

ITEM # 37 b
DATE: 05-28-19

COUNCIL ACTION FORM

SUBJECT: FY 2018/19 AND FY 2019/20 TRANSFERS BETWEEN FUNDS

BACKGROUND:

A recent change to the Iowa Administrative Code requires City Council approval for transfers between City funds. Although City Council has always approved transfers as part of the budget approval process, the new Code section requires that more detailed information about the transfers be included in the schedule that is approved by City Council, and that the approved transfer amount not be exceeded without further Council approval. The detailed transfer schedule will be included in the draft budget for FY 2020/21 and be approved as part of the normal budget process. Because the new Code requirement was effective April 17, 2019, a separate resolution is necessary to show City Council approval for transfers that will take place between City funds for FY 2018/19 and FY 2019/20.

A summary for both FY 2018/19 and FY 2019/20 is attached listing the transfers that are budgeted to be made from each fund, the fund where the transfer will be directed, and the reason for the transfer. The total transfers for each year match the transfers that were approved on March 5, 2019, with the exception of an additional transfer in FY 2018/19 that was added as part of the final amendment process.

ALTERNATIVES:

1. Adopt a resolution approving the Fiscal Year 2018/19 budgeted transfers of \$23,488,878 and the Fiscal Year 2019/20 budgeted transfers of \$23,371,112.
2. Refer this item back to staff for additional information or other adjustments to the budgeted transfers.

MANAGER'S RECOMMENDED ACTION:

A separate resolution approving the City's budgeted FY 2018/19 and FY 2019/20 interfund transfers will comply with new State Code requirements.

Therefore, it is the recommendation of the City Manager that City Council approve Alternative No. 1, thereby adopting a resolution approving the Fiscal Year 2018/19 transfers of \$23,488,878 and the Fiscal Year 2019/20 transfers of \$23,371,112.

2018/19 Final Amended Budget Transfer Detail

| | Amount of Transfer | |
|---|-----------------------|--|
| <i>Funding Sources:</i> | | |
| <i>General Fund:</i> | | |
| - to Hotel/Motel Tax Fund | 2,450,000 | <i>Hotel/Motel Tax receipts</i> |
| - to Airport Construction Fund | 57,031 | <i>Airport Operations net revenue</i> |
| - to Transit Operations Fund | 1,907,085 | <i>Transit Levy receipts</i> |
| - to Resource Recovery Fund | 522,533 | <i>City of Ames per capita payment</i> |
| - to Debt Service Fund | 70,982 | <i>Debt service for Airport terminal building</i> |
| <i>Total General Fund Transfers</i> | <u>5,007,631</u> | |
| <i>Road Use Tax Fund:</i> | | |
| - to Fleet Reserve Fund | <u>10,490</u> | <i>Public Works share of Fleet Maintenance CIP</i> |
| <i>Local Option Sales Tax:</i> | | |
| - to General Fund | 4,758,540 | <i>Property tax relief</i> |
| - to Park Development Fund | 100,000 | <i>Park development annual funding</i> |
| - to Ice Arena Capital Reserve Fund | 20,000 | <i>City contribution to capiatl reserve</i> |
| <i>Total Local Option Sales Tax Transfers</i> | <u>4,878,540</u> | |
| <i>Hotel/Motel Tax:</i> | | |
| - to General Fund | 210,000 | <i>H/M share of property tax relief</i> |
| - to Local Option Sales Tax Fund | 140,000 | <i>H/M share of Community Betterment</i> |
| <i>Total Hotel/Motel Tax Transfers</i> | <u>350,000</u> | |
| <i>Employee Benefit Property Tax:</i> | | |
| - to General Fund | <u>2,152,498</u> | <i>Tax collected for Police/Fire benefits</i> |
| <i>Police/Fire Retirement Trust:</i> | | |
| - to General Fund | <u>38,000</u> | <i>Use of fund balance for Police/Fire benefits</i> |
| <i>Library Friends Foundation:</i> | | |
| - to Library Donations/Grants Fund | <u>36,000</u> | <i>Project Smyles support</i> |
| <i>TIF/South Bell:</i> | | |
| - to Debt Service Fund | <u>114,841</u> | <i>Debt service for South Bell TIF project</i> |
| <i>TIF/ISU Research Park:</i> | | |
| - to Debt Service Fund | <u>304,700</u> | <i>Debt service for ISU Research Park TIF project</i> |
| <i>Special Assessments:</i> | | |
| - to Debt Service Fund | <u>490,869</u> | <i>Debt service on projects with special assessments</i> |
| <i>Water Utility Fund:</i> | | |
| - to Water Sinking Fund | 4,208,932 | <i>Water Utility SRF loan debt service</i> |
| - to Debt Service Fund | 440,224 | <i>Water Utility G.O. Bond debt service</i> |
| - to Fleet Services Reserve Fund | 10,490 | <i>Public Works share of Fleet Maintenance CIP</i> |
| <i>Total Water Utility Fund Transfers</i> | <u>4,659,646</u> | |

2018/19 Final Amended Budget Transfer Detail (continued)

Sewer Utility Fund:

| | | |
|---|----------------|--|
| - to Debt Service Fund | 387,855 | <i>Sewer Utility G.O. Bond debt service</i> |
| - to Sewer Sinking Fund | 344,287 | <i>Sewer Utility SRF loan debt service</i> |
| - to Fleet Services Reserve Fund | 10,490 | <i>Public Works share of Fleet Maintenance CIP</i> |
| <i>Total Sewer Utility Fund Transfers</i> | <u>742,632</u> | |

Electric Utility Fund:

| | | |
|--|------------------|---|
| - to General Fund | 2,200,537 | <i>In-Lieu-of-Property Tax payment</i> |
| - to Electric Sinking Fund | 964,619 | <i>Electric Utility revenue bond debt service</i> |
| <i>Total Electric Utility Fund Transfers</i> | <u>3,165,156</u> | |

Parking Operations:

| | | |
|---------------------------|----------------|--|
| - to Parking Reserve Fund | <u>335,983</u> | <i>Excess Parking Operations Fund balance transfer</i> |
|---------------------------|----------------|--|

Transit Operations:

| | | |
|-----------------------------------|----------------|--|
| - to Transit Capital Reserve Fund | <u>800,000</u> | <i>Annual Transit Operations capital funding</i> |
|-----------------------------------|----------------|--|

Transit Student Govt Trust:

| | | |
|------------------------------|----------------|--|
| - to Transit Operations Fund | <u>235,904</u> | <i>Additional share of Transit operations funded by ISU Student Government</i> |
|------------------------------|----------------|--|

Resource Recovery:

| | | |
|------------------------|----------------|---|
| - to Debt Service Fund | <u>165,988</u> | <i>Resource Recovery G.O. Bond debt service</i> |
|------------------------|----------------|---|

| | | |
|------------------------|--------------------------|--|
| <i>Total Transfers</i> | <u><u>23,488,878</u></u> | |
|------------------------|--------------------------|--|

2019/20 Adopted Budget Transfer Detail

| | Amount of Transfer | |
|---|-----------------------|--|
| <i>Funding Sources:</i> | | |
| <i>General Fund:</i> | | |
| - to Hotel/Motel Tax Fund | 2,450,000 | <i>Hotel/Motel Tax receipts</i> |
| - to Airport Construction Fund | 41,043 | <i>Airport Operations net revenue</i> |
| - to Transit Operations Fund | 1,994,811 | <i>Transit Levy receipts</i> |
| - to Resource Recovery Fund | 522,533 | <i>City of Ames per capita payment</i> |
| - to Debt Service Fund | 70,979 | <i>Debt service for Airport terminal</i> |
| <i>Total General Fund Transfers</i> | <u>5,079,366</u> | |
| <i>Road Use Tax Fund:</i> | | |
| - to Fleet Reserve Fund | <u>25,000</u> | <i>Public Works Share of Fleet Maintenance CIP</i> |
| <i>Local Option Sales Tax:</i> | | |
| - to General Fund | 4,901,296 | <i>Property tax relief</i> |
| - to Park Development Fund | 100,000 | <i>Park development annual funding</i> |
| - to Ice Arena Capital Reserve Fund | 20,000 | <i>City contribution to capital reserve</i> |
| <i>Total Local Option Sales Tax Transfers</i> | <u>5,021,296</u> | |
| <i>Hotel/Motel Tax:</i> | | |
| - to General Fund | 210,000 | <i>H/M share of Local Option property tax relief</i> |
| - to Local Option Sales Tax Fund | 140,000 | <i>H/M share of Community Betterment</i> |
| <i>Total Hotel/Motel Tax Transfers</i> | <u>350,000</u> | |
| <i>Employee Benefit Property Tax:</i> | | |
| - to General Fund | <u>2,159,434</u> | <i>Tax collected for Police/Fire benefits</i> |
| <i>Library Friends Foundation:</i> | | |
| - to Library Donations/Grants Fund | <u>30,000</u> | <i>Project Smyles support</i> |
| <i>TIF/South Bell:</i> | | |
| - to Debt Service Fund | <u>110,837</u> | <i>Debt service for South Bell TIF project</i> |
| <i>TIF/ISU Research Park:</i> | | |
| - to Debt Service Fund | <u>303,700</u> | <i>Debt service for ISU Research Park TIF project</i> |
| <i>TIF/John Deere:</i> | | |
| - to Debt Service Fund | <u>32,038</u> | <i>Debt service for John Deere TIF project</i> |
| <i>Special Assessments:</i> | | |
| - to Debt Service Fund | <u>321,415</u> | <i>Debt service on projects with special assessments</i> |
| <i>Water Utility Fund:</i> | | |
| - to Water Sinking Fund | 4,216,247 | <i>Water Utility SRF loan debt service</i> |
| - to Debt Service Fund | 385,377 | <i>Water Utility G.O. Bond debt service</i> |
| - to Fleet Services Reserve Fund | 25,000 | <i>Public Works Share of Fleet Maintenance CIP</i> |
| <i>Total Water Utility Fund Transfers</i> | <u>4,626,624</u> | |

2019/20 Adopted Budget Transfer Detail (continued)

Sewer Utility Fund:

| | | |
|---|------------------|--|
| - to Debt Service Fund | 386,452 | <i>Sewer Utility G.O. Bond debt service</i> |
| - to Sewer Sinking Fund | 827,882 | <i>Sewer Utility SRF loan debt service</i> |
| - to Fleet Services Reserve Fund | 25,000 | <i>Public Works Share of Fleet Maintenance CIP</i> |
| <i>Total Sewer Utility Fund Transfers</i> | <u>1,239,334</u> | |

Electric Utility Fund:

| | | |
|--|------------------|---|
| - to General Fund | 2,143,240 | <i>In-Lieu-of-Property Tax payment</i> |
| - to Electric Sinking Fund | 965,640 | <i>Electric Utility revenue bond debt service</i> |
| <i>Total Electric Utility Fund Transfers</i> | <u>3,108,880</u> | |

Transit Operations:

| | | |
|-----------------------------------|----------------|---------------------------------------|
| - to Transit Capital Reserve Fund | <u>800,000</u> | <i>Annual Transit capital funding</i> |
|-----------------------------------|----------------|---------------------------------------|

Resource Recovery:

| | | |
|------------------------|----------------|---|
| - to Debt Service Fund | <u>163,188</u> | <i>Resource Recovery G.O. Bond debt service</i> |
|------------------------|----------------|---|

| | | |
|------------------------|--------------------------|--|
| <i>Total Transfers</i> | <u><u>23,371,112</u></u> | |
|------------------------|--------------------------|--|