



Legislation Details (With Text)

File #: 190033. **Version:** 1 **Name:**
Type: Discussion Item **Status:** Passed
File created: 5/30/2019 **In control:** General Manager for Utilities
On agenda: 6/5/2019 **Final action:** 6/5/2019
Title: GRU Budget - Status Update and Rate Review and General Government Budget Presentation (B)
Sponsors:
Indexes:
Code sections:
Attachments: 1. 190033_Baseline_Budget_Rate_Review_Presentation_20190605, 2. 190033_Rates_Presentation_20190605, 3. 190033_GG Budget Presentation June 5_20190605.pdf

Date	Ver.	Action By	Action	Result
6/5/2019	1	City Commission	Approved, as shown above	Pass

GRU Budget - Status Update and Rate Review and General Government Budget Presentation (B)

In a series of workshops in March and April 2019, staff gave presentations on GRU's proposed FY2020 budget for O&M and capital; sales, customer and revenue forecast, and debt, cash and liquidity; fuels and a preliminary review of potential rates. Staff returns today to present an update of steps taken to improve financial conditions and the impact of the General Fund Transfer on Electric system rate increases in this final budget presentation.

All of the budget presentations that were made to the City Commission were also made to the Utility Advisory Board (UAB.) This final presentation was given to the UAB on Tuesday, May 28, 2019, and their advice and vote is recorded under the recommendation.

GRU's proposed FY2020 budget is in the final stages. Staff is requesting that the City Commission approve the final budget.

Staff recommends that the City Commission adopt the staff recommendation of a reduction in the GFT of \$3 million with an Electric System rate increase of 5% in FY20.

The UAB recommends:

- 1) Adopt the rate that matches the Commission's chosen GFT as shown in the matrix on slide 4 (Motion passed 4-2, with Members Miles and Selvester in dissent and Member Rockwell absent);
- 2) In adopting the rates they recommended, the UAB requests that the City recognize that a flat GFT may have a negative bond rating impact and recognize that the City needs to address the infrastructure needs of customers hardest hit by these increases. (Motion passed 4-2, with Members Miles and Selvester in dissent and Member Rockwell absent).

