

**2018-2019 BUDGET QUESTION**  
***Response to Request for Information***

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**DEPARTMENT:** Austin Energy

**REQUEST NO.:** 119

**REQUESTED BY:** Alter

**DATE REQUESTED:** 8/29/18

**DATE POSTED:** 8/30/18

**REQUEST:** Please explain the drop in fund balance in FY 2021 for Austin Energy illustrated on on page 170 of the FY 2019 proposed budget.

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**RESPONSE:**

The drop in Austin Energy's fund balance in FY 2021 reflects an increase in the transfer to the Capital Improvement Program for the new Austin Energy Headquarters building and transmission projects. The Austin Energy Headquarters sited within the Mueller Development is currently estimated at \$130 million, contained in the FY 2021 capital program, and is offset by future reductions in leased office space and maintenance costs. The new building will be approximately 300,000 square feet of office space with parking. Austin Energy is also developing plans to retire the Decker Power Plant steam units that will require significant investment in our transmission assets. Austin Energy has programmed approximately \$90 million between FY 2020 and FY 2022 for transmission capital projects. Austin Energy's forecast indicates that the Utility will remain in compliance with City Council financial policies and affordability goals as well as credit rating agency expectations consistent with our "AA" bond rating.