

RESOLUTION NO. _____
PASSED _____

A Resolution of the City Commission of the City of Gainesville, Florida, To Establish A General Fund Transfer Formula for the Combined Utility System for Fiscal Years 2011-2014; Providing For General Fund Transfer Discussions Between The General Manager For Utilities And the City Manager For Fiscal Year 2015; and Providing An Effective Date.

WHEREAS, the City of Gainesville owns and operates a combined utility system doing business as Gainesville Regional Utilities (GRU); and

WHEREAS, the City of Gainesville incurs the risks and rewards of ownership of GRU; and

WHEREAS, as in any business ownership, the City of Gainesville should be compensated with a fair return on its investment; and

WHEREAS, in 1986 the City Commission adopted a formula for GRU to provide the City's General Fund a return on its investment (known as General Fund Transfer or GFT), and then the Formula was modified in 1988, 2000 and 2004; and

WHEREAS, in October 20, 2008, the Regional Utilities Committee (RUC) of the City Commission directed the General Manager for Utilities and the City Manager to revisit the GFT and recommend alternative formulas to better provide for the needs of the General Fund and GRU in these times of economic uncertainty; and

WHEREAS, on February 11, 2010, the RUC approved staff's recommendation for consideration by the full Commission; and

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMISSION OF
THE CITY OF GAINESVILLE, FLORIDA,:**

Section 1. The GFT for the combined utility system shall be fixed at the following levels:

FY2011 - \$35,154,463

FY2012 - \$36,222,989

FY2013 - \$36,666,551

FY2014 - \$38,101,425

And shall be paid from the Combined System Revenues of GRU.

Section 2. The audited financial statements of GRU will be reviewed for the aforementioned fiscal years to determine what the GFT would have been under the 2004 GFT Formula

1. If the difference between the calculated transfer per the 2004 GFT Formula is no greater than \$500,000 over or under the agreed upon level in Section 1 for that particular audited year, then the transfer will remain unchanged.
2. If the difference between the calculated amount per the 2004 GFT Formula is greater than \$500,000 over or under the agreed upon level in Section 1 for that particular audited year, then the General Fund and GRU will equally share the gain or loss for amounts greater than \$500,000.

Section 3. If the City Manager and General Manager for Utility concur and conclude that significant events either have occurred or are reasonably anticipated to occur that in their judgment warrant a recommendation to the CCOM that the formula provided for herein be suspended and either revert to the formulas agreed upon in 2004 or such other formula as may be jointly recommended

Section 4. Discussions will commence no later than September 1, 2013 in preparation for establishing a GFT formula to be effective for FY2015.

PASSED AND ADOPTED, this __day of __, 2010.

PEGEEN HANRAHAN
MAYOR

ATTEST:

Approved as to Form and Legality:

KURT M. LANNON
CLERK OF THE COMMISSION

MARION J. RADSON
CITY ATTORNEY