

Gainesville Regional Utilities

FY19 Budget Proposal

August 15, 2018



FY19 Budget Proposal

- General Manager's original recommendation for a 2.35% electric rate increase for FY19 budget was presented during June 13th meeting with the City Commission - ***no credit downgrade anticipated***. During this meeting the Commission requested inclusion of \$1M/yr in Total Rewards funding, moving the recommendation to 3.10%.
- At the July 9th workshop, the City Commission requested that staff come back with 0% and 2% options.
- Credit rating implications of the City Commission's request for 0% options were researched and analyzed with GRU's financial advisor. Information was presented regarding a potential downgrade or move to negative outlook regarding the 0% options at the July 17th and July 19th meetings with the City Commission.
- FY19 budget process initiated in February
 - To date we have had 8 budget meetings with the City Commission, 6 with the UAB, and 2 joint budget sessions covering 9 specific budget topics in total.
 - Most transparent budget process that GRU has ever undertaken, with the largest volume of material developed and presented.
- Accomplished during a period of extensive change – conversion to new financial and budgeting software.

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	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	No ERP* No pay increases No Tot. Rewards** No new FTEs	No ERP* 2% pay increase No Total Rewards** 6 new FTEs Downgrade impact \$1.3M/yr	\$20M ERP 2% pay increase No Total Rewards** 6 new FTEs Downgrade impact \$1.3M/yr	\$35M ERP 2% pay increase No Total Rewards** 6 FTEs	\$35M ERP 2% pay increase \$1M/yr Total Rewards 6 new FTEs	1 Yr Delay ERP \$35M No pay increases No Total Rewards** No new FTEs Downgrade impact \$1.3M/yr	\$20M ERP 2% pay increases \$1M/yr Total Rewards 6 new FTEs	1 Yr Delay ERP \$20M 2% pay increase No Total Rewards** No new FTEs \$5.4M ERP O&M Downgrade impact \$1.3M/yr	1 Yr Delay ERP \$20M 2% pay increase No Total Rewards** No new FTEs \$2.7M ERP O&M in 19, \$5.4M forward Downgrade impact \$1.3M/yr
FY19	0.50%	1.00%	1.00%	2.35%	3.10%	0.00%	2.00%	0.00%	0.00%
FY20	3.00%	4.00%	4.50%	3.10%	3.10%	5.00%	4.00%	4.00%	3.75%
FY21	3.00%	3.00%	4.25%	2.60%	2.65%	5.00%	2.65%	4.00%	4.00%
FY22	2.00%	2.25%	2.50%	2.00%	2.00%	1.00%	2.25%	3.00%	3.00%
FY23	3.00%	2.00%	1.50%	3.00%	3.00%	1.25%	3.00%	2.50%	2.75%
FY24	2.00%	2.00%	1.25%	2.00%	2.00%	1.00%	2.00%	2.00%	2.00%
FY25	2.00%	2.00%	1.75%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
FY19 \$ IMPACT ON AVERAGE (800 kWh) BILL									
	\$0.00	\$0.88	\$0.88	\$2.16	\$2.96	\$0.00	\$1.76	\$0.00	\$0.00
FY19 WW %				1.85%	2.40%				

* No ERP throughout planning horizon

** No Total Rewards throughout planning horizon

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	Option 6	Option 8	Option 9	CC Approved 7/19 - Option 7
	1 Yr Delay ERP \$35M	1 Yr Delay ERP \$20M	1Yr Delay ERP \$20M	\$20M ERP
	No Pay Increases	2% Pay increase	2% Pay Increase	2% Pay Increases
	No Total Rewards*	No Total Rewards*	No Total Rewards*	\$1M/Yr Total Rewards
	No new FTEs	No New FTEs	No New FTEs	6 New FTEs
	Downgrade Impact \$1.3M/yr	\$5.4M ERP O&M Downgrade Impact \$1.3M/Yr	\$2.7M ERP O&M in 19, \$5.4M forward Downgrade Impact \$1.3M/yr	
	7/19	7/19	7/19	7/19
FY19	0.00%	0.00%	0.00%	2.00%
FY20	5.00%	4.00%	3.75%	4.00%
FY21	5.00%	4.00%	4.00%	2.65%

*No Total Rewards in planning horizon