

EXPENDITURE SUMMARY

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Expenditure Summary

The following pages detail overall City expenditures by examining the data in various ways. First, an overview of total budgeted expenditures is presented with analyses on Pages D-2 through D-4. Next, operating expenditures are described on Pages D-5 through Page D-6. Operating expenditures by department are depicted on Page D-7 with Fire District expenses shown separately. Page D-8 through D-9 shows total operating expenditures by classification, both with and without Fire District contractual costs. Page D-11 depicts total expenditures, including CIP, by major expense classification. Pages D-12 through D-15 illustrate General Fund expenditures and provide details of budgeted expenditures. Pages D-16 through the conclusion of this report on D-24 present total expenditures including CIP by fund, department, program, and account.

Overview

The following highlights the major changes included in the FY 2019-20 Budget, which should be read in conjunction with the F Section – Department & Program Narratives. The F Section discusses expenditure changes at the departmental level and provides greater detail than this summary will provide.

Three departments (City Council, City Manager, and Management Services) expend resources to manage and direct the affairs of the City; the Police Department spends resources to ensure the safety of the citizens of Hesperia; and the remaining two departments (Development Services and Economic Development) oversee the development activities of the City, including all Capital Improvements.

The cash basis of accounting is utilized for budgetary reporting purposes. Expenditures or expenses are recorded only when cash is disbursed. In addition, depreciation of vehicles and equipment, the amortization of bond discounts, and deferred charges are not reflected in the budget for the proprietary funds (700 - Water Operating Fund, 701 - Water Capital Projects Fund, 710 - Sewer Operating Fund, and 711 - Sewer Capital Projects Fund).

Budget controls exist to ensure proper authorization for expenditures. The following schedules present an overview of the proposed expenditures by department and by expenditure classification.

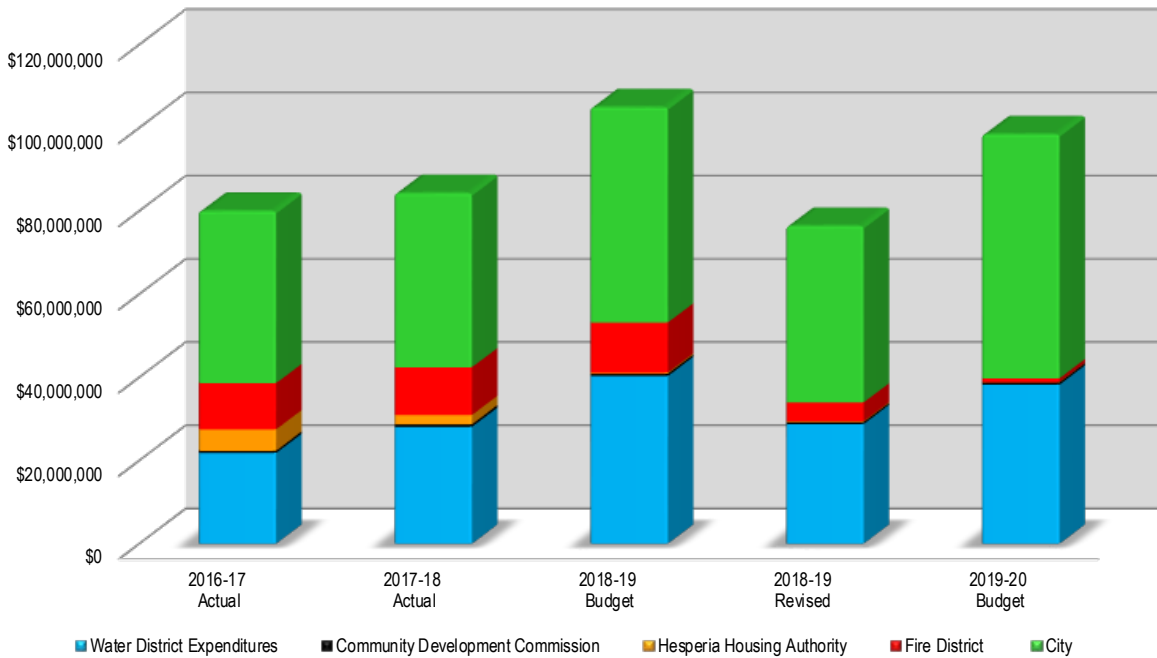
Summary of Budgeted Expenditures

The FY 2019-20 Budget of \$98,496,938 represents a -6% or \$6.5 million decrease from the FY 2018-19 Budget of \$104,994,475. The \$98.5 million FY 2019-20 Budget consists of \$31.5 million of Capital Improvement Program (CIP) projects, \$6.2 million of Debt Service, and \$60.8 million for normal operations. The FY 2019-20 CIP budget reflects an increase of \$0.9 million or 3% over FY 2018-19, primarily due to Street Improvement projects.

The FY 2019-20 operating budget of \$67,021,896 is a decline of 10% or \$7.4 million from the \$74,404,413 in FY 2018-19 Budget. This contraction is primarily due to the transfer of Fire District operations to San Bernardino County Fire on November 1, 2018. Debt related expenditures are covered in greater detail within the H Section – Debt Service. Individual Capital Improvement Projects are depicted extensively in the G Section – CIP.

EXPENDITURE SUMMARY

2019-20 Budgeted Expenditures Overview



	2016-17 Actual	2017-18 Actual	2018-19 Budget	2018-19 Revised	2019-20 Budget	% Change From 2018-19 Budget
City Expenditures						
General Fund	\$ 29,990,365	\$ 30,608,848	\$ 29,774,870	\$ 29,839,127	\$ 32,158,337	8%
Other City	11,450,121	11,300,961	22,041,951	12,639,512	26,581,445	21%
Total City Expenditures	\$ 41,440,486	\$ 41,909,809	\$ 51,816,821	\$ 42,478,639	\$ 58,739,782	13%
Fire District Expenditures	11,130,562	11,496,729	12,050,895	4,548,712	905,656	-92%
Hesperia Housing Authority	5,144,803	2,218,115	279,113	192,296	83,360	-70%
Community Development Commission	511,656	601,467	524,026	446,825	529,790	1%
Water District Expenditures	21,836,406	28,115,323	40,323,620	28,783,290	38,238,350	-5%
Total Budgeted Expenditures	\$ 80,063,913	\$ 84,341,443	\$ 104,994,475	\$ 76,449,762	\$ 98,496,938	-6%

As indicated by the chart and table above, the following is a brief discussion of the substantive changes to the FY 2019-20 Budget:

- **City** – At \$58.8 million, the City related expenditures, which include funding for normal operations and services provided, as well as CIP projects and debt service, are expected to increase 13% or \$7.0 million from the FY 2018-19 Budget of \$51.8 million, primarily a result of the \$4.2 million rise in Streets and Storm Drain CIP Projects. Operating expenditures, which make up a majority of the remainder, are examined later in this section.
- **Fire District** – As of November 1, 2018, the Hesperia Fire Protection District (District) completed the Local Agency Formation Commission (LAFCO) annexation process with San Bernardino County Fire (County Fire) for the transfer of Fire District Operations. County Fire has assumed the responsibility for providing fire protection and ambulance services. The Fire District transferred all assets and liabilities, with the exception of the District’s former personnel obligations, to County Fire. The District will continue to exist to satisfy the outstanding CalPERS obligations. The \$905,656 FY 2019-20 Budget, comprised of \$883,902 for Safety employees and \$21,754 for Miscellaneous employees makes up the CalPERS expenditures within fund 210 (HFPD-PERS) and is a 13.5% increase over the Fiscal Year 2018-19 amount of \$797,783.

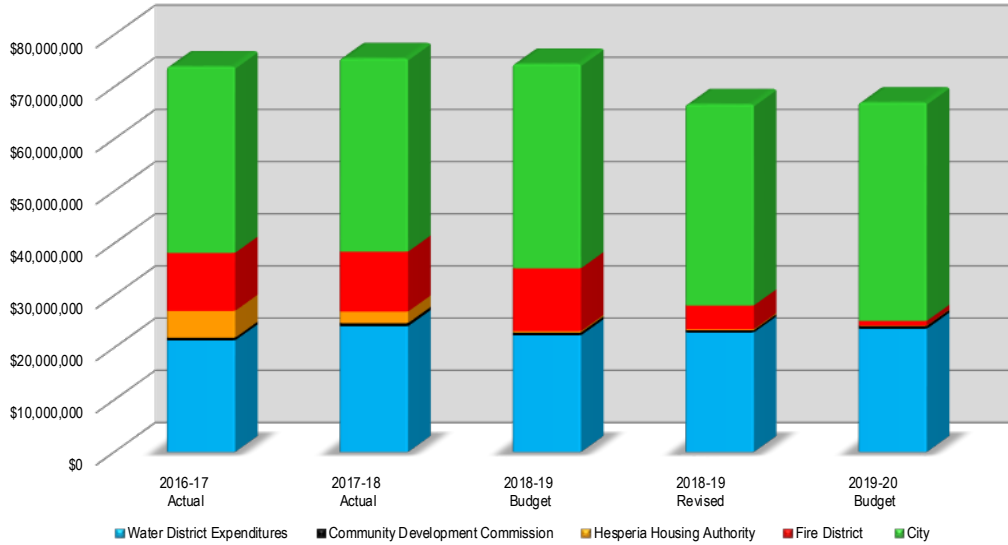
EXPENDITURE SUMMARY

Overall Expenditures Highlights (Continued):

- Hesperia Housing Authority – The Hesperia Housing Authority (HHA) was established with the primary purpose of advancing affordable housing production and preservation. The reduction from the Fiscal Year 2018-19 Budget of \$0.2 million or 70 is % predominately due to the elimination of a vacant position in the Fiscal Year 2019-20 Budget.
- Community Development Commission – Community Development Commission (CDC), which is responsible for fostering economic development for the City of Hesperia, has a proposed FY 2019-20 Budget of \$529,790 which is a minor \$5,764 increase over the FY 2018-19 Budget, effectively remaining flat for the new fiscal year. A vacant position will be eliminated and the Economic Development Manager, Analyst, and Administrative Secretary have been relocated to the CDC to accurately reflect the workload.
- Water District – The budgeted expenditures support the District in providing safe and reliable water service, as well as sewage treatment. The FY 2019-20 Budget is projected to drop 5% or \$2.1 million from the FY 2018-19 Budget of \$40.3 million. The essential reason for the decrease to \$38.2 million is due to Water CIP projects. The Fiscal Year 2018-19 Budget allocated \$14.2 million to projects; whereas, the FY 2019-20 Budget has a \$10.6 million allocation. The largest project budgeted is CO 8087 – Reclaimed Water Distribution System with anticipated expenditures of \$6.9 million. The decrease in Water was partially offset by an increase of \$0.3 million in Sewer with \$3.5 million budgeted for CO 9021 – I-15 Sewer Corridor. More information about Water and Sewer CIP projects can be found in Section G – Capital Improvement Program (CIP).

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Operating Expenditures Analysis



	2016-17 Actual	2017-18 Actual	2018-19 Budget	2018-19 Revised	2019-20 Budget	% Change From 2018-19 Budget
City Expenditures						
General Fund	\$ 29,990,863	\$ 30,608,847	\$ 29,774,870	\$ 29,839,127	\$ 32,158,337	8%
Other	5,725,538	6,460,295	9,409,889	8,745,016	9,721,403	3%
Total City Expenditures	\$ 35,716,401	\$ 37,069,142	\$ 39,184,759	\$ 38,584,143	\$ 41,879,740	7%
Hesperia Housing Authority	5,144,803	2,218,115	279,113	192,296	83,360	-70%
Community Development Commission	511,656	601,467	524,026	446,825	529,790	1%
Water District Expenditures	21,397,169	24,103,153	22,365,620	22,909,850	23,623,350	6%
Sub-Total	62,770,029	63,991,877	62,353,518	62,133,114	66,116,240	6%
Fire District Expenditures	11,130,562	11,496,729	12,050,895	4,548,712	905,656	-92%
Total Budgeted Operating Expenditures	\$ 73,900,591	\$ 75,488,606	\$ 74,404,413	\$ 66,681,826	\$ 67,021,896	-10%

Total Operating Expenditures:

As depicted on the above, this year's Fiscal Year 2019-20 Operating Budget of \$67.0 million is a reduction of 10% or \$7.4 million from the Fiscal Year 2018-19 Council approved Budget of \$74.4 million primarily due to the transfer of Fire District operations to County Fire. However, in this case, by removing Fire District expenditures from the 2018-19 Budget and 2018-19 Revised, a more accurate representation of the City's operations is portrayed. The Fiscal Year 2019-20 Budget of \$66.1 million is \$3.8 million or 6% higher than the Fiscal Year 2018-19 adjusted Budget of \$62.4 million.

The following is a brief discussion of the major changes to the FY 2019-20 Operating Budget for City and Water. The Fire District, Hesperia Housing Authority, and Community Development Commission do not budget for CIP or have outstanding debt.

- City – At \$41.9 million, Total City related expenditures, which include funding for normal operations and services provided, are expected to increase \$2.7 million from the FY 2018-19 Budget of \$39.2 million. Overall, salaries are projected to rise by the 2.5% Cost of Living Adjustment (COLA) while benefits are expected to increase due to CalPERS rate increases. The following discusses all other major increases.
 - City Manager – City Manager, which includes City Manager and Information Technology, is expected to expand by 10% or nearly \$0.3 million. Included within Information Technology is funding for phone system upgrades as well as software licensing for electronic plans submittals.
 - Police – Police will increase by 5% or \$0.8 million from \$16.3 million to \$17.1 million. This is primarily due to the 2% or \$0.4 million rise in the Schedule A contract for Fiscal Year 2019-20 for the same level of service as Fiscal Year 2018-19, as well as \$0.3 million for fuel costs and overtime. The law enforcement contract is projected to be \$16.8 million for FY 2019-20.

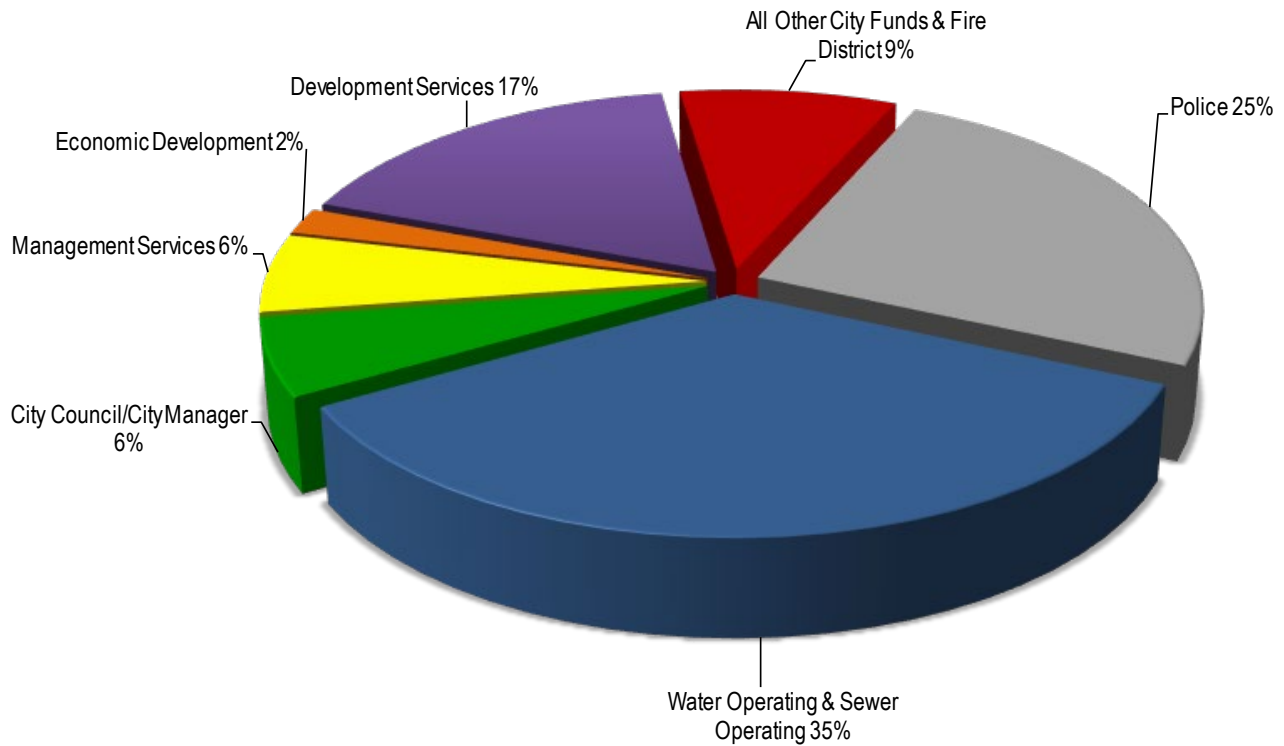
EXPENDITURE SUMMARY

Total Operating Expenditures (Continued):

- D.S. Public Works – Comprised of Engineering, Building Maintenance, Street Maintenance, and Traffic, is anticipated to rise 6% or \$0.4 million. The Street Maintenance increase of nearly \$0.2 million is due in large part to the expected purchase of a new dump truck. Other increases are for repairs to vehicles and equipment, fuel costs, and materials required for overlaying and maintaining City streets.
- Management Services – composed of Finance, Human Resources/Risk Management, and Non-Departmental, is expected to rise 25% or \$0.9 million. The Non-Departmental program is being re-established for the FY 2019-20 Budget to account for expenditures that are not otherwise attributable to any individual General Fund Program and contains certain expenditures previously budgeted in Finance. Individually, Human Resources/Risk Management shows a 14% or \$0.2 million rise for increased litigation and insurance services. Finance and General Overhead are expected to increase \$0.7 million due in large part to the addition of \$0.3 million in reclaimed water expenditures at the golf course. Household hazardous waste costs and financial reports have been transferred from the Fire District in Fiscal Year 2019-20 account for another \$0.2 million.
- Economic Development – Consisting of the Community Development Commission (CDC), Hesperia Housing Authority (HHA), and Community Development Block Grant (C.D.B.G.), Economic Development operations are expected to decline 11% or \$0.1 million. Expenditures within the HHA are expected to be \$0.2 million or 70% lower as the Authority sold its last Hesperia Housing Authority funded home during Fiscal Year 2018-19 and a position was eliminated. These decreases were partially offset by the Neighborhood Stabilization Program's additional \$0.1 million in capital outlay for the demolition of an (NSP) home.
- Water District – The FY 2019-20 Operating Budget is projected to increase 6% or \$1.4 million from the FY 2018-19 Budget of \$22.2 million. \$1.0 million of this rise is attributable to Water Operating with the remaining \$0.4 million applicable to Sewer Operations. There are several individual areas that comprise major adjustments in Water District operating expenditures.
 - Source of Supply – Source of Supply is responsible for reporting and managing the annual production of water. It is expected to rise 16% or \$0.5 million for water leases related to projected make-up and replacement water obligations.
 - Production – Production's responsibilities include providing safe drinking water to the City's citizens. This area is projected to decline 3% or \$0.1 million through lowered projections for power consumption related to the District's well boosters.
 - Pipeline Maintenance – This component repairs, replaces, and maintains waterlines and related infrastructure within the City's water system and is increasing \$0.1 million for the purchase a new backhoe.
 - Engineering – Engineering is responsible for addressing the community's needs today and in the future through the planning, design, and construction of sanitary sewer infrastructure, as well as potable and recycled water, with conformance to standards and Water District codes. The \$0.2 million or 22% gain is due to contractual engineering services and update to the Water Master Plan.
 - Customer Service – This department reads, installs, replaces, and maintains water meters. The \$0.2 million or 13% increase is related to materials and operations expenditures including Advanced Metering Infrastructure (AMI) endpoint and register retro-fit installation, meter rotation, and meter maintenance.
 - Administration – This division supervises all applicable water-related activities as required by the State of California's Office of the Controller. The \$0.1 million or 1% growth is primarily due to a rise in salaries and benefits from the 2.5% COLA and CalPERS rate increases.
 - Sewer Operations – Sewer Operations is comprised of Operations, Engineering, Utility Billing, and Sewer Administration. This area is responsible for the collection and delivery of unobstructed flows of sewage to the regional treatment plant. The \$0.1 million capital outlay replacing a service truck and \$0.3 million growth in treatment fees from the Victor Valley Wastewater Reclamation Authority (VVWRA) comprise the Division's FY 2019-20 increase of \$0.4 million or 10% from \$4.0 million to \$4.4 million in Operations.

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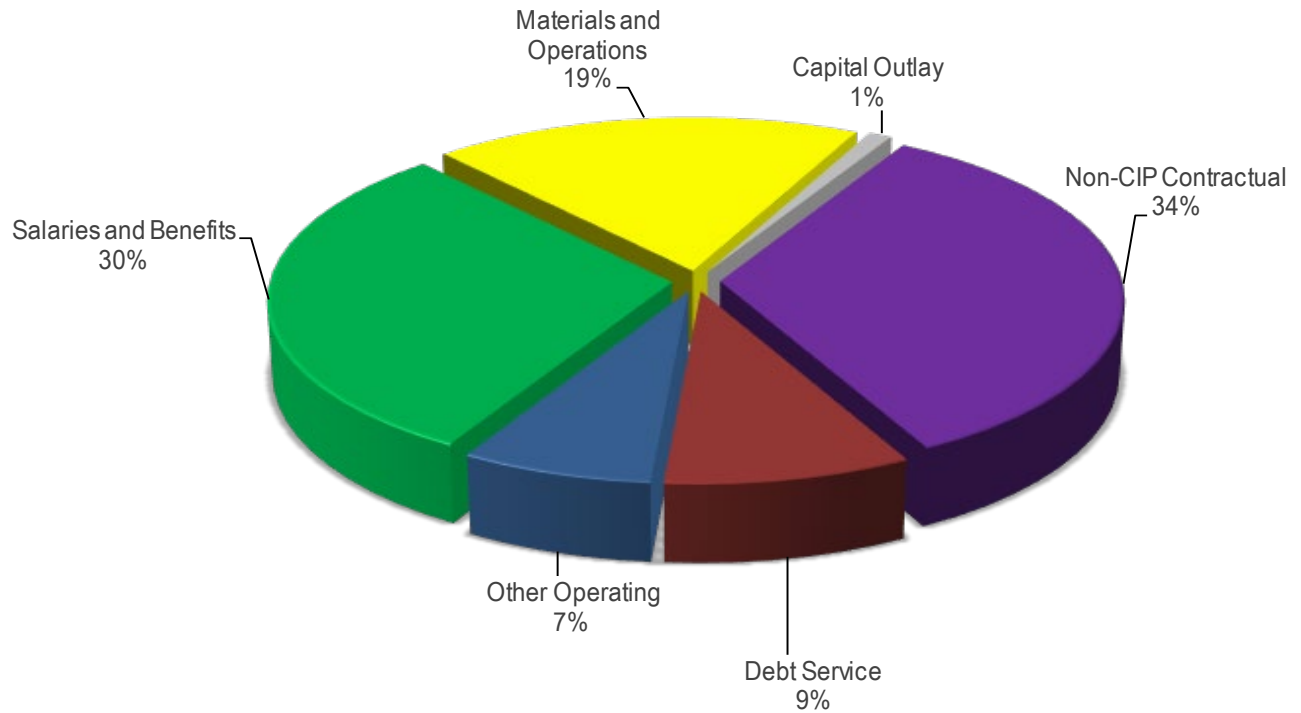
2019-20 Budget Total Operating Expenditures by Department



OPERATING EXPENDITURES SUMMARY	2016-17 Actual	2017-18 Actual	2018-19 Budget	2018-19 Revised	2019-20 Budget	% Change From 2018-19 Budget
City Council & City Manager	\$ 3,461,900	\$ 3,309,607	\$ 3,523,276	\$ 3,515,337	\$ 3,804,033	8%
Management Services	3,713,765	5,020,105	3,382,520	3,655,653	4,238,398	25%
Economic Development	6,664,073	3,106,899	1,245,158	708,317	1,110,566	-11%
Development Services	9,832,394	10,094,604	10,725,258	10,351,047	11,398,359	6%
Water Operating & Sewer Operating	20,561,710	24,054,599	22,235,600	22,909,850	23,623,350	6%
Police	15,923,395	15,909,178	16,290,376	16,280,393	17,086,541	5%
All Other City Funds	2,612,792	2,496,885	4,951,330	4,712,517	4,854,993	-2%
Sub-Total Operating Expenditures	\$ 62,770,029	\$ 63,991,877	\$ 62,353,518	\$ 62,133,114	\$ 66,116,240	6%
Fire District Expenditures	11,130,562	11,496,729	12,050,895	4,548,712	905,656	-92%
Total Operating Expenditures	\$ 73,900,591	\$ 75,488,606	\$ 74,404,413	\$ 66,681,826	\$ 67,021,896	-10%

EXPENDITURE SUMMARY

2019-20 Budget Total Operating Expenditures by Major Expense Classification (Excludes CIP)



CLASSIFICATION	2016-17 Actual	2017-18 Actual	2018-19 Budget	2018-19 Revised	2019-20 Budget	% of Budget	% Change From 2018-19 Budget
Salaries and Benefits							
Salaries	\$ 11,392,712	\$ 11,796,206	\$ 12,477,311	\$ 12,235,844	\$ 12,936,911	19%	4%
Benefits	5,119,840	6,048,000	6,426,699	6,143,203	6,984,675	10%	9%
Total Salaries and Benefits	16,512,552	17,844,206	18,904,010	18,379,047	19,921,586	30%	5%
Materials and Operations	10,681,429	11,435,231	11,954,776	11,452,527	12,933,748	19%	8%
Capital Outlay	2,185,469	1,559,881	466,342	1,737,256	866,783	1%	86%
Non-CIP Contractual							
Contractual	10,793,396	7,256,318	5,252,334	5,164,161	5,886,236	9%	12%
Police Contractual	15,312,386	15,312,386	16,006,486	16,006,486	16,723,453	25%	4%
Total Non-CIP Contractual	26,105,782	22,568,704	21,258,820	21,170,647	22,609,689	34%	6%
Other Operating	4,619,008	7,557,531	4,535,273	4,258,743	4,470,250	7%	-1%
Debt Service	3,987,365	3,992,190	6,359,457	6,041,694	6,219,840	9%	-2%
Operating Expenditures Less							
Fire Contractual	64,091,605	64,957,743	63,478,678	63,039,914	67,021,896	100%	6%
Fire Contractual	9,808,986	10,530,863	10,925,735	3,641,912	0	0%	-100%
Total Operating Expenditures	\$ 73,900,591	\$ 75,488,606	\$ 74,404,413	\$ 66,681,826	\$ 67,021,896	100%	-10%

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Summary of Budgeted Operating Expenditures by Major Expenditure Classification

While the FY 2018-19 Operating Budget was \$74.4 million, it included Fire District costs. To show an equitable and consistent comparison with the prior year, all Fire District costs, with the exception of costs related to the former Fire District employees, for which the City remains obligated, have been isolated. The pension costs are included within benefits category. After excluding the Fire District operating costs, the FY 2019-20 Budget of \$67.0 million is 6% higher than the FY 2018-19 Budget of \$63.5 million. Significant changes include:

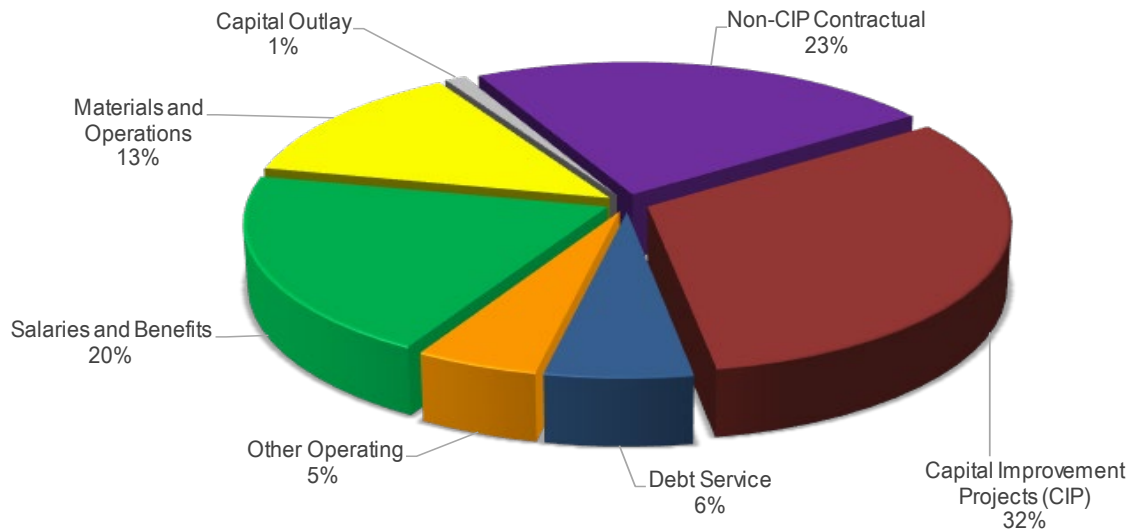
- Salaries and Benefits – In total, Salaries and Benefits of \$19.9 million will increase 5% over the FY 2018-19 Budget of \$18.9 million. Due to anticipated merit step increases, as well as a 2.5% cost of living allowance (COLA) increase, the salary budget is expected to increase \$0.5 million. The benefit budget is expected to increase by 9% or \$0.6 million. This increase is primarily due to stated CalPERS rate increases.
- Materials and Operations – Materials and Operations are projected to increase 8% or \$1.0 million. This increase is due in large part to an additional \$0.5 million for water leases for projected make-up and replacement water obligations. An additional \$0.3 million is included for an estimated 8% increase from Victor Valley Wastewater Reclamation Authority (VWVRA) for the treatment of sewage, as well as a 2% increase in flow to the regional plant. Funding in the amount of \$0.3 million is also included for reclaimed water usage at the Hesperia Golf Course. These increases are offset by minor decreases in Information Technology resulting from one-time purchases in the prior fiscal year.
- Capital Outlay – The Capital Outlay budget includes non-CIP related asset purchases exceeding \$5,000, possesses an economic useful life extending beyond one accounting period, and contributes to the value of balance sheet assets. The Fiscal Year 2019-20 Budget will increase by 86% or \$0.4 million from the FY 2018-19 Budget. This category changes year by year depending on numerous factors including types of assets being added, repaired, or replaced. The necessary demolition of a Neighborhood Stabilization Program (NSP) home (\$101,283), sewer service truck replacement (\$58,000), backhoe purchase (\$130,000), dump truck (\$135,000) and two right-hand drive vehicles (\$58,000) are examples of funding included in the FY 2019-20 Budget. The F Section – Department & Program Narratives provides additional information about Capital Outlay expenditures.
- Police Contractual – As Police Contractual comprises 25% of the overall budget (53% of the General Fund Budget alone), 4% or \$0.7 million due to a 2% rise in Schedule A for costs, along with \$350,000 for overtime, vehicle maintenance, and fuel costs, for a FY 2019-20 law enforcement contract of \$16.8 million.
- Debt Service – Overall Debt Service will be decreasing by 2% or \$0.1 million, which is due to a decline in interest expense from Development Impact Fee–Streets to the San Bernardino County Transit Authority (SBCTA) for the I-15 Interchange, as the previous fiscal year (FY 2018-19) included accrued interest calculated from September 2017.
- Contractual – Contractual is expected to increase by 12% or \$0.6 million over the FY 2018-19 Budget of \$5.3 million. Funding of \$0.2 million is included for increased insurance premiums and litigation services. Also contributing to the increase is the inclusion of storm water analysis and reporting (\$0.1 million), additional funding of \$0.1 million for Community Development Block Grant (CDBG) consultant services, as well as contracts to restripe the City Hall and Library parking lots and \$0.1 million for contracts related to a phone system upgrade and new plan check software.

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2019-20 Budget Total Expenditures by Major Expense Classification Including CIP

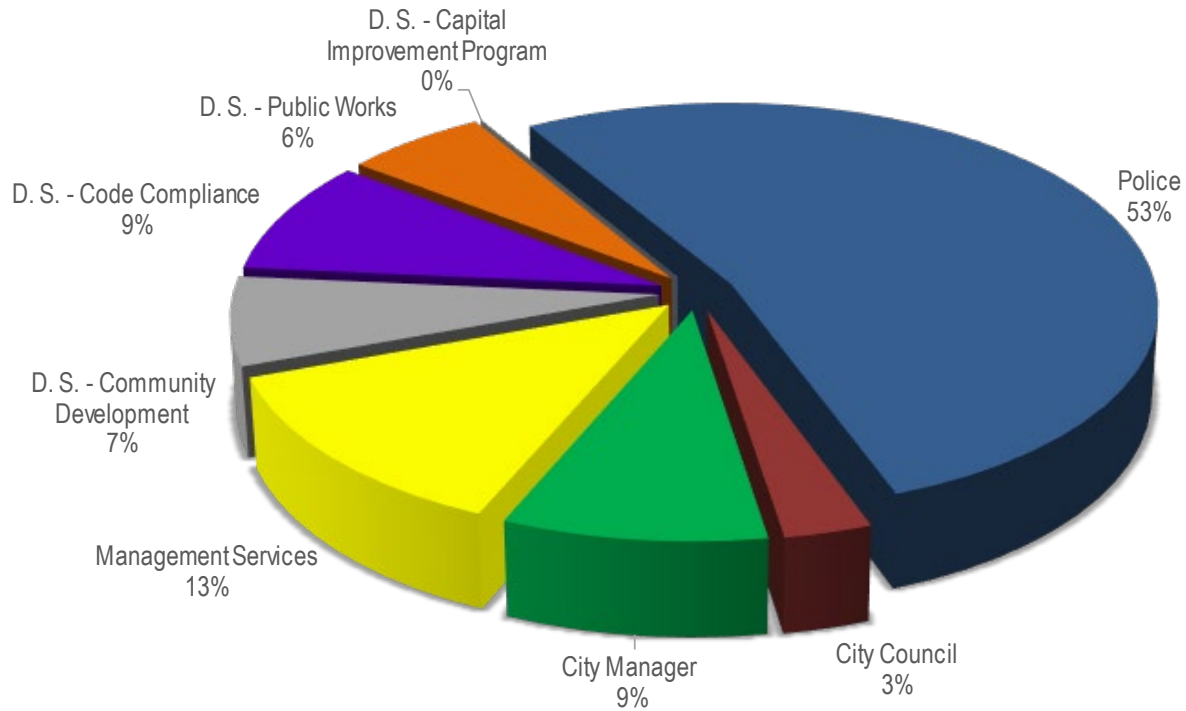


CLASSIFICATION	2016-17 Actual	2017-18 Actual	2018-19 Budget	2018-19 Revised	2019-20 Budget	% of Budget	% Change From
							2018-19 Budget
Salaries and Benefits							
Salaries	\$ 11,392,712	\$ 11,796,206	\$ 12,477,311	\$ 12,235,844	\$ 12,936,911	13%	4%
Benefits	5,119,840	6,048,000	6,426,699	6,143,203	6,984,675	7%	9%
Total Salaries and Benefits	16,512,552	17,844,206	18,904,010	18,379,047	19,921,586	20%	5%
Materials and Operations	10,681,429	11,435,231	11,954,776	11,452,527	12,933,748	13%	8%
Capital Outlay	2,185,469	1,559,881	466,342	1,737,256	866,783	1%	86%
Non-CIP Contractual							
Contractual	10,793,396	7,256,318	5,252,334	5,164,161	5,886,236	6%	12%
Police Contractual	15,312,386	15,312,386	16,006,486	16,006,486	16,723,453	17%	4%
Fire Contractual	9,808,986	10,530,863	10,925,735	3,641,912	0	0%	-100%
Total Non-CIP Contractual	35,914,768	33,099,567	32,184,555	24,812,559	22,609,689	23%	-30%
Capital Improvement Program (CIP)							
C I P - Streets	5,302,586	4,721,935	10,120,117	3,005,883	14,379,063	15%	42%
C I P - Facilities	419,498	33,789	1,311,945	815,763	685,979	1%	-48%
C I P - Storm Drain	2,000	36,388	1,200,000	72,850	1,930,000	2%	61%
C I P - Water	439,237	4,012,170	14,228,000	5,760,440	10,505,000	11%	-26%
C I P - Sewer	0	48,554	3,730,000	113,000	3,975,000	4%	7%
Total CIP	6,163,321	8,852,836	30,590,062	9,767,936	31,475,042	32%	3%
Other Operating	4,619,009	7,557,532	4,535,273	4,258,743	4,470,250	5%	-1%
Debt Service	3,987,365	3,992,190	6,359,457	6,041,694	6,219,840	6%	-2%
Total Expenditures	\$ 80,063,913	\$ 84,341,443	\$ 104,994,475	\$ 76,449,762	\$ 98,496,938	100%	-6%

Capital Improvement Projects (CIP) are analyzed individually within the G Section – CIP, while the H Section – Debt Service covers each debt related expenditure. CIP makes up 32% of total budgeted expenditures and the Debt Service component comprises an additional 6%. Total expenditures are projected to be 6% less than the FY 2019-20 Budget.

EXPENDITURE SUMMARY

Total General Fund Expenditures by Department 2019-20 Budget



DEPARTMENTS	2016-17 Actual	2017-18 Actual	2018-19 Budget	2018-19 Revised	2019-20 Budget	% of Budget	Change From 2018-19 Budget
City Council	\$ 950,520	\$ 850,227	\$ 891,761	\$ 835,862	\$ 902,533	3%	1%
City Manager	2,511,380	2,459,380	2,631,515	2,679,475	2,901,500	9%	10%
Management Services	3,713,765	5,020,105	3,382,520	3,655,653	4,238,398	13%	25%
Development Services							
D. S. - Community Development	1,919,110	1,921,679	1,987,450	1,924,438	2,131,385	7%	7%
D. S. - Code Compliance	2,545,265	2,462,959	2,767,899	2,787,714	2,934,291	9%	6%
D. S. - Public Works	1,691,404	1,951,681	1,823,349	1,675,592	1,963,689	6%	8%
D. S. - Capital Improvement Program	735,526	33,639	0	0	0	0%	0%
Development Services Total	6,891,305	6,369,958	6,578,698	6,387,744	7,029,365	22%	7%
Police	15,923,395	15,909,178	16,290,376	16,280,393	17,086,541	53%	5%
Total General Fund Expenditures	\$29,990,365	\$ 30,608,848	\$29,774,870	\$29,839,127	\$ 32,158,337	100%	8%

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2019-20 Budget Total General Fund Expenditures by Department (Continued)

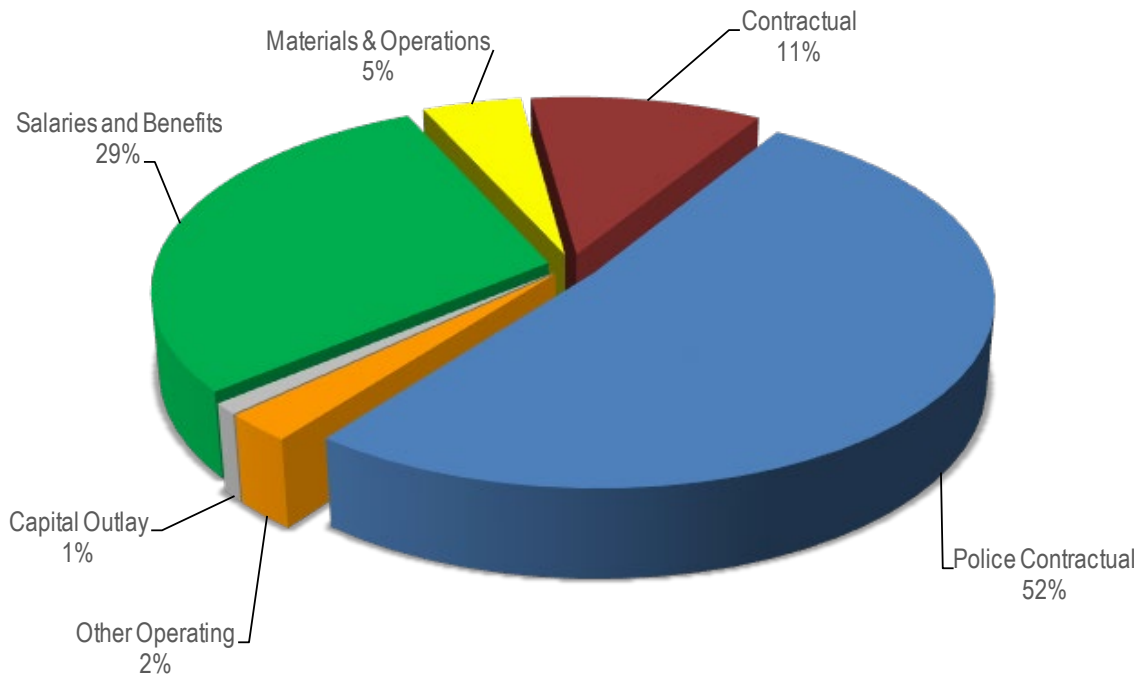
At \$32.2 million, the overall Fiscal Year 2019-20 expenditures for the General Fund are increasing by 8% or \$2.4 million over the \$29.8 million budgeted during Fiscal Year 2018-19. The FY 2019-20 Budget includes a Cost of Living Adjustment (COLA) increase of 2.5%, with benefits expected to increase due in large part to pension rate increases implemented by CalPERS designed to increase the funded status of pension liabilities. Other major changes are discussed below.

The following is a discussion of the different General Fund departments:

- City Council – The City Council Department consists of both the City Council Division and the City Attorney Division. The department as a whole is expected to grow slightly 1% or \$10,772.
- City Manager – The City Manager Department, comprised of both the City Manager Division and Information Technology (IT) Division, is expected to increase by 10%, or \$269,985, primarily attributable to approved salary and benefits adjustments. Additional funding for phone system upgrades and software for electronic plans submittal within IT is partially offset by reduced costs within the City Manager Division, as it is a non-election year.
- Management Services – As a whole, the Management Services Department is reflecting an increase of approximately \$0.9 million or 25% from the FY 2018-19 Budget of \$3.4 million. The main cause for this increase is the addition of \$0.3 million for reclaimed water at the golf course, along with \$0.2 million for household hazardous waste costs and financial reports related to what was once budgeted within the Fire District. Additionally, increases to the Human Resources Division of \$0.2 million are included for litigation and insurance services.
- Development Services, as a whole, makes up 22% of total General Fund expenditures and is expected to increase by 7% during Fiscal Year 2019-20.
 - Community Development – Community Development, which includes Planning and Building & Safety, is expected to rise by 7% or \$143,935. The growth is due in large part to the approved increase to salaries and benefits.
 - Code Compliance – Code Compliance, which is comprised of Code Enforcement and Animal Control, is expected to increase by 6% or \$166,392. These increases are due to approved salary and benefit changes, offset somewhat by a reduction in projected abatement costs.
 - Public Works – Consisting of Engineering and Building Maintenance, expenditures are expected to increase by \$140,340 or 7%. Engineering's rise can be attributed to storm water program analysis and reporting, a new underground utility project, and the addition of permit scanners for records retention. Within Building Maintenance, funding is included to restripe the parking areas at City Hall and the County Library, as well as funding to upgrade the lighting control modules in the Council Chambers.
 - Capital Improvement – Consistent with FY 2018-19, no General Fund Capital Improvement Project (CIP) funding is projected for FY 2019-20. The most recent General Fund CIP project was the Animal Control Design and Remodel. Information about this project can be found in Section G – Capital Improvement Program (CIP) page G-54.
 - Police Department – At 53% of the FY 2019-20 General Fund Budget, the Police Department's Budget of \$17.1 million reflects an increase of \$0.8 million or 5% from the FY 2018-19 Budget of \$16.3 million. The increase is due to a 2% Schedule A contract increase, and funding for overtime as well as fuel and vehicle maintenance costs. There is no assumed vacancy savings in Fiscal Year 2019-20. The FY 2019-20 Budget includes \$16.8 million for law enforcement contract costs.

EXPENDITURE SUMMARY

2019-20 Budget Total General Fund Expenditures by Major Expenditure Account



CLASSIFICATION	2016-17 Actual	2017-18 Actual	2018-19 Budget	2018-19 Revised	2019-20 Budget	% of Budget	% Change From 2018-19 Budget
Salaries and Benefits							
Salaries	\$ 5,555,434	\$ 5,655,105	\$ 6,030,318	\$ 6,023,631	\$ 6,379,133	20%	6%
Benefits	2,167,896	2,413,246	2,745,462	2,772,853	3,132,297	10%	14%
Total Salaries and Benefits	\$ 7,723,330	\$ 8,068,351	\$ 8,775,780	\$ 8,796,484	\$ 9,511,430	30%	8%
Materials & Operations	1,168,093	1,169,141	1,265,105	1,238,623	1,510,319	5%	19%
Contractual	4,516,808	5,138,087	2,838,161	3,041,562	3,524,365	11%	24%
Police Contractual	15,312,386	15,312,386	16,006,486	16,006,486	16,723,453	52%	4%
Other Operating	606,754	770,175	796,996	749,972	808,920	3%	1%
Capital Outlay	662,994	150,708	92,342	6,000	79,850	0%	-14%
Total General Fund Expenditures	\$ 29,990,365	\$ 30,608,848	\$ 29,774,870	\$ 29,839,127	\$ 32,158,337	100%	8%

EXPENDITURE SUMMARY

2019-20 Budget Total General Fund Expenditures by Major Expenditure Account (Continued)

GENERAL FUND BY DEPARTMENT CLASSIFICATION HIGHLIGHTS:

Budgeted General Fund expenditures are shown by major account classification.

The following is a brief discussion of the \$32.2 million budgeted for the General Fund:

- Salaries and Benefits – The proposed budget identifies \$9.5 million in General Fund personnel-related expenses which is 8% or \$0.7 million more than the previous fiscal year. The FY 2019-20 overall budget includes a total of \$19.9 million in salary and benefit costs. Of those costs, 48% are directly accounted for in the General Fund, while the remainder are accounted for in the City's various other funds. Individually, General Fund Salaries will rise by 6% or \$0.3 million, a result of the 2.5% cost of living allowance (COLA) increase for employees along with anticipated merit step increases. In addition, General Fund Benefits are expected to increase 14% or \$0.4 million, which is due in large part to the stated rate increases from CalPERS. Together, these categories comprise 30% of the total General Fund expenditure budget.
- Materials and Operations – Materials and Operations is expected to increase \$0.2 million or 19% over FY 2018-19. The increase is primarily attributed to \$0.3 million in funding for reclaimed water usage at the golf course. This increase is somewhat offset by a \$40,698 reduction in the anticipated water replacement obligation for the Hesperia Golf Course, in addition to a \$24,750 reduction in Equipment Under Capital for one-time purchases in the prior fiscal year within Information Technology.
- Contractual – Contractual, comprised of items like contract services, software services, and computer services, is anticipated to increase by 24% or above \$0.7 million, which is essentially due to over \$0.1 million in increased premiums for the City's insurance through PERMA. An additional \$0.2 million is related to quarterly household hazardous waste fee payments to the San Bernardino County Fire Department, which is now accounted for in the General Fund after the transition of Fire operations to San Bernardino County Fire. It should be noted that the addition of household hazardous waste costs to the General Fund is accompanied by a complementary increase to General Fund revenue from Advance Disposal to pay for these costs. Funding is also included for contracts to restripe the City Hall and Library parking lots, for storm water analysis and reporting, as well as slightly more than \$0.1 million in Information Technology increases for software licenses including a phone system upgrade and contract services for new plan check software.
- Police Contractual – Police Contractual, is expected to grow by 4% or \$0.7 million from the FY 2018-19 Budget. As mentioned previously, this is predominately due to the 2% Schedule A contract increase of \$466,967 for the same level of service as Fiscal Year 2018-19, and costs for fuel and overtime of \$350,000.
- Other Operating – Other Operating related expenditures is proposed to remain flat, rising less than a percent or \$11,924. This category is comprised of accounts expended for education reimbursement, maintenance, repairs, training, travel, and grant expense.
- Capital Outlay – The Capital Outlay budget is decreasing by approximately 14% or \$12,492. The FY 2019-20 General Fund Budget includes capital outlay of \$0.1 million for improvements to the Police Station (access gate repairs and phone system equipment). This classification fluctuates year by year depending on the type of equipment purchased, needing replacement, or requiring repairs.

EXPENDITURE SUMMARY

TOTAL EXPENDITURES BY FUND, DEPARTMENT AND PROGRAM INCLUDING CIP

EXPENDITURES BY FUND	2016-17 Actual	2017-18 Actual	2018-19 Budget	2018-19 Revised	2019-20 Budget	% Change From 2018-19 Budget
General Fund						
City Council						
100 100 City Council	\$ 507,246	\$ 542,369	\$ 591,761	\$ 585,862	\$ 602,533	2%
100 102 City Attorney	443,274	307,858	300,000	250,000	300,000	0%
Total City Council	\$ 950,520	\$ 850,227	\$ 891,761	\$ 835,862	\$ 902,533	1%
City Manager						
100 200 City Manager	\$ 1,150,040	\$ 1,144,729	\$ 1,341,826	\$ 1,418,531	\$ 1,472,767	10%
100 215 Information Technology	1,361,340	1,314,651	1,289,689	1,260,944	1,428,733	11%
Total City Manager	\$ 2,511,380	\$ 2,459,380	\$ 2,631,515	\$ 2,679,475	\$ 2,901,500	10%
Management Services						
100 220 Finance	\$ 2,371,309	\$ 3,584,633	\$ 1,940,692	\$ 2,139,096	\$ 1,837,411	-5%
100 225 Human Resources/ Risk Mgmt.	1,342,456	1,435,472	1,441,828	1,516,557	1,650,276	14%
100 229 Non-Departmental	0	0	0	0	750,711	100%
Total Management Services	\$ 3,713,765	\$ 5,020,105	\$ 3,382,520	\$ 3,655,653	\$ 4,238,398	25%
D. S. - Community Development						
100 3000 Planning	\$ 902,865	\$ 871,894	\$ 917,322	\$ 849,790	\$ 990,359	8%
100 3020 Building & Safety	1,016,245	1,049,785	1,070,128	1,074,648	1,141,026	7%
Total D. S. Community Development	\$ 1,919,110	\$ 1,921,679	\$ 1,987,450	\$ 1,924,438	\$ 2,131,385	7%
D. S. - Code Compliance						
100 3010 Code Enforcement	\$ 961,695	\$ 1,022,785	\$ 1,151,344	\$ 1,157,070	\$ 1,199,796	4%
100 5000 Animal Control	1,583,570	1,440,174	1,616,555	1,630,644	1,734,495	7%
Total D. S. Code Compliance	\$ 2,545,265	\$ 2,462,959	\$ 2,767,899	\$ 2,787,714	\$ 2,934,291	6%
D. S. - Public Works						
100 3100 Engineering	\$ 808,828	\$ 926,388	\$ 696,341	\$ 747,060	\$ 785,506	13%
100 3110 Building Maintenance	882,576	1,025,293	1,127,008	928,532	1,178,183	5%
100 Capital Improvement Program	735,526	33,639	0	0	0	0%
Total D. S. - Public Works	\$ 2,426,930	\$ 1,985,320	\$ 1,823,349	\$ 1,675,592	\$ 1,963,689	8%
100 510 Police	\$ 15,923,395	\$ 15,909,178	\$ 16,290,376	\$ 16,280,393	\$ 17,086,541	5%
Total General Fund Expenditures	\$ 29,990,365	\$ 30,608,848	\$ 29,774,870	\$ 29,839,127	\$ 32,158,337	8%
Community Development Commission						
Funds						
170 Community Development Commission	\$ 511,656	\$ 601,467	\$ 524,026	\$ 446,825	\$ 529,790	1%
Hesperia Housing Authority Funds						
370 Hesperia Housing Authority	\$ 5,144,803	\$ 2,218,115	\$ 279,113	\$ 192,296	\$ 83,360	-70%
C.D.B.G Funds						
251 C.D.B.G Administration	\$ 2,852,088	\$ 1,499,494	\$ 1,093,581	\$ 606,156	\$ 1,689,197	54%
253 C.D.B.G Revolving Loans	0	0	0	0	0	0%
257 Neighborhood Stabilization Program	183,014	142,775	14,984	22,393	115,722	672%
Total C.D.B.G Expenditures	\$ 3,035,102	\$ 1,642,269	\$ 1,108,565	\$ 628,549	\$ 1,804,919	63%

EXPENDITURE SUMMARY

TOTAL EXPENDITURES BY FUND, DEPARTMENT AND PROGRAM INCLUDING CIP (Continued)

EXPENDITURES BY FUND	2016-17	2017-18	2018-19	2018-19	2019-20	% Change
	Actual	Actual	Budget	Revised	Budget	From 2018-19 Budget
<u>D. S. - Public Works Funds</u>						
263 3150 Street Maintenance	\$ 3,676,496	\$ 2,242,364	\$ 2,504,067	\$ 2,391,207	\$ 2,668,501	7%
263 3170 Traffic	119	1,515,921	1,642,493	1,572,096	1,700,493	4%
263 Street Maintenance Fund	\$ 3,676,615	\$ 3,758,285	\$ 4,146,560	\$ 3,963,303	\$ 4,368,994	5%
<u>Streets Capital Improvement Projects (CIP) Funds</u>						
204 Measure I - 2010 Renewal	\$ 1,742,850	\$ 1,360,094	\$ 1,752,832	\$ 71,757	\$ 3,078,373	76%
205 Gas Tax	280,118	141,633	96,671	0	0	-100%
207 Article 8 Local Transportation Fund	169,849	578,707	910,615	421,530	841,854	-8%
209 Gas Tax RMRA	0	498,000	1,807,920	1,460,000	1,665,000	-8%
300 Streets Development Impact Fee	116,064	805,588	4,042,732	2,526,868	4,045,243	0%
301 Storm Drain Development Impact Fee	68,883	91,941	2,425,514	72,850	1,930,000	-20%
504 City Wide Streets Projects	7,337	5,598	2,232,737	297,200	5,932,627	166%
Total Streets CIP Funds	\$ 2,385,101	\$ 3,481,561	\$ 13,269,021	\$ 4,850,205	\$ 17,493,097	32%
<u>Other Transportation Related Funds</u>						
254 AB 2766 AOMD	\$ 76,528	\$ 79,240	\$ 512,082	\$ 0	\$ 484,482	-5%
Total Other Transportation Related Funds	\$ 76,528	\$ 79,240	\$ 512,082	\$ 0	\$ 484,482	-5%
<u>Other City Related Funds</u>						
256 Environmental Programs Grant Fund	\$ 24,261	\$ 56,563	\$ 54,532	\$ 54,593	\$ 57,028	5%
260 Disaster Preparedness Fund	16,906	11,066	14,466	14,190	0	-100%
304 Public Services Dev. Impact Fee	9,633	26,270	47,750	57,200	93,000	95%
402 Water Rights Acquisition	1,441,600	1,444,741	1,446,175	1,441,900	1,443,175	0%
403 2013 Refunding Lease Rev Bonds	784,375	800,966	822,800	820,275	836,750	2%
509 City Facilities CIP	0	0	620,000	809,297	0	-100%
Total Other City Related Funds	\$ 2,276,775	\$ 2,339,606	\$ 3,005,723	\$ 3,197,455	\$ 2,429,953	-19%
Total Streets CIP, Other Transportation, City Facilities, & Other City Related Funds	\$ 4,738,404	\$ 5,900,407	\$ 16,786,826	\$ 8,047,660	\$ 20,407,532	22%
<u>700 Water Operating Fund</u>						
4010 Source of Supply	\$ 2,640,507	\$ 4,114,778	\$ 3,311,622	\$ 4,535,074	\$ 3,838,428	16%
4020 Production	3,245,259	2,806,413	3,415,046	3,362,167	3,297,777	-3%
4030 Distribution	1,338,936	1,359,375	1,476,813	1,427,405	1,475,117	0%
4035 Pipeline Maintenance	1,253,550	1,343,991	1,356,475	1,030,078	1,437,009	6%
4040 Engineering	865,785	889,258	806,887	904,069	985,325	22%
4050 Customer Service	1,480,729	1,563,321	1,652,600	1,632,951	1,869,967	13%
4060 Utility Billing	1,101,380	1,079,329	939,135	876,698	940,985	0%
4070 Administration	4,976,793	6,619,195	4,859,804	4,799,670	4,930,233	1%
4080 Property Management	351,814	407,314	447,759	388,926	464,827	4%
Total Water Operating	\$ 17,254,753	\$ 20,182,974	\$ 18,266,141	\$ 18,957,038	\$ 19,239,668	5%
701 Water Capital Projects Fund	\$ 841,936	\$ 4,012,170	\$ 14,228,000	\$ 5,760,440	\$ 10,505,000	-26%

EXPENDITURE SUMMARY

TOTAL EXPENDITURES BY FUND, DEPARTMENT AND PROGRAM INCLUDING CIP (Continued)

EXPENDITURES BY FUND	2016-17	2017-18	2018-19	2018-19	2019-20	% Change
	Actual	Actual	Budget	Revised	Budget	From 2018-19 Budget
<u>710 Sewer Operating Fund</u>						
4200 Sewer Operations	\$ 3,306,957	\$ 3,870,967	\$ 3,519,106	\$ 3,514,219	\$ 3,906,429	11%
4240 Sewer Engineering	0	238	161,927	162,534	181,145	12%
4260 Sewer Utility Billing	0	230	177,120	165,537	176,899	0%
4270 Sewer Administration	0	190	111,306	110,522	119,209	7%
Total Sewer Operating	\$ 3,306,957	\$ 3,871,625	\$ 3,969,459	\$ 3,952,812	\$ 4,383,682	10%
<u>711 Sewer Capital Fund</u>	\$ 432,760	\$ 48,554	\$ 3,860,020	\$ 113,000	\$ 4,110,000	6%
<u>200 Fire Operating Fund</u>						
520 Operations & Community Safety	\$ 9,808,986	\$ 10,530,863	\$ 10,925,735	\$ 3,641,912	\$ 0	-100%
521 Administration	653,717	889,634	1,125,160	906,800	0	-100%
210 HFPD (PERS)	0	0	0	0	905,656	100%
Total Fire Operating Fund	\$ 10,462,703	\$ 11,420,497	\$ 12,050,895	\$ 4,548,712	\$ 905,656	-92%
<u>502 Fire Capital Fund</u>	\$ 667,859	\$ 76,232	\$ 0	\$ 0	\$ 0	0%
Total Expenditures By Fund, Department, and Program	\$ 80,063,913	\$ 84,341,443	\$ 104,994,475	\$ 76,449,762	\$ 98,496,938	-6%

EXPENDITURE SUMMARY

TOTAL EXPENDITURES BY DEPARTMENT AND PROGRAM INCLUDING CIP

DEPARTMENT AND PROGRAM EXPENDITURES SUMMARY	2016-17 Actual	2017-18 Actual	2018-19 Budget	2018-19 Revised	2019-20 Budget	% Change From 2018-19 Budget
<u>City Council</u>						
100 100 City Council	\$ 507,246	\$ 542,369	\$ 591,761	\$ 585,862	\$ 602,533	2%
100 102 City Attorney	443,274	307,858	300,000	250,000	300,000	0%
Total City Council	\$ 950,520	\$ 850,227	\$ 891,761	\$ 835,862	\$ 902,533	1%
<u>City Manager</u>						
100 200 City Manager	\$ 1,150,040	\$ 1,144,729	\$ 1,341,826	\$ 1,418,531	\$ 1,472,767	10%
100 215 Information Technology	1,361,340	1,314,651	1,289,689	1,260,944	1,428,733	11%
Total City Manager	\$ 2,511,380	\$ 2,459,380	\$ 2,631,515	\$ 2,679,475	\$ 2,901,500	10%
<u>Management Services</u>						
100 220 Finance	\$ 2,371,309	\$ 3,584,633	\$ 1,940,692	\$ 2,139,096	\$ 1,837,411	-5%
100 225 Human Resources/Risk Mgmt.	1,342,456	1,435,472	1,441,828	1,516,557	1,650,276	14%
100 229 Non-Departmental	0	0	0	0	750,711	100%
Total Management Services	\$ 3,713,765	\$ 5,020,105	\$ 3,382,520	\$ 3,655,653	\$ 4,238,398	25%
<u>Economic Development</u>						
<u>Community Development Commission Fund</u>						
170 Community Development Commission	\$ 511,656	\$ 601,467	\$ 524,026	\$ 446,825	\$ 529,790	1%
<u>Hesperia Housing Authority Funds</u>						
370 Hesperia Housing Authority	\$ 5,144,803	\$ 2,218,115	\$ 279,113	\$ 192,296	\$ 83,360	-70%
<u>C.D.B.G</u>						
251 C.D.B.G Administration	\$ 2,852,088	\$ 1,499,494	\$ 1,093,581	\$ 606,156	\$ 1,689,197	54%
257 Neighborhood Stabilization Program	183,014	142,775	14,984	22,393	115,722	672%
Subtotal C.D.B.G	\$ 3,035,102	\$ 1,642,269	\$ 1,108,565	\$ 628,549	\$ 1,804,919	63%
Total Economic Development	\$ 8,691,561	\$ 4,461,851	\$ 1,911,704	\$ 1,267,670	\$ 2,418,069	26%
<u>D. S. - Community Development</u>						
100 3000 Planning	\$ 902,865	\$ 871,894	\$ 917,322	\$ 849,790	\$ 990,359	8%
100 3020 Building & Safety	1,016,245	1,049,785	1,070,128	1,074,648	1,141,026	7%
Total D. S. - Community Development	\$ 1,919,110	\$ 1,921,679	\$ 1,987,450	\$ 1,924,438	\$ 2,131,385	7%
<u>D. S. - Code Compliance</u>						
100 3010 Code Enforcement	\$ 961,695	\$ 1,022,785	\$ 1,151,344	\$ 1,157,070	\$ 1,199,796	4%
100 5000 Animal Control	1,583,570	1,440,174	1,616,555	1,630,644	1,734,495	7%
Total D. S. - Code Compliance	\$ 2,545,265	\$ 2,462,959	\$ 2,767,899	\$ 2,787,714	\$ 2,934,291	6%
<u>D. S. - Public Works</u>						
100 3100 Engineering	\$ 808,828	\$ 926,388	\$ 696,341	\$ 747,060	\$ 785,506	13%
100 3110 Building Maintenance	882,576	1,025,293	1,127,008	928,532	1,178,183	5%
263 3150 Street Maintenance	3,676,496	2,242,364	2,504,067	2,391,207	2,668,501	7%
263 3170 Traffic	119	1,515,921	1,642,493	1,572,096	1,700,493	4%
Total D. S. - Public Works	\$ 5,368,019	\$ 5,709,966	\$ 5,969,909	\$ 5,638,895	\$ 6,332,683	6%

EXPENDITURE SUMMARY

TOTAL EXPENDITURES BY DEPARTMENT AND PROGRAM INCLUDING CIP (Continued)

DEPARTMENT AND PROGRAM EXPENDITURES SUMMARY	2016-17 Actual	2017-18 Actual	2018-19 Budget	2018-19 Revised	2019-20 Budget	% Change From 2018-19 Budget
<u>D. S. - Water</u>						
<u>700 Water Operating Fund</u>						
4010 Source of Supply	\$ 2,640,507	\$ 4,114,778	\$ 3,311,622	\$ 4,535,074	\$ 3,838,428	16%
4020 Production	3,245,259	2,806,413	3,415,046	3,362,167	3,297,777	-3%
4030 Distribution	1,338,936	1,359,375	1,476,813	1,427,405	1,475,117	0%
4035 Pipeline Maintenance	1,253,550	1,343,991	1,356,475	1,030,078	1,437,009	6%
4040 Engineering	865,785	889,258	806,887	904,069	985,325	22%
4050 Customer Service	1,480,729	1,563,321	1,652,600	1,632,951	1,869,967	13%
4060 Utility Billing	1,101,380	1,079,329	939,135	876,698	940,985	0%
4070 Administration	4,976,793	6,619,195	4,859,804	4,799,670	4,930,233	1%
4080 Property Management	351,814	407,314	447,759	388,926	464,827	4%
Total Water Operating	<u>\$ 17,254,753</u>	<u>\$ 20,182,974</u>	<u>\$ 18,266,141</u>	<u>\$ 18,957,038</u>	<u>\$ 19,239,668</u>	<u>5%</u>
701 Water Capital Projects	\$ 841,936	\$ 4,012,170	\$ 14,228,000	\$ 5,760,440	\$ 10,505,000	-26%
Total D. S. - Water Operating & Capital	\$ 18,096,689	\$ 24,195,144	\$ 32,494,141	\$ 24,717,478	\$ 29,744,668	-8%
<u>710 Sewer Operations</u>						
4200 Sewer Operations	\$ 3,306,957	\$ 3,870,967	\$ 3,519,106	\$ 3,514,219	\$ 3,906,429	11%
4240 Sewer EGINEERING	0	238	161,927	162,534	181,145	12%
4260 Sewer Utility Billing	0	230	177,120	165,537	176,899	0%
4270 Sewer Administration	0	190	111,306	110,522	119,209	7%
Total Sewer Operations	<u>\$ 3,306,957</u>	<u>\$ 3,871,625</u>	<u>\$ 3,969,459</u>	<u>\$ 3,952,812</u>	<u>\$ 4,383,682</u>	<u>10%</u>
711 Sewer Capital	432,760	48,554	3,860,020	113,000	4,110,000	6%
Total D. S. - Sewer Operating & Capital	\$ 3,739,717	\$ 3,920,179	\$ 7,829,479	\$ 4,065,812	\$ 8,493,682	8%
100 510 Police	\$ 15,923,395	\$ 15,909,178	\$ 16,290,376	\$ 16,280,393	\$ 17,086,541	5%
<u>Fire District</u>						
520 Operations & Community Safety	\$ 9,808,986	\$ 10,530,863	\$ 10,925,735	\$ 3,641,912	\$ 0	-100%
521 Administration	653,717	889,634	1,125,160	906,800	0	-100%
210 HFPD (PERS)	0	0	0	0	905,656	100%
Total Fire Operating	<u>\$ 10,462,703</u>	<u>\$ 11,420,497</u>	<u>\$ 12,050,895</u>	<u>\$ 4,548,712</u>	<u>\$ 905,656</u>	<u>-92%</u>
502 Fire Capital	\$ 667,859	\$ 76,232	\$ 0	\$ 0	\$ 0	0%
Total Fire District	\$ 11,130,562	\$ 11,496,729	\$ 12,050,895	\$ 4,548,712	\$ 905,656	-92%
<u>Streets Capital Improvement Project (CIP)</u>						
<u>Funds</u>						
100 Capital Improvement Program	\$ 735,526	\$ 33,639	\$ 0	\$ 0	\$ 0	0%
204 Measure I - 2010 Renewal	1,742,850	1,360,094	1,752,832	71,757	3,078,373	76%
205 Gas Tax	280,118	141,633	96,671	0	0	-100%
207 Article 8 Local Transportation Fund	169,849	578,707	910,615	421,530	841,854	-8%
209 Gas Tax RMRA	0	498,000	1,807,920	1,460,000	1,665,000	-8%
300 Streets Development Impact Fee	116,064	805,588	4,042,732	2,526,868	4,045,243	0%
301 Storm Drain Development Impact Fee	68,883	91,941	2,425,514	72,850	1,930,000	-20%
504 City Streets CIP	7,337	5,598	2,232,737	297,200	5,932,627	166%
Total Streets CIP Funds	\$ 3,120,627	\$ 3,515,200	\$ 13,269,021	\$ 4,850,205	\$ 17,493,097	32%
<u>Other Transportation Related Funds</u>						
254 AB 2766 AQMD	\$ 76,528	\$ 79,240	\$ 512,082	\$ 0	\$ 484,482	-5%

EXPENDITURE SUMMARY

TOTAL EXPENDITURES BY DEPARTMENT AND PROGRAM INCLUDING CIP (Continued)

DEPARTMENT AND PROGRAM EXPENDITURES SUMMARY	2016-17 Actual	2017-18 Actual	2018-19 Budget	2018-19 Revised	2019-20 Budget	% Change From 2018-19 Budget
<u>Other City Related Funds</u>						
256 Environmental Programs Grant Fund	\$ 24,261	\$ 56,563	\$ 54,532	\$ 54,593	\$ 57,028	5%
260 Disaster Preparedness Fund	16,906	11,066	14,466	14,190	0	-100%
304 Public Services Dev. Impact Fee	9,633	26,270	47,750	57,200	93,000	95%
402 Water Rights Acquisition	1,441,600	1,444,741	1,446,175	1,441,900	1,443,175	0%
403 2013 Refunding Lease Rev Bonds	784,375	800,966	822,800	820,275	836,750	2%
509 City Facilities CIP	0	0	620,000	809,297	0	-100%
Total Other City Related Funds	\$ 2,276,775	\$ 2,339,606	\$ 3,005,723	\$ 3,197,455	\$ 2,429,953	-19%
Total Streets CIP, Other Transportation, City Facilities, & Other City Related Funds	\$ 5,473,930	\$ 5,934,046	\$ 16,786,826	\$ 8,047,660	\$ 20,407,532	22%
Total City Expenditures by Department and Program	\$ 80,063,913	\$ 84,341,443	\$ 104,994,475	\$ 76,449,762	\$ 98,496,938	-6%

EXPENDITURE SUMMARY

TOTAL EXPENDITURES BY ACCOUNT INCLUDING CIP

ACCOUNT EXPENDITURES SUMMARY	2016-17 Actual	2017-18 Actual	2018-19 Budget	2018-19 Revised	2019-20 Budget	% Change From 2018-19 % Budget
Salaries						
7000 - Salaries & Wages	\$ 10,663,343	\$ 10,993,198	\$ 11,691,064	\$ 11,474,683	\$ 12,143,124	4%
7010 - Council/Commissioner Wage	45,227	44,098	52,100	49,464	59,780	15%
7030 - Part Time Wages	411,714	472,202	474,655	396,060	456,400	-4%
7050 - Overtime Wages	221,828	234,879	207,492	245,671	225,607	9%
7070 - Standby Pay	50,600	51,828	52,000	52,497	52,000	0%
7080 - FLSA Pay	0	0	0	17,469	0	0%
Total Salaries	\$ 11,392,712	\$ 11,796,205	\$ 12,477,311	\$ 12,235,844	\$ 12,936,911	4%
Benefits						
7100 - 401a Pension Plan	\$ 115,740	\$ 160,471	\$ 153,764	\$ 194,172	\$ 202,503	32%
7110 - PERS-Classic	2,256,991	2,296,633	2,889,198	2,734,652	3,171,731	10%
7111 - Pension Expense	232,218	554,308	0	0	0	0%
7115 - PERS-PEPRA	3,593	300,864	264,474	397,296	358,059	35%
7120 - Health Insurance	1,385,051	1,610,160	1,997,385	1,659,630	2,076,649	4%
7140 - Worker's Compensation	550,708	551,053	692,077	702,242	702,613	2%
7150 - Medicare	179,547	169,238	177,166	175,271	183,686	4%
7160 - Social Security/FICA	31,054	32,916	30,931	28,276	32,067	4%
7170 - Life Insurance	16,802	14,949	13,284	16,302	16,667	25%
7180 - Auto Allowance	51,521	72,230	75,600	80,585	86,400	14%
7181 - Bilingual Pay	10,387	11,925	16,800	18,251	19,200	14%
7182 - Cellphone Allowance	4,101	9,550	12,000	12,552	12,000	0%
7190 - Unemployment Insurance	26,272	27,072	45,000	35,000	45,000	0%
7195 - Post Employment Benefits	218,060	186,122	49,020	64,718	71,100	45%
7199 - Other Benefit Expense	37,794	50,511	10,000	24,256	7,000	-30%
Total Benefits	\$ 5,119,839	\$ 6,048,002	\$ 6,426,699	\$ 6,143,203	\$ 6,984,675	9%
Material and Operations						
7200 - Div/Program Expenditures	\$ 52,758	\$ 41,981	\$ 19,140	\$ 19,140	\$ 16,140	-16%
7250 - Office Expense	92,207	87,042	91,271	81,357	89,901	-2%
7255 - Computer Supplies	73,777	57,149	71,354	63,374	70,720	-1%
7260 - Printing	43,502	46,474	35,025	31,970	30,103	-14%
7270 - Postage/Shipping Costs	124,819	121,045	132,550	126,329	129,350	-2%
7280 - Publications	8,340	3,169	5,380	5,770	9,077	69%
7290 - Advertising	83,006	80,593	57,500	49,253	47,250	-18%
7300 - Employee Expense	52,254	49,503	48,295	42,000	48,600	1%
7310 - Council Reimbursement	431	0	1,200	500	1,200	0%
7320 - Uniform Expense	40,514	44,703	59,293	54,306	59,583	0%
7370 - Reserve Costs	6,017	5,408	8,000	5,700	8,000	0%
7400 - Materials & Operations	1,785,544	1,839,766	1,943,308	1,565,540	2,023,161	4%
7410 - Safety Supplies	21,908	16,227	24,050	23,978	28,310	18%
7420 - Kennel Supplies	78,679	78,889	86,100	86,100	84,000	-2%
7430 - Field Expenses	10,633	13,993	16,100	15,100	17,050	6%
7440 - Fuel	245,242	331,953	335,622	372,914	394,880	18%
7455 - Small Tools	25,985	32,353	27,313	28,550	26,700	-2%
7460 - Equipment Under Capital	97,313	135,427	93,850	87,690	32,740	-65%
7470 - Utilities-Electric	2,543,853	2,193,681	2,597,130	2,486,687	2,473,453	-5%
7473 - Utilities-Gas	53,113	39,165	41,468	47,558	45,274	9%
7476 - Utilities-Water	2,520,011	3,278,633	3,368,965	3,368,308	4,128,997	23%
7478 - Utilities-Wastewater	2,417,745	2,615,293	2,585,667	2,587,952	2,863,984	11%
7482 - Utilities-Telephone	252,344	278,595	252,172	251,531	254,398	1%
7483 - Utilities-Telecomm Services	2,326	1,112	1,260	1,289	1,308	4%
7484 - Property Tax/Assessments	3,532	1,797	890	782	514	-42%
7485 - Lease Maintenance	45,573	41,280	51,873	48,849	49,055	-5%
Total Material and Operations	\$ 10,681,426	\$ 11,435,231	\$ 11,954,776	\$ 11,452,527	\$ 12,933,748	8%

EXPENDITURE SUMMARY

TOTAL EXPENDITURES BY ACCOUNT INCLUDING CIP (Continued)

ACCOUNT EXPENDITURES SUMMARY	2016-17 Actual	2017-18 Actual	2018-19 Budget	2018-19 Revised	2019-20 Budget	% Change From 2018-19 % Budget
Contractual Services						
7500 - Contract Services	\$ 7,421,525	\$ 5,450,784	\$ 19,262,013	\$ 5,710,666	\$ 21,179,945	10%
7520 - Plan Check	70,230	35,545	20,000	40,000	15,000	-25%
7525 - Inspection	40,357	0	0	0	0	0%
7550 - Collection Services	67,474	65,861	71,000	45,900	57,300	-19%
7560 - Legal Services	669,864	431,118	390,000	377,301	411,000	5%
7563 - Litigation Services	101,266	242,768	105,000	193,500	170,000	62%
7565 - Claims/Lawsuits/Settlement	77,998	8,632	75,000	40,000	75,000	0%
7570 - Insurance Services	458,556	486,865	568,111	575,565	685,867	21%
7580 - Computer Services	107,541	81,899	85,730	83,730	88,900	4%
7585 - Software License	338,597	509,247	452,426	454,440	461,972	2%
7590 - Service Charges & Fees	133,862	169,303	179,240	173,625	176,616	-1%
7605 - Traffic Signal Maintenance	75,423	75,337	85,000	81,500	85,000	0%
7610 - Striping Contract	125,775	125,317	165,000	118,000	155,000	-6%
7615 - Street Sweeping Contract	145,090	175,929	169,000	169,000	191,000	13%
7650 - Equipment Rental	21,808	13,147	18,300	10,000	16,800	-8%
7700 - County Contract	25,121,372	26,156,354	26,932,221	19,648,398	16,773,453	-38%
7705 - County Contract Overtime	(37,048)	(53,128)	0	0	50,000	100%
7710 - Cal Id	108,769	110,007	111,077	111,077	111,898	1%
7720 - Franchise Fee	250,000	250,000	250,000	250,000	250,000	0%
7749 - Other Contracts	716,025	1,870,427	100,000	100,000	200,000	100%
7775 - Economic Development	3,831,975	0	0	0	0	0%
Total Contractual Services	\$ 39,846,459	\$ 36,205,412	\$ 49,039,118	\$ 28,182,702	\$ 41,154,751	-16%
Other Operating						
7800 - Other Operating	\$ 32,053	\$ 97,345	\$ 90,750	\$ 84,314	\$ 95,000	5%
7805 - Dues/Memberships	60,143	61,498	71,125	68,714	66,790	-6%
7820 - Travel & Meetings	48,551	33,218	44,930	26,848	35,375	-21%
7825 - Mileage	286	817	800	800	800	0%
7840 - Conferences & Seminars	69,033	58,630	65,694	65,694	69,550	6%
7845 - Training & Education	107,686	105,695	144,882	136,724	140,127	-3%
7860 - Education Reimbursement	5,023	19,804	23,750	27,946	21,300	-10%
7880 - Community Relations	44,185	46,465	68,900	69,131	52,450	-24%
7890 - General & Admin Expense	1,996,330	3,356,797	2,682,555	2,682,555	2,697,338	1%
7900 - Bad Debt Expense	51,701	40,234	0	0	0	0%
7920 - Inventory Loss	5,703	12,070	0	0	0	0%
7930 - Loss on Disposal of Assets	1,117,877	2,193,966	0	0	0	0%
7940 - Penalties	75,156	0	0	0	0	0%
7950 - Rent Expense	61,771	9,980	17,276	17,276	17,276	0%
8000 - Grant Expense	2,233,982	3,571,522	2,641,861	830,762	4,841,724	83%
8001 - Homeland Security Grant	0	25,426	0	0	0	0%
8025 - CA Law Enf Equip (CLEEP)	10,393	21,681	18,419	23,637	22,760	24%
8026 - Proposition 1 Grant	0	200,406	3,000,000	2,000,000	2,300,000	-23%
8028 - Mobile Source Emiss. Reduct.	0	0	484,482	0	484,482	0%
8040 - Beverage Container Recycle	10,456	43,482	23,527	23,527	23,409	-1%
8070 - Facilities Maintenance	233,563	196,960	185,900	142,213	248,150	33%
8071 - Vehicle/Equip	484,284	635,806	637,690	615,000	595,496	-7%
8072 - Maintenance/Repairs	13,515	51,484	17,106	19,600	7,000	-59%
8080 - W/C Trustee Audit Adjustment	(13,299)	126,756	0	0	0	0%
8090 - Misc Expense	2,906	3,958	9,000	41,795	9,000	0%
Total Other Operating	\$ 6,651,298	\$ 10,914,000	\$ 10,228,647	\$ 6,876,536	\$ 11,728,027	15%

EXPENDITURE SUMMARY

TOTAL EXPENDITURES BY ACCOUNT INCLUDING CIP (Continued)

ACCOUNT EXPENDITURES SUMMARY	2016-17 Actual	2017-18 Actual	2018-19 Budget	2018-19 Revised	2019-20 Budget	% Change From 2018-19 % Budget
Capital Outlay						
8400 - Land & Buildings	\$ 343,699	\$ 552,636	\$ 1,442,125	\$ 222,000	\$ 1,172,203	-19%
8401 - Residential Property	0	0	0	449	101,283	100%
8404 - Appraisal Services	0	0	5,800	6,000	9,800	69%
8420 - Vehicles Capital Expend	382,767	220,657	168,200	204,748	245,000	46%
8440 - Equipment Capital Expend	1,155,816	189,535	92,342	263,309	255,700	177%
8460 - Computer Capital Expend	237,210	11,906	200,000	0	255,000	28%
8480 - Water Rights Capital Exp	51,600	819,000	0	1,220,750	0	0%
8560 - Infrastructure-Water	0	1,812,204	6,600,000	3,600,000	4,500,000	-32%
8592 - Contributed Capital	213,722	0	0	0	0	0%
Total Capital Outlay	\$ 2,384,814	\$ 3,751,957	\$ 8,508,467	\$ 5,517,256	\$ 6,538,986	-23%
Debt Service						
8600 - Principal	\$ 1,795,000	\$ 1,885,000	\$ 3,646,240	\$ 3,646,240	\$ 3,736,240	2%
8700 - Interest Expense	2,022,432	1,879,888	2,545,717	2,256,382	2,359,600	-7%
8800 - Bond Administration Exp	169,933	227,302	167,500	139,072	124,000	-26%
8905 - Loss on Refunding	0	198,446	0	0	0	0%
Total Debt Service	\$ 3,987,365	\$ 4,190,636	\$ 6,359,457	\$ 6,041,694	\$ 6,219,840	-2%
Total City Expenditures by Account Number	\$ 80,063,913	\$ 84,341,443	\$104,994,475	\$ 76,449,762	\$ 98,496,938	-6%