



GAGE CANAL COMPANY CAPITAL EXPENDITURE BUDGET FOR FY 2023/24

Public Utilities Department

City Council
April 23, 2024

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BACKGROUND

1. The 1965 Agreement For Operation of Gage Canal Facilities establishes budget submittal requirement.
2. Approval was historically done by RPU GM.
3. CAO opined Board and Council should be involved.
4. City's "approval" not necessary for execution of Company expenditures.



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BACKGROUND (CONT.)

5. RPU GM and two Board of Public Utilities members sit on Company Board.
6. Company Board develops and approves capital budget.
7. Budget normally submitted in September.



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DISCUSSION

1. Section 15 of the Agreement states: ..."The Company shall submit an annual capital expenditure budget for approval by the City"...
2. If Company fails to submit budget, then potential breach of contract.
3. Total FY 23/24 budget = \$468,600.



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DISCUSSION (CONT.)

4. Capital improvements necessary for ongoing performance obligations.
5. Not a “direct” financial expenditure of City.
6. City pays proportionate share via Company shareholdings.



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STRATEGIC PLAN ALIGNMENT



Strategic Priority 6 - Infrastructure, Mobility and Connectivity

Goal No. 6.2 – Maintain, protect, and improve assets and infrastructure within the City’s built environment to ensure and enhance reliability, resiliency, sustainability, and facilitate connectivity.

Cross-Cutting Threads



Community Trust



Fiscal Responsibility



Sustainability & Resiliency



Equity



Innovation



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RECOMMENDATION

That the City Council approve the Gage Canal Company's capital expenditure budget for Fiscal Year 2023/24.



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