



Legislation Text

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Agenda Information Sheet

DEPARTMENT: Finance

DCM: Bryan Langley

Date: June 26, 2017

SUBJECT

Consider recommending approval of the Denton Municipal Electric Fiscal Year 2017-18 Operating and Capital Budget.

BACKGROUND

The City's emphasis for this year's budget process is on cost containment while maintaining excellent system reliability and strong financial management of the City's Electric Utility System. The budgetary focus remains on the long term maintenance and expansion of utility assets and system reliability. The proposed budget is attached to this report as Exhibit 1. The proposed budget calls for an overall rate decrease of 1% in FY 2017-18. FY 2017-18 is the final year to pay off the TMPA debt associated with the generation plant. The operating revenues total \$173.680 million and operating expenses total \$181.042 million. The proposed budget anticipates a drawdown of \$7.362 million in the reserve balance to cover a portion of this last TMPA debt payment. The Electric Utility has built up reserves in prior years in anticipation of some drawdowns for TMPA debt repayment. The Capital Budget totals \$100.785 million with a bond sale of \$54.0 million. Also included as attachments are the presentation from the June 12, 2017 meeting (Exhibit 2) and additional details on the capital budget (Exhibit 3).

I have also attached a summary budget presentation for this meeting as Exhibit 4.

RECOMMENDATION

Staff recommends the Board approve the Denton Municipal Electric Fiscal Year 2017-18 Operating and Capital Budget.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

The Denton Municipal Electric Fiscal Year 2017-18 proposed Operating and Capital Budget was presented to the Board at the June 12, 2017 meeting.

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: **Public Infrastructure**

Related Goal: **2.3 Promote superior utility services and facilities**

EXHIBITS

1. Proposed FY 2017-18 Budget
2. DME Budget Presentation
3. Capital Budget Detail
4. General Budget Presentation

Respectfully submitted:
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