

RESOLUTION NO. 130852**PASSED April 17, 2014**

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 FY15 through FY19, 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 1998, 2000, 2004 and 2010; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF GAINESVILLE, FLORIDA, AS FOLLOWS:

Section 1. The GFT formula effective October 1, 2014 shall be established as follows: The base amount of the Transfer shall be established at a level equal to the dollar amount of the FY14 Transfer that would have been generated by the Formula in effect for the period FY00 through FY10.

The base amount shall be increased by 1.5% per year over the period FY15 through FY19.

From this amount, the actual amount of ad valorem revenue received each year by the City related to the GREC Biomass facility will be deducted.

Section 2. The GFT shall be paid from any system or combination of systems (Electric, Gas, Water, Wastewater or GRUCom) from which GRU feels is in its best interest.

Section 3. The Formula will be reviewed no less frequently than every other year by GRU and General Government staff.

PASSED AND ADOPTED, this 17th day of April, 2014.

Ed Braddy, Mayor

Attest:

Approved as to form and legality:

Kurt Lannon, Clerk of the Commission

Nicolle M. Shalley, City Attorney