

To: **Mayor and City Council**
 Through: **Ryan Schroeder, City Manager**
 From: **Charlene Stark, Finance Director**
 Date: **April 26, 2021**

Transfer of Excess Funds

BACKGROUND INFORMATION:

The annual audit has been completed a final review and printing of the Comprehensive Annual Financial Report (CAFR) should be complete within a few weeks. With the CAFR being nearly complete a look at the Reserves in the General Fund was performed. The revenues for 2020 in the General Fund are being reported as \$2,007,145 more than budgeted for the year. This is largely due to the \$1.6 million in Federal Aid received by the City through the CARES act as well as Permits reporting at \$240,000 over the budget. Additional the City had operational savings of \$760,000 for the year. The following departments having the largest savings:

Council	\$51,000	Training, Subscriptions, and Misc. expenses.
City Manager	\$94,846	Allocation of Personnel costs to CARES, Training, and Contractual Services and No Volunteer program.
Marketing and Communication	\$26,429	Allocation of Personnel costs to CARES, Printing and Contractual Services.
Finance	\$27,261	Allocation of Personnel costs to CARES, Health Ins. Costs due to change in staff.
Legal	\$59,213	
Planning	\$150,885	Position not filled
IT	\$54,752	Position was unfilled for part of the year
City Hall Building	\$23,091	Position was unfilled for part of the year and Contractual Services.
Police	\$314,025	Savings in Fuel, Equipment Parts, Travel and Training and no Programming. Staffing changes during the year.

Building & Inspections	\$17,258	Allocation of Personnel Costs to CARES, Training and Bank Fees
Engineering	\$27,882	Allocation of Personnel Costs to CARES and Training & Contractual Services
Streets	\$24,836.71	Fuel
Parks	\$201,187	Limited programming,
Disaster Planning	\$-408,756	Department the reallocation of personnel costs was charged to as well as costs for COVID 19 costs.

The increased revenues and departmental savings resulting in a change to fund balance for the year of \$2,767,113. Resulting in an excess fund balance of \$2,985,446. The City has a fund balance reserve policy that allows for transferring excess fund balance to the following Funds:

Outstanding Debt Reduction Fund	35%	\$1,044,906
Equipment Replacement Fund	25%	\$ 746,361
Building Replacement Fund	25%	\$ 746,361
Future Pavement Management Projects	15%	\$ 447,817

FISCAL IMPACT:

		Amount
Fund:		Reallocation of excess funds.
Department:		
Account:		

STAFF RECOMMENDATION:

Approve the transfer of funds per the Excess Fund Balance Policy