

**TO: MAYOR AND CITY COUNCIL**

**FROM: LANELL ENDRES, ASSISTANT CITY ADMINISTRATOR**

**SUBJECT: ADOPT RESOLUTION AUTHORIZING RELEASE OF ASSIGNED FUND BALANCE FOR LIBRARY AND INTERFUND TRANSFER**

**DATE: DECEMBER 6, 2016**

### **BACKGROUND**

The City Council approved a funding plan for the construction of the new library in 2012. The plan called for the issuance of a ten-year bond using pledges/contributions and City funds to pay the bonds. At that time, the Council directed staff to assign \$260,000 in the General Fund Balance to set aside those funds for a portion of the City's share of the project. The first 5 years of the bond were paid with the pledges and contributions and now the City will need to levy for the remaining 5 years as anticipated. The transfer of the funds will allow the annual levy to be reduced from the original estimated \$84,000 to just under \$42,000. In order to transfer the \$260,000 assigned funds, the Council needs to adopt a resolution authorizing the release of the assigned funds in the General Fund (100) and transfer to the 2012A General Obligation Capital Improvement Bond Fund (526). The resolution authorizing the release and transfer of funds is attached.

### **STAFF RECOMMENDATION AND REQUESTED COUNCIL ACTION**

Staff recommends and respectfully requests Council approve a motion to adopt the resolution authorizing the release of the assigned fund balance amount for the library and an interfund transfer from the General Fund to the 2012A General Obligation Capital Improvement Bond Fund.

Attachment:

Resolution

**CITY OF CANNON FALLS  
GOODHUE COUNTY, MINNESOTA**

**RESOLUTION NUMBER 2245**

**A RESOLUTION AUTHORIZING RELEASE OF ASSIGNED FUND BALANCE FOR  
LIBRARY AND INTERFUND TRANSFER**

**WHEREAS**, the City Council approved and authorized the construction of a new library in 2012; and

**WHEREAS**, the funding plan for the Library included the issuance of bonds with pledges and City funds being used to pay the bonds; and

**WHEREAS**, \$260,000 was assigned in the General Fund Balance in 2012 for a portion of the City share of the project; and

**WHEREAS**, the first five years of the ten-year bond issue was paid by donations; and

**WHEREAS**, the City will need to levy the last five years of the bond issue; and

**WHEREAS**, the transfer of the \$260,000 into the bond fund will be applied to the levy so that the amount will be spread out over the last five years of the bond issue.

**NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF CANNON FALLS,  
MINNESOTA:**

1. The General Fund (Fund 100) Assigned Fund Balance in the amount of \$260,000 will be released and transferred to the 2012A G.O. Capital Improvement Bonds (Fund 526);
2. The transfer will be dated December, 2016 and included in 2016 year-end data.

**ADOPTED BY THE CITY COUNCIL OF THE CITY OF CANNON FALLS THIS 6<sup>th</sup>  
DAY OF DECEMBER, 2016.**

**CITY OF CANNON FALLS**

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Lyman M. Robinson, Mayor

ATTEST: \_\_\_\_\_  
Ronald S. Johnson, City Administrator