



# Public Works

## Fiscal Year 2025 Operating Budget Request

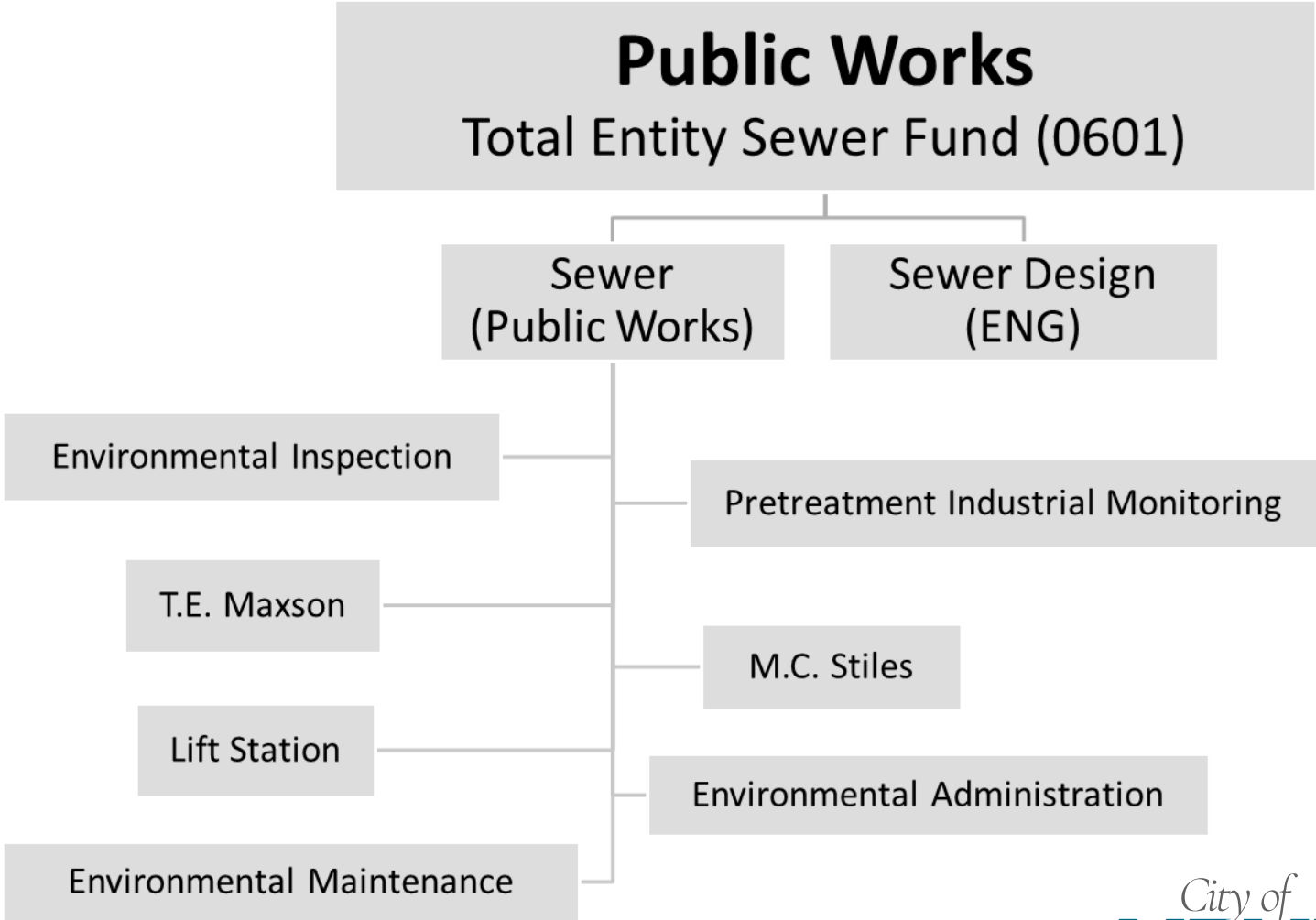
**DIRECTOR: ROBERT KNECHT**

**FUND: SEWER**

**DATE: 5/15/2024**

*City of*  
**MEMPHIS**

# ORG CHART



# FY25 Operating Budget Request

## Strategic priorities addressed by this budget:

- Public Safety
  - Support Memphis 3.0 with city-wide Sewer master planning and projects
  - Optimize chemical disinfection process at Wastewater Treatment Facilities (WWTFs)
- Jobs + Strong Economy
  - Finalize WIFIA loan for Biosolids improvements at Stiles WWTF
  - Negotiate new permits with TN Dept. of Environment and Conservation (TDEC)
  - Finalizing Interjurisdictional Agreements (IJA)
- Clean + Attractive Neighborhoods
  - Support Memphis 3.0 with city-wide Sewer master planning and projects
  - Continue upgrades at T.E. Maxson WWTF
  - Begin construction of a large solar system at TE Maxson WWTF
  - Analysis of options to treat effluent water at TE Maxson WWTF and supply to facility as a replacement of potable water.

# EXPENDITURES

# FY24 Expenditures Bridge to FY25 Request

| Description                      | Fiscal Year 2024 |                         |                                   |                | FY25 Request   | FY25 Request vs FY24 Adopted | % Increase/Decrease |
|----------------------------------|------------------|-------------------------|-----------------------------------|----------------|----------------|------------------------------|---------------------|
|                                  | Adopted Budget   | Encumbrance Rollforward | Council Approved Budget Revisions | Funding Budget |                |                              |                     |
| <b>Personnel Services</b>        | \$ 27,760,606    | \$ -                    | \$ -                              | \$ 27,760,606  | \$ 29,803,733  | \$ 2,043,127                 | 7.4%                |
| Personnel Expense                | \$ 27,790,824    | \$ -                    | \$ -                              | \$ 27,790,824  | \$ 29,833,951  | \$ 2,043,127                 | 7.4%                |
| Personnel Recovery               | \$ (30,218)      | \$ -                    | \$ -                              | \$ (30,218)    | \$ (30,218)    | \$ -                         | 0.0%                |
| <b>Material and Supplies</b>     | \$ 81,637,535    | \$ 12,021,703           | \$ -                              | \$ 93,659,238  | \$ 83,967,549  | \$ 2,330,014                 | 2.9%                |
| M&S Expense                      | \$ 81,637,535    | \$ 12,021,703           | \$ -                              | \$ 93,659,238  | \$ 83,967,549  | \$ 2,330,014                 | 2.9%                |
| M&S Recovery                     | \$ -             | \$ -                    | \$ -                              | \$ -           | \$ -           | \$ -                         | 0.0%                |
| <b>Capital Outlay</b>            | \$ 10,022,000    | \$ 2,494,940            | \$ -                              | \$ 12,516,940  | \$ 12,000,000  | \$ 1,978,000                 | 19.7%               |
| <b>Project Costs</b>             | \$ -             | \$ 11,528,140           | \$ -                              | \$ 11,528,140  | \$ -           | \$ -                         | 0.0%                |
| <b>Interest</b>                  | \$ 11,393,233    | \$ -                    | \$ -                              | \$ 11,393,233  | \$ 10,787,384  | \$ (605,849)                 | -5.3%               |
| <b>Service Charges</b>           | \$ -             | \$ 5,000                | \$ -                              | \$ 5,000       | \$ -           | \$ -                         | 0.0%                |
| <b>Transfer Out</b>              | \$ 14,001,294    | \$ -                    | \$ -                              | \$ 14,001,294  | \$ 12,033,813  | \$ (1,967,482)               | -14.05%             |
| <b>Depreciation on Own Funds</b> | \$ 15,250,800    | \$ -                    | \$ -                              | \$ 15,250,800  | \$ 15,250,800  | \$ 0                         | 0.0%                |
| <b>Total</b>                     | \$ 160,065,468   | \$ 26,049,782           | \$ -                              | \$ 186,115,250 | \$ 163,843,279 | \$ 3,777,811                 | 2.4%                |



# Program Comparative Spending

| Program (Legal Level)                                 | Fiscal Year 2024      |                         |                                   |                       | FY25 Request          | FY25 Request vs FY24 Adopted | % Increase/Decrease |
|---|-----------------------|-------------------------|-----------------------------------|-----------------------|-----------------------|------------------------------|---------------------|
|   | Adopted Budget        | Encumbrance Rollforward | Council Approved Budget Revisions | Funding Budget        |                       |                              |                     |
| Environmental Engineering (PW)                        | \$ 134,418,254        | \$ 14,154,577           | \$ -                              | \$ 148,572,831        | \$ 138,673,816        | \$ 4,255,562                 | 3.2%                |
| Sewer Design (ENG)                                    | \$ 1,753,981          | \$ 362,066              | \$ -                              | \$ 2,116,047          | \$ 1,882,078          | \$ 128,097                   | 7.3%                |
| 179901 Public Works 0601                              | \$ 12,500,000         | \$ 11,533,140           | \$ -                              | \$ 24,033,140         | \$ 12,500,000         | \$ 0                         | 0.0%                |
| *000000 Unallocated 0601 Sewer Treatment & Collection | \$ 11,393,233         |                         | \$ -                              | \$ 11,393,233         | \$ 10,787,384         | \$ (605,849)                 | -5.3%               |
| <b>Total Expenditures</b>                             | <b>\$ 160,065,468</b> | <b>\$ 26,049,782</b>    | <b>\$ -</b>                       | <b>\$ 186,115,250</b> | <b>\$ 163,843,279</b> | <b>\$ 3,777,811</b>          | <b>2.4%</b>         |

*\*000000 Unallocated 0601 Sewer Treatment & Collection: A service center established for the purpose of retaining an adequate level of nonoperating revenues derived from activities other than the basic operations of the Enterprise Fund, i.e., a pool for overflow. Generally Accepted Accounting Principles (GAAP) requires that operating revenues plus expenses are to be recorded and reported independently from those that are non-operating; a legal required standard of accountability to attest sustainability of the Enterprise Fund.*



# FY25 Year Over Year Changes in Expenditures

| Category                        | Account                               | Amount              | Explanation  |
|---------------------------------|---------------------------------------|---------------------|--|
| <b>Personnel Services</b>       | Salaries                              | \$ 1,319,945        | Salary and Approved Labor Negotiated Adjustments; FY25 Proposed ISL(s) |
|                                 | Insurance                             | 125,454             | Provided by Human Resources  |
|                                 | Pension                               | 39,475              | To fund current year Pension obligation                                |
|                                 | Benefits Adjustments                  | (25,469)            | Provided by Human Resources  |
|                                 | Bonus Pay and Various Personnel Lines | 583,720             | Sign On, Spot, Extended Duty and 5 Personnel Lines under \$10K         |
| <b>Materials &amp; Supplies</b> | Services and Charges                  | 2,005,000           | Various line adjustments due to impact of operations                   |
|                                 | Chemicals                             | (1,600,000)         | Various line adjustments due to impact of operations                   |
|                                 | Professional Services                 | 470,000             | Various line adjustments due to impact of operations                   |
|                                 | Pipe Fittings & Castings              | 325,000             | Various line adjustments due to impact of operations                   |
|                                 | Outside Equipment Repair/Maintenance  | 320,000             | Various line adjustments due to impact of operations                   |
|                                 | Lime Cement & Gravel                  | 250,000             | Various line adjustments due to impact of operations                   |
|                                 | Outside Vehicle Repair                | 213,500             | Various line adjustments due to impact of operations                   |
|                                 | Equipment Rental                      | 177,500             | Various line adjustments due to impact of operations                   |
|                                 | Claims                                | 120,000             | Provided by Legal  |
|                                 | Various M&S Lines (32) under \$75K    | 49,014              | Various line adjustments due to impact of operations                   |
| <b>Capital Outlay</b>           | Vehicles                              | 546,000             | Impact of Operations   |
|                                 | Prod/Constr/Maint Equipment           | 312,000             | Impact of Operations   |
|                                 | Equipment                             | 1,120,000           | Impact of Operations   |
| <b>Interest</b>                 | Senior Lien Interest                  | (543,356)           | Provided by Finance  |
|                                 | State Loan Interest                   | (62,493)            | Provided by Finance  |
| <b>Transfers Out</b>            | In Lieu of Tax Payment - General      | (1,967,481)         | Provided by Finance  |
|                                 |                                       |                     |  |
|                                 | <b>Net Change</b>                     | <b>\$ 3,777,811</b> |  |

# REVENUE



# FY24 Adopted Revenues Bridge to FY25 Request

| Description                              | Fiscal Year 2024      |                                      |                       | FY25 Request          | FY25 Request vs<br>FY24 Adopted | %<br>Increase/Decrease |
|--|-----------------------|--------------------------------------|-----------------------|-----------------------|---------------------------------|------------------------|
|  | Adopted Budget        | Council Approved<br>Budget Revisions | Funding Budget        |                       |                                 |                        |
| <b>Fines and Forfeitures</b>             | \$ 1,001,000          | \$ -                                 | \$ 1,001,000          | \$ 1,001,000          | \$ -                            | 0.0%                   |
| Fines & Forfeitures                      | 1,001,000             | -                                    | 1,001,000             | 1,001,000             | -                               | 0.0%                   |
| <b>Charges for Services</b>              | \$ 158,028,307        | \$ -                                 | \$ 158,028,307        | \$ 160,512,450        | \$ 2,484,143                    | 1.6%                   |
| Subdivision Development Fees             | 1,250,000             | -                                    | 1,250,000             | 1,250,000             | -                               | 0.0%                   |
| Rents                                    | 43,307                | -                                    | 43,307                | 44,000                | 693                             | 1.6%                   |
| Sewer Connections                        | 10,000                | -                                    | 10,000                | 10,000                | -                               | 0.0%                   |
| Sewer Fees                               | 156,650,000           | -                                    | 156,650,000           | 159,150,000           | 2,500,000                       | 1.6%                   |
| Biogas Revenue                           | 75,000                | -                                    | 75,000                | 45,000                | (30,000)                        | -40.0%                 |
| Sewer Insp/Locate Fees                   | -                     | -                                    | -                     | 5,750                 | 5,750                           | 0.0%                   |
| Sewer Availability Fees                  | -                     | -                                    | -                     | 7,700                 | 7,700                           | 0.0%                   |
| <b>Use of Money and Property</b>         | \$ 600,000            | \$ -                                 | \$ 600,000            | \$ 600,000            | \$ -                            | 0.0%                   |
| Interest on Investments                  | 500,000               | -                                    | 500,000               | 500,000               | -                               | 0.0%                   |
| Net Income/Investors                     | 100,000               | -                                    | 100,000               | 100,000               | -                               | 0.0%                   |
| <b>Other Revenues</b>                    | \$ 83,000             | \$ -                                 | \$ 83,000             | \$ 68,000             | \$ (15,000)                     | -18.1%                 |
| Miscellaneous Income                     | 1,000                 | -                                    | 1,000                 | 1,000                 | -                               | 0.0%                   |
| Miscellaneous Revenue                    | 82,000                | -                                    | 82,000                | 67,000                | (15,000)                        | -18.3%                 |
| <b>Contributed from Fund Balance</b>     | \$ 353,161            | \$ -                                 | \$ 353,161            | \$ -                  | \$ (353,161.00)                 | -100.0%                |
| Contributed From Unassigned Fund Balance | 353,161               | -                                    | 353,161               | -                     | (353,161.00)                    | -100.0%                |
| <b>Total</b>                             | <b>\$ 160,065,468</b> | <b>\$ -</b>                          | <b>\$ 160,065,468</b> | <b>\$ 162,181,450</b> | <b>\$ 2,115,982</b>             | <b>1.3%</b>            |

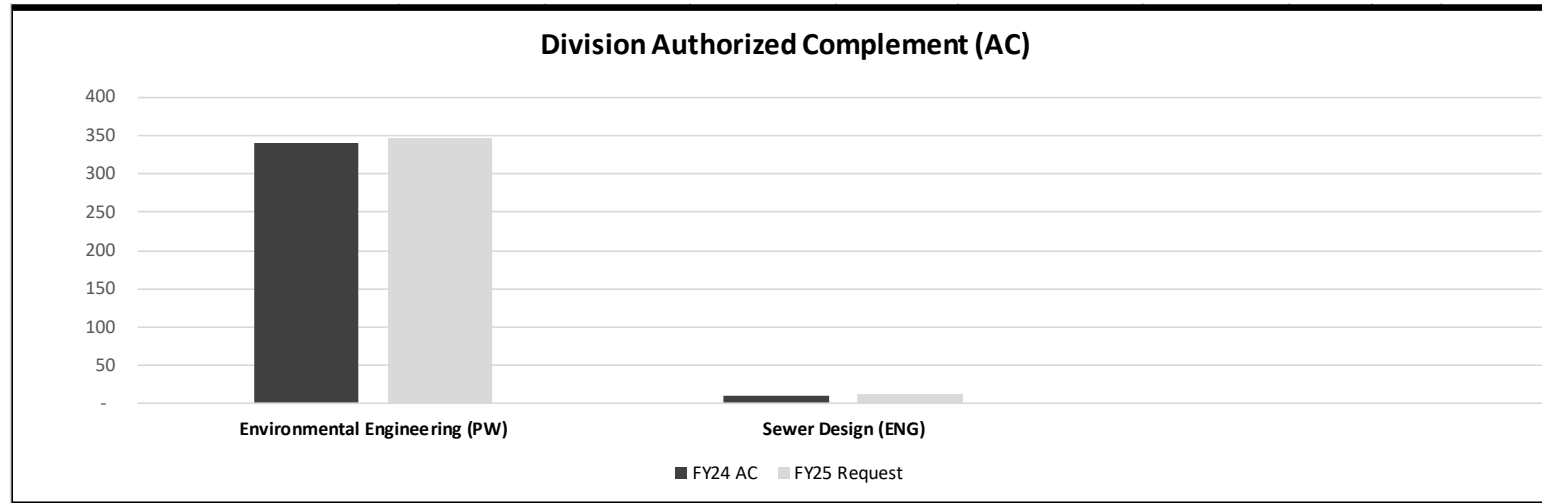
# FY25 Year Over Year Changes in Revenues

| Category                             | Account                                  | Amount              | Explanation   |
|--------------------------------------|--|---------------------|---|
| <b>Charges for Services</b>          | Rents                                    | \$ 693              | Increase in Fees                                    |
|                                      | Sewer Fees                               | 2,500,000           | Increase in Sewer Fees                              |
|                                      | Biogas Revenue                           | (30,000)            | Decrease in Revenue                                 |
|                                      | Sewer Insp/Locate Fees                   | 5,750               | New revenue stream                                  |
|                                      | Sewer Availability Fees                  | 7,700               | New revenue stream                                  |
| <b>Other Revenues</b>                | Miscellaneous Revenue                    | (15,000)            | Decrease in Misc Revenue                            |
| <b>Contributed from Fund Balance</b> | Contributed From Unassigned Fund Balance | (353,161)           | FY23 year-end adjustment to Unassigned Fund Balance |
|                                      |  |                     |   |
|                                      | <b>Net Change</b>                        | <b>\$ 2,115,982</b> |   |
|                                      |  |                     |   |

# DIVISION DETAIL INFORMATION

# PERSONNEL INFORMATION

# Division Authorized Complement (AC)



| Legal Level                    | FY24 AC    | FY24 Council Approved Revisions | FY25 AC    | FY25 Requested ISLs | FY25 AC Request | Vacant Position(s) | Status of Vacant Position(s) |          | *Number of Grant Position(s) |
|--------------------------------|------------|---------------------------------|------------|---------------------|-----------------|--------------------|------------------------------|----------|------------------------------|
|                                |            |                                 |            |                     |                 |                    | Posted                       | Filled   |                              |
| Environmental Engineering (PW) | 341        | -                               | 341        | 6                   | 347             | 55                 | 34                           |          | -                            |
| Sewer Design (ENG)             | 11         | -                               | 11         | 1                   | 12              | 1                  |                              |          | -                            |
| <b>Total</b>                   | <b>352</b> | <b>-</b>                        | <b>352</b> | <b>7</b>            | <b>359</b>      | <b>56</b>          | <b>34</b>                    | <b>-</b> | <b>-</b>                     |

\*Position(s) not funded by General Fund.



# **MATERIAL & SUPPLY EXPENDITURES (M&S)**

# Major M&S Expenditures

| Line Item                            | Amount                      | Percentage  |
|--------------------------------------|-----------------------------|-------------|
| Outside Phone/Communications         | \$ 110,000                  | 0.1%        |
| Janitorial Services                  | 155,000                     | 0.2%        |
| Safety Equipment                     | 172,000                     | 0.2%        |
| City Computer Svc Equipment          | 219,000                     | 0.3%        |
| Lawsuits                             | 240,000                     | 0.3%        |
| Equipment Rental                     | 427,500                     | 0.5%        |
| Pipe Fittings & Castings             | 565,000                     | 0.7%        |
| Claims                               | 620,000                     | 0.7%        |
| All Other M&S under \$110K           | 694,268                     | 0.8%        |
| Lime Cement & Gravel                 | 1,000,000                   | 1.2%        |
| City Shop Fuel                       | 1,000,081                   | 1.2%        |
| Cost Allocation - General Fund       | 1,075,000                   | 1.3%        |
| Outside Vehicle Repair               | 1,255,500                   | 1.5%        |
| Outside Equipment Repair/Maintenance | 1,321,200                   | 1.6%        |
| Materials and Supplies               | 2,753,000                   | 3.3%        |
| Misc Services and Charges            | 8,525,000                   | 10.2%       |
| Utilities                            | 12,965,000                  | 15.4%       |
| Misc Professional Services           | 23,370,000                  | 27.8%       |
| Chemicals                            | 27,500,000                  | 32.8%       |
| <b>Total FY25 M&amp;S Budget</b>     | <b><u>\$ 83,967,549</u></b> | <b>100%</b> |

# Account Details

## Professional Services

| Vendor                       | Description   | Amount                     | Percentage    |
|------------------------------|---|----------------------------|---------------|
| Acuff                        | Emergency sewer repair at various locations                         | \$ 4,000,000               | 17.1%         |
| SCA                          | Sewer cleaning  | 3,000,000                  | 12.8%         |
| Xylem                        | Emergency bypass pumping services                                   | 2,200,000                  | 9.4%          |
| Humbard                      | CIPP Specialist   | 2,000,000                  | 8.6%          |
| Veasley                      | Paving services   | 2,000,000                  | 8.6%          |
| Malasri                      | Professional engineering design and CA services                     | 1,749,000                  | 7.5%          |
| W&T Contracting              | Repair/rehabilitaiton services                                      | 1,500,000                  | 6.4%          |
| Brown & Caldwell             | Industrial monitoring sensors, PAA optimization, NPDES permit study | 1,140,780                  | 4.9%          |
| Black & Veatch               | Maxson Primary Clarifier Pump Station CA; Lagoon 5 Design and CA    | 836,000                    | 3.6%          |
| Emerson                      | WWTF Ovation System   | 741,315                    | 3.2%          |
| Stantec                      | WWTFs data consolidation analytics dashboard                        | 650,000                    | 2.8%          |
| Tioga Environmental          | Permit compliance, sensorr maintenance, PAA monitoring and sampling | 490,000                    | 2.1%          |
| Landmark                     | Mechanical maintenance and wastewater treatment parts and equipment | 400,000                    | 1.7%          |
| Waypoint                     | Analytical laboratory services                                      | 350,000                    | 1.5%          |
| Baker Donelson               | Outside legal counsel   | 300,000                    | 1.3%          |
| Gary Cohen Environmental     | Outside legal counsel   | 300,000                    | 1.3%          |
| Security Service             | Site security   | 220,000                    | 0.9%          |
| CDM                          | Photovoltaic system design and CA                                   | 150,000                    | 0.6%          |
| Material Matters             | Biosolids regulatory compliance assistance                          | 110,000                    | 0.5%          |
| Brophy-Heineke               | Wetland delineation and permit assistance                           | 100,000                    | 0.4%          |
| Various vendors under \$100K | Various professional services contracts                             | 1,132,905                  | 4.8%          |
|                              |   | <b>Total \$ 23,370,000</b> | <b>100.0%</b> |



# Account Details Leases

| Name of Lessor                             | Address                           | Amount             | %      |
|--|-----------------------------------|--------------------|--------|
| Memphis & Shelby<br>County Port Commission | P.O. Box 637<br>Memphis, TN 38101 | \$85,000.00        | 100.0% |
|  |                                   | -                  | 0.0%   |
|  |                                   | -                  | 0.0%   |
|  |                                   | -                  | 0.0%   |
|  |                                   | -                  | 0.0%   |
|  |                                   |                    |        |
|  | <b>Total</b>                      | <b>\$85,000.00</b> | 100.0% |
|  |                                   |                    |        |

# Minority/Women Business Enterprises (MWBE) Utilization

MWBE Spend for the Public Works Division as of December 31, 2023 (FY24)

| Certified MBE Spend | Certified WBE Spend | Total Certified MWBE Spend | Non-Certified MWBE Spend | Total Certified + Non-Certified MWBE Spend | FY24 Q2 Eligible Spend |
|---------------------|---------------------|----------------------------|--------------------------|--|------------------------|
| \$16,978,238.53     | \$2,347,734.01      | \$19,325,972.54            | \$2,099,920.81           | \$21,425,893.35                            | \$125,849,466.80       |
| 13.49%              | 1.87%               | 15.36%                     | 1.67%                    | 17.03%                                     |                        |

|                    | Female                | Male                   | Grand Total            | Percent of MWBE Spend | Percent of Total Spend |
|--------------------|-----------------------|------------------------|------------------------|-----------------------|------------------------|
| Asian              | \$72,134.95           | \$639,483.32           | \$711,618.27           | 3.68%                 | 0.57%                  |
| Black              | \$2,798,958.75        | \$12,721,905.71        | \$15,520,864.46        | 80.31%                | 12.33%                 |
| Caucasian          | \$2,347,734.01        | \$0.00                 | \$2,347,734.01         | 12.15%                | 1.87%                  |
| Hispanic/Latino    | \$182,622.44          | \$563,133.36           | \$745,755.80           | 3.86%                 | 0.59%                  |
| Native American    | \$0.00                | \$0.00                 | \$0.00                 | 0.00%                 | 0.00%                  |
| <b>Grand Total</b> | <b>\$5,401,450.15</b> | <b>\$13,924,522.39</b> | <b>\$19,325,972.54</b> | <b>100.00%</b>        | <b>15.36%</b>          |

**Total FY23 Year End  
MWBE Spend: 23.12%**

**MWBE Spend for the Public Works SARP10 and MSQ2 Projects managed by Allworld Project Management, LLC**

SARP10 MWBE spend as of June 30, 2023

Total Program spend during period: \$32.51M  
 Total Program MWBE during period: \$12.29M  
 Total Certified + Non-Certified MWBE Spend 37.80%

MSQ2 MWBE spend as of June 30, 2023

Total spend during period: \$6.25M  
 Total MWBE during period: \$4.34M  
 Total Certified + Non-Certified MWBE Spend 69.39%





*City of*  
**MEMPHIS**