City of Fremont Update

Date: September 3, 2021
To: City Employees/ City Boards/ Mayor & City Council

Budget info – Source-Use of General Funds

The sources and uses of general funds/expenditures in the City are what typically gets discussed the most during the biennial budget process. Why? Because these funds are supported by taxes, including property and sales taxes and the expenditures cover the costs of City departments like administration, inspections, engineering, public safety (fire, 911, and police), planning, library, and parks. Shown below are the sources and uses for the general fund that have been presented to council as part of the budget discussion:

	August 31 Estimate
Sources of revenue to General Fund (2022 Budget)	$ 26,288,683
Uses of General Funds for operations	$ 22,220,624
Gross excess/deficit revenues	$ 4,068,059
Proposed capital uses	$ (7,110,340)
Net to/from reserves	$ (3,139,781)
Sources of revenue to General Fund (2023 Budget)	$ 29,124,164
Uses of General Funds for operations	$ 22,335,282
Gross excess/deficit revenues	$ 6,788,882
Proposed capital uses	$(11,804,985)
Net to/from reserves	$ (7,419,437)

As shown above, proposed capital expenditures of $7 million in 2022 and nearly $12 million in 2023, create large deficits in the general fund spending each year. The deficits are caused by proposed capital expenditures including fire engine replacement, cemetery office, engineering and architectural fees for the library expansion, replacing police cruisers, city park improvements, levee repairs, and many replacements of worn out equipment in 2022, and a new law enforcement center, improvements to the fire station, replace restrooms in Van Anda and Bernard Parks, bathhouse improvements to Ronin and Splash Station, as well as equipment replacements in 2023. While many of these capital expenditures are necessary, using reserves or issuing debt will be required if all of the projects are done.

September is National Preparedness Month

Are you prepared when an emergency (defined as a: sudden, urgent, or unexpected occurrence that requires immediate action) strikes? Some common emergencies are medical issues, severe weather, fire, and an injury. Here are some tips to be better prepared:

1) know how to report an emergency,
2) how to respond to an emergency,
3) when to shelter in place and location of the nearest safe refuge, and
4) when to evacuate, location of the nearest emergency exit and where to rally outside

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There is no job so important and no service so urgent that we cannot take the time to do the work safely!

Replacement of Transmission Line on Luther Begins

After a windstorm on June 24 toppled a portion the City's 69,000-volt transmission line on North Luther Road and north of the Sunset Addition, City crews are beginnng to replace the toppled poles. As shown in the picture on the right, steel poles are being set to replace the wood poles that were broke off in the wind. The steel poles, 70-feet in length, were purchased from McWane for around $4,000 each.

In addition to the poles, the aluminum wire is also being replaced in these portions of electric line. The new wire is T2 ACSR (aluminum conductor steel reinforced), which is specifically designed to withstand high winds and severe icing conditions.

The total cost for the steel poles and T2 wire is around $220,000. This amount does not include the hardware (insulators, bolts, and grounds), nor does it include the cost of the 13,800-volt circuit (crossarms, wire, and hardware) that is built under 69,000-volt line along Luther Road. We estimated the cost to rebuild these two portions to be in excess of $1 million.

Will Hydrogen be the Next Low Carbon Fuel?

Interest in hydrogen, particularly "green hydrogen" that is produced from renewable energy, has been growing as renewable energy costs continue to decline and people look for ways to decarbonize our energy production. A couple of hydrogen projects include producing hydrogen via renewable energy powered electrolysis (called power to gas or a method of splitting water into oxygen and hydrogen) and generating electricity through the combustion of hydrogen or hydrogen fuel cells are two promising developments into hydrogen fuel.

Experts believe that in order for hydrogen to be competitive, renewable energy costs need to drop by 50% and electrolysis costs need to drop by 30% to 50%. Projections of when this could occur suggest a 2030 to 2050 time frame.

Today, several auto manufacturers are making commercially available passenger hydrogen fuel cell electric cars. Toyota Mirai, Honda Clarity, and Hyundai EIXO are currently for sale in California. Also, several companies are producing hydrogen including Plug Power who plans to have five hydrogen fueling stations across the U.S. for transportation needs.

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