Fiscal Year
2022-2023
BUDGET IN BRIEF
cityofwasco.org
Message from the City Manager:

The Preliminary 2022-23 Budget responds to the challenges facing the City of Wasco in recovering from the adverse economic and fiscal circumstances resulting from Covid-19 as well as new challenges resulting from mixed economic messages from inflationary pressures and possible recession. However, while these impacts are uncertain, the Budget assumes continued recovery. Moreover, the City enters into these difficult times with unique strengths compared with many other cities in California.

Given these challenges and uncertainties, the Budget is based on the following key principles:

- Is fiscally responsible and balanced in meeting the significant challenges ahead of us in recovering from the adverse fiscal impacts of Covid-19 and new economic and fiscal challenges.
- Preserves essential services, recognizing that delivery methods may change. This includes day-to-day operating services as well as adequately maintaining existing infrastructure and facilities.
- Reflects Council goal-setting from the April 2, 2022 workshop, consistent with the fiscal constraints facing us and remaining nimble with changing circumstances, opportunities, and realities.

Three Key Bright Spots

Despite the uncertainties ahead, there are three significant bright spots for 2022-23:

1. **Labor Housing Complex Project** Demolition and clean-up of this complex has an estimated cost of $9.3 million. While the City has an obligation to seek-out other grant opportunities, the High-Speed Rail Authority has committed to funding this cost if the City is not successful in attaining Grants to cover the work.

2. **SWRCB Grant Rather Than Loan for Key Water CIP Projects**. The State Water Resources Control Board (SWRCB) has committed to funding over $25 million in critically-needed water CIP projects as a grant rather than a low-interest loan. This will have a significant positive impact on mitigating water rate increases and preserving funds for other purposes.

3. **American Rescue Plan Act ARPA**. On March 11, 2021, President Biden signed into law the American Rescue Plan Act (ARPA) to offset the economic impacts that were caused by the pandemic. The City is estimated to receive the second and final tranche totaling $3.5 million. These funds can be used for Water, Sewer Infrastructure, and One-Time Essential Premium Payment. On April 01, 2022, the U.S. Department of Treasury released the final rule on allowable expenditures under ARPA. The final rule expands the use of ARPA funds to encompass government services. Government services “include any service traditionally provided by a government, including the construction of roads and other infrastructure, provision of public safety and other services, and health and educational services.”

The City Council adopted the FY 2022-23 Budget in the amount of no more than $54.19 million all net of transfers, at the June 27, 2022, City Council meeting. The operating budget is structurally balanced, meaning that operating revenues are greater than or equal to operating or ongoing expenditures and the one-time expenditures are supported by one-time revenues or fund balance such as Capital Projects that were budgeted and may not be completed in the current fiscal year.

**Ambitious program for improvements**. In alignment with the Council’s high-priority goals for 2022-23 for improving and maintaining infrastructure, the CIP presents an ambitious program of improvements for 2022-23 totaling $18M. The Capital Improvement Program estimates $102.41M for improving and maintaining infrastructure over the next five years.

This Budget-In-Brief document is intended to highlight the major sources of funding and the services provided by the City, including the infrastructure it constructs and maintains. For a more detailed description of major funding changes, I invite you to access the FY 2022-23 Operating Budget and the FY 2023-27 Five-Year CIP Budget by visiting the City of Wasco website at [www.cityofwasco.org](http://www.cityofwasco.org)

Respectfully,

M. Scott Hurlbert
City Manager of Wasco
INTRODUCTION

BUDGET IN BRIEF...DESIGNED FOR YOU

The Budget in Brief was designed with you in mind. It is a summary of the City of Wasco’s budget depicted in what we hope you find is easy to understand with graphics and illustrations. Preparing the city’s budget is an intense process which requires many months of planning, programming, collaborating and public forums before the City Council adopts the following year’s budget.

The Budget in Brief does not replace the adopted Budget documentation approved by the city council. Our priorities to provide quality service, be transparent, facilitate a sense of community, timely communication, and accountable to be fiscal stewards of your tax dollars. The 2022-2023 approved operating budget and capital improvement plan documentation can be found on the city's web-page at: https://www.cityofwasco.org/215/Budget-Documents

Below are terms that are used throughout the Budget in Brief document:

**Administration** - City departments that provide administrative support service for other departments. For example, City Council, City Manager, Finance and HR provide services to departments such as water, wastewater and sanitation.

**Appropriations** - A legal authorization to make expenditures and incur obligations for specific purposes.

**Capital** - Capital is a term for financial assets, such as funds held in deposit accounts and/or funds obtained from special financing sources.

**CNG** - Compressed Natural Gas.

**Debt Services** - are used to account for annual principal and interest payments owed by the city for long-term debt incurred to finance the acquisition of property or construction of buildings and improvements other than buildings.

**G&A Cost Reimbursement** - are charges derived from allocating the General Fund’s administrative and support service costs to specific non-General Fund Departments. For example, the Water, Wastewater and Sanitation funds pay a charge for the services rendered from the Administration, Finance, Human Resources and Public Works Departments on their behalf. The charges include allocation of a percentage of each position’s salary and benefits, and a percentage of the services and supplies provided.
General Fund - The fund used to account for all citywide operations except those required to be accounted for in another fund.

Intergovernmental Revenues - Consists of monies obtained from other governments and can include grants and shared taxes. For example, the flow of monies from the federal government to state and local governments, and from state to local governments. The flow of the Highway Users Tax Act (HUTA) where a percentage is charged each time we purchase fuel. The tax is rendered to the State and then trickles down to the City of Wasco.

Measure X - On November 8, 2016, the citizens of Wasco approved and authorized a 1% sales tax increase known as Measure X, or the Enhanced City Services Measure. Funds from this measure are to be used for essential general services, including but not limited to law enforcement and fire services, streets, parks and recreation, and other General Fund services.

Non-Departmental - The Non-Departmental budget provides for special General Fund expenditures and revenues which are not directly related to any single city department. For example, paying for our telephone lines or our postage machine are expenditures that are not related to one specific department since multiple departments benefit from the purchase/payment.

Operating Budget - A financial plan for the provision of direct services and support functions.
CITY OF WASCO

MISSION STATEMENT
“We are committed to a purpose greater than ourselves. What we do to make a positive difference and leaves a proud legacy. **We serve** together through these values.”

VISION STATEMENT
“Provide our citizens and business community effective municipal services while maintaining a historical sense of community values.”

Trust
*We build trust by providing excellent service, honoring it through accountability and effective communication.*

Respect
*We act with kindness and empathy; embracing diversity and inclusion.*

Integrity
*We are honest, ethical and to the right things for the right reasons.*

Teamwork
*We are a caring workplace made up of a team working towards a shared purpose. We collaborate and support each other.*

Ownership
*This is our City, we are invested and dedicated to its continuous success. We take pride in all we do.*

Innovation
*We are progressive thinkers who embrace the challenge of continuous improvement.*
Where does my money go?

PROPERTY TAX DOLLAR ALLOCATION

Why does my $20 purchase cost me $21.65?

FY 2022-2023

GENERAL FUND SOURCES

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase</td>
<td>$20.00</td>
</tr>
<tr>
<td>California State Sales Tax</td>
<td>$1.20</td>
</tr>
<tr>
<td>Kern County Sales Tax</td>
<td>$0.05</td>
</tr>
<tr>
<td>Wasco Tax</td>
<td>$0.20</td>
</tr>
<tr>
<td>Special Tax</td>
<td>$0.20</td>
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</tbody>
</table>

Total Cost = $21.65
Where does Measure X money go?

**FY 2022-2023**

**Measure X Budget Projected Expenditures**

<table>
<thead>
<tr>
<th>Category</th>
<th>FY2021-22 Actual</th>
<th>FY2022-23 Budget</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>$10K</td>
<td>$2.3M</td>
<td>$2.2M</td>
</tr>
<tr>
<td>Public Safety</td>
<td>$720K</td>
<td>$1.1M</td>
<td>$0.5M</td>
</tr>
<tr>
<td>Parks</td>
<td>$1.0M</td>
<td>$8.5M</td>
<td>$7.5M</td>
</tr>
<tr>
<td>Streets</td>
<td>$0.5M</td>
<td>$.86M</td>
<td>$0.3M</td>
</tr>
<tr>
<td>Animal Control</td>
<td>$50K</td>
<td>$50K</td>
<td>$0K</td>
</tr>
</tbody>
</table>

Total $4.2M

**FY 2022-2023 REVENUES by Category**
What is the money being used for?

FY 2022-2023

BUDGET by Function

Total $54.18M

- WATER $8.2M
- PUBLIC SAFETY $5.7M
- SANITATION $4.8M
- SUPPORT SERVICES $3.6M
- WASTEWATER $3.2M
- COMMUNITY DEVELOPMENT $1.8M
- PUBLIC WORKS $1.8M
- TRANSIT $1.2M
- TDA $1.0M
- CAPITAL OUTLAY $21.7M
- COMMUNITY FACILITIES DISTRICT $375
- SEWER LIFT STATION $9K
- TRAFFIC SAFETY $14K
- CNG STATION $114K
- LLMD $201K
- PARK IMPACT $356K
- GAS TAX $545K
- WASTEWATER $518K
- CITY BUILDINGS & FACILITIES $1.2M
- WATER SYSTEM $2.8M
- PARK IMPROVEMENTS $2.4M
- SANITATION SYSTEM $250K
- STREETS & TRANSPORTATION $10.6M
- CNG SYSTEM $0K
- WASTEWATER SYSTEM $518K
- TRANSIT $772K

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FY 2022-2023
General Fund Budget by Department | Total $12.9M

FY 2022-2023
STAFFING by Department City Employees | Total 79.5
How do we pay for our services?

**FY 2022-2023**

**PROJECTED SOURCES**

<table>
<thead>
<tr>
<th>Source</th>
<th>Total</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Licenses, Permits, &amp; Fees</td>
<td>$1K</td>
<td>0.01%</td>
</tr>
<tr>
<td>Intergovernmental Revenue</td>
<td>$3.7M</td>
<td>28.2%</td>
</tr>
<tr>
<td>Fines</td>
<td>$150K</td>
<td>1.16%</td>
</tr>
<tr>
<td>Charges for Services</td>
<td>$109K</td>
<td>0.84%</td>
</tr>
<tr>
<td>Use of Money &amp; Property</td>
<td>$33K</td>
<td>0.25%</td>
</tr>
<tr>
<td>Taxes</td>
<td>$8.5M</td>
<td>65.9%</td>
</tr>
<tr>
<td>Permits &amp; Fees</td>
<td>$418K</td>
<td>3.22%</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>$45K</td>
<td>0.35%</td>
</tr>
</tbody>
</table>

**Total $12.9M**

**FY 2022-2023**

**REVENUES by Year & Category**

[Graph showing revenue by year and category]

- Taxes
- Licenses Permits & Fees
- Intergovernmental
- Charges for Services
- Fines, Forfeitures & Assessments
- Use of Money & Property
- Miscellaneous
- G&A Transfers In