



Department Source: City Utilities - Water and Light

To: City Council

From: City Manager & Staff

Council Meeting Date: February 15, 2021

Re: Fiscal Year 2020 Utility Financials

## Executive Summary

Staff has prepared for Council's review, a presentation style report of the fiscal year 2020 financials (unaudited) for the Electric, Water, Sewer, Solid Waste and Stormwater Utilities. The cash reserves for each utility is above the budgeted and estimated cash reserve target and the debt coverage (per bond covenants) is being met for Water, Electric and Sewer for fiscal year 2020. Based on both of the current financial position of the utilities, staff is not proposing rate increases for fiscal year 2021.

## Discussion

During the June 10, 2019 City Council Budget Work Session staff proposed to no longer include potential utility rate changes as part of the fiscal year budget. Staff proposed instead to evaluate the previous year financials once all revenues and expenses are finalized after the end of the fiscal year. The Water and Electric utility revenues are significantly impacted by the summer months due to weather. Utilizing this approach provides staff a better understanding of the financial condition of each individual utility to aid in determining if rate changes are necessary.

Attached is a presentation style report that summarizes the fiscal year 2020 unaudited financials for the Electric, Water, Sewer, Solid Waste and Stormwater Utilities. As shown in the report, the cash reserves for each utility is above the budgeted and estimated target for fiscal year 2020. The Water, Electric and Sewer Utilities have also met the debt coverage required by the bond covenants for fiscal year 2020. Based on these two conditions, operating budget reductions for fiscal 2021 and the unknown potential impacts of the COVID pandemic on the economy, staff is not recommending any rate adjustments for fiscal year 2021 at this time.

## Fiscal Impact

Short-Term Impact: None

Long-Term Impact: None

## Strategic & Comprehensive Plan Impact

### [Strategic Plan Impacts:](#)

Primary Impact: Not Applicable, Secondary Impact: Not Applicable, Tertiary Impact: Not Applicable



# City of Columbia

701 East Broadway, Columbia, Missouri 65201

## Comprehensive Plan Impacts:

Primary Impact: Not Applicable, Secondary Impact: Not applicable, Tertiary Impact: Not Applicable

### Legislative History

Date	Action
N/A	N/A

### Suggested Council Action

No action necessary, the report is for information only.