

CC Regular Session

7. 6.

Meeting Date: 03/23/2021

By: Diana Lund, Finance

---

**Information**

**Title**

Adopt Resolution #21-073 Approving the Transfer of Excess General Fund Revenues to the Equipment Revolving Fund, Facilities Construction Fund, Capital Maintenance Fund and Public Improvement Revolving (PIR) Fund.

**Purpose/Background:**

The City Council originally adopted a policy on February 22, 1994, known as the Excess Revenue Policy (Resolution #94-02-045-Resolution Establishing a Financial Policy for the Purpose of Allocation of Excess/Deficient General Fund Revenues) with the last amendment of this policy occurring on May 10, 2016 (Resolution #16-05-089) a copy of which is attached.

The Excess Revenue Policy states that the fund balance will be at 50% of the next year's operating expenditures, plus any encumbrances and compensated absences. These items totaled \$841,342.27 and are reflected as such:

50% of 2021 Budget increase: \$539,879.50

Comp Absence Liability increase: \$145,162.77

Encumbrances:

Police 2021 Contract Settlement (not budgeted)  
2.75% to 3.75% COLA & one-time pay \$ 26,300.00

Workers Comp Increase (not budgeted)  
(Numbers not known until January-LOGIS pool)  
increase due to major uptick in police costs \$60,000.00

General Liability Increase (not budgeted)  
(Numbers not known until January-LOGIS pool) \$20,000.00

Fire Protection Revenue Decrease: Budgeted at \$60,000 or full-year  
Nowthen expected terminate contract 4-1-21 \$40,000.00

Fire Personnel-Includes Duty Officer On-Call Pay (not budgeted) \$10,000.00

Total Fund Balance Additions \$841,342.27

After meeting the fund balance requirements at year ending December 31, 2020, \$1,376,214.72 (\$575,816.94 excess in 2019) remained as excess revenues to be transferred from the General Fund. The majority of the excess was attributed to building permit revenue exceeding budget, CARES federal funds received that covered a significant portion of allowable public safety personnel expense in relation to the COVID pandemic and increase in interest earnings related mostly to the write-up of investments to market value on December 31, 2020 and not true interest earned.

As stated in the policy, transfers from the General Fund would be as such: