

# **STAFF REPORT REGULAR MEETING**

**AGENDA DATE:** September 29, 2026

**DEPARTMENT:** Electric Utility

**TITLE:**

Resolution No 44-2026 authorizing the Thirteenth Budget Amendment for Fiscal Year 2026 Operating and Capital Budget related to Contractual Services / Purchased Power

**SUMMARY:**

Budget Amendment to cover the Contractual Services / Purchased Power costs, an element of City's Power Cost Adjustment (PCA) in electric utility rates.

**BACKGROUND AND JUSTIFICATION:**

During the FY 2026 budget development process during the summer of 2025, the then-existing agreement with Orlando Utilities Commission (OUC) for Supplemental Capacity and Energy was approaching expiration, and an RFP was underway for a new agreement which would become effective January 1, 2026. As a result, the FY 2026 budget for Contractual Services/Purchased Power was developed using estimated costs prior to finalizing the new agreement, as pricing under the successor agreement had not yet been finalized.

The new agreement was finalized in December 2025 and became effective January 1, 2026, well after the FY2026 Budget had been adopted. FY2026 Power supply costs have been impacted by higher-than-projected natural gas prices and increased fuel-related expenses during the fiscal year. These costs have exceeded the amounts anticipated in the FY 2026 budget (adopted in September 2025) and have resulted in the exhaustion of available funds within the Contractual Services/Purchased Power budget.

Accordingly, a budget amendment in the amount of \$2,300,000 is requested to provide sufficient funding to satisfy the September 2026 power supply invoice and maintain the Electric Utility's contractual obligations.

**MOTION:**

Move to approve/disapprove Resolution 44-2026 authorizing the Thirteenth Budget Amendment for the Fiscal Year 2026 Operating and Capital Budget related to Contractual Services / Purchased Power in the amount of \$2,300,000.

**ATTACHMENT(S):**

Fiscal Impact Analysis  
Resolution 44-2026

## FISCAL IMPACT ANALYSIS

### Five Year Summary of Fiscal Impact:

| <b>Fiscal Years</b>                           | <b>2026</b> | <b>2027</b> | <b>2028</b> | <b>2029</b> | <b>2030</b> |
|-----------------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Inflows/Revenues                              |             |             |             |             |             |
| Appropriated (Budgeted)                       | 0           | 0           | 0           | 0           | 0           |
| Program Income                                | 0           | 0           | 0           | 0           | 0           |
| Grants                                        | 0           | 0           | 0           | 0           | 0           |
| In Kind                                       | 0           | 0           | 0           | 0           | 0           |
| Outflows/Expenditures                         |             |             |             |             |             |
| Appropriated (Budgeted)                       | 0           | 0           | 0           | 0           | 0           |
| Operating                                     | \$2,300,000 | 0           | 0           | 0           | 0           |
| Capital                                       | 0           | 0           | 0           | 0           | 0           |
| Net Fiscal Impact<br>(If not budgeted)        | 0           | 0           | 0           | 0           | 0           |
| No. of Addn'l Full-Time<br>Employee Positions | 0           | 0           | 0           | 0           | 0           |

| New Appropriation (Not Budgeted) Fiscal Impact                                  |                                        |
|---------------------------------------------------------------------------------|----------------------------------------|
|                                                                                 | Expenditure                            |
| Department                                                                      | Electric                               |
| Division                                                                        | Power Generation                       |
| GL Description                                                                  | Contractual Services / Purchased Power |
| GL Account Number                                                               | 401-6031-531.31-20                     |
| Project Number                                                                  | N/A                                    |
| Requested Funds                                                                 | \$2,300,000                            |
| Remaining Balance                                                               | N/A                                    |
| Source of Revenue (i.e. Paygo.<br>Current Revenue, Bond Money,<br>Grants, etc.) | PayGo                                  |