

Gas Fund

Fiscal Year 2025 Operating Budget

Fund Overview

ADOPTED BUDGET		ADOPTED BUDGET
	FY2024	FY2025
Estimated Revenues		
Revenue-Use Money/Property	\$345,110	\$427,171
Charges for Services	\$27,234,710	\$20,506,922
Miscellaneous Revenue	\$7,500	\$6,500
Recovered Cost	\$0	–
ESTIMATED REVENUES TOTAL	\$27,587,320	\$20,940,593
Operating Expenses		
Administration Services	\$3,432,680	\$3,640,550
Capital Outlay	\$1,658,870	\$318,633
Distribution	\$863,640	\$1,302,490
Engineering	\$378,230	\$373,172
Gas Control	\$18,759,650	\$13,118,676
Meters & Regulators	\$159,230	\$188,914
Service	\$258,810	\$162,576
OPERATING EXPENSES TOTAL	\$25,511,110	\$19,105,012
Net Operating Income (Loss)	\$2,076,210	\$1,835,581
Less Depreciation:	\$1,554,450	\$1,578,100
Net Operating Income (Loss) less depreciation	\$3,630,660	\$3,413,681
Less Debt Service:	\$93,030	\$97,590
Net Operating Income (Loss) less debt service	\$3,537,630	\$3,316,091
Less Capital Expenditures:	–	–
Net Operating Income (Loss) less capital expenditures	\$3,537,630	\$3,316,091
Less Cont. to General Fund:	\$3,199,330	\$3,199,330
Calculation of Contribution to(from) Fund Balance/General Fund	\$338,300	\$116,761

Major Revenue Sources

Revenue categories for this fund are as follows:

REVENUE – USE OF MONEY/PROPERTY: This revenue category includes: Interest on Investments - All of the City's funds are invested in secured accounts in an attempt to earn the highest possible return. Investment earnings are a function of the money marketplace and swings in the revenues reflect higher or lower interest rates. Other sources include: Rental Income that is offset by vehicle and equipment charges to the divisions for daily and monthly usage. Sale-Salvage and Surplus Property - This revenue represents the sale of surplus vehicles and equipment and funds received from the sale of scrap metal.

CHARGES FOR SERVICES: The major revenue source for the Gas Fund are customer charges. The residential customer class is the largest part of that revenue stream representing approximately 13,168 customers. The commercial customer class represents approximately 1509 customers, and the industrial base represents 19 firms, six interruptible and five transport customers. There are 54 municipal class represents gas sold to the City for its municipal facilities. Other revenues in this category include penalties for non-payment and reconnection fees. The monthly charge for the Purchased Gas Adjustment is also included in Charges for Services. In FY22, the gas fund completed a twenty-year gas main replacement project.

MISCELLANEOUS REVENUE: Miscellaneous revenue includes charges to customers who request alternation or expansion of their existing services and for amounts billed to third parties for damages to equipment and infrastructure.

	ACTUAL		ADOPTED BUDGET		Increase/ (Decrease)
	FY2022	FY2023	FY2024	FY2025	
Revenues					
Revenue-Use Money/Property	\$248,962	\$531,321	\$345,110	\$427,171	\$82,061
Charges for Services	\$26,054,799	\$25,360,998	\$27,234,710	\$20,506,922	(\$6,727,788)
Miscellaneous Revenue	\$5,615	\$1,929	\$7,500	\$6,500	(\$1,000)
Recovered Cost	\$1,531	\$18,906	\$0	–	\$0
Not Applicable	(\$127,912)	(\$104,186)	\$0	–	\$0
REVENUES TOTAL	\$26,182,996	\$25,808,968	\$27,587,320	\$20,940,593	(\$6,646,727)

Gas Administration

Description

Danville has been in the gas distribution business since 1876. In 1950, the City was the first to begin receiving natural gas from the new, Transcontinental Gas Pipeline allowing Danville access to gas produced along the Gulf Coast. Danville has a gas-purchasing contract with Muni-Gas of Houston, Texas to purchase wholesale gas discounted from the market price.

Danville's gas system includes more than 356 miles of mains that are 1 to 12 inches in diameter. Thirteen regulator stations allow Danville to supply just over 13,000 customers. Danville Utilities-Water and Gas is staffed with employees equipped to handle both natural gas and potable water distribution system construction, maintenance, and service.

Expenditures

	ACTUAL		ADOPTED BUDGET		Increase/(Decrease)
	FY2022	FY2023	FY2024	FY2025	
Expenses					
Personnel Services	\$53,502	\$67,322	\$131,470	\$64,349	(\$67,121)
Employee Benefits	\$13,703	\$1,308	\$46,690	\$33,158	(\$13,532)
Purchased Services	\$86,204	\$61,593	\$78,140	\$104,579	\$26,439
Internal Service	\$20,595	\$24,931	\$35,000	\$48,080	\$13,080
Other Operating Expense	\$216,263	\$311,941	\$228,360	\$242,407	\$14,047
Cost Allocation	\$1,228,055	\$1,296,196	\$1,329,220	\$1,550,788	\$221,568
Capital Outlay	–	\$399	\$500	\$0	(\$500)
Depreciation	\$1,566,670	\$1,575,310	\$1,554,450	\$1,578,100	\$23,650
Debt Service	\$34,384	\$25,487	\$28,850	\$19,090	(\$9,760)
Labor Expense Cross	\$8,182	\$6,876	\$0	–	\$0
Transfer Out	\$3,321,330	\$3,196,330	\$3,199,330	\$3,199,330	\$0
EXPENSES TOTAL	\$6,548,889	\$6,567,694	\$6,632,010	\$6,839,880	\$207,870

Personnel

The Division Director position is allocated 50/50 to Water Distribution and Gas.

Position Title	FY2022	FY2023	FY2024	FY2025
FTEs				
DIVISION DIR OF WATER & GAS	0.5	0.5	0.5	0.5
FTEs	0.5	0.5	0.5	0.5

Gas Engineering

Description

Gas Engineering performs complex work managing the design, planning, and coordination of projects to ensure reliable, safe and efficient operation of Danville's natural gas system. This is accomplished by managing projects for new main and service installations, main rehabilitation, economic development, roadway construction and relocations; performing system testing and calculations for adequate capacity; reviewing plans and engineering work performed by consultants and interpreting and implementing regulations related to construction of the gas distribution system. In addition, Gas Engineering maintains and supports the Gas Geographic Information System, ensures compliance with Pipeline Safety and various environmental regulations, including the Distribution Integrity Management Program (DIMP), and performs investigations for response to regulatory and compliance issues. The Gas Engineering group provides technical and operational support for measurement, leak survey and cathodic protection.

Expenditures

ACTUAL		ADOPTED BUDGET		ADOPTED BUDGET	
	FY2022	FY2023	FY2024	FY2025	Increase/(Decrease)
Expenses					
Personnel Services	\$171,461	\$167,075	\$247,570	\$234,340	(\$13,230)
Employee Benefits	\$20,599	\$18,382	\$27,680	\$28,652	\$972
Purchased Services	\$24,553	\$11,782	\$55,560	\$59,167	\$3,607
Internal Service	\$88	\$1,878	\$1,300	\$1,300	\$0
Other Operating Expense	\$8,504	\$14,041	\$34,790	\$38,392	\$3,602
Capital Outlay	\$3,096	\$4,597	\$11,330	\$11,321	(\$9)
EXPENSES TOTAL	\$228,301	\$217,756	\$378,230	\$373,172	(\$5,058)

Personnel

Position Title	FY2022	FY2023	FY2024	FY2025
FTEs				
CONSTRUCTION INSPECTOR	0.5	0.5	0.5	0.5
SENIOR SECRETARY	0.25	0.25	0.25	0.25
W&G CHIEF ENGINEER	0.5	0.5	0.5	0.5
W&G COMPLIANCE COORDINATOR	0.5	0.5	0.5	0.5
W&G CORROSION TECHNICIAN	0.5	0.5	0	0
W&G PROJECT ENGINEER	0	0	0	0
W&G PROJECT MANAGER	0	0	0.5	0
W&G SR ENGINEERING TECHNICIAN	1	1	1	1
W&G SR GIS/CAD TECHNICIAN	0	0	0	0.5
WATER & GAS ENGINEERING AIDE	0	0	0	0
WG GIS ENGINEERING TECHNICIAN	1	1	1	0.5
FTEs	4.25	4.25	4.25	3.75

Gas Control

Description

The Gas Control group manages the purchase and dispatch of the City's natural gas supply. The division participates in negotiations for acquiring gas and delivery contracts to meet system and customer needs and develops and administers cost-effective capacity and commodity procurement strategies. Gas control monitors system pressures, customer usage, capacity limits, and weather to optimize throughput and revenue. The technicians install, operate, and maintain electronic gas measurement equipment.

Expenditures

ACTUAL			ADOPTED BUDGET		Increase/(Decrease)
FY2022	FY2023		FY2024	FY2025	
Expenses					
Personnel Services	\$268,117	\$326,994	\$385,590	\$445,540	\$59,950
Employee Benefits	\$32,136	\$35,148	\$45,330	\$52,818	\$7,488
Purchased Services	\$9,981	\$8,349	\$40,310	\$15,530	(\$24,780)
Internal Service	\$9,789	\$9,598	\$12,000	\$10,500	(\$1,500)
Other Operating Expense	\$29,611	\$47,043	\$54,900	\$75,279	\$20,379
Source of Supply	\$17,473,601	\$17,379,341	\$18,221,520	\$12,519,009	(\$5,702,511)
Capital Outlay	—	\$587	\$0	—	\$0
EXPENSES TOTAL	\$17,823,236	\$17,807,059	\$18,759,650	\$13,118,676	(\$5,640,974)

Personnel

Position Title	FY2022	FY2023	FY2024	FY2025
FTEs				
GAS CONTROL TECHNICIAN	2	2	2	2
GAS SUPPLY ANALYST	1	1	1	1
UTILITY OPERATIONS SUPERVISOR	0.4	0	0.4	0.4
UTILITY OPERATOR	2.8	2.8	2.8	2.8
FTEs	6.2	5.8	6.2	6.2

Gas Distribution

Description

Gas Distribution group maintains and installs gas mains, valves, and services. They repair leaks, inspect and repair valves, and demo services as needed. This group responds to natural gas emergencies affecting gas mains and services continuously throughout the year.

Expenditures

ACTUAL		ADOPTED BUDGET		ADOPTED BUDGET	
	FY2022	FY2023	FY2024	FY2025	Increase/(Decrease)
Expenses					
Personnel Services	\$202,542	\$244,043	\$493,120	\$575,515	\$82,395
Employee Benefits	\$25,293	\$26,184	\$55,190	\$66,804	\$11,614
Purchased Services	\$54,882	\$68,284	\$82,060	\$125,302	\$43,242
Internal Service	–	–	\$9,700	\$33,100	\$23,400
Other Operating Expense	\$72,199	\$102,008	\$166,760	\$200,166	\$33,406
Capital Outlay	\$1,728	\$157	\$2,140	\$2,140	\$0
EXPENSES TOTAL	\$356,644	\$440,676	\$808,970	\$1,003,027	\$194,057

Personnel

Position Title	FY2022	FY2023	FY2024	FY2025
FTEs				
CONSTRUCTION WORKER	0	0	0	0
PUBLIC SERVICE WORKER	0	0	0	0
UTILITIES PIPELINE TECHNICIAN I	2.08	2.08	6	5
UTILITIES PIPELINE TECHNICIAN II	1.04	1.54	0.5	2
UTILITIES PIPELINE TECHNICIAN III	0.78	0.78	1	0.5
W&G CONSTRUCTION CREW SUPERVSR	0.52	0.52	0	0
W&G CONSTRUCTION INSPECTOR	0	0	0	0
W&G CORROSION/WELDING SUPV	0	0	0	0.5
W&G CREW SUPERVISOR	0.78	0.78	2.5	2.5
W&G DISTRIBUTION SUPERINTENDEN	0.5	0.5	0.5	0.5
W&G DISTRIBUTION SUPERVISOR	0	0	0	0
W&G WELDER/CREW SUPERVISOR	0.26	0.26	0.5	0
FTEs	5.96	6.46	11	11

Gas Meters & Regulators

Description

The Gas metering and regulator division is responsible for the maintenance, operation, and installation of the automated meter reading modules and the physical meters. The team tests, calibrates and removes or installs all gas meters in the distribution system.

Expenditures

ACTUAL		ADOPTED BUDGET		ADOPTED BUDGET	
	FY2022	FY2023	FY2024	FY2025	Increase/(Decrease)
Expenses					
Personnel Services	\$63,973	\$77,003	\$66,880	\$82,894	\$16,014
Employee Benefits	\$8,143	\$8,662	\$7,660	\$10,659	\$2,999
Purchased Services	\$7,371	\$15,576	\$14,500	\$15,245	\$745
Internal Service	\$14	–	\$0	–	\$0
Other Operating Expense	\$24,710	\$33,200	\$70,190	\$80,115	\$9,925
EXPENSES TOTAL	\$104,210	\$134,441	\$159,230	\$188,914	\$29,684

Personnel

Position Title	FY2022	FY2023	FY2024	FY2025
FTEs				
W&G METER TECHNICIAN	0.45	0.9	1	1
W&G SYSTEMS CONTROL SUPERINTEN	0.25	0.25	0.25	0.25
FTES	0.7	1.15	1.25	1.25

Gas Capital

Description

The purpose of the Capital Improvement Program is to ensure the orderly expansion, modification and repair to the Gas distribution system for improved customer reliability, to allow future growth, and improve operational efficiency. This mission is accomplished by systematic construction and/ or modifications to the distribution system.

Expenditures

ACTUAL		ADOPTED BUDGET		ADOPTED BUDGET	
	FY2022	FY2023	FY2024	FY2025	Increase/(Decrease)
Expenses					
Personnel Services	(\$274)	\$0	\$5,510	\$5,000	(\$510)
Employee Benefits	\$274	\$0	\$430	\$383	(\$47)
Purchased Services	\$366,253	\$219,376	\$182,400	\$61,800	(\$120,600)
Other Operating Expense	\$7,561	\$0	\$251,610	\$165,950	(\$85,660)
Capital Outlay	\$33,990	\$565	\$118,920	\$85,500	(\$33,420)
Capital Projects	–	–	\$1,100,000	\$0	(\$1,100,000)
EXPENSES TOTAL	\$407,804	\$219,941	\$1,658,870	\$318,633	(\$1,340,237)

Personnel

Hourly Gas fund employees are accounted for within capital projects through our work order system. Although there are no employees exclusively or specifically assigned to capital projects, we forecast the following results:

Position Title	FY2022	FY2023	FY2024	FY2025
FTEs				
MOTOR EQUIPMENT OPERATOR I	1.92	1.92	0	0
MOTOR EQUIPMENT OPERATOR II	0.96	0.96	0	0
MOTOR EQUIPMENT OPERATOR III	0.72	0.72	0	0
PUBLIC SERVICE WORKER	0	0	0	0
W&G CONSTRUCTION CREW SUPERVSR	0.48	0.48	0	0
W&G CREW SUPERVISOR	0.72	0.72	0	0
W&G DISTRIBUTION SUPERINTENDEN	0	0	0	0
W&G DISTRIBUTION SUPERVISOR	0	0	0	0
W&G METER TECHNICIAN	0.05	0.1	0	0
W&G WELDER/CREW SUPERVISOR	0.24	0.24	0	0
FTES	5.09	5.14	0	0

Gas Debt Service

Description

Gas Debt Service budgets and accounts for the retirement of principal for general obligation bonds for the Gas fund.

Expenditures

	ACTUAL	ADOPTED BUDGET		ADOPTED BUDGET	
	FY2022	FY2023	FY2024	FY2025	Increase/(Decrease)
Expenses					
Debt Service	\$0	\$0	\$93,030	\$97,590	\$4,560
EXPENSES TOTAL	\$0	\$0	\$93,030	\$97,590	\$4,560

Gas Distribution Service Group

Description

The Gas Distribution Service group ensures that the system is safe and reliable by conducting leak surveys of the system and measuring cathodic protection and odorant levels. They install meters and the AMI equipment that allows remote meter reading for billing. The distribution service group is trained to recognize abnormal operating conditions that might affect public safety and they investigate customers' fuel pipes and appliances for leaks and proper installation. This group provides first response to emergency calls continuously throughout the year.

Expenditures

ACTUAL			ADOPTED BUDGET		ADOPTED BUDGET	
	FY2022	FY2023	FY2024	FY2025	Increase/(Decrease)	
Expenses						
Personnel Services	\$212,979	\$252,707	\$233,800	\$259,447	\$25,647	
Employee Benefits	\$27,050	\$27,959	\$27,020	\$31,406	\$4,386	
Purchased Services	\$798	\$836	\$6,770	\$7,460	\$690	
Internal Service	–	–	\$300	\$250	(\$50)	
Other Operating Expense	\$55,728	\$73,337	\$43,220	\$161,112	\$117,892	
Capital Outlay	\$2,161	\$623	\$2,370	\$2,364	(\$6)	
EXPENSES TOTAL	\$298,715	\$355,460	\$313,480	\$462,039	\$148,559	

Personnel

The Dispatcher is a shared position with the Water Fund.

Position Title	FY2022	FY2023	FY2024	FY2025
FTEs				
DISPATCHER	0.5	0.5	0.5	0.5
W&G SERVICE TECHNICIAN	3.5	3.5	3.5	3.5
W&G SYSTEMS CONTROL SUPERINTEN	0.25	0.25	0.25	0.25
FTEs	4.25	4.25	4.25	4.25