

December 18, 2023

Subject: Oakview Impacts on Cuts from GRU Authority

Dear Janice Garry,

I hope you are having a happy holiday season. I wanted to make you aware of changes in our City government that will have a significant impact on our Oakview neighborhood and the city. These are changes that are coming from the newly Governor appointed Gainesville Regional Utilities Authority Board.

In January the Gainesville Regional Utilities Authority will be deciding whether to cut or eliminate the \$15.3 million transfer from the utility to the general fund. This transfer is standard for all municipal utilities across the country, and is a payment-in-lieu-of-taxes from the utility to the city. This payment was greatly reduced last year after GRU was given \$19 million per year to help them reduce debt. That resulted in tax increases and mass layoffs in our city last year, while giving GRU a \$31 million profit this year.

Now the GRU Authority is considering further reducing it or completely eliminating this transfer, becoming the only major municipal utility in the nation that pays no general fund transfer to their municipality. Last Friday our City Manager, Cynthia Curry, sent a memo to the City Commission showing the bleak decisions we have ahead if the GRU Authority makes that decision:

"Make no mistake, the FY 2025 budget development process will be more difficult, as most Departments have already reduced operational expenses and a large number of vacant positions have already been eliminated. The decisions made by the City Commission to balance the FY 2024 Budget were also difficult and seriously impacted General Government operations and staff. The FY 2024 Adopted Budget eliminated 125.5 fulltime equivalent positions – reducing expenditures by \$8.3 million. Further, 13 out of 20 General Government funded departments had their operating budgets reduced in an effort to prioritize public safety services. All department operations, including public safety, must be evaluated in FY 2025."

You can read about it more in the Gainesville Sun [here](#).

In order to keep you all in the loop and because there is a new structure I wanted to let you all know that the impacts of this could be large for the level of services you have come to expect. Critical neighborhood services like police, fire rescue, and codes enforcement will almost certainly be reduced, as well as upkeep for parks and roads, as well as City events that residents have enjoyed for decades. Institutions like GRACE Marketplace, the Hippodrome, Early Learning Coalition, and more have already been put on notice by the City Manager that they should be planning to have their funding cut

entirely if this happens. Alternatively, it could mean another large tax increase after the large tax increase last year, which will be hard on small businesses and homeowners.

These cuts are not finalized. If you would like to speak about these cuts to the Authority members they are preparing to have these discussions in January with a key meeting scheduled on January 3rd at the GRU Authority Administration Building at 5:30 PM. You can also email the GRU Authority members directly here:

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Thank you for your engagement in our neighborhoods and community,
Bryan Eastman