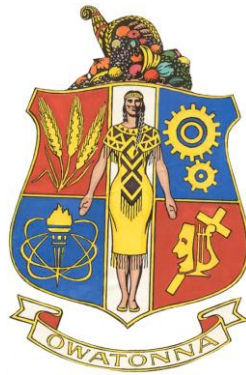


# THE CITY OF

Office of Finance Director  
Rhonda Moen



# OWATONNA

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DATE: April 14, 2020  
TO: Honorable Mayor and City Council  
FROM: Rhonda Moen, Finance Director  
SUBJECT: Transfer of Funds and Commitment of Fund Balance

**Purpose:**

Request City Council approval of Resolution 52-21 authorizing transfer of funds and commitment of fund balance for future capital needs.

**Background:**

Based on discussions at the City's annual strategic planning session some questions were raised about a funding source for the City's 2021 streetscape project and the future council chamber renovation. The entire management team and their departments worked together in 2020 to manage costs and staff shortages which resulted in a surplus of approximately \$1.5 million. This surplus gives the council the opportunity to transfer a portion of the 2020 surplus to capital project funds to accommodate the two upcoming projects mentioned previously.

As I have been planning the current year bond issue, it was brought to my attention that we cannot use street reconstruction bonds to pay for the extras included in the streetscape project. The funds can only be used for actual street reconstruction. By transferring \$700k to the 2021 capital projects fund, it will resolve that issue and lessen the overall impact on the city's debt service levy.

The council chamber renovation has been being talked about for a few years now and we have been able to set aside over \$200k in funds and we will transfer an additional \$300k to complete the project.

**Budget Impact:**

No impact on the current budget. Lessen the impact on future budgets.

**Staff Recommendation:**

Staff recommends Council approve Resolution 52-21 to transfer and commit a total of \$1 million for the two upcoming capital projects mentioned.

RESOLUTION NO: 52-21

A RESOLUTION AUTHORIZING 2020 TRANSFER OF FUNDS AND  
COMMITMENT OF FUND BALANCE

BE IT RESOLVED by the City Council of the City of Owatonna, Minnesota, that in order to fund the future planned capital projects for Cedar Avenue streetscape and council chamber renovations, the following transfers of funds and commitment of fund balance effective December 31, 2020 is authorized:

<u>Amount</u>	<u>From</u>	<u>To</u>
\$700,000	General Fund	2021 Capital Projects Fund
300,000	General Fund	Capital Projects Fund 405

Passed and adopted this \_\_\_\_ day of \_\_\_\_\_, 2021, with the following vote:

Aye \_\_\_\_; No \_\_\_\_; Absent \_\_\_\_.

Approved and signed this \_\_\_\_ day of \_\_\_\_\_, 2021.

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Thomas A. Kuntz, Mayor

ATTEST:

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Kris Busse, City Administrator/City Clerk