



MEMORANDUM

DATE: July 24, 2023
TO: Honorable Mayor and City Councilmembers
 Dave Perrault, City Administrator
FROM: Gayle Bauman, Finance Director
SUBJECT: Transfer fund balance from General Fund to PIR Capital Fund

Budgeted Amount:	Actual Amount:	Funding Source:
N/A	N/A	N/A

Council Should Consider

Motion to approve, table or deny the following:

- Transfer \$171,140 from the General Fund to the Capital Improvement (PIR) Fund and authorizing the Finance Director to complete all corresponding budget adjustments. Increase the overtime and sand/salt line items in the General Fund street maintenance budget by \$10,000 and \$15,000 respectively, for overages due to snow plowing.

Background

In 2014, the Council adopted a revised Fund Balance Policy which directs the Finance Director to bring a request to the City Council to transfer any excess funds over 50% of fund balance in the General Fund to the PIR Fund once the final audit is completed. The intent of the policy is to utilize the funds for one-time, non-operating items. The primary considerations of the policy are 1) to meet the cash flow requirements of the City; 2) to maintain adequate fund balances and net assets in each individual fund of the City; and 3) to provide for emergencies and contingency needs of the City. These goals are accomplished by transferring the funds to any capital fund in need.

Discussion

The amount available for transfer based on the 2022 audit is \$253,640. The 2023 Street Maintenance budget is utilizing \$25,000 of this amount due to overages from snow plowing. \$57,500 is being left in the General Fund to cover one-time 2024 budget items for a comp study (\$17,500) and the start of work on ordinance review/changes (\$40,000). Staff is proposing to transfer the remaining amount of \$171,140 to the PIR Fund per the discussion with the Council at the July 17, 2023 Work Session. The main reason for this excess is the sale of the Ridgewood property.

Budget Impact

Increase in transfers out of the General Fund and transfers in to the PIR Fund; increase in 2023 Street Maintenance budget line items noted above.

Attachments

None