



Long Beach Water

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Board of Water Commissioners

CHRISTOPHER J. GARNER, General Manager

June 23, 2022

Subject

Adopt a Resolution of the City of Long Beach Board of Water Commissioners adopting the annual budget for the Long Beach Water Department for the fiscal year 2022-2023 and authorize staff to transmit the Resolution and the budget to the City Manager, Mayor, and City Council.

Executive Summary

The Fiscal Year 2022-2023 Budget represents the planned expenditures and projected revenues needed to execute the Department's mission for the next fiscal year. All individual sections of the budget have been reviewed with the Board.

To accommodate the City's budget development schedule, the Water Department must estimate the City budget components of employee salary, skill pay, fringe benefits, and City support services. As a result, this authorizes the General Manager to adjust the adopted Water Fund and Sewer Fund budgeted expenditures on the aforementioned budget items by an amount not to exceed 5.0% of the total of such charges. If these charges exceed 5.0%, staff will return to the Board of Water Commissioners for amendment and approval of the FY 2022-2023 Budget.

Attachment 1 provides a summary of the major budget components. Attachment 2 is the Budget Resolution for Board adoption, which is a necessary action as identified in the guidelines for the Department in the City Charter. Subsequently, staff would transmit the approved Resolution and Budget to the City Manager, Mayor, and City Council, prior to approval by the City Council in September.

Recommendation

Adopt Resolution No. WD-1467, a Resolution of the City of Long Beach Board of Water Commissioners adopting the annual budget for the Long Beach Water Department for the fiscal year 2022-2023 and authorize staff to transmit the Resolution and the budget to the City Manager, Mayor, and City Council.

B. Anatole Falagan
Assistant General Manager

Christopher J. Garner
General Manager

Attachments



Water Fund Budget Summary

Budget Category	FY 22	FY 23	% Change
Personal Services	31,482,564	33,569,232	6.6%
O&M	86,747,157	81,412,564	-6.1%
CIP	41,076,286	41,127,000	0.1%
Total Appropriation	159,306,008	156,108,796	-2.0%
Total Budget Revenue	160,137,095	149,242,781	-6.8%

Sewer Fund Budget Summary

Budget Category	FY 22	FY 23	% Change
Personal Services	6,961,293	7,127,011	2.4%
O&M	10,692,603	10,876,965	1.7%
CIP	5,679,299	5,178,799	-8.8%
Total Appropriation	23,333,195	23,182,775	-0.6%
Total Budget Revenue	19,413,851	20,663,851	6.4%

FY 23 Reserves

Water Fund Beginning Fund Balance:	25,687,197
Water Fund Ending Fund Balance:	18,821,182
Sewer Fund Beginning Fund Balance:	13,222,450
Sewer Fund Ending Fund Balance:	10,703,526

HIGHLIGHTS

Personal Services – The FY 23 Water Fund personal services budget is approximately \$2.1 M larger than FY 22, mainly attributable to union contract increases and PERS contribution costs. The FY 23 Sewer Fund personal services budget is relatively flat from FY 22. Although there are union-negotiated salary increases.

O&M Services – The FY 23 Water Fund O&M services budget is approximately \$5.3 M less than FY 22. This is primarily due to a decreased transfer to the City. The FY 23 Sewer Fund O&M services budget remains roughly equal to the FY 22 budget.

CIP – The FY 23 Water Fund and Sewer Fund CIP is roughly equal to the FY 22 budget. The focus continues to be on investment in well rehabilitation and new well development.

Revenue – FY 23 Water Fund revenues are estimated to decrease by \$10.9 M. This is primarily due to the mid-year rate decrease and a lower draw on debt proceeds. The FY 23 Sewer Fund revenues are estimated to increase by \$1.3 M mainly due to increased developer fees.

1 RESOLUTION NO. WD-1467

2
3 A RESOLUTION OF THE CITY OF LONG BEACH
4 BOARD OF WATER COMMISSIONERS ADOPTING THE
5 ANNUAL BUDGET FOR THE LONG BEACH WATER
6 DEPARTMENT FOR THE FISCAL YEAR 2022-2023

7
8 The Board of Water Commissioners of the City of Long Beach resolves as
9 follows:

10 Section 1. That the annual department budget of the Long Beach Water
11 Department for the fiscal year 2022-2023, is hereby adopted as follows:

12 WATER

13	Estimated Fund Balance 10-1-2022	\$25,687,197
14	Estimated Revenues	<u>\$149,242,781</u>
15	Total Estimated Resources	\$174,929,978
16	Estimated Expenditures	<u>\$156,108,796</u>
17	Estimated Fund Balance 9-30-2023	\$18,821,182

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19 SEWER

20	Estimated Fund Balance 10-1-2022	\$13,222,450
21	Estimated Revenues	<u>\$20,663,851</u>
22	Total Estimated Resources	\$33,886,301
23	Estimated Expenditures	<u>\$23,182,775</u>
24	Estimated Fund Balance 9-30-2023	\$10,703,526

25 The most up to date current year estimated expenditures and revenues are
26 included in the estimated fund balances and were provided in detail at the Board Meeting
27 held on May 12, 2022. Detailed schedules and other data which accompany the budget
28 are provided for information purposes only and are not intended to limit expenditures.

1 Section 2. The City's Fiscal Year 2022-2023 budget development
2 calendar requires submission of proposed budgets to the Mayor by July 1, 2022. To
3 accommodate the City's schedule, the Water Department must accelerate the adoption of
4 its Fiscal Year 2022-2023 budget. This requires the Water Department to estimate certain
5 City budget components including ongoing labor negotiations, employee fringe benefits,
6 and City support charges. These charges are included in the above budget numbers as
7 estimated amounts.

8 The Water Department anticipates the final City amounts will be delivered to
9 the Water Department in July. After the Water Department receives the actual amounts
10 the Budget of the Long Beach Water Department will need to be revised to reflect these
11 actual amounts. Therefore, the Board of Water Commissioners authorizes the General
12 Manager of the Long Beach Water Department to adjust the adopted Water Fund and
13 Sewer Fund budgeted expenditures for employee salaries, skill pays, fringe benefits and
14 City support charges by an amount not to exceed five percent (5.0%) of the total of such
15 charges included in the adopted budgets to reflect any increases in City charges above the
16 estimated amounts budgeted for fiscal year 2022-2023. The General Manager shall make
17 the necessary adjustments prior to submittal of the Long Beach Water Department budget
18 to the City.

19 Section 3. The Secretary of the Board of Water Commissioners shall
20 certify to the passage of this resolution, and cause copies of the same to be filed with the
21 City Council, the City Auditor and the City Manager.

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OFFICE OF THE CITY ATTORNEY
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I hereby certify that the foregoing resolution was adopted by the Board of Water Commissioners of the City of Long Beach, at its meeting of June 23, 2022, by the following vote:

Ayes: Commissioners: _____

Noes: Commissioners: _____
Absent: Commissioners: _____

Secretary
Board of Water Commissioners