



**City of LaBelle Board of Commissioners
Agenda Request**

To: Honorable Mayor and City Commission

Prepared By: Lilly Davenport

Date of Meeting: June 12, 2025

Date Submitted: May 29, 2025

Title of Agenda Item: Funding for Capital Improvements

Agenda Location: (Refer to Mayor)

Report in brief: Capital improvement expenditures in the Utility funds exceeded available reserves due to delays in grant reimbursements, among other things. These negative balances limit cash available for operations. A cash transfer from the General Fund is recommended to provide needed funding and operating cash.

Staff Comments:

- Most cash accounts are “pooled” into a single bank account. Cash balances are segregated into different general ledger accounts to differentiate between cash available for operations, and cash reserved for debt service and capital outlay. Utility reserves for capital improvements are (\$902k).
- The City received ARPA grant funding that is currently held as deferred revenue (a liability) pending completion and payment of committed projects. The General Fund is holding \$1.3M in ARPA funds that are earmarked for projects in the Utility funds and are available for transfer.
- Delays in grant reimbursements have caused Capital Outlay reserve general ledger accounts in the Utility funds to have negative balances. It has also resulted in the Water utility to be out of compliance with USDA water loan covenant requiring a \$500,000 reserve for short-lived assets (Renew & Replacement reserve).
- The City is contracting with Wheeler Properties and Town Grove for Utility easement valued at \$65,000. Providing ARPA funds to capital reserve accounts will better enable the Utility to fund this investment.
- Cash balances for debt service are less than the amount needed for the loan payments due this year. Providing additional cash from ARPA will provide sufficient relief to reallocate cash from operating to debt service.

Fiscal Impact: There is no net impact to the City for the transfer of ARPA funds. The impact on the General Fund will be a reduction of \$1.1M cash to the benefit of the Utility funds.

Recommended Actions: Transfer \$1.1M (of the \$1.3M available) of ARPA cash from the General Fund pooled cash to the utility accounts as indicated on the table below.

City of LaBelle						
Cash accounts - Trial balance						
As of 05.29.2025						
UTILITY FUNDS						
Sum of Ending Balance		Column Labels ▾				
		RES FOR CAPITAL				
Row Labels		OPTG	OUTLAY	RES FOR DEBT	RES FOR DEPOSITS	Grand Total
041		2,547,360.10	(133,878.75)	1,330,328.56	479,298.08	4,223,107.99
042		(1,163,098.56)	(768,485.29)	99,765.58		(1,831,818.27)
043		395,704.14				395,704.14
Grand Total		1,779,965.68	(902,364.04)	1,430,094.14	479,298.08	2,786,993.86
Water optg xfer for debt service		(11,800.00)		11,800.00		-
Sewer optg xfer for debt service		(87,500.00)		87,500.00		-
Water capital res xfer for Debt R&R reserve			(234,970.00)	234,970.00		-
Add GF ARPA transfer to water for Capital Res			368,850.00			368,850.00
Add GF ARPA transfer to sewer for Capital Res			731,150.00			731,150.00
Adjusted cash, Utility funds		1,680,665.68	(37,334.04)	1,764,364.14	479,298.08	3,886,993.86
GENERAL FUND						
Sum of Ending Balance		Column Labels ▾				
		RES FOR DEBT				
Row Labels		OPTG	RES FOR DEBT	RES FOR STREETS	Grand Total	
001		5,921,458.65	6,640.84	2,525,325.09	8,453,424.58	
Grand Total		5,921,458.65	6,640.84	2,525,325.09	8,453,424.58	
Less: ARPA transfer to Utilities		(1,100,000.00)			(1,100,000.00)	
Adjusted cash, General Fund		4,821,458.65	6,640.84	2,525,325.09	7,353,424.58	