

**TO: MAYOR AND CITY COUNCIL**

**FROM: JON RADERMACHER, City Administrator**

**SUBJECT: 2025 Budget Transfers**

**MEETING DATE: December 16, 2025**

**BACKGROUND**

Each year the budget is approved with transfers between funds. In most years those transfers are made without changes as they were originally approved; however, in the review of the 2025 budget, and planning for 2026, a few items were identified for changes to the planned transfer, and correcting of transfers that were mistakenly placed in the wrong fund for specific projects and are no longer needed. Two items of particular note were transfers made in 2021 to the Park Capital Fund, that were intended to be transferred to the Fire Capital Fund and Water Tower Restoration Project. In order to correct these mistakes, I advise transferring the funds to their intended location for Fire Capital, and to discuss options for the Water Tower Restoration Project funds.

Additionally, in evaluating our debt service funds and the future payments it was discovered that budget transfers and audit adjustments were creating excess contributions to the debt service funds of 530, 531, and 533. In reviewing this situation with the Auditors, it was advised for this budget year, not to make the scheduled transfers from the Water (601), Sewer (602) and Storm Sewer (603) funds to those bond funds. We are recommending transferring the amounts originally intended for the debt service funds to the Public Works Capital fund, so those dollars can be used to offset capital purchases in future years, specifically for the purchase of a sewer camera and trailer system, and other equipment.

**STAFF RECOMMENDATION**

See the following table for the recommended options.

**REQUESTED COUNCIL ACTION**

Motion to approve the transfer of funds based on the table provided.

Or

Motion to transfer the funds based on the table and revised changes specified.

From	To	Amount	Comment	From	To	Purpose
215	511	\$ 15,000.00	Budgeted Capital Transfer	Library	Library Cap	Building fund
100	510	\$ 8,400.00	Budgeted Capital Transfer	General	Park Cap	Park equipment
100	509	\$ 8,400.00	Budgeted Capital Transfer	General	Admin Cap	Admin equipment
100	506	\$ 81,500.00	Budgeted Capital Transfer	General	Police Cap	Police vehicles and equipment
100	504	\$ 7,380.00	Budgeted Capital Transfer	General	Street Cap	Street equipment
100	507	\$ 163,000.00	Budgeted Capital Transfer	General	Fire Cap	Tender Truck
100	534	\$ 450,000.00	Municipal Reserve Transfer	General	Municipal Reserve	Street Projects
100	505	\$ 127,000.00	Budgeted Capital Transfer	General	Public Works Cap	Public Works equipment
601	100	\$ 35,000.00	Utility Transfer to General	Water	General	Offset operating expenses
602	100	\$ 35,000.00	Utility Transfer to General	Sewer	General	Offset operating expenses
603	100	\$ 10,000.00	Utility Transfer to General	Storm	General	Offset operating expenses
510	507	\$ 166,500.00	Transferred in error in 2021	Park Cap	Fire Cap	2025 Tender Truck
510	534	\$ 365,000.00	Transferred in error in 2021	Park Cap	Municipal Reserve	To Fund 100-\$100,000 Museum Roof
601	505	\$ 125,133.00	Bond Payment Transfer - Revised	Water	Public Works Cap	undesignated
602	505	\$ 151,650.00	Bond Payment Transfer - Revised	Sewer	Public Works Cap	Sewer Camera
603	505	\$ 46,453.00	Bond Payment Transfer - Revised	Storm	Public Works Cap	Sewer Camera

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

**RESOLUTION NUMBER 2852**

**A RESOLUTION AUTHORIZING BUDGET TRANSFERS  
FOR YEAR-END 2025 CANNON FALLS CITY AUDIT AND REVISED TRANSFERS  
FOR 2025**

**WHEREAS**, the City Council needs a year-end budget transfer to complete the 2025 yearly audit, revise budgeted transfers due to changes in the budgeting process for 2026, and address issues identified in past transfers; and,

**WHEREAS**, in order to complete the accounting, the City needs to complete the following budgeted and revised transfers:

From General Fund 100 to Park Capital Fund 510 for \$8,400  
From General Fund 100 to Admin Capital Fund 509 for \$8,400  
From General Fund 100 to Police Capital Fund 506 for \$81,500  
From General Fund 100 to Street Capital Fund 504 for \$7,380  
From General Fund 100 to Fire Capital Fund 507 for \$163,000  
From General Fund 100 to Municipal Reserve Fund 534 for \$450,000  
From General Fund 100 to Public Works Capital Fund 505 for \$127,000  
From Water Fund 601 to General Fund 100 for \$35,000  
From Sewer Fund 602 to General Fund 100 for \$35,000  
From Storm Water Fund 603 to General Fund 100 for \$10,000  
From Library Fund 211 to Library Capital Fund 510 for \$15,000  
From Water Fund 601 to Public Works Capital Fund 505 for \$125,133  
From Sewer Fund 602 to Public Works Capital Fund 505 for \$151,650  
From Storm Water Fund 603 to Public Works Capital Fund 505 for \$46,453  
From Park Capital 510 to Fire Capital 507 for \$166,500  
From Park Capital 510 to Municipal Reserve Fund 534 for \$365,000; and

**WHEREAS**, funds transferred from Fund 601, 602, 603 to Fund 505 will fund the purchase of equipment not previously budgeted for needed for operations of those utilities, the transfer from Fund 510 to Fund 507 corrects an error for the transfer of funds for the purchase of Fire Department apparatus, and the transfer from Fund 510 to Fund 534 corrects a transfer error, and will reserve \$100,000 for repairs to the Cannon Falls Museum, and the remaining will be reserved for future needs of the City as approved by the City Council.

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

1. From General Fund 100 to Park Capital Fund 510 for \$8,400
2. From General Fund 100 to Admin Capital Fund 509 for \$8,400

3. From General Fund 100 to Police Capital Fund 506 for \$81,500
4. From General Fund 100 to Street Capital Fund 504 for \$7,380
5. From General Fund 100 to Fire Capital Fund 507 for \$163,000
6. From General Fund 100 to Municipal Reserve Fund 534 for \$450,000
7. From General Fund 100 to Public Works Capital Fund 505 for \$127,000
8. From Water Fund 601 to General Fund 100 for \$35,000
9. From Sewer Fund 602 to General Fund 100 for \$35,000
10. From Storm Water Fund 603 to General Fund 100 for \$10,000
11. From Library Fund 211 to Library Capital Fund 510 for \$15,000
12. From Water Fund 601 to Public Works Capital Fund 505 for \$125,133
13. From Sewer Fund 602 to Public Works Capital Fund 505 for \$151,650
14. From Storm Water Fund 603 to Public Works Capital Fund 505 for \$46,453
15. From Park Capital 510 to Fire Capital 507 for \$166,500
16. From Park Capital 534 to Municipal Reserve for \$365,000

**ADOPTED BY THE CITY COUNCIL OF THE CITY OF CANNON FALLS THIS 16<sup>th</sup>  
DAY OF DECEMBER, 2025.**

**CITY OF CANNON FALLS**

---

Matt Montgomery, Mayor

ATTEST: \_\_\_\_\_  
Jon Radermacher, City Administrator