2004 Homeland Security Appropriations Act to provide vital funding needed to ensure the safety and security of our homeland. Through the Department of Homeland Security's (DHS) Office for Domestic Preparedness (ODP), emergency prevention, preparedness, and response personnel have received billions of dollars in funding for our nation's homeland security. These appropriations by Congress are designed to protect and defend the security of the United States of America against the threat posed by terrorism. The Urban Areas Security Initiative (UASI) reflected the intent of Congress and the Administration to create a sustainable national model program to enhance security and overall preparedness to prevent, respond to, and recover from acts of terrorism. The UASI suggested the use of an Urban Area Working Group (UAWG) to both allocate grant funding and guide delivery of direct services in the form of equipment, planning, training, exercises, and technical assistance.

The UASI Program seeks to address the unique needs of high-threat, high-density urban areas, and it specifically required that urban areas use a collaborative and regional approach to homeland security expenditures. The cities of Santa Ana and Anaheim were deemed Urban Areas in 2004 - 2006 and have received in excess of \$50 million dollars for the entire County of Orange. Early on, Santa Ana and Anaheim recognized the importance of forming a true collaborative partnership to ensure that grant funds were spent not only in accordance with grant guidelines, but also in a way that took a risk-based approach to minimize threats and vulnerabilities and to properly manage and reduce the consequences of any terrorism event. While some UASI jurisdictions shared UASI funding only with contiguous jurisdictions, Santa Ana and Anaheim included all jurisdictions in Orange County, as well as all first responders and disciplines that are stakeholders in the homeland security community, such as health, law, fire, emergency management, public works, and others. In addition, the Orange County Sheriff's Department became a critical partner that also shared homeland security grant funding and strategies. Thus, Orange County became unique insofar as it shared homeland security funding through a broad based collaborative partnership.

The Santa Ana-Anaheim model has been cited as a model for homeland security preparedness and cooperation on the floor of Congress. In addition, the federal Department

of Homeland Security and the State of California, Office of Homeland Security continually cite Santa Ana and Anaheim, indeed the entire county, as the model for collaboration and efficient spending of grant funds. The use of the Urban Area Working Group and preparedness subcommittees have allowed Orange County to focus on risk-based priorities, thus maximizing grant funds at all levels. The two cities have once again been deemed Urban Areas for the 2007 grant cycle; two of only six cities in California and 35 cities in the nation. Undoubtedly, the true regional and collaborative approach taken by Orange County contributed to the government's decision to include us in this designation.

Santa Ana Police Department Investigations Bureau: Gang Section Reorganization

The tragic events of September 11, 2001 have focused attention on the threat from foreign terrorists on the safety and security of communities throughout the United States. In response to these contemporary dangers, new awareness and energy has been directed to gathering and analyzing criminal intelligence, strengthening of interagency cooperation and partnerships, and the focusing of enforcement activities on suppressing criminal enterprises. These same "homeland security" principles have direct application to the preservation of Santa Ana's communities from the violence and domestic terror of gang members who threaten the safety and security of our neighborhoods. To this end, the Investigations Bureau's Crimes Against Persons Division is reorganizing the Gang Section to maximize the effectiveness of existing resources and better serve our community.

The newly designed Gang Section will consist of three interactive units: **Enforcement, Assaults, and Homicide**. These Units will concentrate their activities in two areas:

- Suppression and Intelligence
- Apprehension and Prosecution

The **Enforcement Unit** will focus attention on the suppression of illegal gang activities by aggressive street level enforcement, intelligence gathering and the development of gang expertise. The Enforcement Unit will be responsible for maintaining high visibility in the community and work in a proactive manner along with personnel from Orange County Probation and California Department of Correction, Parole.

The **Assault and Gang Homicide Units** will concentrate on the apprehension and prosecution of gang members. Working in cooperation with the U. S. Attorney and Orange County District Attorney Offices the Units will aggressively investigate and prosecute all gang related assaults, robberies and homicides in a timely manner. The uncompromising use of the California Street Terrorist Act and prison sentencing enhancements will provide justice for victims and their families, hold criminals accountable

for their unlawful behavior and disrupt the activities and organization of illegal street gangs.

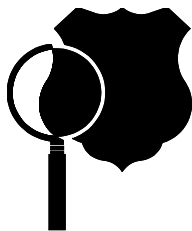
Using the department's Community Oriented Policing philosophy as a guide, a four-phased Gang Strategy has been adopted to advance the prevention of crime, increase the interdiction of criminals and strengthen the protection of Santa Ana's communities:

Enforcement – Hold offenders and their associated groups accountable for criminal behavior through the timely investigation of gang related cases.

Suppression – Utilize collaborative strategies to maintain a visible presence in the community and aggressively restrain the criminal behavior of street gangs.

Prevention – Deter youth from joining criminal street gangs through community education and opportunities for positive activities.

Re-integration – Provide opportunities for gang members wishing to leave their past illegal lifestyle to become productive and contributing members of the community.



Proactive Rental Enforcement Program

In June 1990, The Mayor's Task Force on Neighborhood Standards and Preservation recommended that the City establish a mandatory inspection program for all residential rental properties in Santa Ana. On August 17, 1992 City Council, in concert with the rental housing industry, adopted the Proactive Rental Enforcement Program (PREP).

Under this new program, each residential rental property in Santa Ana is required to be inspected every four years. For the first four years of the program, inspections were concentrated in specific neighborhoods that required immediate attention to halt further deterioration. In 1996, in order to cover the entire City on a four-year cycle, inspections of rental property were made throughout one-quarter of the City. Each subsequent year thereafter, inspections were completed of rental properties in another quarter of Santa Ana, thus maintaining a four year inspection cycle.

Prior to PREP, inspections of rental units were primarily a result of complaints from neighbors concerning un-

sightly conditions or some form of illegal activity occurring on the properties. The existing program is intended to correct not only unsightly exterior conditions, but also sewage spills and rodent infestations, as well as structural, electrical, and plumbing deficiencies. Since the inception of the PREP program, in excess of one million dollars has been reinvested in rental properties in Santa Ana. process.

The Santa Ana Police Department Training Center

In 2001, the Santa Ana Police Department's Training Division shifted its' approach in the way it provides state mandated training to its' workforce. Historically, the Training Division has functioned primarily as a facilitator of training, rather than a provider of training.

After extensive research, Training Division Personnel concluded that it was more cost effective to provide in-house instruction than to send officers to outside training facilities. In addition, other advantages were identified such as the opportunity to develop curriculum designed specifically for department personnel, rather than relying on the "generic" presentations provided by outside institutions. Furthermore, in-house classes could be offered to members of outside agencies for a fee, which could generate revenue for the City.

In September 2001, the Training Division began development of a formal proposal to establish "The Santa Ana Police Department Training Center". In addition, the written proposal contained the suggestion that the Training Center also develop a formal presentation to highlight the Department's distinction as a nationally designated "Community Policing Demonstration Site". The Department's Senior Management Team subsequently approved all aspects of the proposal, which has since undergone implementation.

Teamwork, flexibility and the cooperation from the other divisions within the Department have turned this concept into a reality. Using the latest technology and state of the art instruction, the Training Center now provides the majority of all POST certified training to the police department's sworn personnel.

The Driver Training Program, which features two computer operated driving simulators, has been used to train over 350 officers since receiving POST certification last year. The Training Center's "Range 2000", a computer operated shooting simulator, is currently being used to provide force options training to patrol officers. The simulator uses branching technology to produce countless scenarios designed to test and improve officers' judgmental shooting skills.

In an effort to improve the computer literacy of employees within the Department, the Training Center has facilitated hundreds of hours of instruction relating to software application. Microsoft Word, Access, PowerPoint, Ex-

cel, Outlook, CyberMCT and laserfiche are among some of the courses taught.

Another benefit of the Training Center's on-site instruction has been the reduction of expenses such as tuition, lunch, mileage reimbursement and travel time compensation, which result from sending employees to outside training facilities. Furthermore, the curriculum developed by Training Center personnel is more in tune with Santa Ana policy and procedures and therefore more specific to the needs of our community.

Recently, the high quality of our instruction has captured the attention of many Southern California Law Enforcement Agencies, which now regularly send us their officers for training. In the last six months, the Training Center has provided over 5,600 hours of POST certified instruction to police officers from Santa Ana and twenty other law enforcement agencies. The instruction provided by the Training Center has generated \$16,477 in revenue for the City and saved several thousand dollars more by reducing off-site training expenses.

Recycling Program

Santa Ana's curbside recycling program assists in fulfilling the State's requirement for cities to divert 50 percent of solid waste generated and taken to landfills by the year 2000. Since 1997, the City has required residents to use three separate containers for disposal of recyclable materials, green waste, and trash. Automated collection vehicles pick up the recyclable materials and green waste from each household and take them to a Materials Recovery Facility or to a Composting Facility for further sorting and sale. Trash is taken directly to the landfill. This system increases the recycling diversion, which continues to exceed the state mandated goal and reduces the contamination of recyclables and the cost of sorting trash.

The City also disposes of used oil through the Used Oil Block and Opportunity Grant programs. An average of 11,200 gallons of used motor oil and 3,300 filters per year are recycled as part of the curbside program.



Tree Reforestation Program

The City recognizes the important role trees play to enhance neighborhood appeal, clean the air, keep homes cool, and add to the quality of life. At present, the City

has an estimated 54,000 street trees. The City's Tree Maintenance Program will continue to ensure the health, safety, and aesthetic aspects of the City's urban forest and address resident concerns about the City's trees through efficient design, community involvement and education, proper tree trimming and maintenance, and tree preservation.

COMMUNITY PROFILE

History

Don Gaspar Portolá, a Spanish expedition party leader, discovered a picturesque valley and river in Southern California, which he christened Santa Ana, in honor of Saint Anne, on July 26, 1769. José Antonio Yorba, a youthful expedition soldier who accompanied Portolá in his journey, was awarded this territory as a Spanish land-use grant in 1810. The Yorba family developed a ranch called Rancho Santiago de Santa Ana, which was mainly utilized for cattle grazing and productive farming.

In 1869, William F. Spurgeon purchased 74.25 acres from Mr. Jacob Ross, an American pioneer who had purchased 650 acres from the Yorba family. Mr. Spurgeon then plotted a town site. The new town was given the name of Santa Ana, and was later incorporated as a city in 1886. Orange County was separated from Los Angeles County in 1889, and Santa Ana was selected over the cities of Anaheim and Orange to become the county seat.

Starting out as a frontier town, Santa Ana eventually became the leading commercial and agricultural center in the area. In addition, along with the bustling economic growth that characterized the region, many of its pioneers became known for their cultural pursuits. During World War I, the City began to shed its rural ties to become a center of manufacturing for the military. Santa Ana witnessed the growth of its suburbs and a changing role of its downtown after World War II.

Today, Santa Ana is the governmental center of Orange County. In terms of population, it is the 52nd largest city in the nation, the ninth largest city in the state, and the largest city in the county.

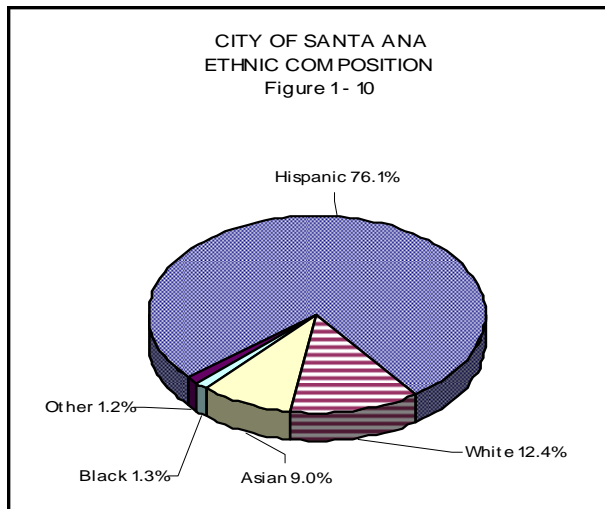


<http://www.santaanahistory.com>

Demographics

Santa Ana is a highly diverse and vibrant community with a population of 353,428 residents. According to the U.S. 2000 Census, the City population's median age is 26.5 years old, which makes Santa Ana's population one the youngest among all cities in the nation. City housing units range from low-income overcrowded apartments to luxury homes.

Over 76.1 percent of the City’s population is classified as Hispanic, giving Santa Ana the highest Latino concentration in the county, and the seventh highest in the nation. Whites (12.4 percent) and Asians (9.0 percent) are the other major groups. Figure 1-10 provides a breakdown of the City’s ethnic composition from U.S. Census Bureau.



With a large resident base, the City has high averages for both, persons per household as well as persons per square mile. The City’s ratio of 4.69 persons per household exceeds the County’s average of 3.08. This ratio is expected to remain, as both the housing stock and population growth rates are not anticipated to change significantly.

Santa Ana holds the second highest ratio of inhabitants per square mile in the state, only San Francisco ranks higher.

This high density reflects the above average persons per household rate and the overcrowding that occurs in many areas of the City.



<http://www.dof.ca.gov/>



<http://www.fullerton.edu/cdr/>

Education

The City of Santa Ana’s commitment to quality education is as solid as ever. Santa Ana has continued to work very closely with school officials, the community, and other organizations in order to deal with the burgeoning concerns facing the schools and the community.

With over 58,832 students enrolled in kindergarten through high school, the Santa Ana Unified School District (SAUSD) is the fifth largest school district in the state and the largest in Orange County. SAUSD serves over 85 percent of Santa Ana’s 27.2-square mile area with its thirty-six elementary, nine intermediate, five high schools, three continuation high schools, and ten special education schools/programs.

SAUSD is recognized for its leadership in curriculum development and in meeting the needs of its diverse student population. Over the years, fourteen schools were recognized as “Distinguished Schools.” SAUSD schools have also received to date thirty-six “Golden Bell Awards”, honor that recognizes and promotes excellence in educational programs, from the California School Boards Association. SAUSD had more than a third share in the number of Orange County teachers who earned National Board Certification, a recognition offered to teachers who have mastered their profession, this past year.

The school district faces numerous challenges. The move from eighth to fifth largest school district in the state is living proof of one of the main challenges faced by the schools: overcrowding. All but 2 of the 55 schools in this district currently exceed by far the student capacity they were designed to serve. Many SAUSD students are recent immigrants of which 70 percent have limited English skills. More than 92 percent of these students are Hispanic, 4 per cent are Asian, and the rest include Blacks, Native Americans, and others. This ethnic composition makes for a very diverse linguistic community.

The Library features a state of the art, web-based system for searching its catalog of holdings, retrieving magazine and journal articles, and joining on-line book clubs with regularly downloaded chapters from popular books. The Library offers students on-line access to searchable reference books from their homes or schools.

- Library serves 116,000 active library cardholders. More than 16% of those library users are under the age of 18. A total of 5,628 youths became new library cardholders in 2006-2007.
- Students registered with the two library learning centers totaled 3,280 and made 15,700 visits to use computers and access the Internet.
- The library loans 320,000 items annually.
- Santa Ana residents logged over 60,000 hours on the Library’s public access computers.
- The library offers after-school services to students and homework assistance 5 days per week at both library locations.
- The Library remains committed to serving the City’s diverse population. It has initiated a bilingual exchange club to assist English and Spanish speakers to gain facility in one another’s languages, and offers high-powered, interactive ESL software on several public computers. In addition, the Library has cooperated with Hispanic veteran, arts, and genealogical groups to sponsor programs highlighting the history and culture of Hispanic Americans in Orange County.

- The Library has in its various collections over 44,000 Spanish language items for adults and children, and nearly 3,500 items in Vietnamese.
- On an expense/per capita basis, the library remains one of the most efficient in California.

Beginning in Fall 2007, the City and Santa Ana Unified School District will collaboratively provide after school library services at Century, Saddleback and Valley High Schools.

The City is also an active participant in an educational and community partnership called ENLACE, which is aimed at creating a comprehensive institutional model for increasing access to higher education for traditionally under-represented students. This partnership has developed innovative collaborations with K-12 schools and community participants to focus on the vulnerable points of transition from high school to community college and from community college to four-year universities for Santa Ana's overwhelmingly Latino student body.

Over the past decade, the Santa Ana partnership has made amazing progress. SAUSD's college-bound students have increased from 50 to 80 percent. Santa Ana College's transfer rate has more than doubled, jumping from 44th to 6th in the state among community colleges in terms of Latino transfer to the University of California system.

<http://www.sausd.k12.ca.us/>



Rancho Santiago Community College District (RSCCD), which is comprised of Santa Ana College and Santiago Canyon College, offers over 60 certificate programs and nearly 150 two-year Associate of Arts/Sciences degrees. RSCCD also offers continuing education as well as various community service programs. Since 1994, an increasing percentage of SAUSD high school graduates enroll at RSCCD as new freshman.

<http://www.rsccd.org>



YOUTH INITIATIVES

The City is proud of its efforts and programs in support of our youth. Our community profile indicates that the median age of Santa Ana residents is 26.5 years, making Santa Ana the youngest city of the 100 largest United States cities according to the U.S. 2000 Census. We have more than 115,500 residents who are younger than 18 years old. Given these demographics, the City's youth initiatives are of vital importance to the well being of the community. The City's commitment to youth is well expressed in our Vision to be acclaimed for our investment in children. This section briefly discusses some of the City's initiatives that are directed to our youth.

Youth Commission

The Santa Ana Youth Commission was created by City Council Ordinance on Sept. 20, 1999 for the purposes of providing valuable input regarding the youth perspective to the City Council. The Youth Commission is involved in City-sponsored activities such as the Youth Expo, Celebrate Santa Ana, Adopt-A-Park Program, Annual Recreation Center Talent Show, and the Children's Winter Holiday Party.

In February 2007, the Mayor and City Council asked the Youth Commission, under the direction of the Parks, Recreation and Community Services Agency, to take the lead in developing a Youth Master Plan. The Youth Commission recommended to develop the Youth Master Plan in a phased approach and decided that the focus of the first phase should be on recreation services, gang prevention, and the fight against childhood obesity. Additionally, the Youth Commission is working on developing a newsletter addressing the problem of graffiti in the City. The intent of the newsletter is to educate youth and their parents on the negative effects of graffiti and the consequences faced by those who are caught creating graffiti.

Youth Master Plan

At the February 14, 2007 Council Retreat, the Parks, Recreation, and Community Services Agency was given the task of developing a Youth Master Plan with input and participation by the City's Youth Commission. The Santa Ana Youth Commission has taken a leadership role in the development of a Youth Master Plan and has focused on the lack of open space as a major problem for the youth of Santa Ana.

Catalina Island Campout

32 youth ages 10-14 enjoy swimming, hiking, volleyball, skits and songs around the campfire, arts and crafts, snorkeling, fishing, biking, and exploring nature on Catalina Island for four nights and five days with the return of this popular campout experience.

Intermediate School Intramural Sports Program

The City of Santa Ana will provide support to the SAUSD intermediate schools' athletic program by providing a series of sports tournaments utilizing High School Varsity players, who will be trained to serve as tournament officials. Tournaments will be conducted following the school sport seasons of Boy's Flag Football, Cross Country, Girl's Basketball, Boy's Soccer, Track and Field, Girl's Soccer, and Boy's Basketball.

Summer Day Camp

Approximately 1,000 youths are served in the City's Summer Day Camp program at eight sites. The program includes excursions and special events, arts and crafts, sports, table and board games, tennis instruction, library visits, science projects, health and fitness activities, and much more. Each site includes free lunch and an afternoon snack. The program culminates with the annual Talent Show, which includes skits, singing, and dancing performed by Summer Day Camp participants.

Youth Expo

The Youth Expo is a joint effort between the City, Santa Ana College, and the Santa Ana Unified School District. The event brings together a variety of resources for youth ages 11 to 18 and their families, including resource booths in the areas of higher education, community services, volunteer opportunities, recreation and leisure classes, and more. Live entertainment, exhibits, and demonstrations are provided throughout the day, which culminates with a rock concert sponsored by the Target Neighborhood Concert Series. The event also includes a Youth Summit for Intermediate School students and a Leadership Luncheon where student leaders meet with elected officials to dialogue on youth issues.

Library's Youth Focus

Santa Ana has the youngest median age of the nation's 100 largest cities according to the U.S. 2000 Census. Library services are targeted to youth and families. The library maintains a reputation as a safe and wholesome place for children during out-of-school hours. The library provides kids with the resources to improve reading, math and other academic skills. Children are presented with opportunities to think about their future in a positive way and to learn about others through library activities.

The Library provides literacy skill development and enrichment programs. These activities include reading incentive programs and weekly story times. Two seasonal reading programs serve more than 2,500 youths. 13,000 patrons annually attend the library's 434 weekly reading/storytelling programs. In addition, 4,700 youth and parents attend 40 monthly and summer weekly cultural and crafts programs. The Library also provides children and students access to computers, educational software, and the Internet as well as computer workshops to help them develop and improve technological skills.

To promote early literacy in young children, the Library works with Head Start centers and pre-schools to introduce children to books and reading. The Library continues working with Santa Ana Unified School District to promote reading and family involvement. This year, the

library anticipates serving 5,000 students with its homework assistance and tutorial program.

Santa Ana Zoo at Prentice Park

The Santa Ana Zoo at Prentice Park is centrally located in the heart of Orange County. The Zoo grounds encompass 20 acres of lush green gardens and winding pathways that allow visitors to discover more than 200 rare and exotic animals from around the world. For over fifty years, the Zoo has served as a unique educational and recreational experience for the socioeconomic and culturally diverse children of Orange County.

The Zoo is a participant of the Special Survival Plan (SSP) – an international organization involved in the breeding and the re-release of endangered species. The Zoo houses eight species of endangered species: bald eagle, golden lion tamarin, black and white ruffed lemur, white-handed gibbon, cotton-top tamarin, ring-tailed lemur and margay.

The new Crean Family Farm is the latest addition to the Zoo and recreates a typical American family farm, but features rare domestic breeds and emphasizes our agricultural heritage through a variety of education programs and activities. Surrounding the barn are six out-buildings that display rabbits, ducks, turkeys and chickens, sheep and goats, birds of prey, and a variety of animals used in education programs. In 2006, a Colorful and informative graphics, farm equipment, and landscaping and vegetable gardens, complement the family farm themes.

The Zoofari Express train ride is once again operating out of the original depot in the Crean Family Farm area. New track was laid that encircles the farmyard, giving riders a unique view of many of the animal pens before continuing on through the central portion of the Zoo. The train ride has doubled in length and has proved popular with Zoo visitors. Recently a new electric engine and train replaced the 1860s-style steam train.

Santa Ana Police Athletic & Activities League (SAPAAL)

The Police Department is implementing a new program aimed at youth crime prevention called Santa Ana Police Athletic & Activities League (SAPAAL), operating at the McFadden Library Learning Center. There are currently forty-five children, age 7 to 12, participating in all types of activities such as sports, cooking, crafts, tutoring, etc. The purpose of the program is to encourage youths to stay in school, resist the temptation to join gangs, and to combat violence. It is believed that youth who are involved in supervised extracurricular activities are significantly less likely to participate in high-risk illegal behavior.

Santa Ana Police Department Investigations Bureau: Formation of a Family Crimes Section

The problems of child abuse, domestic violence, child abduction, and runaway juveniles have been a long-standing concern for Santa Ana's communities. Historically, these problems have been handled as separate entities requiring unique specialization and training. Research now shows an undeniable cause and effect between these problems, which stem from violence in the home. We can no longer look at these issues in isolation from one another nor can we view incarceration as the only method to stop them.

The Crimes Against Persons Division has reorganized the Juvenile Section to modernize and enhance the delivery of services while better supporting the Santa Ana Police Department's Community Oriented Policing philosophy. The Juvenile Section has combined resources and responsibilities with the Domestic Violence Unit to formulate a Family Crimes Section. Incorporating a multi-disciplinary approach to include Early Prevention, Intervention, Suppression, and Reintegration equips the Investigations Bureau to better address the cycle of violence that threaten families and the stability of our community. A mission statement was developed to serve as a guide for the organizational and philosophical changes required to establish the first section of its kind:

"The mission of the Family Crimes Section is to promote a safe and nurturing family environment by providing preventive, protective and responsive investigative services."

The Family Crimes Section consists of five units: **Family Violence Unit, Community Resource Unit, Community Education Unit, Sexual Offenses Unit and Missing Persons Unit.** Investigators from domestic violence, child abuse, sexual assault, missing persons, and sex registrants, along with victim advocates, work in partnership with one another and the community to improve the quality of life for Santa Ana families. To maximize flexibility and enhance services, the operational philosophy of the Family Crimes Section is that personnel from each Unit work together to use their respective resources to bring a comprehensive responsive to community problems.

The Family Violence Unit is most affected by the reorganization but offer the greatest chance to bring meaningful change in our efforts to break the cycle of family violence. Established policing districts divide the distribution of personnel in the Unit. One investigator and one police investigative specialist, who in turn are supported by a victim advocate and social worker, serve each district. To enhance services, district personnel are functionally grouped into an east/west configuration. This allows for a greater number of personnel to be used when apprehending suspects or handling cases requiring a higher level of response.

The challenge facing our Department and community is to become change agents to break the cycle of family violence. By reorganizing and integrating existing investigative units, we are better able to work in partnership with the community to bring meaningful change, based on empirical data, to educate, protect, serve, and where possible, rehabilitate families damaged by internal violence.

Santa Ana Police Department: Community Relations Team

In 2004, the Public Information Office created a new program called the Community Relations Team (CRT). The team consists of 15 police employees from every bureau of the police department. This new addition to the Public Information Office has allowed the police department to enhance and continue the tradition of providing accurate and timely information to both the media and members of the community.

The Community Relations Team participated in the annual Toys-for-Tots program and sponsored two senior citizen facilities in 2005 for Christmas. During the previous Christmas holiday, they sponsored St. Edna's Convalescent Home and were able to provide Christmas gifts for 63 seniors. This year, the Community Relations Team added another senior home, St. Francis, bringing it to a total of 112 seniors sponsored by the department. Both facilities, which are located in the city of Santa Ana, house seniors that are unable to care for themselves or have no families to care for them. The gifts the CRT provided might have been the only gifts they received during the holiday season. Along with the gifts that St. Francis seniors received from the SAPD, they also enjoyed a peaceful and delicious dinner served by volunteers from the department. Donations were accepted within the Department, and the Community Relations Team was able to raise \$938 to host the Christmas dinner.

A Toys-for-Tots event was held at the Westfield Main-Place Mall. Approximately 1,000 people attended this event, which was sponsored by Community Service Programs, U.S. Marines, Santa Ana's Parks, Recreation and Community Services Agency, Santa Ana Fire Department, various church groups, and several other community groups. A stage was set up to showcase the talents of local bands and for children to perform. Considering that this was the first year this event was held at the mall, Max Madrid, Director of CSP believed that the event was very successful and hopes to have radio stations and more booths in years to come. He really appreciated the police officers' presence and interaction with the community. The objective of the Community Relations Team is to enhance community outreach and increase the Department's participation in community meetings, events, and organizations. Helping out by participating in events like these proves that our Community Relations Team is on the right path to achieving their goals.

The Public Information Office coordinated numerous special projects with the assistance of the CRT, such as Operation School Bell, Project ChildSafe, Bureau of Corrections Mentoring Program, CHP 10851 Auto Theft Award Program, Special Olympics Torch Run, Toys for Tots, and Rotary/Kiwanis Awards Ceremonies.

PLACES OF INTEREST

Bowers Museum

The Bowers Museum of Cultural Arts is the largest museum in Orange County. Since it reopened its doors following completion of a major expansion and renovation program in 1992, the Museum has presented many significant and world renowned exhibitions that have attracted many visitors to Santa Ana. As a result, many museums and collectors have allowed their rare treasures and collections to visit the Bowers because of its significance in displaying a full range of fine quality exhibits and programs, and in attracting visitors and travelers. February 2007, was the Bowers grand opening of the Dorothy and Donald Kennedy Wing, a 30,000 square foot expansion of the facility which will meet the demand for presenting more breathtaking masterpieces to the community such as Treasures of Shanghai and Mummies: Death and the Afterlife in Ancient Egypt, Gems: Colors of Light & Stone, and Terra Cotta Warriors: Guardians of the First Emperor. The recent improvements also include a new surface parking area immediately north of the Bowers and an overflow parking lot at Main and the I-5 FWY southbound on-ramp.



<http://www.bowers.org/>



Old Orange County Courthouse

Built in 1900, the Old Orange County Courthouse, the oldest standing county courthouse in Southern California, originally opened on November 12, 1901. The Courthouse was officially listed on the National Register of Historic Places in 1984. The building is located in the heart of Santa Ana's historic downtown district, with more than 13 major historic architectural styles enriching over 100 buildings.

The Courthouse is a historical symbol of the birth of Orange County, and Santa Ana's winning bid as the County seat. Although suffering the loss of one tower, the three-story red stone building survived the 1933 Long Beach earthquake. After years of renovation, the Old Orange County Courthouse reopened on November 12, 1992. Completely restored to its original splendor and grace with original oak furnishings, antique light fixtures, and wall-to-wall carpet, the Courthouse offers self-guided tours Monday thru Friday.

A favorite of Hollywood's movie industry for its distinctive ambience, the Old Courthouse was the site of many memorable scenes from blockbuster classics including *American President* (1995) with Michael Douglas, *Legally Blonde* (2001) with Reese Witherspoon, and *Catch me if you Can* (2002) with Tom Hanks, Leonardo DiCaprio and directed by Steven Spielberg.

Federal Building and Courthouse

The Ronald Reagan Federal Building and United States Courthouse is a landmark facility for Downtown Santa Ana. The ten-story building is the latest addition to the list of other government offices located in the Civic Center area. The Ronald Reagan Federal Building houses the U.S. District Court, U.S. Bankruptcy Court and other federal executive offices.

The building is located on Fourth Street, the main commercial street in downtown, and adjacent to the Civic Center, which is the government center with city, county, state and federal offices. This building has been a benefit to the local businesses and service industry in the Downtown area. The building is designed to contribute to the continuity and dignity of the courts and the City of Santa Ana, and enhances the image of Santa Ana as the "capitol" of Orange County. The courthouse opened to the public in January 1999.

Santa Ana Police Administration and Holding Facility

Maintaining the safety and security of our community and its residents is the primary mission of the Police Department. One of the basic tools needed to accomplish this mission is a well-equipped, efficiently designed police headquarters and a full-service maximum-security jail. On January 28, 1997, the Santa Ana Police Department relocated to a new, state-of-the-art facility located on an eight-acre parcel in downtown Santa Ana. The facility consists of three main structures.

The first is the Police Administration, a 236,300 square foot four-story building intended to accommodate all operational and administrative functions of the Police Department. The administration building allows reconfiguration of space planning, due to its movable walls,

without distorting the environment. The building size will accommodate projected department expansion through the year 2050.

The second is the Holding facility, a four-story building that includes a partial basement and two mezzanines. This 168,400 square foot structure contains 256 fully equipped cells with a holding capacity up to 420 detainees in double bunking. The facility also has a 900-foot transfer tunnel linking the Holding facility with the Orange County Intake & Release Center. The tunnel is used to secure the transfer inmates between the two detention centers.

The third is the Police Vehicle Storage structure, a 96,500-square foot structure with 227 spaces for police vehicles and 24 spaces for police motorcycles. The storage structure includes a two-tier firing range with 12 shooting bays.

Considerable effort was made to ensure the building's design compliments the City's Community Policing philosophy. For example, the structure includes a community room for hosting neighborhood meetings and a front lobby layout that facilitates customer access to the Records, Traffic, and Property Sections.

Jerome Recreation Center Improvements

The City was recently awarded a \$2.5 million grant under the Murray-Hayden Urban Parks and Youth Service Grant Program to renovate Jerome Community Center. The grant will be used to renovate the entire center and enhance our ability to provide services to the community. Improvements include a new HVAC system, replacement of the gymnasium flooring, complete renovation to the restroom and fixtures, game room, kitchen, arts and crafts room, ceramics room, hallways, lighting system, re-roofing of the building, new doors, security system and painting. The City anticipates beginning construction in 2008.

Adopt a Park Program

The Adopt-A-Park Program continues to get the community involved in improving, maintaining and beautifying parks and recreational facilities. Many volunteer events have been held throughout the year to clean up and improve our park sites. Major sponsorship from various companies and organization has provided the necessary resources to make this program successful. This year we will continue working with these organizations to improve and clean our facilities through the Adopt-A-Park Program and volunteer efforts.

Various Park Improvements

This year we complete the renovation of El Salvador Community Center, the Santa Ana Stadium synthetic turf, marquee and scoreboard. We will also be completing the construction on the Santiago Wildlife and Watershed Center, Centennial Park's picnic shelters and Delhi's landscape improvements. Design work has started on the renovation of Jerome Center, Santiago Bike Trail, and the Santiago Nature Reserve Amphitheatre. Staff will continue to submit grant applications for major park improvement projects, deferred maintenance projects and programs. We will also be submitting for City Council and Board of Recreation and Parks review a Deferred Maintenance Report of the top three deferred maintenance needs in the park system. This report will assist us in applying for Proposition 84 competitive grant funding.