

OPERATING BUDGET FISCAL NOTE

DATE OF COUNCIL CONSIDERATION:

8/7/14

CONTACT DEPARTMENT(S):

Austin Energy

FUND:

Austin Energy Operating 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 Amended	This Action	2013-14 Amended
Beginning Balance	195,057,457	0	195,057,457
Total Revenue	1,364,425,205	0	1,364,425,205
Total Transfers In	0	0	0
Total Appropriated Funds	1,364,425,205	0	1,364,425,205
Operating Requirements			
Operating Expenses	961,797,833	0	961,797,833
Total Debt Service	137,112,806	0	137,112,806
Total Transfers Out	231,574,079	30,000,000	261,574,079
Total Other Requirements	760,130	0	760,130
Total Operating Requirements	1,331,244,848	30,000,000	1,361,244,848
Excess (Deficiency) of Total Available Over Total Requirements	33,180,357	(30,000,000)	3,180,357
Ending Balance	228,237,814	(30,000,000)	198,237,814
Austin Energy FTEs	1,672.75	0.00	1,672.75

FIVE-YEAR IMPACT:

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Total Revenue	0	0	0	0	0
Total Operating Expenses	0	0	0	0	0
Total Debt Service	0	0	0	0	0
Total Transfers Out	30,000,000	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.