

**TO: MAYOR AND CITY COUNCIL**

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

**SUBJECT: INTERFUND TRANSFER & CLOSE FUND**

**DATE: MARCH 21, 2017**

### **BACKGROUND**

In 2013, the City paid for the construction of the turn lane from Highway 20 to the new Olmsted Clinic access road. The financing of the project was to be funded by a portion of the bond proceeds with the 2013 East Side I project and repayment from an assessment agreement with Dr. Karl Molenaar. This project was inadvertently not included with the bond. Since the project was supposed to have been part of the debt for the East Side I project, the assessment payments were coded to the debt fund (Fd 529). In 2016, Dr. Molenaar prepaid the assessments which would allow us to fully fund the construction fund (Fd 401) which has been carried on the books with a negative balance. After discussions with our auditors, I am requesting authorization to reallocate the special assessment revenue received in 2016 in the amount of \$110,019 and to transfer prior year special assessments in the amount of \$27,168.72 from Fund 529 to Fund 401 and to then close Fund 401. These transactions would be effective December 31, 2016.

### **REQUESTED COUNCIL ACTION**

Staff respectfully requests a motion to authorize the reallocation of special assessment revenue in the amount of \$110,019 and a transfer in the amount of \$27,168.72 from Fund 529 (2013A Bonds-East Side I Project) to Fund 401 (Highway 20 Clinic Access Road) and then closing Fund 401 effective December 31, 2016.