



Memorandum

To: Mayor Nelson and Members of the City Council

From: Daniel R. Buchholtz, MMC, Administrator, Clerk/Treasurer

Date: May 13, 2021

Subject: 2020 Transfers

The City has received preliminary financial statements for fiscal year 2020 which show surplus funds. Staff is requesting authority to transfer these funds to various project and debt service funds.

Staff is proposing transferring \$181,922 to three debt service funds. These transfers will be enough to cover the City's obligations on these bonds until maturity over the next 2-3 years. This will also free up dollars for cost pressures anticipated for the 2022 General Fund budget.

The remaining funds will be allocated toward severance costs (due to pending retirement), fill a deficit in the sealcoating fund, add funds to the storm sewer rehab fund for future projects, and begin setting aside dollars for the 2050 Comprehensive Plan update, which will begin in 2028.

The transfers will be effective on December 31, 2020. The General Fund fund balance will remain above the City Council's policy of cash reserves to cover 35-50% of budgeted expenditures.

Staff recommends approval of Resolution 21-19. If you have any questions, please don't hesitate to contact me at 763-784-6491.