

# OPERATING BUDGET FISCAL NOTE

**DATE OF COUNCIL CONSIDERATION:**  
**CONTACT DEPARTMENT(S):**  
**FUND:**

8/7/14  
Austin Energy  
Strategic Reserve Fund

**Subject:** Approve an ordinance amending the Fiscal Year 2013-2014 Austin Energy Operating Budget (Ordinance No. 20130909-001) to transfer \$30,000,000 from the Austin Energy Operating Fund to the Austin Energy Strategic Reserve Fund; increasing the Strategic Reserve Fund's contingency balance and moving the balance closer to complying with Austin Energy's financial policies for reserves.

**CURRENT YEAR IMPACT:**

	2013-14 Approved	This Action	2013-14 Amended
Beginning Balance	102,117,320	0	102,117,320
Transfers In	0	30,000,000	30,000,000
Total Appropriated Funds	0	30,000,000	30,000,000
Operating Requirements Austin Energy Operating Fund	0	0	0
Total Operating Requirements	0	0	0
Excess (Deficiency) of Total Available Over Total Requirements	0	30,000,000	30,000,000
Ending Balance	102,117,320	30,000,000	132,117,320

**FIVE-YEAR IMPACT:**

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Total Revenue	30,000,000	0	0	0	0
Total Program Requirements	0	0	0	0	0
Total Other Requirements	0	0	0	0	0
Net Budget Impact	30,000,000	0	0	0	0

**ANALYSIS / ADDITIONAL INFORMATION** Austin Energy is seeking approval of this budget amendment to transfer cash resources from the Operating fund to the Strategic Reserve fund to move closer to complying with its financial policies for adequate reserves. Austin Energy is currently not in compliance with its financial policies regarding reserves. The contingency portion of the Strategic Reserve should have a minimum of 60 days of operations & maintenance costs less fuel and purchased power. The reserve currently is short of meeting this requirement by over \$50 million. This budget amendment will move Austin Energy closer to meeting this financial policy minimum and continue to strengthen the financial health of the utility.

The above five-year impact analysis illustrates the total revenue and expense projections for the Austin Energy Operating Fund.