



Legislation Text

File #: Res. 2016-095, **Version:** 1

City Council Meeting Date: September 6, 2016

To: Mayor and City Council
City Administrator

From: Melanie Lammers, Finance Director

Close Fund 461 and transfer residual dollars

Action Requested:

The Northfield City Council approves the attached resolution closing fund 461 and transferring the residual dollars into the General Fund.

Summary Report:

Fund 461 is a temporary capital project fund that was created to house a federal grant for a multi modal crossing project. The project did not progress, and the fund has been inactive for almost two years. There is a residual amount of money (approx. \$421,000) in this fund that is primarily from the General Fund. A proposal was made in 2015 to create a multi modal fund with these dollars to fund pedestrian crossings. The resolution was brought to council the beginning of 2016, it did not progress. The projects that have been funded from General Fund transfers in 2016 and were originally slated for Multi Modal fund monies are:

Hwy 3 pedestrian crossings	\$121,000
Jefferson Pkwy & 246 study	\$ 85,000
<u>Arbor St Crossing</u>	<u>\$141,000</u>
Total 2016 Multi modal projects	\$347,000

After the three projects above, the balance of dollars in the General Fund from the Tiger Grant Fund (461) will be approximately \$74,000. We can designate those dollars for pedestrian safety enhancements or other projects that are directed by council. The designation can be changed by council, but will set aside those funds for projects related to pedestrian safety enhancements. The finance policy committee reviewed the requested action and explored other opportunities (listed below in alternative options) at their August 25th meeting.

A closure of a fund that includes the transfer of funds will require a 5/7 majority vote approval.

Alternative Options:

- a. Do nothing and allow the General Fund to pay for the projects listed above.
- b. Close the fund and transfer the money to the General Fund, but do not designate the excess for anything. The excess would become undesignated fund balance. The resolution would involve the following amendment:

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL THAT:

1. The Tiger Grant Capital Project Fund will be closed. The residual assets (approx. \$421,000), will be transferred to the General fund.
1. Of these dollars, \$74,000 will be restricted for projects involving pedestrian safety enhancements.
2. The Finance Director is hereby directed to record the transactions effective on September 1, 2016.

Financial Impacts:

Not transferring the money from fund 461 to the General Fund will cause our unrestricted fund balance to decrease in 2016, as projects have already been approved by council and are underway.

Tentative Timelines:

Fund 461 should be closed before the end of 2016 to keep on track with the financial planning for the General Fund.