

City of Meridian FY2023 Budget Amendment Form

Personnel Costs

Full Time Equivalent (FTE):

Fund#	Dept.#	G/L#	Proj.#	G/L# Description	Total
60	3430 / 3510	41200	0	Wages	
60	3430 / 3510	41206	0	PT/Seasonal Wages	
60	3430 / 3510	41210	0	Overtime	
60	3430 / 3510	41304	0	Uniform Allowance	
60	3430 / 3510	42021	0	FICA	\$ -
60	3430 / 3510	42022	0	PERSI	\$ -
60	3430 / 3510	42023	0	Worker's Comp	\$ -
60	3430 / 3510	42025	0	Employee Insurance	\$ -

Total Personnel Costs \$ -

Operating Expenditures

Fund#	Dept.#	G/L#	Proj.#	G/L# Description	One-Time	On-Going	Total
60	3430	52015	0	Chemicals	\$ 163,000		\$ 163,000
60	3510	52015	0	Chemicals	\$ 204,700		\$ 204,700
60	0		0				\$ -
60	0		0				\$ -
60	0		0				\$ -
60	0		0				\$ -
60	0		0				\$ -
60	0		0				\$ -
60	0		0				\$ -
60	0		0				\$ -
60	0		0				\$ -
60	0		0				\$ -
60	0		0				\$ -
60	0		0				\$ -

Total Operating Expenditures \$ 367,700 \$ - \$ 367,700

Capital Outlay

Fund#	Dept.#	G/L#	Proj.#	G/L# Description	Total
60	0		0		
60	0		0		
60	0		0		
60	0		0		
60	0		0		

Total Capital Outlay \$ -

Revenue/Donations

Fund#	Dept.#	G/L#	Proj.#	G/L# Description	Total
60	0		0		
60	0		0		
60	0		0		

Total Revenue/Donations \$ -



Please only complete the fields highlighted in Orange.

Amendment Details

Title: **FY23 Water & Wastewater Chemicals**

Department Name: **Public Works**

Presenting Department Name: **Public Works**

Department #: **3430 / 3510**

Primary Funding Source: **60**

CIP#:

Project #:

Is this for an Emergency? ☐ Yes ☒ NoNew Level of Service? ☐ Yes ☒ No

Clerks Office Stamp

Date of Council Approval

Acknowledgement

Date

[Signature] **3/9/23**

Department Director

REVIEWED
By Todd Lavoie at 3:07 pm, Mar 14, 2023

Chief Financial Officer

Approved Joe Borton 8:36 am **3/15/2023**

Council Liaison

[Signature] **3-15-23**

Mayor

Total Amendment Request \$ **367,700**

BP 3/9/23

City of Meridian FY2023 Budget Amendment Form

Total Amendment Cost - Lifetime

	Prior Year(s) Funding	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Department Name: <u>Public Works</u> Title: <u>FY23 Water & Wastewater Chemicals</u>
Personnel		\$ -	\$ -	\$ -	\$ -	\$ -	Instructions for Submitting Budget Amendments: ➤ Department will send Amendment with Directors signature to Finance (Budget Analyst) for review ➤ Finance will send Amendment to Council Liaison for signature ➤ Council Liaison will send signed Amendment to Mayor ➤ Mayor will send signed Amendment to Finance (Budget Analyst)
Operating		\$ 367,700	\$ -	\$ -	\$ -	\$ -	
Capital		\$ -					
Total	\$ -	\$ 367,700	\$ -	\$ -	\$ -	\$ -	
Total Estimated Project Cost: \$ 367,700							

Evaluation Questions

Please answer all Evaluation Questions using the financial data referenced above.

- Describe what is being requested?
The use of chemicals in both the Water and Wastewater utilities is critical to ensure protection of public health and the environment. Additional operational budget is needed for both departments to cover the anticipated expense of chemicals for the balance of the FY23 budget year. Due to chemical price increases and added chemical requirements it is clear that the FY23 budgets will not fully cover the chemical needs of the utilities.
- Why was this budget request not submitted during the current fiscal year budget cycle?
As budgets are developed over a year in advance, and chemical price increases are not necessarily known at that time, it can be difficult to estimate exact budgetary figures. Additionally, until individual water treatment filters and wastewater process units are run for several years, the exact chemical requirements can be difficult to predict.
- What is the explanation for not submitting this budget request during the next fiscal year budget cycle?
The need for additional chemicals / chemical spending can not be delayed.
- Describe the proposed method of funding? If funding is split between Funds (i.e. General, Enterprise, Grant), please include the percentage split. List the amounts and sources of anticipated additional revenue that will result from approval of this request.
Enterprise Fund
- Does this request align with the Department/City's strategic plan? If not, please explain how this request was not included in the Department/City strategic plan?
Yes
- Does this request require resources to be provided by other departments? If yes, please describe the necessary resources to be provided by other departments.
Yes - Procurement will need to supply change orders for chemical spending.
- Does this Amendment include any needed Equipment or Software that will utilize the City's network? (Yes or No)
No
- Is the amendment going to result in the disposal of an asset? (Yes or No)
No
- Any additional comments?

Total Amendment Request \$ 367,700

Every effort should be made to avoid reopening the budget for an amendment. Departments will need to provide back up and appear before the City Council to justify budget amendments. Budget amendments are intended for emergency or mandatory changes to the original balanced budget. Changes to the original balanced budget may cause a funding shortfall.

TO: Mayor Robert Simison
Members of the City Council

FROM: Laurelei McVey, PW Director

DATE: March 7, 2023

**SUBJECT: FY23 BUDGET AMENDMENT FOR WATER AND WASTEWATER
CHEMICALS.**

REQUESTED COUNCIL DATE: 3/21/2023

I. RECOMMENDED ACTION

A. Move to:

1. Approve a Budget Amendment in the amount of \$367,700 for water and wastewater chemicals.
2. Authorize the Mayor to sign the amendment.

II. DEPARTMENT CONTACT PERSONS

Laurelei McVey, Director of Public Works 208-985-1259

III. DESCRIPTION

A. Background

The use of chemicals in both the water and wastewater utilities is critical to ensure protection of public health and the environment. Chlorine is an essential chemical in the drinking water system that is used for disinfection and is necessary for the operation of treatment filters that remove brown water. The wastewater utility uses a variety of chemicals to treat the wastewater to meet strict regulatory permit limits.

Supply chain issues and inflationary pressures have dramatically changed the chemical industry over the past several years. While the City still competitively bids these chemicals, in many cases prices have doubled over the past few years.

Additionally, with continued growth (additional flow) and installation of additional treatment filters (water) and treatment processes to meet permit limits (wastewater), the overall volume of chemicals used has also increased.

Fiscal Year	Price Per Pound or Gallon		
	Chlorine	Ferric	Polymer
FY20	\$1.69	\$0.17	\$1.17
FY21	-	\$0.18	-
FY22	-	\$0.28	\$1.91
FY23	\$3.59	\$0.42	\$2.43
% Increase (FY20-FY23)	112%	147%	108%

Water Chemical Budget/Use

Fiscal Year	Budget	Actual	Overage Needed
FY20	\$167,000	\$204,313	\$37,313
FY21	\$199,350	\$232,637	\$33,287
FY22	\$265,000	\$332,639	\$67,639
FY23	\$272,960	\$435,960 (anticipated)	\$163,000 (anticipated)
FY24	\$429,418 (planned)		

Wastewater Chemical Budget/Use

Fiscal Year	Budget	Actual	Overage Needed
FY20	\$523,000	\$492,666	-
FY21	\$523,000	\$539,997	\$16,997
FY22	\$530,000	\$743,918	\$213,918
FY23	\$611,535	\$816,235 (anticipated)	\$204,700 (anticipated)
FY24	\$852,388 (planned)		

B. Reason for Amendment

Because budgets are developed over a year in advance, and chemical price increases are not necessarily known at that time, it can be difficult to estimate exact budgetary figures. Additionally, until individual water treatment filters and wastewater process units are run for several years, the exact chemical requirements can be difficult to predict.

C. Alternatives

These chemicals are required to protect both public health and the environment as well as meeting regulatory requirements. Not using these chemicals is not a viable option.

The Department intends to continue to work with chemical vendors to competitively rebid contracts where appropriate to ensure the City is receiving the best possible pricing. The Department also continuously works to ensure treatment processes are optimized to use chemicals as efficiently and judiciously as possible.

IV. **IMPACT**

The enterprise fund has sufficient funding to cover this overage.

GL	GL Name	Overspend Amount
60-3430-52015	Water- Chemicals	\$163,000
60-3510-52015	Wastewater-Chemicals	\$204,700
		\$367,700

Approved for Council Agenda:  Date 3/7/23