

# **BUDGET RESOLUTION 2022-161**

## **A BUDGET RESOLUTION AMENDING THE FISCAL YEAR 2021-2022 BUDGET TO TRANSFER FUNDS FROM THE ELECTRIC RATE STABILIZATION RESERVE AND THE ELECTRIC CONSTRUCTION FUND TO THE ELECTRIC OPERATING FUND RESERVE IN THE AMOUNT OF \$11,403,102**

**WHEREAS**, the Rate Stabilization Reserve (RSR) is established to provide stabilized rates to customers by reducing rate volatility due to extraordinarily high energy related costs or unanticipated reduction in energy sold; and

**WHEREAS**, the City's key management practices established Electric Rate Stabilization Reserve (RSR) at a minimum of 15% of projected fuel costs and a maximum of 25%; and

**WHEREAS**, due to an increase in fuel cost, staff recommends a withdrawal of \$8,000,000 from the rate stabilization reserve to assist in absorbing heightened fuel costs; and

**WHEREAS**, the withdrawal of funds will preserve a balance of \$12,954,306 placing the rate stabilization reserves below the required policy limits until funds can be recovered and/or fuel prices decrease; and

**WHEREAS**, as an additional source of funding, staff has identified and postponed to FY23 a capital project in the amount of \$3,403,102 to be transferred to electric reserves; and

**WHEREAS**, this budget resolution is a necessary administrative function to properly transfer these funds.

**NOW THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF OCALA, FLORIDA**, duly assembled in regular session, that the FY22 budget be amended as outlined below.

### **Rate Stabilization Fund Transfer:**

#### **Source:**

457-369-000-000-16-39211	Misc Unclassified-Nontxbl	\$8,000,000
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#### **Use:**

457-099-999-531-81-99800	Reserve for Contingencies	\$8,000,000
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**Construction Fund Transfer:**

**Source:**

332-032-167-531-69-65010	Construction in Progress	(\$3,403,102)
457-381-000-000-19-38332	Trf In-Electric Constr Fund	\$3,403,102

**Use:**

332-099-999-531-81-91457	TRF - Electric Fund	\$3,403,102
457-099-999-531-81-99800	Reserve for Contingencies	\$3,403,102

This resolution adopted this 16 day of August, 2022.

**ATTEST:**

By: Angel B. Jacobs  
Angel B. Jacobs  
City Clerk

**CITY OF OCALA**

By: Ire Bethea Sr.  
Ire Bethea Sr.  
President, Ocala City Council

Approved as to form and legality:

By: Robert W. Batsel, Jr.  
Robert W. Batsel, Jr.  
City Attorney

Reviewed for accounting accuracy & completeness:

By: Peter A. Lee  
Peter A. Lee  
Interim City Manager