

APPENDIX



Painting by Tina Dille, winner of the Lancaster Museum of Art and History (MOAH) 30th Annual All-Media Juried Exhibition.

THE BUDGET PROCESS

December – January: Operating budget preparation begins with determination of the base budget for the upcoming year. The base budget establishes the current year adopted budget service levels with updated costs, removes one-time revenue and expenses (including grants), and adds ongoing expenditures as approved by the City Council. The capital budget preparation process begins with department staff meeting to review and discuss potential modifications to the five-year capital plan.

In December, Finance distributes the Budget Guide to departments. The Budget Guide includes budget preparation calendar, budget priorities, instructions, and sample worksheets to be used in budget development. Finance prepares budget worksheets that include base budget amounts and year to date actuals for current year. Departments use these worksheets to submit small dollar budget requests and for submitting the current year-end estimates.

February – March: Departments developed year-end estimates for FY 2016 and reviewed their revenue projections for FY 2017 and FY 2018. Expenditure budgets, base budget adjustments, and New Funding Requests were due to Finance by March 11.

Early in March, Capital Improvement project proposals are submitted to Finance. A meeting is held to review each requested project in detail. A few weeks later, a second meeting is held to determine the highest priority projects.

The selected projects are then incorporated into the budget model, and fund balances are projected for the capital project funds. Since capital projects tend to span more than one fiscal year, the practice is to appropriate the total amount needed to fund the project, (or one 'self-contained' phase of the project). This ensures there is sufficient funding to complete the project the following year. Any unexpended funds at the end of the current fiscal year automatically roll over to the next fiscal year.

At the end of March, the Budget Team and departments met to review and discuss their budget submittals and New Funding Requests. As we have done the past few years, instead of holding formal budget presentation meetings with each Department, the Executive Team and Budget Team participated in a series of budget meetings which were interactive and informative in making critical policy and funding decisions as well as strategic and economic decisions for long-term planning.

Subsequent meetings with the City Manager, Deputy City Manager, Finance Director and Department Heads were held to review Capital Outlay, Capital Replacement and Information Technology needs. The purpose of the meetings was to ensure consistency and accuracy for equipment needs, and to develop funding strategies to meet these needs.

April: In April, rewrites of the departments' budgets take place as the program expenditures are brought into alignment with the available resources. During periods of abundant resources, additional improvements may be made or additional reserves created; during periods of economic downturns, this can be a very hard, frustrating time as budget requests may be reduced substantially, depending on how they align with the overall goals, mission, and vision of the City.

May: Budget briefings are held with the City Council. Special meetings are scheduled individually with each Council member to ask questions and/or make modifications to the budget. Based on the questions and concerns of the City Council, these meetings may be as few as one or as many as necessary.

June: The City Manager formally presents the budget to the City Council at the first Council meeting in June. This is a noticed, formal hearing for the budget that allows input from the citizens in favor, opposed, or just concerned about the budget. Modifications may be made to the budget at this time.

The Council formally adopts the budget with a roll call vote by minute action. The budget then becomes effective the beginning of the fiscal year, which starts July 1. It is the policy in Lancaster to adopt the budget before the beginning of the Fiscal Year.

AMENDING THE BUDGET



The budget is a flexible document in that once it is adopted it can be modified to fit the changes necessary to run the City smoothly. The City Council adopts the budget by program (by Division within each Department). The Department Heads and City Manager have the authority to modify line items within each program as long as the total appropriation for that program stays the same. To increase the total budget appropriation of a program requires Council approval.

Calendar of Activities



Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	
		1	2	3	4	5	
		ACTUALS AT NOVEMBER 30 CAN BE INPUT INTO BUDGET WORKSHEETS					
6	7	8	9	10	11	12	
	CITY MANAGER OKS DATES (SEND OUTLOOK MEETING INVITES FOR ALL MEETINGS) AND ESTABLISHES BUDGET GOALS						
13	14 	15	16 	17 Budget work-sheets & all dept. forms available	18	19	
20	21 	22	23	24 	25 	26	
27	28	29	30	31 			

Details are subject to change. Last updated February 1, 2016

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					1 	2
3	4	5	6 	7	8	9
ACTUALS AT DECEMBER 31 CAN BE IN- PUT INTO BUDGET WORKSHEETS						
10	11	12	13	14	15	16
17	18 	19	20 2nd Quarter CIP Review Meeting	21	22	23
24	25	26	27	28	28	30
						31

Details are subject to change. Last updated February 1, 2016

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	1	2	3	4	5	6
7	8 ALL FY16 Year End Estimates + FY17 & FY18 Revenue Projections DUE	9	10	11	12	13
14	15 	16	17	18	19	20
21	22 Staff and Special Fund. requests DUE to respective depts.	23	24	25	26	27

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		1	2	3	4 CIP Project Submittals DUE	5
6	7	8	9	10	11 Department Budget Packages DUE to Finance ¹	12
13	14 CIP Priority Meeting	15	16	17	18	19
20 	21	22	23 1st Dept. Budget Meeting	24 2nd Dept. Budget Meeting	25	26
27	28	29	30 3rd Dept. Budget Meeting	31		

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					1	2
3	4	5	6	7	8	9
10	11	12 	13	14	15	16
17	18 Final CIP meeting based on actual revenue projections	19	20 3rd Quarter CIP Review Meeting	21	22	23
24	25	26	27	28	29	30
	Budget Updates with Council					

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
	Budget Briefings with Council					
22	23	24	25	26	27	28
29	30 	31				

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			1	2	3	4
5	6	7	8	9	10	11
12	13	14 Budget Public Hearing	15	16	17	18
19	20 	21	22	23	24	25
26	27	28 Budget Adoption	29	30 		

Basis of Budgeting

The budget is prepared in accordance with Generally Accepted Accounting Principles (GAAP). The City utilizes the modified accrual basis of budgeting; obligations of the City are budgeted as expenses, but revenues are recorded when we know how much to expect (measurable) and we receive the revenues within the time needed to make payments for costs incurred within the fiscal year.

All annual appropriations (authorizations to expend funding) lapse at the end of the fiscal year unless there are outstanding encumbrances (commitments to pay for goods/services ordered through the utilization of a purchase order, a formal authorization of the City, or a contract).

The budget is the City's financial plan for delivering effective services and efficiently managing the revenues which support those services. The City's charter and municipal code provide broad governance for preparation of the operating and capital budgets. The adopted budgets are also developed based on the following:

- The City Council's top priorities and other City Council directives
- The City's Long Range Financial Forecast, which is updated annually and presented to the City Council prior to the release of the proposed budget
- Service level prioritization as identified by the City Manager
- Availability and sustainability of revenues
- Legal mandates
- Prioritization criteria outlined in the capital budget
- The City's policies regarding land use and community design, transportation, housing, natural environment, business and economics

The review of the proposed operating and capital budgets is structured around public hearings conducted by the Finance Committee and prior to Council adoption of the budget in order to incorporate community input into the decision making process.

Annual Appropriations Limit

The Appropriations Limit, otherwise known as the “Gann Limit or Gann Initiative”, sets a limit to the amount of tax proceeds municipalities can appropriate each fiscal year. This limit was originally established when California voters approved Proposition 4 during the special election in 1979. It became part of the California State Constitution as Article XIII-B.

In June 1980, Proposition 111 was approved by the California voters which modified Article XIII-B and established a new method for municipalities to calculate the annual appropriations limit. Prior to Proposition 111, the annual appropriations limit was adjusted annually by the change in the cost of living (Consumer Price Index) or by the change in California per capita personal income, whichever was less, and by the percentage change in the population of the City as provided by the California Department of Finance.

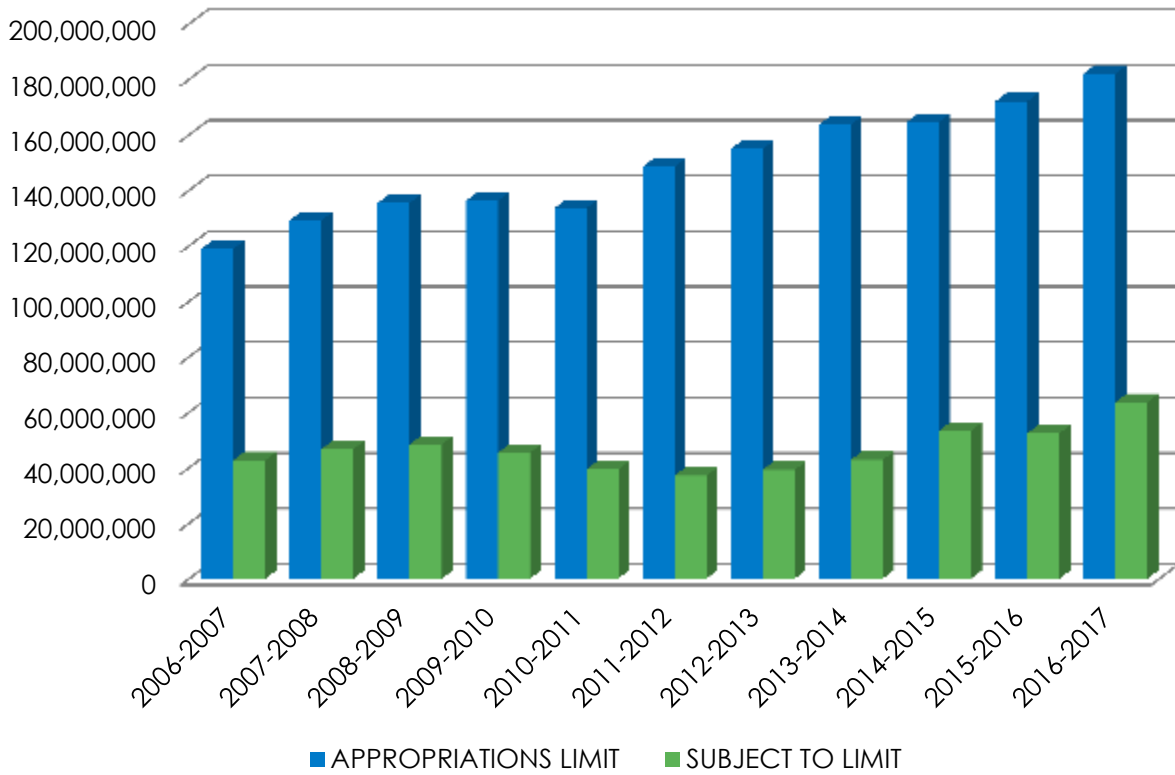
Under the guidelines set forth by Proposition 111, beginning with the FY 1990-91 appropriations limit, a city may choose between two annual adjustment factors. The factors include the growth in the California per capita personal income or the change in the local assessment tax roll due to local nonresidential construction. The annual appropriations limit will not exceed a base year adjusted by the adjustment factor that is chosen by the City.

Proposition 111 also established the base year as FY 1986-87. Although the limits for FY 1986-87 through FY 1989-90 were not affected, municipalities were required to recalculate these years using the new method to determine the correct limit for FY 1990-91 and future years.

The following table compares the difference between Lancaster’s Appropriations Limit and the estimated proceeds of taxes that are subject to the limit. With a gap of \$118,425,683 the City remains well below its Appropriations Limit of \$182,030,983 for FY 2016-17.

FISCAL YEAR	APPROPRIATIONS LIMIT	SUBJECT TO LIMIT	DIFFERENCE
2002-2003	91,318,734	26,921,043	64,397,691
2003-2004	95,694,454	26,965,074	68,729,380
2004-2005	101,127,627	29,302,048	71,825,579
2005-2006	110,052,072	33,768,526	76,283,546
2006-2007	118,860,688	42,692,278	76,168,410
2007-2008	129,148,149	46,709,065	82,439,084
2008-2009	135,422,608	48,420,396	87,002,212
2009-2010	136,181,570	45,392,579	90,788,991
2010-2011	133,481,184	39,317,665	94,163,519
2011-2012	148,401,994	37,047,601	111,354,393
2012-2013	154,784,897	39,192,100	115,592,796
2013-2014	163,613,543	42,811,559	120,801,985
2014-2015	164,612,436	53,294,778	111,317,658
2015-2016	172,012,494	52,343,991	119,668,503
2016-2017	182,030,983	63,605,300	118,425,683

2017 Appropriations Limit



ALLOCATING THE COST OF SERVICES

The City allocates administrative costs among the services and funds that benefit from those activities. For example, in FY 2017 \$1.25 million is charged to fund 490 – Lancaster Choice Energy for services provided by and funded by the General Fund. The City commissions a full and detailed cost allocation study on a regular basis to ensure utilization of the appropriate allocation amounts for distribution amongst those activities not funded by the General Fund.

FY 2015-16 GFOA DISTINGUISHED BUDGET AWARD



FINANCIAL POLICIES

Reserve Policies

Major budget policies include: maintaining a 10% fund balance reserve, maintaining a General Fund with no long-term debt, fully appropriating funding for each capital improvement project (to prevent shortfalls the following year), and conservatively projecting revenues (at the minimum that can be expected to be received) and expenditures (at the maximum to be spent).

One of the key components of a financially stable organization is the adherence to a policy of maintaining an appropriate level of reserves. The Government Finance Officers Association (GFOA) recommends, at a minimum, that general purpose governments, regardless of size, maintain reserves (unrestricted fund balance) in their General Fund of no less than two months of operating revenues or expenditures, or a minimum of approximately 16.6 percent of General Fund operating expenditures. The GFOA further recommends that reserve levels be directly related to the degree of uncertainty the local government faces; specifically, the greater the uncertainty, the greater the financial resources necessary. Since reserves are used to mitigate risk, during these uncertain economic times, it is crucial that the City continue its practice of adhering to this GFOA guidance. This will provide the City with resources to cope with unforeseen expenditures, unanticipated events, or revenue shortfalls.

The City will maintain an unallocated reserve in the General Fund equal to a minimum of 10% of expenditures and transfers out to buffer any unexpected change in the revenue/expenditure picture for the fiscal year. This was formalized in June of 1996 by Resolution No. 96-111.

The City will maintain a financial stability reserve fund to provide funds to maintain service levels during economic downturns.

Long-Term Policies

OPERATING BUDGET POLICIES

- The City will present to the City Council a Program and Financial Plan that is a balanced document. Expenditures will not exceed available resources, including funding carried over from the previous year.
- The City will maintain a General Fund Reserve that provides the necessary cash flow, a safety net for handling the unexpected, and flexibility in day-to-day operations. The City Council has formally established this reserve at 10% of operating expenditures as the minimum desired level. Lancaster, like most cities, has experienced economic cycles; during good economic times, we increase the reserve to a higher level, as cash flow allows, to buffer downturns in the local economy.
- The City will maintain a Financial Stability Reserve that provides the funding necessary to maintain the desired levels of service during downturns in the economy.
- To ensure that the largest revenue source will cover the largest expenditure item, we closely compare

the Sheriff's Department contract to the Sales and Property Tax Revenue.

- The City will allocate resources to special law enforcement programs such as, Target Oriented Policing (TOP) to specifically identify and resolve crime that has received substantial attention. Those programs, which include Christmas Shopping Patrols, Anti-Auto Theft Operations, TOP-Bomb (sheriff units available to patrol at will), and Gang Violence Suppression have been highly successful in reducing specific types of crime.
- The planning and approval process for any new Capital Improvement Project will include an analysis of future operating costs to ensure that not only is funding available to build the project, but future operational costs can be covered once construction is complete.
- The City is deferring funding this year for the replacement program which will necessitate the City to play catch up when the economy begins to recover. The normally fully "funded depreciation" program sets aside dollars for replacement of fixed assets as they reach their useful life expectancy. This policy minimizes the impact of equipment replacement by establishing an annual set-aside instead of having extreme fluctuations in the budget; this is especially important in those programs that have high-cost equipment, such as street maintenance. Expenditures, beyond normal maintenance, that extend the useful life of a piece of equipment may be made from this fund.
- The City will seek financial co-sponsors and partners for special events and recreational programs that are a benefit to the community. Prime examples of this include corporate sponsorship for the annual Streets of Lancaster Grand Prix, co-sponsorship of special theatrical performances for students to gain an appreciation of the performing arts, and community partnerships to provide community neighborhood impact homes and wellness homes.

REVENUE POLICIES

- The City will attempt to maintain a diversified and stable revenue system to shelter it from short-term fluctuations of any one revenue source.
- The City will diversify its general fund revenue base away from past reliance on sales tax alone. Successful lobbying efforts to obtain a share of the property tax (Lancaster received no property tax for the first 11 years) is one example of this policy.
- The City will utilize one-time non-recurring revenues for one-time expenditures or reserves and avoid using one-time revenues for on-going expenses or programs.
- The City will seek out additional sources of revenue as a way of enduring a balanced budget necessary for the quality of services expected by our citizens.
- The City will require user fees that cover the direct cost of adult recreation programs, and the cost of development services (building permits, etc.) provided to developers.
- The City will do cost comparisons with other cities to ensure that our fee structure is reasonable.

- The City will update fees annually based on the prior year annual average consumer price index for the Los Angeles-Riverside-Orange Co. All Urban Consumers percentage change.

CASH MANAGEMENT/INVESTMENT POLICIES

- The City will deposit all funds within one day of receipt. Large receipts will be deposited the day they are received.
- Investment of City funds will be in accordance with the Adopted Investment Policy. Safety of principal will continue to be the number one priority, followed closely by ensuring that funds will be available when needed (liquidity). Only after these two priorities have been fully satisfied will the City consider yield as an investment criterion.
- The City will aggressively collect revenues, on a timely basis.

DEBT POLICIES

- The City's General Fund does not have any long-term debt obligations. Current operations will be funded with current revenues.

ACCOUNTING, AUDITING AND FINANCIAL REPORTING POLICIES

- The City will have an independent audit performed annually. An interim audit will be performed mid-way through the fiscal year to ensure correct accounting and internal control procedures are followed.
- The City will produce a Comprehensive Annual Financial Report (CAFR) each year in accordance with Generally Accepted Accounting Principles (GAAP) as outlined by the Governmental Accounting Standards Board (GASB). This report is submitted annually to the Government Finance Officers Association of the United States and Canada for their Excellence in Financial Reporting Awards Program. (The City has received the award for numerous consecutive years.)
- The City will maintain a strong internal audit capability.

CAPITAL BUDGET POLICIES

- The City will update its multi-year plan for capital improvements; this will include modification of existing projects, and adding/deleting projects, in keeping with the General Plan as Adopted by the Planning Commission and the City Council.
- The City will maintain a Capital Replacement fund for ensuring that the equipment necessary for the operations of the City is always available.
- The City will ensure that prime commercial and industrial acreage is available and ready for development, thus being able to quickly assist in the provision of jobs and diversity in the economy.

CITY FUNDS

The City's budget and accounting system includes more than 60 individual funds, which operate much like individual bank accounts with specific sources of revenue. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts (comprised of assets, liabilities, fund equity, revenues, and expenditures), which are segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with regulatory requirements. The largest single account is the General Fund. State and Los Angeles County collections of retail sales, property, and other taxes are deposited into this account.

The City has the following fund type categories:

Governmental Fund Types

The governmental funds include the General and Special Revenue. Governmental Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

Proprietary Fund Types

The proprietary funds, which include the Enterprise and Internal Service Funds, are used to account for the City's business-type activities. Proprietary funds are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Fiduciary Fund Types

The Fiduciary Funds account for assets held by the City in trust or as an agent for various assessment and community facilities districts. The City budget process does not include fiduciary funds.

GENERAL FUNDS

General Fund – accounts for all financial resources necessary to carry out basic governmental activities

Reserves – accounts for the legal restriction of a portion of the General Fund for specified purposes

Capital Replacement Fund – accounts for the replacement/depreciation cost of capital assets

Performing Arts Center Fund – accounts for the operation of the Lancaster Performing Arts Center

SPECIAL REVENUE FUNDS

Gas Tax Fund – accounts for the City's share of the state gas tax allocation. Gasoline taxes must be used for the maintenance, construction and improvement of City streets.

AB 2766 – accounts for revenues collected under AB 2766. These funds are restricted to air quality improvement related expenditures.

Proposition 1B Fund – accounts for highway safety, traffic reduction, and air quality projects funded by the State general obligation bond monies which was voter approved in 2006.

TDA Article 3 Bikeway – accounts for Transportation Development Act (Article 3) allocation collected. Revenues are restricted to pedestrian/bikeway projects.

TDA Article 8 – accounts for Transportation Development Act (Article 8) allocation received from the County. Revenues are restricted to street and road projects.

Proposition A Fund – accounts for the operation of transit-related projects funded by an allocation from the voter-approved ½ % sales tax levied within Los Angeles County.

Proposition C Fund – accounts for transit-related projects funded by an allocation from the voter-approved ½ percent sales tax levy.

Measure R – accounts for allocation received from Los Angeles County Metropolitan Transportation Authority on a “per capita” basis for the developing and/or improvement of transit related projects funded by a voter-approved ½ percent sales tax increase at the November 2008 election to begin July 1, 2009.

Traffic Safety Fund – accounts for monies received from vehicle code fines; this fund is used to finance law enforcement expenditures

LA County Reimbursement – accounts for monies received from the County for jointly funded projects

STPL – accounts for Regional Surface Transportation Program – Local competitive grants received. The grants are federal monies managed by the state for the improvement of surface transportation.

State Grant - Oil Recycling – accounts for the annual California Integrated Waste Management Board Used Oil Block Grants. The grant is issued on a per capita basis and is to fund permanent, sustainable used oil recycling programs.

State Grant - Recycling Beverage - accounts for the California Division of Recycling Beverage Container Recycling Grants. The grant is issued on a competitive basis and is to fund beverage container recycling programs. Funding is made available annually on a competitive basis.

State Miscellaneous Grants – accounts for miscellaneous, one-time state grants.

Lancaster HOME Program – accounts for loans made to developers (from federal monies allocated by the state as grant funds to the City), for the construction of multi-family housing and to account for Program Income from previous loans which are used to provide loans for first-time buyers to purchase a mobile home. The HOME program is administered by the Department of Housing and Community Development.

Federal Misc. Grants - accounts for miscellaneous, one-time federal grants.

MTA Grant – Prop C - accounts for competitive grants received for transit-related projects funded by a voter-approved ½ percent sales tax levy.

Recycled Water Fund – accounts for the construction and administration of the City-owned recycled water distribution system.

ENTERPRISE FUNDS

Lancaster Choice Energy – accounts for the first municipally-operated community choice aggregator in the state of California and the first to operate in Southern California.

Lancaster Power Authority –affords the city the opportunity to pursue and develop solar energy opportunities for the community.

LANCASTER COMMUNITY SERVICES FOUNDATION

The Foundation, established by City Council, is a separate non-profit entity. The Foundation provides an avenue for citizens who wish to contribute to specific projects for community benefit.

LANCASTER HOUSING AUTHORITY

Accounts for the purpose of providing affordable, decent housing for lower income residents of the City of Lancaster. The Housing Authority assumed responsibilities for the prior low/moderate Housing Fund.

MAINTENANCE DISTRICTS

Lancaster Drainage Maintenance District - accounts for the revenues and expenditures associated with the operation of the Lancaster Drainage Maintenance District.

Lancaster Lighting District - accounts for the revenues and expenditures associated with the operation of the Lancaster Lighting District.

Landscape Maintenance District – accounts for the revenues and expenditures associated with the operation of the Landscape Maintenance District.

Lancaster Sewer Maintenance District - accounts for the revenues and expenditures associated with the operation of the Lancaster Sewer Maintenance District.

DEVELOPER FEES FUNDS

Biological Impact Fee – accounts for biological impact fees collected to mitigate the long-term incremental impact of additional new development.

Building Fees – accounts for fees collected for services provided by Building and Safety, including inspections. The fees will be used to fund Building & Safety and related operations.

Drainage - Developer Fees - accounts for fees collected under AB1600 to fund new drainage infrastructure.

Engineering Fees - accounts for fees collected for services provided by Engineering, including plan-checks. The fees will be used to fund Subdivision Engineering and related operations.

Parks Development – accounts for park development fees collected to mitigate the impacts of new residential development on the availability of open space land and park and recreational facilities. The park development fee shall provide funds for the development of park, recreation and arts facilities.

Sewer – Developer Fees – accounts for fees collected under AB1600 to fund new sewer infrastructure.

Sewer Frontage Fees – accounts for new development fees for use in the construction of sewer lines in front of affected properties.

Signals – Developer Fees - accounts for fees collected under AB1600 to fund new signal infrastructure.

Traffic Impact Fees – accounts for the traffic impact fees collected on all new development in the City. To mitigate the additional traffic burdens created by new development to the City’s arterial and collector street system, the fee shall be used to finance the costs of street improvements, including acquisition, widening and reconstruction, street landscaping, intersection improvements and freeway interchange improvements.

U.S.P. (URBAN STRUCTURE PROGRAM) OPERATIONS IMPACT FUND

Administration - to account for administrative offices fees collected on all new residential development in the City. To mitigate the burdens and increased demand for providing administrative facilities needed to serve new development and to support the well-being and general welfare of the City’s residents and businesses, the fee shall be used to finance land acquisition, design, construction, equipping and related capital costs for administrative facilities.

Operations - to account for service and maintenance operations fees collected on all new residential development in the City. To provide adequate public services and to support the well-being and general welfare of the City’s growing population, the service and maintenance operations fee shall be used to finance the annual costs for providing service and maintenance of and to infrastructure and facilities.

Parks – to account for park acquisition fees collected on all new residential development in the City. The fee will be used to mitigate the impacts of new residential development on the availability of open space land and park and recreational facilities.

Yard - to account for corporate yard facilities fees collected on all new residential development in the City. To mitigate the burdens and increased demand for governmental services, the corporate yard facilities fee shall be used to finance land acquisition, design, construction, equipping and related capital costs for municipal storage and equipment repair facilities.

GLOSSARY

Accrual Basis Accounting - A method of accounting in which revenues are recorded at the time they are earned and expenditures are recorded when goods are received or services performed.

Agency Fund - A governmental accounting classification used to describe those situations where one jurisdiction is acting on behalf of another.

Agenda - A listing of items that the Governing Body may take action on in a public meeting.

Appropriation – An authorization by the City Council to make expenditures and to incur obligations for a specific purpose within a specific time frame.

Assessed Valuation - The value assigned to properties within the City, which is used in computing the property taxes to be paid by property owners. Under Proposition 13 Assessed Valuation is generally defined as the purchase price if the property was purchased after 1975, adjusted upwards annually by a maximum of 2%.

Audit - An examination of the City's records by an independent firm to determine the accuracy and validity of records and reports and the conformity of procedures with established policy. A systematic collection of evidential matter needed to attest to the fairness of management's assertions in the financial statements. The General Accounting Standards Board (GASB) sets standards for financial reporting for units of government, which are referred to as Generally Accepted Accounting Principles (GAAP).

AVTA - Antelope Valley Transit Authority, a joint powers authority for the provision of bus services within Lancaster, Palmdale, and the unincorporated portions of Los Angeles County.

Balanced Budget - The basic budgetary constraint intended to ensure that a government does not spend beyond its means. Balance should be defined to ensure that a government's use of resources for operating purposes does not exceed available resources over a defined budget period.

Base Budget - The portion of the budget that provides for the continuation of operations at the current service level taking into account the updated costs required to provide these services.

Beginning Fund Balance – The balance available in a fund at the end of the prior year for use in the following year.

Benefit Assessment District - A method of constructing improvements by issuing bonds and debt service being provided by levying assessments on property owners within the district.

BLVD Association – see “PBID”

Bond - A written promise to pay a specified sum of money (the principal) at a specified date or dates in the future, along with periodic interest at a specified rate.

Budget - The financial plan for the operation of a program or organization for the year (or other fiscal

period).

Budget Calendar - The schedule of key dates or milestones that a government follows in the preparation and adoption of the budget.

Budget Document - The official written statement prepared by the Finance Department and supporting staff that represents the proposed budget to the legislative body.

CAFR - Comprehensive Annual Financial Report - An annual report prepared by the Finance Department that provides the status of the City's finances on a GAAP basis. This includes the Independent Financial Audit Report as well as other statistical and informative data. This award-winning document is prepared according to guidelines set forth by GFOA and CSMFO.

California Environmental Quality Act (CEQA) - The statutes contained in Sections 21000-21177 of the Public Resources Code of the State of California that establish the requirements for evaluating the environmental effects of proposed projects. The administration of CEQA is governed by the State CEQA Guidelines.

California Society of Municipal Finance Officers (CSMFO) - A non-profit professional association serving the government finance professionals throughout the State of California.

CALSTART - A state-wide non-profit consortium of businesses and government agencies dedicated to developing an innovative transportation industry to develop alternative fuel vehicles and infrastructure.

CalTrans - California Department of Transportation, in charge of all regional, state, and federal roadways.

Capital Improvement Budget - A plan of proposed capital expenditures for the year and the means of financing them. The capital budget is enacted as part of the complete annual budget, which includes both operating and capital outlays. Capital project budgets are adopted at the time the project is authorized and continue until completion that, due to the nature of these improvements, may take several years.

Capital Improvement Project - The largely one-time cost for acquisition, construction, improvement, replacement, or renovation of land, structures, and improvements thereon.

Capital Improvement Projects Fund - A fund created to account for financial resources to be used for the acquisition and/or construction of major capital facilities.

Capital Outlay - Expenditures for furnishings, equipment, vehicles, or machinery that results in the acquisition of assets with a useful life of more than one year, and has a cost in excess of \$5,000.

Cash Basis Accounting - A method of accounting in which revenues are recorded when received in cash and expenditures are recorded when paid.

CMP - Congestion Management Program, designed to reduce traffic congestion throughout the state.

Code Red – The Code Red System allows for ultra high-speed emergency communications to residents and businesses as well as a mechanism to give instructions and information to targeted groups in the community.

Community Development Block Grant - A federally administered program that provides communities with resources to address a wide range of unique community development needs. The CDBG program provides annual grants on a formula basis to 1209 general units of local government and states.

Conditional Use Permit - A permit, approved by either the Planning Commission or City Council of the City of Lancaster, which allows a land use to be established and operated on a particular piece of property under a specific set of requirements or conditions.

CSTI - California Specialized Training Institute trains government employees in many phases of handling various emergencies such as floods, fires, earthquakes, etc.

Debt - An obligation resulting from the borrowing of money, or the purchase of goods or services.

Debt Service - The annual payment of principal and interest on the City's bonded indebtedness. Bonds are issued to finance the construction of capital projects such as utility facilities and expansion.

Debt Service Fund - A fund established to account for the accumulation of resources for, and the payment of, debt principal and interest.

Department - An organization unit comprised of divisions or programs. It is possible for a department to be comprised of only one division.

Depreciation - The systematic and rational allocation of the historical cost of a capital asset over its useful life.

Destination Lancaster - The official destination marketing organization for the City. Destination Lancaster's mission is to promote both Lancaster and the Antelope Valley. Born out of a public-private partnership between the City, the Antelope Valley Fair Board, and local hotels and businesses, Destination Lancaster seeks to dramatically increase the level of tourism the City enjoys by means of advertisement and promotion of local businesses and attractions.

Employee Wellness Program - A Citywide employee-driven program designed to provide information and activities promoting good physical and mental health.

Encumbrances - The amount of funds actually committed to vendors for goods or services received or to be received by the City as specified in a City purchase order. Encumbrances may be carried forward into the next fiscal year.

Enterprise Fund - A fund in which the services provided are financed and operated similarly to a private business.

Environmental Impact Report (EIR) - A detailed statement prepared under CEQA describing and analyzing the significant effects of a project and discussing ways to lessen or avoid the effects. The contents of an EIR are discussed in Article 9, beginning with Section 15120 of the State

CEQA Guidelines.

ERAF – Educational Revenue Augmentation Fund - The shift of local property tax revenues from cities, counties and special districts to the state for redistribution to the school system. Proposition 98 guaranteed schools 60% of the State General Fund revenues; by creating this mechanism, the State was able to shift some of the cost of schools to the cities, counties and special districts, leaving more dollars for the State to spend and less at the local level.

EAP - Employee Assistance Program - A contract providing employees and their family's confidential assistance with problems that are non-job related but may adversely impact the employee on the job.

Estimated Revenue - The amount of projected revenue to be collected during the fiscal year.

Expenditure - Actual spending of funds in accordance with budgeted appropriations.

Fees - Charges for services levied by the government to recover costs associated with providing a service, or permitting an activity. Major types of fees include construction, recreation, and planning fees.

FEMA - Federal Emergency Management Agency for emergency preparedness training.

Fiscal Year - A twelve-month period used for budgeting, accounting, or tax collection purposes. The City of Lancaster operates on a twelve-month period beginning July 1 and ending June 30.

FPPC - Fair Political Practices Commission, State appointed commission to establish and enforce election guidelines.

Franchise Tax - A tax charged for the privilege of using public rights-of-way and property within the City for public or private purposes. The City charges franchise taxes to natural gas, electricity, cable television and solid waste.

FTE - Full-time equivalent employee; 2,080 hours in a year.

Fund - An accounting concept used to separate or subdivide the financial activity of a city for legal and managerial purposes. All financial activity of a municipality must be classified in relation to a fund. The City's budget consists of a general fund, special revenue funds, debt service funds, capital project funds, and fiduciary funds.

GAAP - Generally Accepted Accounting Principles are uniform, minimum standards used for accounting and reporting for both private industry and governments. The Governmental Accounting Standards Board currently sets government GAAP.

GASB - Governmental Accounting Standards Board is the current standards-setting board for governmental GAAP.

General Plan - The comprehensive plan, required by Section 65300 of the Government Code of the State of California, that contains the goals, objectives, policies, and specific actions that guide the long-term development and operation of the City of Lancaster.

GFOA - Government Finance Officers Association of the United States and Canada - A non-profit professional association serving government finance professionals throughout North America.

Grant - A contribution from one government unit to another or from a non-profit organization usually made for a specific purpose and time period.

Intergovernmental Revenue - Revenue from other governments, primarily shared State revenue from gasoline taxes and vehicle-in-lieu taxes.

Internal Control - The system of controls established by the City to protect the assets from misappropriation and ensure accurate reporting of financial transactions.

Investment Policy - A written, and Council adopted policy delineating permitted investments of the City's idle cash. The City of Lancaster's Investment Policy is typically updated and reaffirmed annually.

LAIF - Local Agency Investment Fund - State Treasurer's Investment Pool of funds from local jurisdictions to take advantage of the State Treasurer's investment expertise.

LASD - Los Angeles County Sheriff's Department provides law enforcement services to the City of Lancaster under a general services agreement. The LASD provides enforcement of local, state and federal statutes.

Licenses and Permits - Revenue category that includes building permits and any other miscellaneous license.

MOU - Memorandum of Understanding, a formalized agreement of processes, results, or operating criteria between two or more entities.

MTA - Metropolitan Transportation Authority administers transportation funds in Los Angeles County.

Municipal Code - A compilation of City Council approved ordinances (laws) presently in effect. The Code defines City policies in various categories.

Negative Declaration - A written statement briefly describing the reasons that a proposed project will not have a significant effect on the environment and therefore does not require the preparation of an Environmental Impact Report (EIR). The contents of a Negative Declaration are described in Section 15071 of the State CEQA Guidelines.

Objectives - Identifies the desired results of the activities of a program.

Operating Budget - An operational plan, expressed in financial terms, by which a program is funded. It includes: (1) the departmental function; (2) the services provided; and (3) current year resources and funding allocation.

Ordinance - A formal legislative enactment by the City Council. It has the full force and effect of law within the City boundaries unless it is in conflict with any higher form of law, such as a State

statute or constitutional provision. An ordinance has higher legal standing than a resolution. A law set forth by a government authority, specifically, a municipal regulation. An Ordinance takes longer to enact than a resolution.

Pass Through – The Tax Increment that is shared with other entities such as the County and School Districts is called a Pass Through.

PBID – Property-Based Improvement District – The special assessment district managed by The BLVD Association for the benefit of the member businesses which also serve as the source of the fees. These funds help to promote the downtown area in a variety of ways, including joint marketing efforts, training opportunities for businesses, and hosting BLVD Association special events.

PERS - Public Employees Retirement System provided for government employees within the State of California. Each government agency may contract with PERS if they wish; not all belong.

Personnel Expenses - Salary and fringe benefits such as pensions and insurance for full time, part-time and limited contract employees of the City.

Program - A division of a department that specifies a group of activities.

Program & Financial Plan - The Council approved document stating goals and objectives for a fiscal year and the method of financing thereof.

Proposed Budget - The recommended and unapproved City budget submitted by the City Manager to the City Council and the public.

Proposition A - A countywide sales tax of 1/2% approved by the voters in 1980 for use in transit projects.

Proposition C - A countywide sales tax of 1/2% approved by the voters in 1990 for use in transit projects.

Recognized Obligation Payment Schedule - Per ABx1 26, the Successor Agency is required to prepare a Recognized Obligation Payment Schedule annually. The Recognized Obligation Payment Schedules are approved at public meetings of the Successor Agency and Oversight Board.

Redevelopment Agency - A government body dedicated to urban renewal. Typically it is a municipal level city department focused on a particular district or corridor that has become neglected or blighted. Redevelopment existed in CA for over 60 years and over 420 agencies were established by cities and counties. Redevelopment was eliminated in 2011 by ABx1 26, a State budget trailer bill.

Reserved Fund Balance - A portion of the fund balance that is not re-appropriated as a source of funds. In the General Fund, it is the city's formal policy to maintain a minimum of 10% of annual budgeted expenditures as a reserved fund balance.

Resolution – A City Council Policy constituting a written action or decision.

Revenue - Funds received by the city as income, including tax payments, licenses and permits, fees for specific services, receipts/reimbursements from other governmental entities, fines and forfeitures, grants, and investment income.

Revenue Estimate - A formal estimate of how much revenue will be earned from a specific revenue source for some future time period.

RFP - Request for Proposals, similar to a bid but used when the desired product or service is not fully quantifiable, such as ‘design a computer network’.

RFQ - Request for Qualifications, a process whereby professional services are solicited where the product or service requires substantial assistance to define; example would be when soliciting for architectural services for a baseball stadium.

Sales and Use Tax - A tax imposed on the sale or use of all tangible personal property. As of April 2015, the tax rate for purchases in Lancaster is 9.0%. 6.5% goes to the State, 1.0% to the county/city, and three county transportation levies of 0.5%.

SB 211 – When the life of a Redevelopment Project Area is extended, this triggers the provisions of SB 211; whereby, over time, additional increment is passed through to entities that would have received the property taxes based on the normal property tax allocation formulas. This only applies to entities that do not have a previously existing Pass Through Agreement with the Redevelopment Agency.

SCAG - Southern California Association of Governments, an association of government leaders who endeavor to improve the local governing process.

Single Audit - An audit performed in accordance with the Single Audit Act of 1984 and Office of Management and Budget (OMB) Circular A-128, Audits of State and local Governments. The Single Audit Act requires governments to have one audit performed to meet the needs of all Federal grantor agencies, thus reducing the overall costs of audits.

Special Revenue Fund - A fund used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Successor Agency - On February 1, 2012 the Lancaster Redevelopment Agency was dissolved per ABx1 26. The legislation requires a successor agency to wind down the activities of the dissolved redevelopment agency. On January 24, 2012 the Lancaster City Council assumed the responsibilities of the Successor Agency for the former Redevelopment Agency.

Tax Rate - The amount of real property tax levied for each \$1,000 assessed valuation. This rate is limited in California by Article XIII of the State Constitution to 1% of assessed valuation plus voter approved overrides for indebtedness.

Taxes - Compulsory charges levied by a government to finance services provided for the common benefit.

TBID – Tourism Business Improvement District – In 2013, seven Lancaster hotels recently joined

together to form the Lancaster Tourism Business Improvement District providing funding for Destination Lancaster via a small self-assessment on the hotels.

TOP - Target Oriented Policing - Funds set aside for the specific directed law enforcement designed to immediately and administratively direct law enforcement efforts to specific needs.

TOT – Transient Occupancy Tax - The tax charged on all motel/hotel room rates in the City.

User Fees/Charges - A fee or charge for receipt of a service by the user who benefits from using the service.

USP - Urban Structure Program - A computerized fiscal model that calculates the development fees for proposed projects based on the estimated costs and revenues the project will create to the City. The intent of the Urban Structure Program is to implement Objective 15.3 of the City of Lancaster General Plan by ensuring that new development pays for the costs of providing services and infrastructure needed to serve that development. This program has won the GFOA Award of Excellence award in 1996, as well as the Helen Putnam Award.

Zoning Ordinance - The adopted ordinance of the City of Lancaster that establishes the allowed uses, development standards, and the procedural and administrative requirements related to them for all property within the City. The purpose of the Zoning Ordinance is to implement the City's adopted General Plan.

ACRONYMS

AB – Assembly Bill

ADA – American Disabilities Act

ARC – Annual Required Contribution

AVBOT – Antelope Valley Board of Trade

AVC – Antelope Valley College

AVEK – Antelope Valley-Eastern Kern Water Agency

AVTA - Antelope Valley Transit Authority

AVTTF – Antelope Valley Traffic Task Force

AVUHSD – Antelope Valley Union High School District

AWOH - Aerospace Walk of Honor

BAIP – Business Attraction Incentive Program

BYD – Build Your Dreams

CAFR - Comprehensive Annual Financial Report

CAT – Combat Auto Theft

CCEA – California Clean Energy Authority

CCI – Construction Cost Index

CDBG – Community Development Block Grant

CDCR – California Department of Corrections and Rehabilitation

CEC – California Energy Commission

CERT – Community Emergency Response Team

CEQA - California Environmental Quality Act

CFC - California Film Commission

CHAG - City Hall Art Gallery

CIC - Career Information Center

CIP – Capital Improvement Program

CMP - Congestion Management Program

CNG – Compressed Natural Gas

CORE – Community Oriented Response and Enforcement

CPI – Consumer Price Index

CPTED – Crime Prevention through Environmental Design

CRA - Community Redevelopment Agency

CRM – Customer Relationship Management

CSI – Crime Stopping Initiatives

CSMFO – California Society of Municipal Finance Officers

CSO – Community Service Officer

CSTI - California Specialized Training Institute

CSU – Cal State University

DOF – California Department of Finance

ED – Economic Development

EDMS – Electronic Document Management Systems

EIA – Energy Information Administration

EIR - Environmental Impact Report

ERAF – Educational Revenue Augmentation Fund

FEMA - Federal Emergency Management Agency

FY – Fiscal Year

FLICS – Film Liaisons in California, Statewide

FLSA – Fair Labor Standards Act

FOMC – Federal Open Market Committee

FPPC - Fair Political Practices Commission

FTE - Full-time Equivalent

GAAP - Generally Accepted Accounting Principles

GASB - Governmental Accounting Standards Board

GAVEA – Greater Antelope Valley Economic Alliance

GPCAC - General Plan Citizens Advisory

GFOA - Government Finance Officers Association

GIS - Graphical Imagery System

GDP - Gross Domestic Product

HCD – Housing and Community Development

HERO – California Home Energy Renovation Opportunity

HRIS – Human Resources Information System

IT – Information Technology

ITSP – Information Technology Strategic Plan

JLUS – Joint Land Use Study

LAEDC – Los Angeles County Economic Development Corporation

LAHSA - Los Angeles Homeless Services Authority

LAIF - Local Agency Investment Fund

LASD - Los Angeles County Sheriff's Department

LBP – Lancaster Business Park

LCE – Lancaster Choice Energy

LCP – Lancaster City Park

LFA - Lancaster Financing Authority

LHA – Lancaster Housing Authority

LLEBG – Local Law Enforcement Block Grant

LNCS - Lancaster National Soccer Center

LPA – Lancaster Power Authority

LPAC - Lancaster Performing Arts Center

LRA – Lancaster Redevelopment Agency

LSA – Lancaster Successor Agency

LSD – Lancaster School District

MCI – Municipal Cost Index

MEA - Master Environmental Assessment

MOAH - The Lancaster Museum of Art and History

MOU - Memorandum of Understanding

MTA - Metropolitan Transportation Authority

O&M – Operations and Maintenance

OPA - Owner Participation Agreement

OPEB – Other Post Employment Benefits

OSHA – Occupational Safety and Health Administration

OTS – Office of Traffic Safety

PACE – Property Assessed Clean Energy

PBID – Property-Based Improvement District

PERS - Public Employees Retirement System

PPI – Producer Price Index

PROP - Proposition

PSAHC - Public Safety Ad Hoc Committee

RFP - Request for Proposals

RFQ - Request for Qualifications

SB – Senate Bill

SBAP – Small Business Attraction Program

SCAG - Southern California Association of Governments

SCE – Southern California Edison

SRRE - Source Reduction and Recycling Element

STPL – Surface Transportation Program - Local

TAC - Technical Advisory Committee

TBID – Tourism Business Improvement District

TDA – Transportation Development Act

TOP – Target Oriented Policing

USP - Urban Structure Program

VOP – Volunteers on Patrol

VLF – Vehicle in-lieu Fee

WHM - Western Hotel Museum

FUND LISTING

FUND	DESCRIPTION
101	General Fund
104	Capital Replacement
106	Community Services Foundation
109	City Special Reserves
138	Long Term Debt Account Group
139	Fixed Assets Account Group
150	Capital Projects
203	Gas Tax
204	Air Quality Management District
205	Proposition 1B
206	TDA Article 8
207	Proposition "A" Transit
208	TDA Article 3 Bikeway
209	Proposition "C"
210	Measure R
213	Parks Development
215	Roberti-Zberg
217	Signals – Developer Fees
219	State Park Bond (Proposition 12)
220	Drainage – Developer Fees (Drainage Impact Fees)
221	Sewer Frontage
222	Sewer – Developer Fees
224	Biological Impact Fees
225	Urban Structure Program – Operations Impact Fund
226	Urban Structure Program – Operation
227	Urban Structure Program – Parks
228	Urban Structure Program - Administration

FUND	DESCRIPTION
229	Urban Structure Program – Corporate Yard
232	Traffic Impact Fees
248	Traffic Safety
251	Engineering Fees
252	Congestion Management (Proposition 42)
261	Los Angeles County Reimbursement
263	Los Angeles County Park Bond
299	Private Developer Reimbursement
301	Lancaster Housing Authority
306	Low & Moderate Income Housing
315	Local Private Grants
320	State Grants - Parks
321	Metropolitan Transportation Agency Grant - Local
323	State Grant – Surface Transportation Program Local
324	State Grant – Office of Traffic Safety
326	State Homeland Security
327	MTA Grant – Measure R
330	State Grant – Recycling Beverage
331	State Grant – Oil Recycling
349	Miscellaneous State Grants
361	Community Development Block Grant (CDBG)
362	CDBG - Section 108
363	Neighborhood Stabilization Program
364	Homeless Prevention & Rapid Re-Housing (HPRR)
371	Federal TEA
381	Economic Development Administration (EDA)
382	Economic Development Initiative (EDI)
390	OES / FEMA
391	Federal HOME Grant

FUND	DESCRIPTION
399	Federal Miscellaneous Grants
401	Agency Fund
402	Performing Arts Center
404	Grants Fund
408	Aerospace Grants
409	Reimbursable Grants
456	Still Meadow Lane Sewer Assessment District
480	Sewer Maintenance District
481	Fox Field Landscape Maintenance District
482	Landscape Maintenance District
483	Lighting Maintenance District
484	Drainage Maintenance District
485	Recycled Water
486	Lancaster Power Authority
490	Lancaster Choice Energy
701	Lancaster Financing Authority
811	Assessment District 93-3
812	Assessment District 92-101
820	Infrastructure Financing District 92-1
831	Community Facilities District 90-1 (Belle Tierra)
832	Community Facilities District 91-1 (Quartz Hill)
833	Community Facilities District 91-2 (Lancaster Business Park)
990	Lancaster Successor Agency
991	Redevelopment Obligation Retirement Fund
992	Debt Service Fund - Former RDA
993	Debt Service Fund - Transfer Cash Schools
994	Debt Service Fund - County
995	Library Pass Through Fund

OBJECT CODES

PERSONNEL SERVICES

- 101 **SALARIES – PERMANENT:** Provides for compensation for full-time, regular employees.
- 104 **SALARIES – OVERTIME:** Provides for compensation for overtime at one and one-half times the regular salary.
- 105 **SALARIES – OVERTIME (REIMB):** Provides for compensation for employees to be reimbursed by developers for expedited service.
- 111 **SALARIES – SPECIAL:** Provides for compensation paid to Councilmembers, Commissioners, City Treasurer or other positions as designated by City Council.
- 112 **SALARIES – TEMPORARY:** Provides for compensation for temporary employees.
- 113 **CONTRACT LABOR:** Provides for cost for individuals hired on a contract basis and paid directly through payroll.
- 114 **SALARIES - RENTAL:** Provides for cost of billable rental labor.
- 121 **OTHER FRINGE BENEFITS:** Provides for long-term disability, Medicare, unemployment and other miscellaneous payroll liabilities.
- 122 **PERS –** Provides for retirement benefits for regular employees.
- 124 **HEALTH INSURANCE:** Provides for health insurance for all regular employees.
- 125 **WORKER’S COMPENSATION:** Provides for Worker’s Compensation insurance coverage.
- 129 **DEFERRED COMPENSATION:** Provides employer-paid contributions.
- 134 **PARS –** Provides supplemental retirement benefits.
- 136 **LONG TERM CARE**
- 191 **SALARY OFFSET – CAPITAL PROJECTS:** Provides for charge-back to Capital Project of full-time, regular employees salaries for actual hours worked on projects.
- 192 **OVERTIME SALARY OFFSET – CIP:** Provides for charge-back to Capital Project of full-time, regular employees overtime salaries for actual hours worked on projects.
- 193 **TEMPORARY SALARY OFFSET – CIP:** Provides for charge-back to Capital Project of temporary salaries for actual hours worked on projects.

194 FRINGE OFFSET-CIP: Provides for charge-back to Capital Project of fringe benefits for actual hours worked on projects.

OPERATING EXPENSES - SUPPLIES & SERVICES

200 REGISTRATION: Provides for registration expenses incurred in meetings or outside seminars, conferences or workshops.

201 TRAVEL & EXPENSES: Provides for meetings or outside seminars, conferences or workshops. Examples are: per diem/meals, airfare and hotels.

202 LOCAL & REGIONAL EVENTS: Provides for local/regional conferences, meetings, training or workshops.

203 REIMBURSED MILEAGE: Provides for monthly automobile allowance and mileage reimbursement incurred in use of personal vehicle on City business.

205 CITY PROMOTION & ADVERTISING: Provides for community events and the publicity of the City.

206 PUBLICATIONS & DUES: Provides for books, publications and membership dues in job-related organizations.

207 VEHICLE OPERATIONS: Provides for maintenance of City-owned vehicles.

208 SMALL TOOLS: Provides for tools valued under \$5,000 for use by City employees. (Use object code 293 for Equipment & Machinery.)

209 UNIFORMS: Provides for required clothing and protective gear for employees.

210 MAPS & PUBLICATIONS: Provides for maps, plans, specifications, publications and other printed material provided to contractors, other technical or professional groups and citizens. This is partially offset by the revenue account "Sales of Maps and Publications".

211 POSTAGE: Provides for mailing expense incurred through use of the City postage meter.

212 POSTAGE – SPECIAL MAILING: Provides for mailing expenses - bulk mailing, UPS, Express Mail.

213 PROGRAM EXPENSES – CDBG: Provides for administration of the CDBG Program.

214 BULK VEHICLE MAINT. SUPPLIES: Provides for maintenance supplies for City-owned vehicles.

215 EQUIPMENT CHARGES: Provides for maintenance of City-owned large equipment with EQ#s assigned. Generally utilized by the fleet services division.

216 MHP RENT ARBITRATION: Provides for arbitration for mobile home park rent.

- 217 VEHICLE FUEL:** Provides for fuel for City owned vehicles.
- 218 SPONSOR OFFSET:** Provides for amounts collected from sponsors or donated to the City generally for special events. This will offset the expenditures for the special event.
- 219 STRONG NEIGHBORHOOD INITIATIVE**
- 220 BOOT/PANT ALLOWANCE**
- 221 SPONSORSHIP:** Costs associated with other organization's special community events sponsored by the City.
- 222 SPECIAL EVENTS:** Costs associated with individual events.
- 223 SOCCER GATE EXPENSE**
- 225 SPONSORSHIPS**
- 230 SMALL EQUIPMENT OPERATIONS:** Provides for equipment maintenance and repair under \$5,000 including office equipment and small field equipment. (Use object code 215 for large equipment operations).
- 235 CREDIT CARD CHARGES:** Provides for credit card payments collected by the City.
- 240 SUCCESSOR AGENCY OPERATIONS**
- 245 ORGANIZATIONAL DEVELOPMENT:** Provides for Human Resource's costs for organizational development to enhance performance.
- 250 GENERAL CITY OFFICE SUPPLIES:** Provides for office supplies purchased for all Departments use.
- 251 SPECIAL ACTIVITY SUPPLIES:** Provides for special purpose supplies usually unique to the program wherein budgeted.
- 252 PHOTO FILM & PROCESSING**
- 253 REPROGRAPHICS:** Provides for outside printing or copying services.
- 254 PHOTOCOPY MACHINE COSTS:** Provides for chargebacks to each division for the use of City-owned copiers. Meter readings are taken and associated costs are charged monthly according to usage.
- 255 RECRUITMENT EXPENSE:** Provides for expenses occurred in hiring employees, such as newspaper ads, pre-employment physicals, fingerprinting, relocation expenses.

- 256 **STAFF DEVELOPMENT:** Provides for development of employees through job-oriented training, seminars, educational classes, etc.
- 257 **PERFORMER SUPPLIES/COSTS:** Provides for supplies for Parks, Recreation and Arts performers.
- 258 **CONCESSION SUPPLIES**
- 259 **OFFICE SUPPLIES:** Provides for general office supplies for individual divisions not including the purchase or maintenance of office equipment.
- 260 **INSURANCE EXPENSE:** Provides for premiums paid for tangible and intangible property insurance including bonds for employees.
- 261 **COMMUNITY AWARDS:** Provides for plaques, proclamations, flowers and other presentation-type materials.
- 262 **ELECTION EXPENSE**
- 263 **LEGAL ADVERTISING:** Provides for advertising handled through the City Clerk's Office for public hearing notices, and other advertising as required by law.
- 264 **LANDSCAPE MAINTENANCE**
- 265 **TREE & PLANT MATERIAL:** Provides for new or replacement trees and materials purchased for parks, parkways, residential and commercial areas throughout the City.
- 266 **HORTICULTURAL – HERBICIDE & PESTICIDE:** Provides for herbicide and pesticide application services.
- 267 **HORTICULTURAL – PRIVATE:** Provides for tree trimming services.
- 268 **HORTICULTURAL:** Provides for all horiculture services for the Sierra Highway Bikepath.
- 269 **HORTICULTURAL:** Provides for all horiculture services for the freeway entrances.
- 270 **RECREATION SERVICES:** Provides for facilities and programs for sports and cultural programs.
- 271 **RECREATION BUS SERVICES - PROP A:** Provides for bus services for recreation programs, funded by Prop A funds.
- 272 **THEATER PROGRAMS**
- 273 **IN-HOUSE PRODUCTION COSTS**
- 274 **THEATER CONCESSIONS**

- 280 LANDSCAPE MAINTENANCE:** Provides for maintenance of landscape districts.
- 286 CASH VARIANCE:** Provides for amount of variance between amount of payments collected and the amount owed or reported (cash is either short or over).
- 290 TUITION REIMBURSEMENT:** Provides for reimbursement of educational expenses to employees. Generally requested by employee and taken on own time.
- 291 FURNITURE & OFFICE EQUIPMENT (NON CAP):** Provides for furniture & Office Equipment, including computer hardware, purchased for under \$5,000. (See object code 751 for purchases over \$5,000.)
- 293 SPECIAL EQUIPMENT – OFFICE:** Provides for special office equipment purchased for under \$5,000.
(See object code 753 for purchases over \$5,000.)
- 294 OUTDOOR FURNITURE & EQUIPMENT (NON CAP):** Provides for outdoor furniture & equipment purchased for under \$5,000.
(See object code 754 for purchases over \$5,000.)
- 295 SPECIALIZED EQUIPMENT (NON CAP):** Provides for specialized equipment purchased for under \$5,000.
(See object code 755 for purchases over \$5,000.)
- 300 LEGAL CLAIMS:** Provides for legal claims filed with the City Clerk’s Office.
- 301 PROFESSIONAL SERVICES:** Provides for contracting with a firm or company for outside professional services. These services are of a technical nature where special licensing or education is usually required, such as: accountants, appraisers, attorneys, engineers, consultants, information technology specialists, etc. Whenever this account is used, a complete description must be included.
(See object code 308 for contracting for individuals, usually through an agency.)
- 302 COMPUTER SOFTWARE & SUPPORT:** Provides for software costs including subscription, upgrades, licenses, etc.
- 303 LEGAL SERVICES:** Provides for legal services provided to the City.
- 304 AUDIT SERVICES:** Provides for annual audit services and/or any special audits by outside auditing firm.
- 305 COURT COSTS:** Provides for litigation.
- 306 GENERAL ADMINISTRATION**
- 307 FEE REIMBURSEMENT:** Provides for reimbursement of developer fees paid in prior fiscal year.
- 308 CONTRACT SERVICES:** Provides for skilled labor hired on a contract basis, usually through an agency, and paid through accounts payable.

- 309 HONORARIUMS**
- 310 RECYCLED WATER PURCHASES**
- 311 GOVERNMENT FILING FEES:** Provides for government permits, applications, etc.
- 313 COMMUNITY ORGANIZATIONS:** Provides for funds for non-profit organizations serving residents of the City of Lancaster.
- 315 ERAF PAYMENT TO COUNTY**
- 316 SPECIAL STUDIES:** Provides for specific studies contracted for by the City.
- 317 GENERAL PLAN UPDATE:** Provides for costs associated with the General Plan Update every 5 years.
- 318 PERFORMER SERVICES**
- 323 PASS-THROUGH PAYMENTS**
- 327 DOT DRUG SCREENING COSTS**
- 328 LBP CFD91-2 PAYMENTS**
- 330 ROYALTIES**
- 331 LICENSING COSTS**
- 334 CITY STORE EXPENSE**
- 350 EMERGENCY PREPAREDNESS:** Provides for operation of the City's emergency preparedness program.
- 351 EMERGENCY LOGISTICS**
- 354 COMMUNITY SAFETY – SHERIFF:** Provides for police services funded with City general funds.
- 355 SPECIAL PROGRAMS**
- 356-359 SHERIFF DEPT SPECIAL GRANT PROGRAM**
- 360 CODIFICATION:** Provides for costs associated with law or code requirements.
- 361 RECORDING & CREDIT FEES:** Provides for recording of documents by the County Recorder or State of California.

- 363 ANIMAL CONTROL SERVICES - CONTRACT:** Provides for animal control services.
- 369 CONTRACT LIABILITY**
- 370 STORM DAMAGE**
- 402 MAINTENANCE SERVICE – PRIVATE:** Provides for maintenance agreements and service costs for all small equipment and office equipment (see 405 for large equipment).
- 403 BUILDING MAINTENANCE:** Provides for supplies and other expenses incurred for the maintenance of various City buildings and facilities by City staff.
- 404 GROUNDS MAINTENANCE:** Provides for supplies and other expenses incurred for maintenance of public grounds by City staff.
- 405 EQUIPMENT MAINTENANCE:** Provides for maintenance agreements and service costs for all large equipment (equipment with an EQ# assigned - see 402 for small equipment).
- 406 JANITORIAL SUPPLIES**
- 407 ENERGY MANAGEMENT SYSTEM**
- 408 SOIL STERILE & WEED CONTROL:** Provides for sterilization and/or weed abatement of areas off streets which are deemed to be a public nuisance and require City action.
- 409 DRAINAGE CHANNELS MAINTENANCE:** Provides for clearing and cleaning of drainage channels and box culverts.
- 410 STREET MATERIALS**
- 412 COMMUNICATIONS MAINTENANCE**
- 413 COMMUNICATION EQUIPMENT MAINTENANCE**
- 416 PROPERTY TAX ON LAND**
- 450 STREET SWEEPING CONTRACT**
- 454 MARKING & STRIPING:** Provides for painting of traffic control markings on street pavement surfaces.
- 455 TRAFFIC & REGULATORY SIGNS:** Provides for installation and maintenance of all regulatory, informative and directional signs.
- 456 STREET NAME SIGN MAINTENANCE:** Provides for maintenance of all street name signs.
- 457 ROADSIDE MAINTENANCE:** Provides for maintenance activities for improvements normally located within the parkway; i.e., inside public right-of-way but outside the normal riding

surface. This would include maintenance of such things as grading of shoulders, drainage ditches, AC sidewalks and installation of traffic barricades.

- 459 TRAFFIC SIGNAL – STATE & COUNTY:** Provides for City's share of the maintenance of traffic signals under the jurisdiction of the State of California and/or County of Los Angeles and performed by the entity.
- 460 TRAFFIC SIGNAL – DAMAGE REPAIR**
- 461 TRAFFIC SIGNAL – CITY:** Provides for maintenance of traffic signals within the City limits performed by the City or by contract.
- 462 REIMBURSED DAMAGE REPAIRS**
- 470 SEWER MAINTENANCE**
- 502 GRAFFITI REMOVAL:** Provides for removal of graffiti on public or private property.
- 503 MOSQUITO ABATEMENT:** Provides for the clearing of debris, spraying, and otherwise to abate potential mosquito breeding areas through the Mosquito Abatement District.
- 601 RENT – OFFICE EQUIPMENT:** Provides for rental costs of office equipment not owned by the City.
- 602 RENT – OTHER EQUIPMENT:** Provides for rental costs for equipment needed on a temporary basis, other than office equipment.
- 603 RENT – BUILDINGS & GROUNDS:** Provides for rental costs of office or storage trailers and/or buildings and land.
- 605 RENT – MOTOR VEHICLES:** Provides for rental cost for City vehicles.
- 651 TELEPHONE:** Provides for telephone expenses.
- 652 ELECTRICITY:** Provides for electricity used by City facilities.
- 654 WATER:** Provides for water used by City facilities.
- 655 GAS:** Provides for gas used by City facilities.
- 656 REFUSE COLLECTION**
- 657 HAZARDOUS WASTE HANDLING**
- 660 STREET LIGHTS – MAINTENANCE & POWER:** Provides for private maintenance and power necessary to operate all City owned street lights.
- 661 PARKING LOT MAINTENANCE:** Provides for maintenance of City owned parking lots.

662 NEW DEVELOPMENT SIGN/STRIPING

665 STREET LIGHT FIXTURES: Provides for maintenance of street light fixtures.

670 AQUATIC MAINTENANCE: Provides for expenses relating to the maintenance, repairs, and chemicals for City pools.

CAPITAL OUTLAY (Purchases of items costing \$5,000 or more)
(See 291 – 295 for purchases of items costing less than \$5,000)

751 FURNITURE & OFFICE EQUIPMENT: Office furniture and normal office equipment purchased for over \$5,000.

752 MOTOR VEHICLES: Trucks, cars, tractors, other motor vehicles, purchased for over \$5,000, that are capable of self-propelled travel on any City streets.

753 EQUIPMENT & MACHINERY: Various capital equipment items, purchased for over \$5,000, that are normally associated with field work.

754 OUTDOOR FURNITURE & EQUIPMENT: Various outdoor furniture and equipment used at public facilities, purchased for over \$5,000.

755 SPECIALIZED EQUIPMENT: Special equipment for City photography and audio visual equipment, purchased for over \$5,000.

756 PREPAID CAPITAL EXPENSE

CAPITAL REPLACEMENT (Purchases of items costing \$5,000 or more)
(See 291 – 295 for purchases of items costing less than \$5,000)

761 REPLACEMENT – FURNITURE & OFFICE EQUIPMENT: To replace Office furniture and normal office equipment purchased for over \$5,000.

762 REPLACEMENT – MOTOR VEHICLES: To replace trucks, cars, tractors, other motor vehicles, purchased for over \$5,000, that are capable of self-propelled travel on any City streets.

763 REPLACEMENT – EQUIPMENT & MACHINERY: To replace various capital equipment items, purchased for over \$5,000, that are normally associated with field work.

764 REPLACEMENT – OUTDOOR FURNITURE & EQUIPMENT: To replace various outdoor furniture and equipment used at public facilities, purchased for over \$5,000.

765 REPLACEMENT – SPECIALIZED EQUIPMENT: To replace special equipment for City photography and audio visual equipment, purchased for over \$5,000.

GRANTS

- 770 **GRANT EXPENSES:** Local costs associated with various grant programs.
- 771 **NON REIMBURSEABLE GRANT EXPENDITURE**
- 774 **UBG - OIL RECYCLING GRANTS**
- 775 - 778 **TRANSFER**
- 779 **GENERAL FUND OVERHEAD**
- 780 - 799 **VARIOUS TRANSFERS**
- 800 **PROGRAM RESERVES**
- 801 **HOUSING NEEDS ASSESSMENT**
- 802 **ACQUISITION/RELOCATION/DEMOLITION**
- 803 **DESIGN/PLANNING/SUB-DIVISION**
- 804 **DEVELOPMENT/INFRASTRUCTURE**
- 805 **UTILITIES**
- 806 **PARCEL MAPS**
- 807 **ENVIRONMENTAL DOCUMENTATION**
- 810 **HOUSING**
- 813 **SPICE UP LANCASTER LOAN PROGRAM**
- 814 **HOMEOWNER HOME IMPROVEMENT**
- 819 **INFILL HOUSING**
- 822 **NEIGHBORHOOD FORECLOSURE PRES - NON BOND**
- 824 **NEIGHBORHOOD FORECLOSURE PRES - BOND**
- 830 **INSURANCE REIMBURSEMENT EXPENSE**
- 900 **CITY CONTRIBUTION**

CAPITAL IMPROVEMENTS

- 901 **DESIGN & ENGINEERING:** Costs associated with preparing detail plans for capital projects other than buildings. Includes both internal costs and outside services contract preparation, bid advertising, award and inspection.
- 902 **OPERATION OF ACQUIRED PROPERTY**
- 903 **RELOCATION COSTS**
- 906 **INTEREST EXPENSE**
- 907 **BOND DISCOUNT AMORTIZATION EXPENSE**
- 908 **DEBT SERVICE**
- 909 **CITY LOAN PRINCIPAL REDUCTION:** Repayment of principal on loans made by the City.
- 910 **GOVERNMENT FILING FEES**
- 911 **RIGHT-OF-WAY ACQUISITION:** Procurement of right-of-way for the City and related expenses.
- 912 **PROPERTY ACQUISITION:** Purchase of real property holdings by public/private agencies.
- 913 **PROPERTY LEASE**
- 914 **CONDEMNATION EXPENSES:** Costs associated with condemnation of private properties.
- 915 **ENVIRONMENTAL IMPROVEMENTS**
- 919 **CONSTRUCTION MANAGEMENT PROFESSIONAL SERVICES**
- 924 **CONSTRUCTION – IMPROVEMENTS:** Costs such as excavation, grading, land preparation, landscaping and internal roads, parking, sidewalks, etc.
- 930 **EQUIPMENT:** Purchase of major equipment associated with capital construction.
- 935 **OTHER DDA PROVISIONS**
- 936 **LOAN FROM AGENCY**
- 938 **VEHICLE ABATEMENT**
- 939 **EMERGENCY OPERATIONS**

REHABILITATION

- 940 **CODE/DEMOLITION ACTIVITY:** Costs associated with repairs required for code enforcement or demolition of properties.
- 943 **REDEVELOPMENT LOAN REPAYMENT**

SPECIAL FUNDS

- 950 **ADMIN OH COSTS - REIMBURSEMENT TO CITY**
- 956 **WATER ASSET ACQUISITION COST**
- 957 **HABITATION PROTECTION PROGRAM**
- 958 **MISCELLANEOUS ADMINISTRATIVE COSTS**
- 959 **LOSS ON SALE OF LAND**

BOND PAYMENTS

- 960 **TA NOTE PAYMENTS:** Costs associated with retirement of tax allocation notes.
- 961 **BOND INCIDENTALS/COI:** Costs associated with the preparation and sale of bond issues.
- 962 **FISCAL AGENT FEES**
- 963 **DEVELOPMENT DISPOSITION AGREEMENT (DDA)**
- 963 **REIMBURSEMENT AGREEMENT COSTS**
- 964 **ERAF LOAN REPAYMENT**
- 970 **TRANSFERS - OPERATING**
- 978 **DEBT SERVICE**
- 981 **DEBT SERVICE - PRINCIPAL**
- 982 **DEBT SERVICE - INTEREST**
- 986 **INTEREST EXPENSE - PREMIUM & DEFEASANCE**
- 991 **TRANSFER/EXCHANGE WITH OTHER AGENCIES**
- 998 **OTHER FINANCING USES**
- 999 **CONTINGENCY**



CITY OF LANCASTER