

Section 1408. - Annual contribution for any municipal purpose.

Each fiscal year the City Council shall transfer from the Light and Power Fund an amount equal to twelve percent (12%) of the gross income of the electric works received during the immediately preceding fiscal year from the sale of electric energy at rates and charges fixed by ordinance. Said sum shall be transferred to the General Fund of the City by resolution not earlier than the receipt of the report by an independent certified public accountant on the examination of the books of account of the power utility nor later than the first day of June next succeeding the date of determination of the amount to be transferred. Nothing herein contained shall prohibit an advance of not to exceed seventy-five percent (75%) of the estimated amount prior to the receipt of the said report. The amount thus transferred may be expended for any municipal purpose.

The amount to be so transferred from the Light and Power Fund shall not exceed the net income of the electric works as shown on the books of account of the power utility, after payment of the maintenance and operating expenses of such works, the expenses of conducting the power utility, depreciation, and the principal, interest and premiums, if any, upon the redemption thereof, of electric works revenue bonds.

Notwithstanding anything herein contained, if the City Council at the time of or before the adoption of the budget shall determine that the transfer of such amount from the Light and Power Fund would be detrimental to the proper functioning and administration of the power utility during the budget year under consideration, the City Council may so find by resolution, and, in such event, no transfer of such amount shall be made within that fiscal year. If the City Council shall determine that the transfer of an amount less than twelve percent (12%) from the Light and Power Fund would not be detrimental to the proper functioning and administration of the power utility during the budget year under consideration, the City Council may so declare by resolution, and shall transfer a smaller amount.

The City Council is authorized to set charges for electric service that, during the period when the charges are in effect, are sufficient to pay both the expenses of the power utility, as set forth in Section 1405, and all amounts that the City Council projects will be directed for transfer pursuant to this Section, before any adjustments based on the net income of the electric works.

(Sec. 1408 amended by vote of the people 11-3-2020: Sec. 1408 amended by vote of the people 3-9-1993: Sec. 1408 amended by vote of the people 6-6-1972.)