



REQUEST FOR COUNCIL ACTION

MEETING DATE: March 21, 2022
PREPARED BY: Greg Sticha, Finance Director GS
AGENDA ITEM: Transfer of 2021 General Fund Surplus

PREVIOUS ACTIONS:
None

RECOMMENDED COUNCIL ACTION:

City Council approves the following transfers from the 2021 General Fund Surplus:

Reserved for critical building/facility improvements and replacements	\$7,400,000
Equipment reserves to fund new or replaced items	\$1,150,000
Road Reconstruction Fund – Unused Sealcoat 2021 funding	\$800,000
Community Center Fund – Cover 2021 deficit	\$200,000
Retain for General Fund Reserve Requirements (Will be at 25%)	\$900,000

COMMENTS:

The current estimate is that the General Fund will have an approximate \$10.45M surplus at year end 2021. The amount of the surplus can change slightly depending on final expenditures yet to be accounted for and small adjustments made as part of the audit process.

The surplus was created by a combination of factors. The largest factor was the use of ARPA funds (\$5.1M) on the eligible use of lost revenues accounted for in 2020 and then applied towards public safety operating expenses in 2021. In addition, building permit revenues once again exceeded budget by a significant amount for 2021 (\$2.2M).

The last part of the surplus is related to underspending of expenses (\$3M). This was in large part due to vacant positions (\$1.3M) and underspending in the parks department which also included in part vacant positions (\$450k). There was other underspending of expenses related to costs that are most likely not back to normal because of the pandemic in travel/training and in supplies.

These transfers will help fund projects set as priorities by the city council, reserve funds for road maintenance, reserve funds for critical building/facility improvements, reserve funds for requested

additional equipment as part of the 2022 department budget requests and shore up a small deficit in our community center fund created by the pandemic in early 2021.

ATTACHMENTS:

None