

## Council Meeting Staff Report

March 21, 2017

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<b>Agenda No.:</b>	F.
<b>Indexes (Council Goals):</b>	2018 Council Goal – Quality Governance – Operational Excellence – Maintain Quality Essential Services and Supporting Infrastructure Including Updated Enterprise Software and Permitting
<b>Presenters:</b>	Bob Westervelt
<b>Legislative File:</b>	9218-17

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### Title

Approval of the Transfer of Profit from Electric and Gas Funds to the General Fund for Operations During Fiscal Year 2016

### Recommended Action

**I move that Council approve the transfer of revenues from the electric and gas funds to the general fund for electric and gas operations during fiscal year 2016 in accordance with Incorporated County of Los Alamos Resolution 97-07.**

### Utilities Manager's Recommendation

The Utilities Manager recommends that Council approve the profit transfer as requested.

### Board, Commission or Committee Recommendation

The Board of Public Utilities recommends that Council approve the profit transfer as requested.

### Body

In 1997, to establish a methodology for determining operating profits to be transferred to the County general fund, the Board of Public Utilities and the County Council agreed, through a resolution, to transfer from the electric fund and the gas fund an amount equal to 5% of retail sales to customers other than Los Alamos Public Schools and Los Alamos County. Transfer amounts are to be computed after completion of the County's annual financial audit and the transfers are to include interest from the last day of the fiscal year to the date of transfer. Accordingly the transfer for each year's activity is reflected in the following year's budget.

Profit transfers computed for fiscal year 2016 retail sales are \$594,680.87 and \$226,474.74 for the electric and gas utilities, respectively. A computation worksheet is attached. The budgeted amounts were \$648,823 for the electric fund and \$260,287 for the gas fund.

### Alternatives

The transfers have been accomplished. If the Board and Council do not approve the profit transfers, the funds will revert to the Department of Public Utilities electric and gas funds.

### Fiscal and Staff Impact/Planned Item

For FY2016 sales \$594,680.87 plus interest from the electric fund to the general fund and \$226,474.74 plus interest from the gas fund to the general fund.

### Attachments

A - Incorporated County Of Los Alamos Resolution No. 97-07

B - Utilities Profit Transfer Schedule - Fiscal Year 2016

C - Ten Year Historical Utilities Contributions to General Fund