

BILL NO. _____

RESOLUTION NO. _____

A RESOLUTION DIRECTING THE CITY MANAGER TO IMPLEMENT A BILL CREDIT TO ALL CITY OF INDEPENDENCE UTILITIES CUSTOMERS.

WHEREAS, on March 12, 2020, the Mayor declared a State of Emergency in the City of Independence; and,

WHEREAS, the City of Independence experienced a ransomware attack on December 4, 2020 that restricted the City from sending utility bills to all City of Independence customers in excess of two months; and,

WHEREAS, both of these events have presented hardships to many Independence residents who are now struggling with both the economic hardships presented by the COVID-19 pandemic as well as the fiscal impact of a multi-month utility bill; and,

WHEREAS, on December 14, 2020, the City Council received a presentation on a Resiliency and Cash Balance Policy for the City's Electric Utility Fund; and,

WHEREAS, this policy is intended to ensure the utility maintains a strong financial position and is viewed favorably by bond rating agencies; and,

WHEREAS, the City Council did adopt this policy on January 19, 2021; and,

WHEREAS, the results of the Resiliency and Cash Balance study performed for the City's Electric Utility Funds concluded that the City's unrestricted cash level exceeds the recommended target by \$15.8 Million; and,

WHEREAS, on January 19, 2021, the City Council did adopt Bill Number 21-703, which authorized defeasing the outstanding par amount on the 2010B Series Bonds for the electric utility in the amount of \$10.6 million; and,

WHEREAS, this leaves a surplus of at least \$5.2 million under the Resiliency and Cash Balance Policy; and ,

WHEREAS, in addition to a target for cash balances, the Resiliency and Cash Balance Policy also includes a bandwidth of plus or minus 10%; and,

WHEREAS, the upper end of this bandwidth results in surplus funds of \$22.5 million, or \$11.9 million net of the \$10.6 million that was applied to defeasing the 2010B Series Bonds; and,

WHEREAS, the City Council does wish to follow the City Charter by applying these funds toward rate reduction in the most efficient and economical manner possible; and,

WHEREAS, the City of Independence has approximately 50,000 residential utility customers; and,

WHEREAS, The City Council does wish to apply \$11.2 million of these surplus funds toward rate reduction; and,

WHEREAS, this will result in all utility customers receiving a one-time credit on their monthly utility bill of approximately \$200;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF INDEPENDENCE, MISSOURI, AS FOLLOWS:

SECTION 1. That the City Manager is directed to implement a one-time credit on all utility accounts utilizing a total of \$11.2 Million from the surplus funds as identified by the Resiliency and Cash Balance Policy.

PASSED THIS ____ DAY OF _____, 2021, BY THE CITY COUNCIL OF THE CITY OF INDEPENDENCE, MISSOURI.

Presiding Officer of the City Council
of the City of Independence, Missouri

ATTEST:

City Clerk

APPROVED AS TO FORM AND LEGALITY

City Counselor

REVIEWED BY:

City Manager