



Memorandum

To: Mayor Nelson and Members of the City Council
From: Daniel R. Buchholtz, MMC, Administrator, Clerk/Treasurer
Date: April 10, 2024
Subject: Year End Fund Transfers

I am pleased to report that the City ended the 2023 fiscal year with a surplus. Through prudent financial management, we have ended the year with a surplus of \$862,584. This surplus represents a significant opportunity for the city to invest in its future, address pending needs and strengthen our financial resilience against unforeseen challenges.

Staff is recommending the following year-end transfers, totaling \$560,000.

1. Park Equipment and Improvements Fund - \$80,000

The City has been awarded \$289,375 in CDBG funds from Anoka County for the Terrace Park playground improvements. This transfer will cover the City's local match for this project, as well as a 10% project contingency.

2. Forestry - \$50,000

These funds will help cover the cost of removing EAB infected ash trees from the City's boulevards and parks.

3. Sealcoating - \$110,000

The City's franchise fees do not generate enough revenue to cover the cost of the City's annual sealcoat program. This transfer will cover the 2024 project.

4. Equipment Fund - \$300,000

The City is transitioning away from issuing equipment certificates for capital equipment purchases with the goal of using cash. This transfer will shore up the equipment fund for large purchases in 2024, including a new lawnmower and new front end loader.

5. Severance Fund - \$20,000

The remaining surplus will remain in the General Fund to ensure compliance with the City's fund balance policy of keeping 35%-50% of expenditures in cash reserves.

If you have any questions, please do not hesitate to contact me at 763-784-6491.