



## City of Gainesville Agenda Item Report

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**File Number:** 2024-948

**Agenda Date:** December 16, 2024

**Department:** Office of the City Manager

**Title:** 2024-948 Street Light Payment in the Unincorporated Area (B)

**Department:** Office of the City Manager

**Description:** Discuss the payment by the City for public street lights located in the unincorporated area.

**Fiscal Note:** Public street lights in the unincorporated area cost an estimated \$1.3 million per year.

**Explanation:** In August 1975, the City of Gainesville adopted ordinance #2065 stating that the cost for the public streetlight system outside the corporate limits will be paid with surcharge funds derived from the sale of electricity and water outside the corporate limits of the City.

In December of 1979, The RUB Out agreement dissolved the Regional Utilities Board.

As part of that agreement:

- a. Formula established for General Fund Transfer (max increase of 3% per year).
- b. City to reimburse County for Street Light and Fire Hydrants in exchange for the benefits of City utility property located within Alachua County.
- c. Agreement expires September 30, 1986.

In January 1987, the Rub Out Agreement was extended to September 30, 1987. As part of that extension, part a. above was removed.

On February 21, 1990, the Fire Hydrant and Street Light Agreement between the City and County was approved. This agreement states that fire hydrant and public streetlights will be paid for by the City out of the General Fund. At the time this agreement was approved, GRU was not a separate charter office within the City of Gainesville – it was part of General Government.

In May 1990, the General Manager for Utilities became a separate Charter Officer reporting directly to the City Commission. Prior to this change, the General Manager for Utilities was a Department Head reporting to the City Manager.

In August 2005, the City Commission alters fire hydrant charges to be included in the base rates of water. This went into effect on October 1, 2006 via Ordinance #0-05-84.

The RUB Out agreement executed in December 1979 states that the City is to reimburse County for Street Light and Fire Hydrants. This is in exchange for the benefits of City utility property located within Alachua County.

With the implementation of Florida Statutes § 5256-348 (Formerly known as HB 1645), the GRU Authority Board was created to govern GRU. As the street light and fire hydrant reimbursement is in exchange for the benefits of City utility property located within Alachua County, the reimbursement should no longer come from the General Fund nor be paid by the City of Gainesville as the City of Gainesville – General Government derives no benefit from this arrangement. The benefit is with GRU for the location of their facilities within property in the unincorporated area.

**Strategic Connection:**

- Goal 1: Equitable Community
- Goal 2: More Sustainable Community
- Goal 3: A Great Place to Live and Experience
- Goal 4: Resilient Local Economy
- Goal 5: “Best in Class” Neighbor Services

**Recommendation:** The Joint City/County Commission discuss negotiation of new agreement between Alachua County and Gainesville Regional Utilities for streetlights in the unincorporated area of the county, discuss negotiation of new agreement between Alachua County and Gainesville Regional Utilities for street lights in the unincorporated area of the county.