



Legislation Text

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Agenda Information Sheet

DEPARTMENT: Finance

ACM: Bryan Langley

Date: September 13, 2016

SUBJECT

Consider adoption of an ordinance of the City of Denton, Texas amending the Fiscal Year 2015-2016 Budget and Annual Program of Services of the City of Denton to allow for adjustments to the Electric Fund of twenty three million (\$23,000,000) for the purpose of making initial payments for construction of a quick start electric generation facility; declaring a municipal purpose; providing a severability clause, an open meetings clause and effective date.

BACKGROUND

City staff is proposing to amend the City's Electric Operating Fund FY 2015-16 Budget as follows:

Increase the Electric Operating Fund budget by \$23,000,000 in order to make initial payments due in September for the construction of a quick start electric generation facility. These initial payments from the Electric Operating Fund will be reimbursed from the proceeds of the Utility System Revenue Bonds, Series 2016. It is anticipated that the closing of these bonds will occur in October, 2016. All of the construction costs (initial payments and future costs) for the quick start electric generation facility will be paid from the bonds. The amendment is necessary due to the timing variance between the initial payment in September and the receipt of bond proceeds in October.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

On September 12, 2016, the Public Utilities Board will consider approval to forward this item to the City Council for consideration.

FISCAL INFORMATION

This ordinance will amend the FY 2015-2016 Budget and Annual Program of Services to allow for an adjustment to the Electric Fund of \$23,000,000 increasing appropriations from \$175,753,887 to \$198,753,887.

STRATEGIC PLAN RELATIONSHIP

The City of Denton's Strategic Plan is an action-oriented road map that will help the City achieve its vision. The foundation for the plan is the five long-term Key Focus Areas (KFA): Organizational Excellence; Public

Infrastructure; Economic Development; Safe, Livable, and Family-Friendly Community; and Sustainability and Environmental Stewardship. While individual items may support multiple KFAs, this specific City Council agenda item contributes most directly to the following KFA and goal:

Related Key Focus Area: **Organizational Excellence**

Related Goal: **1.1 Manage financial resources in a responsible manner**

EXHIBITS

1. Ordinance

Respectfully submitted:
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