

EXPENDITURE SUMMARY

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EXPENDITURE SUMMARY

Overview and Summary

Overview

The following discussion will highlight the major changes to the FY 2022-23 Budget, which should be read in conjunction with the F Section – Department & Program Expenditures. The F Section will discuss expenditure changes at a departmental level and will give 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; two departments (Police and Fire) expend 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, 711 - Sewer Capital Projects Fund, 713 - Sewer Capital Rehab and Replace, and 720 - Reclaimed Water Operating).

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

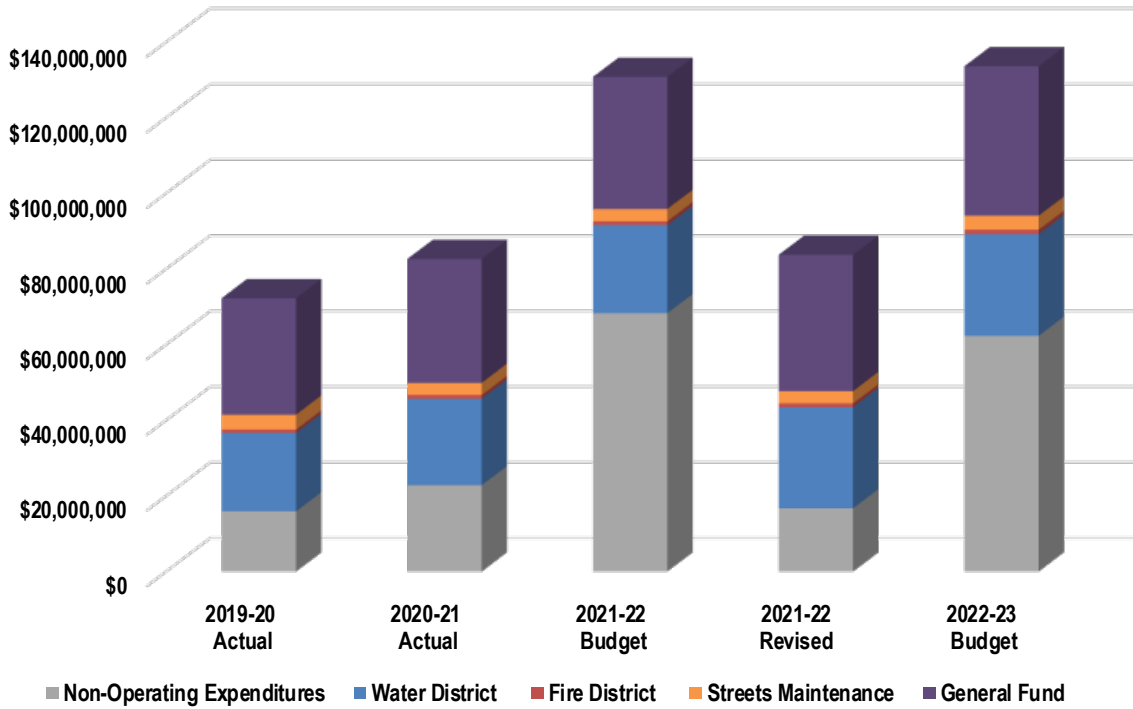
Summary of Budgeted Expenditures

The FY 2022-23 Budget of \$133.6 million is a 2% increase from the FY 2021-22 Budget of \$130.8 million. Overall, the increase in the budget is primarily due to Operating Expenditures. The FY 2022-23 operating budget of \$71,258,497 is an increase of 14% more than the FY 2021-22 Budget of \$62,468,368. This increase is primarily due to staffing, utility costs, providing services, and law enforcement contract increases. Staffing and the related salaries and benefits costs are further discussed in Section E – City Position Summaries.

The chart on the following page provides an overview of the City's operating and non-operating budget and includes a brief discussion of the substantive changes to the FY 2022-23 Budget.

EXPENDITURE SUMMARY

2022-23 Budgeted Expenditures



	2019-20 Actual	2020-21 Actual	2021-22 Budget	2021-22 Revised	2022-23 Budget	% Change (Budget to Budget)
<i>Operating Expenditures</i>						
General Fund	\$ 30,816,667	\$ 32,753,995	\$ 34,938,678	\$ 36,068,846	\$ 39,525,551	13%
Streets Maintenance	3,919,065	3,194,109	3,213,733	3,230,888	3,706,636	15%
Water District	20,753,179	22,874,106	23,273,537	26,721,195	26,895,495	16%
Fire District	874,510	975,994	1,042,420	1,007,746	1,130,815	8%
Total Operating Expenditures	\$ 56,363,421	\$59,798,204	\$ 62,468,368	\$67,028,675	\$ 71,258,497	14%
<i>Non-Operating Expenditures</i>						
Non-Operating Funds	1,850,618	4,543,047	2,841,938	1,362,931	2,150,657	-24%
Capital Outlay in Operating Funds	341,388	813,618	841,542	1,113,744	1,180,190	40%
Debt Service	6,031,189	10,209,235	4,895,611	4,472,249	4,913,111	0%
Capital Improvement Program	7,691,608	7,270,310	59,730,313	9,780,845	54,103,094	-9%
Total Non-Operating Expenditures	15,914,803	22,836,211	68,309,404	16,729,769	62,347,052	-9%
Total Budgeted Expenditures	\$ 72,278,224	\$ 82,634,415	\$ 130,777,772	\$ 83,758,444	\$133,605,549	2%

Total Operating Expenditures:

As shown in the chart above, the Operating Budget for Fiscal Year (FY) 2022-23 increased by 14% or \$8.8 million from FY 2021-22. The increase in the Operating Budget is primarily due to staffing, utility costs, insurance premiums, and law enforcement contract increases.

- General Fund** – As shown in the chart above, the operating portion, areas with staffing, is \$39.5 million. It should be noted that the overall General Fund budget, as shown on page D - 8, is \$41.7 million. The difference is due to non-operating costs. The operating portion of the General Fund is increasing by 13% due to salary Cost of Living Adjustments (COLA) of 4.5%, staffing level increase, and expected CalPERS' pension costs increase. In addition, the law enforcement contract with the County of San Bernardino is expected to increase by 8%. Additional information about departmental operations can be found in Section F.

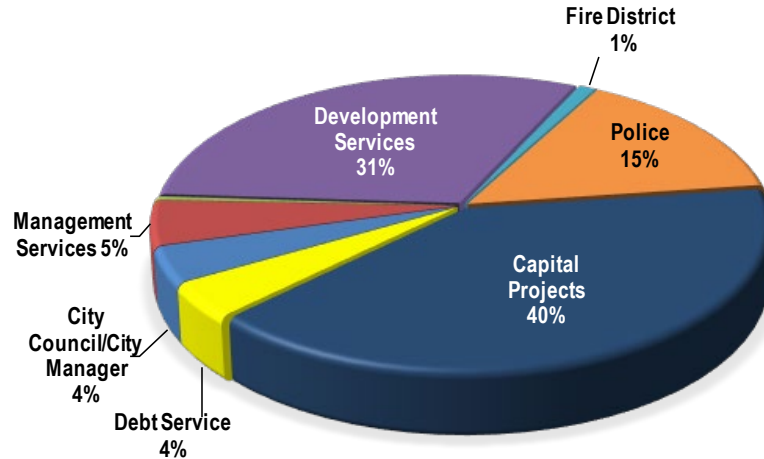
EXPENDITURE SUMMARY

Total Operating Expenditures (Continued):

- Streets Maintenance – Streets Maintenance is increasing by 15%, from \$3.2 million to \$3.7 million and is directly due to the inclusion of funding for vehicles and equipment for operations and maintenance of the street and right-of way network within the City, in addition to salaries and benefits increases related to the 4.5% COLA, and a \$152,000 increase in the street sweeping contract due to a rise in labor and fuel costs.
- Water District – As a whole, the Water District Fund is increasing by 16% or \$3.6 million from the FY 2021-22 Budget of \$23.3 million to the FY 2022-23 Budget of \$26.9 million. This increase to the Water District is primarily related to increased utility costs. First, it is anticipated that replacement water costs will increase by \$0.6 million. Second, electricity used to pump and produce water is anticipated to increase by \$0.5 million. Finally, wastewater treatment costs are anticipated to increase 16% or \$0.6 million due to an increase in Victor Valley Wastewater Reclamation Authority's (VWVRA) treatment fees from \$4,414 per million gallons (MG) in FY 2021-22 to \$4,768 per MG in FY 2022-23.
- Fire District – The County of San Bernardino bears the responsibility for providing fire protection and ambulance services. After the annexation of these services, the City retained the legacy pension costs, which will increase by \$88,395 as CalPERS is addressing the unfunded liability.

EXPENDITURE SUMMARY

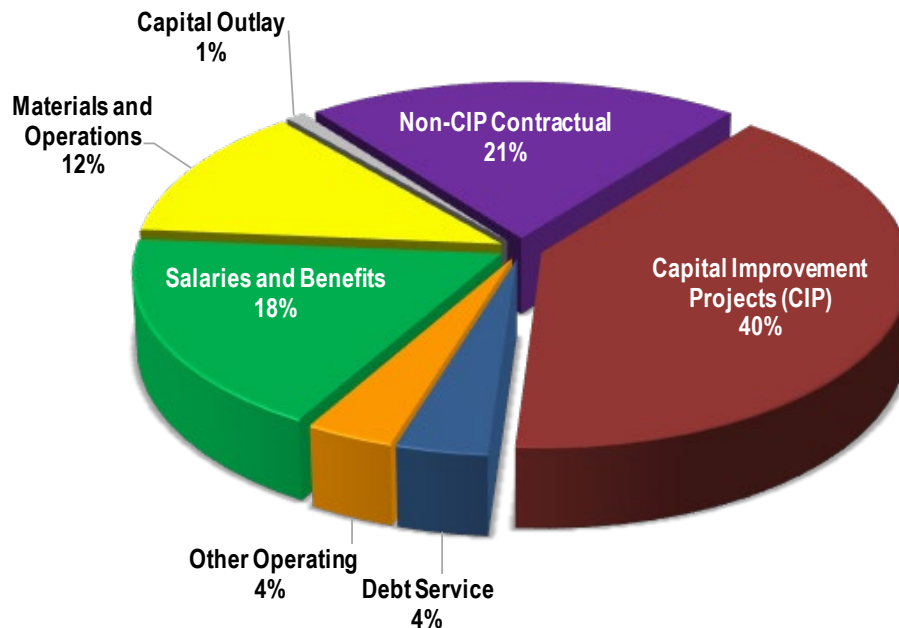
Total Expenditures by Department 2022-23 Budget



DEPARTMENTS	2019-20 Actual	2020-21 Actual	2021-22 Budget	2021-22 Revised	% Change From	
					2022-23 Budget	2021-22 Budget
City Council	\$ 942,381	\$ 1,366,912	\$ 796,307	\$ 1,033,157	\$ 798,121	0%
City Manager	2,665,137	3,392,131	3,199,571	3,229,254	3,918,794	22%
Management Services	4,358,447	4,049,123	4,899,737	4,845,237	6,554,383	34%
Economic Development						
Community Development Commission	457,623	1,036,979	0	0	0	0%
Economic Development (CDC)	0	456,478	322,232	358,100	371,111	15%
Hesperia Housing Authority	93,722	1,906,983	66,650	66,875	72,586	9%
C.D.B.G.	152,904	256,907	1,463,224	203,530	84,087	-94%
Total Economic Development	704,249	3,657,347	1,852,106	628,505	527,784	-72%
Development Services						
Community Development	1,974,310	1,734,054	2,073,652	2,181,114	2,182,132	5%
Code Compliance	2,809,760	2,863,809	3,647,425	4,108,340	4,783,822	31%
Public Works	5,925,085	4,993,202	5,386,861	5,679,584	6,303,925	17%
Water Operations	16,615,795	18,158,661	18,642,896	21,602,458	21,620,365	16%
Sewer Operations	4,311,597	5,271,520	5,260,277	5,567,757	6,068,241	15%
Total Development Services	31,636,546	33,021,245	35,011,111	39,139,253	40,958,485	17%
Police	17,349,296	18,165,512	19,260,786	19,301,262	20,613,786	7%
Fire District	874,510	975,994	1,042,420	1,007,746	1,130,815	8%
Other Transportation Related	0	408,254	0	0	0	0%
Other City Related Expenditures	24,860	118,352	89,810	320,936	87,176	-3%
Other City/Other Transportation Related	24,860	526,606	89,810	320,936	87,176	-3%
Debt Service						
2013 Civic Plaza Refunding	834,975	850,440	867,050	866,091	881,150	2%
2012 Water Rights Acquisition	1,441,400	1,439,365	1,438,675	1,437,217	1,442,075	0%
Ranchero Road Interchange Loan from SBCTA	2,292,484	2,062,739	2,270,250	1,916,955	2,270,250	0%
2014 Development Impact Fee (DIF) Loan	59,289	19,270	85,000	17,350	85,000	0%
Water District	1,403,041	5,837,421	234,636	234,636	234,636	0%
Total Debt Service	6,031,189	10,209,235	4,895,611	4,472,249	4,913,111	0%
Capital Improvement Program						
C I P - Streets	3,869,582	5,001,496	51,034,828	8,220,717	43,462,945	-15%
C I P - Storm Drain	230,525	59,248	1,541,315	276,000	2,642,149	71%
C I P - Facilities	2,089	17,018	1,134,170	1,131,170	328,000	-71%
C I P - Water	2,971,708	827,198	3,330,000	72,926	3,825,000	15%
C I P - Sewer	617,704	1,365,350	2,690,000	80,032	3,845,000	43%
Total Capital Improvement Program	7,691,608	7,270,310	59,730,313	9,780,845	54,103,094	-9%
Total City Expenditures	\$ 72,278,224	\$ 82,634,415	\$ 130,777,772	\$ 83,758,444	\$ 133,605,549	2%

EXPENDITURE SUMMARY

Total Expenditures by Major Expenditure Classification



CLASSIFICATION	2019-20 Actual	2020-21 Actual	2021-22 Budget	2021-22 Revised	2022-23 Budget	% of Budget	% Change From
							2021-22 Budget
Salaries and Benefits							
Salaries	\$ 12,600,629	\$ 11,226,525	\$ 12,538,117	\$ 13,391,518	\$ 14,674,518	11%	17%
Benefits	7,380,768	7,461,584	7,892,454	7,962,272	9,369,037	7%	19%
Total Salaries and Benefits	19,981,396	18,688,110	20,430,571	21,353,790	24,043,555	18%	18%
Materials and Operations	11,403,439	13,153,010	14,331,560	16,405,634	16,552,848	12%	15%
Capital Outlay	357,540	840,050	841,542	1,154,913	1,180,190	1%	40%
Non-CIP Contractual							
Contractual	5,317,993	6,992,278	6,327,851	6,964,189	7,862,058	6%	24%
Police Contractual	17,067,416	17,843,901	18,825,634	18,825,634	20,226,408	15%	7%
Total Non-CIP Contractual	22,385,408	24,836,179	25,153,485	25,789,823	28,088,466	21%	12%
Capital Improvement Program (CIP)							
CIP - Streets	3,869,582	5,001,496	51,034,828	8,220,717	43,462,945	32%	-15%
CIP - Storm Drain	230,525	59,248	1,541,315	276,000	2,642,149	2%	71%
CIP - Facilities	2,089	17,018	1,134,170	1,131,170	328,000	0%	-71%
CIP - Water	2,971,708	827,198	3,330,000	72,926	3,825,000	3%	15%
CIP - Sewer	617,704	1,365,350	2,690,000	80,032	3,845,000	3%	43%
Total CIP	7,691,608	7,270,310	59,730,313	9,780,845	54,103,094	40%	-9%
Other Operating	4,427,644	7,637,522	5,394,690	4,801,190	4,724,285	4%	-12%
Debt Service	6,031,189	10,209,235	4,895,611	4,472,249	4,913,111	4%	0%
Total Expenditures	\$ 72,278,224	\$ 82,634,415	\$ 130,777,772	\$ 83,758,444	\$ 133,605,549	100%	2%

NOTE: Capital Improvement Program (CIP) Projects are analyzed individually in Section G – CIP, while Section H – Debt Service covers each debt related expenditure. Total CIP makes up 40% of total budgeted expenditures, and Debt Service comprises 4% of the budget.

EXPENDITURE SUMMARY

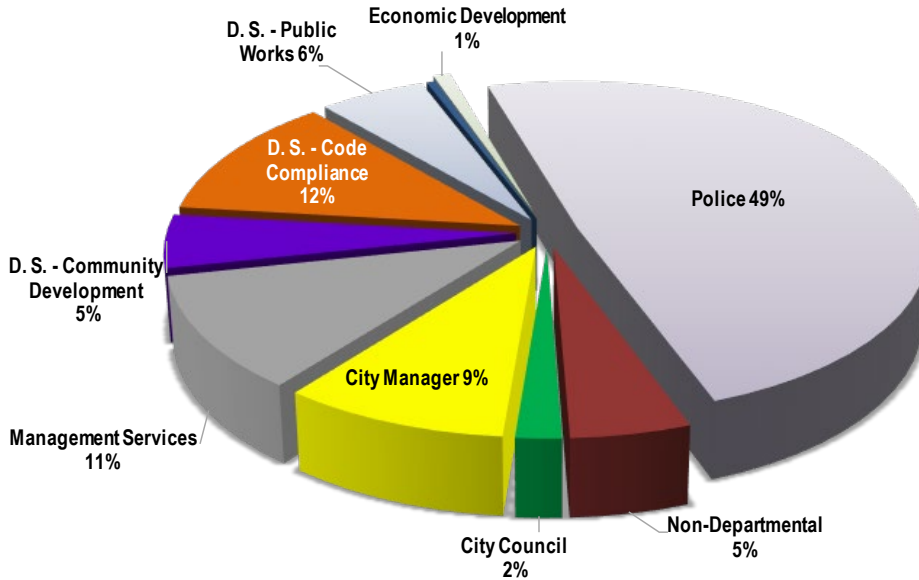
Total Expenditures by Major Expenditure Classification (Continued)

At \$133.6 million, the overall Fiscal Year (FY) 2022-23 total expenditures are increasing by 2% or \$3.0 million over the \$130.8 million budgeted during FY 2021-22. The increases to the Total Expenditures have primarily resulted from staffing, utility costs, insurance premiums, software and hardware system upgrades, and law enforcement contract increases, which are analyzed in detail in Section F – Department & Program Expenditures.

- Salaries and Benefits – Salaries and benefits are anticipated to increase by 18% or \$3.6 million. Section E – City Position Summaries includes a complete discussion of all position changes, salary increases (such as the cost of living adjustment (COLA) increase of 4.5%), and benefit changes (such as the \$126 increase to the City's health contribution).
- Materials and Operations – Materials and Operations are projected to increase 15% or \$2.2 million. This increase is primarily caused by the expected increase of goods and city-wide utilities. The FY 2022-23 Budget includes a \$0.6 million increase to effluent treatment, \$0.5 million increase in electricity costs, and \$0.6 million increase to replacement water, as the replenishment rate has increased 10% from \$563 to \$619 per acre feet (AF).
- Capital Outlay – The Capital Outlay budget includes non-CIP related asset purchases exceeding \$5,000 that possesses an economic useful life extending beyond one accounting period and contributes to the value of balance sheet assets. In FY 2022-23, Capital Outlay increases by 40%, or \$0.3 million from FY 2021-22. Examples that contribute to the increases are the purchases of service trucks, a vacuum excavator, skid steer, and a backhoe. Section F – Department & Program Expenditures provides detailed information on Capital Outlay Expenditures.
- Contractual – Contractual is expected to increase 24%, from \$6.3 million in FY 2021-22 to \$7.9 million in FY 2022-23. This rise is due to increased insurance premiums, street sweeping contract increases, and consultant services to commence the conversion of Development Services legacy software to a new application.
- Police Contractual – Police Contractual comprises 15% of the overall budget. For FY 2022-23, Police Contractual is increasing by 7% and is mainly due to the addition of one detective and three deputies.
- Debt Service – Debt Service budget of \$4.9 million has a slight increase of \$17,500 from the FY 2021-22 Budget of \$4.9 million to pay the upcoming principal and interest payment due during FY 2022-23. Additional information about the City's Debt Service can be found in Section H.

EXPENDITURE SUMMARY

Total General Fund Expenditures by Department



DEPARTMENTS	2019-20 Actual	2020-21 Actual	2021-22 Budget	2021-22 Revised	2022-23 Budget	% of Budget	% Change From 2021-22 Budget
City Council	\$ 942,381	\$ 1,366,912	\$ 796,307	\$ 1,033,157	\$ 798,121	2%	0%
City Manager	2,665,137	3,392,131	3,199,571	3,229,254	3,918,794	9%	22%
Management Services	3,236,939	3,233,550	3,912,119	4,073,647	4,682,211	11%	20%
Economic Development	0	456,478	322,232	358,100	371,111	1%	15%
Development Services							
D. S. - Community Development	1,974,310	1,734,054	2,073,652	2,181,114	2,182,132	5%	5%
D. S. - Code Compliance	2,809,760	2,863,809	3,647,425	4,108,340	4,783,822	12%	31%
D. S. - Public Works	1,876,832	1,695,583	1,998,128	2,230,732	2,326,289	6%	16%
D. S. - Capital Improvement Program	0	0	0	0	200,000	0%	100%
Development Services Total	6,660,902	6,293,446	7,719,205	8,520,186	9,492,243	23%	23%
Police	17,349,296	18,165,512	19,260,786	19,301,262	20,613,786	49%	7%
Non-Departmental	1,121,508	815,573	987,618	771,590	1,872,172	5%	90%
Total General Fund Expenditures	\$ 31,976,163	\$ 33,723,602	\$36,197,838	\$ 37,287,196	\$ 41,748,438	100%	15%

EXPENDITURE SUMMARY

Total General Fund Expenditures by Department (Continued)

At \$41.7 million, the overall Fiscal Year (FY) 2022-23 expenditures for the General Fund are increasing by 15% or \$5.5 million over the \$36.2 million budgeted during FY 2021-22. As previously noted, increases to the General Fund Expenditures has primarily resulted from increases related to staffing as further described in Section E, the law enforcement contract with the County of San Bernardino, and insurance premiums, as well as software and hardware upgrades. Additionally, Non-Departmental is increasing due to the replacement of aging software in Development Services.

The following is a discussion of the different General Fund Departments increases:

- City Council – The City Council Department consists of both the City Council and the City Attorney Divisions. The department is expected to remain relatively flat with an increase of \$1,814.
- City Manager – In the past, the City Manager Department was comprised of both the City Manager and Information Technology (IT) Divisions. In FY 2022-23, the City Manager Department includes the City Manager, Information Technology (IT) Divisions, and Geographic Information System (GIS). Overall, the department is expected to increase by 22% or \$0.7 million. The increase is primarily attributed to the transfer of the Geographic Information System (GIS) program into IT from Development Services. There are additional increases within the IT Division to upgrade the City's backup system, server data switches, and other server components for FY 2022-23. In addition, \$50,000 for the 2022 Municipal Election has been included in the City Manager Division.
- Management Services – As a whole, the Management Services Department is expected to increase by 20%, from \$3.9 million in FY 2021-22 to \$4.7 million in FY 2022-23. The increase is due in large part to the City's insurance premium increasing by 26%, along with the implementation of budgeting software that was approved in FY 2021-22 and will carry forward into FY 2022-23.
- Economic Development – The Economic Development Department is increasing slightly by \$48,879.
- Development Services – As a whole Development Services makes up 23% of the General Fund expenditures and is expected to increase by 23%.
 - Community Development – Community Development, which includes Planning and Building & Safety, is expected to increase by 5%. This is primarily related to the creation of the Environmental Justice Element and the Safety Element in the City's General Plan, as required by the State of California.
 - Code Compliance – Code Compliance, which is comprised of Code Enforcement and Animal Control, is expected to increase by 31%. For Code Enforcement, the increase is directly due to three staffing additions and the funding to purchase three (3) service trucks to implement and manage the Deemed Approved, Truck Parking Permit, and Rental Housing Inspection Programs. The Animal Control increase of 21% is due to staffing added after the adoption of the FY 2021-22 Budget.
 - Public Works – Consisting of Engineering and Building Maintenance, expenditures are expected to increase by 16%, from \$2.0 million to \$2.3 million. The increase is due to the need for additional engineering services as a result of increased development activity, along with increased maintenance needed at City-owned facilities.
 - Capital Improvement – The General Fund Capital Improvement Program (CIP) funding is projected to increase \$200,000 for FY 2022-23. The increase is due to the inclusion of a new project to install trails at the Golf Course to encourage outdoor recreation. This project was also awarded a \$192,675 per capita grant. Additional information is included in the CIP section.
- Police Department – While the Police department is 15% of the total budgeted expenditures, the law enforcement contract of \$20,176,408 is 51% of the total General Fund operating expenditures, which is consistent with the City's Financial Policies. This ensures compliance with the City Council's adopted financial policies. The Police Department's increase of \$1.4 million is primarily due to the addition of one detective and three deputies, along with all the necessary equipment (including vehicles and other startup cost).
- Non-Departmental – Non-Departmental includes expenditures that are not attributed to any individual General Fund program and is expected to increase by 90% in FY 2022-23 from the FY 2021-22 Budget. The increase is due to the replacement of aging software in Development Services, which will be a multi-year project.

EXPENDITURE SUMMARY

City Operating Funds Budgeted Transfers

The FY 2022-23 Budget includes Transfers of City Operating Funds totaling \$7,287,487. As shown in the following chart, the Transfers In balance to a corresponding Transfer Out, with the exception occurring in the FY 2021-22 Revised Budget.

City Transfers	2019-20 Actual	2020-21 Actual	2021-22 Budget	2021-22 Revised	2022-23 Budget
<i>Transfers In</i>					
1. Fund 100 - General Fund*	\$ 644,400	\$ 252,000	\$ 200,000	\$ 600,000	\$ 200,000
2. Fund 170 - Community Development Commission	430,299	0	0	0	0
3. Fund 207 - Local Transportation Fund	0	0	0	0	0
4. Fund 210 - HFPD CalPERS	1,394,000	2,226,934	1,043,000	1,043,000	1,130,815
5. Fund 263 - Street Maintenance	3,771,891	3,329,988	2,859,565	2,859,565	3,745,794
6. Fund 304 - 2014 DIF Loan (DIF-Public Service)*	496,000	3,304,783	0	0	0
7. Fund 309 - DIF 2018-City Hall Facilities*	0	557,000	870,000	870,000	0
8. Fund 402 - 2012 Water Rights Acquisition Debt Service	1,441,400	3,000,000	1,438,675	1,438,675	1,442,075
9. Fund 403 - 2005 COP Refinance Debt Service	836,750	2,600,938	867,050	867,050	768,803
10. Fund 504 - City Streets Projects	28,030	0	0	0	0
Total Transfers In	\$9,042,770	\$15,271,643	\$7,278,290	\$ 7,678,290	\$7,287,487
<i>Transfers Out</i>					
1. Fund 100 - General Fund*	\$3,868,385	\$ 7,673,453	\$3,462,224	\$ 7,462,224	\$2,572,890
2. Fund 204 - Measure I - 2010 Renewal	1,398,030	1,925,700	1,750,000	1,750,000	1,750,000
3. Fund 205 - Gas Tax	1,300,000	982,146	1,109,565	1,109,565	1,400,000
4. Fund 206 - Gas Tax Swap	900,000	422,142	0	0	595,794
5. Fund 207 - Local Transportation Fund	201,891	0	0	0	0
6. Fund 255 - AB 3229 Supplemental Law	246,000	252,000	200,000	200,000	200,000
7. Fund 303 - DIF Police	398,400	0	0	0	0
8. Fund 304 - 2014 DIF Loan (DIF-Public Service)	730,064	0	0	0	0
9. Fund 309 - DIF 2018-City Hall Facilities	0	4,016,202	756,501	1,156,501	768,803
10. Fund 504 - City Streets Projects	0	71	0	0	0
Total Transfers Out	\$9,042,770	\$15,271,714	\$7,278,290	\$ 11,678,290	\$7,287,487

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The difference between Transfers In and Transfers Out is \$4,000,000. The amount is being transferred from the General Fund to a Section 115 Trust to establish, manage, and mitigate the unfunded pension liability and other post-employment benefits liabilities.

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- Transfer of \$200,000 between the General Fund and Fund 255 – AB 3229 Supplemental Law is to offset the cost for Deputy Sheriffs.
- Transfer of \$1,130,815 between Fund 210 – HFPD CalPERS and the General Fund is to fund the CalPERS obligations of the former Hesperia Fire Protection District.
- To fund the operations of Fund 263 – Streets Maintenance, \$3,745,794 was transferred from Fund 204 – Measure I - 2010 Renewal (\$1,750,000), Fund 205 – Gas Tax (\$1,400,000), and Fund 206 – Gas Tax Swap (\$595,794).
- Transfer of \$1,442,075 between Fund 402 – 2012 Water Rights Acquisition Debt Service and the General Fund is to fund annual debt service obligation.
- Transfer of \$768,804 between Fund 403 – 2005 COP Refinance Debt Service and Fund 309 – DIF 2018-City Hall Facilities to fund annual debt service obligation.

*Note: Budgetary Basis Adjustment – Principal repayments related to the 2014 Development Impact Fee (DIF) Loan From the General Fund are reflected as Advances To/From in the Annual Comprehensive Financial Report. For purposes of the debt section, repayments are shown as a principal expenditure; however, the repayment is actually a transfer of funds and is identified in the City Operating Funds Budgeted Transfers, not as an expenditure.

EXPENDITURE SUMMARY

Proprietary Funds Budgeted Transfers

The FY 2022-23 Budget includes Transfers totaling \$3,555,000 from the Water Operating fund to various funds within the Water District.

Proprietary Funds Transfers	2019-20 Actual	2020-21 Actual	2021-22 Budget	2021-22 Revised	2022-23 Budget
<i>Transfers In</i>					
1. Fund 701 - Water Capital	\$ 0	\$ 0	\$ 2,000,000	\$ 2,000,000	\$ 1,900,000
2. Fund 703 - Water Capital Rehab & Replace	0	0	500,000	500,000	1,375,000
3. Fund 704 - Water Contamination Mitigation	500,000	500,000	500,000	500,000	80,000
4. Fund 720 - Recycled Water Operations	0	0	200,000	200,000	200,000
<i>Total Transfers In</i>	\$ 500,000	\$ 500,000	\$ 3,200,000	\$ 3,200,000	\$ 3,555,000
<i>Transfers Out</i>					
1. Fund 700 - Water Operating	\$ 500,000	\$ 500,000	\$ 3,200,000	\$ 3,200,000	\$ 3,555,000
<i>Total Transfers Out</i>	\$ 500,000	\$ 500,000	\$ 3,200,000	\$ 3,200,000	\$ 3,555,000

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- Transfer of \$1,900,000 between Fund 701 – Water Capital and Fund 700 – Water Operating to fund the deficit in the capital fund.
- Transfer of \$1,375,000 between Fund 703 – Water Capital Rehab & Replace and Fund 700 – Water Operating to reserve funds for future rehabilitation or replacement of the Water District’s capital assets.
- Transfer of \$80,000 between Fund 704 – Water Contamination Mitigation and Fund 700 – Water Operating to reserve funds to mitigate any potential contamination occurring in the District’s facilities.
- Transfer of \$200,000 between Fund 720 – Recycled Water Operations and Fund 700 – Water Operating is to fund annual debt service obligation for the reclaimed water network.

EXPENDITURE SUMMARY

TOTAL EXPENDITURES BY FUND, DEPARTMENT AND PROGRAM

	2019-20	2020-21	2021-22	2021-22	2022-23	% Change From 2021-22
	Actual	Actual	Budget	Revised	Budget	Budget
General Fund						
City Council						
100 100 City Council	\$ 449,758	\$ 270,269	\$ 346,307	\$ 333,157	\$ 348,121	1%
100 102 City Attorney	492,623	1,096,643	450,000	700,000	450,000	0%
Total City Council	\$ 942,381	\$ 1,366,912	\$ 796,307	\$ 1,033,157	\$ 798,121	0%
City Manager						
100 200 City Manager	\$ 1,380,323	\$ 1,868,236	\$ 1,423,865	\$ 1,457,822	\$ 1,573,041	10%
100 215 Information Technology	1,284,814	1,523,895	1,775,706	1,771,432	2,345,753	32%
Total City Manager	\$ 2,665,137	\$ 3,392,131	\$ 3,199,571	\$ 3,229,254	\$ 3,918,794	22%
Management Services						
100 220 Finance	\$ 1,845,812	\$ 1,625,010	\$ 1,780,689	\$ 1,898,206	\$ 2,103,642	18%
100 225 Human Resources/ Risk Mgmt.	1,391,127	1,608,540	2,131,430	2,175,441	2,578,569	21%
100 229 Non-Departmental	1,121,508	815,573	987,618	771,590	1,872,172	90%
Total Management Services	\$ 4,358,447	\$ 4,049,123	\$ 4,899,737	\$ 4,845,237	\$ 6,554,383	34%
Economic Development						
100 25 Economic Development	\$ 0	\$ 456,478	\$ 322,232	\$ 358,100	\$ 371,111	15%
D. S. - Community Development						
100 3000 Planning	\$ 859,362	\$ 670,362	\$ 888,065	\$ 909,277	\$ 979,314	10%
100 3020 Building & Safety	1,114,948	1,063,692	1,185,587	1,271,837	1,202,818	1%
Total D. S. Community Development	\$ 1,974,310	\$ 1,734,054	\$ 2,073,652	\$ 2,181,114	\$ 2,182,132	5%
D. S. - Code Compliance						
100 3010 Code Enforcement	\$ 1,170,268	\$ 1,204,304	\$ 1,728,671	\$ 1,830,626	\$ 2,467,764	43%
100 5000 Animal Control	1,639,492	1,659,505	1,918,754	2,277,714	2,316,058	21%
Total D. S. Code Compliance	\$ 2,809,760	\$ 2,863,809	\$ 3,647,425	\$ 4,108,340	\$ 4,783,822	31%
D. S. - Public Works						
100 3100 Engineering	\$ 793,771	\$ 722,907	\$ 864,415	\$ 955,305	\$ 967,725	12%
100 3110 Building Maintenance	1,083,061	972,676	1,133,713	1,275,427	1,358,564	20%
100 Capital Improvement Program	0	0	0	0	200,000	100%
Total D. S. - Public Works	\$ 1,876,832	\$ 1,695,583	\$ 1,998,128	\$ 2,230,732	\$ 2,526,289	26%
100 510 Police	\$ 17,349,296	\$ 18,165,512	\$ 19,260,786	\$ 19,301,262	\$ 20,613,786	7%
Total General Fund Expenditures	\$ 31,976,163	\$ 33,723,602	\$ 36,197,838	\$ 37,287,196	\$ 41,748,438	15%
Community Development Commission						
170 Community Development Commission	\$ 457,623	\$ 1,036,979	\$ 0	\$ 0	\$ 0	0%
Hesperia Housing Authority Funds						
370 Hesperia Housing Authority	\$ 93,722	\$ 1,906,983	\$ 66,650	\$ 66,875	\$ 72,586	9%
C.D.B.G Funds						
251 C.D.B.G Administration	\$ 1,095,017	\$ 1,052,055	\$ 2,303,429	\$ 1,075,306	\$ 1,438,687	-38%
257 Neighborhood Stabilization Program	19,032	0	0	0	0	0%
258 CDBG-CV Cares Act	0	0	989,947	0	0	-100%
Total C.D.B.G Expenditures	\$ 1,114,049	\$ 1,052,055	\$ 3,293,376	\$ 1,075,306	\$ 1,438,687	-56%

EXPENDITURE SUMMARY

TOTAL EXPENDITURES BY FUND, DEPARTMENT AND PROGRAM (Continued)

	2019-20	2020-21	2021-22	2021-22	2022-23	% Change From 2021-22
	Actual	Actual	Budget	Revised	Budget	Budget
<u>D. S. - Public Works Funds</u>						
263 3150 Street Maintenance	\$ 2,428,969	\$ 1,885,807	\$ 2,021,138	\$ 2,030,117	\$ 2,098,161	4%
263 3170 Traffic	1,619,284	1,411,812	1,367,595	1,418,735	1,879,475	37%
263 Street Maintenance Fund	\$ 4,048,253	\$ 3,297,619	\$ 3,388,733	\$ 3,448,852	\$ 3,977,636	17%
<u>Streets Capital Improvement Projects (CIP) Funds</u>						
204 Measure I - 2010 Renewal	\$ 1,090,810	\$ 450,828	\$ 1,764,242	\$ 704,736	\$ 1,652,933	-6%
207 Article 8 Local Transportation Fund	2,347	25,000	457,000	8,200	248,800	-46%
209 Gas Tax RMRA	768,364	2,894,958	2,000,000	1,500	1,998,500	0%
300 Streets Development Impact Fee	2,383,603	2,722,636	565,050	205,007	203,600	-64%
301 Storm Drain Development Impact Fee	230,525	73,419	391,315	140,000	1,065,149	172%
306 Development Impact Fees 2018-Streets *	0	0	12,128,698	3,532,567	12,895,201	6%
313 Development Impact Fees A-04 Drainage	0	11,448	400,000	11,000	952,000	138%
504 City Wide Streets Projects	473,403	440,318	36,444,106	6,070,056	28,132,561	-23%
Total Streets CIP Funds	\$ 4,949,052	\$ 6,618,607	\$ 54,150,411	\$ 10,673,066	\$ 47,148,744	-13%
<u>Other Transportation Related Funds</u>						
254 AB 2766 AOMD	\$ 484,482	\$ 0	\$ 0	\$ 0	\$ 0	0%
Total Other Transportation Related Funds	\$ 484,482	\$ 0	\$ 0	\$ 0	\$ 0	0%
<u>Other City Related Funds</u>						
256 Environmental Programs Grant Fund	\$ 21,593	\$ 32,177	\$ 61,890	\$ 46,881	\$ 66,156	7%
303 Development Impact Fees-Police	0	6,128	0	23,330	0	0%
304 Public Services Dev. Impact Fee	59,289	0	0	0	0	0%
309 Development Impact Fees 2018-City Hall Facilities	0	19,270	85,000	17,350	85,000	0%
312 Development Impact Fees-2018 Police	0	0	0	6,889	0	0%
402 Water Rights Acquisition	1,441,400	1,439,365	1,438,675	1,437,217	1,442,075	0%
403 2013 Refunding Lease Rev Bonds	834,975	850,440	867,050	866,091	881,150	2%
Total Other City Related Funds	\$ 2,357,257	\$ 2,347,380	\$ 2,452,615	\$ 2,397,758	\$ 2,474,381	1%
Total Streets CIP, Other Transportation, City Facilities, & Other City Related Funds	\$ 7,790,791	\$ 8,965,987	\$ 56,603,026	\$ 13,070,824	\$ 49,623,125	-12%
<u>700 Water Operating Fund</u>						
4010 Source of Supply	\$ 3,278,811	\$ 4,178,788	\$ 4,232,272	\$ 6,416,872	\$ 4,825,015	14%
4020 Production	3,011,644	3,577,195	3,730,996	3,951,182	4,596,134	23%
4030 Distribution	1,562,372	1,592,817	1,623,578	1,602,298	1,847,563	14%
4035 Pipeline Maintenance	1,023,265	995,129	1,044,150	1,090,947	1,000,419	-4%
4040 Engineering	990,078	917,477	1,002,956	1,116,231	1,019,812	2%
4050 Customer Service	1,904,560	1,891,383	2,000,669	1,985,445	2,504,758	25%
4060 Utility Billing	1,002,579	907,098	1,027,781	1,490,516	1,302,662	27%
4070 Administration	4,857,862	9,582,404	3,525,442	3,721,612	4,064,384	15%
4080 Property Management	387,665	353,792	455,052	461,991	459,618	1%
Total Water Operating	\$ 18,018,836	\$ 23,996,082	\$ 18,642,896	\$ 21,837,094	\$ 21,620,365	16%

*Note – Fund 306 includes the Debt Service for the Rancho Road Interchange Loan

EXPENDITURE SUMMARY

TOTAL EXPENDITURES BY FUND, DEPARTMENT AND PROGRAM (Continued)

	2019-20	2020-21	2021-22	2021-22	2022-23	% Change From 2021-22
	Actual	Actual	Budget	Revised	Budget	Budget
<u>701 Water Capital Projects Fund</u>	\$ 2,971,708	\$ 827,198	\$ 3,330,000	\$ 72,926	\$ 3,825,000	15%
<u>720 Reclaimed Water Operations</u>	\$ 0	\$ 80,047	\$ 262,556	\$ 243,836	\$ 255,656	-3%
<u>710 Sewer Operating Fund</u>						
4200 Sewer Operations	\$ 3,810,443	\$ 4,754,290	\$ 4,206,706	\$ 4,422,567	\$ 4,809,563	14%
4240 Sewer Engineering	193,766	176,964	204,341	278,327	267,166	31%
4260 Sewer Utility Billing	184,972	187,348	215,444	219,707	243,465	13%
4270 Sewer Administration	122,416	152,918	633,786	647,156	748,047	18%
Total Sewer Operating	\$ 4,311,597	\$ 5,271,520	\$ 5,260,277	\$ 5,567,757	\$ 6,068,241	15%
<u>711 Sewer Capital Fund</u>	\$ 559,710	\$ 1,500,350	\$ 2,690,000	\$ 80,032	\$ 3,845,000	43%
<u>713 Sewer Capital Rehab and Replace</u>	\$ 61,262	\$ 0	\$ 0	\$ 0	\$ 0	0%
Total Water District	\$25,923,113	\$31,675,196	\$30,185,729	\$27,801,645	\$35,614,262	18%
<u>210 Fire Operating Fund</u>	\$ 874,510	\$ 975,994	\$ 1,042,420	\$ 1,007,746	\$ 1,130,815	8%
Total Expenditures By Fund, Department, and Program	\$ 72,278,224	\$ 82,634,415	\$ 130,777,772	\$ 83,758,444	\$ 133,605,549	2%

EXPENDITURE SUMMARY

TOTAL EXPENDITURES BY ACCOUNT

	2019-20	2020-21	2021-22	2021-22	2022-23	% Change
	Actual	Actual	Budget	Revised	Budget	From
						2021-22
						Budget
Salaries						
7000 - Salaries & Wages	\$ 11,909,487	\$ 10,626,587	\$ 11,831,340	\$ 12,631,217	\$ 13,757,525	16%
7010 - Council/Commissioner Wage	50,727	48,920	59,780	59,780	59,780	0%
7030 - Part Time Wages	323,396	255,868	340,103	393,627	527,494	55%
7050 - Overtime Wages	258,594	236,438	254,894	254,894	246,519	-3%
7070 - Standby Pay	51,965	52,136	52,000	52,000	83,200	60%
7080 - FLSA Pay	6,460	6,577	0	0	0	0%
Total Salaries	\$ 12,600,629	\$ 11,226,525	\$ 12,538,117	\$ 13,391,518	\$ 14,674,518	17%
Benefits						
7100 - 401a Pension Plan	\$ 197,409	\$ 186,168	\$ 207,979	\$ 212,897	\$ 299,295	44%
7110 - PERS-Classic	3,021,653	3,259,592	3,531,056	3,525,744	3,957,105	12%
7111 - Pension Expense	616,686	379,158	0	0	0	0%
7115 - PERS-PEPRA	501,153	545,676	464,083	477,034	808,256	74%
7120 - Health Insurance	1,774,063	1,674,249	2,400,525	2,456,095	2,851,620	19%
7123 - Dental Insurance	75,848	68,111	79,147	81,068	89,788	13%
7126 - Vision Insurance	13,056	11,477	12,999	13,228	14,452	11%
7140 - Worker's Compensation	714,168	754,036	751,848	761,469	847,151	13%
7150 - Medicare	181,124	163,210	177,365	181,483	208,027	17%
7160 - Social Security/FICA	23,972	18,261	21,309	24,993	28,313	33%
7170 - Life Insurance	15,055	13,083	14,851	15,171	17,067	15%
7180 - Auto Allowance	85,568	77,815	64,800	64,800	85,200	31%
7181 - Bilingual Pay	20,400	19,200	18,000	19,200	21,600	20%
7182 - Cellphone Allowance	11,700	11,600	10,800	10,800	14,400	33%
7190 - Unemployment Insurance	17,346	73,649	55,000	40,788	43,000	-22%
7195 - Post Employment Benefits	54,080	187,123	82,692	77,502	83,763	1%
7199 - Other Benefit Expense	57,486	19,176	0	0	0	0%
Total Benefits	\$ 7,380,767	\$ 7,461,582	\$ 7,892,454	\$ 7,962,272	\$ 9,369,037	19%
Material and Operations						
7200 - Div/Program Expenditures	\$ 10,353	\$ 7,506	\$ 237,919	\$ 13,930	\$ 13,930	-94%
7250 - Office Expense	84,355	57,932	57,500	64,010	66,288	15%
7255 - Computer Supplies	45,048	37,152	50,120	42,080	50,710	1%
7260 - Printing	26,102	20,889	27,871	27,871	33,907	22%
7270 - Postage/Shipping Costs	134,326	88,177	49,035	43,335	49,845	2%
7280 - Publications	14,063	4,597	5,591	6,435	10,963	96%
7290 - Advertising	39,087	26,701	33,350	36,705	39,131	17%
7300 - Employee Expense	40,408	34,346	48,000	52,111	48,881	2%
7310 - Council Reimbursement	45	0	200	200	200	0%
7320 - Uniform Expense	47,252	43,292	51,846	51,111	62,090	20%
7370 - Reserve Costs	4,907	2,814	8,000	6,000	8,510	6%
7400 - Materials & Operations	1,620,801	1,669,498	1,739,736	1,651,958	2,146,838	23%
7410 - Safety Supplies	26,599	25,834	29,135	28,181	33,716	16%
7420 - Kennel Supplies	75,887	64,363	87,900	87,900	87,900	0%
7430 - Field Expenses	14,024	9,163	12,350	12,350	14,850	20%
7440 - Fuel	345,362	277,826	335,600	398,384	495,658	48%
7455 - Small Tools	20,985	22,490	23,700	28,341	24,900	5%
7460 - Equipment Under Capital	68,419	63,262	66,660	79,393	81,927	23%
7470 - Utilities-Electric	2,281,521	2,770,265	2,838,809	3,004,169	3,354,898	18%
7473 - Utilities-Gas	47,203	44,441	44,245	46,735	52,100	18%
7476 - Utilities-Water	3,351,322	4,336,675	4,769,943	6,668,074	5,440,119	14%
7478 - Utilities-Wastewater	2,844,310	3,286,451	3,520,161	3,766,359	4,088,550	16%
7482 - Utilities-Telephone	218,886	218,449	250,569	240,579	272,017	9%
7483 - Utilities-Telecomm Services	1,122	0	0	0	0	0%
7484 - Property Tax/Assessments	0	0	270	0	0	-100%
7485 - Lease Maintenance	41,051	40,887	43,050	49,423	74,920	74%
Total Material and Operations	\$ 11,403,441	\$ 13,153,009	\$ 14,331,560	\$ 16,405,634	\$ 16,552,848	15%

EXPENDITURE SUMMARY

TOTAL EXPENDITURES BY ACCOUNT (Continued)

	2019-20	2020-21	2021-22	2021-22	2022-23	% Change From 2021-22
	Actual	Actual	Budget	Revised	Budget	Budget
Contractual Services						
7500 - Contract Services	\$ 5,777,867	\$ 8,109,611	\$ 33,496,218	\$ 7,450,669	\$ 34,647,109	3%
7520 - Plan Check	0	0	50,000	90	35,000	-30%
7525 - Inspection	0	0	50,000	165,000	152,000	204%
7550 - Collection Services	53,014	40,816	47,750	92,300	100,750	111%
7560 - Legal Services	617,592	1,236,117	565,000	816,029	560,000	-1%
7563 - Litigation Services	42,331	115,957	90,000	178,382	101,500	13%
7565 - Claims/Lawsuits/Settlement	32,511	37,140	60,000	83,897	60,000	0%
7570 - Insurance Services	662,337	836,040	1,089,750	1,088,000	1,374,190	26%
7580 - Computer Services	86,860	90,737	103,970	112,848	105,470	1%
7585 - Software License	428,575	543,706	595,172	588,657	640,686	8%
7590 - Service Charges & Fees	190,934	142,141	89,343	112,770	116,164	30%
7605 - Traffic Signal Maintenance	33,963	47,266	80,000	80,000	80,000	0%
7610 - Striping Contract	144,730	163,602	171,000	169,000	169,000	-1%
7615 - Street Sweeping Contract	186,150	193,500	210,000	175,078	357,585	70%
7650 - Equipment Rental	13,796	10,409	33,700	36,470	33,700	0%
7700 - County Contract	16,856,131	17,513,021	18,775,634	18,775,634	20,176,408	7%
7705 - County Contract Overtime	211,285	330,879	50,000	50,000	50,000	0%
7710 - Cal Id	111,898	113,707	113,744	113,744	113,744	0%
7720 - Franchise Fee	250,000	250,000	250,000	250,000	250,000	0%
7748 - Development Agreement	98,593	551	6,059	551	237,997	3828%
7749 - Other Contracts	51,889	148,088	8,966,638	2,524,678	5,403,839	-40%
7775 - Economic Development	0	428,554	0	0	0	0%
Total Contractual Services	\$ 25,850,457	\$ 30,351,842	\$ 64,893,978	\$ 32,863,797	\$ 64,765,142	0%
Other Operating						
7800 - Other Operating	\$ 890,584	\$ 440,439	\$ 208,575	\$ 353,484	\$ 321,500	54%
7805 - Dues/Memberships	61,001	58,792	71,902	71,591	77,381	8%
7820 - Travel & Meetings	13,594	5,034	21,960	19,520	18,770	-15%
7825 - Mileage	103	0	640	390	340	-47%
7840 - Conferences & Seminars	19,221	4,933	60,210	41,890	61,575	2%
7845 - Training & Education	54,972	26,718	91,600	66,924	123,100	34%
7860 - Education Reimbursement	32,332	35,659	31,220	29,371	35,100	12%
7880 - Community Relations	33,341	22,810	41,950	40,800	42,050	0%
7890 - General & Admin Expense	2,697,338	2,807,356	2,768,056	2,768,056	3,085,930	11%
7900 - Bad Debt Expense	0	0	0	4,523	0	0%
7935 - Loss on Market Analysis	0	2,813,597	0	0	0	0%
7950 - Rent Expense	17,276	17,276	17,276	17,276	17,276	0%
8000 - Grant Expense	1,194,251	1,058,381	5,717,176	1,981,881	3,129,123	-45%
8001 - Homeland Security Grant	29,684	23,256	24,228	26,510	24,875	3%
8004 - Tobacco Grant	0	5,800	0	16,431	7,886	100%
8020 - Off Highway Grant	29,708	29,621	39,267	47,733	64,812	65%
8026 - Proposition 1 Grant	881,395	0	0	0	0	0%
8028 - Mobile Source Emiss. Reduct. Grant	484,482	0	0	0	0	0%
8029 - SB1 LPP Grant	0	0	3,900,000	0	3,900,000	0%
8030 - SB1 LPP Formula	0	0	11,365,740	908,095	10,491,818	-8%
8038 - Water Arrearages Grant	0	0	0	445,362	0	0%
8039 - Covid Grant	0	712,030	0	1,596	0	0%
8040 - Beverage Container Recycle	11,807	16,844	22,321	22,321	27,017	21%
8070 - Facilities Maintenance	217,385	131,971	143,750	160,250	213,600	49%
8071 - Vehicle/Equip Maintenance/Repair	518,587	462,002	575,711	447,057	489,550	-15%
8072 - Maintenance/Repairs	3,638	292	12,000	8,000	10,000	-17%
8080 - W/C Trustee Audit Adjustment	(362,744)	214,942	0	0	0	0%
8090 - Misc Expense	10,557	48,688	9,000	9,000	9,000	0%
Total Other Operating	\$ 6,838,512	\$ 8,936,441	\$ 25,122,582	\$ 7,488,061	\$ 22,150,703	-12%

EXPENDITURE SUMMARY

TOTAL EXPENDITURES BY ACCOUNT (Continued)

	2019-20	2020-21	2021-22	2021-22	2022-23	% Change From 2021-22
	Actual	Actual	Budget	Revised	Budget	Budget
Capital Outlay						
8400 - Land & Buildings	\$ 179,047	\$ 475,030	\$ 261,928	\$ 96,028	\$ 30,000	-89%
8401 - Residential Property	16,154	0	0	0	0	0%
8404 - Appraisal Services	0	0	0	12,950	0	0%
8420 - Vehicles Capital Expend	187,325	499,024	335,042	453,214	518,309	55%
8440 - Equipment Capital Expend	94,944	321,727	506,500	612,721	631,881	25%
8460 - Computer Capital Expend	53,865	0	0	0	0	0%
8560 - Infrastructure-Water	1,636,654	0	0	0	0	0%
8592 - Contributed Capital	5,240	0	0	0	0	0%
Total Capital Outlay	\$ 2,173,229	\$ 1,295,781	\$ 1,103,470	\$ 1,174,913	\$ 1,180,190	7%
Debt Service						
8600 - Principal	\$ 3,736,240	\$ 8,630,483	\$ 3,147,063	\$ 3,147,063	\$ 3,208,821	2%
8700 - Interest Expense	2,175,402	1,511,122	1,740,548	1,319,603	1,693,790	-3%
8800 - Bond Administration Exp	119,547	67,630	8,000	5,583	10,500	31%
Total Debt Service	\$ 6,031,189	\$ 10,209,235	\$ 4,895,611	\$ 4,472,249	\$ 4,913,111	0%
Total City Expenditures by Account Number	\$ 72,278,224	\$ 82,634,415	\$ 130,777,772	\$ 83,758,444	\$ 133,605,549	2%

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