



# City of Blaine Anoka County, Minnesota

Blaine City Hall  
10801 Town Sq Dr NE  
Blaine MN 55449

## Legislation Text

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**File #:** RES 21-228, **Version:** 1

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**Administration** - *Joe Huss, Finance Director/Asst. City Manager*

### **Title**

### **Amend 2021 General Fund Budget & Authorize Transfer of Unrestricted Reserves to Capital Budgets**

### **Executive Summary**

Pursuant to direction upon adoption of the 2021 Budget and the City's Fund Balance Policy, Council is requested to amend the 2021 budget and authorize the transfer of unrestricted General Fund reserves to various funds

### **Background**

As part of the 2021 budget process, appropriations were made that were consistent with the best information available at the time of budget adoption in December 2020. All amendments proposed herein require only a reallocation of appropriated funds within departments to accomplish the budget amendments.

The resolution also authorizes the re-appropriation of unrestricted General Fund reserves to the Capital Equipment Fund. Annually, once the accounting books are closed for the prior year and the City's annual financial audit is complete, Council will authorize the transfer of available unrestricted reserves to certain programs.

Upon adoption of the 2021 Capital Equipment Budget, Council authorized the transfer of unrestricted General Fund reserves to the Capital Equipment Fund for the purchase of equipment in 2021. Pursuant to the report provided to Council, staff is requesting \$2,000,000 be transferred from unrestricted General Fund reserves to the Capital Equipment Fund to fund the purchase of approved 2021 capital equipment.

Additionally as reported to Council in March of this year, there remains \$4.2 million in unrestricted General Fund reserves. As discussed previously with Council, staff recommends transferring the remaining unrestricted reserves into the Strategic Priorities Fund where the funds would remain until their use is approved by a vote of the Council.

### **Strategic Plan Relationship**

The proposed action supports the City strategic initiative of financial stability in that it reflects a deliberative process wherein financial resources are allocated based on priorities established by the City Council.

### **Board/Commission Review**

No Board or Commission review required.

### **Financial Impact**

Amending the budget ensures that the City is providing no more than the necessary resources to fund the activities, programs, and initiatives of the 2021 budget as adopted and amended by the City Council. Additionally, the transfer of unrestricted reserves to fund the purchase of capital equipment provides a cost-effective solution and limits the need for the City to finance the purchase of capital equipment.

#### Public Outreach/Input

None required

#### Staff Recommendation

Adopt the resolution below that amends the 2021 General Fund Budget and authorizes the transfer of unrestricted General Fund reserves.

#### Attachment List

None

**WHEREAS**, Sound budgeting principles promote appropriating necessary funds required to accomplish approved objectives; and

**WHEREAS**, Sound budgeting principles also promote providing for contingencies and unforeseen emergencies so as to not prevent objectives from being met; and

**WHEREAS**, Appropriations were made in 2021 sufficient for anticipated activity; and

**WHEREAS**, actual activity and evolving priorities have resulted in expenditures exceeding budgeted appropriations in certain divisions within the General Fund; and

**WHEREAS**, actual activity and evolving priorities have resulted in a surplus of appropriations in certain other divisions within the General Fund;

**NOW THEREFORE BE IT RESOLVED** that the City Council of Blaine amends the 2021 General Fund Budget, and authorizes the City Manager to implement these amendments in the budget as follows:

- Administration Department
  - Reallocate \$28,000 from Public Services Full-time Regular Wages, 101.50.500.501-4101 to:
    - HR Administration FT Regular Wages, 101.20.260.261-4101 (\$22,000)
    - HR Comp & Benefits FT Regular Wages, 101.20.260.262-4101 (\$6,000)
- Finance Department
  - Reallocate \$68,000 from Finance Administration Salaries 101.30.300.301-4101 to:
    - Accounting Salaries, 101.30.300.302-4101, \$10,000
    - Purchasing/AP Salaries, 101.30.300.303-4101, \$3,000
    - Budget Management Salaries, 101.30.300.306-4101, \$25,000
    - Information Technology Salaries, 101.30.330.331-4101, \$30,000
  - Reallocate \$8,000 from Finance Administration, Contractual Services 101.30.300.301-4399 to:
    - Accounting, Professional Services, 101.30.300.302-4301
- Public Safety/Police Department,
  - Reallocate \$225,000 from the Special Operations Division, Salaries 101.40.460.463-4101 to:
    - Patrol Division, Salaries, 101.40.460.462-4101
- Public Safety Department, Community Standards Division

- Reallocate \$25,800 from Housing Services Division, Salaries, 101.40.490.494-4101, to:
  - Community Standards Administration Salaries
    - \$7,200 - 101.40.490.491-4101
  - Community Standards Fire Inspections Salaries
    - \$16,000 - 101.40.490.492-4101
  - Community Standards Neighborhood Services Salaries
    - \$2,600 - 101.40.490.493-4101
- Public Works Department
  - Reallocate \$15,000 -  
From Streets Maintenance, Salaries, 101.50.530.533.5305-4101 to:  
Parks Maintenance Salaries, 101.50.530.534-4101
  - Reallocate \$20,000 -  
From Streets Maint Contractual services, 101.50.530.533.5305-4345 to:  
Parks Maintenance Contractual services, 101.50.530.534-43991

**BE IT FURTHER RESOLVED** that the City Council of Blaine amends the 2021 General Fund Budget for the transfer of unrestricted reserves to the Capital Equipment Fund and authorizes the transfer of such funds as follows:

- For Transfer of Available Unrestricted Reserves
  - \$2,000,000 - Operating transfer 101.00.000.000-4914 to Equipment Fund (410.00.000-3911)
  - \$4,200,000 - Operating transfer 101.00.000.000-4914 to Strategic Priorities Fund (250.00.000-3911)

**PASSED** by the City Council of the City of Blaine this 6<sup>th</sup> day of December, 2021.