

City of Lawrence
Transfer Policy

Existing transfers will remain flat for the duration of the 2012 Water and Wastewater Master Plans. Future Transfers between any of the City's enterprise funds and the general operating fund are permissible for the following reasons.

- 1) In lieu of a property tax payment that would be made if the utility were privately owned. The amount of the transfer will be calculated by applying the general fund mill levy equivalent to an estimate of the assessed valuation of all city-owned utilities. The estimate will be calculated according to principles similar to those used to assess private owned utilities.
 - a. Market value will be calculated as the total capital assets of all utilities less depreciation as stated in the City's Comprehensive Annual Financial Report.
 - b. The assessment rate will be 33% of market value.
- 2) In lieu of a franchise fee for use of the City's right of way by City owned utilities. The amount of the transfer should be no more than 7% of the total revenues of all utilities.
- 3) To compensate the general fund for overhead expenses paid out of the general fund. Costs shall be allocated to the enterprise funds, based on the prior year budget, as follows:
 - a. The budget for the City Commission and Human Resources divisions will be allocated based on the number of budgeted FTEs in each enterprise fund.
 - b. The budget for the City Auditor, City Manager's Office, Legal, and Information Systems departments will be allocated using the budgeted expenditures of the fund as a percent of the total expenditures for all budgeted funds.
 - c. The budget for Finance Administration will be allocated using the budgeted revenues as a percent of the total budgeted revenues for all budgeted funds. (Prior year fund balance not included)
- 4) Transfers should be offset by any salaries paid and/or costs of services provided by the enterprise fund.