



PROPOSED AMENDMENT OF THE FISCAL YEAR 2023-24 BUDGET

Riverside Public Utilities

Board of Public Utilities
May 8, 2023

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BACKGROUND

1. On April 11, 2022 the Board of Public Utilities approved the Electric and Water Funds Fiscal Years (FY) 2022-24 biennial budget which was subsequently adopted by City Council on June 21, 2022.
2. The purpose of the budget update is to recommend amendments to the previously adopted FY 2023-24 budget based on new financial data and significant events that impact the Electric and Water Funds' finances.
3. These recommendations will be incorporated into the City's FY 2023-24 budget update that will be presented to City Council on May 16, 2023.



DISCUSSION

The combined increase to RPU personnel costs of \$4,932,899 are a result of:

- Council-approved salary and benefit increases in IBEW, SEIU, and Unrepresented employee groups; and
- Refresh of position and employee demographics, including personnel reclassifications.

Personnel			
Fund Category	Adopted FY 2023/24	Proposed Adjustment	Amended FY 2023/24
510 Electric	\$70,462,076	\$3,670,394	\$74,132,470
520 Water	24,143,205	1,262,505	25,405,710
	\$94,605,281	\$4,932,899	\$99,538,180

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PENSION TRUST

RPUs combined participation in the Section 115 Pension Trust Fund is \$4,666,546 and is cost neutral. The costs were budgeted to be paid to CalPERS Unfunded Accrued Liability (UAL). The transaction to move the CalPERS UAL funds is done through Operating Transfers Out. Those funds will then be added to the City's Section 115 Pension Trust, ensuring long-term management of rising pension costs to avoid pension cost spikes in future years to keep rate payer costs low.

CalPERS UAL			
Fund Category	Adopted FY 2023/24	Proposed Adjustment	Amended FY 2023/24
510 Electric	\$3,509,532	(\$3,509,532)	\$0
520 Water	1,157,014	(1,157,014)	0
	\$4,666,546	(\$4,666,546)	\$0
Operating Transfers Out			
Fund Category	Adopted FY 2023/24	Proposed Adjustment	Amended FY 2023/24
510 Electric	44,636,500	3,509,532	48,146,032
520 Water	8,565,800	1,157,014	9,722,814
	\$53,202,300	\$4,666,546	\$57,868,846

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NON-PERSONNEL & DEBT

1. The non-personnel increases of \$7,996 for the Electric Fund 510 and \$26,660 for the Water Fund 520 reflect the increase in boot allowance per the new IBEW MOU.
2. The Water 520 Fund has a decrease of \$267,105 to adjust debt service obligations to match the debt service schedule.



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CHARGES FROM OTHERS

Cost increases from the City's Cost Allocation Plan and changes to the administrative charges to/from City Departments for \$909,045:

- Salary and benefit increases for IBEW, SEIU, Unrepresented.
- Personnel position and employee demographics refresh.
- Addition of 23.75 FTE in internal service departments that support citywide services.
- RPU funding for 50% of a 1.0 full time Project Lead position in the City Manager's Office of Sustainability, total of \$68,780.

Charges from Others			
Fund Category	Adopted FY 2023/24	Proposed Adjustment	Amended FY 2023/24
510 Electric	\$18,209,196	\$771,553	\$18,980,749
511 Electric Public Benefits	1,706,706	12,400	\$1,719,106
520 Water	10,473,006	124,032	10,597,038
521 Water Conservation	504,989	1,060	506,049
Total	30,893,897	909,045	31,802,942



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STRATEGIC PLAN ALIGNMENT



Priority 5 – High Performing Government

Goal 5.3 – Enhance communication and collaboration with community members to improve transparency, build public trust and encourage shared decision making.

Cross-Cutting Threads



Community Trust



Fiscal Responsibility



Sustainability &
Resiliency



Equity



Innovation



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RECOMMENDATIONS

That the Board of Public Utilities recommend that the City Council:

1. Approve the Electric 510 Fund proposed Fiscal Year 2023-24 budget amendments comprising of an increase in expenditures of \$4,449,943;
2. Approve the Electric 511 Public Benefit Fund proposed Fiscal Year 2023-24 budget amendments comprising of an increase in expenditures of \$12,400;
3. Approve the Water 520 Fund proposed Fiscal Year 2023-24 budget amendments comprising of an increase in expenditures of \$1,146,092; and
4. Approve the Water Conservation 521 Fund proposed Fiscal Year 2023-24 budget amendments comprising of an increase in expenditures of \$1,060.



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