Wylie City Council
AGENDA REPORT

Department:	Finance	**Account Code:**	Various
Prepared By:	Melissa Beard		

Subject

Consider, and act upon, Ordinance No. 2021-40 amending Ordinance No. 2020-44, which established the budget for fiscal year 2020-2021; providing for repealing, savings and severability clauses; and providing for an effective date of this ordinance.

Recommendation

Motion to approve Item as presented.

Discussion

The budget amendment request has three items:

Two of the items are related to February 2021 winter storm URI which severely impacted the State of Texas.

1) The City of Wylie, through the Texas Coalition for Affordable Power (TCAP), has a Commercial Electricity Services Agreement (CESA) with Gexa Energy. Our energy costs remained stable throughout the winter storm. However, the storm's impact resulted in higher than anticipated Ancillary Services costs that were billed to us under the "Ancillary Services and Nodal Basis Adjustment" specified in our agreement with Gexa Energy. The cost for these Ancillary Services is $230,249. This cost will be split between General Fund (70%), Utility Fund (20%) and 4B Sales Tax Fund (10%).

2) NTMWD's power bill for the Muddy Creek WWTP far exceeded a normal power bill, totaling $500,733 for the month of February. This cost must be shared between the City of Wylie and the City of Murphy based on the FY21 Adopted Budget flow allocation. Wylie's portion is 71.32% which amounts to $357, 123, fully charged to the Utility Fund.

The third item is to amend the budget for revenue received from the federal government from the American Rescue Plan Act. On July 1, the City received $3,049,825, which represents 50% of the total funds to be received from ARPA.

Financial Summary/Strategic Goals

The net effect to the General Fund is a positive $2,888,651 which will become part of the General Fund Fund Balance. The net effect to the Utility Fund is an increase of expenditures in the amount of $403,173, reducing the ending fund balance for FY2021. The net effect to the 4B Sales Tax Fund is an increase in expenditures of $23,025, also reducing the ending fund balance for this current year.