

RESOLUTION NO. 210116

RESOLUTION OF THE CITY COMMISSION OF THE CITY OF GAINESVILLE, FLORIDA, SETTING THE AMOUNT OF THE GENERAL FUND TRANSFER FROM GAINESVILLE REGIONAL UTILITIES FUNDS TO THE GENERAL GOVERNMENT FUND THROUGH FISCAL YEAR 2027; PROVIDING AN IMMEDIATE EFFECTIVE DATE.

WHEREAS, the City of Gainesville d/b/a Gainesville Regional Utilities ("GRU") issues revenue bonds for utility purposes; and

WHEREAS, because these bonds are publicly placed, rating agencies review the City Commission's policy directions to provide ratings for bond purchasers use; and

WHEREAS, changes in bond ratings affect current and future interest costs for bonds as well as additional costs for liquidity facilities and letters of credit; and

WHEREAS, on May 3, 2021, S&P lowered its long-term rating on GRU's combined utility revenue debt two notches to 'A' from 'AA-'; and

WHEREAS, this is GRU's fifth downgrade since 2010; and

WHEREAS, in the most recent downgrade by S&P the rating agency identified several credit risks, one of which is significant general fund transfers to support the city's general fund; and:

WHEREAS, the City Commission's stated mission is to provide safe, reliable, competitively priced utility services in an environmentally responsible manner to enhance the quality of life in our community and adoption of this resolution furthers that mission; and

WHEREAS, by reducing the general fund transfer gradually by two million dollars a year through Fiscal Year 2027, the City Commission will be able to further stabilize the financial condition of the utility which will assist in continuing to provide safe and reliable services; and

NOW, THEREFORE, THE GAINESVILLE CITY COMMISSION RESOLVES THAT:

1. The General Fund Transfer for FY 2022 will be \$36,283,000.00.
2. The General Fund Transfer for FY 2023 will be \$34,283,000.00.
3. The General Fund Transfer for FY 2024 will be \$32,283,200.00.
4. The General Fund Transfer for FY 2025 will be \$30,283,000.00.

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38 5. The General Fund Transfer for FY 2026 will be \$28,283,000.00.
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40 6. The General Fund Transfer for FY 2027 will be \$26,283,000.00.
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42 This Resolution shall take effect immediately upon adoption.

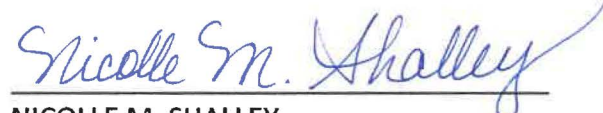
43 **PASSED AND ADOPTED** this ^{19th Oct} 15th day of July, 2021.

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46 _____
47 LAUREN POE
48 MAYOR
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50 Attest:

Approved as to form and legality:

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53 _____
54 OMICHELE D. GAINNEY
55 CITY CLERK
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NICOLLE M. SHALLEY
CITY ATTORNEY