



MEMORANDUM

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**DATE:** July 25, 2022

**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

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**Council Should Consider**

Motion to approve, table or deny the following:

- Transfer \$102,540 from the General Fund to the Capital Improvement (PIR) Fund and authorizing the Finance Director to complete all corresponding budget adjustments. Increase the street maintenance budget by \$177,280 for overages from the Coon Rapids JPA and PW 2022 in-house street maintenance project.

*All items need a simple majority for action unless otherwise noted.*

**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 2021 audit is \$279,820. The 2022 Street Maintenance work is utilizing \$177,280 of this amount. Staff is proposing to transfer the remaining amount of \$102,540 to the PIR Fund per the discussion with the Council at the July 18, 2022 Work Session. The table below lists some of the main reasons for this excess:

Permit revenue	205,000
Street maintenance costs	115,000
Rec Coordinator eliminate position	97,980
Planning vacancies net of consultant	25,000
Building Inspection vacancies net of contract	(265,000)
Public Works vacancy	32,500
Property taxes - petitions	45,000
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**Budget Impact**

Increase in transfers out of the General Fund and transfers in to the PIR Fund; increase in 2022 Street Maintenance costs.

**Attachments**

None