



To: MAYOR AND COUNCIL

Agenda Item #: IV. N.

From: Eric Roggeman, Finance Director

Action

Discussion

Date: August 19, 2014

Information

Subject: Transfer 2013 General Fund Unassigned Fund Balance

Action Requested:

Approve staff recommended transfers of the 2013 General Fund Unassigned Fund Balance

Information / Background:

The City ended 2013 with a general fund unassigned fund balance of \$2,049,968. The City Fund Balance Policy states that it is the policy of the City that, to the extent possible, such excess funds will be transferred to the construction fund to support capital improvements and equipment. The fund balance policy also states that available fund balances shall not be used for ongoing operating expenditures.

In contrast to the excess balance in the general fund, the City's golf course fund continues to have a fund balance deficit, measured at \$1,362,075 as of December 31, 2013. The City has made several difficult decisions designed to improve the annual operations of the golf course fund. Staff recommends a significant transfer of dollars to the golf course fund now to help to address the balance sheet issues at the same time. This transfer would allow us to start some modest improvements at Braemar as soon as this fall.

It is important to note that this recommended transfer is intended to clear a past deficit, and therefore would not be available for future spending. However, an improved financial position and outlook for the golf fund will make a future bond issue possible sooner than would be possible if we decide not to proceed with this transfer now.

Staff recommends the remainder of the general fund unassigned balance be transferred to the construction fund, following the fund balance policy and past practice. The amount will be similar to amounts transferred to the construction fund in recent years. It will be used to pay for the Fred Richards repurpose planning process, as well as a server virtualization project and 2015-2017 CIP projects to be determined.

Recommendation Allocations

Transfer to Golf Course Fund to reduce fund deficit	\$1,100,000
Transfer to Construction Fund	\$949,968