

BUDGET HEARINGS
June 13, 2022

FRESNO CITY COUNCIL



Information Packet

ITEM(S)

File ID 22-965

Department of Public Utilities

Contents of Supplement:

- **FY23 DPU Power Point Budget Presentation**

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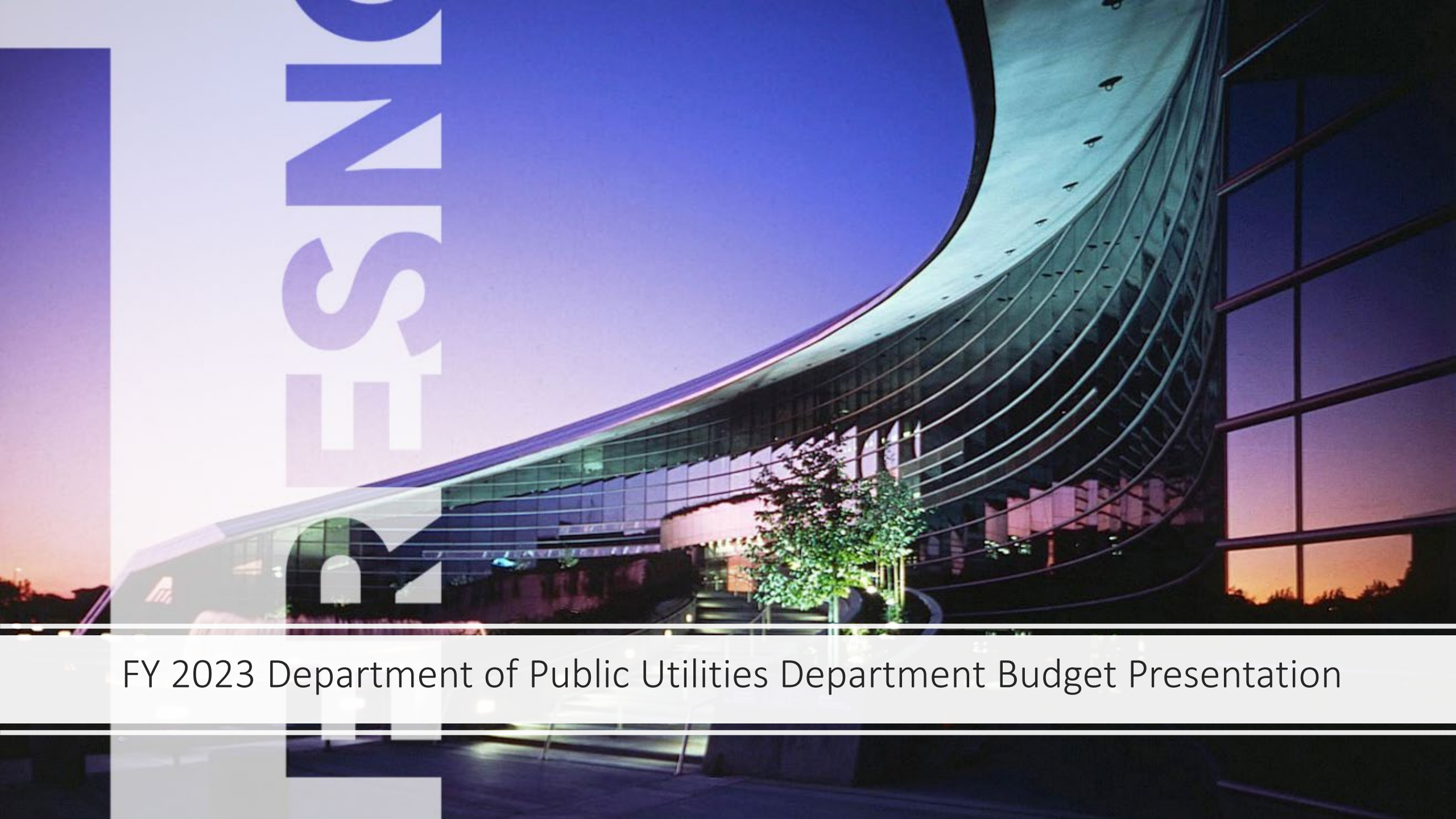
Item(s)

Supplemental Information:

Any agenda related public documents received and distributed to a majority of the City Council after the Agenda Packet is printed are included in Supplemental Packets. Supplemental Packets are produced as needed. The Supplemental Packet is available for public inspection in the City Clerk's Office, 2600 Fresno Street, during normal business hours (main location pursuant to the Brown Act, G.C. 54957.5(2)). In addition, Supplemental Packets are available for public review at the City Council meeting in the City Council Chambers, 2600 Fresno Street. Supplemental Packets are also available on-line on the City Clerk's website.

Americans with Disabilities Act (ADA):

The meeting room is accessible to the physically disabled, and the services of a translator can be made available. Requests for additional accommodations for the disabled, sign language interpreters, assistive listening devices, or translators should be made one week prior to the meeting. Please call City Clerk's Office at 621-7650. Please keep the doorways, aisles and wheelchair seating areas open and accessible. If you need assistance with seating because of a disability, please see Security.



FY 2023 Department of Public Utilities Department Budget Presentation

Public Utilities Department

Actual and Estimated Expenditures

Actual and Estimated Expenditures by Object						
Department Expenditures by Object	2018 Actuals	2019 Actuals	2020 Actuals	2021 Actuals	2022 Estimate	2023 Proposed
Personnel Costs	\$48,496,981	\$51,267,350	\$50,112,174	\$51,855,020	\$61,042,800	\$77,294,000
Non-Personnel Costs	\$169,577,938	\$166,381,542	\$170,689,914	\$142,528,883	\$149,892,100	\$204,416,800
ID Charge Costs	\$34,723,125	\$35,421,591	\$35,389,690	\$37,426,519	\$49,188,200	\$58,125,600
TOTAL EXPENDITURES	\$252,778,044	\$253,070,483	\$256,191,779	\$231,810,422	\$260,123,100	\$339,836,400

Department Notes

1. Department Expenditures include O&M, Capital and Debt Service.
2. FY22 Estimate vs. FY23 Proposed variance is primarily due to FY23 requests (slide 4), salary savings due to vacant positions in FY22, unspent capital expenditures in FY22 and new capital projects in FY23.

Public Utilities Department

Actual and Estimated Revenues

Actual and Estimated Revenue by Type						
Department Revenue by Type	2018 Actuals	2019 Actuals	2020 Actuals	2021 Actuals	2022 Estimate	2023 Proposed
General Fund	\$0	\$0	\$0	\$0	\$12,800	\$125,000
Enterprise	\$384,477,863	\$438,154,370	\$475,754,074	\$500,348,077	\$551,643,900	\$558,968,200
Internal Service Fund	\$14,343,661	\$15,561,323	\$5,050,722	\$4,824,970	\$9,981,100	\$13,569,200
TOTAL REVENUE	\$398,821,524	\$453,715,693	\$480,804,796	\$505,173,047	\$561,637,800	\$572,662,400

Department Notes

1. General Fund Revenue in FY22 Estimate and FY23 Proposed anticipates receiving funds from the Clean California Grant for Beautify Fresno Program.
2. Total Revenue includes Beginning Fund Balances.
3. FY23 Enterprise Revenue includes Charges for Services of approximately \$235M, of which projected Customer User Fees are \$219M.
4. The Internal Service Fund is primarily funding for DPU Administration/UP&E and O&M for New DPU Facility.

Public Utilities Department

FY 23 Budget Expansions by Division

FY 23 Budget Expansions	Administration	Water	Solid Waste	Wastewater
Additional Employees, Counts	16	4		
Additional Employees, Costs	\$1,542,400	\$244,600		
New Vehicles, Count		5	2	1
New Vehicles, Cost		\$352,200	127,800	\$38,800
New Information Technology/Communications Equipment		\$15,400		
Replacement Vehicles, Cost		\$1,466,000	\$2,659,400	\$777,400
Replacement Information Technology/Communications		\$129,000		
Other: Increase in Electrical Cost		\$2,579,400		\$1,799,800
Increase in Specialty Chemical Cost		\$732,100		\$998,500
New Sewer Odor Control System Cost				\$115,000
Increase in Landfill Tipping Fee Cost			\$542,500	
Increase in Water Tech Agreements/Quality Testing		\$316,500		
TOTAL FY 23 BUDGET EXPANSIONS	\$1,542,400	\$5,835,200	\$3,329,700	\$3,729,500

Public Utilities Department

FY 23 Department Budget Priorities

- Homeless Assistance Response Team to manage waste materials and store personal belongings of individuals
- DPU provides Core Essential Services – Water, Solid Waste and Wastewater
- Beautify Fresno Community-Based Litter Removal Program
- Rehabilitation and Replacement of Aging Infrastructure – Water Division and Wastewater Management Division Capital Improvement Program
- Master planning for expansion of water and sewer services
- Rehabilitation plans over next 5 years for Water and Sewer in Capital Improvement Plan
- Beautify Fresno Clubs – Involves schools representing every local school district and private schools
- Mayor's One Fresno Youth Jobs Core Program

Public Utilities Department

FY 23 Department Budget Priorities

- **Solid Waste FY 2023 Projected Fund Deficit**
 - Fiscal year resources for Solid Waste Operating Fund in FY 2023 total \$38,203,600 and total appropriations of \$41,866,400. The Solid Waste Operating Fund is projected to end the FY 2023 with a \$3,662,800 deficit. The total resources primarily from residential customer user fees (rate payers) are not adequate to cover the operating fund's projected expenditure. Solid Waste has not had a utility rate adjustment in over 13-years.
 - The rising costs of: labor; fleet maintenance and replacement vehicle purchases; fuel; tipping fees (disposal fees); replacement equipment; landfill post closure repairs; and other expenditures have also created significant challenges for the fund to stay balanced.