



City of Grand Island

Tuesday, January 26, 2010

Council Session

Item G10

#2010-31 - Approving Transfer from the General Fund to the Debt Service Fund

Staff Contact: Mary Lou Brown

Council Agenda Memo

From: Mary Lou Brown, Finance Director

Meeting: January 26, 2010

Subject: Transfer from the General Fund to the Debt Service Fund

Item #'s: G-10

Presenter(s): Mary Lou Brown, Finance Director

Background

Attached is the City of Grand Island Cash Position Report as of December 31, 2009. The far right column has been added to track the Net Assets position of each Fund and Function. Based on the Net Assets detail on this report, it is necessary to transfer funds from the General Fund to the Debt Service Fund.

Net Assets is the calculation of Total Assets less Total Liabilities and is used to determine if a Fund is negative and not the cash balance according to the Nebraska State Auditor's office. Receipts in the Debt Service Fund come from property tax receipts; the disbursements are for the City's bond principal, interest and fee payments.

This Fund's Net Assets became negative during the month of December. The City made several bond principal, interest and fee payments during the month of December. The timing of the property tax receipts is not correlated with the disbursements and thus the Fund has the negative Net Assets balance.

Discussion

The solution to the negative Net Assets for the Debt Service Fund is the following:

Fund the negative Net Assets balance

The Net Assets balance as of 12/31/09 is \$(90,880). Additional property tax receipts will be received between now and the time of the next bond payments. Prior to the next disbursements, a calculation will be done to determine if any additional transfer from the General Fund is necessary. Since there will not be any additional disbursement activity for several months, the transfer amount should be the minimum required to return the Net Assets to a positive status. The transfer is recommended at a level of \$91,000.00.

With this action, there is resolution with Nebraska Budget Act 13-510 which states, “Whenever during the current fiscal year or biennial period it becomes apparent to a governing body that due to unforeseen emergencies there is temporarily insufficient money in a particular fund to meet the requirements of the adopted budget of expenditures for that fund, the governing body may by a majority vote, unless otherwise provided by state law, transfer money from other funds to such fund.”

Alternatives

It appears that the Council has the following alternative concerning the issue at hand. The Council may:

Transfer money from the General Fund (Fund 100) to the Debt Service Fund (Fund 310) in the amount of \$91,000 to eliminate the negative Net Assets balance.

Recommendation

City Administration recommends that the Council approve the transfer of \$91,000 from the General Fund (Fund 100) to the Debt Services Fund (Fund 310) to eliminate the negative Net Assets balance.

Sample Motion

Move to approve the transfer of \$91,000 dollars from the General Fund (Fund 100) to the Debt Services Fund (Fund 310).

CITY OF GRAND ISLAND

CASH POSITION

December 31, 2009

	<u>BALANCE</u> <u>9/30/2009</u>	<u>SOURCES</u>	<u>USES</u>	<u>BALANCE</u> <u>12/31/2009</u>	<u>BALANCE</u> <u>12/31/2008</u>	<u>INCREASE</u> <u>(DECREASE)</u>	<u>BUDGET</u> <u>9/30/2010</u>	<u>INCREASE</u> <u>(DECREASE)</u>	<u>NET</u> <u>ASSETS</u>
GENERAL FUND	5,756,927	9,062,674	12,216,267	2,603,334	3,162,374	(559,040)	4,180,504	(1,577,170)	283,393,920
excludes State Fair Bldg transactions									
Library Trust	26,493	5,522	-	32,016	23,845	8,171	31,124	892	32,016
Cemetery Trust	481,994	22,435	-	504,429	460,405	44,024	500,579	3,850	519,955
TOTAL PERMANENT FUNDS	508,487	27,958	-	536,445	484,250	52,195	531,703	4,742	551,971
Gas Tax	2,393,139	905,835	943,779	2,355,195	2,370,882	(15,687)	206,035	2,149,160	2,710,455
Enhanced 911	463,974	22,000	16,243	469,731	320,268	149,463	468,195	1,536	635,067
Keno	39,438	59,907	-	99,345	45,231	54,113	37,288	62,057	119,975
Community Youth Council	71,194	2,398	815	72,777	72,702	75	57,949	14,828	73,202
Revolving Loan	75,022	4,715	588	79,150	18,771	60,379	9,052	70,098	419,626
Economic Development	974,447	755,712	972,500	757,659	695,734	61,925	487,593	270,066	1,216,826
Homestead Loans	85,628	6,076	27	91,677	112,329	(20,653)	4,032	87,645	487,244
Community Development	282	625	32,119	(31,211)	(21,011)	(10,200)	3,735	(34,946)	1,701,953
Community Grants	74,356	105,048	199,080	(19,676)	91,956	(111,632)	78,480	(98,156)	438,996
Police Grants	42,789	35,601	22,273	56,116	44,125	11,992	28,953	27,163	64,541
Parking District #1	88,361	37,464	8,514	117,311	121,393	(4,081)	35,038	82,273	358,756
Parking District #2	143,640	5,754	3,587	145,806	139,953	5,853	75,118	70,688	236,391
Backflow	(15,217)	16,306	18,863	(17,774)	(13,356)	(4,418)	(43,109)	25,335	(10,682)
Local Assistance	91,184	7,500	1,864	96,820	105,315	(8,495)	87	96,733	100,143
TOTAL SPECIAL REVENUE FUNDS	4,528,235	1,964,942	2,220,251	4,272,926	4,104,292	168,634	1,448,446	2,824,480	8,552,493
DEBT SERVICE FUND	92,002	252,073	625,690	(281,615)	449,145	(730,760)	160	(281,775)	(90,880)
Capital Projects	294,450	1,921,096	1,126,936	1,088,609	24,769	1,063,840	12,282	1,076,327	8,858,289
Special Assessments	274,304	39,260	1,500	312,064	590,214	(278,150)	398,720	(86,656)	1,333,248
TOTAL CAPITAL PROJECT FUNDS	568,754	1,960,356	1,128,436	1,400,674	614,984	785,690	411,002	989,672	10,191,537

CITY OF GRAND ISLAND

CASH POSITION

December 31, 2009

	<u>BALANCE</u> <u>9/30/2009</u>	<u>SOURCES</u>	<u>USES</u>	<u>BALANCE</u> <u>12/31/2009</u>	<u>BALANCE</u> <u>12/31/2008</u>	<u>INCREASE</u> <u>(DECREASE)</u>	<u>BUDGET</u> <u>9/30/2010</u>	<u>INCREASE</u> <u>(DECREASE)</u>	<u>NET</u> <u>ASSETS</u>
Solid Waste	7,634,866	694,269	544,096	7,785,039	7,439,818	345,221	7,518,881	266,158	8,858,289
Golf Course	(213,302)	54,806	126,208	(284,704)	(296,393)	11,689	(240,320)	(44,384)	(135,323)
Electric Utility	28,406,448	25,653,250	26,311,959	27,747,738	25,369,132	2,378,606	15,509,000	12,238,738	148,498,895
Water Utility	2,772,717	2,224,990	1,596,191	3,401,516	3,716,911	(315,395)	953,370	2,448,146	43,610,142
Wastewater Utility	11,432,643	2,569,031	2,295,711	11,705,963	11,071,301	634,662	4,481,615	7,224,348	52,091,953
TOTAL ENTERPRISE FUND	50,033,332	31,196,346	30,874,165	50,355,553	47,300,770	3,054,783	28,222,546	22,133,007	252,923,956
Information Technology	146,370	622,327	184,877	583,820	461,612	122,208	8,384	575,436	864,219
Fleet Services	55,446	458,671	338,921	175,197	177,967	(2,771)	(32,473)	207,670	530,327
General Insurance	6,165,290	2,584,535	1,305,841	7,443,983	6,482,551	961,432	5,953,414	1,490,569	5,925,583
Equipment Reserve	312,489	26,755	-	339,244	277,867	61,377	136,406	202,838	339,244
TOTAL INTERNAL SERVICE FUND	6,679,595	3,692,288	1,829,640	8,542,243	7,399,997	1,142,246	6,065,731	2,476,512	7,659,373
Cafeteria Plan	55,929	124,342	124,367	55,904	46,622	9,282	31,213	24,691	55,904
Other Agencies	124,856	104,152	123,169	105,839	119,526	(13,687)	141,932	(36,093)	87,961
BID Assessments	920	188,640	185,922	3,639	59,863	(56,224)	-	3,639	12,069
Police and Fire Pension	(45,143)	74,791	44,283	(14,635)	(92,388)	77,754	-	(14,635)	(1,528,728)
Police Reserve	177,463	4,925	112,357	70,031	191,177	(121,146)	88,913	(18,882)	70,031
Fire Reserve	6,106,593	315,746	665,390	5,756,949	5,809,615	(52,666)	3,678,438	2,078,511	3,586,977
TOTAL FIDUCARY FUND	6,420,618	812,597	1,255,489	5,977,727	6,134,415	(156,688)	3,940,496	2,037,231	2,284,214
TOTAL ALL FUNDS	74,587,951	48,969,233	50,149,937	73,407,286	69,650,227	3,757,060	44,800,588	28,606,698	565,466,584

RESOLUTION 2010-31

WHEREAS, the Debt Service Fund meets the definition of a Fund for Nebraska Budget Act 13-510; and

WHEREAS, the Debt Service Fund as of December 31, 2009 has a negative Net Assets balance; and

WHEREAS, Nebraska Budget Act 13-510 allows for the transfer of money from other funds to such fund in which there is temporarily insufficient money to meet the requirements of the adopted budget of expenditures; and

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that:

The Finance Director is hereby authorized and directed to transfer \$91,000 from the General Fund to the Debt Service Fund to provide adequate money to meet the requirements of the adopted budget of expenditures for that Fund.

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Adopted by the City Council of the City of Grand Island, Nebraska, January 26, 2010.

Margaret Hornady, Mayor

Attest:

RaNae Edwards, City Clerk